# GREENVALE MINING N.L.

A.B.N. 54 000 743 555

# INTERIM REPORT
# HALF YEAR ENDING
# 31 DECEMBER 2010

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2010.

GREENVALE MINING N.L.
A.B.N. 54 000 743 555

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# CORPORATE DIRECTORY

## DIRECTORS
Elias Khouri (Non-Executive Chairman) *(Appointed 7 February 2011)*
Gabriel Lorentz (Non-Executive Director)
Joseph Obeid (Non-Executive Director)
Robert Grover (*Resigned 7 February 2011*)

## COMPANY SECRETARY
Winton Willesee

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## SHARE REGISTRY
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## AUDITORS
RSM Bird Cameron Partners
Level 12, 60 Castlereagh Street
Sydney NSW 2000

# DIRECTORS REPORT

Your directors submit the financial report of Greenvale Mining NL for the half-year ended 31 December 2010.

## DIRECTORS

The names of directors who held office during or since the end of the half-year are:

Elias Khouri (Non-Executive Chairman) *(Appointed 7 February 2011)*
Gabriel Lorentz (Non-Executive Director)
Joseph Obeid (Non-Executive Director)
Robert Grover *(Resigned 7 February 2011)*

## REVIEW OF OPERATIONS

During the period the Company continued to explore for minerals and review technologies for the processing of oil shale.

## AUDITORS DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 4 for the half-year ended 31 December 2010.

This report is signed in accordance with a resolution of the Board of Directors.

Joseph Obeid
Director
Dated this 14 day of March 2011

**RSM Bird Cameron Partners**
Chartered Accountants

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## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Greenvale Mining N.L. for the half year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM Bird Cameron

**RSM BIRD CAMERON PARTNERS**
Chartered Accountants

**W E Beauman**
Partner

Sydney, New South Wales
Dated: 11 March 2011

## GREENVALE MINING N.L.
## A.B.N. 54 000 743 555

## STATEMENT OF COMPREHENSIVE INCOME
## FOR THE HALF YEAR ENDED 31 DECEMBER 2010

| | Note | Half Year Ended 31 Dec 2010 $ | Half Year Ended 31 Dec 2009 $ |
|---|---|---|---|
| Interest Income | | 7,710 | 8,399 |
| Gain on sale of shares | | - | 22,500 |
| Unrealised gains | | - | - |
| Other Income | | - | 5,252 |
| **TOTAL REVENUE** | | 7,710 | 36,151 |
| | | | |
| Accounting and related fees | | (31,985) | (26,721) |
| Directors | | (62,114) | (86,042) |
| Employees, Consultants and Advisers | | (54,000) | (87,943) |
| ASX Listing and Associated Costs | | (21,117) | (12,477) |
| Interest expenses | | (29,051) | (37,351) |
| Other | | (50,246) | (70,525) |
| **TOTAL EXPENSES** | | (248,513) | (321,059) |
| | | | |
| **PROFIT (LOSS) BEFORE INCOME TAX** | | (240,803) | (284,908) |
| | | | |
| Income tax | | - | - |
| | | | |
| **PROFIT (LOSS) AFTER INCOME TAX** | | (240,803) | (284,908) |
| | | | |
| Other Comprehensive income | | 58,887 | - |
| | | | |
| Total Comprehensive income | | (181,916) | (284,908) |
| | | | |
| Basic loss per share (cents) | | (0.64) | (1.31) |

The Statement of Comprehensive Income is to be read in conjunction
with the attached notes to the financial statements

**GREENVALE MINING N.L.**
**A.B.N. 54 000 743 555**

## STATEMENT OF FINANCIAL POSITION
## AS AT 31 DECEMBER 2010

| | Note | 31 December 2010 $ | 30 June 2010 $ |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | | 236,699 | 383,103 |
| Receivables | | 54,553 | 55,207 |
| **TOTAL CURRENT ASSETS** | | 291,252 | 438,310 |
| | | | |
| **NON-CURRENT ASSETS** | | | |
| Investments | | 99,998 | 41,110 |
| Intangible assets – Exploration and evaluation expenditure | | 2,222,291 | 2,200,464 |
| **TOTAL NON-CURRENT ASSETS** | | 2,322,289 | 2,241,574 |
| | | | |
| **TOTAL ASSETS** | | 2,613,541 | 2,679,884 |
| | | | |
| **CURRENT LIABILITIES** | | | |
| Payables | | (59,287) | (27,538) |
| Interest bearing loan from associate | | (852,310) | |
| **TOTAL CURRENT LIABILITIES** | | (911,597) | (27,538) |
| | | | |
| **NON-CURRENT LIABILITIES** | | | |
| Interest bearing loan from associate | | - | (897,352) |
| **TOTAL NON-CURRENT LIABILITIES** | | - | (897,352) |
| | | | |
| **TOTAL LIABILITIES** | | (911,597) | (924,890) |
| | | | |
| **NET ASSETS** | | 1,701,944 | 1,754,994 |
| | | | |
| **EQUITY** | | | |
| Issued capital | 5 | 6,924,291 | 6,795,425 |
| Fair value reserves | | 66,664 | 7,777 |
| Retained losses | | (5,289,011) | (5,048,208) |
| | | | |
| **TOTAL EQUITY** | | 1,701,944 | 1,754,994 |

The Statement of Financial Position is to be read in conjunction with the attached notes to the financial statements

## STATEMENT OF CHANGES IN EQUITY
## FOR THE HALF YEAR ENDED 31 DECEMBER 2010

| | Issued Capital $ | Fair Value Reserve $ | Accumulated Losses $ | Total Equity $ |
|---|---|---|---|---|
| Balance at 1 July 2009 | 6,447,436 | - | (4,530,899) | 1,916,537 |
| Net (loss) for the half year | - | - | (284,908) | (284,908) |
| Balance at 31 December 2009 | 6,447,436 | - | (4,815,807) | 1,631,629 |
| Balance at 1 July 2010 | 6,795,425 | 7,777 | (5,048,208) | 1,754,994 |
| Change in fair value of financial assets recognised through reserves | - | 58,887 | - | 58,887 |
| Issue of shares | 323,566 | - | - | 323,566 |
| Applications for share issue | (194,700) | - | - | (194,700) |
| Net (loss) for the half year | - | - | (240,803) | (240,803) |
| Balance at 31 December 2010 | 6,924,291 | 66,664 | (5,289,011) | 1,701,944 |

The Statement of Changes in Equity is to be read in conjunction with the attached notes to the financial statements

## GREENVALE MINING N.L.
## A.B.N. 54 000 743 555

### STATEMENT OF CASH FLOWS
### FOR THE HALF YEAR ENDED 31 DECEMBER 2010

| | Note | Half Year Ended 31 Dec 2010 $ | Half Year Ended 31 Dec 2009 $ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Payments to suppliers and employees | | (186,827) | (440,506) |
| Interest received | | 7,710 | 8,339 |
| Interest paid | | (74,327) | - |
| **NET CASH USED IN OPERATING ACTIVITIES** | | (253,444) | (432,167) |
| | | | |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Payments for exploration expenditure | | (21,826) | (52,597) |
| Sale of silver nugget | | - | 22,500 |
| **NET CASH USED IN INVESTING ACTIVITIES** | | (21,826) | (30,457) |
| | | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from issue of shares | | 128,866 | - |
| **NET CASH USED IN FINANCING ACTIVITIES** | | 128,866 | - |
| | | | |
| Net increase/(decrease) in cash held | | (146,404) | (462,624) |
| Cash at the beginning of the financial year | | 383,103 | 794,724 |
| **CASH AT THE END OF THE HALF YEAR** | | 236,699 | 332,100 |

The statement of cash flows is to be read in conjunction
With the attached notes to the financial statements

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Greenvale Mining N.L. is a company domiciled in Australia. This interim financial report of the Company is for the half year ended 31 December 2010.

### BASIS OF PREPARATION

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International accounting standards.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2010 and any public announcements made by Greenvale Mining N.L. during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entity and are consistent with those in the annual financial report for the year ended 30 June 2010.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

**Going Concern**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Company incurred a loss of $240,803 and had net cash outflows from operating activities of $253,444 for the period ended 31 December 2010. As at that date the Company had net current liabilities of $620,345. The Company will require further capital or alternative funding in February 2012 in order to fund operational and exploration activities.

These factors indicate significant uncertainty as to whether the Company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the Company will be able to continue as a going concern, after consideration of the following factors:

- The Company raised $1.3M in February 2011 from the prospectus which was issued in December 2010.
- The unsecured loan, including interest, of $857,204 from Minga Pty Ltd was repaid subsequent to year end from the capital raised.

- As reflected in the statement of financial position as at 31 December 2010, the Company has cash and cash equivalents of $236,699.
- The ability to make a call on the partly paid shares if required.
- The ability to issue of additional shares under the Corporations Act 2001; and
- The ability to transact on its shale asset in a manner that conserves cash or brings cash to the Company.

Accordingly, the Directors believe that the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Company does not continue as a going concern.

**Reporting Basis and Conventions**

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

## 2. SEGMENT INFORMATION

This report is based on the Company operating on one segment only. That segment is minerals exploration in Australia. In accordance with AASB 8 *Operating Segments,* a management approach to reporting has been applied. The information presented in the Statement of Comprehensive Income and the Statement of Financial Position reflects the sole operating segment.

| | 2010 | 2009 |
|---|---|---|
| Revenue from external customers | - | - |
| Interest & other miscellaneous income | 66,597 | 36,151 |
| Total | 66,597 | 36,151 |
| | | |
| Non-Current assets | 2,322,289 | 2,138,966 |

The Company being in the exploration phase of mining does not have any external customers.

## 3. EVENTS SUBSEQUENT TO BALANCE DATE

On 27 January 2011, the Company announced the acceptance and allotment of the rights issue from shareholders for 7,546,059 shares.

On 1 February 2011, the Company announced the issue and allotment of the rights issue shortfall. Subsequent to that the Company repaid its loan from Minga Pty Ltd in full.

On 7 February 2011, the Company announced the appointment of Mr Elias Khouri as a director of the Company and the resignation of Mr Robert Grover as a director.

Since balance date there are no other items, transactions or events of a material and unusual nature likely, in the opinion of the Directors, to affect significantly, the results of those operations, or the state of affairs of the Company in future financial years

## 4. CONTINGENT LIABILITIES

There have been no material changes in contingent liabilities since the last reporting date.

## 5. ISSUED CAPITAL

During the period 5,381,429 ordinary shares were issued as a result of the Placement announced in May 2010 and subsequently being completed in July 2010 and August 2010.

# DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes as set out on pages 5 to 11;

   (i) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and

   (ii) give a true and fair view of the economic entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Joseph Obeid
Director
Dated this 14th day of March 2011

**RSM! Bird Cameron Partners**
Chartered Accountants

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## INDEPENDENT AUDITOR'S REVIEW REPORT

## TO THE MEMBERS OF

## GREENVALE MINING N.L.

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Greenvale Mining N.L. which comprises the statement of financial position as at *31 December 2010*, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Greenvale Mining N.L., ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Greenvale Mining N.L., would be in the same terms if given to the directors as at the time of this auditor's review report.

**RSM! Bird Cameron Partners**
Chartered Accountants

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Greenvale Mining N.L is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the company's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

*Material Uncertainty Regarding Continuation as Going Concern*

Without qualifying our conclusion above, we draw attention to Note 1 in the financial report which indicates that the company incurred a net loss of $240,803 and had net cash outflows from operating activities of $253,444 for the half year ended 31 December 2010 and has net current liabilities of $620,345 as at that date. These conditions along with other matters as set forth in Note 1 indicate the existence of a material uncertainty which may cast doubt about the company's ability to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

RSM Bird Cameron

**RSM BIRD CAMERON PARTNERS**
Chartered Accountants

**W E Beauman**
Partner

Sydney, New South Wales
Dated: 14 March 2011