

28 November 2012

The Company Announcements Platform
Australian Securities Exchange
Level 5, 20 Bridge Street
SYDNEY NSW 2000

ASX ANNOUNCEMENT

COMPLETION OF SHARE SALE AGREEMENT AND PROSPECTUS CAPITAL RAISING

Completion of Share Sale Agreement

Stonewall Resources Limited (ASX: SWJ, **Company**) confirms that the conditions precedent in the share sale agreement dated 6 July 2012 entered into between the Company, the vendors of the shares of Stonewall Mining Proprietary Limited and Stonewall Mining Proprietary Limited (**Share Sale Agreement**) have been satisfied and the Share Sale Agreement has been completed. The Company has issued 310,000,000 fully paid ordinary shares (**Sale Shares**) to the vendor shareholders.

Completion of Prospectus Capital Raising

In addition, the Company confirms that it has issued 28,360,000 fully paid ordinary shares at an issue price of \$0.20 (**Prospectus Shares**) pursuant to the prospectus dated 21 September 2012 (**Prospectus**) as approved by shareholders at a general meeting on 2 October 2012.

Capital Structure of the Company

As at today's date the Company has the following shares and options on issue (following completion of the Share Sale Agreement):

- 404,498,924 fully paid ordinary shares (which includes the Prospectus Shares and the Sale Shares); and
- 10,860,000 unlisted options.

Securities Subject to Escrow

Included within the above totals, the Company has shares and options issued subject to escrow restrictions as follows:

- 208,267,119 fully paid ordinary shares escrowed for 24 months from the date of reinstatement;
- 2,754,795 fully paid ordinary shares escrowed until 22 June 2013;
- 245,205 fully paid ordinary shares escrowed until 3 October 2013;
- 7,502,500 fully paid ordinary shares escrowed until 7 April 2013;
- 3,750,000 unlisted \$0.20 options escrowed until 7 April 2013;
- 1,000,000 unlisted \$0.25 options escrowed until 7 April 2013; and
- 1,000,000 unlisted \$0.20 options escrowed for 24 months from the date of reinstatement.

Compliance with Listing Rules

The Company confirms that it is in compliance with all listing rules and in particular listing rule 3.1.

The Company considers, with the information now provided, that there are no outstanding reports or documentation required to be lodged by the Company since the Company's securities were suspended.

No Material Subsequent Events

As at today's date, the Company confirms that there have been no material subsequent events to alter the Company's statement of financial position as detailed on page 37 of the Prospectus.

Clarification Statement Regarding Exploration Targets

The Company issues the following clarification statement concerning a disclosure on page 2 of the Prospectus. In the Chairman's letter on page 2 of the Prospectus, the following reference is made to the Company's exploration target:-

"The near term objective of the Company's exploration target is to identify an additional 330,000 to 3,070,000 Inferred ounces by end 2013. In addition, the Company is targeting an upgrade of between 299,000 and 665,000 ounces Inferred to Indicated by 2013."

The Company wishes to clarify the above-mentioned disclosure by stating that the potential quantity and grade of the exploration target is conceptual in nature, there has been insufficient exploration to define the exploration as a mineral resource and that it is uncertain if further exploration will result in the determination of the exploration target as a mineral resource.

Table 1 below is a summary of the estimated ounces that are targeted with the exploration drilling. These target areas and ounces are based mainly on historical resource block information and the areas that have been targeted are those with historical resource data indicating values greater than 300 cmg/t or 3.00 g/t over a stoping width of 100 cm. This "cut off" was used as it is a possible economic cut off for this type of mining at shallow depths. The ranges or lateral or down dip extent of these conceptual target areas are not based on semi-variogram ranges of the mineralised zones but rather optimistic forecasts of potential pay areas above 300 cmg/t or 3.00 g/t over a stoping width of 100 cm.

Table 1: Conceptual Ounces in the Exploration Targets

Area	Project	Min. g/t	Max. g/t	SW (cm)	Min. Tonnes (Mt)	Max. Tonnes (Mt)	Min. Ounces (Moz)	Max. Ounces (Moz)
North	Vaalhoek (North)	1.00	4.00	100	2.1	6.5	0.07	0.84
North	Vaalhoek (South)	1.00	4.00	100	1.4	4.4	0.05	0.57
Central	Beta	0.95	3.50	100	3.5	3.5	0.11	0.40
South	Rietfontein	2.02	6.51	100	0.5	3.0	0.03	0.63
South	Glynn's - South Werf	1.00	3.00	100	1.6	4.4	0.05	0.43
South	Glynn's - Malieveld	1.00	3.00	100	0.4	1.0	0.01	0.10
South	Glynn's - Compound Hill	1.00	3.00	100	0.5	1.1	0.02	0.11
Total					10.1	24.1	0.33	3.07

Note:

1. The Vaalhoek and Glynn's exploration target ranges are based on a number of assumptions in terms of geological structure and reef occurrence from the limited information available.
2. It is uncertain if further exploration will result in the determination of a resource from these targets.

With drilling proceeding as planned, the aim at Beta is to increase the level of confidence from inferred to an indicated mineral resource category. Due to the nature of this mineralised body, at least a 100 m grid would normally be required to classify the resources as indicated.

However, due to topography and the financial implications, drilling has been planned on a grid of 200 m. It is not certain whether this drilling grid would be sufficient to obtain an indicated resource. However it is believed that with a good geological model, the 200m drill grid and compliant QA/QC it might be possible to convert the majority of the Beta resources from an inferred resource into an indicated resource. Table 2 below is a summary of the estimated range of ounces that might be converted to Indicated Resource from the current Inferred Resource. This is based on an area of 131 hectares and a value of the area from the current estimation model of 351 cmg/t or 3.51 g/t over a stoping width of 100 cm. The minimum and maximum value is 25% on either side of this mean estimate.

Table 2: Potential Ounces Upgrade from Inferred to Indicated

Area	Project	Min. g/t	Max. g/t	SW (cm)	Min. Tonnes (Mt)	Max. Tonnes (Mt)	Min. Ounces (Moz)	Max. Ounces (Moz)
Pilgrim's	Beta	2.63	4.38	100	4.7	4.7	0.399	0.665

The drilling campaign at Beta mine commenced during October 2012 marking the commencement of the overall drilling project for Stonewall Resources Limited.

Competent Persons Statement

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Charles Muller, who is a Member or Fellow of the South African Council for Natural Scientific Professions, which is a Recognised Overseas Professional Organisation' (ROPO) included in a list promulgated by the ASX from time to time. Charles Muller is employed by Minxcon and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Charles Muller consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Corporate Governance Statement

On pages 26 to 31 of the Prospectus, the Company disclosed the extent to which it has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. Specifically in respect to diversity, the Company makes the following additional comment:

"The Company has a diverse workforce that is representative of the countries and communities in which it operates. Changes made to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations include the recommendation that companies establish a diversity policy that includes requirements for the Board to establish measurable objectives for achieving gender diversity and to assess annually both the objectives and progress in achieving them. Whilst the Company's diversity procedure does not yet cover the abovementioned requirements as prescribed by the ASX Corporate Governance Council, the Company is considering what measurable objectives may be appropriate with respect to the achievement of gender diversity on the Board and within the Company and expects to resolve that issue, and to further develop its diversity policy, over the course of the current financial year. The Board recognises that increasing Board accountability for diversity objectives is an important element in delivering improvements in diversity on the Board and at all levels of the organisation and it recognises the diverse thinking, skills, experience and working styles different men and women of diverse backgrounds could bring to the success of the Company."

For further information, please contact Peter Hunt on (08) 7421 1499.

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