

Stonewall Resources Limited

ACN 131 758 177

Annual Financial Report
for the Year Ended 30 June 2014

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Corporate Directory

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Chairman's Letter

Dear Shareholder

For Stonewall Resources Limited (**Consolidated Entity**), 2013-2014 was characterised by the substantial progress made towards the sale of the South African gold mining assets to Shandong Qixing Iron Tower Co. Ltd (**Shandong**). I am pleased to report that throughout this period, the Consolidated Entity not only remained committed to ensuring the foundation for sustained growth, but also continued to deliver value to you, our shareholders.

Stonewall Resources Limited holds a range of prospective gold assets, most of which are located in the world-renowned South African gold mining regions. These South African assets, which include several surface and near-surface gold mineralisations, provide cost advantages relative to other gold producers in the region. With significant infrastructure already in place, the Consolidated Entity is uniquely positioned for its owner to make the transition to producer through highly efficient utilisation of capital and within comparatively short lead times.

The Consolidated Entity's key projects are the **TGME Project**, 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. The Consolidated Entity also owns the **Lucky Draw Project**, located in Australia, near the township of Burruga in New South Wales.

Shandong Transaction

A key focus during the year has been working towards completion of the Shandong transaction. I am pleased to report that as of the time of writing, only one Condition Precedent to the Share Sale Agreement remains outstanding, this being the approval from the China Securities Regulatory Commission (CSRC).

Operations

The Consolidated Entity has undertaken several trial mining projects during the 2013-2014 period, and has successfully completed bulk testing of the surface, underground and reef residue options. The result of this work has added substantial value to the Consolidated Entity in comprehensively proving metallurgy, mining and processing as well as the design of future mining plans and processing plants. As a result, the Consolidated Entity is well positioned to transition to full scale mining.

Exploration

During the 2013-2014 period, exploration activities continued to focus on the underground reef residue material, discovered at Beta Mine, which has a significant upside potential to increase the Mineral Resources, Life of Mine (LoM) and to introduce scalable low cost effective mining potential. Surveying and sampling in accordance with the instructions of the Competent Person has commenced.

The next phase will comprise of the implementation of the Competent Person's recommended Underground Backfill Sampling Protocol for the reef residue (refer announcement dated 31 July 2013) in order to assess the possible conversion of the reef residue to a Mineral Resource. The potential quantity and grade of the reef residue is currently conceptual in nature and there has been insufficient exploration thus far to define the reef residue as a Mineral Resource.

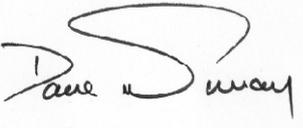
Exploration has been modest due to the primary focus of the Consolidated Entity being on the completion of the Shandong transaction.

As the Consolidated Entity moves towards the final completion phase of the proposed transaction, the Board will inform shareholders of the future plans for the Consolidated Entity. The significant cash offer for its subsidiary, Stonewall Mining, provides a potentially attractive return for Stonewall shareholders in a time of a challenging resources market and volatile gold prices.

Chairman's Letter

I would like to thank all our employees and shareholders for your loyalty and ongoing support. I look forward to reporting to you on the satisfactory conclusion of the current transaction and detailing the next phase of development planned for the Consolidated Entity.

Yours faithfully

A handwritten signature in black ink, appearing to read "David Murray". The signature is written in a cursive style with a large, prominent 'D' and 'M'.

David Murray
Chairman

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Review of Operations

REVIEW OF OPERATIONS

During the 12 month period to 30 June 2014, Stonewall Resources Limited (**Consolidated Entity**) was primarily focused on the development and progress towards the sale of the South African gold mining assets to Shandong Qixing Iron Tower Co. Ltd (**Shandong**).

COMPANY HIGHLIGHTS

- Significant progress with the Shandong Transaction - Six (6) of the seven (7) Conditions Precedent of the Share Sale Agreement with Shandong Qixing Iron Tower Co. Ltd were met
- Several bulk trial mining projects and successful testing and treatment of the surface, underground and reef residue material
- Stonewall announced the discovery of the reef residue
- All Six (6) New Order Prospecting Rights have been renewed for three years
- Stonewall Mining holds seven (7) New Order Mining Rights
- The successful construction, commissioning and operation the TGME upstream and metallurgical plants,
- The achievement of metallurgical recoveries in complex ore bodies exceeding 80%
- Appointment of Dr. James Jian Liu as a Non-Executive Director of Stonewall Resources Limited

SHANDONG QIXING IRON TOWER (SHANDONG) TRANSACTION

As previously announced to the market, Stonewall Resources Limited has entered into a conditional agreement with Shandong Qixing Iron Tower Co. Ltd regarding the potential sale of Stonewall Mining for an indicative price of USD 140 million.

Stonewall has agreed with Shandong and each other party to the Share Sale Agreement (**SSA**) to extend the End Date (the date by which the conditions precedent to the SSA are to be satisfied) to **3 October 2014** in order to provide the Chinese regulatory bodies with sufficient time to grant their approvals. Either party is able to further extend the End Date to 17 November 2014 should this be necessary.

Stonewall has announced that the following Conditions Precedent of the Share Sale Agreement having been satisfied:

- South African Takeover Regulation Panel Exemption - announced on 20 February 2014
- South African Competition Authorities Notification – announced on 20 February 2014
- Ministerial Consent under Section 11 of the Mineral and Petroleum Resources Development Act, 2002 (MPRDA) of South Africa – announced on 7 April 2014
- National Development and Reform Commission for Shandong Qixing's subsidiary to purchase 100% of Stonewall Mining Propriety Limited – announced on 10 June 2014
- Ministry of Commerce (MOC) – announced 26 August 2014
- State of Administration of Foreign Exchange (SAFE) – announced 16 September 2014

At the timing of writing this report, one remaining Condition Precedent to the SSA is with the relevant Chinese regulatory approvals:

- Shandong obtaining approvals required from the China Securities Regulatory Commission (CSRC) in order to proceed with a private placement to fund the purchase price

Review of Operations

TGME PROJECTS – SOUTH AFRICA

During the 2013-2014 period, the Consolidated Entity has undertaken several bulk trial mining projects and successfully completed testing and treatment of the surface, underground and reef residue material. The result of this work has added considerable value to the Consolidated Entity in comprehensively proving metallurgical recoveries, mining and processing methodologies as well as the design of future process flows and plants. As a result, the Consolidated Entity is well positioned to transition to full scale mining.

The TGME Projects include the following major sites:

- **Reef Residue Project**
The reef residue discovery has significant upside potential to increase the mineral resources. Extensive sampling and analysis of the reef residue was undertaken to determine grades, densities, metallurgical recoveries, process flows and quantities. A pre-feasibility study to commercially exploit the reef residue has been completed.
- **Beta**
The Beta Project has been identified as the first major mining project.

Stonewall Mining will initially target the easily accessible Beta underground reef residue where after it intends to move towards full-scale production.
- **Rietfontein**
Pre-feasibility study for the opening of the Rietfontein underground mine has been completed.
- **Vaalhoek**
The Vaalhoek mine has a mineral resource of 248,400 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 metres 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.

EXPLORATION AND REEF RESIDUE

In July 2013, Stonewall announced the discovery of the reef residue exploration target. This target is the residual rock left over from historical underground stoping. Historical mining involved the drilling and blasting of stope ore, with high grade reef-bearing ore being sorted and removed from the underground, whilst the residue was packed in the stoped-out areas as permanent support. The reef residue discovery was documented and described in the ASX announcement dated 31 July 2013.

Stonewall has been granted numerous mining and prospecting rights within its 62,000 hectare (Ha) tenement, with a significant number of historic mines containing various ore bodies and resources. As part of the TGME and Sabie Operations, several key near-term targets were identified for exploration. These mines have a combined existing JORC compliant resource of over 2.82 million ounces, which excludes the Reef Residue target contained within those mines. The first phase, which entails collating and assessing historical geological information and mapping, has been completed.

Review of Operations

The Combined Mineral Resources for Stonewall as at May 2013

Mineral Resource Category	Type of Operation	Tonnes	Grade	Gold	Gold
		Mt	g/t	Kg	'000 oz
Measured	UG	0.17	4.77	811	26.1
	Surface	0.151	1.59	240	7.7
	Tailings	2.294	0.77	1,770	56.9
	Total	2.615	1.08	2,821	90.7
Indicated	UG	2.755	5.87	16,184	520.2
	Surface	3.173	0.88	2,811	90.4
	Tailings	0.012	0.58	7	0.2
	Total	5.94	3.2	19,002	610.8
Inferred	UG	14.54	3.91	56,832	1,824.60
	Surface	0.8	0.8	642	20.6
	Tailings	2.45	3.07	7,516	241.6
	Rock Dump	0.12	1.59	192	6.2
	Plant Floats	0.04	0.54	22	0.7
	Beta Main	0.154	0.81	124	4
	Total	17.897	3.69	65,975	2,121.3
Grand Total	26.452	3.32	87,798	2,822.8	

1. The tonnages and grades in the above table are quoted as *in situ* tonnes.
2. Mineral Resources declared are for the entire project and have not been divided into attributable portions.
3. The cut-offs are applied to the attributable portions in the tables that follow

FLOODING

The Northern parts of South Africa experienced torrential rain during March with the Mpumalanga province being one of the worst hit areas. As the floods damaged major infrastructure, the government approved a declaration of a state of disaster in the province.

The TGME operation was significantly affected by the floods. The Consolidated Entity experienced production losses as resources were dedicated to repair the flood damage. All damage sustained during the floods has since been repaired. No spillages occurred from the tailings dams and the operations' infrastructure managed under the strain of the conditions.

MINING AND PROSPECTING RIGHTS

All Six New Order Prospecting Rights have been renewed for three years. They consist of the following:

- Hermansburg (403PR) Renewed until 18 December 2016
- Black Hill (404PR) Renewed until 3 February 2017
- Rietfontein (660PR) Renewed until 18 December 2017
- Vetroosting (278PR) Renewed until 3 February 2017
- Elandsdrift (406PR) Renewed until 20 November 2016
- Buffelsfontein (1189PR) Renewed until 18 December 2016

These New Order Prospecting Rights are in addition to the four New Order Mining Rights which have already been executed in 2013.

Review of Operations

SABIE PROJECTS – SOUTH AFRICA

The 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 as at October 2011 (316.3 thousand ounces indicated, 818.5 thousand ounces inferred) at a grade of between 3.51 to 7.92 g/t in compliance with the JORC Code. The mines are targeted to produce a total of 40,000tpm for up to 50,000 ounces per annum once fully operational at an average depth of between 200 meters (m) and 600m.

The Sabie Mining complex also contains a substantial amount of reef residue, which is in the process of being evaluated. The mining rights for both Rietfontein and Glynn's have been executed and final planning for the roll out of the operations is being planned for execution on completion of the Shandong Qixing transaction, which will provide sufficient capital to commence mining and further exploration of the Sabie Mines' projects.

BOSVELD MINES – SOUTH AFRICA

The efficient monitoring of the tailings facility at Bosveld has drawn to a close and management has initiated a strategic planning phase at the operation to consider the scale and timing of the re-commissioning of underground infrastructure with the view to exploiting the high potential reef structure within the mining tenement.

A study has commenced to evaluate the capital required to recommission the shaft and complete the development down from 15 level to the high grade reef area.

STONEWALL RESOURCES - AUSTRALIAN PROJECTS

Lucky Draw

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

Following the renewal of Stonewall's venture with Developed Resources Proprietary Limited (Developed), both companies are committed to advance the opportunity with detailed feasibility assessments and trials to further define the economic viability of the project.

Weelah

The tenement is located 32km 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.

Springfield

Springfield is situated approximately 220km north west of Sydney and lies between the towns of Gulgong and Mudgee. The tenement covers 70km² and is located in the upper catchment of the historically significant Gulgong alluvial goldfield.

No field work was undertaken by the Consolidated Entity during the period.

Mineral Resources and Ore Reserve Statement

MINERAL RESOURCE AND ORE RESERVE STATEMENT

The Consolidated Entity provides the following information in accordance with the requirements of ASX Listing Rule 5.21.

Mineral Resource

The following table outlines the Consolidated Entity's Combined Mineral Resources at May 2013:

Mineral Resource Category	Type of Operation	Tonnes	Grade	Gold	Gold
		Mt	g/t	Kg	'000 oz
Measured	UG	0.17	4.77	811	26.1
	Surface	0.151	1.59	240	7.7
	Tailings	2.294	0.77	1,770	56.9
	Total	2.615	1.08	2,821	90.7
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	Surface	3.173	0.88	2,811	90.4
	Tailings	0.012	0.58	7	0.2
	Total	5.94	3.2	19,002	610.8
Inferred	UG	14.54	3.91	56,832	1,824.60
	Surface	0.8	0.8	642	20.6
	Tailings	2.45	3.07	7,516	241.6
	Rock Dump	0.12	1.59	192	6.2
	Plant Floats	0.04	0.54	22	0.7
	Beta Main	0.154	0.81	124	4
	Total	17.897	3.69	65,975	2,121.3
	Grand Total	26.452	3.32	87,798	2,822.8

1. The tonnages and grades in the above table are quoted as *in situ* tonnes.
2. Mineral Resources declared are for the entire project and have not been divided into attributable portions.
3. The cut-offs are applied to the attributable portions in the tables that follow.

There has been no material change to the Consolidated Entity's combined mineral resources since May 2013 at which time an upgraded approximation of the Consolidated Entity's mineral resource at its TGME site was commissioned. All mineral resources are reported in compliance with the specifications embodied in the JORC Code and mineral resources have been reported separately, as Measured, Indicated and Inferred.

The results of the updated approximation of the mineral resource were released in an ASX announcement dated 6 August 2013. The Consolidated Entity's mineral resource is located within its TGME and Sabie Projects in South Africa.

Competent Persons Statement

The information in this Annual Report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled in a report "A Technical Report on the Stonewall Resources Gold Project, Pilgrims Rest Area, Mpumalanga Province, South Africa, Issue Date: 25 June 2013, Minxcon Reference: M13-030, by Charles Muller, who is a Member or Fellow of the South African Council for Natural Scientific Professions, which is a Recognised Overseas Professional Organisation' (ROPO) included in a list promulgated by the ASX from time to time.

Charles Muller was employed by Minxcon in 2013 and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Charles Muller consents to the inclusion in this Annual Report of the matters based on his information in the form and context in which it appears.

Mineral Resources and Ore Reserve Statement

Corporate Governance - Reserves and Resources Calculations

Due to the nature, stage and size of the Consolidated Entity's existing operations, it is the view of the Consolidated Entity that no efficiencies would be gained by establishing a separate mineral reserves and resources committee responsible for reviewing and monitoring the Consolidated Entity's processes for calculating mineral reserves and resources and for ensuring that the appropriate internal controls are applied to such calculations.

However, the Consolidated Entity ensures that all mineral reserve and measured resource calculations are prepared by a competent, senior geologist and are reviewed and verified independently by a qualified person.

The Consolidated Entity will report any future mineral reserves and resources estimates in accordance with the 2012 JORC Code.

Listing of Tenements

A listing of the mining tenements in which the Consolidated Entity has an interest is included in the 'Additional ASX Information' section of this report at page 103.

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Corporate Governance Statement

Unless disclosed below, the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2014.

Board Composition:

The Board is comprised of the following directors, all of which are Non-Executive Directors.

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report, their attendances at meetings and their term of office are detailed in the directors' report. The names of the directors of the Consolidated Entity at the date of this statement are:

Name	Position
Mr D. Murray	Non-Executive Chairman
Mr T. Fourie	Non-Executive Director
Mr N. Taylor	Non-Executive Director
Mr Y. Liu	Non-Executive Director
Dr. J Liu	Non-Executive Director (Appointed 08/05/2014)
Mr A. Macintosh	Non-Executive Director (Appointed 01/10/2013, Resigned 02/05/2014)
Mr J. Shen	Non-Executive Director (Resigned 01/10/2013)

When determining whether a non-executive director is independent, the director must not fail any of the following materiality thresholds:

- Less than 10% of company shares are held by the director and any entity or individual directly or indirectly associated with the director;
- No sales are made to or purchases made from any entity or individual directly or indirectly associated with the director; and
- None of the directors' income or the income of an individual or entity directly or indirectly associated with director is derived from a contract with any member of the economic entity other than income derived as a director of the entity.

Independent directors have the right to seek independent professional advice in the furtherance of their duties as directors at the Consolidated Entity's expense. Written approval must be obtained from the chair prior to incurring any expense on behalf of the Consolidated Entity.

The names of the members of the Board and their attendance at meetings are detailed in the directors' report.

Ethical Standards

The Board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

A code of conduct has been established requiring directors and employees to:

- Act honestly and in good faith;
- Exercise due care and diligence in fulfilling the functions of office;
- Avoid conflicts and make full disclosure of any possible conflict of interest;
- Comply with the law;
- Encourage the reporting and investigating of unlawful and unethical behaviour; and
- Comply with the share trading policy outlined in the Code of Conduct.

Directors are obliged to be independent in judgement and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

No performance evaluations have been conducted on, or by, the directors during the reporting period.

Corporate Governance Statement

Trading Policy

The Consolidated Entity's policy regarding directors and employees trading in its securities has been previously set by the Board under advice from TressCox Lawyers. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices. A copy of the Consolidated Entity's Trading Policy has been made publicly available on the Consolidated Entity's website

Diversity Policy

The Board recognises that a diverse and inclusive workforce is not only good for our employees but also good for our business. It helps the Consolidated Entity attract and retain talented people, create more innovative solutions, and be more flexible and responsive to our customers and shareholders needs. Across the Consolidated Entity, there is increasing momentum on diversity with a particular focus on gender and age, as well as greater work and career flexibility.

Please refer to the Consolidated Entity's diversity policy listed on the Consolidated Entity's website before for more information.

Audit Committee

The audit and risk committee comprises Mr James Liu (Chairman), Mr Trevor Fourie and Mr Nathan Taylor.

Board Roles and Responsibilities

The Board is first and foremost accountable to provide value to its shareholders through delivery of timely and balanced disclosures.

The Board has previously sought external guidance from TressCox Lawyers to assist the drafting of its 'Board Governance Document'. This document details the adopted practises and processes in relation to matters reserved for the Board's consideration and decision-making and specifies the level of authorisation provided to other key management personnel. The Board is ultimately responsible for ensuring its actions are in accordance with key corporate governance principles.

Shareholder Rights

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual and interim financial statements. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Stonewall Resources Limited, to lodge questions to be responded by the Board, and are able to appoint proxies.

Risk Management

The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. A yearly assessment of the business's risk profile is undertaken and reviewed by the Board, covering all aspects of the business from the operational level through to strategic level risks. The Board implements internal controls to identify and manage risks. The effectiveness of these controls is monitored and reviewed regularly.

Remuneration Policies:

The Consolidated Entity has appointed a remuneration and nomination committee. The remuneration of all directors is determined by the committee in consultation with industry experts and ratified by the Board.

All compensation arrangements for directors are determined by the directors after taking into account the current competitive rates prevailing in the market.

Corporate Governance Statement

Remuneration Policies (Continued)

The amount of remuneration for all directors including the full remuneration packages, comprising all monetary and non-monetary components, is detailed in the directors' report.

All remuneration to be paid to present or future executives will be valued at the cost to the Consolidated Entity and expensed.

The Board expects that the remuneration structure implemented will result in the Consolidated Entity being able to attract and retain the best executives to manage the economic entity. It will also provide the executives with the necessary incentives to work to grow long-term shareholder value.

The Board can exercise its discretion in relation to approving incentives, bonuses and options. There are no schemes for retirement benefits other than statutory superannuation for non-executive directors.

Other Information

Further information relating to the Consolidated Entity's corporate governance practices and policies has been made publicly available on the Stonewall Resources Limited website at www.stonewallresources.com.

Directors' Report

Your Directors present their report, together with the financial statements of the Consolidated Entity for the financial year ending 30 June 2014.

As outlined in note 1 of the accompanying financial statements, 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 was accounted for as a reverse acquisition under AASB 3. Accordingly, this annual report is prepared as a continuation of the annual report of Stonewall Mining Pty Ltd as the accounting parent.

DIRECTORS

The names of the Directors of the Consolidated Entity during or since the end of the financial 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
Dr J Liu - Non Executive Director (Appointed 8 May 2014)
Mr A Macintosh - Non Executive Director (Appointed 1 October 2013, Resigned 2 May 2014)
Mr J Shen - Non Executive Director (Resigned 1 October 2013)

In October 2013, the Consolidated Entity announced the appointment of Andrew Macintosh and the resignation of Jian Shen as Directors of Stonewall Resources Limited. In May 2014, the Consolidated Entity also announced the appointment of James Liu and the resignation of Andrew Macintosh as Directors of Stonewall Resources Limited. James Liu was also appointed Chairman of the Audit and Risk Committee following the resignation of Andrew Macintosh.

OPERATING AND FINANCIAL REVIEW

Operations:

Stonewall Resources Limited (the Consolidated Entity) is a gold mining entity making the transition from explorer to producer. It holds a range of prospective gold assets, most of which are located in the world-renowned South African gold mining region. The Consolidated Entity's principal activities during the period were gold exploration, development of gold mining projects and mine operations.

The Consolidated Entity's South African assets, which include several surface and near-surface gold mineralisation's provide cost advantages relative to other gold producers in the region.

The Consolidated Entity's four 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), the Bosveld Project, located in South Africa's KwaZulu-Natal Province, and the Lucky Draw Project, located in Australia, near the township of Burruga in New South Wales. The Consolidated Entity owns 74% of Transvaal Gold Mines Estates Limited (TGME) (2013: 74%), 74% of Sabie Mines (Proprietary) Limited (Sabie) (2013: 74%) and 74% of Bosveld Mines (Proprietary) Limited (Bosveld) (2013: 84%).

Following significant underground discoveries of gold bearing reef residue at its Beta mine, the Consolidated Entity completed a concept study with the view to prepare for small-scale mining. The new discoveries are currently being evaluated and assessed.

The Consolidated Entity also announced the discovery of new mineralized reef horizons at its Beta mine, which may have significant economic value, potential future resource classification and comprise significant mineable reserves.

Directors' Report

During the financial year, the Consolidated Entity entered into a conditional agreement with Shandong Qixing Iron Tower Co. Ltd ("Shandong") (002359.SZ) regarding the potential sale of Stonewall Mining Pty Ltd ("Stonewall Mining"), a subsidiary of the Consolidated Entity and an emerging gold producer, developer and exploration company incorporated in South Africa. Shandong subsequently raised USD 300 million through Private Placement to seven (7) Specific Investors as part of its indicative USD 140 million acquisition plan of Stonewall Mining.

The conditional agreement is the result of comprehensive and detailed discussions between the Consolidated Entity and Shandong to allow Shandong to undertake due diligence as a precursor to the potential sale of Stonewall Mining to Shandong.

The conditional agreement also provides that the transaction is subject to the Consolidated Entity obtaining all necessary regulatory and shareholder approvals required for the transaction to proceed. As outlined in the chairman's letter above, 6 for the 7 Conditions Precedent have now been met at the date of this report.

Financial Performance:

The Consolidated Entity's result for the year ended 30 June 2014 was a loss of USD 13,005,568 (30 June 2013: loss of USD 29,860,651). The result is attributable to the Consolidated Entity's Transvaal Gold Mining Estates (TGME), Sabie Gold Mines (Sabie) and Bosveld Mines (Bosveld) Projects in South Africa where the Consolidated Entity is currently processing gold.

Business Strategies and Prospects:

The Consolidated Entity's strategy is to generate value through the discovery and development of its prospective gold assets, most of which are located South Africa.

The Consolidated Entity's key competitive strategies are;

1. *Low Capital Requirements*

The Consolidated Entity has a multitude of historically productive mines, with good resources, which can be re-opened with low levels of capital.

2. *Speed to Production*

The Consolidated Entity required 6 to 12 months to dewater, refurbish and commission both Frankfort and Theta. It recently announced the fast tracking of Rietfontein mine and has completed a concept study for its Beta mine.

3. *Low Operating Costs*

The Consolidated Entity's mines target shallow underground tabular/horizontal reef structures, accessible by adit or decline shafts, with haulages and development on reef. This could lead to low mining costs.

4. *Shallow Mining*

Shallow underground mining reduces costs materially, and ore extraction is done without hoisting, restrictions of ore delivery typical of advanced stage mines, are not applicable.

5. *Mineable Resources*

Stope faces are available for mining on existing reef development. The advantage that gives is that the resource can be accessed quickly and cheaply, but more importantly the available faces allow for single shift mining and reduced costs.

6. *Number of Mines*

Once the Consolidated Entity's methodology and process flow have been confirmed as viable, the true value of the business is unlocked by applying this process to potentially 43 historically producing mines, which form part of the Consolidated Entity's suite of assets.

Directors' Report

Risks:

In addition to general risk factors, there are a number of risk factors specific to the Consolidated Entity, which may affect the future operating and financial performance of the Consolidated Entity.

Some of these factors can be mitigated by the use of safeguards and appropriate commercial action. However, many are outside the control of the Consolidated Entity and cannot be mitigated.

The following section outlines the key risks specific to the Consolidated Entity:

1. *Resource and Reserve Estimates*

There is a risk that the Mineral Resources and Ore Reserves of the Consolidated Entity, which are estimated and published on a regular basis by the Consolidated Entity in accordance with ASX Listing Rules and the JORC Code, are incorrect. If those estimates are materially in excess of the recoverable mineral content of the tenements, the production and financial performance of the Consolidated Entity would be adversely affected.

2. *Discovery Risk*

Any discovery by the Consolidated Entity may not be commercially viable or recoverable. That is no resources within the meaning of the JORC Code may be able to be established and it may be that consequently no reserves can be established.

3. *Exploration Risk*

Mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of current tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

4. *Operating Risk*

The nature of exploration, mining and mineral processing involves hazards which could result in the Consolidated Entity incurring uninsured losses and liabilities to third parties, for example arising from pollution, environmental damage or other damage, injury or death. These could include rock falls, flooding, unfavourable ground conditions or seismic activity, ore grades being lower than expected and the physical or metallurgical characteristics of the ore being less amenable to mining or treatment than expected.

5. *Maintenance Black Economic Empowerment*

The Consolidated Entity must comply and remain compliant with certain black economic empowerment requirements in order to retain their prospecting and mining rights. Any failure by the Consolidated Entity to satisfy and to continue to satisfy the black economic empowerment requirements could jeopardise the prospecting and mining rights in which the Consolidated Entity holds an interest and impede its ability to acquire, develop or maintain any additional mining or prospecting rights.

6. *Failure to Fund Future Capital Requirements*

The Consolidated Entity's ongoing activities will require substantial expenditures. There can be no guarantee that the Consolidated Entity will be able to successfully achieve all the objectives of the Consolidated Entity's overall business strategy. If the Consolidated Entity is unable to continue to use debt or equity to fund expansion there can be no assurances that it will have sufficient capital resources, or that it will be able to obtain fundraising on terms acceptable to the Consolidated Entity or at all. Any equity financing may be dilutive to Shareholders and any debt financing, if available, may involve restrictive covenants, which may limit the Consolidated Entity's operations and business strategy.

The Consolidated Entity's failure to raise capital if and when needed could delay or suspend its business strategy and could have a material adverse effect on its activities.

Directors' Report

7. *Reliance on Key Personnel and Employees*

The Consolidated Entity's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. To manage its growth, the Consolidated Entity must attract and retain additional highly qualified management, technical and marketing personnel and continue to implement and improve operational, financial and management information systems. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

8. *Exploring and Mining Risks*

The future viability and profitability of the Consolidated Entity will be affected by a number of factors, including, but not limited to the risks associated with:

- (i) prospecting or mining rights being adversely affected by political disputes;
- (ii) environmental management issues and the Consolidated Entity's obligations to comply with requirements that may change over time and result in additional costs and delays;
- (iii) poor weather conditions over a prolonged period which might adversely affect exploration activities;
- (iv) the cost of maintaining exploration and mining properties, which depends on the Consolidated Entity having access to sufficient working capital; and
- (v) the financial failure of, or default by, a participant in any of the joint ventures or other contractual relationships which the Consolidated Entity is, or may become a party.

9. *Environmental Risks*

The Consolidated Entity's projects are subject to various environmental laws. Many of the activities and operations of the Consolidated Entity cannot be carried out without prior approval from and compliance with all relevant authorities. Resource activities can be environmentally sensitive and give rise to substantial costs for environmental rehabilitation, damage control and losses.

The Consolidated Entity may be:

- (i) subject to potential liability related to the exploration, mining and extraction of metals; or
- (ii) prevented from exploration and mining due to the environmental impact of its activities on an area.

Any such developments might impact adversely on the Consolidated Entity's share price.

10. *Regulatory risk*

Operations by the Consolidated Entity may require approvals from regulatory authorities which may not be forthcoming or which may not be able to be obtained on terms acceptable to the Consolidated Entity. While the Consolidated Entity has no reason to believe that all requisite approvals will not be forthcoming and whilst the Consolidated Entity's obligations for expenditure will be predicated on any requisite approvals being obtained, investors should be aware that the Consolidated Entity cannot guarantee that any requisite approvals will be obtained. A failure to obtain any approvals would mean that the ability of the Consolidated Entity to develop or operate any project, or possibly acquire any project, may be limited or restricted either in part or absolutely.

The regulatory environment for the Consolidated Entity's operations could change in ways that substantially increase the Consolidated Entity's liabilities, tax liability or costs of compliance. This could materially and adversely affect the Consolidated Entity's financial position.

Directors' Report

11. *Sovereign risk*

The Consolidated Entity's exploration activities are carried out in Australia and South Africa. As a result, the Consolidated Entity will be subject to political, social, economic and other uncertainties including, but not limited to, changes in policies or the personnel administering them, foreign exchange restrictions, changes of law affecting foreign ownership, currency fluctuations, royalties and tax increases in those countries. The Directors believe that the Governments of South Africa and Australia support the development of natural resources by foreign investors. However there are no assurances that political and economic conditions will not result in Governments adopting different policies regarding foreign development and ownership of mineral resources. Any changes in policy may result in legislative changes affecting ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return on capital all of which may affect the Consolidated Entity's ability to develop its business.

Potential risk to the Consolidated Entity's activities may occur if there are changes to the political, legal and fiscal systems which might affect the ownership and operation of the Consolidated Entity's interests in South Africa or Australia. This may also include changes in exchange control systems, expropriation of mining rights, changes in government and in legislative and regulatory regimes.

12. *Tenement Conditions*

The Consolidated Entity's projects will be subject to various tenement conditions (including, without limitation, minimum work requirements). Failure to comply with such conditions may lead to forfeiture. The tenements will also be subject to renewal. If any of the tenements are not renewed for any reason the Consolidated Entity could suffer damage through loss of opportunity to explore and develop those tenements. The Directors are not aware of any reason why renewal of the tenements will not occur.

13. *Complex Metallurgy*

Reefs throughout the Sabie-Pilgrims Rest Goldfields are characterised by a variety of highly irregular gold mineralisation styles. While significant progress has been made in recent years in terms of gold recoveries of refractory gold-bearing materials, processing of the gold-bearing material remains problematic. As a result, expected gold recoveries can be irregular.

14. *Flooding*

The average rainfall in the TGME Project area is more than 1200 millimeters (mm) per annum. Most of the rain occurs between October and April and, while underground and surface mining operations can continue throughout the year, water ingress remains an issue and needs to be closely monitored and managed to avoid the risk of underground mines flooding.

15. *Labour risk*

The Consolidated Entity's operations may be adversely affected by labour disputes or changes in South African and Australian labour laws. In South Africa and Australia a number of trade unions have close links to various political parties and have significant influences as vehicles for social and political reform and in the collective bargaining process. South Africa and Australia have enacted various labour laws that enhance the rights of employees which may impose costs on the Consolidated Entity. Significant labour disputes, work stoppages, increased employee expenses as a result of collective bargaining and the cost of compliance with labour laws could disrupt operations and affect the profitability of the prospecting rights and any future mining and exploration activities undertaken by the Consolidated Entity.

16. *HIV/AIDS and tuberculosis*

The HIV/AIDS pandemic remains a significant challenge to companies operating in South Africa. In addition, the occurrence of tuberculosis is increasing amongst the South African workforce. Any significant increase in the incidence of HIV/AIDS infection, HIV/AIDS-related diseases or tuberculosis in the workforce could adversely affect the Consolidated Entity's business, operations and financial condition of the businesses in the industry in which the Consolidated Entity operates. In addition, any significant changes in legislation relating to HIV/AIDS or tuberculosis in the workforce could have a cost implication on the Consolidated Entity, in relation to providing (for example) antiretroviral medication, sick leave and carer leave.

Directors' Report

17. *Failure of basic infrastructure*

Infrastructure in South Africa for utilities such as electricity and water supply is continually under strain. The Consolidated Entity depends on the reliable and continuous delivery of adequate power to its mining operations. A serious failure in the provision of these utilities to the Consolidated Entity's mining operations could adversely affect the production at the Consolidated Entity's mining operations in South Africa.

18. *Joint Ventures*

The Consolidated Entity may wish to develop its projects or its future projects through joint venture arrangements. Any joint ventures entered into by, or interests in joint ventures assigned to, the Consolidated Entity could be affected by the failure or default of any of the joint venture participants (including the Consolidated Entity).

19. *Counterparty and contractual risk*

The Consolidated Entity is a party to a number of agreements. The ability of the Consolidated Entity to achieve its stated objectives will depend on the performance of counterparties to each agreement, of their respective obligations under these agreements. If the Consolidated Entity or any other counterparty defaults in the performance of their obligations, it may be necessary for the Consolidated Entity to approach a court to seek a legal remedy.

Legal action instituted in Australia or overseas can be costly. Further, certain of the contracts referred to above to which the Consolidated Entity is a party are governed by laws or jurisdictions outside Australia. There is a risk that the Consolidated Entity may not be able to seek the legal redress that it could expect under Australian law and generally there can be no guarantee that a legal remedy will ultimately be granted on the appropriate terms.

20. *Government Permits and Licences*

The Consolidated Entity's current and planned operations require permits and licences from various South African and Australian governmental authorities. If the Consolidated Entity is unable to obtain and maintain such requisite permits, licences and approvals, its business operations and ability to become profitable may be adversely affected. Such permits and licences are subject to change in regulations and in various operating circumstances. The Consolidated Entity cannot give any assurances that it will be able to obtain or maintain all necessary permits and licences that may be required to conduct exploration or commence construction or operate mining facilities at economically justifiable costs.

Further, some of the Consolidated Entity's mineral rights and prospecting rights are still subject to government approvals. These approvals are subject to the discretion of the South African government and its officials. No assurance can be given that these approvals can be obtained and maintained and failure to do so could materially and adversely affect the Consolidated Entity's operations and ability to become profitable.

21. *Potential for delays in the transition from explorer to producer due to laws governing Mining Rights*

The Consolidated Entity's transition from explorer to producer exposes the Consolidated Entity to laws that may affect development and construction of new processing plants. These include, mining works and environment management programs, water users licences and social labour plans. The Consolidated Entity has been granted approval in terms of its existing mining rights and prospecting rights, however, deviations to process flows may require amendments which could impact time frames.

22. *Equipment, material and consumables risk*

The operations of the Consolidated Entity could be adversely affected if essential equipment failed or materials and consumables were not available, which could result in the Consolidated Entity incurring additional expenses and delays in its operations.

23. *Commodity price volatility and foreign exchange rate risks*

If the Consolidated Entity achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Consolidated Entity to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Consolidated Entity. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Directors' Report

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Consolidated Entity will be taken into account in South African and Australian currencies, exposing the Consolidated Entity to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar and the South African rand as determined in international markets.

24. Dilution risk

Shareholders will be diluted if they do not participate in any future fundraising offers by the Consolidated Entity.

25. Risk of transaction to sell Stonewall Mining Pty Ltd not completing

A risk exists that the transaction to sell Stonewall Mining Pty Ltd to Shandong Qixing Iron Tower Co. Ltd will not complete. Six (6) of the seven Conditions Precedent of the Share Sale Agreement with Shandong Qixing Iron Tower Co. Ltd have been met with the outstanding condition being the approval from the CSRC. As noted throughout this report, in the event that the transaction does not complete, the directors may need to consider additional capital or funding to fund the ongoing operations, including the South African mining operations..

PRINCIPAL ACTIVITIES

The Consolidated Entity's principal activities during the year were gold exploration, development of gold mining projects and mine operations and negotiating the sale of Stonewall Mining Pty Ltd to Shandong Qixing Iron Tower Co. Ltd.

CHANGE IN STATE OF AFFAIRS

In addition to the matters noted in this report, during the period the Consolidated Entity relinquished 10% of its interest in Bosveld. This resulted in the Consolidated Entity's interest in Bosveld reducing from 84% at 1 July 2013 to 74% as at the date of this report. This relinquishment arose as a result of a transfer of interest to an additional stakeholder within the Black Economic Empowerment shareholders of Bosveld in accordance with the applicable legislation in South Africa.

In August 2013 the Consolidated Entity received confirmation of the compliant mineral resource estimation of TGME & Sabie reaching 2.822 million ounces.

This upgrade to the measured resource satisfied the conditions precedent for the issue of the deferred consideration to former Stonewall Mining Pty Ltd shareholders in accordance with the approved transaction under which the legal parent acquired Stonewall Mining Pty Ltd in November 2012.

The issue of the deferred consideration resulted in an additional 58,479,760 fully paid ordinary shares and 25,000,000 unlisted options being issued.

The terms of the options were as follows:

Unlisted options over fully paid ordinary shares at an exercise price of \$0.20 per option. The expiry date of the unlisted options is 5:00pm EST on the date that is 3 years from the completion date of the acquisition by the Company of Stonewall Mining Proprietary Limited (Registration number 2010/004367/07), being 27 November 2015.

DIVIDENDS

No dividends have been paid or declared since the start of the financial year (2013: nil).

FUTURE DEVELOPMENTS

As discussed previously in this report, the Consolidated Entity has satisfied 6 of the 7 Conditions Precedent required for the sale of the legal parent's subsidiary, Stonewall Mining Pty Ltd, to become unconditional.

In the unlikely circumstance that the sale does not take place, the Consolidated Entity intends to continue its gold exploration, development of gold mining projects and mine operations.

Directors' Report

ENVIRONMENTAL REGULATIONS

The Consolidated Entity's operations are subject to environmental regulation under both South African and Australian legislation. There have been no known breaches of these regulations by the Consolidated Entity.

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. It 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)

(a) Extension of End Date

On 11 August 2014, Stonewall Resources Limited announced that it had agreed to an extension of the End Date of the SSA entered into with Shandong for the sale of Stonewall Resources Limited's shareholding in Stonewall Mining Pty Ltd. The End Date of 19 August 2014 was extended to 3 October 2014 to allow the various regulators sufficient time to process the required approvals sought. Either party is able to further extend the End Date to 17 November 2014 should this be necessary.

(b) Receipt of Ministry of Commerce (MOC) Approval

On 26 August 2014, Stonewall Resources Limited released an announcement to advise that Shandong received approval from the Ministry of Commerce (MOC) for its subsidiary to purchase 100 percent of Stonewall Mining Pty Ltd from Stonewall Resources Ltd.

This approval satisfied a key condition precedent for completion of the SSA.

Directors' Report

(c) Receipt of State Administration of Foreign Exchange (SAFE) Approval

On 16 September 2014, Stonewall Resources Limited released an announcement to advise that Shandong received approval from the State Administration of Foreign Exchange (SAFE) necessary for its subsidiary to purchase 100 percent of Stonewall Mining Pty Ltd from Stonewall. This approval satisfied a key condition precedent for completion of the SSA.

Following this approval, the only remaining condition precedent is the Chinese regulatory approval to be obtained from the China Securities Regulatory Commission (CSRC).

(d) Successful Share Placement

On 26 September 2014, Stonewall Resources Limited announced that it had successfully raised AUD 1,800,779 via a placement of 10,004,328 shares to sophisticated investors at AUD 0.18 per share. The proceeds will be used to assist with the Consolidated Entity's working capital requirements through to completion of the Shandong transaction.

INFORMATION ON DIRECTORS

Directors

The names of directors in office at any time during or since the end of the year are:

Mr D. Murray	Non-Executive Chairman
Mr T. Fourie	Non-Executive Director
Mr N. Taylor	Non-Executive Director
Mr Y. Liu	Non-Executive Director
Dr J. Liu	Non-Executive Director (Appointed 08/05/2014)
Mr A. Macintosh	Non-Executive Director (Appointed 01/10/2013, Resigned 02/05/2014)
Mr J. Shen	Non-Executive Director (Resigned 01/10/2013)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Mr David Murray	—	Chairman (Non-Executive)
Qualifications	—	Bachelor of Science (Civil Engineering), University of Natal; Post Graduate Diploma (Mining), University of Pretoria; Advanced Executive Program, University of South Africa
Experience	—	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.
Interest in Shares and Options	—	Nil
Directorships held in other Australian listed entities during the three years prior to the current year	—	Current director of Coal of Africa Limited (ASX:CZA) Current director of Coalspur Mines Limited (ASX:CPL)

Directors' Report

Mr Trevor Fourie

Qualifications

Experience

Interest in Shares and Options

Directorships held in other Australian listed entities during the three years prior to the current year

Mr Nathan Taylor

Qualifications

Experience

Interest in Shares and Options

Directorships held in other Australian listed entities during the three years prior to the current year

- Non-Executive Director
- Advanced Executive Program, School of Business Leadership, University of South Africa; Diploma in Management, Henley Business School; Advanced Management Program, Harvard
- Mr Fourie has had 24 years experience in corporate and retail banking with Barclays Bank and First National Bank. Mr Fourie has served as Executive Directors of FBC Future Bank Corporation Limited and Marketing Director for WesBank. After his relocation to Australia he was appointed as Chief Executive Officer of RMB Australia's leasing division and Executive Director of RMB Australia Limited (Rand Merchant Bank Australia). As of 2008 he has pursued his own ventures in the financial services and resources sectors, and is formerly a non-executive director of Galaxy Gold.

Mr Fourie is a beneficiary of Quartreforte Investment Trust which holds:
20,132,766 unquoted ordinary fully paid shares in Stonewall Resources Ltd. Escrowed for 24 months from the date of readmission.

Mr Fourie is a member of the TAF Superannuation Fund which holds:
1,000,000 quoted ordinary fully paid shares in Stonewall Resources Ltd.

- Nil

- Non-Executive Director
- Bachelor of Commerce and a Bachelor of Laws from Bond University
- Nathan has experience as Head of Equity Capital Markets at Stonebridge Securities Limited, a boutique stockbroker headquartered in Sydney. Prior to joining Stonebridge, Nathan worked within the UBS Equity Capital Markets team and prior to this within the Macquarie Bank Equity Capital Markets team.

Nathan has been involved in raising over AUD 6 billion for ASX listed companies. Nathan 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.

- Nil

- Current director of Kogi Iron Limited (ASX:KFE)
- Current director of Mandalong Resources Limited (ASX: MDD)
- Current director of Torian Resources Limited (ASX: TNR)

Directors' Report

Mr Yang Liu	—	Non-Executive Director
Qualifications	—	Graduate from the School of Journalism and Communication at Renmin University in China
Experience	—	Yang has over 20 years experience in the marketing and consulting industry. Yang is also highly acknowledged for his skills in petroleum and mining investment projects, having over 8 years of management experience,
Interest in Shares and Options	—	<p>Yang has a 37.5% interest in Hanhong New Energy Holdings Ltd where Hanhong New Energy Holdings Ltd holds:</p> <p>17,117,530 quoted ordinary fully paid shares in Stonewall Resources Ltd</p> <p>28,153,512 unquoted ordinary fully paid shares in Stonewall Resources Ltd. Escrowed for 24 months from the date of readmission.</p> <p>186,623 options in Stonewall Resources Ltd with an exercise price of AUD 0.20 each expiring on 28 November 2015. Escrowed until 30 November 2014.</p> <p>Yang has a 50% interest in Smart Vision Investment Group Pty Ltd where Smart Vision Investment Group Pty Ltd holds:</p> <p>11,411,688 quoted ordinary fully paid shares in Stonewall Resources Ltd</p> <p>17,102,340 unquoted ordinary fully paid shares in Stonewall Resources Ltd. Escrowed for 24 months from the date of readmission.</p> <p>1,791,082 options in Stonewall Resources Ltd with an exercise price of AUD 0.20 each expiring on 28 November 2015. Escrowed until 30 November 2014.</p>
Directorships held in other Australian listed entities during the three years prior to the current year	—	Former director of Mandalong Resources Ltd (ASX: MDD) – Resigned on 23 May 2013.
Dr James Liu	—	Non-Executive Director (Appointed 08/05/2014)
Qualifications	—	Bachelor of Science (Electrical Engineering) from Peking University, China
	—	PHD (Physics) from University of North Carolina at Chapel Hill, USA
	—	MBA through the University of Chicago, USA
Experience	—	<p>Dr Liu has over 20 years entrepreneurial experience in China, the United States of America (USA) and Africa.</p> <p>Dr Liu is a Managing Partner of Hanhong Private Equity Investment Company and a founding member of Smart Vision Investment Group Limited.</p> <p>He has had 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.</p>
Interest in Shares and Options	—	Nil
Directorships held in other Australian listed entities during the three years prior to the current year	—	Nil

Directors' Report

COMPANY SECRETARY

Mr P. Hunt - Company Secretary

Mr Hunt is an employee of BDO Advisory (SA) Pty Ltd and former managing partner of PKF Business Advisers Pty Ltd, Adelaide. He is also a Fellow of the Institute of Chartered Accountants and a Member of the Australian Institute of Company Directors.

His experience includes due diligence assignments, valuations, expert opinion and investigative work associated with take-overs, reconstructions, acquisitions, mergers, back door and public listings and corporate reconstructions.

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Directors' Report

MEETINGS OF DIRECTORS

Board Meetings

During the financial year, 18 meetings of directors were held. Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended
D. Murray	18	17
T. Fourie	18	18
N. Taylor	18	18
J. Shen	5	3
Y. Liu	18	9
J. Liu	2	1
A. Macintosh	11	11

Audit & Risk Committee Meetings

During the financial year, 3 meetings of the 'Audit & Risk Committee' were held. Attendances by each member during the year were as follows:

	Number eligible to attend	Number attended
J. Shen	1	0
A. Macintosh	3	3
T. Fourie	3	3
N. Taylor	3	2
J. Liu	-	-

Remuneration & Nomination Committee Meetings

During the financial year, 1 meeting of the 'Remuneration & Nomination Committee' was held. Attendances by each member during the year were as follows:

	Number eligible to attend	Number attended
T. Fourie	1	1
D. Murray	1	1
Y. Liu	1	1

Disclosure Committee Meetings

During the financial year, no meetings of the 'Disclosure Committee' were held.

Black Economic Empowerment & Corporate Responsibility Committee Meetings

During the financial year, 1 meeting of the 'Black Economic Empowerment & Corporate Responsibility Committee' was held. Attendances by each member during the year were as follows:

	Number eligible to attend	Number attended
T. Fourie	1	1
D. Murray	1	1

Health & Safety Committee Meetings

During the financial year, 1 meeting of the 'Health & Safety Committee' was held. Attendances by each member during the year were as follows:

	Number eligible to attend	Number attended
D. Murray	1	1
T. Fourie	1	1

Directors' Report

OPTIONS

At the date of this report, the unissued ordinary shares of the Stonewall Resources Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price AUD	Number under Option
27 November 2012	27 November 2015	0.20	1,000,000
28 August 2013	28 November 2015	0.20	13,782,011
			<u>14,782,011</u>

Details of options granted to directors during the 12 months to 30 June 2014 were as follows:

28 August 2013	Mr T Fourie	1,189,880
28 August 2013	Mr J Shen	2,686,623
28 August 2013	Mr Y Liu	4,477,705
	Total	<u><u>8,354,208</u></u>

Details of options exercised during the 12 months to 30 June 2014 were as follows:

13 September 2013	Exercise of options	8,689,880
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
	Total	<u><u>11,217,989</u></u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Stonewall Resources Limited or of any other body corporate.

INDEMNITY AND INSURANCE OF OFFICERS

The Consolidated Entity has indemnified the directors and executives of the Consolidated Entity for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Consolidated Entity paid a premium in respect of a contract to insure the directors and executives of the Consolidated Entity against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITORS

The Consolidated Entity has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Consolidated Entity or any related entity against a liability incurred by the auditor.

During the financial year, the Consolidated Entity has not paid a premium in respect of a contract to insure the auditor of the Consolidated Entity or any related entity.

AUDITORS' INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 37.

Remuneration Report

Nature of Report and Basis of Preparation

This report details the nature and amount of remuneration for each key management person of the Stonewall Resources Limited Consolidated Entity.

As outlined in note 1 of the accompanying financial statements, 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 was accounted for as a reverse acquisition under AASB 3. Accordingly, this remuneration report has been prepared as a continuation of the remuneration report of Stonewall Mining Pty Ltd and includes the nature and amount of remuneration outlined in this report relates to those directors and key management personnel of Stonewall Mining Pty Ltd.

Remuneration policy

The Board of the Consolidated Entity believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Consolidated Entity, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Consolidated Entity is as follows:

- All key management personnel receive the agreed salary or fee.
- The remuneration policy, setting the terms and conditions for the key management personnel, was developed and approved by the Board.

All remuneration paid to key management personnel is valued at the cost to the Consolidated Entity and expensed.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Consolidated Entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Consolidated Entity.

Performance-based Remuneration

No key management personnel received performance-based payments during the financial year (See Table of Benefits and Payments for the Year Ended 30 June 2014 for more details)

Relationship between Remuneration Policy and Consolidated Entity Performance

At this stage there is no relationship between Remuneration Policy and Consolidated Entity Performance.

Remuneration Report

Performance Conditions Linked to Remuneration

There are no links between performance conditions and remuneration.

The table below sets out summary information about the Consolidated Entity's earnings and movements in shareholder wealth for the since the Consolidated Entity commenced on 4 April 2010 to 30 June 2014.

	30 June 2014 USD	30 June 2013 USD	30 June 2012 USD	15 months to 30 June 2011 USD
Revenue	4,542,850	7,119,706	-	-
Net Loss Before Tax	13,005,568	29,860,651	3,221,598	1,410,950
Net Loss After Tax	13,005,568	29,860,651	3,221,598	1,410,950
Share price at start of year	AUD 0.12	N/A	N/A	N/A
Share price at end of year	AUD 0.20	AUD 0.12	N/A	N/A
Interim dividend	-	-	-	-
Final dividend	-	-	-	-
Basic earnings per share	(2.73 cents)	(7.11 cents)	(1.00 cents)	N/A
Diluted earnings per share	(2.73 cents)	(7.11 cents)	(1.00 cents)	N/A

The Consolidated Entity has only operated as a listed vehicle since 30 November 2012, hence, no share price is relevant until that time.

Remuneration Report

Employment Details of Members of Key Management Personnel and Other Executives

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the Consolidated Entity. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

	Position held as at 30 June 2014 and any changes during the year	Contract details (duration & termination)	Proportions of elements of remuneration related to performance			Proportions of elements of remuneration not related to performance	
			Non-salary cash-based incentives %	Shares/ Units%	Options/ Rights%	Fixed Salary/ Fees %	Total %
Directors							
Mr D. Murray ¹	Chairman (Non-Executive)	No fixed term, no notice period	-%	-%	-%	100	100
Mr T. Fourie ¹	Director (Non-Executive)	No fixed term, no notice period	-%	-%	-%	100	100
Mr L. Birrell	CEO (Executive)	No fixed term, no notice period	-%	-%	-%	100	100
Dr. J. Liu ¹	Director (Non-Executive)	No fixed term, no notice period	-%	-%	-%	100	100
Mr. Y. Liu ¹	Director (Non-Executive)	No fixed term, no notice period	-%	-%	-%	100	100
Other Key Management Personnel							
Mr. S Venn	COO (Executive) (appointed 01/04/2012, resigned 31/03/2014)	N/A	-%	-%	-%	100	100
Mr D. Robbertze	CFO (Executive) (appointed 19/08/2013)	No fixed term, 3 months notice required	-%	-%	-%	100	100
Mr J. Fourie	Group Compliance Manager (Executive)	No fixed term, 3 months notice required (cannot terminate before 01/10/2015)	-%	-%	-%	100	100
Mr C. Todd	Group Financial Manager (Executive)	No fixed term, 3 months notice required	-%	-%	-%	100	100
Mr D. Jacobs	Projects Manager TGME (Executive) (appointed 25/02/2008, resigned 30/06/2013)	N/A	-%	-%	-%	100	100
Mr M. Rygrok	Group Geologist (Executive)	No fixed term, 3 months notice required (cannot terminate before 01/06/2015)	-%	-%	-%	100	100
Mr N. Taylor ²	Stonewall Resources Limited (Director)	No fixed term, no notice period	-%	-%	-%	100	100
Mr A. Macintosh ²	Stonewall Resources Limited (Director) (appointed 01/10/2013, resigned 02/05/2014)	N/A	-%	-%	-%	100	100
Mr J. Shen ²	Stonewall Resources Limited (Director) (appointed 29/01/2013, resigned 01/10/2013)	N/A	-%	-%	-%	100	100

Remuneration Report

- Mr D Murray, Mr T Fourie, Dr J Liu and Mr S Liu are all directors of both Stonewall Mining Pty Ltd and Stonewall Resources Limited. In accordance with the basis of preparation of this report, all have been listed as directors on the basis that the report is prepared as a continuation of the remuneration report of Stonewall Mining Pty Ltd.
- Mr N Taylor, Mr J Shen and Mr A Macintosh are all recognised as key management personnel by virtue of them being, (or having been) directors of Stonewall Resources Limited (the accounting subsidiary for the purposes of this report)

Changes in Directors and Executives during the year

On 1st July 2013 Mr D Jacobs resigned from the role as Projects Manager.

On 19th August 2013 Mr D Robbertze accepted the role and Chief Financial Officer.

On 1st October 2013 Mr Andrew Macintosh was appointed as a director and Mr Jian Shen resigned as director.

On 31st March 2014 Mr S Venn resigned from the role as Chief Operating Officer.

On 2nd May 2014 Mr Andrew Macintosh resigned as director and on 8th May 2014 Dr James Liu was appointed as director.

Remuneration Details for the Year Ended 30 June 2014

The following table of benefits and payments details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Consolidated Entity.

Table of Benefits and Payments for the Year Ended 30 June 2014

2014	SHORT-TERM BENEFITS			POST-EMPLOYMENT		SHARE-BASED		Termination	Total
	Cash and Salary Fees	Cash bonus	Non-monetary benefits	Pension and Super-annuation	Other	Shares/ Units	Options/ Rights	Benefits	
	USD	USD	USD	USD	USD	USD	USD	USD	USD
Directors									
Mr D. Murray	75,616	-	-	5,036	-	-	-	-	80,652
Mr T. Fourie	54,444	-	-	6,995	-	-	-	-	61,439
Mr L. Birrell	202,440	-	-	-	-	-	-	-	202,440
Mr J. Liu	56,736	-	-	-	-	-	-	-	56,736
Mr Y. Liu	50,668	-	-	-	-	-	-	-	50,668
Other Key Management Personnel									
Mr S. Venn	124,838	-	-	-	-	-	-	-	124,838
Mr D. Robbertze	210,056	-	-	-	-	-	-	-	210,056
Mr J. Fourie	138,816	-	-	-	-	-	-	-	138,816
Mr C. Todd	144,600	-	-	-	-	-	-	-	144,600
Mr D. Jacobs	-	-	-	-	149,420	-	-	-	149,420
Mr M. Rygrok	115,680	-	-	-	-	-	-	-	115,680
Mr N. Taylor	51,770	-	-	-	-	-	-	-	51,770
Mr A. Macintosh	29,878	-	-	-	-	-	-	-	29,878
Mr J. Shen	12,805	-	-	-	-	-	-	-	12,805
Total Key Management Personnel	1,268,347	-	-	12,031	149,420	-	-	-	1,429,798

Remuneration Report

Table of Benefits and Payments for the Year Ended 30 June 2013

2013	SHORT-TERM BENEFITS			POST-EMPLOYMENT		SHARE-BASED		Termination	Total
	Cash and Salary Fees	Cash bonus	Non-monetary benefits	Pension and Super-annuation	Other	Shares/Units	Options/Rights	Benefits	
	USD	USD	USD	USD	USD	USD	USD	USD	USD
Directors									
Mr D. Murray	73,728	-	-	3,158	-	-	-	-	76,886
Mr T. Fourie	63,904	-	-	2,274	-	-	-	-	66,178
Mr L. Birrell	231,840	-	-	-	-	-	-	-	231,840
Mr J. Liu	66,240	-	-	-	-	-	-	-	66,240
Mr Y. Liu	62,149	-	-	-	-	-	-	-	62,149
Other Key Management Personnel									
Mr S. Venn	245,088	-	-	-	-	-	-	-	245,088
Mr J. Fourie	119,232	-	-	-	-	-	-	-	119,232
Mr C. Todd	165,600	-	-	-	-	-	-	-	165,600
Mr D. Jacobs	160,535	-	-	-	-	-	-	-	160,535
Mr M. Rygrok	132,480	-	-	-	-	-	-	-	132,480
Mr N. Taylor	32,440	-	-	-	-	50,995	-	-	83,435
Mr J. Shen	23,662	-	-	-	-	-	-	-	23,662
Total Key Management Personnel	1,376,898	-	-	5,432	-	50,995	-	-	1,433,325

As at the date of this report, all remuneration relating to the directors of Stonewall Resources Limited for the year ended 30 June 2014 has been accrued and no payment of director fees has been made following the decision of the Board to defer payment of director remuneration to assist with managing the cash resources available to the Consolidated Entity. It is envisaged that the accrued fees will be paid upon the sale of Stonewall Mining Pty Ltd.

Loans to key management personnel:

The Consolidated Entity has provided a member of its key management personnel with a short-term loan at an interest rate comparable to the average commercial rate of interest.

The loans to key management personnel are unsecured.

The following table outlines aggregate amounts in respect of loans made to key management personnel of the Consolidated Entity:

	Balance at 1 July	Interest charged	Arm's length interest differential (i)	Allowance for doubtful receivables	Balance at 30 June	Number of key management personnel
2014	-	4,099	-	-	37,949	1
2013	-	-	-	-	-	1

The loan is interest bearing at a rate of 8.5% and is repayable over eight instalments by January 2015.

(i) The amount above refers to the difference between the amount of interest paid and payable in the reporting period and the amount of interest that would have been charged on an arm's length basis.

Remuneration Report

Other transactions with key management personnel of the Consolidated Entity

During the financial year, the Consolidated Entity recorded consulting expenses of USD 289,200 to Quatreforte Investment Trust, a director-related entity of Trevor Fourie.

Loss for the year includes the following items of expenses that resulted from transactions, other than compensation, loans or equity holdings, with key management personnel or their related entities:

	2014 USD	2013 USD
Operating expenses	289,200	340,200

Total liabilities arising from transactions other than compensation with key management personnel or their related parties:

	2014 USD	2013 USD
Current liabilities		
Loan repayable to Lloyd Birrell (Director of Stonewall Mining Pty Ltd)	3,398	4,145
Loan repayable to Steve Venn (Director of Transvaal Gold Mining Estates Limited)	-	708

The loans were interest free and have no fixed terms of repayment.

Securities received that are not performance related

Key management personnel equity holdings:

The following tables set out the equity holdings of key management personnel of the Consolidated Entity in Stonewall Resources Limited (legal parent / accounting subsidiary)

The following Key Management Personnel held Fully Paid Ordinary Shares in Stonewall Resources Limited during the year ended 30 June 2014:

	Balance at 1 July 2013	Granted as compensation	Received on exercise of options	Net other change	Balance at 30 June 2014	Balance nominally held
2014	No.	No.	No.	No.	No.	No.
Directors						
Mr T Fourie	16,464,564	-	1,189,880	3,478,322	21,132,766	-
Mr Y Liu	58,195,594	-	2,500,000	13,089,476	73,785,070	-
Other Key Management Personnel						
Mr J Shen	34,917,356	-	2,500,000	7,853,686	45,271,042	-

The following Key Management Personnel held Fully Paid Ordinary Shares in Stonewall Resources Limited during the year ended 30 June 2013:

	Balance at 1 July 2012	Granted as compensation	Received on exercise of options	Net other change	Balance at 30 June 2013	Balance nominally held
2013	No.	No.	No.	No.	No.	No.
Directors						
Mr T Fourie	-	-	-	16,464,564	16,464,564	-
Mr Y Liu	-	-	-	58,195,594	58,195,594	-
Other Key Management Personnel						
Mr J Shen	-	-	-	34,917,356	34,917,356	-

Remuneration Report

The following Key Management Personnel held Options over fully paid ordinary shares in Stonewall Resources Limited during the year ended 30 June 2014:

	Balance at 1 July 2013	Granted	Exercised	Expired / Forfeited / Other	Balance at 30 June 2014
2014	No.	No.	No.	No.	No.
Directors					
Mr T Fourie	-	1,189,880	(1,189,880)	-	-
Mr L Birrell	-	3,006,012	-	-	3,006,012
Mr Y Liu	-	4,477,705	(2,500,000)	-	1,977,705
Other Key Management Personnel					
Mr J Shen	-	2,686,623	(2,500,000)	-	186,623

Options granted to Key Management Personnel during the year were issued at a nil fair value and were part of the deferred consideration for the purchase of Stonewall Mining Pty Ltd and do not form part of remuneration for any of the above.

No Key Management Personnel held Options over fully paid ordinary shares in Stonewall Resources Limited during the year ended 30 June 2013.

The following tables set out the equity holdings of key management personnel of the Consolidated Entity in Stonewall Mining Pty Ltd (legal subsidiary / accounting parent):

The following Key Management Personnel held Fully Paid Ordinary Shares in Stonewall Mining Pty Ltd during the year ended 30 June 2014:

	Balance at 1 July 2013	Granted as compensation	Received on exercise of options	Net other change	Balance at 30 June 2014	Balance nominally held
2014	No.	No.	No.	No.	No.	No.
Directors						
Mr L Birrell	2,400	-	-	-	2,400	-
Other Key Management Personnel						
None	-	-	-	-	-	-

The following Key Management Personnel held Fully Paid Ordinary Shares in Stonewall Mining Pty Ltd during the year ended 30 June 2013:

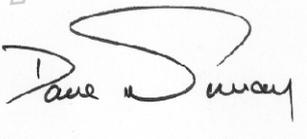
	Balance at 1 July 2012	Granted as compensation	Received on exercise of options	Net other change	Balance at 30 June 2013	Balance nominally held
2013	No.	No.	No.	No.	No.	No.
Directors						
Mr T Fourie	950	-	-	(950)	-	-
Mr L Birrell	2,400	-	-	-	2,400	-
Mr Y Liu	3,575	-	-	(3,575)	-	-
Other Key Management Personnel						
Mr J Shen	3,575	-	-	(3,575)	-	-

No Key Management Personnel held Options over Fully Paid Ordinary Shares in Stonewall Mining Pty Ltd during the years ended 30 June 2014 and 30 June 2013.

Remuneration Report

This directors' report, incorporating the remuneration report, has been signed in accordance with a resolution of the directors made pursuant to s298(2) of the Corporations Act 2001.

For and on behalf of the directors

A handwritten signature in black ink, appearing to read "David Murray", is written over a light grey rectangular background.

David Murray
Director

Melbourne
30 September 2014

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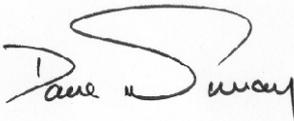
Directors' Declaration

The directors of Stonewall Resources Limited declare that:

1. The financial statements and notes, as set out on pages 38 to 98, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the 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; and
3. The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors



David Murray
Director

Melbourne
30 September 2014

30 September 2014

Board of Directors
Stonewall Resources Limited
Level 7, 420 King William Street
ADELAIDE SA 5000

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.

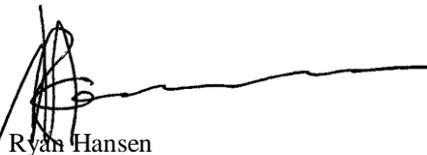
As lead audit partner for the audit of the financial statements of Stonewall Resources Limited for the financial year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Ryan Hansen
Partner
Chartered Accountants

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**Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2014**

	Notes	2014 USD	2013 USD
Continuing Operations			
Other income	2	50,775	121,172
Impairment of goodwill		-	(9,221,124)
Finance costs	2	(263,219)	(4)
Other expenses	2	(920,523)	-
Operating expenses	2	(1,682,602)	(4,942,574)
Profit/(loss) before tax		(2,815,569)	(14,042,530)
Income tax expense	40	-	-
Loss for the period from continuing operations		(2,815,569)	(14,042,530)
Discontinued Operations			
Loss for the period from discontinued operations	3	(10,189,999)	(15,818,121)
Loss for the period		(13,005,568)	(29,860,651)
Other comprehensive income, net of tax			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Gain on revaluation of property, plant and equipment	37(c)	30,302	-
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translating foreign operations	37(e)	71,814	(3,130,870)
Other comprehensive income for the period, net of income tax		102,116	(3,130,870)
Total comprehensive loss for the period		(12,903,452)	(32,991,521)
Loss attributable to:			
Equity holders of the parent		(12,577,263)	(29,532,018)
Non-controlling interest		(428,305)	(328,633)
		(13,005,568)	(29,860,651)
Total comprehensive income attributable to:			
Equity holders of the parent		(12,475,147)	(32,662,888)
Non-controlling interest		(428,305)	(328,633)
		(12,903,452)	(32,991,521)
Earnings per share			
From continuing and discontinued operations			
Basic (cents per share)	6	(2.73)	(7.11)
Diluted (cents per share)	6	(2.73)	(7.11)
From continuing operations			
Basic (cents per share)	6	(0.59)	(3.34)
Diluted (cents per share)	6	(0.59)	(3.34)

The accompanying notes form part of these financial statements

**Consolidated Statement of Financial Position
as at 30 June 2014**

	Notes	2014 USD	2013 USD
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	2,891,296	3,513,775
Trade and other receivables	8	37,508	389,882
Inventories	9	-	698,904
Other financial assets	10	12,149	5,556
Loan to director	11	-	910
Loan to employee	12	-	10,919
Assets classified as held for sale	3	20,091,419	-
TOTAL CURRENT ASSETS		23,032,372	4,619,946
NON-CURRENT ASSETS			
Property, plant and equipment	13	123,358	1,934,311
Investment property	15	-	715,384
Other assets	14	18,838	12,439
Loan to employee	12	-	43,776
Mining rights, mining assets and mining development	16	-	11,758,840
Capitalised exploration expenditure	17	-	1,834,763
Rehabilitation investment funds	18	-	1,567,758
TOTAL NON-CURRENT ASSETS		142,196	17,867,271
TOTAL ASSETS		23,174,568	22,487,217
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	573,984	5,042,227
Other financial liabilities	20	1,886,717	1,913,913
Finance lease obligation	20	-	36,902
Loan from director	21	-	5,055
Employee benefits	22	-	578,191
Borrowings	24	6,701,724	-
Liabilities directly associated with assets classified as held for sale	3	6,227,946	-
TOTAL CURRENT LIABILITIES		15,390,371	7,576,288
NON- CURRENT LIABILITIES			
Finance lease obligation	20	-	68,243
Environmental rehabilitation provision	23	-	1,644,998
Other financial liabilities	20	-	427,754
TOTAL NON- CURRENT LIABILITIES		-	2,140,995
TOTAL LIABILITIES		15,390,371	9,717,283
NET ASSETS		7,784,197	12,769,934

**Consolidated Statement of Financial Position
as at 30 June 2014**

	Notes	2014 USD	2013 USD
EQUITY			
Issued Capital	25	49,065,013	41,309,007
Reserves	37	6,505,992	6,242,167
Accumulated losses	39	(45,976,713)	(33,840,511)
Non-Controlling Interest	35	(1,810,095)	(940,729)
TOTAL EQUITY		<u>7,784,197</u>	<u>12,769,934</u>

The accompanying notes form part of these financial statements

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**Consolidated Statement of Changes in Equity
for the year ended 30 June 2014**

	Issued Capital	Equity Reserve	Asset Revaluation Reserve	Option Premium on Convertible Notes	Option Reserve	Foreign Exchange Reserve	Accumulated Losses	Attributable to Owners of the Parent	Non- controlling Interest	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	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	-	-	-	-	-	-	(29,532,018)	(29,532,018)	(328,633)	(29,860,651)
Other comprehensive income, net of income tax	-	-	-	-	-	(3,130,870)	-	(3,130,870)	-	(3,130,870)
Total comprehensive income	-	-	-	-	-	(3,130,870)	(29,532,018)	(32,662,888)	(328,633)	(32,991,521)
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 30 June 2013	41,309,007	10,218,089	-	-	92,000	(4,067,922)	(33,840,511)	13,710,663	(940,729)	12,769,934
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	-	-	-	-	-	-	(12,577,263)	(12,577,263)	(428,305)	(13,005,568)
Other comprehensive income, net of income tax	-	-	30,302	-	-	71,814	-	102,116	-	102,116
Total comprehensive income	-	-	30,302	-	-	71,814	(12,577,263)	(12,475,147)	(428,305)	(12,903,452)
Disposal of partial interest in Bosveld	-	-	-	-	-	-	441,061	441,061	(441,061)	-
Issue of shares	8,282,233	-	-	-	-	-	-	8,282,233	-	8,282,233
Cost of share issues	(526,227)	-	-	-	-	-	-	(526,227)	-	(526,227)
Issue of convertible notes	-	-	-	161,709	-	-	-	161,709	-	161,709
Balance at 30 June 2014	49,065,013	10,218,089	30,302	161,709	92,000	(3,996,108)	(45,976,713)	9,594,292	(1,810,095)	7,784,197

The accompanying notes form part of these financial statements

**Consolidated Statement of Cash Flows
for the financial year ended 30 June 2014**

	Notes	2014 USD	2013 USD
Cash flows from operating activities			
Receipts from customers		5,009,234	7,068,676
Payments to suppliers and employees		(16,869,252)	(13,707,368)
Interest received		51,781	316,992
Interest paid		(279,197)	(95,260)
Net cash (outflow) from operating activities	29a	<u>(12,087,434)</u>	<u>(6,416,960)</u>
Cash flows from investing activities			
Payments for property, plant and equipment & other assets		(827,883)	(7,566,728)
Payments for mining rights, mining assets and mining development		(1,830,925)	(124,060)
Cash acquired upon business combination	33	-	66,515
Net payments for rehabilitation investment		(231,071)	(482,177)
Proceeds from disposal of property, plant and equipment & other assets		123,488	-
Payments for security deposits		(9,179)	(6,119)
Loans advanced to other companies		(482)	(1,021)
Net cash (outflow) from investing activities		<u>(2,776,052)</u>	<u>(8,113,590)</u>
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		8,282,233	19,045,189
Payment of share issue costs		(526,227)	(723,275)
Proceeds from / (repayment of) borrowings		6,593,300	510,300
Proceeds from director's loan		-	-
Increase / (decrease) in finance lease obligation		20,244	15,422
Warrant settlement costs		-	(1,992,981)
Net cash inflow from financing activities		<u>14,369,550</u>	<u>16,854,655</u>
Net increase / (decrease) in cash and cash equivalents		(493,936)	2,324,105
Cash and cash equivalents at the beginning of the year		3,513,775	1,577,187
Exchange rate adjustments		(30,556)	(387,517)
Cash at the end of the financial year	7	<u>2,989,283</u>	<u>3,513,775</u>

The accompanying notes form part of these financial statement

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected current assets, financial assets and financial liabilities.

The financial statements comprise the consolidated financial statements of the Consolidated Entity. For the purposes of preparing the consolidated financial statements, the Consolidated Entity is a for-profit entity.

The financial statements were authorised for issue by the directors on 30 September 2014.

a. Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Consolidated Entity. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition by acquisition basis, the Consolidated Entity recognises any non controlling interest in the acquiree either at fair value or at the non controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in the profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

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

Stonewall Mining Pty Ltd was deemed to be the acquirer for accounting purposes under the principles of AASB 3 Business Combinations. Therefore, the transaction was accounted for as a reverse acquisition under AASB 3. Accordingly, the consolidated financial statements of Stonewall Resources Limited are prepared as a continuation of the consolidated financial statements of Stonewall Mining Pty Ltd. Stonewall Mining Pty Ltd (as the deemed acquirer) has accounted for the acquisition of Stonewall Resources Limited from 27 November 2012.

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

b. 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.

As disclosed in the financial statements, for the year ended 30 June 2014, the Consolidated Entity incurred a loss of USD 13,005,568 and had net cash outflows from operating activities of USD 12,087,434.

These factors indicate material uncertainty as to whether the Company and the Consolidated Entity will continue as going concerns and therefore whether they will realise their assets and extinguish their 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 Company and the Consolidated Entity will be able to continue as going concerns, after consideration of the following factors:

- Stonewall Resources Limited signed a Share Sale Agreement with Shandong Qixing Iron Tower Co., Ltd on 21 November 2013 to sell its interest in Stonewall Mining Pty Ltd. The completion of the sale will result in the Consolidated Entity receiving proceeds of USD 124,390,000 and other payments of approximately USD 17,000,000 for repayment of loans owing from Stonewall Mining Pty Ltd to Stonewall Resources Limited. These proceeds will be used to repay the Consolidated Entity's existing and remaining commitments with the majority of the balance of proceeds being repaid to shareholders.
- The sale is due to complete after the one remaining condition to the Shandong transaction is received being the relevant Chinese regulatory approvals as follows:
 - Shandong obtaining approvals required from the China Securities Regulatory Commission (CSRC) in order to proceed with a private placement to fund the purchase price. This approval is expected to be received by 3 October 2014, with the sale proceeds then expected to be received by November 2014.
- The Directors are confident the sale will complete following the receipt of the relevant Chinese regulatory approval. The process with the CSRC has been progressing since January 2013 with all requested documentation provided to the CSRC.
- Before the completion of the sale, the Consolidated Entity has ongoing cash commitments of approximately USD 1,000,000 per month. This includes maintaining its South African mining operations, which are intended to be sold. Following the sale, the ongoing commitments will be minimal and will be funded from the net proceeds.
- The Consolidated Entity needs to continue to fund the operations until completion of the sale and at balance date has cash reserves of USD 2,891,296. These reserves are expected to meet the cash requirements until the expected date of completion on 3 October 2014.
- The Consolidated Entity also raised USD 1,500,000 (net of costs) through the issuance of shares on 26 September 2014.
- The Directors forecast that following the CSRC approval, Share Option holders will exercise their options in October 2014 to provide proceeds of USD 2,700,000 to meet the remaining and forecast commitments until the sale proceeds are received by November 2014.
- The Consolidated Entity also requires the continued support of its creditors.

In the event that the sale process takes longer than anticipated (beyond October 2014) the Directors have raised additional capital to fund the operations and may need to continue to raise additional capital on a timely basis pursuant to the Corporations Act 2001.

In the event that the sale does not complete, the Directors will need to raise additional capital to fund the operations, including the South African mining operations, on a timely basis pursuant to the Corporations Act 2001.

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

The Directors have a history of successfully raising additional capital including capital raisings of USD 8,282,233 and loan funding received of USD 6,593,510 in the current year, and the capital raising of USD 1,500,000 on 26 September 2014.

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.

Accordingly, the Directors believe that the Company and Consolidated Entity will be able to continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

In the event that the Company and the Consolidated Entity are unsuccessful in the matters set out above, there is material uncertainty whether the Company and the Consolidated entity will continue as going concerns and therefore whether they will realise their assets and discharge their liabilities in the normal course of business and at the amounts stated in the financial report.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the Company and the Consolidated Entity not continue as going concerns.

c. Non-current assets held for sale

Non-currents 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 value 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 recognized 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 recognized 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 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.

d. 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.

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

e. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rate that are expected to apply to the period when the assets is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current assets and liabilities are offset where a legally enforceable right of set off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where (a) a legally enforceable right of set off exists, (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

f. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Owner occupied property held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such owner occupied property is recognised in other comprehensive income and accumulated within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of owner occupied property is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued owner occupied property is recognised in profit or loss. On the subsequent sale or retirement of an owner occupied property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Land and plant and equipment are measured on cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment.

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Consolidated Entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Consolidated Entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation will cease on the date that an asset has been transferred to Assets Held for Sale and Discontinued Operations in line with the requirements under AASB 5.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Furniture and fittings	16.66%
Plant and equipment	20%
Machinery	20%
Office equipment	20%
Computer equipment	33.33%
Motor vehicles	20%
Improvements to land and buildings	6.66%
Mining development	7.69%
Buildings	5%

The life of the Bosveld Mine was estimated using geology models prepared from historical data and is estimated at 14.9 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

g. Mining development

Mining development comprises mining development costs and exploration and evaluation costs on mineral exploration prospects.

Exploration and evaluation costs

Exploration and evaluation costs are accumulated separately for each area of interest (an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proven to contain such a deposit) and are carried forward on the following basis:

- Each area of interest is considered separately when deciding whether and to what extent to carry forward an asset or write-off costs. An asset, as defined, is a resource controlled by the Consolidated Entity as a result of past events and from which future economic benefits are expected to flow to the Consolidated Entity.
- Rights to prospect in the area of interest are current, provided that such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale, or exploration activities have not reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to the area of interest are continuing.
- The carrying values of exploration assets are reviewed by the directors where results of exploration of an area of interest are sufficiently advanced to permit a reasonable estimate of the costs expected to be recouped through successful developments and exploitation of the area of interest. Expenditure in excess of this estimate is written-off to the statement of comprehensive income in the period in which the review occurs. Where a decision is made to proceed with development in respect of a particular area of interest, the balance is then reclassified as Mining Development.
- At each reporting date, management assesses whether there is any indication that exploration and evaluation expenditure carried forward per area may be impaired. If any such impairment exists, the carrying amount is written-down to the higher of net selling price and value in use.

Mining development

All expenditure incurred on mining areas where commercial production has not commenced is capitalised and is recognised at cost less accumulated amortisation and any impairment losses. When the specific area is mined as part of commercial operations the capital asset is written off over the life of the operation related to that specific area.

h. Financial Instruments

Initial Recognition and Measurement

Financial assets, financial liabilities and compound investments are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Consolidated Entity commits itself to either the purchase or sales of the assets (i.e. Trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expenses to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investment. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expenses over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payment or receipts (including fees, transaction costs, and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability.

Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expenses in profit or loss.

i Financial Assets at Fair Value through Profit or Loss

Financial assets are classified at "fair value through profit or loss" when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in fair value are included in profit or loss.

ii. Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

iii. Compound instruments

The component parts of compound instruments (convertible bonds) issued by the Consolidated Entity are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion options that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Consolidated Entity's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to issued capital. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits/ accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

i. De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

j. Impairment of Assets

At the end of each reporting period, the Consolidated Entity assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives, capitalised exploration and evaluation expenditure, development and infrastructure, property, plant and equipment, capitalised mining development expenditure and mining assets.

Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash generating unit to which the asset belongs.

k. Investment Property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

l. Inventory

Inventories are valued at the lower of cost or estimated net realisable value; except for Gold in process inventory, which is valued at the net realisable value. Cost is determined on the weighted average method. Cost of gold includes direct and an appropriate proportion of fixed and variable production overhead expenditure, including depreciation and amortisation, incurred in converting materials into finished goods. Obsolete and slow moving consumable stock is identified and suitable write-downs in value are made when necessary.

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Net realisable value is the estimated selling price on the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

m. Foreign Currency Translation

i. Functional and presentation currency

Items included in the financial statements of each of the Consolidated Entity's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates. The consolidated financial statements are presented in United States dollars (USD), on the basis that the US dollar is the most appropriate base given the Consolidated Entity operates in more than one currency and has a large investor base which operates in a different functional currency to all companies in the Consolidated Entity.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are attributable to part of the net investment in a foreign operation.

ii. Net investments in foreign operations

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- Income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

n. Black Economic Empowerment (BEE) Transactions

Where equity instruments are issued to a BEE partner at less than fair value, these are accounted for as share-based payments.

The difference between the fair value of the equity instruments issued and the consideration received is accounted for as an expense in profit or loss on the transaction date, with a corresponding increase in equity. No service or other conditions exist for BEE partners. A restriction on the BEE partner to transfer the equity instrument subsequent to its vesting is not treated as a vesting condition, but is factored into the fair value determination of the instrument.

o. Employee Benefits

Provision is made for the Consolidated Entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

p. Provisions

Provisions are recognised when the Consolidated Entity has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Environmental Rehabilitation Provisions

Estimated long-term environmental provisions, comprising pollution control, rehabilitation and mine closure, are based on the Consolidated Entity's environmental policy taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises.

q. Decommissioning Costs of Plant and Equipment

The estimated present value of future decommissioning costs, taking into account current environmental and regulatory requirements, is capitalised as part of property, plant and equipment, to the extent that they relate to the construction of the asset, and the related provisions are realised.

r. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

s. Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- Revenue from the sale of gold and silver is recognised when the significant risks and rewards of ownership are transferred to the buyer.
- The Consolidated Entity retains neither continuing managerial involvement to the degree usually associated with ownership or effective control over the goods sold;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest revenue is recognised using the effective interest rate method.

All revenue is stated net of the amount of goods and services tax (GST) and value added tax (VAT).

t. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit and loss in the period in which they are incurred.

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

u. Goods and Services Tax (GST) & Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST and VAT, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO) and South African Revenue Service (SARS).

Receivables and payables are stated inclusive of the amount of GST & VAT receivables or payable. The net amount of GST & VAT recoverable from, or payable to, the ATO and SARS is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST and VAT components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO and SARS are presented as operating cash flows included in receipts from customers or payments to suppliers.

v. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

w. Earnings Per Share

i. Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Consolidated Entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii. Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

x. Parent Entity Information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the legal parent entity is disclosed in note 32.

y. Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability is established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Consolidated Entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

z. Principles of Consolidation

For the purposes of preparing the consolidated financial statements, the accounting parent is Stonewall Mining Pty Ltd (legal acquiree) and the accounting subsidiary is Stonewall Resources Limited (legal acquirer)

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Stonewall Resources Limited as at 30 June 2014 and the results of all subsidiaries (including the special purpose vehicles) for the year then ended. Stonewall Resources Limited and its subsidiaries (including the special purpose vehicles) together are referred to in these financial statements as the 'Consolidated Entity'.

Control is achieved when the Consolidated Entity:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Consolidated Entity reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Consolidated Entity has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Consolidated Entity considers all relevant facts and circumstances in assessing whether or not the Consolidated Entity's voting rights in an investee are sufficient to give it power, including:

- the size of the Consolidated Entity's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Consolidated Entity, other vote holders or other parties;
- rights arising from other contractual arrangements; and

Any additional facts and circumstances that indicate that the Consolidated Entity has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Consolidated Entity. Losses incurred by the Consolidated Entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

aa. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Consolidated Entity.

Key Estimates

Impairment

The carrying amounts of the Consolidated Entity's assets are reviewed each year-end date to determine whether there is any indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the higher of its net selling price and its value in use.

In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

For an asset that does not generate cash inflows that are largely independent of those from other assets the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognised in the statement of comprehensive income whenever the carrying amount of the cash-generating unit exceeds its recoverable amount.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years.

Environmental rehabilitation provision

The Consolidated Entity assesses its environmental rehabilitation provision annually. Significant estimates and assumptions are made in determining the environmental rehabilitation provision as there are numerous factors that will affect the ultimate liability. These factors include estimates of the extent and cost of rehabilitation activities, regulatory change, cost increases, and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at balance at balance date represents the best estimate of the present value of the future rehabilitation costs required. Changes to estimated future costs are recognised in the statement of financial position by adjusting the rehabilitation asset and liability.

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Key Judgments

Exploration and Evaluation Expenditure

The Consolidated Entity capitalised expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

bb. 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.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

The Consolidated Entity has applied 2011-4 from 1 July 2013, which amends AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No.1) now specify the KMP disclosure requirements to be included within the directors' report.

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 Consolidated Entity.

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Specifically, the changes to AASB 10 on the Consolidated Entity's interests in the TGME & Sabie Special Purpose Vehicles (SPV's) have had no impact on the accounting required at the year ended 30 June 2014. The Consolidated Entity continues to recognise the value of the shares transferred to BEE entities as share based payments through an equity reserve account.

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.

The changes to AASB 12 have not had any material impact on the consolidated financial statements.

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.

The Consolidated Entity has been 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.

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Other than the additional disclosures, the application of AASB 13 does not have any material impact on the amounts recognised in the consolidated financial statements.

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.

The changes to AASB 119 have not had any material impact on the consolidated financial statements.

New Accounting Standards and Interpretations not yet mandatory or early adopted

AASB 9 Financial Instruments and its consequential amendments

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2017 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The Consolidated Entity will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be assessed by the Consolidated Entity.

IFRS 15 Revenue from Contracts with Customers

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18, which covers contracts for goods and services and IAS 11, which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the Consolidated Entity.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of these amendments from 1 July 2014 may increase the disclosures by the Consolidated Entity.

Annual Improvements to IFRSs 2010-2012 Cycle

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects several Accounting Standards as follows: Amends the definition of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' in AASB 2 'Share-based Payment'; Amends AASB 3 'Business Combinations' to clarify that contingent consideration that is classified as an asset or liability shall be measured at fair value at each reporting date; Amends AASB 8 'Operating Segments' to require entities to disclose the judgements made by management in applying the aggregation criteria; Clarifies that AASB 8 only requires a reconciliation of the total reportable segments assets to the entity's assets, if the segment assets are reported regularly; Clarifies that the issuance of AASB 13 'Fair Value Measurement' and the amending of AASB 139 'Financial Instruments: Recognition and Measurement' and AASB 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amount, if the effect of discounting is immaterial; Clarifies that in AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets', when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount (i.e. proportional restatement of accumulated amortisation); and Amends AASB 124 'Related Party Disclosures' to clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a 'related party' of the reporting entity. The adoption of these amendments from 1 July 2014 will not have a material impact on the Consolidated Entity.

Annual Improvements to IFRSs 2011-2013 Cycle

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects four Accounting Standards as follows: Clarifies the 'meaning of effective IFRSs' in AASB 1 'First-time Adoption of Australian Accounting Standards'; Clarifies that AASB 3 'Business Combination' excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself; Clarifies that the scope of the portfolio exemption in AASB 13 'Fair Value Measurement' includes all contracts accounted for within the scope of AASB 139 'Financial Instruments: Recognition and Measurement' or AASB 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132 'Financial Instruments: Presentation'; and Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in AASB 3 'Business Combinations' and investment property as defined in AASB 140 'Investment Property' requires the separate application of both standards independently of each other. The adoption of these amendments from 1 July 2014 will not have a material impact on the Consolidated Entity.

Notes to the Financial Statements

Note 2: Continuing Operations

	2014	2013
	USD	USD
(a) Revenue		
Interest income	44,520	121,038
Other income	6,255	134
	50,775	121,172
(b) Finance costs		
Finance costs	263,219	4
	263,219	4
(c) Operating expenses		
Administration expenses	58,352	91,173
Consultants expenses and professional costs:	1,135,195	4,523,085
Employee and contractor expenses	297,613	145,394
Other expenses	191,442	182,922
	1,682,602	4,942,574
(d) Other expenses		
Loss on foreign exchange transactions	920,523	-
	920,523	-

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 74% of Bosveld Mines.

The Consolidated Entity has since agreed with Shandong and each other party to the Share Sale Agreement (SSA) to extend the End Date (the date by which the conditions precedent to the SSA are to be satisfied) to **3 October 2014** in order to provide the Chinese regulatory bodies with sufficient time to grant their approvals.

During the year up to 30th June 2014, Stonewall announced that the following Conditions Precedent of the Share Sale Agreement having been satisfied:

- South African Takeover Regulation Panel Exemption
- South African Competition Authorities Notification
- Ministerial Consent under Section 11 of the Mineral and Petroleum Resources Development Act, 2002 (MPRDA) of South Africa
- National Development and Reform Commission for Shandong Qixing's subsidiary to purchase 100% of Stonewall Mining Propriety Limited
- Ministry of Commerce (MOC)
- State of Administration of Foreign Exchange (SAFE)

At the timing of writing this report, the one remaining condition to the Shandong transaction is the relevant Chinese regulatory approvals:

- Shandong obtaining approvals required from the China Securities Regulatory Commission (CSRC) in order to proceed with a private placement to fund the purchase price

Notes to the Financial Statements

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

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 30 June 2014 and income and expenditure has been classified as discontinued operations for the year ended 30 June 2014 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.

	2014 USD	2013 USD
Financial Performance Information		
Discontinued Operations		
Revenue	4,542,850	7,119,706
Cost of sales	(9,432,862)	(7,525,451)
Gross (loss)	(4,890,012)	(405,745)
Interest income	233,963	405,518
Other income	118,090	243,923
Finance costs	(279,197)	(95,256)
Management fees paid	(289,200)	(340,200)
Operating expenses	(5,273,069)	(15,645,639)
Reversal of impairments	176,894	-
Fair value adjustment	12,532	19,278
Loss for the period from Discontinued Operations	(10,189,999)	(15,818,121)
Carrying Amounts of Assets and Liabilities		
	2014 USD	
Cash and equivalents	97,987	
Trade and other receivables	252,048	
Inventories	298,398	
Property, plant and equipment	2,682,187	
Investment Property	94,400	
Mining rights, mining assets and mining developments	12,972,393	
Capitalised exploration expenditure	1,741,491	
Rehabilitation investment funds	1,910,184	
Other assets	984	
Loan to employee	41,347	
Total assets	20,091,419	
Trade & other payables	3,016,646	
Financial lease obligation	118,000	
Loan from director	4,720	
Employee benefits	493,996	
Environmental rehabilitation provision	2,169,784	
Other financial liabilities	424,800	
Total liabilities	6,227,946	
Net assets	13,863,473	
Cash Flow Information		
	2014 USD	2013 USD
Net cash used in operating activities	(10,842,516)	(1,802,947)
Net cash used in investing activities	(2,766,873)	(8,107,470)
Net cash from financing activities	20,148	7,592,810
Net increase / (decrease) in cash and cash equivalents from discontinued operations	(13,589,241)	(2,317,607)

Notes to the Financial Statements

Note 4: Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors Report for details of the remuneration paid or payable to each member of the Consolidated Entity's key management personnel (KMP) for the year ended 30 June 2014.

The totals of remuneration made to KMP of the Consolidated Entity during the year are as follows:

	2014 USD	2013 USD
Short-term employee benefits	1,268,347	1,376,898
Post-employment benefits	12,031	5,432
Termination benefits	149,420	-
Share-based payments	-	50,995
	1,429,798	1,433,325

Note 5: Auditors' Remuneration

	2014 USD	2013 USD
Remuneration of the auditor for the Consolidated Entity (Deloitte Touche Tohmatsu Australia) for:		
- Auditing or reviewing the financial report	111,433	76,493
- Tax advice	45,009	60,409
- Assistance with incentive scheme	-	62,517
	156,442	199,419
Remuneration of the network firm auditor for the Consolidated Entity		
- Auditing or reviewing the financial report	169,670	209,307
- Assistance with taxation filing and advice	2,085	2,861
	171,755	212,168

Note 6: Earnings per Share

	2014 USD	2013 USD
a. Reconciliation of earnings to profit or loss:		
Loss for the year attributable to owners of the Company	13,005,568	29,860,651
Loss for the year from discontinued operations used in the calculation of basic earnings per share from discontinued operations	(10,189,999)	(15,818,121)
Loss used in the calculation of basic earnings per share from continuing operations	2,815,569	14,042,530
	Number of shares	Number of shares
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive EPS	477,001,576	420,184,715

The Consolidated Entity currently has a number of options on issue. These options could potentially dilute basic earnings per share in the future but have not been included in the earnings per share calculation due to being anti-dilutive for the period.

Notes to the Financial Statements

Note 7: Cash and Cash Equivalents

	2014 USD	2013 USD
Cash at bank and in hand	2,891,296	3,513,775
	2,891,296	3,513,775

The effective interest rate was 1.09% (2013: 3.54%)

Reconciliation of cash

	2014 USD	2013 USD
Cash at end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	2,891,296	3,513,775
Cash and cash equivalents included in a disposal group	97,987	-
	2,989,283	3,513,775

Note 8: Trade and Other Receivables

CURRENT

	2014 USD	2013 USD
Prepayments	-	62,075
Deposits	-	64,704
South African Revenue Services – VAT	-	127,892
Australian Taxation Office – GST	35,562	38,759
Other receivables	1,946	96,452
	37,508	389,882

The value of receivables considered by the directors to be past due or impaired is nil (2013: USD nil).

Note 9: Inventories

	2014 USD	2013 USD
CURRENT		
Fuel	-	3,235
Cyanide	-	1,517
Carbon	-	-
Gold in process – at net realisable value	-	234,147
Stores and materials	-	383,877
Stock piles – at net realisable value	-	76,128
	-	698,904

Note 10: Other Financial Assets

	2014 USD	2013 USD
Financial Asset Comprise		
a. Financial assets at fair value through profit or loss:		
- Shares in listed corporations	12,149	5,556
	12,149	5,556

Notes to the Financial Statements

Note 11: Loan to Director	2014 USD	2013 USD
LD Birrell	-	910
	<u>-</u>	<u>910</u>
2014: Not applicable (2013: the loan was interest free and has no fixed term of repayment.)		
Note 12: Loan to Employee	2014 USD	2013 USD
CURRENT		
Loan – S Venn	-	10,919
	<u>-</u>	<u>10,919</u>
NON-CURRENT		
Loan – S Venn	-	43,776
	<u>-</u>	<u>43,776</u>
2014: Not applicable (2013: The loan was interest bearing at 3.54%)		
Note 13: Property, Plant and Equipment	2014 USD	2013 USD
Land and buildings		
Land and buildings at cost	123,358	1,097,451
Less accumulated depreciation	-	(419,767)
	<u>123,358</u>	<u>677,684</u>
Plant and equipment		
Plant and machinery at cost	-	1,803,016
Less accumulated depreciation	-	(781,301)
	<u>-</u>	<u>1,021,715</u>
Vehicles at cost	-	235,563
Less accumulated depreciation	-	(110,299)
	<u>-</u>	<u>125,264</u>
Office equipment at cost	-	1,191
Less accumulated depreciation	-	(1,034)
	<u>-</u>	<u>157</u>
Furniture and fittings at cost	-	82,093
Less accumulated depreciation	-	(22,141)
	<u>-</u>	<u>59,952</u>
Computer equipment at cost	-	70,669
Less accumulated depreciation	-	(21,130)
	<u>-</u>	<u>49,539</u>
Total Property, Plant and Equipment	<u>123,358</u>	<u>1,934,311</u>

Notes to the Financial Statements

Note 13: Property, Plant and Equipment (Continued)

<i>Cost or valuation</i>	Balance at 1 July 2012	Additions	Disposals	Transfers	Acquisition of Subsidiaries	Effect of Foreign Currency Exchange Differences	Balance at 30 June 2013
	USD	USD	USD	USD	USD	USD	USD
Land & Buildings	503,560	556,050	-	-	119,612	(81,771)	1,097,451
Plant & Machinery	2,759,443	71,579	(6,066)	(573,844)	-	(448,096)	1,803,016
Vehicles	177,429	86,946	-	-	-	(28,812)	235,563
Office Equipment	1,328	-	-	-	79	(216)	1,191
Furniture & Fittings	82,317	13,143	-	-	-	(13,367)	82,093
Computer Equipment	23,174	51,258	-	-	-	(3,763)	70,669
Total	3,547,251	778,976	(6,066)	(573,844)	119,691	(576,025)	3,289,983

Notes to the Financial Statements

Note 13: Property, Plant and Equipment (Continued)

<i>Cost or valuation</i>	Balance at 1 July 2013	Additions	Disposals	Transfers	Transfers to discontinued operations	Acquisition of Subsidiaries	Effect of Foreign Currency Exchange Differences	Balance at 30 June 2014
	USD	USD	USD	USD	USD	USD	USD	USD
Land & Buildings	1,097,451	-	-	-	(920,774)	-	(53,319)	123,358
Plant & Machinery	1,803,016	256,630	-	-	(1,944,079)	-	(115,567)	-
Vehicles	235,563	58,131	-	-	(277,603)	-	(16,091)	-
Office Equipment	1,191	-	(81)	-	(1,047)	-	(63)	-
Furniture & Fittings	82,093	2,480	-	-	(79,682)	-	(4,891)	-
Computer Equipment	70,669	397	(2,996)	-	(65,974)	-	(2,096)	-
Total	3,289,983	317,638	(3,077)	-	(3,289,159)	-	(192,027)	123,358

Notes to the Financial Statements

Note 13: Property, Plant and Equipment (Continued)

<i>Accumulated depreciation and impairment</i>	Balance at 1 July 2012	Depreciation Expense	Disposal	Acquisition of Subsidiaries	Effect of Foreign Currency Exchange Differences	Balance at 30 June 2013
	USD	USD	USD	USD	USD	USD
Land & Buildings	(497,888)	-	(2,730)	-	80,851	(419,767)
Plant & Machinery	(1,385,515)	(66,524)	-	445,750	224,988	(781,301)
Vehicles	(97,646)	(28,510)	-	-	15,857	(110,299)
Office Equipment	(1,086)	(101)	-	(23)	176	(1,034)
Furniture & Fittings	(19,191)	(9,908)	-	3,842	3,116	(22,141)
Computer Equipment & Software	(1,086)	(19,007)	-	(1,213)	176	(21,130)
Total	(2,002,412)	(124,050)	(2,730)	448,356	325,164	(1,355,672)

Notes to the Financial Statements

Note 13: Property, Plant and Equipment Continued

<i>Accumulated depreciation & impairment</i>	Balance at 1 July 2013	Depreciation Expense	Disposals	Transfers to discontinued operations	Effect of Foreign Currency Exchange Differences	Balance at 30 June 2014
	USD	USD	USD	USD	USD	USD
Land & Buildings	(419,767)	-	-	395,270	24,497	-
Plant & Machinery	(781,301)	(89,974)	-	822,052	49,223	-
Vehicles	(110,299)	(22,618)	-	125,569	7,348	-
Office Equipment	(1,034)	(170)	52	1,142	10	-
Furniture & Fittings	(22,141)	(6,845)	-	27,418	1,568	-
Computer Equipment & Software	(21,130)	(9,827)	1,090	28,750	1,117	-
Total	(1,355,672)	(129,434)	1,142	1,400,201	83,763	-

(i) Fair value measurement of the Consolidated Entity's Land and Buildings

The fair value of the Consolidated Entity's owner occupied property as at 30 June 2014 has been arrived at on the basis of valuations carried out on the respective dates by independent valuers not related to the Consolidated Entity.

The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties. In estimating the fair value of the owner occupied properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

Details of the Consolidated Entity's owner occupied property and information about the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1	Level 2	Level 3	Fair value at 30 June 2014 USD
Owner Occupied Property	-	616,526	-	616,526

The fair value of owner occupied property is disclosed in Discontinued Operations and Assets Held for Sale.

There were no transfers between Levels 1 and 2 during the year.

Notes to the Financial Statements

Note 14: Other Assets	2014	2013
	USD	USD
Non-current		
Deposit for Exploration License	18,838	9,133
	<u>18,838</u>	<u>9,133</u>
Website costs	-	6,392
Less: accumulated depreciation	-	(3,086)
	<u>-</u>	<u>3,306</u>
Software costs	-	15,569
Less: accumulated depreciation	-	(15,569)
	<u>-</u>	<u>-</u>
Total other assets	<u>18,838</u>	<u>12,439</u>

<i>Cost or valuation</i>	Exploration License	Website Costs	Software Costs	Total
	USD	USD	USD	USD
Balance at 1 July 2012	-	3,018	18,588	21,606
Additions	5,480	1,921	-	7,401
Acquisitions through business combinations	4,181	2,718	-	6,899
Effect of Foreign Currency Exchange Differences	(528)	(1,265)	(3,019)	(4,812)
Balance at 30 June 2013	9,133	6,392	15,569	31,094
Additions	9,179	-	-	9,179
Disposals	-	(1,953)	-	(1,953)
Transfers to discontinued operations	-	(4,231)	(14,661)	(18,892)
Effect of Foreign Currency Exchange Differences	526	(208)	(908)	(590)
Balance at 30 June 2014	18,838	-	-	18,838

Notes to the Financial Statements

Note 14: Other Assets (Continued)

<i>Accumulated depreciation</i>	Exploration License	Website Costs	Software Costs	Total
	USD	USD	USD	USD
Balance at 1 July 2012	-	(1,569)	(18,588)	(20,157)
Depreciation Expense	-	(1,772)	-	(1,772)
Effect of Foreign Currency Exchange Differences	-	255	3,019	3,274
Balance at 30 June 2013	-	(3,086)	(15,569)	(18,655)
Depreciation Expense	-	(1,193)	-	(1,193)
Disposals		920	-	920
Transfers to discontinued operations		3,196	14,661	17,857
Effect of Foreign Currency Exchange Differences	-	163	908	1,071
Balance at 30 June 2014	-	-	-	-

Note 15: Investment Property

	2014	2013
	USD	USD
Investment Property	-	715,384

Details of properties

The investment properties were acquired as part of the acquisition of Transvaal Gold Mining Estates Limited and Sabie Mines (Proprietary) Limited; and its subsidiary Vanaxe Share Block (Proprietary) Limited. The investment properties consist of residential houses in Graskop and in Pilgrims Rest.

<i>Cost or valuation</i>	Investment Property	Total
	USD	USD
Balance at 1 July 2012	833,554	833,554
Additions	-	-
Fair Value Adjustments	19,278	19,278
Effect of Foreign Currency Exchange Differences	(137,448)	(137,448)
Balance at 30 June 2013	715,384	715,384

Notes to the Financial Statements

Note 15: Investment Property (Continued)

	Investment Property USD	Total USD
Additions	-	-
Transfers to discontinued operations	(673,635)	(673,635)
Effect of Foreign Currency Exchange Differences	(41,749)	(41,749)
Balance at 30 June 2014	-	-

Fair value measurement of the Consolidated Entity's investment properties

The fair value of the Consolidated Entity's investment property as at 30 June 2014 and 30 June 2013 has been arrived at on the basis of valuations carried out on the respective dates by independent valuers not related to the Consolidated Entity

The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

Details of the Consolidated Entity's investment properties and information about the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1	Level 2	Level 3	Fair value at 30 June 2014 USD
Investment property	-	94,400	-	94,400

The fair value of investment property is disclosed in Discontinued Operations and Assets Held for Sale.

There were no transfers between Levels 1 and 2 during the year.

Note 16: Mining Rights, Mining Assets and Mining Development

	2014 USD	2013 USD
Mining development at cost	-	7,991,954
Less accumulated depreciation	-	(2,568,850)
	-	5,423,104
Mining rights at cost	-	307,648
Less accumulated depreciation	-	(12,132)
	-	295,516
Mining assets at cost	-	1,327,140
Add reversal of impairment	-	151,852
Less accumulated depreciation	-	(61,671)
	-	1,417,321

Notes to the Financial Statements

Note 16: Mining Rights, Mining Assets and Mining Development (Continued)

	2014 USD	2013 USD
Development and infrastructure at cost	-	4,699,128
Less accumulated depreciation and impairment	-	(76,229)
	-	4,622,899
Total Mining rights and mining development	-	11,758,840

<i>Cost or valuation</i>	Mining Development USD	Mining Rights USD	Mining Assets USD	Development and Infrastructure USD	Total USD
Balance at 1 July 2012	9,541,214	221,605	1,138,442	421,605	11,322,866
Additions	-	122,028	373,565	3,772,142	4,267,735
Reclassification to Plant & Equipment	-	-	-	573,844	573,844
Effect of Foreign Currency Exchange Differences	(1,549,260)	(35,985)	(184,867)	(68,463)	(1,838,575)
Balance at 30 June 2013	7,991,954	307,648	1,327,140	4,699,128	14,325,870
Additions	-	56,590	24,502	2,007,610	2,088,702
Reclassification to Plant & Equipment	-	-	-	-	-
Transfers to discontinued operations	(7,525,465)	(344,044)	(1,273,204)	(6,351,554)	(15,494,267)
Effect of Foreign Currency Exchange Differences	(466,489)	(20,194)	(78,438)	(355,184)	(920,305)
Balance at 30 June 2014	-	-	-	-	-

Notes to the Financial Statements

Note 16: Mining Rights and Mining Development (Continued)

<i>Accumulated depreciation & impairment</i>	Mining Development	Mining Rights	Mining Assets	Development and Infrastructure	Total
	USD	USD	USD	USD	USD
Balance at 1 July 2012	(3,066,886)	-	-	(241)	(3,067,127)
Depreciation Expense	-	(12,132)	(61,671)	(14,356)	(88,159)
Impairment	-	-	151,852	(61,671)	90,181
Effect of Foreign Currency Exchange Differences	498,036	-	-	39	498,075
Balance at 30 June 2013	(2,568,850)	(12,132)	90,181	(76,229)	(2,567,030)
Depreciation Expense	-	(6,132)	(101,184)	(98,406)	(205,722)
Impairment	-	-	-	-	-
Transfers to discontinued operations	2,418,937	17,286	12,186	166,219	2,614,628
Effect of Foreign Currency Exchange Differences	149,913	978	(1,183)	8,416	158,124
Balance at 30 June 2014	-	-	-	-	-

Notes to the Financial Statements

Note 17: Capitalised Exploration Expenditure

	2014 USD	2013 USD
Capitalised Exploration Expenditure	-	1,834,763
Cost or valuation	Capitalised Exploration Expenditure USD	Total USD
Balance at 1 July 2012	-	-
Additions	1,834,763	1,834,763
Effect of Foreign Currency Exchange Differences	-	-
Balance at 30 June 2013	1,834,763	1,834,763
Additions	29,562	29,562
Transfers to discontinued operations	(1,756,059)	(1,756,059)
Effect of Foreign Currency Exchange Differences	(108,266)	(108,266)
Balance at 30 June 2014	-	-

Note 18: Rehabilitation Investment Funds

	2014 USD	2013 USD
Opening Balance	1,567,758	1,135,424
Interest received	137,789	186,833
Transfers to discontinued operations	(1,724,453)	-
Additions	120,826	429,877
Effect of foreign currency exchange differences	(101,920)	(184,376)
Closing Balance	-	1,567,758

Note 19: Trade and Other Payables

	2014 USD	2013 USD
CURRENT		
Trade payables and accrued expenses (unsecured)	573,984	5,042,227
	573,984	5,042,227

Notes to the Financial Statements

Note 20: Other Financial Liabilities

Other Financial Liabilities

	2014 USD	2013 USD
CURRENT		
Loan – GTC Meyer	-	27,196
Deferred consideration payable	1,886,717	1,886,717
	1,886,717	1,913,913
NON-CURRENT		
Loan – GTC Meyer	-	427,754
	-	427,754

2013: This loan is secured by registration of a first covering private bond in favor of GTC Meyer. The loan bears interest at the prime rate plus 2% from time to time. The loan is repayable with a period of 10 years from the date of registration thereof.

Finance lease obligations:

	2014 USD	2013 USD
<i>Motor vehicles</i>		
Finance lease agreement capitalized at an effective interest rate of 9.75%. Original lease term of 49 months with 34 months to expiry. This liability is secured by installment lease agreements over motor vehicles with a net book value of USD Nil (2013: USD 25,869).	-	19,613
<i>Mining assets and equipment</i>		
The average lease term was 3 years and the average effective borrowing rate was 16.65%	-	85,532
Total finance lease obligation	-	105,145
Included in the consolidated financial statement as:		
Current financial liabilities	-	36,902
Non-current financial liabilities	-	68,243
	-	105,145

Notes to the Financial Statements

Note 21: Loan from Director

	2014 USD	2013 USD
LD Birrell	-	5,055
	<u>-</u>	<u>5,055</u>

2013: The loan is interest free and has no fixed terms of repayment. The directors consider the loan to approximate fair value.

Note 22: Employee Benefits

	2014 USD	2013 USD
Provision for leave pay	-	364,769
Provision for bonus	-	104,133
Workers compensation act	-	109,289
	<u>-</u>	<u>578,191</u>

Note 23: Provisions

	2014 USD	2013 USD
Rehabilitation provision:		
Balance at beginning of period	1,644,998	1,525,286
Changes in estimate during period	29,760	367,397
Transfers to discontinued operations	(1,577,559)	-
Effect on foreign currency exchange differences	(97,199)	(247,685)
Balance at end of period	<u>-</u>	<u>1,644,998</u>

Additional Information:

Transvaal Gold Mining Estate:

Transvaal Gold Mining Estates Limited, a subsidiary company of Stonewall Mining Pty Ltd has an obligation to incur restoration, rehabilitation and environmental costs when environment disturbance is caused by the development or ongoing production of a mining property. A provision is recognised for the present value of such costs.

Provision is also made for the present value of costs relating to the decommissioning of the plant and other site preparation work.

The environmental rehabilitation provision has been reviewed by GCS Proprietary Limited, a water environmental engineering and science consulting company, during the year and their final report was issued on 7 September 2012.

The provision is based on the estimated cost before salvages, for the company to rehabilitate the mine. No account has been taken of VAT.

Lombard Insurance Group has issued a guarantee of USD 682,552 for the purpose of executing the environmental management program in the event that the company is not in the financial position to rehabilitate in accordance with the Mineral and Petroleum Development Act 28 of 2002.

Notes to the Financial Statements

Note 23: Provisions (Continued)

Bosveld:

A full environmental liability assessment was performed on 30 September 2005. The current provision for rehabilitation costs have been updated using an average CPI inflation rate of 6% per annum applied to the assessment performed on 30 September 2005 and an estimated remaining life of the mine of 14.9 years at 30 June 2013. The mine was put under care and maintenance from the 2009 financial year and therefore this provision was only amended by inflation from that year.

Note 24: Borrowings

	2014	2013
	USD	USD
Loan – Australian Private Capital Group (International) Limited (a)	4,027,976	-
Convertible Notes (b)	2,673,748	-
	6,701,724	-

(a) 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 Stonewall up to AUD 5,000,000 repayable within 2 years.

During the year, the Consolidated Entity received AUD 4,000,000 (translated to USD 3,767,600). Interest accrues on the loan on a daily basis at 10% per annum with the total interest accrued to 30 June 2014 of USD 245,432. Overdue interest also accrues on a daily basis at 15% per annum where any interest amounts above are outstanding. The total overdue interest accrued to 30 June 2014 is USD 8,309.

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).

(b) Refer to note 37(d)

Note 25: Issued Capital

(a) Movements in share capital during the 12 months to 30 June 2014 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

Notes to the Financial Statements

Note 25: Issued Capital (Continued)

		Fully Paid Ordinary Shares	USD
27 February 2014	Issue of shares	15,000,000	2,697,000
	Less: Share issue costs	-	(526,227)
30 June 2014	Closing Balance	509,196,673	49,065,013

*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 33.

(b) Movements in share capital during the twelve months to 30 June 2013 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	(22,467)	-
27 November 2012	Existing shares of Stonewall Resources Ltd on acquisition of Stonewall Mining 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)
30 June 2013	Closing Balance	404,498,924	41,309,007

* The transaction under which Stonewall Resources Ltd acquired Stonewall Mining Ltd resulted in an increase in share capital of Stonewall Mining 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.

Notes to the Financial Statements

Note 25: Issued Capital (Continued)

(c) Movements in options issued of during the 12 months to 30 June 2014 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 March 2014	Lapse / expiration of options	(1,000,000)
30 June 2014	Closing Balance	14,782,011

As at 30 June 2014, the Consolidated Entity had 14,782,011 share options on issue (30 June 2013: 10,860,000), exercisable on a 1:1 basis for 14,782,011 ordinary shares of the Consolidated Entity (30 June 2013: 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 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 twelve months to 30 June 2013 were as follows:

		Options
1 July 2012	Opening Balance	9,860,000
27 November 2012	Issue of options	1,000,000
30 June 2013	Closing Balance	10,860,000

Fair value of share options granted in the year

The weighted average fair value of the share options granted during the financial year is AUD nil (2013: 0.09). Options granted during the year had a fair value of nil as these were issued as part of the deferred consideration for the purchase of Stonewall Mining Pty Ltd – refer to note 33.

Options with fair values were priced using the Black-Scholes option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 5 years. The following inputs were used when calculating the fair value of options granted that were not part of the deferred consideration of the acquisition of Stonewall Mining Pty Ltd:

Notes to the Financial Statements

Note 25: Issued Capital (Continued)

Inputs to the model	Options granted 27 November 2012
Number granted	1,000,000
Grant date	27 November 2012
Exercise price	AUD 0.20
Expected volatility	75%
Option life	3 year
Risk-free interest rate	2.74%

Capital risk management

Management actively controls the capital of the Consolidated Entity. The Consolidated Entity has been seeking to raise more funds to meet operation needs and funding for further exploration activities and acquisitions.

Note 26: Capital and Leasing Commitments

In order to maintain current rights of tenure to its exploration permits, the Consolidated Entity has certain obligations to perform work in accordance with the work programmes, as approved by the relevant statutory body, when the permits are granted. These work programmes form the exploration commitment which may be renegotiated, varied between permits, or reduced due to farm-out, sale, reduction of exploration area and/or relinquishment of non-prospective permits. Work in excess of the work programmes may also be undertaken.

	2014	2013
	USD	USD
Payable		
- Less than 1 year	44,368	36,902
- Later than 1 year but not later than 5 years	73,632	68,344
Total	118,000	105,246

The capital and leasing commitments listed above are held only by Stonewall Mining Pty Ltd and form part of Assets Held for Sale and Discontinued Operations.

Note 27: Contingent Liabilities and Contingent Assets

There are no contingent assets or liabilities as at the reporting date.

Note 28: Operating Segments

Segment Information

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

Note 28: Operating Segments (Continued)

(i) Segment performance

Twelve months ended 30 June 2014	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				50,775
<i>Reconciliation of segment result to group net loss before tax</i>				
Unallocated items:				
Other expenses				(2,866,344)
Net loss before tax from continuing operations				(2,815,569)
Discontinued Operations				
Gold and mining revenue	4,370,198	157,036	-	4,527,234
Less: Cost of sales	(7,877,040)	(1,556,103)	-	(9,433,143)
Segment gross profit	(3,560,842)	(1,399,067)	-	(4,905,909)
Unallocated items:				
Other revenue				557,095
<i>Reconciliation of segment result to group net loss before tax</i>				
Unallocated items:				
Other expenses				(5,841,185)
Net loss before tax from discontinued operations				(10,189,999)
Income tax expense (continuing & discontinued operations)				-
Consolidated segment loss for the period				(13,005,568)

Notes to the Financial Statements

Note 28: Operating Segments (Continued)

Twelve months ended 30 June 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				121,172
<i>Reconciliation of segment result to group net loss before tax</i>				
Unallocated items:				
Other expenses				(14,163,702)
Net loss before tax from continuing operations				(14,042,530)
Discontinued Operations				
Gold and mining revenue	6,020,747	1,098,959	-	7,119,706
Less: Cost of sales	(5,885,687)	(1,639,764)	-	(7,525,451)
Segment gross profit	135,060	(540,805)	-	(405,745)
Unallocated items:				
Other revenue				668,719
<i>Reconciliation of segment result to group net loss before tax</i>				
Unallocated items:				
Other expenses				(16,081,095)
Net loss before tax from discontinued operations				(15,818,121)
Income tax expense (continuing & discontinued operations)				-
Consolidated segment loss for the period				(29,860,651)

Notes to the Financial Statements

Note 28: Operating Segments (Continued)

(ii) Segment assets

30 June 2014	TGME USD	Bosveld USD	Sabie USD	Total USD
Continuing Operations				
Balance at 1 July 2013	-	-	-	-
Segment asset increases (decreases) for the period	-	-	-	-
Balance at 30 June 2014	-	-	-	-
Unallocated assets:				
Other				3,083,149
Total assets (continuing operations)				3,083,149
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	1,160,837	(155,382)	362,307	1,367,762
Balance at 30 June 2014	13,803,712	1,370,139	1,349,327	16,523,178
Unallocated assets:				
Other				3,568,241
Total assets (discontinued operations)				20,091,419
Consolidated segment assets For the period				23,174,568
30 June 2013				
	TGME USD	Bosveld USD	Sabie USD	Total USD
Continuing Operations				
Balance at 1 July 2012	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

(iv) Information about major customers

Included in revenues arising from gold and mining of USD 4,542,850 (2013: USD 7,119,706) (see 26 (i) above) are revenues of USD 4,370,218 (2013: USD 6,892,906) which arose from sales to the Consolidated Entity's largest customer. No other single customer contributed 10% or more to the Consolidated Entity's revenue for both 2014 and 2013.

Notes to the Financial Statements

Note 29: Cash Flow Information	2014 USD	2013 USD
a. Reconciliation of Cash Flow from Operations with Loss from Ordinary Activities after Income Tax		
Loss from ordinary activities after income tax	(13,005,568)	(29,860,651)
Non-cash flows in loss from ordinary activities		
Reversal of impairment of assets	(176,894)	(601,020)
Impairment of goodwill	-	9,221,124
Unrealised loss / (gain) from foreign exchange differences	916,940	(134)
Depreciation	326,766	237,883
Doubtful debts expense	15,854	-
BEE expenses	-	10,235,438
Finance costs	263,261	-
Movement in Rehabilitation Provision	422,521	202,533
Non cash employee benefits	(46,850)	403,250
Warrant settlement costs	-	(46,607)
Non cash administration expenses	192	(27,552)
Loss on disposal of assets	(55,763)	(30,278)
Fair value adjustments on investment property	(12,532)	(19,278)
	<u>(11,352,073)</u>	<u>(10,285,292)</u>
Changes in assets and liabilities		
(Increase)/decrease in inventories	137,370	(194,708)
(Increase)/decrease in accounts receivable	359,796	(125,647)
(Increase)/decrease in financial assets	-	15,299
Increase/(decrease) in GST payable	3,828	(20,293)
Increase/(decrease) in trade creditors and accruals	(1,236,355)	4,193,681
	<u>(735,361)</u>	<u>3,868,332</u>
Cash flow outflow from operations	<u>(12,087,434)</u>	<u>(6,416,960)</u>

b. Non-Cash flow Finance & Investing activities

There were no non-cash flow financing and investing activities during the year.

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Notes to the Financial Statements

Note 30: Related Party Transactions

Parent entity

Stonewall Mining Pty Ltd is the accounting parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 34.

Transactions with related parties

Balances and transactions between the Consolidated Entity and its subsidiaries, which are related parties of the Consolidated Entity, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Consolidated Entity and other related parties are disclosed below.

The following transactions occurred with related parties:

	2014	2013
	USD	USD
Payments for consulting services from Quatreforte Investment Trust (director-related entity of Trevor Fourie)	289,200	340,200

	2014	2013
	USD	USD
Current receivables:		
Loan receivable Steven Venn (Director of Transvaal Gold Mining Estates Limited)	37,949	-
Current payables:		
Loan repayable to Lloyd Birrell (Director of Stonewall Mining Pty Ltd)	3,398	4,145
Loan repayable to Steve Venn (Director of Transvaal Gold Mining Estates Limited)	-	708

Note 31: Financial Instruments

a. Financial Risk Management Policies

The Consolidated Entity's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, loans to and from related parties and leases.

The main purpose of non-derivative financial instruments is to raise finance for Company operations.

No derivatives are being used by the Consolidated Entity during the financial year. The Consolidated Entity does not speculate in the trading of derivative instruments.

(i) Treasury Risk Management

The Consolidated Entity operates a separate finance committee which considers credit risk policies and future cash flow requirements as required.

The Consolidated Entity's overall risk management strategy seeks to assist the Consolidated Entity in meeting its financial targets, whilst minimizing potential adverse effects on financial performance.

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Notes to the Financial Statements

Note 31: Financial Instruments (Continued)

(ii) Financial Risk Exposures and Management

The entity does not have material exposures to credit risk, liquidity risk and market risk.

(iii) Net Fair Values

The Board considers that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their net fair values.

(iv) Capital management

The primary objective of the Consolidated Entity's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business to continue as a going concern and maximise the return to stakeholders through the optimisation of the capital structure.

The Consolidated Entity manages its structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Consolidated Entity may make changes to its dividend policy, purchase its own shares or issue new shares. The capital structure consists of equity comprising of the share capital and retained earnings as disclosed on the face of the statement of financial position. Going forward the Consolidated Entity will manage its capital using a gearing ratio, which is net debt divided by total capital plus net debt.

(v) Sensitivity Analysis

Interest Rate Risk, Foreign Currency Risk and Price Risk

The Consolidated Entity has performed sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

The Consolidated Entity's exposure to change in interest rates relates primarily to interest bearing borrowings. Borrowings issued at a variable rate expose the Consolidated Entity to interest rate risk.

The Consolidated Entity's interest bearing financial liabilities outstanding totaling USD 6,819,724 are principal and interest payment loans. An official increase/decrease in interest rates of 2% would have an adverse/favourable effect of profit before tax of USD 136,394 per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts. In addition, minimum principal repayments of USD 6,746,092 are due during the year ending 30 June 2015.

Foreign Currency Risk Sensitivity Analysis

The Consolidated Entity undertakes transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise.

At year end the Consolidated Entity was exposed to currency fluctuations between the presentation currency, being US Dollars (USD) and Australian Dollars (AUD) and South African Rand (ZAR). Exchange rate exposures are managed within approved internal policy parameters.

The carrying amounts of the Consolidated Entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

	Liabilities		Assets	
	30/06/2013	30/06/2014	30/06/2013	30/06/2014
	USD	USD	USD	USD
South African Rand (US dollar equivalent)	7,584,220	3,564,166	447,772	391,382
Australia dollars (US dollar equivalent)	246,346	7,275,708	3,511,490	2,928,804

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Notes to the Financial Statements

Note 31: Financial Instruments (Continued)

Based on the financial instruments held at 30 June 2014 the Consolidated Entity's post tax profit (loss) would have been USD 330,108 higher / lower (2013: USD 465,234 higher / lower) with a 10% increase / decrease in the Australian Dollar or South African Rand against the US Dollar.

10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates in the short term.

The Consolidated Entity's risk exposure to foreign exchange is considered to be immaterial. Notwithstanding this, the Consolidated Entity seeks to mitigate the effect of its foreign currency exposure by applying appropriate foreign currency exchange hedges and commodity hedges as required.

Price Risk Sensitivity Analysis

The Consolidated Entity is exposed to commodity price risk arising from gold and other metal sold or held as inventory.

The policy of the Consolidated Entity is to sell gold and other metals at the spot price and it has not entered into any hedging contracts. The Consolidated Entity's revenues were exposed to fluctuation in the price of these metals, as well as the fluctuation in the ZAR/USD exchange rate.

If either of the average selling price of gold of USD1,304 (2013: USD 1,599) or the average ZAR/USD exchange rate of ZAR 10.22/USD 1 (2013: ZAR 8.835/USD 1) for the financial year had increased/decreased by 10% the change in profit before income tax for the Consolidated Entity would have been an increase of USD 449,513 (2013: USD 649,365).

If both the average selling price of gold of USD 1,304 (2013: USD 1,599) and the average ZAR/USD exchange rate of 10.22/USD 1 (2013: ZAR 8.835/USD 1) for the financial year had increased/decreased by 10% the change in the profit before income tax for the Consolidated Entity would have been an increase/decrease of USD 944,045 (2013: USD 1,363,738).

The net realizable value of inventory on hand on year end is considered to be immaterial and therefore the increase/decrease in the gold price would not have any significant effect.

Notes to the Financial Statements

Note 31: Financial Instruments (Continued)

b. Financial Instruments

(i) Financial instrument composition and maturity analysis:

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as the settlement period for all other financial instruments. The tables below include the financial instruments of Stonewall Mining Pty Ltd which are classified as Discontinued Operations and Assets & Liability Held for Sale and as such, the amounts will not reconcile to the balance sheet.

FIXED MATURITY DATES

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	VARIABLE INTEREST RATE	LESS THAN 1 YEAR	1-2 YEARS	2-3 YEARS	3-5 YEARS	6-10 YEARS	NON INTEREST BEARING	TOTAL
2014	%	USD	USD	USD	USD	USD	USD	USD	USD
Financial assets									
Cash and cash equivalents	1.09%	2,989,283	-	-	-	-	-	-	2,989,283
Trade and other receivables	-	-	-	-	-	-	-	289,556	289,556
Other financial assets	-	-	-	-	-	-	-	1,922,333	1,922,333
Loans to related parties	8.50%	-	37,949	-	-	-	-	-	37,949
		2,989,283	37,949	-	-	-	-	2,211,889	5,239,121
Financial liabilities									
Trade and other payables	-	-	-	-	-	-	-	3,590,630	3,590,630
Borrowings	9.20%	-	6,701,724	-	-	-	-	-	6,701,724
Deferred consideration payable	-	-	-	-	-	-	-	1,886,717	1,886,717
Finance leases	10.00%	-	44,368	73,632	-	-	-	-	118,000
Other financial liabilities	-	-	-	-	-	-	-	424,800	424,800
Loans from related parties	-	-	-	-	-	-	-	3,398	3,398
		-	6,746,092	73,632	-	-	-	5,905,545	12,725,269

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Notes to the Financial Statements

Note 31: Financial Risk Management (Continued)

2013	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	VARIABLE INTEREST RATE	FIXED MATURITY DATES					NON INTEREST BEARING	TOTAL
			LESS THAN 1 YEAR	1-2 YEARS	2-3 YEARS	3-5 YEARS	6-10 YEARS		
	%	USD	USD	USD	USD	USD	USD	USD	
Financial assets									
Cash and cash equivalents	3.54%	454,219	3,059,553	-	-	-	-	-	3,513,772
Trade and other receivables	-	-	-	-	-	-	-	389,882	389,882
Loan to employee	3.54%	-	10,919	10,919	10,919	21,938	-	-	54,695
		454,219	3,070,472	10,919	10,919	21,938	-	389,882	3,958,349
Financial liabilities									
Trade and other payables	-	-	-	-	-	-	-	5,042,227	5,042,227
Other financial liabilities	10.50%	-	27,196	30,229	33,565	78,656	285,405	-	455,051
Finance leases	10.00%	-	36,902	31,139	13,143	24,062	-	-	105,246
Deferred consideration payable	-	-	-	-	-	-	-	1,886,717	1,886,717
Loan from director	-	-	-	-	-	-	-	5,055	5,055
		-	64,098	61,368	46,708	102,718	285,405	6,933,999	7,494,296

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Notes to the Financial Statements

Note 32: Parent Entity Information

Set out below is the supplementary information about the legal parent entity, Stonewall Resources Limited.

Statement of profit or loss and other comprehensive income

	Parent	
	2014	2013
	USD	USD
Profit / (loss) after income tax	(2,119,924)	(4,821,406)
Other comprehensive income / (loss)	2,107,704	(9,727,866)
Total comprehensive income / (loss)	(12,220)	(14,549,272)

Statement of financial position

	Parent	
	2014	2013
	USD	USD
Assets		
Total current assets	87,154,898	4,390,440
Total non-current assets	142,196	67,426,180
Total assets	87,297,094	71,816,620
Liabilities		
Total current liabilities	9,162,425	2,081,585
Total non-current liabilities	-	-
Total liabilities	9,162,425	2,081,585
Equity		
Issued capital	98,163,955	90,407,949
Foreign exchange reserve	(7,476,405)	(10,477,257)
Options reserve	92,000	92,000
Option premium on convertible note reserve	161,709	-
Accumulated losses	(12,806,590)	(10,287,657)
Total equity	78,134,669	69,735,035

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2014 and 30 June 2013.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2014 and 30 June 2013.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 1.

Notes to the Financial Statements

Note 33: Business Combinations

For the year ended 30 June 2014:

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

For the year ended 30 June 2013:

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 (see Note 1).

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 year is USD 4,759,493 attributable to Stonewall Resources Limited. None of the revenue for the year is attributable to Stonewall Resources Limited.

The directors of the Consolidated Entity 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
	USD	USD	USD
Current Assets:			
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
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

Notes to the Financial Statements

Note 33: Business Combinations (Continued)

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 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.

Note 34. Subsidiaries

Stonewall Mining Pty Ltd is the accounting parent for the purposes of preparing the consolidated financial statements.

Notes to the Financial Statements

Note 34. Subsidiaries (Continued)

The consolidated financial statements incorporate the assets, liabilities and results of the parent entity and the following subsidiaries in accordance with the accounting policy described in note 1:

Name of entity	Country of incorporation	Equity holding	
		2014 %	2013 %
Stonewall Resources Limited	Australia	100.00	100.00
Transvaal Gold Mines Estates Limited	South Africa	74.00	74.00
Sabie Mines (Proprietary) Limited	South Africa	74.00	74.00
Bosveld Mines (Proprietary) Limited	South Africa	74.00	84.00
Warrinen Pty Ltd	Australia	100.00	100.00
Vanaxe Share Block Pty Ltd	South Africa	74.00	74.00

Note 35. Equity - non-controlling interest

	Consolidated	
	2014 USD	2013 USD
Issued capital	100	100
Accumulated losses	(739,134)	(940,829)
Disposal of partial interest in Bosveld	(441,061)	-
	(1,180,095)	(940,729)

The non-controlling interest has a 26% (2013: 16%) equity holding in Bosveld (Pty) Ltd

Summarised financial information in respect of Bosveld (Pty) Ltd (which has material non-controlling interest) is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Bosveld	
	2014 USD	2013 USD
(Loss) after income tax	(1,889,633)	(2,053,639)
Total comprehensive loss	(1,889,633)	(2,053,639)

Statement of financial position

	Bosveld	
	2014 USD	2013 USD
Total current assets	452,459	158,063
Total non-current assets	813,162	879,659
Total assets	1,265,621	1,037,722
Total current liabilities	11,319,881	10,058,157
Total non-current liabilities	748,026	566,662
Total liabilities	12,067,907	10,624,819
Equity	(10,802,286)	(9,587,097)

No dividends were paid in 2014 (2013: nil)

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Notes to the Financial Statements

Note 36. Convertible notes

On 16 June 2014 the Consolidated Entity announced that it had secured financing of AUD 3,000,000 (USD: 2,825,700) in debt funding via a Convertible Note with an existing shareholder.

Details of the Convertible Note:

The note may be converted into 18,750,000 fully paid ordinary shares at any time between 16 June 2014 and 16 June 2015 at the election of the lender.

If the note has not been converted, it will be redeemed on 16 June 2015 at AUD 3,000,000.

Interest of 8% per annum accrues from 1 January 2015.

The net proceeds received from the issue of the convertible note has been split between the financial liability element and an equity component, representing the residual attributable to the option to convert the financial liability into equity of the Consolidated Entity, as follows:

	2014
	USD
Proceeds of the issue	2,825,700
Liability component at date of issue	(2,663,991)
Equity component	161,709

The equity component of USD 161,709 has been credited to equity (option premium on convertible notes (see note 37(d)).

The liability component is measured at amortised cost. The interest expense for the year (USD 9,757) is calculated by applying an effective interest rate of 10% to the liability component for the period since the loan notes were issued. No interest has been paid in the period since issue as interest does not accrue until 1 January 2015. The difference between the carrying amount of the liability component at the date of issue (USD 2,663,991) and the amount reported in the statement of financial position at 30 June 2014 (USD 2,673,748) represents the effective interest rate less interest paid to that date, being nil.

Note 37: Reserves

	2014	2013
	USD	USD
<u>Reserves</u>		
Equity reserve (a)	10,218,089	10,218,089
Options reserve (b)	92,000	92,000
Asset revaluation reserve (c)	30,302	-
Option premium on convertible note reserve (d)	161,709	-
Foreign currency translation reserve (e)	(3,996,108)	(4,067,922)
	6,505,992	6,242,167

37(a) Equity reserve

	2014	2013
	USD	USD
Balance at beginning of year	10,218,089	-
Increase arising on transfer of shares to BEE entities	-	10,218,089
Balance at end of year	10,218,089	10,218,089

The equity reserve recognises the value of share based payments made on the transfer of shares to BEE entities.

Stonewall Mining Pty Ltd entered into a share sale agreement with TGME Empowerment Company Proprietary Limited (TGME SPV) dated 11 June 2012 in terms of which it sold 330,234 shares in TGME (26% of the shares) to the TGME SPV for a nominal amount. Thus one share was issued by TGME to the TGME SPV on 30 October 2012. The non-recurring share-based compensation was based on an independent valuation.

Notes to the Financial Statements

Note 37: Reserves (Continued)

Stonewall entered into a share sale agreement with African Sun Empowerment Company Proprietary Limited (Sabie SPV) dated 11 June 2012 in terms of which it sold 40,299 shares in Sabie (26% of the shares) to the Sabie SPV for a nominal amount. Thus one share was issued by Sabie to the Sabie SPV on 30 October 2012. The non-recurring share-based compensation was based on an independent valuation.

37(b) Options reserve	2014 USD	2013 USD
Balance at beginning of year	92,000	-
Increase arising from issue of options for past services rendered in relation to business combination	-	92,000
Balance at end of year	92,000	92,000

The Options Reserve is used to recognise the value of options granted for services rendered by a consultant in respect to the acquisition of the legal parent's interest in Stonewall Mining Pty Ltd as approved at the General Meeting of Shareholders on 2 October 2012. A total of 1,000,000 options were granted to a non related party to the Consolidated Entity. Terms of the options are listed at note 25.

37(c) Asset revaluation reserve	2014 USD	2013 USD
Balance at beginning of year	-	-
Increase arising on revaluation of properties	30,302	-
Balance at end of year	30,302	-

37(d) Option premium on convertible note reserve	2014 USD	2013 USD
Balance at beginning of year	-	-
Recognition of option premium on issue of convertible notes	161,709	-
Balance at end of year	161,709	-

The option premium on convertible notes represents the equity component (conversion rights) of the convertible note issued during the year (see note 36).

37(e) Foreign currency translation reserve	2014 USD	2013 USD
Balance at beginning of year	(4,067,922)	(937,052)
Exchange differences arising on translating the foreign operations	71,814	(3,130,870)
	(3,996,108)	(4,067,922)

The Foreign Currency Translation Reserve is used to recognise exchange differences arising from translation of the financial statements of the Consolidated Entity's operations in South Africa and Australia to US dollars.

Notes to the Financial Statements

Note 38. Goodwill

	Consolidated	
	2014	2013
	USD	USD
Cost	9,221,124	9,221,124
Accumulated impairment loss	(9,221,124)	(9,221,124)
	<u>-</u>	<u>-</u>

	Consolidated	
	2014	2013
	USD	USD
Cost		
Balance at the beginning of year	9,221,124	-
Additional amounts recognised from business combinations occurring during the year (note 33)	-	9,221,124
Balance at end of year	<u>9,221,124</u>	<u>9,221,124</u>

	Consolidated	
	2014	2013
	USD	USD
Accumulated impairment losses		
Balance at the beginning of year	(9,221,124)	-
Impairment losses recognised in the year	-	(9,221,124)
Balance at end of year	<u>(9,221,124)</u>	<u>(9,221,124)</u>

	2014	2013
	USD	USD
Note 39: Accumulated losses		
Accumulated losses	<u>(45,976,713)</u>	<u>(33,840,511)</u>
Balance at the beginning of year	(33,840,511)	(4,308,493)
Loss for the year	(12,577,263)	(29,532,018)
Disposal of partial interest in Bosveld	441,061	-
Balance at end of year	<u>(45,976,713)</u>	<u>(33,840,511)</u>

Notes to the Financial Statements

Note 40: Income tax expense

	2014 USD	2013 USD
Accounting loss before income tax expense	13,005,568	29,860,650
Prima facie tax benefit / (expense) on loss / (profit) from ordinary activities before income tax at 30% (2013: 30%)	3,901,671	8,958,195
Prior years unders / overs	(5,929,401)	-
Derecognition of previously unrecognised tax losses	5,929,401	-
Effect of expenses that are not deductible in determining taxable income	45,987	(2,577,371)
Effect of different tax rates of group entities operating in different jurisdictions	(201,442)	(316,161)
Effect of temporary differences and / or tax losses not recognised	(3,746,216)	(6,064,663)
Income tax expense recognised in profit or loss	-	-

Unrecognised deferred tax balances

The following deferred tax balances have not been recognised:

Tax losses (revenue in nature)	15,806,372	18,027,392
Tax losses (capital in nature)	12,511,490	13,969,540
	28,317,862	31,996,932

Deferred tax assets

No deferred tax assets have been recognised as yet as it is currently not probable that future taxable profits will be available to realize the asset. Potential deferred tax assets on carry forward losses are listed above.

Note 41: Events after the Reporting Period

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

(a) Extension of End Date

On 11 August 2014, Stonewall Resources Limited announced that it had agreed to an extension of the End Date of the SSA entered into with Shandong for the sale of Stonewall Resources Limited's shareholding in Stonewall Mining Pty Ltd. The End Date of 19 August 2014 was extended to 3 October 2014 to allow the various regulators sufficient time to process the required approvals sought. Either party is able to further extend the End Date to 17 November 2014 should this be necessary.

(b) Receipt of Ministry of Commerce (MOC) Approval

On 26 August 2014, Stonewall Resources Limited released an announcement to advise that Shandong received approval from the Ministry of Commerce (MOC) for its subsidiary to purchase 100 percent of Stonewall Mining Pty Ltd from Stonewall Resources Ltd.

This approval satisfied a key condition precedent for completion of the SSA.

(c) Receipt of State Administration of Foreign Exchange (SAFE) Approval

On 16 September 2014, Stonewall Resources Limited released an announcement to advise that Shandong received approval from the State Administration of Foreign Exchange (SAFE) necessary for its subsidiary to purchase 100 percent of Stonewall Mining Pty Ltd from Stonewall.

This approval satisfied a key condition precedent for completion of the SSA.

Following this approval, the only remaining condition precedent is the Chinese regulatory approval to be obtained from the China Securities Regulatory Commission (CSRC).

Notes to the Financial Statements

Note 41: Events after the Reporting Period (Continued)

(d) Successful Share Placement

On 26 September 2014, Stonewall Resources Limited announced that it had successfully raised AUD 1,800,779 via a placement of 10,004,328 shares to sophisticated investors at AUD 0.18 per share. The proceeds will be used to assist with the Consolidated Entity's working capital requirements through to completion of the Shandong transaction.

Note 42: Company Details

The registered office and principal places of business is:
Level 7, 420 King William Street
ADELAIDE SA 5000

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

Report on the Financial Report

We have audited the accompanying financial report of Stonewall Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 36 and 38 to 98.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, 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 report.

Opinion

In our opinion:

- (a) the financial report of Stonewall Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1(b) in the financial report, which indicates that for the year ended 30 June 2014, the Consolidated Entity incurred a net loss of \$13,005,568 and had net operating cash outflows of \$12,087,434. These conditions, along with other matters as set forth in Note 1(b), indicate the existence of a material uncertainty which may cast significant doubt about the Company's and Consolidated Entity's ability to continue as going concerns and therefore, the Company and Consolidated Entity may be unable to realise their assets and discharge their liabilities in the normal course of business.

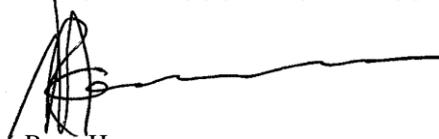
Report on the Remuneration Report

We have audited the Remuneration Report included in pages 28 to 35 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Stonewall Resources Limited for the year ended 30 June 2014, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



Ryan Hansen
Partner
Chartered Accountants
Melbourne, 30 September 2014

ADDITIONAL ASX INFORMATION

1. Shareholding

a. Distribution of Shareholders

Holdings Ranges	Holders	Total Units	%
1 - 1,000	6	173	0.000
1,001 - 5,000	10	35,023	0.007
5,001 - 10,000	93	904,533	0.177
10,001 - 100,000	160	7,371,999	1.448
100,001 +	96	500,884,945	98.368
Totals	365	509,196,673	100.000

b. The names of substantial holders listed in the Consolidated Entities register are:

Holder Name	Number of Ordinary Shares Held	Percentage of Total Shares Issued
KHAN INTERNATIONAL LIMITED	154,193,387	30.282
BUTTONWOOD NOMINEES PTY LTD	61,676,762	12.113
SALAMANCA VENTURES LIMITED	57,629,259	11.318
MURRAY SA INVESTMENT PTY LTD <MURRAY SA INVESTMENT A/C>	52,963,727	10.401
HANHONG NEW ENERGY HLDGS LTD	45,271,042	8.891
SMART VISION INVESTMENT GROUP LTD	28,514,028	5.600

c. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary Shares:

Each ordinary share is entitled to one vote when a poll is called, otherwise, each member present at a meeting or by proxy has one vote on a show of hands.

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ADDITIONAL ASX INFORMATION

1. Shareholding continued

d. Top 20 shareholders as at 24 September 2014

The names of the 20 largest holders of quoted equity securities are listed below:

Holder Name	Number Of Ordinary Shares Held	Percentage Of Total Shares Issued
KHAN INTERNATIONAL LIMITED	83,498,999	33.786
BUTTONWOOD NOMINEES PTY LTD	61,676,762	24.956
HANHONG NEW ENERGY HLDGS LTD	17,117,530	6.926
SMART VISION INVESTMENT GROUP LTD	11,411,688	4.617
MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	10,243,192	4.145
UBS NOMINEES PTY LTD	6,099,057	2.468
JIABANG INTERNATIONAL INVESTMENT LIMITED	6,000,000	2.428
SHIRLAND LTD	5,583,166	2.259
MURRAY SA INVESTMENT PTY LTD <MURRAY SA INVESTMENT A/C>	4,577,492	1.852
KLIP PTY LTD <BEIRNE SUPER FUND A/C>	2,775,000	1.123
J & TJ SMITH PTY LTD <J & TJ SMITH SUPER FUND A/C>	2,100,000	0.850
KASEL NOMINEES PTY LTD	2,000,000	0.809
CITICORP NOMINEES PTY LIMITED	1,805,000	0.730
BULLIMORE INVESTMENTS PTY LTD <THE CK SUPER FUND A/C>	1,000,000	0.405
JENALA INVESTMENTS PTY LTD <TAF SUPERANNUATION A/C>	1,000,000	0.405
WOBBLY INVESTMENTS PTY LTD	1,000,000	0.405
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	899,005	0.364
COMMON SENSE COMPUTING PTY LTD <COMMON SENSE A/C>	833,333	0.337
DMG & PARTNERS SECURITIES PTE LTD <CLIENTS A/C>	750,000	0.303
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	720,000	0.291
	221,190,224	89.459

2. Company Secretary

The name of the Company Secretary is Mr Peter Hunt.

3. Registered Office and Principal Administration Office

The address of the registered office and principal administration office is Level 7, 420 King William Street, Adelaide, South Australia, 5000.

4. Share Registry

The share registry of Stonewall Resources Limited is:

Boardroom Pty Ltd
Level 7, 207 Kent Street
Sydney NSW 2000
Ph: (02) 1300 737 760
Fax: (02) 1300 653 459

ADDITIONAL ASX INFORMATION

5. Tenements

The mining tenements in which Stonewall Resources Limited and its subsidiaries have an interest are as follows:

Stonewall Resources Limited

Description	Licence / Right Number	Location	Ownership Percentage	Note
Lucky Draw	EL 6810	New South Wales	100%	1
Springfield	ELA 8166	New South Wales	80%	2
Weelah	EL 6309	New South Wales	80%	3

Notes:

1. Stonewall Resources Limited has executed a Mining operation Agreement with Developed Gold Resources Pty Ltd.
2. Stonewall Resources Limited holds an 80% interest in the tenement following the exercise of an option agreement in the 2011 financial year with Jaguar Minerals who holds the remaining 20%.
3. Stonewall Resources Limited holds an 80% interest in the tenement following the exercise of an option agreement in the 2011 financial year with Augur Resources who holds the remaining 20%.

Transvaal Gold Mining Estates Limited

Description	Licence / Right Number	Location	Ownership Percentage	Note
The Elandsdrift	MP30/5/1/2/2/198MR	South Africa	100%	1
The Greater TGME	MP30/5/1/2/2/83MR	South Africa	100%	1
The Rietfontein	MP30/5/1/2/2/358MR	South Africa	100%	1
The PTD's	MP30/5/1/2/2/341MR	South Africa	100%	1
Hermansburg	MP30/5/1/2/2/340MR	South Africa	100%	1
Glynn's Lydenburg	MP30/5/1/2/2/433MR	South Africa	100%	1
Hermansburg	MP30/5/1/2/2/403PR	South Africa	100%	1
Blackhill Cluster	MP30/5/1/2/2/404PR	South Africa	100%	1
Elandsdrift	MP30/5/1/2/2/406PR	South Africa	100%	1
Buffelsfontein	MP30/5/1/2/2/1189PR	South Africa	100%	1
Rietfontein	MP30/5/1/2/2/660PR	South Africa	100%	1
Verroosting Cluster	MP30/5/1/2/2/278PR	South Africa	100%	1

Bosveld Mines (Proprietary) Limited

Description	Licence / Right Number	Location	Ownership Percentage	Note
Klipwal Gold Mine Project	5/3/2/198	South Africa	100%	1

Notes:

1. Ultimate ownership by Stonewall Mining Pty Ltd of these tenements is 74% being its shareholding in Transvaal Gold Mining Estates Limited and Bosveld Mines (Proprietary) Limited.

The remaining 26% of these Companies is owned by Black Economic Empowerment (BEE) entities in accordance with South African legislative requirements.