

11 August 2016

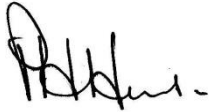
Australian Securities Exchange
Level 5, 20 Bridge Street
SYDNEY NSW 2000

ASX ANNOUNCEMENT

NOTICE OF GENERAL MEETING & PROXY FORM

Please find attached a Notice of General Meeting and Proxy Form which has been despatched to shareholders today.

On behalf of the board



Peter Hunt
Company Secretary

For personal use only



STONEWALL
RESOURCES

STONEWALL RESOURCES LIMITED

ACN 131 758 177

NOTICE OF GENERAL MEETING

TIME: 12:00pm AEST
DATE: Monday 12th September 2016
PLACE: RACV Club Victoria
501 Bourke Street
Melbourne VIC 3000

**THIS IS AN IMPORTANT DOCUMENT AND SHOULD BE READ IN ITS ENTIRETY.
PLEASE READ IT CAREFULLY.**

If you are unable to attend the General Meeting, please complete the Proxy Form enclosed and return it in accordance with the instructions set out on that form. If you are in any doubt as to how to vote, you should consult your financial or legal adviser as soon as possible. Should you wish to discuss the matters in this Notice of Meeting, please do not hesitate to contact the Company Secretary on (+61 8) 7324 6000.

For personal use only

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Stonewall Resources Limited (the **Company**) will be held at:

Venue: RACV Club Victoria
501 Bourke Street
Melbourne VIC 3000

Date: Monday 12th September 2016

Time: 12:00pm AEST

This Notice of Meeting should be read in conjunction with the accompanying Explanatory Statement.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting.

The Directors have determined pursuant to Regulations 7.11.37 and 7.11.38 of the Corporations Act 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 7.00 pm (AEST) on Saturday 10th September 2016.

AGENDA

RESOLUTIONS:

RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF 46,500,000 SHARES TO SOPHISTICATED INVESTORS

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 46,500,000 fully paid ordinary shares to sophisticated investors on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF 20,000,000 UNLISTED OPTIONS TO A SOPHISTICATED INVESTOR

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 20,000,000 unlisted options to a sophisticated investor on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF 22,000,000 SHARES TO SOPHISTICATED INVESTORS

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 22,000,000 fully paid ordinary shares to sophisticated investors on the terms and conditions set out in the Explanatory Statement.”

RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF 72,727,273 SHARES TO AN INSTITUTIONAL INVESTOR

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 72,727,273 fully paid ordinary shares to an institutional investor on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement – Resolutions 1 - 4

The Company will disregard any votes cast by a person who participated in the issue of equity securities (and any associate of that person) and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed (and any associate of that person). However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 5 – ISSUE OF 1,500,000 SHARES TO SMART VISION INVESTMENT GROUP LTD (RELATED PARTY)

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That for the purposes of the ASX Listing Rules, including ASX Listing Rule 10.11 and Chapter 2E of the *Corporations Act 2001* (Cth), and for all other purposes, Shareholders approve the allotment and issue of 1,500,000 ordinary fully paid shares in the Company to Smart Vision Investment Group Ltd and/or its nominees, being an institutional investor, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

RESOLUTION 6 – ISSUE OF 10,000,000 UNLISTED OPTIONS TO TREVOR FOURIE

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That for the purposes of the ASX Listing Rules, including ASX Listing Rule 10.11 and Chapter 2E of the *Corporations Act 2001* (Cth), and for all other purposes, Shareholders approve the allotment and issue of 10,000,000 unlisted options in the Company to Trevor Fourie and/or his nominees, being a director of the Company, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

RESOLUTION 7 – ISSUE OF 10,000,000 UNLISTED OPTIONS TO BILL RICHIE YANG

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That for the purposes of the ASX Listing Rules, including ASX Listing Rule 10.11 and Chapter 2E of the *Corporations Act 2001* (Cth), and for all other purposes, Shareholders approve the allotment and issue of 10,000,000 unlisted options in the Company to Bill Richie Yang and/or his nominees, being a director of the Company, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

RESOLUTION 8 – ISSUE OF 10,000,000 UNLISTED PERFORMANCE OPTIONS TO BILL RICHIE YANG

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That for the purposes of the ASX Listing Rules, including ASX Listing Rule 10.11 and Chapter 2E of the *Corporations Act 2001* (Cth), and for all other purposes, Shareholders approve the allotment and issue of 10,000,000 unlisted performance options in the Company to Bill Richie Yang and/or his nominees, being a director of the Company, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

RESOLUTION 9 – ISSUE OF 2,500,000 UNLISTED OPTIONS TO GEORGE JENKINS

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That for the purposes of the ASX Listing Rules, including ASX Listing Rule 10.11 and Chapter 2E of the *Corporations Act 2001* (Cth), and for all other purposes, Shareholders approve the allotment and issue of 2,500,000 unlisted options in the Company to George Jenkins and/or his nominees, being a director of Stonewall Mining Pty Ltd, a wholly owned subsidiary of the Company, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

RESOLUTION 10 – ISSUE OF 10,000,000 UNLISTED PERFORMANCE OPTIONS TO GEORGE JENKINS

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That for the purposes of the ASX Listing Rules, including ASX Listing Rule 10.11 and Chapter 2E of the *Corporations Act 2001* (Cth), and for all other purposes, Shareholders approve the allotment and issue of 10,000,000 unlisted performance options in the Company to George Jenkins and/or his nominees, being a director of Stonewall Mining Pty Ltd, a wholly owned subsidiary of the Company, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

RESOLUTION 11 – ISSUE OF 5,000,000 UNLISTED OPTIONS TO TASMAN FUNDS MANAGEMENT PTY LTD (RELATED PARTY)

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That for the purposes of the ASX Listing Rules, including ASX Listing Rule 10.11 and Chapter 2E of the *Corporations Act 2001* (Cth), and for all other purposes, Shareholders approve the allotment and issue of 5,000,000 unlisted options over fully paid ordinary shares in the Company to Tasman Funds Management Ltd and/or its nominees, being an institutional investor, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

RESOLUTION 12 – ISSUE OF 5,000,000 UNLISTED OPTIONS TO SMART VISION INVESTMENT GROUP LTD (RELATED PARTY)

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That for the purposes of the ASX Listing Rules, including ASX Listing Rule 10.11 and Chapter 2E of the *Corporations Act 2001* (Cth), and for all other purposes, Shareholders approve the allotment and issue of 5,000,000 unlisted options over fully paid ordinary shares in the Company to Smart Vision Investment Group Ltd and/or its nominees, being an institutional investor, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

RESOLUTION 13 – ISSUE OF 5,000,000 UNLISTED OPTIONS TO EACH DIRECTOR

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That for the purposes of the ASX Listing Rules, including ASX Listing Rule 10.11 and Chapter 2E of the *Corporations Act 2001* (Cth), and for all other purposes, Shareholders approve the allotment and issue of 5,000,000 unlisted options over fully paid ordinary shares in the Company to each of the 7 Directors of the Company and/or their nominees, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion Statement – Resolutions 5 - 13

The Company will disregard any votes cast by a person who is to receive securities in relation to the entity (and any associate of that person) and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed (and any associate of that person). However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice of General Meeting and should be read in conjunction with it.

Proxies

Please note that:

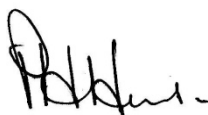
- (a) A shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) A proxy need not be a member of the Company;
- (c) A shareholder may appoint a body corporate or an individual as its proxy;
- (d) A body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the *Corporations Act* authorizing him or her to act as that Company's representative. The authority may be sent to the Company or its share registry in advance of the General Meeting or handed in at the General Meeting when registering as a corporate representative.

Voting Entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Act 2001* (Cth), the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the register of Shareholders as at 7.00pm AEST on Saturday 10th September 2016. Accordingly, transactions registered after that time will be disregarded in determining Shareholder's entitlement to attend and vote at the General Meeting.

By Order of the Board of Directors



Peter Hunt

Company Secretary

Dated: 11 August 2016

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at a General Meeting of the Company to be held on Monday 12th September 2016 at 12.00 pm (AEST).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolution in the accompanying Notice of General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of General Meeting.

RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF 46,500,000 SHARES TO SOPHISTICATED INVESTORS

1.1 General

On 30 March 2016, the Company issued 46,500,000 ordinary Shares at an issue price of \$0.01 per share to raise a total of \$465,000.00.

As announced to the ASX on 6 April 2016, the shares were issued to sophisticated investors.

The Company engaged the services of a licensed securities dealer to manage the placement and agreed to pay the dealer a fee of 6% (exclusive of goods and services tax) on the amount raised under the placement.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those 46,500,000 Shares (**Ratification**).

1.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a Company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

1.3 ASX Listing Rule 7.4

Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a Company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

1.4 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 46,500,000 Shares were issued;
- (b) At an issue price of \$0.01 per Share;
- (c) The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (d) The Shares were allotted and issued to clients of the licensed dealer, who are sophisticated investors. These subscribers are not related parties of the Company; and
 - (e) The funds raised from this issue were used to assist the Company with its working capital requirements and for the advancement of the Company's projects.
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RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF 20,000,000 UNLISTED OPTIONS TO A SOPHISTICATED INVESTOR

2.1 General

As reported in the Company's Half Year Report, released on 15 March 2016, the Company issued to a sophisticated investor 20,000,000 unlisted options at an exercise price of \$0.015 each expiring 3 years from the grant date.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 20,000,000 unlisted options (**Ratification**).

A summary of ASX Listing Rule 7.1 is set out in Section 1.2 above.

A summary of ASX Listing Rule 7.4 is set out in Section 1.3 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

2.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 20,000,000 unlisted options were granted with an expiry date of 22 March 2019;
 - (b) The exercise price for the options is \$0.015 per Share;
 - (c) The Unlisted Options can be exercised to fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
 - (d) The Unlisted Options were granted to a sophisticated investor. This subscriber is not a related party of the Company; and
 - (e) The Unlisted Options were granted pursuant to the terms of a short term bridging loan. No funds were generated from the granting of the unlisted options.
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RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF 22,000,000 SHARES TO SOPHISTICATED INVESTORS

3.1 General

On 20 May 2016, the Company issued 22,000,000 ordinary Shares at an issue price of \$0.01 per share to raise a total of \$220,000.00.

As announced to the ASX on 26 May 2016, the shares were issued to sophisticated investors.

The Company engaged the services of a licensed securities dealer to manage the placement and agreed to pay the dealer a fee of 6% (exclusive of goods and services tax) on the amount raised under the placement.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those 22,000,000 Shares (**Ratification**).

A summary of ASX Listing Rule 7.1 is set out in Section 1.2 above.

A summary of ASX Listing Rule 7.4 is set out in Section 1.3 above.

3.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 22,000,000 Shares were issued;
 - (b) At an issue price of \$0.01 per Share;
 - (c) The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
 - (d) The Shares were allotted and issued to clients of the licensed dealer, who are sophisticated investors. These subscribers are not related parties of the Company; and
 - (e) The funds raised from this issue were used to assist the Company with its working capital requirements and for the advancement of the Company's projects.
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RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF 72,727,273 SHARES TO AN INSTITUTIONAL INVESTOR

4.1 General

On 7 July 2016, the Company issued 72,727,273 ordinary Shares at an issue price of \$0.011 per share in respect to the conversion to equity of a short term bridging loan received from an institutional investor.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those 72,727,273 Shares (**Ratification**).

A summary of ASX Listing Rule 7.1 is set out in Section 1.2 above.

A summary of ASX Listing Rule 7.4 is set out in Section 1.3 above.

4.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 72,727,273 Shares were issued;
- (b) At an issue price of \$0.011 per Share;
- (c) The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) The Shares were allotted and issued to a client of the licensed dealer, who is an institutional investor. This subscriber is a not related party of the Company; and

- (e) The issue represented the conversion to equity of a short term bridging facility (\$800,000) and hence, no funds were directly raised from the issue.

RESOLUTION 5 – ISSUE OF 1,500,000 SHARES TO SMART VISION INVESTMENT GROUP LTD (RELATED PARTY)

Following the Company's Share Purchase Plan (SPP) Offer to Australian and New Zealand resident shareholders made on 5 February 2016, the Company sought to place the shortfall from the SPP offer and received interest from Smart Vision Investment Group Ltd and/or its nominee (**Smart Vision**) to assist with the shortfall placements.

Resolution 5 seeks shareholder approval for the allotment and issue of 1,500,000 Shares to Smart Vision.

The effect of Resolution 5 will be to allow the Directors to issue to Smart Vision 1,500,000 Shares during the period of 1 month after the Meeting (or a longer period, if allowed by ASX).

5.1 Chapter 2E of the Corporations Act

Chapter 2E of the *Corporations Act 2001* (Cth) (**Corporations Act**) regulates the provision of financial benefits to related parties by a public company.

Under Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a "related party" unless one of the exceptions set out in sections 210 to 216 of the Corporations Act apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

Section 208 of the Corporations Act provides that for a public company to give a financial benefit to a related party of that company, the public company must:

- (a) obtain approval of members in the way set out in Section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months after the approval.

A "financial benefit" is defined in the Corporations Act in broad terms and includes a public company issuing securities.

For the purpose of this meeting, a "related party" includes an entity that "controls" a public company.

Under the Corporations Act, an entity has "control" over another entity if the first entity has capacity to determine the outcome of decisions about the second entity's financial and operating policies. In determining this capacity, the following must be taken into account:

- (a) the practical influence the first entity can exert (rather than the rights it can enforce); and
- (b) any practice or pattern of behaviour affecting the second entity's financial or operating policies.

For the avoidance of doubt, the Directors are seeking Shareholder approval for the purposes of Chapter 2E of the Corporations Act in respect of 3,000,000 Shares to be issued to Smart Vision pursuant to Resolution 5.

5.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply.

ASX Listing Rule 19.12 defines the term "related party" to mean the same as under the Corporations Act. Smart Vision is a related party of the Company by virtue of having a director who is also a director and shareholder of Smart Vision.

Accordingly, for the avoidance of doubt, the Directors are seeking Shareholder for the purposes of ASX Listing Rule 10.11 for the issue of 1,500,000 Shares to Smart Vision pursuant to Resolution 5.

ASX Listing Rule 10.13.3 provides that the notice of meeting must (inter alia) state the date by which the entity will issue the securities and that the securities must be issued no later than 1 month after the date of the meeting or such later date as may be permitted by any ASX waiver or modification of the ASX Listing Rules.

Pursuant to ASX Listing Rule 10.13.3, the Shares the subject of Resolution 5 must be issued within 1 month from the date of the Shareholder approval.

5.3 Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the issue of the Related Party Securities:

- a) 1,500,000 Shares will be issued to Smart Vision;
- b) the Shares will be issued within 1 month after the date of the General Meeting (or such later date permitted by any ASX waiver or modification of the Listing Rules) and it is intended that allotment will occur on the same date;
- c) the Shares issued to Smart Vision will be issued at a price of \$0.01 each, thus raising a total of \$15,000;
- d) the Shares issued to Smart Vision will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- e) the funds will be used to assist with the general working capital requirements of the Company including those of its South African subsidiaries.

RESOLUTION 6 – ISSUE OF 10,000,000 UNLISTED OPTIONS TO TREVOR FOURIE

Pursuant to Resolution 6, Shareholder approval is sought for the purposes of Listing Rule 10.11 and for all other purposes, to grant 10,000,000 Unlisted Options to Trevor Fourie (or his nominee).

Each of the Unlisted Options to be granted to Mr Fourie will have an exercise price of \$0.02 per Unlisted Option with an expiry date three years after the date of issue. No consideration will be payable by Mr Fourie for the Unlisted Options and there are no vesting conditions attaching to the Unlisted Options.

Any Shares to be issued upon the exercise of the Unlisted Options will rank equally with all existing Shares then on issue. The Unlisted Options will not be quoted, however the Company will apply to ASX for quotation of any Shares issued on exercise of the Unlisted Options.

If the Resolution is passed, the Unlisted Options will be issued as soon as practicable but, in any event, not later than 1 month after the date of the General Meeting.

Why is shareholder approval required?

As noted above, Listing Rule 10.11 provides that an entity must not issue or agree to issue securities to a related party of the Company without first obtaining shareholder approval. Resolution 6, if approved, requires the Company to issue Unlisted Options to a Director (or his nominee), who is a related party of the Company for the purposes of the Listing Rules. Shareholder approval is therefore required under Listing Rule 10.11 before those securities are issued.

The primary purpose of the grant of the Unlisted Options to Mr Fourie is not to raise capital but to better align the long-term interests of the Company and Mr Fourie by providing an incentive to him to remain with the Company and increase shareholder value.

RESOLUTION 7 – ISSUE OF 10,000,000 UNLISTED OPTIONS TO BILL RICHIE YANG

Pursuant to Resolution 7, Shareholder approval is sought for the purposes of Listing Rule 10.11 and for all other purposes, to grant 10,000,000 Unlisted Options to Bill Richie Yang (or his nominee).

Each of the Unlisted Options to be granted to Mr Yang will have an exercise price of \$0.02 per Unlisted Option with an expiry date three years after the date of issue. No consideration will be payable by Mr Yang for the Unlisted Options and there are no vesting conditions attaching to the Unlisted Options.

Any Shares to be issued upon the exercise of the Unlisted Options will rank equally with all existing Shares then on issue. The Unlisted Options will not be quoted, however the Company will apply to ASX for quotation of any Shares issued on exercise of the Unlisted Options.

If the Resolution is passed, the Unlisted Options will be issued as soon as practicable but, in any event, not later than 1 month after the date of the General Meeting.

Why is shareholder approval required?

As noted above, Listing Rule 10.11 provides that an entity must not issue or agree to issue securities to a related party of the Company without first obtaining shareholder approval. Resolution 7, if approved, requires the Company to issue Unlisted Options to a Director (or his nominee), who is a related party of the Company for the purposes of the Listing Rules. Shareholder approval is therefore required under Listing Rule 10.11 before those securities are issued.

The primary purpose of the grant of the Unlisted Options to Mr Yang is not to raise capital but to better align the long-term interests of the Company and Mr Yang by providing an incentive to him to remain with the Company and increase shareholder value.

RESOLUTION 8 – ISSUE OF 10,000,000 UNLISTED PERFORMANCE OPTIONS TO BILL RICHIE YANG

Pursuant to Resolution 8, Shareholder approval is sought for the purposes of Listing Rule 10.11 and for all other purposes, to grant 10,000,000 Unlisted Performance Options to Bill Richie Yang (or his nominee).

Each of the Unlisted Performance Options to be granted to Mr Yang will have an exercise price of \$0.02 per Unlisted Performance Option with an expiry date three years after the date of issue. No consideration will be payable by Mr Yang for the Unlisted Performance Options. The vesting of these Unlisted Performance Options is contingent upon the Company achieving a market capitalisation of greater than \$25,000,000 for a period of 10 consecutive trading days.

Any Shares to be issued upon the exercise of the Unlisted Performance Options will rank equally with all existing Shares then on issue. The Unlisted Performance Options will not be quoted, however the Company will apply to ASX for quotation of any Shares issued on exercise of the Unlisted Performance Options.

If the Resolution is passed, the Unlisted Performance Options will be issued as soon as practicable but, in any event, not later than 1 month after the date of the General Meeting.

Why is shareholder approval required?

As noted above, Listing Rule 10.11 provides that an entity must not issue or agree to issue securities to a related party of the Company without first obtaining shareholder approval. Resolution 8, if approved, requires the Company to issue Unlisted Performance Options to a Director (or his nominee), who is a related party of the Company for the purposes of the Listing Rules. Shareholder approval is therefore required under Listing Rule 10.11 before those securities are issued.

The primary purpose of the grant of the Unlisted Performance Options to Mr Yang is not to raise capital but to better align the long-term interests of the Company and Mr Yang by providing an incentive to him to remain with the Company and increase shareholder value.

RESOLUTION 9 – ISSUE OF 2,500,000 UNLISTED OPTIONS TO GEORGE JENKINS

Pursuant to Resolution 9, Shareholder approval is sought for the purposes of Listing Rule 10.11 and for all other purposes, to grant 2,500,000 Unlisted Options to George Jenkins (or his nominee).

Each of the Unlisted Options to be granted to Mr Jenkins will have an exercise price of \$0.015 per Unlisted Option with an expiry date three years after the date of issue. No consideration will be payable by Mr Jenkins for the Unlisted Options and there are no vesting conditions attaching to the Unlisted Options.

Any Shares to be issued upon the exercise of the Unlisted Options will rank equally with all existing Shares then on issue. The Unlisted Options will not be quoted, however the Company will apply to ASX for quotation of any Shares issued on exercise of the Unlisted Options.

If the Resolution is passed, the Unlisted Options will be issued as soon as practicable but, in any event, not later than 1 month after the date of the General Meeting.

Why is shareholder approval required?

As noted above, Listing Rule 10.11 provides that an entity must not issue or agree to issue securities to a related party of the Company without first obtaining shareholder approval. Resolution 9, if approved, requires the Company to issue Unlisted Options to a Director (or his nominee) of a wholly owned subsidiary, who is a related party of the Company for the purposes of the Listing Rules. Shareholder approval is therefore required under Listing Rule 10.11 before those securities are issued.

The primary purpose of the grant of the Unlisted Options to Mr Jenkins is not to raise capital but to better align the long-term interests of the Company and Mr Jenkins by providing an incentive to him to remain with the Company and increase shareholder value.

RESOLUTION 10 – ISSUE OF 10,000,000 UNLISTED PERFORMANCE OPTIONS TO GEORGE JENKINS

Pursuant to Resolution 10, Shareholder approval is sought for the purposes of Listing Rule 10.11 and for all other purposes, to grant 10,000,000 Unlisted Performance Options to George Jenkins (or his nominee).

The Unlisted Performance Options to be granted to Mr Jenkins will have the following terms:

- 5,000,000 Unlisted Performance Options with an exercise price of \$0.02 per Unlisted Performance Option with an expiry date three years after the date of issue. No consideration will be payable by Mr Jenkins. The vesting of these Unlisted Performance Options is contingent upon the recommencement of production, reopening of the Group's TGME Mine and refurbishment of the plant.
- 5,000,000 Unlisted Performance Options with an exercise price of \$0.04 per Unlisted Performance Options with an expiry date three years after the date of issue. No consideration will be payable by Mr Jenkins. The vesting of these Unlisted Performance Options is contingent upon production from the Group's operations reaching 40,000 tonnes per month yielding 2,000 ounces of gold per month at a cost of less than USD 750 per ounce for a period of 3 consecutive months.

Any Shares to be issued upon the exercise of the Unlisted Performance Options will rank equally with all existing Shares then on issue. The Unlisted Performance Options will not be quoted, however the Company will apply to ASX for quotation of any Shares issued on exercise of the Unlisted Performance Options.

If the Resolution is passed, the Unlisted Performance Options will be issued as soon as practicable but, in any event, not later than 1 month after the date of the General Meeting.

Why is shareholder approval required?

As noted above, Listing Rule 10.11 provides that an entity must not issue or agree to issue securities to a related party of the Company without first obtaining shareholder approval. Resolution 10, if approved, requires the Company to issue Unlisted Performance Options to a Director (or his nominee) of a wholly owned subsidiary, who is a related party of the Company for the purposes of the Listing Rules. Shareholder approval is therefore required under Listing Rule 10.11 before those securities are issued.

The primary purpose of the grant of the Unlisted Performance Options to Mr Jenkins is not to raise capital but to better align the long-term interests of the Company and Mr Jenkins by providing an incentive to him to remain with the Company and increase shareholder value.

RESOLUTION 11 – ISSUE OF 5,000,000 UNLISTED OPTIONS TO TASMAN FUNDS MANAGEMENT PTY LTD (RELATED PARTY)

Pursuant to Resolution 11, Shareholder approval is sought for the purposes of Listing Rule 10.11 and for all other purposes, to grant 5,000,000 Unlisted Options to Tasman Funds Management Pty Ltd (or its nominee) (**Tasman**).

Each of the Unlisted Options to be granted to Tasman will have an exercise price of \$0.015 per Unlisted Option with an expiry date three years after the date of issue. No consideration will be payable by Tasman for the Unlisted Options and there are no vesting conditions attaching to the Unlisted Options

Any Shares to be issued upon the exercise of the Unlisted Options will rank equally with all existing Shares then on issue. The Unlisted Options will not be quoted, however the Company will apply to ASX for quotation of any Shares issued on exercise of the Unlisted Options.

If the Resolution is passed, the Unlisted Options will be issued as soon as practicable but, in any event, not later than 1 month after the date of the General Meeting.

Why is shareholder approval required?

As noted above, Listing Rule 10.11 provides that an entity must not issue or agree to issue securities to a related party of the Company without first obtaining shareholder approval. Resolution 11, if approved, requires the Company to issue Unlisted Options to Tasman (or its nominee), who is a related party of the Company for the purposes of the Listing Rules by virtue of having a director who is also a director and shareholder of Tasman. Additionally, Tasman is a substantial shareholder of the Company. Shareholder approval is therefore required under Listing Rule 10.11 before those securities are issued.

The purpose of the grant of the Unlisted Options to Tasman is in consideration of Tasman offering a portion of its existing shareholding as security against a short term bridging finance arrangement that the Company held with an unrelated institutional investor.

RESOLUTION 12 – ISSUE OF 5,000,000 UNLISTED OPTIONS TO SMART VISION INVESTMENT GROUP LTD (RELATED PARTY)

Pursuant to Resolution 12, Shareholder approval is sought for the purposes of Listing Rule 10.11 and for all other purposes, to grant 5,000,000 Unlisted Options to Smart Vision Investment Group Ltd (or its nominee) (**Smart Vision**).

Each of the Unlisted Options to be granted to Smart Vision will have an exercise price of \$0.015 per Unlisted Option with an expiry date three years after the date of issue. No consideration will be payable by Smart Vision for the Unlisted Options and there are no vesting conditions attaching to the Unlisted Options

Any Shares to be issued upon the exercise of the Unlisted Options will rank equally with all existing Shares then on issue. The Unlisted Options will not be quoted, however the Company will apply to ASX for quotation of any Shares issued on exercise of the Unlisted Options.

If the Resolution is passed, the Unlisted Options will be issued as soon as practicable but, in any event, not later than 1 month after the date of the General Meeting.

Why is shareholder approval required?

As noted above, Listing Rule 10.11 provides that an entity must not issue or agree to issue securities to a related party of the Company without first obtaining shareholder approval. Resolution 12, if approved, requires the Company to issue Unlisted Options to Smart Vision (or its nominee), who is a related party of the Company for the purposes of the Listing Rules by virtue of having a director who is also a director and shareholder of Smart Vision. Shareholder approval is therefore required under Listing Rule 10.11 before those securities are issued.

The purpose of the grant of the Unlisted Options to Smart Vision is in consideration of Smart Vision offering a portion of its existing shareholding as security against a short term bridging finance arrangement that the Company held with an unrelated institutional investor.

RESOLUTION 13 – ISSUE OF 5,000,000 UNLISTED OPTIONS TO EACH DIRECTOR

Pursuant to Resolution 13, Shareholder approval is sought for the purposes of Listing Rule 10.11 and for all other purposes, to grant 5,000,000 Unlisted Options to each Director of the Company (or their nominee) resulting in a total issue of 35,000,000 Unlisted Options. If passed, the Unlisted Options would be issued as follows:

- Trevor Fourie - 5,000,000 Unlisted Options
- Bill Richie Yang - 5,000,000 Unlisted Options
- Yihao (Eric) Zhang - 5,000,000 Unlisted Options
- Jian (James) Liu - 5,000,000 Unlisted Options
- Yang (Simon) Liu - 5,000,000 Unlisted Options
- Stephen Gemell - 5,000,000 Unlisted Options
- Runxi Zhu – 5,000,000 Unlisted Options

Each of the Unlisted Options to be granted to the Directors will have an exercise price of \$0.04 per Unlisted Option with an expiry date three years after the date of issue. No consideration will be payable by the Directors for the Unlisted Options and there are no vesting conditions attaching to these Unlisted.

Any Shares to be issued upon the exercise of the Unlisted Options will rank equally with all existing Shares then on issue. The Unlisted Options will not be quoted, however the Company will apply to ASX for quotation of any Shares issued on exercise of the Unlisted Options.

If the Resolution is passed, the Unlisted Options will be issued as soon as practicable but, in any event, not later than 1 month after the date of the General Meeting.

Why is shareholder approval required?

As noted above, Listing Rule 10.11 provides that an entity must not issue or agree to issue securities to a related party of the Company without first obtaining shareholder approval. Resolution 13, if approved, requires the Company to issue Unlisted Options to Director's (or their nominee), who are related parties of the Company for the purposes of the Listing Rules. Shareholder approval is therefore required under Listing Rule 10.11 before those securities are issued.

The primary purpose of the grant of the Unlisted Options to the Directors is not to raise capital but to better align the long-term interests of the Company and Directors by providing an incentive to them to increase shareholder value.

Enquiries

Shareholders are encouraged to contact the Company Secretary on (+61 8) 7324 6000 if they have any queries in respect to the matters set out in these documents.

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Company to which this Notice of Meeting relates will be held at 12.00 pm AEST on Monday 12th September 2016 at:

RACV Club Victoria
501 Bourke Street
Melbourne VIC 3000

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the proxy form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. (If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.)

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must call all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair on certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of

the Company's members; and

- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

For personal use only

All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 12:00pm AEST on Saturday 10th September 2016.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **12:00pm AEST on Saturday 10th September 2016.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged:

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Stonewall Resources Limited

ACN 131 758 177

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Stonewall Resources Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held at the **RACV Club Victoria, 501 Bourke Street, Melbourne, VIC 3000 on Monday, 12th September 2016 at 12:00pm AEST** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		FOR	AGAINST	ABSTAIN*			FOR	AGAINST	ABSTAIN*
Res 1	Ratification of Prior Issue of 46,500,000 Shares to Sophisticated Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 11	Issue of 5,000,000 Unlisted Options to Tasman Funds Management Pty Ltd (Related Party)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 2	Ratification of Prior Issue of 20,000,000 Unlisted Options to A Sophisticated Investor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 12	Issue of 5,000,000 Unlisted Options to Smart Vision Investment Group Ltd (Related Party)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 3	Ratification of Prior Issue of 22,000,000 Shares to Sophisticated Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 13(a)	Issue of 5,000,000 Unlisted Options to Trevor Fourie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 4	Ratification of Prior Issue of 72,727,273 Shares to an Institutional Investor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 13(b)	Issue of 5,000,000 Unlisted Options Bill Richie Yang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 5	Issue of 1,500,000 Shares to Smart Vision Investment Group Ltd (Related Party)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 13(c)	Issue of 5,000,000 Unlisted Options to Yihao (Eric) Zhang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 6	Issue of 10,000,000 Unlisted Options to Trevor Fourie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 13(d)	Issue of 5,000,000 Unlisted Options to Jian (James) Liu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 7	Issue of 10,000,000 Unlisted Options to Bill Richie Yang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 13(e)	Issue of 5,000,000 Unlisted Options to Yang (Simon) Liu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 8	Issue of 10,000,000 Unlisted Performance Options to Bill Richie Yang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 13(f)	Issue of 5,000,000 Unlisted Options to Stephen Gemell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 9	Issue of 2,500,000 Unlisted Options to George Jenkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Res 13(g)	Issue of 5,000,000 Unlisted Options to Runxi Zhu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 10	Issue of 10,000,000 Unlisted Performance Options to George Jenkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1 <div style="border: 1px solid black; height: 30px; margin: 5px 0;"></div> Sole Director and Sole Company Secretary	Securityholder 2 <div style="border: 1px solid black; height: 30px; margin: 5px 0;"></div> Director	Securityholder 3 <div style="border: 1px solid black; height: 30px; margin: 5px 0;"></div> Director / Company Secretary
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Contact Name..... Contact Daytime Telephone..... Date / / 2016