

27 October 2017

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

ASX ANNOUNCEMENT

STONEWALL TO INITIATE DRILLING CAMPAIGN AT RIETFONTEIN & PROJECT BENTLEY FOLLOWING SUCCESSFUL SHARE PLACEMENT AHEAD OF SPP

Stonewall Resources Limited (ASX: SWJ) (“Stonewall” or “Company”)

is pleased to advise that it has received commitments from US, Australia, Singapore and Hong Kong based Sophisticated and Institutional investors pursuant to s708 of the Corporations Act to raise \$2,500,000 before costs from the issue of 131,578,947 fully paid ordinary shares (subject to rounding) at \$0.019 per share with 131,578,947 free attaching options (subject to rounding). Each option will be exercisable at \$0.03 per share on or before 31 October 2020 (**Option**). The Company will apply for quotation of the Options on the completion of the proposed Share Purchase Plan (**SPP**) where the new class of security will be covered by the SPP Prospectus.

The funds raised will be used to initiate a number of planned drilling programmes including reserve definition drilling at the high grade Rieffontein gold mine as part of the Pre-Feasibility Study and resource definition drilling at the recently announced Theta Hill and Columbia Hill open pit targets (Project Bentley). The funds raised will also strengthen the Company's balance sheet in advance of the recently announced SPP.

The share placement was managed by Peak Asset Management.

Share Purchase Plan

The Company refers to the recently announced SPP to be made to eligible shareholders who were registered holders of ordinary shares in the Company with an address in Australia or New Zealand at 7:00pm (AEDT) on the Record Date, being 21 September 2017.

The Company advises that the SPP will be amended to align the offer with the issue price and terms of the share placement. Accordingly, the SPP will be offered to eligible shareholders at an issue price of \$0.019 per share. Eligible shareholders will also be entitled to 1 free attaching listed Option for every share subscribed. Each Option will be exercisable at \$0.03 per share on or before 31 October 2020.

Trevor Fourie
Non-Executive Chairman

Robert Thomson
Managing Director

Non-Executive Directors
Bill Richie Yang
Eric Zhang
Simon Liu

Contact Details

Phone: +61 2 9460 2021

Email:
info@stonewallresources.com

Website:
www.stonewallresources.com

ASX code: SWJ

Current share price: \$0.021

Total shares on Issue: 2.1 billion

The Company will apply for quotation of the Options.

Further announcements on the SPP timeline will be made in due course.

For further information please contact:

General Enquiries

Rob Thomson, Managing Director

Stonewall Resources Limited

or

M: +61 414 324 960

E: robthomson@lorodaca.com

Investor Enquiries

Phil Retter

NWR Communications

M: + 61 407 440 882

E: Phil@nwrcommunications.com.au

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