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Preliminary XRF Results Show Broad Vanadium Mineralisation in South Korea

Stonehenge Metals Limited (ASX: SHE) (**Stonehenge** or the **Company**), a uranium and vanadium exploration and development company with projects in South Korea, today announces exceptional drilling XRF results from the first hole of a 12 hole diamond drilling programme at the Daejon Project (**Daejon**). The indicated results confirm a much greater mineralised zone than previously encountered with significant vanadium grades.

Highlights:

- **Outstanding intercept of 69 metres true width of mineralised zone averaging 262ppm U₃O₈ and 4117ppm V₂O₅.**
- **V₂O₅ converted to U₃O₈ shows combined grade of 1754ppm equivalent total U₃O₈ at highest reading (hole depth 324m – see footnote).**
- **Significant hand held XRF results from core drilling samples indicate a new zone of vanadium mineralisation is being defined at Daejon. Results are consistent and comparable to stand-alone vanadium projects.**
- **Known dimension of the Daejon mineralised system now defined over six kilometres with indications of consistent high grade mineralisation throughout the black shales.**
- **Trenching samples have been received at laboratory and chemical assays are pending.**
- **Handheld XRF results include:**

Hole ID	From (m)	To (m)	Mineralised Zones	
			Average ppm U ₃ O ₈ / V ₂ O ₅	
CHUDD0001				
	268	273	5m @	591 / 4990
	318	326	8m @	479 / 5907

Continued drilling will support the next resource update and will establish a maiden vanadium resource.

Exploration Update – New Resource Emerging

The Company has completed an Innov-X portable XRF survey on diamond core from drill hole CHUDD0001 from the Daejon Project area.

Exploration drilling has defined strongly anomalous uranium (U) mineralisation in an intercept of the mineralised black shale, extending to 75m true width, as indicated by hand held XRF results from the core samples (see Figure 1). Confirmation chemical assay results are required to fully quantify the significance of these results, but based on past experience the Company believes a zone of vanadium (V) mineralisation is emerging. The previous estimate of width from a vertical hole was 42m true width.

Additional drilling has been planned in this area to extend the highly encouraging results returned to date.

The drilling programme has completed the first drill hole of a twelve-hole programme. The first drill hole CHUDD0001, achieved a total depth of 341.5m (see Figure 1). The mineralised zone extends from 263m to 338m, a total of 75m. XRF results are available from 263m to 332m, for a total of 69m, see Appendix 1 - Results.

Data was collected on an interval basis (every 25cm down hole and averaged for every metre) from the diamond core. A total of 277 readings were taken.

In particular, the results to date show an intersection of 69m with high values for V (average 4,117 ppm V₂O₅) and U (average 262 ppm U₃O₈) in drill hole CHUDD0001.

High values of V in CHUDD0001 are very encouraging and confirm earlier work by Stonehenge. V mineralisation was not previously assessed systematically by historical Korean government drilling programmes. The strong U mineralisation in CHUDD0001 confirms previous work by Korean Resources Corporation (KORES) and its predecessors who carried out previous work in the area between the mid 70's and early 80's. The results when viewed in this light support using the Innov-x, when used properly with an appropriate rigorous testing procedure, as a valid tool for reporting both the estimated tenor and extent of mineralisation.

The particular tool used was an Olympus Innov-X Delta, the instrument was used in "Soil Mode" and the "Test Time" was 60 seconds.

It should be noted that the Innov-X results have not been compared with laboratory assay results and therefore are treated as indicative only. Chemical assay results will be released when available.

Importantly, mineralisation remains open down dip and along strike with additional drilling expected to increase the known dimensions of this zone.

Managing Director, Richard Henning said "As we wait for the chemical assays to validate these figures, the early results from the XRF readings are very encouraging – in particular, the vanadium grades exceed all expectations. We know that the lithology of the black shales of the Ogcheon Belt are consistent and if these grades can be replicated in other holes, still to be drilled, then we can expect to achieve our objective of a higher uranium resource and a strong maiden resource figure for vanadium. Whether we consider this a uranium project with vanadium credits, or vice versa, the impact is the same – low operating expenditure. At a time when the industry fully expects an increase in the uranium price, it is comforting to know that our project economics appear robust even at today's uranium and vanadium price".

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

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Appendix 1 - Results

BHID	FROM	TO	U ppm (XRF)	U ₃ O ₈ ppm	V ppm (XRF)	V ₂ O ₅ ppm	V ₂ O ₅ convert to U ₃ O ₈ ppm Eq ¹	Total U ₃ O ₈ ppm Eq
CHUDD0001	263	264	27	32	2781	4965	503	535
CHUDD0001	264	265	27	32	2537	4529	459	491
CHUDD0001	265	266	232	273	5358	9565	969	1242
CHUDD0001	266	267	163	192	1262	2253	228	420
CHUDD0001	267	268	267	314	2053	3665	371	685
CHUDD0001	268	269	386	455	1512	2699	273	728
CHUDD0001	269	270	250	294	2672	4769	483	777
CHUDD0001	270	271	476	561	3091	5517	559	1120
CHUDD0001	271	272	578	682	2684	4791	485	1167
CHUDD0001	272	273	820	967	4021	7178	727	1694
CHUDD0001	273	274	269	317	2114	3773	382	699
CHUDD0001	274	275	167	197	1318	2353	238	435
CHUDD0001	275	276	217	256	1185	2116	214	470
CHUDD0001	276	277	188	222	1360	2428	246	468
CHUDD0001	277	278	196	231	1331	2376	241	472
CHUDD0001	278	279	176	208	1577	2815	285	493
CHUDD0001	279	280	196	231	1927	3440	348	579
CHUDD0001	280	281	157	185	1793	3200	324	509
CHUDD0001	281	282	169	199	1538	2746	278	477
CHUDD0001	282	283	189	223	1854	3310	335	558
CHUDD0001	283	284	197	232	2388	4264	432	664
CHUDD0001	284	285	215	254	1705	3043	308	562
CHUDD0001	285	286	218	257	2542	4538	460	717
CHUDD0001	286	287	190	224	2492	4448	451	675
CHUDD0001	287	288	176	208	1753	3129	317	525
CHUDD0001	288	289	216	254	1749	3123	316	570
CHUDD0001	289	290	215	254	1718	3067	311	565
CHUDD0001	290	291	233	274	1870	3339	338	612
CHUDD0001	291	292	249	294	1769	3158	320	614
CHUDD0001	292	293	192	226	1788	3192	323	549
CHUDD0001	293	294	299	353	1963	3503	355	708
CHUDD0001	294	295	289	341	2002	3574	362	703
CHUDD0001	295	296	247	291	1792	3199	324	615
CHUDD0001	296	297	165	195	1898	3387	343	538
CHUDD0001	297	298	161	189	1671	2983	302	491
CHUDD0001	298	299	184	217	2074	3703	375	592
CHUDD0001	299	300	216	255	1744	3114	315	570
CHUDD0001	300	301	165	195	2009	3587	363	558
CHUDD0001	301	302	137	162	1561	2786	282	444

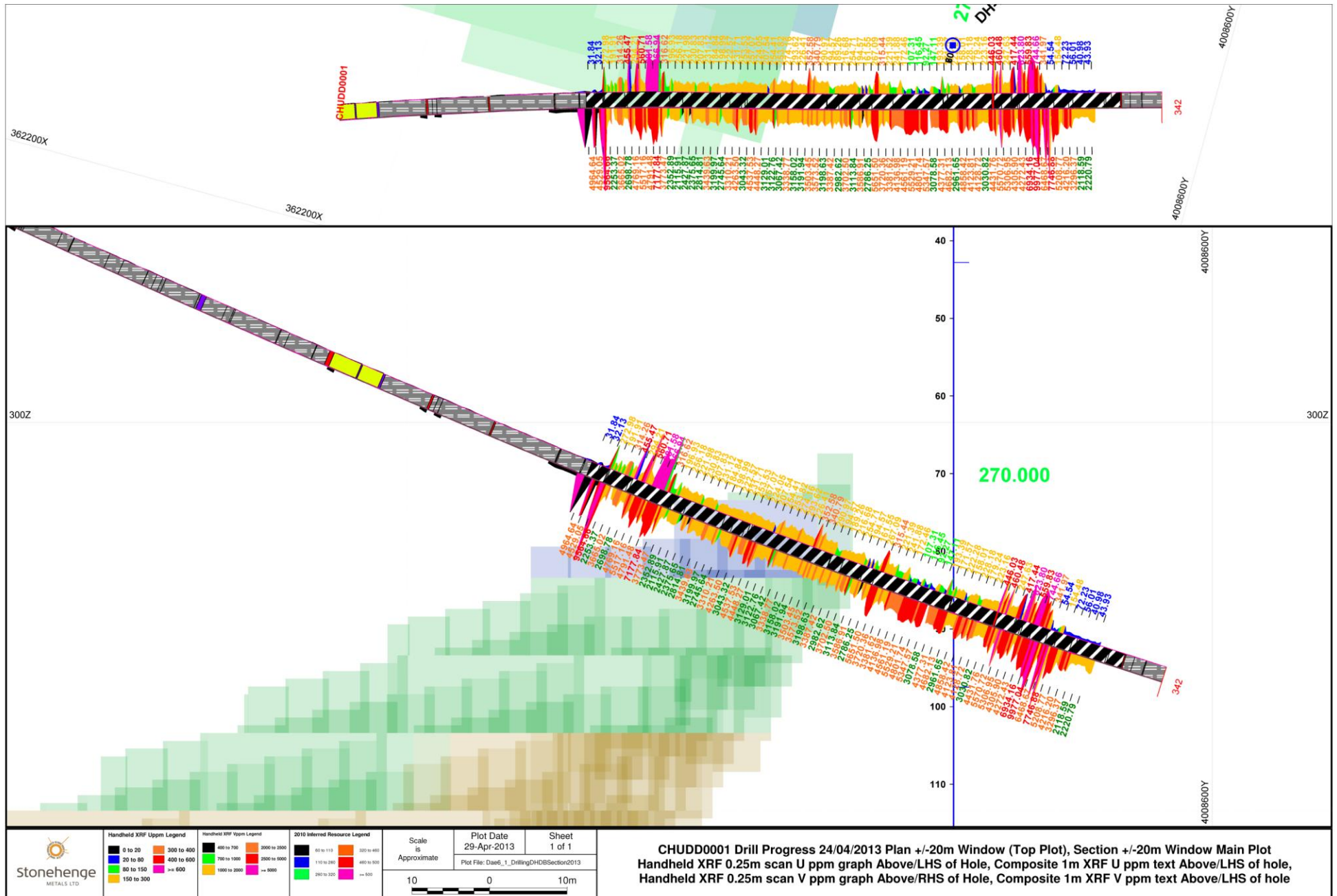
CHUDD0001	302	303	227	267	3166	5651	572	839
CHUDD0001	303	304	268	315	2084	3720	377	692
CHUDD0001	304	305	188	221	1894	3382	343	564
CHUDD0001	305	306	205	242	2317	4137	419	661
CHUDD0001	306	307	146	172	2555	4561	462	634
CHUDD0001	307	308	91	107	3097	5529	560	667
CHUDD0001	308	309	99	116	2690	4802	486	602
CHUDD0001	309	310	78	92	2996	5348	542	634
CHUDD0001	310	311	125	147	1725	3079	312	459
CHUDD0001	311	312	164	193	2452	4377	443	636
CHUDD0001	312	313	146	172	2623	4682	474	646
CHUDD0001	313	314	189	222	1659	2962	300	522
CHUDD0001	314	315	134	158	2722	4858	492	650
CHUDD0001	315	316	194	228	2310	4124	418	646
CHUDD0001	316	317	152	179	2313	4129	418	597
CHUDD0001	317	318	189	223	1698	3031	307	530
CHUDD0001	318	319	378	446	2483	4432	449	895
CHUDD0001	319	320	391	460	3121	5571	564	1024
CHUDD0001	320	321	210	248	2973	5307	538	786
CHUDD0001	321	322	354	417	2412	4306	436	853
CHUDD0001	322	323	529	624	2393	4272	433	1057
CHUDD0001	323	324	475	560	3884	6934	702	1262
CHUDD0001	324	325	632	745	5589	9977	1011	1756
CHUDD0001	325	326	290	342	3624	6469	655	997
CHUDD0001	326	327	46	55	4340	7747	785	840
CHUDD0001	327	328	131	154	2918	5209	528	682
CHUDD0001	328	329	61	72	2362	4216	427	499
CHUDD0001	329	330	48	56	1847	3296	334	390
CHUDD0001	330	331	35	41	1187	2119	215	256
CHUDD0001	331	332	37	44	1244	2221	225	269

Hole	From	To	U ppm	U ₃ O ₈ ppm	V ppm	V ₂ O ₅ ppm	V ₂ O ₅ to U ₃ O ₈ EQ	Total U ₃ O ₈ EQ
CHUDD0001	263m	332m	222	262	2306	4117	417	679

Note 1: Conversion of vanadium to an uranium equivalent (eU₃O₈) is derived using an average 70% metallurgical extraction of vanadium, previously ASX announced results on 24 November 2011, and current spot prices for vanadium of US\$6.15/lb V₂O₅ and uranium of US\$42.50/lb U₃O₈. Conversion of V₂O₅ to eU₃O₈ can be represented by the following equation: V₂O₅ assay (ppm) x V₂O₅ price x 70% / U₃O₈ price.

Note 2: HH XRF = Hand Held XRF results, awaiting chemical assay results.

Figure 1 – Plan and section view of hole CHUDD0001 detailing XRF Intersection of Hole CHUDD0001



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 eU₃O₈** (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.