QUARTERLY ACTIVITIES REPORT

PERIOD ENDING 31 MARCH 2015

Stonehenge Metals Limited

ABN 81 119 267 391

Office J, Level 2,

1139 Hay Street

West Perth WA 6001

T: +61 8 9481 2277

www.stonehengemetals.com.au

Enquiries regarding this report may be directed to:

Bruce Lane
Managing Director

Matthew Foy
Company Secretary

ASX CODE: SHE

HIGHLIGHTS

- Formal JV documents signed with KORID
- Protean detailed design completed
- Mr William Toman engaged as President of Protean Wave Energy Inc.
- Californian venture advisory group, SMVG, appointed
- Specialist Electricity Market Advisor joins the Company

Stonehenge Metals Limited (ASX:SHE) (**Stonehenge** or the **Company**) is pleased to provide shareholders with the following quarterly activities report for the March quarter.

KORID JV Formal Documents Signed

During the quarter the Company advised it had executed formal joint venture (JV) documentation with KOSDAQ listed Korea Resources Investment & Development Inc. (**KORID**). The transaction contemplated by the formal documentation remains subject to a number Pre-Conditions to Completion, which are expected to be satisfied during 2Q 2015.

The JV, created via the sale to KORID of 50% of Stonehenge Korea Ltd, will cement a strong working relationship between KORID and Stonehenge. The JV will initially focus on accelerating development of the Daejon vanadium and uranium project by conducting work to contribute to the preparation of a pre-feasibility study (**PFS**).

The JV with KORID will focus on:

- Securing a collaboration agreement to test the relevant sections from within the 36,000 metres of mineralised historical drill core (from Stonehenge's Daejon Project area) stored at the Korean Institute of Geoscience and Mineral Resources (**KIGAM**);
- Significantly upgrading the current Daejon Project resource estimates in size and or confidence;
- Preparing a pre-feasibility study for the Daejon project; and
- Preparing work programs and budgets to support completion of a definitive or bankable feasibility study for the Daejon project.

The Company is working with KORID to refine the proposed core analysis program in anticipation of completing the transaction to create the JV.

Leading U.S Wave Energy Specialist Appointed

On 26 March 2015 the Company advised that Mr William Toman had been engaged as President of the Company's recently incorporated US subsidiary, Protean Wave Energy Inc. Mr Toman is an energy industry professional with more than 25 years of experience managing energy and environmental project development. He has been responsible for the development of over 2,000 MW of generating capacity for utilities and independent power producers both inside and outside the U.S.

Mr Toman's most recent engagement was at California Polytechnic University at San Luis Obispo (Cal Poly) where he led a 12-month U.S. Department of Energy (DOE) funded study investigating siting, cost and feasibility issues for developing a national wave energy testing centre offshore of California's Central Coast. While with California's largest energy utility, Pacific Gas and Electric Company (PG&E), Mr Toman led development of the U.S.'s first open ocean, grid-connected wave energy testing and demonstration facility (Humboldt WaveConnect), a 5 MW project, through a Federal Energy Regulatory Commission draft pilot license application in Humboldt County, California.

Mr Toman is a highly qualified nuclear engineer holding a graduate degree from the University of California, Los Angeles (UCLA) with an MBA from Carnegie Mellon University's Tepper School of Business and has a particular depth of expertise with large-scale commercialisation of renewable energy technologies. He has extensive experience in the program management of siting and developing utility scale energy projects with special concentration in marine and hydrokinetic (MHK) renewable technologies such as ocean wave, tidal energy as well as floating offshore wind energy.

Stonehenge is particularly pleased to have secured Mr Toman's experience in leading multi-disciplinary teams developing large power projects and his deep knowledge of electric utility planning, operations and economics. His unique skills, experience and professional relationships will add vital impetus, credibility and know-how to the Company's commercialisation efforts.

The Company has issued Mr Toman a total of 35 million incentive options exercisable at a 20% premium to the 10-day VWAP prior to Mr Toman's appointment and subject to a number of significant vesting milestones.

Protean Detailed Design Completed

During the quarter the Company advised that the detailed design of the Protean Wave Energy Converter had been completed.

In accordance with the terms of the fixed price turn-key project agreement between the Company and Moore Commerce Pty Ltd, the Company has been given formal notification that the detailed design of the 1.5kW peak output Protean device has been completed. The detailed design was completed well within schedule and within the budget; opening the way for preparation of the fabrication of the first 1.5kW device ahead of schedule.

The completion of this pre-manufacturing phase is an important milestone in the efforts of the Company to build a commercial solution from the Protean technology platform. The Company aims to create an economically viable wave energy converter to satisfy the global demand for cost effective renewable energy.

To support its ambition to rapidly commercialisation the Protean WEC technology, the Company will continue its efforts to build local, national and international collaborations from both existing and new supporters of the Protean solution. The opportunity to move to early commercialisation is built upon the goodwill that Sean Moore has built over the preceding years, during which the Protean technology has been tested and refined.

Californian Venture Advisory Group Appointed

Subsequent to the quarter the Company announced that California-based San Marino Venture Group LLC (SMVG) had been engaged to support commercialisation of the Protean WEC technology in the US as part of the Company's global commercialisation strategy.

SMVG originates and manages deal flow with an emphasis on emerging technologies, sustainable energy, real estate and infrastructure revitalisation. The team at SMVG include a number of prominent individuals, who have direct knowledge and experience with the Protean WEC technology.

Stonehenge is particularly pleased to have secured SMVG as its advisory partner and we look forward to working with their highly experienced team to help secure relationships with major ports, utilities and research institutions in California. In particular SMVG's unique set of skills, experience and contacts will add significant credibility and know-how to the Company's U.S. commercialisation effort.

The Company has issued a total of 90 million incentive options exercisable at a 20% premium to the 10-day VWAP prior to SMVG's appointment and subject to a number of significant vesting milestones.

Specialist Electricity Market Advisor Joins Stonehenge

Subsequent to the quarter the Company advised of the appointment of Mr Scott Davis to advise the Company on its business development and commercialisation activities. Mr Davis is an energy industry professional with significant experience in Sales and Marketing and Market Reform roles in the electricity sector. Mr Davis has a particular depth of expertise in electricity pricing and integration of renewable energy into isolated power systems.

Mr Davis is presently employed as Project Director Market Reform, by Western Australia's largest regional electricity supplier, Horizon Power. While with Horizon Power Mr Davis has led a program of work to respond to the impact of new technology and business models on the electricity value chain. As Project Director, Mr Davis has engaged with State Treasury and the Public Utilities Office to provide strategic insights to the Minister for Energy and the Horizon Power Board on a range of significant issues.

Mr Davis holds a Master's degree in Renewable Energy from Murdoch University and has been an innovator in the commercialisation of renewable energy technologies. He has extensive experience in working with industry and key stakeholders in creating projects that integrate renewable energy technologies into isolated power systems and edge of grid environments.

Stonehenge is particularly pleased to have secured Mr Davis's experience in isolated power systems, a key channel in the Company's commercialisation program. His unique skills, experience and professional relationships will add vital impetus, credibility and know-how to the Company's commercialisation strategy.

Corporate

US Options Issue

Subsequent to the quarter the Company issued 35,000,000 options exercisable at $0.01 on or before 25 March 2020 and 40,000,000 options exercisable at $0.014 on or before 6 April 2020. The options were issued to Mr William Toman, President of the Company's US subsidiary, Protean Wave Energy Inc., and San Marino Venture Group LLC respectively.

Capital Structure

During the quarter 5,000,000 Class F Performance Shares and 7,500,000 Class G Performance Shares unvested.

The Company's current capital structure consists of the following:

- 847,534,700 ordinary shares.
- 30,000,000 Performance Rights.
- 35,000,000 options exercisable at $0.01 on or before 25 March 2020.
- 40,000,000 options exercisable at $0.014 on or before 6 April 2020.

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

Stonehenge Metals Limited
Bruce Lane – Executive Director
T: + 61 8 9481 2276
E: blane@stonehengemetals.com.au

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 **66.7Mlbs** grading **329ppm U_3O_8** at a cut-off of **200ppm U_3O_8** (JORC 2004 compliant). Recently, the Company established a maiden vanadium resource of **17.3Mlbs** (largely indicated) grading **3,186ppm V_2O_5** at a cut-off of **2,000ppm V_2O_5**.

U_3O_8 Mineral Resource Estimate at a 200 ppm U_3O_8 cut-off

Classification	Tonnes	Grade	Metal
	Mt	ppm	Mlbs
Indicated - Chubu	3.3	247	1.8
Inferred - Chubu	45.9	335	33.9
Sub-Total Chubu	**49.2**	**329**	**35.7**
Inferred - Yokwang	39	310	26
Inferred - Kolnami	7	340	5
Total	**95.2**	**329**	**66.7**

V_2O_5 Mineral Resource Estimate at a 2,000 ppm V_2O_5 cut-off

Classification	Tonnage	Grade	Metal
	Mt	ppm	Mlbs
Indicated	2.3	3,208	16.5
Inferred	0.1	2,788	0.8
Total	**2.5**	**3,186**	**17.3**

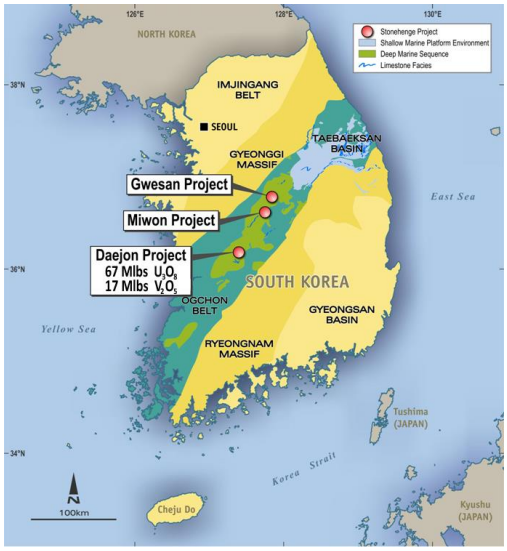
Vanadium Exploration Target[1]

Tonnes (Mt)	Grade V_2O_5 (ppm)	Contained V_2O_5 (Mlbs)
70 - 90	**2,500 - 3,500**	**385 - 695**

Uranium Exploration Target[1]

Tonnes (Mt)	Grade U_3O_8 (ppm)	Contained U_3O_8 (Mlbs)
15 - 59	**300 - 500**	**17-39**

South Korean Project Locations



[1] The potential quantity & grade of the exploration target is conceptual in nature, there has been insufficient exploration to define a Mineral Resource & it is uncertain if further exploration will result in the definition of a Mineral Resource.

The vanadium and uranium exploration targets are based on exploration results from the 2013 drilling at Chubu & Gwesan (refer announcements 15 July & 13 November 2013) that demonstrated vanadium and uranium mineralisation through the black shales.

The geology in the Okcheon belt consists of a meta-sedimentary sequence that comprises three formations, Wunkyori, Hwajeonri & Guryongsan. The stratigraphic sequence within the belt at the Gwesan project comprises dark grey phyllite, overlain by the black shale (ore zone) & a fine grained sandstone.

The historical drilling at the Gwesan project has demonstrated black shale deposits along 10km of strike. KORES completed three drill holes targeting the mineralised black shale at Gwesan in order to verify the mineralisation zone throughout the area. All three holes were drilled to a total depth of 100m and several ore zones between 3m and 11m have been intercepted in each drill hole.

The best intercept of 3500 ppm V_2O_5 & <10 ppm U_3O_8 in the first hole provides encouraging results (refer ASX announcement 13 Nov 2013). More drilling will be required to define the high grade mineralisation zone in the area. The mineralisation remains open at depth & along the 10km strike. The project is in its exploration stage and the additional drilling is expected to increase the potential to discover high class uranium and vanadium Mineral Resources at Gwesan. Stonehenge expects to test the validity of the exploration target

once access to historical drill core is obtained and the Company is able to assay the core for vanadium mineralisation.

The Company is continuing its efforts to access the core and further updates on this progress will be advised as soon as it becomes available. This information was prepared and first disclosed under the JORC Code 2004 (refer ASX announcement 29 August 2013). 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's 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 Fellow of The Australian Institute of Mining and Metallurgy 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 2012 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	**Goesan [Gwesan]**
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	**Miwon**
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	**Daejon [Daejeon]**
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	