

Minerals Explorer in South Korea



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Forward-looking and Competent Person Statement



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Certain statements contained in this presentation constitute forward looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance of achievements of Stonehenge Metals Limited (the Company) to be materially different from actual future results and achievements expressed or implied by such forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements.

This presentation may describe Measured, Indicated and/or Inferred Resources. Inferred Resources have a greater amount of uncertainty as to their existence and greater uncertainty as to their economic feasibility. It cannot be assumed that all or any part of any Inferred Resource will ever be upgraded to a higher category. The potential quantity and grade of the Daejon Uranium Project Conceptual Exploration Targets is conceptual in nature and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Exploration is an inherently risky proposition and investors are advised that most exploration projects fail to identify economic resources. The Company has at present not confirmed the economic viability of any resources at the project.

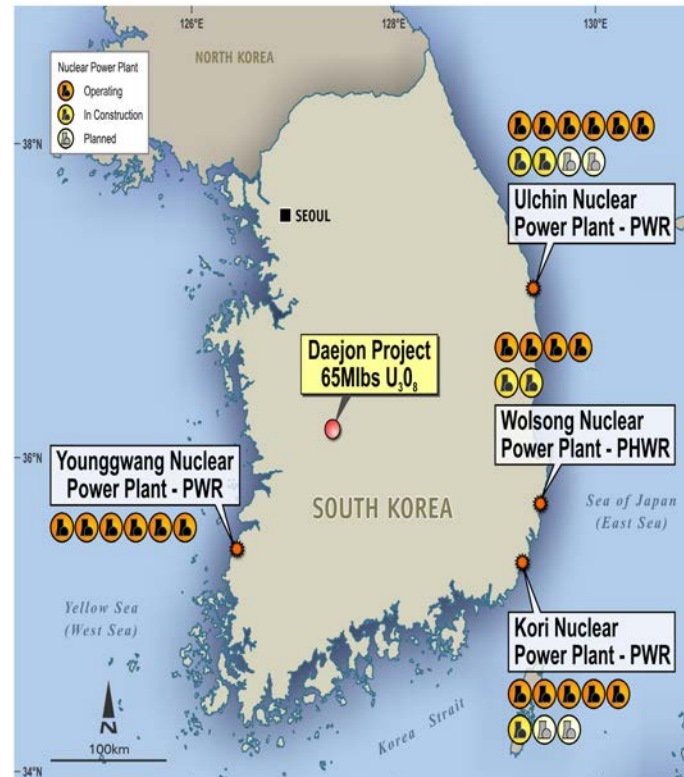
The Company plans further drilling programs and studies with the objective of confirmation of any deposits and ultimately completing a feasibility study to demonstrate the economics of the resources.

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 Australian 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 they are undertaking to qualify as Competent Persons 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.

Stonehenge Metals Limited (ASX:SHE) is an Australian-based company with a pipeline of Uranium-Vanadium prospects in South Korea, including its flagship Daejon project. The Daejon project contains a JORC inferred resource of 65mlb U_3O_8 at a grade of 320ppm eU_3O_8 .

Daejon also has a Vanadium exploration target of 385-695mlbs V_2O_5 at 0.25 - 0.35% V_2O_5 ¹.

Stonehenge is aiming to provide 25% of Korea's domestic Uranium requirements.



¹ It should be noted that, under JORC guidelines, the potential quantity and grade of the vanadium exploration target is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

Supply shortage

World Uranium Production	
2009	2010
132 mlbs	139 mlbs
of which Kazakhstan...	
36 mlbs (26%)	46 mlbs (33%)

Supply shortage looming

Reactor Status		WNA estimate
Operating	433	178mlbs required
Under construction	65	
Planned	155	
Proposed	341	137mlbs required

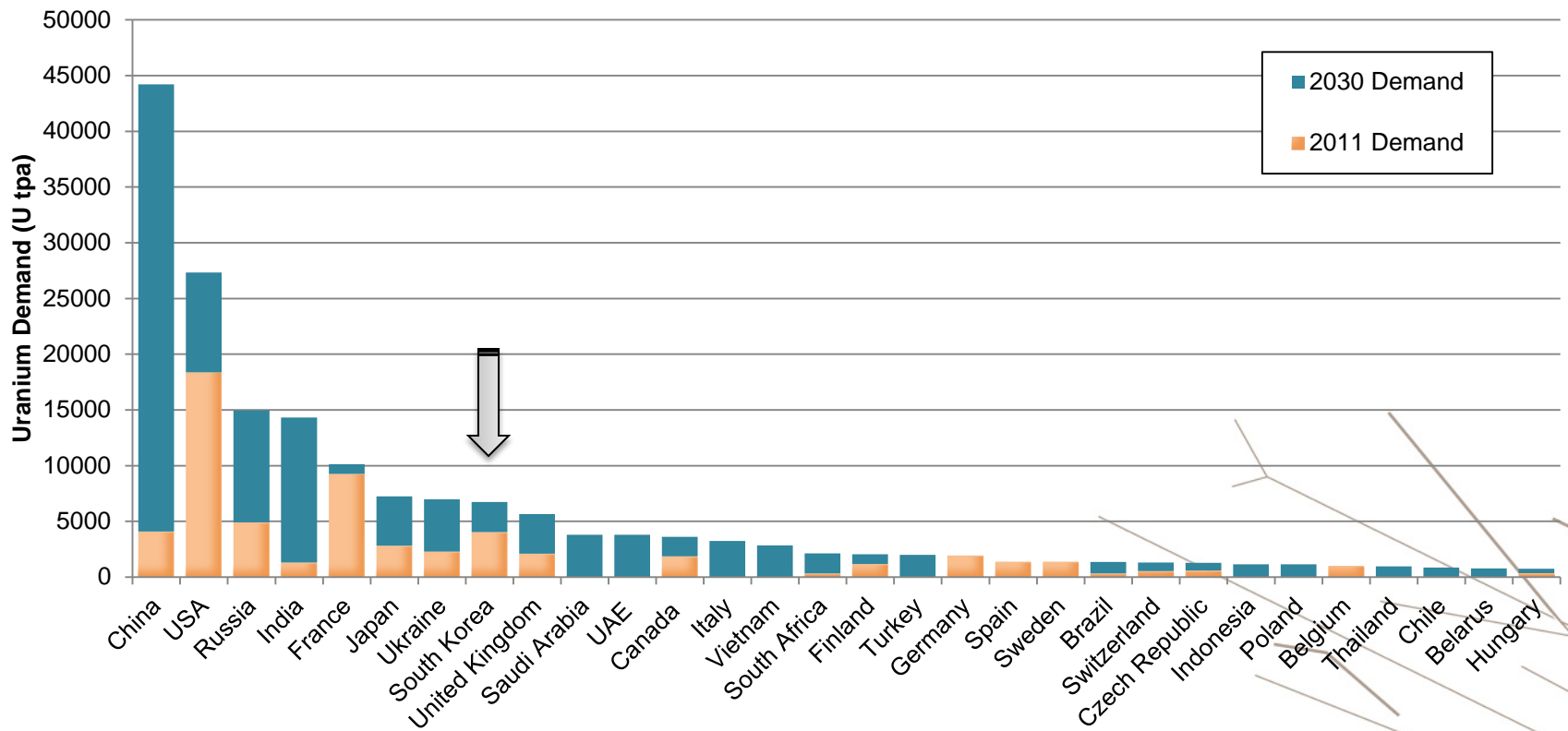
Shortfall currently met by secondary supply, not available beyond 2013



Uranium Demand



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South Korea – Country Summary

10th largest world economy

Established mining law

- No royalties
- No “BEE” partner requirements or native title issues
- 25 year mining rights

Excellent infrastructure and highly educated labour force

Uranium considered a mineral of national significance

Low sovereign risk

South Korea understands Uranium



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Korea is the worlds 5th largest producer of nuclear power

Aggressively securing uranium supplies for both domestic needs and foreign power construction plant contracts

>10Mlbs U₃O₈ required annually with 20mlbs by 2020

12 nuclear power plants to be commissioned by 2021 - 6 currently in construction

21 nuclear plants supply ~ 40% of South Korea's energy requirements, rising to ~ 60% by 2030

Security of Supply becoming paramount - Korea is hungry



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THE KOREA TIMES

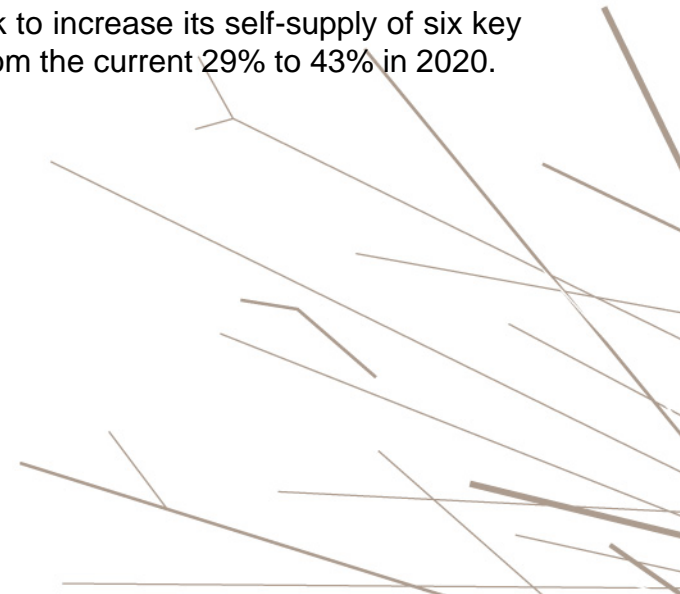
Nation's First English Daily

[Seoul set to sharply boost energy self-sufficiency](#) (Korea Times, 16th February, 2012)

Summary: South Korea on Thursday announced an ambitious plan to nearly triple its self-supply rate of oil and natural gas amid pressure to cut its crude imports from . The country's so-called self-sufficiency rate of oil and natural gas stood at 13.7 percent of its total consumption as of the end of last year, falling a tad short of its earlier target of 14 percent, according to the Ministry of Knowledge Economy.

Along with its efforts to improve its energy self-sufficiency, the country will work to increase its self-supply of six key mineral resources that have been identified critical to the country's economy from the current 29% to 43% in 2020.

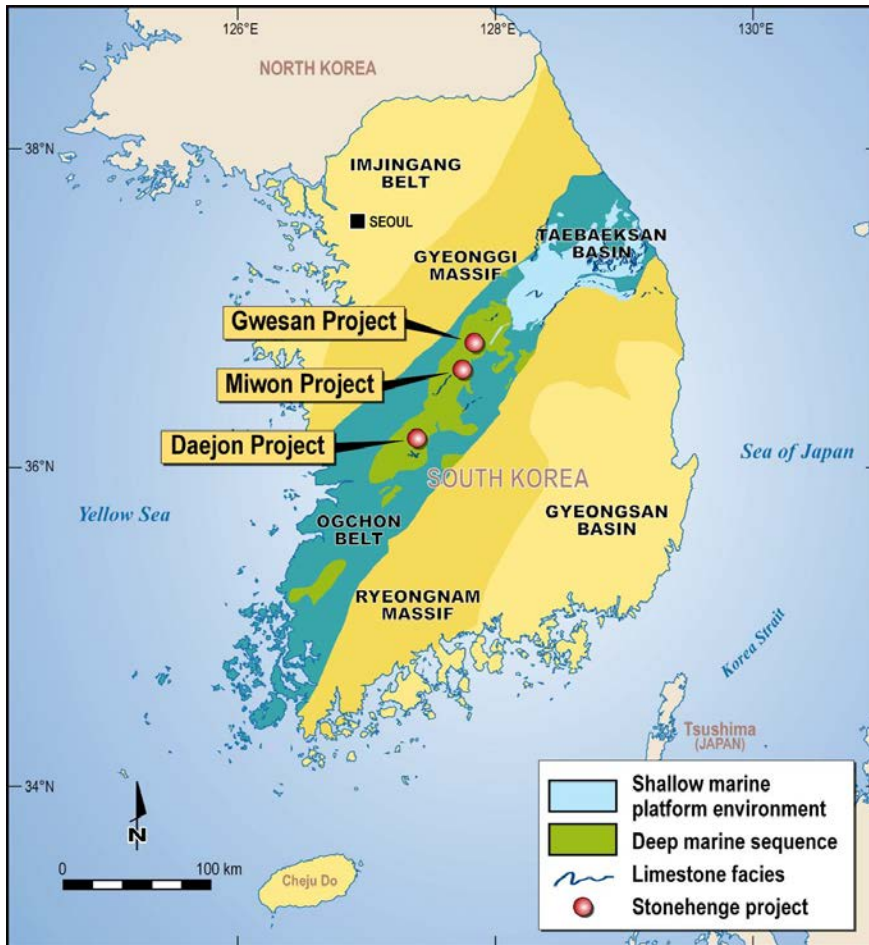
They are bituminous coal, **uranium**, iron ore, copper, zinc and nickel.



Project Location

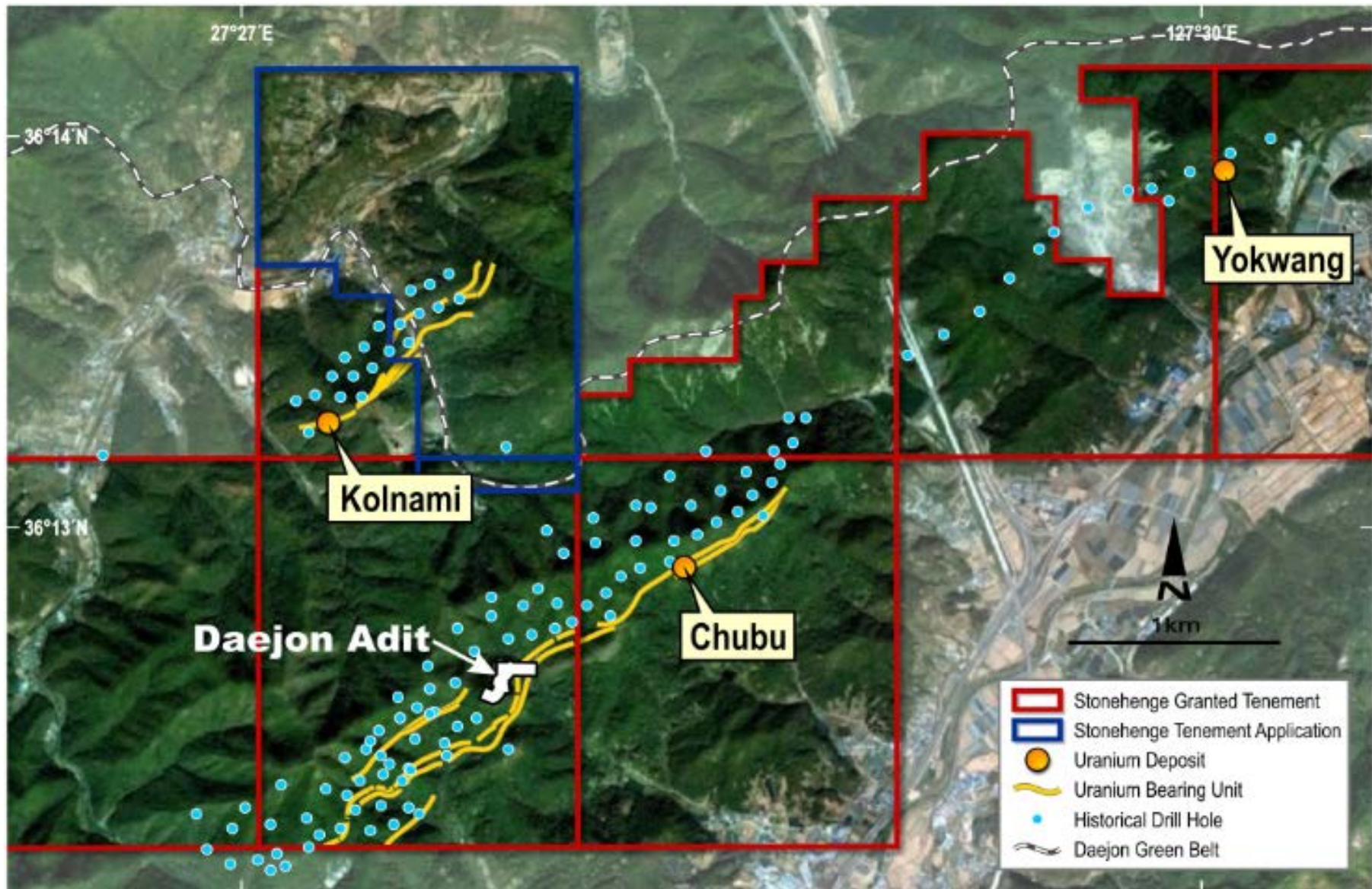


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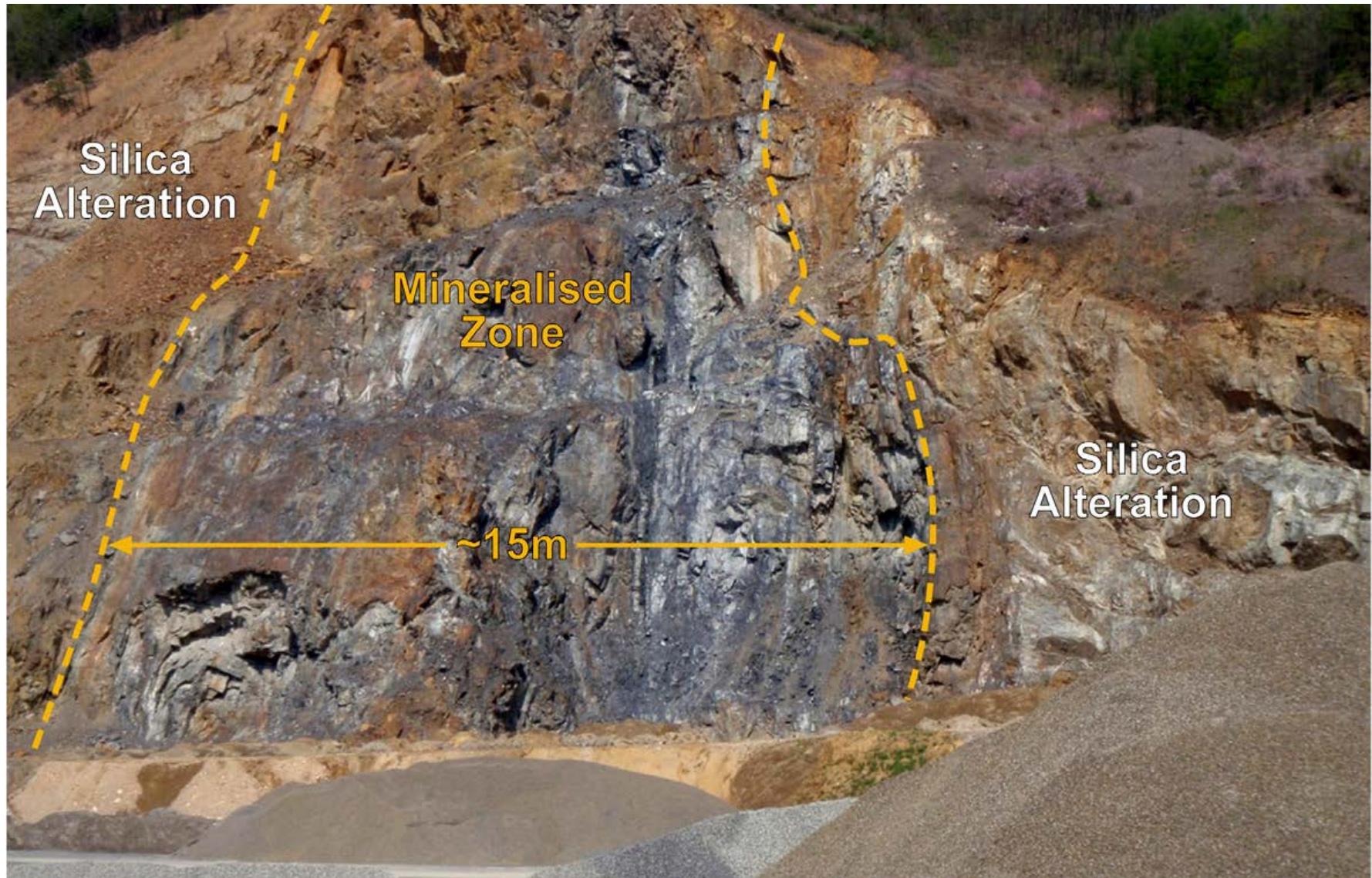


- Daejeon Project largest known uranium resource in South Korea
- 65 Mlbs contained uranium (inferred resource)
- Daejeon: focus of current work
- 25-year mining rights
- Opportunity to provide Korea with 25% of Uranium requirement annually

Daejon Project



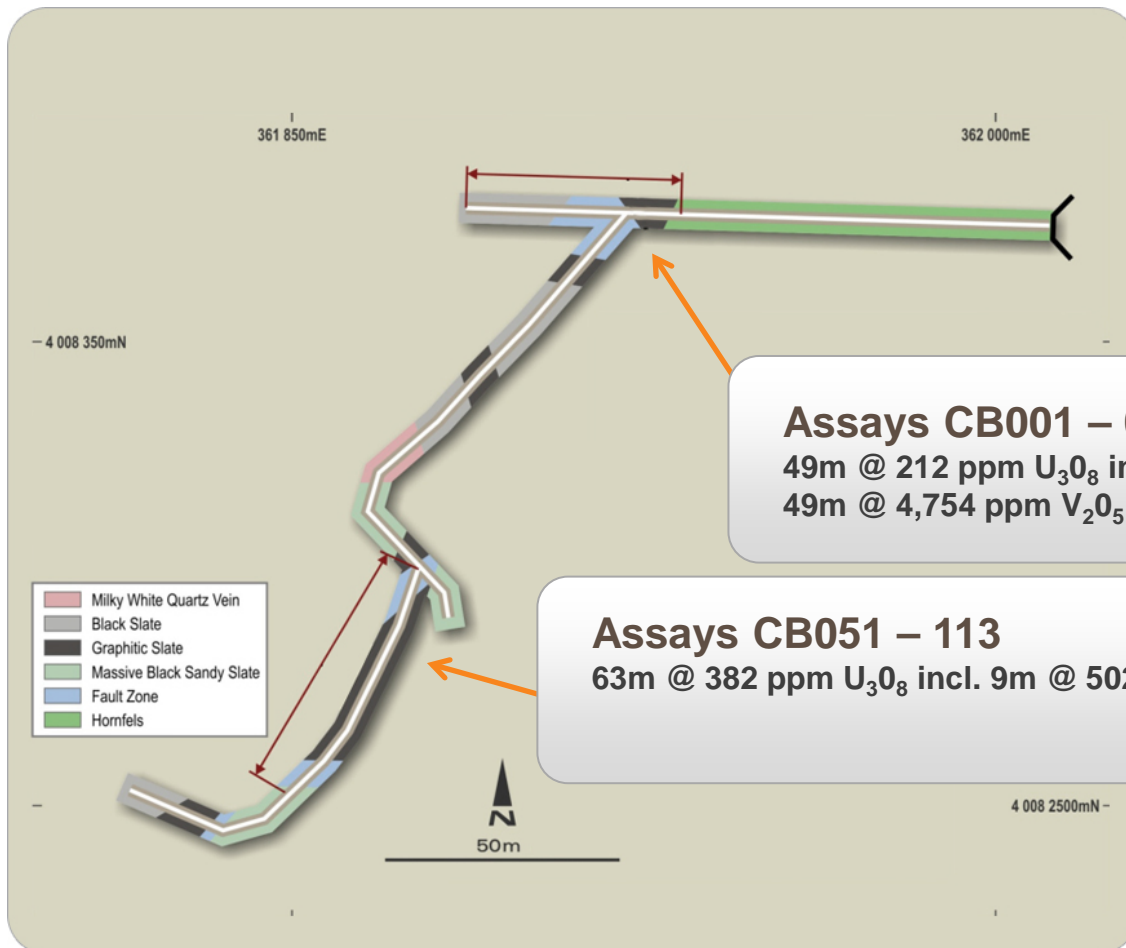
Daejon Project – Mineralisation



Daejon Project – Chubu Adit



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JORC Compliant Resources

Daejon Project: Inferred Uranium Resource

Prospect	Classification	Tonnes (mt)	Grade eU ₃ O ₈ (ppm)	Contained U ₃ O ₈ (mlbs)
Chubu	Inferred	46	330	34
Yokwang	Inferred	39	310	26
Kolnami	Inferred	7	340	5
Total		92	320	65

- Key goal to upgrade resource by:
 - Continuing re-evaluation of existing core / data files
 - Collect samples from core for comprehensive chemical analysis
 - Complete rigorous geological interpretation and resource estimation
 - Identify priority drill targets

JORC Compliant Resources

Daejon Project: Vanadium target

Prospect	Classification	Tonnes	Grade V ₂ O ₅ (ppm)	Contained V ₂ O ₅ (lbs)
Chubu	Target	70 – 90mt	250-350	385-695mlb

- Upgrade definition by:
 - Continuing reconnaissance surveying
 - Identify priority drill targets
 - Assay historical diamond drill core
- Metallurgy and recovery:
 - Metallurgical testwork confirmed average leach extraction >70% vanadium
 - Focused on low cost atmospheric acid leaching
 - Current global market 65,000tpa
 - Vanadium price US\$6.5/lb V₂O₅

Metallurgy and Process Development

Uranium Extraction

- Uranium present as finely dissemination Uraninite (UO_2) grains
- Historical testwork undertaken by Korean Resources Corporation has shown uranium can be extracted easily using conventional atmospheric acid leaching
- Stonehenge has verified this work through independent testwork on fresh metallurgical samples
- Uranium acid leach flowsheet is well established and commercially proven by others
- 90% Uranium extraction consistently achieved



Metallurgy and Process Development



Vanadium Extraction

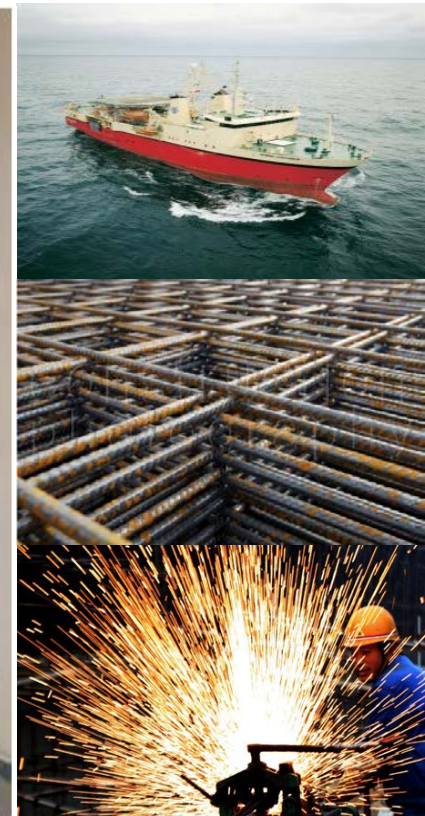
- Future flowsheet development will focus on vanadium recovery
- Several process options have been identified and testwork program prepared
- Bulk samples have been obtained and delivered to Australia
- Major testwork program commenced in June 2011
- 70% Vanadium extraction achieved compared to previous best of 50%

Various Uses of Vanadium



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- **A steel strengthener**
 - Added as a micro-alloying element to strengthen rebar for construction, low alloyed steel plate, pipeline steel, sheet steel and die steel etc.
- **Irreplaceable in aerospace**
 - Used as an alloying element in other industries such as aero-space
- **Entering the electric car era**
 - It has been proven that adding vanadium with lithium-ion battery significantly improves performance
- **Renewable energy storage (VRB)**
 - Vanadium redox batteries (VRB's) are being developed for storage of electrical energy as wind, solar and geothermal power industry develops



Vanadium Redox Battery

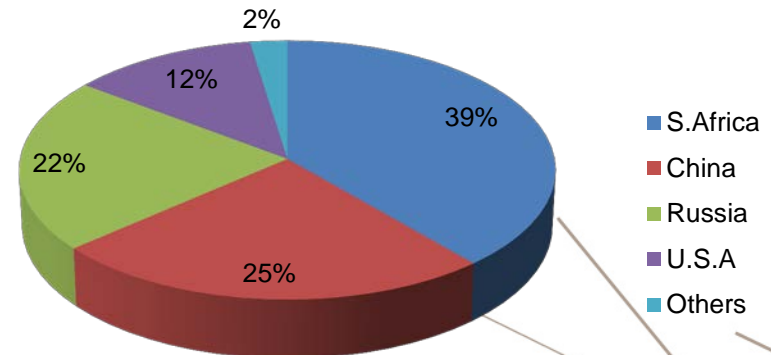
Limited Supply



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- **Global vanadium supply is dominated by South Africa, China and Russia**
- **Vanadium supply is experiencing pressure due to two factors**
 - Power shortages in South Africa,
 - China has threatened to declare their vanadium supply as strategic and ban any further export
- **New production capacity required to meet increased future demand**

Vanadium Primary Supply



Rising Demand

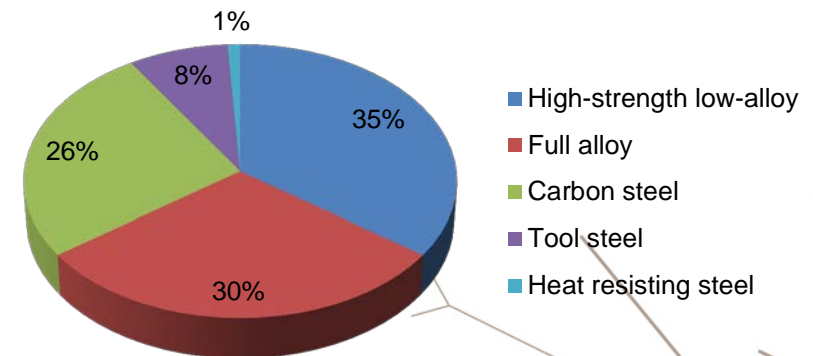


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- **Several factors influencing the demand for vanadium**

- Vanadium is predominantly used as a steel additive and therefore demand is strongly linked to steel production
- China uses almost 40% of world steel production and is increasing its demand for steel
- India's steel production double from 65 to 124 mtpa year by 2012
- World market estimates infrastructure spending \$35 trillion over the next 20 years
- High-strength low-alloy steel production has outpaced crude steel production by 21.6% year over year since 2006
- China has increased minimum specification for vanadium in steel reinforcement bar as from 2012

Vanadium Usage Rate



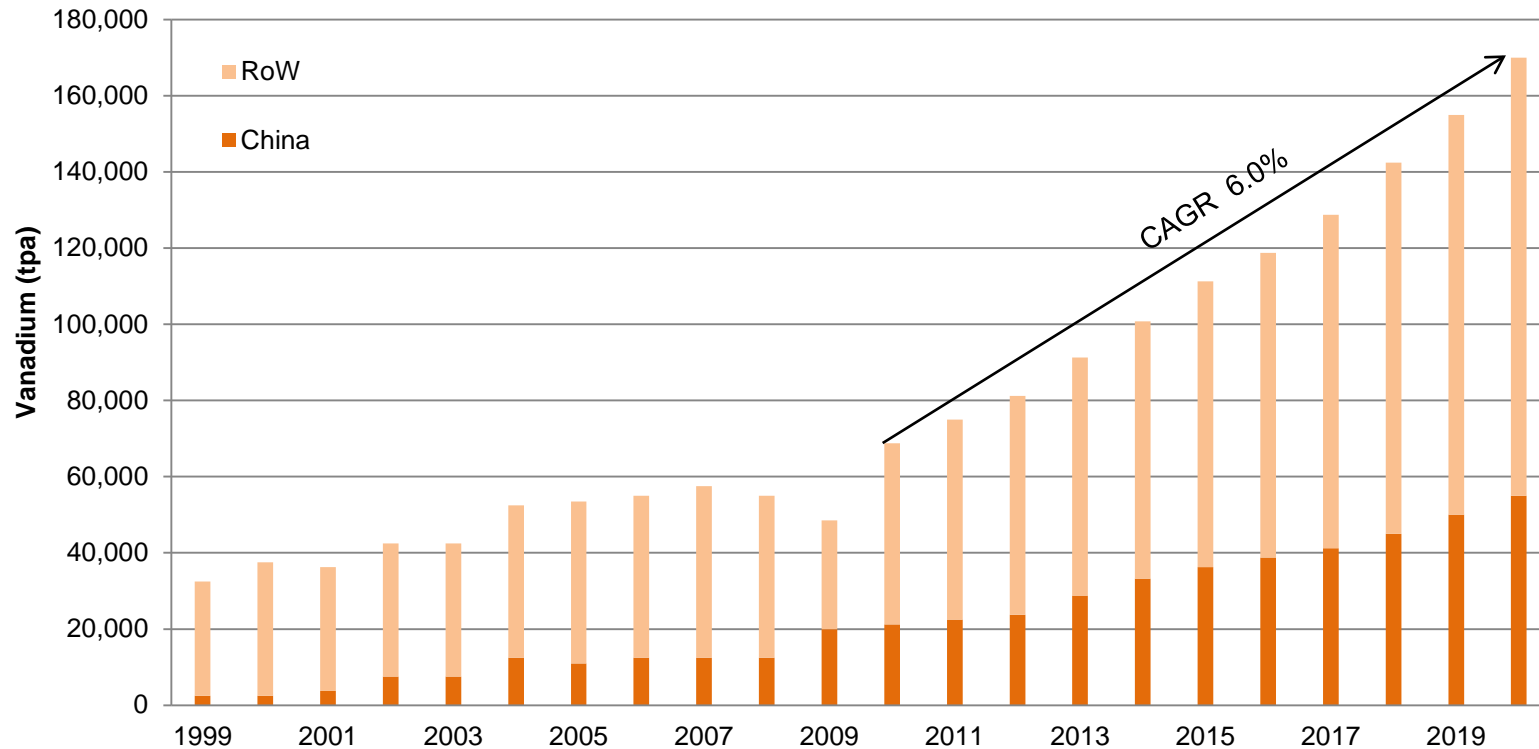
Source: <http://seekingalpha.com/article/139661-veni-vidi-vanadium-the-key-to-steel>

Vanadium Consumption



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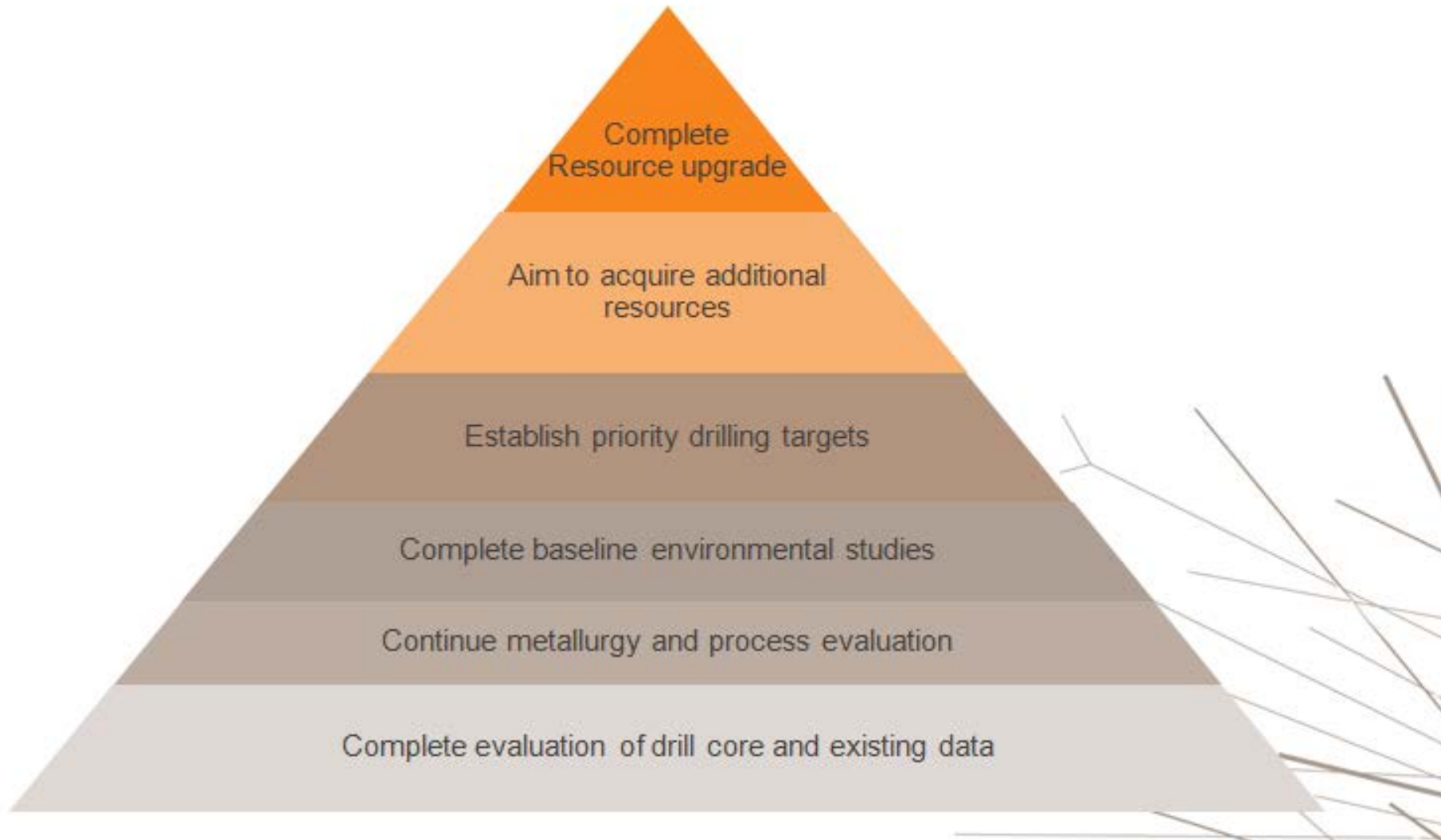
Vanadium Consumption Growth



2012 Targets



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Key Issues



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- Complete resources evaluation outlined
- Establish comprehensive community engagement program
 - Establish Advisory Group
 - Establish Community Leaders Group
 - Establish Cooperative Alliances / Partnerships
- Continue drilling for Uranium upgrade and Vanadium maiden resource
- Continue baseline environmental / radiation studies
- Increase the resource base through exploration and acquisition

Corporate Information

Corporate Structure

- Shares on Issue: 289,940,843
- Market Cap: ~A\$12 million
- Cash Reserves: ~A\$1.5 million
- Debt: Nil

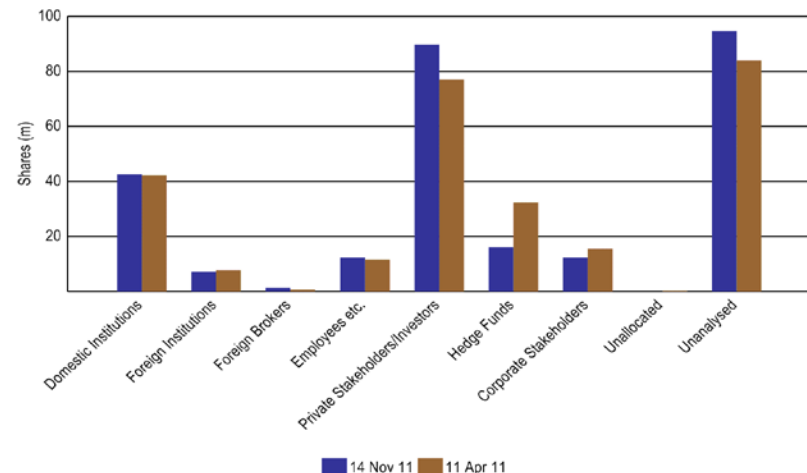
Top Shareholders

- Mimo Strategies 8.6%
- Acorn Capital 6.1%
- IAM 4.9%
- Oceanic Asset Mgt 4.2%
- New City Investment 3.9%

Top 20 hold 55% of issued shares

Directors

- **Warren Staude** – Chairman
- **Richard Henning** – Managing Director
- **Bevan Tarratt** – Non Executive Director
- **Bob Cleary** – Non Executive Director



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