Minerals Explorer in South Korea

Gold Coast Showcase
13 June 2012

Stonehenge
METALS LTD

ASX:SHE

Forward-looking and Competent Person Statement

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.

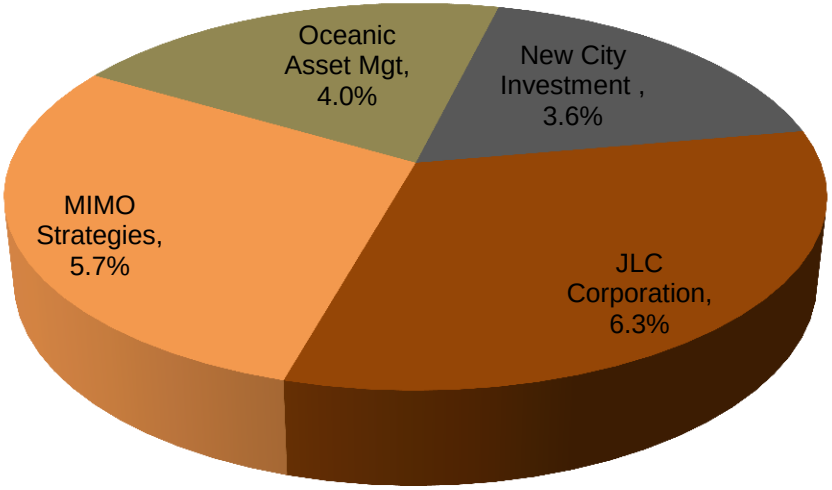
The information contained in this ASX release relating to Mineral Resources has been compiled by Mr. Michael Andrew of Optiro Ltd. Mr. Andrew is a Member of The Australian Institute of Mining and Metallurgy. Mr. Andrew has sufficient experience which is relevant to the style of mineralisation and type 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.

Corporation Information

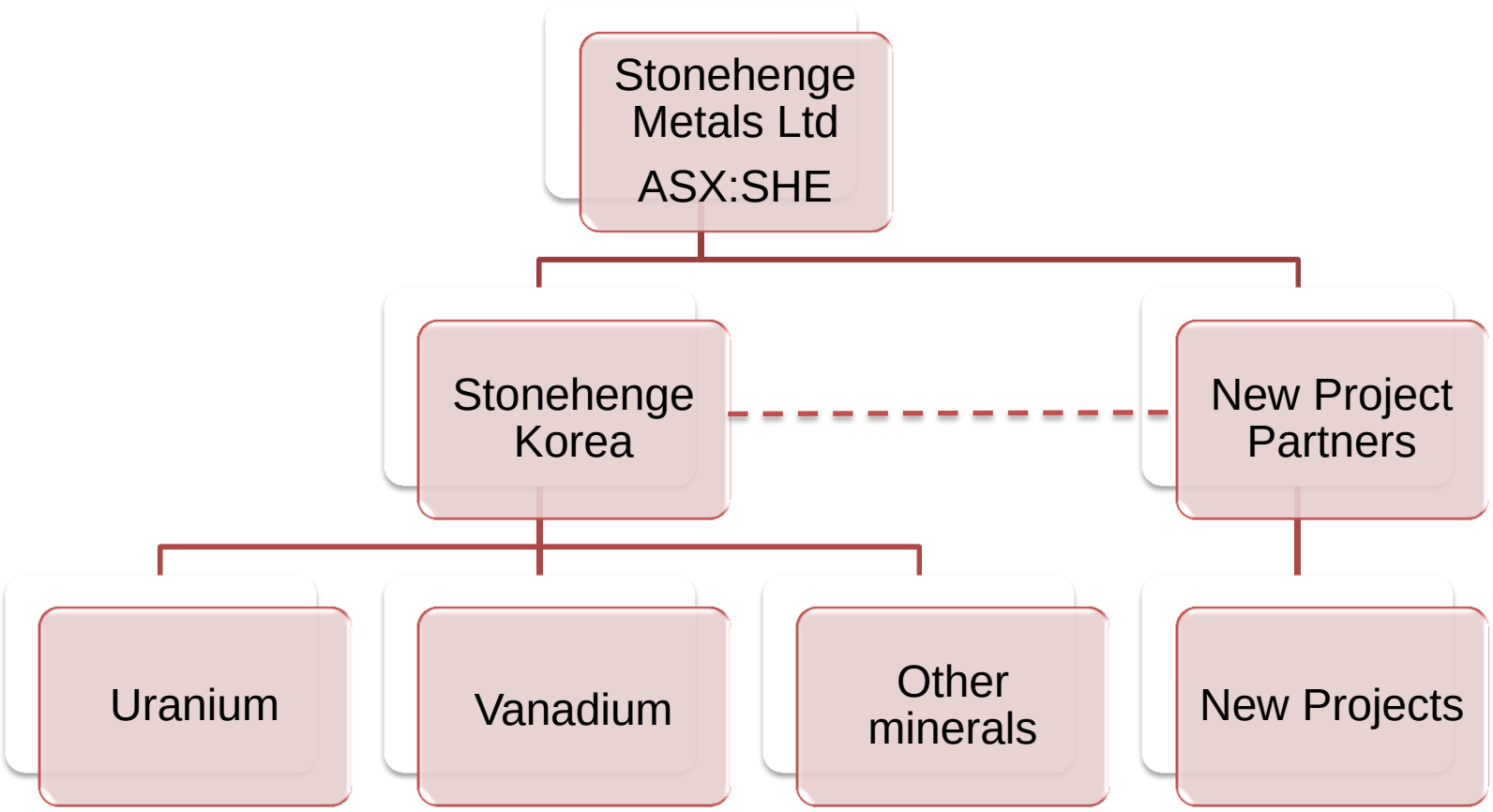
Corporate Structure

- Shares on Issue: 424,597,785
- Market Cap: ~A$16 million
- Cash Reserves: ~A$ 4 million
- Debt: Nil

Top 20 hold 45%



Company Structure



Directors and Management

Directors

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

Management

- **Young Yu** – Chief Executive, Korea
- **Tony Chamberlain** – Manager, Operations and Metallurgy
- **Alex Aaltonen** – Chief Geologist

South Korea – Country Summary

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Low sovereign risk

Excellent infrastructure and highly educated labour force

10th largest world economy

Uranium considered a mineral of national significance

Established mining law

- **No royalties**
- **No 'BEE' partner requirements or native title issues**
- **25 year mining rights**

Demand for Power is Increasing

Global annual electricity consumption

2005 → 2015

35% increase
16% nuclear

Korean annual electricity consumption

2008
72 GWe

→

2017
88 GWe

→

2022
101 Gwe

22% increase
30% nuclear

38% increase
50% nuclear

Korea Requirements

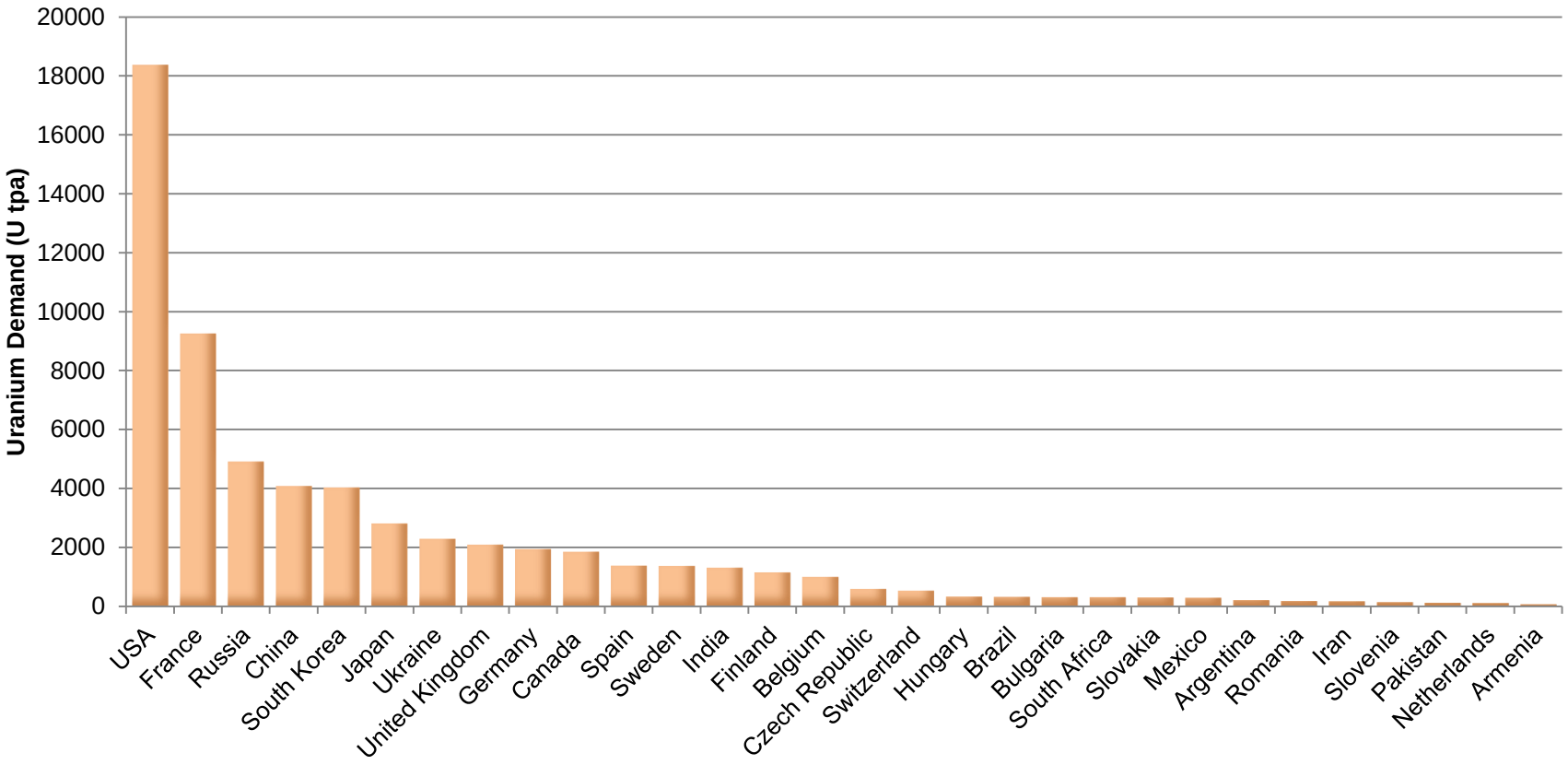
Korea has	
21 reactors in operation	20.7 GWe capacity
5 reactors under construction	5.8 GWe extra required
4 reactors planned	8.4 GWe extra required

Korea requires*

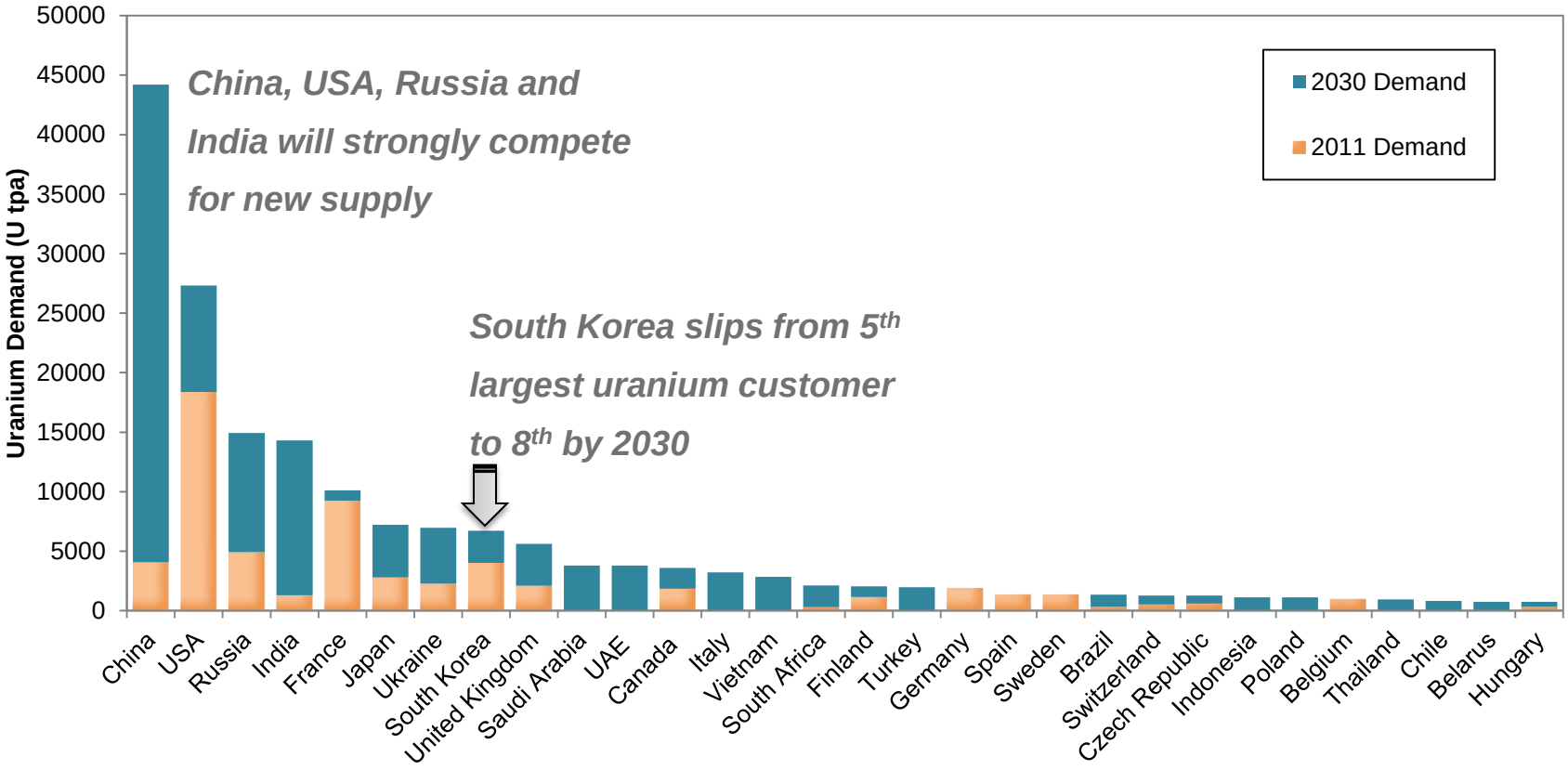
2011	2013	2016	2020
10 mlbs	12.8 mlbs	13.4 mlbs	19.6 mlbs

* KORES estimate

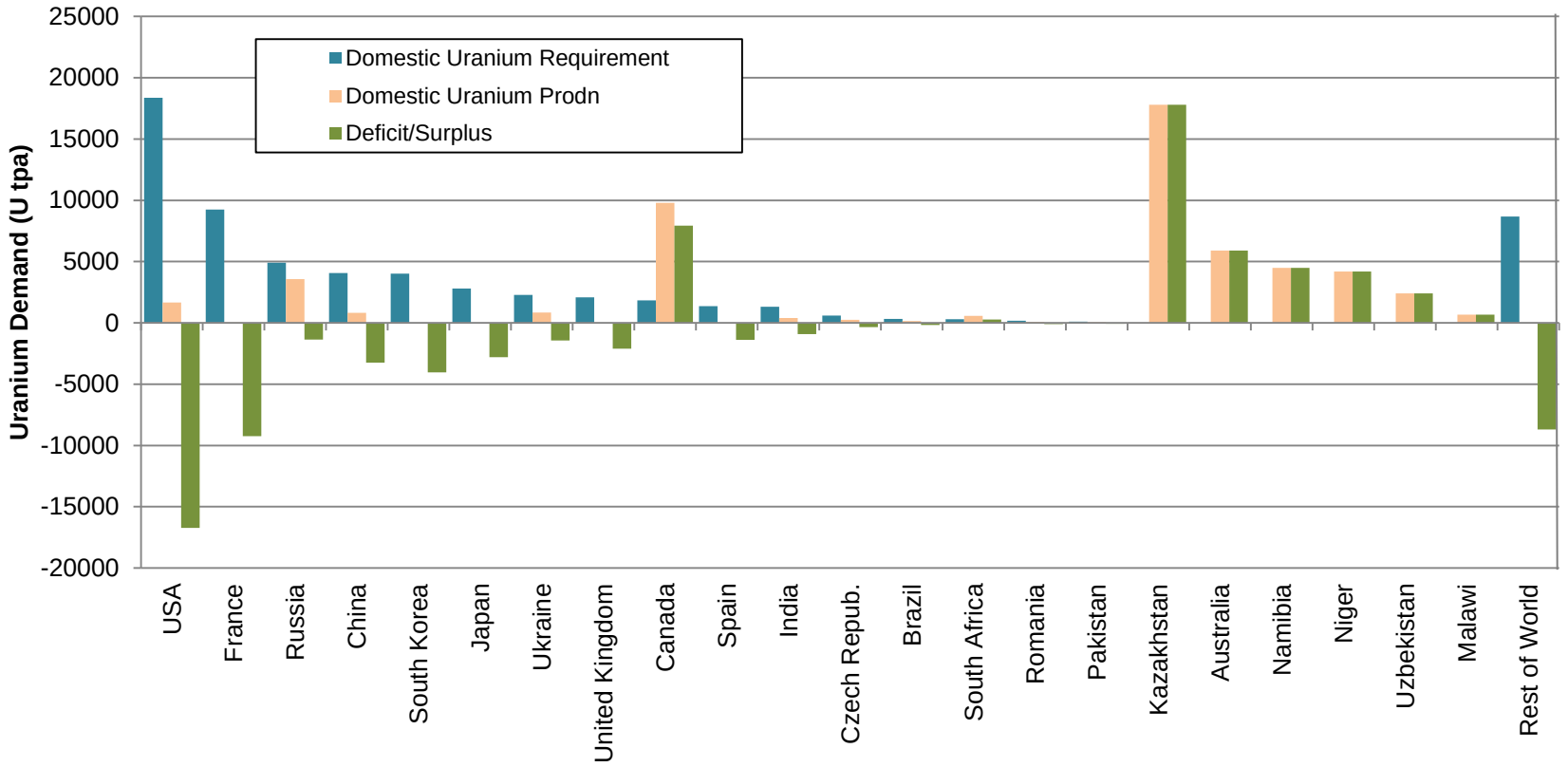
Uranium Demand



Uranium Demand



Uranium Demand



The Majors are Moving

bhpbilliton predicts 154 mlbs shortfall in supply in the next 20 years

RioTinto invests strongly in the uranium sector putting $300m into ERA; and outbids Cameco for Hathor Exploration

Cameco announces the need to double inventory by 2020

DENISON MINES agreed to merge with Energy Fuels Inc. to secure US supply

Security of Supply becoming Paramount

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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 Iran. 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.

South Korea aims to directly control 43% of its uranium requirements by 2020

South Korea Understands Uranium

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Korea is worlds 5th largest producer of nuclear power

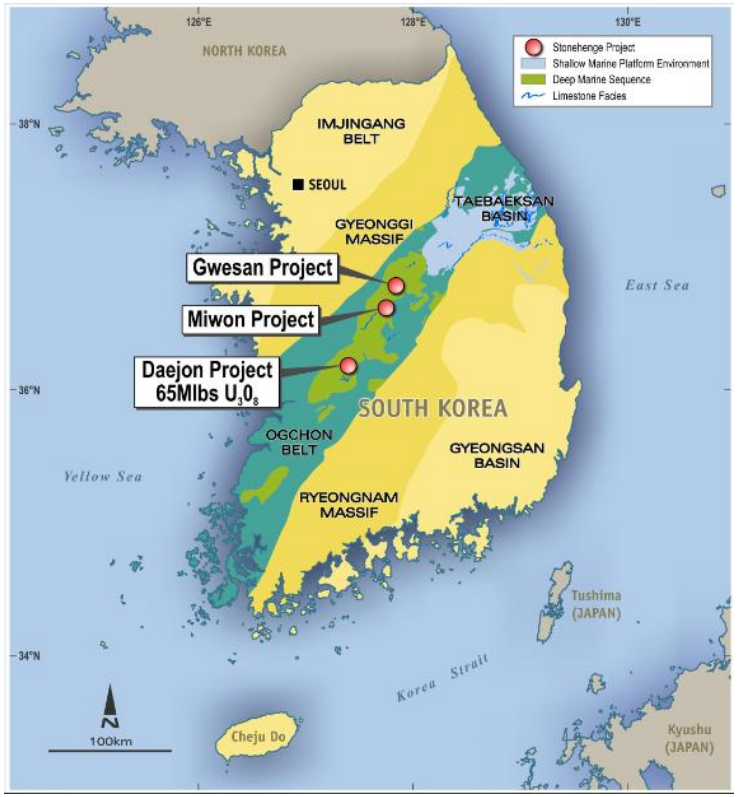
Aggressively securing uranium supplies for both domestic needs and foreign power construction plant contracts

>10Mlbs U_3O_8 required annually with 20mlbs by 2020

9 nuclear power plants to be commissioned by 2021 - 5 currently in construction

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

Project Location

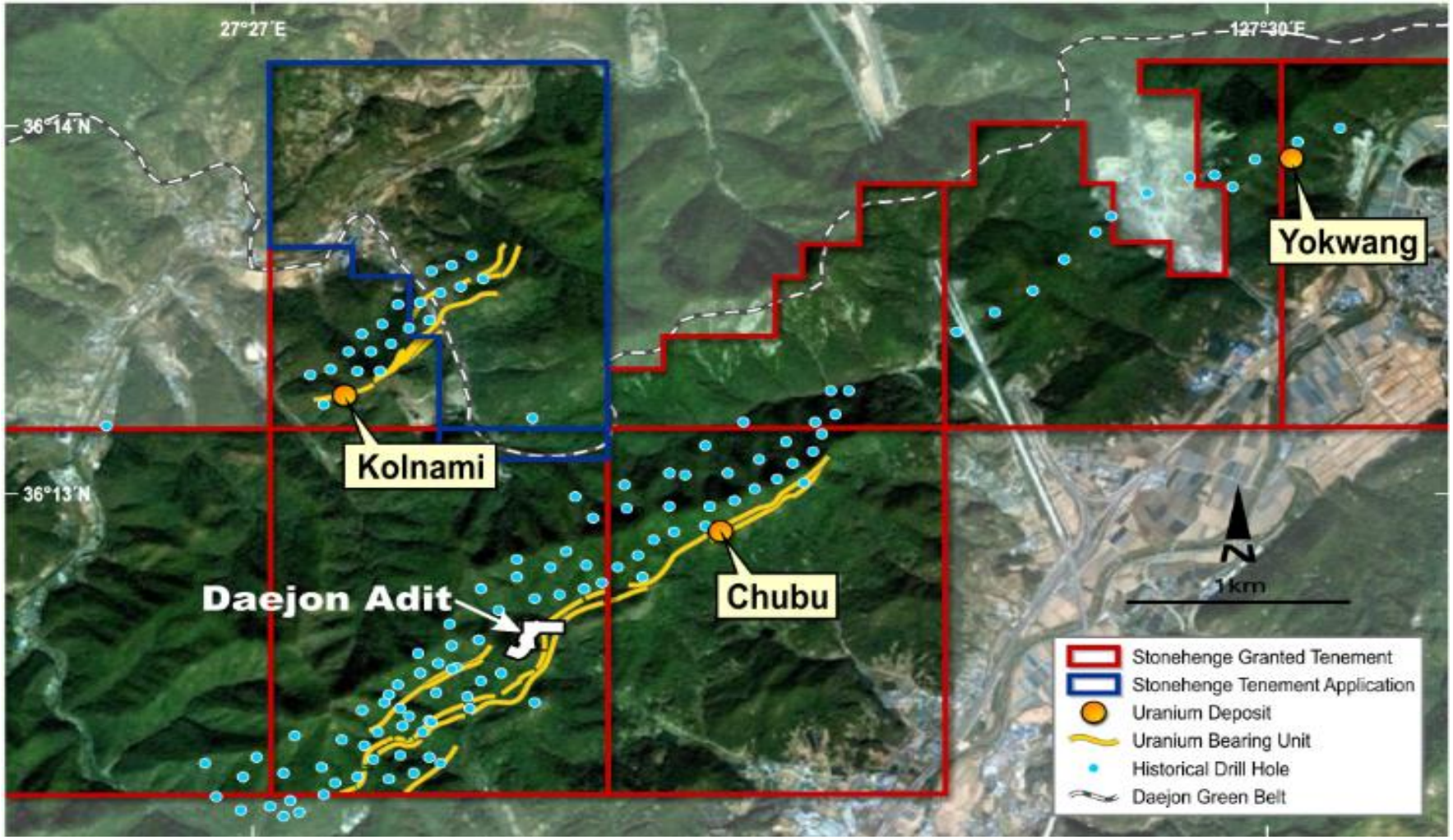


- Daejon Project largest known uranium resource in South Korea
- 65 Mlbs contained uranium (Inferred Resource) with significant upside exploration target 17-39Mlbs U_3O_8 at Yokwang
- Daejon: focus of current work
- 25-year mining rights
- Opportunity to provide Korea with 25% of Uranium requirement annually

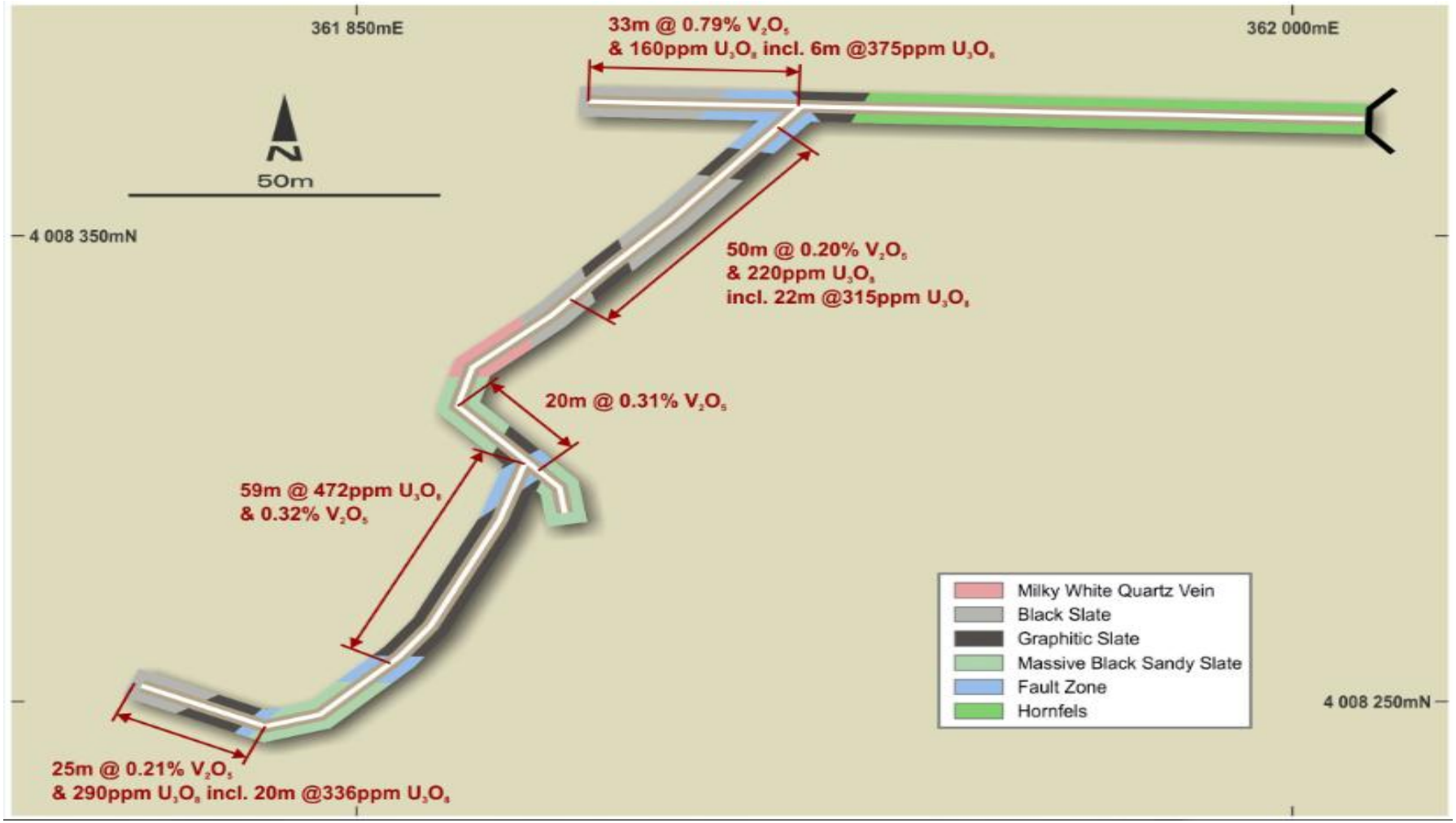
Prospect	Classification	Tonnes(Mt)	Grade V_2O_5 (ppm)	Contained U_3O_8 (Mlbs)
Yokwang	Target	15 - 59	300-500	17-39Mlbs

[1]The potential quantity and grade of the exploration target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource

Daejon Project



Daejon Project – Chubu Adit



JORC Compliant Resources

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Daejon Project: Inferred Resource

Prospect	Classification	Tonnes (Mt)	Grade eU_3O_8 (ppm)	Contained U_3O_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

Vanadium Overview

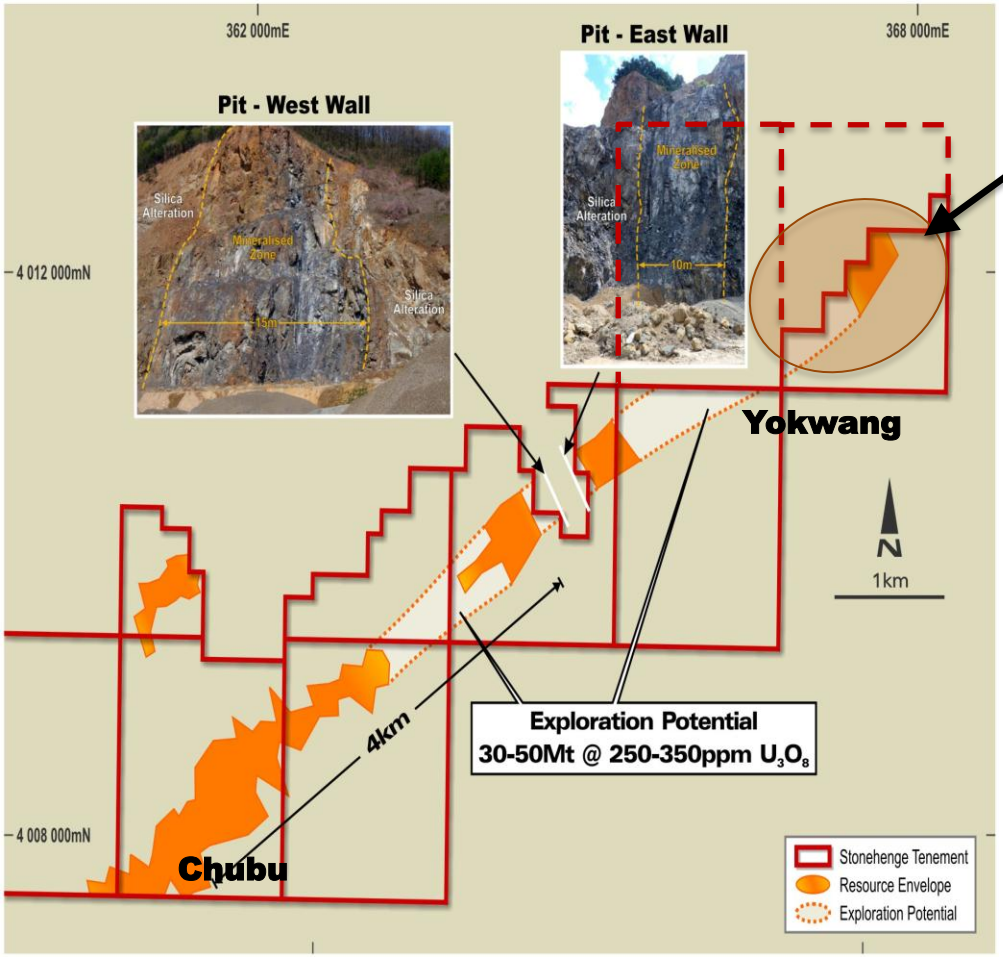
Daejon Project: Vanadium target[1]

Prospect	Classification	Tonnes(Mt)	Grade V_2O_5 (ppm)	Contained V_2O_5 (Mlbs)
Chubu	Target	70 – 90	250-350	385-695

[1]The potential quantity and grade of the exploration target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource

- Upgrade definition by:
  - Continuing reconnaissance surveying
  - Identify priority drill targets
  - Assay historical diamond drill core
- Vanadium Market:
  - Vanadium demand forecast to grow by 6% pa
  - Current global market 65,000tpa V_2O_5
  - Vanadium price US$6.5/lb V_2O_5

Yokwang
Large Exploration Upside



- Yokwang offers significant exploration upside
- Yokwang has a current exploration target[1] of 17-39Mlbs U_3O_8
- Additional resource upside along strike
- Exploration tenements extended to secure area
- Mine modelling indicates 12 years of open cut ore at strip ratio of 2.5:1
- Drilling targets identified

[1]The potential quantity and grade of the exploration target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource

KIGAM
Core Storage Facility

- 36,000 metres of mineralised historical core stored at KIGAM
- Inspected 26 of the 225 historical drill cores
- Negotiating access to cut and assay the core to confirm U, V and Mo grades
- Assay results are expected to increase the confidence level of the existing JORC inferred uranium resource
- High grade mineralised areas will be identified for follow-up drilling

Exploration Program Summary

- Undertake exploration drilling campaigns at Chubu and Yokwang
- Increase uranium resource and locate high grade zones
- Deliver maiden vanadium resource
- Access historical core at KIGAM to increase confidence of global resource for uranium and vanadium
- Investigate occurrence and grade of Graphite at Gwesan

Flowsheet Development
Uranium-Vanadium Metallurgy

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Uranium Extraction

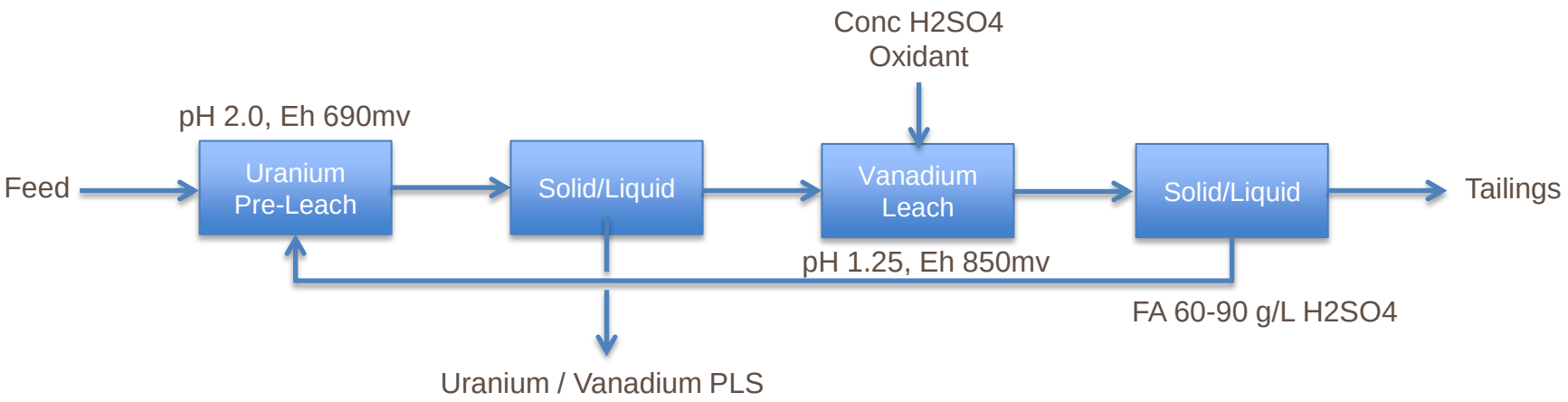
- Uranium present as uraninite (UO_2) = **Simple metallurgy**
- Dilute acid tank leach at pH 2.0 for 1-2 hours = **>90% uranium extn.**
- 10-20 kg/t H_2SO_4 & 20-40 kg/t peroxide (30% w/w) = **Low reagent consumption**

Vanadium Extraction

- Vanadium has equal in-ground value when compared to uranium = **Vanadium can not be ignored**
- 70% extraction equates to net opex of US$14 / lb U_3O_8 = **Vanadium recovery important to project economics**
- Vanadium mineralisation more refractory than uranium = **More intensive processing required to extract**

Flowsheet Development
Tank Leach

- Modified tank leach process being evaluated
- Consistently achieving 50% vanadium and >90% uranium extraction
- AMEC Minproc has completed a process review:
  - Need to recycle excess acid from vanadium leach
  - Confirm if vanadium re-precipitation is occurring above 1.0 g/L
  - Investigate whole ore roasting prior to leaching



Flowsheet Development
Ore Beneficiation

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- Roasting of ROM ore may provide significant benefits:
  - Ore contains 10-40% carbon
  - Increase head upgrade from 320 to 460ppm U_3O_8 @ 30% carbon
  - No fuel required as carbon will burn
  - Removal of carbon will lower grinding index, ie low mill power
  - More importantly reagent consumption should decrease, OpEx↓
  - Capex will decrease overall as plant will be about 20-30% smaller

Environmental Permitting Approvals Process and Baseline Monitoring

- Korean Mining Act requires two stage approval process:
  I. Environmental Scoping Document (ESD)
  II. Environmental Impact Statement (EIS)
- Environmental Pre-scoping Study awarded to ERM
- First season of baseline monitoring data has been collected (need all four seasons before submission of EIS)
- Environmental Radiation Management Plan (ERMP) implemented
- Future baseline monitoring work will include:
  - Ground water monitoring bores to be installed across project area
  - Baseline radiation survey of proposed mining area
  - Social Impact Study to commence

Commitment to Best Practice

- Stonehenge has engaged a team that is highly experienced in managing uranium projects
- Team has in depth experience in uranium exploration, project evaluation / design / construction and operation
- The Company's personnel have been involved in the development / operation of other world class projects

Summary

- Continue to advance the Daejon project towards development

- Steady news flow expected over coming 12 months
  - ✓ Exploration drill results from Yokwang & Chubu
  - ✓ Uranium resource upgrade
  - ✓ Maiden vanadium resource
  - ✓ Firm up process flowsheet
  - ✓ Generate scoping level capital and operating estimate
  - ✓ Commence environmental approvals process

‘Stonehenge aiming to meet 25% of Korea’s domestic uranium fuel requirements’

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