

6 September, 2017

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

## ASX ANNOUNCEMENT

### PROJECT BENTLEY

**Stonewall Resources Limited (ASX: SWJ) (“Company”)** is pleased to announce the preliminary results of data compilation and modelling undertaken to investigate a high grade, multiple-level gold reef system as part of ‘Project Bentley’ at the Company’s TGME Project in South Africa. Project Bentley was an exploration programme first initiated by Rand Mines in the 1990’s to delineate additional ore to feed the main TGME processing plant.

Many of the horizontal gold reefs are stacked vertically one above the other and multiple flat reefs illustrate potential to be accessed via low-cost, open cut mining.

Two areas are of primary focus at present – the Theta Hill area which is the basis of this announcement and the Columbia Hill area, work on which is ongoing. The focus of this study is to identify potential open cut mining opportunities. There are other areas also being identified along the 80 km breadth of this large gold district, as part of Project Bentley.

- **At Theta Hill, an Exploration Target of 3.4Mt to 5.6Mt has been established, including the Lower Theta seam with a target of 1.0Mt to 1.7Mt at 16.6g/t to 26.6g/t Au**
- **A drilling program at Theta Hill to confirm the grade and tonnage within the multiple-level gold reef system is planned, subject to funding, with the aim of establishing a resource base for potential open cut mining operations**

#### Cautionary Statement

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 hence there is no certainty that planned exploration will result in the estimation of a Mineral Resource.

The Theta Hill area is adjacent to the TGME CIL processing plant at Pilgrim’s Rest, and has been the focus of mostly underground mining up until the 1950’s, with the last mining in 1956 focused on open cut. The work undertaken to date by SWJ has involved modelling of historical drilling and sampling data which, subject to funding, SWJ plans to follow up shortly with drilling with the aim of establishing a Mineral Resource.

Mr Robert Thomson, Managing Director of Stonewall Resources commented, “Project Bentley is named after Mr Phil Bentley, a geologist who worked at TGME with Rand Mines in the 1980’s and 1990’s and conducted a lot of the preliminary sampling work which has led to prioritisation of the area for exploration, with the aim to delineate additional ore to feed the TGME processing plant. Mr Bentley is still consulting today. Despite 130 years of mining operations in the Pilgrim’s Rest and Sabie area, never before has the mostly paper records and data been integrated into a comprehensive 3D computer model.

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In many cases we are finding physical plans, some dating back to the 1890's, containing a wealth of information about past mining activities that we previously didn't know existed."

Mr Thomson commented further, "As a mining engineer I have learnt that where you often find your next mine – is where you found your first mine, and this is the driving force behind Project Bentley. This work is complementary to our plans to develop the historical high-grade underground mines at Rietfontein and Beta which remains the focus of the Company as we progress towards restarting gold mining operations through a refurbishment and upgrade to the TGME processing plant at Pilgrims Rest."

Subject to securing funding, the Company intends to commence drilling at the Theta Hill area in coming weeks (and later Columbia Hill) along with a continuation of the data compilation work on surrounding areas in close proximity to the TGME processing facility. This work is being carried out to identify areas of higher grade for potential open-pit mining, with the view to growing the Mineral Resource base.

**Competent Person Statement**

*The information in this report that relates to the exploration targets is based on work completed by Mr Uwe Engelmann (BSc (Zoo. & Bot.), BSc Hons (Geol.), Pr.Sci.Nat. No. 400058/08, MGSSA), a director of Minxcon (Pty) Ltd and a member of the South African Council for Natural Scientific Professions, and is based on, and fairly represents, information and supporting documentation prepared by Mr Engelmann. The potential exploration target ranges are conceptual in nature and there is insufficient exploration data to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. Mr Engelmann has consented to the inclusion of the information in this report in the form and context in which it appears.*

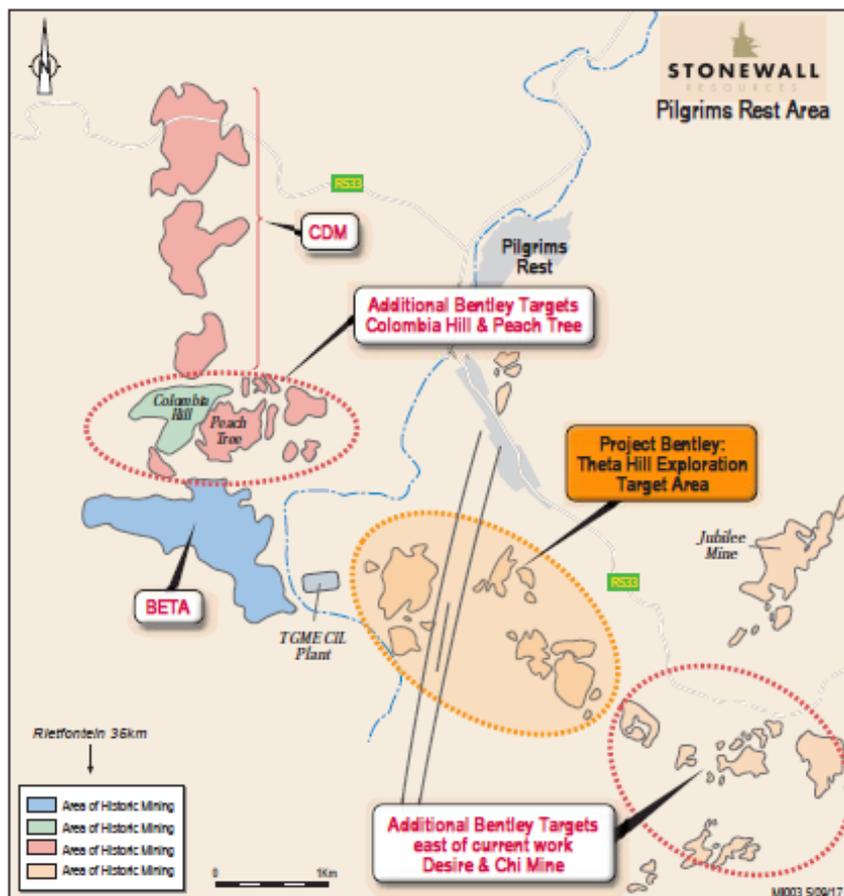


Figure 1) Location of Project Bentley showing Theta Hill Exploration Target\*

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## BACKGROUND

The Project Bentley program begun in December 2016 initiated by new SWJ management under MD Robert Thomson. This work is ongoing in conjunction with our South African staff, led by CEO and Metallurgist George Jenkins, working with the Company's geological consultants, Minxcon. SWJ has also engaged with past geological leaders of forerunner companies, including Rand Mines and Simmers & Jack.

This work was accelerated over the last four months, resulting in new exploration target areas being identified within historical underground and open cut mining areas adjacent to the TGME processing plant.

Similar work on the Columbia Hill area to the immediate north of the TGME plant has recently commenced. Historically this was an area of very high grade underground mining (over 100g/t Au in places) with some open-cut mining last undertaken in the 1950's.

With SWJ's in-house management team at Pilgrim's Rest and independent consultants Minxcon, SWJ continues to process historical data contained in the paper records from mining in the Pilgrim's Rest and Sabie areas over the last 130 years (the TGME operations were incorporated in 1895, and mining in the area since the 1870's).

The focus of this work is to take this historical information and for the first time, integrate the multitude of separate old mines, prospects and exploration information into a combined computer geological database and 3D model.

For the Theta Hill work, 538 historical drill holes were digitally captured, with 33 mine plans and 13 assay plans captured using ArcGIS 10. A total of 1,511 sample points on the Beta reef horizon were captured and 7,485 sample points on the Lower Theta reef horizon.

The completed work increased SWJ's geological understanding of the areas and created the opportunity for identifying and establishing new shallow, high grade targets for planned drilling in coming months.

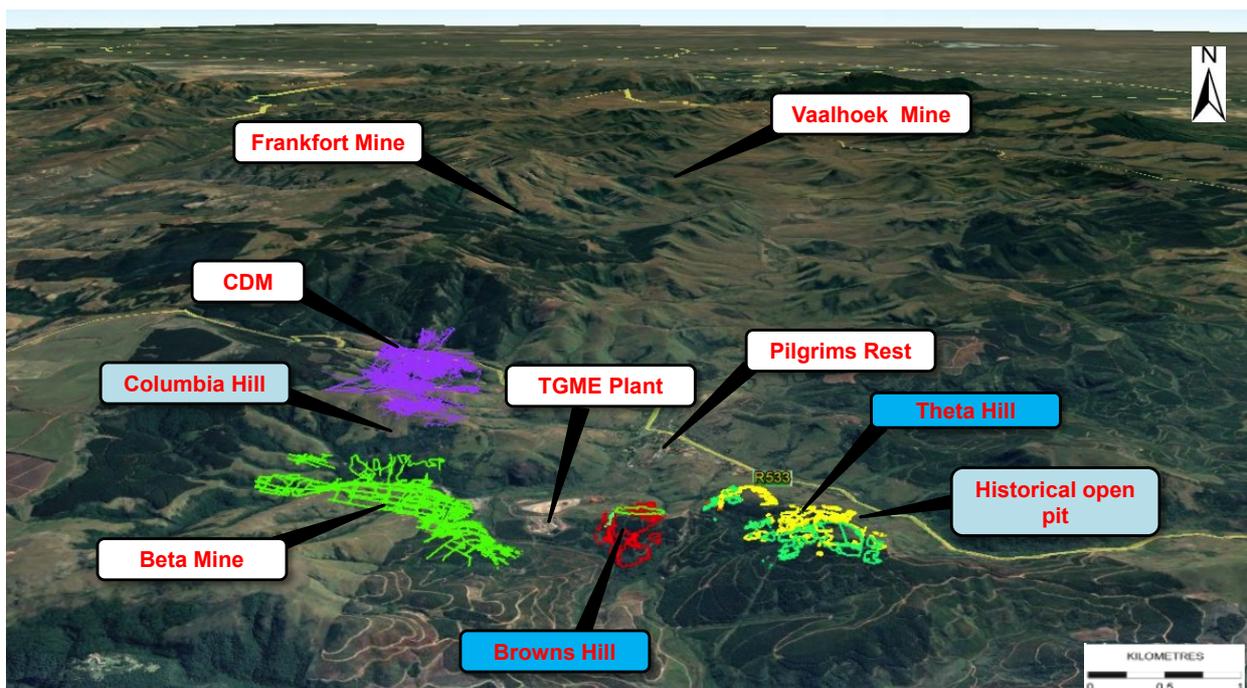


Figure 2) Location of Theta Hill Exploration Target with areas of historic workings shown in colours. Source: Minxcon.

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**THETA HILL MINES**

Compilation and digitisation of previous samples (including drilling, face sampling, historical mining records) in Datamine Studio™ software has resulted in the establishment of a new **Exploration Target\* of 3.4Mt to 5.6Mt** as shown in the table below, including the Lower Theta seam with **1.0Mt to 1.7Mt at 16.6g/t to 26.6g/t Au**. As stated in the Cautionary Statement, the potential quantity and grade of the exploration target referred to is conceptual in nature, and there has been insufficient exploration conducted to estimate a Mineral Resource hence there is no certainty that planned exploration work will result in the estimation of a Mineral Resource. This target includes Browns Hill and Theta Hill, as shown in Figures 2 & 3.

The majority of ounces in the Exploration Target are located in the Lower Theta reef. Historically, the Theta Hill Mine was reportedly the highest grade underground gold mine in the world at one time, with an average head grade of 60g/t Au. In addition to the Beta and Lower Theta reefs, there are three other seams in the sequence including Bevetts, Upper Theta, and below the Beta reef, the Portuguese Reef. These reefs do not yet have Exploration Targets reported due to the insufficiency of data, however will be assessed as part of the planned exploration program.

Based on the shallow average depth of cover of 45m (to the base of the Lower Theta seam), SWJ intends to investigate Theta Hill for both open cut and underground potential.

**Table 1) Theta Hill Exploration Target\***

Reef	Ave. Reef Width (cm)	Min. tonnes (Mt)	Max. tonnes (Mt)	Min. reef grade (g/t)	Max. reef grade (g/t)
Beta	43	2.4	3.9	1.9	3.2
Lower Theta	40	1.0	1.7	16.6	26.6

\*Refer to Cautionary Statement

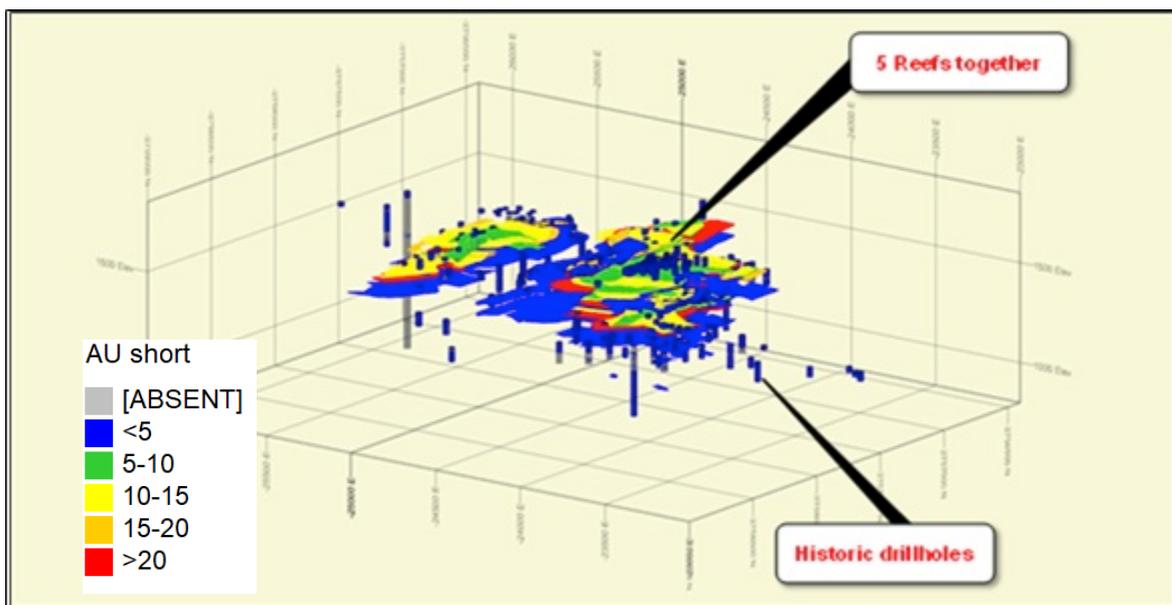


Figure 3) Theta (& Browns) Hill Exploration Target with the 5 reefs identified shown. Source: Minxcon.

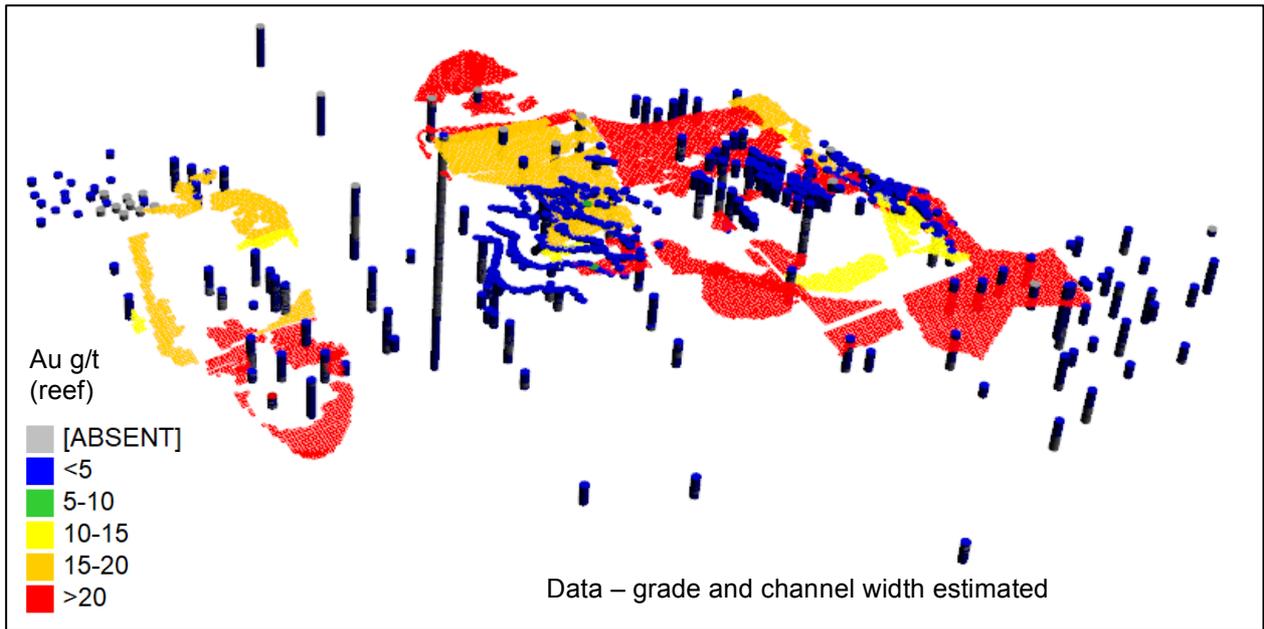


Figure 4) Lower Theta seam showing data points & past drilling and historic workings (white areas). Source: Minxcon.

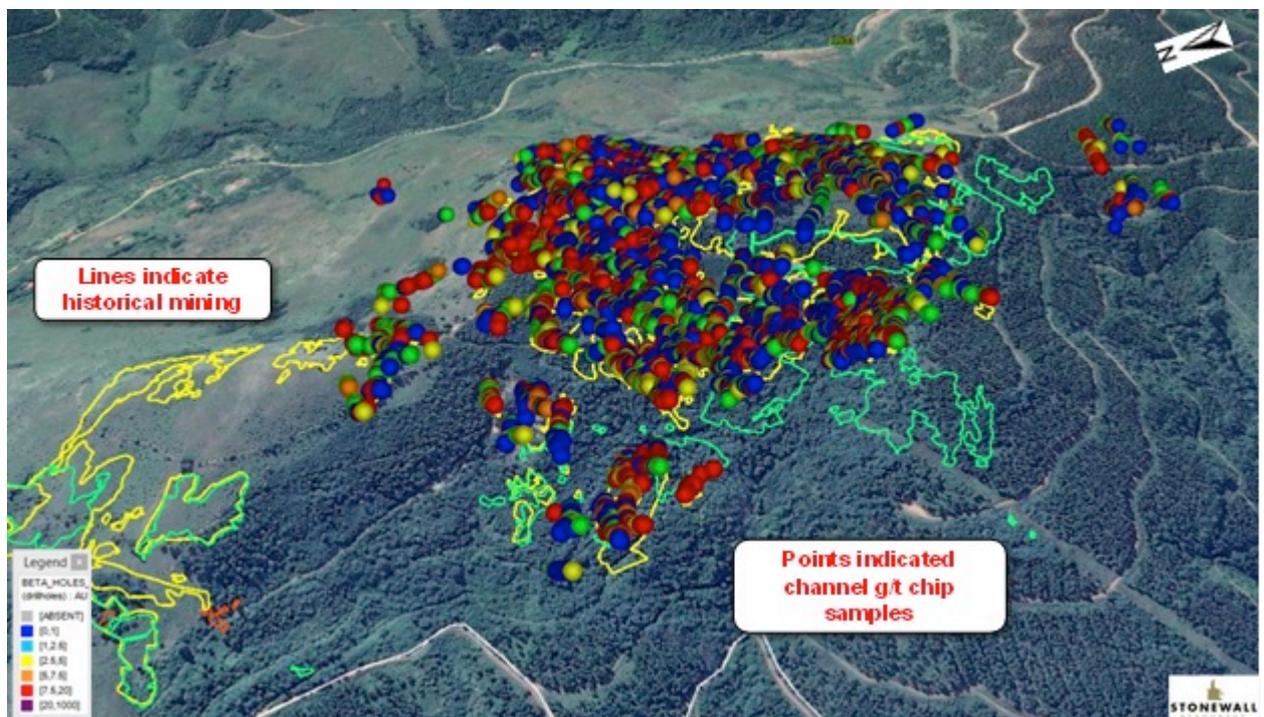


Figure 5) Lower Theta seam showing data points and past underground workings (draped over the topography). Source: Minxcon.

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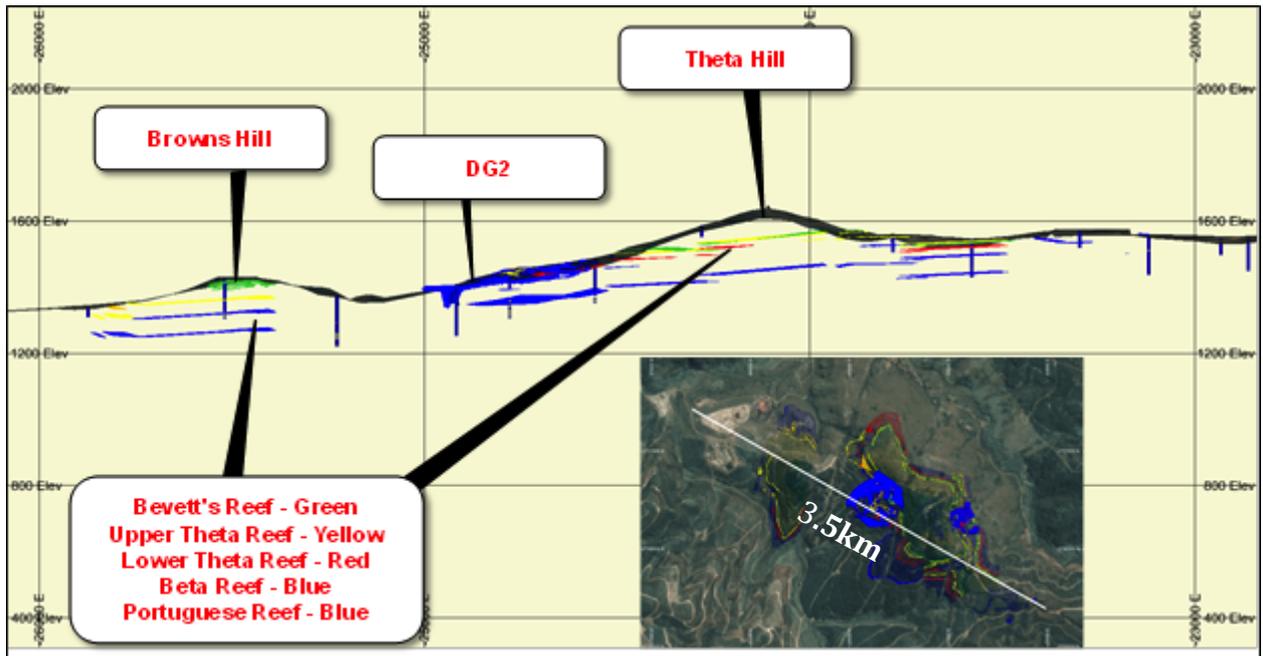


Figure 6) Oblique section of reefs and topography. Source: Minxcon

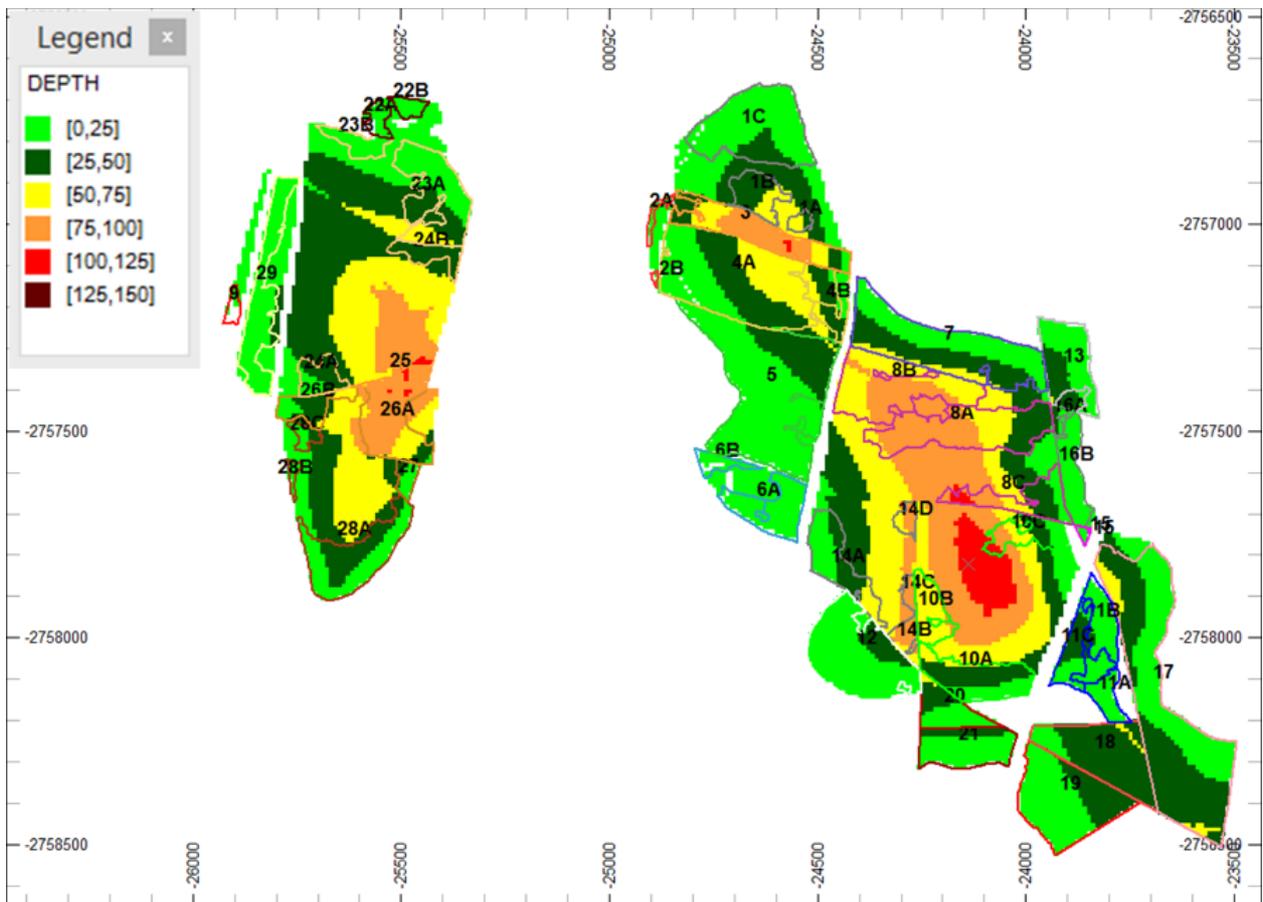


Figure 7) Lower Theta seam showing depth of cover to base of seam. Source: Minxcon.

## **THETA HILL MINES (continued)**

The majority of data points used to establish the Exploration Target relate to historical chip sampling on the remnant reef faces, generated on a 3m to 6m spacing. The assay data was still in penny weights and inches which were then converted to grams per tonne and centimetres.

The grade and tonnage is presented as a range – a minimum and maximum estimate. This range is based on a variance of 25% on either side of the mean grade and calculated block tonnage. No geological loss has been applied to these ranges.

As noted there are additional gold-bearing reefs identified within the Theta Hill stratigraphy including Bevetts and Upper Theta, and the Portuguese reef (below Beta). No Exploration Target has been calculated for these reefs to date due to insufficient data availability.

Previous attempts at open cut mining as recent as 1956 were unsuccessful at Theta Hill, reportedly due to inappropriate equipment selection and lack of capital investment.

### **Work Plan**

SWJ intends to commence exploration of the Theta Hill and Columbia Hill areas in coming weeks (subject to funding) along with a continuation of the data compilation work on surrounding areas in close proximity to the TGME processing facility.

Work planned to be conducted over coming months includes:

- Ground truthing of data points modelled, including location and elevation of sub-crop
- Investigation into the re-opening of old adits identified at Theta Hill
- Underground face sampling
- Diamond drilling
- Metallurgical testwork

Initial estimates are that approximately 135 diamond drill holes (7,155 m) will be required based on a 50m x 50m grid. This drilling will however be implemented in phases – starting with a 100m x 100m grid. In addition to this, 1,700m of underground sampling is also planned once access to the historical workings is gained. This sampling will focus on the higher grade target areas and covers the Lower Theta and Beta reefs.

The timeline and progression of this work will be subject to available funding, thus a detailed timeline for this Phase 2 of work is not available, however the Phase 1 assessment and field work is expected to be conducted within coming months. The intention of this work will be to identify areas of higher grade for potential open cut or underground mining, with the view to establishing a Mineral Resource.

## **COLUMBIA HILL MINES PROJECT**

Work is also underway to evaluate the Columbia Hill target, adjacent to the TGME processing plant (Figures 1 and 2). Preliminary data compilation has begun in conjunction with Minxcon.

Historical grades at this location were also high, with grades of 105g/t Au over 109cm face width (height) reported from face sampling undertaken in the 1980's (Bentley, 1992). Assessment of this area is also a priority for the Company with exploration work due to commence in coming weeks in conjunction with Theta Hill.

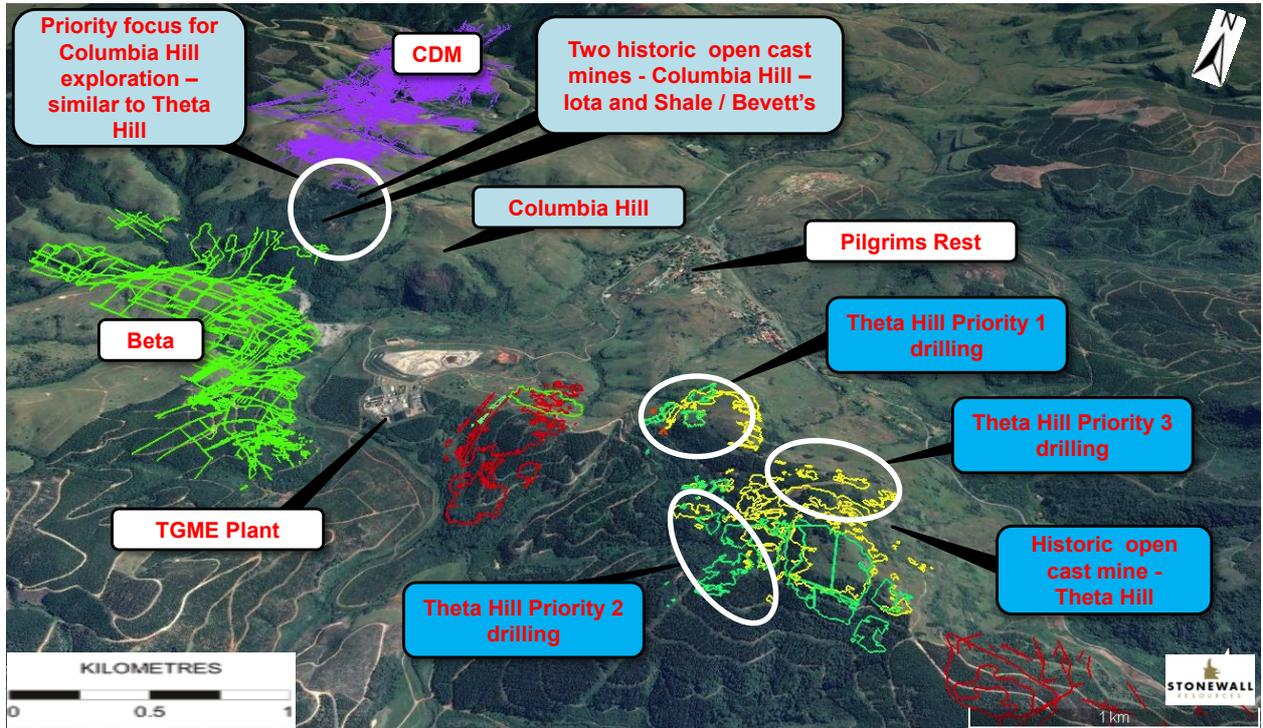


Figure 8) Priority drilling targets. Source: Minxcon

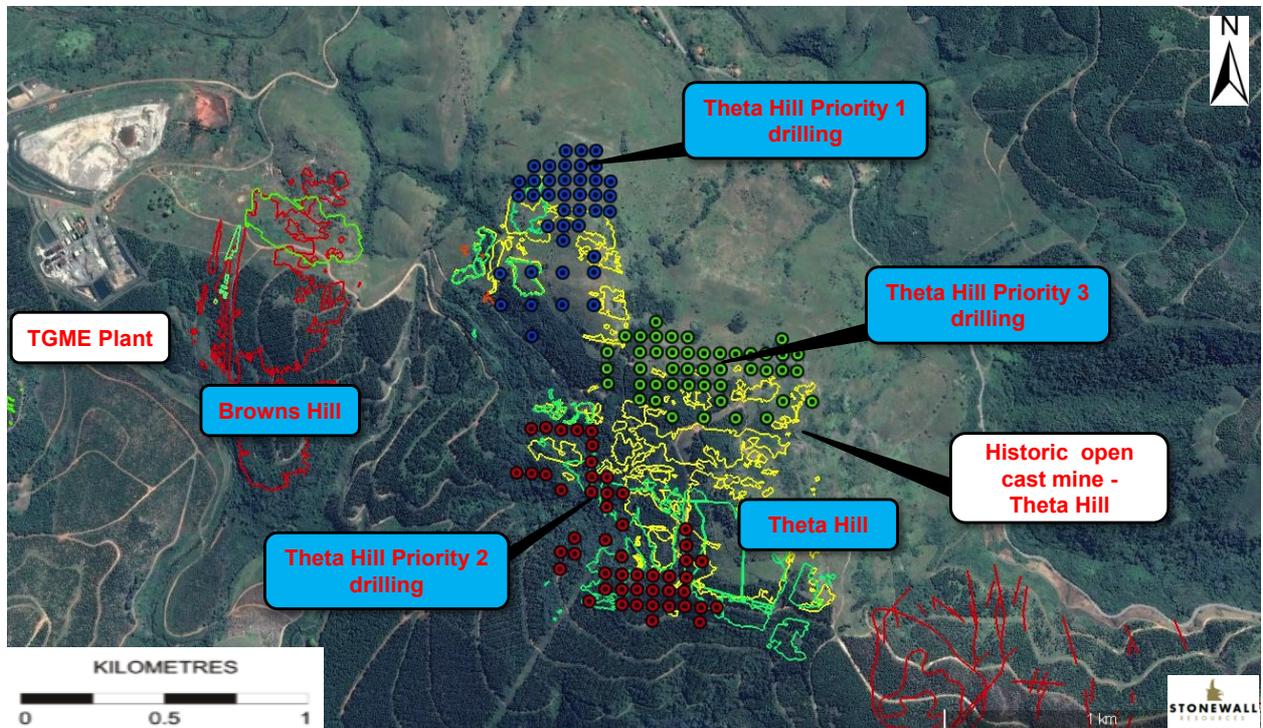


Figure 9) Plan view of priority drilling on Theta Hill. Source: Minxcon

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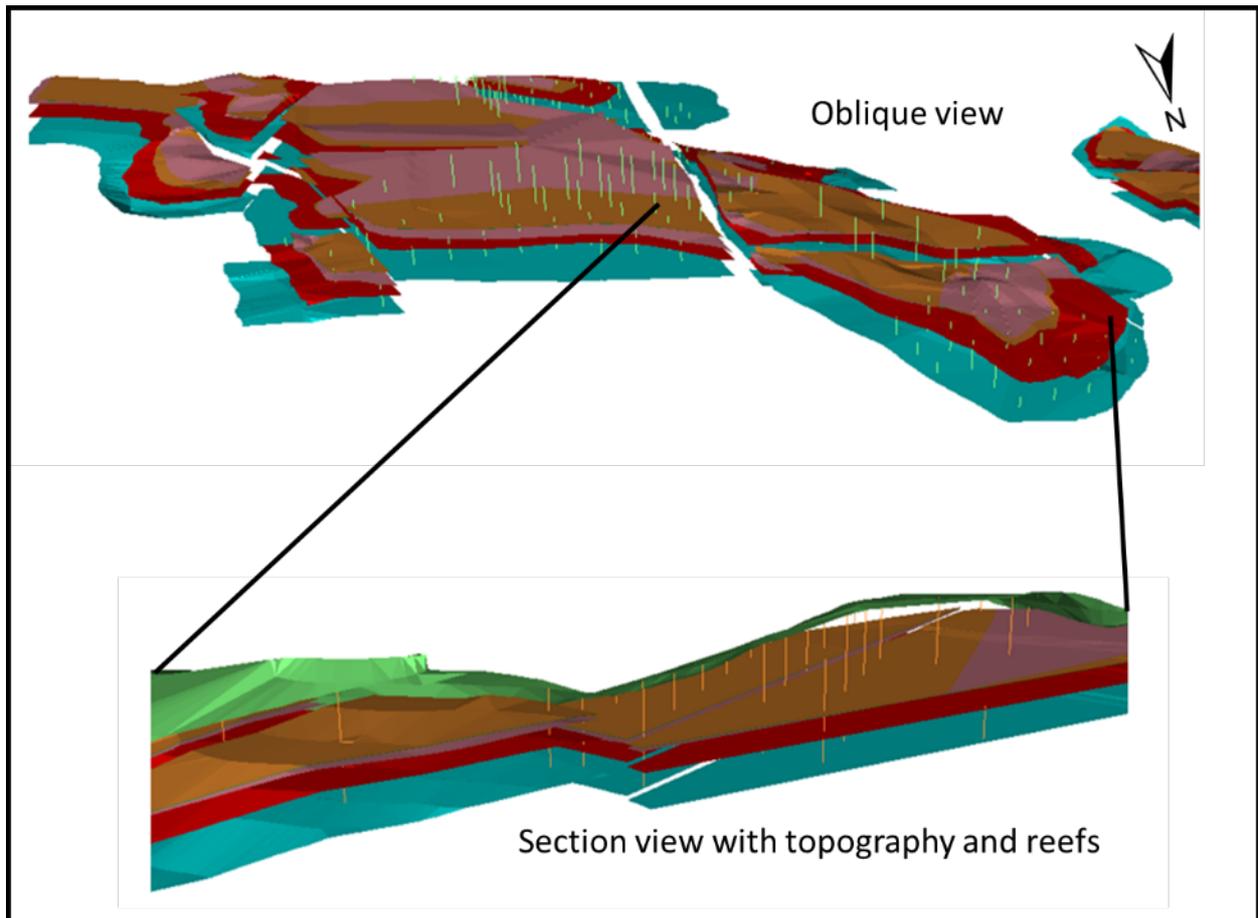


Figure 10) Section of the Theta Hill with planned drilling. Source: Minxcon

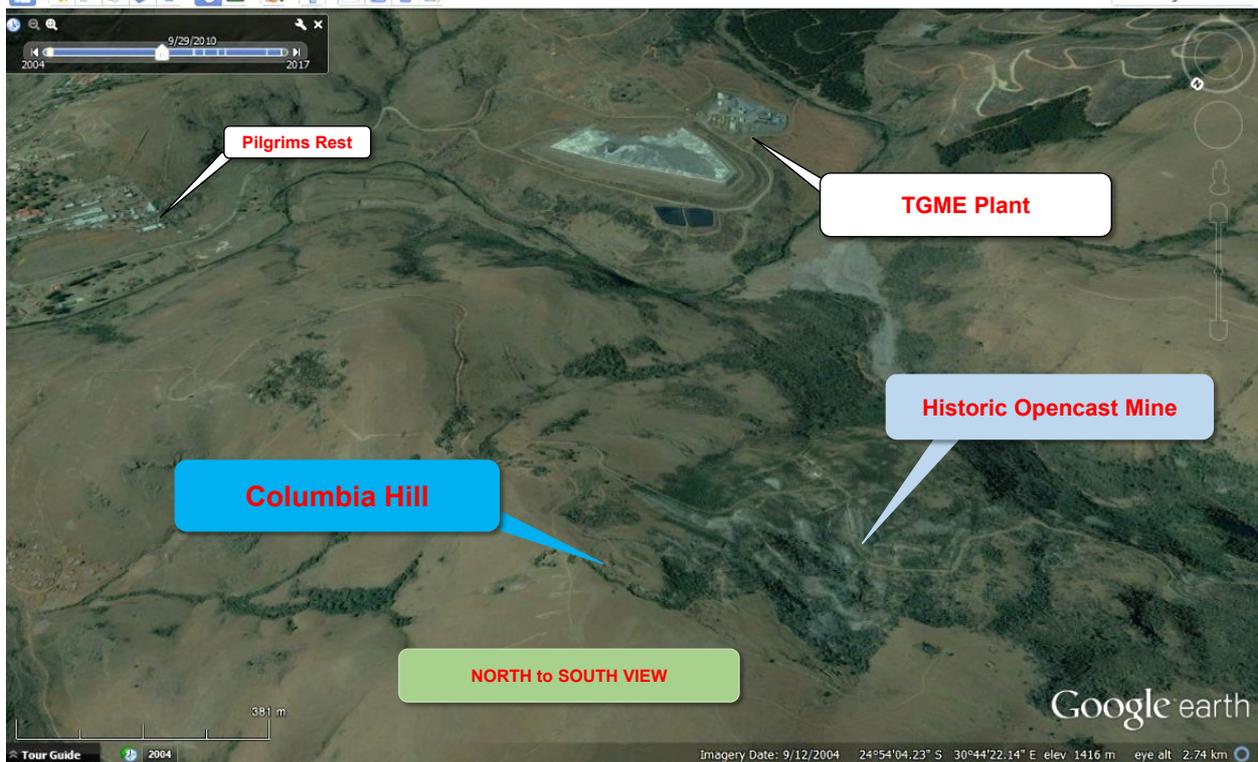


Figure 11) Aerial view of Columbia Hill showing location of TGME plant site. Source: Google.

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Figure 12) Historical adit at Columbia Hill (opened up in 2009/10)



Figure 13) Historical adit West 12 at Theta Hill

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Figure 14) Historical adit 37a at Theta Hill

#### **ABOUT STONEWALL RESOURCES LIMITED**

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

SWJ's core project is TGME, located next to the historic 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.

Please visit our website: [www.stonewallresources.com](http://www.stonewallresources.com)

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Table 1: JORC Checklist - Table 1 Assessment and Reporting Criteria

SECTION 1: SAMPLING TECHNIQUES AND DATA		
Criteria	Explanation	Detail
Sampling techniques	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.	<p>Three types of sampling are applicable to the Bentley Project, namely a) channel chip sampling, b) historical Resource plan Block Values and c) drillhole sampling.</p> <p>All chip sample values were captured as 'pennyweights' (dwt) (pre-1956). The quality of the chip samples could not be ascertained due to the historical nature thereof. A total of 8,996 chip samples were captured off original assay sheets, of which 1,511 were sampled on the Beta Reef and 7,485 were taken on the Lower Theta Reef.</p> <p>In areas where historical chip sampling data was not available, but historical Resource block plans were available, these values were captured, but account for a small percentage of the dataset. A total of 28 block values were captured, of which eight occur on the Beta Reef and 20 on the occur on the Lower Theta Reef.</p> <p>A total of 538 historical drillholes were drilled within the area of the Bentley Project, inclusive of 37 wedges or deflections between 1986 and 2008 (there is geological data for 536 drillholes). A total of 79 Bevet's Reef, 23 Upper Theta, 76 Lower Theta, 64 Beta and 24 Portuguese Reef intercepts were interpreted from the drillhole dataset. Historical QAQC data is not available for the historical drillholes in question.</p>
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	<p>Chip samples were taken normal to the reef dip and calculated to give a composited value for a true reef thickness.</p> <p>All values were converted using factors of 2.54 cm for 1 inch and 1,55517 g/t for 1 dwt. The older underground sampling took place at approximately 6 m spacing along on-reef development, whilst in stoping areas a grid spacing of an approximate 5 m by 5 m grid was attempted, which is a historical grid (pre-1946). This grid was put in place due to the nugget effect of the reef. The minimum size of the samples was 20 cm to obtain a minimum weight of 500 g.</p>
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	<p>Samples presented in the database represent full reef composites for both diamond drilling as well as chip sampling. The historical nature of the data and the high grades encountered implies the use of fire assay as an assay technique. Sample preparation and aspects regarding sample submission for assay are not known due to the historical nature of the sampling data.</p>
Drilling techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type,	Drilling was conducted in the form of diamond drilling, percussion or Reverse Circulation. Information regarding drilling diameter, drill tube type and core orientation is not available or discernible for the earlier as the core is no longer available for the majority of the holes. Details pertaining to core orientation are not available.

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SECTION 1: SAMPLING TECHNIQUES AND DATA		
Criteria	Explanation	Detail
	whether core is oriented and if so, by what method, etc.).	
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	Information regarding the drilling recoveries is not available. No records exist as to how the sample recoveries were assessed.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Owing to the historical nature of the data in question (prior to 2008), measures taken to maximise sample recovery and ensure the representative nature of the samples are not known.  In order to ensure the representative nature of the drilled intersections and due to the dip of the reef being very shallow at around 3° to 9° to the west, drillholes were drilled vertically in order to obtain an intersection as close to normal as possible.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Sample recovery versus grade was not assessed. A twin drilling campaign would assist in ascertaining this relationship in future.
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	Geological visual summary drillhole logs are available for some 98 drillholes for the surface drilling on the Bentley Project. In addition, digital MS Excel summaries (including the visual logs) accounted for 536 drillholes. Limited geotechnical logging data is available.  It is Minxcon's view that logging was done to a level of detail appropriate to support the declaration of an Exploration Target project.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Drillhole logging was qualitative in nature No core photos are available.
	The total length and percentage of the relevant intersections logged.	A total of 99% of the holes were historically logged or captured into the MS Excel database, totalling some 20,167.59 m.
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	Core was sawn in half lengthwise down the core axis. Once the core had been split, it was sampled along lithological boundaries. The smallest sample that was taken was 20 cm which is governed by the minimum weight required for a laboratory sample. No drill core was however available for review.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Not known. Historical sub-sampling techniques were not available for review.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Not known. Historical sub-sampling techniques were not available for review.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Not known, Historical sub-sampling techniques were not available for review.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Not known, Historical sub-sampling techniques were not available for review. No field duplicate/second-half or subsequent quarter sampling was conducted to Minxcon's knowledge.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Not known. Historical sample sizes taken were not recorded.
Quality of assay data and laboratory	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is	For historical samples reporting dwt, it is assumed that only fire assay was utilised and it is assumed that the technique represents total analysis.

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SECTION 1: SAMPLING TECHNIQUES AND DATA		
Criteria	Explanation	Detail
tests	considered partial or total.	
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No assay methods other than those conducted by laboratories as mentioned above were utilised in the generation of the sampling database.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	No records of Assay QAQC are available for the dataset in question due to the age thereof (i.e. pre-1956 for chip sampling, and 1986 for drilling).
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	No verification of assay results is currently possible due to the historical nature of the data in question and the non-availability of the core.
	Discuss any adjustment to assay data.	To Minxcon's knowledge, no adjustments were made to raw assay data.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Not known. Historical data capture and data entry procedures were not available for review. The historical drillhole data was logged and captured on hardcopy. These were then transferred to MS Excel. Minxcon currently only has the data in this digital format for verification purposes.
	The use of twinned holes.	No twinned holes were drilled.
Location of data points	Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	Stonewall utilised a handheld GPS for the purpose of locating historical adits and mine entrances, which in turn have been utilised in positioning the historical underground workings in 3D. The sampling has in turn been fixed to the underground development and stoping voids. It is Minxcon's opinion that sample positional accuracy would be within 5 m to 10 m of the original sample point (within acceptable limits of a GPS). Drillhole collars were also located by means of handheld GPS coordinates.  Information pertaining to the instrument used for historical downhole survey is not available
	Specification of the grid system used.	The grid system used is Hartebeeshoek 1994, South African Zone WG31.
	Quality and adequacy of topographic control.	Minxcon utilised the GPS co-ordinates provided by Stonewall for the adit positions, as well as ventilation openings to assist in verifying and fixing the workings in 3D space. Very good correlation between the digital topography and the underground mining profiles was found.
Data spacing and distribution	Data spacing for reporting of Exploration Results.	In the stoping areas, the mean sample grid spacing was approximately on a 5 m by 5 m grid, while on development in older areas samples were taken at about 5 m to 6 m intervals, while in more recent areas samples sections were taken at between 2 m to 3 m spacing. Available information shows that diamond drillholes were drilled on an irregular grid, thus requiring significant infill in order to be able to declare a Mineral Resource.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	It is Minxcon's opinion that drillhole and sample spacing is adequate for the purpose of conducting meaningful calculation of an Exploration Target in and around stoping areas due to the density of the chip sampling drillhole data.

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SECTION 1: SAMPLING TECHNIQUES AND DATA		
Criteria	Explanation	Detail
	Whether sample compositing has been applied.	All samples within the database represent full reef composites.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	The reefs are near horizontal and as such dip at between 3° to 9° to the west and strike in a north-south direction. Drillholes were drilled vertically (-90° dip) to intercept the mineralised shear zones at a near perpendicular angle so that the sampling of the drill core minimises the sampling bias. Chip sampling was conducted normal to reef dip. It is Minxcon's view that sampling orientation has attempted to reduce sample bias with respect to angle of intersection.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported.	Available information indicates that the drilling orientation provides reasonably unbiased sampling of the mineralisation zones.
Sample security	The measures taken to ensure sample security.	Measures taken to ensure sample security are not available due to the historical nature of the data in question.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	Minxcon reviewed all historical datasets attributed to the Bentley Project, as well as digital plans (scanned DXF plans of sampling plans) and found that captured sample positions had good agreement with those in the digital dataset. As previously stated, Minxcon was not able to audit or review the sampling techniques in practice due to the historical nature of the data in question.

SECTION 2: REPORTING OF EXPLORATION RESULTS		
Criteria	Explanation	Detail
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	Stonewall holds a 74% shareholding in Transvaal Gold Mining Estates Limited (TGME) (which wholly owns mines reporting to the Bentley Project) and Sabie Mines Proprietary Limited (Sabie), the balance is held by Black Economic Empowerment (BEE) entities. This is in line with the requirements of the South African Mining Charter which requires a minimum of 26% meaningful economic participation by the historically disadvantaged South Africans, i.e. black South Africans (HDSA). TGME and Sabie carry out gold mining operations in South Africa.  The mineral rights as applicable to the Bentley Project are summarised in the following item below.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The Bentley Exploration Target Mineral Resources span over the farms Grootfontein 562 KT and Ponieskrantz 548 KT. <ul style="list-style-type: none"> <li>Grootfontein 562 KT was previously held under 404PR by TGME. This right, was renewed, expired in February 2017. Application has been submitted for conversion of this 404PR into a mining right under 10167MR. The acceptance letter of this 10167MR excludes Grootfontein 562 KT.</li> <li>An application has been submitted for a mining right 330MR to encompass Grootfontein 562 KT and Grootfonteinberg 561 KT. Stonewall has indicated that the right has been granted by the DMR but not yet executed. Due to administrative complications at the DMR</li> </ul>

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SECTION 2: REPORTING OF EXPLORATION RESULTS		
Criteria	Explanation	Detail
		<p>offices, no written documentation is available in this regard as yet.</p> <ul style="list-style-type: none"> <li>• Ponieskrantz 543 KT is held under mining right 83MR issued to TGME for gold, silver and copper ore, as well as stone aggregate. The right is valid to 15 October 2023.</li> <li>• Stonewall has indicated that the farm Grootfontein 562 KT is additionally covered in one 341MR, the details of which are unknown to Minxcon. It is highlighted that it is unlawful, in accordance with the MPRDA, to issue multiple mineral rights over the same property for the same mineral and for the same or overlapping period. It is recommended that this be resolved with the DMR.</li> </ul>
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Acknowledgement is hereby made for the historical exploration done by TGME and Simmer and Jack and other possible unknown historical parties who conducted historical drilling on the properties.
Geology	Deposit type, geological setting and style of mineralisation.	<p>The Bentley Project Gold Mine orebodies are shear hosted quartz-carbonate vein mesothermal gold deposits, with the exception of the Bevett's lithologies which are thought to represent a later erosional surface which impinged on the other reefs and was later intruded by the Bevett's Reef. It is thought that the emplacement is possibly associated with the Bushveld Igneous event in South Africa. Pressure and temperature estimates indicate that the ore fluids of the Sabie-Pilgrims Rest Goldfield were similar to other typical mesothermal gold deposits.</p> <p>The mineralisation in the area of interest is principally "flat" bedding parallel shears located mainly on shale partings within Malmani Dolomites. However, mineralisation also occurs in other formations of the Transvaal Supergroup. The ore bodies occur as narrow quartz-carbonate veins (reefs), which occupy bedding parallel faults and shears, and generally conform to the shallow regional dip of the strata. Gold mineralisation is accompanied by various sulphides of Fe, Cu, As and Bi.</p>
Drillhole Information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:</p> <ul style="list-style-type: none"> <li>* easting and northing of the drillhole collar</li> <li>* elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar</li> <li>* dip and azimuth of the hole</li> <li>* down hole length and interception depth</li> <li>* hole length.</li> </ul>	<p>A total of 536 drillholes for some 20,167.59 m was historically carried out on the Bentley Project during different phases, the description of which is not available to Minxcon.</p>
	<p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p>	<p>All the drillholes that were sampled were used for the identification of the exploration target, in conjunction with the available chip sampling data and historical Resource block plans.</p>
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum	All sample types were agglomerated and data type biases were not investigated in detail due to the relatively small number of drillhole intersections

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SECTION 2: REPORTING OF EXPLORATION RESULTS		
Criteria	Explanation	Detail
	grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.	compared to chip sample points. It is, however, evident when comparing the drillhole and chip sample data that the drilling data gives a generally biased low result when compared to the chip sampling data. Minxcon is of the view that this is due to the nugget nature of the reefs, but will have to be investigated.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Only full reef composite data was available for use in the generation of the Exploration Target. Data aggregation methods utilised in generating the full reef composites are not available for review due to the age of the data.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalents were calculated.
Relationship between mineralisation widths and intercept lengths	If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	Downhole lengths have not been reported – only true reef widths have been recorded in the database from the historical sampling plans and sections. All drilling was conducted near normal to bedding, thus reef width would be very closely related to the intersection length due to the low dip of the orebody and the vertical orientation of the drillholes.
		Only true width data is available. All significant grades presented in the dataset represent the value attributable to the corrected sample width and not the real sampled length.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.	A section view and plans of the chip sample and drillhole intercepts are presented in the full Report.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	The Exploration Target calculation was conducted by Minxcon and is based upon the information provided by Stonewall. The Competent Person's Report will contain summary information for all historic sampling and drilling within and adjacent to the project area and provides a representative range of grades intersected in the datasets.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	No other exploration data other than that presented for the purposes of the Exploration Target calculation in the Competent Person's Report has been utilised in the generation of the target. A historical regional geophysical survey was conducted in 2008 over Browns Hill and Theta Hill North, but requires interpretation and reconciliation with regards geological structure and underground workings.
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	Minxcon would recommend additional infill and twin drilling to confirm the presence of the different reefs and to ascertain the assay bias associated with drilling data versus chip sampling data. Underground sampling should also be conducted in the historical development (where safely accessible) once the underground workings have been re-opened to upgrade the Exploration Target to compliant Mineral

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SECTION 2: REPORTING OF EXPLORATION RESULTS		
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		Resources in terms of the JORC Code. SG testwork should also be done on the reef as well as the surrounding waste dolomite and diabase intrusives.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Drilling planning is currently underway to test the target blocks for the different reefs, but on-reef development should also be considered in the exploration strategy in areas close to historical mining.

SECTION 3: ESTIMATION AND REPORTING OF MINERAL RESOURCES		
Criteria	Explanation	Detail
Database integrity	Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.	Minxcon reviewed all historical datasets attributed to the project, as well as digital plans (scanned DXF plans of sampling plans) and found that captured sample positions had good agreement with those in the digital <b>dataset</b> .
	Data validation procedures used.	Minxcon reviewed all historical datasets attributed to Project Bentley, and found that captured sample positions had good agreement with those in the digital dataset. Different versions of the underground sampling plans were found and cross-validated to test for data changes or eliminations over the years.
Site visits	Comment on any site visits undertaken by the Competent Person and the outcome of those visits.	Minxcon personnel have consistently visited the gold properties held by Stonewall in the Sabie-Pilgrims Rest area, including Project Bentley, since 2009 when they took on the role of Competent Persons. Most recently, the Competent Person, Mr Uwe Engelmann, undertook a site visit to the TGME Properties on 15 December 2016. Accompanied by Stonewall personnel, Mr Engelmann inspected the TGME properties with specific focus on recent sampling of the pre-mined residue ("PMR") at the neighbouring Beta operation, and undertook an underground visit at the operation.
	If no site visits have been undertaken indicate why this is the case.	See above.
Geological interpretation	Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.	The geological reef wireframes for the Bentley Project were constructed by a Minxcon geologist and are based upon mine development plans and historical surveyed peg files (honouring the on-reef development) provided by Stonewall. Minxcon is of the view that the confidence in the geological wireframes is such that it supports the declaration of a compliant Exploration Target as defined by the JORC Code.
	Nature of the data used and of any assumptions made.	Scanned plans were digitised to generate development strings. These were coordinated and repositioned relative to underground plans and survey pegs. A geological contour plan was also used in conjunction with limited underground geological mapping as well as underground survey pegs were used in the generation of the geological model.
	The effect, if any, of alternative interpretations on Mineral Resource estimation.	Minxcon did not investigate alternative interpretations with respect to the geological model due to the lack of additional geological data. Minxcon recommends that further geological work is undertaken to enhance the geological interpretation.
	The use of geology in guiding and controlling Mineral Resource estimation.	The geological reef wireframes for the Bentley Project were constructed by a Minxcon geologist and are based upon mine development plans and historical surveyed peg files (honouring the on-reef development) provided by Stonewall. The resultant geological wireframes were then utilised as a closed

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SECTION 3: ESTIMATION AND REPORTING OF MINERAL RESOURCES		
Criteria	Explanation	Detail
		volume to constrain the volume and spatial calculation of the Project Bentley Exploration Target.
	The factors affecting continuity both of grade and geology.	The Project Bentley Exploration Target calculation has been restricted to the hard boundaries defined in the geological interpretation in the form of faulting and outcrop lines.
Dimensions	The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	The orebodies consist of five near-horizontal shear zones varying in width from 25 cm to approximately 1 m in width and have been modelled to a strike length of approximately 2,500 m. The orebodies have been wireframed to an average depth of 110 m below surface, of which a maximum of approximately 200 m is achieved at Theta Hill South.
Estimation and modelling techniques	The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.	The dataset was not capped. CAE Studio 3™ software was utilised for the statistics and an exploration potential assessment for each Exploration Target block.  Variography and geostatistics were not utilised in the generation of the Exploration Target. The true mean of the surrounding historical drilling and chip sampling data on a per target block basis was utilised to apply an average grade to specific target block. A 25% variance was applied to either side of the mean in order to conduct the Exploration Target calculations.
	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	No compliant historical Mineral Resource estimates have been conducted on the Bentley Project to Minxcon's knowledge. The Exploration Target calculation utilises the Au g/t values as well as reef width (cm) and geologically modelled thicknesses and is modelled in 3D.
	The assumptions made regarding recovery of by-products.	No investigation has been conducted with regards secondary mineralisation or correlation to by-products.
	Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).	No assumptions or determinations pertaining to deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation) have been conducted.
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	No interpolated block model was generated during the calculation of the Exploration Target
	Any assumptions behind modelling of selective mining units.	No interpolated block model was generated during the calculated of the Exploration Target
	Any assumptions about correlation between variables.	Mean Grade (Au g/t) and reef width was calculated - no correlation between thickness and grade was found during the statistical analysis.
Estimation and modelling techniques (continued)	Description of how the geological interpretation was used to control the resource estimates.	The Exploration Target calculation has been restricted to the hard boundaries encompassed by the geological wireframe.
	Discussion of basis for using or not using grade cutting or capping.	The dataset was not capped for the purposes of calculating the Exploration Target. CAE Studio 3™ was utilised for the statistics and the calculation of mean grades.
	The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.	No block model was generated for the purposes of reporting.
Moisture	Whether the tonnages are estimated on a dry basis or with	The density is based on a dry rock mass as utilised in neighbouring project areas.

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SECTION 3: ESTIMATION AND REPORTING OF MINERAL RESOURCES		
Criteria	Explanation	Detail
	natural moisture, and the method of determination of the moisture content.	
Cut-off parameters	The basis of the adopted cut-off grade(s) or quality parameters applied.	The Exploration Target was calculated without the use of a cut-off calculation as it does not represent a Mineral Resource in terms of eventual economic extraction.
Mining factors or assumptions	Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	In situ reef tonnage only was calculated with no consideration of mining widths as the calculation of the Exploration Target does not represent a Mineral Resource in terms of eventual economic extraction. Minxcon did, however, run high level open cast pit optimisations (in NPV scheduler) to test the viability of open cast mining with favourable results.  Historical underground and open cast mining has taken place at the Bentley Project and historic production numbers and Mineral Resources indicate potential on the modelled reefs. The exploration targets relate to the historically known reefs in the area and are an estimate of the potential still in the ground. According to historical documentation, the previous open cast mining was discontinued due to a lack of capital injection and lack of appropriate equipment.
Metallurgical factors or assumptions	The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	No metallurgical factors or assumptions were applied to the Exploration Target.
Environmental factors or assumptions	Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	No environmental factors or assumptions were applied to this Exploration Target.

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SECTION 3: ESTIMATION AND REPORTING OF MINERAL RESOURCES		
Criteria	Explanation	Detail
Bulk density	Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.	Bulk density was assumed at 3.6 t/m <sup>3</sup> based upon historical assumptions and estimates for the reef shear zones. A density of 2.84 t/m <sup>3</sup> based on typical industry dolomite densities was utilised for waste. No bulk density tests have been conducted.
	The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.	No bulk densities were taken and only historic densities were available.
	Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	No bulk densities were taken and only historic densities were available.
Classification	The basis for the classification of the Mineral Resources into varying confidence categories.	No Mineral Resources are declarable for this Project – only an Exploration Target has been declared.
	Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	No Mineral Resources are declarable for this Project – only an Exploration Target has been declared.
	Whether the result appropriately reflects the Competent Person's view of the deposit.	It is the Competent Person's opinion the Exploration Target calculation conducted by Minxcon is appropriate and presents a reasonable result in line with accepted industry practices.
Audits or reviews	The results of any audits or reviews of Mineral Resource estimates.	Minxcon, as well as the Competent Person, conducted internal reviews of the Exploration Target calculation, geological modelling and the data transformations from 2D to 3D.
Discussion of relative accuracy/ confidence	Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.	The relative accuracy pertaining to the Exploration Target declaration have been conducted in compliance with the requirements as defined by the JORC Code, with calculated value ranges for tonnage, grade and content.  The potential tonnage and grade of the exploration target ranges are conceptual in nature and there is insufficient exploration data to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.  The Competent Person deems the Exploration Target calculation for the Bentley Project to reflect the relative accuracy as required by the Code for the purposes of declaration and is of the opinion that the methodologies employed in the Exploration Target calculation, based upon the data received may be considered appropriate.
	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation	Regional accuracy is considered acceptable in line with the requirements as embodied in the JORC Code.

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SECTION 3: ESTIMATION AND REPORTING OF MINERAL RESOURCES		
Criteria	Explanation	Detail
	should include assumptions made and the procedures used.	
	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	Accuracy of the Exploration Target calculation relative to production data cannot be ascertained at this point as the project is still in the exploration phase and production data is not available. However, the Exploration Target has utilised the historical sampling data to identify areas of exploration potential.

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