
STONEWALL RESOURCES LIMITED

ACN 131 758 177

NOTICE OF 2018 ANNUAL GENERAL MEETING

TIME: 11:00am (AEDT)

DATE: Friday, 30 November 2018

PLACE: Boardroom Pty Limited
Level 12, 225 George Street
SYDNEY NSW 2000

**THIS IS AN IMPORTANT DOCUMENT AND SHOULD BE READ IN ITS ENTIRETY.
PLEASE READ IT CAREFULLY.**

If you are unable to attend the Annual General Meeting, please complete the Proxy Form enclosed and return it in accordance with the instructions set out on that form. If you are in any doubt as to how to vote, you should consult your financial or legal adviser as soon as possible. Should you wish to discuss the matters in this Notice of Meeting, please do not hesitate to contact the Company Secretary on (+61 2) 9460 2021.

NOTICE OF 2018 ANNUAL GENERAL MEETING

Notice is hereby given that the 2018 Annual General Meeting of Stonewall Resources Limited (the **Company**) will be held at:

Venue: Boardroom Pty Limited
Level 12, 225 George Street
SYDNEY NSW 2000

Date: 11:00am (AEDT), Friday 30 November 2018

This Notice of Meeting should be read in conjunction with the accompanying Explanatory Statement.

AGENDA

BUSINESS

A. TO RECEIVE THE FINANCIAL REPORT, DIRECTORS' REPORT AND AUDITOR'S REPORT

"To receive and consider the Financial Report, Directors' Report and the Auditor's Report for the year ended 30 June 2018."

Note: This item of business is for discussion and not for resolution.

B. RESOLUTIONS

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That the Remuneration Report (which forms part of the Directors' Report) for the year ended 30 June 2018 be adopted."

Note - the vote on this item is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement

A vote on this resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- A member of the key management personnel, details of whose remuneration are included in the Remuneration Report; or
- A closely related party of such a member.

However, a person (the **voter**) described above may cast a vote on this resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- The voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this resolution; or
 - The voter is the Chair and the appointment of the Chair as proxy:
 - Does not specify the way the proxy is to vote on this resolution; and
 - Expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company, or if the Company is part of a consolidated entity, for the entity.
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RESOLUTION 2 – ELECTION OF DIRECTOR: MR CHARLES WILLIAM (BILL) GUY

To consider, and if thought fit, to pass, the following resolution as an **ordinary resolution**:

“That Mr Charles William (Bill) Guy, who was appointed as a Director on 7 March 2018 in accordance with clause 13.2 of the Constitution and, being eligible, offers himself for election, be elected as a Director.”

RESOLUTION 3 – ELECTION OF DIRECTOR: MR GUYANG (BRETT) TANG

To consider, and if thought fit, to pass, the following resolution as an **ordinary resolution**:

“That Mr Guyang (Brett) Tang, who was appointed as a Director on 3 July 2018 in accordance with clause 13.2 of the Constitution and, being eligible, offers himself for election, be elected as a Director.”

RESOLUTION 4 – RE-ELECTION OF DIRECTOR: MR YANG (SIMON) LIU

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That Mr Yang (Simon) Liu, a Director retiring by rotation pursuant to clause 16.1 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.”

RESOLUTION 5 – CONSOLIDATION OF SHARE CAPITAL

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That, under section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:

- (a) every ten (10) Shares be consolidated into one (1) Share;
- (b) every ten (10) Options be consolidated into one (1) Option, with the exercise price amended in the inverse proportion to that ratio; and
- (c) every ten (10) Performance Rights be consolidated into one (1) Performance Right,

(Consolidation) and, where the number of Shares, Options or Performance Rights held as a result of the Consolidation includes a fraction of a Share, Option or Performance Right, the Company be authorised to round that fraction up to the nearest whole number.”

RESOLUTION 6 - CHANGE OF COMPANY NAME

To consider and, if thought fit, pass the following resolution as a **special resolution**:

“That, for the purposes of sections 157(1)(a) and 136(2) of the Corporations Act and for all other purposes, the Company adopt Theta Gold Mines Limited as its new name and all references to the Company’s name within the Constitution be amended to reflect the Company’s new name.”

RESOLUTION 7 – ADOPTION OF NEW CONSTITUTION

To consider and, if thought fit, pass the following resolution as a **special resolution**:

“That the new Constitution tabled at the Meeting, and for the purposes of identification signed by the Chairman, be approved and with effect from the close of the Meeting, be adopted as the constitution of the Company in place of, and to the exclusion of, the current constitution.”

RESOLUTION 8 – APPOINTMENT OF ERNST & YOUNG AS AUDITOR

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

“That Ernst & Young, having been nominated by a Shareholder pursuant to section 328B(1) of the Corporations Act, and having consented to act as auditor, be appointed as auditor of the Company.”

RESOLUTION 9 - APPROVAL OF ADDITIONAL PLACEMENT CAPACITY

To consider and, if thought fit, pass the following resolution as a **special resolution**:

“That, for the purposes of the ASX Listing Rules, including ASX Listing Rule 7.1A, and for all other purposes, the issue of equity securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (**Additional Placement Capacity**) and on the terms and conditions set out in the Explanatory Statement, be approved.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of:

- *a person who is expected to participate in, or who will obtain a material benefit as a result of, Additional Placement Capacity (except a benefit solely by reason of being a holder of Shares); or*
- *an associate of such a person.*

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

At the date of this Notice, the Company has not approached any particular existing Shareholders to participate in the issue of equity securities under the Additional Placement Capacity. No existing Shareholders' votes will therefore be excluded under the voting exclusion in this Notice.

Voting at the meeting

1. Under *Corporations Regulation 7.11.37*, the Board has determined that a person's entitlement to vote at the meeting will be the entitlement of that person appearing on the register of members at 7.00pm (Sydney Time) on 28 November 2018.
2. On a show of hands you have one vote. On a poll you have one vote per Share you hold in the Company.
3. If Shares are jointly held, only one of the joint holders is entitled to vote.
4. In order to vote, a corporation which is a Shareholder may appoint a person to act as its representative. The appointment must comply with sections 250D and 253B of the Corporations Act. The representative should bring to the meeting duly executed evidence of the appointment.
5. The form of proxy accompanies this Notice of Meeting. A member entitled to attend and vote at the meeting has a right to appoint a proxy (individual or body corporate). Any person appointed as a proxy need not be a member of the Company. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion and number of votes that each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes that each proxy may exercise, each proxy may exercise half of the member's votes. If a member appoints two proxies, neither may vote on a show of hands.
6. To be effective, the form appointing the proxy, together with any authority under which it was executed, or a certified copy of that authority, must be received not less than 48 hours before the time of holding the meeting.

BY MAIL: Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Australia

BY FAX: + 61 2 9290 9655

IN PERSON: Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Australia

By Order of the Board

Chin Haw Lim
Company Secretary
29 October 2018

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the 2018 Annual General Meeting of the Company to be held on 30 November 2018 at 11.00am (AEDT).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on each Resolution.

This Explanatory Statement should be read in conjunction with the Notice of Meeting.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Company's Remuneration Report forms part of the Directors' Report for the year ended 30 June 2018 and is set out in the Company's 2018 Annual Report. The Remuneration Report is submitted to Shareholders for consideration and adoption by way of a non-binding resolution.

Under the Corporations Act, if the Company's Remuneration Report receives a 'no' vote of 25 per cent or more at two consecutive Annual General Meetings, a resolution must then be put to shareholders (**Spill Resolution**) at the second Annual General Meeting as to whether another meeting should be held (within 90 days) at which all directors who were in office must stand for re-election.

At the Company's previous Annual General Meeting the votes cast against the Remuneration Report for the year ended 30 June 2017 were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

Shareholders will be given a reasonable opportunity at the meeting to ask questions and comment on the Remuneration Report.

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy, you must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member), you do not need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, **you expressly acknowledge and authorise the Chair to exercise your proxy on this Resolution (except where you have indicated a different voting intention on the proxy form) even though this Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel, which includes the Chairman.**

If you appoint any other person as your proxy, you do not need to direct your proxy how to vote on this Resolution, and you do not need to mark any further acknowledgement on the Proxy Form.

RESOLUTION 2 - ELECTION OF MR CHARLES WILLIAM (BILL) GUY

Mr Guy was appointed to the Board on 7 March 2018, after the last Annual General Meeting, pursuant to clause 13.2 of the Constitution and was appointed as Chairman of the Board on 4 September 2018. Clause 13.2 of the Constitution states that any Director appointed under that clause may hold office only until the next Annual General Meeting and is eligible for election at that meeting. Mr Guy is eligible and offers himself for election as a Director.

Mr Guy is a professional geologist and Mining executive with over 25 years' experience in exploration and resource development in Asia, Australia and Europe, most recently as the Managing Director of Longford Resources Limited (ASX: LFR). As MD of Longford Resources, he progressed the Keel zinc project in Ireland to its first JORC Resource within just a few months of securing an option over the project. He previously served as Exploration Manager of Jupiter Mines Limited. At Jupiter Mines, he developed exploration protocols and a team that grew resource inventories to significant levels (Central Yilgarn Iron Project). During this time Jupiter experienced exceptional growth in market capitalisation.

RESOLUTION 3 – ELECTION OF MR GUYANG (BRETT) TANG

Mr Tang was appointed to the Board on 3 July 2018, after the last Annual General Meeting, pursuant to clause 13.2 of the Constitution. Clause 13.2 of the Constitution states that any Director appointed under that clause may hold office only until the next Annual General Meeting and is eligible for election at that meeting. Mr Tang is eligible and offers himself for election as a Director.

Mr Tang is a qualified lawyer in China and is also registered as a Fund Manager with the Asset Management Association of China (AMAC).

He is a professional investor and fund manager, experienced in and has been successful in mining and mining investments. From 2007-2013, he was Executive Director at Yunnan Gold Mountain Ltd, a joint venture company with a Chinese state-owned mining enterprise. The company grew to a 20,000oz per annum gold producer from horizontal adit-entry type mines. Between 2013 and 2015 he was a director of Ao-zhong Mining Pty Ltd, an investment and operating arm of East China Non-Ferrous Exploration Corporation, a Chinese specialised mining and exploration corporation with a history of mining investments in Australia.

Mr Tang is a director at Tasman Funds Management Pty Ltd and a director and founding partner of China Nanjing Venture Capital Ltd, a China-based VC Fund.

RESOLUTION 4 – RE-ELECTION OF MR YANG (SIMON) LIU

Resolution 4 seeks approval for the re-election of Mr Liu who is retiring as a Director by rotation pursuant to clause 16.1 of the Constitution, which states that at least one third of the Directors must retire from office at each Annual General Meeting. Mr Liu is eligible for re-election under clause 16.2 and offers himself for re-election as a Director.

Mr Liu has over 20 years' experience in the marketing and consulting industry. He is also highly acknowledged for his skills in petroleum and mining investment projects, having over 8 years of management experience in the resources industry.

RESOLUTION 5 – CONSOLIDATION OF SHARE CAPITAL

5.1 Background

Resolution 5 seeks approval to consolidate the capital of the Company on a 1 for 10 basis. The Board considers the Consolidation will provide a more appropriate capital structure for the Company and reduce negative perceptions associated with a large number of shares and a low share price.

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number. The Performance Rights will be consolidated in the same ratio as the Shares. ASX Listing Rule 7.22.1 requires that the number of Options be consolidated in the same ratio as the Shares and the exercise price of the Options be amended in inverse proportion to that ratio.

5.2 Effect of the Consolidation

5.2.1 Effect on Shares

If Resolution 5 is passed, the number of Shares on issue will be reduced from 3,166,964,556 to 316,696,455 (subject to rounding and assuming no Options are exercised and no Performance Rights vest prior to the date of Consolidation).

As the Consolidation applies equally to all Shareholders, individual holdings of Shares will be reduced in the same ratio as the total number of Shares (subject to rounding). The Consolidation will therefore have no effect on the percentage interest in the Company held by each Shareholder. The Consolidation will not result in any change to the substantive rights and obligations of existing holders of Shares or Performance Rights.

5.2.2 Effect on Options and Performance Rights

The Options will be consolidated on a 1 for 10 basis and the exercise price increased tenfold. The Performance Rights will also be consolidated on a 1 for 10 basis. The Consolidation will not result in any change to the substantive rights and obligations of existing holders of Options and Performance Rights.

The effect the Consolidation will have on the terms of the Options and Performance Rights, including the adjusted exercise price, where applicable, (based on the 1 for 10 consolidation) is as set out in the tables below (numbers are subject to exercise prior to Consolidation and rounding):

Options – pre and post Consolidation

Terms	Number pre-Consolidation	Number post-Consolidation
Total listed Options (ASX: SWJO)	314,296,116	31,429,612
Total unlisted Options expiring on 13 Aug 2020 and between 3 Jan 2019 and 18 Jan 2020 (refer Annexure A)	174,932,912	17,493,291
Total unlisted Options expiring 30 Apr 2020 and 19 Jul 2022 (refer Annexure B)	180,500,000	18,050,000
Total unlisted Performance Rights expiring 19 Jul 2022 (refer Annexure C)	21,000,000	2,100,000
Total	690,729,028	69,072,903

5.3 Fractional requirements

Not all holders of Shares, Options or Performance Rights will hold that number of Shares, Options or Performance Rights (as the case may be) that can be evenly divided by 10. Where a fractional entitlement occurs following the Consolidation, the Company will round that fraction up to the nearest whole number of Shares, Options or Performance Rights.

5.4 Taxation

It is not considered that any taxation implications will exist for holders of Shares, Options or Performance Rights arising from the Consolidation. However, holders of Shares, Options or Performance Rights are advised to seek their own tax advice on the effect of the Consolidation and neither the Company nor its advisers accept any responsibility for the individual taxation implications arising from the Consolidation.

5.5 Certificates and Holding Statements

From the date two Business Days after the Consolidation is approved by Shareholders, all holding statements or certificates for Shares, Options or Performance Rights will cease to have any effect, except as evidence of entitlement to a certain number of Shares, Options or Performance Rights on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements or certificates for Shares, Options or Performance Rights to be issued to holders of those Shares, Options or Performance Rights.

It is the responsibility of each holder of Shares, Options or Performance Rights to check the number of Shares, Options or Performance Rights held upon receipt and prior to disposal or exercise of the Shares, Options or Performance Rights.

5.6 Indicative timetable

If Resolution 5 is passed, the consolidation of capital will take effect in accordance with the following indicative timetable (subject to change at the discretion of the Board):

Action	Date
Company announces the Consolidation and sends out Notice of Meeting	29 October 2018
Company announces that Shareholders have approved the Consolidation	30 November 2018
Last day for pre-Consolidation trading	3 December 2018
Post-Consolidation trading starts on a deferred settlement basis	4 December 2018
Last day for Company to register transfers on a pre-Consolidation basis	5 December 2018
First day for Company to send notice to each holder of the change in their details of holdings	6 December 2018
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements	6 December 2018
Change of details of holdings date. Deferred settlement market ends	12 December 2018
Last day for Securities to be entered into holders' Security holdings	12 December 2018
Last day for the Company to send notice to each holder of the change in their details of holdings	12 December 2018

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 5.

RESOLUTION 6 – CHANGE OF COMPANY NAME

Resolution 6 seeks the approval of Shareholders for the Company to change its name to Theta Gold Mines Limited and to modify the Constitution to reflect the change of name.

The Company's current name, Stonewall Resources Limited, originally adopted following the acquisition of its South African subsidiary, Stonewall Mining Pty Ltd, is no longer relevant. There is no longer any connection with the Stonewall name. The Company considers it appropriate to change the name of the

Company to reflect the new direction of the Company. The new name derives from the Company's potential open-cut Theta Hill Gold Project.

Section 157 of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name. The change of name takes effect when ASIC alters the details of the company's registration. Section 136(2) of the Corporations Act provides that a company may modify its constitution by special resolution, requiring at least 75% of the votes cast on the resolution to be in favour of the resolution. If Resolution 6 is passed, all references to the Company's name in the Constitution will be changed from Stonewall Resources Limited to Theta Gold Mines Limited.

There will be a change to the Company's ASX listing code from SWJ to TGM which will be announced on the ASX's announcement platform when the change of name takes effect. The Company's updated Constitution will also be lodged with ASX.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 6.

RESOLUTION 7 – ADOPTION OF NEW CONSTITUTION

The Board has reviewed the existing Constitution to consider whether any amendments are required given the change in the regulatory landscape since the Company's listing on ASX in 2012. It is proposed to adopt a new and more concise Constitution to ensure it reflects current corporate governance standards and is consistent with the Corporations Act and the ASX Listing Rules. The material differences between the existing Constitution and proposed new Constitution are summarised in the table below.

Summary of material differences between the existing Constitution and proposed new Constitution

Description	Rule no. existing Constitution	Rule no. new Constitution	Differences
General	Long	Concise	New Constitution is more concise (46 pages excluding index), in comparison with existing Constitution (62 pages excluding index). Existing Constitution contains excess wording in relation to NSX, certificated holdings, common seal, etc.
Holding locks	No rule	6.10	New Constitution provides for use of holding locks for securities, commonly used in place of escrow agreements.
Direct voting	No rule	9.26	New Constitution gives the Board discretion to allow direct voting, whereby Shareholders do not have to appoint a proxy.
Chairman casting vote	18.3	13.10	New Constitution provides for the Chairman to have a casting vote at Board meetings.
Circular resolutions	18.10	13.1(b)	New Constitution provides for circular resolutions to be signed by a majority of Directors, instead of all Directors.
Common seal	21	No rule	Common seals are not used by the Company.
Payment of dividends	23.12	15.7	New Constitution provides additional detail for electronic payment of dividends.
Capitalisation of profits	23.8	16	Rule 16 gives greater flexibility for capitalisation of profits. Under rule 16.5 Shareholders appoint the Company to act as agent to do anything needed to give effect to a distribution of securities. This offers the Company maximum flexibility in the context of a capital reduction or scheme of arrangement.

Copies of the existing Constitution and proposed new Constitution are available from the Company Secretary (phone 02 9460 2021) and will also be available at the AGM.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 7.

RESOLUTION 8 – APPOINTMENT OF ERNST & YOUNG AS AUDITOR

As announced on 24 January 2018, Ernst & Young were appointed as the Company's auditor in place of Deloitte Touche Tohmatsu ("Deloitte") following a competitive tender. Deloitte's resignation as auditor was approved by ASIC on 9 January 2018. Ernst & Young's appointment will expire at the Company's Annual General Meeting and will be subject to re-appointment by Shareholders' resolution at that meeting.

The Company has received a nomination from a Shareholder, Monterey Consolidated Services Pty Limited, nominating Ernst & Young as the new auditor of the Company. In accordance with section 328B of the Corporations Act, a copy of the notice of nomination is reproduced below.

**MONTEREY CONSOLIDATED SERVICES PTY LIMITED
AS TRUSTEE OF THE LORODACA SUPER FUND**

12 Primrose Avenue, Sandringham NSW 2219

15 October 2018

The Directors
Stonewall Resources Limited
Level 18, 111 Pacific Highway
North Sydney NSW 2060

Dear Sirs

Nomination of Ernst & Young as Auditor

Pursuant to section 328B of the Corporations Act, we, a member of Stonewall Resources Limited, hereby nominate Ernst & Young for appointment as Auditor of the Company at the Annual General Meeting to be held on 30 November 2018.

Yours faithfully

Robert Thomson
Director

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 8.

RESOLUTION 9 – APPROVAL OF ADDITIONAL PLACEMENT CAPACITY

ASX Listing Rule 7.1A enables certain 'eligible entities' to issue equity securities of up to 10% of their issued share capital through placements over a 12 month period commencing after the Annual General Meeting ("**Additional Placement Capacity**"). ASX Listing Rules require that Shareholders approve the Additional Placement Capacity by special resolution at an Annual General Meeting before any equity securities are issued under the Additional Placement Capacity.

For the purposes of ASX Listing Rule 7.1A an 'eligible entity' is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an 'eligible entity'. The Additional Placement Capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1 and, as such, if the Additional Placement Capacity is approved, the Directors will be allowed to issue equity securities of up to 25% of the Company's issued share capital without prior approval from shareholders.

The Company seeks Shareholder approval by way of a special resolution to have the ability to issue equity securities under the Additional Placement Capacity should the need arise.

Importantly:

- Pursuant to ASX Listing Rule 7.1A.3 the issue price for each security issued under the Additional Placement Capacity will not be less than 75% of the volume weighted average price for securities in that class over the 15 trading days on which trades in that class were recorded immediately before:
 - The date on which the price at which the securities are to be issued is agreed; or
 - If the securities are not issued within 5 trading days of the date above, the date on which the securities are issued.
- The issue of equity securities under the Additional Placement Capacity may result in voting dilution of existing ordinary shareholders (as shown in the table below). There is also the risk that:
 - The market price for equity securities in that class may be significantly lower on the issue date than on the date of the Annual General Meeting; and
 - The equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.
- Equity securities under the Additional Placement Capacity may be issued until the earlier of:
 - The date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; or
 - The date of approval by ordinary shareholders of a significant change to the Company's activities under ASX Listing Rule 11.1.2 or the date of approval by ordinary shareholders of a disposal of a major asset under ASX Listing Rule 11.2.

To be clear, any approval of the Additional Placement Capacity at this Annual General Meeting will cease to be valid in the event that ordinary shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

- The Company may issue equity securities under the Additional Placement Capacity for the following purposes:
 - Non-cash consideration: for the acquisition of new assets and investments (in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3); or

- Cash consideration: to raise funds for the exploration and development of the Company's existing assets, the acquisition of new assets or investments (including assets associated with such acquisition), to repay debt or to fund working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any equity securities.

- The Company's allocation policy for issues under the Additional Placement Capacity is dependent on prevailing market conditions at the time of any proposed issue. The identity of the allottees of the equity securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - The purpose of the issue;
 - The methods of raising funds that are available to the Company, including rights issues or other issues in which existing Shareholders may participate;
 - The effect of the issue of the equity securities on the control of the Company;
 - The financial situation and solvency of the Company;
 - Prevailing market conditions; and
 - Advice from the Company's advisors.

The allottees under the Additional Placement Capacity have not yet been determined but if such an exercise was undertaken, allottees may include existing substantial Shareholders or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the allottees under the Additional Placement Capacity will be vendors of the new resources, assets or investments.

- A voting exclusion statement has been included in this Notice. However, as at the date of this Notice, the Company has not approached any particular existing Shareholders to participate in the issue of equity securities under the Additional Placement Capacity. No existing Shareholders' votes will therefore be excluded under the voting exclusion in the Notice.
- When the Company issues equity securities pursuant to the Additional Placement Capacity, it will give to ASX:
 - A list of the allottees of the equity securities and the number of equity securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
 - The information required by Listing Rule 3.10.5A for release to the market.

Information under Listing Rule 7.3A.6(a):

The table below shows the total number of equity securities issued in the 12 months preceding the date of the Annual General Meeting and the percentages those issues represent of the total number of equity securities on issue at the commencement of the 12 month period.

Equity securities issued in prior 12 month period	(a) 924,806,926 shares (b) 327,617,908 options
Percentage of total number of equity securities on issue at commencement of 12 month period	44%

Information under Listing Rule 7.3A.6(b):

The tables below set out specific details for each issue of equity securities that have taken place in the 12 month period preceding the date of the Annual General Meeting.

Shares

Issued to	Number	Issue price	Discount to market price	Total cash received	Total cash spent	Remaining cash
Shareholders pursuant to Share Purchase Plan Prospectus	8,552,619	\$0.019	-	\$162,500	\$162,500	-
Placement pursuant to Share Purchase Plan Shortfall Offer	111,595,257	\$0.019	-	\$2,120,310	\$2,120,310	-
Creditors - share issue to settle outstanding debt	17,428,712	\$0.019	-	-	-	-
Fineway Creation Limited – share placement	90,909,090	\$0.011	\$0.001	\$1,000,000	\$1,000,000	-
Fineway Creation Limited – share placement	90,909,090	\$0.011	\$0.002	\$1,000,000	\$1,000,000	-
Sophisticated investor – share placement	4,545,454	\$0.011	-	\$50,000	\$50,000	-
Directors - share issue to settle outstanding director fees and salary	38,320,891	\$0.019	-	-	-	-
Fineway Creation Limited – share placement	100,000,000	\$0.010	-	\$1,000,000	\$1,000,000	-
Golden Asia Investment Group Limited - conversion of convertible note	251,434,703	\$0.009	-	-	-	-
Fineway Creation Limited – share placement	55,555,555	\$0.009	-	\$500,000	\$500,000	-
Fineway Creation Limited – share placement	155,555,555	\$0.009	-	\$1,400,000	\$1,100,000	\$300,000
Total	924,806,926					

The cash raised from the above share issues were used for general working capital, loan repayments and advancement of the Company's gold projects.

Options

Issued to	Number	Exercise price	Expiry date
Listed Options (ASX: SWJO)	314,296,116	\$0.019	31 Oct 2020
Unlisted Options			
VP Capital Pty Ltd	3,389,844	\$0.019	15 Jan 2020
Freedom Trader Pty Ltd	2,389,844	\$0.019	15 Jan 2020
Mohammed Faisal Mahboob	500,000	\$0.019	15 Jan 2020
Mark Garkawe	500,000	\$0.019	15 Jan 2020
Richard Edmund Rouse	500,000	\$0.019	15 Jan 2020
Chad Fletcher Investments Pty Ltd	86,316	\$0.019	13 Aug 2020
Philip John Cawood	84,244	\$0.019	13 Aug 2020
SJ Capital Pty Ltd	459,200	\$0.019	13 Aug 2020
Valas Investments Pty Ltd	233,398	\$0.019	13 Aug 2020
VP Capital Pty Ltd	1,589,473	\$0.019	13 Aug 2020
Freedom Trader Pty Ltd	2,589,473	\$0.019	13 Aug 2020
Cheng Peng	1,000,000	\$0.019	13 Aug 2020
Total unlisted Options	13,321,792		
Total listed and unlisted Options	327,617,908		

Potential Dilution

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) Two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) Two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.004 50% decrease in Issue Price	\$0.008 Issue Price	\$0.016 100% increase in Issue Price
3,166,964,556 Current Variable A	10% Voting Dilution	316,696,456 Shares	316,696,456 Shares	316,696,456 Shares
	Funds raised	\$1,266,786	\$2,533,572	\$5,067,143
4,750,446,834 50% increase in current Variable A	10% Voting Dilution	475,044,683 Shares	475,044,683 Shares	475,044,683 Shares
	Funds raised	\$1,900,179	\$3,800,357	\$7,600,715
6,333,929,112 100% increase in current Variable A	10% Voting Dilution	633,392,911 Shares	633,392,911 Shares	633,392,911 Shares
	Funds raised	\$2,533,572	\$5,067,143	\$10,134,287

The above table has been prepared based on the following assumptions:

- Current Variable A is calculated as at 10 October 2018.
- The Company issues the maximum number of equity securities available under the Additional Placement Capacity.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table shows only the issue of equity securities under the Additional Placement Capacity and not under Listing Rule 7.1.
- The issue of equity securities under the Additional Placement Capacity includes only shares. The issue price of \$0.008 was the closing price of shares on ASX on 10 October 2018.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 9.

GLOSSARY

\$ means Australian dollars.

AGM or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chairman means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) for the purposes of the definition of 'closely related party' in the *Corporations Act*.

Company means Stonewall Resources Limited (ACN 131 758 177).

Consolidation means the 1 for 10 consolidation of Shares and Options set out in Resolution 5.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise), or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means a quoted or unquoted option to acquire an unissued Share.

Performance Right means a right to acquire an unissued Share.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Securities means Shares, Options or Performance Rights.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

VWAP means the volume weighted average market price of the Shares trading on the ASX.

STONEWALL RESOURCES LIMITED
OPTIONS EXPIRING ON 13 AUG 2020
AND BETWEEN 3 JAN 2019 AND 18 JAN 2020

Annexure A

Number	Performance Hurdle (if applicable)	Exercise Price	Expiry Date
10,000,000		\$0.015	3 Jan 2019
20,000,000		\$0.015	22 Mar 2019
5,000,000		\$0.025	19 Jul 2019
2,222,223		\$0.030	15 Aug 2019
6,144,448		\$0.030	21 Aug 2019
10,000,000		\$0.030	22 Aug 2019
2,744,449		\$0.030	1 Sep 2019
10,500,000		\$0.015	12 Oct 2019
20,000,000		\$0.020	12 Oct 2019
10,000,000	Company achieving a market capitalisation of greater than \$25,000,000 for a period of 10 consecutive trading days	\$0.020	12 Oct 2019
5,000,000	Recommencement of production, reopening of the Group's TGME Mine and refurbishment of the plant	\$0.020	12 Oct 2019
5,000,000	Production from the Group's operations reaching 40,000 tonnes per month yielding 2,000 ounces of gold per month at a cost of less than USD750 per ounce for a period of 3 consecutive months	\$0.040	12 Oct 2019
35,000,000		\$0.040	12 Oct 2019
7,279,688		\$0.019	15 Jan 2020
10,000,000		\$0.025	18 Jan 2020
10,000,000		\$0.030	18 Jan 2020
6,042,104		\$0.019	13 Aug 2020
174,932,912	Total Options		

STONEWALL RESOURCES LIMITED

OPTIONS EXPIRING 30 APRIL 2020 AND 19 JULY 2022

Annexure B

Number	Performance Hurdle	Exercise Price	Expiry Date
35,000,000		\$0.020	30 Apr 2020
20,000,000	20 day VWAP above \$0.025. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.030	19 Jul 2022
24,000,000	20 day VWAP above \$0.030. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.035	19 July 2022
24,000,000	20 day VWAP above \$0.035. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.040	19 July 2022
2,000,000	20 day VWAP above \$0.030. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.030	19 July 2022
1,500,000	20 day VWAP above \$0.035. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.035	19 July 2022
1,500,000	20 day VWAP above \$0.040. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.040	19 July 2022
15,000,000	Achievement of Milestone 1. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.025	19 July 2022
10,000,000	Achievement of Milestone 2. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.025	19 July 2022
10,000,000	Achievement of Milestone 2. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.030	19 July 2022
10,000,000	Achievement of Milestone 3 and Pre-Feasibility Study IRR (pre-tax) is greater than or equal to 40%. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.030	19 July 2022
25,000,000	Obtaining sufficient capital expenditure financing (debt and/or equity) to enable the group's mines and facilities to be upgraded to the point where they can profitably produce no less than 55,000 ounces of gold or gold equivalent on an annualised basis. Where the relevant capital expenditure financing is obtained through debt financing, this milestone will be deemed to have been achieved upon the first, actual drawdown of the relevant loan. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.025	19 July 2022

Number of Options	Performance Hurdle/Vesting Date (if applicable)	Exercise Price	Expiry Date
2,500,000	Obtaining sufficient capital expenditure financing (debt and/or equity) to enable the group's mines and facilities to be upgraded to the point where they can profitably produce no less than 55,000 ounces of gold or gold equivalent on an annualised basis. Where the relevant capital expenditure financing is obtained through debt financing, this milestone will be deemed to have been achieved upon the first, actual drawdown of the relevant loan. This performance hurdle must be achieved on or before the date that is three years from the date of issue of the Options.	\$0.030	19 July 2022
180,500,000	Total Options		

20 Day VWAP means the average of the daily volume weighted average price of all sales of Shares recorded on ASX over a 20-day period, not including:

- (a) any transaction classified under the ASX's Market Rules as a "Special Crossing";
- (b) crossings prior to the commencement of normal trading or during the closing phase and after hours adjust phase;
- (c) any overseas trades or trades pursuant to the exercise of options over Shares; or
- (d) any overnight crossings.

Milestone 1 means obtaining sufficient capital expenditure financing (debt and/or equity) to enable the Group's mines and facilities to be upgraded to the point where they can profitably produce no less than 55,000 ounces of gold or gold equivalent on an annualised basis. Where the relevant capital expenditure financing is obtained through debt financing, Milestone 1 will be deemed to have been achieved upon the first, actual drawdown of the relevant loan.

Milestone 2 means the achievement of Stage 1 production on budget. Milestone 2 will be deemed to have been achieved at the end of 90 days into Stage 1 production, provided that at that point the production is on budget.

Milestone 3 means completion to pre-feasibility standards, of a second study to demonstrate profitable production of not less than 70,000 ounces of gold or gold equivalent on an annualised basis.

STONEWALL RESOURCES LIMITED

PERFORMANCE RIGHTS

Annexure C

Number	Performance Hurdle	Expiry Date
3,500,000	20 day VWAP above \$0.025	19 July 2022
3,500,000	20 day VWAP above \$0.030	19 July 2022
3,500,000	20 day VWAP above \$0.035	19 July 2022
3,750,000	Achievement of Milestone 3 and pre-feasibility study IRR (pre-tax) is greater than or equal to 40%	19 July 2022
1,750,000	Achievement of Milestone 3 and pre-feasibility study IRR (pre-tax) is greater than or equal to 50%	19 July 2022
5,000,000	Market capitalisation above \$125,000,000 for a consecutive 5 day period	19 July 2022
21,000,000	Total Performance Rights	

20 Day VWAP means the average of the daily volume weighted average price of all sales of Shares recorded on ASX over a 20-day period, not including:

- (e) any transaction classified under the ASX's Market Rules as a "Special Crossing";
- (f) crossings prior to the commencement of normal trading or during the closing phase and after hours adjust phase;
- (g) any overseas trades or trades pursuant to the exercise of options over Shares; or
- (h) any overnight crossings.

Milestone 3 means completion to pre-feasibility standards, of a second study to demonstrate profitable production of not less than 70,000 ounces of gold or gold equivalent on an annualised basis.



All Correspondence to:

-  **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
-  **By Fax:** +61 2 9290 9655
-  **Online:** www.boardroomlimited.com.au
-  **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am AEDT on Wednesday 28 November 2018.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00am, AEDT on Wednesday 28 November 2018.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged by:

-  **By Fax** + 61 2 9290 9655
-  **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
-  **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Stonewall Resources Limited

ACN 131 758 177

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of Stonewall Resources Limited (Company) and entitled to attend and vote hereby appoint:

the Chair of the Meeting (mark box)

OR if you are NOT appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000 on Friday 30 November 2018 at 11:00am AEDT and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 1). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Director: Mr Charles William (Bill) Guy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director: Mr Guyang (Brett) Tang	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Director: Mr Yang (Simon) Liu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Consolidation of Share Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Adoption of New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Appointment of Ernst & Young as Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval of Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2018