

14 March 2018

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

ASX ANNOUNCEMENT

DIAMOND DRILLING COMMENCED AT THETA HILL

HIGHLIGHTS

- Drilling contractor OMT Exploration Drilling has commenced Diamond drilling at Theta Hill, with both Diamond and RC drilling currently underway ahead of maiden open-cut resource calculations.
- Diamond tails to be completed on 20-25 holes, with additional diamond holes planned.
- Completion expected by April 2018, with assays from late March. Maiden open-cut resource at Theta Hill due by May 2018.

Stonewall Resources Limited (ASX: SWJ, SWJO) (“Company”) is pleased to announce that the diamond drill rig has commenced drilling at Theta Hill this week, with the RC rig continuing to test targets at Theta Hill as part of planning for potential open-cut resource calculations and feasibility work in 2018.

Last week the Company announced a maiden open cut resource at Vaalhoek of 0.62Mt @ 16.9g/t Au for 335koz (88% Inferred*). Theta Hill is the current focus for establishing a second JORC open-cut resource as part of Project Bentley, and ultimately declaring maiden open-cut reserves.



Figure 1) Diamond rig on-site at Theta Hill, March 2018

**Refer to SWJ ASX Release Dated 9/03/2018*



Figure 2) Photo of RC rig just below the diamond drill rig on site, with Columbia Hill and TGME processing plant in the background. Video from the drilling campaign will be posted shortly on the company website.

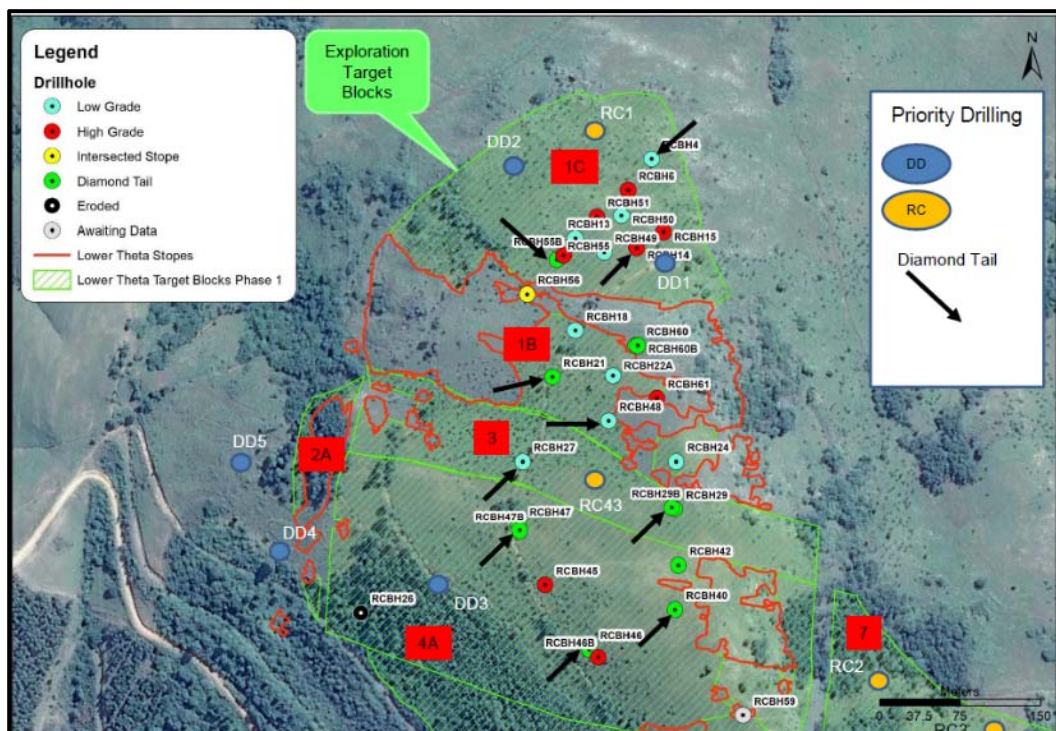


Figure 3) Initial diamond drilling locations for Theta Hill. Additional locations to be determined as program progresses.

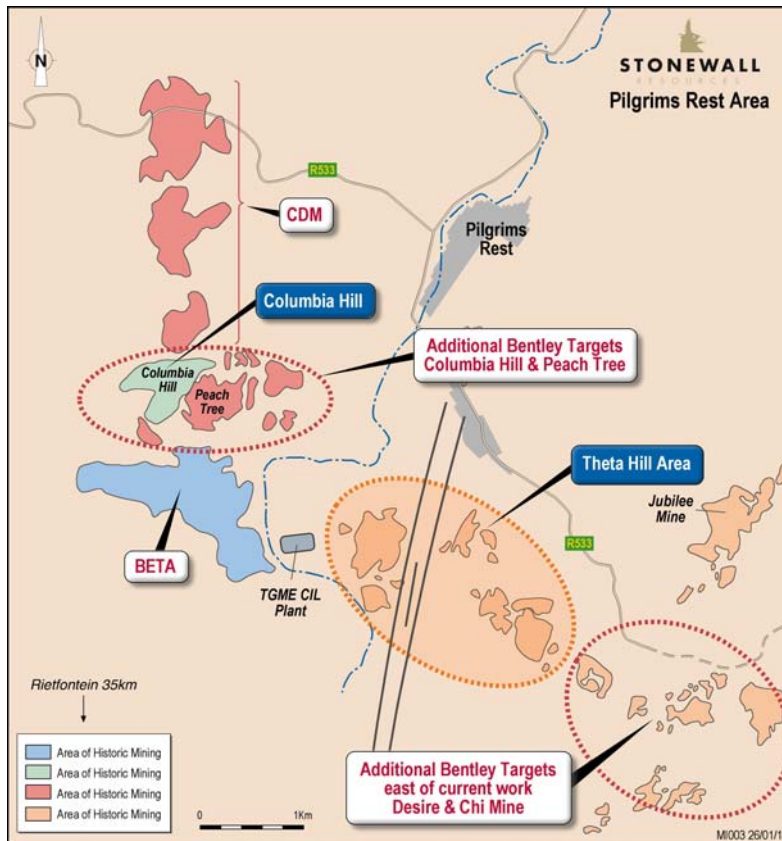


Figure 4) Phase 1 drilling locations for Theta Hill and Columbia Hill

Competent Person Statement

The information in this report relating to the Vaalhoek Mineral Resource is based on, and fairly reflects, the information and supporting documentation compiled by Mr Uwe Engelmann (BSc (Zoo. and 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.

The original report titled ""New Open-Cut Discovery at Vaalhoek Mine with Maiden 17g/t Resource"" was dated 9 March 2018 and released to ASX on that date. The Company confirms that –

- it is not aware of any new information or data that materially affects the information included in the ASX announcement; and
- all material assumptions and technical parameters underpinning the estimates in the ASX announcement continue to apply and have not materially changed.

Table 1) Open-Cut (open-cast) mineral resources, Vaalhoek

Total Open Cut Mineral Resources

Reef	Resource Classification	Reef Width Grade	Reef Width	Content	Reef Tonnes	Au Content	
		g/t	cm	cmg/t	Mt	Kg	Koz
Vaalhoek	Indicated	17.25	33	574	0.111	1,920	61.7
Thelma Leader	Indicated						
	Total M&I	17.25	33	574	0.111	1,920	61.7

Reef	Resource Classification	Reef Width Grade	Reef Width	Content	Reef Tonnes	Au Content	
		g/t	cm	cmg/t	Mt	Kg	Koz
Vaalhoek	Inferred	20.32	43	880	0.213	4,319	138.9
Thelma Leader	Inferred	14.25	97	1388	0.293	4,172	134.1
	Total Inferred	16.80	75	1255	0.505	8,491	273.0

Reef	Resource Classification	Reef Width Grade	Reef Width	Content	Reef Tonnes	Au Content	
		g/t	cm	cmg/t	Mt	Kg	Koz
Vaalhoek	Total M,I Inf	19.27	39	756	0.324	6,239	200.6
Thelma Leader	Total M,I Inf	14.25	97	1388	0.293	4,172	134.1
	Total M,I Inf	16.88	67	1134	0.617	10,411	334.7

Note

1. Resource within the pit shell and a Resource Cut-off of 0.5 g/t
2. Depletions have been applied
3. Pillars have been included in the Resource table
4. Geological losses of 5% for Indicated and 10% for Inferred were applied
5. Channel Density of 3.6 t/m³

Table 2) Underground mineral resources, Vaalhoek

Total Underground Mineral Resources

Reef	Resource Classification	Reef Width Grade	Stoping Grade	Reef Width	Stope width	Content	Reef Tonnes	Stope Tonnes	Au Content	
		g/t	g/t	cm	cm	cmg/t	Mt	Mt	Kg	Koz
Vaalhoek	Indicated	14.78	6.94	37	90	549	0.057	0.121	841	27.03
Thelma Leader	Indicated									
	Total M&I	14.78	6.94	37	90	549	0.057	0.121	841	27.03

Reef	Resource Classification	Reef Width Grade	Stoping Grade	Reef Width	Stope width	Content	Reef Tonnes	Stope Tonnes	Au Content	
		g/t	g/t	cm	cm	cmg/t	Mt	Mt	Kg	Koz
Vaalhoek	Inferred	17.07	5.16	23	90	392	0.767	2.535	13,087	420.75
Thelma Leader	Inferred	13.30	10.72	100	127	1332	0.021	0.026	274	8.81
	Total Inferred	16.97	5.22	25	90	424	0.787	2.561	13,361	429.56

Reef	Resource Classification	Reef Width Grade	Stoping Grade	Reef Width	Stope width	Content	Reef Tonnes	Stope Tonnes	Au Content	
		g/t	g/t	cm	cm	cmg/t	Mt	Mt	Kg	Koz
Vaalhoek	Total M,I Inf	16.91	5.24	24	90	399	0.823	2.656	13,927	447.78
Thelma Leader	Total M,I Inf	13.30	10.72	100	127	1332	0.021	0.026	274	8.81
	Total M,I Inf	16.83	5.29	26	90	434	0.844	2.682	14,202	456.59

Note

1. Resource pay limit of 230 cmgt
2. Depletions have been applied
3. Pillars have been included in the Resource table
4. Geological losses of 5% for Indicated and 10% for Inferred were applied
5. Channel Density of 3.6 waste Density of 2.84
6. Note the back calc does not work from the AuSW due to difference between Reef and Waste density

ABOUT STONEWALL RESOURCES LIMITED

Stonewall Resources Limited (ASX: SWJ) 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 which 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 2011 – 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.

For more information please visit: www.stonewallresources.com, or contact:

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