

Fair's fair for our retail and insto investors alike

In financing the planned redevelopment of our TGME (Transvaal Gold Mining Estates) project portfolio, we look – like any company does – at a range of sources of finance.

But when it comes to equity funding, we do it fair.

So when we raised \$2.6 million in a share placement to institutional and sophisticated investors from Australia, the US, Singapore and Hong Kong last month, we were very keen to offer our existing shareholder base the same opportunity on the same terms.

Under the plan, existing shareholders can apply for up to \$15,000 worth of ordinary Stonewall at an issue price of 1.9 cents a share (free of brokerage, duty and other transaction costs).

Also, the eligible shareholders are entitled to one free listed option for every share subscribed: each option will be exercisable at 3 cents a share and expire on 31 October 2020. The October share placement to the institutional and sophisticated investors had options attached under exactly the same terms.

We shall deploy the funds primarily for reserve definition drilling and a prefeasibility study at the Rietfontein underground mine project as well as resource definition drilling at the Theta Hill and Columbia Hill targets in our Project Bentley area.

Rietfontein (and the nearby Beta underground mine project) is our core development project and we're planning a three-stages drilling program of 8,900 metres there to confirm the high-grade resources and the Rietfontein scoping study.

We expect to increase the JORC (joint ore reserves committee) resource category from inferred to indicated and then to measured. We're working with an experienced underground mining contractor on a plan to gain access to the Rietfontein ore body through one of the existing adits (horizontal shafts) and open the mine on multiple existing internal levels.

Simultaneously, we're greatly looking forward to starting drilling on the initial Project Bentley exploration areas after doing the first-ever 3D geological computer modelling of these areas.

We're starting off by looking at the Theta Hill and Columbia Hill areas: the most exciting features of these targets is that they are among the earliest of the Pilgrim's Rest mining operations, which began in the 1870s, and also among the richest.

An initial 4,000-metre drilling program will test the potential for high-grade open cut and underground resources and we're expecting to see drilling results yielding very high grades of gold.

These are quite shallow deposits, meaning they should be accessible by open-cut mining.

If everything goes to plan, we will be in a position to start the Rietfontein underground project and then add open-cut operations on the first Project Bentley areas, with processing conducted at the nearby TGME process plant.

The funds we're raising through our current share purchase plan will go a long way toward achieving this.