Stonehenge
METALS LTD

ASX Code: **SHE**

30 April 2015

Market Announcements Platform
ASX Limited,
Exchange Centre,
20 Bridge Street,
Sydney NSW 2000

Protean
WAVE ENERGY

APPENDIX 3B

Stonehenge Metals Limited (**Stonehenge** or the **Company**) advises that further to the Company's announcement of 26 March 2015 appointing Mr William Toman as President of the Company's US subsidiary, Protean Wave Energy Inc., 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 the date of Mr Toman's appointment (26th March 2015).

In addition, further to the Company's announcement of 7th April 2015 appointing California-based San Marino Venture Group LLC (**SMVG**), the Company has issued a total of 40 million incentive options exercisable at a 20% premium to the 10-day VWAP prior to the date of SMVG's appointment (6th April 2015). An additional 50 million options (with the terms set out in schedule 1) will be issued to SMVG subject to shareholder approval.

Although issued, the 75 million incentive options are restricted until the vesting conditions detailed in **Schedule 1** are met, in line with the Company's commercialisation efforts of the Protean Wave Energy Converter Technology.

For further information see www.stonehengemetals.com.au, **www.proteanwaveenergy.com.au** or contact:

Bruce Lane
Managing Director
T: + 61 8 9481 2276
E: blane@stonehengemetals.com.au

Schedule 1

William Toman, President, Protean Wave Energy Inc.			
	Performance Hurdle (Vesting Conditions)	**Tenure Requirement Period**	**Vesting Options**
1	Completion of a probationary period not less than six months.	1 October 2015	5,000,000
2	Establishment of a working relationship with California Polytechnic State University, San Luis Obispo (Cal Poly).	26 March 2016	2,500,000
3	Award of a grant, scheme or prize to a total value greater than or equal to US$250,000 and the first payment is received.	26 March 2016	2,500,000
4	Establishment of a working relationship with any branch of the U.S Government.	26 March 2016	2,500,000
5	Establishment of a working relationship with a port, oil and gas producer, oil and gas production or processing facility in the USA.	26 March 2016	2,500,000
6	Ratification of the first binding power purchase agreement or water supply agreement for at least 2MW of electric power or its economic equivalent in water supply cumulative between one or more customers within the US for purposes of deploying a demonstration of the Protean Wave Energy Technology.	26 March 2016	15,000,000
7	Completion of a funding event whereby funding of US$5,000,000 is achieved via avenues other than a grant, prize, endowment or Stonehenge.	26 March 2016	5,000,000
		Total	**35,000,000**
		Exercise Price	**$0.01**
		Expiry date	**25/3/2020**

San Marino Venture Group (SMVG)			
	Performance Hurdle (Vesting Conditions)	**Tenure Requirement Period**	**Vesting Options**
1	Completion of a probationary period not less than six months.	6 October 2015	5,000,000
2	Completion of a US public relations plan and US fundraising plan.	6 April 2016	5,000,000
3	Establishment of a working relationship with California Polytechnic State University, San Luis Obispo (Cal Poly).	6 April 2016	2,500,000
4	Award of a grant, scheme or prize to a total value greater than or equal to US$250,000 and the first payment is received.	6 April 2016	2,500,000
5	Establishment of a working relationship with any branch of the U.S Government.	6 April 2016	2,500,000
6	Establishment of a working relationship with a port, oil and gas producer, oil and gas production or processing facility in the USA.		2,500,000
7	Ratification of the first binding power purchase agreement or water supply agreement for at least 2MW of electric power or its economic equivalent in water supply cumulative between one or more customers within the US for purposes of deploying a demonstration of the Protean Wave Energy Technology.	6 April 2016	15,000,000
8	An acceptable funding event for the Subsidiary, wherein the Subsidiary attracts funding in the U.S. equivalent to not less than USD$5,000,000 from a source other than Stonehenge, a grant, prize or endowment and in the reasonable opinion of the Company that San Marino Venture Group has been responsible for said funding event. For the avoidance of doubt, instigation of funding events is not exclusive to San Marino Venture Group.	6 April 2016	55,000,000[1]
		Total	**90,000,000**
		Exercise Price	**$0.014**
		Expiry date	**6/4/2020**

[1] 50 million (of the total 55 million) options will only be issued subject to shareholder approval.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Stonehenge Metals Limited

ABN

81 119 267 391

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	1. Options 2. Options
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	1. 35,000,000 2. 40,000,000
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	1. Options exercisable at $0.01 on or before 25/3/2020 2. Options exercisable at $0.014 on or before 6/4/2020

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	1. Shares issued on exercise of the Options will rank equally with the existing shares of the Company. 2. Shares issued on exercise of the Options will rank equally with the existing shares of the Company.
5	Issue price or consideration	1. Nil 2. Nil
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	1. US Consultant Incentive Options 2. US Consultant Incentive Options
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B*, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	26 November 2014
6c	Number of +securities issued without security holder approval under rule 7.1	1. 35,000,000 2. 40,000,000
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	1. N/A 2. N/A
6f	Number of securities issued under an exception in rule 7.2	1. N/A
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	See Annexure 1
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	30 April 2015

	Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the securities in section 2 if applicable)	847,534,700	Ordinary shares

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in section 2 if applicable)	30,000,000	Performance Rights subject to vesting conditions
		35,000,000	Options exercisable at $0.01 on or before 25/3/2020
		40,000,000	Options exercisable at $0.014 on or before 6/4/2020

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	

+ See chapter 19 for defined terms.

20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements *in full* through a broker?	
31	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	

+ See chapter 19 for defined terms.

32	How do +security holders dispose of their entitlements (except by sale through a broker)?	
33	+Despatch date	

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	
39	Class of +securities for which quotation is sought	
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	

42	Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)	Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: ..... Date: 30 April 2015
(Company secretary)

Print name: Matthew Foy

== == == == ==

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	429,612,389
Add the following: • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period *Note:* • *Include only ordinary securities here – other classes of equity securities cannot be added* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	 300,728,504 117,193,807 Nil
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
"A"	847,534,700
Step 2: Calculate 15% of "A"	

+ See chapter 19 for defined terms.

"B"	0.15 *[Note: this value cannot be changed]*
Multiply "A" by 0.15	127,130,205
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period *not counting* those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 *Note:* • *This applies to equity securities, unless specifically excluded – not just ordinary securities* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	75,000,000
"C"	75,000,000
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 *Note: number must be same as shown in Step 2*	127,130,205
Subtract "C" *Note: number must be same as shown in Step 3*	Nil
Total ["A" x 0.15] – "C"	52,130,205 *[Note: this is the remaining placement capacity under rule 7.1]*

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" *Note: number must be same as shown in Step 1 of Part 1*	847,534,700
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	84,753,470
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A *Notes:* • *This applies to equity securities – not just ordinary securities* • *Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed* • *Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained* • *It may be useful to set out issues of securities on different dates as separate line items*	Nil
"E"	Nil

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 *Note: number must be same as shown in Step 2*	84,753,470
Subtract "E" *Note: number must be same as shown in Step 3*	Nil
Total ["A" x 0.10] – "E"	84,753,470 *Note: this is the remaining placement capacity under rule 7.1A*

Confirmation under section 708(5)(e) of the Corporations Act (Act)

The Company hereby notifies ASX under section 708A(5)(e) of the Act in compliance with the requirements of section 708A(6) of the Act. The Company also advises that as at the date of this notice:

1. the options were issued without disclosure to investors under Part 6D.2 of the Act;

2. the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;

3. the Company has complied with section 674 of the Act; and

4. As at the date of this notice, there is no information:

    a. That has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules;
    b. That investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
        i. The assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
        ii. The rights and liabilities attaching to the shares.