

Greenvale Energy Announces Investment in Georgina Basin Exploration Project, Northern Territory and \$2.1m Capital Raising

Acquisition of 80% interest in Knox Resources Limited further advances Greenvale's investment diversification strategy in the mineral exploration sector

Highlights

- Acquisition of an 80% investment in privately owned exploration company Knox Resources Limited (**Knox**), which has secured an extensive package of Iron Oxide Copper-Gold (**IOCG**) exploration licences in the Georgina Basin in the Northern Territory.
 - The package successfully bid for by Knox encompasses a 4,475km² of Exploration Licences (EL's) located between Tennant Creek and Mount Isa which:
 - represents a low-cost entry to a significant longer-term district-scale exploration opportunity with low initial exploration commitments;
 - provides an opportunity to leverage off initiatives being progressed by the Northern Territory Geological Survey (**NTGS**), together with Geoscience Australia, aimed at unlocking the resource potential of various locations, including the Georgina Basin, by upgrading geophysical coverage through increased data accessibility as well as using federal funding under the MinEx Cooperative Research Centre's National Drilling Initiative (**NDI**);
 - includes areas where the NDI is looking to fund the drilling of two holes; and
 - has tenement commitments of just \$223k for 100% of the Exploration Licences for the next two years.
 - The purchase price for the initial 80% interest was satisfied by the issue of 9,473,684 Greenvale ordinary shares with Greenvale having the right to purchase the remaining 20% for a purchase price to be satisfied by the issue of 2,368,421 Greenvale shares.
 - Share placement completed to Biddle Partners Pty Ltd, a Knox shareholder, to raise \$19,152.23 to use for short-term working capital purposes.
 - The Company proposes to undertake a pro-rata Entitlement Offer (non renounceable - standard) to eligible shareholders on a 1:1 basis which is intended to be fully underwritten and will raise up to \$2.1 million before costs.
 - A meeting of shareholders will be convened to amongst other things to refresh the Company's existing placement capacity and to change the Company's name to "Greenvale Mining Limited".
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Greenvale Energy Limited (ASX: GRV or the Company) is pleased to announce the following investment, capital raising and corporate initiatives as it continues to progress its growth and diversification strategy in the minerals sector.

Investment in Georgina Basin Project, Northern Territory

Overview

As part of Greenvale's previously announced diversification strategy, the Company has acquired a 80% interest in privately owned exploration company, Knox, with the right to increase its interest to 100%.

Knox was the successful bidder for a package of Exploration Licences covering a total area of 4,475km² area located between Tennant Creek in the Northern Territory and Mount Isa in North Queensland, known as the Georgina Basin.

This under-explored district is prospective for the discovery of IOCG deposits. These types of deposits are an important and highly valuable global source of copper, gold and uranium, as well as having the potential to host other minerals including silver, bismuth, molybdenum, Rare Earth Elements (REE) and cobalt deposits.

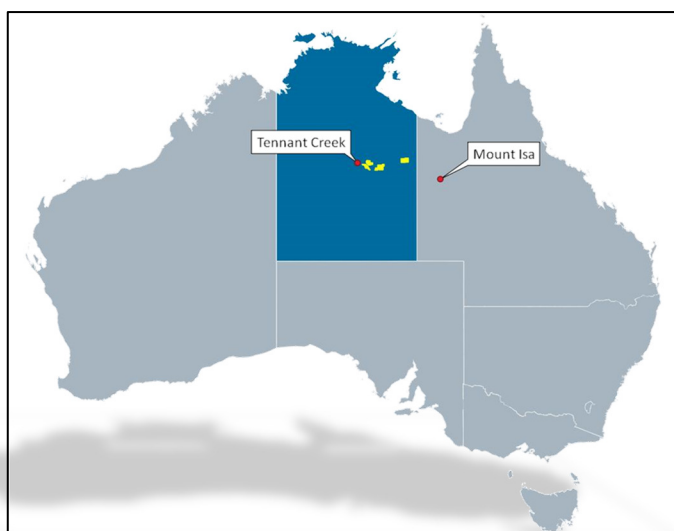


Figure 1. Location Map of the Georgina Basin.

The proposed acquisition represents a low-cost entry into a potentially significant longer-term district-scale IOCG exploration opportunity in the Georgina Basin which is consistent with the Company's established strategy of broadening and diversifying its mineral assets.

Background to the Georgina Basin

Following the establishment of government funding programs aimed at boosting mineral exploration in northern Australia, significant work has been undertaken to develop a better understanding of the mineral potential of this remote region.

The NTGS, together with Geoscience Australia and industry, have been progressing initiatives aimed at unlocking the resource potential of the Barkly and Gulf regions (which includes the Georgina Basin) by upgrading geophysical coverage through increased data accessibility as well as using federal funding under the NDI, to encourage exploration activity in these areas by way of greenfield exploration grants.

This work culminated in the release of an IOCG Potential Mineralisation Assessment of the Tennant Creek-Mount Isa region by Geoscience Australia in September 2019 which was designed to assist in understanding the potential for large-scale IOCG mineral systems within the Georgina Basin.

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In October 2019, a competitive tender process was conducted for Exploration Licences in the Georgina Basin. Following a detailed analysis of available data, including Geoscience Australia's IOCG Prospectivity Map Information, Knox successfully applied for four separate areas covering a total of 4,475km² across nine Exploration Licences, 7 of which are now subject to normal approval procedures and 2 subject to land-owner negotiations.

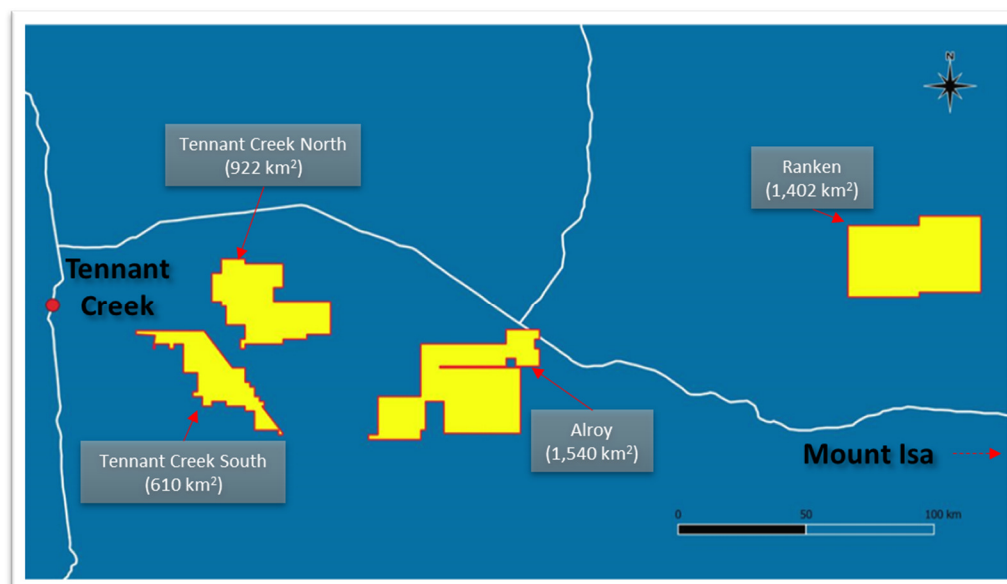


Figure 2 Areas successfully applied for by Knox in the Georgina Basin

Knox's proposed work program

As part of the Georgina Basin Project tender, 12 sites have been reserved for a government stratigraphic drilling program which will be fully funded by the NDI, including two locations on areas allocated to Knox.

Given current restrictions on access into remote locations due to the COVID-19 pandemic, the commencement date and duration of this drill program are unknown at this time.

During the first year of the granted Exploration Licences, Knox proposes to focus on the aggregation and interpretation of existing geophysical and exploration data and the assessment of drilling results, when obtained, with a view to prioritising target areas for later on-ground exploration activities.

The Exploration Licences

Knox has been allocated four separate areas under its successful application that are under nine Exploration Licences, 7 of which are undergoing the normal approval procedures and 2 subject to land-owner negotiations. The current status of the Exploration Licences is summarised in **Appendix 1**.

Tenement commitments

The total exploration commitments for the first two years for the 7 Exploration Licences not subject to land-owner negotiations total a maximum of \$223,200.

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About Knox

Knox is a privately owned minerals exploration company established by two highly experienced and successful Western Australian exploration geologists and mining executives, Neil Biddle and John Young. Knox is solely focused on exploration for large-scale mineral deposits in the Tennant Creek-Mount Isa region of northern Australia.

Acquisition and key terms

The consideration for the acquisition is as follows:

- For the first 80% shareholding in Knox, the issue of 9,473,684 Greenvale shares at an issue price of 1.9 per share valuing the acquisition at \$180,000; and
- Subject to completion of an Entitlement Offer (see below), for the remaining 20% the issue of a further 2,368,421 Greenvale shares at an issue price of 1.9 per share, valuing the transaction at \$45,000.

Key terms include:

- the Board intends to seek to have the proposed Entitlement Offer of \$2.1m fully underwritten. However, a minimum raising of \$1 million is a condition of completing the remaining 20% of Knox;
- Warranties on corporate activities provided by Knox;
- Warranties as to the ownership of the various licences and the shares, including that they are unencumbered;
- Tax indemnities; and
- In the event that Greenvale cannot complete the acquisition of the remaining 20% of Knox for whatever reason, including being unsuccessful in raising a minimum of \$1.0m under the Entitlement Offer or failing to obtain shareholder approval for the issue of Greenvale shares in consideration for the acquisition of the remaining 20% of Knox, a shareholders' agreement will be entered into between Greenvale and the Knox shareholders. The shareholders agreement will cover the usual matters including pre-emptive rights on a sale of shares in the company, appointment of directors, the company's dividend policy and funding of the company and tag along and drag along rights.

Approval required

No shareholder approval is considered necessary for the initial purchase. The initial purchase of 80% of the shares in Knox is considered to be a relatively modest investment having regard to Greenvale's current financial position and market capitalisation. The initial purchase represents less than 10% of Greenvale's key metrics, as shown in **Appendix 2**.

It is also noted that the acquisition would represent an even smaller percentage of Greenvale's net assets assuming that the Company's Entitlement Offer successfully raises a minimum amount of \$1 million.

Placement

In addition to the above, as part of the acquisition, Biddle Partners Pty Ltd, a Knox shareholder has participated in a placement of 1,008,012 Shares at 1.9 cents per share for a cash amount of

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\$19,152.23. The placement will be within the Company's existing placement capacity under ASX Listing Rule 7.1. Biddle Partners Pty Ltd and its related entities are not related persons of the Company for the purposes of the ASX Listing Rules.

Capital raising

Overview:

As previously outlined, the Company intends to undertake a fully underwritten pro-rata entitlement offer (non renounceable – standard) to eligible shareholders (**Entitlement Offer**). The Entitlement Offer will only be made to shareholders with a registered address in Australia and New Zealand (**Eligible Shareholders**) and will not be made to shareholders whose registered address is not in Australia or New Zealand unless otherwise determined by the Company (**Ineligible Shareholders**). The Company has made an application to ASIC to exercise its power under subsection 655A(1)(b) of the Act so that the Entitlement Offer need only be made to the Eligible Shareholders.

The Entitlement Offer is proposed to be undertaken on a 1-for-1 basis at 1.9 cents for each new share. In the event that the Entitlement Offer is fully subscribed, a total amount of \$2.1 million (before transaction costs and excluding the Intelligible Shareholders) is expected to be raised.

The Entitlement Offer will be a pro-rata offer and therefore will come within exception 1 to ASX Listing Rule 7.1. The Company will release further details regarding the Entitlement Offer when available.

Use of funds

An indicative use of the funds proposed to be raised in the Entitlement Offer is set out below:

	Note	\$000
Entitlement Offer Costs, including underwriter fees	(a)	218
Alpha Resource Project	(b)	400
Gold Basin Project	(c)	700
Georgina Basin Project	(d)	223
Payment of outstanding Directors' fees		197
Working capital		405
Total		2,143

Notes

- (a) Assumes that the Entitlement Offer is fully underwritten and includes share registry fees, ASIC fees and cost of the underwriter.
- (b) Is based on the bulk sampling exercise to be undertaken by SRK and set out in the announcement dated 7 May 2020. Other costs such as rental and tenement manager fees have been included in this estimate.
- (c) Assumes that the Gold Basin joint venture moves with an upgrade of the resource category and is based on Greenvale's 25% economic interest. As noted in the Company's announcement dated 11 June 2020, GRV's share of the expected exploration costs is to be US\$1 million. Further funding will need to be obtained in the event that the Company continues to pursue this investment.
- (d) As the Company's cash resources are low, the Company will look for a short term loan to finance the activities of the Company for the period of 1 June to 31 July 2020. These costs

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include audit and other administrative costs. Directors' fees are assumed to continue to accrue.

Pro forma Capital structure

Assuming that all of the above issues have been undertaken, the pro-forma capital structure of the Company is set out below:

	No of Shares
Current issued capital	106,212,500
Less	
Ineligible Shares	3,862,294
Total Eligible Shares	102,350,206
Acquisition of Knox - 80%	9,473,684
Placement to Knox shareholders	1,008,012
Issued capital prior to Entitlement Offer and excluding the Ineligible Shareholders	112,831,902
Offer Entitlement	112,831,902
Ineligible Shares	3,862,294
Total shares	229,526,098
Balance of the acquisition of Knox	2,368,421
Total shares on issue plus Entitlement Offer	231,894,519

Shareholders meeting

Consistent with the Board's desire to progress with its various investments, the Company intends to hold a shareholders' meeting as soon as possible to seek shareholders' approval to:

- refresh the Company's placement capacity under the ASX's Listing Rules;
- obtain approval for the issue of 2,368,421 Greenvale shares for the remaining 20% shareholding in Knox on the basis that a minimum of \$1.0m is raised under the Entitlement Offer;
- approve an issue of 1,666,666 ordinary shares to Mr Khouri at an issue price of \$0.03 per share to satisfy a bonus due to Mr Khouri of \$75,000 for the additional executive work undertaken by Mr Khouri over the last four years;
- approve an issue of 2,500,000 ordinary shares to Mr Fayad at an issue price of \$0.03 per share to satisfy a bonus due to Mr Fayad of \$75,000 for the additional executive work undertaken by Mr Fayad over the last four years; and
- change the name of the company to "Greenvale Mining Limited".

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The Company has no full time executive staff so additional work has had to be undertaken by these two directors.

Indicative timetable for the Entitlement Offer and General Meeting

Below is an indicative timetable for the Entitlement Offer and General Meeting:

Event	Date
Lodgement of Prospectus with ASIC and ASX	29 June 2020
Ex Date	6 July 2020
Record Date	7 July 2020
Anticipated despatch of Prospectus and Notice of Meeting	10 July 2020
Offer Opening Date	10 July 2020
Offer Closing Date	24 July 2020
New Shares quoted on deferred settlement basis	27 July 2020
Issue of New Shares	29 July 2020
Anticipated date for despatch of holding statements for New Shares	29 July 2020
Anticipated trading of quotation of New Shares on ASX and trading commences	31 July 2020
Date for General Meeting to be held	10 August 2020

Note: all dates are indicative and subject to change.

Board Approval

This announcement has been approved for release by the Board.

Contact details

For further information, please contact:

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Director and Company Secretary

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Status of the Exploration Licences

Exploration Licences	Status
32281 32282, 32283, 32285, and 32286	Completed statutory advertising period and awaiting grant
32295 and 32296	Awaiting completion of statutory advertising period which expires on 26 July 2020. If no objection then the licences will be ready to be granted
32280 and 32284	Located on indigenous freehold land and permission to negotiate suitable terms with land-owners has been granted. Negotiations must take place within the Negotiating Period which expires on 31 October 2022.

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Greenvale Energy Limited

Financial metrics as a result of the proposed acquisition of Knox Resources

A		B	C	E
Particulars	Note	Before transaction	Increase/Decrease due to transaction*	Percentage change due to transaction*
Method of Calculation			Actual Increase/Decrease due to transaction	C/B
Total Consolidated Assets	(a)/ (e)	2,494,521	378,947.37	15.19%
Total Consolidated Equity Interests	(a)	2,130,226	378,947.37	17.79%
Total Securities on Issue	(c)	106,212,500	9,473,684	8.92%
Exploration expenditure	(b) / (c) /(g)	1,970,000	178,400	9.06%
Consolidated Annual Loss before tax and extraordinary items	(b)	423,929	40,000	9.44%
Market capitalisation	(c)	3,186,375.0	284,211	8.92%

Notes

- (a) Extracted from the 31 December 2019 half yearly accounts.
- (b) Extracted from the 30 June 2019 accounts.
- (c) Given that only 80% of Knox shares are to be purchased and the Knox shareholders are liable for funding of their interests, only 80% of the costs have been taken into consideration. Moreover, Greenvale is only liable for the remaining 20% of costs upon achievement of the milestone for the Entitlement Offer.
- (d) Based on a share price of 4 cents.
- (e) Transaction has been based on the current share price at 4.0 cents
- (f) Minor loss for ongoing costs has been assumed.
- (g) Exploration costs has been assumed to be \$223,000 for the term of the tenement.

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