

22 September 2017

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

ASX ANNOUNCEMENT

SHARE PURCHASE PLAN

The Directors of Stonewall Resources Limited (ASX: SWJ) (“Stonewall” or “Company”) are pleased to announce a Share Purchase Plan (“SPP”) to eligible shareholders.

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 (AEST) on 21 September 2017 (“Record Date”).

The SPP offers eligible shareholders the opportunity to subscribe for up to \$15,000 worth of fully paid ordinary shares in Stonewall free of brokerage or other transaction costs. Eligible shareholders will be offered the opportunity to apply for \$2,500; \$5,000; \$10,000 or \$15,000 worth of Stonewall shares. Eligible shareholders will also be entitled to 1 attaching unlisted option (“Option”) for every 2 shares subscribed.

Each share offered under the SPP will be issued at a price of \$0.024 which represents a 4% discount to the volume-weighted average price of Stonewall shares traded over the 10 trading days prior to and including the Record Date (5 September 2017 to 21 September 2017 inclusive), rounded to the nearest 0.1 cent.

Each Option will be exercisable at \$0.036 per share (a 50% premium to the SPP issue price) and expire eighteen (18) months from the date of issue.

The Directors reserve the right to place any shortfall shares under the SPP.

The full terms and conditions of the SPP will be set out in a prospectus (“SPP Prospectus”). Stonewall expects to dispatch the SPP Prospectus to all eligible shareholders on Thursday, 12 October 2017.

Trevor Fourie
Non-Executive Chairman

Robert Thomson
Managing Director

Non-Executive Directors
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ASX code: SWJ

Current share price: \$0.025

Total shares on Issue: 2.1 billion

Key Dates

The table below summarises the key dates of the SPP. The dates shown below are indicative only, and Stonewall may vary the dates and times of the SPP at its discretion.

Event	Date
Record Date (7.00pm AEST)	21 September 2017
Offer Opens and dispatch of SPP Prospectus	12 October 2017
Offer Closes (7.00pm AEST)	10 November 2017
Issue Date of new shares	16 November 2017

The funds raised under the SPP will be applied towards the Rietfontein Gold Mine Pre-feasibility Study, reserve drilling at Rietfontein and resource definition drilling at both Theta Hill and Columbia Hill within Project Bentley, and to provide additional working capital. Further information regarding the purpose of the SPP will be outlined in the SPP Prospectus.

Rietfontein/Beta shallow underground mines

In May 2017, Stonewall released the results of a Scoping Study into the combined development of the Rietfontein/Beta gold mines demonstrating that up to 100,000ozpa gold production is achievable at a cash cost of <US\$500/oz, with a peak capital requirement of US\$29m. Average mill feed grades of close to 7g/t Au and an AISC of US\$624/oz were also estimated¹. Pre-feasibility work is ongoing with drilling, metallurgical testwork and refurbishment/expansion of the TGME processing plant planned.

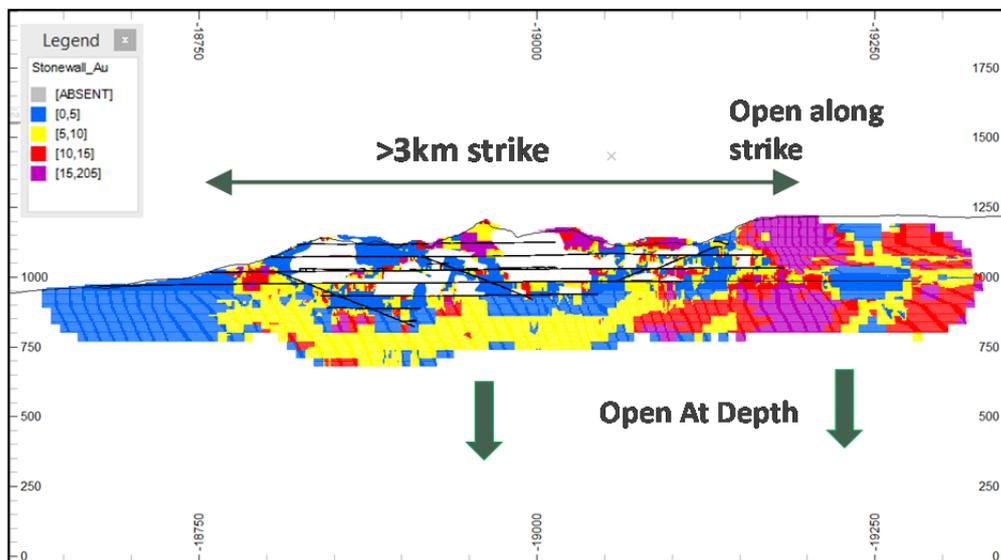


Figure 1) Rietfontein long section showing grade of planned stopes

¹ ASX 16 May 2017, "Beta Scoping Study reveals potential second low cost mine"

Project Bentley

On 6 September, 2017² Stonewall announced the results of ongoing geological studies into a shallow, multi-level stack of sub-horizontal gold reefs at Theta Hill in the vicinity of the TGME plant. Five reefs were identified. An Exploration Target of **1.2 to 1.4Mt at 16.6g/t Au to 26.6g/t Au** was estimated for the Lower Theta seam by the Company's geological consultants, Minxcon. The average depth of cover to the base of the Lower Theta seam was estimated to be 45m. A further exploration target of 2.4Mt to 3.9Mt at 1.9g/t to 3.2 g/t was identified for the overlying Beta reef. Information obtained on three additional overlying seams in this 5 reef shallow gold sequence is not sufficient at this stage to establish an Exploration Target.

The potential quantity and grade of the Exploration Target referred to above is conceptual in nature, and there has been insufficient exploration conducted to estimate a Mineral Resource. There is no certainty that planned exploration will result in the estimation of a Mineral Resource. However, work is underway to expedite the exploration of this area to enable calculation of a Mineral Resource in accordance with the JORC Code (2012)³.

These targets are a priority for Stonewall as any high grade, shallow mineralisation outlined could supplement underground feed from Rietfontein, and potentially lift future production levels well above that forecast by recent preliminary mine scheduling work carried out by Bara Consulting as part of the Scoping Study.

Drilling and resource estimation work is planned following receipt of funding, with a priority to identify potential shallow open cut and underground low-cost ounces in Stonewall's fully permitted mining leases.

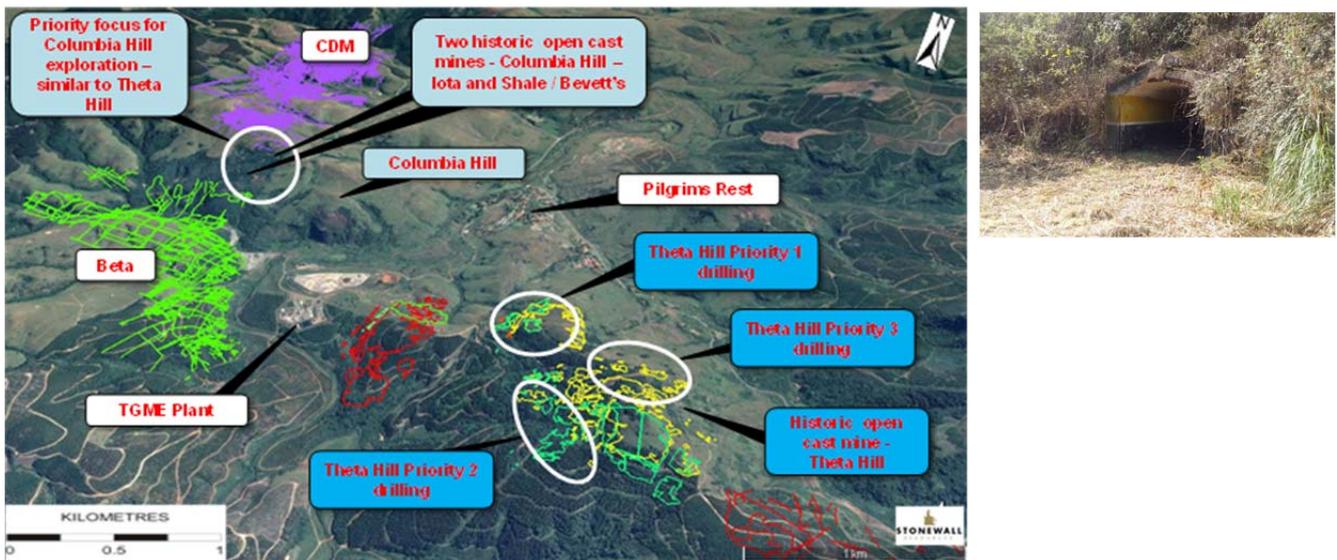


Figure 2a) Project Bentley priority drilling targets, Figure 2b) Historical adit (West 12) into Theta Hill, above right

² ASX 6 September 2017, "Project Bentley"

³ JORC Code 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

For further information please contact:

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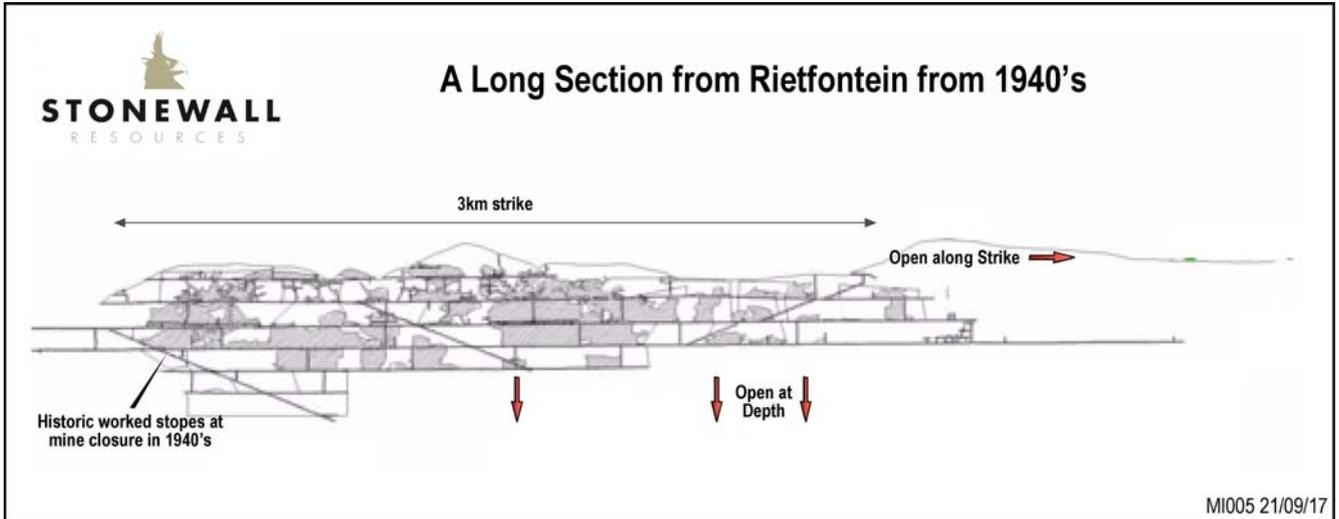
ABOUT STONEWALL RESOURCES LIMITED

Stonewall Resources Limited (ASX: SWJ) is a gold development 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.

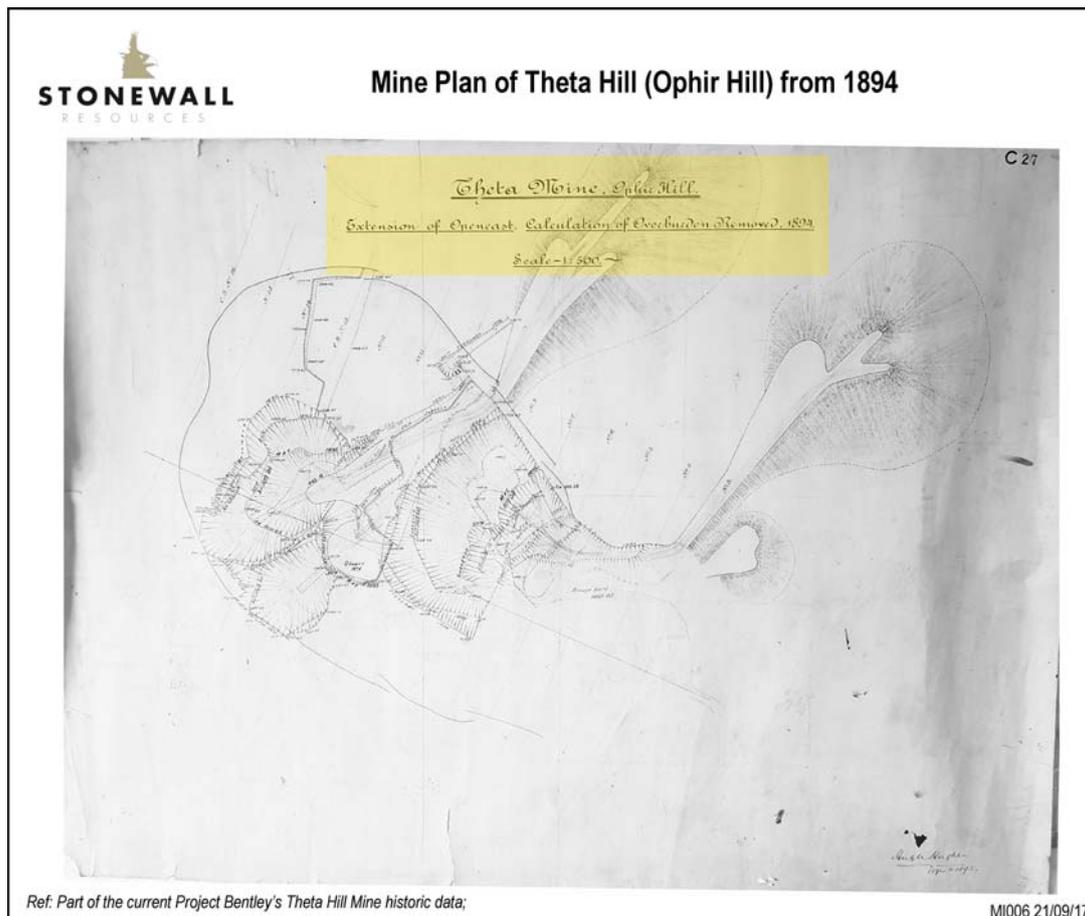
Stonewall's core project is TGME, located next to the historical gold mining town of Pilgrims Rest, in Mpumalanga Province, some 370km east of Johannesburg by road or 95km north of Nelspruit (Capital City of Mpumalanga Province).

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. 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



Appendix 1) A diagram adapted from a 1940's plan at Rietfontein



Appendix 2) A Mining Plan of the Theta Mine (Ophir Hill) dated Year 1894