



GREENVALE ENERGY LIMITED

A.B.N. 54 000 743 555

INTERIM FINANCIAL REPORT

HALF-YEAR ENDED
31 DECEMBER 2018

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CORPORATE DIRECTORY

DIRECTORS

Elias Khouri (Chairman)
Justin Dibb (Non-Executive Director)
Phillip Shamieh (Non-Executive Director)
Vincent J Fayad (Executive Director)

COMPANY SECRETARY

Vince Fayad

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AUDITORS

RSM Australia Partners
Level 13, 60 Castlereagh Street
Sydney NSW 2000

STOCK EXCHANGE

Australian Securities Exchange
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

ASX CODE

GRV

DIRECTORS' REPORT AND REVIEW OF OPERATIONS

The Directors present this report together with the financial report of Greenvale Energy Limited ("**Greenvale**" or "**the Company**") and its consolidated entities (the "**Group**") for the half year ended 31 December 2018 and the auditors' report thereon.

DIRECTORS

The directors of the Company are:

Elias Khouri (Chairman)

Justin Dibb (Non-Executive Director)

Phillip Shamieh (Non-Executive Director)

Vincent John Fayad (Executive Director and Company Secretary)

Michael Povey (Non-Executive Director) – resigned 6 August 2018

PRINCIPAL ACTIVITIES

The principal activity of the consolidated entity during the course of the year was mineral exploration activities in Queensland and the review of suitable related technologies.

With the exception of the above, there were no other significant changes in the nature of Greenvale's principal activities during the half year.

RESULT AND REVIEW OF OPERATIONS

The loss for the Group after income tax for the six months to December 2017 amounted to \$215,152 (December 2017: loss of \$212,742) and the net assets of the Group was \$1,993,187 (June 2018: \$2,208,339).

The loss for the period included an impairment for EPM 25792 and EPM 25795 of \$53,125 (2017: \$Nil) and the ongoing corporate and administrative costs of the Company.

No dividends were declared or paid during the half-year ended 31 December 2018.

EVENTS SUBSEQUENT TO REPORTING DATE

Since 31 December 2018, the Company completed the acquisition of its investment in the Gold Basin project, located in north-western Arizona. More information concerning this transaction can be found in the Company's announcement released on 18 February 2019.

REVIEW OF OPERATIONS

Alpha Tenements

The main interests of the Group are as follows:

Tenement	Status
Alpha (MDL 330) – (99.99%)	Current to 1 February 2022
Madre North (EPM 25795)	Relinquished 21 September 2017
Madre South (EPM 25792)	Relinquished 2 November 2018

During the financial period, the Company appointed SRK Consulting ("**SRK**") (an international mining consulting company) to undertake various work on behalf of GRV in relation to its interests in Alpha Oil Shale Project (the "**Project**")

Key work activities undertaken by SRK on behalf of the Group included during the half year included:

- reviewed the technology having regard to the historical technical reporting and data on the Project;

- reviewed the applicability of in-situ Radio Frequency Microwave Stimulation (RF) to produce oil from the Alpha Torbanite. The suitability of the RF to produce hydrocarbons will mitigate the requirement to mine shale and as a direct result drastically change the economics of the Project by reducing the costs associated with the producing oil from the Project;
- re-assessed the Resource on the Project with a view to determining the annual and total production levels that can potentially be achieved from the Resource;
- captured all the historical technical reporting and on the Project, assessed the available magnetic data and identified the key well logs;
- sampled torbanite to confirm the production characteristics and production potential of microwave digestion and understand how the production will compare to Fischer assays and historic measured oil recoveries;

SRK is re-assessing the Resource on the Project with a view to determining the annual and total production levels that can potentially be achieved from the Resource.

SRK plans for the wells paths and determine the recoverable oil Resources as the next step in its review process. Sampling and analysis of Alpha torbanite will be needed to confirm the hydrocarbon production characteristics and production potential of microwave digestion. It will also be important to understand how the production will compare to Fischer assays and historic measured oil recoveries.

The Group has filed its annual report and meet its 2018 expenditure commitment required under the terms of its licence.

As a result of the review of the tenements, the Group made a decision to relinquish its interests in EPM 25792 and EPM 25795 as they have not been assessed to be economically viable and secondly, allow the Group to focus its interest on MDL 330 tenement.

Corporate

During the period, the Company continued to invest its cash resources in term deposits.

Acquisitions

During the period, the Company considered a number of investment opportunities and announced that it would progress the acquisition of its investment in the Gold Basin. As noted in the events subsequent to the reporting date, this acquisition was completed in February 2019.

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.



Elias Khouri
Chairman

Dated this 12 day of March 2019

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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 2018, 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.

A handwritten signature in blue ink that reads 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink that reads 'C J Hume'.

C J Hume
Partner

Sydney, NSW

Dated: 12 March 2019

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	Note	Half-Year Ended 31 Dec 2018 \$	Half-Year Ended 31 Dec 2017 \$
Interest income	3	7,437	11,873
TOTAL REVENUE		<u>7,437</u>	<u>11,873</u>
Administrative expenses		(62,953)	(90,227)
Directors and employees		(73,700)	(99,000)
Consultancy and legal expenses		(7,593)	(6,000)
Compliance and regulatory fees		(25,218)	(29,388)
Impairment of exploration costs	4	(53,125)	-
TOTAL EXPENSES		<u>(222,589)</u>	<u>(224,615)</u>
LOSS BEFORE INCOME TAX		<u>(215,152)</u>	<u>(212,742)</u>
Income tax expense		-	-
LOSS AFTER INCOME TAX		<u>(215,152)</u>	<u>(212,742)</u>
Other Comprehensive Income		-	-
Total Comprehensive Income		<u>(215,152)</u>	<u>(212,742)</u>
(Loss) attributable to:			
- Members of Greenvale Energy Ltd		(215,150)	(212,740)
- Non – controlling interest		(2)	(2)
		<u>(215,152)</u>	<u>(212,742)</u>
Total comprehensive (loss) attributable to:			
Members of Greenvale Energy Ltd		(215,150)	(212,740)
Non – controlling interest		(2)	(2)
		<u>(215,152)</u>	<u>(212,742)</u>
Basic loss per share (cents)		(0.23)	(0.23)
Diluted loss per share (cents)		(0.23)	(0.23)

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 2018

	Note	As at 31 Dec 2018 \$	As at 30 June 2018 \$
CURRENT ASSETS			
Cash and cash equivalents		1,061,717	1,361,984
Trade and other receivables		54,055	27,124
TOTAL CURRENT ASSETS		<u>1,115,772</u>	<u>1,389,158</u>
NON-CURRENT ASSETS			
Exploration and evaluation expenditure		1,001,092	927,692
TOTAL NON-CURRENT ASSETS		<u>1,001,092</u>	<u>927,682</u>
TOTAL ASSETS		<u>2,116,864</u>	<u>2,316,840</u>
CURRENT LIABILITIES			
Trade and other payables		123,677	108,501
TOTAL CURRENT LIABILITIES		<u>123,677</u>	<u>108,501</u>
TOTAL LIABILITIES		<u>123,677</u>	<u>108,501</u>
NET ASSETS		<u>1,993,187</u>	<u>2,208,339</u>
EQUITY			
Issued capital	5	12,746,247	12,746,247
Reserves		23,945	23,945
Accumulated losses		(10,776,998)	(10,561,848)
Total equity interests applicable to the members of the parent company		1,993,194	2,208,344
Non – Controlling Interest		(7)	(5)
TOTAL EQUITY		<u>1,993,187</u>	<u>2,208,339</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 2018

	Issued Capital	Reserve	Accumulated Losses	Non Controlling Interest	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2018	12,746,247	23,945	(10,561,848)	(5)	2,208,339
Net (loss) for the half year	-	-	(215,152)	-	(215,152)
Other comprehensive income	-	-	-	-	-
Non – controlling interest	-	-	2	(2)	-
Total comprehensive income	-	-	(212,150)	(2)	(212,152)
Balance at 31 December 2018	<u>12,746,247</u>	<u>23,945</u>	<u>(10,776,998)</u>	<u>(7)</u>	<u>1,993,187</u>

	Issued Capital	Reserve	Accumulated Losses	Non Controlling Interest	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2017	12,746,247	23,945	(10,135,912)	-	2,634,280
Net (loss) for the half year	-	-	(212,742)	-	(212,742)
Other comprehensive income	-	-	-	-	-
Non – controlling interest	-	-	2	(2)	-
Total comprehensive income	-	-	(212,740)	(2)	(212,742)
Balance at 31 December 2017	<u>12,746,247</u>	<u>23,945</u>	<u>(10,348,652)</u>	<u>(2)</u>	<u>2,421,538</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 2018**

	Half-Year Ended 31 Dec 2018 \$	Half-Year Ended 31 Dec 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(153,955)	(209,940)
Interest received	6,934	8,280
NET CASH (USED IN) OPERATING ACTIVITIES	<u>(147,021)</u>	<u>(201,660)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration expenditure	(153,246)	(126,718)
NET CASH (USED IN) INVESTING ACTIVITIES	<u>(153,246)</u>	<u>(126,718)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
	-	-
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net (decrease) in cash held	(300,267)	(328,378)
Cash at the beginning of the financial year	1,361,984	1,828,750
CASH AT THE END OF THE HALF-YEAR	<u>1,061,717</u>	<u>1,500,372</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFIGANT 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 2018.

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 a full 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 2018 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 CONSOLIDATED FINANCIAL STATEMENTS

3. REVENUE

	Half-Year Ended 31 Dec 2018	Half-Year Ended 31 Dec 2017
	\$	\$
Interest income	7,437	11,873

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

4. CAPITALISED EXPENDITURE WRITTEN OFF

	Half-Year Ended 31 Dec 2018	Half-Year Ended 31 Dec 2017
	\$	\$
Impairment of exploration costs for relinquished licences:		
Tenement EPM 25792 (a)	49,294	-
Tenement EPM 2595 (b)	3,831	-
Capitalised expenditure written off	53,125	-

(a) Tenement EPM 25972 was surrendered in 2 November 2018.

(b) Tenement EPM 25975 was surrendered on 22 September 2017. The majority of the impairment expense was realised during the 30 June 2018 financial statement period.

5. ISSUED CAPITAL

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

6. DIVIDENDS

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

7. SUBSEQUENT EVENTS

On 18 February 2019, the Company completed the acquisition of the Gold Basin project in north-western Arizona, USA. The details of the transaction can be found within the Company's announcement. The acquisition represented a 50.1% interest in Greenvale Gold Basin Pty Ltd, who in turn, has the 50.1% farm in right to the Gold Basin assets and where such rights are to be transferred into a new company. The farm in rights are subject to a maiden JORC 2012 to be achieved by 31 March 2019, unless drilling has commenced earlier. The Group has commenced drilling activities since balance date.

There are no other items, transactions or events that have occurred since 31 December 2018 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.

8. CONTINGENT LIABILITIES

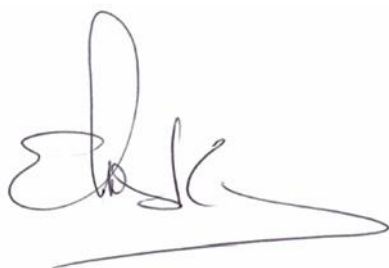
There have been no material changes in contingent liabilities since the last reporting date.

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 2018 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.

A handwritten signature in black ink, appearing to read 'Elias Khouri', with a long horizontal flourish extending to the right.

Elias Khouri
Director
Dated this 12 day of March 2019

INDEPENDENT AUDITOR'S REVIEW REPORT**TO THE MEMBERS OF****GREENVALE ENERGY LIMITED****Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Greenvale Energy Limited which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated 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 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 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 2018 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.

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 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 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

A handwritten signature in blue ink that reads "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink that reads "C J Hume".

C J HUME
Partner

Sydney, NSW
Dated: 12 March 2019