

17 June 2015

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

## ASX ANNOUNCEMENT

### RECAPITALISATION AND FUTURE FUNDING ARRANGEMENTS

The Directors of Stonewall Resources Ltd (**'Stonewall'** or **'Company'**) are pleased to announce a successful recapitalisation and funding of the Company, highlights of which are:

- **Stonewall Resources secures funding of AUD \$2.62 million via Share Placement and Convertible Note**
- **Stonewall intends to undertake a 1 for 1 Rights Issue within the next 6 months.**
- **The Rights Issue proposed to be underwritten up to AUD \$3.5 million by investors arranged by Tasman Funds Management**
- **Partial re-payment and restructuring of an existing Convertible Note**

#### Funding announcement 29 January 2015

On 29 January 2015, Stonewall announced that it had entered into a funding arrangement with two US Based institutional investment groups to provide collective funding of up to AUD \$13.5 million and with an initial draw down of AUD \$1.5 million. Future potential share issuances under this facility are subject to market and other standard conditions. These market and standard conditions were unable to be met and consequently, additional issuances under this facility are no longer possible.

#### New Funding

Stonewall announces that it has entered into a new funding arrangement supported by Sydney based investment fund, Tasman Funds Management Pty Ltd (**'Tasman'**) along with other third party sophisticated investors (**"Funding Arrangement"**).

The Funding Arrangement comprises three stages:

##### 1. Share Placement

The Company has completed a share placement to Tasman Funds Management Pty Ltd ATF Tasman Investments Fund (ACN 168 145 524). The placement to Tasman will raise AUD \$1.1 million through the issue of 100,000,000 shares at an issue price of AUD 0.011 (**"Tasman Placement"**).

The Company has also completed a share placement to non-related sophisticated investors to raise AUD \$0.12 million through the issue of 10,909,091 shares at an issue price of AUD \$0.011 (**"Third Party Placement"**).

#### MARKET DATA

ASX code:	SWJ
Current share price:	\$0.009
Total free floating shares:	529 million
South African shares:	80 million
Total shares:	609 million

#### DIRECTORS & SENIOR MANAGEMENT

David Murray, Chairman  
Trevor Fourie, Director  
Nathan Taylor, Director  
Liu Yang, Director  
James Liu, Director  
Lloyd Birrell, CEO

#### MAJOR SHAREHOLDERS

Khan International Limited  
Salamanca Ventures Limited  
Buttonwood Nominees Pty Ltd  
Murray SA Investment (Pty) Ltd  
Hanhong New Energy Holdings Ltd

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The Company will apply the proceeds from the Tasman and Third Party Placements towards:

- a partial re-payment of an outstanding Convertible Note; and
- general working capital purposes.

The shares will be issued under the Company's existing placement capacity in accordance with ASX Listing Rule 7.1 which is now fully utilised and the balance under ASX Listing Rule 7.1A. The additional disclosure requirements under ASX Listing Rule 7.1A will be made in a separate announcement.

## 2. Convertible Note

The Company has entered into a convertible note with the following key terms:

- AUD \$1.4 million unsecured convertible notes to be drawn down in two tranches:
  - AUD \$0.90 million immediately
  - AUD \$0.50 million by 19 June 2015 (together "**Convertible Note Proceeds**")
- Convertible at a deemed issue price of AUD \$0.009 (155,555,556 shares)
- The Company may elect to redeem the convertible note after the completion of the Rights Issue (refer below).
- The Company must repay the Convertible Note Proceeds, along with accrued interest of 12 % per annum (if applicable), if the investor does not elect to convert the convertible notes.
- Maturity date of 1 year.

The Company will apply the Convertible Note Proceeds towards:

- a partial re-payment of an outstanding Convertible Note; and
- general working capital purposes.

## 3. Rights issue

The Board intends to undertake a 1 for 1 Rights Issue as soon as practical but not later than 6 months ("**Rights Issue**").

The Rights Issue is proposed to be underwritten up to AUD \$3.5 million, which will be arranged by Tasman Funds Management Pty Ltd.

The Company will apply the Rights Issue proceeds towards:

- a final and full re-payment of an outstanding Convertible Note; and
- general working capital purposes.

Further information will be released to the market in due course.

### **Increase and draw down of the Unsecured Working Capital Facility**

On 4 June 2014 the Company announced that it had entered into an unsecured working capital facility of up to AUD \$1.0 million with Hanhong. Hanhong has since agreed to increase the facility to AUD \$1.2 million in order to assist the Company in the partial repayment of an outstanding Convertible Note. The original purpose of the facility was to fund working capital and to enable the Company to complete negotiations with a new funder.

A further AUD \$0.5 million was drawn down specifically for the partial payment of an outstanding Convertible Note with the final AUD \$0.5 million expected before the end of June 2015.

### **Share Placement Capacity**

The Company recognises that the new funding arrangements have depleted the Company's existing placement capacity. It further recognises that it has obligations under certain financing arrangements where it may be required to issue additional shares.

Accordingly, the Company intends to call a General Meeting as soon as is practically possible at which resolutions will be put to shareholders seeking ratification of the share issues completed since the Company's 2014 Annual General Meeting. This will result in the Company's placement capacity under ASX listing rule 7.1 being refreshed and thereby allow the Company to make further issuances if required.

### **Ongoing support**

The above arrangements indicate ongoing support and interest in Stonewall and its various attractive gold projects by existing stakeholders, Hanhong and new investors, Tasman.

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## ABOUT STONEWALL RESOURCES LIMITED

Stonewall Resources Limited (ASX: SWJ) is a gold mining company that holds a range of prospective gold assets, most of which are located in the world-renowned South African gold mining regions. These South African assets, which include several surface and near-surface gold mineralisations, provide cost advantages relative to other gold producers in the region.

In addition to the attractive Pre-Mined Residue project, Stonewall has three key hard rock projects being the TGME Project, located around the towns of Pilgrims Rest and Sabie in the Mpumalanga Province of South Africa (one of South Africa's oldest gold mining districts), the Bosveld Project, located in South Africa's KwaZulu-Natal Province, and the Lucky Draw Project, located in Australia, near the township of Burruga in New South Wales. Stonewall owns 74% of TGME, Sabie Mines and Bosveld Mines.

Beyond its current strategies, Stonewall has access to nearly 40 historical mines and prospect areas that can be accessed and explored.

For more information please visit: [www.stonewallresources.com](http://www.stonewallresources.com)

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On behalf of the board



**Peter Hunt**  
**Company Secretary**

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