



12 June 2009

ASX Code: SHE

Dear Shareholder

**PARTICIPATION IN PRO-RATA NON-RENOUNCEABLE RIGHTS ISSUE**

**Overview**

Stonehenge Metals Limited ("SHE" or "the Company") wishes to announce a new pro-rata entitlement share issue.

SHE invites shareholders who are registered at 5.00pm WGST on Monday, 22 June 2009 ("**Registered Shareholders**" at the "**Record Date**") to participate in a pro-rata non-renounceable rights issue on the basis of one (1) fully paid ordinary new share in the Company ("**Shares**") for every one (1) Share held, at an issue price of 1.5 cents per Share ("**Rights Issue**"). The closing price of Shares on the ASX on 10 June 2009 was 2.6 cents.

The Rights Issue will result in the issue of up to approximately 64,797,617 new Shares ("**Rights Issue Shares**") and if fully subscribed will raise up to approximately \$971,964 before costs of the offer if fully subscribed. The Rights Issue may be increased to a total of 96,051,265 new Rights Issue Shares if holders of all existing eligible listed and unlisted options exercise those options & are issued Shares on or prior to the Record Date.

Pursuant to provisions introduced into the Corporations Act 2001 ("Act") in 2007 (Section 708AA), the Company is not required to prepare a prospectus for the Rights Issue. However further information regarding the effect of the Rights Issue and a copy of the notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth) will be mailed to Registered Shareholders together with the Entitlement and Acceptance Form. Shareholders may view the Company's ASX releases at [www.asx.com.au](http://www.asx.com.au) (ASX code: SHE) and extensive information on the Company and its projects (including ASX releases) at [www.stonehengemetals.com.au](http://www.stonehengemetals.com.au).

**Underwriting, use of proceeds and timetable**

The Rights Issue is not underwritten. Proceeds from the Rights Issue will be applied to:

- I. support continued exploration of the Company's tenements in the Tasmania;
- II. enable the Company to fund the continuing review of new opportunities;
- III. increase general working capital; and
- IV. fund the costs of the offer.

The Rights Issue is proposed to be conducted according to the following indicative timetable:

Announcement of Offer. Appendix 3B.	11 June 2009
Lodgement of Offer Document & Section 708AA (2) (f) Notice.	12 June 2009
Notice to Shareholders & Option holders.	12 June 2009
Ex Date.	16 June 2009
Rights Issue Record Date.	22 June 2009
Dispatch of Offer Document and Entitlement & Acceptance Forms. Rights Issue opens.	25 June 2009
Rights Issue closes.	10 July 2009
Shares quoted on a deferred settlement basis.	13 July 2009
Notification of under subscriptions.	13 July 2009
Allotment of Rights Issue Shares & dispatch of holding statements.	16 July 2009

All of the abovementioned dates are indicative only and may be subject to change. The Company reserves the right to amend this timetable including, subject to the Corporations Act 2001 and the ASX Listing Rules, to extend the closing date.

As soon as practicable following the Record Date (currently expected to be on or about Monday, 22 June 2009), SHE will dispatch an Offer Document and also a personalised Entitlement and Acceptance Form to Registered Shareholders. If you are eligible and wish to participate in the Rights Issue, it will be necessary for you to complete this personalised Entitlement and Acceptance Form and return it, with the appropriate application monies to the companies share registry before 5.00pm WDST on the anticipated closing date of Friday, 10 July 2009.

If you have any questions in relation to the Rights Issue, please do not hesitate to contact the Company on (08) 9481 2277

Jay Stephenson  
**Company Secretary**