Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Name of entity

STONEHENGE METALS LTD

ACN	Quarter ended ("current quarter")
119 267 391	30 September 2011

Consolidated statement of cash flows			Current Quarter	Year to date (3 Months)
	Cash flows related to operati	ing activities	\$A'000	\$A'000
1.1	Receipts from product sales ar		_	_
1.2	Payments for	(a) exploration and evaluation	(290)	(290)
1.2	Taymonts for	(b) development	(270)	(250)
		(c) production	_	_
		(d) administration	(239)	(239)
1.3	Dividends received	(a) administration	(237)	-
1.4	Interest and other items of a si	milar nature received	31	31
1.5	Interest and other costs of fina		_	-
1.6	Income taxes paid	Para	_	_
1.7	Other (GST)		(18)	(18)
	Net operating cash flows		(516)	(516)
	Cash flows related to investig	ng activities	(610)	(610)
1.8	Payment for purchases of	(a) prospects	(400)	(400)
1.0	r ayment for purchases of	(b) equity investments	(400)	(400)
		(c) other fixed assets	(5)	(5)
1.9	Proceeds from sale of	. ,	(3)	(3)
1.9	r roceeds from sale of		-	-
			-	-
1.10	Loans to other entities	(c) other fixed assets	-	-
			-	-
1.11	Loans repaid by other entities Other (provide details if mater	ial)	-	-
1.12	Other (provide details if mater	141)	(405)	(405)
	Net investing cash flows		(405)	(405)
1.13	Total operating and investing	cash flows (carried forward)	(921)	(921)

1.13	Total operating and investing cash flows (brought forward)	(921)	(921)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	21	21
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Oversubscription of capital raising	-	-
1.19	Other (costs of issue)	ı	
Net Financing Cash Flows		21	21
	Net increase (decrease) in cash held	(900)	(900)
1.20	Cash at beginning of quarter/year to date	3,114	3,114
1.21	Exchange rate adjustments to Item 1.20	(17)	(17)
1.22	Cash at end of quarter	2,197	2,197

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	289
1.24	Aggregate amount of loans to the parties included in item 1.10	-

Explanation necessary for an understanding of the transactions

Payments of Directors fees and salaries of \$189,938

Payments made to Hemisphere Corporate Services Pty Ltd for the provision of administrative and tenancy related services of \$99,466. Bevan Tarratt is both a director of Hemisphere Corporate Services Pty Ltd and Stonehenge Metals Ltd.

Non-cash financing and investing activities

2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
	N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

,	
NI/A	
IN/A	

Financing facilities available

add notes as necessary for an understanding of the position

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	1	-
3.2	Credit standby arrangements	-	-

Est	imated cash outlays for next quarter	\$A'000
4.1	Exploration and evaluation	296
4.2	Development	-
4.3	Production	-
4.4	Administration	330
4.5	Capital Acquisitions	-
	TOTAL	626

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the Current Quarter Previous Quarter statement of cash flows) to the related items in the accounts is \$A'000 \$A'000 follows. 5.1 Cash on hand and at bank 66 120 5.2 Deposits at call 1,582 2,445 5.3 Bank overdraft 549 549 5.4 Other - Term Deposits

2,197

3,114

Changes in interests in mining tenements

Total: cash at end of quarter (item 1.22)

		Tenement Reference	Nature of Interest [note (4)]	Interest at Beginning of Quarter	Interest at End of Quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased	76967 Goesan	Direct	55.55%	100%
		76942 Goesan	Direct	55.55%	100%
		76965 Goesan	Direct	55.55%	100%
		76966 Goesan	Direct	55.55%	100%

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76964 Goesan	Direct	55.55%	100%
76941 Goesan	Direct	55.55%	100%
76968 Goesan	Direct	55.55%	100%
76969 Goesan	Direct	55.55%	100%
77018 Miwon	Direct	55.55%	100%
77019 Miwon	Direct	55.55%	100%
77020 Miwon	Direct	55.55%	100%
77225 Miwon	Direct	55.55%	100%
77291 Miwon	Direct	55.55%	100%
77292 Miwon	Direct	55.55%	100%
77010 Okcheon	Direct	55.55%	100%
77011 Daejon	Direct	55.55%	100%
77012 Daejon	Direct	55.55%	100%
77013 Daejon	Direct	55.55%	100%
77014 Daejon	Direct	55.55%	100%
77038 Okcheon	Direct	55.55%	100%
77039 Daejon	Direct	55.55%	100%
77114 Daejon	Direct	55.55%	100%
77115 Daejon	Direct	55.55%	100%
77363 Daejon	Direct	55.55%	100%
77364 Daejon	Direct	55.55%	100%
03673 Daejon	Direct	55.55%	100%
03674 Daejon	Direct	55.55%	100%
03675 Daejon	Direct	55.55%	100%
03676 Daejon	Direct	55.55%	100%
03677 Daejon	Direct	55.55%	100%
79161 Goisan	Direct	55.55%	100%

Issued and quoted securities at end of current quarterDescription includes rate of interest and any redemption or conversion rights together with prices and dates

		Total Number	Number Quoted	Issue Price	Amount paid up
7.1	Preferences securities (description)				
7.2	Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks, redemptions				
7.3	Ordinary securities	275,940,843	275,940,843		
7.4	Changes during quarter				
	(a) increases through issues(b) decreases through returns of capital, buybacks	4,496,237	4,496,237		
7.5	Convertible debt securities				
	(description)		1		
7.6	Changes during quarter (a) increases through issues (b) decreases through securities matured, converted				
7.7	Options			Exercise Price	Expiry Date
		4,500,000	-	7.5 cents	12/10/2012
		39,889,326	39,889,326	10 cents	21/12/2012
		5,000,000	-	12 cents	19/4/2013
		6,003,763	-	8.4 cents	23/11/2013
		6,250,000	-	11.2 cents	23/11/2013
7.8	Issued during quarter				
7.9	Exercised during quarter			Exercise Price	Expiry Date
-	6 1 ··· /2	246,237		10 cents	21/12/2012
7.10	Expired during quarter				
7.11	Debentures (totals only)				<u> </u>
7.12	Unsecured notes (totals only)				
7.13	Performance Shares	60,000,000			

Compliance statement

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does/does not* (delete one) give a true and fair view of the matters disclosed.

Sign here: (lodged electronically) Date: 31 October 2011.....

(Company Secretary)

Print name: Matthew Foy

Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- The definitions in, and provisions of, AASB 1022: Accounting for Extractive Industries and AASB 1026: Statement of Cash Flows apply to this report.
- Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address the topic, the Australian standard on that topic (if any) must be complied with.