

GREENVALE MINING N.L.

A.B.N. 54 000 743 555

INTERIM FINANCIAL REPORT

HALF-YEAR ENDED
31 DECEMBER 2013

CONTENTS

Corporate Directory	2
Directors' Report	3
Auditor's Independence Declaration	6
Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
Consolidated Statement of Financial Position	8
Consolidated Statement of Changes in Equity	9
Consolidated Statement of Cash Flows	10
Notes to the Financial Statements	11
Directors' Declaration	14
Independent Auditor's Review Report	15

CORPORATE DIRECTORY

DIRECTORS

Elias Khouri (Non-Executive Chairman)

Stephen Baird (Executive Director) *Appointed 14 October 2013*

Joseph Obeid (Non-Executive Director)

Gabriel Lorentz (Non-Executive Director) *Resigned 21 November 2013*

COMPANY SECRETARY

Winton Willesee

REGISTERED OFFICE

Suite 25, 145 Stirling Hwy
Nedlands, WA 6009

P.O. Box 3144
Nedlands WA 6009

Ph: +61 (8) 9389 3120

Fax: +61 (8) 9389 3199

admin@greenvalemining.com.au

SHARE REGISTRY

Link Market Services
Level 12, 680 George Street
SYDNEY NSW 2000

Ph: +61 (2) 8280 7111

Fax: +61 (2) 9287 0303

AUDITORS

RSM Bird Cameron Partners
8 St Georges Terrace
Perth WA 6000

DIRECTORS REPORT

Your directors submit the financial report of Greenvale Mining N.L. and its subsidiary for the half-year ended 31 December 2013.

DIRECTORS

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

Elias Khouri (Non-Executive Chairman)
Stephen Baird (Executive Director) *Appointed 14 October 2013*
Joseph Obeid (Non-Executive Director)
Gabriel Lorentz (Non-Executive Director) *Resigned 21 November 2013*

RESULTS

The loss of the Group for the half-year ended 31 December 2013 after providing for income tax amounted to \$262,421 (31 December 2012: \$432,532).

No dividends were declared or paid during the half-year ended 31 December 2013.

REVIEW OF OPERATIONS

Greenvale's principal assets are its interests in three oil shale projects held in four tenements located in Queensland. These tenements are the areas of land subject to:

- EPM 7721 and MDL 234, known as the "Nagoorin" tenements, cover an aggregate licence area of 8,427 hectares and are located approximately 50km south of Gladstone.
- MDL 188, known as the "Lowmead" tenement, covers a licence area of 9,330 hectares and is located approximately 75km south east of Gladstone; and
- MDL 330, known as the "Alpha" tenement, covers a licence area of 1,905 hectares and is located approximately 500km west of Rockhampton, and 55km south east of the township of Alpha which includes a small deposit of very rich oil shale.

The relevant interests of Greenvale and Queensland Energy Resources Limited (QER), the Company's joint venture partner at Nagoorin and Lowmead, in each of the tenements are shown in the table below:

	Greenvale	QER
Lowmead (MDL 188)	50%	50%
Nagoorin (MDL 234)	67%	33%
Alpha (MDL 330)	~100%	0%

Table 1: Greenvale's Interests in Oil Share Deposits

REVIEW OF OPERATIONS

During the six month period to 31 December 2013, the Company completed a review of its Board composition which led to the appointment of Mr Stephen Baird as an executive director.

Mr Baird is based in the UK and approached Greenvale following an extensive review of global oil shale opportunities. Stephen has a proven track record of delivering project finance, technical project delivery and long term commercial contracts for emerging and progressive energy sector technologies.

Mr Baird has a mandate from the Greenvale Board to commercialise the Company's current oil shale projects, and expand the Company's oil shale portfolio with a view to transforming Greenvale into a significant oil shale company.

Subsequent to Mr Baird's appointment was the retirement of Mr Gabriel Lorentz who did not seek reappointment at the Company's AGM held on 21 November 2013. Mr Lorentz served as a director of the Company for over 40 years. At the date of his resignation, Mr Lorentz held 529,800 fully paid ordinary shares and 1,000,000 unlisted options, exercisable at 20 cents each on or before 31 January 2015. The Company is sincerely appreciative of Mr Lorentz' dedication and contribution during his appointment as a director of the Company and wishes him all the best for his future endeavours.

Strategic Review

Since the removal of the moratorium and following the appointment of Mr Baird, the Board has increased the global screening of peer group and related companies and have actively reviewed a number of acquisition proposals in the oil shale asset and related extraction technologies with the view to ascertaining the optimum positioning for Greenvale.

The Company has also continued to build on the level of interaction with its joint venture partners, Queensland Energy Resources (QER) and their investor, ZBI, who is based in New York.

The Company notes, however, that during November 2013, QER announced that they would be concluding their current technology demonstration program in early 2014. The operation of the technology plant has been successful and sufficient data is now available to support that case for a commercial project.

QER commenced a two year development program at the Gladstone demonstration plant in October 2011, and has produced high quality ultra-low sulphur diesel and aviation fuel for testing and certification.

Last year, the Queensland Government finalised a four-year review of the industry highlighting an environmental audit of the project as being "exemplary".

Following the closure of the plant, QER are now beginning the next phase of this development, during which they are seeking investment partners for the development of a pilot plant capable of producing 6,000 BOE per day.

QER have appointed an investment bank for this process and will be opening a data room for interested parties during February 2014.

The management of Greenvale are still assessing the impact of this with regard to the development of the Lowmead and Nagoorin tenements of which both companies are joint venture partners.

REVIEW OF OPERATIONS

Projects

During the period, the Company's Nagoorin and Lowmead tenements remained on care and maintenance.

The Company also undertook a review of the previous activity on its Alpha project and has now commissioned a Geotechnical Report in respect of the Alpha Oil Shale Deposit with a view to developing a strategy for field development appraisal and a pathway to defining a JORC compliant resource at the Alpha project.

Small Holding Share Sale Facility

Last financial year the Company announced a facility for the sale of unmarketable parcels to assist shareholders with small holdings sell their shares without having to incur brokerage fees. Investors who held a parcel of shares worth less than \$500 on 25 January 2013 were eligible to participate in the facility.

During the six month period to 31 December 2013, the Company finalised the sale of shares included under the facility and distributed the proceeds from the sale of small holdings to the participating shareholders. The completion of the Facility has allowed the Company to benefit from a reduction in administrative costs associated with maintaining a large and diverse register of members.

Convertible Notes Issue

During the period, the Company also entered into a series of convertible loans with various parties with a total value of \$1.19M (Loans). In accordance with the various loan agreements, the Loans were converted to Convertible Notes, each with a face value of \$10,000 each (Notes) following shareholder approval which was granted at the Company's annual general meeting held on 21 November 2013. Interest payable on the convertible notes is 8% per annum, payable quarterly in arrears and currently being capitalised with agreement with the noteholders.

AUDITORS DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 6 for the half-year ended 31 December 2013.

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



Stephen Baird
Director

Dated this 11th day of March 2014

RSM Bird Cameron Partners
8 St George's Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9101
www.rsmi.com.au

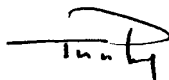
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Greenvale Mining N.L. for the half-year ended 31 December 2013, 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 Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 11 March 2014

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Note	Half-Year Ended 31 Dec 2013 \$	Half-Year Ended 31 Dec 2012 \$
REVENUE			
Interest Income	3	5,933	3,739
TOTAL REVENUE		<u>5,933</u>	<u>3,739</u>
Accounting and related fees		(13,212)	(31,207)
Directors and employees		(109,475)	(96,956)
Consultants and advisers		(32,829)	(64,003)
Compliance and legal fees		(64,460)	(34,666)
Exploration writedown		-	(168,897)
Other expenses		(48,378)	(40,542)
TOTAL EXPENSES		<u>(268,354)</u>	<u>(436,271)</u>
PROFIT BEFORE INCOME TAX		<u>(262,421)</u>	<u>(432,532)</u>
Income tax expense		-	-
PROFIT AFTER INCOME TAX		<u>(262,421)</u>	<u>(432,532)</u>
Other Comprehensive Income		-	-
Total Comprehensive Income		<u>(262,421)</u>	<u>(432,532)</u>
Basic and diluted loss per share (cents)		(0.41)	(1.14)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	As at 31 Dec 2013 \$	As at 30 June 2013 \$
CURRENT ASSETS			
Cash and cash equivalents		629,960	56,748
Trade and other receivables		112,835	60,643
TOTAL CURRENT ASSETS		<u>742,795</u>	<u>117,391</u>
NON-CURRENT ASSETS			
Exploration and evaluation expenditure		5,083,725	4,902,541
TOTAL NON-CURRENT ASSETS		<u>5,083,725</u>	<u>4,902,541</u>
TOTAL ASSETS		<u>5,826,520</u>	<u>5,019,932</u>
CURRENT LIABILITIES			
Trade and other payables		76,294	197,285
Convertible notes	4	1,190,000	-
TOTAL CURRENT LIABILITIES		<u>1,266,294</u>	<u>197,285</u>
TOTAL LIABILITIES		<u>1,266,294</u>	<u>197,285</u>
NET ASSETS		<u>4,560,226</u>	<u>4,822,647</u>
EQUITY			
Issued capital	5	11,306,406	11,306,406
Reserves		212,645	212,645
Retained losses		(6,958,825)	(6,696,404)
TOTAL EQUITY		<u>4,560,226</u>	<u>4,822,647</u>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	Issued Capital \$	Options Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2012	10,944,948	212,645	(6,195,533)	4,962,060
Contributing shares converted	19,782	-	-	19,782
Contributing shares Auctioned for fully paid shares	383,745	-	-	383,745
Share issue costs	(42,069)	-	-	(42,069)
Net (loss) for the half year	-	-	(432,532)	(432,532)
Balance at 31 December 2012	11,306,406	212,645	(6,628,065)	4,890,986
Balance at 1 July 2013	11,306,406	212,645	(6,696,404)	4,822,647
Net (loss) for the half year	-	-	(262,421)	(262,421)
Balance at 31 December 2013	11,306,406	212,645	(6,958,825)	4,560,226

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 2013

	Half-Year Ended	Half-Year Ended
	31 Dec 2013	31 Dec 2012
	\$	\$
	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(201,236)	(259,694)
Interest received	5,933	3,739
	<u> </u>	<u> </u>
NET CASH USED IN OPERATING ACTIVITIES	(195,303)	(255,955)
	<u> </u>	<u> </u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration expenditure	(181,584)	(33,967)
	<u> </u>	<u> </u>
NET CASH USED IN INVESTING ACTIVITIES	(181,584)	(33,967)
	<u> </u>	<u> </u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	361,458
Proceeds from issue of convertible notes	920,099	-
	<u> </u>	<u> </u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	920,099	361,458
	<u> </u>	<u> </u>
Net increase in cash held	543,212	71,536
Cash at the beginning of the financial year	86,748	183,738
	<u> </u>	<u> </u>
CASH AT THE END OF THE HALF-YEAR	629,960	255,274
	<u> </u>	<u> </u>

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Greenvale Mining N.L. is a Company domiciled in Australia. This interim financial report of the consolidated entity is for the half-year ended 31 December 2013.

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'. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with the International Financial Reporting Standards.

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 2013 and any public announcements made by Greenvale Mining NL 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.

NOTES TO THE FINANCIAL STATEMENTS

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$262,421 and net cash outflows from operating activities of \$195,303 and investing activities of \$181,584 for the half-year ended 31 December 2013. As at that date, the consolidated entity had net current liabilities of \$523,499.

These factors indicate significant uncertainty as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe after consideration of the above matters, there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- The ability to issue additional shares and/or convertible notes under the *Corporation Act 2001*;
- The convertible notes as disclosed in note 4 will not require a cash out flow until 31 August 2015 and are only classified as a current liability in the statement of financial position as at 31 December 2013 due to them being convertible by the note holder from 31 August 2014;
- The ability to enter into a joint venture or farm-in arrangement on its shale assets to conserve cash;
- The ability to dispose of some or all of its shale assets for cash; and
- The consolidated entity has the ability to scale down its operations in order to curtail expenditure, in the event that capital raisings or other funding strategies are delayed or insufficient cash is available to meet projected expenditure.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis of accounting in the preparation of this half-year financial report.

This half-year financial report does not contain any adjustments to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

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.

3. REVENUE

	Half-Year Ended 31 Dec 2013 \$	Half-Year Ended 31 Dec 2012 \$
Interest income	5,933	3,739

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

4. CONVERTIBLE NOTES

During the half-year, the consolidated entity issued convertible notes amounting to \$1,190,000. Of this amount, \$720,000 was provided by related parties. The key terms of the convertible notes are:

- At the election of the note holder, the full amount of the convertible note will convert into ordinary shares of the company;
- The convertible notes plus accumulated interest will be converted at the lesser of \$0.10 cents per share or 85% of the 5 day volume weighted average price of the company's ordinary shares on the ASX prior to the issue of the conversion notice by the note holder to the company;
- Each conversion share issued will have a free attached unlisted option to subscribe for an ordinary share in the company exercisable on or before 31 December 2018 at a price of \$0.10 per share; and
- The convertible notes can be converted, at any time after 31 August 2014 up until 5 business days after the maturity date of 31 August 2015.

5. ISSUED CAPITAL

	Number of Shares	\$
Movements in shares on issue		
At the beginning of the financial period	64,290,721	11,306,406
Shares issued during the half-year	-	-
At end of reporting period	64,290,721	11,306,406

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

7. DIVIDENDS

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

8. SUBSEQUENT EVENTS

Since 31 December 2013, there are no other items, transactions or events of a material and unusual nature likely, in the opinion of the Directors, 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 as set out on the preceding pages; are in accordance with the Corporations Act 2001, including:
 - (i) comply with Accounting Standard AASB 134 Interim Financial Reporting; and
 - (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date.
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.



Stephen Baird
Director

Dated this 11th day of March 2014

RSM Bird Cameron Partners
8 St Georges Terrace, Perth, WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9101
www.rsmi.com.au

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
GREENVALE MINING N.L.**

We have reviewed the accompanying half-year financial report of Greenvale Mining N.L. which comprises the statement of financial position as at 31 December 2013, 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 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 2013 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 Mining N.L., 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 Mining N.L., 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 Mining N.L. 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 2013 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*.

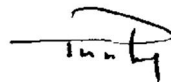
Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 in the financial report, which indicates that during the half-year ended 31 December 2013, the consolidated entity incurred a net loss of \$262,421 and had net cash outflows from operating activities of \$195,303 and investing activities of \$181,584. As at that date, the consolidated entity had net current liabilities of \$523,499.

These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 11 March 2014