

28 October 2010

The Manager
Company Announcements Office
ASX Limited, Exchange Centre, 20 Bridge Street
Sydney NSW 2000



ASX Code: SHE

STONEHENGE SAMPLING RETURNS 5,354ppm U₃O₈ ASSAY RESULT

Stonehenge Metals Limited ("Stonehenge" or the "Company"), a uranium exploration company with projects in South Korea, today announced that the Company has completed chemical assay analysis for surface rock chips from the Gwesan area and, as a result, has defined a drilling programme to further investigate this new, 100% owned, exploration target.

- **Chemical Assay of 5,354ppm is highest recorded in the area to date**
- **Associated high grades of Molybdenum and Vanadium**
- **Drilling programme planned to test 1,500m of strike**

Sample	Type	Easting	Northing	Project	Mo (ppm)	U ₃ O ₈ (ppm)	V ₂ O ₅ (ppm)
G004	Rock chip	393272	4069298	Gwesan	353	637	2,017
10R002	Rock chip	393212	4069269	Gwesan	1,370	5,354	171
10R003	Rock chip	393212	4069269	Gwesan	1,119	5,059	134

Initial rock chip sampling conducted along a road cutting in Okseong (10R002) has returned assay results up to **5,354ppm U₃O₈**. Other samples were taken from shallow trenches approximately 50m along the strike with sample G004 returning **637ppm U₃O₈** (and associated **2,017ppm V₂O₅**). Further detail of sampling results is contained in **Table 1** overleaf.

The road cutting at Okseong shows strongly silica altered Guryongsan Formation sediments hosting three, six to eight metre wide, vertical mineralised zones of strongly carbonaceous (graphite) and brecciated slate. The Okseong results were taken at close spaced intervals within the north – south striking brecciated graphitic black slate. The Okseong project at Gwesan hosts the Dypeyoung project to the south, and lies within the Guryongsan Formation (see **Figure 1** overleaf).

Further sampling has been conducted along the three uranium zones at a nominal spacing of 5m. This will determine whether the vanadium is also carried in the rock minerals in the slate. A proposed hand auguring and trenching program will help define the orientation of the uranium horizons prior to diamond drilling.

As previously advised (refer to the Company's ASX release dated 6 October 2010) metallurgical testing is on-going to ascertain the recovery of both uranium and vanadium from the slate formation.

With land access agreements in place, due largely to the success of the on-going community relations programme, local support has been very positive and the Company is encouraged by the nature of the co-operation of the local land-owners.

Stonehenge Managing Director Richard Henning said, "While these assay results are extremely pleasing it must be noted that they are from rock chip samples only and we still require a diamond drilling programme to provide full core analysis and subsequent chemical assays. Further, I believe we have set-up standards for good working practice in Korea and I am hopeful that the Company will be a major contributor to the Korean economy for years to come".

Figure 1: Gwesan Area, Showing Stonehenge Tenements in Red

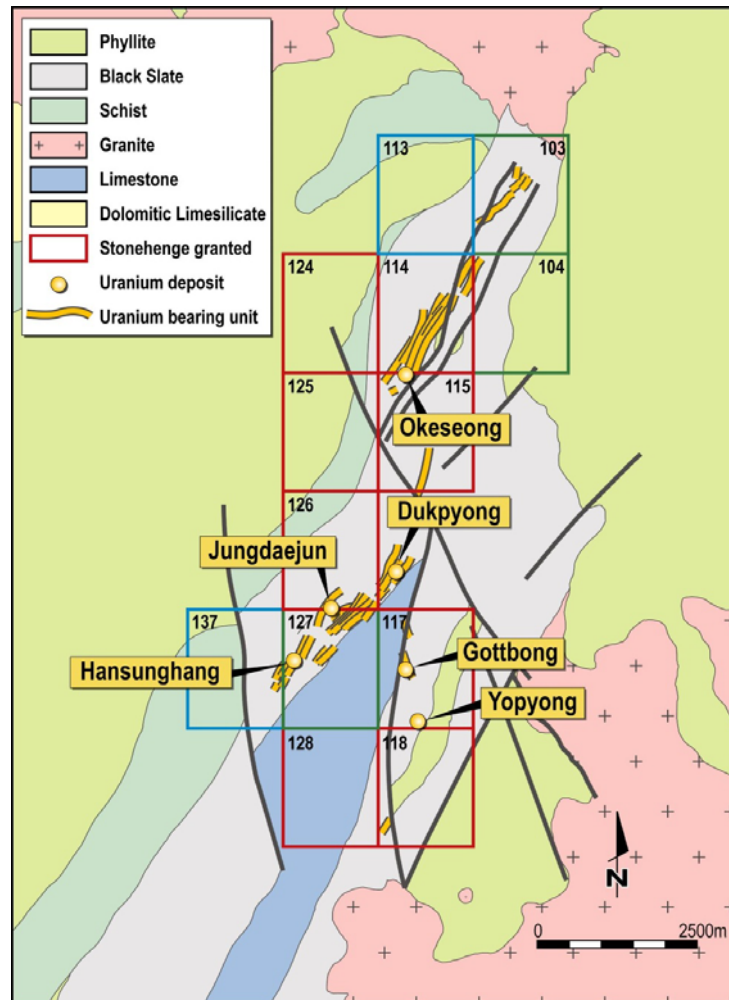


Table 1: Surface Sampling Results from Gwesan Project, South Korea

Sample	Type	Easting	Northing	Project	Description	Ag ppm	Mo ppm	U ₃ O ₈ ppm	V ₂ O ₅ ppm
G003	Rock chip	393240	4069333	Gwesan	c250cts in 20cm trench on ridge, sample, graphitic shale	0	32	71	146
G004	Rock chip	393272	4069298	Gwesan	c900cts, in trench, graphitic shale and clay, sample, photo#P8140204	0	353	637	2,017
10R001	Rock chip	393146	4069329	Gwesan	60cm graphitic horizon, rd cut sample	0.3	24	0	162
10R002	Rock chip	393212	4069269	Gwesan	60cm graphitic horizon, rd cut sample	2.6	1,370	5,354	171
10R003	Rock chip	393212	4069269	Gwesan	Sample up to 4000cps visible carnotite and Autunite/Torbernite	2.1	1,119	5,059	134
10R004	Rock chip	393212	4069269	Gwesan	Sample up to 4000cps visible carnotite and Autunite/Torbernite	2.8	255	212	334
10R005	Rock chip	393256	4069252	Gwesan	Very graphitic horizon	3.2	260	212	850
10R006	Rock chip	393256	4069252	Gwesan	Quartz Boudin- very rusted, cavities, boxwork textures	0.2	16	59	86
10R007	Rock chip	393256	4069252	Gwesan	Very graphitic horizon	14.2	437	165	1,785

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

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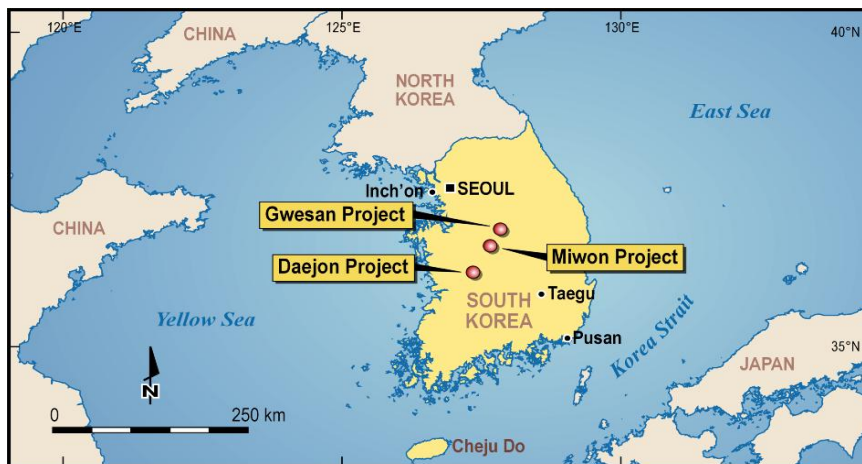
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ABOUT STONEHENGE METALS LIMITED

Stonehenge Metals Limited (ASX: SHE) is developing a potentially world-class uranium project in South Korea. The Company's flagship Daejon Project boasts an Inferred Resource of 34.9Mlbs¹ grading 340ppm eU₃O₈ (in accordance with JORC guidelines).

Daejon is one of four projects Stonehenge holds in South Korea and has significant exploration upside via a conceptual exploration target² of 72Mlbs to 108Mlbs grading 250 to 350ppm U₃O₈.

For further information go to www.stonehengemetals.com.au.



¹ The Company notes the tenure overlying approximately 2 million pounds of the current resource at the Daejon Project may be subject to an anticipated change in legislation which may in turn alter the Company's rights with respect to this portion of the resource. The Company will keep the market updated in relation to this matter.

² The potential quantity and grade of this exploration target is conceptual in nature, there has been insufficient exploration to define a Mineral Resource on the property and it is uncertain if further exploration will result in discovery of further Mineral Resources on the property.

Competent Persons Statement

The geological information on this web site relating to South Korean Exploration Results has been compiled by Mr. Christopher Sennitt of Senlac Geological Services Pty Ltd (2009) (ACN 010 677 595). Mr Sennitt is a Member of The Australian Institute of Geoscientists 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 a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Sennitt has consented to the inclusion in the document the Mineral Resources in the form and context in which they appear.

Geological modeling conducted on the Daejon Properties was conducted by Mr Simon Tear and Mr Arnold van der Heyden, who are full-time employees of Hellman & Schofield Pty Ltd with assistance from Simon Fleming of Stonehenge Metals Limited. Simon Fleming is a Fellow of the Australian Institute of Mines and Metallurgy (FAusIMM) who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which has been undertaken 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 (the "JORC Code"). Simon Fleming has consented to the inclusion in the document the Mineral Resources in the form and context in which they appear.