Stonewall Resources Limited

ACN 131 758 177

Interim Financial Report

for the Half Year Ended 31 December 2013

Corporate Directory

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Mr David Murray
Mr Trevor Fourie
Mr Nathan Taylor
Mr Yang Liu
Mr Andrew Macintosh

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Directors Report

Your Directors present their report, together with the financial statements of the Stonewall Resources Limited for the half year ending 31 December 2013.

Stonewall Resources Limited is listed on the Australian Securities Exchange and on 27 November 2012 completed the legal acquisition of Stonewall Mining Pty Ltd.

Under the principles of AASB 3 Business Combinations, Stonewall Mining Pty Ltd was deemed to be the acquirer for accounting purposes.

Therefore, the transaction has been accounted for as a reverse acquisition under AASB 3. Accordingly, this half-year report has been prepared as a continuation of the half-year report of Stonewall Mining Pty Ltd as the accounting parent.

Directors

The names of the Directors of Stonewall Resources Limited (the Consolidated Entity) during or since the end of the half year are:

Mr D Murray – Non Executive Chairman
Mr N Taylor - Non Executive Director
Mr T Fourie - Non Executive Director
Mr Y Liu - Non Executive Director
Mr A Macintosh – Non Executive Director (appointed 01/10/2013)
Mr J Shen - Non Executive Director (resigned 01/10/2013)

On 1st October 2013, Andrew Macintosh was appointed Non-Executive Director upon the resignation of Jian Shen as Non-Executive Director.

Results
The Consolidated Entity's result for the half-year ended 31 December 2013 was a loss of USD 5,821,377 (31 December 2012: USD 26,048,203 loss).

Principal Activities
The Consolidated Entity's principal activities during the period were gold exploration, development of gold mining projects and mine operations.

Proposed Shandong Transaction
On 22 November 2013, the Consolidated Entity announced that it had agreed to sell its interest in Stonewall Mining to Shandong Qixing Iron Tower Co., Ltd for USD 124,390,000. At the EGM on 23 December 2013, Stonewall Resources Limited shareholders approved the sale of the Consolidated Entity's shares in Stonewall Mining Pty Ltd to Shandong Qixing Iron Tower Co., Ltd

As a result of the agreement, the Consolidated Entity and the Minority Shareholders are to receive in aggregate USD 141,546,693 all cash consideration on successful completion, with the Consolidated Entity's share being USD 124,390,000. This has also impacted the half year financial report as the assets and liabilities of Stonewall Mining Pty Ltd and its subsidiaries have now been classified as assets held for sale at 31 December 2013 and the profit & loss of Stonewall Mining Pty Ltd and its subsidiaries classified as discontinued operations in line with reporting requirements.

Review of Operations
During the 6 month period to 31 December 2013, the Consolidated Entity was primarily focused on the development of gold exploration and mining activities in its project areas in South Africa and Australia.

Directors Report

TGME PROJECTS – SOUTH AFRICA

Frankfort and Theta Complex

The Frankfort and Theta Mining complex is one of the areas of gold mineralisation held under the Greater TGME Mining Right of Transvaal Gold Mining Estates (”TGME”), a subsidiary of the Consolidated Entity.

During the period, operations at TGME focused on working towards achieving steady state production from the Theta mine to 6,000 tonnes per month (tpm) and commencing small-scale production from the Frankfort mine by processing on-reef development ore.

Challenges continued to be experienced with the upstream plant performing below expectation. Mining without large-scale development, including the installation of power lines and a fixed crushing circuit, to facilitate large scale production (24 000 tpm) will continue to be costly and inefficient. However, TGME is in the position where it can focus mining, plant, engineering and deposition capacity on the lower cost surface and Reef Residue material, while completing the detailed planning and re-development of the larger Theta/Frankfort complex. (The proposed Shandong transaction makes large-scale capital available, for the completion and development of the Theta/Frankfort complex, including the B Block and the parallel Theta reef in the Frankfort section, as well as the installation of a larger fixed crushing plant).

Beta

The Beta Project is the first major project of the TGME and Sabie drilling program.
Significant underground discoveries of gold bearing reef residue at Beta mine are currently being evaluated and assessed. Additionally, a concept study has been completed with the view to prepare for small-scale mining.

The Beta Mine is targeted to process 35,000 tpm and produce 45,000 ounces per annum by end 2015.

Vaalhoek

The Vaalhoek mine has a mineral resource of 248,000 ounces (inferred category) as defined by the JORC code at a grade of 5.74 grams per tonne (g/t) and is targeted to produce 40,000 tpm for up to 70,000 ounces per annum once fully operational from an average depth of between 120 meters and 250 meters below surface.

Geological features (structures), that in other areas host gold mineralisation, have been shown to extend ahead of historic workings and similarities between lithologies intersected at the Beta and Vaalhoek projects could indicate the continuity of potential reef horizons on a regional scale.

SABIE PROJECTS – SOUTH AFRICA

The Sabie Mines Proprietary Limited (“Sabie Mines”) area, comprising the Rietfontein and Glynn’s complex includes five sections; Rietfontein, South Werf, Malieveld, Compound Hill, and Olifantsgeraamte.

These mines have a current resource of 1.136 million ounces (316.3 thousand ounces indicated, 818.5 thousand ounces inferred) at a grade of between 3.51 to 7.92 g/t as defined by the JORC Code. The mines are targeted to produce a total of 40,000 tpm for up to 50,000 ounces per annum once fully operational at an average depth of between 200 meters to 600 meters.

Underground exploration has identified significant tonnages of reef residue in the Nestor mine which is currently in the process of being evaluated.

Directors Report

Rietfontein (and Glynn's Mine)

The Rietfontein Mine is the first project for Sabie Mines, a subsidiary of the Consolidated Entity. Rietfontein is one of several areas of gold mineralisation held under the approved Rietfontein New Order Mining Right of Sabie Mines. This Mining Right includes the farms, Rietfontein, Waterval, Maliveld Valley and Spitskop.

The Consolidated Entity has successfully completed a pre-feasibility study and had planned to commence with trial mining on a small scale at a rate of 5,000 tpm, targeting production of 1,294 ounces for the first year and increasing to 8,200 ounces by the second. This phased approach was to be facilitated by the significant existing infrastructure and mining development which allows trial mining to commence with minimal capital investment.

However, the Consolidated Entity is in the process of evaluating a plan to commence mining at a rate of 20,000 tpm rather than setting up the infrastructure for only 5,000 tpm prior to the Shandong transaction.

BOSVELD MINES – SOUTH AFRICA

Bosveld Mine is currently utilising mechanical mining to process tailings. However, it has been established that this method of mining does not result in sufficient tonnage to the plant and the Consolidated Entity converted from the mechanical mining of the tailings facility to hydraulic monitoring along with the installation of a fine grind circuit. This conversion commenced in November 2013 and was completed in late December 2013. The monitoring will substantially reduce costs and the fine grind circuit is intended to materially improve recovery.

The Klipwal Mine is one of the areas of gold mineralisation of Bosveld Mines Proprietary Limited, a subsidiary of the Consolidated Entity, and has considerable exploration potential.

STONEWALL RESOURCES - AUSTRALIAN PROJECTS

Lucky Draw

The tenement is situated near the township of Burraga, approximately 3 hours west of Sydney. The Lucky Draw tailings dam is located 1.3 kilometres (km) northeast of the Lucky Draw gold mine, an open cut mine that ceased operation in 1991.

Following extensive exploration to define the resource for successful extraction the Consolidated Entity entered into a venture with Developed Resources Proprietary Limited (Developed) with a focus on recovery of gold from the tailings dam. The venture was renewed during the period and the Consolidated Entity is committed to advancing the opportunity with detailed feasibility assessments and trials to further define the economic viability of the project.

Weelah

The tenement is located 32 km to the northwest of Barrick Gold Corporation's Cowal gold mine, a 4 million ounces epithermal/porphyry deposit where gold is present in quartz, carbonate and sulphide veins.

The Consolidated Entity has investigated the potential of the tenement and has concluded that it will dispose of the tenement.

Springfield

Springfield is situated approximately 220km north west of Sydney and lies between the towns of Gulgong and Mudgee. The tenement covers 70 square kilometres and is located in the upper catchment of the historically significant Gulgong alluvial goldfield.

Directors Report

Community Policy/Commitment

Throughout the period, the Consolidated Entity has been committed to taking responsibility for the short and long term, economic, social and environmental implications of its mining activities.

The Consolidated Entity is committed to community uplift and regional growth through effective partnerships with all local stakeholders in the regions where it has mining operations.

The Consolidated Entity is committed to:

- Treating its communities with respect, understanding and dignity as well as recognising them as important stakeholder groups with rights and interests
- Respecting community governance and always engaging in community consultation prior to initiating any significant operations that will have a substantial impact on the region
- Recognising that local communities should be informed of the potential impacts, risks, and benefits that may result from the Consolidated Entity's operations
- Ensuring that its operations neither harm nor threaten the sustainability of local communities

Industrial Relations

The Consolidated Entity's main priority is to maintain good relationships with employees and the labour unions. The Consolidated Entity is strongly involved with improving life in communities around its mines. Thus, it has invested in education, training and health services for local workers and it interacts with regional union officials on a regular basis.

During the period, there has been a strong focus on community involvement and alignment, with the Consolidated Entity committed to recruiting employees from the community when possible.

As a result, the Consolidated Entity continues to foster good relations with all stakeholders.

SUBSEQUENT EVENTS

Share Sale Agreement (SSA) with Shandong Qixing Iron Tower Co. Ltd (Shandong)

On 20 February 2014, Stonewall Resources Limited announced that it had agreed to an extension of the effective date of the SSA entered into with Shandong for the sale of Stonewall Resources Limited's shareholding in Stonewall Mining Pty Ltd. The effective date of 19 February 2014 was extended to 19 May 2014 to allow the various regulators sufficient time to process the required approvals sought.

Share Placement

On 27 February 2014, Stonewall Resources Limited announced the successful placement of 15,000,000 ordinary shares at an issue price of AUD 0.20 to raise AUD 3,000,000 (USD 2,697,120) to a sophisticated investor to assist with working capital requirements. The placement follows the announcement made on 20 February 2014 in respect to the extension of the effective date of the SSA with Shandong as outlined above.

Auditor's Independence Declaration

The auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 8 for the half-year ended 31 December 2013.

Directors Report

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the directors

David Murray

Chairman
Melbourne, 14 March 2014

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Board of Directors
Stonewall Resources Limited
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ADELAIDE SA 5000

14 March 2014

Dear Board Members

Stonewall Resources Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Stonewall Resources Limited.

As lead audit partner for the review of the financial statements of Stonewall Resources Limited for the half-year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ian Sanders

Ian Sanders
Partner
Chartered Accountant

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2013

	Notes	31 December 2013 USD	31 December 2012 USD
Continuing operations			
Interest income		29,421	15,621
Other income		2,901	-
Impairment of goodwill	7	-	(9,221,124)
Operating expenses	2	(1,128,504)	(4,125,605)
Profit/(loss) before tax		**(1,096,182)**	**(13,331,108)**
Income tax expense		-	-
Loss for the period from continuing operations		**(1,096,182)**	**(13,331,108)**
Discontinued operations			
Loss for the period from discontinued operations	3	(4,725,195)	(12,717,095)
Loss for the period		**(5,821,377)**	**(26,048,203)**
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translating foreign operations		(541,255)	(864,441)
Other comprehensive income for the period, net of income tax		**(541,255)**	**(864,441)**
Total comprehensive loss for the period		**(6,362,632)**	**(26,912,644)**
Loss attributable to:			
Equity holders of the parent		(5,702,337)	(25,602,400)
Non-controlling interest		(119,040)	(445,804)
		(5,821,377)	**(26,048,204)**
Total comprehensive income attributable to:			
Equity holders of the parent		(6,243,592)	(26,466,840)
Non-controlling interest		(119,040)	(445,804)
		(6,362,632)	**(26,912,644)**
Earnings per share			
From continuing and discontinued operations			
Basic (cents per share)		(1.29)	(5.65)
Diluted (cents per share)		(1.29)	(5.65)
From continuing operations			
Basic (cents per share)		(0.24)	(2.89)
Diluted (cents per share)		(0.24)	(2.89)

Notes to the condensed consolidated financial statements are included on pages 14 to 29.

Condensed Consolidated Statement of Financial Position as at 31 December 2013

	Notes	31 December 2013 USD	30 June 2013 USD
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		4,031,631	3,513,775
Trade and other receivables		85,940	389,882
Inventories		-	698,904
Other financial assets		-	5,556
Loan to director		-	910
Loan to employee		-	10,919
Assets classified as held for sale	3	20,324,533	-
TOTAL CURRENT ASSETS		**24,442,104**	**4,619,946**
NON-CURRENT ASSETS			
Property, plant & equipment		117,400	1,934,109
Investment property		-	715,384
Other assets		25,790	12,439
Loan to employee		-	43,776
Mining rights and mining development		-	11,759,042
Capitalised exploration expenditure		-	1,834,763
Rehabilitation investment funds		-	1,567,758
TOTAL NON-CURRENT ASSETS		**143,190**	**17,867,271**
TOTAL ASSETS		**24,585,294**	**22,487,217**
CURRENT LIABILITIES			
Trade and other payables		577,465	5,042,227
Other financial liabilities		1,886,717	1,913,913
Finance lease obligation		-	36,902
Loan from director		-	5,055
Employee benefits		-	578,191
Borrowings	8	3,549,200	-
Liabilities directly associated with assets classified as held for sale	3	6,792,329	-
TOTAL CURRENT LIABILITIES		**12,805,711**	**7,576,288**

Notes to the condensed consolidated financial statements are included on pages 14 to 29.

Condensed Consolidated Statement of Financial Position as at 31 December 2013 (continued)

	Notes	31 December 2013 USD	30 June 2013 USD
NON-CURRENT LIABILITIES			
Finance lease obligation		-	68,243
Environmental rehabilitation provision		-	1,644,998
Other financial liabilities		-	427,754
TOTAL NON-CURRENT LIABILITIES		**-**	**2,140,995**
TOTAL LIABILITIES (continued)		**12,805,711**	**9,717,283**
NET ASSETS		**11,779,583**	**12,769,934**
EQUITY			
Issued Capital	9	46,681,288	41,309,007
Reserves		5,700,912	6,242,167
Accumulated Losses		(39,542,848)	(33,840,511)
Non-Controlling Interest		(1,059,769)	(940,729)
TOTAL EQUITY		**11,779,583**	**12,769,934**

Notes to the condensed consolidated financial statements are included on pages 14 to 29.

Condensed Consolidated Statement of Changes in Equity for the half year ended 31 December 2013

	Issued Capital USD	Equity Reserve USD	Option Reserve USD	Foreign Exchange Reserve USD	Accumulated Losses USD	Attributable to Owners of the Parent USD	Non-controlling Interest USD	Total USD
Balance 1 July 2012	**14,631,564**	**-**	**-**	**(937,052)**	**(4,308,493)**	**9,386,019**	**(612,096)**	**8,773,923**
Loss for the period	-	-	-	-	(25,602,399)	(25,602,399)	(445,804)	(26,048,203)
Other comprehensive Income for the period, net of income tax	-	-	-	(864,441)	-	(864,441)	-	(864,441)
Total comprehensive loss for the period	-	-	-	(864,441)	(25,602,399)	(26,466,840)	(445,804)	(26,912,644)
Issue of Shares	19,857,854	-	-	-	-	19,857,854	-	19,857,854
Cost of share issues	(723,275)	-	-	-	-	(723,275)	-	(723,275)
Adjustment on reverse acquisition transaction	7,542,864	-	-	-	-	7,542,864	-	7,542,864
Black Economic Empowerment Assistance	-	10,218,089	-	-	-	10,218,089	-	10,218,089
Option based payments	-	-	92,000	-	-	92,000	-	92,000
Balance at 31 December 2012	**41,309,007**	**10,218,089**	**92,000**	**(1,801,493)**	**(29,910,892)**	**19,906,711**	**(1,057,900)**	**18,848,811**
Balance 1 July 2013	**41,309,007**	**10,218,089**	**92,000**	**(4,067,922)**	**(33,840,511)**	**13,710,663**	**(940,729)**	**12,769,934**
Loss for the period	-	-	-	-	(5,702,337)	(5,702,337)	(119,040)	(5,821,377)
Other comprehensive Income for the period, net of income tax	-	-	-	(541,255)	-	(541,255)	-	(541,255)
Total comprehensive income for the period	-	-	-	(541,255)	(5,702,337)	(6,243,592)	(119,040)	(6,362,632)
Issue of shares	5,585,233	-	-	-	-	5,585,233	-	5,585,233
Cost of share issues	(212,952)	-	-	-	-	(212,952)	-	(212,952)
Balance at 31 December 2013	**46,681,288**	**10,218,089**	**92,000**	**(4,609,177)**	**(39,542,848)**	**12,839,352**	**(1,059,769)**	**11,779,583**

Notes to the condensed consolidated financial statements are included on pages 14 to 29.

Condensed Consolidated Statement of Cash Flows for the half year ended 31 December 2013

	Notes	31 December 2013 USD	31 December 2012 USD
Cash flows from operating activities			
Receipts from customers		3,109,877	3,570,326
Payments to suppliers and employees		(8,911,964)	(6,163,676)
Interest received		36,173	220,233
Interest paid		(312,697)	(24,190)
Net cash (inflow) from operating activities		**(6,078,611)**	**(2,397,307)**
Cash flows from investing activities			
Payments for property, plant and equipment		(2,351,325)	(1,591,701)
Payments for other non-current assets		(95,605)	(65,844)
Cash acquired upon business combination	7	-	66,515
Net movement in rehabilitation investment		(121,047)	-
Net cash (outflow) from investing activities		**(2,567,977)**	**(1,591,030)**
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		5,531,703	15,637,124
Payment of share issue costs		-	(723,275)
Proceeds from/ (repayments of) borrowings		3,727,604	(472)
Increase (decrease) in finance lease obligation		44,685	(31,978)
Warrant settlement costs		-	(1,993,964)
Net cash inflow from financing activities		**9,303,992**	**12,887,435**
Net increase in cash and cash equivalents		**657,404**	**8,899,098**
Cash and cash equivalents at the beginning of period		**3,513,773**	**1,577,187**
Exchange rate adjustments		**(12,740)**	**(92,967)**
Cash at the end of the period	10	**4,158,437**	**10,383,318**

Notes to the condensed consolidated financial statements are included on pages 14 to 29.

Notes to the Financial Statements for the half year ended 31 December 2013

Note 1: Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2013 have been prepared in accordance with requirements of the Corporations Act 2001 and AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures that the financial statements and notes also comply with International Financial Reporting Standard IAS 34: Interim Financial Reporting.

It is recommended that the half-year financial report be considered together with any public announcements made by the Consolidated Entity during the half year ended 31 December 2013 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements with the addition of the following accounting policies adopted:

a) Non-current assets held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

They are measured at the lower of their carrying amount and fair value less costs to sell. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

b) Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

Notes to the Financial Statements
for the half year ended 31 December 2013

Note 1: Basis of Preparation (Continued)

Going Concern (continued)

As disclosed in the financial statements, the entity incurred a loss of USD 5,821,377 and had net cash outflows from operating activities of USD 6,078,611 for the period year ended 31 December 2013.

These factors indicate significant uncertainty as to whether the Consolidated Entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the Consolidated Entity will be able to continue as a going concern, after consideration of the following factors:

- The Consolidated Entity plans to complete the sale of its interest in Stonewall Mining Pty Ltd to Shandong Qixing Iron Tower Co., Ltd for USD 124,390,000 on 19 May 2014;
- The Consolidated Entity has been successful in raising capital during the half year of USD 5,585,234;
- The Consolidated Entity has the ability to continue to raise additional funds on a timely basis, pursuant to the Corporations Act 2001. Additional funds sourced and received post half year end until the date of this report include AUD 3,000,000 (USD 2,697,120) from the issue of shares
- The Consolidated Entity has AUD 1,000,000 (USD 887,270) of the AUD 5,000,000 (USD 4,635,349) unsecured loan facility available;
- The Consolidated Entity has a cash balance of USD 4,158,437 and net assets of USD 11,779,583 as at period end;
- The ability of the Consolidated Entity to further scale back certain parts of its activities that are non essential so as to conserve cash;

The Directors have prepared cash flow projections for the Consolidated Entity and have satisfied themselves that the Consolidated Entity has adequate funding available to settle any obligations as and when they become due.

New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Consolidated Entity.

Notes to the Financial Statements for the half year ended 31 December 2013

New, revised or amending Accounting Standards and Interpretations adopted (Continued)

AASB 10 'Consolidated Financial Statements', AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements

Requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in AASB 127 'Consolidated and Separate Financial Statements' and INT-112 'Consolidation - Special Purpose Entities'. The Standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements. The Standard introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e. whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in 'special purpose entities').

Under AASB 10, control is based on whether an investor has:

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect the amount of the returns.

All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in AASB 10 to explain when an investor has control over an investee. Some guidance included in AASB 10 that deals with whether or not an investor that owns less than 50 per cent of the voting rights in an investee has control over the investee is relevant to the Group.

Specifically, the impact of the changes to AASB 10 on the Consolidated Entity's interests in the TGME & Sabie Special Purpose Vehicles (SPV's) have resulted in the Consolidated Entity losing control of these SPV's. However, the Consolidated Entity consolidates these entities in accordance with AASB 12, so no change to accounting is required at the half year ended 31 December 2013.

AASB 12 'Disclosure of Interests in Other Entities', AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'

Requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

In high-level terms, the required disclosures are grouped into the following broad categories:

- *Significant judgements and assumptions* - such as how control, joint control, significant influence has been determined

- *Interests in subsidiaries* - including details of the structure of the group, risks associated with structured entities, changes in control, and so on

- *Interests in joint arrangements and associates* - the nature, extent and financial effects of interests in joint arrangements and associates (including names, details and summarised financial information)

- *Interests in unconsolidated structured entities* - information to allow an understanding of the nature and extent of interests in unconsolidated structured entities and to evaluate the nature of, and changes in, the risks associated with its interests in unconsolidated structured entities.

AASB 12 lists specific examples and additional disclosures which further expand upon each of these disclosure objectives, and includes other guidance on the extensive disclosures required.

Notes to the Financial Statements for the half year ended 31 December 2013

New, revised or amending Accounting Standards and Interpretations adopted (Continued)

AASB 13 'Fair Value Measurement' and related AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'

Replaces the guidance on fair value measurement in existing AASB accounting literature with a single standard. The AASB defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, AASB 13 does not change the requirements regarding which items should be measured or disclosed at fair value. AASB 13 applies when another AASB requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements). With some exceptions, the standard requires entities to classify these measurements into a 'fair value hierarchy' based on the nature of the inputs:

- Level 1 - quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - unobservable inputs for the asset or liability.

Entities are required to make various disclosures depending upon the nature of the fair value measurement (e.g. whether it is recognised in the financial statements or merely disclosed) and the level in which it is classified.

AASB 119 'Employee Benefits' (2011), AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119' (2011) and AASB 2011-11 'Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements'

An amended version of AASB 119 'Employee Benefits' with revised requirements for pensions and other postretirement benefits, termination benefits and other changes.

The key amendments include:

- Requiring the recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of remeasurements in other comprehensive income, plan amendments, curtailments and settlements (eliminating the 'corridor approach' permitted by the existing AASB 119)
- Introducing enhanced disclosures about defined benefit plans
- Modifying accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits
- Clarifying various miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features
- Classification of employee benefits: the amendments define short term employee benefits as employee benefits that are "expected to be settled wholly before twelve months after the end of annual reporting period" in place of currently used "due to be settled"
- Incorporating other matters submitted to the IFRS Interpretations Committee.

Notes to the Financial Statements for the half year ended 31 December 2013

Note 2: Expenses

	31 December 2013 USD	31 December 2012 USD
Consultants expenses and professional costs:		
- Share based payments for past services rendered	-	(3,975,940)
- Option based payments for past services rendered	-	(92,000)
- Other professional fees	(1,128,504)	(57,666)
	(1,128,504)	**(4,125,606)**

Note 3: Assets Held for Sale & Discontinued Operations

On 22 November 2013, the Consolidated Entity announced that it had agreed to sell its interest in Stonewall Mining Pty Ltd to Shandong Qixing Iron Tower Co., Ltd for USD 124,390,000. At the EGM on 23 December 2013, Stonewall Resources Limited shareholders approved the sale of the Consolidated Entity's shares in Stonewall Mining Pty Ltd to Shandong Qixing Iron Tower Co., Ltd

Stonewall Mining Pty Ltd has South African assets which include several surface and near-surface gold mineralisations.

Its three key projects are the TGME and Sabie Projects, located around the towns of Pilgrims Rest and Sabie in the Mpumalanga Province of South Africa (one of South Africa's oldest gold mining districts) and the Bosveld Project, located in South Africa's KwaZulu-Natal Province. Stonewall Mining Pty Ltd owns 74% of TGME, Sabie Mines and 84% of Bosveld Mines.

The transaction is expected to be completed in the second quarter of 2014. As required by AASB 5 the assets and liabilities of Stonewall Mining Pty Ltd and its subsidiaries have been classified as held for sale as at 31 December 2013 and income and expenditure has been classified as discontinued operations for the half-year ended 31 December 2013 with the comparative balances restated.

The Consolidated Entity has not recognised any impairment losses in respect of Stonewall Mining Pty Ltd and its subsidiaries, neither when the operation was reclassified as held for sale nor at the end of the reporting period. The assets & liabilities of Stonewall Mining Pty Ltd and its subsidiaries are recorded at the lower of their carrying amount and fair value less costs to sell and are disclosed separately in this note.

Notes to the Financial Statements for the half year ended 31 December 2013

Note 3: Assets Held for Sale & Discontinued Operations (Continued)

	31 December 2013 USD	31 December 2012 USD
Financial Performance Information		
Discontinued Operations		
Revenue	3,209,318	3,804,910
Cost of sales	(5,546,669)	(4,260,508)
Gross (loss)	(2,337,351)	(455,598)
Interest income	144,534	204,612
Other income	15,376	109,386
Finance costs	(312,381)	(24,190)
Management fees paid	(148,800)	(177,000)
Operating expenses	(2,086,573)	(12,329,583)
Rehabilitation provision movement	-	(44,722)
Loss for the period from Discontinued Operations	**(4,725,195)**	**(12,717,095)**

Carrying Amounts of Assets and Liabilities

	31 December 2013 USD
Cash and cash equivalents	126,806
Trade and other receivables	347,670
Inventories	880,600
Property, plant and equipment	1,888,958
Investment property	673,635
Mining rights, mining assets and mining developments	12,879,725
Capitalised exploration expenditure	1,756,059
Rehabilitation investment funds	1,724,548
Loan to employee	46,532
Total assets	**20,324,533**
Trade & other payables	3,907,674
Financial lease obligation	140,991
Loan from director	4,760
Employee benefits	692,675
Environmental rehabilitation provision	1,577,559
Other financial liabilities	468,670
Total liabilities	**6,792,329**
Net assets	**13,532,204**

Notes to the Financial Statements for the half year ended 31 December 2013

Note 3: Assets Held for Sale & Discontinued Operations (Continued)

Cash Flow Information	31 December 2013 USD	31 December 2012 USD
Net cash from operating activities	(5,294,080)	(2,358,938)
Net cash used in investing activities	(2,558,762)	(1,591,030)
Net cash from financing activities	86,689	7,272,812
Net increase in cash and cash equivalents from discontinued operations	**(7,766,153)**	**3,322,844**

Note 4: Dividends

No dividend has been paid or declared in this financial period or the previous financial period.

Note 5: Operating Segment

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Consolidated Entity's Chief Executive Officer for the purposes of resource allocation and assessment of performance is more specifically focused the individual mining locations in which the Consolidated Entity has an interest Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Consolidated Entity's accounting policies.

Notes to the Financial Statements
for the half year ended 31 December 2013

Note 5: Operating Segment (Continued)

(i) Segment performance

Six months ended 31 December 2013	TGME USD	Bosveld USD	Sabie USD	Total USD
Continuing operations	-	-	-	-
Gold and mining revenue	-	-	-	-
Less: Cost of sales	-	-	-	-
Segment gross profit	-	-	-	-
Unallocated items:	-	-	-	-
Other revenue	-	-	-	32,322
Reconciliation of segment result to group net loss before tax				
Unallocated items:	-	-	-	-
Other expenses	-	-	-	(1,128,504)
Net loss before tax				**(1,096,182)**
Discontinued Operations				
Gold and mining revenue	2,429,705	779,613	-	3,209,318
Less: Cost of sales	(4,375,415)	(1,171,254)	-	(5,546,669)
Segment gross profit	(1,945,710)	(391,641)	-	(2,337,351)
Unallocated items:	-	-	-	-
Other revenue	-	-	-	159,910
Reconciliation of segment result to group net loss before tax				
Unallocated items:	-	-	-	-
Other expenses	-	-	-	(2,547,754)
Net loss before tax				**(4,725,195)**
Income tax expense (continuing & discontinued operations)	-	-	-	-
Consolidated segment loss for the period				**(5,821,377)**

Notes to the Financial Statements for the half year ended 31 December 2013

Note 5: Operating Segment (Continued)

Six months ended 31 December 2012	**TGME USD**	**Bosveld USD**	**Sabie USD**	**Total USD**
Continuing operations				
Gold and mining revenue	-	-	-	-
Less: Cost of sales	-	-	-	-
Segment gross profit	-	-	-	-
Unallocated items:				
Other revenue	-	-	-	15,621
Reconciliation of segment result to group net loss before tax				
Unallocated items:				
Other expenses	-	-	-	(13,346,730)
Net loss before tax				**(13,331,109)**
Discontinued Operations				
Gold and mining revenue	3,301,522	490,526	12,862	3,804,910
Less: Cost of sales	(3,279,574)	(980,934)	-	(4,260,508)
Segment gross profit	21,948	(490,408)	12,862	(455,598)
Unallocated items:				
Other revenue	-	-	-	313,998
Reconciliation of segment result to group net loss before tax				
Unallocated items:				
Other expenses	-	-	-	(12,575,495)
Net loss before tax				**(12,717,095)**
Consolidated segment loss for the period				**(26,048,204)**

Notes to the Financial Statements for the half year ended 31 December 2013

Note 5: Operating Segment (Continued)

(ii) Segment assets

31 December 2013	TGME USD	Bosveld USD	Sabie USD	Total USD
Continuing Operations				
Balance at 1 July 2013	-	-	-	-
Segment asset increases (decreases) for the period	-	-	-	-
Balance at 31 December 2013	-	-	-	-
Unallocated assets:				-
Other				4,260,761
Total assets				**4,260,761**
Discontinued Operations				
Balance at 1 July 2013	12,642,875	1,525,521	987,020	15,155,416
Segment asset increases (decreases) for the period	1,380,019	(255,041)	264,180	1,389,158
Balance at 31 December 2013	14,022,894	1,270,480	1,251,200	16,544,574
Unallocated assets:				
Other	-	-	-	3,779,959
Total assets				**20,324,533**
Consolidated segment assets For the period				**24,585,294**

30 June 2013	TGME USD	Bosveld USD	Sabie USD	Total USD
Continuing Operations				
Balance at 1 January 2013	10,018,537	2,768,536	156,910	12,943,983
Segment asset increases (decreases) for the period	2,624,338	(1,243,015)	830,110	2,211,433
Balance at 30 June 2013	12,642,875	1,525,521	987,020	15,155,416
Unallocated assets:				
Other				7,331,801
Total assets				**22,487,217**

Notes to the Financial Statements for the half year ended 31 December 2013

Note 6: Contingent Liabilities

There are no contingent liabilities as at the reporting date.

Note 7: Business Combinations

For the half year ending 31 December 2013

The Consolidated Entity has not entered into any transactions during the half year that require consideration under AASB 3 Business Combinations.

For the half year ending 31 December 2012

On 27 November 2012, Stonewall Resources Limited acquired 80.02% (along with an option to purchase the remaining 19.98%) of the issued shares of Stonewall Mining Pty Ltd. Under the principals of AASB 3 Business Combinations, Stonewall Mining Pty Ltd is the accounting acquirer in the business combination. Therefore, the transaction has been accounted for as a reverse acquisition.

Accordingly, the consolidated financial statements of Stonewall Resources Limited have been prepared as a continuation of the consolidated financial statements of Stonewall Mining Pty Ltd. Stonewall Mining Pty Ltd, as the acquirer, has accounted for the acquisition of Stonewall Resources Limited from 27 November 2012.

The consideration in a reverse acquisition is deemed to have been incurred by the legal subsidiary (Stonewall Mining Pty Ltd) in the form of equity instruments issued to the shareholders of the legal parent entity (Stonewall Resources Limited). The acquisition-date fair value of the consideration transferred has been determined by reference to the fair value of the most recent issue of shares in Stonewall Mining Pty Ltd prior to the date of acquisition.

Included in the loss for the half year ended 31 December 2012 is USD 4,109,185 attributable to Stonewall Resources Limited.

The directors of the Consolidated Group consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on a yearly basis and to provide a reference point for comparison in future years.

The following represents the net assets and consideration paid by Stonewall Mining Pty Ltd for the acquisition of Stonewall Resources Limited

Net assets acquired:

	Acquiree's carrying amount before business combination	**Fair value adjustments**	**Fair value**
Current Assets:	**USD**	**USD**	**USD**
Cash and cash equivalents	66,515	-	66,515
Trade & other receivables	59,309	-	59,309
Financial assets	6,222	-	6,222
Total Current Assets	**132,046**	**-**	**132,046**

Notes to the Financial Statements for the half year ended 31 December 2013

Note 7: Business Combinations (Continued)

Non Current Assets			
Property, plant & equipment	132,831	-	132,831
Other assets	980,795	(973,896)	6,899
Total Non Current Assets	**1,113,626**	(973,896)	**139,730**
Total Assets	**1,245,672**	**(973,896)**	**271,776**
Current Liabilities	**USD**	**USD**	**USD**
Trade & other payables	(63,319)	-	(63,319)
Total Liabilities	**(63,319)**	**-**	**(63,319)**
Net Assets			**208,457**
Goodwill on consolidation*			**9,221,124**
Total consideration			**9,429,581**

Represented by:	
Shares issued on acquisition	7,542,864
Deferred consideration	1,886,717
	9,429,581

The cash flows on acquisition are as follows:

Net cash acquired with legal parent company	66,515
Cash paid	-
Net cash inflow	**66,515**

The consideration paid was:

- 310,000,000 shares issued to Non-South African shareholders pursuant to the Share Sale Agreement
- 58,479,760 shares to be issued to Non-South African shareholders pursuant to the Share Sale Agreement
- 79,520,240 shares to be issued to South African shareholders pursuant to the Share Sale Agreement

*The reverse acquisition of Stonewall Resources Limited resulted in goodwill on acquisition of USD 9,221,124 as detailed above. Upon assessment by the directors, it was determined that this goodwill was not recoverable and the entire balance was impaired as at 31 December 2012.

Notes to the Financial Statements for the half year ended 31 December 2013

Note 8: Borrowings

	31 December 2013 USD	30 June 2013 USD
Loan – Australian Private Capital Group (International) Limited	3,549,200	-

On 19 September 2013, Stonewall Resources Limited entered into an unsecured loan agreement with Australian Private Capital Group (International) Limited (**APCG**), whereby, APCG will lend up to Stonewall AUD 5,000,000 repayable within 2 years.

During the half year, the Consolidated Entity received AUD 4,000,000 (translated to USD 3,549,200). Interest accrues on the loan on a daily basis at 10% per annum.

The loan is repayable on upon the earlier of a change in control of Stonewall Mining Pty Ltd or Stonewall Resources Limited or two years from the date the initial amount was received (being 16 October 2013).

Note 9: Issued Capital

(a) Movements in share capital during the six months to 31 December 2013 were as follows:

		Fully Paid Ordinary Shares	USD
1 July 2013	***Opening Balance***	**404,498,924**	**41,309,007**
28 August 2013	Issue of shares*	58,479,760	-
13 September 2013	Issue of shares (exercise of options)	8,689,880	1,580,772
14 November 2013	Issue of shares (exercise of options)	533,620	101,227
18 December 2013	Issue of shares (exercise of options)	994,489	178,154
23 December 2013	Issue of shares (exercise of options)	1,000,000	178,280
27 December 2013	Issue of shares	20,000,000	3,546,800
	Less: Share issue costs	-	(212,952)
31 December 2013	**Closing Balance**	**494,196,673**	**46,681,288**

*58,479,760 shares were issued to non-South African shareholders of the Consolidated Entity representing deferred consideration pursuant to the share sale agreement as detailed in Note 7.

Notes to the Financial Statements for the half year ended 31 December 2013

Note 9: Issued Capital (Continued)

(b) Movements in share capital of during the six months to 31 December 2012 were as follows:

		Fully Paid Ordinary Shares	USD
1 July 2012	**Opening Balance**	**19,960**	**14,631,564**
16 July 2012	Issue of shares	2,507	9,956,772
27 November 2012	Elimination of shares on Reverse Takeover by Stonewall Resources Ltd	(22,467)	-
27 November 2012	Existing shares of Stonewall Resources Ltd on acquisition of Stonewall Mining Pty Ltd*	47,138,924	7,542,864
27 November 2012	Issue of shares**	310,000,000	-
27 November 2012	Issue of shares***	19,000,000	3,972,140
27 November 2012	Issue of shares****	28,360,000	5,928,942
	Less: Share issue costs	-	(723,275)
31 December 2012	**Closing Balance**	**404,498,924**	**41,309,007**

*The transaction under which Stonewall Resources Ltd acquired Stonewall Mining Pty Ltd resulted in an increase in share capital of Stonewall Mining Pty Ltd by USD 7,542,864 upon consolidation.

** 310,000,000 shares were issued to non-South African shareholders of Stonewall Mining Pty Ltd pursuant to the share sale agreement.

*** 19,000,000 shares were issued in consideration for past services rendered as resolved at the General Meeting of Shareholders held 2 October 2012.

**** 28,360,000 shares were issued pursuant to the prospectus dated 21 September 2012.

(c) Movements in options issued of during the six months to 31 December 2013 were as follows:

		Options
1 July 2013	**Opening Balance**	**10,860,000**
28 August 2013	Issue of options	25,000,000
13 September 2013	Exercise of options	(8,689,880)
31 October 2013	Lapse / expiration of options	(8,860,000)
14 November 2013	Exercise of options	(533,620)
18 December 2013	Exercise of options	(994,489)
23 December 2013	Exercise of options	(1,000,000)
31 December 2013	**Closing Balance**	**15,782,011**

Notes to the Financial Statements for the half year ended 31 December 2013

Note 9: Issued Capital (Continued)

As at 31 December 2013, the Consolidated Entity had 15,782,011 share options on issue (31 December 2012: 10,860,000), exercisable on a 1:1 basis for 15,782,011 ordinary shares of the Consolidated Entity (31 December 2012: 10,860,000) at exercises prices and expiry dates listed below:

Description	Number	Grant date	Expiry date	Exercise price	Fair value at grant date
Granted 30/03/2011	1,000,000	30/03/2011	31/03/2014	AUD 0.25	-
Granted 27/11/2012	1,000,000	27/11/2012	27/11/2015	AUD 0.20	AUD 0.088
Granted 28/08/2013	13,782,011	28/08/2013	27/11/2015	AUD 0.20	-

These options carry no rights to dividends and no voting rights.

(d) Movements in options issued of during the six months to 31 December 2012 were as follows:

		Options
1 July 2012	**Opening Balance**	**9,860,000**
27 November 2012	Issue of options	1,000,000
31 December 2012	**Closing Balance**	**10,860,000**

Note 10: Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	31 December 2013 USD
Cash at bank balances	4,031,631
Cash at bank balances included in a disposal group	126,806
Cash at the end of the period	**4,158,437**

Notes to the Financial Statements for the half year ended 31 December 2013

Note 11: Subsequent Events

Share Sale Agreement (SSA) with Shandong Qixing Iron Tower Co. Ltd (Shandong)

On 20 February 2014, Stonewall Resources Limited announced that it had agreed to an extension of the effective date of the SSA entered into with Shandong for the sale of Stonewall Resources Limited's shareholding in Stonewall Mining Pty Ltd. The effective date of 19 February 2014 was extended to 19 May 2014 to allow the various regulators sufficient time to process the required approvals sought.

Share Placement

On 27 February 2014, Stonewall Resources Limited announced the successful placement of 15,000,000 ordinary shares at an issue price of AUD 0.20 to raise AUD 3,000,000 (USD 2,697,120) to a sophisticated investor to assist with working capital requirements. The placement follows the announcement made on 20 February 2014 in respect to the extension of the effective date of the SSA with Shandong as outlined above.

Directors' Declaration

The directors declare that:

1. the financial statements and notes, as set out on pages 9 to 29, are in accordance with the Corporations Act 2001 and:

    a. comply with Accounting Standard AASB 134; Interim Financial Reporting and

    b. give a true and fair view of the financial position as at 31 December 2013 and of the performance for the half year ended on that date of the Consolidated Entity;

2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the directors

David Murray
Chairman

Melbourne, 14 March 2014

Deloitte.

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Independent Auditor's Review Report to the members of Stonewall Resources Limited

We have reviewed the accompanying half-year financial report of Stonewall Resources Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2013, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 9 to 30.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Stonewall Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Stonewall Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Stonewall Resources Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ian Sanders

Ian Sanders
Partner
Chartered Accountants
Melbourne, 14 March 2014