Stonehenge
METALS LTD

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ASX Code: SHE

STONEHENGE ANNOUNCES VANADIUM EXPLORATION TARGET of 385 to 695 Mlbs V_2O_5 FOR THE DAEJON PROJECT[1]

- Reconnaissance surveying has confirmed vanadium mineralisation occurs over a strike length of 10 km across the Daejon project area.
- Stonehenge has identified a number of high priority exploration drill targets across the Daejon project with vanadium grades in outcrop ranging up to **1.2% V_2O_5**.
- Sampling of the 340m long Chubu exploration adit has confirmed a large continuous mineralised zone containing vanadium at **59m @ 0.32% V_2O_5** and **33m @ 0.79% V_2O_5** (including **9m @ 1.33%V_2O_5**).
- The current exploration work clearly indicates that the Daejon project is emerging with significant opportunities for both uranium and vanadium.

Stonehenge Metals Limited ("Stonehenge" or the "Company") is pleased to announce an Exploration Target[1] of 385-695 M lbs V_2O_5 at its Daejon project in South Korea.

Stonehenge is currently working towards a maiden vanadium resource estimate. Based on vanadium assays from the Chubu exploration adit and reconnaissance surveying along strike, an Exploration Target[1] of 70-90 Mt at a grade of between 0.25% to 0.35% V_2O_5 for a contained 385-695 M lbs V_2O_5, is estimated to be within the Daejon project area.

[1] *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 has 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 fuller understanding of the deposit and its extensions. Stonehenge has been progressively evaluating historical Korean Government work completed on the Stonehenge tenements whereby vanadium grades of up to **1.21% V_2O_5** 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. Figure 1 shows reconnaissance survey results obtained by Stonehenge across the Chubu and Yokwang deposits.

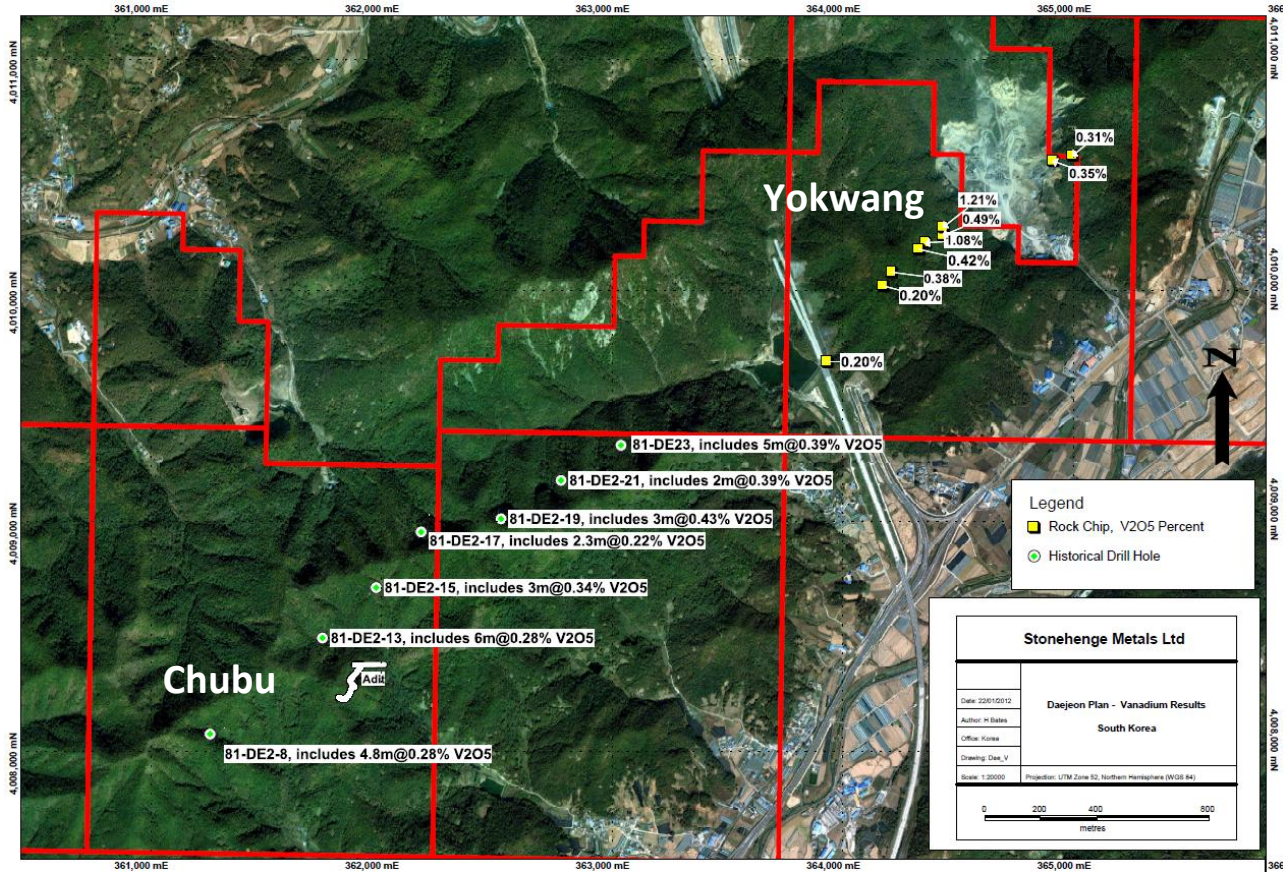

Figure 1: Daejon Project showing tenements, sample locations, selected grades from the recent sampling and the Chubu adit location.

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_2O_5 and 33m @ 0.79% V_2O_5 (including 9m @ 1.33% V_2O_5),and further intersections of 20m @ 0.31% V_2O_5, 50m@ 0.20% V_2O_5 and 25m @ 0.21% V_2O_5.

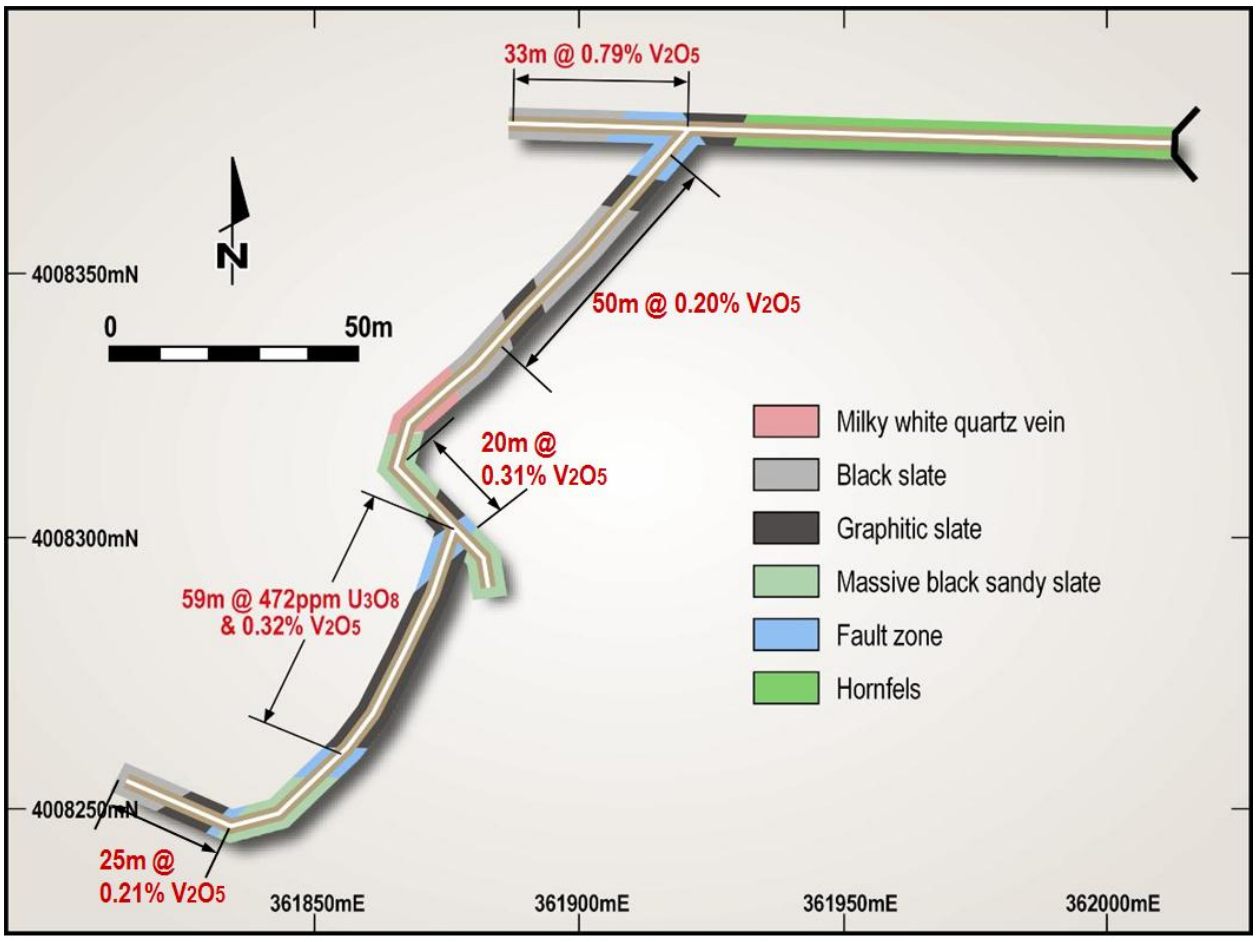

Figure 2: Chubu adit at Daejon Project showing mineralised zones identified from the historical geochemical sampling.

The next round of metallurgical test work on vanadium extraction has also commenced. This new phase of work will focus on atmospheric acid leaching of vanadium. Pressure leach tests completed in the second half of last year demonstrated that vanadium could be consistently leached to in excess of 70%. Preliminary atmospheric leach tests performed at 80-90°C have shown comparable results to pressure leaching provided sufficient leach residence time is allowed. This phase of the work is scheduled to be completed by the end of March 2012.

Stonehenge continues to develop operational process routes for economic co-extraction of separate uranium oxide and vanadium oxide products, which the Company believes will be much more cost-effective than one-off extraction of either product separately.

Richard Henning stated "The Daejon project has the potential to be a significant global vanadium resource. South Korea is a major global steel producer and is committed to nuclear power generation; the development of the Daejon project has the potential to meet a substantial proportion of their domestic demand. The exploration target announced today reinforces the Company's belief in this potentially world-class uranium and vanadium project, and as such, developing these economic domestic resources of uranium oxide and vanadium oxide will be of great strategic importance to South Korea and their security of supply in the coming years."

For further information visit www.stonehengemetals.com.au or contact:-

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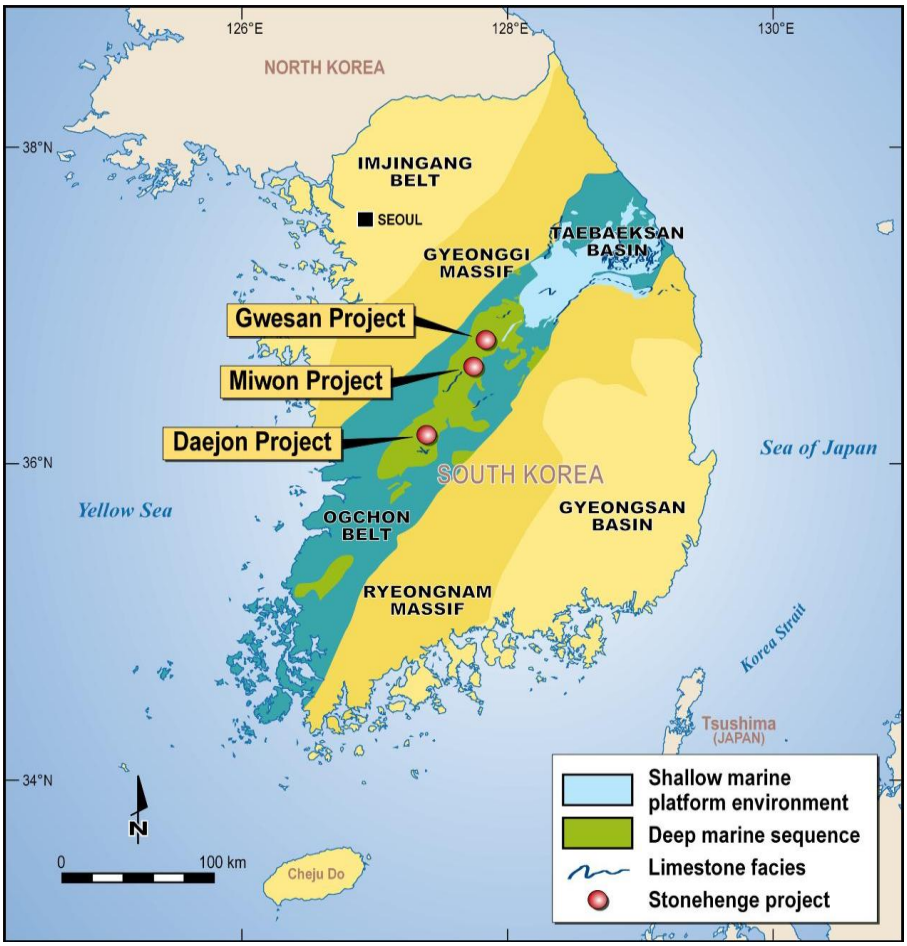
ABOUT STONEHENGE METALS

Stonehenge Metals Limited (ASX Code: SHE) is developing a multi-mineral project in South Korea. Stonehenge owns 100% of the rights to three 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 eU_3O_8** (in accordance with JORC guidelines).

South Korean Project Locations



Competent Persons Statement

The information contained in this ASX release relating to exploration results, exploration targets and Mineral Resources has been compiled by Mr. Michael Andrew of Optiro 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.

Addendum

About Vanadium

Vanadium is a hard, ductile, silver-grey metal and is harder than most metals and steels. It is primarily used as an alloy with iron, aluminium and titanium. The oxide is also used as a catalyst in the chemical industry.

The largest vanadium demand comes from the steel industry. Ferrovanadium is an additive to steel that improves the grain refinement of the metal allowing the steel to attain significantly increased hardness values and dramatically improving the strength of the steel. Forms of vanadium steel are used in high speed tools as well as critical components subject to high stresses such as axles, gears, crankshafts and frames.

The various ferrovanadium alloys are also used in armour plating for military and other protective vehicles, high-rise buildings and oil drilling platforms, and most recently, in advanced hybrid battery technology.

It has a current market price of US$6.5 per lb V_2O_5.

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_2O_5	Average % V_2O_5	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_2O_5	Average % V_2O_5	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_2O_5	Average % V_2O_5	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_2O_5	Average % V_2O_5	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_2O_5	Average % V_2O_5	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_2O_5	Average % V_2O_5	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