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 Company Announcements Office  
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 Sydney NSW 2000

## STONEHENGE METALS LIMITED - CHONG MA INC. ACQUISITION UPDATE

### ADVANCED URANIUM PROJECTS IN SOUTH KOREA

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- **Yellow Sun Mines (Operations) Pty Ltd has successfully completed its acquisition of Chong Ma therefore satisfying a key condition precedent under the acquisition agreement with Stonehenge.**
  - **Stonehenge has now evaluated additional information available on the Uranium Projects as part of the due diligence process, including historical drilling information. This evaluation has confirmed the existence of significant high grade zones within the mineralisation including:**
    - **29.50 metres @ 500 ppm, from 69.7 metres to 99.20 metres, 84-DDH-8**
    - **21.40 metres @ 550 ppm, from 98.8 metres to 120.20 metres, 84-DDH-1**
    - **20.70 metres @ 560 ppm, from 69.60 metres to 90.30 metres, 84-DDH-1**
    - **15.90 metres @ 550 ppm, from 23.10 metres to 39.00 metres, 79-DE-2**
    - **13.60 metres @ 560 ppm, from 141.50 metres to 155.10 metres, 79-DE-25**
  - **The Korean Resources Corporation (KORES, 2008) has recently completed check drilling (7 holes) and established a resource of 26.2Mt @ 390 ppm U<sub>3</sub>O<sub>8</sub> for 22.2 million lbs of contained U<sub>3</sub>O<sub>8</sub> at the Gumsan uranium deposit located immediately adjacent to and along strike to the southwest of Chong Ma's 52 Mlb Daejon Project.**
  - **In addition to preparing an independent geological report and JORC compliant resource estimate, "Watts, Griffis, and McQuat" and "Hellman and Schofield" are evaluating the potential for substantial mineralisation targets beyond existing historical resources.**
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The Directors of Stonehenge Metals Limited (**Stonehenge, SHE or the Company**) are pleased to provide the following update regarding the acquisition of Chong Ma Mines Inc (**Chong Ma**) by the Company.

On 6 January 2009 Yellow Sun Mines (Operations) Pty Ltd (**Yellow Sun**) lodged a registration application in South Korea to complete the acquisition of Chong Ma. The acquisition was formalised on 7 January 2009 making Yellow Sun the 100% owner of Chong Ma and therefore allowing Chong Ma's sale to Stonehenge to proceed.

The remaining conditions precedent to completion of the acquisition are satisfactory legal, financial and project due diligence, Stonehenge shareholder approval and execution of consulting agreements with Mr Christopher Sennitt and Mr Kim Wan Joong to the Company's satisfaction.

## Historical Results

The Chubu, Yokwang, Seondang and Kolnami uranium deposits of the Daejon Project are situated in a rural setting in hilly terrain, about 15km south of Daejon city. They were discovered during the late 1970's as part of an exploration program for uranium conducted by the Korean Institute of Energy and Resources (KIER).

Evaluation conducted during the Company's initial due diligence investigations has revealed the significant historical drill results outlined in Table 1 overleaf. Significant intersections of >500ppm U<sub>3</sub>O<sub>8</sub> and >20 metres width are highlighted, but other intersections are included to indicate the overall tenor of the mineralisation. The drill results are documented 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 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 Chubu-Yokwang-Seongdang and Kolnami deposits within the Daejon Project area contain over 52 million pounds of uranium oxide at an average grade of 289 ppm over a strike length of approximately 6 km. Chubu is the largest known uranium deposit in South Korea and was drilled in detail at 50m section line spacing. Kolnami was drilled at 100m section line spacing. The Yokwang and Seondang deposits have only had limited drilling to date and remain highly under-explored, with Yokwang drilled at 200m section line spacing and Seondang at 500m section line spacing.

Immediately adjacent to and along strike to the southwest of the Chubu Deposit, the Korean Resources Corporation (**KORES**, 2008) has recently completed check drilling (7 holes) and established a resource of 26.2Mt @ 390 ppm U<sub>3</sub>O<sub>8</sub> for 22.2 million lbs of contained U<sub>3</sub>O<sub>8</sub> at the Gumsan uranium deposit (also known as Geumsan). Gumsan lies within Mining Right Daejon 49, held by Mr Lee Kwan Ho and is leased by KORES. KORES has recently applied for a Mine Development Permit over the Gumsan deposit. These recent estimates and activities provide reassurance of the accuracy, reliability and relevance of the historical resource estimates.

**Table 1. Significant Drill Intersections from Chubu, Yokwang & Kolnami Deposits**

Hole	From	To	Interval (metres)	U <sub>3</sub> O <sub>8</sub> (%)	U <sub>3</sub> O <sub>8</sub> (ppm)	Grade x Thickness	DEPOSIT
74-1	42.80	97.50	<b>54.70</b>	0.0270	<b>270</b>	14769	Chubu
79-DE-1	62.40	77.80	<b>15.40</b>	0.0500	<b>500</b>	7700	Chubu
79-DE-2	23.10	39.00	<b>15.90</b>	0.0550	<b>550</b>	8745	Chubu
79-DE-13	105.50	111.50	<b>6.00</b>	0.0570	<b>570</b>	3420	Chubu
79-DE-21	123.00	145.50	<b>22.50</b>	0.0330	<b>330</b>	7425	Chubu
79-DE-25	141.50	155.10	<b>13.60</b>	0.0560	<b>560</b>	7616	Chubu
80-DE-9	110.30	127.30	<b>17.00</b>	0.0500	<b>500</b>	8500	Chubu
80-DE-11	105.30	138.50	<b>33.20</b>	0.0300	<b>300</b>	9960	Chubu
80-DE-15	168.50	177.30	<b>8.80</b>	0.0500	<b>500</b>	4400	Chubu
80-DE-26	107.80	129.00	<b>21.20</b>	0.0370	<b>370</b>	7844	Chubu
80-DE-26	143.80	172.70	<b>28.90</b>	0.0260	<b>260</b>	7514	Chubu
80-DE-27	89.40	141.00	<b>51.60</b>	0.0280	<b>280</b>	14448	Chubu
80-DE-33	110.80	134.60	<b>23.80</b>	0.0260	<b>260</b>	6188	Chubu
80-DE-34	140.50	166.90	<b>26.40</b>	0.0280	<b>280</b>	7392	Chubu
80-DE2-1	142.70	155.80	<b>13.10</b>	0.0500	<b>500</b>	6550	Chubu
80-DE2-9	183.00	205.10	<b>22.10</b>	0.0430	<b>430</b>	9503	Chubu
80-DE2-10	111.50	135.50	<b>24.00</b>	0.0260	<b>260</b>	6240	Chubu
81-DE2-4	225.50	228.00	<b>2.50</b>	0.0680	<b>680</b>	1700	Chubu
82-DEY-5	77.00	137.00	<b>60.00</b>	0.0280	<b>280</b>	16800	Yokwang
83-DEY-1	198.20	264.45	<b>66.25</b>	0.0254	<b>254</b>	16828	Yokwang
83-DEY-7	96.40	116.50	<b>20.10</b>	0.0444	<b>444</b>	8924	Yokwang
83-DEY-8	26.80	47.80	<b>21.00</b>	0.0304	<b>304</b>	6384	Yokwang
83-DEY-11	42.56	61.45	<b>18.89</b>	0.0319	<b>319</b>	6026	Yokwang
84-DDH-1	69.60	90.30	<b>20.70</b>	0.0560	<b>560</b>	11592	Kolnami
84-DDH-1	98.80	120.20	<b>21.40</b>	0.0550	<b>550</b>	11770	Kolnami
84-DDH-7	5.65	9.70	<b>4.05</b>	0.0640	<b>640</b>	2592	Kolnami
84-DDH-7	22.80	30.45	<b>7.65</b>	0.0510	<b>510</b>	3902	Kolnami
84-DDH-8	69.70	99.20	<b>29.50</b>	0.0500	<b>500</b>	14750	Kolnami
84-DDH-14	243.20	248.30	<b>5.10</b>	0.0600	<b>600</b>	3060	Kolnami

### Uranium Projects – Style of Mineralisation and Geology

The established uranium resources at Chubu-Yokwang-Seondang are contained in a continuously mineralised graphitic black slate sedimentary horizon, which can be traced in outcrops over a strike length of at least 9km. Two separate 20m thick uranium-bearing graphitic slate beds are interbedded within a 70m thick section interval of the Guryongsan Slate, striking northeast-southwest, dipping moderately at 35-60° to the northwest. Mineralisation occurs from surface and the deposits are potentially amenable to open pit mining methods.

The historical resources estimated by KIER (1986) at Chubu-Yokwang-Seondang were calculated to a maximum vertical depth of 200m. The uranium-vanadium-molybdenum mineralisation is open at depth and along strike to the northeast and southwest, where it extends into the Gumsan deposit.

The Kolnami deposit, situated 1.8km to the north of Chubu is hosted within carbonate beds of the Guryongsan Slate but uranium mineralisation appears to be more closely associated with quartz vein stockworks within quartz-biotite hornfels skarn. The hornfels skarn is probably related to thermal contact aureole effects around a quartz eye granite porphyry sill intrusion. Mineralisation at Kolnami is

at least 1200m long and consists of three separate mineralised intervals within a 65m thick package. Mineralisation remains open along strike to the northeast, southwest and at depth below 150m.

### Uranium Projects - Tenement Maps

Set out in Appendix A are detailed tenement maps of the Daejon, Gwesan and Miwon Uranium Projects. These maps demonstrate the proximity of the Uranium Projects to other tenements held by key mining, exploration and development companies and help demonstrate the significant potential of the Uranium Projects.

For further information visit [www.stonehengemetals.com.au](http://www.stonehengemetals.com.au) or contact:

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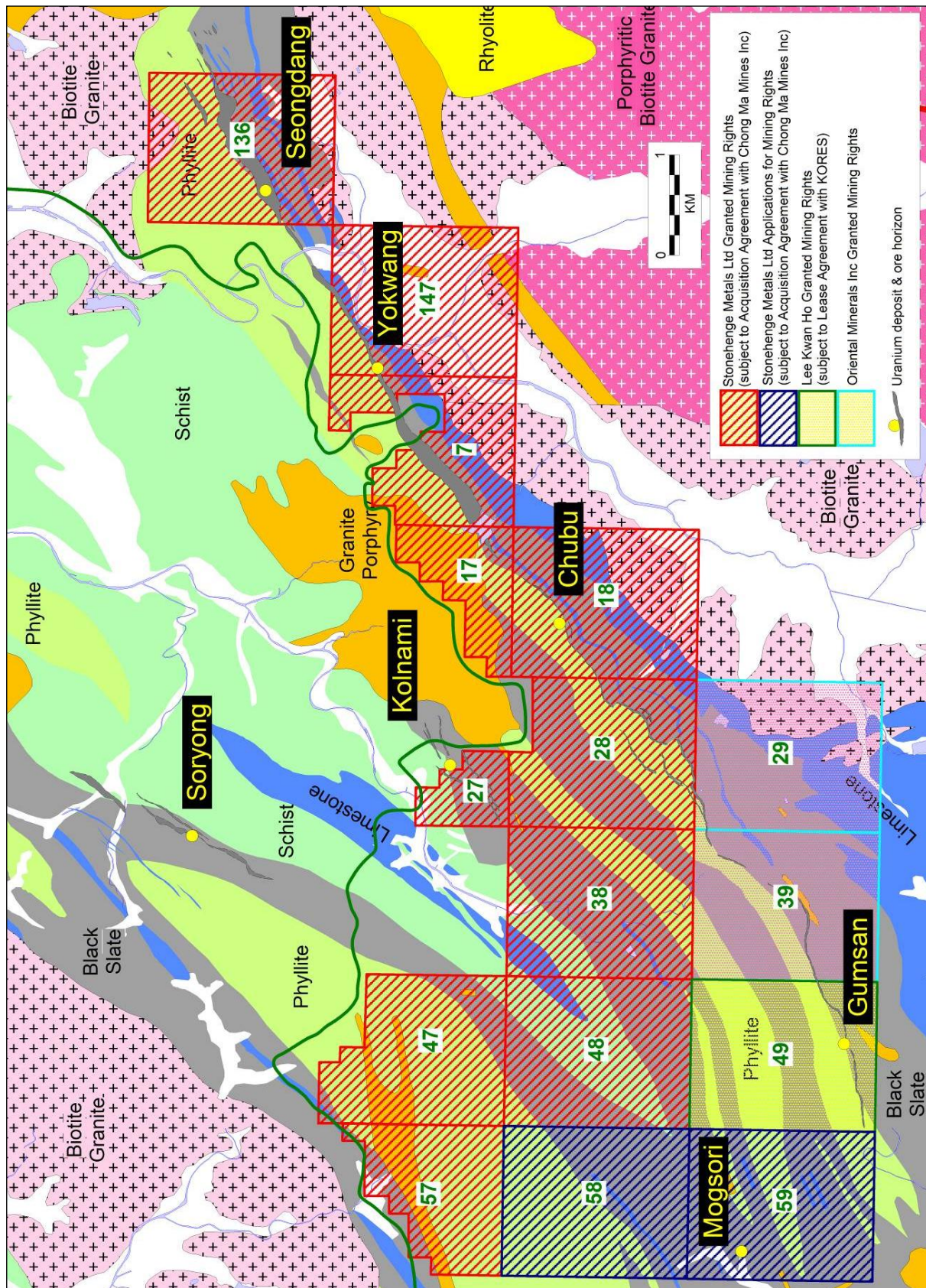
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*Information in this announcement that relates to Mineral Resources and exploration results is based on information compiled by Mr Christopher Sennitt of Senlac Geological Services Pty Ltd (2009) (ACN 010 677 595). Mr Sennitt is a Member of The Australian 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. Please refer to the end note<sup>1</sup> on page 8 of this announcement and the previous announcement made to ASX by the Company on 6 January 2010 which referred to the foreign historical resource estimates and the waiver from the ASX concerning Listing Rule 5.6.*

Appendix A: Uranium Projects – Tenement Maps

Figure 1 - Daejon Project Tenure Map.



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Figure 2 - Gwesan Project Tenure Map.

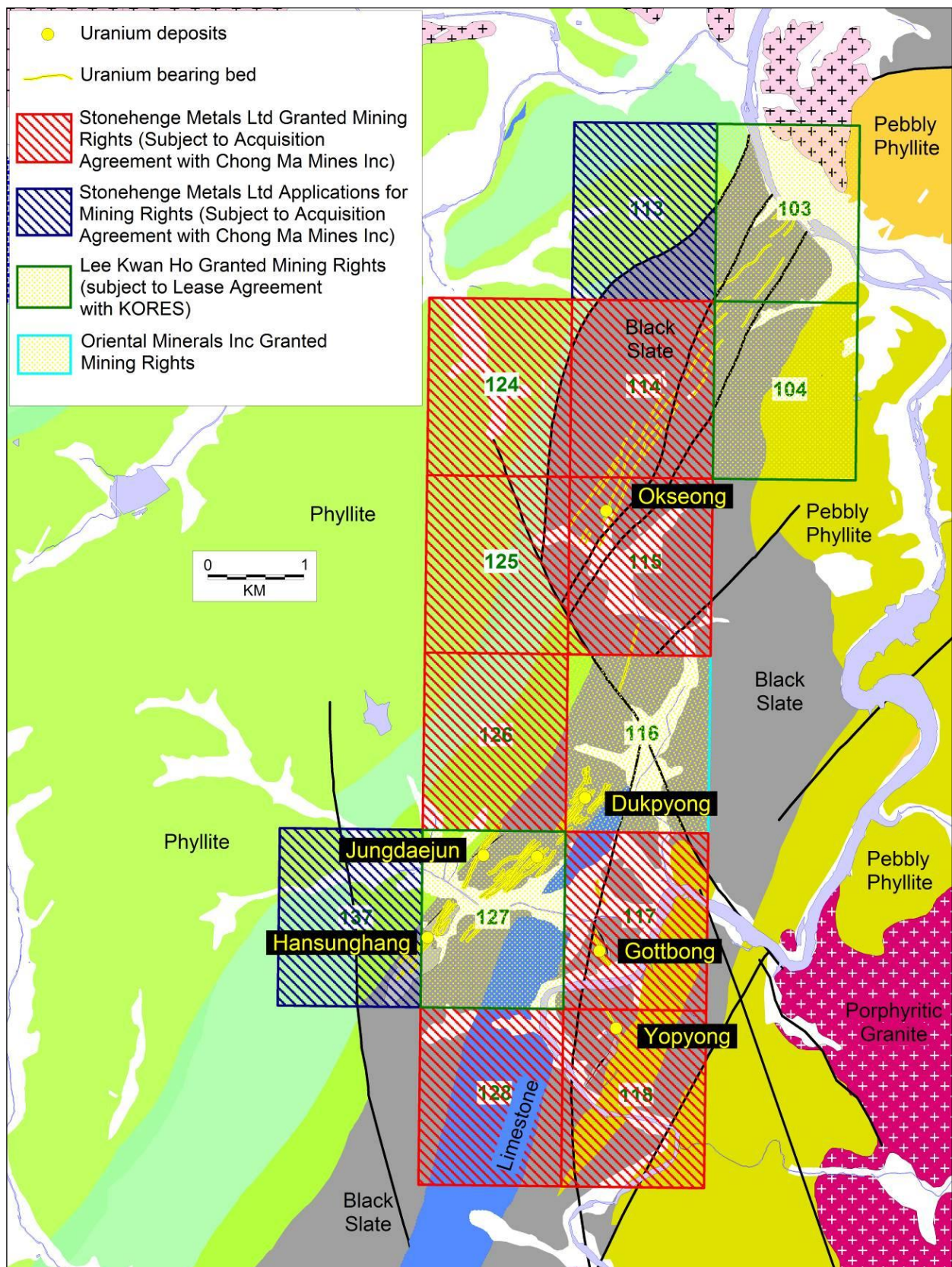
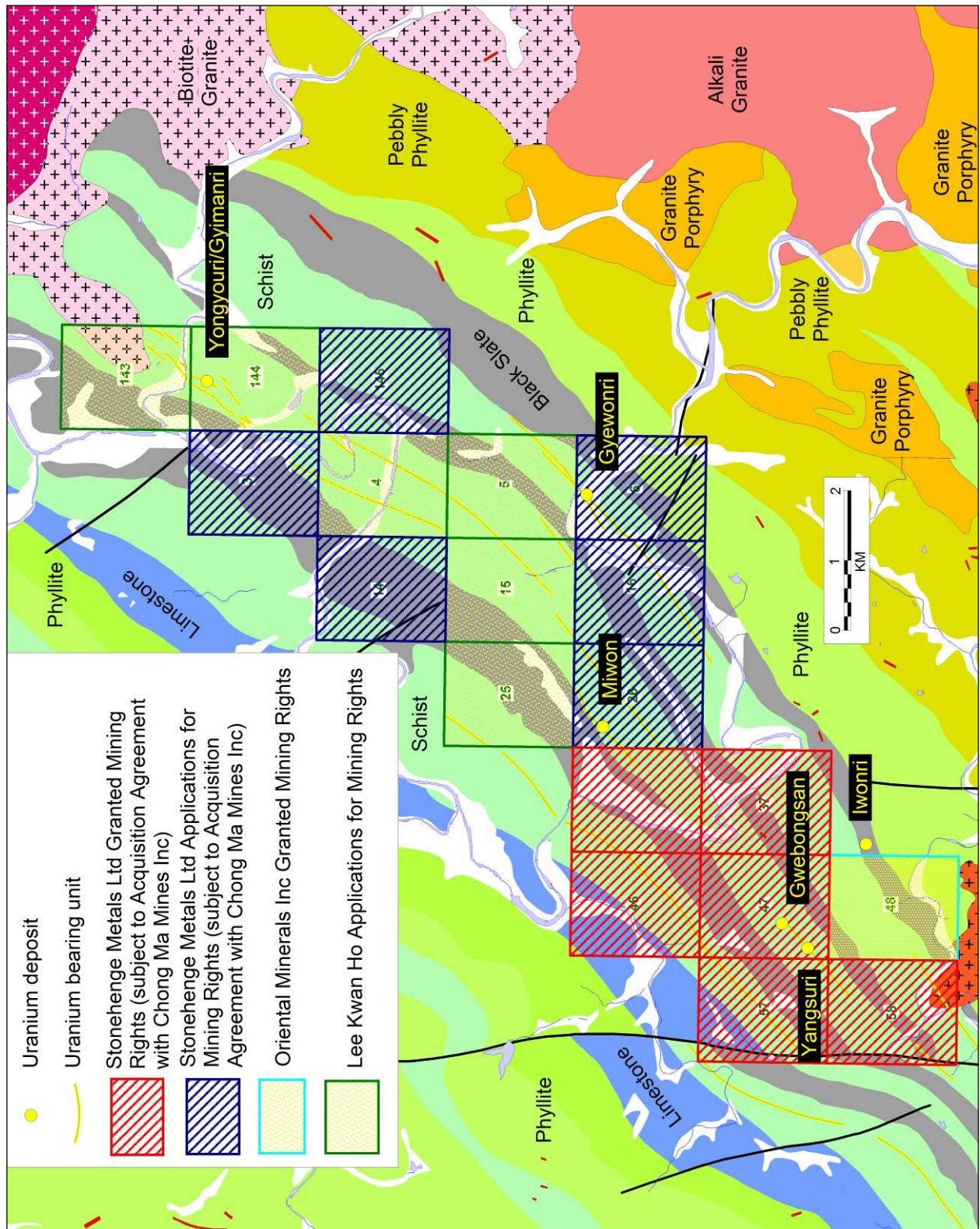


Figure 3 - Miwon Project Tenure Map.



## About the Acquisition and Uranium Projects

- 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);
- The Uranium Projects comprise 42 granted mining rights & 14 mining right applications;
- 56<sup>1</sup> million lbs (MLb) U<sub>3</sub>O<sub>8</sub> at an average grade of 292 ppm have been estimated at the Uranium Projects by the Korean Institute of Energy and Resources (KIER) in a 1986 report;
- The largest of the Uranium Projects, Daejon, contains more than 52<sup>1</sup> MLb of U<sub>3</sub>O<sub>8</sub> 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”; and
- Significant potential exists to define economic quantities of vanadium & molybdenum at the projects.

## Summary of the Transaction

The acquisition is still subject to completion of satisfactory due diligence by Stonehenge and Stonehenge shareholder approval. Consideration is comprised of 10m SHE shares plus 60m SHE performance shares. The Company is required to spend A\$3m on work commitments & purchase payments over 24 months including up to A\$150k of expenses reimbursement. The performance share milestones are as follows:

Performance Share Class	Performance Shares Issued	Milestone
Class 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 all or any of the Uranium Projects
Class 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 all or any of the Uranium Projects
Class 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 all or any of the Uranium Projects
Class 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 any or all of the Uranium Projects
Class E	7,500,000	The completion of a pre-feasibility study in relation to the Uranium Projects and the decision to mine, including granting of all required mining certificates and licenses.
Class F	5,000,000	The execution of a binding JV agreement on the Uranium Projects
Class G	7,500,000	The execution of a binding off take agreement on the Vanadium produced within the Uranium Projects

<sup>1</sup> All statements referring to U<sub>3</sub>O<sub>8</sub> 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. Please refer to the Company announcement made to ASX on 6/01/10 which refers to the foreign historical resource estimates and the waiver from the ASX concerning Listing Rule 5.6.