

12 November 2018

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

ASX ANNOUNCEMENT

**\$6,000,000 PLACEMENT
TO FULLY FUND THETA HILL FEASIBILITY STUDY**

Stonewall Resources Limited (ASX: SWJ, SWJO) advises that it has entered into two subscription agreements for a combined \$6,000,000 private placements, with all shares subject to voluntary escrow of up to 12 months. The placements are at market prices, \$4,000,000 to be issued at an effective price of 9 cents per share post consolidation and \$2,000,000 at the 20 days VWAP at the time of issue. The funds raised will be used to complete the Theta Hill open-cut Feasibility Study and for general working capital.

Key Points:

- **The Theta Hill Feasibility Study and initial Reserve drillings are now fully funded via the placements.**
- **Existing major shareholder, Fineway Creation Limited, to subscribe for \$1,500,000 represented by the issue of 166,666,667 fully paid ordinary shares in the Company (“Shares”) at an issue price of \$0.009 per Share within 7 days of the Agreement; escrowed for 12 months.**
- **New investor, Hong Kong based Chinese billionaire Mingliang Zhu, through his investment company, Zenith (H.K.) Holding Limited (“Zenith”), to subscribe for \$4,500,000 in two tranches post share consolidation:**
 - **Tranche 1 of \$2,500,000 due by 31 December 2018, represented by the issue of 27,777,778 Shares, in whole or in parts, at an issue price of \$0.09 per Share (conditional on the 10:1 share consolidation being approved at the annual general meeting on 30 November 2018);**
 - **Tranche 2 of \$2,000,000 due by 31 January 2019, to be issued at a share price equal to the 20 days VWAP (Volume Weighted Average Price) immediately before the allotment of all or part of the Tranche 2 Shares. Subject to the VWAP at the issue date, the Company expects to issue approximately 22,222,222 Shares (conditional on the 10:1 share consolidation being approved) under Tranche 2.**
 - **All Shares will be subject to voluntary escrow until 31 December 2019.**
- **Following completion of these placements, the top 20 shareholders will hold approximately 86% of the issued Shares, with 37% escrowed until Sep-Dec 2019.**

Chairman Bill Guy commented, “The Company is pleased with the strong support from the major shareholder and new investor following the recent site visit in South Africa with their technical teams. The \$6 million placements are set at market prices; two-thirds at the closing price of \$0.009 per Share prior to the trading halt on 7 November 2018 and one-third at a 20-Days-VWAP at end of January 2019 with no discounts applied. All shares issued under the placements will be voluntarily escrowed until November/December 2019.

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The funds will allow the Company to complete the Theta Hill open-cut feasibility study and strengthen the Company's financial position. The 2018 year has been a significant year with two resource upgrades, a positive scoping study, debt reduction, and Board changes. The Company is planning ahead with strong news flow through 2019 as the feasibility study and reserve drilling progress.

Finally, we welcome Mr Zhu (Zenith), a self-made billionaire with global interests (China, Hong Kong, North America & Asia Pacific) on to our share register. His entities have significant interest in two of the twelve non-state owned commercial banks in China, and with operations in property development, construction, renewable energy and in the last five years, in base metal and gold/silver mines. “

The placements will be made under the company's placement capacity pursuant to Listing Rule 7.1 and 7.1A.

For further information please contact:

General Enquiries

Rob Thomson, Managing Director

Stonewall Resources Limited

M: +61 409 843 963

E: robt@stonewallresources.com

or

Investor Enquiries

Bill Guy, Chairman

Stonewall Resources Limited

P: + 61 2 9460 2021

E: billg@stonewallresources.com

ABOUT STONEWALL RESOURCES LIMITED

Stonewall Resources Limited (ASX: SWJ, SWJO) 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 Pilgrim's 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, with historical production of approximately 6.7Moz recorded in the tenement areas.