



QUARTERLY ACTIVITIES REPORT

PERIOD ENDING 31 MARCH 2010

ASX CODE: SHE

- **Stonehenge Metals Ltd completes acquisition of Chong Ma Mines Inc (“Chong Ma”)**
- **Maiden Resources and Exploration Target at the Daejon Project - Largest uranium resource within South Korea:**
 - **Inferred Resource of 34.9¹ million pounds eU₃O₈ at a grade of 340 ppm**
 - **Exploration Target² of 72 to 108 million pounds U₃O₈ at a grade of 250 to 350 ppm**
- **Daejon Project is open along strike and at depth; interpreted to extend down dip to 250m**
- **Appointment of experienced exploration specialist, Mr Simon Fleming, as Chief Operating Officer and an Executive Director**
- **15,000 meter drilling program planned to expand existing Inferred Resource, upgrade resources to Indicated and convert current Exploration Targets to resources**

During the quarter, Stonehenge Metals Limited (ASX: SHE) agreed to acquire Chong Ma Mines Inc which holds the rights to four (4) uranium projects in South Korea including Korea’s largest uranium deposit. Shareholder approval for the transaction was received on 19 March 2010 and on 30 March the Company subsequently announced the completion of the acquisition along with a Maiden Inferred Resource, of 34.9¹ Mlbs at an average grade of 340 ppm eU₃O₈.

Stonehenge now holds 100% of the interest and rights to the Daejon, Miwon and Gweson (also known as Goesan) properties and 1/9 of the title to these properties. Stonehenge is joint mining title holder and the representative mining title holder on these properties under the Korean Mining Act with an option to purchase the remaining 8/9 of the title under the “Sim Acquisition Agreement”.

Pursuant to the Acquisition Agreement Stonehenge has committed to spend A\$3m on the Projects (within 24 months of Completion) in work commitments and purchase payments. Stonehenge is required to make further staged cash purchase 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, Miwon & Gweson projects. 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.

¹ The Company notes the tenure overlying approximately 2 million pounds of the current resource may be subject to an anticipated change in legislation which may in turn alter the Company’s rights with respect to this portion of the resource. The Company will keep the market updated in relation to this matter.

² The potential quantity and grade of this exploration target is conceptual in nature, there has been insufficient exploration to define a Mineral Resource on the property and it is uncertain if further exploration will result in discovery of further Mineral Resources on the property.

On 24 April 2010 the Company announced the appointment of experienced exploration specialist Mr Simon Fleming as Chief Operating Officer (COO) and an Executive Director of the Company. Mr Fleming is a geologist with a broad range of minerals exploration experience including, most recently, five years in the uranium sector. Mr Fleming previously held senior technical and management positions with Reynolds Australia Metals Ltd, Sons of Gwalia Limited, China Metals Ltd, Summit Resources Ltd, Paladin Energy Ltd and Energy and Minerals Australia Ltd. As COO, Mr Fleming is responsible for exploration and development of Stonehenge Metals' projects in Korea and Tasmania.

Stonehenge is now planning to commence an aggressive diamond drilling program at the Daejon Uranium Project in South Korea. This program is designed to verify past results, infill and extend the known mineralisation and to provide additional technical data (density measurements, rock quality designation and detailed uranium assays) to be included in future resource upgrades. The Company plans to drill 15,000m of diamond core in the remainder of the calendar year. A team of geologists and support staff has been assembled in Korea to complete the required programs. Drilling is expected to commence in the June Quarter and continue for the rest of the year.

Additionally Stonehenge intends to conduct reconnaissance sampling across a number of the Korean project area's to identify future targets for exploration.

In Tasmania the Company initiated planned field exploration activities on geochemical targets within the Stonehenge project area as outlined in the Company's quarterly report on 30 October 2009. Assay results from initial sampling conducted over three of the nine priority targets were disappointing with only low grades of Cu, Pb and Zn detected in rock chip samples in the vicinity of the anomalies.

The planned divestment of the Heemskirk Tin Project, as outlined in the September 2009 Quarterly report, is now only subject to approval by the Department of Infrastructure, Energy and Resources (Tasmania). This divestment will enable the Company to continue to focus effort on its exploration activities on the Stonehenge (EL17/2003) and Sunshine (20M/2001) tenements and the newly acquired South Korean uranium projects.

OPERATIONS AND EXPLORATION

South Korea

Following the completion of the acquisition of its Korean subsidiary, Chong Ma Mines, Stonehenge has commenced preparation for an aggressive program of diamond drilling at the Daejon Uranium Project. The initial program is designed to verify past drilling results via a program of twinning previously drilled holes. Later programs are designed to infill and extend the known mineralisation and to convert the Company's substantial Exploration Target into Inferred Resources.

Previous diamond drill holes were not subject to chemical assays but instead the uranium mineralisation was tested by the commonly used process of running a gamma probe down the drill hole. Uranium grades were then calculated from the counts per second from the probe results. The core samples from 15,000 meters of drilling to be completed this year will all be assayed by chemical methods in an Australian laboratory. Prior to drilling commencing, access agreements need to be established with local land owners and access tracks will need to be prepared to allow access to drill sites. Access agreements are expected to be completed during the June Quarter with drilling commencing soon afterwards.

Tasmania

A rock chip sampling program was conducted on EL17/2003 to refine definition of a number of Pb/Zn targets defined from previous regional soil and stream sediment sampling campaigns.

The field reconnaissance sampling program was conducted on only three of the nine priority geochemical targets within the Stonehenge project area due to poor weather and associated access problems. Results were disappointing with only low grades of Cu (maximum 437ppm), Pb (max. 36ppm) and Zn (max. 139ppm) detected from the rock chip samples. Further sampling is required to test other geochemical anomalies to determine sampling requirements and methods for evaluating the potential of the project area.

CORPORATE

On January 8th 2010, the Company advised that it had issued 25,000,000 shares at 1.5 cents to raise \$375,000 with no further shares to be issued pursuant to this shareholder approval.

At 31 December 2009, 24,028,648 listed and 7,224,995 unlisted options expired. Prior to expiry the holders of these options were offered new options under the non-renounceable pro-rata entitlement issue (**Offer**) of 13 November 2009. The Company has now issued a total of 13,889,324 new options, with an exercise price of 10 cents expiring on or before 12 December 2012, under the Offer.

On 19th March 2010 shareholders approved the future issue of 50,000,000 new fully paid ordinary Stonehenge shares at a price which is not less than 80% of the volume weighted average price of Stonehenge shares traded on ASX for the 5 days preceding their issue.

On 24th April 2010 the Company announced the appointment of experienced exploration specialist Mr Simon Fleming as Chief Operating Officer (**COO**) and an Executive Director of the Company.

Subsequent to the end of the quarter the company issued 5,000,000 new unlisted options (with a 3 year term and an exercise price of 12 cents) to consultants for services in promoting the company.

COMPLETION OF AGREEMENT TO ACQUIRE CHONG MA MINES INC

On 6 January 2010, the Directors of Stonehenge announced that the Company had 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**). Shareholder approval for the transaction was received on 19 March 2010 and on 30 March the Company subsequently announced the completion of the acquisition.

Chong Ma holds the rights to four (4) uranium projects comprised of 42 granted mining rights and 14 uranium mining right applications (together the **Uranium Projects or Projects**) in South Korea. Stonehenge now holds 100% of the interest and rights to the Daejon, Miwon and Gweson (also known as Goesan) properties and 1/9 of the title to these properties. Stonehenge is joint mining title holder and the representative mining title holder on these properties under the Korean Mining Act with an option to purchase the remaining 8/9 of the title under the "Sim Acquisition Agreement".

The commercial terms of the acquisition, approved by shareholders at a general meeting held on March 19th 2010, include the issue of 10 million SHE ordinary shares and 60 million SHE performance shares to the vendors. The performance shares are broken into seven distinct classes with milestones for conversion as detailed in Table 1 overleaf. The shares were all 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 outlined in Table 1 involving 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.

Pursuant to the Acquisition Agreement Stonehenge has committed to spend A\$3m on the Projects (within 24 months of Completion) in work commitments and purchase payments. Under the Acquisition Agreement Stonehenge advanced A\$110,000 to Yellow Sun at Completion and is required to make further staged cash purchase 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, Miwon & Gweson 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.

The Company has also paid an introduction fee of 10 million Stonehenge shares and will pay reimbursement of up to A\$100,000 in expenses, to King Resources Pty Ltd for introducing and facilitating the acquisition.

TABLE 1: PERFORMANCE SHARE MILESTONES

Share Class	Shares Issued	Milestone relating to the Uranium Projects (Projects)
A	12,500,000	The announcement 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 the Uranium Projects
B	5,000,000	The announcement 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 the Uranium Projects
C	15,000,000	The announcement of a JORC Code compliant Inferred Resource of not less than 250 million pounds of vanadium at a grade of not less than 0.3%V across the Uranium Projects
D	7,500,000	The announcement of a JORC Code compliant Inferred Resource of not less than 400 million pounds of vanadium at a grade of not less than 0.3%V across the Uranium Projects
E	7,500,000	The completion of a pre-feasibility study in relation to the Uranium Projects & the decision to mine, including granting of all required mining certificates & licenses.
F	5,000,000	The execution of a binding JV agreement on the Uranium Projects
G	7,500,000	The execution of a binding off take agreement on Vanadium produced within the Projects

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).

SOUTH KOREAN URANIUM PROJECTS

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

TABLE 2: CHONG MA TENEMENTS

Project	Granted Mining Rights	Mining Right Applications	Area (hectares)
Daejon	11	9	4,775
Gweson [Goesan]	8	2	2,770
Miwon	6	6	3,324
Pyeonghae Option Property	17	4	5,817
TOTALS	42	14	16,686

Note: All Mining Rights are initially the same size which is defined as 1.0 minutes latitude by 1.0 minutes longitude. Each Mining Right initially is approximately 277Ha in size.

FIGURE 1: SOUTH KOREAN URANIUM PROJECTS, LOCATION MAP



The Company has confirmed a significant Inferred Mineral Resource at the Daejon Project estimated to be 46.8 million tonnes averaging 340 ppm eU₃O₈ for 34.9³ million pounds of contained U₃O₈ (or approximately 15,900 tonnes contained U₃O₈) at a cut off grade of 200 ppm eU₃O₈. Independent consultants, Hellmann & Schofield, have also confirmed an initial Exploration Target⁴ of 72 to 108 million pounds U₃O₈ at a grade of 250 to 350 ppm at the Daejon Project.

FIGURE 2: DAEJON RESOURCE ESTIMATES AND CONCEPTUAL EXPLORATION TARGETS

Daejon Project: Resource Estimates			
	Tonnes (Mt)	Grade eU ₃ O ₈ (ppm)	Contained U ₃ O ₈ (lbs)
Daejon Inferred	46.8	340	34.9 million

Daejon Project: Conceptual Exploration Targets ⁴			
	Tonnage Range (Mt)	Grade Range U ₃ O ₈ (ppm)	Contained U ₃ O ₈ Range (lbs)
Chubu Prospect	101 - 156	250 - 350	68 - 100 million
Kolnami Prospect	4 - 8	350 - 550	4 - 8 million
Project Total	105 - 164	250 - 350	72 - 108 million

³ The Company notes the tenure overlying approximately 2 million pounds of the current resource may be subject to an anticipated change in legislation which may in turn alter the Company's rights with respect to this portion of the resource. The Company will keep the market updated in relation to this matter.

⁴ The potential quantity and grade of this exploration target is conceptual in nature, there has been insufficient exploration to define a Mineral Resource on the property and it is uncertain if further exploration will result in discovery of further Mineral Resources on the property.

Stonehenge has undertaken a thorough assessment of mineralisation at the Projects, with the assistance of independent consultants, and established both Inferred Resources and Exploration Targets based on the historical drilling and surface mapping.

Drilling information included located hole collars, geological information and weighted average assay intercepts for uranium using a 0.02% U₃O₈ cut off. Five metre (5m) topographic data was supplied along with digital surface mapping. The historical data allowed for the creation of 3D mineral shapes which were used to provide an estimate of the size of the mineralisation. Drill hole spacing was 100m at the Daejon Project (Chubu and Kolnami deposits).

Reporting of the resources is based on a 200 ppm eU₃O₈ cut off grade, constrained to within the mineralisation shapes. This cut off grade was applied due to KORES only reporting grades above 200ppm eU₃O₈ within the logging. Reported intervals are across broad intersections not as individual assays. It is expected that through systematic sampling on regular intervals that better definition of mineralised horizons will be established from the planned 2010 work program.

The size of the Exploration Target is based on the mineralisation shape dimensions including an estimate of the true width thickness for the mineralised zones with tonnages ascribed using the relevant densities. Exploration efforts to date have provided a significant body of knowledge regarding the deposit geometry and have helped plan exploration which will target conversion of Exploration Targets to resources.

Uranium mineralization within the project areas is stratabound, being hosted within the 200m thick Guryongsan Slate of the Ogchon Basin sequence. The Guryongsan Slate consists of two or three 20 - 40m thick, uranium-bearing graphitic 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. The Daejon, Miwon and Gweson uranium projects are situated in the northeast-trending Ogchon Fold Belt, consisting of Cambrian - 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.

PROPOSED EXPLORATION TIMETABLE AND BUDGET

Quarter	March Qtr 2010	June Qtr 2010	Sept. Qtr 2010	Dec. Qtr 2010	March Qtr 2011
Maiden U ₃ O ₈ Inferred Resource Announced					
Daejon Drilling	15,000m				
Resource Up-grade					
Metallurgical Testing					
Miwon Drilling					
BUDGET \$5 million		\$1 million	\$1.5 million	\$1.5 million	\$1 million

SOUTH KOREAN TENEMENT SCHEDULE AS AT 28 JANUARY 2010

Korean Granted Mining Rights (subject to the Sim Acquisition Agreement)

Registration Number	Land Register	Number	Area (ha)	Minerals	Registration Date	Registrant	Property
76967	Goesan	114	275	Uranium	28/05//2008	Sim Jae Youl	Goesan [Gwesan]
76942	Goesan	115	275	Uranium	14/05/2008	Sim Jae Youl	
76965	Goesan	117	275	Uranium	28/05/2008	Sim Jae Youl	
76966	Goesan	118	275	Uranium	28/05/2008	Sim Jae Youl	
76964	Goesan	124	275	Uranium	28/05/2008	Sim Jae Youl	
76941	Goesan	125	275	Uranium	14/05/2008	Sim Jae Youl	
76968	Goesan	126	275	Uranium	28/05/2008	Sim Jae Youl	
76969	Goesan	128	275	Uranium	28/05/2008	Sim Jae Youl	
77018	Miwon	36	277	Uranium	11/06/2008	Sim Jae Youl	
77019	Miwon	46	275	Uranium	11/06/2008	Sim Jae Youl	
77020	Miwon	58	276	Uranium	11/06/2008	Sim Jae Youl	
77225	Miwon	37	276	Uranium	21/08/2008	Sim Jae Youl	
77291	Miwon	47	276	Uranium	23/09/2009	Sim Jae Youl	
77292	Miwon	57	276	Uranium	23/09/2009	Sim Jae Youl	
77010	Okcheon	136	138	Uranium	10/06/2008	Sim Jae Youl, Sim Jun Bo	Daejon
77011	Daejon	18	277	Uranium	10/06/2008	Sim Jae Youl, Sim Jun Bo	
77012	Daejon	28	259	Uranium	10/06/2008	Sim Jae Youl, Sim Jun Bo	
77013	Daejon	38	277	Uranium	10/06/2008	Sim Jae Youl, Sim Jun Bo	
77014	Daejon	48	277	Uranium	3/07/2008	Sim Jae Youl, Sim Jun Bo	
77038	Okcheon	147	277	Uranium	19/06/2008	Sim Jae Youl, Sim Jun Bo	
77039	Daejon	17	103	Uranium	19/06/2008	Sim Jae Youl, Sim Jun Bo	
77114	Daejon	7	190	Uranium	3/07/2008	Sim Jae Youl, Sim Jun Bo	
77115	Daejon	27	56	Uranium	3/07/2008	Sim Jae Youl, Sim Jun Bo	
77363	Daejon	47	242	Uranium	16/10/2008	Sim Jae Youl	
77364	Daejon	57	186	Uranium	16/10/2008	Sim Jae Youl	

Korean Granted Mining Rights (subject to the Sim Acquisition Agreement)

Registration Number	Land Register	Number	Area (ha)	Minerals	Registration Date	Registrant	Property
77293	Pyeonghae	123	275	Uranium	23/09/2008	Se Woo Mining Co Ltd.	Pyeonghae
77294	Pyeonghae	124	275	Uranium	23/09/2008	Se Woo Mining Co Ltd.	Pyeonghae
77295	Pyeonghae	125	275	Uranium	23/09/2008	Se Woo Mining Co Ltd.	Pyeonghae
77296	Pyeonghae	133	275	Uranium	23/09/2008	Se Woo Mining Co Ltd.	Pyeonghae
77297	Pyeonghae	138	275	Uranium	23/09/2008	Se Woo Mining Co Ltd.	Pyeonghae
77298	Pyeonghae	103	275	Uranium	23/09/2008	Se Woo Mining Co Ltd.	Pyeonghae
77299	Pyeonghae	104	275	Uranium	23/09/2008	Se Woo Mining Co Ltd.	Pyeonghae
77300	Pyeonghae	113	275	Uranium	23/09/2008	Se Woo Mining Co Ltd.	Pyeonghae
77301	Pyeonghae	114	275	Uranium	23/09/2008	Se Woo Mining Co Ltd.	Pyeonghae
77302	Pyeonghae	115	275	Uranium	23/09/2008	Se Woo Mining Co Ltd.	Pyeonghae
77303	Pyeonghae	117	275	Uranium	23/09/2008	Se Woo Mining Co Ltd.	Pyeonghae
77304	Pyeonghae	118	275	Uranium	23/09/2008	Se Woo Mining Co Ltd.	Pyeonghae
77305	Pyeonghae	126	275	Uranium	23/09/2008	Se Woo Mining Co Ltd.	Pyeonghae
77306	Pyeonghae	127	275	Uranium	23/09/2008	Se Woo Mining Co Ltd.	Pyeonghae
77307	Pyeonghae	128	275	Uranium	23/09/2008	Se Woo Mining Co Ltd.	Pyeonghae
77308	Pyeonghae	136	275	Uranium	23/09/2008	Se Woo Mining Co Ltd.	Pyeonghae
77309	Pyeonghae	137	275	Uranium	23/09/2008	Se Woo Mining Co Ltd.	Pyeonghae

Korean Mining Right Applications (held directly by Chong Ma)

No.	Application No.	Reg. Land	Land No.	Application Date	Expiry of Application
1	00228	Goisan	113	Jan. 22, 2010	June 21, 2010
2	00229	Goisan	137	Jan. 22, 2010	June 21, 2010
3	00223	Daejeon	58	Jan. 22, 2010	June 21, 2010
4	00234	Daejeon	59	Jan. 22, 2010	June 21, 2010
5	00236	Miwon	3	Jan. 22, 2010	June 21, 2010
6	00230	Miwon	6	Jan. 22, 2010	June 21, 2010
7	00231	Miwon	14	Jan. 22, 2010	June 21, 2010
8	00232	Miwon	16	Jan. 22, 2010	June 21, 2010
9	00233	Miwon	26	Jan. 22, 2010	June 21, 2010
10	00235	Young U Ri	145	Jan. 22, 2010	June 21, 2010
11	00224	Pyeong Hae	94	Jan. 22, 2010	June 21, 2010
12	00225	Pyeong Hae	95	Jan. 22, 2010	June 21, 2010
13	00226	Pyeong Hae	105	Jan. 22, 2010	June 21, 2010
14	00227	Pyeong Hae	116	Jan. 22, 2010	June 21, 2010

No.	Application No.	Reg. Land	Land No.	Application Date	Expiry of Application
1	00896	Daejeon	37	March 29, 2010	September 28, 2010
2	00902	Daejeon	60	March 29, 2010	September 28, 2010
3	00901	Daejeon	70	March 29, 2010	September 28, 2010
4	00900	Daejeon	90	March 29, 2010	September 28, 2010
5	00899	Geumsan	61	March 29, 2010	September 28, 2010
6	00898	Okcheon	125	March 29, 2010	September 28, 2010
7	00897	Okcheon	126	March 29, 2010	September 28, 2010

Note: All Mining Rights & Applications (above) have been pegged as standard 1 minute latitude X 1 minute longitude graticules and are approximately 276 ha in size.

TASMANIAN TENEMENT SCHEDULE AS AT 28 JANUARY 2010

Project Name	Tenement Number	Area	Expiry Date	Registered Holder	Stonehenge Interest
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% Now subject to 100% transfer to McDermott Mining
Granville East Extended Lease	9M/2006	10 ha	09-Oct-11	SHE	100% Now subject to 100% transfer to McDermott Mining
Sunshine/ McLean Creek Lease	20M/2001	21 ha	10-Mar-09 (extension application submitted)	SHE	100%
Stonehenge Creek	EL17/2003	7 km ²	09-Jul-10	SHE	100%

The term of the Federation/Cumberland Lake project area (EL31/2002) was not extended during the quarter and the tenement lapsed.

The Heemskirk Extended mining lease application (1M/2009), which was subject to transfer to Mc Dermott Mining upon grant under the terms of the Heemskirk Project divestment, also lapsed during the quarter. McDermott Mining will be responsible for a new application, if required post finalisation of the Heemskirk divestment.

COMPETENT PERSONS STATEMENT:

Information in this document that relates to Australian 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.

Information in this announcement that relates to South Korean Mineral Resources and exploration results is based on information compiled by Mr Simon Fleming of Stonehenge Metals Ltd. Mr Fleming is a Fellow of The Australian 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 Fleming has consented to the inclusion in the document the Mineral Resources in the form and context in which they appear.

Geological modelling conducted on the Daejon Properties was conducted by Mr Simon Tear and Mr Arnold van der Heyden, who are full-time employees of Hellman & Schofield Pty Ltd with assistance from Simon Fleming of Stonehenge Metals Limited. Simon Fleming is a Fellow of the Australian Institute of Mines and Metallurgy (FAusIMM) who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which has been undertaken to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"). Simon Fleming is a geological consultant and has consented to the inclusion in the document the Mineral Resources in the form and context in which they appear.

Important Information - Mineral Exploration Targets:

It should be noted that the reporting of conceptual exploration targets is carried out in accordance with Clause 18 of the December 2004 JORC Code which permits the reporting of exploration target size and type with strict conditions, these being stated by the Australasian Joint Ore Reserves Committee (JORC) as :

"Any such information relating to exploration targets must be expressed so that it cannot be misrepresented or misconstrued as an estimate of Mineral Resources or Ore Reserves. The terms Resource(s) or Reserve(s) must not be used in this context. Any statement referring to potential quantity and grade of the target must be expressed as ranges and must include (1) a detailed explanation of the basis for the statement, and (2) a proximate statement that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource on the property and that it is uncertain if further exploration will result in discovery of a Mineral Resource on the property."