

28 November 2013

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

ASX ANNOUNCEMENT

CORRECTION TO NOTICE OF GENERAL MEETING

Stonewall Resources Limited (**Stonewall**) advises that the Notice of General Meeting issued on 22 November 2013 contains the following typographical errors:

Page 9

Page 9 of the Notice of General Meeting contains the following paragraph:

Qixing must use its best endeavours to ensure that the conditions described in paragraphs e) and f) are satisfied as soon as possible and in any event before 22 March 2013 unless otherwise extended by agreement in writing (**End Date**).

The reference to 22 March 2013 is incorrect. The correct date is **22 March 2014**.

Page 11

Page 11 of the Notice of General Meeting contains two references to "Resolution 2". These references should be to "**Resolution 2 and Resolution 3**".

The Notice of General Meeting with the typographical errors corrected is **enclosed** with this announcement.

On behalf of the board



Peter Hunt
Company Secretary

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Stonewall Resources Limited

ACN 131 758 177

Notice of General Meeting and Explanatory Statement

**For a General Meeting to be held at
RACV Club, 501 Bourke Street, Melbourne, Victoria 3000
on Monday, 23 December 2013
commencing at 11.00am**

The Notice of General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

STONEWALL RESOURCES LIMITED
ACN 131 758 177
NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of the shareholders of Stonewall Resources Limited ACN 131 758 177 (**Company**) will be held at RACV Club, 501 Bourke Street, Melbourne, Victoria 3000 on Monday, 23 December 2013 at 11.00am (**General Meeting**).

An Explanatory Statement containing additional information on matters to be considered at the General Meeting accompanies and forms part of this Notice.

Terms used in this Notice have the meaning given to them in the Glossary set out in the Explanatory Statement, unless the context requires otherwise.

AGENDA

Resolution 1 – Approval of disposal of main undertaking

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 11.2 and Rule 19.7 of the Constitution, approval is given for the disposal of all the Company’s shares in Stonewall Mining Pty Ltd, being the Company’s main undertaking, to Shandong Qixing Iron Tower Co., Ltd (or its nominee) in accordance with the Share Sale Agreement described in the Explanatory Statement.”

Voting exclusion: *The Company will disregard any votes cast on Resolution 1 by any person who might obtain a benefit, except a benefit of solely in the capacity of a holder of ordinary securities, if the Resolution is passed (and any associate of such persons). However the Company will not disregard a vote if it is cast by such a person as: (i) proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or (ii) 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.*

Resolution 2 – Approval of disposal of main undertaking by holders of Shares that are not restricted securities

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of the condition imposed in the ASX waiver to be granted to the Company in respect of Listing Rule 7.24A, approval is given for the disposal of all the Company’s shares in Stonewall Mining Pty Ltd to Shandong Qixing Iron Tower Co., Ltd (or its nominee) in accordance with the Share Sale Agreement described in the Explanatory Statement.”

Voting restriction: *Resolution 2 may only be voted on by holders of Shares that are not restricted securities under the Listing Rules. The Company will disregard any votes cast on Resolution 2 in respect of Shares that are restricted securities.*

Resolution 3 – Approval of return of capital

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, in accordance with section 256C(1) of the Corporations Act 2001 (Cth), and subject to and conditional upon Completion occurring under the Share Sale Agreement described in the Explanatory Statement, and Resolution 2 being passed, approval is given for the share capital of the Company to be reduced by way of a return of capital in the form described in the Explanatory Statement.”

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NOTES

Entitlement to attend and vote

In accordance with regulations 7.11.37 of the *Corporations Regulations 2001*, the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the register of Shareholders as at 7.00pm (Sydney time) on 21 December 2013. Share transfers registered after this time will be disregarded in determining entitlements to attend and vote at the General Meeting.

How to vote

You may vote by attending the General Meeting in person, by proxy, attorney or authorised representative (in the case of a company).

Voting in person

A Shareholder that is an individual may attend and vote in person at the General Meeting.

A Shareholder that is a corporation may appoint an individual to act as its representative to vote at the General Meeting in accordance with section 250D of the Corporations Act. The appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

Voting by proxy

A Shareholder entitled to attend and vote at the General Meeting has a right to appoint a proxy. The proxy need not be a Shareholder. A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is entitled to exercise. If there is no such specification, each proxy may exercise half of the votes.

To be effective a signed and completed proxy form (together with a certified copy of any power of attorney under which it has been signed, unless such power of attorney has already been lodged with the registry) must be received by no later than 11.00am, 21 December 2013 at:

By mail:	By hand:	By fax:
c/- Boardroom Pty Ltd GPO Box 3993 Sydney NSW 2001 Australia	Boardroom Pty Ltd Level 7, 207 Kent Street Sydney NSW 2000 Australia	+61 2 9290 9655

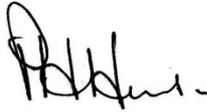
A proxy form accompanies this Notice of Meeting together with instructions on how to sign and complete it.

The Chair of the Meeting intends to vote undirected proxies in favour of each of Resolution 1, Resolution 2 (for those proxies granted in respect of Shares that are not restricted securities), and Resolution 3. The chairperson of the Company will be travelling overseas on the date of the General Meeting, therefore the Chair of the Meeting will the deputy chairperson of the Company or another Director determined by the Board.

Attorneys

If an attorney for a Shareholder is to vote at the General Meeting the instrument conferring the power of attorney or a certified copy must be provided to the Company in the same manner as proxies not later than 48 hours before the time for holding the General Meeting.

BY ORDER OF THE BOARD



Peter Hunt
Company Secretary
Dated: 22 November 2013

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EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Company's General Meeting to be held at RACV Club, 501 Bourke Street, Melbourne, Victoria 3000 on Monday, 23 December 2013 at 11.00am.

The Directors recommend Shareholders read this Explanatory Statement in full in conjunction with the Notice of General Meeting.

Terms used in the Notice of General Meeting and the Explanatory Statement are defined in the Glossary at the end of this Explanatory Statement.

Resolution 1 – Approval of disposal of main undertaking

1. Overview

As announced to ASX on 22 November 2013, on 22 November 2013 the Company entered into a share sale agreement with Shandong Qixing Iron Tower Co., Ltd (**Qixing**) and others (**Share Sale Agreement**) pursuant to which the Company agreed to sell all of its shareholding in Stonewall Mining Proprietary Limited (**Stonewall Mining**) to Qixing (or its nominee) (**Disposal**). The Share Sale Agreement includes certain conditions that must be satisfied before Completion occurs. These conditions are summarised in section 3.1 of this Explanatory Statement.

Stonewall Mining holds 74% interests in the TGME Project and the Bosveld Project, being the South African gold mining projects which constitute the Company's main undertaking.

ASX Listing Rule 11.2 and Rule 19.7 of the Company's constitution provide that if the Company proposes to dispose of its main undertaking, it must first seek shareholder approval. The Company now seeks shareholder approval of the Disposal for this purpose under Resolution 1.

The Company expects to receive cash proceeds of US\$124.39 million and other payments as set out in this Explanatory Statement as full consideration for the sale of its shareholding in Stonewall Mining under the Share Sale Agreement. Following completion of the Share Sale Agreement, the Company intends to distribute those proceeds (less the estimated amount of the Company's taxation liabilities from the Disposal, third party costs incurred in relation to the Disposal, and an amount reasonably required to maintain the Company whilst it pursues other new business opportunities) to Shareholders by way of a combination of dividend and equal capital reduction (individually and collectively, **Distribution**).

To the extent the Distribution represents a distribution of Company profits, it will be made to Shareholders in the form of dividends. Subject to obtaining the requisite Shareholder approvals in accordance with Resolution 2 and Resolution 3, the remainder of the Distribution will be made to Shareholders by way of an equal reduction of capital.

At this time, the Board estimates that approximately A\$48.03 million will be distributed by way of dividend and A\$72.04 million will be distributed by way of equal capital reduction, however the exact amounts of each Distribution will depend on factors outlined in section 3.1 of this Explanatory Statement and so it is not currently possible to determine exact amounts for either Distribution. The Company anticipates that it will be able to determine the exact amount of the dividend and equal capital reduction immediately prior to the anticipated completion date of the Share Sale Agreement being 19 February 2014 and the Company will

release an announcement to ASX once the exact anticipated amounts have been determined, together with the necessary record dates for the proposed Distributions.

Shareholder approval is not required for the component of the Distribution which is made by way of dividend. However, a condition of a waiver which ASX have advised is to be granted by ASX in respect of Listing Rule 7.24A that allows the proposed capital reduction to be made in respect of Shares that are restricted securities requires that a resolution be passed at the General Meeting to approve the Disposal by holders of Shares that are not restricted securities (**Additional Resolution**). If the Additional Resolution is not passed, the Company cannot distribute the component of the Distribution which is to be made by way of equal capital reduction. Shareholder approval for the Additional Resolution is sought for this purpose under Resolution 2. In addition, section 256C of the Corporations Act requires that shareholder approval be obtained for the component of the Distribution which is to be made by way of equal capital reduction. Shareholder approval is sought for this purpose under Resolution 3.

Further information in relation to Resolution 2 is set out from page 15 onwards. Further information in relation to Resolution 3 is set out from page 17 onwards.

2. Indicative timetable

Event	Anticipated date
Final time for lodgement of proxies of General Meeting to Shareholders	21 December 2013
Record Date for voting at the General Meeting	21 December 2013
General Meeting of Shareholders	23 December 2013
Completion of Share Sale Agreement	19 February 2014
Record Date for Distribution	To be announced upon Completion
Distribution	To be announced upon Completion

The timetable and the dates above (and the references to those dates throughout this document) are indicative only, and the Company may vary those dates in accordance with the Share Sale Agreement or in consultation with the ASX. Changes to the above dates will be announced to the ASX and notified on the Company's website.

3. Key terms of the Share Sale Agreement

Under the Share Sale Agreement, the Company has agreed to sell all of its shareholding in Stonewall Mining to Qixing (or its nominee).

Each of the other shareholders in Stonewall Mining have also agreed to sell all of their shares in Stonewall Mining to Qixing (or its nominee) on the same terms under the Share Sale Agreement.

A summary of the key terms of the Share Sale Agreement, is as follows:

3.1 Purchase Price

The purchase price payable to the Company for its shares in Stonewall Mining is US\$124.39 million.

The total purchase price payable by Qixing to all of the shareholders in Stonewall Mining (including the Company) is US\$141,546,693 (**Purchase Price**).

The Company intends to pay to Shareholders the Distribution from its share of the Purchase Price. The estimated Distribution is as follows:

	\$ (AUD)*
Purchase Price payable to Company	132,430,000
Less: Estimated Tax liability	(10,960,000)
Less: Estimated external costs incurred by the Company in relation to the sale	(400,000)
Less: Estimated amount reasonably required to maintain the Company whilst it pursues other business opportunities	(1,000,000)
Estimated Total Distribution	120,070,000
Estimated Total Distribution per Stonewall Share	0.25
Estimated Dividend per Stonewall Share	0.10
Estimated Capital Reduction per Stonewall Share	0.15

* The USD/AUD exchange rate applied to convert the Purchase Price to AUD for the purposes of this indicative table is USD:1.06467 AUD.

The precise and final amount of the Distribution by the Company cannot presently be determined due to reasons including, without limitation:

- a) Purchase Price to be received by the Company will be paid in USD. The prevailing USD/AUD exchange rate at the time of Completion is unable to be determined by the Company;
- b) the precise amount(s) of any taxation liability is yet to be determined;
- c) the precise amount of the external costs which will be incurred by the Company in relation to the Disposal and the transaction in general cannot yet be finally determined;
- d) the amount reasonably required to maintain the Company while it pursues new business opportunities has not yet been finally determined; and
- e) the number of Shares that will be on issue at the Record Date (which may change as a result of options being exercised).

The proportion of the Purchase Price that will be received by the Minority Sellers in Stonewall Mining is based on the proportion of the shares in the Company that the Minority Sellers would have received if the Company had exercised its option to acquire their shares in Stonewall Mining under the Put and Call Option Agreement.

3.2 Conditions Precedent

The Share Sale Agreement is subject to the following conditions being satisfied or waived:

- a) the Company obtaining all necessary corporate approvals and passing all necessary resolutions of its members required to proceed with the sale and purchase of shares in Stonewall Mining under the Share Purchase Agreement – the subject of the General Meeting;
- b) approval of the competition authorities of South Africa, if necessary;
- c) the consent of the Minister of the South African Department of Mineral Resources to the change in control of Stonewall Mining resulting from the Share Sale Agreement;
- d) the Takeovers Regulation Panel in South Africa granting exemption in terms of section 119(6) of the Companies Act (RSA);
- e) Qixing obtaining shareholder approval and regulatory approval from the China Securities Regulatory Commission, which it requires to complete a share placement agreement for which it has received commitments for the purpose of raising funds to meet its payment obligations under the Share Sale Agreement; and
- f) Qixing obtaining the approvals of the Share Sale Agreement and the transactions contemplated by it as required under PRC law from each of the National Development and Reform Commission of the PRC, the Ministry of Commerce of the PRC and the State Administration of Foreign Exchange of the PRC.

Qixing must use its best endeavours to ensure that the conditions described in paragraphs e) and f) are satisfied as soon as possible and in any event before 22 March 2014 unless otherwise extended by agreement in writing (**End Date**).

The Company must use its best endeavours to ensure the condition described in paragraph a) being the subject of the General Meeting is satisfied as soon as possible and in any event before the End Date.

Qixing and the Company must use their best endeavours to ensure that the conditions described in paragraphs b), c), and d) are satisfied as soon as possible and in any event before the End Date.

If any of the conditions have not been satisfied (or waived), or become incapable of satisfaction, by the End Date, the Company or Qixing can terminate the Share Sale Agreement by notice in writing to the other party. The parties can agree to extend the End Date.

3.3 Completion

Completion of the Share Sale Agreement is expected to occur on 19 February 2014, however, if any of the conditions to the Share Sale Agreement have not been satisfied or waived by that date, Completion will occur 6 Business Days after the date on which the last of those conditions are satisfied or waived. The date for Completion can be changed by agreement in writing between the Company and Qixing.

3.4 Escrow arrangements

Under the Share Sale Agreement, Qixing must deposit the entire Purchase Price into an escrow account at least 5 days prior to Completion of the Share Sale Agreement. The Company's lawyers, Norton Rose Fulbright, have been appointed as escrow agent.

3.5 Warranties and caps on liability

The Share Sale Agreement includes warranties provided by the Company and Minority Sellers jointly and severally to Qixing in relation to matters such as their capacity to enter into the Share Sale Agreement, title to and authority to dispose of the shares, the financial statements of Stonewall Mining, absence of litigation, there being no material adverse change in relation to Stonewall Mining and the assets, authority and operations of Stonewall Mining.

The Share Sale Agreement includes a number of provisions to limit the potential liability of the Company and Minority Sellers under the Share Sale Agreement, including a cap limiting the maximum liability of the Company for breach of the Share Sale Agreement to its portion of the Purchase Price and a claims expiry date of 12 months after Completion. Qixing cannot pursue a claim for breach, unless notice of the claim has been given prior to the claims expiry date.

4. Effect of the Disposal on the Company

Stonewall Mining currently operates three of the Company's four key projects being the TGME, Sabie and Bosveld projects (individually and collectively **SM Projects**).

The SM Projects are the Company's only projects which are currently producing gold and, as reported in the Company's interim report for the half year ending 31 December 2012, Stonewall Mining and the SM Projects accounted for 100 per cent of the Company's consolidated gold and mining revenue for the half year ending 31 December 2012.

If the Disposal is completed, the Company will still retain the fourth key project, being the Lucky Draw project located in Australia, which is still in the exploration phase and which, to date, has not yielded any evidence that the project will be of recoverable value. In addition, the Company will also retain its 80% interest in an exploration licence for the Springfield tenement located in New South Wales.

Based on the above, the Disposal will materially change the nature, scale and earnings profile of the Company.

Without the revenue previously derived from Stonewall Mining, the Company's revenue is expected to cease following Completion of the Disposal.

4.1 Effect on the financial position

The Disposal, if completed, will result in an estimated Company net profit after tax, costs and expenses related to the transaction of approximately A\$47,374,000.

This will result in an estimated increase in the pro forma cash resources of the Company from 31 October 2013 of A\$125,233,000 to circa A\$126,732,000 and an increase in net assets from 31 October 2013 of A\$47,481,000 to circa A\$126,885,000.

A pro forma statement of financial position, illustrating the financial position of the Company if the Disposal is implemented is included in Appendix 1. The statement has been prepared based on unaudited management accounts of the Company. The statement is abbreviated

and unaudited and does not include all of the disclosures which would accompany an audited statement of financial position.

The pro forma statement of financial position, also illustrates the financial position of the Company if the proposed Distribution to Shareholders takes place (being the proceeds of the Disposal less the estimated amount of the Company's taxation liability from the Disposal, external costs incurred in relation to the Disposal and an amount reasonably required to maintain the Company while it pursues other opportunities) by way of a both dividend and an equal capital reduction being implemented as contemplated by Resolution 3.

After the repayment of all outstanding loans owing from Stonewall Mining to the Company, which Qixing has agreed to procure within 90 days after Completion, it is anticipated that after the Distribution and repayment of loans owed by the Company to a financier, the Company expects to have a cash position of approximately \$6.2 million.

4.2 Effect on capital structure

The Disposal will not impact on the capital structure of the Company. For clarity, the Company will not issue any new securities as part of the sale of Stonewall Mining.

The equal capital reduction contemplated by Resolution 2 and Resolution 3 will result in a reduction of capital of the Company by that amount, which is expected to be approximately A\$72.04 million, leaving paid up capital of approximately A\$18.02 million.

4.3 Tax impact

If the Disposal is completed, it is expected that the sale of all of the Company's shares in Stonewall Mining will give rise to a tax liability. The estimated tax liability arising from the Disposal is A\$10.96 million.

The final tax liability cannot be confirmed at this time.

4.4 Intentions if the Disposal proceeds

If the Disposal proceeds, the Company intends to remain an ASX listed entity. Subject to Resolution 2 and Resolution 3 being approved, the Company proposes to make the Distribution to Shareholders by way of a dividend and an equal capital reduction. Once the Distribution has been made, the Company intends to pursue new projects, some of which have already been identified for further investigation.

In the event that, after investigation of potential new projects, the Directors believe there are no material opportunities present, the majority of the remaining funds in the Company may be returned to Shareholders via a second and final capital reduction and the Company would then most likely delist from ASX.

4.5 Intentions if the Disposal does not proceed

If the Disposal is not approved by Shareholders or it otherwise does not complete under the terms of the Share Sale Agreement, the Director's intend to continue operating the Company as it has since acquiring its interest in Stonewall Mining, including continuing to develop the SM Projects and transitioning the Company from a gold explorer to gold producer.

In such an eventuality, there will be no part of the Purchase Price payable to either the Company or the Minority Sellers, and the Distribution will not occur.

5. Directors opinion – fair price

The Directors have formed the view that the Purchase Price is a fair and reasonable price for Stonewall Mining. The Directors have formed this view on the basis of the reasons set out below:

- a) The Purchase Price implies a significant premium to the Company's implied market capitalisation of approximately A\$81 million at the time of the Company's relisting in November 2012, following the successful acquisition of Stonewall Mining.
- b) The Purchase Price implies a significant premium to general broker valuations for Stonewall Resources which ranges between US\$38m to US\$45m.
- c) The Purchase Price implies a significant premium over the last traded price immediately prior to the announcement of the conditional sale of Stonewall Mining on the 7 May 2013.
- d) The Purchase Price implies a premium that is significantly higher than the control premiums generally paid for in the resources industry.
- e) Gold prices have been on a downward trend in 2013. Under these adverse market conditions, the offer implies a value for the company that is at an attractive multiple to its projected earnings.

6. Advantages and disadvantages of the Disposal

6.1 Advantages

The Board is of the view that the proposed Disposal has significant potential advantages, including but not limited to the following:

- a) The Disposal and subsequent Distribution provides certainty of returns for Shareholders.
- b) Although the Directors consider the Disposal to be compelling in its own right, the Board considers that the merits of the Disposal are strengthened by the challenges currently facing the mining sector in general and the gold mining sector in particular.
- c) The Disposal will give the Company flexibility to review a range of possible business opportunities.
- d) The continued operation of Stonewall Mining and its business would have required continued working capital investment by the Company as Stonewall Mining is not yet presently cash flow positive.
- e) Qixing has agreed to cause Stonewall Mining to repay the shareholder loans due to the Company which are currently owed to the Company within 90 days after Completion.
- f) The Company will no longer be exposed to the risks which arise from a challenging time in the resources market and volatile gold prices.

6.2 Disadvantages

The Board is of the view that the proposed Disposal has limited disadvantages, including but not limited to the following:

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- a) The Company and its shareholders would no longer have any exposure to the potential upside in value of Stonewall Mining and its business.
 - b) The Company does not presently have a project or investment identified with any certainty for application of funds remaining in the Company after Completion and also after the Distribution.
 - c) The return on cash deposits may be less than the potential upside in value of Stonewall Mining.
 - d) If the Company does identify a new project or investment, there is no guarantee that this new project or investment will have any less risk or deliver any greater returns than if the Company were to continue to hold its shares in Stonewall Mining.
 - e) The Company's shares may become more illiquid and the value of the Company's shares may drop as shareholders will no longer have the potential upside resulting from the Company's ownership of Stonewall Mining, and there is a risk that the Company may not identify any new project or investment going forwards or if it does identify such an opportunity, the market will not respond positively.

7. Directors' recommendations

The Directors **unanimously recommend** that Shareholders vote in favour of Resolution 1 in the absence of a superior proposal.

Each director intends to vote all Shares which they control in favour of Resolution 1, in the absence of a superior proposal.

In making this recommendation, the Directors considered the advantages and disadvantages of the Disposal, including those factors discussed in this Explanatory Statement. Before agreeing to enter into the Share Sale Agreement, the Directors also considered whether there were alternatives which could produce a better outcome for Shareholders. The Disposal and these alternatives were assessed against a number of criteria, including:

- a) the value delivered to the Company and to Shareholders; and
- b) the level of certainty regarding, and the likely timing of, any alternative being effectively executed and completed.

After considering the advantages and disadvantages of the Disposal, the Directors have unanimously concluded that, in the absence of a superior proposal, the Disposal represents the best outcome for Shareholders of all available alternatives considered by the Board. Accordingly, the Directors recommend that Shareholders vote in favour of Resolution 1 in the absence of a superior proposal.

7.1 Directors' interests

No director will receive a payment or benefit of any kind, as a result of the Disposal, other than as security holder of the Company.

The number and type of securities in the Company which each Director (or an associate) holds as at the date of this Notice of Meeting is:

Director	Registered owner of shares (if not directly owned by director)	Unrestricted fully paid Ordinary shares	Restricted fully paid Ordinary shares	Restricted unlisted options	Total Fully Diluted Holding
David Murray	-	-	-	-	-
Trevor Fourie	Trevor Fourie atf Quatreforte Investment Trust	-	20,132,776	-	20,132,776
	Jenala Investments Pty Ltd atf TAF Superannuation Fund	1,000,000	-	-	1,000,000
Nathan Taylor	-	-	-	-	-
Yang Liu	Hanhong New Energy Holdings Ltd	17,117,530	28,153,512	186,623 exercisable at \$0.20	45,457,665
	Smart Vision Investment Group Pty Ltd	11,411,688	17,102,340	1,791,082 exercisable at \$0.20	30,305,110
Andrew Macintosh	-	-	-	-	-

7.2 Information about Qixing

Shandong Qixing Iron Tower Co., Ltd (002359.SZ), a listed entity on Shenzhen Stock Exchange since 10 February 2010, is part of the Qixing Group Company Limited group of companies (**Qixing Group**).

Qixing Group is a privately owned large-scale diversified industrial company with 15 operating companies and 7 subsidiaries. The group's revenue exceeded RMB15 billion (US\$2.3 billion) in 2012 with 12,000 employees. Qixing Group has several key segments, aluminium, thermo-electricity (6 power stations with capacity of 1500MW), iron tower manufacturing, as well as a range of diversified downstream businesses including financial services, mining and tourism.

Qixing Group conducts business worldwide with products sold throughout China, as well as 24 countries in Central and South East Asia, Europe and Africa. Qixing Group is seeking to increase its international footprint and expand into the resources sector as part of its co-ordinated internationalisation and diversification strategy.

Qixing Group's headquarters (www.qxtt.cn) and major divisions are located in the National Economic and Technological Development Zone, Zouping County, 68 km west of Jinan, 39 km east to Zibo, in Shandong Province.

7.3 Other Material information

Other than as set out in this Notice of Meeting, and information previously disclosed to Shareholders, there is no information known to the Directors which might reasonably be expected to be material to the making of a decision by Shareholders whether or not to vote in favour of Resolution 1.

The Chair of the Meeting intends to vote undirected proxies in favour of Resolution 1.

Resolution 2 – Approval of sale of main undertaking by holders of Shares that are not restricted securities

1. Overview – Listing Rule 7.24A

Under Listing Rule 7.24A, holders of restricted securities in a listed company are unable to participate in a return of capital. Over 50% of the securities on issue in the Company are “restricted securities”, and therefore would be prohibited under Listing Rule 7.24A from participating in that part of the Distribution which is to be made by a return of capital in the Company until they cease to be restricted securities. The Listing Rules prescribe the circumstances in which Shares are restricted securities, which primarily relate to related parties and promoters at the time of listing on ASX.

The Company has been advised by ASX that it will be granted a waiver of Listing Rule 7.24A to allow all Shareholders to participate in the capital reduction, irrespective of whether the capital reduction is being made in respect of Shares that are restricted securities (**ASX Waiver**).

A condition of the ASX Waiver requires that a resolution be passed at the General Meeting to approve the Disposal by holders of Shares that are not restricted securities (**Additional Resolution**). If the Additional Resolution is not passed, the Company cannot distribute the component of the Distribution which is to be made by way of equal capital reduction. Shareholder approval for the Additional Resolution is sought for this purpose under Resolution 2.

2. Consequences of Additional Resolution

Although the Additional Resolution is in respect of the Disposal, the Disposal itself is not conditional upon the passing of the Additional Resolution. If Resolution 1 is passed at the General Meeting, it is intended that the Disposal will proceed notwithstanding the Additional Resolution is not passed.

The ASX Waiver requires the Additional Resolution to be passed to enable the company to undertake the equal capital reduction which is to be further considered under Resolution 3. If the Additional Resolution is not passed, the Company will be unable to undertake the return of capital contemplated by Resolution 3, and that part of the Distribution which was to be made to Shareholders by way or return of capital will be retained by the Company and not distributed to Shareholders at this time.

For further details of the reasons for, and impact on the Company of, the proposed return of capital, please see the section of this Explanatory Statement concerning Resolution 3 below.

3. Directors’ recommendations

The Directors **unanimously recommend** that holders of Shares which are not restricted securities vote in favour of Resolution 2.

Each Director intends to vote all Shares which are not restricted securities (if any) which they control in favour of Resolution 2.

3.1 Directors’ interests

No Director will receive a payment or benefit of any kind, as a result of the Distribution, other than as security holder of the Company.

Refer to section 7.1 of the section of this Explanatory Statement dealing with Resolution 1 for information about the number of securities of the Company which each Director holds as at the date of this Notice of Meeting.

3.2 No other material information

Other than as set out in this Notice of Meeting, and information previously disclosed to Shareholders, there is no information known to the Directors which might reasonably be expected to be material to the making of a decision by Shareholders whether or not to vote their Shares which are not restricted securities in favour of Resolution 2.

The Chair of the Meeting intends to vote undirected proxies which represent unrestricted Shares in favour of Resolution 2.

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Resolution 3 – Approval of return of capital

1. Overview

As noted above, subject to the sale of Stonewall Mining by the Company being approved, the Company proposes to make the Distribution (being the proceeds from the Disposal less the estimated amount of the Company's taxation liability from the Disposal, external costs incurred in relation to the Disposal and an amount reasonably required to maintain the Company while it pursues other opportunities).

To the extent the Distribution represents a distribution of profits, it will be made to Shareholders in the form of dividends. The remainder of the Distribution will be made to Shareholders by way of an equal reduction of capital.

Shareholder approval is not required for the component of the Distribution which is made by way of dividend, however section 256C of the Corporations Act requires that Shareholder approval be obtained for the component of the distribution which is to be made by way of equal capital reduction. Shareholder approval is sought for this purpose under Resolution 3.

The Distribution will not proceed if Completion of the Disposal does not take place.

If the Additional Resolution proposed by Resolution 2 is not passed, and/or Shareholders do not approve the equal capital reduction proposed by Resolution 3, it is intended that that component of the Distribution to be made by way of dividend will still proceed, but that the capital reduction will not proceed at this time.

If the Distribution proceeds, both components of the Distribution will be made to all Shareholders pro rata to the number of Shares which they hold on the record date, which is to be announced by the Company when the final amount of the Distribution has been determined by the Company (**Record Date**).

The Company proposes to make the Distribution as soon as possible after Completion has occurred. The exact timetable of the Distribution will depend on the timing of Completion under the Share Sale Agreement. The Company will release an announcement to the ASX when the timetable for the Distribution has been definitively determined.

2. Reasons for the Distribution

The purpose of the Distribution is to return to Shareholders as much as possible of the proceeds of the sale of Stonewall Mining, the Company's main undertaking.

3. Calculation of the amount of the Distribution

The Company estimates that the total amount available for the Distribution will be A\$120.07 million, of which approximately A\$48.03 million will be distributed as a dividend, and approximately A\$72.04 million will be distributed as an equal return of capital.

Subject to no other Shares being issued prior to the Record Date, the Company estimates that that the Distribution will result in a dividend of approximately A\$0.10 and per Share and a return of capital of approximately A\$0.15 per Share.

The exact amount of the Distribution and the dividend and return of capital components will depend on the Company's final estimation of the estimated amount of the Company's taxation liability from the Disposal, external costs incurred in relation to the Disposal and the amount reasonably required to maintain the Company whilst it pursues other business

opportunities, plus the number of Company options on issue which are exercised prior to the Record Date (if any). It is therefore not currently possible to determine exact amounts of the Distribution. The Company anticipates that it will be able to determine exact amounts immediately prior to Completion of the Disposal and the Company will release an announcement to ASX once the amounts have been determined.

The following table shows how the Company has calculated its estimates of the total amount available for the Distribution, the amount available to be distributed as a dividend and the amount available to be distributed as a return of capital.

The estimated Distribution is as follows:

Estimated Total Distribution	A\$120,070,000
Estimated Total Distribution per Stonewall Share	A\$0.25
Estimated Dividend per Stonewall Share	A\$0.10
Estimated Equal Capital Reduction per Stonewall Share	A\$0.15

4. Conditionality of the Distribution

The Distribution is conditional on Resolution 1 being approved, and Completion of the Share Sale Agreement. That part of the Distribution which is to be made by equal capital reduction is conditional on Resolution 2 and Resolution 3 being approved. That part of the Distribution which is to be made by dividend is intended to be made irrespective of whether Resolution 2 or Resolution 3 are approved.

5. Payment details

If the Distribution proceeds, payment will be made by way of direct credit into a nominated Australian bank account, or by cheque if banking details of a Shareholder have not previously been provided to the Company's share registry prior to the payment record date.

Shareholders who wish to be paid by direct credit into a nominated Australian bank account can nominate an account for the payments to be made by direct credit by updating your payment details with the Company's share register, Boardroom. Shareholders wishing to do so should contact Boardroom on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) for instructions.

At this time the Board contemplates making both the proposed dividend and the return of capital simultaneously however the Board reserves the right to make these as separate payments/distributions.

6. Requirements for the return of capital

For the purposes of the Corporations Act, the component of the Distribution to be made by way of a return of capital, is an equal reduction of capital because:

- a) it relates only to ordinary shares in the Company;
- b) applies to each holder of ordinary shares in the Company in proportion to the number of ordinary shares they hold; and
- c) the terms of the reduction are the same for each holder of ordinary shares in the Company.

Under section 256B(1) of the Corporations Act, a company may conduct an equal capital reduction provided that three requirements described below are met. These requirements apply to the component of the Distribution proposed being made by return of capital but not to the component of the Distribution being made by dividend:

- a) The return of capital must be fair and reasonable to the company's shareholders as a whole.

The Directors are of the opinion that the return of capital is fair and reasonable to all Shareholders as it will apply to all Shareholders at the Record Date equally, in proportion to the number of Shares which they hold at the Record Date.

- b) The return of capital must not materially prejudice the company's ability to pay its creditors.

The Directors are of the opinion that the return of capital will not materially prejudice the Company's ability to pay its creditors after having reviewed and considered the expected financial position of the Company if the Disposal completes, including the Company's expected assets, liabilities, cashflow and capital requirements.

- c) The return of capital must be approved by ordinary resolution of shareholders under section 256C of the Corporations Act.

Resolution 3 seeks Shareholder approval of the return of capital, for the purposes of section 256C of the Corporations Act.

7. Effect of the Distribution

A discussion of the effect of both the Disposal and the Distribution on the current and future operations of the Company is included in section 4 of this Explanatory Statement dealing with Resolution 1 above.

7.1 Effect on financial position

A pro forma statement of financial position, illustrating the financial position of the Company if the Disposal and the Distribution are implemented is included in Appendix 1. The statement has been prepared based on unaudited management accounts of the Company. The statement is abbreviated and unaudited and does not include all of the disclosures which would accompany an audited statement of financial position.

7.2 Effect on capital structure

For the purposes of ASX Listing Rule 7.20, the Company provides the following information to Shareholders regarding the effect of the proposed return of capital on Shares and the proposed treatment of options.

(1) Share capital

The Company has 472,202,184 fully paid ordinary shares on issue as at the date of this Notice of Meeting and paid up share capital of A\$90,061,546.91.

The Company's share capital will be reduced in accordance with Resolution 3 by the amount of the capital return which the Company estimates will be approximately A\$72.04 million (see section 3 above for further details in relation to the estimated amount of the return of capital).

No Shares will be cancelled and the number of Shares held by Shareholders will not change as a result of the passing of Resolution 3 or by return of capital. No fractional entitlements will arise from the return of capital. All Shares issued by the Company are fully paid, therefore the return of capital will not have any effect on amounts unpaid on Shares of the Company on issue.

(2) Options

Pursuant to ASX Listing Rule 7.22.3 if the proposed return of capital proceeds, the number of options on issue will remain the same, but the exercise price of the options will be reduced by the same amount returned to Shareholders per Share under the return of capital.

All Optionholders have the right to exercise any or all of their respective options at any time and if any do so prior to the Record Date for the Distribution then upon such valid exercise of options, the ensuing Shares will be entitled to fully participate in the Distribution.

The following table illustrates the impact of the return of capital on the exercise price of the Company's options, based on the Company's estimate of the amount of return of capital per Share.

Current options on issue	Exercise price (current)	Estimated exercise price (immediately after Record Date for distribution)
1,000,000 unlisted options	A\$0.25	A\$0.10
16,776,500 unlisted options	A\$0.20	A\$0.05

The Company will announce to ASX the exact impact of the return of capital on the exercise price of the Company's options, once this has been finally determined.

7.3 Effect on share price

If the Distribution is implemented, the Company's Shares are expected to trade at a lower share price than its then trading price immediately prior to the 'ex' date for the Distribution - this is due to the payment/return of funds to Shareholders.

8. Tax consequences for Shareholders

8.1 Introduction

This section comments on the Australian income and capital gains tax implications of the proposed Distribution for Australian-resident Shareholders. Note this is provided on the basis of receiving a Distribution only, without also disposing of the shares.

This section should be read in conjunction with the entire Notice of Meeting and Explanatory Statement. This summary is not intended to be comprehensive and is based upon the Company's interpretation of Australian income tax legislation currently in force at the date of this Notice of Meeting. Shareholders should not rely on the information on this section as advice in relation to their own affairs. The taxation laws are complex and there could be implications in addition to those described in this section. Shareholders should seek independent professional advice in relation to their own particular circumstances.

The information in this section only applies to Australian-resident Shareholders who hold their Shares on capital account (i.e., as an investment). The commentary does not deal with the taxation implications of the Distribution for:

- a) Shareholders who are not Australian tax resident; or
- b) Shareholders who are Australian tax resident but hold the shares in the Company on revenue account.

For the purposes of section 8.2 below, “Shareholder” does not refer to any of the persons or entities at (a) or (b) above. It is important that such persons or entities also seek independent taxation advice specific to their circumstances.

8.2 Taxation position of Shareholders

The Distribution will comprise a equal capital reduction and a dividend component. As discussed in section 3 above the precise and final amount of the Distribution by the Company and its composition cannot presently be determined. The following comments therefore relate to the tax treatment of the capital reduction and dividend to the extent either of those components are received.

(1) Equal capital reduction

The equal capital reduction will result in a capital gains tax (**CGT**) event for a Shareholder. The immediate income tax consequence of the receipt of the capital proceeds from the equal capital reduction will depend on the cost base of a Shareholder’s Shares for CGT purposes. The cost base of listed shares will generally be the cost of acquisition of the Shares, plus any costs incurred in relation to the acquiring and disposing of the shares (such as broker’s fees and stamp duty).

If the capital reduction exceed the cost base, then the Shareholder will realise a capital gain equal to the amount of the excess. The Shareholder may be eligible for a CGT discount (of 50% for individuals and 33% for superannuation funds) in respect of the capital gain to the extent the shares have been held for 12 months or greater. Companies are not eligible for a CGT discount.

If the cost base of the Shares is more than the capital proceeds received by a Shareholder there will be no immediate tax consequences to a Shareholder other than a reduction in CGT cost base of the shares.

(2) Dividend

Prima facie, a Shareholder should be taxed at their marginal rate (up to 45% for individuals, 30% for companies and 15% for superannuation funds) on any dividend distributions received from the Company.

To the extent the dividend is franked, however, eligible Shareholders should be entitled to reduce the tax payable by an income tax offset equal to the amount of the franking (or imputation) credit.

The precise amount of offset entitlement will depend on the specific attributes of the Shareholder and satisfaction of the eligibility criteria but in most cases, other than for companies, should be available to the full extent of the franking credit either through offset of the Shareholder’s tax liability or through refund to the extent the offset exceeds the Shareholder’s tax liability.

Shareholders that are companies should also receive a credit to their franking account on receipt of a franked dividend.

9. Directors' recommendations

The Directors **unanimously recommend** that Shareholders vote in favour of Resolution 3.

Each Director intends to vote all Shares which they control in favour of Resolution 3.

9.1 Directors' interests

No Director will receive a payment or benefit of any kind, as a result of the Distribution, other than as security holder of the Company.

Refer to section 7.1 of the section of this Explanatory Statement dealing with Resolution 1 for information about the number of securities of the Company which each Director holds as at the date of this Notice of Meeting.

9.2 No other material information

Other than as set out in this Notice of Meeting, and information previously disclosed to Shareholders, there is no information known to the Directors which might reasonably be expected to be material to the making of a decision by Shareholders whether or not to vote in favour of Resolution 3.

The Chair of the Meeting intends to vote undirected proxies in favour of Resolution 3.

Glossary

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.

Board means the board of directors of the Company.

Bosveld Project means the Bosveld gold project located at Klipwal in the KwaZulu-Natal Province of South Africa close to Swaziland held by Bosveld Mines Proprietary Limited.

Company means Stonewall Resources Limited ACN 131 758 177.

Completion means the completion of the purchase and sale of all of the shares in Stonewall Mining pursuant to the Share Sale Agreement.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Distribution has the meaning given in this Explanatory Statement.

Explanatory Statement means this explanatory statement.

General Meeting or **Meeting** means the general meeting of the Company convened by the Notice of Meeting.

Listing Rules means the listing rules of ASX.

Minority Sellers means the South African shareholders of Stonewall Mining.

Notice, Notice of General Meeting or Notice of Meeting means the notice of general meeting of which the Explanatory Statement forms a part.

PRC means the People's Republic of China.

Purchase Price means the amount of US\$141,546,693.

Put and Call Option Agreement means the agreement dated 28 June 2012 between the Company and the RSA Shareholders under which the Company has an option to purchase the remaining 19.98% of the issued share capital of Stonewall Mining held by the Minority Sellers in consideration for the issue of securities in the Company to the Minority Sellers.

Resolution means a resolution proposed in the Notice of General Meeting.

Sabie means Sabie Mines Proprietary Limited (Registration No. 1937/009104/07).

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

Share Sale Agreement means the share sale agreement between the Company, Qixing, and the RSA Shareholders for the acquisition by Qixing of all of the issued share capital of Stonewall Mining dated 22 November 2013.

Shareholder means a holder of a Share.

Stonewall Mining means Stonewall Mining Proprietary Limited (Registration No. 2010/004367/07).

TGME means Transvaal Gold Mining Estates Limited (Registration No. 1895/000997/06).

TGME Project means the TGME gold project located around the towns of Pilgrims Rest and Sabie in the Mpumalanga Province in South Africa held by TGME and Sabie.

APPENDIX 1 – Pro Forma statement of financial position

Stonewall Resources Limited Pro Forma Balance Sheet At Completion of Transaction

	31 October 2013	Pro Forma Adjustments	At Completion
Assets			
Cash and cash equivalents	1,499,492	5,162,805	6,662,297
Property, plant & equipment	152,655	-	152,655
Trade and other receivables	27,038	(27,038)	-
Investment - Stonewall Mining Pty Ltd	73,695,952	(73,695,952)	-
Loan - Stonewall Mining Pty Ltd	6,615,366	(6,615,366)	-
Total assets	81,990,502	(75,175,550)	6,814,952
Liabilities			
Trade and other payables	86,322	(86,322)	-
Loan - Australian Private Capital Investment Group (International) Limited	2,500,000	(2,500,000)	-
Total liabilities	2,586,322	(2,586,322)	-
Net Assets	79,404,180	(72,589,228)	6,814,952
Equity			
Issued capital	89,955,273	(83,309,931)	6,645,342
Reserves	169,609	-	169,609
Retained earnings	(10,720,703)	10,720,703	-
Total Equity	79,404,180	(72,589,228)	6,814,952

Notes:

- a) The Balance Sheet of the Company at 31 October 2013 represents the unaudited management balance sheet of the Company at that date. Following the transaction it is expected that the Company will report on a deconsolidated basis and hence, the 31 October 2013 management balance sheet does not reflect any adjustments required under the reverse acquisition provisions of AASB 3 – Business Combinations.
- b) All amounts are in Australian Dollars.
- c) The pro forma adjustments represent the cumulative impact of the following transactions anticipated between 31 October 2013 and completion of the proposed transactions:

- i. receipt of Trade and other receivables at 31 October 2013
 - ii. payment of Trade and other payables at 31 October 2013
 - iii. receipt of proceeds from the exercise of 533,620 options exercised on 14 November at \$0.20 each
 - iv. disposal of the Company's shares in Stonewall Mining for \$132.34m before tax and after payment of the entitlements to the Minority Sellers
 - v. payment of the estimated tax liability on the transaction of \$10.96 million
 - vi. payment of the estimated transaction cost of \$0.4 million
 - vii. distribution to shareholders of \$120.07 million by way of dividend and return of capital
 - viii. receipt of loans made to Stonewall Mining as at 31 October 2013
 - ix. Repayment of loan from Australian Private Capital Group (International) Limited
- d) The pro forma balance sheet upon completion of the proposed transaction depicts the estimated balance sheet of the Company following payment of the estimated distribution of proceeds after tax and related costs to the transaction.
- e) It is assumed that no additional options are exercised other than those exercised on 14 November 2013.