11 November 2019

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

By email: ListingsComplianceSydney@asx.com.au and puja.patel@asx.com.au

Dear Puja

RESPONSE TO APPENDIX 5B QUERY

We refer to your letter dated 5 November 2019, in relation to Greenvale Energy Limited ("**GRV**" or the "**Company**") quarterly report for the period ended 30 September 2019, copy attached ("**ASX Letter**").

On behalf of the Board of GRV, I respond to the questions raised in the ASX Letter (using the same numbering as that of the ASX Letter) as follows:

1. GRV is an exploration company and as such, it does expect to have continued negative operating cash flows arising from exploration activities and its operating costs and listed costs.

2. GRV has outlined in both its 30 June 2019 annual audited financial report and its Quarterly Activities Report dated 21 October 2019 which accompanied the Appendix 5B referred to in the ASX Letter that it intend to undertake a capital raising and that this initiative is to be supported by the Board of Directors. Set out below is the following relevant excerpts:

    - *Quarterly Activities Report* that the Company intended to proceed with a capital and rights issue.

    - Annual report – please refer to:

        - The Chairman's letter which states "…*In order to take the Company forward, a capital raising is currently proposed in order to fund its activities. Further details of this capital raising is expected to take place shortly*."

        - Note 1(B) – "…*The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern ….. after consideration of the following factors:*

- *as set out in note 26, the Company has since balance date announced that it intends to undertake a rights issue to all shareholders and that such rights issue is intended to be supported by the Directors to the extent of their shareholdings in the Company, to be approximately $450,000 of the anticipated rights issue of $1,200,000".*

In addition to the above, the Company has the capacity to utilise its available capacity under Listing 7.1 and Listing Rule 7.1A ("**Capacity Rules"**) to also raise capital and to the extent possible, will utilise such capacity.

3. GRV expects to continue its operations and meet its objectives by:

   - completing the proposed capital raising process from its shareholders as soon as possible. The Company has commenced preparation of the necessary documentation to required to support such as capital raising. As noted above, this capital raising is to be supported by the Directors of the Company; and

   - liaised with potential shareholders and investors to participate in a potential placement using its Capacity Rules.

4. The Company confirms that it is in compliance with Listing 3.1 and that there is no other information about its financial condition that should be provided to the ASX.

5. This response has been issued with the approval of the Board of GRV.

I trust that the attached deals with your requirements.

Yours sincerely

Vince Fayad
Company Secretary and Director
P: +61 2 8046 2799 or 0414 752 804
Email: vince.fayad@vfassociates.com.au

Attachment: ASX Letter dated 5 November 2019

5 November 2019

Reference: 10211

Mr Vince Fayad
Company Secretary and Director
Greenvale Energy Limited
Suite 6,
Level 5 189 Kent Street,
Sydney
NSW 2000

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 September 2019 lodged with ASX Market Announcements Platform on 21 October 2019 (the 'Appendix 5B').

ASX notes that GRV has reported:

- negative net operating cash flows for the quarter of $229,000;
- cash at the end of the quarter of $117,000; and
- estimated cash outflows for the next quarter of $90,000.

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 **9:00 AM AEST Monday, 11 November 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.

Yours sincerely

Puja Patel
Adviser, Listings Compliance (Sydney)