

# Greenvale Energy Limited

## Quarterly Activities Report March 2018

ASX Release

27 April 2018

### Highlights

- SRK Consulting (Australasia) Pty Ltd (**SRK**) has completed an Independent Geologist's Report (IGR). on the Alpha oil shale project. The report used the Company's available data to provide a Prospective Resource Estimation of the volume of in-situ shale oil.
- The Company continues to explore joint venture acquisition opportunities for the purposes of diversification. At present, various projects which are gold related and located outside of Australia are under review.

**Greenvale Energy Limited (ASX: GRV)** is pleased to provide the following update on its activities for the 31 March 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:

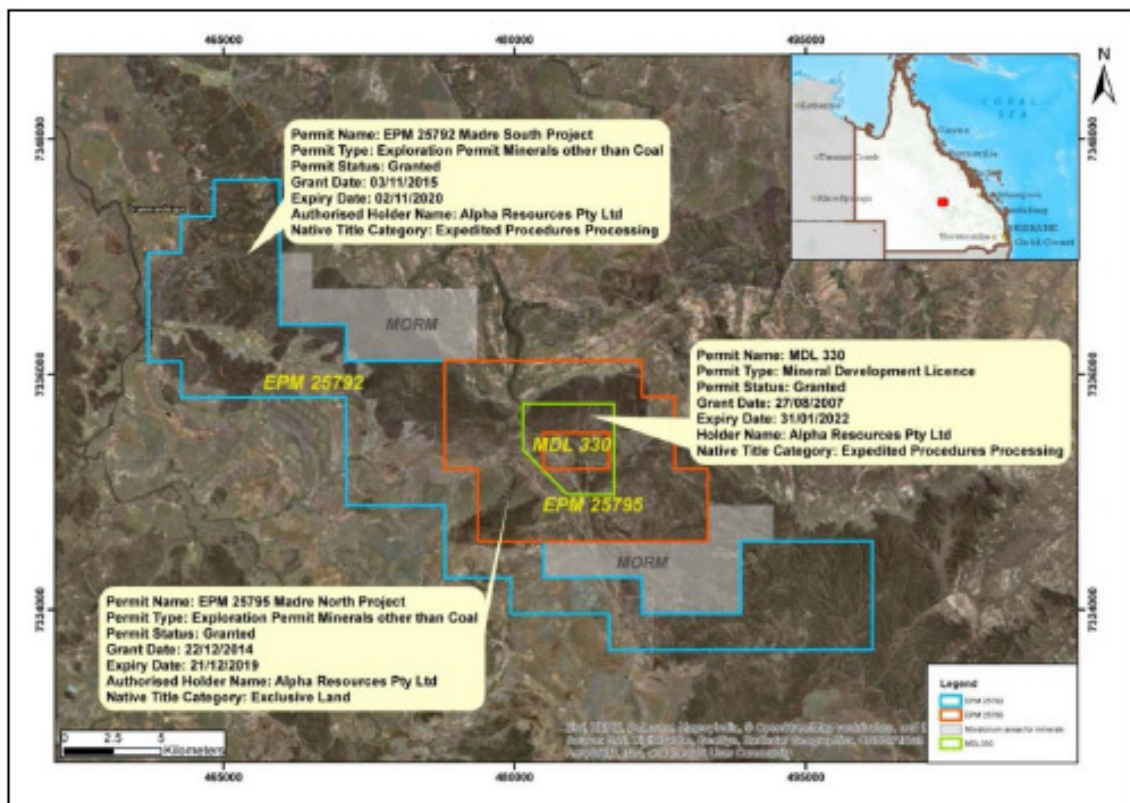


Figure1: Location of Alpha Project (MDL330) and EPM licence areas

**Table 1: Summary of Tenement Ownership and status**

Tenement	Percentage ownership	Status
MDL 330	99.99%	Current to 1 February 2022
Madre North EPM 25795	99.99%	Current to 21 December 2019
Madre North EPM 25792	99.99%	Current to 2 November 2020

### Activities

During the quarter, SRK Consulting (an international resource consulting company) undertook a review of the internal data and reports derived from the company's historical exploration and metallurgical text work on the Alpha oil shale project. This review and analysis has resulted in SRK's providing an Independent Geological Report on the project.

The report confirms the nature and scale of the Alpha deposit and is in broad agreement with previous resource estimates. Based on the available data, SRK has been able to independently determine a Prospective Resource Estimation on the in-situ volumes of shale oil associated with the Alpha deposit within the MDL330 licence area (Table 2). SRK's estimate is equivalent to a Prospective Resource (unrisked) under the Petroleum Resource Management System (PRMS, 2007). The resource can be upgraded to a Contingent Resource after the application of various recovery factors.

**Table 2: Low, Mid (most likely) and High In-situ Oil volumes within MDL 330 (March 2018)**

Depth of overburden (m)	Area (km <sup>2</sup> )		Lower Seam			Upper Seam Mid (Bbls)
	Lower	Upper	Oil Mid (Bbls)	Cannel coal Mid (Bbls)	Torbanite Mid (Bbls)	
0-25	2.78	0.00	15,263,888	3,845,353	11,418,334	0
25-50	2.85	1.83	10,398,342	7,311,048	3,085,293	1,806,633
50-70	2.00	0.23	3,466,120	3,190,833	275,288	498,983
75-100	1.10	0.18	1,921,883	1,921,883	0	94,479

Lower Seam			Upper Seam (Bbls)	Estimated volumes		
Oil Mid (Bbls)	Cannel coal (Bbls)	Torbanite (Bbls)		Low (MMBbls)	Mid (MMBbls)	High (MMBbls)
31,047,832	16,268,917	14,778,915	2,395,095	25.1	33.4	50.2
Estimated in situ Total Mid Resource MDL330			33,442,928	Bbls		

Note: In situ - No losses or recovery factors applied, available data documentation and usage required.

It should be noted that oil shales do not contain liquid hydrocarbons or oil, as do natural petroleum source rocks. In order to obtain oil, the oil shale has to be heated in an oxygen-free atmosphere in a vessel (retort).

The Alpha oil shale deposit consists of two seams: an upper seam of cannel coal with an average thickness of 1.12 m, and a lower seam of cannel coal containing a lens of torbanite, which has an average thickness of 1.9 m. The torbanite has a high oil shale yield resulting from the accumulation of algal remains.

Hutton (1996) recognised the Alpha oil shale deposit as one of the smaller deposits with respect to total resources, However, on a weight for weight basis, one tonne of Alpha torbanite produces at least four times the volume of oil from one tonne of Rundle or Stuart oil shale and at least seven times the oil from one tonne of Julia Creek oil shale.

In addition, to the data analysis and PRE, SRK also prepared a budget and plan to undertake a PMRS (2007) compliant estimate and/or a JORC code 2012 compliant estimate of the extractable oil resources. The Company will evaluate this in conjunction with the Programme of Works already agreed with the Queensland Department of Natural Resources and Energy.

Although no economic analysis of the project was undertaken by SRK it is apparent that increasing overburden depth in the adjacent EPMs will be a significant factor for any future viability. The Company therefore intends to review these tenements with a view to their possible relinquishment.

### **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:

#### *Egypt*

This is an early stage project which has not had any drilling undertaken on the concession. However, rock chip sampling and trench excavation and sampling has been undertaken. The concession has been subject to geological mapping and satellite interpretation of geological features.

The proposed transaction is a joint venture with the existing vendor of the property, 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. This project remains under review by the Board and is subject to due diligence, the ability to obtain further funding for future development of this project and any required regulatory approvals.

#### *Ghana*

During the quarter, a visit to Ghana was undertaken to review and consider several projects. Ghana is one of Africa's major producers of gold. The projects are in the north, central and southern part of Ghana and tend to be located on or near various gold belts. The various projects considered by the Company are generally of early stage with some level of work undertaken on them. A number of the projects are located close or nearby existing gold producing mines.

For most of the projects being considered, there is little to no upfront payment to the vendors and that the project would be in the form of a joint venture with GRV holding the majority interest in exchange for funding.

Any acquisition would be subject to due diligence, funding and any required regulatory approvals.

#### *Way forward*

The process of evaluation is time consuming and the work is being to the extent possible undertaken by the Directors. Full details of the selected project, including terms, will be provided as soon as they are available.

### **Funding**

Once the findings for the Alpha project is considered, together with any decision on acquisitions, the Board will provide details on funding implications for the Company, including allowance for meeting its obligations under the Alpha Resources commitments.

### **Contact details**

For further information, please contact:

#### **Vince Fayad**

Director and Company Secretary

Ph: 0414 752 804

E: [vince.fayad@vfassociates.com.au](mailto:vince.fayad@vfassociates.com.au)

### **Competent Person Statement**

The information in this announcement is based on and fairly represents information and supporting documentation prepared by Dr Bruce McConachie a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy, the Society of Petroleum Engineers and the American Association of Petroleum Geologists. Dr McConachie 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 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")**

March 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9- months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(48)	(175)
(b) development		
(c) production		
(d) staff costs	(37)	(103)
(e) administration and corporate costs	(34)	(177)
1.3 Dividends received (see note 3)		
1.4 Interest received	14	22
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>(105)</b>	<b>(433)</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

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9- months) \$A'000
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	1,500	1,828
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(105)	(433)
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>1,395</b>	<b>1,395</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	165	150
5.2 Call deposits	1,230	1,350
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>1,395</b>	<b>1,500</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	34
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	

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7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	20.6
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	

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8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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
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## Mining exploration entity and oil and gas exploration entity quarterly report

<b>9. Estimated cash outflows for next quarter</b>		<b>\$A'000</b>
9.1	Exploration and evaluation	25
9.2	Development	-
9.3	Production	-
9.4	Staff costs	75
9.5	Administration and corporate costs	10
9.6	Other (provide details if material)	-
<b>9.7</b>	<b>Total estimated cash outflows</b>	<b>110</b>

<b>10.</b>	<b>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: 27 April 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.