

2 May 2017

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

## ASX ANNOUNCEMENT

### UPDATE ON STONEWALL'S ENFORCEMENT OF ARBITRATION AWARD THROUGH CHINESE COURTS

#### Highlights:

- **Stonewall's enforcement case accepted and docketed by the Beijing No. 4 Intermediate People's Court**
- **Shandong Qixing Iron Tower Co. Ltd. ("Shandong") acknowledges commencement of enforcement proceeding through the Beijing Court and reaffirms support from its controlling shareholder Longyao Investments**

Stonewall is pleased to advise that our enforcement case for the Hong Kong International Centre's Arbitral Tribunal's ("Arbitral Tribunal") award was accepted and docketed by the Beijing No. 4 Intermediate People's Court (the "Court") on 22 March 2017.

The Arbitral Tribunal's final award directed as follows:

- Shandong is to pay Stonewall **US\$12.6 million**; plus
  - Interest on that amount at 8%, compounded quarterly, commencing 1 January 2015 until paid (**US\$2,556,793** as at 30 April 2017); plus
- Shandong is to pay Stonewall's legal costs of **A\$1,498,678**; plus
  - Interest on that amount at 8%, compounded quarterly, commencing 1 September 2016 until paid (**A\$80,926** as at 30 April 2017); plus
- Shandong is to bear 100% of the Tribunal's costs of **HK\$1,899,765.25**; plus
- Shandong to bear 100% of the HKIAC's administration costs of **HK\$407,961.99**.
- Stonewall's entitled to 55% of both the award and legal costs including outstanding accrued interests.

To date, Shandong has not yet complied with the award, nor has Shandong's controlling shareholder, Longyao Investments, met its undertaking either to pay to Stonewall, on behalf of Shandong, the funds required to fulfil the arbitral award or, as far as Stonewall is aware, to pay those funds to Shandong, as stated in Shandong's announcements to the Shenzhen Stock Exchange on 8 September 2016 and 10 October 2016.

Further, Shandong has failed to respond to written demands for payment made by Stonewall and its solicitors.

Stonewall is unaware of there being any further impediment to Shandong complying with the award, or to Shandong's controlling shareholder, Longyao Investments, meeting its undertaking to pay to, or on behalf of Shandong, the funds required to fulfil the arbitral award, as stated in

Shandong's announcement to the Shenzhen Stock Exchange on 8 September 2016.

Stonewall has therefore taken the necessary steps for legal proceedings to enforce the Award through the Chinese Courts, including the **collection of procedural and application documents** and determination of **Venue and jurisdiction**. We have focused on the proper venue and exercise of jurisdiction in Beijing courts over the enforcement of the award. Shandong holds equity interests in several entities in Beijing.

**Stonewall is pleased to advise that our enforcement case was accepted and docketed by the Beijing No. 4 Intermediate People's Court on 22 March 2017.**

On 29 March 2017, we received the Notice of Members of Panel and Notice of Evidence Production from Beijing No. 4 Court. The Notice of Evidence Production requires that the claimants to submit evidence within 30 days after receiving the notice. Similar notices have been served on Shandong.

On 28 April 2017, Stonewall submitted its evidence to the Court.

The Panel will decide on the recognition of the award, where after the enforcement procedure will follow.

Stonewall notes that on 07 April 2017, Shandong released a further statement on the Shenzhen Stock Exchange to update its shareholders on the details of the award by the Hong Kong International Arbitration Centre ("**HKIAC**") relating to the termination of the Share Sale Agreement between Stonewall, Shandong and others announced on 21 November 2014.

Shandong updated the market on the impact of the Award on the profitability of Shandong confirming the arrangement between Shandong and its controlling shareholder, Longyue Investments, whereby Longyao Investments will pay for all losses to Shandong caused by the Award.

## **ABOUT STONEWALL RESOURCES LIMITED**

Stonewall Resources Limited (ASX: SWJ) is a gold mining company that holds a range of prospective gold assets in a world-renowned South African gold mining region. These assets include several surface and near-surface high-grade gold projects, provide cost advantages relative to other gold producers in the region. Historical production of over 7Moz and a JORC resource approaching 4Moz underpin the company strategy.

SWJ's core project is TGME, located next to the historical gold mining town of Pilgrims Rest, in Mpumalanga Province, some 370km east of Johannesburg by road or 95km north of Nelspruit (Capital City of Mpumalanga Province).

Following small scale production from 2012 – 2015, the Company is currently focussing on the refurbishment of the existing CIL plant and nearby mines with the intention of resuming gold production in 2018. The Company aims to build a solid production platform to over 100kozpa based primarily around shallow, adit-entry hard rock mining sources.

Stonewall has access to over 43 historical mines and prospect areas that can be accessed and explored.

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

**For further information please contact:**

**General Enquiries**

**Rob Thomson, Managing Director**  
**Stonewall Resources Limited**  
M: +61 414 324 960  
E: [robt@stonewallresources.com](mailto:robt@stonewallresources.com)

or

**Investor Enquiries**

**Richie Yang, Director**  
**Stonewall Resources Limited**  
M: +61 404 831 804  
E: [richiey@stonewallresources.com](mailto:richiey@stonewallresources.com)