



QUARTERLY ACTIVITIES REPORT



PERIOD ENDING 30 June 2012
ASX CODE: SHE

Stonehenge Metals Ltd

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Company Secretary

HIGHLIGHTS

- Three separate land access agreements confirmed to undertake a maiden exploration drilling program at Daejon Project
- Seven new Mining Exploration Right applications submitted
- Fifteen new Exploration Permits granted across Daejon Project Area
- \$3,930,724 secured via Rights Issue and Private Placement to Management and Korean Investors

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.

Land Access Agreements Confirmed

Subsequent to the quarter, the Company announced the signing of three separate land access agreements across the Daejon Project Area ("Daejon"). Daejon has 225 historical diamond drill holes and outcrops over a 6 kilometre strike containing the largest known uranium resource within South Korea at **65.0Mlbs** (inferred) grading **320ppm eU₃O₈** (in accordance with JORC guidelines). Daejon also has a Vanadium Exploration Target¹ of 70-90 Mt at a grade of between 0.25% to 0.35% V₂O₅ for a contained

¹ It should be noted that, under JORC guidelines, the potential quantity and grade of the 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.

385-695 M lbs V_2O_5 . More than 36,000m of drilling was completed by the Korean Institute of Energy and Resources (KIER) in the 1980's.

Agreements for two parcels of land located within the Yokwang deposit have been secured. An eight hole diamond drill program at Yokwang is currently being prepared for submission and final approval by the Geumsan County Office. Yokwang has large exploration potential with a JORC Exploration Target² of 15 to 59 Mt with a uranium grade ranging between 300-500ppm U_3O_8 .

The purpose of this Yokwang drill program is to confirm the continuity of the uranium mineralised zone including thickness and grade. It will also allow a maiden vanadium resource to be estimated for Yokwang. A typical section from a proposed drill site is shown in Figure 1.

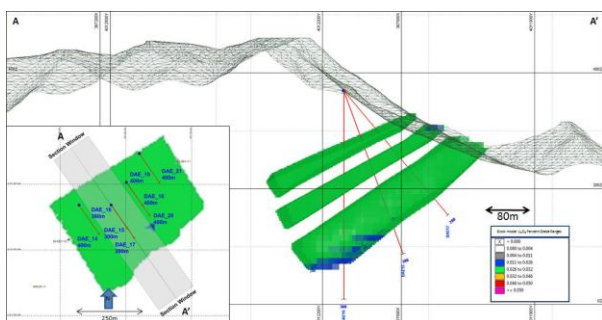


Figure 1: Proposed drill section through uranium block model for Yokwang (red line indicates proposed drill hole).

A third parcel of land located within the Chubu deposit has also been secured and a separate 13 hole diamond drill program for this area is being prepared. Chubu contains a JORC Inferred Resource of 46Mt grading 330 eU_3O_8 for a contained 34Mlbs U_3O_8 at a cutoff grade of 200ppm eU_3O_8 .

The intent of the Chubu drill program is to infill drill the historical drill holes to improve the confidence level of the existing uranium JORC resource and identify potential high grade zones. This program will also allow a maiden vanadium resource to be estimated for Chubu. A typical drill section is shown in Figure 2.

² It should be noted that, under JORC guidelines, the potential quantity and grade of the 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.

A surveyors report to confirm the location of access tracks and drill pads will be completed in early August. This report, along with the drilling application, will be submitted to the Daejon City Council for final approval, a decision which can take 30 working days.

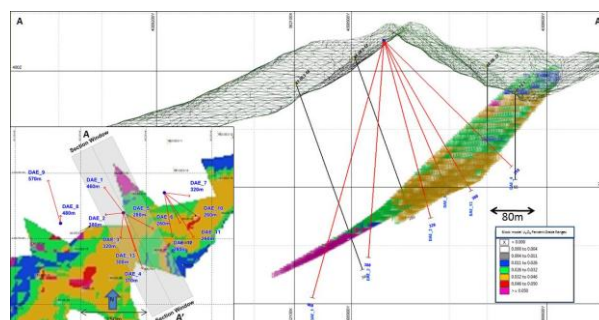


Figure 2: Proposed drill section through uranium block model for Chubu (red line indicates proposed drill hole, black line historical drill hole).

Update on Tenement Status

Subsequent to the quarter, the Company announced that four new Mining Exploration Right applications for vanadium and molybdenum had been submitted in April 2012. These new applications overlap existing granted uranium Mining Right licenses held by Stonehenge and are pending final approval by Korean Mining registration office. A further three new Mining Exploration Right applications for uranium, vanadium and molybdenum were submitted for approval in June 2012.

Stonehenge has also been granted 15 new Exploration Permits across the Daejon Project since March 2012. These new permits include the known uranium deposits Yokwang, Soryong and Samgoi.

CORPORATE

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 the Record Date.

The Company appointed Indian Ocean Capital as Lead Manager to the Rights Issue. New Shares

under the Rights Issue were offered at \$0.03 per share.

The Company closed the Rights Issue on 13 April 2012 having received over 440 applications for 23,780,470 new shares raising \$713,414.10 before costs.

The Shortfall Offer comprised of 57,243,679 ordinary shares and on 23 May 2012 Stonehenge announced that the Shortfall Offer had closed oversubscribed raising a further \$1,717,310 (before fees).

Accordingly, the Company has been successful in raising a total of \$3,930,724 through a placement of \$1,300,000 to Korean investors and management, \$2,430,724 through the Rights Issue and a further \$200,000 as a result of shareholder approval at the EGM of 9 May 2012 permitting the Managing Director, Mr Richard Henning to participate in the placement.

For further information please visit:
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: Stonehenge Tenement Details.

Table 1: Granted Korean Mining Right Licenses (held directly by Chong Ma)

Registration Number	Land Register	Number	Area (ha)	Minerals	Registration Date	Registrant	Property
76967	Gwesan	114	275	Uranium	28/05/2008	Sim Jae Youl	Gwesan
76942	Gwesan	115	275	Uranium	14/05/2008	Sim Jae Youl	
76965	Gwesan	117	275	Uranium	28/05/2008	Sim Jae Youl	
76966	Gwesan	118	275	Uranium	28/05/2008	Sim Jae Youl	
76964	Gwesan	124	275	Uranium	28/05/2008	Sim Jae Youl	
76941	Gwesan	125	275	Uranium	14/05/2008	Sim Jae Youl	
76968	Gwesan	126	275	Uranium	28/05/2008	Sim Jae Youl	
76969	Gwesan	128	275	Uranium	28/05/2008	Sim Jae Youl	
79161	Gwesan	137	275	Uranium, Vanadium	11/01/2011	Chong Ma	
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	Daejon
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	10/06/2008	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	

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 2: Korean Exploration Right Applications

Registration Number	Land Register Name	Number	Area (ha)	Minerals	Registration Date	Registrant	Property Location
70006	Daejon	7-1	207	Vanadium, Molybdenum	20 Apr 2012	Chong Ma	Daejon
70009	Daejon	18	277	Vanadium, Molybdenum	20 Apr 2012	Chong Ma	
70008	Daejon	27	60	Vanadium, Molybdenum	20 Apr 2012	Chong Ma	
1003	Daejon	27-1	172	Uranium, Vanadium, Molybdenum	17 May 2012	Chong Ma	
70007	Daejon	28	266	Vanadium, Molybdenum	20 Apr 2012	Chong Ma	
135	Daejon	59	277	Uranium, Vanadium, Molybdenum	19 Jan 2012	Chong Ma	
132	Daejon	70	277	Uranium, Vanadium, Molybdenum	19 Jan 2012	Chong Ma	

Table 3: Korean Exploration Permits

Registration Number	Land Register Name	Number	Area (ha)	Minerals	Registration Date	Expiry Date of Application	Registrant	Property Location
1012	Daejon	15	277	Uranium, Vanadium, Molybdenum	17 May 2012	16 Nov 2012	ChongMa	Daejon
1011	Daejon	16	277	Uranium, Vanadium, Molybdenum	17 May 2012	16 Nov 2012	ChongMa	
1005	Daejon	17-1	124	Uranium, Vanadium, Molybdenum	17 May 2012	16 Nov 2012	ChongMa	
1010	Daejon	36	277	Uranium, Vanadium, Molybdenum	17 May 2012	16 Nov 2012	ChongMa	
1006	Daejon	49	61	Uranium, Vanadium, Molybdenum	17 May 2012	16 Nov 2012	ChongMa	
1009	Daejon	50	277	Uranium, Vanadium, Molybdenum	17 May 2012	16 Nov 2012	ChongMa	
136	Daejon	58	277	Uranium, Vanadium, Molybdenum	20 Jul 2012	19 Jan 2013	Stonehenge Korea	
134	Daejon	68	277	Uranium, Vanadium, Molybdenum	20 Jul 2012	19 Jan 2013	Stonehenge Korea	
133	Daejon	69	277	Uranium, Vanadium, Molybdenum	20 Jul 2012	19 Jan 2013	Stonehenge Korea	
1004	Daejon	80	64	Uranium, Vanadium, Molybdenum	17 May 2012	16 Nov 2012	ChongMa	
130	Daejon	90	277	Uranium, Vanadium, Molybdenum	20 Jul 2012	19 Jan 2013	Stonehenge Korea	
129	Geumsan	72	277	Uranium, Vanadium, Molybdenum	20 Jul 2012	19 Jan 2013	Stonehenge Korea	
1008	Okcheon	126	277	Uranium, Vanadium, Molybdenum	17 May 2012	16 Nov 2012	ChongMa	
540	Okcheon	136-1	148	Uranium, Vanadium, Molybdenum	9 Mar 2012	8 Sep 2012	ChongMa	
541	Okcheon	146	277	Uranium, Vanadium, Molybdenum	9 Mar 2012	8 Sep 2012	ChongMa	
128	Miwon	69	277	Uranium, Vanadium, Molybdenum	20 Jul 2012	19 Jan 2013	Stonehenge Korea	Miwon

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 (pending renewal)	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% - Subject to 100% transfer to McDermott Mining