

Quarterly Statement

Report on Activities for the Quarter Ended 30 September 2012

Stonewall Resources Ltd (formerly Meridien Resources Ltd) ASX:SWJ (formerly MRJ)

Highlights

- Despatch of Notice of General Meeting to shareholders
- Completion of Independent Expert Reports
- Lodgement of Prospectus with ASIC
- Release of 2012 Annual Report
- proprietary Limited for no additional consideration.
- On 31 May 2012 that it had completed its legal and financial due diligence and that the drafting of the Share Sale Agreement was well advanced.
- On 15 June 2012 The Company confirmed the receipt of Section 11 Ministerial Approval for the Stonewall acquisition. This approval satisfied one of the key condition precedents to the completion of the Company's acquisition of Stonewall.

Stonewall & Bosveld Mining Acquisition

As announced to the market on 23 January 2012, the Company executed a conditional agreement to acquire Stonewall Mining Pty Ltd ("Stonewall") which holds an effective 74% interest in a gold resource of 0.7 Million Ounces measured and indicated, and 2.094 Million Ounces inferred (As announced to the market on 12 June 2012 following release of an updated competent person statement for the TGME and Sabie mines).

The Stonewall acquisition is subject to various conditions, including receipt of all necessary regulatory and shareholder approvals in connection with this transaction.

Under the agreement the Company will acquire 100% of the issued share capital of Stonewall. Pursuant to the agreement, the Company will initially acquire approximately 80% of Stonewall (due to South African exchange control legislation), with the balance of the shares (20%) to be the subject of a separate put and call option arrangement.

Since the proposed acquisition was announced to the market, the following key milestones have been achieved:

- On 23 May 2012 the Company announced that it also reached agreement with Stonewall to acquire 100% of Bosveld Mines

During the quarter the Company finalised arrangements to convene a General Meeting of shareholders to be held on 2 October 2012 with the Notice of Meeting despatched to shareholders on 28 August 2012.

A key component of the Notice of Meeting was the completion of an Independent Experts Report (IER) to assist shareholders to form a view as to whether to approve the proposed Stonewall transaction.

At this meeting, among other matters, shareholders approved the Stonewall transaction and the associated issue of shares and other capital raisings. This transaction will constitute a significant change to the nature and scale of the Company's activities and the Company will be required to re-comply with Chapters 1 & 2 of the ASX Listing Rules.

As announced to the market on 21 September 2012, the Company submitted a prospectus to the ASIC for an offer of 15,000,000 shares at \$0.20 each to raise \$3,000,000. Oversubscriptions for a further 35,000,000 shares at \$0.20 each to raise an additional \$7,000,000 may be accepted under the prospectus.

Finally, on 28 September 2012, the Company released its 2012 Annual Report which reported a loss by the Company of \$1,834,341 for the 12 months period to 30 June 2012. The magnitude of the

loss was attributable to significant costs incurred for Corporate financing / Listing advisory costs of \$869,708 (2011: \$164,385) and Professional / Advisory / Services costs of \$469,146 (2011: 305,675). Additionally, in accordance with the accounting policies adopted, the board impaired capitalised expenditure on tenements of \$147,152 (2011: Nil).

Other Key Projects

Central West New South Wales

The Lachlan Fold Belt in central west New South Wales hosts a number of Australia's most significant operating copper-gold mines and remains highly prospective for copper, gold, base metal and nickel deposits.

Operations in the region include Northparkes (operated by Rio Tinto Limited), Lake Cowal (operated by Barrick Gold Corporation) and the Cadia Hill gold mine (owned by Newcrest Mining Limited).

Lucky Draw EL6810

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

The Company has worked with Developed Resources Pty Ltd ("Developed Resources") who specialise in small scale mine management. They have existing relationships with some of the market leading mining service providers and they are also specialists in maximising returns on tailings dams and other small scale mining projects.



Aerial view of Lucky Draw tailings dam
Oblique Aerial Photographs (R.W. Corkery & Co)

Weelah EL6309

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

The Company holds an 80% interest in the property. Augur Resources Ltd retains a 20% interest in the property which is free carried to feasibility.

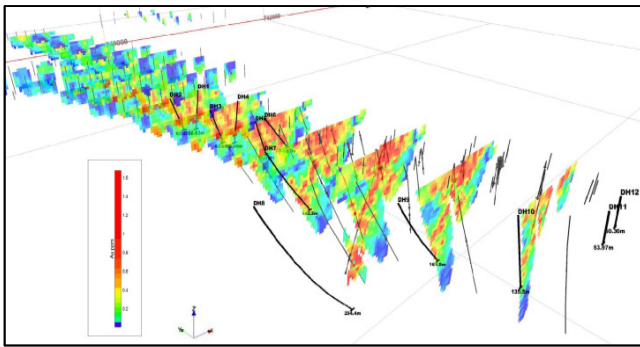
No field work was undertaken during the quarter

Springfield EL5991

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.

3D Voxel modelling of data obtained from drilling by previous explorers has occurred. Results from the Voxel modelling support the previous resource estimate and indicate good potential for resource extensions, both near surface and at depth.

No field work was undertaken during the quarter.

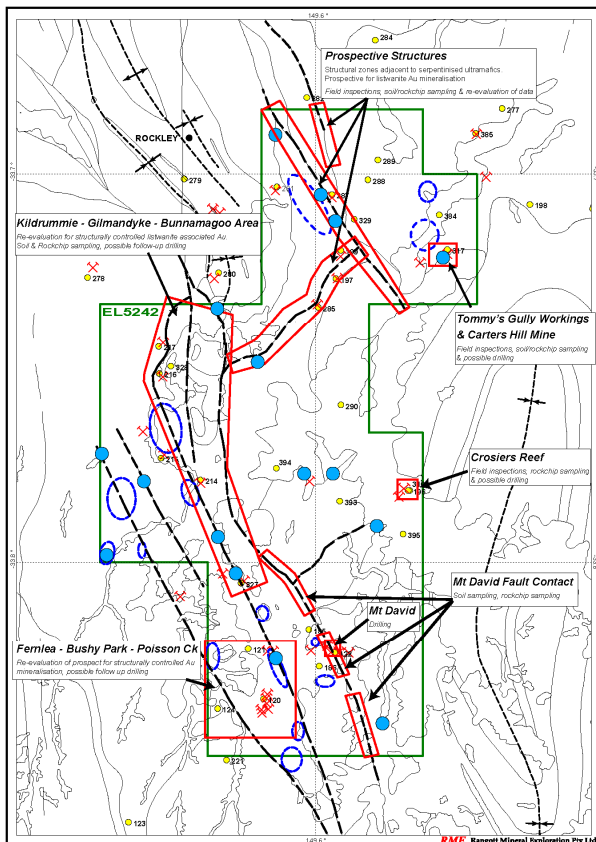


3D Voxel Model of historical drilling (Centric Minerals Management Pty Ltd)

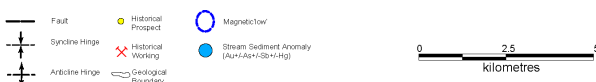
Mt David EL5242

The tenement is located 20km southwest of Bathurst. The old Mt David gold mine produced approximately 27,000 ounces at 12.39g/t Au during the late 19th and early 20th centuries.

A number of exploration targets have been identified at Mt David.



MT DAVID EL5242- EXPLORATION TARGETS



Of those targets, the Mt David mine area is the only prospect with identified ready-to-go drill targets. Drilling needs to be undertaken to test beneath

Paradigm hole MTD009 which intersected a mined-out stope. It is also planned to test the prospective contact position along strike to the northwest by deepening Paradigm hole MTD008. Paradigm hole MTD004 should also be deepened to test a previously-defined IP chargeability anomaly.

No field work was undertaken during the quarter.

For further information, please contact Nathan Taylor on +61 420 223 322.

Yours sincerely,



Nathan Taylor
Chairman

Competent person statements

The information in this Document that relates to Exploration Results, Mineral Resources or Ore Reserves in relation to the Springfield Project is based on information compiled by Mr Drazen Vukovic, Senior Geologist of Centric Minerals Management Pty Ltd. Mr Vukovic acts as a consultant to the Company. Mr Vukovic is a Member of The Australian Institute of Geoscientists. Mr Vukovic has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Vukovic consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this Document that relates to Exploration Results or Mineral Resources in relation to the Stonewall acquisition is based on information compiled by Charles Muller, who is a Member 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 consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Stonewall Resources Limited (formerly Meridien Resources Limited)

ABN

30 131 758 177

Quarter ended ("current quarter")

30 September 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(674)	(674)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	6	6
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(668)	(668)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(668)	(668)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(668)	(668)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(668)	(668)
1.20	Cash at beginning of quarter/year to date	1,090	1,090
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	422	422

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	35
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Fees and wages paid to directors of the entity.
Rent paid to landlord who is related party to a director.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

--

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

--

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	15
4.2 Development	
4.3 Production	
4.4 Administration	300
Total	315

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	422	1,090
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	422	1,090

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	46,648,514	33,636,424		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities –				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

			<i>Exercise price</i>	<i>Expiry date</i>
7.7	Options Unlisted, unrestricted & unescrowed	5,110,000	\$0.20	31/10/2013
	Unlisted, restricted & escrowed for 24 months from 7/4/2011	3,750,000	\$0.20	31/10/2013
	Unlisted, restricted & escrowed for 24 months from 7/4/2011	1,000,000	\$0.25	30/03/2014
7.8	Issued during quarter			
7.9	Exercised during quarter			
7.10	Expired during quarter			
7.11	Debentures <i>(totals only)</i>			
7.12	Unsecured notes <i>(totals only)</i>			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 31/10/2012

Print name: Nathan Taylor

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.