



Stonehenge
METALS LTD

ASX/Media release

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ASX: SHE

STONEHENGE ESTABLISHING JOINT VENTURE TRADING COMPANY FOR SALE OF VANADIUM & MOLYBDENUM PRODUCTION

Stonehenge and Yong Jin Specialty Steel, one of Korea's largest independent steel companies, to proceed to MOU outlining the terms for 50:50 owned and operated joint venture trading company

Stonehenge Metals Ltd (**ASX: SHE**) ("**Stonehenge**" or the "**Company**"), is pleased to advise it has reached agreement with Yong Jin Speciality Steel Co., Ltd ("**Yong Jin**"), one of Korea's largest independent steel companies, for the preparation of an Memorandum of Understanding (MOU) to establish a joint venture trading company, owned and operated equally by Stonehenge and Yong Jin.

The agreement to establish the joint trading company was achieved following discussions with Yong Jin Specialty Steels' President, Mr JJ Kang President and its Board. Mr Kang was a former Director of POSCO and retains many contacts in Korea and elsewhere at the most senior industry level. It is intended that the trading company will initially be responsible for 100% of the off-take of Vanadium and Molybdenum from the Stonehenge operations but could potentially include any commodity trading into or out of Korea.

Stonehenge Managing Director, Richard Henning said, "This agreement to proceed to develop a Business Plan between Yong Jin and Stonehenge marks the first formal step in a series of agreements between Stonehenge and Korean entities. It is vital that we continue to engage at the highest level with Koreans in both business and politics."

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

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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** (inferred) grading **320ppm eU₃O₈** (in accordance with JORC guidelines).

Recent metallurgical testwork has shown that the uranium mineralisation is uraninite (UO₂) and is associated with feldspars; uranium extraction of over 90% can be achieved using a grind size of 150 µm, weak acidic conditions, (low acid consumption, 10 kg acid / tonne ore) and a leach temperature of 50°C.

Metallurgical consultants Clean TeQ have used current Korean power and chemical costing and, based on conservative assumptions from the test program, a C1 cash cost of **US\$24.50/lb U₃O₈** can be achieved. This cash cost is based upon a Vanadium by-product credit - a sale price of US\$13 / lb V.

Competent Persons Statement

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.