

24 July 2017

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

ASX ANNOUNCEMENT

STONEWALL'S ENFORCEMENT OF AWARD THROUGH CHINESE COURTS

Highlights:

- **Beijing No. 4 Intermediate People's Court recognizes award and confirms jurisdiction of Beijing Court over the matter.**
- **Court will enforce the award**

Stonewall Resources Limited (ASX: SWJ) ("Stonewall") is pleased to advise that on 21 July 2017 the Beijing Court ruled that the **Arbitral Award** (Case No. HKIAC/A15021) **will be enforced under the jurisdiction of the Beijing No. 4 Intermediate People's Court.**

On 1st September 2016 the Arbitral Tribunal delivered its final award in favour of Stonewall in its damages claim against Shandong Qixing Iron Tower Co., Ltd ("Shandong"). The basis of the award was acceptance of the valuation of Stonewall Mining at USD127.5 million.

Shandong failed to comply with the award and did not respond to written demands for payment made by Stonewall and its solicitors.

Stonewall therefore took the necessary steps for legal proceedings to **enforce the Arbitral Award** through the Chinese Courts including the determination of **Venue and jurisdiction** and **Recognition of the Arbitral Award** by the Beijing Court.

We are delighted to advise shareholders that the Court has determined that:

- The Beijing No. 4 Court has jurisdiction over the matter;
- The Court's recognition of the award was without amendment;
- The Court will enforce the award; and
- Shandong ordered to pay the court fee of RMB 500 (to be paid within 7 days after the date of effectiveness this Order).

The Arbitral Tribunal's final award directed as follows:

- Shandong is to pay Stonewall US\$12.6 million; plus
- Interest on that amount at 8%, compounded quarterly, commencing 1 January 2015 until paid (US\$2,838,880 as at 24 July 2017); plus
- Shandong is to pay Stonewall's legal costs of A\$1,498,678; plus
- Interest on Stonewall's legal costs at 8%, compounded quarterly, commencing 1 September 2016 until paid (A\$105,732 as at 24 July 2017); plus
- Shandong is to bear 100% of the Tribunal's costs of HK\$1,899,765.25; plus
- Shandong to bear 100% of the HKIAC's administration costs of HK\$407,961.99

To date, Shandong has not yet complied with the award, nor has Shandong's controlling shareholder, Longyao Investments, met its undertaking either to pay Stonewall, on behalf of Shandong, the funds required to fulfil the arbitral award or, as far as Stonewall is aware, to pay those funds to Shandong, as stated in Shandong's announcements to the Shenzhen Stock Exchange on 8 September 2016 and 10 October 2016. Accordingly, Stonewall will co-operate with the Chinese Courts in the enforcement of the award.

The Company entered into a funding agreement with a consortium who are entitled to reimbursement of the costs that they funded and 45% of the award.

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.

Stonewall's core project is TGME, located next to the historical 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 in 2018. 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.

For more information please visit: www.stonewallresources.com

ABOUT SHANDONG QIXING IRON TOWER CO., LTD

Shandong Qixing Iron Tower Co., Ltd ("Shandong") is a publicly listed company in China, listed on the Shenzhen Stock Exchange main board (SZ: 002359). Shandong is currently trading at a market capitalisation of RMB23.4 billion (approximately AUD4.37 billion).



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