Stonehenge
METALS LTD

23 September 2014

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

ASX Code: **SHE**

Korea Resource Investments Development Inc. MOU Extension of Term

Stonehenge Metals Ltd (**Stonehenge** or the **Company**) advises it has extended the term of its Memorandum of Understanding (**MOU**) with Korea Resources Investment & Development Inc. (**KORID**). The MOU term has been extended until 1 December 2014 to allow more time to prepare a binding term sheet agreement which would define the key terms of a joint venture (**JV**).

The purpose of the proposed JV is for KORID and Stonehenge to work together as equal partners to accelerate the development of the mineral exploration rights and properties held by the Stonehenge's wholly owned Korean subsidiary, Stonehenge Korea Ltd. The JV would initially focus on conducting work to prepare a pre-feasibility study for the Daejon uranium and vanadium project.

The Company is encouraged by the outlook for the uranium market given a recent strengthening of the uranium spot price, the reported imminent recommissioning of Japan's nuclear power plants and China's aggressive expansion of its nuclear power generation capability. This is occurring against a backdrop of South Korea's continuing strong commitment to drive growth in its already significant nuclear power industry both at home and overseas.

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

Bruce Lane – Executive Director
T: + 61 8 9481 2276
E: blane@Stonehengemetals.com.au

ABOUT KOREA RESOURCES INVESTMENT & DEVELOPMENT INC. (KORID)

KORID is a Korean public company listed on KOSDAQ[1]. KORID is focused on developing mineral and energy resources and has entered into partnership agreements with a number of third parties, including KIGAM and KORES[2], for exploration and development of mineral resources. More information about KORID can be found at their website http://www.korid.co.kr/english/company/history.

[1] Korean Securities Dealers Automated Quotations or KOSDAQ is the SME trading board of the main South Korean Exchange (KRX) with approximately 1,000 companies listed.

[2] Korea Resources Corporation (KORES) specialises in mineral resources information, research and development in Korea. KORES is based in Seoul and focuses on supplying energy and industrial mineral resources including coal, uranium, iron, copper, zinc, and nickel with branch offices in Toronto, Lima, Sydney, Beijing, Pretoria, Almaty, Jakarta & Kinshasa.

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**.

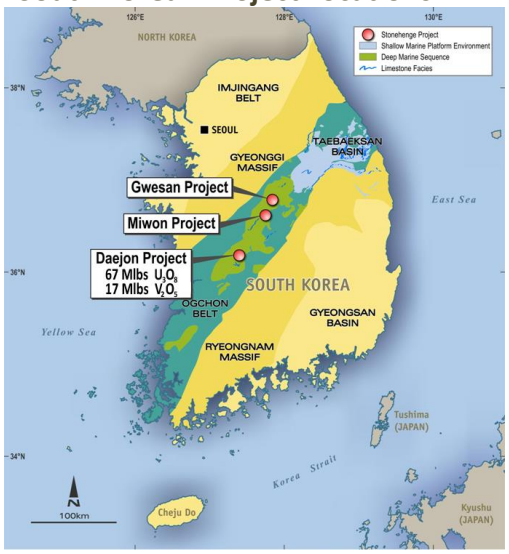
U_3O_8 Mineral Resource Estimate at a 200 ppm U_3O_8 cut-off			
Classification	Tonnes	Grade	Metal
	Mt	ppm	Mlbs
Indicated - Chubu	3.3	247	1.8
Inferred - Chubu	45.9	335	33.9
Sub-Total Chubu	**49.2**	**329**	**35.7**
Inferred - Yokwang	39	310	26
Inferred - Kolnami	7	340	5
Total	**95.2**	**329**	**66.7**

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 Aug 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.