ASX Release **11 June 2020**

UPDATE ON GOLD BASIN PROJECT – ARIZONA, USA

Highlights

- Corporate structure for the Gold Basin Project is still not resolved, with the parties in dispute.
- Greenvale Energy is working with Aurum Exploration and New England Metals to resolve the dispute.
- Current year exploration expenditure for 100% of the Gold Basin Project has been estimated at approximately US$4 million, equating to US$1 million for Greenvale.

Greenvale Energy Limited (ASX: GRV or the Company) provides the following update on its dealings with Aurum Exploration Inc. (**Aurum**) and New England Metals Pty Ltd (**NEM**) in relation to the Gold Basin Project in Arizona, USA.

The Gold Basin Project is subject to a joint venture between Greenvale Gold Basin Pty Ltd ("**GGB**"), which holds a 50.01% interest in the Joint Venture, and Aurum, which holds the remaining 49.99% interest. GGB, in turn, is owned 50.01% by GRV's wholly-owned subsidiary, Greenvale Gold Pty Ltd (**GG)** and 49.99% by NEM.

Ownership of Aurum Exploration Inc

The Company has been informed that all the shares in Aurum have now been acquired by a Canadian private company. Accordingly, Aurum's 49.9% interest in the Gold Basin Project will now form part of a transaction with a Canadian-listed company.

Dispute concerning Joint Venture structure

After several months of negotiations, GGB and Aurum have not been able to agree on an ownership structure for the Joint Venture, and GRV regards the status as now being in dispute.

In addition, under the GGB Shareholder Agreement between NEM and GG, there is a requirement for Unanimous Board Resolution controls on GGB for certain corporate actions, including Joint Venture activities. NEM has issued a Breach Notice to GGB stating that it is a "defaulting shareholder" under the Shareholders' Agreement, as it did not effect a Unanimous Board Resolution prior to the dispatch of the proposed joint venture structure to Aurum.

The effect of being a "defaulting shareholder" would be that NEM would have the right to acquire GG's shareholding at 80% of "fair value". Fair value is to be determined by an independent valuer on a control basis.

Based on legal advice provided to the Company, the claim by NEM is considered to be frivolous having regard to the NEM Directors' strong involvement with the approval of various documentation surrounding the proposed joint venture structure prior to its dispatch to Aurum, and NEM's preference to transfer its interest to the Canadian company that owns Aurum.

GRV is working with both Aurum and NEM to try to resolve this dispute amicably and further details will be provided when available.

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Annual exploration expenditure

While no formal Joint Venture is in place and firm exploration budgets have not been set, the Canadian company that has acquired Aurum, inclusive of the Gold Basin Project, has estimated the 12-month exploration budget for 100% of the Gold Basin Project to be approximately US$4 million.

Based on an economic interest of approximately 25% in the Gold Basin Project, the Company's share of this cost is approximately US$1.0 million. The key nature of the work to be undertaken is around upgrading the Mineral Resource from Inferred to Indicated status.

Board approval

This announcement has been approved by the Board of the Company.

Contact details

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