



## QUARTERLY ACTIVITIES REPORT



ASX CODE: SHE

PERIOD ENDING 31 MARCH

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### HIGHLIGHTS

- Gwesan geology and previously encountered mineralised system is confirmed with vanadium mineralisation throughout the black shales
- Improved interpretation of mineralised black shale units from recent field mapping and rock chip sampling
- KOSDAQ listed Korean Energy Storage System Development Company due diligence completed

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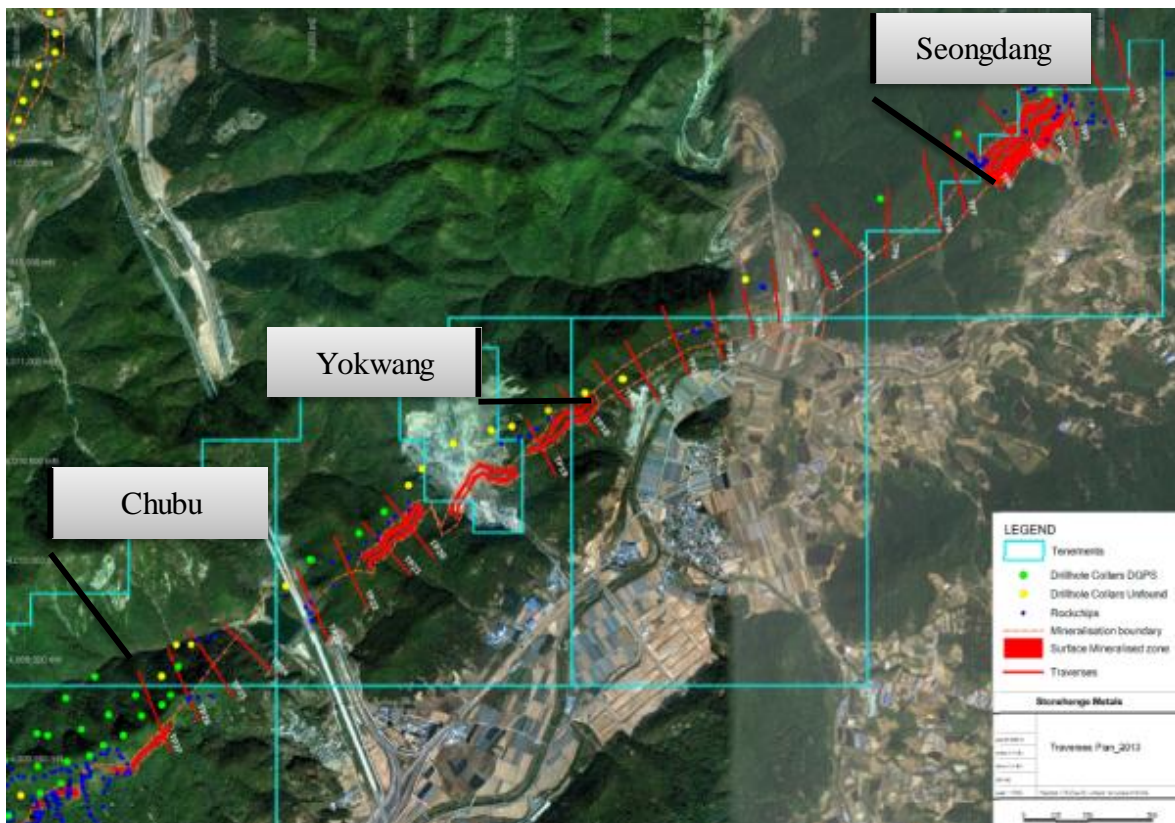
Stonehenge Metals Limited (ASX:SHE) (**Stonehenge** or the **Company**) is pleased to provide shareholders with the following quarterly activities report with respect of the Company's recent activities.

## Geology

Following completion of the December fieldwork program, the Company continued work aimed at delineating and extending the mineralised black shale contour at surface within the Seongdang, Yokwang and Chubu Prospects. Traversing of 200m spaced SE-NW lines was completed with the following data systematically collected:

- Total count readings using Radeye and scintillometer;
- Detailed geological description and pickup using GPS;
- Structural readings;
- Handheld XRF measurements;
- Limited rock chip samples; and
- Location and verification of nearby drillhole collars.

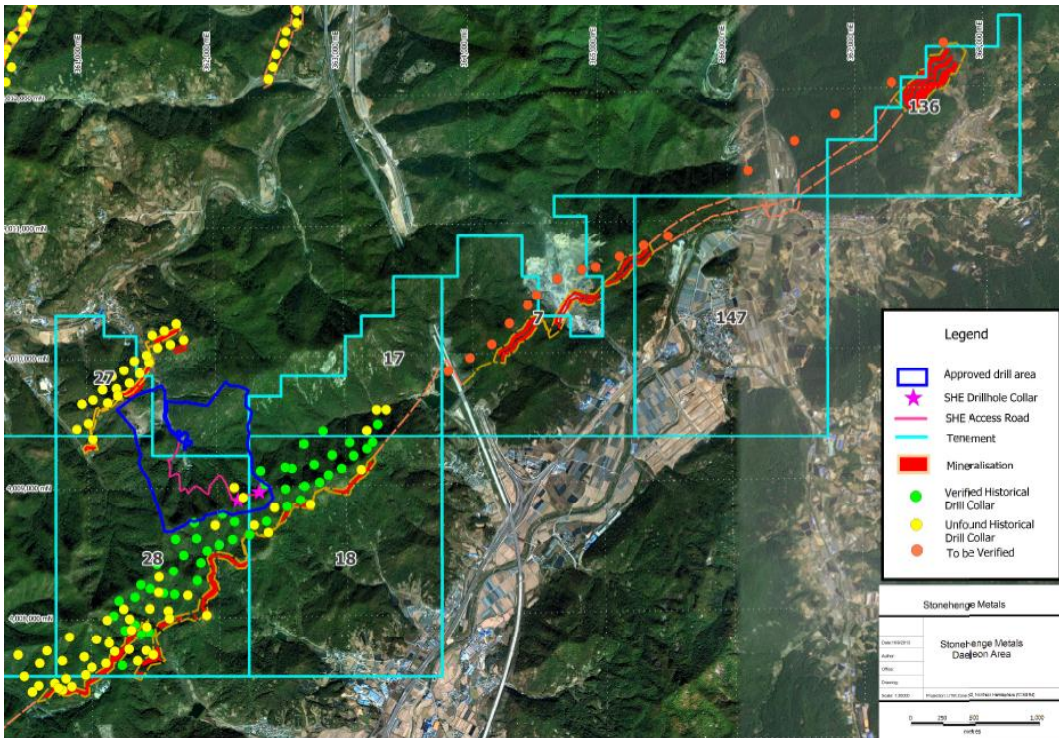
The interpretation of the surface extent of the mineralised shale is compiled in **Figure 1**. The mineralisation at Chubu now extends up to 3km in strike and has a surface thickness between 15m and 150m. Faulting was identified that has split the Seongdang mineralisation into three zones with a surface thickness between 35m to 250m. At Yokwang the surface mineralisation has been mapped at between 15m to 60m thick. The sedimentary host sequence is similar in the three prospects; phyllite, black shale, then sandstone/phyllite.



**Figure 1: Surface mapping traverses at Seongdang, Yokwang and Chubu Prospects**

This mapping will now guide the up-dip extension of the mineralisation intersected in historical drilling in future resource updates at the three prospects.

Further geological fieldwork established existing drill collar locations using DGPS and this information has been verified and collated into the geological database (See **Figure 2** below).



**Figure 2: Historical drill collar locations**

At the end of the quarter, all information was collated and stored in a databank – no further geological fieldwork is anticipated. The Company will now direct all efforts in Korea towards a collaboration agreement with KIGAM in order that further Vanadium and Uranium resources can be verified by means of the non-destructive testing of existing core and without the requirement of the further and unnecessary expense of drilling. Should the Korean authorities agree to this collaborative effort, the core analysis will be undertaken at the expense of Stonehenge, to the benefit of the Company, the various research institutes in Korea and the Korean economy.

## Acquisition Opportunities

During the quarter Stonehenge advised of the signing of a termsheet for an equity subscription into an Energy Storage System (ESS) business with Vanadium Redox Flow Battery (VRB) technology.

Stonehenge has begun discussions with a KOSDAQ listed Korean company, which is a market leader in VRB R&D in Korea. The company was awarded a Korean Government ESS VRB three year research grant in 2013.

Stonehenge has now completed due diligence and has a better understanding of the technology status and market potential for VRB in Korea and globally. In Korea particularly, it is anticipated that ESS VRB will complement and play a significant role in the area of New & Renewable Energy and Smart Grid for Korean electricity requirements.

Having reviewed the company’s technology, marketing, financial and intellectual property, Stonehenge is still keen to further investigate the vertical integration of the vanadium mining project in Korea with the ESS VRB business. Both parties have agreed to continue discussions to find the most opportune means of a future working partnership.

Energy Storage Systems are regarded as a key component in regenerative energy management. Whether in combination with solar, wind and tidal power operations, or in parallel with grid operation, the ability to store large amounts of energy with little leakage can smooth out peaks and troughs in energy management, This is evident in terms of uninterrupted supply of power from solar and wind during periods of darkness or no wind, and controlling demand peaks from the grid during times of extreme temperatures. VRB allows a

clean, emission free and quick provision of power to sophisticated and remote communities and is easily scalable from the kilowatt range to megawatts.

The key to the VRB is the need for a primary supply of pure vanadium for the electrolyte cells – 80% of the current world production is from secondary sources and as such is not a good match. The potential to combine future production of vanadium with a leading technology that is integral to the capture of renewable energy is an exciting prospect. Apart from the present uses in Korea for ‘peak power smoothing’, the potential applications for rural and regional Australia are clear and demonstrable.

A further requirement of energy storage in VRB is the need for a supply of energy – to this point the main energy source to be considered has been off-grid power. Stonehenge believes that there is an opportunity to look at a balanced business direction that incorporates delivery of energy to the VRB via renewable energy sources and as such, the Company is investigating all opportunities. Vanadium remains the commodity required in the equation.

## **Corporate**

While maintaining and continuing progress in Korea, discussions continue with a number of companies in Korea and elsewhere with regard to increasing the Vanadium resource, presently 17 Mlbs indicated (JORC (2004) compliant), and indeed to potential off-take agreements. The Company remains committed to assessing joint opportunities with other parties with regard to joint venture and possible acquisition and divestment.

Mr Young Yu has returned to Perth and remains a non-executive director of the Company. Dr Jaeho Hong has been promoted to CEO, Korea and has the remit of ensuring the continuance of all permits and working with all the relevant Korean entities to deliver required outcomes. Dr Hong has been working with Stonehenge for over 12 months and is a graduate of Seoul National University.

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

### **Stonehenge Metals Limited**

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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** grading **320ppm U<sub>3</sub>O<sub>8</sub>** at a cut-off of **200ppm U<sub>3</sub>O<sub>8</sub>** (JORC (2004) compliant). Recently, the Company established a maiden vanadium resource of **17.3Mlbs** (largely indicated) grading **3,208ppm V<sub>2</sub>O<sub>5</sub>** at a cut-off of **2,000ppm V<sub>2</sub>O<sub>5</sub>**.

U <sub>3</sub> O <sub>8</sub> Resource Estimate at a 200 ppm U <sub>3</sub> O <sub>8</sub> cut-off			
Classification	Tonnes	Grade	Metal
	Mt	ppm	Mlbs
Indicated - Chubu	3.3	247	1.8
Inferred - Chubu	8.9	334	6.6
<b>Sub-Total</b>	<b>12.2</b>	<b>310</b>	<b>8.4</b>
Inferred - Chubu	37	335	27.3
Inferred - Yokwang	39	310	26
Inferred - Kolnami	7	340	5
<b>Total</b>	<b>95.2</b>	<b>329</b>	<b>66.7</b>

V <sub>2</sub> O <sub>5</sub> Resource Estimate at a 2,000 ppm V <sub>2</sub> O <sub>5</sub> cut-off			
Category	Tonnage	Grade	Metal
	Mt	ppm	Mlbs
Indicated	2.3	3,208	16.5
Inferred	0.1	2,788	0.8
<b>Total</b>	<b>2.5</b>	<b>3,186</b>	<b>17.3</b>

### South Korean Project Locations



This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

#### Competent Person Statement

The information contained in this ASX release relating to Exploration Results and Mineral Resources has been compiled by Mr. Ian Glacken of Optiro Ltd. Mr. Glacken is a Member of The Australian Institute of Mining and Metallurgy. Mr. Glacken 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 a Competent Person as defined in the 2012 and the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Glacken consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## Appendix 1 - Stonehenge Tenement Details:

Registration Number	Land Register	Number	Area (ha)	Interest %	Registration Date	Registrant	Property
76967	Gwesan	114	275	100%	28/05/2008	Stonehenge Korea	<b>Goesan [Gwesan]</b>
76942	Gwesan	115	275	100%	14/05/2008	Stonehenge Korea	
76965	Gwesan	117	275	100%	28/05/2008	Stonehenge Korea	
76966	Gwesan	118	275	100%	28/05/2008	Stonehenge Korea	
76964	Gwesan	124	275	100%	28/05/2008	Stonehenge Korea	
76941	Gwesan	125	275	100%	14/05/2008	Stonehenge Korea	
76968	Gwesan	126	275	100%	28/05/2008	Stonehenge Korea	
76969	Gwesan	128	275	100%	28/05/2008	Stonehenge Korea	
79161	Gwesan	137	275	100%	12/01/2011	Stonehenge Korea	
77018	Miwon	36	276	100%	11/06/2008	Stonehenge Korea	
77019	Miwon	46	276	100%	11/06/2008	Stonehenge Korea	
77020	Miwon	58	276	100%	11/06/2008	Stonehenge Korea	
77225	Miwon	37	276	100%	21/08/2008	Stonehenge Korea	
77291	Miwon	47	276	100%	23/09/2009	Stonehenge Korea	
77292	Miwon	57	276	100%	23/09/2009	Stonehenge Korea	
77010	Okcheon	136	138	100%	10/06/2008	Stonehenge Korea	<b>Daejon [Daejeon]</b>
77011	Daejon	18	277	100%	10/06/2008	Stonehenge Korea	
77012	Daejon	28	259	100%	10/06/2008	Stonehenge Korea	
77013	Daejon	38	277	100%	10/06/2008	Stonehenge Korea	
77014	Daejon	48	277	100%	3/07/2008	Stonehenge Korea	
77038	Ogchon	147	277	100%	19/06/2008	Stonehenge Korea	
77039	Daejon	17	103	100%	19/06/2008	Stonehenge Korea	
77114	Daejon	7	190	100%	3/07/2008	Stonehenge Korea	
77115	Daejon	27	56	100%	3/07/2008	Stonehenge Korea	
77363	Daejon	47	242	100%	16/10/2008	Stonehenge Korea	
77364	Daejon	57	186	100%	16/10/2008	Stonehenge Korea	
200204	Daejon	59	228	100%	18/12/2012	Stonehenge Korea	