

ASX Announcement

1 February 2023

Greenvale Secures \$4M Investment

Greenvale Energy Limited (ASX: **GRV**; “**Greenvale**” or “**the Company**”) is pleased to announce an institutional placement raising \$4 million (the “**Placement**”) by Pioneer Resource Partners, LLC (the “**Investor**”), a U.S.-based institutional investor. Proceeds from the Placement will be largely used by Greenvale to finalise its pre-feasibility study on the Alpha Torbanite Project and commence the pilot plant trial, as well as for general working capital requirements.

The Placement will raise \$4,000,000 as a prepayment of \$4,320,000 worth of ordinary shares in the Company (“**Shares**”) to be issued by the Company (“**Placement Shares**”) (the difference being the Investor’s premium) and is expected to be received in the next week.

A summary of the key terms of the subscription agreement between the Company and the Investor (“**Subscription Agreement**”) is set out in the annexure to this announcement.

The Company will issue Placement Shares, at the Investor’s request, within twenty-four months of the date of the related prepayment. The number of Placement Shares so issued by the Company will be determined by applying the Purchase Price (as described in the annexure) to the subscription amount, but subject to the Floor Price (as described in the annexure).

Commenting on the Placement, Greenvale Chairman, Mr. Neil Biddle said *“In the past year, we have made significant progress in Greenvale’s transition from minerals explorer to producer of carbon offset bitumen. 2023 will be an exciting year for Greenvale with the upcoming completion of its pre-feasibility study on the Alpha Torbanite Project in Q1 to be followed by commencement of the pilot plant. The investment made by Pioneer provides Greenvale with additional runway to achieve these milestones, and we are pleased that Pioneer has identified the potential of our goal to become the only sustainable, domestic and fully carbon offset producer of bitumen products.”*

Authorised for release

This announcement has been approved by the Board of Greenvale for release.

Contact

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Annexure: Summary of key terms of the Subscription Agreement

- **Initial Placement Shares and Fee Shares:** In consideration of the Investor's agreement to undertake the Placement, the Company:
 - will make an initial issuance of 2,800,000 Placement Shares from its capacity under Listing Rule 7.1, towards the ultimate number of Placement Shares to be issued. The Investor has the right to apply the initial Placement Shares towards the aggregate number of the Placement Shares to be issued by the Company;
 - alternatively, in lieu of applying the 2,800,000 initial Placement Shares towards the aggregate number of the Placement Shares to be issued by the Company, during the 24-month term of the Subscription Agreement, the Investor may make a further payment to the Company equal to the value of these shares at the Purchase Price (as described in the paragraph entitled "Terms of the Share issue" below); and
 - has agreed to issue 1,454,545 Shares from its capacity under Listing Rule 7.1 at a deemed issue price of \$0.11 per Share in satisfaction of a \$160,000 fee payable to the Investor.
- **Terms of the Share issue:** Subject to the Floor Price described below, the Purchase Price will initially be equal to \$0.35 (representing a premium of approximately 54% to the closing price of the Company's shares on 31 January 2023) and will reset after 20 March 2023 to the average of the five daily volume-weighted average prices selected by the Investor during the 20 consecutive trading days immediately prior to the date of the Investor's notice to issue Placement Shares less:
 - an 8% discount, if the Placement Shares are issued before the date that is twelve months after the execution date of the Subscription Agreement; or
 - a 10% discount if the Placement Shares are issued later than twelve months after the execution date of the Subscription Agreement,

rounded down to the nearest one tenth of a cent if the share price is at or less than twenty cents, or to the nearest cent otherwise.
- **Term:** Unless otherwise agreed to mutually extend this period, the Investor has 24 months in which to exercise its right to have Placement Shares issued by the Company.
- **Floor Price:** The Purchase Price will be the subject of the Floor Price of \$0.07. If the Purchase Price formula results in a price that is less than the Floor Price, the Company may forego issuing Shares and instead opt to repay the applicable subscription amount in cash (with a 9% premium), subject to the Investor's right to receive Placement Shares at the Floor Price in lieu of such cash repayment. The Purchase Price will not be the subject of a cap.
- **Repayment in cash:** Greenvale may, at its option (but will have no obligation to), repay the Placement in cash to the extent that Placement Shares in relation to the Placement have not been issued within twenty-four months of the date of the funding.

- **Right to early repayment:** Greenvale will have an additional right to repay the Placement in cash based on the market value of the underlying Placement Shares (with a 9% premium) at any time, subject to the Investor's right to have Placement Shares issued in relation to up to one third (33%) of the Placement. Greenvale does not have an obligation to repay the Placement in cash.
- **Termination:** The Subscription Agreement may be terminated by agreement of Greenvale and the Investor at any time and otherwise:
 - by either party, by notice to the other, effective immediately, if the funding has not been advanced within 15 business days of the date of execution of the Subscription Agreement (or such later date as the parties agree in writing);
 - by either party, by notice to the other party, effective on the thirtieth calendar day after the date of the notice, at any time after the date that is 30 calendar days after the date of the funding; or
 - by the Investor following an event of default or change in law as described in the Subscription Agreement.
- **Other terms and conditions:** The Company has provided a number of representation and warranties, which are considered to be customary for an agreement of this nature.