Stonehenge
METALS LTD

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ASX Code: SHE

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

Stonehenge in discussions with a KOSDAQ listed Korean Energy Storage System development company

Stonehenge Metals Limited (ASX: SHE) (**Stonehenge** or the **Company**) is pleased to announce 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 commenced due diligence to better understand 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.

Upon satisfactory review of the company's technology, marketing, financial and intellectual property, Stonehenge will investigate the vertical integration of the vanadium mining project in Korea with the ESS VRB business. Both parties have agreed to use their best endeavors to finalise the transaction by the target date of 31 March 2014.

Further details of the agreement will be provided to the market when due diligence is finalised.

Energy Storage Systems are regarded as a key component in regenerative energy management. Whether in combination with solar and wind 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.

Richard Henning, Stonehenge Managing Director commented, "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 our 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."

The Daejeon project, 100% owned by Stonehenge Metals, currently has an indicated resource of 16.5Mlbs.

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

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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_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 **3,208ppm V_2O_5** at a cut-off of **2,000ppm V_2O_5**.

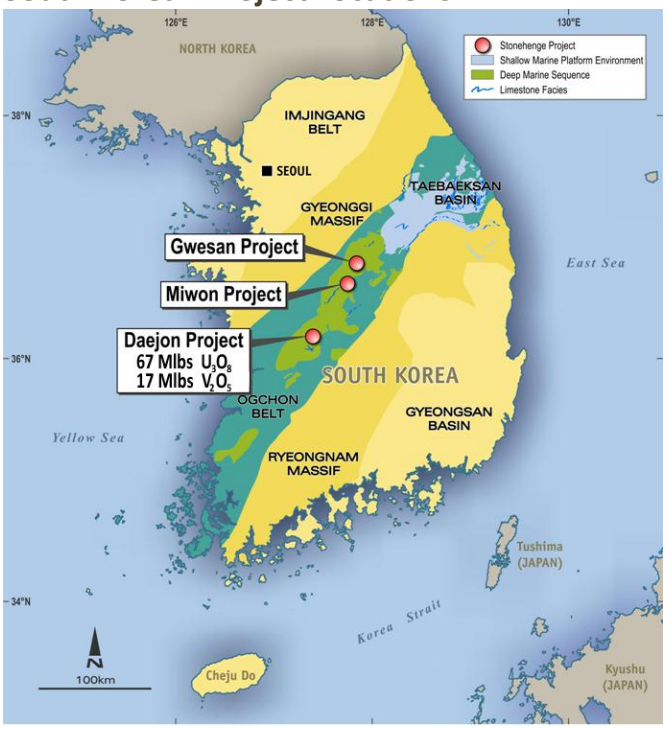
U_3O_8 Resource Estimate at a 200 ppm U_3O_8 cut-off

Classification	Tonnes	Grade	Metal
	Mt	ppm	Mlbs
Indicated - Chubu	3.3	247	1.8
Inferred - Chubu	8.9	334	6.6
Sub-Total	12.2	310	8.4
Inferred - Chubu	37	335	27.3
Inferred - Yokwang	39	310	26
Inferred - Kolnami	7	340	5
Total	**95.2**	**329**	**66.7**

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

Category	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**

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'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 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 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.