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## NEGOTIATION OF MATERIAL ACQUISITION AND SUBSEQUENT POSTPONEMENT OF CAPITAL RAISING

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Stonehenge Metals Limited (ASX: SHE) (the “**Company**”) wishes to announce that commercial negotiations regarding the acquisition of a material Uranium and Vanadium project in close proximity to the Company’s Daejon Project have significantly advanced since the Company requested a trading halt on 3 May 2011.

The final terms regarding the acquisition of the project are being negotiated and a definitive binding agreement has yet to be signed; however the rapid pace of negotiations and the material size of the acquisition warranted postponing the proposed capital raising as announced on 3 May 2011.

Should the transaction proceed, it is likely that the Company’s future capital expenditure will be significantly altered. Once the terms of the acquisition are finalised and the Company has a better understanding of the associated funding requirements SHE will re-evaluate its capital raising requirements, taking into consideration the new transaction.

The Company’s existing activities are well funded and are not affected by the decision to postpone the proposed capital raising.

The Company will advise shareholders of developments in due course.

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

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