



6 October 2010

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



ASX Code: SHE

Stonehenge Continues “Met Testing” After Encouraging Review of Historical Work

- Pre-scoping engineering study completed
- Uranium mineralisation readily amenable to conventional acid leaching

Stonehenge Metals Ltd (“Stonehenge” or the “Company”) advises that Clean TeQ Ltd (“Clean TeQ”) has completed a recently commissioned desktop pre-scoping engineering study. The results from this study are considered to be positive. The initial scope of work undertaken to date included:

- Reviewing historical test work reports and supplying a summary of relevant information for uranium beneficiation and recovery;
- Determining potential process routes for the Daejon Uranium project; and
- Outlining a future test work program to allow the technical and economic assessment of the proposed flow sheets in the scoping study.

The desktop pre-scoping engineering study has thus far ascertained that historical testing of Uranium mineralisation, from the same geological formation at Stonehenge’s Daejon Project, showed it to be readily amenable to conventional acid leaching and that **U₃O₈ recovery was estimated to be 90 – 92%** under the following optimum conditions:

Process criteria	units	Optimum conditions
Grind Size (100% passing)	µm	150
Leach Feed Density	% w/w	50
Temperature	°C	30 - 50
Acid pH	pH	2.0
Acid Consumption	kg/t ore	80 - 100
Redox Potential	eH (mV)	692
Oxidant Consumption (MnO ₂)	kg/t ore	15 - 20
Leach Residence Time	hrs	5

Accordingly, Clean TeQ has now been asked to manage a further more detailed testing program as follows:

1. Confirmatory uranium and vanadium assay - this will confirm that the bulk samples contain reasonable levels of uranium/vanadium and whether to proceed with the remainder of the program.
2. Unconfined Compressive Strength (UCS) – this test confirms the hardness of the ore by measuring the compressive force required to fracture the rock.
3. Crush Work Index (CWI) - this is an essential test for sizing the primary crusher and calculating its power requirement.
4. Bulk ore preparation – the two main bulk samples will be crushed to less than 35mm and then split into 3 representative portions for SMC, Ai/BWI (see 5, 7 and 8 below) and a reserve sample.
5. SMC Test – this test determines whether the samples are amenable to SAG milling and allows preliminary sizing and power draw to be calculated for a SAG mill.
6. Bulk ore preparation - the samples will be used to determine the Abrasion Index (Ai) and the second sample will be used for BWI test.
7. Bond Mill Work Index (BWI) – test determines energy required to obtain a grind size of 106 micron.
8. Abrasion Index (Ai) – measures of how much grinding media will be consumed during milling.
9. Grind Establishment Test – a sample will be taken and crushed to 3.35mm and progressively milled until a product size of 106 micron is achieved.
10. Head Assay – once a bulk sample has been milled to 106 micron a sample from each ore type will be assayed for U, Th, V, Ni, Fe, Zn, Mn, Mg, Ca, K, Na, Si, S, C(t), CO₃.
11. Assay by Size – the sample will be screened at 106/90/75/63/45/-45 microns and each sample assayed to determine ore beneficiation by screening is possible.
12. Mineralogy – X-ray diffraction (XRD) will be obtained for each ore type and used with the head assay to determine the main minerals present in the two ore types.
13. SEM¹/QEMSEM – A scanning electron microscope will be used to determine where the uranium and vanadium occurs within the mineral host. EDAX² element scans will be undertaken to determine if vanadium is dispersed through the mineral lattice.

Once Clean TeQ has completed this preliminary program Stonehenge may require further testing, particularly preliminary leach test work.

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

Stonehenge Metals Limited

Richard Henning (Managing Director)

T: + 61 8 9481 2276

E: rhenning@stonehengemetals.com.au

Media

Felicity Nuttall (Professional Public Relations)

T: + 61 8 9388 0944 / + 61 (0) 430 184 599

E: felicity.nuttall@ppr.com.au

¹ The scanning electron microscope (SEM) is a type of electron microscope that images the sample surface by scanning it with a high-energy beam of electrons in a raster scan pattern.

² EDAX, an instrumentation company providing Energy-dispersive X-ray spectroscopy microanalysis, electron backscatter diffraction and micro x-ray fluorescence systems

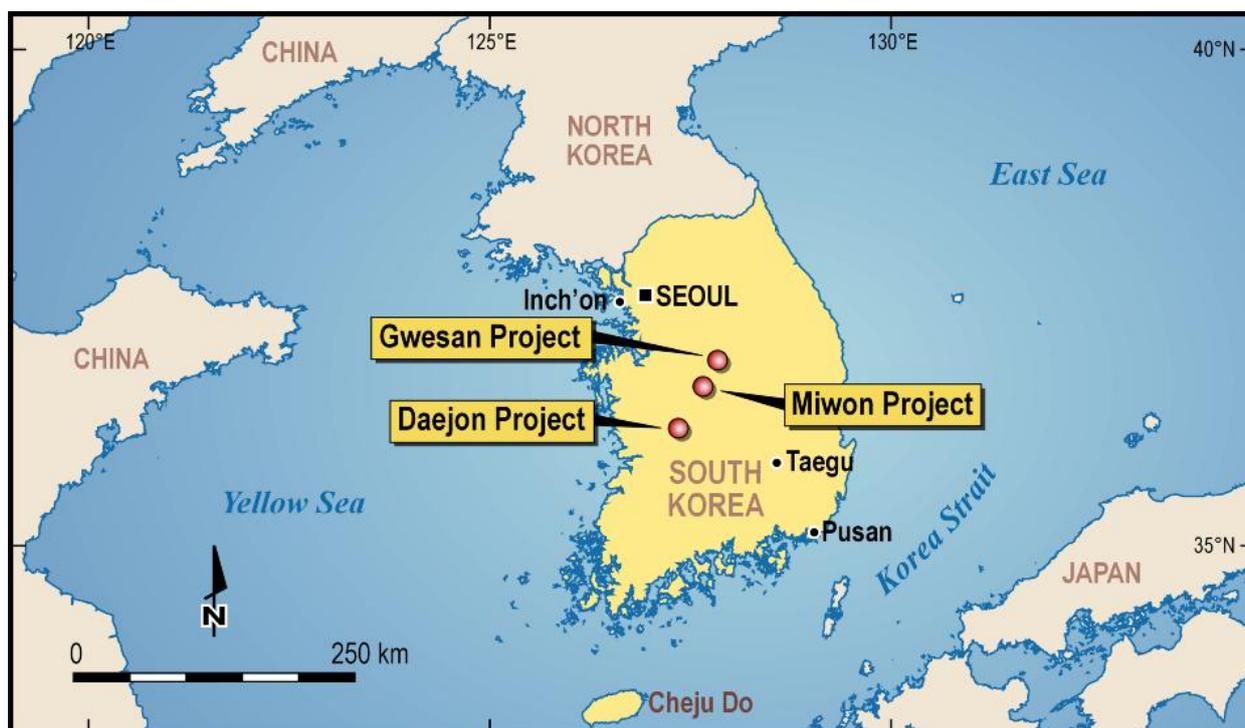
ABOUT STONEHENGE METALS

Stonehenge Metals Limited (ASX Code: SHE, Stonehenge or the Company) is a minerals exploration company with projects in Tasmania and South Korea. The Company's main focus is the development of its potentially world-class uranium project in South Korea. The Company's flagship Daejon Project boasts a significant 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 potential via a conceptual exploration target² of 72Mlbs to 108Mlbs grading 250 to 350ppm U₃O₈.

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

South Korean Project Locations



¹ The Company notes (as previously disclosed) that the tenure overlying approximately 2 million pounds of the current Inferred resource 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.

Information in this announcement that relates to South Korean Mineral Resources is based on information compiled by Mr Simon Fleming of Stonehenge Metals Ltd. Geological modelling 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. 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 is a Director of Stonehenge and has consented to the inclusion in the document of the Mineral Resources in the form and context in which they appear.