

4 May 2017

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

ASX ANNOUNCEMENT
(amended to include competent persons statement and mineral resource tables)

Project Update

Summary:

- **Rietfontein Pre Feasibility Study (PFS) work underway including plant engineering and designing of the metallurgical work programme**
- **Resource definition drilling to commence in coming weeks at Rietfontein (2.55Mt @ 11g/t Au JORC)**
- **Advanced drilling contractor negotiations**
- **Finalising contractor agreements to commence work on opening the Southern adit (high grade sections) at Rietfontein**
- **Scoping study on the Beta mine (4.72Mt @ 6.61g/t Au JORC) underway**

Stonewall Resources Ltd (**ASX: SWJ**) ("**Stonewall**") is pleased to update shareholders on funding, the Rietfontein PFS and drilling program and scoping study for Beta Mine.

Initial Rietfontein PFS work is orientated towards potential rapid commencement of mining operations and processing at the TGME plant given that these are fully permitted. The initial work is a targeted drilling campaign designed to increase confidence levels of the JORC resource. At the same time, detailed metallurgical work will be undertaken. Discussion with geological and engineering consultants, contractors and work plans are underway in order to commence this drilling. Simultaneously, Stonewall will re-open the shallow, adit-entry as well as commence work on the new Southern adit to access the high grade sections at Rietfontein underground mine.

The Beta scoping study work is well underway. It is being undertaken to establish the potential synergies of developing TGME in a two phase and two mine development approach with Rietfontein being the lead mine development. As previously announced it is the intention of Stonewall to develop staged operations targeting 100,000+ ozpa. Work required to enable gold production includes upgrading the TGME processing plant, refurbishment and expanding of underground adit access to enable trucking of ore to surface, and establishment of appropriate power, ventilation and associated infrastructure at the sites.

Rietfontein contains a JORC resource of 2.55Mt @ 11g/t for 905Koz (Indicated & Inferred) (Table 1). Beta contains a JORC Mineral Resource of 4.72Mt @ 6.61g/t for 1.00Moz (48% Indicated & 52% Inferred) (Table 2).

SWJ company strategy is to initially focus on low-cost, high-grade ore which can be produced at high margin. The company has a large resource base (26.6Mt @ 4.3g/t Au for 3.72Moz JORC) (Table 3), which is growing rapidly with the analysis and review of historical information through modern technical evaluation, including 3D modelling which is ongoing.

Work is underway to examine other areas in the portfolio, which fit the strategy and criteria and can be brought into production in a short timeframe (within two-three years). We expect to make further announcements regarding activities and forward plans in coming months, commencing with the release of the scoping study into the Beta Mine (adjacent to the TGME plant) in coming weeks.



Figure1: Part of TGME plant picture

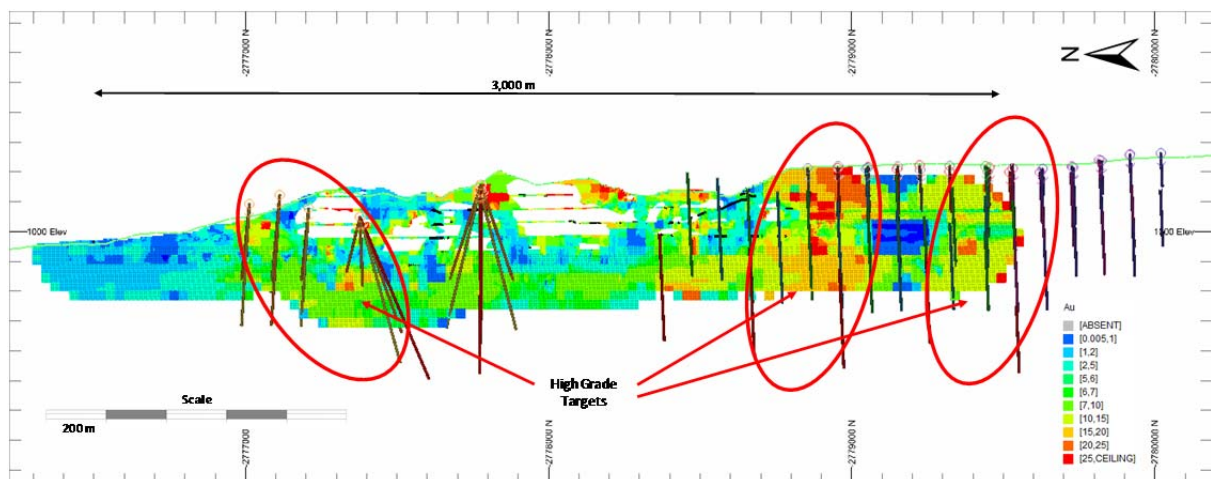


Figure 2: Resource drilling to be focused initially on areas of higher grade to the south of the project

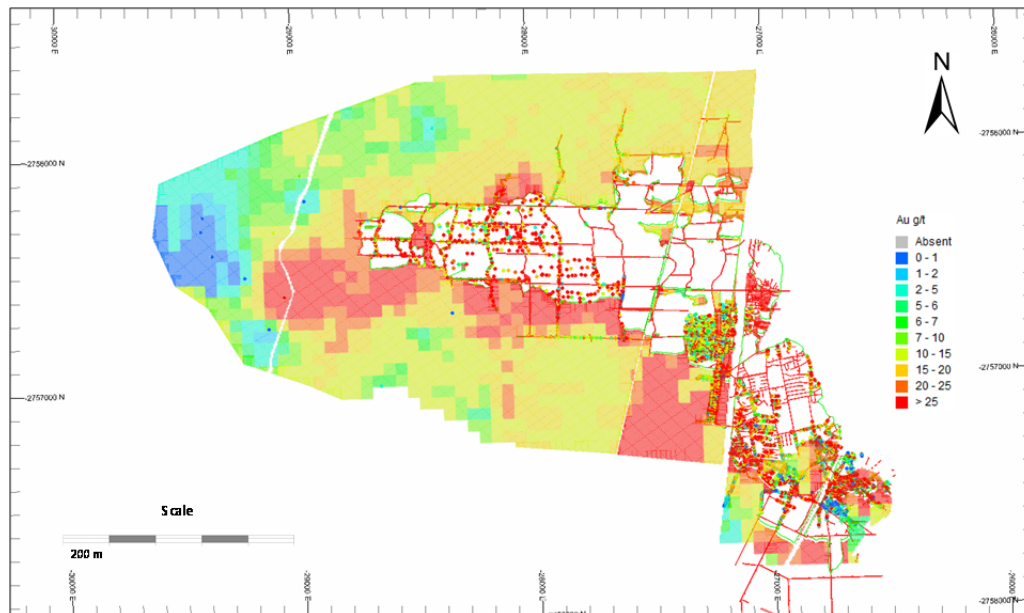


Figure 3: Beta grade model over channel width with underground development

Competent Persons Statement

The information in this report relating to Mineral Resources is based on information compiled by:

- Rietfontein Mineral Resource - by Daniel van Heerden, B.Eng. (Mining), M.Com.(Business Administration) who is employed as a Director and as Principal Mining Engineer by Minxcon Projects (Pty) Ltd.
- Beta Mineral Resource – by Mr Uwe Engelmann (BSc (Zoo. & Bot.), BSc Hons (Geol.), Pr.Sci.Nat. No. 400058/08, MGSSA), a director of Minxcon (Pty) Ltd.

The original reports titled “New High Grade Resource (JORC 2012) at Reitfontein and Significant Resource Upgrade” and “Beta Resource Upgrade” were dated 7 February 2017 and 28 March 2017 respectively and released to Australian Securities Exchange on those dates.

The Company confirms that –

- it is not aware of any new information or data that materially affects the information included in the Australian Securities Exchange announcements; and
- all material assumptions and technical parameters underpinning the estimates in the Australian Securities Exchange announcements continue to apply and have not materially changed.

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 is approximately 7Moz and with a JORC resource approaching 4Moz this underpins the company's strategy. Stonewall has access to over 43 historical mines and prospect areas that can be accessed and explored.

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 commercial production from hard rock ore in 2013 and low grade tailings and PMR (Pre Mined Residue) resources at the TGME plant in 2015, the plant and associated tailings facility are in good standing as it remains connected to the national electricity grid. The Company plans to fully refurbish and upgrade the plant to increase capacity and production efficiency. The TGME site is the base for our South African team. 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.

For more information please visit: www.stonewallresources.com

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Table 1: Rietfontein Mineral Resource Statement as at 20 January 2017

Resource Classification	Stope Au	Reef Width	Stope width	Stope	Stope Tonnes	Au Content	
	g/t	cm	cm	cm.gt	Mt	kg	koz
Measured	-	-	-	-	-	-	-
Indicated	10.06	76	111	1,113	0.720	7,247	233
Total Measured and Indicated	10.06	76	111	1,113	0.720	7,247	233

Resource Classification	Stope Au	Reef Width	Stope width	Stope	Stope Tonnes	Au Content	
	g/t	cm	cm	cm.gt	Mt	kg	koz
Total Inferred	11.40	108	132	1,502	1.834	20,901	672

Notes:

1. Mineral Resources are reported at resource cut-off of 1.8 g/t (230 cm.g/t).
2. 33% of the Inferred Mineral Resource occurs below the last known data point.
3. Fault losses of 5% for Indicated and 10% for Inferred Mineral Resources have been applied.

Table 2: Beta Mineral Resource Statement as at 23 March 2017

Resource Classification	Au Stoping	Reef Width	Stope width	Stope	Stope Tonnes	Channel Tonnes	Au Content	
	g/t	cm	cm	cmgt	Mt	Mt	Kg	K Oz
Measured	-	-	-	-	-	-	-	-
Indicated	6.96	24	90	529	2.147	0.669	14 950	480.7
Total Measured and Indicated	6.96	24	90	529	2.147	0.669	14 950	480.7

Resource Classification	Au Stoping	Reef Width	Stope width	Stope	Stope Tonnes	Channel Tonnes	Au Content	
	g/t	cm	cm	cmgt	Mt	Mt	Kg	K Oz
Total Inferred	6.32	26	90	484	2.571	0.885	16 248	522.4

Notes:

1. Mineral Resources are reported at resource cut-off of 2.56 g/t (230 cmg/t).
2. Depletions have been applied.
3. Pillars have been included in the resources.
4. 30% of the Inferred resource is extrapolated.
5. Fault losses of 5% for Indicated and 10% for Inferred Mineral Resources were applied.
6. Weighted density of reef and waste is 3.06 t/m³ (reef = 3.6 and waste = 2.84).
7. Numbers might not add up due to rounding.
8. cmg/t and g/t figures will not back calculate due to variable densities in reef and waste rock.

Table 3: Total Mineral Resource Statement of Total Stonewall Operations as at 23 March 2017

Mineral Resource Category	Type of Operation	Tonnage	Gold Grade	Gold Content	
		Mt	g/t	Kg	'000 oz.
Measured	UG*	0.170	4.77	811	26.1
	Surface	0.151	1.59	240	7.7
	Tailings	2.294	0.77	1,770	56.9
Total Measured		2.615	1.08	2,821	90.7
Indicated	UG*	3.935	6.70	26,376	848.0
	Surface	3.173	0.88	2,811	90.4
	Tailings	0.012	0.58	7	0.2
Total Indicated		7.120	4.10	29,194	939
Inferred	UG*	13.734	5.55	76,253	2,451.7
	Surface	0.801	0.8	642	20.7
	Tailings	2.124	3.06	6,503	209.0
	Rock Dump	0.121	1.59	192	6.2
	Plant Floats	0.041	0.54	22	0.7
	Beta Main	0.109	0.81	88	2.8
Total Inferred		16.93	4.94	83,700	2,691
Grand Total		26.66	4.34	115,715	3,720

Notes:

1. All Mineral Resources have an effective date of 30 June 2014, with the exception of the underground (UG*) Mineral Resources which include the updated 20 January 2017 and 23 March 2017 Mineral Resource estimation for Rietfontein Mine and Beta Mine respectively.
2. Only the Mineral Resources lying within the legal boundaries are reported.
3. 1 kg = 32.15076 oz.
4. Columns may not add up due to rounding.
5. Mineral Resources declared are for the entire project and have not been divided into attributable portions.

The total Mineral Resources for the Stonewall Operations (Measured, Indicated and Inferred Mineral Resources) totals some 26.6 Mt at a weighted mean grade of 4.34 g/t for about 115.7 Tonnes of gold translating into some 3,720 Koz Au.