



9 August 2019

Puja Patel
Adviser, Listings Compliance (Sydney)
ASX Limited
20 Bridge Street,
Sydney NSW 2000

By email: ListingsComplianceSydney@asx.com.au

Dear Ms Patel

Response to ASX letter dated 9 August 2019

We refer to your letter dated 9 August 2019 (copy attached) **(Letter)**.

We respond to the questions raised in the Letter as follows:

1. *Does GRV expect that it will continue to have negative operating cash flows for the time being and, if not, why not?*

Greenvale Energy Limited ("**GRV**" or "**the Company**") is a mining exploration entity and as such, it will have for the short to medium no income. Accordingly, GRV expects to continue to generate negative cash flows in the foreseeable future.

2. *Has GRV taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?*

The Company's quarterly activities statement lodged with the ASX on the 30th July 2019 included the following statement concerning a capital raising program that the Directors intend to undertake:

"Funding"

The Company is preparing for a capital raising process. Full details are expected to occur over prior the end of the next quarter.



Since the lodgement of the above announcement, the Company has appointed a law firm to assist in the preparation of a Prospectus.

The Board owns a substantial combined shareholding in the Company. To the extent possible, those Board members who own shares in the Company will support this capital raising initiative in respect of their own shareholdings. The Board is also confident that many of the larger shareholders will also support this capital raising program.

This raising will be sufficient to provide the Company with an adequate capital for the foreseeable future.

3. *Does GRV expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?*

The Board believes that the existing funds, plus the amounts to be raised under the proposed capital raising will be sufficient for the Company to meet its business objectives. The reasons for the success of the capital raising has been set out in point 2 above.

4. *Please confirm that GRV is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.*

The Company confirms its compliance with Listing Rule 3.1 and that all information relating to the Company's financial position has been released to the market.

5. *Please confirm that GRV's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of GRV with delegated authority from the board to respond to ASX on disclosure matters.*

The contents of this release has been approved by the Board.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Vince Fayad'.

Vince Fayad
Director and Company Secretary



9 August 2019

Reference: ODIN05026

Mr Vince Fayad
Company Secretary
Greenvale Energy Limited
Vince.fayad@vfassociates.com.au

By email: Vince.fayad@vfassociates.com.au

Dear Mr Fayad

Greenvale Energy Limited ('GRV'): Appendix 5B Query

ASX refers to GRV's Appendix 5B quarterly report for the period ended 30 June 2019 lodged with ASX Market Announcements Platform on 31 July 2019 (the 'Appendix 5B').

ASX notes that GRV has reported:

- negative net operating cash flows for the quarter of \$350,000;
- cash at the end of the quarter of \$360,000; and
- estimated cash outflows for the next quarter of \$282,000.

It is possible to conclude, based on the information in the Appendix 5B that if GRV were to continue to expend cash at the rate indicated by the Appendix 5B, GRV may not have sufficient cash to continue funding its operations.

In view of that, ASX asks GRV to respond separately to each of the following questions and requests for information:

1. Does GRV expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has GRV taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does GRV expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that GRV is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
5. Please confirm that GRV's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of GRV with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9 AM AEST Wednesday, 14 August 2019**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in GRV's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, GRV's obligation is to

disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and Listing Rule 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to GRV’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that GRV’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in GRV’s securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

Puja Patel
Adviser, Listings Compliance (Sydney)