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The Manager, Company Announcements Office
ASX Limited
Exchange Centre,
20 Bridge Street, Sydney NSW 2000

STONEHENGE TO ACQUIRE ADVANCED URANIUM PROJECTS IN SOUTH KOREA

- Stonehenge has entered into an agreement to acquire 100% of Chong Ma Mines Inc which holds the rights to 4 South Korean uranium projects (Uranium Projects)
 - Consideration is comprised of 10m Stonehenge shares plus 60m Stonehenge performance shares with A\$3m to be spent on work commitments & purchase payments over 24 months including up to A\$150k of expenses reimbursement
 - The Uranium Projects comprise 42 granted mining rights & 14 mining right applications
 - 56¹ million lbs (Mlb) U₃O₈ at an average grade of 292 ppm have been estimated at the Uranium Projects by the Korean Institute of Energy and Resources in a 1986 report
 - The largest of the Uranium Projects, Daejon, contains 52¹ Mlb of U₃O₈ over 6kms of strike in a shallow deposit with open pit mining potential
 - Potential exists for a rapid resource upgrade to JORC compliant status through evaluation of an existing 264 drill hole database which contains details from 36,293 meters of core
 - A JORC compliant resource estimate and independent geological report has been commissioned from "Hellman & Schofield" and "Watts, Griffis and McQuat"
 - South Korea currently imports 100% of its 3,500 tonnes (7.7 Mlb) per annum U₃O₈ requirements with 20 nuclear power plants operating and 8 more plants expected to come on line during the period from 2010 to 2016
 - Uranium production is planned by the Korean Resources Corporation (KORES) on the adjoining 22 Mlb "Gumsan" deposit along strike to the south from Daejon
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The Directors of Stonehenge Metals Limited (**Stonehenge, SHE** or the **Company**) are pleased to advise that the Company has entered into an acquisition agreement (**Acquisition Agreement**) with Yellow Sun Mines (Operations) Pty Ltd (**Yellow Sun**) to acquire 100% of Yellow Sun's wholly owned Korean subsidiary, Chong Ma Mines Inc (**Chong Ma**). Chong Ma holds the rights to 4 uranium projects comprised of 42 granted mining rights and 14 uranium mining right applications (together the **Uranium Projects**) in South Korea.

The Uranium Projects contain **56¹ million pounds** of uranium oxide (at an average grade of 292 ppm U₃O₈) as determined by the Korean Institute of Energy and Resources (**KIER**) in a 1986 published report. KIER conducted significant exploration on the Uranium Projects from 1974 to 1985 (including 264 diamond drill holes totalling 36,293 meters of drill core).

¹ All statements referring to U₃O₈ resources were estimated in a report titled "Studies on Uranium Geophysical exploration in Korea", compiled by the Korean Institute of Energy and Resources (**KIER**) dated 1986 and based on exploration drilling undertaken by KIER from 1974 to 1985. The exploration results and subsequent resource reports have been reviewed by Mr Christopher Sennitt and Mr Sennitt believes that the work conducted is of high standard and it is considered that these estimates provide an indication as to the potential of the Uranium Projects however they should not be considered to represent Mineral Resources classified in accordance with the JORC code.

The directors believe that this historical exploration provides a solid foundation to rapidly upgrade the existing historical foreign uranium resource estimates to JORC compliant status ahead of a mining feasibility study.

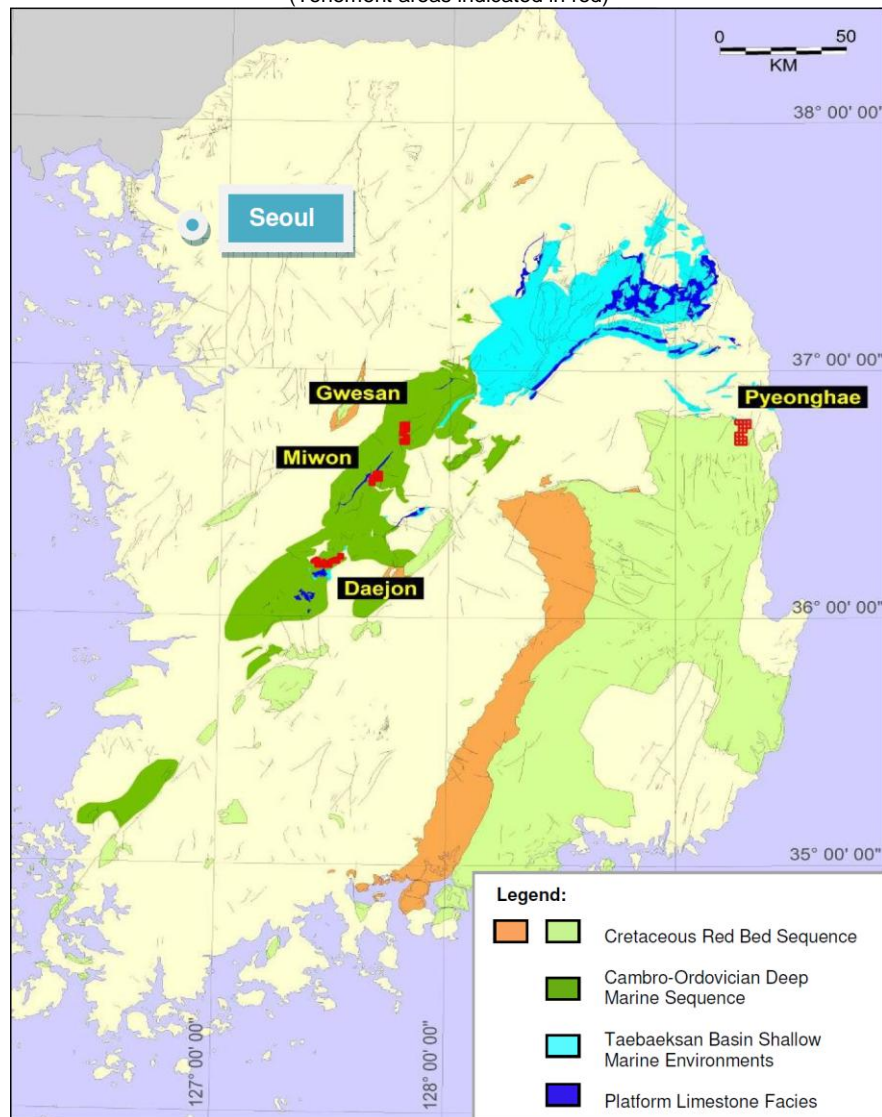
The Uranium Projects comprise granted mining rights and mining right applications as follows:

Table 1: South Korean Uranium Projects

Project	Granted Mining Rights	Mining Right Applications	Area (hectares)	Tonnes (millions)	Grade U ₃ O ₈ (ppm)	Holes and metres	Contained U3O8 (Mlb)*
Daejon	11	2	5,639 6 km strike	83.40	289	233 holes for 31,807 m	52.96
Gwesan	8	2	6,116	2.64	384	19 holes for 2,695 m	2.21
Miwon	6	6	4,092	1.67	340	12 holes for 1,791 m	1.25
Pyeonghae Option Property	17	4	11,552				
TOTALS	42	14	27,399	87.71	292	264 holes for 36,293 m	56.42

*(KIER Resource Report 1986)

Figure 1: South Korean Uranium Projects Location Map
(Tenement areas indicated in red)



The Directors are of the opinion that the Uranium Projects present a near term opportunity for development due to South Korea's high dependence on imports of U₃O₈ and robust prices for uranium combined with increasing worldwide demand for nuclear power. The projects also hold significant potential for economic quantities of Vanadium and Molybdenum.

The acquisition of the Uranium Projects will occur by Stonehenge acquiring 100% of Chong Ma which holds the rights to the Uranium Projects.

The commercial terms of the acquisition, which is subject to Stonehenge shareholder approval, include the issue of 10 million SHE ordinary shares & 60 million SHE performance shares. The performance shares are broken into seven distinct classes with milestones for conversion. The shares will all be issued at completion of the Acquisition Agreement (**Completion**) and escrowed for a minimum of 1 year from their date of issue or conversion into ordinary shares. The performance shares convert to ordinary shares on a "1 for 1" basis upon achievement of various milestones involving independent delineation, classification and reporting of mineral resources in accordance with the JORC Code, completion of a feasibility study, a decision to mine, securing a joint venture and / or financing and entering into an off-take arrangement.

In accordance with the terms of the Acquisition Agreement, Stonehenge is required to advance A\$110,000 to Yellow Sun at Completion and to make further staged cash payments totalling US\$800,000 until 17 July 2011 which together with the consideration shares will result in Stonehenge holding 100% ownership, rights & title to the Daejon, Gwesan & Miwon deposits. 100% of the Pyeonghae Option Property can be secured via the payment of a final US\$350,000 prior to 17 July 2012. These purchase payments can be made early at Stonehenge's election and are included within the agreed A\$3m minimum work commitments.

Pursuant to the Acquisition Agreement Stonehenge has committed to spend A\$3m in work commitments and purchase payments (described above) on the Uranium Projects within 24 months post Completion. The Company has also agreed to pay an introduction fee of 10 million Stonehenge shares, plus reimbursement of up to A\$100,000 in expenses, to King Resources Pty Ltd for introducing and facilitating the acquisition.

The Board is pleased to advise that Mr Christopher Sennitt and Mr Kim Wan Joong will be contracted to manage the Uranium Projects. Mr Sennitt and Mr Kim Wang Joong are directors and shareholders of Yellow Sun and Chong Ma and have extensive Korean resource sector experience. Mr Sennitt has managed multi-commodity exploration programs throughout Asia and Australia over the past 28 years having worked previously with Indochina Goldfields Ltd (Ivanhoe Mining Ltd), Oriental Minerals Inc, Silk Road Resources Ltd, Battle Mountain Australia Inc, CSR Limited and Korean Minerals Group Inc. Mr Kim Wang Joong has over 15 yrs of experience in exploration & mining in South Korea and was instrumental in discovery of the Eunsan & Moisan gold deposits for Indochina Goldfields Ltd (Ivanhoe Mining Ltd).

For further information visit www.stonehengemetals.com.au or contact:

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Information in this announcement that relates to Mineral Resources and exploration results is based on information compiled by Mr Christopher Sennitt of Senlac Geological Services Pty Ltd (2009) (ACN 010 677 595) which provides geological consulting services to Stonehenge Metals Limited. Mr Sennitt is a Member of The Australian Institute of Geoscientists 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 Sennitt consents to the inclusion in the document of the information in the form and context in which it appears.

SOUTH KOREA, URANIUM PROJECTS & ACQUISITION SUMMARY

Country Background

South Korea is located on the southern half of the Korean Peninsula, strategically located in the North Asia region, with China to the west and Japan to the east. Covering an area of 99,313 square kilometres, the country has a population of over 48 million; of which 17 million live in the capital Seoul. South Korea currently imports most of its raw materials and all of its energy requirements.

An independent state with a stable democratically elected government, South Korea has strong ties with the United States which maintains a strong military presence in the country.

The country is now the world's 10th largest economy, having developed rapidly since the end of the Korean War. Major industries include electronics, telecommunications, automobile production, chemicals, steel and ship building. It is the third largest economy in Asia and is a key trading partner with Canada and Australia. A Free Trade Agreement is currently being negotiated with Australia.

South Korea has experienced rapid growth of its urban centres and now has excellent infrastructure with modern expressways and road networks, high speed rail links, modern ports and international airports. It is one of the world's most technologically advanced and digitally-connected countries.

The Country has well-established workable mining laws, with 100% foreign ownership of mining rights permitted, and no royalty regime. The corporate tax rate is 25% and the corporate legal system is largely based on American laws. There is a trained, highly skilled mining workforce available which has developed through widespread quarrying activities, although only a few metalliferous mines are currently in production.

Nuclear Power Industry in South Korea

Nuclear power accounts for 45% of South Korea's electrical generating capacity with 20 nuclear power plants currently in operation. There are 4 additional nuclear power plants under construction, with some 30 plants expected to be operational by 2030 supplying 60% of the country's electrical needs. The nuclear power plants are operated by Korea Hydro & Nuclear Power supplying the national grid operated by Korea Electrical Power Company (KEPCO). Korea currently requires about 3,500 tonnes of U₃O₈ per annum sourced principally from Australia, Canada and Kazakhstan.

Previous Exploration

Previous exploration for uranium in South Korea during 1975 to 1985 by the *Korea Institute of Energy Resources* (KIER), a government organization, discovered numerous uranium-vanadium-molybdenum deposits and prospects, mainly situated in the Ogchon Basin. These uranium deposits were not developed because of the prevailing uranium prices and geo-political considerations associated with the Korean peninsula.

Geological Setting

The Daejon, Miwon and Gweson uranium projects are situated in the northeast-trending Ogchon Fold Belt, consisting of Cambro-Ordovician meta-sediments and meta-volcanics that were deposited in an elongate marine geosynclinal basin in the centre of the peninsula. The Ogchon Belt is a fold-and-thrust belt, bounded by the Kyonggi Massif to the northwest and the Yongnam Massif to the southeast.

The Ogchon Belt can be divided into the Ogchon Basin to the southwest and the Taebaeksan Basin to the northwest, mainly on the basis of lithology and metamorphic grade. Rocks of the Ogchon Basin consist of non-fossiliferous, low-to-medium grade metasedimentary and metavolcanic rocks in contrast to the fossiliferous, non-to-weakly metamorphosed sediments of the Taebaeksan Basin.

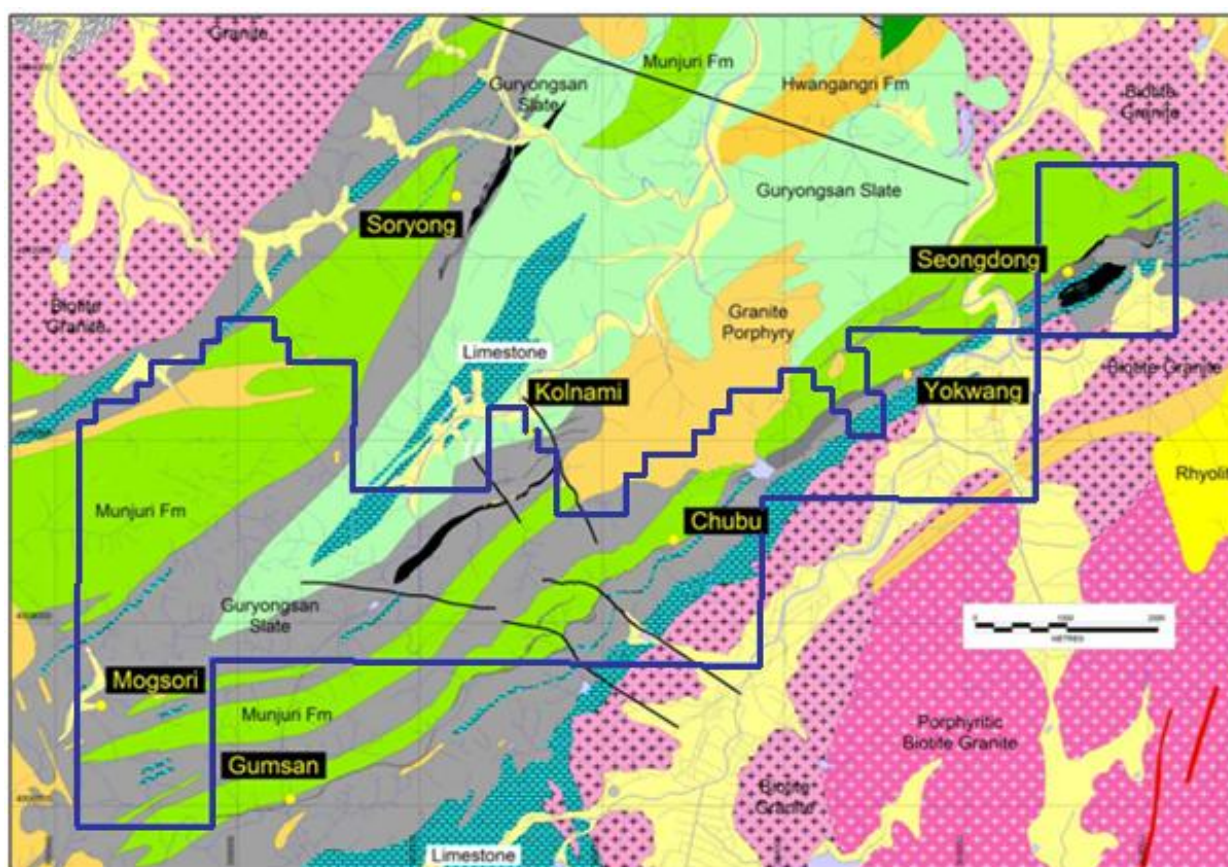
The Ogchon Basin is considered to be a deeper marine geosynclinal basin that developed in a “rift valley” type fault bounded graben setting. A shallow marine shelf environment is considered to be the depositional setting for the Taebaeksan Basin.

Uranium Mineralization

Uranium mineralization is stratabound, being hosted within the 200m thick Guryongsan Slate of the Ogchon Basin sequence. The Guryongsan Slate consists of two or three 40m thick, uranium-bearing coaly graphite slate beds interbedded within phyllite and can be traced over a strike length of at least 90km.

The Guryongsan Slate is considered to be a newly recognized example of syngenetic metal-rich black shale mineralization, probably analogous to the uranium-bearing metal-rich shales of the Chattanooga Shale, south-eastern USA and the Alum Shale, Sweden.

Figure 2: Geology & Tenure Map, Daejon Project



Commercial Terms of the Acquisition

Stonehenge has entered into an agreement to acquire (**Acquisition Agreement**) 100% of the issued capital of Chong Ma therefore giving Stonehenge the right to acquire 100% of the Uranium Projects.

The Uranium Projects comprise 42 granted mining rights, including the Pyeonghae Option Property (**Sim Properties**) held via an acquisition agreement (**Sim Acquisition Agreement**) and 14 mining right applications, held directly by Chong Ma.

The agreed tranches of consideration payable to Yellow Sun are as follows:

Tranche 1 Consideration Shares - 10 million SHE ordinary shares issued upon Completion (escrowed for 12 months from issue);

Tranche 2 Consideration Shares - 12.5 million “Class A” SHE performance shares which shall convert, on a 1 for 1 basis, into SHE ordinary shares upon the announcement to the ASX of a JORC Code compliant Inferred Resource of not less than 50 million pounds of uranium at a grade of not less than 290ppm across any of the Uranium Projects (Class A Performance Shares to be escrowed for 12 months from conversion);

Tranche 3 Consideration Shares - 5 million “Class B” SHE performance shares which shall convert, on a 1 for 1 basis, into SHE ordinary shares upon the announcement to the ASX of a JORC Code compliant Inferred Resource of not less than 70 million pounds of uranium at a grade of not less than 290ppm across any of the Uranium Projects (Class B Performance Shares to be escrowed for 12 months from conversion);

Tranche 4 Consideration Shares - 15 million “Class C” SHE performance shares which shall convert, on a 1 for 1 basis, into SHE ordinary shares upon the Completion of a feasibility study and the decision to mine, including all required mining certificates and licenses being granted over one of the Uranium Projects (Class C Performance Shares to be escrowed for 12 months from conversion);

Tranche 5 Consideration Shares - 7.5 million “Class D” SHE performance shares which shall convert, on a 1 for 1 basis, into SHE ordinary shares upon the execution of a financing agreement or a binding joint venture agreement on Daejon Project (Class D Performance Shares to be escrowed for 12 months from conversion);

Tranche 6 Consideration Shares - 7.5 million “Class E” SHE performance shares which shall convert, on a 1 for 1 basis, into SHE ordinary shares upon the announcement to the ASX of a JORC Code compliant Inferred Resource of not less than 250 million pounds of vanadium at a grade of not less than 0.25% vanadium across any of the Uranium Projects (Class E Performance Shares to be escrowed for 12 months from conversion);

Tranche 7 Consideration Shares – 5 million “Class F” SHE performance shares which shall convert, on a 1 for 1 basis, into SHE ordinary shares upon the announcement to the ASX of a JORC Code compliant Inferred Resource of not less than 400 million pounds of vanadium at a grade of not less than 0.25% vanadium across any of the Uranium Projects (Class F Performance Shares to be escrowed for 12 months from conversion); and

Tranche 8 Consideration Shares - 7.5 million “Class G” SHE performance shares which shall convert, on a 1 for 1 basis, into SHE ordinary shares upon the execution of a binding off take agreement on the Vanadium produced from the Uranium Projects (Class G Performance Shares to be escrowed for 12 months from conversion).

Stonehenge will acquire 100% of Chong Ma, or 100% of the mining rights to the Uranium Projects from Yellow Sun, on the following terms:

1. The rights and obligations of Chong Ma under the Sim Acquisition Agreement over the Sim Properties and the Pyeonghae Option Property are still valid & legally enforceable.
2. Chong Ma is a 100% subsidiary of Yellow Sun and holds valid rights and title to 14 application properties.
3. Stonehenge will pay A\$110,000 to Yellow Sun, to allow Yellow Sun to repay a loan advanced by King Resources Pty Ltd (**King**) so that Yellow Sun and Chong Ma could complete the Sim Acquisition Agreement.
4. Chong Ma has, pursuant to the terms and conditions of the Sim Acquisition Agreement, through the initial payment of US\$100,000 (A\$110,000), secured 100% of the interest and rights to the Sim Properties and 1/9 of the title to the Sim Properties. Chong Ma can secure the remaining title to the Uranium Projects as follows:
 - a) A further 4/9 of the title to the Sim Properties can be acquired by paying US\$400,000 to Se Woo Mining Co Ltd (**Se Woo**) by 17 July 2010.
 - b) The remaining 4/9 of the title to the Sim Properties can be acquired by paying an additional US\$400,000 to Se Woo by 17 July 2011.
 - c) 100% of the Pyeonghae Option Property can be acquired through the payment of US\$350,000 to Se Woo by 17 July 2012.

These amounts will be included in the Initial Expenditure as detailed in point 7 below.

5. Stonehenge will pay up to A\$50,000 to Yellow Sun, subject to the Completion of the Acquisition, to reimburse previous expenditure on exploration and development. This amount will be included in the Initial Expenditure as detailed in point 7 below.
6. Stonehenge will pay up to A\$100,000 prior to Completion, to Yellow Sun, towards the cost of preparing and completing a JORC Code compliant and an NI 43-101 compliant independent geological and resource report. This amount will be included in the Initial Expenditure as detailed in point 7 below.
7. Stonehenge, subject to Chong Ma acquiring a further 4/9 and the remaining 4/9 of the title to the Sim Properties under the Sim Acquisition Agreement, agrees to fund minimum initial work commitments expenditure of A\$3 million (the **Initial Expenditure**). The Initial Expenditure includes contract fees described in points 4, 5, 6 and 11 on the Uranium Projects over a period of 24 months and is subject to budgets and work programs. It is believed that this funding will take the Uranium Projects through to a stage where further funding is required to enable the commencement of a feasibility study.
8. Should Stonehenge not be able to acquire 100% of the issued capital of Chong Ma, then Yellow Sun and Chong Ma undertake to effect the transfer of 100% of the rights attached to the Uranium Projects to Stonehenge, so as to result in Stonehenge owning 100% of the Uranium Projects.
9. Yellow Sun represents that upon Completion Chong Ma will not have any liabilities other than those disclosed pursuant to its obligations in respect of the Uranium Properties. In the

event that Chong Ma has any liabilities other than those disclosed then the number of Tranche 1 Consideration Shares will be reduced by dividing the value of any undisclosed liabilities by the closing share price of Stonehenge shares traded on the ASX on the day that this proposal is signed.

10. Mr Christopher Sennitt & Mr Kim Wan Joong will be contracted by Stonehenge to operate the Uranium Projects for 2 years, subject to Chong Ma acquiring a further 4/9 and the remaining 4/9 of the title to the Sim Properties under the Sim Acquisition Agreement, from January 1st 2010 for fees of A\$10,000 each per month. If Completion does not occur then these agreements will be terminated.

Other Aspects of the Acquisition

The Initial Expenditure will be applied to one or all of the Uranium Projects to improve their value through the delineation of JORC Code compliant Inferred, Indicated and or Measured Resources and the funding of a pre feasibility study, subject to budgets and work programs.

Subject to final budgets and work programs, it is Stonehenge's intention to incur the Initial Expenditure requirement within 24 months after Completion. Should Stonehenge be unable to meet the Initial Expenditure requirement then Stonehenge will inform Yellow Sun how it intends to rectify such deficiency, which may include the depositing of funds in Chong Ma so as to cover the difference between actual expenditures and the Initial Expenditures. Should such deficiency not be rectified, then Stonehenge will be diluted such that its percentage interest in Chong Ma shall be equal to the amount spent by Stonehenge in relation to the Uranium Projects (including all amounts referred to in points 4, 5, 6, 7 and 11 above) divided by A\$3 million x 100%. The dilution may be effected by the issue of new shares in Chong Ma to the shareholders of Yellow Sun.

If Stonehenge's ownership in Chong Ma is diluted on this basis then the amount of any outstanding tranches of Consideration Shares (SHE performance shares) will be reduced pro-rata.

Project Management Team

It is envisaged that Mr Christopher Sennitt and Mr Kim Wan Joong will be responsible for the project management and daily operations of the Uranium Projects.

The Project Management Team will be required to report to the Board of Directors of Stonehenge and to receive approval for all work programs and budgets.

Mr Christopher Sennitt

Mr Sennitt has in excess of 28 years experience in managing multi-commodity exploration programs throughout Asia and Australia. Mr Sennitt has been operating in Korea since 1994 with Indochina Goldfields Ltd (Ivanhoe Mining Ltd), Oriental Minerals Inc and Korean Minerals Group Inc.

Mr Sennitt has an extensive and comprehensive knowledge and geological database of South Korea and is well versed in Korean culture and protocols.

Mr Sennitt has demonstrated exploration success and operating prowess in Korea and has developed an extensive contact base and relationships in and around Korea and Asia at large.

Mr Kim Wan Joong

Mr Kim Wan Joong has more than 15 years of experience in exploration and mining in South Korea, being instrumental in discovering the Eunsan and Moisan gold deposits for Indochina Goldfields Ltd. Mr Kim Wang Joong has also worked for Ivanhoe Mining Ltd and Oriental Minerals Inc. Mr Kim Wan Joong has an extensive and comprehensive knowledge of the South Korean Mining Title process and Mining Act.

Mr Kim Wan Joong has been involved in the permitting of the Eunsan gold mine to progress the development of the project into production.

Mr Kim Wan Joong is bilingual having worked in Western Australia. He has had significant exposure to western exploration companies and techniques and is well known and highly respected in the Korean mining industry.

Due Diligence

Stonehenge will undertake further due diligence (DD) on Chong Ma and the Uranium Projects from the signing of the Acquisition Agreement. Should DD not be satisfactorily concluded and or the Conditions Precedent satisfied by 31 March 2010 (the **End Date**), Stonehenge in its absolute discretion may elect to extend the End Date or demand the repayment of any amounts advanced and terminate the Agreement.

Conditions Precedent

The Acquisition Agreement is conditional, *inter alia*, on the following conditions precedent:

1. Approval from the board and, as required, shareholders of Stonehenge;
2. Approval from all regulators that have jurisdiction (including inter alia ASX, ASIC and the Korean Ministry of Commerce, Industry and including approval from ASX to the terms of the Performance Shares);
3. Completion of Yellow Sun's acquisition of Chong Ma (anticipated to take place on or about 6 January 2010);
4. Stonehenge is satisfied, in its sole discretion, with DD over Chong Ma & the Uranium Projects; and
5. Mr Christopher Sennitt & Mr Kim Wang Joong being offered consulting service agreements with Stonehenge on terms acceptable to Stonehenge;

Proposed Work Program

Following the acquisition Stonehenge will commence exploration on the Uranium Projects with a view to determining the extent of the uranium deposits and whether this may lead to a commercial mining operation. Initial work will cover an extensive review of all data, including target prioritisation with a view to increasing the available resources.

Historical Foreign Estimate of Resources

Resource estimates, which do not conform to the JORC Code, have been previously undertaken on 7 uranium deposits within the Daejon, Miwon and Gwesan Projects. A summary of these resource estimates is tabulated below. Most information is from a report titled "Studies on Uranium Geophysical exploration in Korea", compiled by the Korean Institute of Energy and Resources (KIER) dated 1986 and based on exploration drilling undertaken by KIER during 1974 to 1985.

Resource Estimates, Daejon Project (KIER, 1986)*

Deposit	Tonnes	Grade U ₃ O ₈ (ppm)	Holes (Metres)	Contained U ₃ O ₈ (lbs)
Chubu Measured*	3,271,607	310	198 (23,089)	2,231,236
Chubu Indicated*	2,557,060	310		1,743,915
Chubu Inferred*	34,135,000	320		24,031,040
Yokwang Inferred	27,745,000	270	17 (4,135)	16,480,530
Seongdang Inferred	6,320,000	240		3,336,960
Kolnami Inferred	9,381,577	249	18 (4,583)	5,139,228
TOTALS	83,410,244	289	233 (31,807)	52,962,909

Resource Estimates, Miwon Project (KIER, 1986)*

Deposit	Tonnes	Grade U ₃ O ₈ (ppm)	Holes (Metres)	Contained U ₃ O ₈ (lbs)
Miwon-Isikri-Jukeumri Inferred	1,670,000	340	12 (1,791)	1,249,160
TOTALS	1,670,000	340	12 (1,791)	1,249,160

Resource estimates conducted by the Korea Institute of Energy and Resources ("KIER") in 1986 on the uranium deposits held under the Gwesan Property are tabulated below.

Resource Estimates, Gwesan Project (KIER, 1986)*

Deposit	Tonnes	Grade U ₃ O ₈ (ppm)	Holes (Metres)	Contained U ₃ O ₈ (lbs)
Yopyung Inferred (Area C)	1,300,000	350	7 (1,100)	1,001,000
Gottbong Inferred (Area C)	1,344,000	410	12 (1,595)	1,212,288
TOTALS	2,644,000	380	19 (2,695)	2,213,288

* Whilst the above resources have been classified in similar categories to the JORC standard, it should be noted that the resources are not compliant with the JORC standard, and have been classified under a Korean mineral resources reporting standard, which is broadly similar to the JORC standard but differs in some elements such as quality control and verification methods.

The drilling carried out on the Daejon, Miwon and Gwesan projects was all diamond core and undertaken in several phases between 1974 and 1984. All the holes were cased and logged using a Mount Sopris 1000 down hole scintillometer radiometric logger to define mineralized intervals. Equivalent eU₃O₈ was calculated over the mineralized interval using a Nuclear Data Inc ND62 Multichannel Analyser.

The historical resources were established by KIER (1986) using a simple longitudinal polygonal calculation method and involved the following methodology:

- ❖ Boundaries between holes and sections were determined by the midpoint.

- ❖ Block areas were calculated manually from sections.
- ❖ A specific gravity of 2.7 g/cc was applied to the graphitic black slate host to mineralization.
- ❖ Grades were determined by the uncut weighted average of samples within the defined drill intercept.

- ❖ No cut-off grade was applied.
- ❖ Results from surface and trench sampling were not incorporated into the resource estimates, although the sampling does confirm the mineralized black slate horizons do extend to the surface.

The mineralized horizons at all the deposits remain open along strike and at depth.

The uranium mineralized graphitic black slates contain significant vanadium, molybdenum, barium, phosphate, graphite, nickel, and zinc. These elements have not been routinely assayed and cannot be included in the resource estimates.

The Company notes that the Historical Foreign Estimates of the resources are not reported in accordance with the JORC Code and that it is uncertain that following evaluation and/or further exploration that the resource estimate will ever be reported in accordance with the JORC Code.

While it is considered that these estimates provide an indication as to the potential of the Uranium Projects they should not be considered to represent Mineral Resources classified in accordance with the JORC code.

Immediately adjacent to and along strike to the southwest of the Chubu deposit, the Korean Resources Corporation (KORES, 2008) has recently established a resource of 26.2Mt @ 390 ppm U_3O_8 for 22.2 million lbs of contained U_3O_8 at the Gumsan uranium deposit. The resource estimate used historical data input into GEMCOM. This estimate compares favourably to a historical resource estimate of 24.6Mt @ 390ppm U_3O_8 for 21.2 million lbs of contained U_3O_8 established by KIER in 1978, 1979 and 1980. KORES has recently applied for a Mine Development Permit over the Gumsan deposit. These recent estimates and activities add reassurance of the accuracy, reliability and relevance of the estimates.

Given that the historical foreign resources estimates contain approximately 56 Mlb of U_3O_8 , the inclusion of the historical estimates represents a material disclosure for the Company.

The Company believes that the Announcement is consistent with the guidance contained in the Companies Updates numbered 11/07 and 05/04. ASX has granted a waiver to listing rule 5.6 to allow the Company to report the Historical Foreign Estimates of the resource estimates. For further information please refer to Appendix 1.

Appendix 1

ASX Information required in relation to waiver of Listing Rule 5.6:

The Directors of Stonehenge include the following information in regard the waiver provided by ASX in relation to the Company's requirement to comply with the JORC Code:

- a) The Directors of Stonehenge note that the Historical Foreign Estimates of the resources and reserves are not reported in accordance with the JORC Code and that it is uncertain that following evaluation and/or further exploration that the resource or reserve estimate will ever be reported in accordance with the JORC Code;
- b) The information provided in relation to historical foreign resource estimates is sourced from a report entitled "Studies on Uranium Geophysical exploration in Korea", compiled by the Korean Institute of Energy and Resources (**KIER**) dated 1986;
- c) The Directors of Stonehenge believe that the estimates are relevant to shareholders as they provide an indication of the currently defined mineralisation and potential resources of the project area to be acquired;
- d) The Directors of Stonehenge believe that the estimates are reliable because of the large amount of supporting data, together with recent (2008) confirmatory drilling and resource estimates by the Korean Resources Corporation (KORES) on an adjacent deposit, with similar geological characteristics of mineralization, along strike to the uranium resources being acquired by Stonehenge;
- e) The Directors of Stonehenge consider the estimates to be material to the Company, given the substantial nature of both the asset and the transaction;
- f) The historical foreign resources are classified as measured, indicated and inferred, and as such are broadly similar to the same categories as the JORC Code. Whilst the resources have been classified in similar categories to the JORC standard, it should be noted that the resources are not compliant with the JORC standard, and have been classified under a Korean mineral resources reporting standard which is broadly similar to the JORC standard but differs in some elements such as quality control and verification methods;
- g) The historical foreign resource estimates were carried out by KIER and verified by Christopher Sennitt. The Directors are unaware of any further recent estimates or material data that can be included in the announcement;
- h) The Company intends to obtain information through infill and extensional resource drilling to enable the reporting of resources estimates under the JORC Code within the next 12 months;
- i) The Directors of Stonehenge believe the above announcement is consistent with the guidance contained in Companies Updates 11/07 and 05/04;
- j) The information in this report that relates to exploration results, mineral resources or ore reserves and the Historic Foreign Estimate of Resources at the Uranium Project is based on information compiled by Mr Christopher Sennitt who is a member of the Australian Institute of Geoscientists. Furthermore Mr Sennitt accepts responsibility for the accuracy of the information contained within the Announcement. Mr Sennitt is a major shareholder and Director of Yellow Sun and Chong Ma which is the Vendor of the projects being acquired by Stonehenge.
- k) Mr Sennitt 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 Sennitt consents to the inclusion in this ASX Release of the matters based on his information in the form and context in which it appears; and
- l) ASX has granted a waiver to listing rule 5.6 allowing the Company to report the Historical Foreign Estimates.