



Stonehenge
METALS LTD

28 October 2010



ASX Announcement

ASX CODE: SHE

NOTICE PURSUANT TO CHAPTER 6D.2 AND 6D.3 OF THE CORPORATIONS ACT

On 24 September 2010, Stonehenge Metals Limited (**Company**) held a General Meeting where Shareholders approved a placement of up to 75,000,000 shares at 7.5 cents per share to raise \$5,625,000 before costs. Shareholders then approved to allot and issue to the Directors of the Company up to a total of 12,500,000 of the placement shares. The Company advises that the number of shares issued to the Directors of the Company is 1,016,000 shares. The placement to directors took place on 22 October 2010.

Notice under section 708A(6) of the Corporations Act

The Company hereby notifies that:

- (a) the Company has now issued the placement shares without disclosure to the Directors of the Company under Part 6D.2 of the Corporations Act 2001 (**the Act**);
- (b) the Company is providing this notice in accordance with this exemption;
- (c) as at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
- (d) as at the date of this notice, the Company has complied with section 674 of the Act;
- (e) as at the date of this notice, there is no information:
 - (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (B) the rights and liabilities attaching to the Shares.

The following table shows the number of Shares on issue as at the date of this notice following the issue of the Shares.

| | |
|--|--------------------|
| Shares on issue prior to Placement | 269,095,273 |
| Placement Shares | 1,016,000 |
| Total Shares on issue as at date of this Notice | 270,111,273 |

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

Jay Stephenson
Company Secretary
STONEHENGE METALS LIMITED

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Stonehenge Metals Limited

ABN

81 119 267 391

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|----------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1,016,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| <p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>Yes</p> | | | | | | |
|--|--|--------|--------|-------------|-----------------|------------|---|
| <p>5 Issue price or consideration</p> | <p>7.5 cents per Share</p> | | | | | | |
| <p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>Placement as approved at General Meeting at 24 September 2010</p> | | | | | | |
| <p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p> | <p>22 October 2010</p> | | | | | | |
| <p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p> | <table border="1"> <thead> <tr> <th data-bbox="686 1467 989 1500">Number</th> <th data-bbox="989 1467 1283 1500">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1500 989 1590">270,111,273</td> <td data-bbox="989 1500 1283 1590">Ordinary Shares</td> </tr> <tr> <td data-bbox="686 1590 989 1807">13,889,324</td> <td data-bbox="989 1590 1283 1807">10 cent Options to acquire one (1) share in the Company exercisable on or before 21 December 2012</td> </tr> </tbody> </table> | Number | +Class | 270,111,273 | Ordinary Shares | 13,889,324 | 10 cent Options to acquire one (1) share in the Company exercisable on or before 21 December 2012 |
| Number | +Class | | | | | | |
| 270,111,273 | Ordinary Shares | | | | | | |
| 13,889,324 | 10 cent Options to acquire one (1) share in the Company exercisable on or before 21 December 2012 | | | | | | |

+ See chapter 19 for defined terms.

| | Number | +Class |
|---|------------|---|
| 9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable) | 4,500,000 | 7.5 cent Options to acquire one (1) share in the Company exercisable on or before 12 October 2012 |
| | 5,000,000 | 12 cent Options to acquire one (1) share in the Company exercisable on or before 19 April 2013 |
| | 12,500,000 | Class A Performance Shares |
| | 5,000,000 | Class B Performance Shares |
| | 15,000,000 | Class C Performance Shares |
| | 7,500,000 | Class D Performance Shares |
| | 7,500,000 | Class E Performance Shares |
| | 5,000,000 | Class F Performance Shares |
| | 7,500,000 | Class G Performance Shares |
| 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | N/A | |

Part 2 - Bonus issue or pro rata issue – in relation to c)

| | |
|---|--|
| 11 Is security holder approval required? | |
| 12 Is the issue renounceable or non-renounceable? | |
| 13 Ratio in which the +securities will be offered | |
| 14 +Class of +securities to which the offer relates | |
| 15 +Record date to determine entitlements | |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

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|----|---|--|
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7. | |
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders | |
| 25 | If the issue is contingent on ⁺ security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |

+ See chapter 19 for defined terms.

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|----|---|--|
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do +security holders dispose of their entitlements (except by sale through a broker)? | |
| 33 | +Despatch date | |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?
- If the additional securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
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+ See chapter 19 for defined terms.

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|---|--|
| <p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p> | |
|---|--|

| <p>42 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 38)</p> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">⁺Class</th> </tr> <tr> <td style="height: 80px;"></td> <td></td> </tr> </table> | Number | ⁺ Class | | | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="height: 80px;"></td> </tr> </table> | |
|--|--|--------|--------------------|--|--|--|--|
| Number | ⁺ Class | | | | | | |
| | | | | | | | |
| | | | | | | | |

Quotation agreement

- 1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those ⁺securities should not be granted ⁺quotation.
 - An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
 Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the ⁺securities to be quoted under section 1019B of the Corporations Act at the time that we request that the ⁺securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before ⁺quotation of the ⁺securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Date: 28 October 2010
 Company secretary
 .Jay Stephenson

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+ See chapter 19 for defined terms.