



29 November 2011

ASX ANNOUNCEMENT

2011 Annual General Meeting Chairman's Address

The past year has not been a good one for companies – both major and junior - in the Uranium sector. The industry has suffered from two major issues, both of which you will be well aware. They were not of our own making but we have never-the-less been significantly affected.

Firstly the major debt issues of several European economies have created serious economic problems for most countries around the world. This has of course been reflected in falling world stockmarkets. The prognosis for these debt problems does not look good, with major European and US economies continuing to suffer.

Secondly, and of more relevance to the uranium industry, was the tsunami that hit Japan in March this year, destroying the Fukushima Daiichi nuclear plants on the northeast coast of Honshu. The after effects of this created a major problem for much of the world's nuclear industry.

As a consequence of these problems, the share prices of companies in the uranium industry were sold down heavily. Stonehenge unfortunately has been no exception.

On a much brighter note our company has continued to advance the development of its world class uranium deposits in Korea. Stonehenge increased the uranium resource in Korea, across our 3 uranium project areas at Daejon 87% and announced a new discovery at the previously un-drilled Gwasan. We now have an inferred resource of 92 million tonnes grading 320 ppm eU3O8 at a cut-off grade of 200 ppm, containing 65 million pounds of eU3O8.

Earlier this year Stonehenge's wholly owned subsidiary, Chong Ma Mines Inc., acquired the final 4/9th interest in our three projects, so they are now 100% owned by your Company.

Toward the end of last year Stonehenge entered into a collaborative research program with Kongju University in Korea for research and review of uranium ore in the Okcheon Belt which is the geological unit extending across Korea and containing Stonehenge's 3 project areas.

Stonehenge has continued to work on the metallurgy of our deposits, greatly improving the available recoveries of both uranium and vanadium from our resources. Our current work is assessing two potential flow sheets to extract uranium, vanadium and molybdenum from the multi-element black shale host at the Daejon project. One process is a pressure oxidation leach at a temperature between 120 and 180°C to extract both uranium and vanadium simultaneously. The other is an atmospheric acid leach selectively extracting uranium followed by vanadium salt roasting of the

leach residue to recover vanadium. Tests on bulk samples with the pressure oxidation process achieved average uranium extraction of over 92% and of vanadium of over 70%. This current round of test work has made significant steps toward Stonehenge achieving its internal target of 75% vanadium extraction. The recovery (and subsequent credit) of vanadium from the host rock is not to be under-estimated, as, based on these results Daejon has potential to be in the lowest quartile of operating costs of all uranium producers.

Stonehenge is also working with its consultants, Optiro, on pit optimisation studies. Preliminary findings indicate that a low cost open-cut mining operation is sustainable for the first 10 years of mine life. The study indicates that the first 5 years of mining can be achieved at a strip ratio of 1 to 1.35 and then increasing to 1 to 2.31 at 10 years.

There is no doubting that our Korean projects have the potential to deliver substantial economic benefits to Korea at both the strategic level and for local employment and economic development. Stonehenge will continue to work toward development of the first uranium mine in Korea, substantiated by best practice in mining and environmental regulations. While world markets despair and bemoan the uranium sector, the Korean President, at the recent UN conference in New York, re-affirmed Korean commitment to the nuclear generation era and confirmed that Seoul will host the G50 Summit in March 2012 on Nuclear Power Safety.

We will continue to strengthen our relationships in Korea with the relevant Government Agencies such as KORES and KIGAM and also with the local land-owners and the wider Korean community.

I must also acknowledge the professional, dedicated and highly skilled team at Stonehenge. During the year the Company appointed Dr Tony Chamberlain, former General Manager of Clean TeQ Holdings as our chief metallurgist. We have also been fortunate to appoint Ms Injin Jeong, a Korean national, as a project engineer. Ms Jeong has a degree in chemical engineering from Chonnam National University and has just completed her study for a Masters degree at UWA.

In closing, your board must give credit to the outstanding contribution of our dedicated team – both staff and contractors – and we look forward to continue taking Stonehenge forward to our goal of becoming Korea's first uranium producer.

Warren Staude
Chairman

Competent Persons Statement

The information contained in this ASX release relating to Mineral Resources has been compiled by Mr. Michael Andrew of Optiro Ltd. Mr Andrew is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Andrew 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. Andrew consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.