

# GREENVALE ENERGY LIMITED

A.B.N. 54 000 743 555

## INTERIM FINANCIAL REPORT

HALF-YEAR ENDED  
31 DECEMBER 2015

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2015.

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**CORPORATE DIRECTORY**

**DIRECTORS**

Elias Khouri (Non-Executive Chairman)  
Justin Dibb (Non-Executive Director)  
Phillip Shamieh (Non-Executive Director)  
Michael Povey (Non-Executive Director) Vince Fayad (Executive Director)

**COMPANY SECRETARY**

Vince Fayad

**REGISTERED OFFICE**

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**SHARE REGISTRY**

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**AUDITORS**

RSM Australia Partners  
8 St Georges Terrace  
Perth WA 6000

## DIRECTORS' REPORT

Your directors submit the financial report of Greenvale Energy Limited and its subsidiary for the half-year ended 31 December 2015.

### DIRECTORS

The names of directors who held office during or since the end of the half-year are:

Elias Khouri (Non-Executive Chairman)  
Justin Dobb (Non-Executive Director) – *Appointed 3 March 2016*  
Phillip Shamieh (Non-Executive Director) - *Appointed 3 March 2016*  
Michael Povey (Non-Executive Director)  
Vince Fayad (Executive Director and Company Secretary, Appointed as Company Secretary on 3 March 2016)

Stephen Baird (Executive Director) *resigned on 6 January 2016*

### RESULTS

The loss of the Group for the half-year ended 31 December 2015 after providing for income tax amounted to \$371,989 (31 December 2014: \$624,410).

The loss for the year was largely attributable to the costs associated with the sale of the interests its joint venture partner Queensland Energy Resources Limited ("QER") for the Company's interests in the joint venture Lowmead and Nagoorin tenements. In addition, the Company incurred costs associated with the ongoing corporate and administrative costs.

No dividends were declared or paid during the half-year ended 31 December 2015.

### REVIEW OF OPERATIONS

#### Sale of the Joint Venture interests in Lowmead and Nagoorin tenements

On the 3rd June 2015, the Company announced that it had received an offer from its joint venture partner Queensland Energy Resources Limited ("QER") for the Company's interests in the joint venture Lowmead and Nagoorin tenements and to acquire them for cash amount of \$4 million.

The Company entered into a Sale and Purchase Agreement (the "SPA") with QER on 14 July 2015, and, following the satisfaction of the various conditions precedent and approval of the transaction by shareholders, the Company announced that it completed the sale of the Lowmead and Nagoorin tenements to QER on 20 November 2015.

Following the above sale, GRV's remaining oil shale assets consisted of the following tenements held by its 99.99% owned subsidiary Alpha Resources Pty Ltd:

Tenement	Status
Alpha (MDL 330)	Current to 31 January 2017
Madre North (EPM 25795)	Current to 22 December 2019
Madre South (EPM 25792)	Current to 3 November 2020

#### Convertible Notes

During the period, the Board completed the redemption of 100% of the Convertible Notes from the holders of those Notes. The consideration paid for each Convertible Note was as follows:

- a cash payment equivalent to \$7,416 for each Convertible Note whereby each existing Convertible Note has a face value excluding interest of \$9,282; and
- the grant of 100,000 options with an exercise price of \$0.08 per option, expiring on the 31 August 2018 (“Options”).

There were 31 Convertible Notes on issue with a face value of \$287,742. Accordingly, the final repayment of \$229,902 represented an amount that is equivalent to approximately 80% of the face value of the Convertible Notes and GRV has issued 3,100,000 Options.

The source of funding for the redemption of the Convertible Notes was initially via loans from director related entities. The loans were subsequently repaid following the receipt of the sale proceeds from QER.

### Strategic Direction

The Board of the Company are in the process of assessing the future direction of GRV. This assessment includes:

- the strategic options for the development of the Alpha Deposit MDL330, as well as the new acreage which has been granted at Madre North and South; and
- acquisition of a suitable asset either mining/exploration related or potentially in other areas.

Subsequent to the end of the period, Stephen Baird, the Executive Director resigned and on the 3 March 2016, Mr Justin Dibb and Phillip Shamieh were appointed as Non-Executive Directors.

Until such time as a definitive decision is made on the strategic direction of the Company, non-executive director, Mr Michael Povey, assumed responsibility for the technical activities of the Company and Mr Vince Fayad assumed responsibility for the corporate matters. .

### Corporate

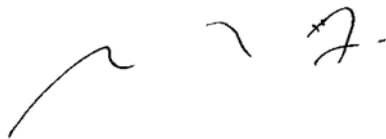
During the period, following shareholder approval at the general meeting held on 22 September 2015, the Company changed its legal company status from no liability (“NL”) to limited (“Ltd”).

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### AUDITORS DECLARATION

The lead auditor’s independence declaration has been received under section 307C of the Corporations Act 2001 and is included within this financial report on page 5.

This report is signed in accordance with a resolution of the Board of Directors.



Vince Fayad  
Director

Dated this 10th day of March 2016

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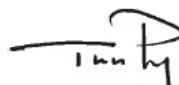
**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Greenvale Energy Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 10 March 2016

**GREENVALE ENERGY LIMITED**  
A.B.N. 54 000 743 555

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	Note	Half-Year Ended 31 Dec 2015 \$	Half-Year Ended 31 Dec 2014 \$
<b>REVENUE</b>			
Interest income	3	6,480	3,747
<b>TOTAL REVENUE</b>		<u>6,480</u>	<u>3,747</u>
<b>EXPENSES</b>			
Administrative expenses		(26,436)	(113,254)
Directors and employees		(151,500)	(86,103)
Consultancy and legal expenses		(104,997)	(350,520)
Compliance and regulatory fees		(20,634)	(32,836)
Exploration expenses		(52,488)	(22,323)
Interest expense		(14,452)	(21,524)
Foreign currency translation		(7,962)	(1,597)
<b>TOTAL EXPENSES</b>		<u>(378,469)</u>	<u>(628,157)</u>
<b>PROFIT BEFORE INCOME TAX</b>		<u>(371,989)</u>	<u>(624,410)</u>
Income tax expense		-	-
<b>PROFIT AFTER INCOME TAX</b>		<u>(371,989)</u>	<u>(624,410)</u>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<u>(371,989)</u>	<u>(624,410)</u>
Basic and diluted loss per share (cents)		(0.40)	(0.78)

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the attached notes to the financial statements

**GREENVALE ENERGY LIMITED**  
A.B.N. 54 000 743 555

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS AT 31 DECEMBER 2015

	Note	As at 31 Dec 2015 \$	As at 30 June 2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,477,240	34,030
Trade and other receivables		78,850	72,264
Other current assets		8,397	-
Assets classified as held for sale		-	4,000,000
<b>TOTAL CURRENT ASSETS</b>		<u>2,564,487</u>	<u>4,106,294</u>
<b>NON-CURRENT ASSETS</b>			
Other receivables		7,500	-
Exploration and evaluation expenditure		700,412	648,113
<b>TOTAL NON-CURRENT ASSETS</b>		<u>707,912</u>	<u>648,113</u>
<b>TOTAL ASSETS</b>		<u>3,272,399</u>	<u>4,754,407</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		96,978	943,200
Convertible notes	4	-	287,742
<b>TOTAL CURRENT LIABILITIES</b>		<u>96,978</u>	<u>1,230,942</u>
<b>TOTAL LIABILITIES</b>		<u>96,978</u>	<u>1,230,942</u>
<b>NET ASSETS</b>		<u>3,175,421</u>	<u>3,523,465</u>
<b>EQUITY</b>			
Issued capital	5	12,746,247	12,746,247
Reserves		23,945	-
Retained losses		(9,594,771)	(9,222,782)
<b>TOTAL EQUITY</b>		<u>3,175,421</u>	<u>3,523,465</u>

The Statement of Financial Position is to be read in conjunction  
with the attached notes to the financial statements



**GREENVALE ENERGY LIMITED**  
A.B.N. 54 000 743 555

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	<b>Issued Capital</b> \$	<b>Options Reserve</b> \$	<b>Accumulated Losses</b> \$	<b>Total Equity</b> \$
Balance at 1 July 2014	11,306,406	212,645	(7,214,547)	4,304,504
Net (loss) for the half year	-	-	(624,410)	(624,410)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(624,410)	(624,410)
Share issue (net of costs) relating to convertible notes	1,255,358	-	-	1,255,358
Shares issued in lieu (net of costs)	17,103	-	-	17,103
Placement share issue (net of costs)	179,837	-	-	179,837
Balance at 31 December 2014	<u>12,758,704</u>	<u>212,645</u>	<u>(7,838,957)</u>	<u>5,132,392</u>
	<b>Issued Capital</b> \$	<b>Option Reserve</b> \$	<b>Accumulated Losses</b> \$	<b>Total Equity</b> \$
Balance at 1 July 2015	12,746,247	-	(9,222,782)	3,523,465
Net (loss) for the half year	-	-	(371,989)	(371,989)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(371,989)	(371,989)
Transactions with owners in their capacity as owners				
Options issued	-	23,945	-	23,945
Balance at 31 December 2015	<u>12,746,247</u>	<u>23,945</u>	<u>(9,594,771)</u>	<u>3,175,421</u>

The Statement of Changes in Equity is to be read in conjunction with the attached notes to the financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

	<b>Half-Year Ended</b> <b>31 Dec 2015</b>	<b>Half-Year Ended</b> <b>31 Dec 2014</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(1,260,913)	(495,198)
Interest received	776	3,527
Interest paid	(14,452)	-
<b>NET CASH (USED IN) OPERATING ACTIVITIES</b>	<b>(1,274,589)</b>	<b>(491,697)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for exploration expenditure	(52,299)	(158,003)
Proceeds from sale of tenements	4,000,000	-
<b>NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES</b>	<b>3,947,701</b>	<b>(158,003)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	179,837
Proceeds from issue of convertible notes	-	287,742
Repayment of convertible notes	(229,902)	-
<b>NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES</b>	<b>(229,902)</b>	<b>467,579</b>
Net increase/(decrease) in cash held	2,443,210	(182,095)
Cash at the beginning of the financial year	34,030	387,234
<b>CASH AT THE END OF THE HALF-YEAR</b>	<b>2,477,240</b>	<b>205,139</b>

The Statement of Cash Flows is to be read in conjunction  
with the attached notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Greenvale Energy Limited is a Company domiciled in Australia. This interim financial report of the consolidated entity is for the half-year ended 31 December 2015.

**BASIS OF PRESENTATION**

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the consolidated entity as in the full financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by Greenvale Energy Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding half-year reporting period, except as disclosed below.

**New and Revised Accounting Requirements Applicable to the Current Half-Year Reporting Period**

The consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

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

2. SEGMENT INFORMATION

This report is based on the Company operating on one segment only. That segment is minerals exploration in Australia. In accordance with AASB 8 *Operating Segments*, a management approach to reporting has been applied.

**NOTES TO THE FINANCIAL STATEMENTS**

**3. REVENUE**

	<b>Half-Year Ended 31 Dec 2015 \$</b>	<b>Half-Year Ended 31 Dec 2014 \$</b>
Interest income	6,480	3,747

The consolidated entity is in the exploration phase and does not have any external customers.

**4. CONVERTIBLE NOTES**

During the period, the Company completed the redemption of 100% of the Convertible Notes from the holders of those Notes. The consideration paid for each Convertible Note was as follows:

- a cash payment equivalent to \$7,416 for each Convertible Note whereby each existing Convertible Note has a face value excluding interest of \$9,282; and
- the grant of 100,000 options with an exercise price of \$0.08 per option, expiring on the 31 August 2018 ("Options").

There were 31 Convertible Notes on issue with a face value of \$287,742. Accordingly, the final repayment of \$229,902 represented an amount that is equivalent to approximately 80% of the face value of the Convertible Notes and GRV has issued 3,100,000 Options.

The source of funding for the redemption of the Convertible Notes was via loans from director related entities. The loans were subsequently repaid following the receipt of the sale proceeds from QER.

**5. ISSUED CAPITAL**

	<b>Number of Shares</b>	<b>\$</b>
At the beginning of the financial period	93,955,357	12,746,247
Changes during the period	-	-
At end of reporting period	93,355,357	12,746,247

NOTES TO FINANCIAL STATEMENTS

6. PERFORMANCE RIGHTS

On 21 November 2013, shareholders approved the issue of 8,000,000 performance rights to the nominee of Mr Stephen Baird as part of his remuneration package for his role as an executive director of the Company. The performance rights were subsequently issued by the Company on 3 December 2013. The vesting conditions of these performance rights are:

Class	Number of Performance Rights	Vesting Condition
Class A	2,000,000	The company achieving a market capitalisation in excess of \$30 million for a continuous period of 1 month
Class B	2,000,000	The company achieving a market capitalisation in excess of \$50 million for a continuous period of 1 month
Class C	2,000,000	The company achieving a market capitalisation in excess of \$100 million for a continuous period of 1 month
Class D	2,000,000	The company achieving a market capitalisation in excess of \$200 million for a continuous period of 1 month

Subsequent to 31 December 2015, Mr Stephen Baird resigned as a director resulting in the immediate lapsing of the above performance rights.

7. DIVIDENDS

No dividends have been paid or declared during the half-year.

8. SUBSEQUENT EVENTS

The following appoints/resignation occurred since reporting date:

- on 3 March 2016, Mr Justin Dibb and Phillip Shamieh were appointed to the board as Non-Executive Directors. On the same date, Mr Vince Fayad was appointed as the Company Secretary; and
- on 6 January 2016 the Company announced the resignation of Mr Stephen Baird as Executive Director of the Company.

Pending a definitive decision on the strategic direction of the Company, non-executive director, Mr Michael Povey, has assumed responsibility for the technical activities of the Company. Mr Vince Fayad has assumed responsibility for all corporate and administrative matters.

Other than the above, there are no other items, transactions or events that have occurred since 31 December 2015 that are of a material and unusual nature that, in the opinion of the Directors, are likely to affect significantly, the results of those operations, or the state of affairs of the Company entity in future financial years.

9. CONTINGENT LIABILITIES

There have been no material changes in contingent liabilities since the last reporting date.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001, including:
  - (i) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
  - (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
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.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s303(5) of the Corporations Act 2001.



Vince Fayad

Director

Dated this 10th day of March 2016

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**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
GREENVALE ENERGY LIMITED**

We have reviewed the accompanying half-year financial report of Greenvale Energy Limited which comprises the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-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 half-year end or from time to time during the half-year.

*Directors' Responsibility for the Half-Year Financial Report*

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

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Greenvale Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

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RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

*Independence*

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

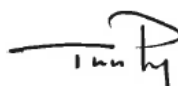
*Conclusion*

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 10 March 2016