

ASX:SHE



Minerals Explorer in South Korea Company Presentation

July 2013



Stonehenge
METALS LTD

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 or 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 programmes 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 and Exploration Targets 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.



Investment Highlights



- Stonehenge has 100% ownership with an established local office and management
- Largest uranium resource in South Korea - 65 Mlbs eU₃O₈
- Vanadium exploration target 385 – 695 Mlbs at grade 2,500 – 3,500 ppm¹
- Drilling underway to upgrade uranium and define maiden vanadium resource
- Low operating expenditure due to successful co-extraction of uranium and vanadium

12th
largest
world
economy



Stonehenge
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Corporate Information

Corporate Structure

Shares on issue:	426 million
Share price:	1.5¢
Market capitalisation:	\$7 million
Cash reserves:	\$2 million
Debt:	Nil

Top Shareholders

Directors and management	13.1%
HSBC nominees	9.0%
Slade Technologies	3.7%

Top 20 holds 39% of issued shares

Directors and Management

Richard Henning – Chairman and Managing Director
 Young Yu – Chief Executive, Korea
 Bevan Tarratt – Non Executive Director

Share Price Performance



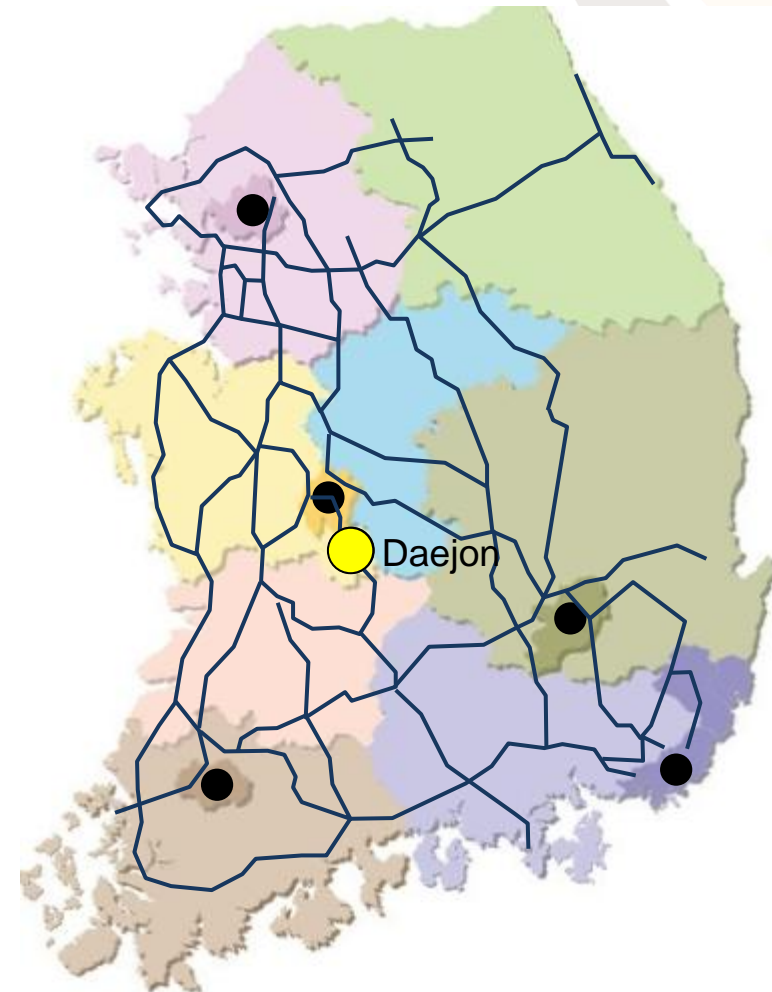
South Korea – Country Summary

- Established mining law
 - No royalties
 - No 'BEE' partner requirements or native title issues
- 20 year mining rights
- Low sovereign risk
- Uranium considered a mineral of national significance
- Excellent infrastructure and highly educated labour force
- World's 5th largest producer of nuclear power
 - 30% of Korea's power is from nuclear
- Major end-user of vanadium – all imported



South Korean Infrastructure

- Extensive road network
- Heavy haul electric rail network
- 7 major ports
- Reliable power distribution network



Three Project Areas

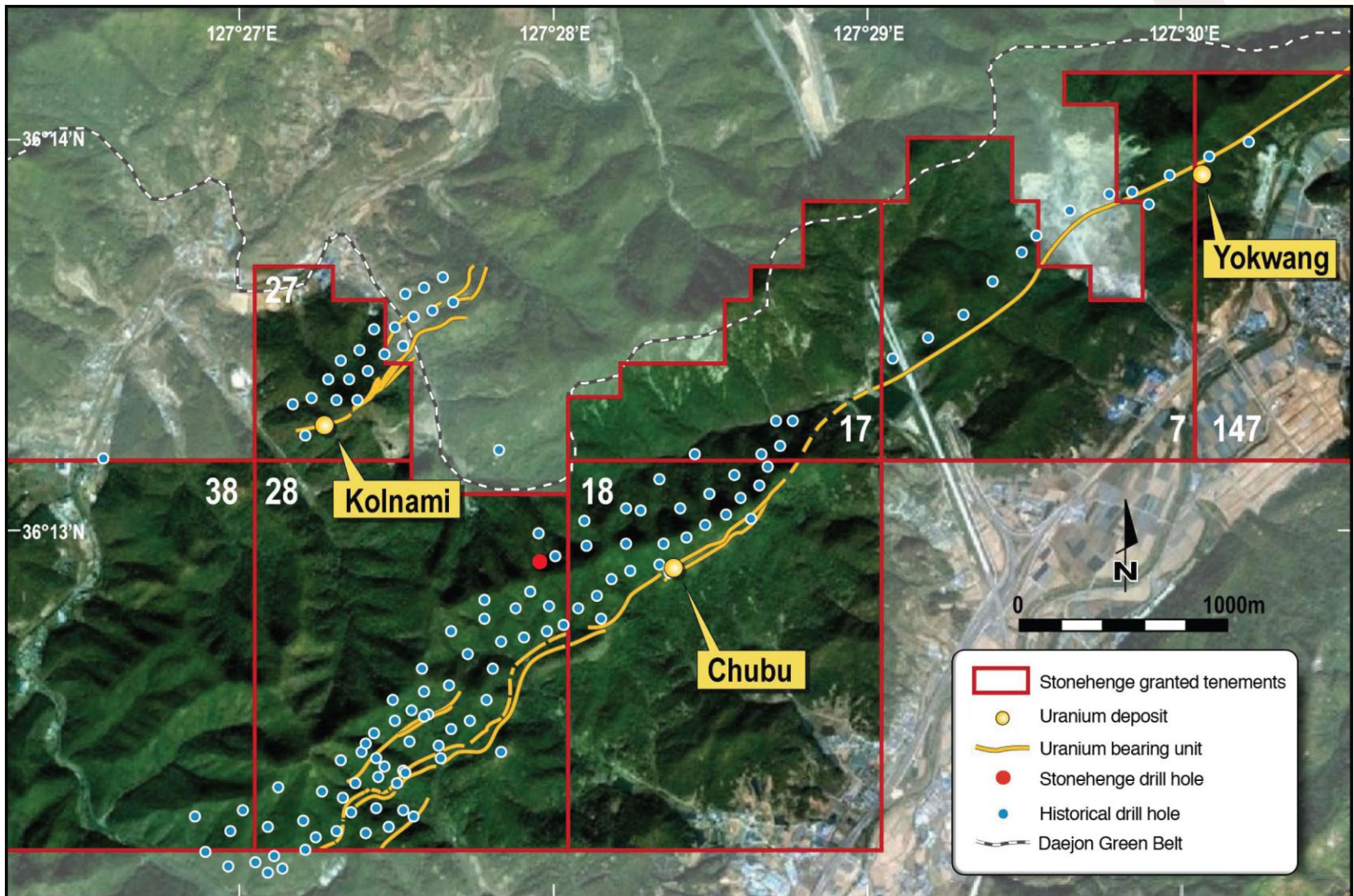


- Daejon Project was discovered in the 1980's and is the largest known uranium resource in South Korea
- 65 Mlbs eU_3O_8 inferred resource at an average grade of 320ppm
- Vanadium – maiden resource expected this quarter
- 20-year mining rights
- Opportunity to provide Korea with 25% of uranium requirement annually
- Largest uranium and vanadium tenement holding within Korea

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Daejeon Project



Daejon – Mineralisation



KIGAM: Core Storage Facility

- 36,000 metres of mineralised historical core stored at KIGAM
- Inspected 26 of the 229 historical drill cores – confirmed mineralised sections still complete
- Negotiating joint venture to cut and assay the core to confirm uranium, vanadium and molybdenum grades
- Assay results are expected to increase the confidence level of the existing JORC inferred uranium resource
- Determination of vanadium resource and grade will assist to determine the economic viability of the project



JORC Compliant Uranium Resource

Daejon Project: Inferred Resource - Uranium

	Tonnes (Mt)	Grade eU ₃ O ₈ (ppm)	Contained U ₃ O ₈ (Mlbs)
Uranium	92	320	65

Daejon Project: Exploration Target – Uranium¹

	Tonnes (Mt)	Grade U ₃ O ₈ (ppm)	Contained U ₃ O ₈ (Mlbs)
Uranium	15 - 59	300 - 500	17-39

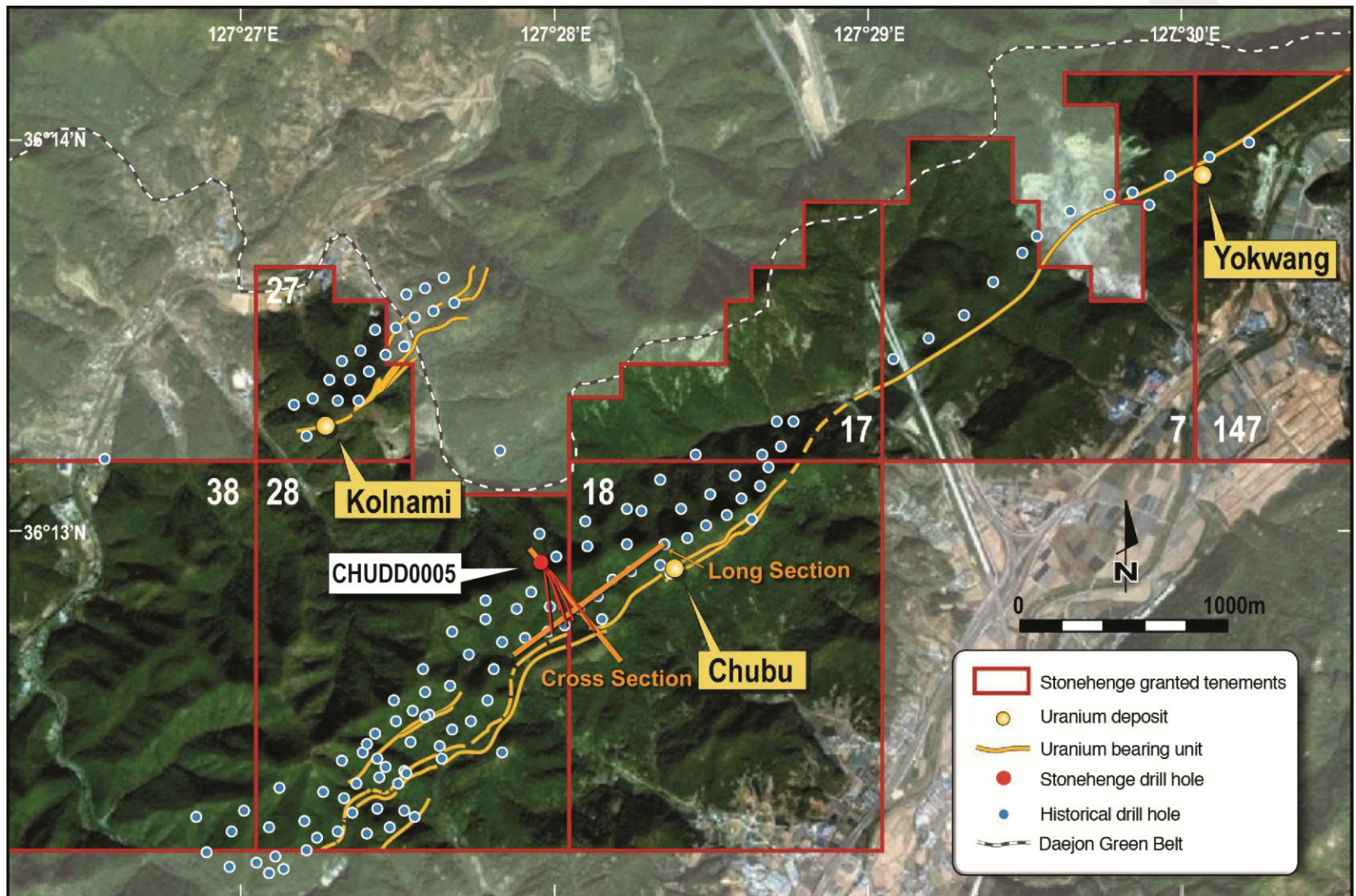
Daejon Project: Exploration Target – Vanadium¹

	Tonnes (Mt)	Grade V ₂ O ₅ (ppm)	Contained V ₂ O ₅ (Mlbs)
Vanadium	70 - 90	2,500 – 3,500	385 - 695

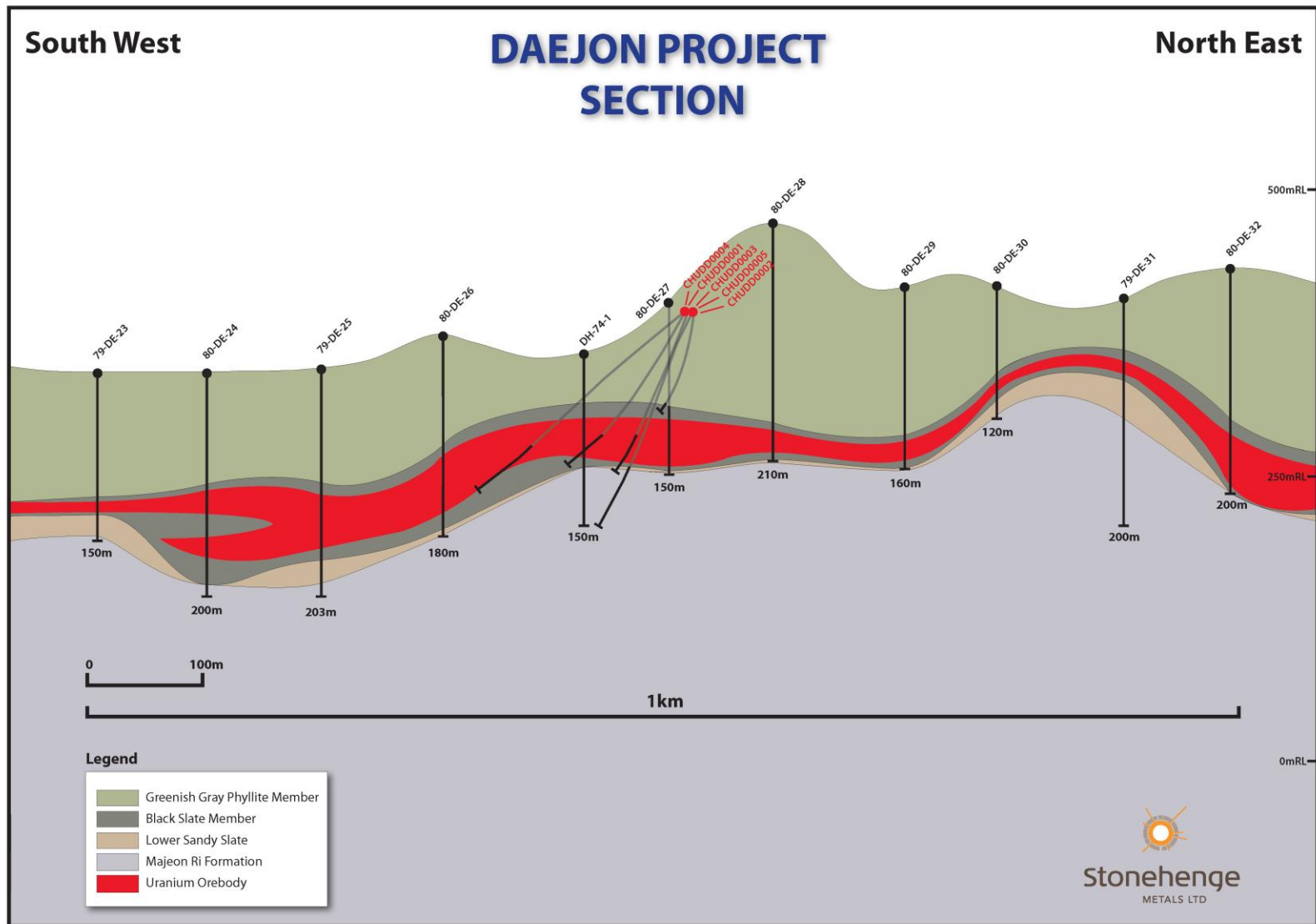
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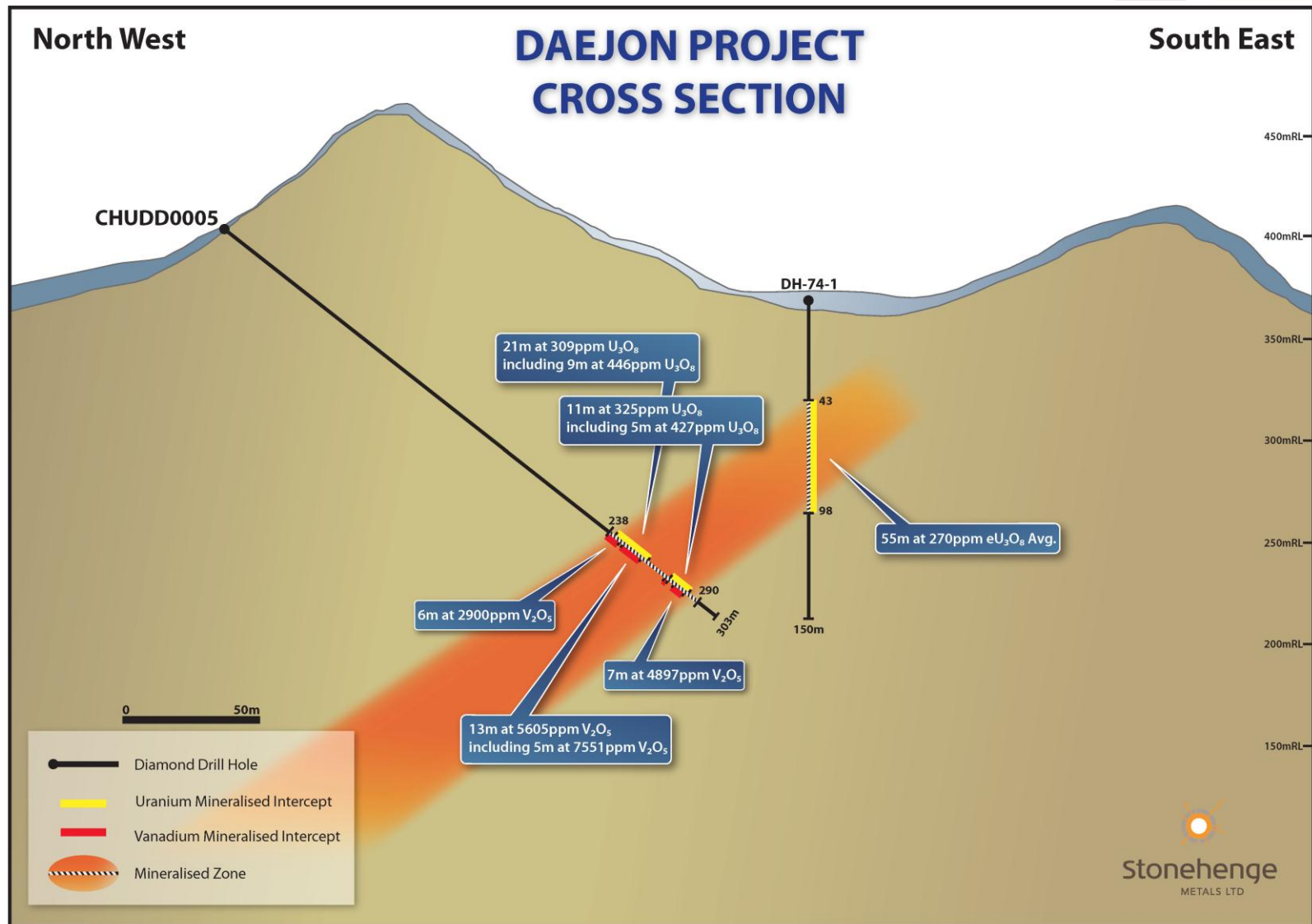
Chubu – Drilling



Chubu – Drilling



Chubu – Drilling



Daejon – Assay Results

Hole id	Width of zone	Uranium (U ₃ O ₈ ppm)	Vanadium (V ₂ O ₅ ppm)
CHUDD0001	95m	2m @ 501 6m @ 449	3m @ 3,231 5m @ 3,718 2m @ 6,864
CHUDD0002	90m	6m @ 212 9m @ 336	37m @ 5,047 inc 5m @ 15,014
CHUDD0003	52m	28m @ 208 inc 3m @ 280	24m @ 4,374 inc 4m @ 10,153
CHUDD0004	75m	12m @ 309 inc 9m @ 434	12m @ 4,885 inc 3m @ 8,367 3m @ 5,921
CHUDD0005	52m	21m @ 309 inc 9m @ 446 11m @ 325 inc 5m @ 427	13m @ 5,605 inc 5m @ 7,551 7m @ 4,897

- Outstanding intercepts of 52m to 95m true width mineralised zone
- Chemical assay results from core drilling samples indicate new zone of vanadium mineralisation is being defined at Daejon
- Results consistent and comparable to stand-alone vanadium projects – maximum V₂O₅ grade >17,000ppm
- Daejon mineralised system now defined over six kilometres with indications of consistent high grade mineralisation throughout the Black Shales
- 5 holes completed confirming tenor of previous KORES drilling

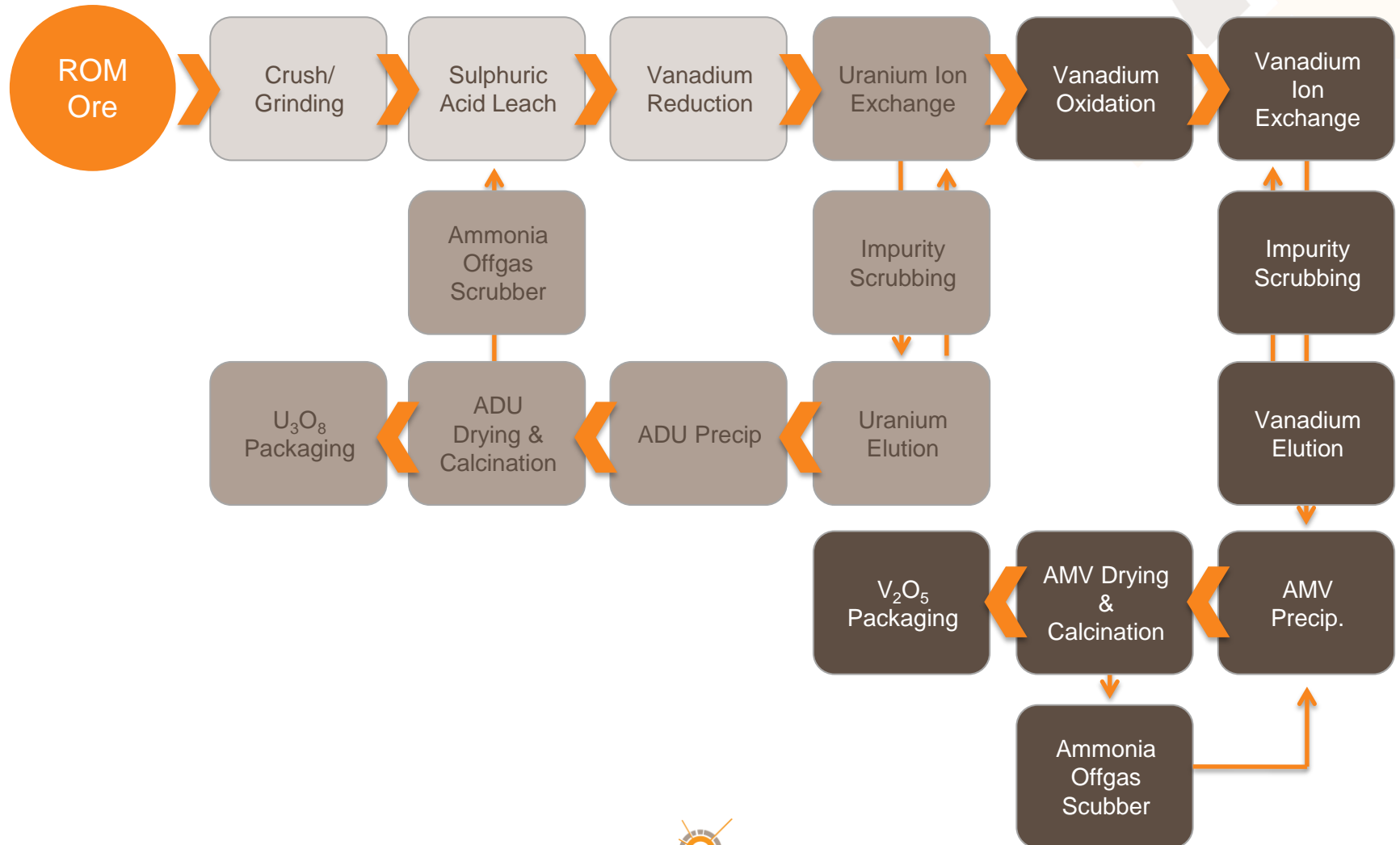


2013 Exploration and Operations Programme

- Undertake further exploration and resource drilling campaigns at Chubu
- Increase uranium resource and deliver maiden vanadium resource
- Access historical core at KIGAM to increase confidence of global resource for uranium and vanadium
- Flow sheet development
- Environmental pre-scoping assessment agreed with MKE
- Further surface mapping/drilling to determine maiden resource at Gwesan following discovery in April 2011






Flowsheet Uranium and Vanadium Extraction





Uranium-Vanadium Metallurgy

Uranium Extraction

- Uranium present as uraninite (UO_2)  **Simple metallurgy**
- Dilute acid tank leach at pH 2.0 for 1-2 hours  **>90% uranium extraction**
- 10-20 kg/t H_2SO_4 & 6-12 kg/t peroxide (100% w/w)  **Low reagent consumption**

Vanadium Extraction

- Vanadium has equal in-ground value to uranium  **Vanadium can not be ignored**
- 70% extraction provides net opex of US\$14/lb U_3O_8  **Important to project economics**



South Korea Understands Uranium



Stonehenge Metals aiming to supply 25% of South Korea's domestic uranium

- Korea is world's 5th largest producer of nuclear power
 - 23 reactors in operation
 - 10 reactors under construction or planned
- Nuclear plants supply ~40% of South Korea's energy requirements, rising to ~60% by 2030
- Aggressively securing uranium supplies for both domestic needs and foreign power construction plant contracts
- US\$20 billion contract to supply 4 nuclear reactors to UAE

South Korean Uranium Requirement*

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

* KORES estimate



10 things you didn't know about Vanadium

1. Currently only 1 new vanadium project globally entering production in next 2 years (avg 0.46% V_2O_5)
2. 90% of world production comes from South Africa, China and Russia and 60% of this is from reworked slag heaps
3. Excess global inventories 2005-2009 will reach a critically low level in 2013
4. Ferro-vanadium is used to strengthen steel: China and Japan in particular are mandating stronger rebar in construction – this is likely to increase vanadium demand by 30%
5. Vanadium demand is forecast to grow by 6% pa, the current global market is 65,000tpa V_2O_5
6. Vanadium price US\$5/lb V_2O_5 (\$27 for Ferro-vanadium)
7. Entering the electric car era, combining vanadium electrolyte with a lithium-ion battery significantly improves performance
8. The vanadium redox battery technology was patented at UNSW
9. New applications, such as the vanadium redox battery, have the potential of lifting vanadium consumption by as much as 20 Mlb/yr
10. Vanadium consumption in titanium alloys (for aerospace and defence) is expected to double from 3,000T to 6,000T by 2016



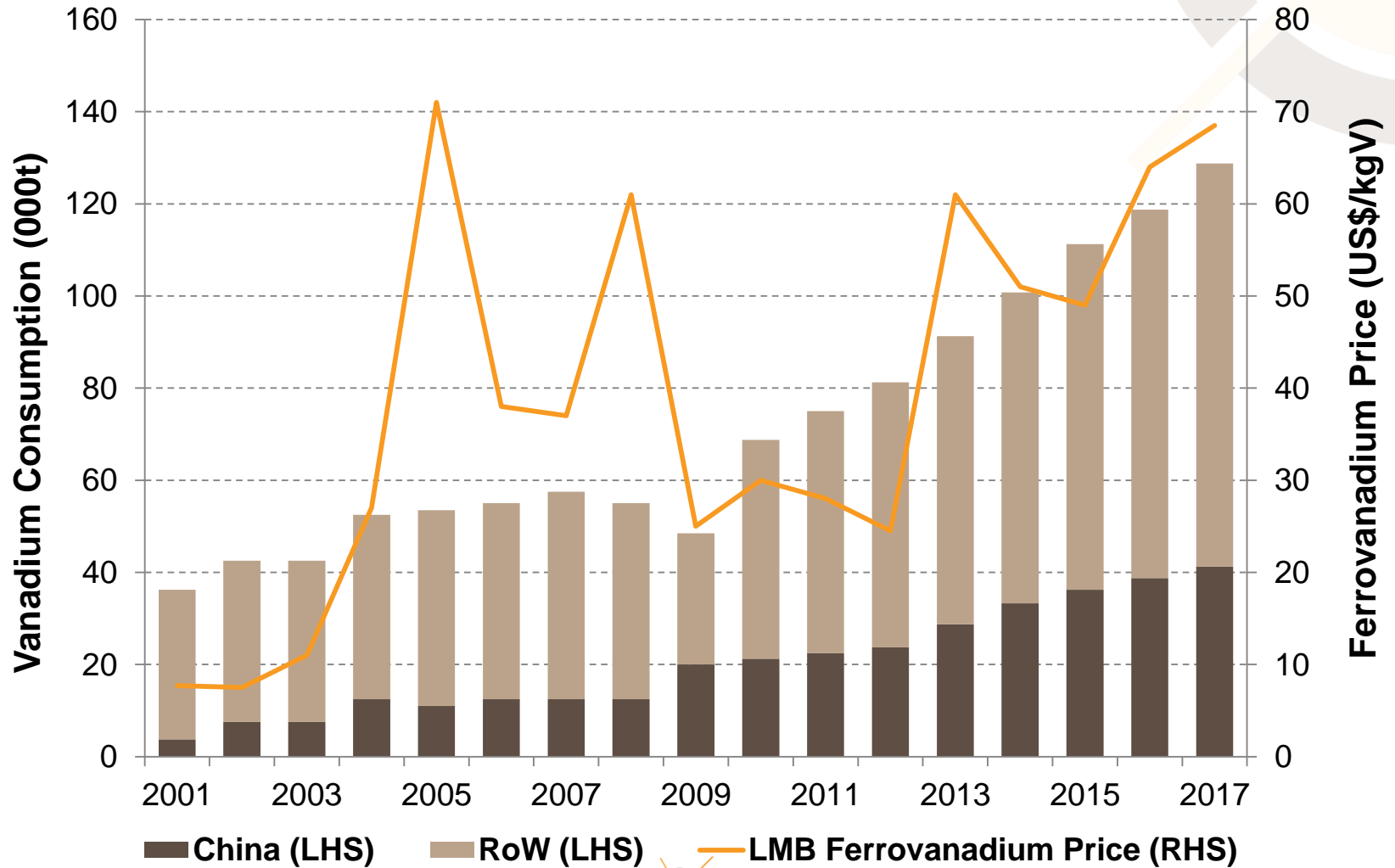
South Korea Understands Vanadium

Korea imports 100% of its vanadium requirement and is one of the world's top 10 users

- It is mostly used in the processing of making steel as an additive to:
 - Increase hardness and tenacity
 - Enhance heat resistance
 - Prevent corrosion
- Steel (85%)
 - Carbon Steel 50%, HSLA Steel 20%
 - Full Alloy Steel 20%, Tool & Die Steel 10%
- Others
 - Titanium / Vanadium Alloy
 - Other Alloy
 - Catalysts
- Renewable energy storage - developed for storage of electrical energy as wind, solar and geothermal power industry develops



Vanadium Consumption and Price



Summary

- New exploration targets defined at Chubu Q3 2013
- Uranium resource upgrade Q3 2013
- Maiden vanadium resource Q3 2013
- Metallurgical testwork and flowsheet design ongoing
- Scoping level capital and operating estimate Q4 2013
- Commence environmental approvals process underway



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