

22 March 2017

Dear Shareholder

Offer to participate in Share Purchase Plan

On behalf of the board of Stonewall Resources Limited ABN 30 131 758 177 (**Stonewall or Company**), I am pleased to offer you the opportunity to participate in a share purchase plan (**Plan**), under which you can apply for up to \$15,000 worth of ordinary shares in Stonewall at an issue price of \$0.021 per share (free of brokerage, duty and other transaction costs).

The price represents a 4.5% discount to the last traded price of \$0.022 per share (21 March 2017) and a 8.7% discount to the 5 trading day VWAP (from 13 – 21 March 2017) of \$0.023 per share.

The funds raised will be used for general working capital requirements and the advancement of the Company’s gold projects. In this connection, we refer you to the Company’s recent announcements, in particular –

Date	Announcement title
7 February 2017	New High Grade Resource at Rietfontein
28 February 2017	Rietfontein Scoping Study Results
15 March 2017	Company Update and Presentation

Copies of the announcements are available on the Company’s website at www.stonewallresources.com/investorcentre. We also attach a recently published research report on the company by Resource Capital Report for your information.

Further work on the projects is planned. A new resource estimate was announced on 7 February 2017 and preliminary feasibility work is now underway on the TGME gold project in South Africa following the announcement of the high grade Rietfontein Scoping Study Results. The objective of the preliminary feasibility study (PFS) is to establish a high quality PFS able to be independently reviewed by third parties and their assessment groups who may be interested in financing the project and assisting with funding of the PFS to bankable status. An initial drilling programme of 7,500 metres at Rietfontein has been approved by the board, subject to funding. The Company is excited at the prospects of confirming the high-grade resources on its gold project.

Similarly, the company has commissioned mining engineering and geological consultants to update the resource estimate and complete a Scoping Study for the Beta Project.

The group holds extensive ground in the Sabie - Pilgrim’s Rest goldfield in Mpumalanga

Province in South Africa. The tenements include 43 historical gold mines. The group will be reviewing the historical data and re-assessing the potential of its extensive tenement holding over time.

The Plan provides the Company's existing shareholders with the opportunity to increase their shareholding in Stonewall. Participation in the Plan is optional. The offer is being made to shareholders who were registered holders of ordinary shares in the Company with an address in Australia or New Zealand at 7:00pm (AEDT) on 21 March 2017.

To apply, please follow the instructions in the enclosed offer booklet. Your application must be received by 5:00pm (AEDT) on 12 April 2017.

A maximum of 35,715,000 shares (representing approximately \$750,000) is available in total under the Plan. If the Company receives applications for more than this maximum number, it will apply a pro rata scale back and the excess application monies will be refunded to each applicant. If there is a shortfall, the Directors may, at their sole discretion, offer the Shares to any other investors to whom disclosure is not required to be made under section 708 of the Corporations Act.

An offer booklet for the Plan is enclosed with this letter and I encourage you to read the terms and conditions set out in the offer booklet carefully before deciding whether to participate in the Plan. If you are unsure whether to participate, you should contact your professional adviser.

The board encourages you to consider this opportunity to increase your investment and thanks you for your continued support.

Yours faithfully

Trevor Fourie
Chairman

Stonewall Resources Limited

ABN 30 131 758 177

Share Purchase Plan Offer Booklet

WARNING/IMPORTANT

The contents of this document and the terms of the Share Purchase Plan have not been reviewed by any regulatory authority in Australia or New Zealand. This document may not be distributed or released in the United States of America or distributed or released to or by any US person or to any person acting for the account or benefit of a US person. You are advised to exercise caution in relation to the Share Purchase Plan. If you are in any doubt about any of the contents of this document and other Share Purchase Plan documents you should seek independent professional advice.

Pursuant to this Stonewall Resources Limited Share Purchase Plan (**Plan**), Stonewall Resources Limited ABN 30 131 758 177 (**Stonewall** or **Company**) offers Eligible Shareholders (defined below) the ability to apply for a parcel of fully paid ordinary shares in Stonewall (**Shares**) valued at \$5,000, \$10,000 or \$15,000 (**Offer**).

Important notices

This is an important document. You are encouraged to contact your professional adviser if you are unsure what to do in relation to this document.

You should carefully read the terms and conditions of the Offer contained in this document because, if you choose to accept the Offer, you will be bound by them. By lodging the enclosed Application Form with your cheque or by making your payment via BPAY, you will confirm that you have read, understood and agreed to the Terms and Conditions of the Plan.

If you apply for Shares under the Plan, there is a risk that the market price of Shares on ASX may change between the date that you complete and return the Application Form and the date Shares are issued to you under the Plan. This means that, at the time of issue, you may be able to buy Shares on market at a lower price than the issue price under the Plan. By lodging the enclosed Application Form with your cheque or by making payment via BPAY, you acknowledge this risk.

Key dates

The table below summarises the key dates of the Offer made under this Plan. The dates shown below are indicative only, and Stonewall may vary the dates and times of the Offer at its discretion.

Record Date	21 March 2017 at 7:00pm (AEDT)
Opening Date	28 March 2017
Closing Date	12 April 2017 at 5:00pm (AEDT)
Issue Date	20 April 2017

Terms and Conditions of the Offer

1. Eligibility to participate

You are an **Eligible Shareholder** and may participate in the Plan if, as at the Record Date, you are registered as a holder of Shares with an address in Australia and New Zealand and are not acting for the account or benefit of, a “US Person” as defined in Regulation S under the US Securities Act of 1993 (USA) or a person in any other jurisdiction in which the Offer would be unlawful.

Due to the risk and expense of offshore regulatory compliance issues and given the small number of holders involved, Offers are not being made to shareholders whose registered address is not in Australia or New Zealand.

To the extent that you hold Shares on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any acceptance complies with all applicable foreign laws.

For the purposes of determining who are Eligible Shareholders:

- 1.1. **Single holders:** If you are the only registered holder of a holding of Shares, but you receive more than one offer under the Plan (for example, due to multiple registered holdings), you may only apply for one maximum parcel of Shares.
- 1.2. **Joint holders:** If you are recorded with one or more other persons as the joint holder of a holding of Shares, that joint holding is considered to be a single registered holding for the purpose of the Plan, and the joint holders are entitled to participate in the Plan in respect of that single holding only. If the same joint holders receive more than one offer under the Plan due to multiple identical holdings, the joint holders may only apply for one maximum parcel of Shares.
- 1.3. **Custodians, trustees and nominees:** If you are a custodian, trustee or nominee within the definition of ‘custodian’ in ASIC Class Order [CO 09/425] (**Custodian**) and hold Shares on behalf of one or more persons (each a **Participating Beneficiary**), you may apply for up to a maximum of \$15,000 worth of Shares for each Participating Beneficiary, subject to providing a notice in writing to Stonewall (the **Custodian Certificate**) certifying the matters required by condition 9 of ASIC Class Order [CO 09/425], copies of which can be obtained from Stonewall’s share registry, Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000.

If you hold Shares as a trustee or nominee for another person, but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

Custodians should provide a Custodian Certificate in conjunction with an Application Form.

For the purposes of these Terms and Conditions, an Eligible Shareholder who accepts the Offer and applies for Shares is referred to as an Applicant.

2. Participation is optional

Participation in the Plan is optional. If you are an Eligible Shareholder, you can choose whether or not to participate.

Participation is subject to these Terms and Conditions.

3. Nature of the Offer

The Offer under the Plan is non-renounceable and you may not transfer your rights under the Offer to another person. All Offers made under the Plan will be made to each Eligible Shareholder on the same terms and conditions irrespective of the number of Shares which they may hold on the Record Date.

The Offer is open to all Eligible Shareholders from the Opening Date until 5.00pm (AEDT) on the Closing Date.

4. How much can you invest?

Eligible Shareholders may apply for a parcel of Shares valued up to A\$15,000 by contributing a set amount as follows:

Option A	Total subscription amount of \$5,000 (being 238,095 Shares @ \$0.021) (Minimum Amount)
Option B	Total subscription amount of \$10,000 (being 476,190 Shares @ \$0.021)
Option C	Total subscription amount of \$15,000 (being 714,285 Shares @ \$0.021) (Maximum Amount)

The limit of the Maximum Amount applies to you even if you hold Shares in more than one capacity – for example, as a single holder and as a first (or subsequent) named holder of two or more joint holders. If you receive more than one Offer under the Plan, you may apply on different Application Forms for more than one parcel of Shares, but you may not apply under the Plan for Shares with an aggregate application price of more than \$15,000.

However, a Custodian may apply for up to a maximum of \$15,000 worth of Shares for each Participating Beneficiary, subject to providing the Custodian Certificate to Stonewall.

The amounts you receive under the Plan may be subject to rounding and a scale back. See further sections 6 and 7 below.

5. Issue Price

The **Issue Price** under the Offer is \$0.021 per Share, which is a 4.5% discount to the last traded price of \$0.022 per share (21 March 2017), and a 8.7% discount to the 5 trading day VWAP (from 13 - 21 March 2017) of \$0.023 per share.

You agree to pay the Issue Price per Share for the number of Shares you have selected on the Application Form.

There is a risk that the price of Shares traded on the ASX may change between the Opening Date and Issue Date. This means that the price you pay per Share pursuant to this Offer may be either higher or lower than the Share price at the time of the Offer or at the time the

Shares are issued to you under the Plan. Irrespective of the actual price of Stonewall's Shares traded on the ASX as at the Issue Date, the Applicant shall be issued under the Plan such number of Shares corresponding to their application and at the Issue Price.

6. Limit of Shares available for purchase

The maximum number of Shares that may be issued under the Plan is 35,715,000 shares (the **Offer Limit**). In the event that the aggregate number of Shares validly applied for by all Applicants exceeds the Offer Limit, then the number of Shares you will be issued with shall be prorated based on the aggregate number of Shares applied for by all Applicants, or is otherwise determined by the Board of Directors of the Company at their absolute discretion.

If the amount of Shares applied for are reduced pursuant to this section 6, the excess subscription monies, calculated by multiplying the Issue Price by the difference between the number of Shares you are allocated and the number of Shares you applied for, will be refunded to you by cheque as soon as practicable. No interest will be paid on any subscription monies returned to you.

7. Calculation of the number of Shares to be issued to you

In the absence of a scale back under section 6, the number of Shares to be issued to you will be calculated by dividing the aggregate application money that you pay in applying for Shares by the Issue Price, then rounding down to the nearest whole number of Shares.

If rounding is applied, then:

- 7.1. if there is no scale back, any residual balance will be retained by the Company and you will not be refunded this amount (which will always be less than the price of a Share issued under the Plan); or
- 7.2. if there is a scale back, any residual balance will be refunded to you as part of the refund you receive from the scale back.

Any fractions of Shares will be rounded down to the nearest whole number of Shares.

8. Underwriting

The Company has not entered into any underwriting arrangements for the Offer.

9. Placement of Shortfall

The Directors may, at their sole discretion, offer any Shares not subscribed by Eligible Shareholders, to any other investors to whom disclosure is not required to be made under section 708 of the Corporations Act.

10. Costs of participation

No brokerage, commissions, stamp duty or other transaction costs will be payable by shareholders in respect of the application for, and issue of, Shares under the Plan.

11. How to accept the Offer and apply for Shares

If you are an Eligible Shareholder, you may accept the Offer to participate in the Plan by:

- 11.1. completing and returning the enclosed Application Form, in accordance with the instructions on the Application Form together with the appropriate payment for the

amount corresponding to the relevant parcel of Shares applied for, by no later than 5.00pm (AEDT) on the Closing Date; or

- 11.2. making payment by BPAY in accordance with the instructions on the Application Form by no later than 2.00pm (AEDT) on the Closing Date. If you make payment by BPAY, you do not need to return the Application Form to Stonewall.

Applicants should be aware that financial institutions may implement early cut off times with regards to electronic payments and therefore should take this into consideration when making payment. It is the responsibility of the applicant to ensure the funds submitted through BPAY are received by the close of the Offer.

Payments may only be made by BPAY, cheque or bank draft in Australian dollars and drawn on an Australian branch of a financial institution. No interest will be paid on any application monies, including any application monies returned to you.

If you are a Custodian you are required to provide a Custodian Certificate in conjunction with an Application Form.

If you are applying via cheque, you will be taken to have accepted the Offer only if the cheque which accompanies your Application Form is paid in full on first presentation. Cheques will be deposited on or following their day of receipt. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Receipts for payment will not be issued.

Stonewall may, in its absolute discretion, accept or reject your application to purchase Shares under the Offer, including (without limitation) if:

- 11.3. your Application Form is incorrectly completed or incomplete or otherwise determined by the Company to be invalid;
- 11.4. the cheque that you enclose with the Application Form is not made out for the exact amount that you have selected on the Application Form or is dishonoured or otherwise incorrectly completed;
- 11.5. BPAY payment is not received, or is incomplete or invalid;
- 11.6. it appears that you are applying to subscribe for more than \$15,000 (in aggregate) worth of Shares;
- 11.7. you are a Custodian and the Company is not satisfied with your certification; or
- 11.8. the Company believes that you are not an Eligible Shareholder (subject to compliance with any applicable ASIC or ASX requirements),

and the Company must reject applications if required to do so under ASIC Class order [CO 09/425].

The Company reserves the right to return your cheque or refund your BPAY payment and not allot you any Shares. No interest will be paid on returned monies.

Applications received after the Closing Date will not be accepted.

12. Significance of submitting an Application Form or making payment by BPAY

By completing and returning the Application Form to Stonewall or by making payment via BPAY you:

- 12.1. certify that you have not applied for Shares with an aggregate application price in excess of \$15,000 under the Plan and any similar arrangement in the 12 months prior to your application (including by instructing a Custodian to apply for Shares on your behalf), even though you may have received more than one Offer under the Plan or received Offers in more than one capacity under the Plan;
- 12.2. agree that your application is made on the terms and conditions set out in this document and the Application Form;
- 12.3. authorise Stonewall and its officers and agents to correct any error in, or omission from, your Application Form and to complete your Application Form by insertion of any missing details;
- 12.4. agree that you will not be able to withdraw or revoke your application;
- 12.5. accept the risk associated with any refund that may be sent to you by cheque to your address shown on Stonewall's register;
- 12.6. agree that if you have previously provided the Company or its share registry with bank account details for the purposes of direct credit of dividends, any refund to be paid to you under the Plan may be directed to that nominated account;
- 12.7. agree to be bound by Stonewall's constitution;
- 12.8. agree that the Company may determine that your Application Form is valid and in accordance with these Terms and Conditions even if it is incomplete, contains errors or is otherwise defective;
- 12.9. agree that your application is only effective when received and not when posted;
- 12.10. confirm that you are an Eligible Shareholder or Custodian with a valid Custodian Certificate;
- 12.11. if you are a Custodian and are applying for Shares with an aggregate application price of more than \$15,000, you are providing with your Application Form certification, or agree to certify, the matters required by condition 9 of ASIC Class Order [CO 09/425], in accordance with the Custodian Certificate which can be obtained from Stonewall's share registry;
- 12.12. acknowledge that Stonewall is not liable for any exercise of its discretion referred to in these Terms and Conditions;
- 12.13. you are responsible for any dishonour fees or other costs Stonewall may incur in presenting a cheque for payment that is dishonoured;
- 12.14. agree that if there is a rounding of Shares and no scale back, any remaining balance of your payment after your allotment will be retained by the Company;
- 12.15. accept that Stonewall at its absolute discretion can make reduction in allotments of Shares under a scale back;

12.16. acknowledge that no interest will be paid on any application monies held pending the allotment of the Shares or subsequently refunded to you for any reason; and

12.17. acknowledge that you have not been provided with investment advice or financial product advice by Stonewall.

13. Issue and quotation of Shares

Subject to section 6 above, Stonewall will issue and allot Shares under the Plan on or about the Issue Date.

Shares issued under the Plan will rank equally with existing Shares quoted on the ASX, with the same voting rights, dividend rights and other entitlements. On or before the Issue Date, Stonewall will apply for Shares issued under the Plan to be quoted on the ASX.

Stonewall will, within the period required by the ASX Listing Rules, send participants a holding statement in respect of any Shares issued to them under the Plan. Stonewall recommends that Applicants do not trade in the Shares applied for until they have received an updated holding statement.

14. Governing law

These Terms and Conditions are governed by the laws of New South Wales and the Commonwealth of Australia.

15. Dispute resolution

Stonewall may settle, in any manner it thinks fit, any difficulties, anomalies or disputes which may arise under or in connection with the operation of the Plan, whether generally or in relation to any participant or class of participants, offer, application or Shares, and the decision of Stonewall shall be conclusive and binding on all participants and other persons to whom the determination relates.

Stonewall reserves the right to waive compliance with any provision of these Terms and Conditions.

16. Amendment, Suspension and Termination of the Plan

The board of the Company may, in its discretion, amend, suspend or terminate the Plan at any time and adopt any administrative procedures it thinks appropriate in relation to the Plan. Stonewall may issue to any person fewer Shares than subscribed for under the Plan (or none at all) if Stonewall believes that the issue and allotment of those Shares would contravene any law or the rules of any stock exchange on which Shares are quoted.

Any amendment, suspension or termination of the Plan will be binding on all Eligible Shareholders even where Stonewall does not notify one or more Eligible Shareholders of the amendment, suspension or termination.

17. Notices

Notices and statements to participating shareholders may be given in any manner determined by the board of Stonewall from time to time.

18. Interpretation

The term 'Terms and Conditions' includes the terms and conditions contained in this document, the Application Form and the key dates.

A reference to '\$' and 'dollars' is to Australian currency unless denominated otherwise.