



ASX/Media release

22 February 2011



ASX : SHE

STONEHENGE METALS LTD ANNOUNCES 87% INCREASE IN URANIUM RESOURCE TO 65Mlbs eU₃O₈

- New studies increase estimated Inferred Resource and Exploration Potential to an:
 - Inferred Resource of 92Mt @ 320 ppm eU₃O₈ for 65Mlbs of contained eU₃O₈;
 - Exploration Target of 17 to 39 million pounds U₃O₈ at a grade of 250 to 350 ppm
- The resource has been increased by 87% in total contained uranium, thus becoming the largest uranium resource in South Korea.
- The upgraded resource is based on a combination of recent detailed mapping by KORES (Korean Resources Corporation) ground radiometrics, costean sampling data and a more comprehensive understanding of the local structure and stratigraphy gained largely from recent re-logging of historical drill core.
- The resource outcrops at surface and is open along strike and at depth.
- Strong multi-element assays returned from Daejon adit channel sampling.
- Initial diamond drilling program completed at the Gwesan Project.

The Board of Stonehenge Metals Ltd (**ASX: SHE**) (**Stonehenge** or the **Company**), is pleased to announce a significant upgrade to the Company's Mineral Resource Estimate for its wholly owned Daejon Uranium Project in South Korea.

The Mineral Resource Estimate has been calculated at **92 million tonnes averaging 320 ppm eU₃O₈** for a contained **65 million pounds of eU₃O₈** at a lower cut-off grade of 200 ppm eU₃O₈. The entire resource is classified in the Inferred Resource category. The Mineral Resource Estimate has been prepared by independent consultants Snowden Mining Industry Consultants Pty Ltd and is reported in accordance with the JORC Code (2004).

The resource is summarised in the table below and is reported for the three prospects: Chubu, Yokwang and Kolnami. Chubu and Yokwang are hosted by graphitic slate units and Kolnami is

hosted by calc-silicate hornfels units. A default density of 2.6 t/m³ has been used in the estimate for mineralisation. Ordinary block kriging was used to interpolate grade into the model based on the current drill database, with a 700 ppm eU₃O₈ top cut applied to the data. The Inferred Resource classification reflects the lack of industry standard QAQC data, reliance on historic data and the current drill spacing. Snowden has stated it is confident that an infill drill programme with industry standard sampling, assaying and QAQC procedures and protocols, together with metallurgical testwork, will result in an upgrading of the resource classification.

Daejon Resource estimate at February 2011, reported at a 200 ppm eU₃O₈ cut-off:

Daejon Project: Inferred Resource Estimate				
Prospect	Classification	Tonnes	Grade eU₃O₈ (ppm)	Contained U₃O₈ (lbs)
Chubu	Inferred	46,000,000	330	34,000,000
Yokwang	Inferred	39,000,000	310	26,000,000
Kolnami	Inferred	7,000,000	340	5,000,000
Total		92,000,000	320	65,000,000

Daejon Project: Conceptual Exploration Target¹			
	Tonnage Range (Mt)	Grade Range eU₃O₈ (ppm)	Contained U₃O₈ Range (lbs)
Chubu - Yokwang	30 - 50	250 - 350	17 – 39 million

N.B. Totals may not add up due to rounding of input numbers. Resource estimates have been conducted in accordance with JORC Guidelines.

¹*The potential quantity and grade of the Daejon Uranium Project Conceptual Exploration Targets are conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.*

The increased resource is based on a combination of new information including new detailed (1: 5,000 scale) geological mapping over much of the deposit by KORES in 2009. KORES also completed ground radiometric traverses at 50 metre spacings along strike over much of the deposit. This information is contained within a 175 page report prepared on the Project by KORES in 2009. The report also contains a full set of detailed, graphic logs of every drill hole in the Project.

In addition to this information, SHE now has the assay results from a number of costeans excavated along the strike of the resource which demonstrate the along strike continuity of the mineralisation.

Stonehenge geologists have recently been able to gain access to the historic drill core from the original drilling at the Daejon Project through an agreement signed with Korean government agency, KIGAM as part of a collaborative research programme with Kongju University. The drill core is in excellent condition and the re-logging has greatly added to the overall understanding of the structure, lithologies and stratigraphy of the Daejon mineralisation.

Daejon Adit Sampling:

The Company has recently received the results of selective sampling of a 350 metre long adit that was developed into the central part of the Daejon ore body. The adit extends both through and along the strike of the uranium ore body. No detailed structural mapping has been completed in the adit, consequently the sampled length should not be construed as true widths.

The sampling was designed to reproduce the results of previous historical sampling completed by KORES. The KORES samples were only assayed for uranium and vanadium. The recent SHE samples were assayed for a wide range of elements (35 elements in total) including uranium, vanadium, molybdenum, nickel and zinc. A complete set of results is included as Appendix 2.

Two coherent zones of multi-element mineralisation have been identified by the adit sampling, these include:

- **Samples CB001 – 049:**
 - 49m @ 212 ppm U₃O₈, incl: 10m @ 436 ppm U₃O₈
 - 49m @ 334 ppm Mo, incl: 10m @ 700 ppm Mo
 - 49m @ 396 ppm Ni, incl: 10m @ 692 ppm Ni
 - 49m @ 546 ppm Zn and incl: 10m @ 1,013 ppm Zn
 - 49m @ 4,754 ppm V₂O₅ incl: 24m @ 7,171 ppm V₂O₅

- **Samples CB051 – 113:**
 - 63m @ 382 ppm U₃O₈, incl: 9m @ 502 ppm U₃O₈, and
17m @ 459 ppm U₃O₈
 - 63m @ 491 ppm Mo, incl: 22m @ 622 ppm Mo
 - 63m @ 533 ppm Ni, incl: 22m @ 606 ppm Ni
 - 63m @ 842 ppm Zn and incl: 15m @ 998 ppm Zn, and
10m @ 2,201 ppm Zn
 - 60m @ 3,210 ppm V₂O₅ incl: 12m @ 4,281 ppm V₂O₅
10m @ 4,275 ppm V₂O₅

The assay results clearly demonstrate the multi-element nature of the deposit. The sampling also shows that the deposit hosts wide zones of uranium mineralisation at grades well above the previously announced bulk grade of the deposit, and that there are wide intervals with significant grades of Molybdenum (Mo), Nickel (Ni) and Zinc (Zn) which will add considerable value to the deposit.

In the near future a comprehensive sampling program will be conducted along the whole length of the adit and assayed for an expanded suite of elements. There is strong evidence to suggest that some zones of rare earth Elements (REE) may also be included in the mineralisation.

Gweson Drilling Program Completed:

Following strong surface outcrop sampling results from chemical assay at its Gweson Project (up to 5,354ppm U₃O₈ and 2,017 V₂O₅ - refer ASX announcement 28 October 2010) Stonehenge commenced its maiden diamond drilling program in Korea. The drilling was designed to establish the down dip and along strike continuity of the outcropping uranium and vanadium mineralisation. The drill program has now been completed.

The drilling program included 935m of diamond drilling in eight (8) drill holes and has provided an initial test of approximately 800 metres of strike length of the mineralised horizons (up to three zones).

The drill cross sections - three drill cross sections in total - are placed at approximately 400m intervals along the strike length of the mineralisation. Drilling costs in Korea compare favorably to most other jurisdictions with the all-inclusive cost of a drilling contractor being around AUD\$100/m for NQ diameter diamond core.

The drill core is being progressively cut and sampled in Korea with samples being sent to ALS Laboratories in Brisbane for chemical analysis. Assay results have been delayed due to the recent flood disaster in Queensland, but are expected later in Q1.

Stonehenge Managing Director, Richard Henning, said "The analysis of recently available data, including access to historic core samples has enabled us to put together a resource that now has considerable scale, with significant potential upside. The Daejon project is shaping up as a very exciting prospect, with over 4km of strike in a geologically consistent ore body which is clearly defined, along with out-cropping at surface. Our metallurgical testwork continues to be encouraging and I look forward to entering a pre-feasibility stage of this project much earlier than anticipated."

For further information visit stonehengemetals.com.au or contact;

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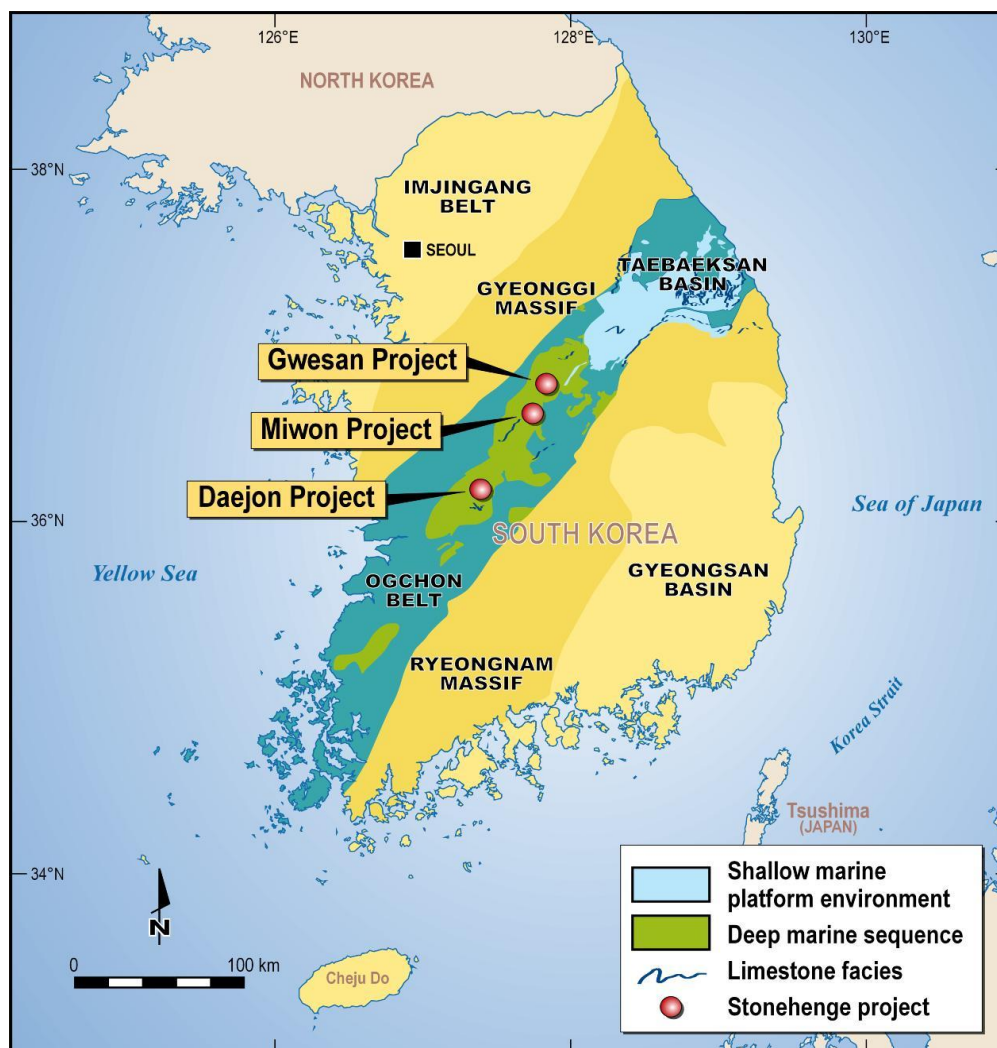
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About Stonehenge

Stonehenge Metals Limited (ASX Code: SHE) is developing a uranium project in South Korea. Stonehenge owns 100% of the rights to four uranium projects in South Korea, including the Company's flagship Daejon Project which contains the largest uranium resource within South Korea at **65.0Mlbs** grading **320ppm eU₃O₈** (in accordance with JORC guidelines).

South Korean Location Map



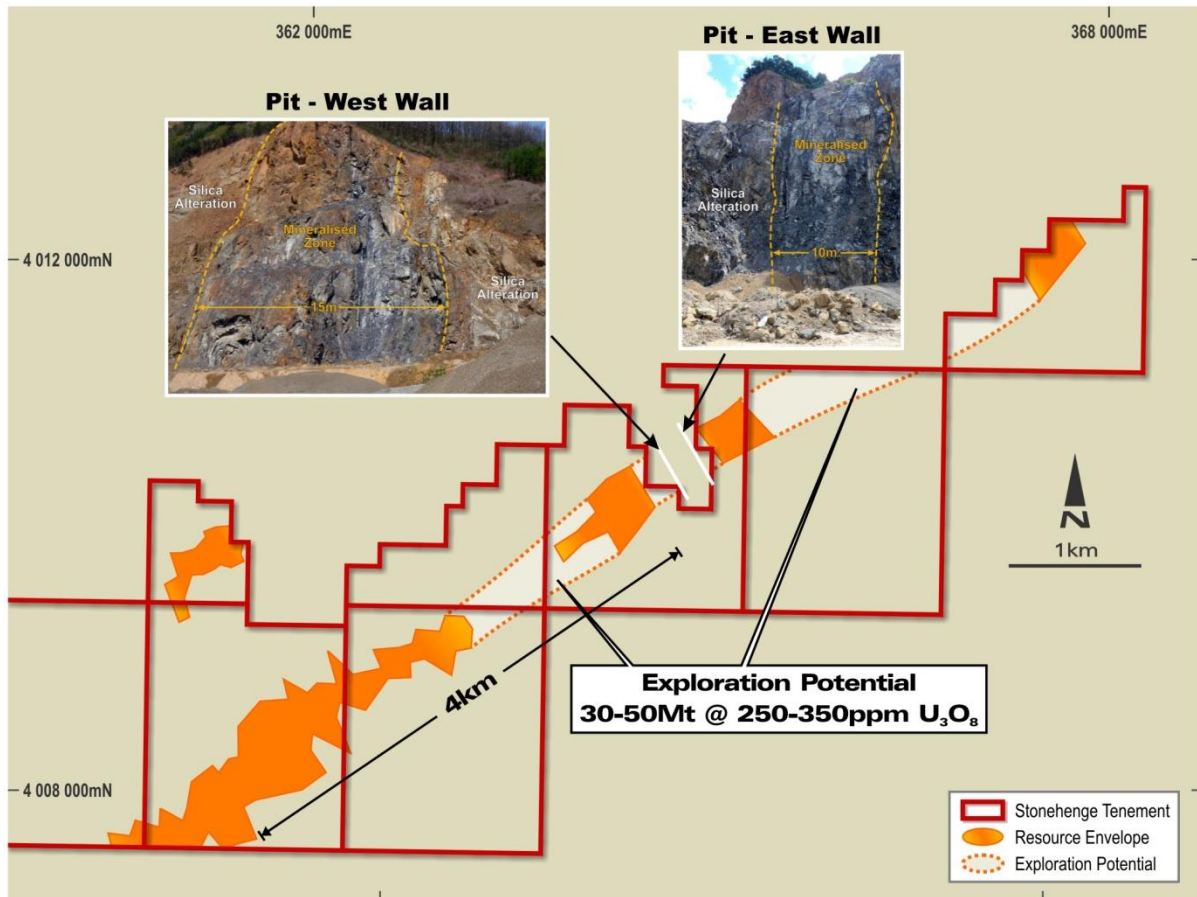
Competent Persons Statement

The geological information contained in this ASX release relating to South Korean Exploration Results has been compiled by Mr. Simon Fleming of Stonehenge Metals Limited. Mr. Fleming is a Fellow of The Australian Institute of Geoscientists and Mr. Fleming has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking 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 information contained in this ASX release relating to Mineral Resources has been compiled by Mr. Michael Andrew of Snowden Mining Industry Consultants Pty Ltd. Mr. Andrew is a Member of The Australian Institute of Mining and Metallurgy. Mr. Andrew has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking 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". Mr Andrew consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

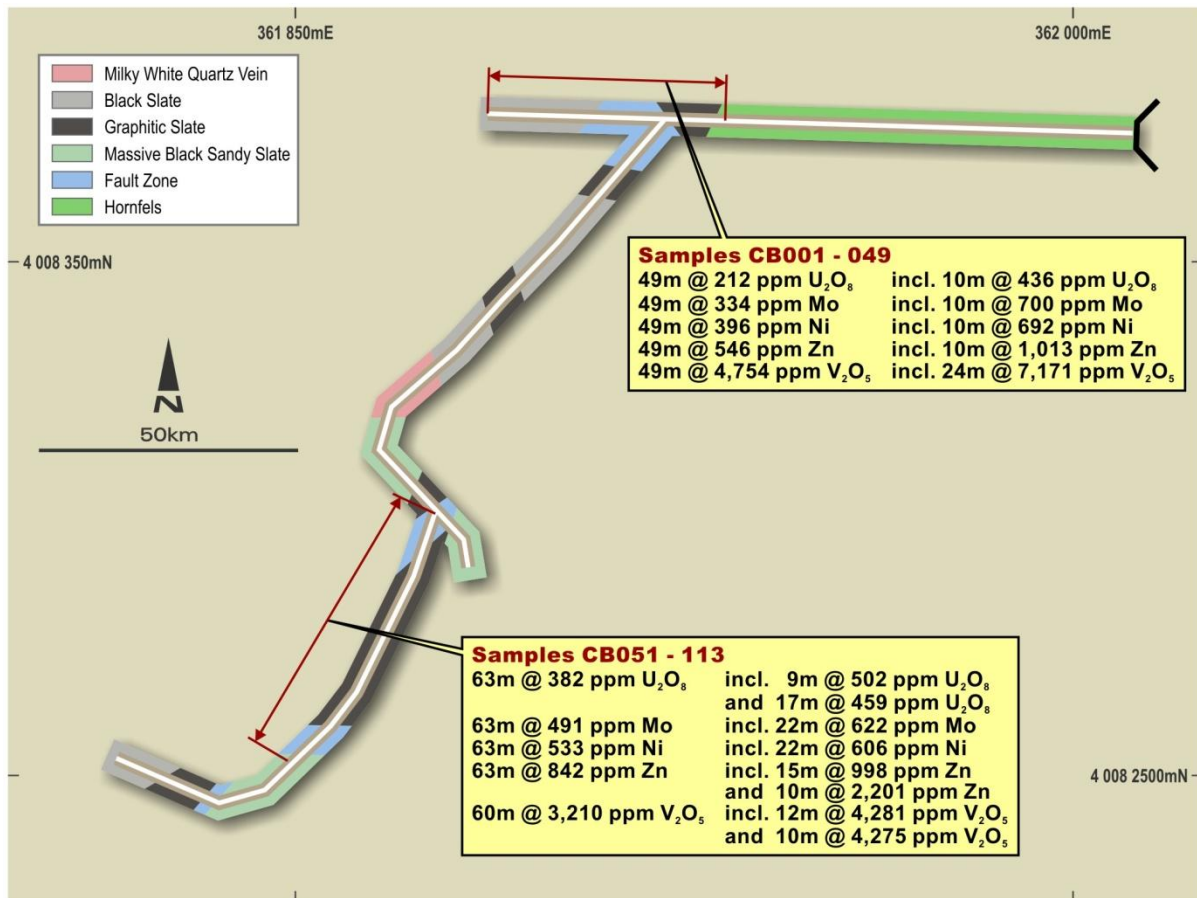
Appendix 1:

Location of the Resource Estimate and Exploration Potential at the Daejon Project, South Korea.



Appendix 2:

Recent chemical assay results from channel sampling at Daejon Adit



Daejon Adit Sampling Assay Results:

DESCRIPTION	Mo ppm	Ni ppm	U ppm	Zn ppm	V ppm
CB001	153	320	50	473	1,100
CB002	92	146	40	137	510
CB003	48	69	30	155	180
CB004	117	81	80	48	<10
CB005	122	171	70	208	800
CB006	487	807	310	2,970	2,110
CB007	293	301	170	136	<10
CB008	310	325	330	125	<10
CB009	354	217	300	679	<10
CB010	1,220	561	350	653	740
CB011	569	1,350	300	1,160	3,770
CB012	1,110	1,260	370	1,220	4,860
CB013	527	393	280	955	850
CB014	754	515	460	150	1,390
CB015	440	341	390	1,680	830
CB016	394	458	320	543	1,540
CB017	748	740	480	1,370	2,300
CB018	742	854	400	1,720	2,660
CB019	493	448	350	297	1,170
CB020	89	161	70	639	280
CB021	97	132	70	178	410
CB022	124	80	110	266	210
CB023	86	78	70	2,240	120
CB024	75	77	60	291	170
CB025	146	209	140	108	140
CB026	653	828	370	701	1,930
CB027	387	442	360	1,410	460
CB028	305	584	240	1,470	1,800
CB029	97	357	140	945	1,540
CB030	418	307	100	296	1,500
CB031	196	341	130	885	1,850
CB032	561	467	200	579	1,230
CB033	353	724	160	236	1,800
CB034	979	559	170	100	2,750
CB035	179	452	80	135	4,360
CB036	156	383	80	16	4,060
CB037	180	282	110	22	5,100
CB038	157	226	100	15	2,270
CB039	135	252	80	79	2,090
CB040	154	273	90	31	2,460
CB041	284	313	110	231	5,670
CB042	313	440	120	74	6,110
CB043	414	440	140	94	8,020
CB044	309	345	120	48	>10,000

DESCRIPTION	Mo ppm	Ni ppm	U ppm	Zn ppm	V ppm
CB045	196	317	100	55	>10,000
CB046	80	271	70	84	7,510
CB047	85	268	50	40	8,290
CB048	78	244	60	120	9,260
CB049	89	179	50	715	8,320
CB050	13	17	30	215	320
CB051	333	379	300	364	300
CB052	306	223	210	558	320
CB053	74	48	50	225	240
CB054	342	598	180	2,700	2,400
CB055	480	483	450	405	1,540
CB056	422	691	370	498	1,520
CB057	367	490	300	789	1,160
CB058	484	585	410	869	1,390
CB059	327	487	290	301	1,140
CB060	327	476	310	389	1,320
CB061	548	638	370	443	1,060
CB062	579	562	540	625	1,140
CB063	398	558	370	608	1,410
CB064	498	717	320	488	1,890
CB065	478	595	320	229	1,770
CB066	553	643	320	150	2,080
CB067	337	444	250	361	1,060
CB068	429	579	320	115	1,610
CB069	434	572	320	188	1,670
CB070	372	463	290	1,760	1,070
CB071	580	525	610	159	1,180
CB072	467	427	530	173	1,300
CB073	463	457	350	217	1,870
CB074	605	783	430	120	5,070
CB075	407	569	380	289	960
CB076	421	463	340	188	1,410
CB077	414	207	300	185	250
CB078	450	366	470	193	700
CB079	478	335	420	60	530
CB080	432	231	310	194	<10
CB081	327	152	200	229	1,010
CB082	538	861	270	153	3,940
CB083	441	782	260	186	3,230
CB084	380	477	200	445	2,020
CB085	736	540	280	368	3,060
CB086	448	415	240	749	1,780
CB087	692	720	350	1,540	4,020
CB088	476	548	340	1,010	1,920
CB089	1,390	812	610	328	1,390
CB090	1,350	546	370	237	910

DESCRIPTION	Mo ppm	Ni ppm	U ppm	Zn ppm	V ppm
CB091	1,000	907	460	1,470	2,880
CB092	790	636	370	1,220	2,070
CB093	396	746	240	1,550	1,550
CB094	322	308	290	182	560
CB095	516	461	550	201	350
CB096	463	422	270	281	690
CB097	436	595	280	795	1,330
CB098	594	948	450	2,990	2,450
CB099	388	439	230	1,620	1,190
CB100	503	650	350	950	2,190
CB101	583	638	350	603	1,500
CB102	636	409	560	47	<10
CB103	596	463	540	47	<10
CB104	418	439	220	2,090	2,810
CB105	236	302	140	1,760	660
CB106	313	486	140	3,130	1,690
CB107	370	429	160	4,590	3,480
CB108	403	476	260	2,500	2,290
CB109	489	809	220	1,440	2,430
CB110	459	508	180	1,890	3,390
CB111	379	581	160	1,370	2,910
CB112	544	917	230	1,590	2,220
CB113	501	569	220	1,650	2,070