



Stonehenge
METALS LTD

11 April 2013

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ASX Code: SHE

DRILLING COMMENCES in KOREA TO CONFIRM A MAJOR URANIUM & VANADIUM RESOURCE AT LOWEST QUARTILE COST OPEX

- Stonehenge Metals confirms that the first hole of the present drilling program was spudded on Thursday, 4 April 2013
- A 12 diamond drill hole program is proposed to confirm historical uranium drill results and establish a maiden vanadium resource
- Vanadium credits could lower Opex to less than \$14 per lb resource
- Local area mapping has located 10 to +50m thick outcrop of Uranium & Vanadium mineralised Black Shale over more than 500m of strike up dip from the current drilling program
- Four trenches covering ~250m of strike have been channel sampled and samples will be sent for chemical assay during April with results expected in May 2013
- Additional trenches over the remaining out-cropping strike extension will be completed during the course of the current drilling program

Stonehenge Metals Limited (**Stonehenge** or the **Company**) is pleased to announce the commencement of diamond drilling, cutting the first core at the Daejon Project Area (**Daejon**) since KORES last drilled some 30 years ago. Daejon has 225 historical diamond drill holes and outcrops over a 6 kilometre strike containing a globally significant uranium resource within South Korea at **65.0Mlbs** grading **320ppm** eU₃O₈ (**Table 1**). 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 385-695 M lbs V₂O₅.

The co-existence of the Uranium and Vanadium enable a production process which will deliver good extraction rates and lower production costs than many other Uranium development projects.

Table 1: JORC Resource for the Daejon Project (cut-off grade 200ppm eU₃O₈)

Prospect	Classification	Tonnes (Mt)	Grade eU ₃ O ₈ (ppm)	Contained U ₃ O ₈ (Mlbs)
Chubu	Inferred	46	330	34
Yokwang	Inferred	39	310	26
Kolnami	Inferred	7	340	5
Total		92	320	65
Prospect	Classification	Tonnes(Mt)	Grade U ₃ O ₈ (ppm)	Contained U ₃ O ₈ (Mlbs)
Yokwang	Target	15 - 59	300-500	17-39Mlbs

¹It 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 twelve hole diamond drill program at Chubu was permitted in December 2012. Track construction began in March and was completed in early April. The Location of the proposed drill program is 400m ENE of the Chubu Adit, which was channel sampled at 1 metre intervals during 2011. Results from the 2011 adit sampling showed high grade zones much greater than the existing resource average with the best result of 59 metres at 472ppm U₃O₈.

The purpose of the Daejon drill program is to confirm the continuity of the uranium mineralised zone including thickness and grade; this will be achieved by twinning selected historical drill holes and infill drilling to improve the confidence level of the existing uranium JORC resource and identify potential high grade zones. The program will also aim to establish a maiden vanadium resource at the Daejon Project. A typical section is shown in **Figure 1**.

The 1.4km access road has been constructed in accordance with temporary road specifications and, has been designed as an initial approach road that will be added to as resource development drilling of the Daejon Project expands over time. The road will enable access to two permitted drill sites spaced at about 160 metres ENE – WSW (Figure 1). These sites will enable initial resource drilling of the mineralisation at Chubu to upgrade confidence in the existing eU₃O₈ inferred resource and, provide sampling for a maiden vanadium resource. The drilling will be staged to ensure measurable objectives are completed in a timely manner in line with Stonehenge's strategic objectives.

The initial 2013 resource drill program on Daejon 6-1 has been staged to meet Company strategic objectives. The stage 1 program is designed to confirm the location of the historical mineralisation with a small program of 80m spaced holes that will also twin DH74-1 (true width 41.9m at 270ppm eU₃O₈) and provide initial variography data for input into the stage 2 program. The stage 2 program is designed to deliver a high quality inferred resource in the upper 200 metres of the central Chubu area of the Daejon Project. Depending on results and input with surface mapping and sampling it may be possible to further upgrade some of this resource drilling to higher confidence categories of resource.

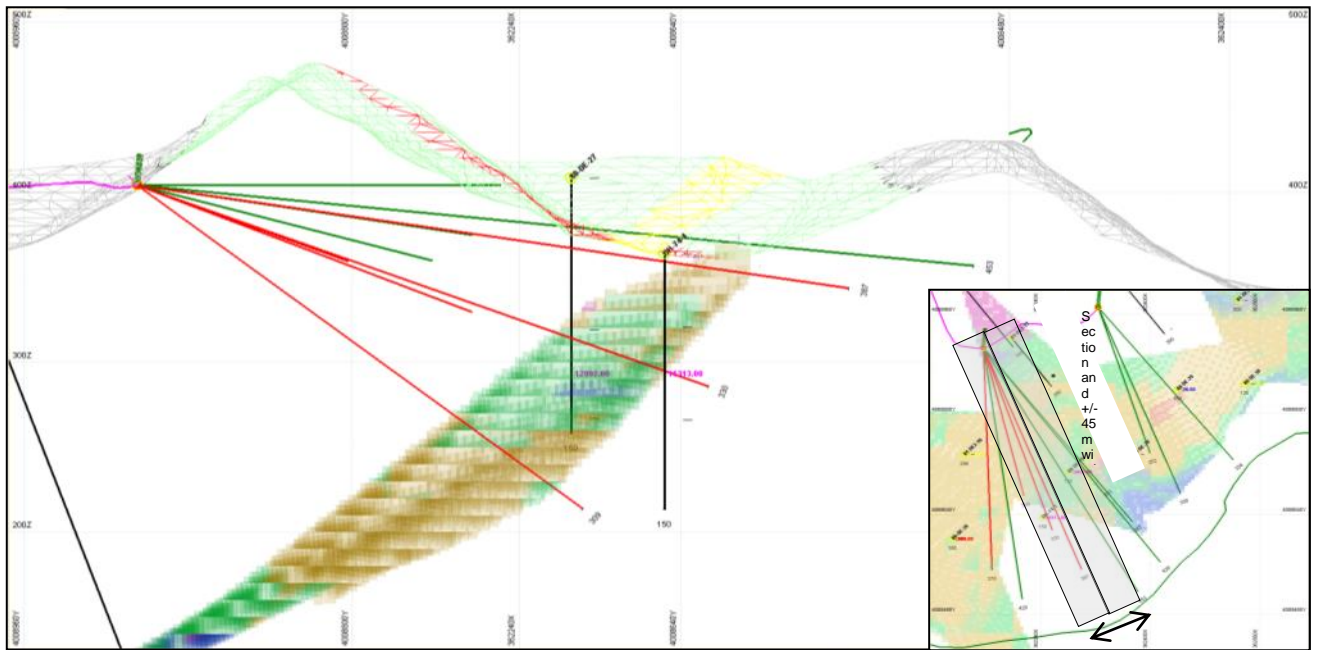


Figure 1: Section viewing ENE with +/-45m window and inset plan showing section position/window with: Chubu inferred eU3O8 resource block model (coloured grid) historic drill holes (black lines), historic average eU₃O₈ intersections multiplied by true width (number text), Stage 1 drill holes (red lines) and Stage 2 drill holes (green lines)

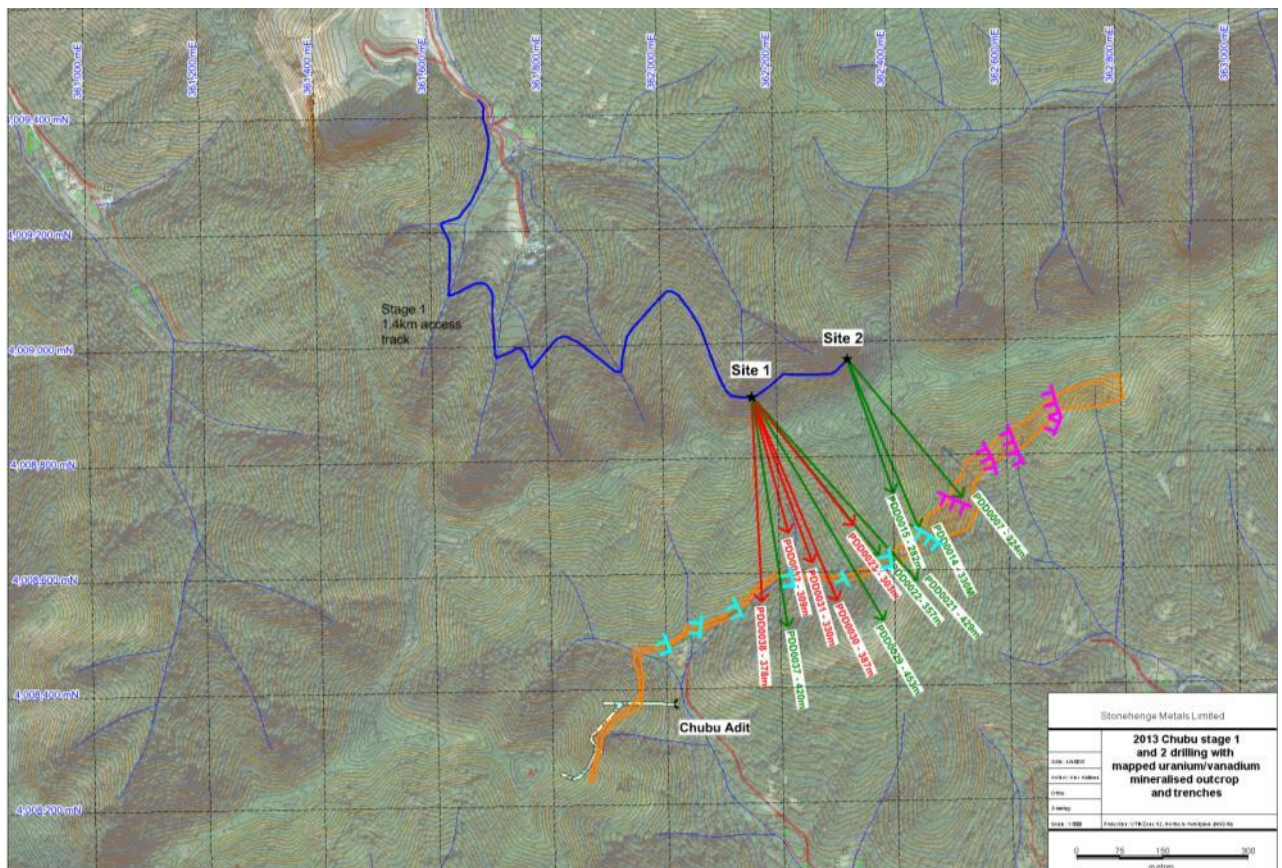


Figure 2: 2013 proposed drill hole traces; mapped outcrop position of Chubu mineralisation, permitted access track/drill sites, planned trenches (light blue fence), completed trenches (magenta fence)



Figure 3: Site 1 and start of Chubu diamond drilling program Thursday, 4 April 2013



Figure 4: First core box from the 2013 Chubu drilling program showing hangingwall slate units

To complement the drilling, the surface geology was recently mapped and spot checked with a handheld XRF. As a result more than 500m of strike of +200ppm uranium and +1000ppm vanadium mineralised black shale has been defined (Figure 2 and 5). The anomalous black shale will be targeted for follow up 80m spaced trenching with 1m interval channel sampling. Four trenches covering 250m strike have been completed and samples will be sent for chemical analysis during April 2013. The remaining proposed trenches will be completed during the drilling program. Significantly, some of the spot check sites have recorded high grade uranium (+900 Uppm) and vanadium (+3000 Vppm) results using a handheld XRF on trench channel samples. Chemical assay results from the first 4 trenches are expected in 6 weeks.

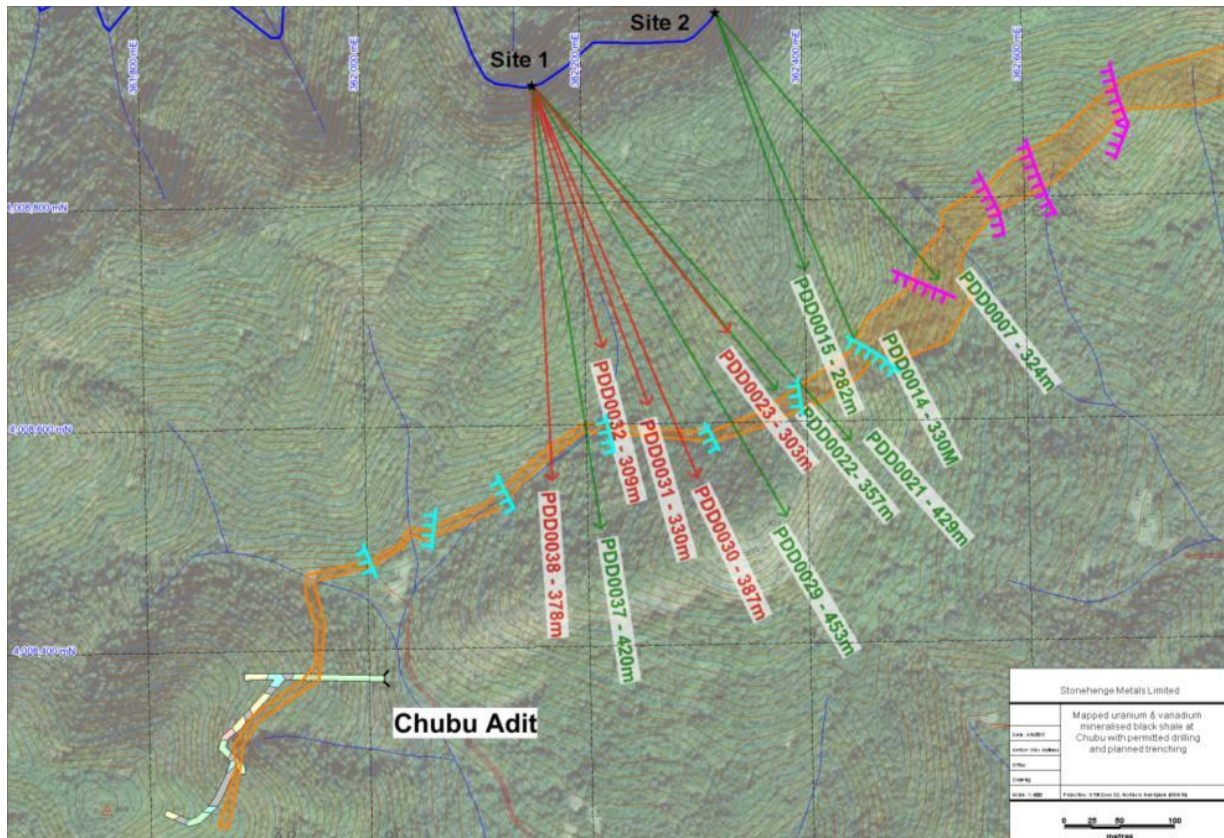


Figure 5: Mapped uranium and vanadium mineralised black shale at Chubu with completed trenches (magenta fences), planned trenches (green fences) and Chubu permitted stage 1 drill traces (red arrows) and stage 2 drill traces (green arrows)

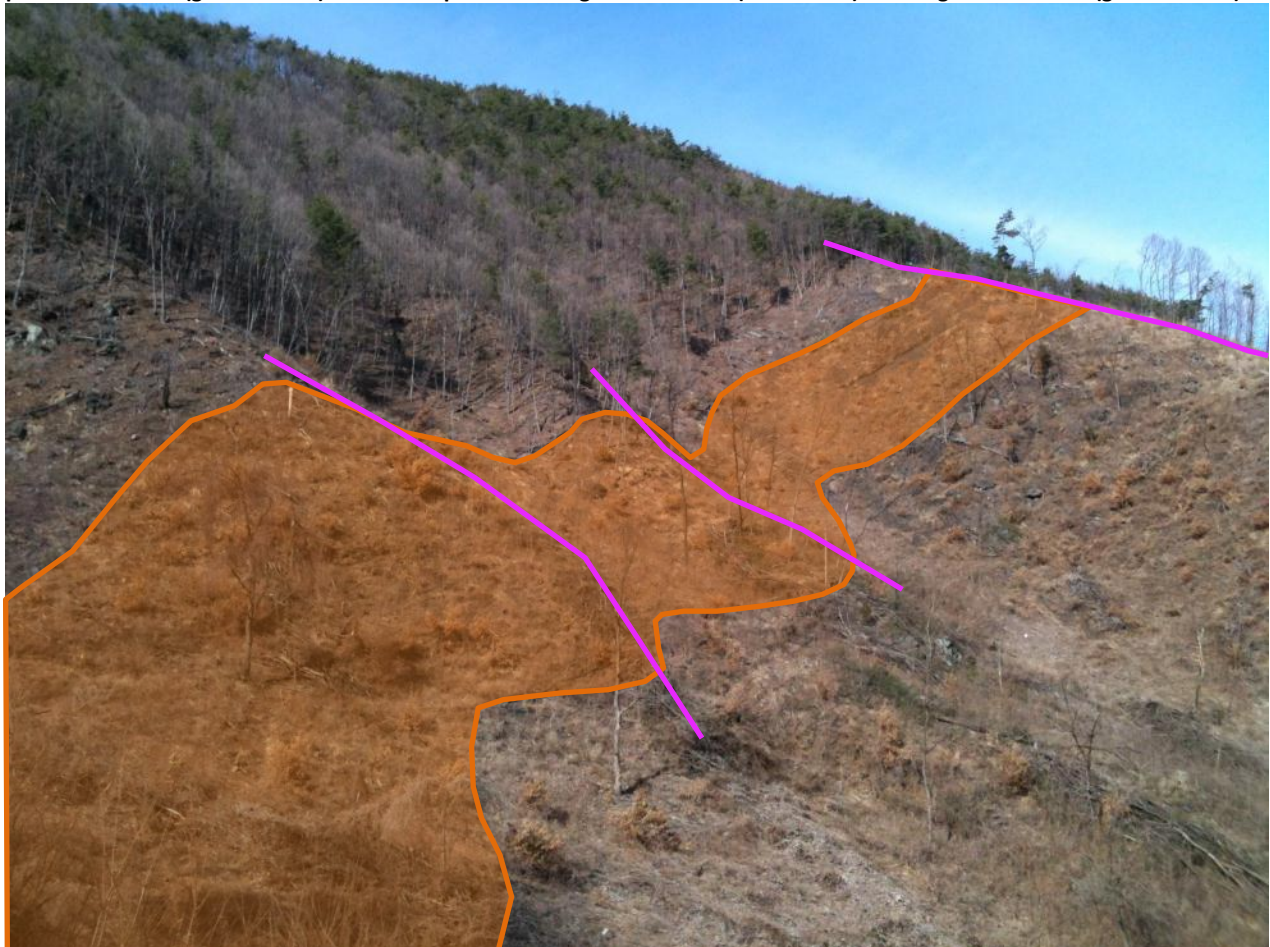


Figure 6: Location of three completed trenches (magenta line) at Chubu during March 2013 and location of mapped uranium and vanadium mineralised black shale. Note: Some trenches have been extended beyond the boundaries of the mapped black shale where strong vanadium mineralisation persists into hangingwall and footwall units.

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 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.