

14 July 2015

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

ASX ANNOUNCEMENT
ARBITRATION UPDATE

- **Notice of arbitration served on Shandong Qixing Iron Tower Co. Ltd for damages arising from the termination of the Share Sale Agreement**
- **The claim is for an amount not less than US\$110 million**
- **Tribunal hearing date has been set for 14 to 17 March 2016**
- **Statement of Claim and witness statement lodged with HKIAC on 10 July 2015**
- **Stonewall remains determined to pursue its rights with the claim which to be determined under Australian law with arbitration to be resolved in Hong Kong**

Stonewall Resources Limited (ASX: SWJ) (Stonewall and Company) wishes to update the Company's shareholders on the progress of arbitration served on Shandong Qixing Iron Tower Co. Ltd (**Shandong**), as announced on 3 March 2015.

This arbitration is to determine Stonewall's claim for damages against Shandong arising from the termination of the Share Sale Agreement (SSA), which Stonewall announced on 21 November 2014.

On 5 June 2015, the arbitral tribunal made its procedural direction no. 1, by which a timetable was established for the arbitration. Subsequently, the tribunal fixed the hearing of the arbitration for 14 to 17 March 2016.

Stonewall's statement of claim and witness statement were submitted on 10 July 2015, in accordance with the tribunal's directions.

Directions regarding the provision of expert evidence, including Stonewall's evidence in relation to the quantum of its claim, are due to be made by the tribunal in September 2015..

The claim made by Stonewall will be determined in accordance with Australian law and resolved by arbitration, in English, in Hong Kong under the Hong Kong International Arbitration Centre rules. An award in favour of Stonewall will therefore be enforceable against Shandong in China by Chinese courts.

It should be noted that while the board of Stonewall is confident, there is no certainty of success or of the amount that may be awarded to Stonewall as a result of the arbitration process.

MARKET DATA

ASX code:	SWJ
Current share price:	\$0.009
Total free floating shares:	640 million
South African shares:	80 million
Total shares:	720 million

DIRECTORS & SENIOR MANAGEMENT

Trevor Fourie, Director
Liu Yang, Director
James Liu, Director
Richie Yang, Director
Yihao 'Eric' Zhang, Director
Lloyd Birrell, CEO

MAJOR SHAREHOLDERS

Khan International Limited
Tasman Funds Management Pty Ltd
Salamanca Ventures Limited
Buttonwood Nominees Pty Ltd
Murray SA Investment (Pty) Ltd
Hanhong New Energy Holdings Ltd

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As Stonewall announced on 21 November 2014, Shandong unexpectedly advised the Company that it did not intend to complete the purchase of Stonewall Mining under the SSA. Stonewall considered that Shandong's actions amounted to a repudiation of the SSA and terminated the SSA.

Shandong has been a listed company since February 10, 2010 and its reasoning for terminating the purchase of Stonewall Mining remains unclear to Stonewall.

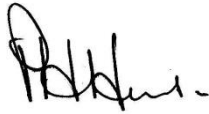
For more information please visit: www.stonewallresources.com

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On behalf of the board



Peter Hunt
Company Secretary

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