

# Greenvale Energy Limited

## Quarterly Activities Report June 2018

ASX Release

24 July 2018

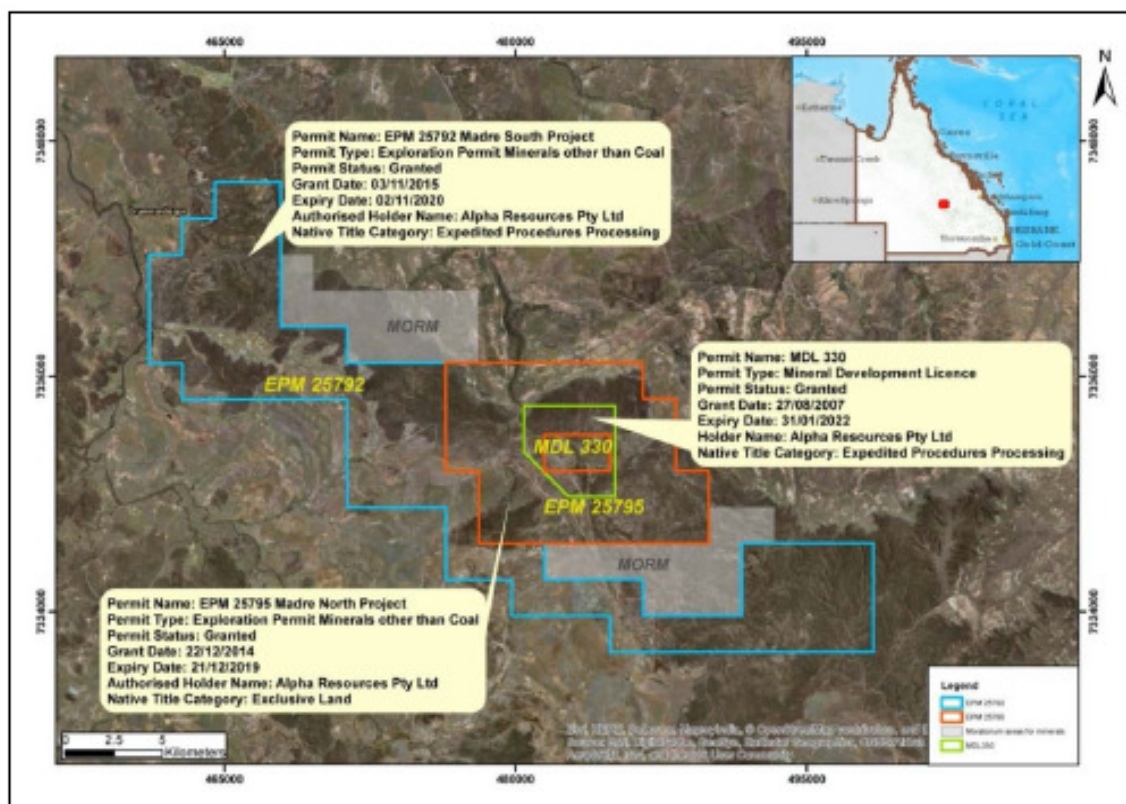
### Highlights

- Company to consider undertaking a study on the potential of both bitumen based products and activated carbon markets in the Queensland region.
- The Company continues to explore joint venture acquisition opportunities for the purposes of diversification. As a result of this review, the Company has narrowed its review to one early stage project in Egypt.

**Greenvale Energy Limited (ASX: GRV)** is pleased to provide the following update on its activities for the 30 June 2018 quarter (the “Quarter”):

### Overview

**The Company’s** tenement holding, location and status held under its subsidiary, Alpha Resources Pty Ltd is shown in Figure 1 and Table 1 below:



**Figure1: Location of Alpha Project (MDL330) and EPM licence areas**

### Activities

During the March quarter, SRK Consulting undertook a review of the internal data and reports derived from the company’s historical exploration and metallurgical test work on the Alpha oil shale project. The report confirms the nature and scale of the Alpha deposit and is in broad agreement with previous resource estimates. However, SRK considers the current Prospective Resource Estimation as inadequate for them to undertake a Preliminary Economic Assessment and recommended a series of in-fill holes to upgrade the resource in order to then undertake an economic assessment.

During the quarter the Company has considered the proposed in-fill drilling programme and its effect on the resource definition and expenditure in relation to its Programme of Works (**POW**) agreed with the Queensland DNP. It is unlikely that the in-fill drilling programme will substantially add to the resource tonnage and thereby contained oil but rather move that resource to a more defined category.

The Alpha resource relatively small size and remote location has limited its economic viability and previous work by the Company has sought to determine whether the economic viability could be improved by a final product mix of a fuel conversion operation coupled to:

1. a bitumen-based product and
2. an activated carbon product.

Given that a modern analysis of the available data by SRK has confirmed the nature and scale of the Alpha resource and its potential economic viability's reliance on a varied product mix, it has been recommended that the Company undertake a study on the potential of both bitumen based products and activated carbon markets in the Queensland regional area before proceeding with further drilling.

### **Strategic acquisitions and diversification strategy**

During the quarter, the Board continued to assess the following opportunities in the gold area as part of its general diversification strategy. As a result of this review, the majority of the Board has decided not to proceed with an opportunity previously identified in Ghana.

The Company continues to explore an early stage project in Egypt. As previously announced, the identified concession has not had any drilling undertaken but has been subject to rock chip sampling and trench excavation and sampling. In addition, the concession has been subject to geological mapping and satellite interpretation of geological features.

Should the Company decide to proceed with this concession, it is envisaged that a joint venture with the existing vendor whereby GRV undertakes a majority share, in consideration for a small payment and GRV providing a capped amount of funding. There would be some amount of consideration payable to the vendor in connection with the acquisition. Any transaction would be subject to due diligence and required regulatory approvals.

Full details of the selected project, including terms, will be provided as soon as they are available.

### **Funding**

The Board continues to consider the ongoing funding obligations for its Alpha Resources concession and any proposed investment.

### **Contact details**

For further information, please contact:

#### **Vince Fayad**

Director and Company Secretary

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## Appendix 5B

# Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

**Name of entity**

**GREENVALE ENERGY LIMITED**

**ABN**

54 000 743 555

**Quarter ended ("current quarter")**

June 2018

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date (12<br/>months)<br/>\$A'000</b> |
|---|------------------------------------|---|
| <b>1. Cash flows from operating activities</b>            |                                    |   |
| 1.1 Receipts from customers                               |                                    |   |
| 1.2 Payments for  |                                    |   |
| (a) exploration & evaluation                              | (11)                               | (186)   |
| (b) development   |                                    |   |
| (c) production  |                                    |   |
| (d) staff costs   | (9)                                | (112)   |
| (e) administration and corporate costs                    | (25)                               | (202)   |
| 1.3 Dividends received (see note 3)                       |                                    |   |
| 1.4 Interest received                                     | 11                                 | 33  |
| 1.5 Interest and other costs of finance paid              |                                    |   |
| 1.6 Income taxes paid                                     |                                    |   |
| 1.7 Research and development refunds                      |                                    |   |
| 1.8 Other (provide details if material)                   |                                    |   |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(34)</b>                        | <b>(467)</b>                                    |

**2. Cash flows from investing activities**

- 2.1 Payments to acquire:
- (a) property, plant and equipment
  - (b) tenements (see item 10)
  - (c) investments
  - (d) other non-current assets

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date (12<br/>months)<br/>\$A'000</b> |
|---|------------------------------------|---|
| 2.2 Proceeds from the disposal of:                        |                                    |   |
| (a) property, plant and equipment                         |                                    |   |
| (b) tenements (see item 10)                               |                                    |   |
| (c) investments   |                                    |   |
| (d) other non-current assets                              |                                    |   |
| 2.3 Cash flows from loans to other entities               |                                    |   |
| 2.4 Dividends received (see note 3)                       |                                    |   |
| 2.5 Other (provide details if material)                   |                                    |   |
| <b>2.6 Net cash from / (used in) investing activities</b> |                                    |   |

|   |  |  |
|---|--|--|
| <b>3. Cash flows from financing activities</b>                                  |  |  |
| 3.1 Proceeds from issues of shares  |  |  |
| 3.2 Proceeds from issue of convertible notes                                    |  |  |
| 3.3 Proceeds from exercise of share options                                     |  |  |
| 3.4 Transaction costs related to issues of shares, convertible notes or options |  |  |
| 3.5 Proceeds from borrowings  |  |  |
| 3.6 Repayment of borrowings   |  |  |
| 3.7 Transaction costs related to loans and borrowings                           |  |  |
| 3.8 Dividends paid  |  |  |
| 3.9 Other (provide details if material)   |  |  |
| <b>3.10 Net cash from / (used in) financing activities</b>                      |  |  |

|   |              |              |
|---|--------------|--------------|
| <b>4. Net increase / (decrease) in cash and cash equivalents for the period</b> |              |              |
| 4.1 Cash and cash equivalents at beginning of period                            | 1,395        | 1,828        |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above)             | (34)         | (467)        |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above)             | -            | -            |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above)            | -            | -            |
| 4.5 Effect of movement in exchange rates on cash held                           | -            | -            |
| <b>4.6 Cash and cash equivalents at end of period</b>                           | <b>1,361</b> | <b>1,361</b> |

| 5. <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Bank balances  | 167                        | 165                         |
| 5.2 Call deposits  | 1,204                      | 1,230                       |
| 5.3 Bank overdrafts  | -                          | -                           |
| 5.4 Other (provide details)  | -                          | -                           |
| <b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>   | <b>1,361</b>               | <b>1,395</b>                |

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

| Current quarter<br>\$A'000 |
|----------------------------|
| 9                          |
| -                          |

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

| Current quarter<br>\$A'000 |
|----------------------------|
| 22                         |
| -                          |

## Mining exploration entity and oil and gas exploration entity quarterly report

| <b>8. Financing facilities available</b><br><i>Add notes as necessary for an understanding of the position</i>   | <b>Total facility amount<br/>at quarter end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
|--|---|--|
| 8.1 Loan facilities  | -   | -  |
| 8.2 Credit standby arrangements  | -   | -  |
| 8.3 Other (please specify)   | -   | -  |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. |   |  |

N/A

| <b>9. Estimated cash outflows for next quarter</b> | <b>\$A'000</b> |
|--|----------------|
| 9.1 Exploration and evaluation                     | 120            |
| 9.2 Development                                    | -              |
| 9.3 Production                                     | -              |
| 9.4 Staff costs                                    | 44             |
| 9.5 Administration and corporate costs             | 34             |
| 9.6 Other (provide details if material)            | -              |
| <b>9.7 Total estimated cash outflows</b>           | <b>198</b>     |

| <b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>                            | <b>Tenement reference and location</b> | <b>Nature of interest</b> | <b>Interest at beginning of quarter</b> | <b>Interest at end of quarter</b> |
|--|--|---------------------------|---|-----------------------------------|
| 10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced |  |                           |   |                                   |
| 10.2 Interests in mining tenements and petroleum tenements acquired or increased           |  |                           |   |                                   |

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Date: 24 July 2018

Print name: Vince Fayad (Director and Company Secretary)

### 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.