

Finding Elephant sized gold mines

Here at Stonewall we love Elephants:- both in real for the magnificent animals they are and as an apt description for size and quality of the goldfields we have at TGME and Sabie

Fresh from raising \$2.5 million in an institutional share placement, we're giving eligible shareholders the opportunity to subscribe for shares valued at up to \$15,000 in a share purchase plan that we expect to bring in up to a further \$6 million.

After the great support we got for the July placement and for our previous share purchase plan in April, we're thrilled to give shareholders the chance to increase their holding in Stonewall while giving us the funding we need to "unlock the elephant" that is our Transvaal Gold Mining Estates (TGME) project portfolio.

The share purchase plan is open to investors who were registered on 21 September.

The funds we raise will be used in reserve definition drilling and the pre-feasibility study (PFS) for the first part of our plan – reopening production from the Rietfontein and Beta mines – and resource definition drilling at areas of Project Bentley, subsequently to develop the Project Bentley potential open cut opportunities.

We want to develop Rietfontein and Beta through adit (horizontal shaft) access and add to that in due course the potential of an open-cut mine to enter the Project Bentley reefs.

Because the TGME project has full approvals, it can be mined without delays.

We call the TGME portfolio an elephant field because it was one of the largest goldfields in South Africa – a very prolific field. And like most goldfields that were mined over a century ago, it was a goldfield that today would be considered very high-grade, having yielded grades of at least 10–15 grams per tonne of gold.

In opening up Rietfontein and then Beta, we're looking to delineate the high-grade gold resources that were the historical basis of this project and to establish a resource base. Then with Project Bentley, we're aiming to confirm a high grade, multiple-level gold reef system and take that confirmation through to mining.

Our raisings will fund the drilling and geomagnetic work that will allow us to do this.

The key to our plans is that this is brownfield development of existing high-grade resources with full permitting that uses existing infrastructure. This lowers the capital cost of development at TGME and the high-grade nature of the resource means low operating costs and high margins.

We consider this opportunity to re-establish high-grade gold production at Rietfontein and Beta to be effectively late-stage development, with much of the risk of a greenfields exploration project removed.

And after that, we'll be looking closely at the Project Bentley ground, where we've pencilled in our first exploration target, the Lower Theta seam, at between 1 million tonnes and 1.7 million tonnes at grades of between 16.6 g/t and 26.6 g/t of gold.

In short, given the many high-grade deposits in our portfolio, management's strategy is to identify the ones that will allow us to produce at a cost of about 50% of the gold price.