31 July 2014

# Quarterly Activities Report
# June 2014

**Greenvale Mining NL (ASX: GRV)** is pleased to provide the following update on its activities for the June 2014 quarter and since;

**Highlights;**

- **Development of Strategic Options for Greenvale**
- **Appraisal of Multiple Asset and Technology Opportunities**

**Technology**

The Company has continued its activities to identify and assess suitable technologies to maximise the value of its in-ground shale assets.

**Strategic Planning**

The Company has increased the global screening of its peer group and related companies and is looking at these in conjunction with various strategic alternatives to ascertain the optimum positioning for Greenvale.

**Asset Management**

The management of Greenvale continue to search for opportunities to gain more acreage for appraisal and development. We are currently in the process of assessing assets where the yield is over 60 litres per tonne.

**Tenements**

Lowmead and Nagoorin

The Lowmead and Nagoorin tenement areas remained on a care and maintenance during the quarter.

The Nagoorin EPM 7721 is current to 21 March 2015. The area of the EPM encompasses MDL 234. The value of retaining the remaining sub-blocks of EPM 7721 outside the MDL 234 boundary will be assessed.

MDL 234 was granted in late October 2012 for a 5 year period commencing 1 November 2012. The MDL contains the Nagoorin resource within its boundaries. The tenement is subject to the Queensland Oil Shale policy released by the Queensland Government on 14 February 2013. Under the policy, development of an oil shale deposit by a "proposed oil shale technology unproven in Queensland, (it) will be assessed through a trial phase to ascertain whether the technology is meeting environmental standards. If this trial is successful, a staged approach towards commercialisation will be adopted." The normal project EIS process will still be required where an oil shale technology has been proven in Queensland.

Lowmead MDL 188 is current to 30 September 2011. In accordance with Section 197 (3) of the Mineral Resources Act 1989 a renewal for a 5 year term was lodged with the DME on 22 March 2011. The application is still with the Department. The MDL remains in force until the application is finalised by the Department.

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Field groundwater surveys at both Nagoorin and Lowmead commenced during the quarter. Eight bores at Lowmead and 20 bores at Nagoorin were surveyed in May and June respectively. The program has recommenced after a period 2 year period. A combination of wet weather resulting in adverse conditions preventing access together with administrative issues required by changes in requirements for land access to the monitoring sites was responsible for period of non-activity. MDL 234 land access notifications required by the DNRM were put in place to enable the completion of the surveys with no adverse response to the program. Drill site inspection was also undertaken at the time to monitor site rehabilitation. Ongoing maintenance will be required in some locations to maintain the bore site and access in a condition suitable for ongoing monitoring. Results will be reported in the statutory annual reports.

Alpha

The Company has commissioned a Geotechnical Report in respect of the Alpha Oil Shale Deposit with a view to developing its strategy for field development appraisal. This has been submitted to the Department of Mines for approval and underpins the Company's renewal application for MDL330, which is currently under review by the Department of Mines.

**Contact details**

For further information, please contact Stephen Baird, Executive Director on stephen.baird@hicog.com or Winton Willesee, Company Secretary on (08) 9389 3120 or winton@azc.com.au.

**Appendix A – Statement – SPE-PRMS Petroleum Resource Estimation – Nagoorin and Lowmead Projects**

**STATEMENT - SPE-PRMS PETROLEUM RESOURCE ESTIMATION - NAGOORIN**

The Petroleum Resource estimation is based on the discovered Petroleum Initially in Place (PIIP); estimated using polygonal blocks. The methodology used is a deterministic method where the JORC 2012 guideline levels of categorisation (Measured, Indicated and Inferred) quantify the range of uncertainty or confidence levels for the deposit. The estimate is based on the following constraints and data:

- Interpretation of intersected stratigraphy in 53 precollared cored and auger sample drill holes drilled to a maximum depth of 687 metres below surface for an aggregate 10,567 metres.
- The maximum depth for the estimate is 502 metres.
- In situ oil grade has been determined by modified Fischer Assay (ASTM D3940-90) on 3,716 core samples representing approximately 7,400 metres of cored material.
- An in situ grade cut-off of 50 litres per tonne at zero per cent moisture (LT0M) has been applied.
- The resource is contained within an elongate surface area of 18 square kilometres.
- A recovery factor of 0.95 has been used in this estimate based on recovery data from a number of conventional retort technologies operating and under development.
- The total estimate as at 28 March 2014 is apportioned to the tenement holders according to their beneficial interests in the Nagoorin deposit in Table 1.

**Table 1: SPE-PRMS Petroleum Resource Estimate.**

| Total Resources (million barrels) | Beneficial Interest | 1C | 2C | 3C |
|---|---|---|---|---|
| Greenvale | 67% | 211 | 634 | 1497 |
| QER | 33% | 104 | 312 | 737 |
| TOTAL | 100% | 315 | 946 | 2,234 |

Contingent Resources are those quantities of petroleum estimated, as of 28 March 2014, to be potentially recoverable from known accumulations using established technology or technology under development. Commercial recovery of oil from Nagoorin shale has not been established and as such the contingent resources cannot be classified as petroleum reserves. At Nagoorin, resource development is currently considered unclarified or not viable based on the current immature state of knowledge of commercial recovery due to one or more of the following contingencies.

- Development requires the application and grant of a mining lease and environmental approvals from the Queensland Government based on a commercial mine and processing proposal; i.e. legal, environmental, social and governmental factors for development have not been either established or approved.
- A commercial mine and processing development has not at this time been assessed against any current or forecast economic conditions to support commercial viability.
- Commercial recovery is dependent on the suitability of Nagoorin oil shale to be processed in current retorting technology or other technology under development.

**Competent Person Statement**

The petroleum resource estimates for EPM 7721 and MDL 234, Nagoorin Oil Shale Deposit provided in this statement were determined by Mr Graham Pope, a full-time employee of QER Pty Ltd, Brisbane, Australia, in accordance with Petroleum Resource Management System guidelines. Mr Pope is a Member of the Australian Institute of Geoscientists and is considered to be a qualified person as defined under the ASX Listing Rule 5.11 and has given his consent to the use of the resource figures in the form and context in which they appear in this statement.

**STATEMENT - SPE-PRMS PETROLEUM RESOURCE ESTIMATION - LOWMEAD**

The Petroleum Resource estimation is based on the discovered Petroleum Initially in Place (PIIP); estimated using polygonal blocks. The methodology used is a deterministic method where the JORC 2012 guideline levels of categorisation (Measured, Indicated and Inferred) quantify the range of uncertainty or confidence levels for the deposit. The estimate is based on the following constraints and data:

- Interpretation of intersected stratigraphy in 23 precollared cored and auger sample drill holes drilled to a maximum depth of 520 metres below surface for an aggregate 4,500 metres.
- The maximum depth for the estimate is 400 metres.
- In situ oil grade has been determined by modified Fischer Assay (ASTM D3940-90) on 1,233 core samples representing approximately 2,400 metres of cored material.
- An in situ grade cut-off of 50 litres per tonne at zero per cent moisture (50LT0M) has been applied.
- The resource is contained within an elongate surface area of 23 square kilometres.
- A recovery factor of 0.95 has been used in this estimate based on recovery data from a number of conventional retort technologies operating and under development.
- The total estimate as at 28 March 2014 is apportioned to the tenement holders according to their beneficial interests in the Lowmead deposit in Table 1.

**Table 1: SPE-PRMS Petroleum Resource Estimate.**

| Total Resources (million barrels) | Beneficial Interest | 1C | 2C | 3C |
|---|---|---|---|---|
| Greenvale | 50% | - | 100 | 335 |
| QER | 50% | - | 100 | 335 |
| TOTAL | 100% | - | 201 | 671 |

The level of investigation at Lowmead is at stage where the drill hole density does not support the estimation of 1C resources.

Contingent Resources are those quantities of petroleum estimated, as of 28 March 2014, to be potentially recoverable from known accumulations using established technology or technology under development. Commercial recovery of oil from Lowmead shale has not been established and as such the contingent resources cannot be classified as petroleum reserves. At Lowmead, resource development is currently considered unclarified or not viable based on the current immature state of knowledge of commercial recovery due to one or more of the following contingencies.

- Development requires the application and grant of a mining lease and environmental approvals from the Queensland Government based on a commercial mine and processing proposal; i.e. legal, environmental, social and governmental factors for development have not been either established or approved.
- A commercial mine and processing development has not at this time been assessed against any current or forecast economic conditions to support commercial viability.
- Commercial recovery is dependent on the suitability of Lowmead oil shale to be processed in current retorting technology or technology under development.

**Competent Person Statement**

The petroleum resource estimates for MDL 188, Lowmead Oil Shale Deposit provided in this statement were determined by Mr Graham Pope, a full-time employee of QER Pty Ltd, Brisbane, Australia, in accordance with Petroleum Resource Management System guidelines. Mr Pope is a Member of the Australian Institute of Geoscientists and is considered to be a qualified person as defined under the ASX Listing Rule 5.11 and has given his consent to the use of the resource figures in the form and context in which they appear in this statement.

**Appendix B – Tenement Schedule**

| Tenement | Interest |
|---|---|
| Lowmead (MDL 188) | 50% |
| Nagoorin (MDL 234) and (EPM 7721) | 67% |
| Alpha (MDL 330) | 99.99% |