



# Activities Report

For the Period Ending 30 September 2009



ASX Code: SHE

**Stonehenge Metals Limited** is an exploration company formed in 2006 to explore a portfolio of prospective tin, nickel and zinc exploration projects.

**The Stonehenge Nickel and Base Metals Project** has potential to host significant nickel and base metals deposits in close proximity to Allegiance Mining NL's Avebury Nickel Mine and Creat Resources Limited's Comstock Zinc Operations. An initial Inferred Resource of **287,600 tonnes at 2.8% zinc, 1.5% lead and 31g/t silver** is established at the Sunshine lease.

Stonehenge's **Federation Tin Project** covers a number of tin bearing lodes in the South Heemskirk Tin Field and includes the Sweeney's Inferred Resource of 562,000t at 0.5% tin, 1.4% zinc and 36 g/t silver containing 2,869 tonne of tin, 8,000 tonnes of zinc and 657,000 ounces of silver.

## Overview

During the quarter, Stonehenge Metals Limited (ASX: SHE) undertook limited field exploration activity on its Tasmanian properties due to poor weather conditions and in order to conserve the Company's funds. The Company has focused its effort during the quarter on the evaluation of historical data and continuing to define the most effective development and exploration strategy for its Tasmanian projects.

Stonehenge announced the divestment of the Heemskirk Tin Project. The divestment will enable the Company to continue to focus effort on its exploration activities on the promising base metal targets on the Stonehenge (EL17/2003) and Sunshine (20M/2001) tenements and on tin and tungsten mineralisation at the Federation (EL31/2002) tenement.

In addition the company has continued to actively review new project opportunities across a range of commodities and geographies.

## Operations and Exploration

The Company suspended processing operations at the Heemskirk gravity tin plant in November 2008. The plant remains on care and maintenance. Stonehenge reached agreement for the sale of the Heemskirk Tin mining and processing operation to McDermott Mining Pty Ltd ("McDermott Mining"). The transfer of the Heemskirk Tin mining and processing operation to McDermott Mining is now subject only to approval of the tenement transfers by The Department of Infrastructure, Energy and Resources in Tasmania (MRT).

A review of all current and historical exploration information covering the Company's tenements in Tasmania has been conducted. Further exploration targets have been delineated, with a particular emphasis on the resource areas at the Stonehenge (see Figure 1 overleaf) and Federation projects. Planning and budgeting for field sampling programs has been finalised, with field work to examine structural and geochemical targets scheduled to commence during the December quarter.

A comprehensive desktop evaluation was conducted across the Stonehenge tenement in order to define both extensions to known mineralisation and greenfields targets. Data from historical exploration reports was integrated into a regional geological model to attain a further understanding of the controls on mineralisation. In total nineteen targets (see Figure 2 overleaf) have been defined by this evaluation. Each of the identified targets will be field verified, mapped and sampled. Follow-up drilling will be considered subsequent to field validation.

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Figure 1 – Exploration Targets at Stonehenge Tenement (EL17/2003)

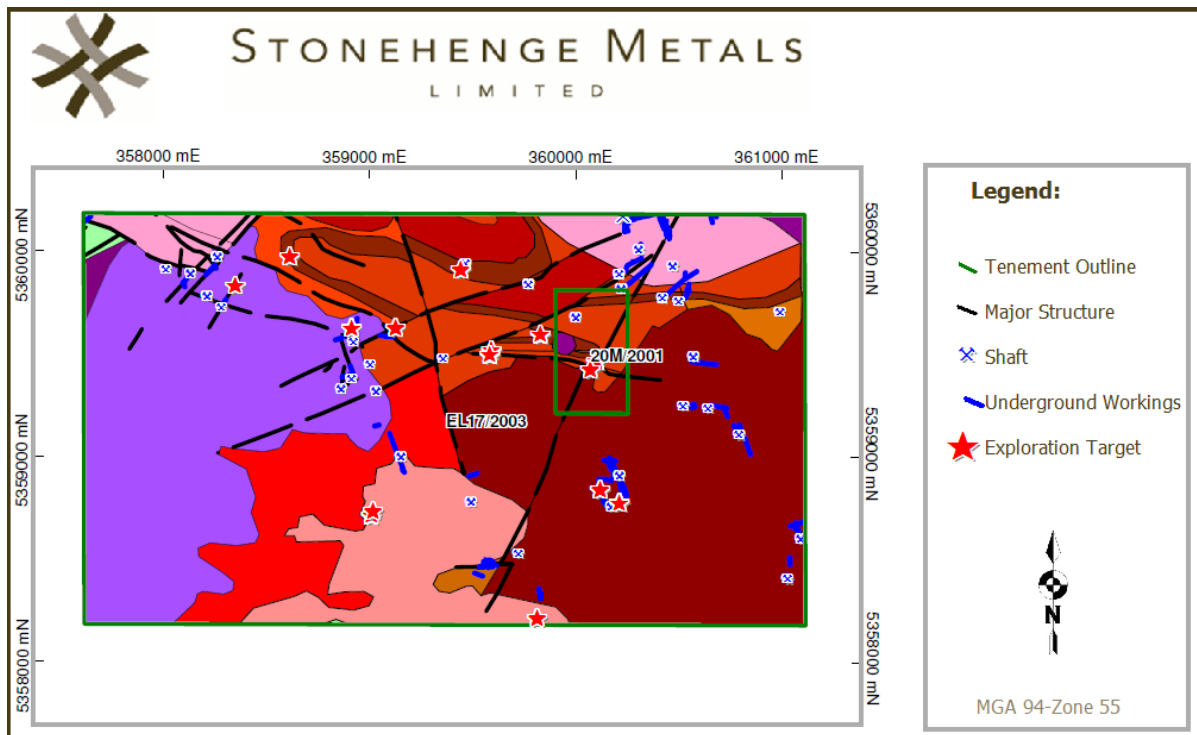


Figure 2 - Identified Anomalies-Stonehenge Project

Sample	Sample Type	East_MGA94	North_MGA94	Cu %	Pb %	Zn %	Ag g/t
479	Soil	358238	5359653	0.20	0.04	0.01	
611	Soil	358503	5359796	0.21	10.40	0.08	
676	Soil	358802	5359448	0.27	0.03	0.00	
755	Soil	359016	5359450	0.81	0.17	0.03	
789	Soil	358905	5358559	0.04	1.20	1.94	
790	Soil	358896	5358536	0.05	1.70	1.15	
834	Soil	359332	5359734	0.22	0.25	0.00	
2068	Soil	360007	5358664	0.00	2.38	0.01	
7952	Stream.sed	359700	5358040	0.02	1.04	4.87	
3190587	Wacker	360100	5358600	0.02	1.61	21.00	50
3190588	Wacker	360100	5358600	0.02	0.14	12.70	14
3190589	Wacker	360100	5358600	0.02	6.54	7.56	120
3190590	Wacker	360100	5358600	0.08	0.11	32.00	46
3308025	Wacker	359960	5359250	0.09	1.76	57.00	197
3308026	Wacker	359960	5359250	0.03	3.40	23.30	75
3308028	Wacker	359990	5359290	0.04	2.28	28.70	124
3529895	Stream.sed	355800	5357575	0.01	0.01	0.01	1
3529896	Stream.sed	355800	5357600	0.01	0.01	0.02	1
5468308	Rock chips	359718	5359419	0.10	9.63	9.65	106



STONEHENGE METALS  
LIMITED

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While targets have been identified in several project areas in Tasmania, the Company also continues to review new project opportunities to diversify its geographical & commodity focus.

## Corporate

On 11<sup>th</sup> June 2009 the Company announced a non-renounceable pro rata entitlements issue to shareholders for the issue of up to 64,797,617 new shares at an issue price of 1.5 cents per share on the basis of one new share for every one existing share held to raise \$971,964 before issue costs. Proceeds from the Issue are to be applied to support continued exploration of the Company's tenements in Tasmania, fund the continuing review of new opportunities, increase general working capital, and fund the costs of the offer. The Company issued 39,238,015 new shares to subscribers on 16 July 2009 & on 29 September 2009 Company issued 25,559,602 shortfall shares.

At a general meeting on 12<sup>th</sup> October 2009 the Company also sought and received shareholder approval to place 50,000,000 new shares at 1.5 cents p/share and an additional 50,000,000 new SHE shares priced at a 20% discount to the VWAP for the 5 traded days prior to the placement.

## Tenement Schedule as at 30 September 2009

<i>Project Name</i>	<i>Tenement Number</i>	<i>Area</i>	<i>Expiry Date</i>	<i>Registered Holder</i>	<i>Stonehenge Interest</i>
Granville Leases/ Twelve Mile Creek - Granville East, Central Big H, North Heemskirk Alluvial, Heemskirk Tin Mill	21M/2003	68 ha	05-Mar-09	SHE	100% subject to 100% transfer to McDermott Mining
Granville East Extended Lease	9M/2006	10 ha	09-Oct-11	SHE	100% subject to 100% transfer to McDermott Mining
Federation/ Cumberland Lake	EL31/2002	7 km <sup>2</sup>	18-Dec-09	SHE	100%
Sunshine/ McLean Creek Lease	20M/2001	21 ha	10-Mar-09 (extension application submitted)	SHE	100%
Stonehenge Creek	EL17/2003	7 km <sup>2</sup>	09-Jul-10	SHE	100%
Interview	EL12/2007	80 km <sup>2</sup>	07-Nov-12	SHE	100%
Heemskirk Extended Mining Lease Application	1M/2009	22 ha	N/A	SHE	100% subject to grant

*Information in this document that relates to Mineral Resources and exploration results is based on information compiled by Mr David Hamlyn of Resourserve Pty Ltd (ACN 131 161 414) which provides geological consulting services to Stonehenge Metals Limited. Mr Hamlyn is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hamlyn consents to the inclusion in the document of the information in the form and context in which it appears.*