

21 October 2014

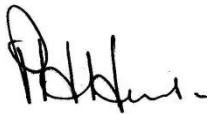
Australian Securities Exchange  
Level 5, 20 Bridge Street  
SYDNEY NSW 2000

**ASX ANNOUNCEMENT**

**NOTICE OF ANNUAL GENERAL MEETING & PROXY FORM**

Please find attached a Notice of Annual General Meeting and Proxy Form which has been despatched to shareholders today.

On behalf of the board



**Peter Hunt**  
**Company Secretary**

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## **STONEWALL RESOURCES LIMITED**

**ACN 131 758 177**

## **NOTICE OF 2014 ANNUAL GENERAL MEETING**

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TIME: 11:00 am AEDT

DATE: Friday 21 November 2014

PLACE: RACV Club Victoria  
501 Bourke Street  
Melbourne VIC 3000

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

If you are unable to attend the Annual General Meeting, please complete the Proxy Form enclosed and return it in accordance with the instructions set out on that form. If you are in any doubt as to how to vote, you should consult your financial or legal adviser as soon as possible. Should you wish to discuss the matters in this Notice of Meeting, please do not hesitate to contact the Company Secretary on (+61 8) 7324 6000.

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is hereby given that the 2014 Annual General Meeting of Stonewall Resources Limited (the **Company**) will be held at:

Venue: RACV Club Victoria  
501 Bourke Street  
Melbourne VIC 3000

Date: Friday 21 November 2014

Time: 11.00 am AEDT

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

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting.

The Directors have determined pursuant to Regulations 7.11.37 and 7.11.38 of the Corporations Act 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 7.00 pm (AEDT) on Wednesday 19 November 2014.

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### AGENDA

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#### Ordinary Business

##### 1. Receipt of Annual Report, Financial Statements, Directors' and Audit Report

"To receive and consider the Annual Report, Financial Statements of the Company and its controlled entities, together with the Directors' Report and the Audit Report for the year ended 30 June 2014."

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

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#### Resolutions

##### 1. RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

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

"That the Remuneration Report (which forms part of the Directors' Report) for the year ended 30 June 2014 be adopted."

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

#### Voting Prohibition Statement:

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

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

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

- The voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
  - The voter is the Chair and the appointment of the Chair as proxy:
    - Does not specify the way the proxy is to vote on this Resolution; and
    - Expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company, or if the Company is part of a consolidated entity, for the entity.
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## **2. RESOLUTION 2 – ELECTION OF DIRECTOR: Dr James Jian Liu**

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

“That Mr James Jian Liu, a non-executive director of the Company having been appointed as an addition to the board on 9 May 2014, in accordance with clause 13.2 of the Company’s constitution and, being eligible, offering himself for election, be elected as a director of the Company.”

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## **3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR: Mr David Murray**

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

“That Mr David Murray, a non-executive director of the Company who is retiring by rotation under clause 16.1 of the Company’s Constitution, and being eligible for re-election under clause 16.2, offers himself for re-election as director of the Company, be elected as a director of the Company.”

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## **4. RESOLUTION 4 – RE-ELECTION OF DIRECTOR: Mr Nathan Taylor**

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

“That Mr Nathan Taylor, a non-executive director of the Company who is retiring by rotation under clause 16.1 of the Company’s Constitution, and being eligible for re-election under clause 16.2, offers himself for re-election as director of the Company, be elected as a director of the Company.”

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## **5. RESOLUTION 5 - APPROVAL OF ADDITIONAL PLACEMENT CAPACITY**

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

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

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## **6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF 20,000,000 SHARES TO A SOPHISTICATED INVESTOR**

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

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 20,000,000 fully paid ordinary shares to a sophisticated investor on the terms and conditions set out in the Explanatory Statement.”

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## **7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF 15,000,000 SHARES TO A SOPHISTICATED INVESTOR**

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

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 15,000,000 fully paid ordinary shares to a sophisticated investor on the terms and conditions set out in the Explanatory Statement.”

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## **8. RESOLUTION 8 – RATIFICATION OF PRIOR ISSUE OF 18,750,000 CONVERTIBLE NOTES**

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

“That for the purposes of the ASX Listing Rules, including ASX Listing Rules 7.1 and 7.4, and for all other purposes, the issue of 18,750,000 Convertible Notes to a sophisticated investor on the terms and conditions set out in the Explanatory Memorandum.”

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## **9. RESOLUTION 9 – RATIFICATION OF PRIOR ISSUE OF 10,004,328 SHARES TO A SOPHISTICATED INVESTOR**

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

“That for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 10,004,328 fully paid ordinary shares to a sophisticated investor on the terms and conditions set out in the Explanatory Statement.”

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### **Voting Exclusion Statement**

The Company will disregard any votes cast by a person who may participate in an issue of equity securities under the Additional Placement Capacity (and any associate of that person) and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed (and any associate of that person). However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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

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## **Explanatory Statement**

The accompanying Explanatory Statement forms part of this Notice of Annual General Meeting and should be read in conjunction with it.

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## **Proxies**

Please note that:

- (a) A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
  - (b) A proxy need not be a member of the Company;
  - (c) A shareholder may appoint a body corporate or an individual as its proxy;
  - (d) A body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
  - (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.
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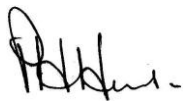
The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorizing him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

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## **Voting Entitlements**

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Act 2001 (Cth), the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 7.00pm AEDT on Wednesday 19 November 2014. Accordingly, transactions registered after that time will be disregarded in determining Shareholder's entitlement to attend and vote at the Annual General Meeting.

## **By Order of the Board of Directors**



**Peter Hunt**  
Company Secretary  
21 October 2014

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's 2014 Annual General Meeting to be held on Friday, 21 November 2014 at 11.00 am (AEDT) (**AGM**).

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolution in the accompanying Notice of Annual General Meeting.

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

### 1. RESOLUTION 1 – Adoption of the Remuneration Report

The Company's Remuneration Report to shareholders forms part of the Company's Directors' Report for the year ended 30 June, 2014 and is set out in the Company's 2014 Annual Report. The Remuneration Report is submitted to shareholders for consideration and adoption by way of a non-binding resolution.

However, recent amendments to the Act which have effect from 1 July, 2011 provide that if the Company's Remuneration Report receives a 'no' vote of 25 per cent or more at two consecutive Annual General Meetings, a resolution must then be put to shareholders at the second Annual General Meeting as to whether another meeting should be held (within 90 days) at which all directors who were in office at the date of approval of the applicable directors' Report must stand for re-election.

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

The directors unanimously recommend that shareholders vote in favour of Item 2, noting that each director has a personal interest in his own remuneration from the Company.

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

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

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

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

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

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## **2. RESOLUTION 2 - Election of Dr James Jian Liu**

Dr Liu was appointed to fill a casual vacancy within the Company since the last Annual General Meeting under clause 13.2 of the Company's Constitution and is seeking election as directors of the Company. Any director appointed under this clause may hold office only until the next Annual General Meeting and is then eligible for election at that meeting. Dr Liu is eligible for election under clause 13.2 and offers himself for election as a director of the Company. Biographical information follows below:

Dr. Liu has over 20 years entrepreneurial experience in China, the United States of America (USA) and Africa. He has held several Directorships including AENY, a USA coal mining company, and Stonewall Mining Pty Ltd. He was the co-founder and managed two high-tech companies in the Silicon Valley and was a former Banker with the Citi Group.

The Directors (excluding Dr Liu) unanimously recommend that shareholders vote in favour of Resolution 2.

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## **3. RESOLUTION 3 – Re-Election of Mr David Murray**

Resolution 3 seeks approval for the re-election of Mr Murray who is retiring by rotation under clause 16.1 of the Company's Constitution. This clause states that at least one third of the Company's directors must retire from office at each Annual General Meeting. Mr Murray is the longest director in office and is therefore required to retire under clause 16.2 of the Company's Constitution. Mr Murray is eligible for election under clause 16.2 and offers himself for re-election as director of the Company.

Mr Murray retired as president of Energy Coal at BHP Billiton Limited in December 2009 after holding various senior positions within the coal division from 1993. Mr Murray worked for Ingwe Coal Corporation from 1978 to 1999, having acted as Managing Director from 1993 onwards. In 1999 he was appointed as Chief Executive of Billiton Coal. In 2001, after moving to Australia, he was appointed CEO of BHP Billiton Mitsubishi Alliance. Prior to accepting, the position of President of Energy Coal in 2008, Mr Murray has served as BHP's President of Metallurgical Coal and President of the Coal Customer group.

The Directors (excluding Mr Murray) unanimously recommend that shareholders vote in favour of Resolution 3.

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## **4. RESOLUTION 4 – Re-Election of Mr Nathan Taylor**

Resolution 4 seeks approval for the re-election of Mr Taylor who is retiring by rotation under clause 16.1 of the Company's Constitution. This clause states that at least one third of the Company's directors must retire from office at each Annual General Meeting. Mr Taylor is the longest director in office and is therefore required to retire under clause 16.2 of the Company's Constitution. Mr Taylor is eligible for election under clause 16.2 and offers himself for re-election as director of the Company.

Mr Taylor has experience as Head of Equity Capital Markets at Stonebridge Securities Limited, a boutique stockbroker headquartered in Sydney. Prior to joining Stonebridge, Mr Taylor worked within the UBS Equity Capital Markets team and prior to this within the Macquarie Bank Equity Capital Markets team.

Mr Taylor has been involved in raising over AUD 6 billion for ASX listed companies. He also has experience in conducting due diligence and structuring a number of regulated and unregulated M & A transactions through his work with Blake Dawson as a Corporate Lawyer.

The Directors (excluding Mr Taylor) unanimously recommend that shareholders vote in favour of Resolution 4.

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## 5. RESOLUTION 5 - APPROVAL OF ADDITIONAL PLACEMENT CAPACITY

In August 2012, the ASX introduced ASX Listing Rule 7.1A which enables certain 'eligible entities' to issue equity securities of up to 10% of their issued share capital through placements over a 12 month period commencing after the Annual General Meeting ("**Additional Placement Capacity**"). ASX Listing Rules require that Shareholders approve the Additional Placement Capacity by special resolution, at an Annual General Meeting before any equity securities are issued under the Additional Placement Capacity.

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

While the Company does not have current plans to undertake a capital raising, the Company seeks shareholder approval by way of a special resolution to have the ability to issue equity securities under the Additional Placement Capacity should the need arise.

Importantly:

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

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

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- The Company may issue equity securities under the Additional Placement Capacity for the following purposes:
    - Non-cash consideration: for the acquisition of new assets and investments (in such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3); or
    - Cash consideration: to raise funds for the exploration and development of the Company's existing assets, the acquisition of new assets or investments (including assets associated with such acquisition), to repay debt or to fund working capital.

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

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

As the Company has no current plans to undertake a new capital raising, the allottees under the Additional Placement Capacity have not yet been determined but if such an exercise was undertaken, allottees may include existing substantial shareholders and or new shareholders who are not related parties or associates of a related party of the Company.

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

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

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

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

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Equity securities issued in prior 12 month period	47,532,437
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	10.08%

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

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

Date of issue:	14 November 2013
Number issued:	533,620
Class/Type of equity security:	Unquoted Fully Paid Ordinary Shares
Summary of terms:	Same terms of existing fully paid ordinary shares previously issued
Names of persons who received securities or basis on which those persons was determined:	Issued to an option holder upon exercise of 533,620 unlisted options over fully paid Ordinary Shares
Price:	\$0.20
Discount to market price (if any):	Nil
<b>For cash issues</b>	
Total cash consideration received:	\$106,724.00
Amount of cash consideration spent:	\$106,724.00
Use of cash consideration:	To assist with working capital requirements
Intended use for remaining amount of cash (if any):	N/A
<b>For non-cash issues</b>	
Non-cash consideration paid:	N/A
Current value of that non-cash consideration:	N/A

Date of issue:	18 December 2013
Number issued:	994,489
Class/Type of equity security:	Unquoted Fully Paid Ordinary Shares
Summary of terms:	Same terms of existing fully paid ordinary shares previously issued
Names of persons who received securities or basis on which those persons was determined:	Issued to an option holder upon exercise of 533,620 unlisted options over fully paid Ordinary Shares
Price:	\$0.20
Discount to market price (if any):	Nil
<b>For cash issues</b>	
Total cash consideration received:	\$198,897.80
Amount of cash consideration spent:	\$198,897.80
Use of cash consideration:	To assist with working capital requirements
Intended use for remaining amount of cash (if any):	N/A
<b>For non-cash issues</b>	
Non-cash consideration paid:	N/A
Current value of that non-cash consideration:	N/A

Date of issue:	27 December 2013
Number issued:	20,000,000
Class/Type of equity security:	Quoted Fully Paid Ordinary Shares
Summary of terms:	Same terms of existing fully paid ordinary shares previously issued
Names of persons who received securities or basis on which those persons was determined:	Shares were issued to a sophisticated investor
Price:	\$0.20
Discount to market price (if any):	Nil
<b>For cash issues</b>	
Total cash consideration received:	\$4,000,000
Amount of cash consideration spent:	\$4,000,000
Use of cash consideration:	To assist with working capital requirements
Intended use for remaining amount of cash (if any):	N/A
<b>For non-cash issues</b>	
Non-cash consideration paid:	N/A
Current value of that non-cash consideration:	N/A

Date of issue:	27 February 2014
Number issued:	15,000,000
Class/Type of equity security:	Quoted Fully Paid Ordinary Shares
Summary of terms:	Same terms of existing fully paid ordinary shares previously issued
Names of persons who received securities or basis on which those persons was determined:	Shares were issued to a sophisticated investor
Price:	\$0.20
Discount to market price (if any):	Nil
<b>For cash issues</b>	
Total cash consideration received:	\$3,000,000
Amount of cash consideration spent:	\$3,000,000
Use of cash consideration:	To assist with working capital requirements
Intended use for remaining amount of cash (if any):	N/A
<b>For non-cash issues</b>	
Non-cash consideration paid:	N/A
Current value of that non-cash consideration:	N/A

Date of issue:	26 September 2014
Number issued:	10,004,328
Class/Type of equity security:	Quoted Fully Paid Ordinary Shares
Summary of terms:	Same terms of existing fully paid ordinary shares previously issued
Names of persons who received securities or basis on which those persons was determined:	Shares were issued to a number of sophisticated investors
Price:	\$0.18
Discount to market price (if any):	\$0.02
<b>For cash issues</b>	
Total cash consideration received:	\$1,800,779.04
Amount of cash consideration spent:	\$41,906.74
Use of cash consideration:	To assist with working capital requirements
Intended use for remaining amount of cash (if any):	N/A
<b>For non-cash issues</b>	
Non-cash consideration paid:	N/A
Current value of that non-cash consideration:	N/A

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

The table also shows:

- (i) Two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting or under Resolution 6; and
- (ii) Two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.10 50% decrease in Issue Price	\$0.20 Issue Price	\$0.40 100% increase in Issue Price
519,201,001 <b>Current Variable A</b>	<b>9.1% Voting Dilution</b>	51,920,100 Shares	51,920,100 Shares	51,920,100 Shares
	<b>Funds raised</b>	\$5,192,010	\$10,384,020	\$20,768,040
778,801,502 <b>50% increase in current Variable A</b>	<b>13% Voting Dilution</b>	77,880,150 Shares	77,880,150 Shares	77,880,150 Shares
	<b>Funds raised</b>	\$7,788,015	\$15,576,030	\$31,152,060
1,038,402,002 <b>100% increase in current Variable A</b>	<b>16.7% Voting Dilution</b>	103,840,200 Shares	103,840,200 Shares	103,840,200 Shares
	<b>Funds raised</b>	\$10,384,020	\$20,768,040	\$41,536,080

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

- Current Variable A is calculated as at 8 October 2014.
  - The Company issues the maximum number of equity securities available under the Additional Placement Capacity.
  - The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
  - The table shows only the issue of equity securities under the Additional Placement Capacity and not under Listing Rule 7.1.
  - The issue of equity securities under the Additional Placement Capacity includes only shares.
  - The issue price of \$0.20 was the closing price of shares on ASX on 7 October 2014.
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## **6. RESOLUTION 6 – Ratification of Prior Issue of Shares to a Sophisticated Investor**

### **6.1 General**

On 27 December 2013, the Company issued 20,000,000 Shares at an issue price of \$0.20 per Share to raise \$4,000,000.

As announced to the ASX on 27 December 2013, the issue was made to a sophisticated investor.

The Company engaged the services of licensed securities dealers to manage the placement and agreed to pay the dealers a fee of 6% (exclusive of goods and services tax) on the amount raised under the placement.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those 20,000,000 Shares (**Ratification**).

### **6.2 ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a Company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

### **6.3 ASX Listing Rule 7.4**

Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a Company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

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## 6.4 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 20,000,000 Shares were allotted;
- (b) The issue price was \$0.20 per Share;
- (c) The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) The Shares were allotted and issued to a client of the licensed dealers, who is a sophisticated investor. This subscriber is not a related party of the Company; and
- (e) The funds raised from this issue were used to assist with the Company's working capital requirements, including those of its South African subsidiary, Stonewall Mining Pty Ltd.

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## 7. RESOLUTION 7 – Ratification of Prior Issue of Shares to a Sophisticated Investor

### 7.1 General

On 27 February 2014, the Company issued 15,000,000 Shares at an issue price of \$0.20 per Share to raise \$3,000,000.

As announced to the ASX on 27 February 2014, the issue was made to a sophisticated investor.

The Company engaged the services of licensed securities dealers to manage the placement and agreed to pay the dealers a fee of 6% (exclusive of goods and services tax) on the amount raised under the placement.

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those 20,000,000 Shares (**Ratification**).

A summary of ASX Listing Rule 7.1 is set out in Section 6.2 above.

A summary of ASX Listing Rule 7.4 is set out in Section 6.3 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

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## 7.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 15,000,000 Shares were allotted;
- (b) The issue price was \$0.20 per Share;
- (c) The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) The Shares were allotted and issued to a client of the licensed dealers, who is a sophisticated investor. This subscriber is not a related party of the Company; and
- (e) The funds raised from this issue were used to assist with the Company's working capital requirements, including those of its South African subsidiary, Stonewall Mining Pty Ltd.

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## 8. RESOLUTION 8 – Ratification of Prior Issue of Convertible Notes

On 16 June 2014 the Company announced that it had secured financing of \$3,000,000 to assist with working capital requirements for the Company via a private placement of 18,750,000 convertible notes at 16 cents each and a maturity date of 16 June 2015 as referred to in the Company's announcement of 16 June 2014. The convertible notes were placed with an existing shareholder pursuant to section 708 of the Corporations Act 2001.

The notes are convertible to fully paid ordinary shares in the Company at the election of the Note Holder at any time until the maturity date.

Each note will accrue interest at 8% p.a. accruing daily from 1 January 2015 until maturity or the date of conversion. Interest accrued is payable at maturity or the conversion date and may be paid in immediately cleared funds or, in the event the Note Holder elects to convert, through the issue of such additional number of fully paid ordinary shares in the Company at market value as at the time of conversion that is equal to the amount of accrued interest payable.

The funds raised from the issue were used to assist with the Company's working capital requirements, including those of its South African subsidiary, Stonewall Mining Pty Ltd.

The issue of the convertible notes was not in breach of Listing Rule 7.1 and has not previously been approved by the shareholders of the Company. Resolution 8 calls for shareholder approval and ratification of this issue of convertible notes so that the Company can issue up to 18,750,000 fully paid ordinary shares upon any conversion of the notes. The shares that may be issued on the conversion of these notes will rank equally in all respects with all existing fully paid ordinary shares previously issued by the Company.

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## **9. RESOLUTION 9 – Ratification of Prior Issue of Shares to a Sophisticated Investor**

### **9.1 General**

On 26 September 2014, the Company issued 10,004,328 Shares at an issue price of \$0.18 per Share to raise \$1,800,779.04.

As announced to the ASX on 26 September 2014, the issue was made to a sophisticated investor.

The Company engaged the services of a licensed security dealer to manage the placement and agreed to pay the dealer a fee of 5% (exclusive of goods and services tax) on the amount raised under the placement.

Resolution 9 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those 10,004,328 Shares (**Ratification**).

A summary of ASX Listing Rule 7.1 is set out in Section 6.2 above.

A summary of ASX Listing Rule 7.4 is set out in Section 6.3 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **9.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 10,004,328 Shares were allotted;
- (b) The issue price was \$0.18 per Share;
- (c) The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) The Shares were allotted and issued to a client of the licensed dealer, who is a sophisticated investor. This subscriber is not a related party of the Company; and
- (e) The funds raised from this issue were used to assist with the Company's working capital requirements, including those of its South African subsidiary, Stonewall Mining Pty Ltd.

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### **Enquiries**

Shareholders are encouraged to contact the Company Secretary on (+61 8) 7324 6000 if they have any queries in respect to the matters set out in these documents.

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## **TIME AND PLACE OF MEETING AND HOW TO VOTE**

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### **VENUE**

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The Annual General Meeting of the Company to which this Notice of Meeting relates will be held at 11.00 am AEDT on Friday, 21 November 2014 at:

RACV Club Victoria  
501 Bourke Street  
Melbourne VIC 3000

### **YOUR VOTE IS IMPORTANT**

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The business of the Annual General Meeting affects your shareholding and your vote is important.

### **VOTING IN PERSON**

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To vote in person, attend the Annual General Meeting on the date and at the place set out above.

### **VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the proxy form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member 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 appointed to exercise. (If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.)

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must call all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-chair proxy to chair on certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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**All Correspondence to:**

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00 am AEDT on Wednesday 19 November 2014.**

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

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

##### Appointment of a Second Proxy

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

To appoint a second proxy you must:

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

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

##### Proxy which is a Body Corporate

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

#### STEP 3 SIGN THE FORM

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

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

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

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

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

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00 am AEDT on Wednesday, 19 November 2014.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

👤 **In Person** Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

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

# Stonewall Resources Limited

ACN 131 758 177

## ☐ Your Address

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

## PROXY FORM

### STEP 1 APPOINT A PROXY

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

☐

the **Chair of the Meeting** (mark box)

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **RACV Club Victoria, 501 Bourke Street, Melbourne VIC 3000 on Friday, 21 November, 2014 at 11:00am AEDT** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

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

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

### STEP 2 VOTING DIRECTIONS

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

		For	Against	Abstain*
Ordinary Resolution 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 2	Election of Director: Dr James Jian Liu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 3	Re-election of Director: Mr David Murray	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 4	Re-election of Director: Mr Nathan Taylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special Resolution 5	Approval of Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 6	Ratification of Prior Issue of 20,000,000 Shares to a Sophisticated Investor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 7	Ratification of Prior Issue of 15,000,000 Shares to a Sophisticated Investor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 8	Ratification of Prior Issue of 18,750,000 Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 9	Ratification of Prior Issue of 10,004,328 Shares to a Sophisticated Investor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### STEP 3 SIGNATURE OF SHAREHOLDERS

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2014