



## QUARTERLY ACTIVITIES REPORT



PERIOD ENDING 31 March 2012  
ASX CODE: SHE

### Stonehenge Metals Ltd

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**Company Secretary**

### HIGHLIGHTS

- Vanadium Exploration Target released
- Highly experienced Chief Executive appointed, Korea
- \$1.3M secured via Private Placement to Korean Investors
- Pro-rata non renounceable Rights Issue to raise \$2.5M

Stonehenge Metals Limited (ASX:SHE) (**Stonehenge** or the **Company**) is pleased to provide shareholders the following quarterly activities report with respect of the Company's recent activities.

### Vanadium Exploration Target

During the quarter, Stonehenge announced an Exploration Target<sup>1</sup> of 385-695 M lbs V<sub>2</sub>O<sub>5</sub> at its Daejon project in South Korea.

Based on vanadium assays from the Chubu exploration adit and reconnaissance surveying along strike, an Exploration Target<sup>1</sup> of 70-90 Million tonnes at a grade of between 0.25% to 0.35% V<sub>2</sub>O<sub>5</sub> for a contained 385-695 M lbs V<sub>2</sub>O<sub>5</sub>, is estimated to be within the Daejon project area.

<sup>1</sup> It should be noted that, under JORC guidelines, the potential quantity and grade of the vanadium exploration target is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource

Continued reconnaissance surveying completed by Stonehenge confirmed that vanadium mineralisation occurs along strike and multiple drill targets have been identified.

This sampling is part of the ongoing exploration campaign to gain a better understanding of the deposit and its extensions. Stonehenge is evaluating historical Korean Government work completed on the Stonehenge tenements where vanadium grades of up to **1.21% V<sub>2</sub>O<sub>5</sub>** are reported in the Yokwang deposit located within the Daejon project area. Occurrence of vanadium has been confirmed by Stonehenge in all three deposits Yokwang, Chubu and Guemsan located across the Daejon project.

Vanadium demand is directly linked to global steel consumption, with approximately 85 to 90% of global vanadium production consumed in the steel industry. Vanadium is primarily used as an alloy to steels in order to increase the strength and improve the high temperature performance of steels. Steels can contain from 0.05% to 4% vanadium depending on the grade. Other key uses for vanadium include titanium alloys for the aerospace industry, catalysts and vanadium redox flow batteries. Worldwide vanadium consumption is currently 65,000 tonnes per annum.

There are 95 historical drill holes located across the Chubu and Yokwang deposits. Only seven of these holes have been partially assayed for vanadium, which coincided with high grade uranium intersections. The remaining drill holes have not been assayed.

Geochemical sampling of a 340m long exploration adit within the Chubu deposit is on-going; the adit traverses part way into the mineralised ore zone and then travels along strike.

Assay results from the adit include 59m @ 0.32% V<sub>2</sub>O<sub>5</sub> and 33m @ 0.79% V<sub>2</sub>O<sub>5</sub> (including 9m @ 1.33% V<sub>2</sub>O<sub>5</sub>), and further intersections of 20m @ 0.31% V<sub>2</sub>O<sub>5</sub>, 50m @ 0.20% V<sub>2</sub>O<sub>5</sub> and 25m @ 0.21% V<sub>2</sub>O<sub>5</sub>.

To put this into context, Windimurra in Western Australia reports a head grade of 0.46%, similarly the Crosshair CMB vanadium project in Labrador has a resource grade of 0.15% and finally Xstrata's

Rhovan vanadium operation in South Africa has a grade of approximately 0.60% V<sub>2</sub>O<sub>5</sub>. Stonehenge is currently working towards a maiden vanadium resource estimate.

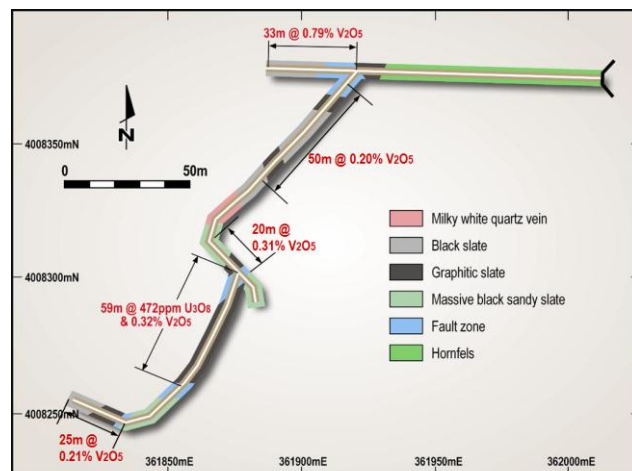


Figure 1: Chubu adit at Daejon Project showing mineralised zones identified from the historical geochemical sampling.

## MANAGEMENT

During the quarter Stonehenge announced the appointment of Mr Young Yu as the Chief Executive of its South Korean operations. His appointment followed the recent successful placement of 43million shares to South Korean investors.

Mr Yu comes to this role with a wealth of international experience. He was appointed Trade Commissioner to the Australian Trade Commission within the Australian Embassy in Seoul, South Korea in June 2008. In that position, he was responsible for Industry and Agribusiness, with his main areas of responsibility in the Clean Energy, Mineral & Resources and Investment sectors.

Prior to his appointment with Austrade, Mr Yu was the Regional Director/Representative for the Western Australian Trade and Investment Office in South Korea for four years.

Mr Yu is an experienced businessman with private sector experience in tourism, education, consulting and trade industries in both Australia and Korea. He is a Certified Practising Accountant, and has studied at Curtin University of Technology in Western Australia where he holds a Bachelor of Business degree and an MBA.

## CORPORATE

### Private Placement to Korean Investors

During the quarter Stonehenge announced its completion of a placement consisting of the issue of 43,491,126 shares at an issue price of \$0.03 per share raising a total of \$1,304,734.

The Company completed the private placement with a consortium of sophisticated and professional investors located primarily out of South Korea.

The funds raised from the placement, in conjunction with the current Rights Issue will be used as follows:

- Drilling at the Yokwang & Chubu Project locations to define a maiden JORC compliant vanadium resource and increase existing uranium resources;
- Developing process flow sheets with the aim of maximising vanadium metal recovery; and
- Preparing the Preliminary Environmental Referral document as part of the Korean government's permitting & approval process.

### Non-renounceable Rights Issue

On 14 March 2012 the Company announced its aim to raise approximately \$2,500,739 before costs via a pro-rata non-renounceable rights issue (**Rights Issue**). Eligible shareholders were provided the opportunity to subscribe for one (1) new fully paid ordinary share in the Company for every four (4) shares held as at Record Date.

The Company appointed Indian Ocean Capital (**Indian Ocean**) as Lead Manager to the Rights Issue. New Shares under the Rights Issue were offered at \$0.03 per share.

The Rights Issue closed subsequent to the quarter on 13 April 2012. The Company received over 440 applications for 23,780,470 new shares raising \$713,414.10 before costs. This represents approximately 30% of all shares offered under the Rights Issue.

It is the Board's intention that the available shortfall of 57,243,679 shares will be placed, in consultation with Indian Ocean Capital, within three (3) months at the directors' absolute discretion.

For further information please visit:  
[www.stonehengemetals.com.au](http://www.stonehengemetals.com.au)

### Competent Person Statement

The information contained in this report that relates to Mineral Resources, exploration targets and exploration results is based on information compiled by Mr. Michael Andrew of Optiro Pty Ltd (ABN 63 131 922 739), which provides geological consulting services to Stonehenge Metals Limited. Mr. Andrew is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person 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 this report of the matters based on his information in the form and context in which it appears.

APPENDIX 1: Historical KORES vanadium drilling assays from Chubu and Yokwang deposits.

Hole ID	From	To	Interval	Dip of Min	% V2O5
81-DE2-8	39	40.4	1.4	35	0.35
81-DE2-8	58.8	63.6	4.8	35	0.28
81-DE2-8	87.9	89	1.1	35	0.32
81-DE2-13	200	205	5	32	0.12
81-DE2-13	206	207	1	32	0.18
81-DE2-13	209	210	1	32	0.05
81-DE2-13	214	215	1	32	0.05
81-DE2-13	255	256	1	32	0.34
81-DE2-13	257	263	6	32	0.28
81-DE2-13	264	266	2	32	0.16
81-DE2-13	267	269	2	32	0.1
81-DE2-15	288	291	3	40	0.29
81-DE2-15	298	299	1	40	0.06
81-DE2-15	300	302	2	40	0.045
81-DE2-15	303	304	1	40	0.04
81-DE2-15	306	307	1	40	0.05
81-DE2-15	308	309	1	40	0.08
81-DE2-15	313	316	3	40	0.18
81-DE2-15	317	318	1	40	0.04
81-DE2-15	320	323	3	40	0.03
81-DE2-15	324	325	1	40	0.03
81-DE2-15	326	327	1	40	0.03
81-DE2-15	336	339	3	40	0.336
81-DE2-15	341	342	1	40	0.09
81-DE2-15	343	345	2	40	0.155
81-DE2-17	240	242	2	46	0.1
81-DE2-17	246.7	249	2.3	46	0.223
81-DE2-17	250	251	1	46	0.019
81-DE2-17	252	253	1	46	0.23
81-DE2-19	171	172	1	38	0.31
81-DE2-19	180	183	3	38	0.43
81-DE2-19	195	198	3	38	0.066
81-DE2-19	201	204	3	38	0.25
81-DE2-21	123	125	2	52	0.39
81-DE2-21	132	133	1	52	0.05
81-DE2-23	117	122	5	52	0.392
81-DE2-23	129	133	4	52	0.144
81-DE2-23	133	134	1	52	0.14

**APPENDIX 2: Chubu adit historical KORES vanadium assay results (samples collected at 1 metre intervals)**

Sample	East_Z52N	North_Z52N	RL	Assay % V <sub>2</sub> O <sub>5</sub>	Average % V <sub>2</sub> O <sub>5</sub>	Total Metres
C96	361917.84	4008377.54	290	0.37		
C97	361916.81	4008377.62	290			
C98	361915.73	4008377.62	290			
C99	361914.83	4008377.62	290	1.49		
C100	361913.76	4008377.62	290			
C101	361912.72	4008377.66	290			
C102	361911.82	4008377.7	290	0.13		
C103	361910.75	4008377.66	290			
C104	361909.72	4008377.78	290			
C105	361908.73	4008377.74	290	0.28		
C106	361907.61	4008377.74	290			
C107	361906.58	4008377.74	290			
C108	361905.63	4008377.7	290	0.59		
C109	361904.52	4008377.7	290			
C110	361903.46	4008377.78	290			
C111	361902.54	4008377.82	290	0.37		
C112	361901.51	4008377.78	290			
C113	361900.48	4008377.78	290			
C114	361899.53	4008377.86	290	0.5		
C115	361898.5	4008377.82	290			
C116	361897.51	4008377.82	290			
C117	361896.48	4008377.82	290	0.45		
C118	361895.45	4008377.86	290			
C119	361894.42	4008377.9	290			
C120	361893.47	4008377.9	290	1.09		
C121	361892.4	4008377.98	290			
C122	361891.34	4008378.02	290			
C123	361890.38	4008377.98	290	1.71		
C124	361889.47	4008377.98	290			
C125	361888.28	4008377.98	290			
C126	361887.25	4008377.98	290	1.49		
C127	361886.34	4008377.98	290			
C128	361885.35	4008378.02	290	1.04	0.79	33

Sample	East_Z52N	North_Z52N	RL	Assay % V <sub>2</sub> O <sub>5</sub>	Average % V <sub>2</sub> O <sub>5</sub>	Total Metres
D2	361918.6	4008376.06	290	0.2		
D4	361917.37	4008374.71	290			
D6	361916.14	4008373.2	290			
D8	361914.98	4008371.97	290	0.25		
D10	361913.84	4008370.71	290			
D12	361912.57	4008369.12	290			
D14	361911.3	4008367.69	290	0.23		
D16	361910.04	4008366.39	290			
D18	361908.81	4008364.8	290			
D20	361907.61	4008363.37	290	0.25		
D22	361906.35	4008362.02	290			
D24	361905.16	4008360.64	290			
D26	361903.86	4008359.17	290	0.15		
D28	361902.55	4008357.9	290			
D30	361901.32	4008356.56	290			
D32	361899.98	4008355.17	290	0.23		
D34	361898.82	4008353.74	290			
D36	361897.35	4008352.59	290			
D38	361896.05	4008351.24	290	0.15		
D40	361894.78	4008349.98	290			
D42	361893.36	4008348.67	290			
D44	361892.04	4008347.2	290	0.15		
D46	361890.9	4008345.85	290			
D48	361889.59	4008344.55	290			
D50	361888.24	4008343.24	290	0.18	0.20	50

Sample	East_Z52N	North_Z52N	RL	Assay % V <sub>2</sub> O <sub>5</sub>	Average % V <sub>2</sub> O <sub>5</sub>	Total Metres
D80	361867.72	4008323.79	290	0.125		
D82	361866.61	4008322.16	290			
D84	361866.09	4008320.5	290			
D86	361865.62	4008318.68	290	0.1		
D88	361865.02	4008316.97	290			
D90	361864.51	4008315.27	290			
D92	361865.74	4008313.76	290	0.225		
D94	361867.17	4008312.46	290			
D96	361868.43	4008311.11	290			
D98	361869.9	4008309.96	290			
D100	361871.32	4008308.57	290	0.8	0.31	20

Sample	East_Z52N	North_Z52N	RL	Assay % V <sub>2</sub> O <sub>5</sub>	Average % V <sub>2</sub> O <sub>5</sub>	Total Metres
D'1	361876.1	4008302.86	290	0.2		
D'2	361875.89	4008302.01	290			
D'3	361875.64	4008301.12	290			
D'4	361875.35	4008300.29	290			
D'5	361875.06	4008299.47	290	0.275		
D'6	361874.82	4008298.55	290	0.025		
D'7	361874.58	4008297.75	290			
D'8	361874.27	4008296.86	290			
D'9	361873.99	4008296.03	290			
D'10	361873.76	4008295.13	290	0.345		
D'11	361873.48	4008294.36	290	0.325		
D'12	361873.14	4008293.39	290			
D'13	361872.94	4008292.6	290			
D'14	361872.67	4008291.7	290			
D'15	361872.39	4008290.88	290	0.4		
D'16	361872.11	4008290.01	290	0.325		
D'17	361871.72	4008289.14	290			
D'18	361871.26	4008288.41	290			
D'19	361870.91	4008287.59	290			
D'20	361870.52	4008286.83	290	0.2		
D'21	361870.15	4008286.02	290	0.25		
D'22	361869.66	4008285.17	290			
D'23	361869.3	4008284.47	290			
D'24	361868.91	4008283.62	290			
D'25	361868.48	4008282.82	290	0.495		
D'26	361868.07	4008282.07	290	0.275		
D'27	361867.66	4008281.15	290			

Sample	East_Z52N	North_Z52N	RL	Assay % V <sub>2</sub> O <sub>5</sub>	Average % V <sub>2</sub> O <sub>5</sub>	Total Metres
D'28	361867.31	4008280.43	290			
D'29	361866.89	4008279.53	290			
D'30	361866.46	4008278.8	290	0.275		
D'31	361866	4008277.9	290	0.1		
D'32	361865.6	4008277.1	290			
D'33	361865.26	4008276.34	290			
D'34	361864.91	4008275.49	290			
D'35	361864.45	4008274.65	290	0.565		
D'36	361864.03	4008273.82	290	0.495		
D'37	361863.68	4008273.02	290			
D'38	361863.18	4008272.2	290			
D'39	361862.86	4008271.47	290			
D'40	361862.43	4008270.63	290	0.495		
D'41	361862	4008269.76	290	0.345		
D'42	361861.55	4008268.95	290			
D'43	361861.01	4008268.16	290			
D'44	361860.5	4008267.48	290			
D'45	361859.88	4008266.63	290	0.4		
D'46	361859.42	4008265.91	290	0.565		
D'47	361858.84	4008265.25	290			
D'48	361858.39	4008264.53	290			
D'49	361857.85	4008263.72	290			
D'50	361857.35	4008262.98	290	0.275		
D'51	361856.67	4008262.3	290	0.3		
D'52	361855.98	4008261.62	290			
D'53	361855.26	4008261.01	290			
D'54	361854.59	4008260.36	290			
D'55	361853.92	4008259.81	290	0.2		
D'56	361853.33	4008259.13	290	0.175		
D'57	361852.64	4008258.5	290			
D'58	361851.84	4008257.73	290			
D'59	361851.15	4008257.17	290		0.32	59



Sample	East_Z52N	North_Z52N	RL	Assay % V <sub>2</sub> O <sub>5</sub>	Average % V <sub>2</sub> O <sub>5</sub>	Total Metres
D'75	361838.46	4008248.98	290	0.275		
D'76	361837.44	4008248.79	290			
D'77	361836.43	4008248.53	290			
D'78	361835.41	4008248.31	290			
D'79	361834.48	4008248.16	290			
D'80	361833.38	4008248.57	290	0.15		
D'81	361832.59	4008248.84	290			
D'82	361831.6	4008249.22	290			
D'83	361830.7	4008249.63	290			
D'84	361829.71	4008249.99	290			
D'85	361828.76	4008250.27	290	0.3		
D'86	361827.8	4008250.65	290			
D'87	361826.98	4008250.97	290			
D'88	361826.01	4008251.4	290			
D'89	361825.05	4008251.76	290			
D'90	361824.16	4008252.08	290	0.175		
D'91	361823.27	4008252.46	290			
D'92	361822.22	4008252.81	290			
D'93	361821.29	4008253.19	290			
D'94	361820.26	4008253.53	290			
D'95	361819.36	4008253.97	290	0.225		
D'96	361818.37	4008254.36	290			
D'97	361817.5	4008254.65	290			
D'98	361816.58	4008255	290			
D'99	361815.57	4008255.44	290			
D'100	361814.69	4008255.73	290	0.15	0.21	25

### Appendix 3 Stonehenge Tenement Details

**Table 1: Granted Korean Exploration Licences (held directly by Chong Ma)**

Registration Number	Land Register	Number	Area (ha)	Minerals	Registration Date	Registrant	Property
76967	Goesan	114	275	Uranium	28/05//2008	Sim Jae Youl	<b>Goesan [Gwesan]</b>
76942	Goesan	115	275	Uranium	14/05/2008	Sim Jae Youl	
76965	Goesan	117	275	Uranium	28/05/2008	Sim Jae Youl	
76966	Goesan	118	275	Uranium	28/05/2008	Sim Jae Youl	
76964	Goesan	124	275	Uranium	28/05/2008	Sim Jae Youl	
76941	Goesan	125	275	Uranium	14/05/2008	Sim Jae Youl	
76968	Goesan	126	275	Uranium	28/05/2008	Sim Jae Youl	
76969	Goesan	128	275	Uranium	28/05/2008	Sim Jae Youl	
77018	Miwon	36	276	Uranium	11/06/2008	Sim Jae Youl	
77019	Miwon	46	276	Uranium	11/06/2008	Sim Jae Youl	
77020	Miwon	58	276	Uranium	11/06/2008	Sim Jae Youl	
77225	Miwon	37	276	Uranium	21/08/2008	Sim Jae Youl	
77291	Miwon	47	276	Uranium	23/09/2009	Sim Jae Youl	
77292	Miwon	57	276	Uranium	23/09/2009	Sim Jae Youl	
77010	Okcheon	136	138	Uranium	10/06/2008	Sim Jae Youl, Sim Jun Bo	<b>Daejon</b>
77011	Daejon	18	277	Uranium	10/06/2008	Sim Jae Youl, Sim Jun Bo	
77012	Daejon	28	259	Uranium	10/06/2008	Sim Jae Youl, Sim Jun Bo	
77013	Daejon	38	277	Uranium	10/06/2008	Sim Jae Youl, Sim Jun Bo	
77014	Daejon	48	277	Uranium	3/07/2008	Sim Jae Youl, Sim Jun Bo	
77038	Okcheon	147	277	Uranium	19/06/2008	Sim Jae Youl, Sim Jun Bo	
77039	Daejon	17	103	Uranium	19/06/2008	Sim Jae Youl, Sim Jun Bo	
77114	Daejon	7	190	Uranium	3/07/2008	Sim Jae Youl, Sim Jun Bo	
77115	Daejon	27	56	Uranium	3/07/2008	Sim Jae Youl, Sim Jun Bo	
77363	Daejon	47	242	Uranium	16/10/2008	Sim Jae Youl	
77364	Daejon	57	186	Uranium	16/10/2008	Sim Jae Youl	

**Table 2: Korean Mining Right Applications (held directly by Chong Ma)**

Registration Number	Land Register Name	Number	Area (ha)	Minerals	Registration Date	Expiry Date of Application	Registrant	Property Location
136	Daejon	58	277	Uranium, Vanadium, Molybdenum	19 January 2012	18 July 2012	Chong Ma	Daejon
135	Daejon	59	277	Uranium, Vanadium, Molybdenum	19 January 2012	18 July 2012	Chong Ma	
134	Daejon	68	277	Uranium, Vanadium, Molybdenum	19 January 2012	18 July 2012	Chong Ma	
133	Daejon	69	277	Uranium, Vanadium, Molybdenum	19 January 2012	18 July 2012	Chong Ma	
132	Daejon	70	277	Uranium, Vanadium, Molybdenum	19 January 2012	18 July 2012	Chong Ma	
131	Daejon	27	170	Uranium, Vanadium, Molybdenum	19 January 2012	18 July 2012	Chong Ma	
130	Daejon	90	277	Uranium, Vanadium, Molybdenum	19 January 2012	18 July 2012	Chong Ma	
129	Geumsan	72	277	Uranium, Vanadium, Molybdenum	19 January 2012	18 July 2012	Chong Ma	
128	Miwon	69	277	Uranium, Vanadium, Molybdenum	19 January 2012	18 July 2012	Chong Ma	Miwon

**Table 3: Korean Mining Rights (held directly by Chong Ma)**

Registration Number	Land Register Name	Number	Area (ha)	Minerals	Registration Date	Registrant	Property Location
79161	Goisan	137	275	U, V	Dec 30, 2010	Chong Ma	Gwesan

**Technical Note:** All Mining Rights & Applications (above) have been pegged as standard 1 minute latitude X 1 minute longitude graticules and are approximately 277- 275 ha in size.

**Table 4: Tasmanian Tenement Schedule**

Project Name	Tenement	Area	Expiry Date	Holder	Stonehenge Interest
Granville Leases/ Twelve Mile Creek - Granville East, Central Big H, North Heemskirk Alluvial, Heemskirk Tin Mill	21M/2003	68 ha	05-Mar-09	Stonehenge Metals Ltd	100% - Subject to 100% transfer to McDermott Mining
Granville East Extended Lease	9M/2006	10 ha	09-Oct-11 (pending renewal)	Stonehenge Metals Ltd	100%