

6 April 2016

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

ASX ANNOUNCEMENT

SHAREHOLDER UPDATE

Stonewall Resources Limited (ASX: SWJ) (Stonewall and Company) wishes to update the Company's shareholders on recent capital raising activities of the Company.

On 15 March 2016, the company disclosed the following in its Half-year Accounts:

Events Disclosed in Half Year accounts:

Share Purchase Plan (SPP) and Subsequent Shortfall Placements:

As announced on 26 February 2016, the Company successfully closed the SPP offered to shareholders having received subscriptions totalling \$276,000 under the plan.

Short Term Secured Loan Facility:

In January 2016 Stonewall Mining Pty Ltd entered into an AUD500,000 short term bridging loan for three months with an existing shareholder. Details of the facility are stated in the Company's Half Year Financial Report released on 15 March 2016.

Events subsequent to the Half-year Disclosures:

Share Purchase Plan (SPP) and Subsequent Shortfall Placements:

Following the closure of the SPP, the Company, with the assistance of its corporate advisers, sought to raise funds up to the proposed SPP total of \$1,000,000 on the same terms offered under the SPP. The Company is pleased to announce that it has, to date, successfully placed an additional 46,500,000 shares at the same terms as the SPP (\$0.01 per share) to sophisticated investors raising a further \$465,000. The shares will be issued under the Company's 15% placement capacity in accordance with ASX Listing Rule 7.1. The requisite Appendix 3B and notice under section 708A of the Corporations Act 2001 (Cth) will be released subsequent to this announcement.

In addition to this, the Company has received further commitments from sophisticated shareholders to raise an additional \$45,000 on the same terms as the placements referred to above.

The Company is also continuing its efforts to place the balance of the shortfall from the proposed SPP (\$214,000) and will provide further updates as appropriate.

All funds raised under these placements have been used to assist the Company with its working capital requirements including that of its wholly owned subsidiary, Stonewall Mining Pty Ltd (**Mining**) and for the advancement of the Company's projects.

MARKET DATA

ASX code:	SWJ
Current share price:	\$0.013
Total shares on Issue:	1.547 billion

DIRECTORS & SENIOR MANAGEMENT

George Jenkins, CEO
Trevor Fourie, Director
Bill Richie Yang, Director
Liu Yang, Director
James Liu, Director
Yihao Zhang, Director
Runxi Zhu, Director

MAJOR SHAREHOLDERS

Tasman Funds Management Pty Ltd
High Gift Investments Ltd
Smart Vision Investment Group Ltd
Khan International Limited
Best Wealth Winner Limited
Blonde Mile International
Buttonwood Nominees Pty Ltd

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Share Issues:

The Company can confirm that pursuant to shareholder approval granted at the General Meeting of shareholders held on 23 February 2016, it has issued the following shares:

- 52,631,579 shares to High Gift Investment Pty Ltd
- 68,421,053 shares to Tasman Funds Management Ltd

As stated in the Explanatory Statement accompanying the Notice of Meeting sent to shareholders on 22 January 2016, the shares were issued at a price of \$0.0095 per share and funds were used to assist the Company with its working capital requirements including that of Mining and to assist with meeting its repayment commitments related to convertible securities.

Repayment of Convertible Securities:

Following the successful completion of the fundraising initiatives outlined above, the Company is pleased to confirm that it has now fully repaid the variably priced Convertible Security Facilities entered into in January 2015.

As previously stated, the Company has recently engaged in several re-capitalisation and re-structuring initiatives, which has resulted in its long-term debt and overheads significantly reduced and the Company remains well positioned to re-commence with its production and exploration projects. The board is further encouraged that these developments are coinciding with a favourable gold price environment.

Therefore, despite the aftermath of the collapse of the Shandong Qixing Iron Tower, Co Ltd (Shandong) transaction, which resulted in an unprecedented depressed share price, the Company's mining assets have been maintained and preserved and with the improved financial position, the Company is well positioned for growth.

The Company remains focussed on further strengthening its position and will release further updates as appropriate.

Update on the Ao-Zhong Conditional agreement

The company previously announced that it has signed a conditional agreement with Ao-Zhong whereby it would invest A\$3 to A\$4 million to pursue potential exploration upside potential at the TGME and Sabie Projects. Following the completion of the due diligence conducted by Ao-Zhong, and with careful consideration to the timing of the Company's funding needs, including the time table of the arbitration between Stonewall Resources Ltd and Shandong Qixing Iron Tower Co., Ltd, the Company initiated discussion with Ao-Zhong to explore alternative funding and timing options. The Company intends to update the market on the outcome of these discussions during April 2016.

For more information please visit: www.stonewallresources.com

For further information please contact:

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On behalf of the board



Peter Hunt
Company Secretary

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