



ASX/Media release

25 May 2011

ASX: SHE

Daejon drilling approval

Formal permission received from the Governor of the Guemsan Province to commence drilling in the Chubu area

Stonehenge Metals Limited (“Stonehenge” or the “Company”) is pleased to advise that it has received formal permission from the Governor of the Guemsan Province in Korea to commence a drilling programme in the Chubu area. This approval follows a land access agreement with local land owners. Stonehenge has received a 12 month approval covering an area totaling 2,350m².

Having completed all land surveys, Stonehenge is now clearing land to enable rig access to areas (previously drilled by KORES) that have been identified as key targets for future resource definition and upgrade. The Company will announce details on the final drilling program, including location plans, shortly.

Stonehenge Managing Director, Richard Henning commented on the approval, *“This is the result of much work in the area, sourcing local land-owners and seeking their approval prior to submitting a land clearing and drilling application to the local government. The Korean staff should be congratulated on their endeavour, this is indeed an important milestone for Stonehenge.”*

For more 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 **65.0Mlbs¹** 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.