STONE RESOURCES AUSTRALIA LIMITED

11 July 2016

ASX ANNOUNCEMENT

UPDATE ON MHM BINDING HEADS OF AGREEMENT TERMINATION

Stone Resources Australia Limited (ASX: SHK) advises that it has executed a Deed of Settlement ("Deed") with MHM Metals Limited (ASX: MHM) in connection with a matter last disclosed to the market by MHM on 11 April 2016.

Accordingly all claims against SHK by MHM have been withdrawn.

The settlement terms of the Deed executed between SHK and MHM have been agreed on a confidential basis