

ASX: SWJ

For personal use only



High Grade Gold Mine Development

Investor Update May 2017



STONEWALL
RESOURCES

Disclaimer & Competent Person Statement



For personal use only

• *This Presentation has been prepared by and issued by Stonewall Resources Limited (ASX:SWJ) (Stonewall or Company) is to assist in informing interested parties about the Company and should not be considered as an offer or invitation to subscribe for or purchase any securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this Presentation. This Presentation may contain forward looking statements. Whilst Stonewall has no reason to believe that any such statements and projections are either false, misleading or incorrect, it does not warrant or guarantee such statements.. Nothing contained in this presentation constitutes investment, legal, tax or other advice. This overview of Stonewall does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of the Company's prospects. Before making an investment decision, you should consult your professional adviser, and perform your own analysis prior to making any investment decision. Neither the Company nor its advisers has verified the accuracy or completeness of the information, statements and opinions contained in this presentation. Accordingly, to the maximum extent permitted by law, the Company makes no representation and gives no assurance, guarantee or warranty, express or implied, as to, and take no responsibility and assume no liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omissions, from any information, statement or opinion contained in this presentation. The contents of this presentation are confidential. This presentation is being provided to you on the condition that you do not reproduce or communicate it or disclose it to, or discuss it with, any other person without the prior written permission of the Company. This Presentation contains information, ideas and analysis which are proprietary to Stonewall. By agreeing to receive this information you also agree to respect the confidential nature of this entire presentation. Specifically you agree not to reproduce in any manner or distribute any part of the information contained herein without the prior written consent of the Company.*

• *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.*

Forward Looking & Cautionary Statements



For personal use only

This presentation may refer to the intention of Stonewall Resources regarding estimates or future events which could be considered forward looking statements. Forward looking statements are typically preceded by words such as “Forecast”, “Planned”, “Expected”, “Intends”, “Potential”, “Conceptual”, “Believes”, “Anticipates”, “Predicted”, “Estimated” or similar expressions. Forward looking statements, opinions and estimates included in this document are based on assumptions and contingencies which are subject to change without notice, and may be influenced by such factors as funding availability, market-related forces (commodity prices, exchange rates, stock market indices and the like) and political or economic events (including government or community issues, global or systemic events). Forward looking statements are provided as a general reflection of the intention of the company as at the date of release of the document, however are subject to change without notice, and at any time. Future events are subject to risks and uncertainties, and as such results, performance and achievements may in fact differ from those referred to in this presentation. Mining, by its nature, and related activities including mineral exploration, are subject to a large number of variables and risks, many of which cannot be adequately addressed, or be expected to be assessed, in this document. Work contained within or referenced in this report may contain incorrect statements, errors, miscalculations, omissions and other mistakes. For this reason, any conclusions, inferences, judgments, opinions, recommendations or other interpretations either contained in this report, or referencing this report, cannot be relied upon. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or estimates. The company believes it has a reasonable basis for making the forward looking statements contained in this document, with respect to any production targets, resource statements or financial estimates, however further work to define Mineral Resources or Reserves, technical studies including feasibilities, and related investigations are required prior to commencement of mining. No liability is accepted for any loss, cost or damage suffered or incurred by the reliance on the sufficiency or completeness of the information, opinions or beliefs contained in this presentation.

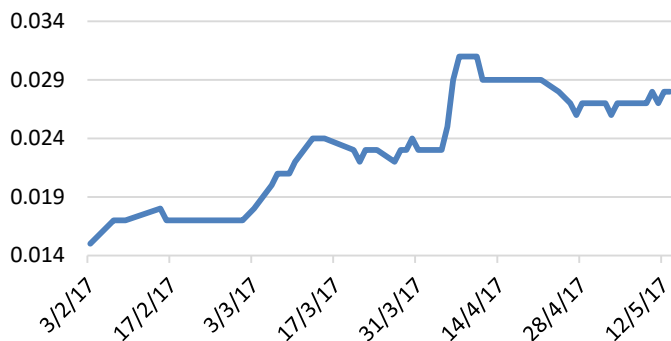
The Scoping Study referred to in this announcement is based on low level technical and economic assessment, insufficient to support the estimation of Ore Reserves. There is no assurance that the intended development referred to will proceed as described, and will rely on further studies at the Pre-Feasibility and Feasibility Study levels, and access to future funding to implement. Stonewall believes it has reasonable grounds under ASIC Information Sheet 214 to report the results of the Scoping Study. The mine plan referred to in the quoted NPV contains 41% Indicated Mineral Resources and 59% Inferred (ASX release dated 7/2/17 and 28/3/2017 for Mineral Resource Statements). The Rietfontein & Beta mines have been previously operated to extract gold and have existing underground development and some infrastructure in place. The company intends to conduct further drilling to upgrade the Mineral Resources incorporated in the mine plan to at least Indicated Mineral Resource status as required to establish reserves under JORC (2012) as well as test for strike and depth extensions. The results of the drilling will be used to progress further project studies to enable finance to be arranged to execute the mine plan. At this stage there is no guarantee that funding will be available, and investors are to be aware of any potential dilution of existing issued capital. The production targets and forward looking statements referred to are based on information available to the company at the time of release, and should not be solely relied upon by investors when making investment decisions. SWJ cautions that mining and exploration are high risk, and subject to change based on new information or interpretation, commodity prices or foreign exchange rates. Actual results may differ materially from the results or production targets contained in this release. Further evaluation and appropriate studies relating to geology, mining and economics are required to increase the level of confidence prior to a decision to conduct mining being made. The estimated Mineral Resources quoted in this release have been prepared by Competent Persons as required under the JORC Code (2012). Material assumptions and other important information are contained in this release.

Corporate Overview



ASX code: SWJ
Current share price: \$0.029
Market Capitalisation: A\$58 million
Shares on Issue: ~2.0 billion
Options: ~170 million
Convertible Notes¹: ~320 million

SWJ: Share Price Performance



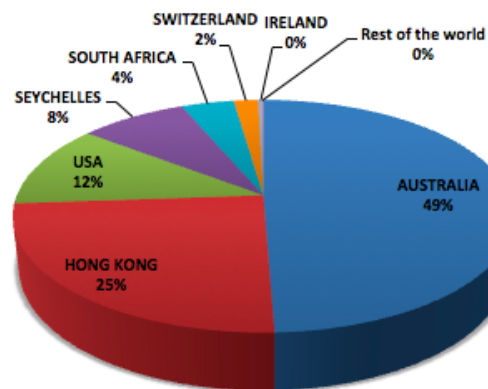
Directors

Trevor Fourie Non-Exec. Chairman (since 2012)
Rob Thomson Managing Director (since Nov 2016)
Richie Yang Non-Exec. Director (since June 2015)
Eric Zhang Non-Exec. Director (since June 2015)
Simon Liu Non-Exec. Director (since 2013)

Management

Rob Thomson Managing Director (AUS)
George Jenkins Chief Executive Officer (SA)
Chin Haw Lim Chief Financial Officer (AUS)

REGLOBALGISTRY, EXPERIENCED TEAM, LARGE & HIGH GRADE RESOURCES, EXISTING PLANT & FACILITIES



Shareholding by Country

Over 90% owned by top 20 Shareholders	%
Tasman Funds (Sydney based fund manager, related to director Eric Zhang)	16.48%
Citicorp Nominees Pty Limited	12.17%
High Gift Investments (US based family office)	11.59%
Smart Vision Investment Group (related to director Simon Liu)	8.39%
Khan International	7.84%
BWW (HK Institution)	7.83%

¹ Tasman Funds (Eric Zhang) A\$1.65m Convertible Notes at \$0.009 per share, Lind Partners A\$3.12m Convertible Security Loan Agreement at A\$0.019 per share, refer to ASX Announcement on 18/01/17.

SWJ - Why Invest in Stonewall?



Revised Scoping Study for Rietfontein/Beta shows NPV of US\$166m (A\$220m) at US\$1200/oz for TGME project

High Grade Resources: Rietfontein - 2.55Mt @ 11g/t Au (0.9Moz)
Beta - 4.72 Mt @ 6.6g/t Au (1Moz)

Near-term production: 2018 production target

Low Cost: Targeting lowest quartile cash costs <**US\$500/oz C1**

Low Capex: Rietfontein US\$29m peak funding (targeting 60kozpa operation, development aiming to commence 1Q'18)

Multi-mine upside: Second project in Beta takes production to 100kozpa, other projects currently under evaluation

- **Stable BEE partners:** Been with Company since inception, variety of community and local organisations own 26% of project

TGME Project Portfolio



Located in Mpumalanga Province:

- ✓ 370km east of Johannesburg directly by road, or
- ✓ 30 minutes flight from Johannesburg to Nelspruit by commercial airline, then 95km north of Nelspruit by Road.
- ✓ Historical past production estimated at 7Moz at approximately 10g/t Au in tenements
- ✓ **Total JORC Resource of 26.6Mt @ 4.34 g/t Au (3.72Moz)**
- ✓ Rietfontein fully permitted for mining, North Beta permits pending (south permitted)

Well Developed Infrastructure:

- ✓ CIL Plant, Elution, gold room
- ✓ Road Access
- ✓ Water
- ✓ Power supply straight off the grid (Eskom): low cost
- ✓ Tailing dams onsite



SWJ - Why Invest in South Africa?

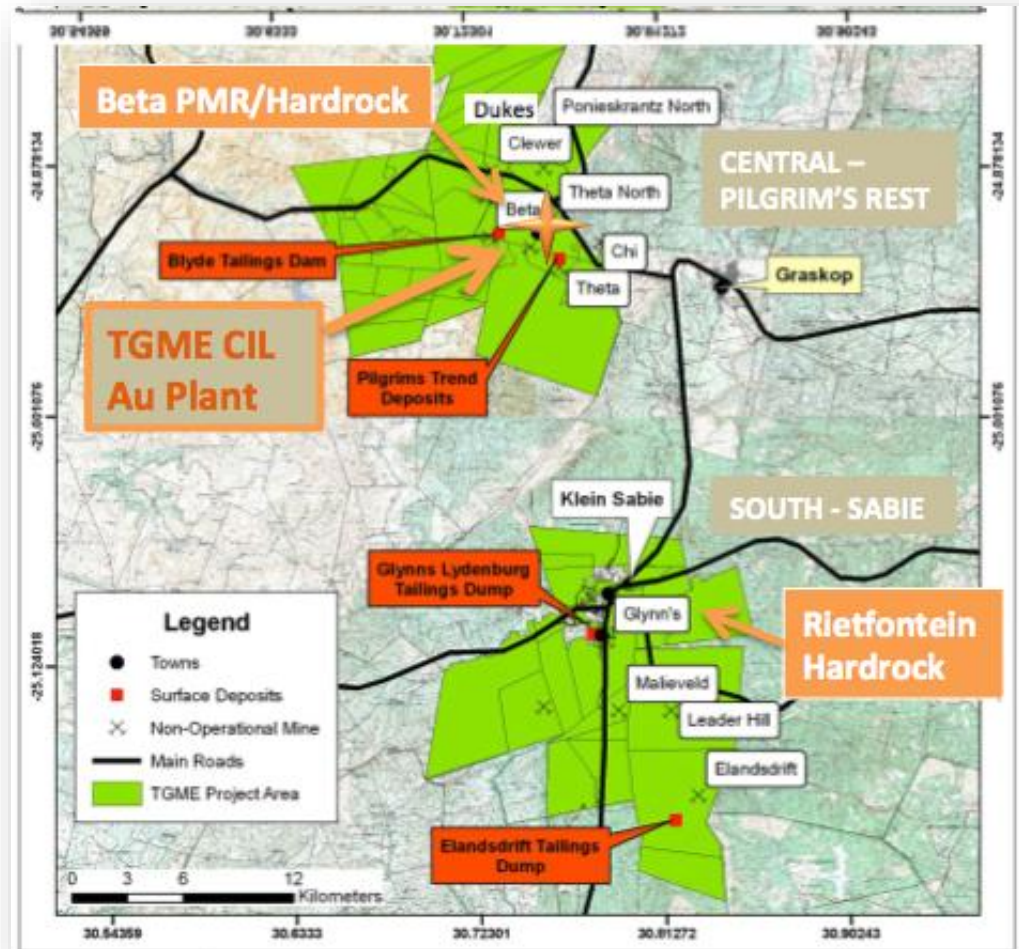


- **Low Costs:** Lower operating costs in the order of 30% or more compared to similar scale Australian underground mines
- **Skilled Workforce:** Readily available contractors and experienced workforce (when compared to other African destinations)
- **Brownfields Targets:** Existing targets and mines with roads, power, water, UG development in place (no risky greenfields developments)
- **Ignore the Headlines:** Political climate and fiscal framework stability (compared to the attention-seeking headlines of the press)
- **Many success stories:** Pan African (LSE: PAF) just raised US\$50m equity (2x oversubscribed) and US\$72m debt to fund tailings expansion to the north of TGME (shares doubled since January)

Group Strategy: 2-3 Mines in 2-3 Years



1. **Drilling at Rietfontein** to upgrade resources to mostly Indicated for reserve status
2. **Complete PFS studies** for Rietfontein & Beta
3. **Drilling at other target areas**
4. **Commence refurbishment of TGME** processing plant for centralised processing and operations
5. **Mine development at Rietfontein** with first stoping targeted in **4Q'18**
6. **Scoping/PFS studies into other mine targets**
7. **Develop third mine with best grade** and development potential by 2020



Rietfontein/Beta (TGME Project)



- **JORC Resource of 2.55Mt @ 11g/t Au** (905koz, 26% Indicated, 74% Inferred) at Rietfontein Mine
- **JORC Resource of 4.72Mt @ 6.6g/t Au** (1Moz, 48% indicated, 52% inferred) at Beta Mine
- **Fully permitted and development ready** (Rietfontein) pending drilling program to establish reserves & funding. North Beta permits pending.
- **Revised Scoping Study** with combined Rietfontein & Beta mines show **90kozpa @ US\$495/oz C1** (Av. full production rate)
- **Pre-Feasibility Study underway at Rietfontein/Beta, target completion 2H'17**
- **Target 2H'18 production** (Rietfontein)
- **Low capital requirements** US\$29m peak external funding requirement including existing CIL refurbishment, Beta funded from Rietfontein cashflow from mid-2019

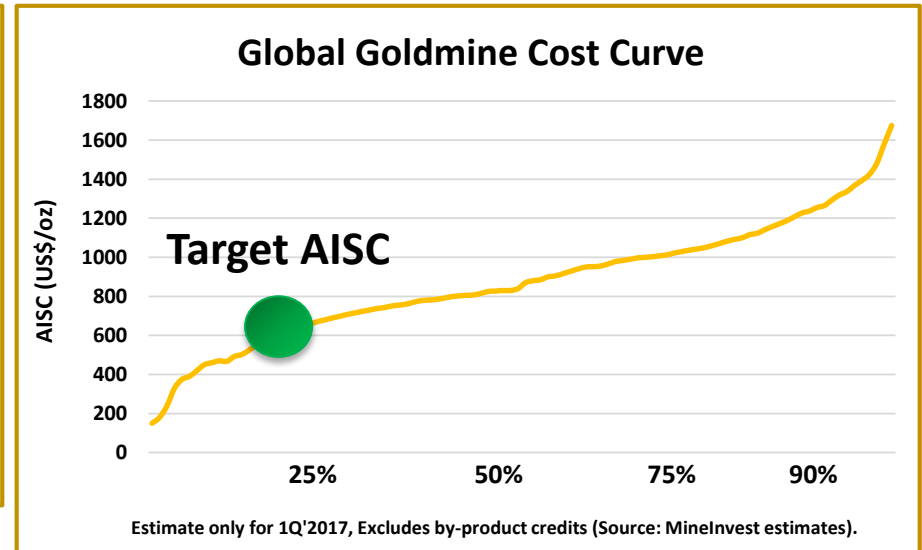
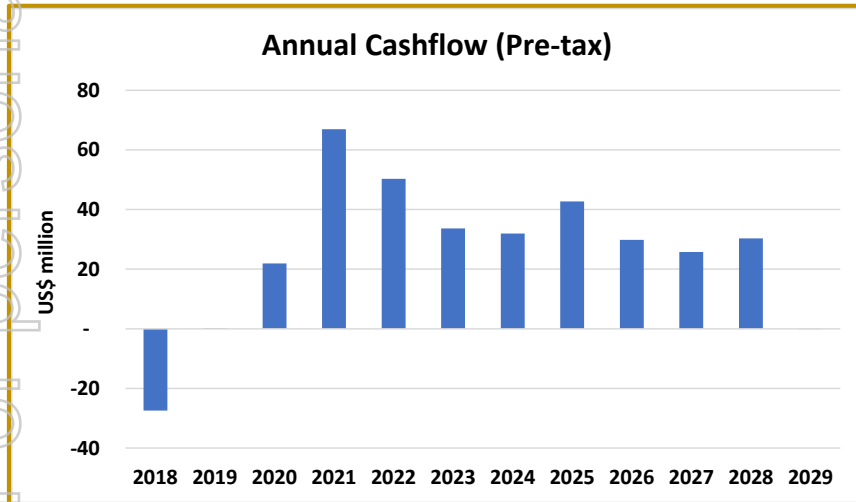
¹ Refer to ASX announcement 28 March, 2017. ² Refer to ASX announcement 28 February, 2017

³ Production target is based on Indicated & Inferred Resources. Insufficient work to define a Mineral Reserve at this stage. Average LOM production over 7yrs is 86koz. Confirmation of reserves will be conducted in accordance with JORC (2012).

TGME Project Economics



- **First Quartile Costs:** US\$624/oz AISC for TGME project, up to 100kozpa
- **Gross Life of Mine Cashflow of >US\$300m¹** at US\$1200/oz – *PFS underway to refine economics*
- Incrementally now **targeting sustainable 100kozpa production with upside**

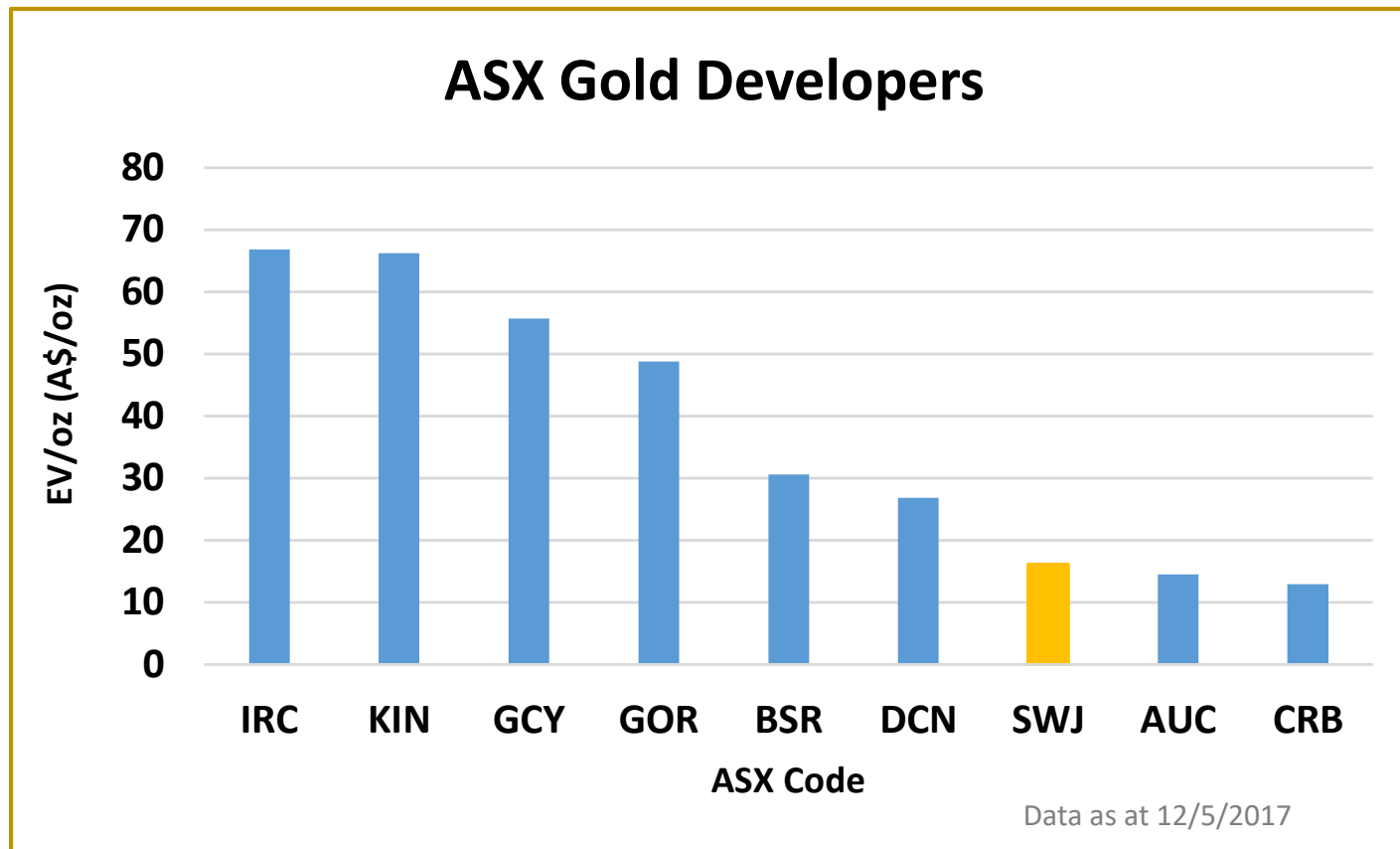


Peer Valuations



Gold development peers trade on average around A\$40/oz of resources

Target value uplift within two years upon production and cost confirmation through production



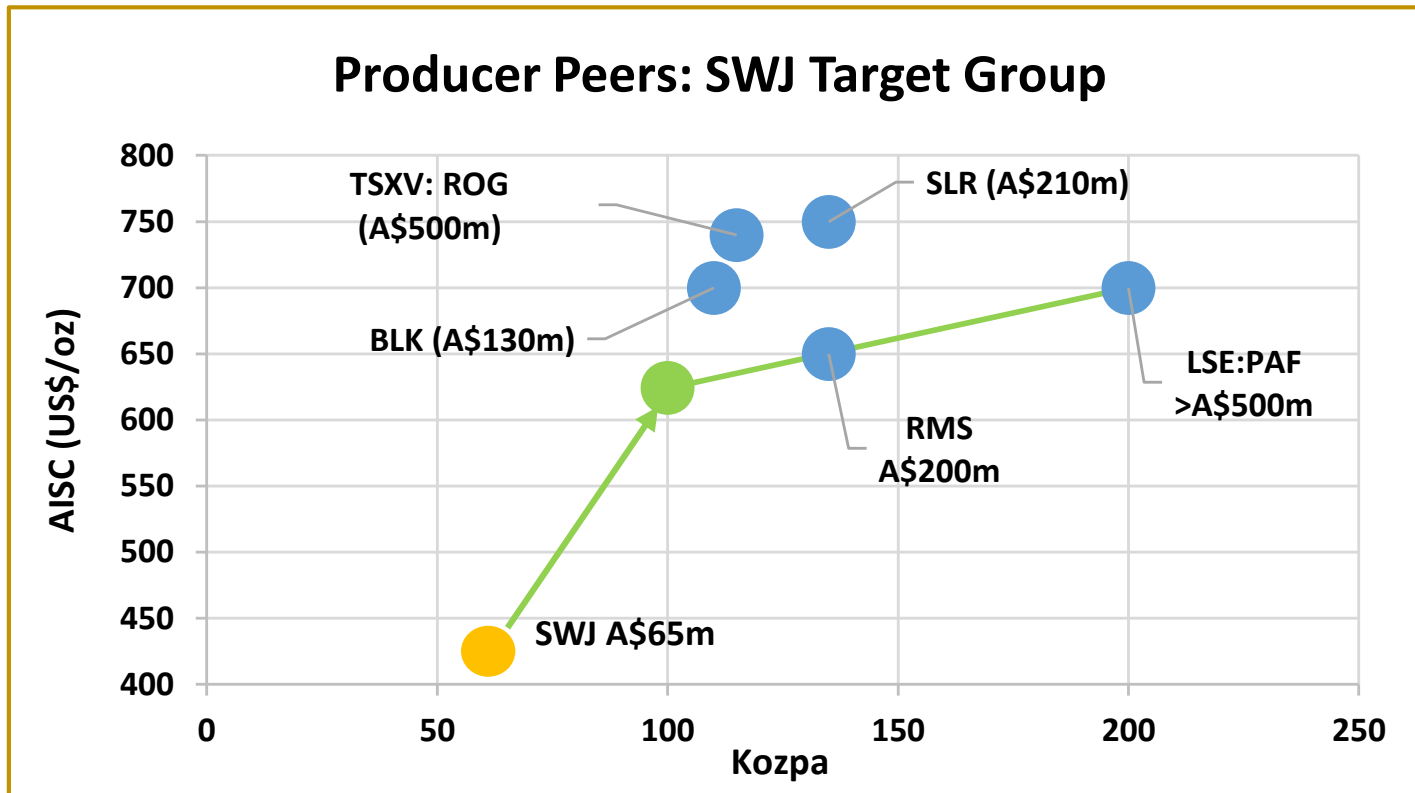
For personal use only.

Peer Valuations



Producers at 100kozpa or more typically have much higher EV's vs SWJ at A\$60m (typically >A\$200m)

African peers have EV's around A\$500m (Pan African, RoxGold)



* Approx. EV (A\$m), 12/5/17

TGME & Rietfontein: Key Project Differentiation



One of the highest grade projects in South Africa (11g/t Au)

Not deep, shaft mines (eg. many other SA projects)- *Higher capex & opex*

All mines shallow, adit-entry (existing development and infrastructure)

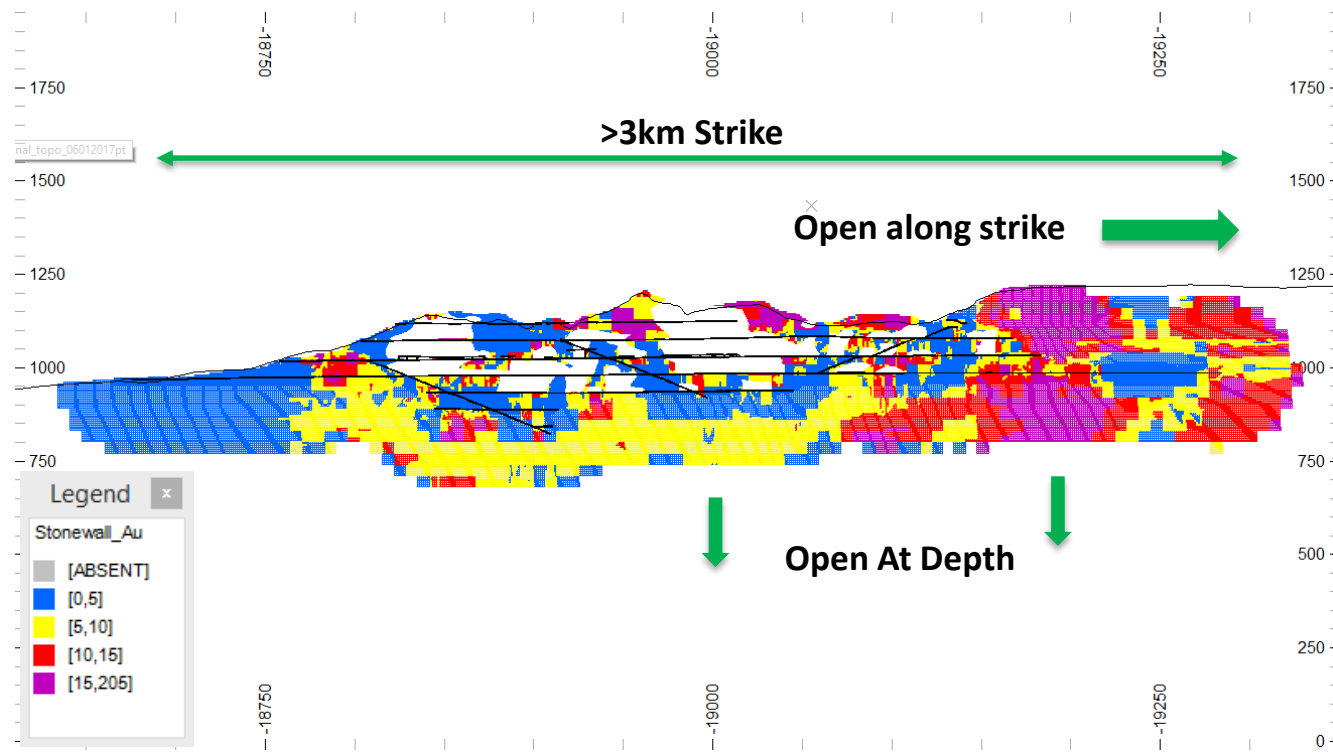
Existing CIL processing plant (to be upgraded initially to 440ktpa)

Low capital intensity (US\$29m peak drawdown for Rietfontein)

Target high return on equity capital (eg. Northern Star Resources)

Organic Growth: Brownfields projects, 43 historic mines in tenement areas

Rietfontein – JORC (2012) Mineral Resources



Note:

- Mineral Resources are reported at resource cut-off of 1.8g/t (230 cmg/t)
- 33% of the Inferred resources is below the last known data point
- Fault losses of 5% for Indicated and 10% for Inferred Mineral Resources were applied

Resource Classification	Stope Au	Reef Width	Stope width	Stope	Stope Tonnes	Au Content	
	g/t	cm	cm	cm.gt	Mt	kg	koz
Measured	-	-	-	-	-	-	-
Indicated	10.1	76	111	1,113	0.72	7,247	233
Total Measured and Indicated	10.1	76	111	1,113	0.72	7,247	233
Inferred	11.4	108	132	1,502	1.834	20,901	672
Total	11.1				2.554	28,148	905

Note: * Please refer to Page 2/3, and see ASX Announcement 28/3/2017 for the latest Mineral Resource Statements

For personal use only

Rietfontein: How Globally Significant is it?



For personal use only

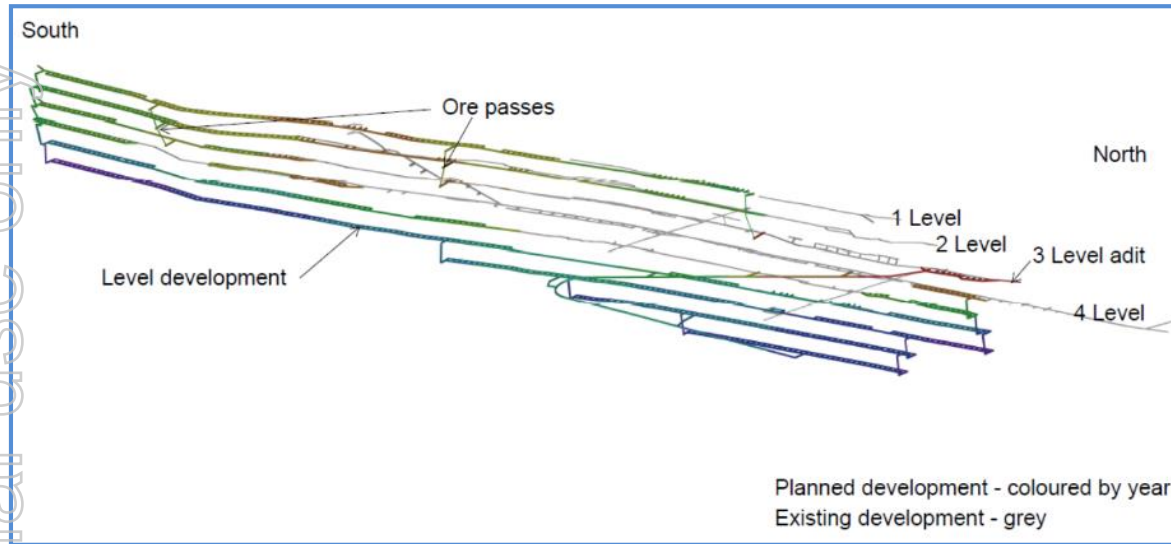
- High grade (>10g/t Au), >1moz deposits are rare globally (14 in production, 26 projects¹)
- **The high-grade club include some cornerstone mines of the majors with multi-billion dollar price tags:**
 - Cerro Negro, Goldcorp (11g/t Au); Gosowong, Newcrest (13g/t Au)
 - Cerro Negro taken over by Goldcorp in 2010 for US\$3.4bn² (or US\$9300/oz of annual production or US\$944/oz resources)
 - Gosowong 2012 valuation of US\$2.1b³ (or US\$10,000/oz annual production currently, or US\$861/oz resources at the time)
- Early days with Rietfontein,
 - Significant resource exploration potential
 - Future potential to increase production being examined
 - As a comparison, a value on Rietfontein of say, US\$5,000/oz of annual production would be US\$300m at 60kozpa, and US\$400m at 80kozpa.

¹ <http://www.visualcapitalist.com/global-gold-mines-deposits-ranking-2012/>

² Refer to Media announcement 3 September, 2010

³ 2012 divestment of 7.5% for US\$160m valued the project at US\$2.1bn

Rietfontein: Target High Grade first



Mining ceased around 1945

Narrow granite-hosted shear zone (unusual for SA)

Normal shrinkage stoping (with fill)

Dual (north-south) adit entrance may enhance production levels

- **Stope grades up to 16g/t Au in preliminary schedule**

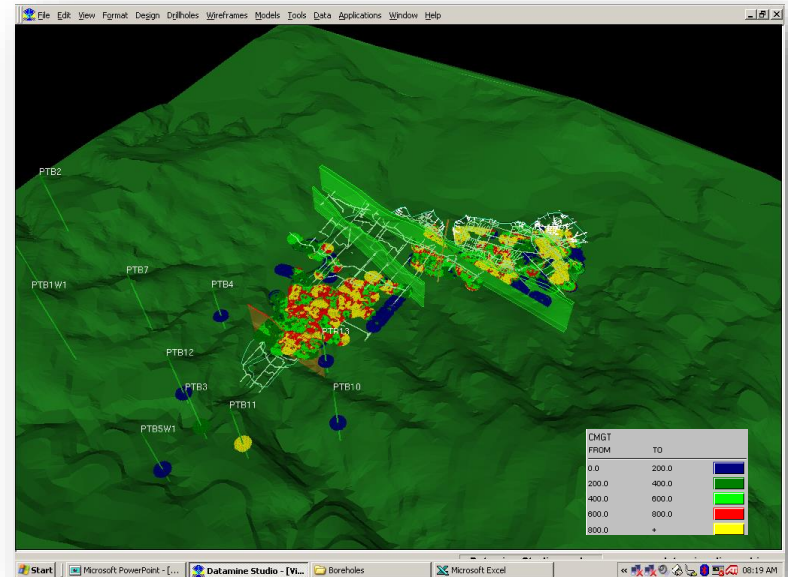
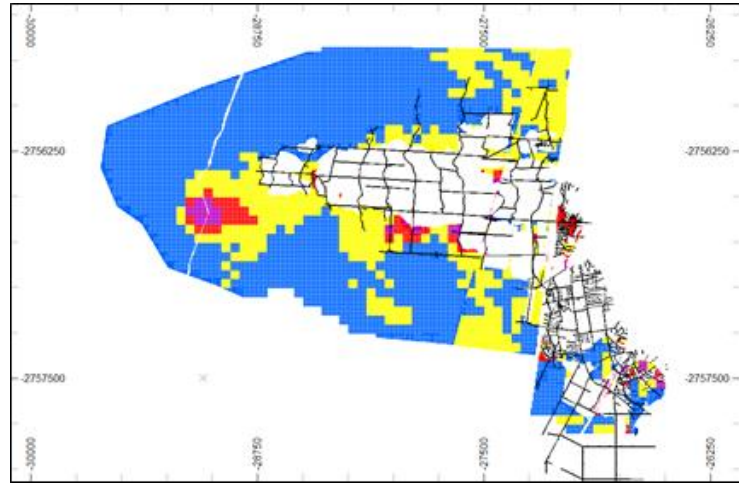
- **9000m drilling program planned to commence in June**
- **Focus on area of 10-15g/t Au average grades**
- **Refurbishment of UG adit to enable metallurgical testwork from face to start shortly**
- **UG contractors mobilising**

Beta Mine: Another 1.0Moz



For personal use only

- Upgraded JORC resource just announced of **4.7Mt @ 6.6g/t Au for 1.0Moz** (48% indicated, 52% inferred)
- **Scoping Study illustrates potential C1 cash cost of US\$643/oz**
- Focus on higher grade areas initially (>9g/t Au)
- PFS work on mine scheduling, drilling and met. work underway
- Second mining centre along with Rietfontein
- Within 2.5km of processing plant by road, so provides base load feed

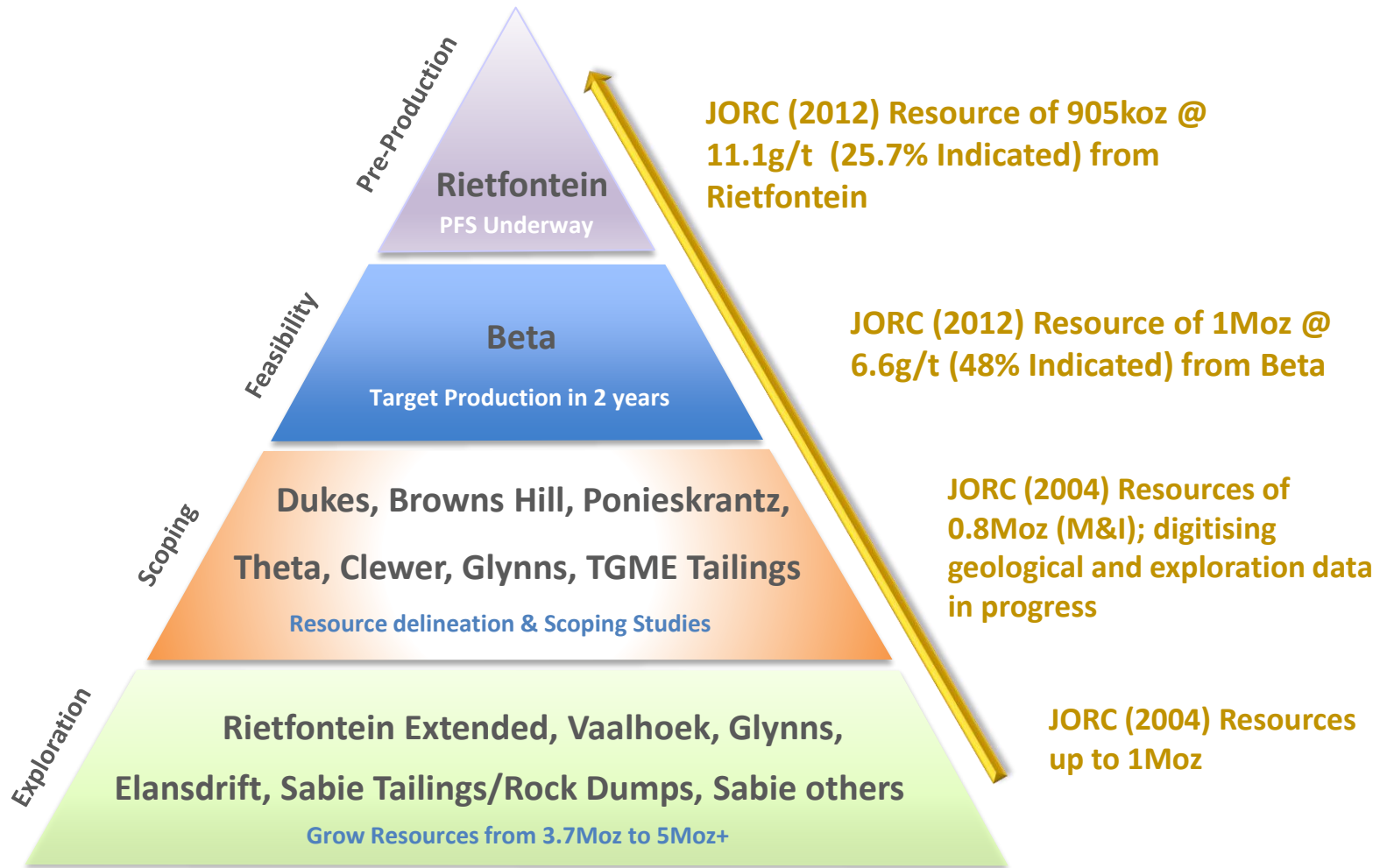


Diagrams: Sourced from Minxcon, 2017
For Beta resource – Refer to Appendix and
ASX released dated 28/03/2017

TGME Project Portfolio - Project Pipeline



For personal use only





SWJ

Thank You

www.stonewallresources.com.au



Rob Thomson

Managing Director - SWJ

Mobile: +61 409 843 963

info@stonewallresources.com

For personal use only



Rietfontein Resource



Rietfontein Resource Estimate (Refer to ASX release dated 7 February 2017)

For personal use only

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	10.06	76	111	1,113	0.720	7,247	233	10.06
Total Measured and Indicated	10.06	76	111	1,113	0.720	7,247	233	10.06
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	11.40	108	132	1,502	1.834	20,901	672	11.40

Note:

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

Note: * Refer to Competent Person Statement on p2.

Beta Resource



Beta Resource Estimate (Refer to ASX release dated 28 March 2017)

For personal use only

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

Note:

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

Note: * Refer to Competent Person Statement on p2.

Group Resources: 3.7Moz and growing



Mineral Resource Category	Type of Operation	Tonnage	Gold Grade	Gold Content	
		Mt	g/t	kg	koz
Measured	UG*	0.17	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	938.6
Inferred	UG*	13.730	5.55	76,253	2,451.7
	Surface	0.801	0.8	642	20.7
	Tailings	2.124	3.06	6,503	209
	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		16.926	4.94	83,700	2,691.10
Grand Total		26.66	4.34	115,715	3,720.40

Note:

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 Mineral Resource estimation for Rietfontein and Beta Mine*
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.*

Note: * Refer to Competent Person Statement on p2.

Approvals Process



For personal use only

Mine	Description	Date Required	Status	Expected Timeframe
Rietfontein Hard Rock	Mining Right	Jun 18	✓	Complete
	Environmental approval	Jun 18		Complete
	Water User Licence	Jun 18		Complete
	Social and labour plan	Jun 18		Complete
	Mine Works Programme	Jun 18		Complete
	Ore Transport to TGME	Jun 18		Jun 17
Beta Hard Rock	Mining Right conversion for North	Jun 18		Dec 17
	Environmental approval	Jun 18		Dec 17
	Water User Licence	Jun 18		North Dec'17
	Social and labour plan	Jun 18		Complete
	Mine Works Programme	Jun 18		Dec 17
	Ore Transport to TGME	Jun 18		Complete

¹ Final production ounces subject to planned PMR resource delineation program and project study upgrade

Approvals in Place



Mine	Description	Date Required	Status	Timeframe
TGME Plant	Environmental approval	Jan 18	✓	Complete
	Water User Licence	Jan 18		Complete
	Social and labour plan	Jan 18		Complete
	Expansion to Tailings dam	Jan 21		Dec 18

For personal use only

¹ Final production ounces subject to planned PMR resource delineation program and project study upgrade

Geology Overview



- **Pilgrim's Rest** is the oldest goldmining district in Transvaal
- **Late Archean to early Proterozoic age:** Similar to other major global goldfields
- **15km thick sequence** of low grade clastic metamorphic and sedimentary rocks, multiple reef horizons (see map following)- No shortage of gold
- **Bushveld intrusion** (2 GA) believed to contribute to gold mineralisation
- Typical flat-dipping gold reefs deposited in a sedimentary basin (Transvaal basin), with hydrothermal influence
- Carbonaceous sediments and carbonate-quartz-pyrite mineralogy typical
- **Rietfontein is unusual** – A quartz vein in a granite shear zone - subvertical:
 - Vein has been **traced for over 16 km on strike and mined for 3 km** along its strike length.
 - Sulphide material with a fair amount of free gold (gravity of >30% expected). Not mined since the 1940's and now 'rediscovered'

¹ A.R Metz ,2015. A Geochemical study of the Theta Reef, Frankfort mining complex Sabie-Pilgrims's Rest Goldfield, SA. M.Sc. KwaZulu-Natal University, Durban.

Building Up the Technical and Development Team



Key Personnel	Position	Expertise and Role
Robert Thomson	Managing Director Stonewall Resources - Australian, Sydney	35+ years Mining Engineer & Director. Development/Operations as CEO/Exec Director/Project Manager in 8 gold and base metal projects progressed through exploration, BFS , approvals, financing, construction and delivery to operations. Commenced career in underground gold mining in Southern Africa. Successful Project Director/GM – Chatree and Sepon Stage 1, 125,000+ ozpa goldmines.
George Jenkins	Chief Executive Officer Stonewall Mining – South African	26 Years Mining Industry Experience. 22 Years Extraction Metallurgist. 19 Years in various hands-on management and executive roles in South Africa and Australia.
Chin Haw Lim	Chief Financial Officer – Sydney, Australia	Chartered Accountant with many years mining industry experience. Has worked in various ASX-listed companies as CFO/Financial Controller and Company Secretary in areas of financing, development and operation.
Johan Fourie	Environmental & Strategic Planning Stonewall Mining – South African	40 years of mining industry experience. Has managed the successful completion of approvals for the Stonewall redevelopment plans.
Hanlie Grobler	Finance & Administration Stonewall Mining – South African	30 years Financial Management experience including 7 years as CFO and Financial Director of Multi National as well as 7 years mining.
Elane Botha	Legal, Environmental Compliance Stonewall Mining – South African	Qualifications in Law and Environmental Management, over 14 years experience and joined SWJ in 2013 and works with Johan on permitting.
Minxcon	Group Resource Geologists - Johannesburg H/Q	Consultants – Leading South African group. Know intimately all of the Stonewall resources and mines.
Bara	Group Mining Engineers - Johannesburg H/Q	Consultants - Leading South African group. Mining studies, due diligence, detailed design and operational support to the mining industry world-wide.
Adrian Singh & Robbie Murray	Group Metallurgical Consultants- --- Johannesburg based	Consultants. Both have worked on TGME and are at the forefront of metallurgical performance optimization in the South African gold industry.