

13 January 2016

Belinda Mai  
Advisor, Listings (Compliance)  
ASX Compliance Pty Limited  
20 Bridge Street  
Sydney NSW 2000

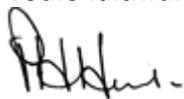
Dear Belinda

**Stonewall Resources Limited ("Company")**

I refer to your letter dated 11 January 2016 in respect to an Appendix 3Y lodged on 9 October 2015 relating to a change of interest of director Dr Yihao Zhang. The Company provides the following responses to the questions raised in your letter:

1. At the time of the issue of shares, the Company was addressing a number of matters in respect to funding initiatives, changes to board personnel and other reporting requirements including the completion of its 2015 Annual Report. As a result of the volume of issues being addressed at the time, an inadvertent administrative oversight occurred whereby the Appendix 3Y referred to in your letter of 11 January 2016 was not lodged within the required timeframe. Upon the discovery of this oversight, the Appendix 3Y was lodged immediately.
2. The Board and Company Secretary utilize reporting from the Company's share registry to monitor movements in shareholder interests including those related to director related entities. These reports are received daily. In addition to this, the Company has a Securities Trading Policy which is available on the Company's website and requires directors to notify of any initial relevant interests in the Company upon appointment and any subsequent changes to these relevant interests.
3. The current arrangements have been adequate until this point with respect to the timely release of the appropriate director interest notices. The Company acknowledges and accepts responsibility for this breach and will implement further reporting alerts both in house and through its registry to ensure future Appendix 3Y's are released within the correct timeframe.

Yours faithfully



Peter Hunt  
Company Secretary

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11 January 2016

Mr Michael Higgs  
Level 7, 420 King William Street  
Adelaide SA 5000

By email: [Michael.higgs@bdo.com.au](mailto:Michael.higgs@bdo.com.au)

Dear Mr Higgs,

**Stonewall Resources Ltd (the “Entity”): Appendix 3Y – Change of Director’s Interest Notice**

We refer to the following;

1. The Appendix 3Y lodged by the Entity with ASX on 9 October 2051 for Mr Yihao (Eric) Zhang (the “Director Notice”);
2. Listing rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.

- On the date that the entity is admitted to the official list.
- On the date that a director is appointed.

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity’s admission or a director’s appointment.

3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs

3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.

3. Listing rule 3.19B which states as follows.

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An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

The Appendix 3Y indicate that a change in the director's notifiable interest occurred on 17 September 2015. It appears that the Director's Notice should have been lodged with ASX by 24 September 2015. Consequently, the Entity may be in breach of listing rules 3.19A and/or 3.19B. It also appears the directors concerned may have breached section 205G of the Corporations Act.

Please note that ASX is required to record details of breaches of the listing rules by listed entities for its reporting requirements.

ASX reminds the Entity of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Entity make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: *Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*, under listing rule 18.7 we ask that you answer each of the following questions.

1. Please explain why the Appendix 3Y were lodged late.
2. What arrangements does the Entity have in place under listing rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Entity intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail at [belinda.mai@asx.com.au](mailto:belinda.mai@asx.com.au). It should not be sent to the ASX Market Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. A.E.S.T.) on Wednesday, 13 January 2016.

Under listing rule 18.7A, a copy of this letter and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked.



If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Belinda Mai', written in a cursive style.

Belinda Mai  
**Adviser, Listings**

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