15 October 2018

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

ASX ANNOUNCEMENT

Positive Theta Hill Open-Cut Gold Mine Scoping Study

The Board of Stonewall Resources Limited (ASX: SWJ, SWJO) ("Stonewall" or "Company") is pleased to announce the results from the Theta Hill Scoping Study (SWJ 74%). A positive scoping study has been released today as part of the vision of developing a pipe line of open cut targets. The Theta Hill scoping study clearly shows that the historical mines of this goldfield have open cut oxide gold potential.

As announced on the 26 September, 2018, Theta Hill contains an open-cut JORC resource of 4.48Mt @ 4.14g/t Au for 600koz (Indicated & Inferred, Table 2). Stonewall now turns its attention to converting part of its large 5.8Moz Mineral Resource (Appendix A) into a mining reserve. Additional drilling is underway at Theta Hill to improve the JORC confidence category to primarily Indicated ahead of reserve declaration scheduled for 1Q'19.

This preliminary study shows the potential for annual average gold production of approximately **67kozpa for 7.6yrs (509koz recovered) with LOM All-In Sustaining Costs (AISC) of approximately US$569/oz** and peak capital requirement of approximately US$16m. This development would have a short payback time (approximately 7.4 months) and construction period (approximately 10 months).

Within the parameters of the Scoping Study limitations (± 25-30% accuracy) Theta Hill shows a post-tax $NPV^{7.5}$ of approximately US$152m (approximately A$214m) and IRR of approximately 132%.

Much of the infrastructure to restart gold production is already in place including the fully permitted tailings dam, roads, power and water. The preliminary estimate for the TGME CIL plant refurbishment is approximately US$11.1m, including crushing and grinding expansion to 500Ktpa.

Other local drilling targets have been identified, offering potential to enhance project economics through addition of ounces to the mine schedule. The next targets for drilling, outside of the immediate Theta Hill area include Vaalhoek Open-Cut (0.62Mt @ 16.9 g/t Au for 335Koz (82% Inferred, 18% Indicated, refer to ASX release dated 9 March, 2018) and Columbia Hill.

MD Rob Thomson comments "*Our team in South Africa and Australia has been diligently working on this open-cut vision, as the first stage of a planned series of open-cut and underground developments to transform the Company into a low-cost gold producer. We look forward to continuing to deliver on our stated commitment of delineating high grade open-cut gold deposits which can be brought into production at low cost".*

Cautionary Note: *The Scoping Study results, Production Targets and Forecast Financial Information contained in this announcement are preliminary in nature as the conclusions are based on low-level technical and economic assessments, insufficient to support the estimation of Ore Reserves or to provide assurance of an economic development case at this stage. There is a low level of geological confidence associated with Inferred Mineral Resources used in this report and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resource. The stated Production Target is based on the Company's current expectations of future results or events and should not be relied upon by investors when making investment decisions. Investors should note that there is no certainty of funding for this project, and that any future funding obtained may be dilutive to the value of shares in SWJ, and funding is one of the key risks to project timing.*

SUMMARY

The Scoping Study was delivered by South African consultants Minxcon, conducted in accordance with the JORC (2012) Reporting Code. The study highlights that the previous focus on underground mining potential by past operators and miners, can be examined in new light with a view to developing low cost open-cut mines, which has been the recent focus of SWJ.

The Scoping Study has determined that the Theta Hill open-cut development represents a potentially robust mine with low technical risk. It involves in-pit waste emplacement and strip-style mining of 3 gold-bearing seams (Figure 2) using surface miners amongst standard mining equipment, including dozers, rock-breakers and minimal drill and blast. The site is situated within 2km by road of the existing, fully permitted CIL plant, with a US$11.1m capital upgrade planned (Scoping level estimates, ±25- 30%).

The Company considers the project is potentially economically viable based on its ability to rapidly pay back project start-up capital (7.4 months from first cashflow) and potential ongoing positive operational cash flows for up to 7.6 years as demonstrated by the preliminary mining schedule.

The current mining inventory assumes 58% of ounces mined from Indicated Mineral Resources (37% of tonnes) during the first 9 months of production (more than covering the payback period) where in excess of 35,000 ounces of gold is produced, as considered in this Scoping Study (Figure 1).

Detailed monthly scheduling has been run for the life of mine (Figures 1, 6). Overall, a ratio of 83% Inferred and 17% Indicated resources is adopted in the Scoping Study model referenced in this report[1].

Table 1) Key aspects of Scoping Study (100% Project)

Parameter	Detail
Mineral Resources in Production Target	Indicated: 0.77Mt @ 3.51 g/t Au for 87koz Inferred: 3.71Mt @ 4.27 g/t Au for 513koz
Production Target	3.6Mt @ 4.77g/t Au for 553koz contained
Mine Life	7.6 years
Construction Period	10 months (first ore <12 months)
Processing Rate (design rate)	480ktpa for 67kozpa (average, peak 86koz)
Recovery (Life of Mine)	92.0% overall recovery (509koz LOM recovered)
Capital Cost (peak drawdown)	US$16M
Operating Costs	US$ 70/t operating cost excluding royalties (US$493/oz C1 recovered)
Project NPV (Real 7.5% to 10% DCF), post tax	US$152M to US$135M*
Project Undiscounted Real Net Cashflow (Life of Mine, 7.6 years)	US$218.6M
Internal Rate of Return	132%
All-in Sustaining Costs (AISC)- Av. Life of Mine	US$569/oz including royalties, excluding initial capital

**Assumptions include exchange rate ZAR 14.66 Spot 20 Sep, gold price of USD1,205/oz Spot on 20 Sep, US$40.5m in tax losses utilised.*

[1]*There is a low level of geological confidence associated with Inferred mineral resources and there is no certainty that further exploration work will result in the determination of Indicated mineral resources or that the production target itself will be realised*

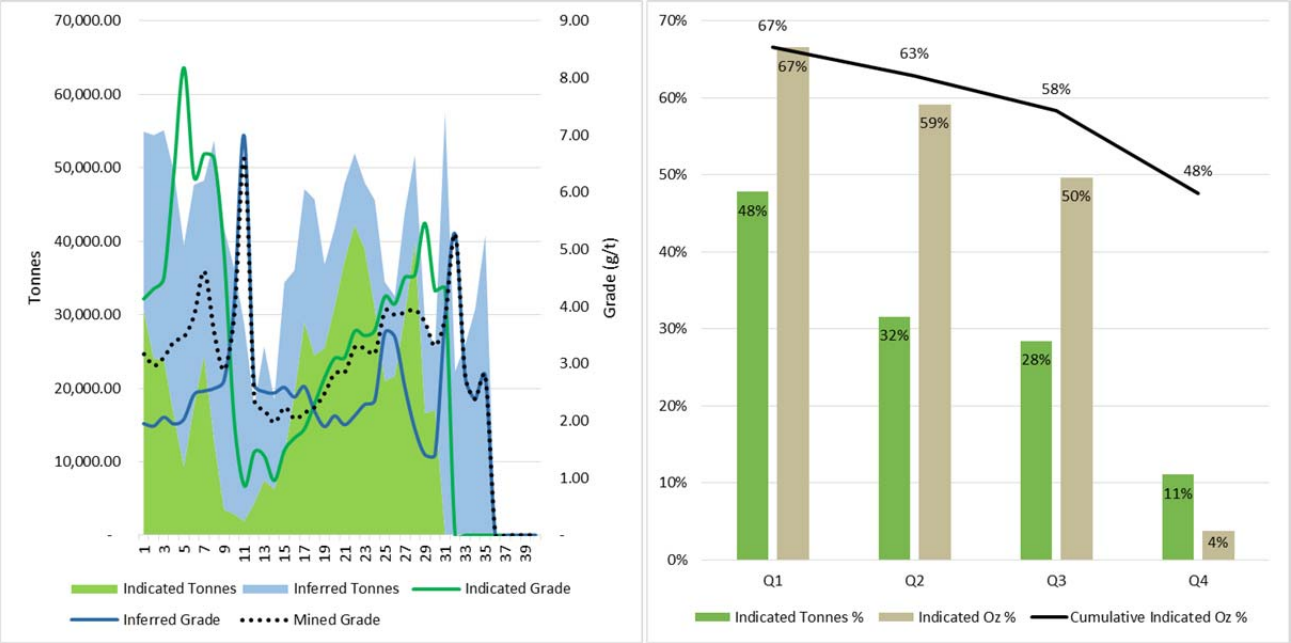


Figure 1) Preliminary mine scheduling showing allocation of Indicated and Inferred mineral resources, focused on the earlier part of mining including the first 12 months covering the payback period (RHS). The back part of the mine plan (Years 4 to 8) are currently predominantly Inferred resources, and thus not shown in these charts.

Table 2) Maiden Open Pit Mineral Resource for Theta Hill, 15 September 2018

Resource Classification	Open Pit Mine	Reef	Diluted	Diluted	Diluted	Au Content		%
			g/t	cm	Mt	kg	koz	Resource
Indicated	Theta Hill	Upper	1.13	100	0.185	210	7	1%
	Theta Hill	Lower	4.26	100	0.587	2 500	80	13%
	Theta Hill	Beta						0%
Total Indicated			**3.51**	**100**	**0.772**	**2 709**	**87**	**15%**
Inferred	Theta Hill	Upper	1.85	100	0.776	1 440	46	8%
	Theta Hill	Lower	7.17	100	1.632	11 734	377	63%
	Theta Hill	Beta	2.13	102	1.302	2 770	89	15%
Total Inferred			**4.27**	**101**	**3.710**	**15 944**	**513**	**85%**
Total Indicated and Inferred			**4.14**	**101**	**4.482**	**18 653**	**600**	**100%**

Note:

1. Resource cut-off of 0.35 g/t
2. Gold price used = USD 1,500/oz
3. Depletions have been applied
4. The Theta Hill Open Pit Mineral Resource falls within 83MR and 341 MR
5. Geological losses of 5% for Indicated and 10% for Inferred were applied

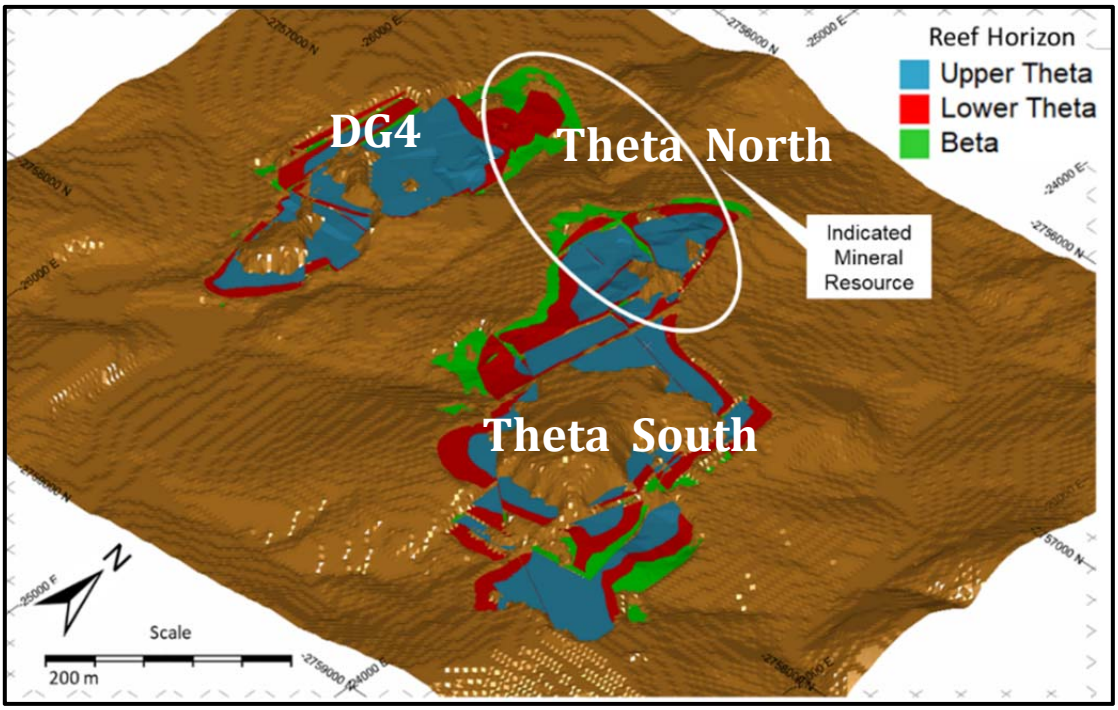


Figure 2) Resource pit at Theta Hill showing the three reefs

MINING & PRODUCTION SCHEDULE

The proposed mining method is an open-cast, bench style mining, involving contour strip mining (Figure 3). The method involves progressive strip mining using a variety of standard earthmoving equipment, with surface ore miners used to extract the ore (Figure 4). Despite the higher strip ratio (due to the narrow gold seams) large volumes of material can be removed efficiently.

Waste is placed back in the pit once the ore is removed, and rehabilitation is also progressive. Little drill and blast is anticipated due to the highly broken and fractured ground. This method is anticipated to be low cost, at around US$0.90/t of ore and US$1.27/t of waste moved.

Digability analysis undertaken as part of the Scoping work indicates much of the overburden can be ripped. Conglomerate, clay and shales are easily ripped with a dozer. Some chert bands and dolomite sections may require rock-breaker or similar. Blasting is not considered likely, but provision has been made in permits/costings etc.

The method of mining selected provides greater selectivity, improved productivity and reduced dilution. It can work in steep terrain with variable contours.

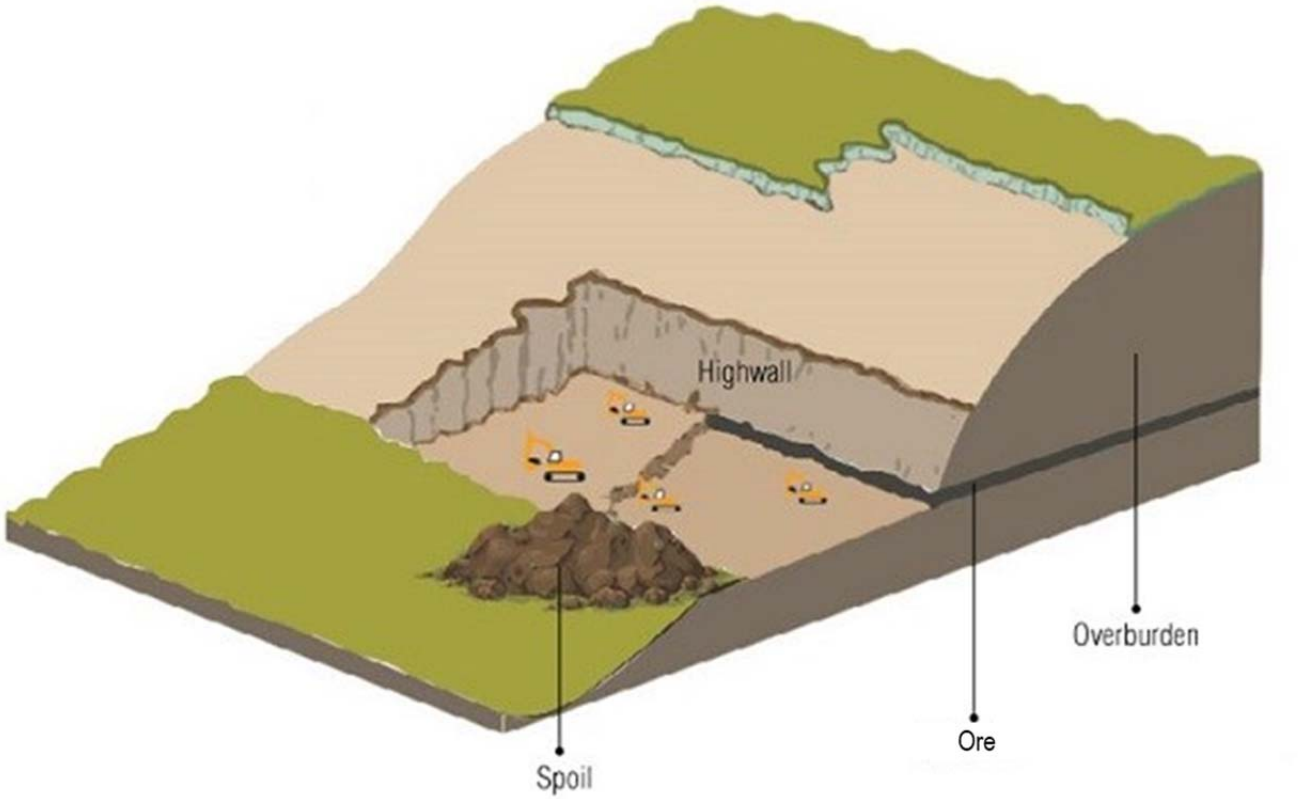


Figure 3) Example of contour-strip mining (Source: Minxcon)

Figure 4) Example of a surface miner (Source: Wirtgen)

The resources are located across two granted mining rights, MR83 and MR341. The focus of the drilling to date has been on MR83, due to ease of access on the northern part of the hill, where 46% of the resources are in the Indicated category (JORC 2012).

Several mining scenarios were run (3 in total) which considered firstly, only mining within MR83 (Figure 5), and also, mining of the Indicated Resource material only. Due to the low capital costs, all scenarios were profitable, with $NPV^{7.5}$ generated at multiple times the capital cost (US$35.2m for MR83 only).

The objective of any mine plan is to maximise profitability whilst considering other factors such as sustainability and longer term planning. With further drilling and declaration of majority Indicated Resources, it is expected the mine plan will be refined ahead of declaration of reserves as part of feasibility work.

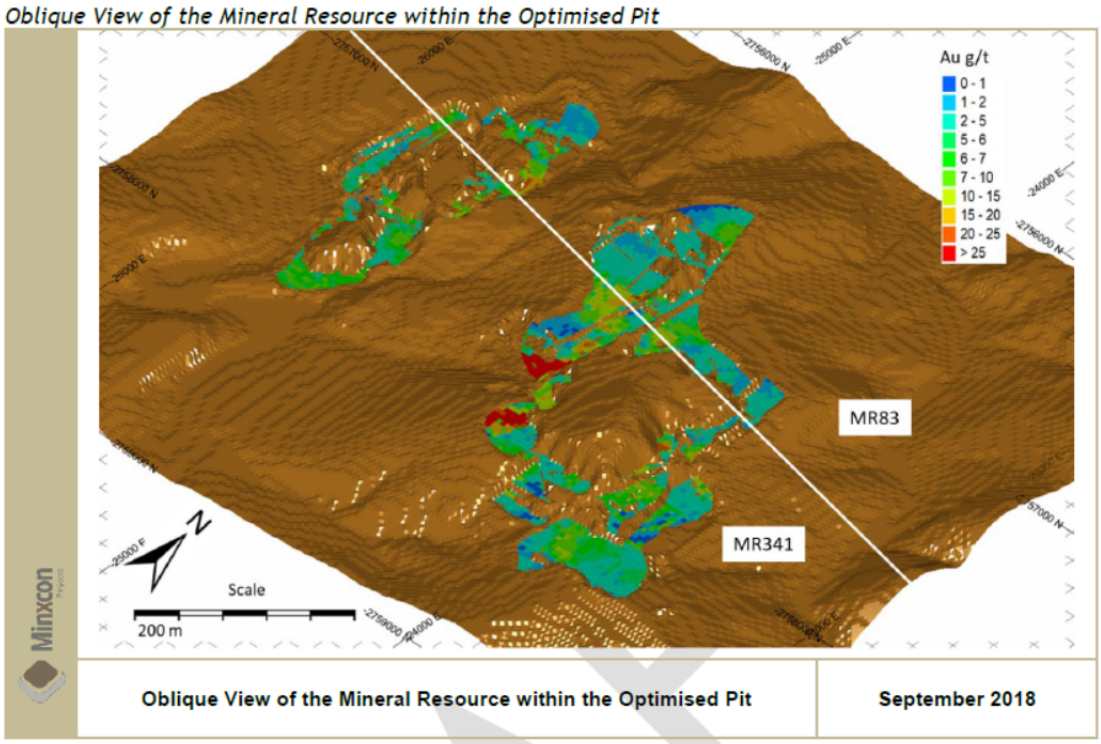
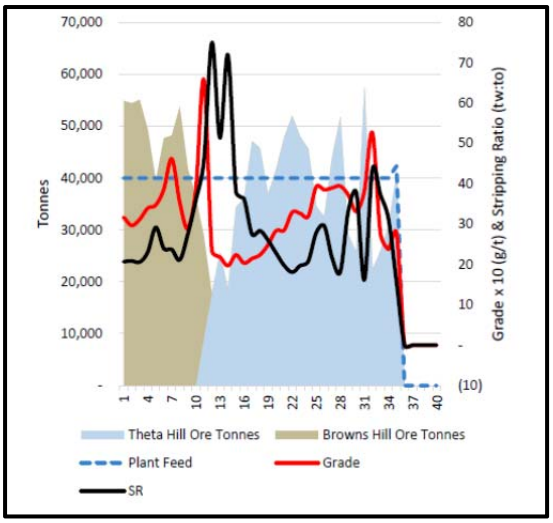


Figure 5) Location of MR83 and MR341 boundary and grade distribution model



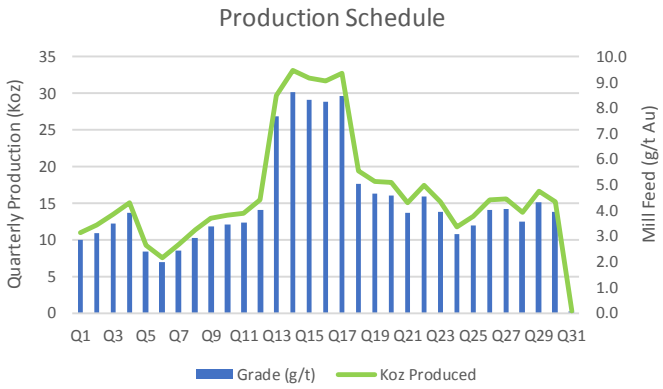


Figure 6) First 35 months of the mine plan subject to detailed scheduling, and full mine plan shown adjacent

PROCESSING & PLANT CAPITAL

Selected process design engineers, METS, based in Johannesburg, have conducted an assessment of estimated capital requirements for the existing CIL Plant refurbishment and upgrade, with a preliminary estimate of US$11.1m provided (Table 3). This will be further refined through detailed quotes as part of feasibility work (to improve range of variability from ±25-30%). The plant flowsheet schematic is shown in Figure 7. The proposed plant layouts and modifications are shown in Figure 8.

A mobile crushing unit will be installed, with a new 1.2MW ball mill and gravity circuit. A portion of the existing CIL tanks will be used, with additional tanks added. A refurbished elution circuit and gold room (last poured gold in 2015) will be installed, with reagent sections replaced. Existing thickeners are in good condition with some upgrade to the existing tailings storage facility required.

Material will be crushed, milled and leached through a CIL circuit for the recovery of gold. Loaded carbon will be processed through the elution, electrowinning and smelting circuit to produce gold doré. The CIL tails will be deposited onto the existing tailings storage facility by means of cycloning or other methods to maximise the available tailings deposition area. Referring to Figure 9, the tailings storage facility will be expanded in year 3 (production year 2) to cater for life of mine tonnes. An allowance of US$6.9m is made for expansion of the tailings dam.

Table 3 summarises the capital estimate for the plant refurbishments and tailings storage facility expansions.

Table 3) Breakdown of preliminary plant capital estimates (M)

Item	ZARm	USDm
Crushing and Screening	31.3	2.1
Milling	44.2	3.0
Carbon in Leach (CIL)	53.6	3.7
Elution	16.4	1.1
Gold Room	8.8	0.6
Utilities	3.3	0.2
Tailings Section	1.4	0.1
Tailings Refurbishment	2.6	0.2
Total Upfront Capital (Year 1)	**161.3**	**11.1**
Tailings Expansion (Year 3)	101.7	6.9
Total	**263**	**18**

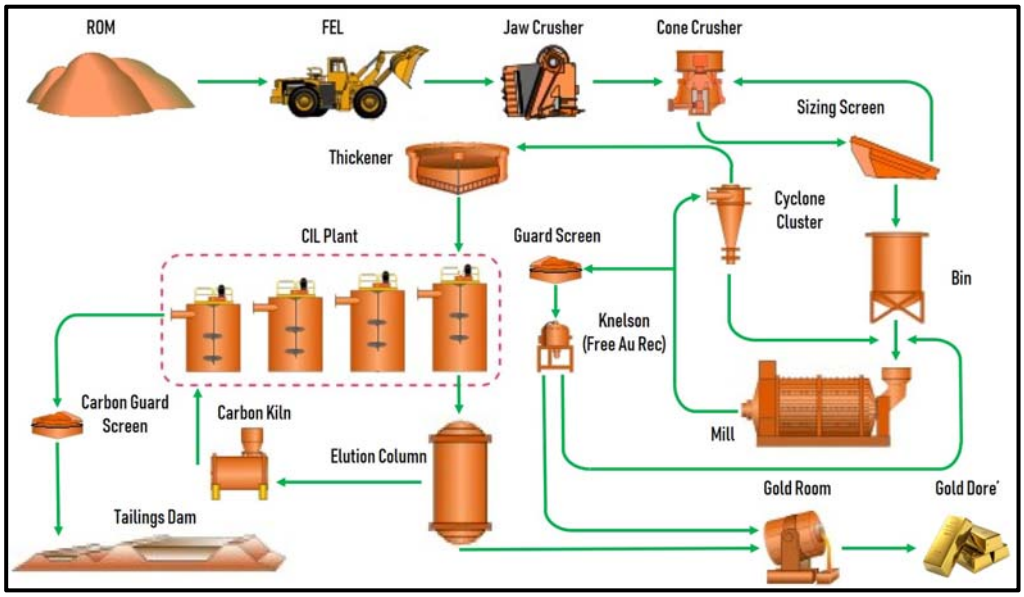


Figure 7) Indicative plant flow-sheet (source: Mets)

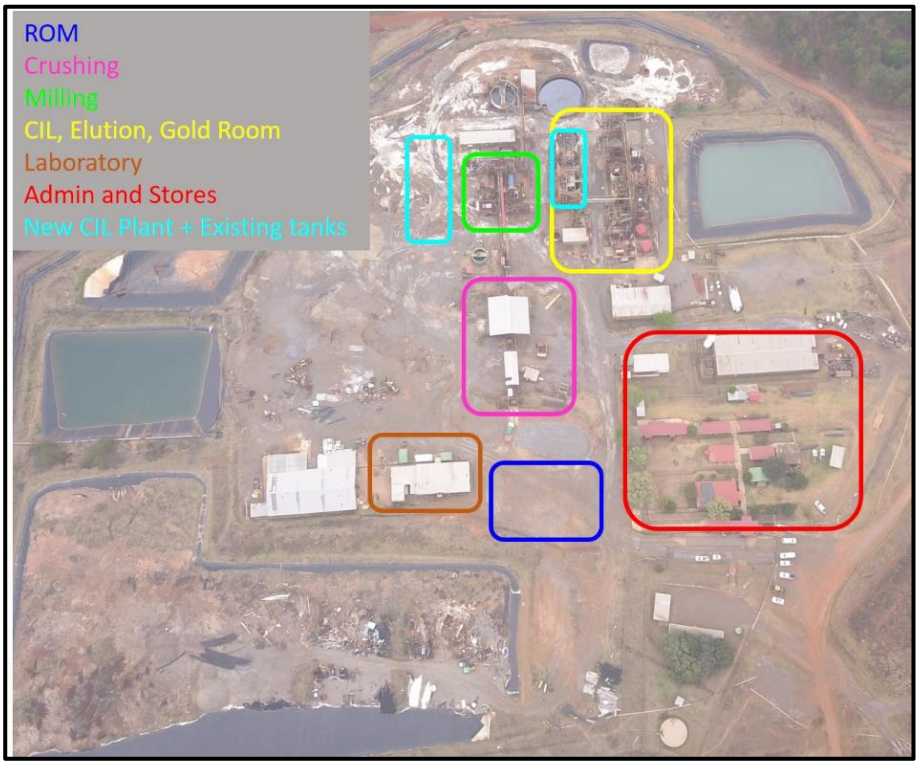


Figure 8) Indicative layout of plant refurbishment

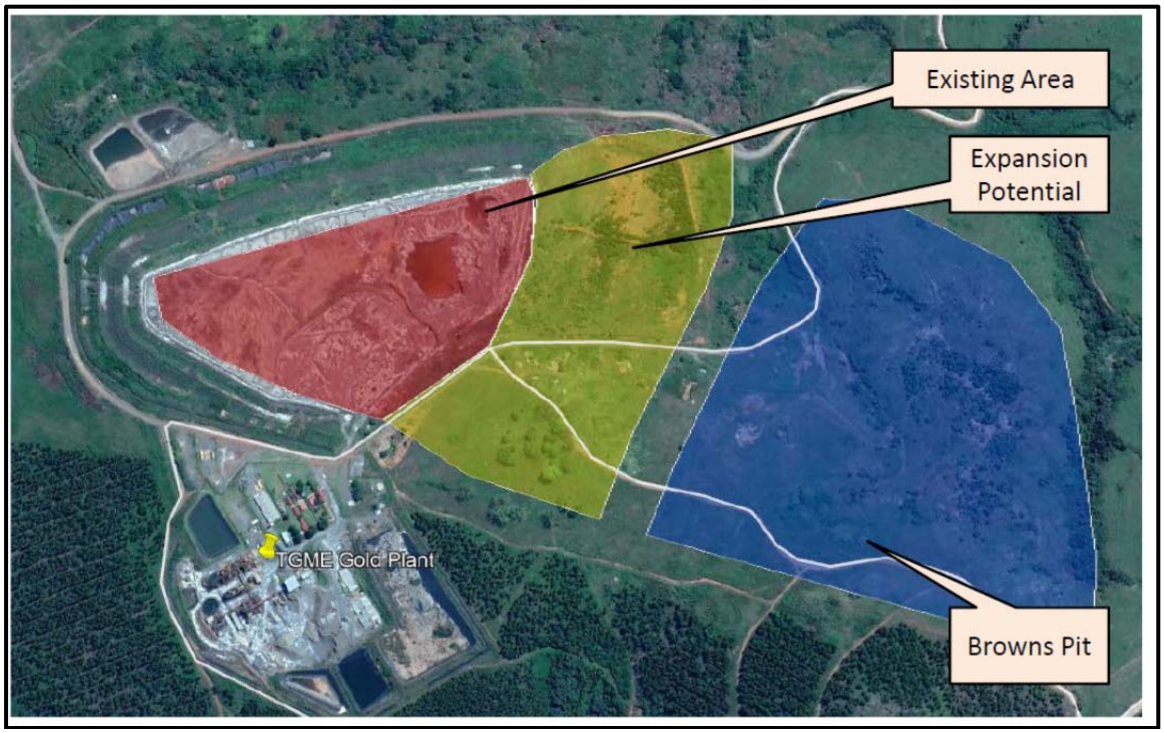


Figure 9) Indicative layout of tailings dam expansion area (Capital deferral to Year 3)

OPERATING COSTS

The proposed mining method is considered low cost, with between US$4-5m required in working capital to establish mining operations and conduct some pre-stripping ahead of first gold pour and resultant cashflow.

Mining cost for ore is estimated at US$0.90/t using South African benchmarks and quotation from potential suppliers (such as Wirtgen ore miners). Waste cost is estimated at US$1.27/t (note costs estimated in Rand, presented here in USD, refer to Table 4, Figure 10). Fixed costs of approximately US$3.6Mpa for mine and plant are estimated along with corporate overheads of approximately US$1.4Mpa. A breakdown of costs, including benchmarks is shown in Table 4 and 5.

The average operating cost per tonne of ore treated excluding royalties approximates US$70/t. This results in a C1 cash cost of approximately US$493/oz [1]. This would potentially make the project one of the lowest cost gold mines in South Africa (Figure 11).

In addition, a minimal amount of sustaining capital is applicable, corporate overheads and royalties, which delivers an AISC of US$569/oz[1].

[1] *Within Scoping study parameters of ± 25-30%, refer to Cautionary Statement on p1.*

Table 4) Breakdown of preliminary operating cost assessment

Description	Unit	Rate	
Optimisation Parameters			
Production Rate	ktpa	40	
Recovery	%	92.0	
Mining Costs		ZAR	USD
Ore Costs	Cost/t mined	13.15	0.90
Waste Costs	Cost/t mined	18.55	1.27
Processing Cost	Cost/t milled	240	16
Fixed Costs		M ZAR	USD K
Corporate	Cost/month	1.7	116
Mining + Plant	Cost/month	4.3	293

Table 5) Cost benchmarking

Operating Cost Rates					
Material	**Activity**	**Unit**	**Stonewall Unit Cost**	**Benchmark (Open Pit)**	**Comment**
Ore	Blasting	ZAR/ Ore Tonne	0.00	4.22	No blasting, allowance for 25% of total mined
	Drilling	ZAR/ Ore Tonne	0.00	4.09	No drilling, allowance for 25% of total mined
	Haul	ZAR/ Ore Tonne	8.59	12.54	Ore density 3.60 vs 2.70
	Load	ZAR/ Ore Tonne	4.56	4.07	Surface Miner Cost
	Total	**ZAR/ Ore Tonne**	**13.15**	**24.93**	
Waste	Blasting	ZAR/ Waste Tonne	1.22	4.00	No blasting, allowance for 25% of total mined
	Drilling	ZAR/ Waste Tonne		3.95	No drilling, allowance for 25% of total mined
	Haul	ZAR/ Waste Tonne	7.70	12.44	Not hauling to central WRD
	Load	ZAR/ Waste Tonne	8.97	4.08	Includes cost for Dozer ripping of waste material
	Profiling	ZAR/ Waste Tonne	0.66		Provision for profiling of placed waste
	Total	**ZAR/ Waste Tonne**	**18.55**	**24.48**	
		USD/Ore Tonne	***0.90***	***1.70***	
		USD/Waste Tonne	***1.27***	***1.67***	

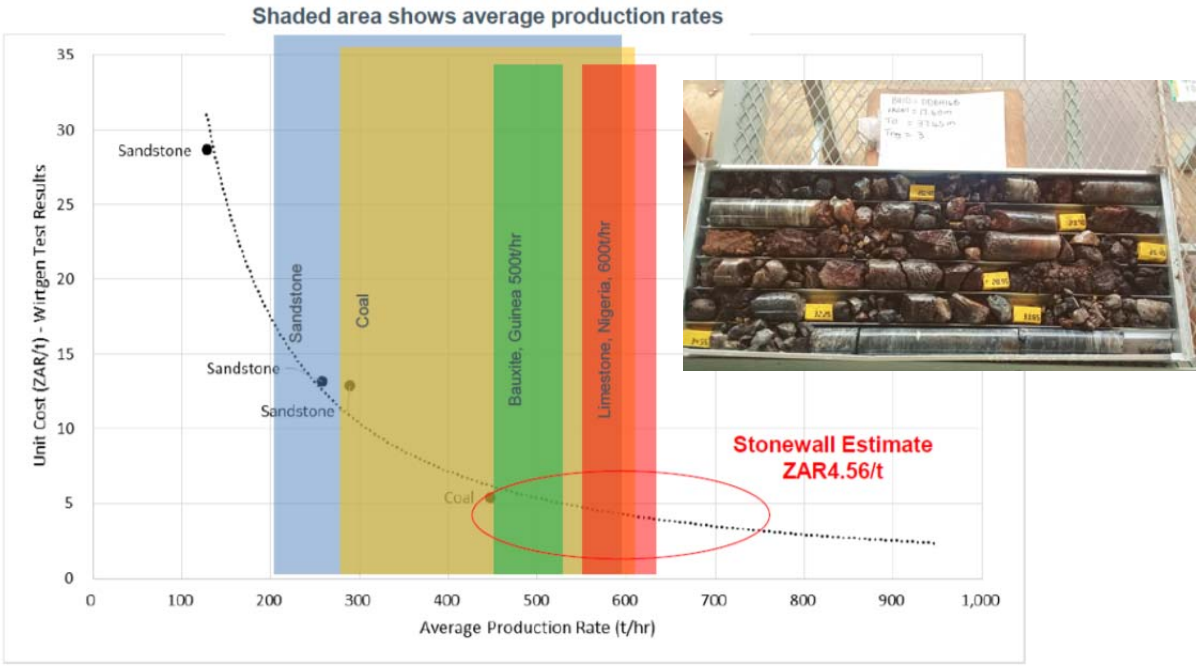


Figure 10) Surface miner cost performance benchmarking
(inset: typical ground conditions showing broken core)

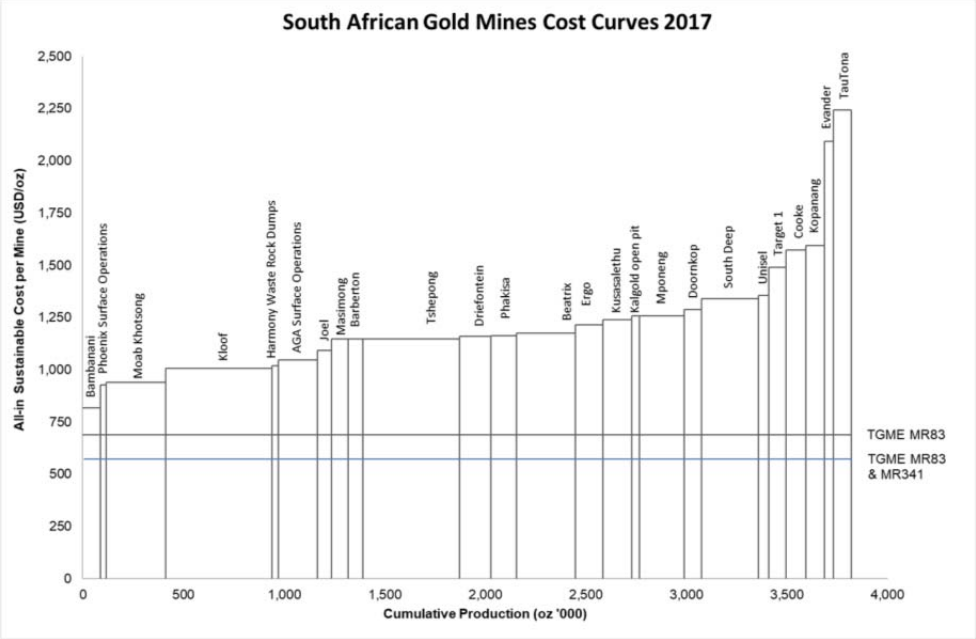


Figure 11) 2017 South African Gold Mine Cost Curve showing TGME target positioning
(Source: Minxcon)

FEASIBILITY & PROJECT POTENTIAL

The Board of SWJ is committed to progressing the project towards Decision to Mine (DTM) in 2019, hence a full feasibility study is planned, following which it is anticipated financing can be secured and DTM made.

Work to be completed in coming months, and into 2019 as part of the feasibility work is to include:

- Further drilling to upgrade areas of Inferred resources in the current mine plan to Indicated
- Additional drilling of other nearby identified areas of resource potential with a view to potentially adding to the mine plan
- Detailed design of the CIL Plant refurbishment, to within Feasibility study accuracy (±15%) ahead of commencement of plant refurbishment in 2019 (subject to financing)
- Further refinement of the mine planning work, including ore and waste schedules, with a view to maximising profitability, particularly during the first year when capital is to be repaid (assuming debt funding)
- Geotechnical and Metallurgical studies to support both the mine plan and processing design
- Studies and plans including Environmental Management Plans to ameliorate any potential impacts of open-cut mining on the local community, including water, dust, noise and traffic management

SENSITIVITY ANALYSIS

The following sensitivity analysis around the project NPV$^{7.5}$ and IRR has been conducted, showing primary sensitivity to gold prices, exchange rate, grade, and operating and capital costs.

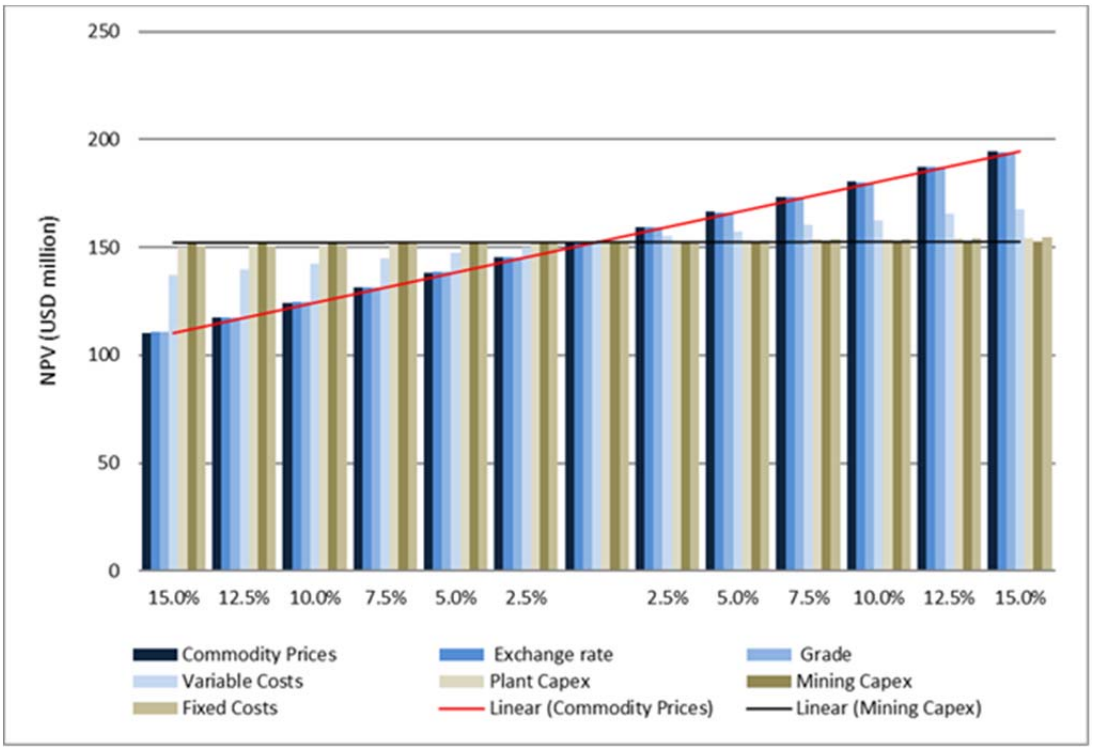


Figure 12) NPV Sensitivity Analysis

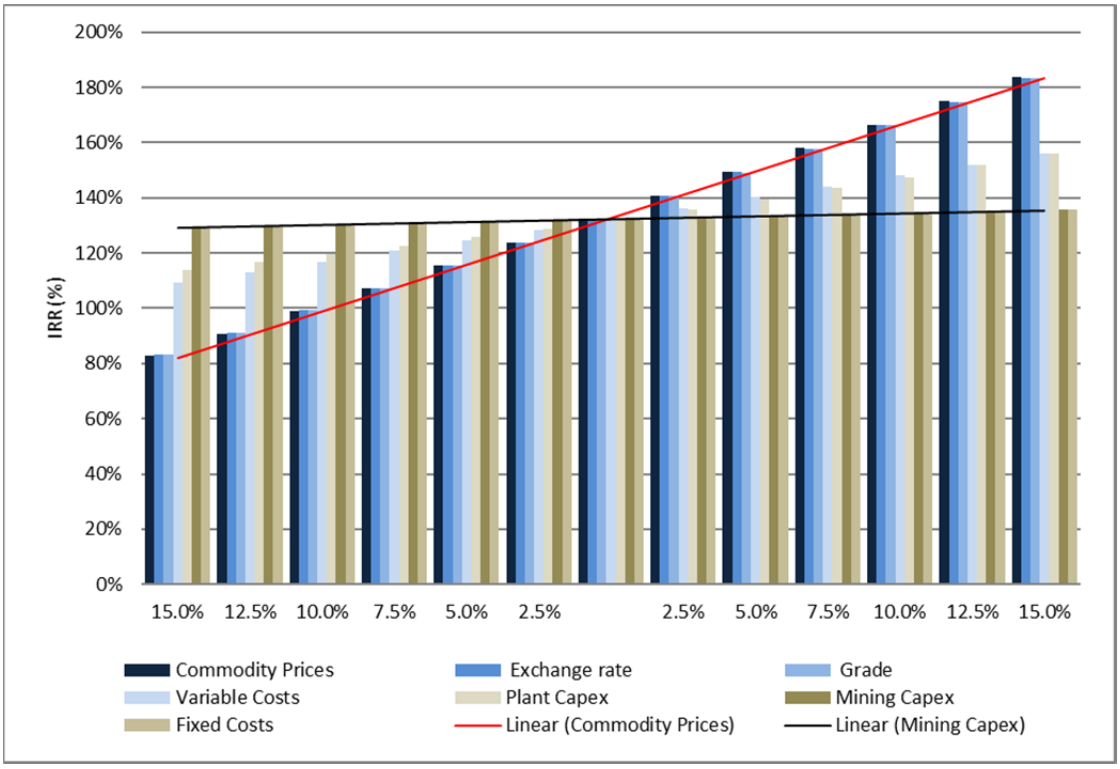


Figure 13) IRR Sensitivity Analysis

PROJECT TIMELINE & FINANCING

Due to the likely favourable economics of the project and short anticipated payback SWJ anticipates that it will be able to access appropriate funding options. Prior to considering funding options, the completion of a Definitive Feasibility Study (DFS), prefaced by conversion to Measured and Indicated Resources and then Reserves at Theta Hill is required in accordance with the JORC (2012) code.

It is anticipated the DFS can be completed by late 1Q'19, subject to availability of funding. SWJ intends to be in a position to make a decision to mine in 2019. Any potential delays in financing, permitting and drilling may affect the timetable to production.

JORC 2012 MINERAL RESOURCE

The September 2018 Mineral Resource (Appendix A) includes the maiden open pit Mineral Resource for the Theta Hill mine. A summary is shown below.

Table 6) Combined Mineral Resource for Stonewall as at September 2018

Resource Classification	Type of Operation	Tonnage	Gold Grade	Gold Content	
		Mt	g/t	Kg	koz
Measured	Underground	0.091	5.37	489	15.7
Total Measured		**0.091**	**5.37**	**489**	**15.7**
Indicated	Underground	4.774	6.21	29 661	953.7
	Open Pit	2.722	2.44	6 644	213.6
	Tailings	5.244	0.83	4 373	140.6
Total Indicated		**12.740**	**3.19**	**40 679**	**1 307.8**
Inferred	Underground	21.452	5.22	111 880	3 597.0
	Open pit	4.719	5.40	25 472	818.9
	Tailings	0.023	0.57	13	0.40
	Rock Dump	0.121	1.64	199	6.40
Total Inferred		**26.316**	**5.23**	**137 564**	**4 422.7**
Grand Total		**39.146**	**4.57**	**178 732**	**5 746.3**

Note:

1. Gold price used = USD 1,500/oz
2. Depletions have been applied
3. Geological losses of 5% for Indicated and 10% for Inferred were applied

Competent Person Statement

Mineral Resources

The information in this report relating to Mineral Resources is based on, and fairly reflect, the information and supporting documentation compiled by Mr Uwe Engelmann (BSc (Zoo. & Bot.), BSc Hons (Geol.), Pr.Sci.Nat. No. 400058/08, MGSSA), a director of Minxcon (Pty) Ltd and a member of the South African Council for Natural Scientific Professions.

The original reports titled “New Open-Cut discovery at Vaalhoek Mine with maiden 17g/t Resource” and “Theta Hill Open Cut Grows JORC Resources to 5.8 Moz” were dated 9 March and 26 September 2018 respectively and were released to the Australian Securities Exchange (ASX) on those dates. The Company confirms that –

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

ABOUT STONEWALL RESOURCES LIMITED

Stonewall Resources Limited (ASX: SWJ, SWJO) is a gold development company that holds a range of prospective gold assets in a world-renowned South African gold mining region. These assets include several surface and near-surface high-grade gold projects which provide cost advantages relative to other gold producers in the region.

Stonewall's core project is TGME, located next to the historical gold mining town of Pilgrim's Rest, in Mpumalanga Province, some 370km east of Johannesburg by road or 95km north of Nelspruit (Capital City of Mpumalanga Province).

Following small scale production from 2011 – 2015, the Company is currently focussing on the refurbishment of the existing CIL plant and drilling nearby high grade gold resources with the intention of resuming gold production.

The Company aims to build a solid production platform to over 100kozpa based primarily around shallow, open-cut or adit-entry hard rock mining sources. Stonewall has access to over 43 historical mines and prospect areas that can be accessed and explored, with over 6.7Moz of historical production recorded.

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

General Enquiries
Rob Thomson, Managing Director
Stonewall Resources Limited
M: +61 409 843 963
robt@stonewallresources.com

or

Investor Enquiries
Bill Guy, Chairman
Stonewall Resources Limited
T: + 61 2 9460 2021
billg@stonewallresources.com

APPENDIX A: JORC Mineral Resources

Mineral Resources for the Stonewall Underground Operations as at September 2018

Resource Classification	Mine	Reef	Reef Grade	Stope Grade	Reef Width	Stope width	Content	Reef Tonnes	Stope Tonnes	Au Content	
			g/t	g/t	cm	cm	cmgt	Mt	Mt	Kg	koz
Measured	Frankfort	Bevett's	7.13	5.37	73	103	520	0.069	0.091	489	15.7
Total Measured			**7.13**	**5.37**	**73**	**103**	**520**	**0.069**	**0.091**	**489**	**15.7**
Indicated	Frankfort	Bevett's	7.86	5.13	58	96	452	0.243	0.373	1 912	61.5
	CDM	Rho	13.19	3.80	23	90	307	0.258	0.895	3 401	109.4
	Beta	Beta	21.66	6.58	23	90	499	0.716	2.357	15 506	498.5
	Rietfontein	Rietfontein	14.57	8.20	52	92	755	0.517	0.919	7 534	242.2
	Vaalhoek	Vaalhoek	13.90	6.34	36	90	499	0.064	0.140	887	28.5
	Olifantsgeraamte	Olifantsgeraamte	16.97	4.62	25	90	416	0.026	0.091	422	13.6
Total Indicated			**16.26**	**6.21**	**36**	**91**	**591**	**1.824**	**4.774**	**29 661**	**953.7**
Total Measured & Indicated			**15.93**	**6.20**	**38**	**91**	**600**	**1.893**	**4.865**	**30 150**	**969.4**

Resource Classification	UG Mine	Reef	Reef Grade	Stope Grade	Reef Width	Stope width	Content	Reef Tonnes	Stope Tonnes	Au Content	
			g/t	g/t	cm	cm	cmgt	Mt	Mt	Kg	koz
Inferred	Frankfort	Bevett's	7.41	4.27	48	93	356	0.343	0.596	2 543	81.8
	CDM	Rho	10.06	3.02	24	90	244	0.544	1.811	5 472	175.9
	Beta	Beta	16.51	5.43	25	90	414	1.107	3.367	18 285	587.9
	Rietfontein	Rietfontein	14.06	8.52	57	94	803	1.190	1.962	16 721	537.6
	Olifantsgeraamte	Olifantsgeraamte	18.33	4.68	23	90	422	0.059	0.248	1 162	37.3
	Vaalhoek	Vaalhoek	16.28	4.77	22	90	361	0.873	2.980	14 209	456.8
	Vaalhoek	Thelma Leaders	12.18	9.47	96	123	1166	0.023	0.030	284	9.1
	Glynns Lydenburg	Glynns	15.87	5.19	25	90	397	3.218	9.833	51 078	1 642.2
	Ponieskrantz*	Portuguese	13.26	3.99	22	90	287	0.064	0.213	849	27.3
	Frankfort Theta*	Theta	7.22	3.24	34	90	244	0.099	0.220	714	23.0
	Nestor*	Sandstone	5.54	2.92	41	90	225	0.101	0.193	562	18.1
Total InFerred			**14.68**	**5.22**	**31**	**91**	**458**	**7.622**	**21.452**	**111 880**	**3 597.0**

Note: * Indicates historical manual resources

Mineral Resources for the Stonewall Open Pit Operations as at September 2018

Resource Classification	Open Pit Mine	Reef	Reef Grade	Reef Width	Content	Reef Tonnes	Au Content	
			g/t	cm	cmgt	Mt	Kg	koz
Indicated	Hermansburg	Elluvial	1.79	0	0	0.505	905	29.1
	DG1	Elluvial	1.37	0	0	0.159	217	7.0
	DG2	Elluvial	0.76	0	0	1.174	892	28.7
	Theta & Browns Hill*	Upper Theta	1.13	100	113	0.185	210	6.7
	Theta & Browns Hill*	Lower Theta	4.26	100	426	0.587	2500	80.4
	Theta & Browns Hill*	Beta						
	Vaalhoek	Vaalhoek	17.25	33	574	0.111	1 920	61.7
Total Indicated			**2.44**	**30**	**73**	**2.722**	**6 644**	**213.6**

Resource Classification	Open Pit Mine	Reef	Reef Grade	Reef Width	Content	Reef Tonnes	Au Content	
			g/t	cm	cmgt	Mt	Kg	koz
Inferred	Hermansburg	Elluvial	0.88	0	0	0.110	97	3.1
	DG1	Elluvial	2.95	0	0	0.293	864	27.8
	DG5	Elluvial	0.76	0	0	0.101	77	2.5
	Vaalhoek	Vaalhoek	20.32	43	880	0.213	4 319	138.9
	Vaalhoek	Thelma Leaders	14.25	97	1 388	0.293	4 172	134.1
	Theta & Browns Hill*	Upper Theta	1.85	100	185	0.776	1440	46.3
	Theta & Browns Hill*	Lower Theta	7.17	100	717	1.632	11 734	377.3
	Theta & Browns Hill*	Beta	2.13	102	217	1.302	2 770	89.1
Total Inferred			**5.40**	**87**	**470**	**4.719**	**25 472**	**818.9**

Mineral Resources for the Stonewall Tailings Dams as at September 2018

Resource Classification	Surface Operation	Reef	Tonnage	Gold Grade	Gold Content	
			Mt	g/t	Kg	koz
Indicated	Glynn's Lydenburg	Tailings	1.211	0.80	972	31.3
	Blyde 1	Tailings	0.590	0.73	434	14.0
	Blyde 2	Tailings	0.280	0.83	234	7.5
	Blyde 3	Tailings	0.316	0.87	275	8.8
	Blyde 4	Tailings	0.164	0.72	119	3.8
	Blyde 5	Tailings	0.022	0.61	14	0.4
	TGME Plant	Tailings	2.661	0.87	2 325	74.8
Total Indicated			**5.244**	**0.83**	**4 373**	**140.6**

Resource Classification	Surface Operation	Reef	Tonnage	Gold Grade	Gold Content	
			Mt	g/t	Kg	koz
Inferred	Blyde 3a	Tailings	0.023	0.57	13	0.4
Total Inferred			**0.023**	**0.57**	**13**	**0.4**

Mineral Resources for the Stonewall Rock Dumps as at September 2018

Mineral Resource Category	Surface Operation	Reef	Tonnage	Gold Grade	Gold Content	
			Mt	g/t	Kg	koz
Inferred	Vaalhoek	Rock Dump	0.121	1.64	199	6.4
Total Inferred			**0.121**	**1.64**	**199**	**6.4**

Notes:

1. Underground cutoff is 160cm.g/t, open pit cutoff is 0.5 g/t and the tailings cutoff is 0.35 g/t;
2. The gold price used for the cutoff calculations is USD 1,500 / oz;
3. Geological losses applied are, 10% for inferred and 5% for Indicated and Measured;
4. Declared Mineral Resources fall within the various permit areas;
5. Historical mine voids have been depleted from the Mineral Resource;
6. The inferred Mineral Resources have a high degree of uncertainty and it should not be assumed that all or a portion thereof will be converted to Mineral Reserves.

APPENDIX B: Vaalhoek Mineral Resources

Total Open Cut Mineral Resources

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

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

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

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

Vaalhoek Gold Mine Underground Mineral Resources

Resource Classification	Au Reef Width	Au Stoping	Reef Width	Stope width	Stope Content
	g/t	g/t	cm	cm	cmgt
Meausred					
Indicated	13.90	6.34	36	90	499
Total M&I	13.90	6.34	36	90	499

Resource Classification	Au Reef Width	Au Stoping	Reef Width	Stope width	Stope Content
	g/t	g/t	cm	cm	cmgt
Inferred	16.17	4.81	24	90	390

Resource Classification	Au Reef Width	Au Stoping	Reef Width	Stope width	Stope Content
	g/t	g/t	cm	cm	cmgt
Total M,I Inf	16.02	4.88	25	90	398

Note

1. Resource Cut-off of 160 cmgt
2. Depletions have been applied
3. Pillars have been included in the Resource table
4. Geological losses of 5% for Indicated and 10% for Inferred were applied
5. Channel Density of 3.6 waste Density of 2.84
6. Note the back calc does not work from the AuSW due to the Density diffrence betwe

MATERIAL ASSUMPTIONS

Material assumptions used in the estimation of the production target and associated financial information are set out in the following table:

Criteria	Commentary
Mineral Resource estimate underpinning the production target	The Mineral Resource estimate declared on 26 September 2018 underpins the production target. This estimate was prepared by a Competent Person in accordance with JORC Code 2012. The production target is based on the maiden open pit Mineral Resource for Theta Hill of 600 koz, indicated (15%) and inferred (85%).
Site Visits	A site visit was conducted by representatives of the independent consultancy responsible for preparation of the Mineral Resource estimation as well as the Scoping Study, Minxcon (Pty) Ltd: • Mr Uwe Engelmann (Competent Person, Mineral Resources) • Mr Daan van Heerden (Scoping Study sign-off) • Mr Michiel Breed (Scoping Study project lead)
Study Status	The production target and financial information in this release are based on a scoping study. The scoping study referred to in this announcement is based on low-level technical and economic assessments and is insufficient to support the estimation of Ore Reserves or to provide assurance of an economic development case at this stage or to provide certainty that the conclusions of the scoping study will be realised.

Criteria	Commentary
Mining factors or assumptions	Mining modifying factors were estimated based on the nature of the orebody and the mining method applied, as follows: • Planned mining width –100 cm • Geological losses of 10% for inferred and 5% for indicated have been applied to the Mineral Resource. • An additional 5% geological loss was applied in areas where drill hole recoveries are known • No dilution factors applied – Historical mining suggests reef widths are 30cm. 100cm mining width thus includes 70cm of dilution. These are considered appropriate after assessing the nature of the orebody as well as the likely mining methods.
Metallurgical factors or assumptions	Testwork was conducted by SGS Laboratories and recoveries of 87.5% to 93.5% were achieved. There were no signs of preg-robbing elements and the material is not considered to be refractory. An overall metallurgical recovery of 92% was assumed for the life of mine.
Environmental	Applications are currently being drafted to gain environmental authorisations, permits and water use licences for the open pit mining activities for the Project.
Infrastructure	On mine infrastructure has been scoped according to industry practice and scoping study level capital estimates have been made.
Capital Costs	The following assumptions were made during the preparation of the capital estimate:- • The mining and infrastructure capital costs is based on historical quotes and benchmarking against similar operations; • EPCM costs has been included per capital cost item as a percentage of 12% of the supply cost. • Cost for the mining fleet has not been included as this forms part of the mining contractor rates. • An exchange rate of ZAR/USD 14.66 was used. • Where outdated costs and/or quotations were used, an inflation rate of 6% per year was applied per annum to align with the current financial year. • A 20% contingency was applied to all capital costs.
Operating Costs	The basis of Operating Costs has been defined as the cost of all mining, processing and operational activities. Operating costs therefore comprise: • The cost of surface mining operations, including the cost of contract mining, man power, consumables and bulk supply. • The cost of processing the ore to saleable products, including the cost of man power, consumables and bulk supply. • The cost of shared services for the support of the operation, including

Criteria	Commentary
	the cost of on- site labour, infrastructure, camp costs and bulk supply. • The cost of transporting the ore from the mine to the processing facility. Operating costs have been determined through database costs and estimations based on similar operations. The costs presented have a base date of September 2018, are presented in United States Dollars. A 10% contingency was applied to all operating costs.
Revenue factors	A gold price of US$1,205 per oz has been assumed in the scoping study based on the spot price on the effective date of 20 September 2018. The ZAR to US$ exchange assumed is R14.66 to US$1.00 also based on the spot rate on the effective date of 20 September 2018.
Schedule and Timeframe	The project development schedule indicates that the Project can be constructed and be in production within one year. The expansion and commissioning of the plant is on the critical path.
Funding	The Company believes that reasonable grounds exist to assume that funding for the Project will be available. The Company believes that the highly robust economics, relative efficient capital intensity and modest project size and approach will facilitate successful fund raising for the project. The ability of a Project to be funded remains a key risk to successful project implementation.
Economic	A range of discount rates were used for financial modelling to illustrate the sensitivity to the NPV.
Social	The Company is involved with a number of projects in the local communities. General acceptance of the project is good. No material risks have been identified in this regard.
Other	The MR341 surface area is covered by pine plantations and is under ownership to York Timbers. A mutually-beneficial surface access agreement with York Timbers is required.
Classification	• Resources were classified in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). • The classification of the Mineral Resources was completed based on the geological continuity, estimation performance, number of drill samples, drill hole spacing and sample distribution. The Competent Person is satisfied that the result approximately reflects his view of the deposit.