



GREENVALE MINING NL

A.B.N. 54 000 743 555

2014

ANNUAL REPORT

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DIRECTORS

Elias Khouri (Non-Executive Chairman)
Stephen Baird (Executive Director) *Appointed 14 October 2013*
Kris Knauer (Non-Executive Director) *Appointed 9 April 2014*
Joseph Obeid (Non-Executive Director)

COMPANY SECRETARY

Winton Willesee

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SHARE REGISTRY

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Sydney, NSW 2000

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AUDITORS

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8 St Georges Terrace
Perth, WA 6000

SOLICITORS TO THE COMPANY

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Level 4, Read Building
16 Milligan Street
Perth, WA 6000

STOCK EXCHANGE

Australian Securities Exchange
2 The Esplanade
Perth, WA 6000

ASX Code: GRV

The Directors present this report together with the financial report of Greenvale Mining NL ("Greenvale" or "the Company") and its subsidiary (the "Group") for the year ended 30 June 2014 and the auditors' report thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

Elias Khouri (Non-Executive Chairman)

Stephen Baird (Executive Director) *Appointed 14 October 2013*

Kris Knauer (Non-Executive Director) *Appointed 9 April 2014*

Joseph Obeid (Non-Executive Director)

Gabriel Lorentz (Non-Executive Director) *Resigned 21 November 2013*

DIRECTORS' REPORT

MR ELIAS KHOURI

Chairman

Mr Khouri has been involved in international financial equity markets since 1987 through his involvement in a wide range of companies listed on the ASX, AIM, TSX, NYSE, NASDAQ, and/or the Frankfurt Stock Exchange.

Through Mr Khouri's extensive experience in the equity markets he has developed expertise in the corporate finance, advisory, capital raisings, joint venture and farm-in negotiations for both listed and unlisted companies.

Mr Khouri has provided advisory services to a number of companies across a breadth of industries ranging from Bio-technology, funds management, telecommunications, media and entertainment, and the mining industry.

Mr Khouri has not held any directorships with listed companies over the last three years.

MR STEPHEN BAIRD

Executive Director

(Appointed 14 October 2013)

Qualifications: BA

Mr Baird has over twelve years' experience in energy and heavy industry and seven years with Heritage Oil PLC, where he was VP of Special Projects during a period when the company developed from a microcap into a GBP500 million capitalised company listed on the London Stock Exchange. He then spun a deep-water rig concept out of Heritage Oil, creating the UDW drilling contractor, SeaDragon Offshore Ltd, of which he served as Chairman and Chief Executive. The company completed two of the largest drilling units in the world with a total asset value of in excess of \$2 billion. Stephen has a proven track record of delivering project finance, technical project delivery and long term commercial contracts for emerging and progressive energy sector technologies.

Mr Baird is based in the UK and approached Greenvale following an extensive review of global oil shale opportunities. He has a mandate from the Greenvale Board to commercialise the Company's current oil shale projects and expand the Company's oil shale portfolio with a view to transforming Greenvale into a significant oil shale company.

Mr Khouri has not held any directorships with listed companies over the last three years.

MR JOSEPH OBEID

Non-Executive Director

Mr Obeid has extensive business development, operational and management experience across a wide range of industries. He has particular expertise in identifying business opportunities together with the development and implementation of effective business strategies to ensure optimum profitability.

Mr Obeid is a former director of Boss Resources Limited. Other than his role at Boss Resources Limited, Mr Obeid has not held any directorships with listed companies over the last three years.

DIRECTORS' REPORT

MR KRIS KNAUER

Non-Executive Director

(Appointed 9 April 2014)

Qualifications: B. Sc. (Hons)

Mr Knauer joined the Board of Greenvale with a wealth of experience in project acquisition and evaluation, particularly in the resources sector. He has a Bachelor of Science (Honours) in Geology and spent 5 years working in the oil and gas industry as a geologist.

Mr Knauer also has over 15 years' experience in finance and corporate advisory. He is currently Executive Director Equities at Novus Capital Limited with a key focus on smaller listed companies.

Mr Knauer is currently the Executive Chairman of Esperance Minerals Limited, Non-Executive Chairman of Astro Resources NL, a director of BioProspect Limited and a former director of Citadel Resource Group Limited.

Other than the above, Mr Knauer has not held any directorships with listed companies over the last three years.

MR GABRIEL LORENTZ

Non-Executive Director

(Resigned 21 November 2013)

Qualifications: LLB

Mr Lorentz was previously a director of Amad NL which discovered the Naberlek uranium deposit. Another company where Mr Lorentz was previously a director, Pexa Oil NL, was involved in the production of oil and gas in Queensland. He was also a director of Wambo Mining NL, which operates a coal mine near Singleton, NSW. Mr Lorentz had a private mineral exploration company which discovered Porgera in Papua New Guinea.

Mr Lorentz is also a Director of Esperance Minerals NL (appointed 26 June 1974) and is a former director of East Coast Minerals NL. Other than the above, Mr Lorentz has not held any directorships with listed companies over the last three years.

COMPANY SECRETARY

Mr Winton Willesee

Qualifications: BBus, DipEd, PGDipBus, MCom., FFin, CPA, MAICD, ACIS/ACSA

Mr Willesee is an experienced company director and company secretary. Mr Willesee brings a broad range of skills and experience in strategy, company development, corporate governance and corporate finance.

Mr Willesee holds a Master of Commerce, Post-Graduate Diploma in Business (Economics and Finance), a Graduate Diploma in Applied Corporate Governance, a Graduate Diploma in Applied Finance and Investment, a Graduate Diploma in Education and a Bachelor of Business. He is a Fellow of the Financial Services Institute of Australasia, A Member of CPA Australia and a Chartered Secretary.

DIRECTORS' MEETINGS

During the financial year, six meetings of directors were held. Attendance by each director was as follows:

Director	Board Meetings	
	Meetings attended	Meetings held whilst in office
Mr Khouri	6	6
Mr Baird	5	5
Mr Obeid	6	6
Mr Knauer	2	2
Mr Lorentz	1	1

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each key management person of the Group. Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the Directors of the Company and Secretary of the Company. The Company does not have any other specified executives.

Compensation levels for key management personnel and secretaries of the Company are competitively set to attract and retain appropriately qualified and experienced directors and executives. The full Board in its capacity as the Remuneration Committee obtains advice on the appropriateness of compensation packages of the Company given trends in comparative companies both locally and internationally.

The remuneration policy of the Company has been designed to remunerate the directors and key management personnel based upon their skills and contributions to the Company. The Board's policy for determining the nature and amount of remuneration for key management personnel of the Company is encapsulated in the Remuneration Committee Charter.

Executive directors may be remunerated with equity incentives along with base cash payments and the opportunity to earn a bonus payment in suitable circumstances.

Whilst Non-Executive Directors do not commonly receive performance related compensation, given the size and nature of the Company and the involvement of the Non-Executive Directors in certain circumstances

DIRECTORS' REPORT

performance related remuneration may be deemed appropriate. Directors' fees cover all main Board activities and membership of committees.

The relationship between remuneration and performance has been designed to ensure the Company is appropriately resourced to meet its strategic goals within the context of the availability of capital. In accordance with this strategy a number of key management personnel have agreed to receive remuneration by way of equity.

Voting and comments made at the company's 2013 Annual General Meeting (AGM)

At the 2013 AGM, 99.7% of the votes received supported the adoption of the remuneration report of the year ended 30 June 2013. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Key Management Personnel	Position Held as at 30 June 2014	Contract Details	Remuneration	Incentives
Mr Stephens Baird	Executive Director (Appointed 14 October 2013)	\$60,000 per annum paid and \$500 per day for services in excess of 8 days per month until terminated by written notice.	\$60,000 per annum paid via 6 Convertible notes valued at \$10,000 per note for first 12 months of contract, paid in advance.	Performance Rights Plan achievable upon certain milestones, see below for details
Mr Winton Willesee	Company Secretary	\$60,000 per annum until terminated by written notice.	\$60,000 per annum for the services of company secretarial and accounting.	n/a

Performance Rights Plan

During the year, 8,000,000 Performance Rights were issued to Mr Stephen Baird as a term of his services agreement for nil consideration. No Performance Rights vested during the year.

The Performance Rights Plan, as approved by shareholders at the Company's Annual General Meeting held on 21 October 2013, is as follows with the maximum 5 years allowable to reach all performance hurdles:

- (i) Class A - 2 million shares – upon GRV achieving a market capitalisation in excess of A\$30 million for a continuous period of 1 month;
- (ii) Class B - 2 million shares – upon GRV achieving a market capitalisation in excess of A\$50 million for a continuous period of 1 month;
- (iii) Class C - 2 million shares – upon GRV achieving a market capitalisation in excess of A\$100 million for a continuous period of 1 month;
- (iv) Class D - 2 million shares – upon GRV achieving a market capitalisation in excess of A\$200 million for a continuous period of 1 month.

Additionally, the Performance Rights vest in the event of a sale of (or shareholders rejecting a bona fide offer to acquire) the Company's interests in Lowmead and/or Nagoorin for cash, Shares or a combination of both. In the event of a sale of Lowmead and/or Nagoorin, the number of Performance Rights that will vest, if any, will be calculated by reference to the price paid (or offered in the event of a rejection of the offer by shareholders) by the purchaser (which notionally would have otherwise been reflected in an increased market capitalisation had the assets been valued at that amount and remained in the Company). For example, if the purchase price is in excess of \$50 million but less than \$100 million, Mr Baird would be entitled to receive 4,000,000 Shares upon the vesting of Class A and Class B Performance Rights.

DIRECTORS' REPORT

Details of Key Management Remuneration

The following tables provide detail of all the directors and key management personnel of the Group and the nature and amount of the elements of their remuneration.

2014

	Short-term Employee Benefits				Post-employment Benefits	Other Long-term benefits	Termination Benefits	Share Based Payments	Total
	Cash, salary, Directors Fees	Cash profit share, bonuses	Non-cash benefits	Allowances	Super-annuation				
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Mr Khouri	54,000	-	-	-	-	-	-	-	54,000
Mr Baird ¹	45,000	-	-	-	-	-	-	-	45,000
Mr Obeid	36,000	-	-	-	-	-	-	-	36,000
Mr Knauer ²	9,000	-	-	-	-	-	-	-	9,000
Mr Lorentz ³	15,000	-	-	-	1,387	-	-	-	16,387
Mr Willesee ⁴	82,000	-	-	-	-	-	-	-	82,000
	241,000	-	-	-	1,387	-	-	-	242,387

During the year, Mining Investments Limited, a company associated with Mr Khouri, was issued 39 convertible notes in lieu of director fees outstanding and future fees. Mr Obeid was issued 2 convertible notes in lieu of director fees outstanding. Each convertible note has a face value of \$10,000. See Note 14 for further details.

Performance Rights issued to Mr Stephen Baird during the year have a deemed value of nil per performance right.

2013

	Short-term Employee Benefits				Post-employment Benefits	Other Long-term benefits	Termination Benefits	Share Based Payments	Total
	Cash, salary, Directors Fees	Cash profit share, bonuses	Non-cash benefits	Allowances	Super-annuation				
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Mr Khouri	54,000	-	-	-	-	-	-	-	54,000
Mr Lorentz	36,000	-	-	-	-	-	-	-	36,000
Mr Obeid	36,000	-	-	-	-	-	-	-	36,000
Mr Willesee ⁵	126,000	-	-	-	-	-	-	-	126,000
	252,000	-	-	-	-	-	-	-	252,000

¹ Appointed 14 October 2013

² Appointed 9 April 2014

³ Resigned 21 November 2013

⁴ Mr Winton Willesee – Company Secretary (fees include consulting fees for executive services for the period ending 31 October 2013)

⁵ Mr Winton Willesee – Company Secretary (fees include consulting fees for executive services)

The following tables provide detail of the shareholdings, options and performance rights held by directors and key management personnel of the Group.

30 June 2014 Number of Fully Paid Ordinary Shares Held by Key Management Personnel

Key Management Person	Balance 1.7.2013	Received as Compensation	Options Exercised	Net Change Other	Balance on Appointment/Resignation	Balance 30.6.2014
Mr Khouri	12,778,677	-	-	421,323	-	13,200,000
Mr Baird ¹	-	-	-	-	-	-
Mr Obeid	100,000	-	-	-	-	100,000
Mr Knauer ^{2,4}	-	-	-	-	9,199,969	9,199,969
Mr Lorentz ³	529,800	-	-	-	(529,800)	-
Mr Willesee	641,434	-	-	158,555	-	799,989
	14,049,911	-	-	579,878	8,670,169	23,299,958

30 June 2013 Number of Fully Paid Ordinary Shares Held by Key Management Personnel

Key Management Person	Balance 1.7.2012	Received as Compensation	Options Exercised	Net Change Other	Balance on Appointment/Resignation	Balance 30.6.2013
Mr Khouri	10,778,677	-	-	2,000,000	-	12,778,677
Mr Obeid	-	-	-	100,000	-	100,000
Mr Lorentz	1,000	-	-	528,800	-	529,800
Mr Willesee	641,434	-	-	-	-	641,434
	11,421,111	-	-	2,628,800	-	14,049,911

30 June 2014 Number of Contributing Shares Held by Key Management Personnel

There are no contributing shares on issue at 30 June 2014.

30 June 2013 Number of Contributing Shares Held by Key Management Personnel

Key Management Person	Balance 1.7.2012	Received as Compensation	Options Exercised	Net Change Other	Balance on Appointment/Resignation	Balance 30.6.2013
Mr Khouri	-	-	-	-	-	-
Mr Obeid	-	-	-	-	-	-
Mr Lorentz	28,800	-	-	(28,800)	-	-
Mr Willesee	500	-	-	(500)	-	-
	29,300	-	-	(29,300)	-	-

¹ Appointed 14 October 2013

² Appointed 9 April 2014

³ Resigned 21 November 2013

⁴ 6,882,469 shares are held by Pitt Street Absolute Return Fund Pty Ltd of which Mr Knauer is a Director and 2,317,500 shares are held by Moneybung Pty Ltd ATF Moneybung Family Trust of which Mr Knauer is a beneficiary.

DIRECTORS' REPORT

30 June 2014 Number of Options Held by Key Management Personnel

Key Management Person	Balance 1.7.2013	Granted as Compensation	Options Exercised	Net Change Other	Balance on Resignation	Balance 30.6.2014	Total Vested 30.6.2014	Total Exercisable 30.6.2014	Total Unexercisable 30.6.2014
Mr Khouri	1,000,000	-	-	-	-	1,000,000	1,000,000	1,000,000	-
Mr Baird ¹	-	-	-	-	-	-	-	-	-
Mr Obeid	1,000,000	-	-	-	-	1,000,000	1,000,000	1,000,000	-
Mr Knauer ²	-	-	-	-	-	-	-	-	-
Mr Lorentz ³	1,000,000	-	-	-	1,000,000	-	1,000,000	-	-
Mr Willesee	1,000,000	-	-	-	-	1,000,000	1,000,000	1,000,000	-
	4,000,000	-	-	-	1,000,000	3,000,000	4,000,000	3,000,000	-

30 June 2013 Number of Options Held by Key Management Personnel

Key Management Person	Balance 1.7.2012	Granted as Compensation	Options Exercised	Net Change Other	Balance on Resignation	Balance 30.6.2013	Total Vested 30.6.2013	Total Exercisable 30.6.2013	Total Unexercisable 30.6.2013
Mr Khouri	1,000,000	-	-	-	-	1,000,000	1,000,000	1,000,000	-
Mr Obeid	1,000,000	-	-	-	-	1,000,000	1,000,000	1,000,000	-
Mr Lorentz	1,000,000	-	-	-	-	1,000,000	1,000,000	1,000,000	-
Mr Willesee	1,000,000	-	-	-	-	1,000,000	1,000,000	1,000,000	-
	4,000,000	-	-	-	-	4,000,000	4,000,000	4,000,000	-

30 June 2014 Number of Performance Rights Held by Key Management Personnel

Key Management Person	Balance 1.7.2013	Granted as Compensation	Converted	Net Change Other	Balance on Resignation	Balance 30.6.2014	Total Vested 30.6.2014	Total Unvested 30.6.2014
Mr Khouri	-	-	-	-	-	-	-	-
Mr Baird	-	8,000,000	-	-	-	8,000,000	-	8,000,000
Mr Obeid	-	-	-	-	-	-	-	-
Mr Knauer	-	-	-	-	-	-	-	-
Mr Lorentz	-	-	-	-	-	-	-	-
Mr Willesee	-	-	-	-	-	-	-	-
	-	8,000,000	-	-	-	8,000,000	-	8,000,000

30 June 2013 Number of Performance Rights Held by Key Management Personnel

There were no performance rights on issue at 30 June 2013.

Other Transactions with Key Management Personnel

During the year ended 30 June 2014, Azalea Consulting Pty Ltd (a company where Winton Willesee is a director) provided registered and front office services for \$12,000 (2013: \$33,000). As at 30 June 2014, an amount of \$3,000 (2013: \$3,000) was owed for these services. These services were provided at market rates on normal commercial terms and conditions.

**** End of Remuneration Report ****

DIRECTORS' INTERESTS

At 30 June 2014, the relevant interest of each director in the shares of the Group as notified by the Directors to the Australian Securities Exchange in accordance with s.205G(1) of the *Corporations Act* at the date of this report is as follows:

	ORDINARY SHARES FULLY PAID	OPTIONS 20 CENTS 31.1.2015
Mr Khouri	13,200,000	1,000,000
Mr Baird	-	-
Mr Obeid	100,000	1,000,000
Mr Knauer ¹	9,199,969	-

¹ 6,882,469 shares are held by Pitt Street Absolute Return Fund Pty Ltd of which Mr Knauer is a Director and 2,317,500 shares are held by Moneybung Pty Ltd ATF Moneybung Family Trust of which Mr Knauer is a beneficiary.

² Resigned 21 November 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the course of the year was mineral exploration activities in Queensland and the review of suitable related technologies.

RESULT AND REVIEW OF OPERATIONS

The loss after income tax for the year amounted to \$518,143 (2013: Loss of \$501,271) and the net assets of the Group at 30 June 2014 was \$4,304,504 (2013: \$4,822,647).

BUSINESS OVERVIEW

Greenvale's principal assets are its interests in four oil shale tenements located in Queensland, Australia. These tenements are the areas of land subject to:

- EPM 7721 and MDL 234, known as the "Nagoorin" tenements, are located approximately 50km south of Gladstone in Queensland.
- MDL 188, known as the "Lowmead" tenement, is located approximately 75km south east of Gladstone in Queensland;
- MDL 330, known as the "Alpha" tenement, is located approximately 500km west of Rockhampton, and 55km south east of the township of Alpha and covers a licence area of 1,905 hectares which includes a small deposit of very rich oil shale.

The relevant interests of Greenvale and Queensland Energy Resources Limited (QER), the Company's joint venture partner at Nagoorin and Lowmead, in each of the tenements are shown in the table below:

	Greenvale	QER
Lowmead (MDL 188)	50%	50%
Nagoorin (MDL 234 & EPM 7721)	67%	33%
Alpha (MDL 330)	~100%	0%

Table 1: Greenvale's Interests in Oil Shale Deposits

Oil shale in Australia

Oil shale is organic rich sedimentary rock containing algal kerogen, an organic chemical compound that, when heated, can produce oil. The product shale oil is a substitute of conventional crude oil.

Geoscience Australia (2012) identified a total Australian oil shale resource of equivalent to 22 billion barrels of oil, with Queensland seen to have over 90% of that resource.

Most of the deposits with commercial potential are located in central Queensland between Proserpine and Bundaberg, in close proximity to the location of Greenvale's tenements, as shown in Figure 1.

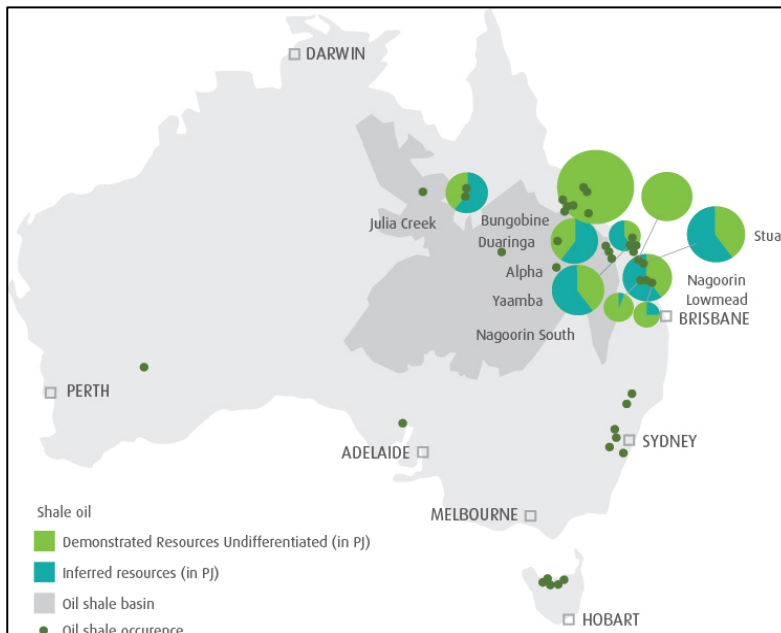


Figure 1: Distribution of Australian indicated shale oil resources (200PJ = 34Mbbbl oil). Source: Australian Government Geoscience Australia

Nagoorin deposit

Geological evaluation indicates that the Nagoorin deposit comprises a fossil fuel resource, hosted in a sequence of lamosite oil shale with interbedded cannel coal.

The following Nagoorin resource estimate is presented under the Society of Petroleum Engineers Petroleum Resources Management System as required under the ASX Listing Rules:

Table 1: SPE-PRMS Petroleum Resource Estimate.

Total Resources (million barrels)	Beneficial Interest	1C	2C	3C
Greenvale	67%	211	634	1497
QER	33%	104	312	737
TOTAL	100%	315	946	2,234

The Petroleum Resource estimation is based on the discovered Petroleum Initially in Place (PIIP); estimated using polygonal blocks. The methodology used is a deterministic method where the JORC 2012 guideline levels of categorisation (Measured, Indicated and Inferred) quantify the range of uncertainty or confidence levels for the deposit. The estimate is based on the following constraints and data:

- Interpretation of intersected stratigraphy in 53 precollared cored and auger sample drill holes drilled to a maximum depth of 687 metres below surface for an aggregate 10,567 metres.
- The maximum depth for the estimate is 502 metres.
- In situ oil grade has been determined by modified Fischer Assay (ASTM D3940-90) on 3,716 core samples representing approximately 7,400 metres of cored material.
- An in situ grade cut-off of 50 litres per tonne at zero per cent moisture (LTOM) has been applied.
- The resource is contained within an elongate surface area of 18 square kilometres.
- A recovery factor of 0.95 has been used in this estimate based on recovery data from a number of conventional retort technologies operating and under development.
- The total estimate as at 28 March 2014 is apportioned to the tenement holders according to their beneficial interests in the Nagoorin deposit in Table 1.

Contingent Resources are those quantities of petroleum estimated, as of 28 March 2014, to be potentially recoverable from known accumulations using established technology or technology under development. Commercial recovery of oil from Nagoorin shale has not been established and as such the contingent resources cannot be classified as petroleum reserves. At Nagoorin, resource development is currently considered unclarified or not viable based on the current immature state of knowledge of commercial recovery due to one or more of the following contingencies.

- Development requires the application and grant of a mining lease and environmental approvals from the Queensland Government based on a commercial mine and processing proposal; i.e. legal, environmental, social and governmental factors for development have not been either established or approved.
- A commercial mine and processing development has not at this time been assessed against any current or forecast economic conditions to support commercial viability.
- Commercial recovery is dependent on the suitability of Nagoorin oil shale to be processed in current retorting technology or other technology under development.

Competent Person Statement

The petroleum resource estimates for EPM 7721 and MDL 234, Nagoorin Oil Shale Deposit provided in this statement were determined by Mr Graham Pope, a full-time employee of QER Pty Ltd, Brisbane, Australia, in accordance with Petroleum Resource Management System guidelines. Mr Pope is a Member of the Australian Institute of Geoscientists and is considered to be a qualified person as defined under the ASX Listing Rule 5.11 and has given his consent to the use of the resource figures in the form and context in which they appear in this statement.

Lowmead deposit

The Lowmead resource comprises a sequence of interbedded lamosite oil shale, carbonaceous oil shale, claystone and minor sandstone with a maximum thickness of 715 metres. Lamosite is composed of small algal bodies in a mineral matrix.

The following Lowmead Resource Estimate is presented under the Society of Petroleum Engineers Petroleum Resources Management System (SPE-PRMS) as required under the ASX Listing Rules:

Table 1: SPE-PRMS Petroleum Resource Estimate.

Total Resources (million barrels)	Beneficial Interest	1C	2C	3C
Greenvale	50%	-	100	335
QER	50%	-	100	335
TOTAL	100%	-	200	670

The Petroleum Resource estimation is based on the discovered Petroleum Initially in Place (PIIP); estimated using polygonal blocks. The methodology used is a deterministic method where the JORC 2012 guideline levels of categorisation (Measured, Indicated and Inferred) quantify the range of uncertainty or confidence levels for the deposit. The estimate is based on the following constraints and data:

- Interpretation of intersected stratigraphy in 23 precollared cored and auger sample drill holes drilled to a maximum depth of 520 metres below surface for an aggregate 4,500 metres.
- The maximum depth for the estimate is 400 metres.
- In situ oil grade has been determined by modified Fischer Assay (ASTM D3940-90) on 1,233 core samples representing approximately 2,400 metres of cored material.
- An in situ grade cut-off of 50 litres per tonne at zero per cent moisture (50LT0M) has been applied.
- The resource is contained within an elongate surface area of 23 square kilometres.
- A recovery factor of 0.95 has been used in this estimate based on recovery data from a number of conventional retort technologies operating and under development.
- The total estimate as at 28 March 2014 is apportioned to the tenement holders according to their beneficial interests in the Lowmead deposit in Table 1.

The level of investigation at Lowmead is at stage where the drill hole density does not support the estimation of 1C resources.

Contingent Resources are those quantities of petroleum estimated, as of 28 March 2014, to be potentially recoverable from known accumulations using established technology or technology under development. Commercial recovery of oil from Lowmead shale has not been established and as such the contingent resources cannot be classified as petroleum reserves. At Lowmead, resource development is currently

DIRECTORS' REPORT

considered unclarified or not viable based on the current immature state of knowledge of commercial recovery due to one or more of the following contingencies.

- Development requires the application and grant of a mining lease and environmental approvals from the Queensland Government based on a commercial mine and processing proposal; i.e. legal, environmental, social and governmental factors for development have not been either established or approved.
- A commercial mine and processing development has not at this time been assessed against any current or forecast economic conditions to support commercial viability.
- Commercial recovery is dependent on the suitability of Lowmead oil shale to be processed in current retorting technology or technology under development.

Competent Person Statement

The petroleum resource estimates for MDL 188, Lowmead Oil Shale Deposit provided in this statement were determined by Mr Graham Pope, a full-time employee of QER Pty Ltd, Brisbane, Australia, in accordance with Petroleum Resource Management System guidelines. Mr Pope is a Member of the Australian Institute of Geoscientists and is considered to be a qualified person as defined under the ASX Listing Rule 5.11 and has given his consent to the use of the resource figures in the form and context in which they appear in this statement.

Alpha deposit

The Alpha deposit is extremely rich shale. The Alpha deposit consists of two seams – an upper seam comprising cannel coal shale and a lower seam comprising torbanite oil shale lens enclosed in cannel coal shale. Torbanite is a rich oil shale comprised predominately of algal components.

The Alpha deposit is smaller in scale than the Lowmead and Nagoorin deposits and has a smaller but very rich oil shale deposit.

Regulatory Information

During the period the Company undertook a review of its assets including reclassifications from JORC to SPE reporting requirements to conform with the changes to the regulatory environment for reporting oil shale assets. Consequently, whilst the tenements cover the same areas it is not possible to compare the reported resource estimates against previous years. The assets have remained undeveloped for a period of greater than five years whilst the Company has sought appropriate technologies to exploit the assets and for the Government to lift its moratorium on the exploitation of shale assets which was lifted last year. The Company has now increased its activities to seek suitable means to exploit the assets in the future. The Company sought a party external to the Company to produce the relevant reports and intends to engage an independent party for future reviews as they may be required.

REVIEW OF OPERATIONS

During the year the Company completed a review of opportunities to increase the resources within the Company, and subsequently appointed Mr Stephen Baird as an executive director.

Mr Baird is based in the UK and approached Greenvale following an extensive review of global oil shale opportunities. Stephen has a proven track record of delivering project finance, technical project delivery and long term commercial contracts for emerging and progressive energy sector technologies.

Mr Baird has a mandate from the Greenvale Board to commercialise the Company's current oil shale projects, and expand the Company's oil shale portfolio with a view to transforming Greenvale into a significant oil shale company.

The Company also subsequently appointed Mr Knauer as a non-executive director of the Company. Mr Knauer joins the Greenvale Board with a wealth of experience in project acquisition and evaluation, particularly in the resources sector. He has a Bachelor of Science (Honours) in Geology and spent 5 years working in the oil and gas industry as a geologist. Mr Knauer also has over 15 years' experience in finance and corporate advisory.

Strategic Planning

Since the appointment of Mr Stephen Baird as executive director, the Company has increased the global screening of peer group and related companies and is looking at these in conjunction with various strategic alternatives to ascertain the optimum positioning for Greenvale.

Capital Management Program

During the financial year, the Group finalised its program of capital management following the completion of the sale of unmarketable parcels and distribution to participating shareholders in September 2013.

The Company then subsequently entered into a series of convertible loans with various parties with a total value of \$1.19M (Loans). In accordance with the various loan agreements, the Loans were converted to Convertible Notes with a face value of \$10,000 each (Notes) following confirmation of shareholder approval at the General Meeting held on 21 November 2013.

The key terms of the Convertible Notes are as follows:

- The Notes can be converted any time after 31 August 2014 up to the Maturity Date of 31 August 2015
- If not converted by the Maturity Date the Company has the right to elect to redeem or convert the Notes;
- Conversion price of the lesser of 10 cents per ordinary share, or 85% of the 5 day volume weighted average price of the Company's ordinary shares on the ASX immediately prior to the issue of a conversion notice by the Noteholder to the Company;
- For each share issued on conversion, the Noteholder will be issued with 1 free option to subscribe for an additional ordinary share in the Company exercisable on or before 31 August 2018 at an exercise price of 10 cents per share;
- The Notes accrue interest at a rate of 8% per annum; and
- Notes are unsecured.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than described elsewhere in this report, in the opinion of the directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

ENVIRONMENTAL REGULATIONS

The Group's mineral exploration activities are subject to environmental regulations under Commonwealth and State legislation. The Group is not aware of any activity they has taken place on the leases which would give rise to an environmental issue. The Group is not aware of any instances of non-compliance with the legislative requirements during the period covered by this report.

DIVIDENDS

No dividends have been paid or declared since the end of the previous financial year to the date of this report.

EVENTS SUBSEQUENT TO REPORTING DATE

Other than ongoing consideration with regard to pursuing a listing of the Company's shares on London's AIM market, between the end of the financial year and the date of this report there are no items, transactions or events of a material or unusual nature not otherwise disclosed within this report that are likely, in the opinion of the Directors, to affect significantly, the results of those operations, or the state of affairs of the Group in future financial years that require disclosure.

OPTIONS

No options over the Company's shares were issued during the year. The options convey no right to receive notice of, or vote at, a meeting of members of Greenvale Mining NL, nor any right to receive a dividend.

SHARES UNDER OPTION

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
30.11.2011	31.5.2015	\$0.20	4,000,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares issued during the year ended 30 June 2014 and up to the date of this report on the exercise of options previously granted by the Company.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Group has not agreed to indemnify any director, officer or auditor against liabilities that may arise from their position as director, officer or auditor of the Company except as follows:

The Company and Directors paid premiums based on normal commercial terms and conditions to insure all Directors, officers and employees of the Company against the cost and expenses in defending claims against the individual while performing services for the Company.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

During the year, there was \$4,000 in taxation services provided by RSM Bird Cameron Partners.

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. None of the services provided by the auditors undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing risks economic risks and rewards. The nature and scope of each type of non-audit service provide means that auditor independence has not been compromised.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM BIRD CAMERON PARTNERS

There are no officers of the company who are former partners of RSM Bird Cameron.

AUDITOR INDEPENDENCE

The lead auditor's independence declaration is set out on page 18 and forms part of the directors' report for the financial year ended 30 June 2014.

Signed in accordance with a resolution of the directors



Stephen Baird
Executive Director

Dated at London 29 August 2014

CORPORATE GOVERNANCE STATEMENT

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve, the Company has turned to the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations. The Company is pleased to advise that the Company's practices are largely consistent with those of the ASX guidelines.

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2014.

Unless disclosed below, all the best practice recommendations of the 2nd edition of ASX Corporate Governance Council have been applied for the financial year ended 30 June 2014.

The Company is currently undertaking a review of its corporate governance policies with the view to adopting the 3rd edition of ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations within the coming months.

The Board sets out below its 'if not why not' report in relation to those matters of corporate governance where the Company's practices depart from the Recommendations.

RECOMMENDATION	GREENVALE MINING NL
1.1 Companies should establish the functions reserved for the Board and those delegated to senior executives and disclose those functions.	Satisfied. The Board Charter is available at www.greenvalmining.com.au in the Corporate Governance section.
1.2 Companies should disclose the process for evaluating the performance of senior executives.	Satisfied. Board Performance Evaluation Policy is available at www.greenvalmining.com.au in the Corporate Governance section.
1.3 Companies should provide the information indicated in the Guide for reporting on Principle 1.	Satisfied. The Board Charter is available at www.greenvalmining.com.au in the Corporate Governance Statement. During the year the composition of the Board has changed. Mr Knauer and Mr Baird were appointed whilst Mr Lorentz resigned. No formal appraisal of management was conducted.
2.1 A majority of the Board should be independent directors.	Not Satisfied. The Board consists of (1) one independent directors and (3) three non-independent director. When determining the independent status of a director the Board used the Guidelines detailed in the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations.

CORPORATE GOVERNANCE STATEMENT

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| 2.2 | The chair should be an independent director. | Not Satisfied.
Mr Khouri is the Chairman whilst not independent. The Board consider that given the size and nature of the Company the current Board composition is appropriate. |
| 2.3 | The roles of chair and Chief Executive Officer should not be exercised by the same individual. | Satisfied.
Mr Khouri holds the position of Chairman and Mr Baird holds the Executive position which fulfils those executive duties of the Company. |
| 2.4 | The Board should establish a nomination committee. | Satisfied.
The Nomination Committee consists of the full Board of Messrs Obeid, Khouri, Baird and Knauer. |
| 2.5 | Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors. | Satisfied.
Board Performance Evaluation Policy is available at www.greenvalemining.com.au in the Corporate Governance section. |
| 2.6 | Companies should provide the information indicated in the guide to reporting on Principle 2. | Satisfied.
The skills, experience and expertise of the Board members, along with their time in office, are detailed in the Directors Report.

Directors are entitled to take independent advice on relevant matters.

During the year the composition of the changed. No formal appraisal was conducted.

The Board is currently developing a diversity policy for adoption. |
| 3.1 | Companies should disclose a code of conduct and disclose the code or a summary of the code as to: <ul style="list-style-type: none">• The practices necessary to maintain confidence in the Company's integrity;• The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders;• The responsibility and accountability of individuals for reporting and investigating reports of unethical practices. | Satisfied.
The Code of Conduct is available at www.greenvalemining.com.au in the Corporate Governance section. |

CORPORATE GOVERNANCE STATEMENT

3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress in achieving them.	Not Satisfied. The Board is currently developing a diversity policy for adoption.
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	The Board is currently developing a diversity policy for adoption. Once adopted the Company will be in a position to disclose the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	All the Board members are male as is the Company Secretary. The Company does not have any other employees.
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3.	Satisfied. The Board is currently developing a diversity policy for adoption which will be made available at that time.
4.1	The Board should establish an audit committee.	The full Board fulfils the duties of the Audit Committee.
4.2	The Board committee should be structured so that it: • Consists only of non-executive directors • Consists of a majority of independent directors; • Is chaired by an independent chair, who is not chair of the Board; • Has a least three members.	Satisfied. The Company has adopted a policy which includes directors who are not independent as audit committee members. The Board consider that given the size and nature of the Company the current Board composition is appropriate.
4.3	The audit committee should have a formal charter.	Satisfied. Audit Committee charter is available at www.greenvalemining.com.au in the Corporate Governance section.
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	Satisfied. The full Board acts as the Audit Committee.

CORPORATE GOVERNANCE STATEMENT

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| 5.1 | Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies. | Satisfied.
Continuous disclosure policy is available at www.greenvalemining.com.au in the Corporate Governance section. |
| 5.2 | Companies should provide the information indicated in the Guide to reporting on Principle 5. | Satisfied. |
| 6.1 | Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of their policy. | Satisfied.
Shareholders communication strategy is available at www.greenvalemining.com.au in the Corporate Governance section. |
| 6.2 | Companies should provide the information indicated in the Guide to reporting on Principle 6. | Satisfied. |
| 7.1 | Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies. | Satisfied.
Risk management program is available at www.greenvalemining.com.au in the Corporate Governance section. |
| 7.2 | The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks. | Satisfied.
The Board and management, routinely consider risk management matters. |
| 7.3 | The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the <i>Corporations Act</i> is founded on a sound system is operating effectively in all material respects in relation to financial reporting risks. | Satisfied.
The Board has received a section 295A declaration pursuant to the 2014 financial period. |
| 7.4 | Companies should provide the information indicated in the Guide to reporting on Principle 7. | Satisfied. |

CORPORATE GOVERNANCE STATEMENT

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| 8.1 | The Board should establish a remuneration committee. | Satisfied.
The full Board acts as a Remuneration Committee and consists of Messrs Obeid, Khouri, Baird and Knauer. The full Board met to consider the remuneration matters for the year.

There are no retirement schemes for non-executive directors other than superannuation. |
| 8.2 | The remuneration committee should be structured so that it: <ul style="list-style-type: none">• Consists of a majority of independent directors;• Is chaired by an independent chair;• Has at least three members. | Not Satisfied.
The full board is not majority independent directors without an independent chair. |
| 8.3 | Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives. | The structure of Directors' remuneration is disclosed in the remuneration report of the annual report. |
| 8.4 | Companies should provide the information indicated in the Guide to reporting on Principle 8. | Remuneration committee charter is available at www.greenvalemining.com.au in the Corporate Governance statement. |

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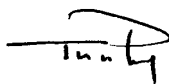
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Greenvale Mining NL for the year ended 30 June 2014, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 29 August 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated 2014 \$	Consolidated 2013 \$
Other income	2	-	198,067
Administrative expenses	3	(433,188)	(483,115)
RESULTS FROM OPERATING ACTIVITIES		(433,188)	(285,048)
Financial income	2	12,315	5,897
Financial expenses	4	(71,759)	(54)
NET FINANCIAL INCOME		(59,444)	5,843
Exploration charges	5	(25,511)	(222,066)
LOSS BEFORE INCOME TAX		(518,143)	(501,271)
Income tax benefit	6(a)	-	-
LOSS AFTER INCOME TAX		(518,143)	(501,271)
Other comprehensive income		-	-
COMPREHENSIVE LOSS FOR THE YEAR		(518,143)	(501,271)
Basic and diluted loss per share (cents)	8	(0.79)	(0.81)

This statement is to be read in conjunction with the notes to the financial statements.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated 2014 \$	Consolidated 2013 \$
CURRENT ASSETS			
Cash and cash equivalents	17(b)	387,234	56,748
Trade and other receivables	9	89,606	60,643
TOTAL CURRENT ASSETS		476,840	117,391
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	10	5,153,769	4,902,541
TOTAL NON-CURRENT ASSETS		5,153,769	4,902,541
TOTAL ASSETS		5,630,609	5,019,932
CURRENT LIABILITIES			
Trade and other payables		136,105	197,285
Convertible notes	14	1,190,000	-
TOTAL CURRENT LIABILITIES	11	1,326,105	197,285
TOTAL LIABILITIES		1,326,105	197,285
NET ASSETS		4,304,504	4,822,647
EQUITY			
Issued capital	12	11,306,406	11,306,406
Reserves	13	212,645	212,645
Retained losses		(7,214,547)	(6,696,404)
TOTAL EQUITY		4,304,504	4,822,647

This statement is to be read in conjunction with the notes to the financial statements.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Issued Capital \$	Options Reserve \$	Accumulated Losses \$	Total Equity \$
Balance as at 1 July 2012	10,944,948	212,645	(6,195,133)	4,962,460
Net loss for the year	-	-	(501,271)	(501,271)
Other comprehensive income, net of income tax	-	-	-	-
Total comprehensive income	-	-	(501,271)	(501,271)
Contributing shares converted	20,337	-	-	20,337
Shares issued during the year	351,430	-	-	351,430
Share issue costs	(10,309)	-	-	(10,309)
Balance as at 30 June 2013	11,306,406	212,645	(6,696,404)	4,822,647
Net loss for the year	-	-	(518,143)	(518,143)
Other comprehensive income, net of income tax	-	-	-	-
Total comprehensive income	-	-	(518,143)	(518,143)
Shares issued during the year	-	-	-	-
Share issue costs	-	-	-	-
Balance as at 30 June 2014	11,306,406	212,645	(7,214,547)	4,304,504

This statement is to be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated 2014 \$	Consolidated 2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(305,730)	(436,630)
Interest received		10,693	5,897
NET CASH USED IN OPERATING ACTIVITIES	17(a)	(295,037)	(430,733)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		(294,576)	(27,816)
NET CASH USED IN INVESTING ACTIVITIES		(294,576)	(27,816)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net movement in loans to related and other companies			-
Proceeds from convertible notes issued		920,099	-
Proceeds from shares issued		-	361,458
NET CASH USED IN FINANCING ACTIVITIES		920,099	361,458
Net increase / (decrease) in cash held		330,486	(96,990)
Cash at the beginning of the financial year		56,748	153,738
CASH AT THE END OF THE FINANCIAL YEAR	17(b)	387,234	56,748

This statement is to be read in conjunction with the notes to the financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report for the year ended 30 June 2014 of consists of Greenvale Mining NL (the Company) and its controlled subsidiary (the Group or Consolidated Entity).

Greenvale Mining NL is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The financial statements were authorised for issued on 29 August 2014 by the directors of the Company.

BASIS OF PREPARATION

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Material accounting policies adopted in preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

A. 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 consolidated entity incurred a loss of \$518,143 and had net cash outflows from operating activities of \$295,037 for the year ended 30 June 2014. As at that date, the consolidated entity had net current liabilities of \$849,265.

These factors indicate significant uncertainty as to whether the consolidated entity 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 consolidated entity will be able to continue as a going concern after consideration of the following factors:

- The ability to transact on its shale assets in the manner that conserves cash or brings cash to the consolidated entity;
- The ability to issue additional shares or quasi debt instruments under the *Corporations Act 2001* to raise further working capital, as evidenced by the successful shares issue in the financial year ended 30 June 2013 and successful issue of convertible notes, during current financial year;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- Directors and other key management personnel agreeing to accept equity in lieu of cash fees;
- If not converted by the Maturity Date the Company has the right to elect to redeem or convert the current Convertible Notes on issue; and
- The consolidated entity having the ability to scale down its operations in order to curtail expenditure, in the event capital raisings are delayed or insufficient cash is available to meet projected expenditure.

Accordingly, the Directors believe that the consolidated entity 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 consolidated entity does not continue as a going concern.

B. INCOME TAX

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. Current tax liabilities / (assets) are therefore measured at the amounts expected to be paid to / (recovered from) the relevant taxation authority. Deferred tax expense reflects movements in deferred tax asset and liability balances during the year as well as unused tax losses.

Current and deferred income tax expense is charged or credited to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount or the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available, against which the benefits of the deferred tax asset can be utilised.

C. EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation costs are capitalised as exploration and evaluation assets on a project by project basis pending determination of the technical feasibility and commercial viability of the project. The capitalised costs are presented as both tangible or intangible exploration and evaluation assets according to the nature of the assets acquired. When a licence is relinquished or a project abandoned, the related costs are recognised in the statement of comprehensive income immediately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units consistent with the determination of reportable segments.

Upon determination of proven reserves, intangible exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to a separate category within tangible assets.

Amortisation is not charged on exploration and evaluation assets until they are available for use.

Pre-licence costs are recognised in the statement of comprehensive income as incurred. Expenditure deemed unsuccessful is recognised in the statement of comprehensive income immediately.

D. FINANCIAL INSTRUMENTS

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Company becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within the timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and rewards associated with the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract are discharged, cancelled or expire.

Classification and Subsequent Measurement

i. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

ii. Available-for-sale financial assets

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

iii. Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Fair value

The fair value of investments in the equity shares of related parties is determined based on current last trade prices quoted on the Australian Securities Exchange at balance date.

The fair value of unlisted securities cannot be reliably measured, as variability in the range of reasonable fair value estimates is significant.

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and call deposits.

F. PLANT & EQUIPMENT

Items of plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is charged to the statement of comprehensive income on a straight-line basis over the expected useful lives of each item of plant and equipment. Assets are first depreciated in the year of acquisition. Depreciation rate used for plant and equipment is 13.75% (2013: 13.75%).

G. SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit.

H. REVENUE AND OTHER INCOME

Financial Income comprises interest income and dividend income. Interest income is recognised in the statement of comprehensive income as it accrues, using the effective interest rate method. Dividend income is recognised on the date that the Company's right to receive payment is established.

I. IMPAIRMENT

The carrying amount of non-financial assets other than exploration and evaluation assets are reviewed each reporting date whether there is any indication of impairment. If any such indications exist, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

Calculation of recoverable amount

The recoverable amount of receivables is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounted rate that reflects current market assessment of the time value and the risks specific to the asset.

Available-for-sale financial assets

Where a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

J. INVESTMENTS IN ASSOCIATES

Investments in associated companies are recognised in the financial statements by applying the equity method of accounting. Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 per cent of the voting power of the entity. The financial statements include the Company's share of the income and expenses and equity movements of the equity accounted interest, from the date that the significant influences commences until the date that significant influences ceases. When the share of losses exceeds its interest in an associate, the carrying amount of the investment is reduced to nil and recognition of further losses is discontinued.

K. GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

L. EARNINGS PER SHARE

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of any dilutive potential ordinary shares, which comprise convertible notes and share options granted.

M. TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement within 30 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

N. TRADE AND OTHER PAYABLES

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided by the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obligated to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

O. COMPARATIVE FIGURES

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

P. USE OF ESTIMATES AND JUDGEMENTS

The presentation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates. Estimates and underlying assumptions

are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Capitalised Exploration and Evaluation Expenditure

The Group's accounting policy for exploration and evaluation expenditure is set out at Note 1(c). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the statement of comprehensive income.

Share Based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined from market value.

Q. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Greenvale Mining NL at the end of the reporting period. A controlled entity is any entity over which Greenvale Mining NL has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Where controlled entities have entered or left the consolidated entity during the year, the financial performance of those entities is included only for the period of the year that they were controlled.

R. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

AASB 9	<i>Financial Instruments</i>	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1 January 2017
AASB 2012-3	Amendments to Australian Accounting Standards – <i>Offsetting Financial Assets and Financial Liabilities</i>	AASB 2012-3 principally amends AASB 7 Financial Instruments: <i>Disclosures</i> to require disclosure of the effect or potential effect of netting arrangements. This includes rights of set-off associated with the entity's recognised financial assets and liabilities, on the entity's financial position, when the offsetting criteria of ASB 132 are not all met.	1 January 2014
AASB 2013-3	Amendments to AASB 136 – Recoverable Amount Disclosures for Non- Financial Assets	Address inconsistencies in current practice when applying the offsetting criteria in AASB 132 Financial Instruments: Presentation. Clarifies the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.	1 January 2014
AASB 2013-6	Amendments to AASB 136 arising from Reduced Disclosure Requirements	Amends AASB 136 Impairment of Assets to establish reduced disclosure requirements for Tier 2 entities arising from AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.	1 January 2014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. INCOME

	Note	2014 \$	2013 \$
OTHER INCOME			
Sundry		-	198,067
FINANCIAL INCOME			
Interest		12,315	5,897

3. ADMINISTRATIVE EXPENSES

	Note	2014 \$	2013 \$
Wages and salaries		214,703	197,507
Compliance and legal fees		95,110	67,553
Administrative expenses		123,375	218,055
TOTAL ADMINISTRATIVE EXPENSES		433,188	483,115

4. FINANCIAL EXPENSES

	Note	2014 \$	2013 \$
Interest expense		359	54
Interest expense – convertible notes		71,400	-
TOTAL FINANCIAL EXPENSES		71,759	54

5. IMPAIRMENT AND EXPLORATION CHARGES

	Note	2014 \$	2013 \$
Impairment of exploration capitalised		-	222,066
Exploration expensed		25,511	-
TOTAL IMPAIRMENT and EXPLORATION CHARGES		25,511	222,066

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. INCOME TAX BENEFIT

	Note	2014 \$	2013 \$
(a) Tax benefit			
Current tax benefit		-	-
Deferred tax benefit		-	-
Income tax benefit		-	-
(b) (Loss) before tax		(518,143)	(501,271)
Income tax using corporate rate of 30%		(155,443)	(150,381)
Increase in income tax expense due to:			
Non-deductible expenses		112,099	-
Tax losses not brought to the account		267,542	150,381
INCOME TAX BENEFIT		-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. DEFERRED TAX ASSETS

	Note	2014 \$	2013 \$
Deferred tax assets – not recognised			
Deferred tax assets arising from tax losses calculated at 30%:			
Tax losses		2,353,454	2,575,468
Capital losses		267,542	150,381
		<u>2,620,996</u>	<u>2,725,849</u>

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

8. EARNINGS PER SHARE

The calculation of basic earnings and diluted earnings per share at 30 June 2014 was based on the loss attributable to ordinary shareholders of \$518,143 (2013: \$501,271) and the weighted average number of ordinary shares outstanding during the financial year ended 30 June 2014 of 64,290,721 (2013: 64,290,721), calculated as follows:

	2014 Cents	2013 Cents
Basic and diluted earnings/(loss) per share	<u>(0.79)</u>	<u>(0.81)</u>
	2014 No of shares	2013 No of shares
Weighted average number of ordinary shares used in calculating basic EPS:		
Fully paid ordinary shares	<u>64,290,721</u>	<u>64,290,721</u>

9. TRADE AND OTHER RECEIVABLES

	Note	2014 \$	2013 \$
Current			
Prepayments		41,753	12,863
Redeemable term deposit		34,121	32,500
Sundry debtors		13,732	15,280
		<u>89,606</u>	<u>60,643</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. EXPLORATION AND EVALUATION EXPENDITURE

	Note	2014 \$	2013 \$
Exploration and evaluation phase costs carried forward at cost:		5,153,769	4,902,541
(a) Movements in Carrying Amounts			
Carrying amount at beginning of year		4,902,541	4,898,324
Exploration costs capitalised		251,228	226,283
Write-down of exploration		-	(222,066)
Carrying amount at end of year		5,153,769	4,902,541

The expenditure above relates principally to the exploration and evaluation phase. The ultimate recoupment of this expenditure is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest, at amounts at least equal to book value.

Exploration and Evaluation Phase Costs

Exploration expenditure carried forward at 30 June 2014, represents a 50% (2013: 50%) interest in the Lowmead (MDL 188), 99.99% (2013: 99.99%) interest in the Alpha (MDL 330) and 67% (2013: 67%) interest in the Nagoorin (EPM7721 and MDL 234) mining leases.

11. TRADE AND OTHER PAYABLES

	Note	2014 \$	2013 \$
Current			
Other creditors and accruals		64,705	197,285
Interest on convertible notes	14	71,400	-
Convertible notes liability	14	1,190,000	-
		1,326,105	197,285

12. ISSUED CAPITAL

	2014 \$	2013 \$
Issued capital movement		
Balance at beginning of year	11,306,406	10,944,948
Contributing shares paid up during the year	-	20,337
7 September 2012 – 7,028,593 contributing shares auctioning at 5c per share and converted to fully paid ordinary shares	-	351,430
Auction costs	-	(10,309)
	11,306,406	11,306,406

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

a) Ordinary shares fully paid

Ordinary shares participate in dividends and are entitled to one vote per share at shareholders meetings. In the event of winding up the Company, ordinary shareholders rank after creditors and are entitled to any proceeds of liquidation in proportion to the number of shares held.

b) Capital Management

Management controls the capital of the Company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing its financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year. The gearing ratios for the year ended 30 June 2014 and 30 June 2013 are as follows:

	Note	2014	2013
		\$	\$
Total borrowings		1,326,105	197,285
Less cash and cash equivalents	17(b)	(387,234)	(56,748)
Net debt		(251,129)	140,537
Total equity		4,304,504	4,822,647
Total capital		4,053,375	4,963,184
Gearing ratio		33%	3%

	Note	2014	2013
		#	#

c) Options issued

During the year, no options were issued.

Options movement

Balance at the beginning of the year	4,000,000	4,000,000
Exercised	-	-
Expired	-	-
Balance at the end of the year	4,000,000	4,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. RESERVES

Note	2014 \$	2013 \$
Options Reserve		
Balance at the beginning of the year	212,645	212,645
Options issued during year	-	-
Options expired during year	-	-
Balance at the end of the year	<u>212,645</u>	<u>212,645</u>

14. CONVERTIBLE NOTES

During the year, the consolidated entity issued convertible notes amounting to \$1,190,000. Of this amount, \$720,000 was provided by related parties. The key terms of the convertible notes are:

- At the election of the note holder, the full amount of the convertible note will convert into ordinary shares of the company;
- The convertible notes plus accumulated interest will be converted at the lesser of \$0.10 cents per share or 85% of the 5 day volume weighted average price of the company's ordinary shares on the ASX prior to the issue of the conversion notice by the note holder to the company;
- Each conversion share issued will have a free attached unlisted option to subscribe for an ordinary share in the company exercisable on or before 31 December 2018 at a price of \$0.10 per share; and
- The convertible notes can be converted, at any time after 31 August 2014 up until 5 business days after the maturity date of 31 August 2015;
- If not converted by the Maturity Date the Company has the right to elect to redeem or convert the current Convertible Notes on issue; and
- At 30 June 2014, the amount of interest accrued on the convertible notes is \$71,400.

15. FINANCIAL RISK MANAGEMENT

a) Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, short-term investments and accounts receivable from related parties. The Group does not use derivative financial instruments to hedge exposure to financial risks.

I. Treasury Risk Management

There have been no changes in the Group's approach to capital management during the year. The Group is not subject to any externally imposed capital requirements.

II. Other Market Price Risk

Equity price risk arises from available-for-sale equity securities. Management monitors the securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and any buy or sell decisions are approved by the Board.

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

III. Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future developments of the business.

IV. Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and price risk.

Interest rate risk

The Group does not enter into interest rate swaps, forward rate agreements or interest rate options to manage cash flow risks associated with interest rates on borrowings that are floating, or to alter interest rate exposures arising from mismatches in repricing dates between assets and liabilities.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that access to adequate funding is maintained.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. There is negligible credit risk on financial asset, excluding investments, since there is no exposure to individual customers or countries and the Group's exposure is limited to the amount of cash, short-term investments and receivables which have been recognised in the statement of financial position.

Price risk

The Group is exposed to commodity price risk through its interests in Alpha, Lowmead and Nagoorin mining leases. Changes in market price for oil impact the economic viability of the mining leases. The Group has not entered into any hedges in relation to these commodities. It is not possible to quantify the effect on profit or equity of any change in commodity prices.

Financial Instruments

I. Financial instrument composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

30 June 2014	Effective Interest Rate 2014 %	Carrying Amount 2014 \$	Contractual Cash Flows 2014 \$	Within 1 Year 2014 \$	1 to 5 Years 2014 \$
<i>Financial Assets</i>					
Cash and cash equivalents	0.0	387,234	-	387,234	-
Held to maturity at cost financial assets	3.35	34,121	-	34,121	-
<i>Financial Liabilities</i>					
Trade and other payables	0.0	136,105	-	136,105	-
Long-term payables	8.0	1,190,000	-	1,190,000	-
 30 June 2013					
	Effective Interest Rate 2013 %	Carrying Amount 2013 \$	Contractual Cash Flows 2013 \$	Within 1 Year 2013 \$	1 to 5 Years 2013 \$
<i>Financial Assets</i>					
Cash and cash equivalents	0.0	56,748	-	56,748	-
Held to maturity at cost financial assets	4.2	32,500	-	32,500	-
<i>Financial Liabilities</i>					
Trade and other payables	0.0	197,285	197,285	197,285	-

II. Fair values

The methods of estimating fair value are outlined in the relevant notes to the financial statements. All financial assets and liabilities recognised in the statement of financial position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair values unless otherwise stated in the applicable notes.

16. CONTROLLED ENTITY

Name	Principal Activity	Country of Incorporation	Share Class	Ownership Interest	
				2014	2013
Unlisted Companies					
Alpha Resources Pty Ltd	Mineral exploration	Australia	Ordinary	99.99%	99.99%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. CASH FLOW INFORMATION

	2014 \$	2013 \$
(a) Reconciliation of cash flows from operations with profit after income tax		
(Loss) after income tax	(518,143)	(501,271)
Non cash flows in operating activities:		
- Diminution of investments	-	(198,068)
- Exploration related expenditure	44,624	222,066
Changes in assets and liabilities:		
- Payables	92,044	46,064
- Receivables and prepayments	86,438	576
NET CASH USED IN OPERATING ACTIVITIES	(295,037)	(430,633)
(b) Reconciliation of cash and cash equivalents		
Cash at bank	387,234	56,748
	387,234	56,748

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2014.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2014 \$	2013 \$
The key management personnel compensation is as follows:		
Short-term employee benefits	241,000	252,000
Other long term benefits	1,387	-
Share-based payments	-	-
	<u>243,387</u>	<u>252,000</u>

Information regarding individual directors' compensation is provided in the remuneration report section of the directors' report. Apart from the details disclosed in this note, no director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive chair and non-executive directors as well as fees, fringe benefits and cash bonuses awarded to the executive director and other KMP.

Post-employment benefits

These amounts are the current years' estimated cost of providing for the Group's superannuation contributions made during the year.

Share-based payments

These amounts represent the expense related to the participation of KMP in equity-settled schemes as measured by the fair value of the options, rights and shares granted on grant date.

Further information in relation to KMP remuneration can be found in the directors' report.

19. RELATED PARTY AND KEY MANAGEMENT PERSONNEL TRANSACTIONS

The terms and conditions of related party and key management personnel transactions are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis. Transactions with related parties and key management personnel are summarised in the table below:

Key management person	Transaction Description	Transaction Value		Balance outstanding	
		Year ended 30 June		As at 30 June	
		2014	2013	2014	2013
		\$	\$	\$	\$
Winton Willesee – Azalea Consulting Pty Ltd	Provision of registered and front office services.	12,000	33,000	3,000	3,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. CONTINGENT LIABILITIES

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

21. COMMITMENTS FOR EXPENDITURE

Mineral Tenements

In order to maintain the mineral tenements in which the company and other parties are involved, the company is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted. The minimum estimated expenditure requirements in accordance with the requirements of the Queensland Department of Natural Resources and Mines for the next financial year are:

	Consolidated	
	2014	2013
	\$	\$
Minimum estimated expenditure requirements	33,641	32,552
	33,641	32,552

These requirements are expected to be fulfilled in the normal course of operations and may be varied from time to time subject to approval by the grantor of titles. The estimated expenditure represents potential expenditure which may be avoided by relinquishment of tenure. Exploration expenditure commitments beyond twelve months cannot be reliably determined.

22. AUDITORS' REMUNERATION

	2014	2013
	\$	\$
Auditing and reviewing financial reports	31,000	44,761
Non-audit services	4,000	2,700
	35,000	47,461

The auditor of the financial statements is RSM Bird Cameron Partners.

23. SEGMENT REPORTING

The Group has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the phase of operation within the mining industry. For management purposes, the Group has organised its operations into two reportable segments on the basis of stage of development as follows:

- Development assets
- Exploration and evaluation assets, which includes assets that are associated with the determination and assessment of the existence of commercial economic reserves.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

During the year ended 30 June 2014, the Group had no development assets. The Board considers that it has only operated in one segment, being mineral exploration within Australia.

The consolidated entity is domiciled in Australia. All revenue from external customers is generated from Australia only. Segment revenues are allocated based on the country in which the customer is located.

Revenues of approximately Nil (2013: Nil) are derived from a single external customer.

24. SHARE BASED PAYMENTS

2014

During the year, 8,000,000 Performance Rights were issued to Mr Stephen Baird as a term of his services agreement for nil consideration. No Performance Rights vested during the year.

The Performance Rights Plan, as approved by shareholders at the Company's Annual General Meeting held on 21 October 2013, is as follows with the maximum 5 years allowable to reach all performance hurdles:

- (i) Class A - 2 million shares – upon GRV achieving a market capitalisation in excess of A\$30 million for a continuous period of 1 month;
- (ii) Class B - 2 million shares – upon GRV achieving a market capitalisation in excess of A\$50 million for a continuous period of 1 month;
- (iii) Class C - 2 million shares – upon GRV achieving a market capitalisation in excess of A\$100 million for a continuous period of 1 month;
- (iv) Class D - 2 million shares – upon GRV achieving a market capitalisation in excess of A\$200 million for a continuous period of 1 month.

Additionally, the Performance Rights vest in the event of a sale of (or shareholders rejecting a bona fide offer to acquire) the Company's interests in Lowmead and/or Nagoorin for cash, Shares or a combination of both. In the event of a sale of Lowmead and/or Nagoorin, the number of Performance Rights that will vest, if any, will be calculated by reference to the price paid (or offered in the event of a rejection of the offer by shareholders) by the purchaser (which notionally would have otherwise been reflected in an increased market capitalisation had the assets been valued at that amount and remained in the Company). For example, if the purchase price is in excess of \$50 million but less than \$100 million, Mr Baird would be entitled to receive 4,000,000 Shares upon the vesting of Class A and Class B Performance Rights.

Performance Rights issued to Mr Stephen Baird during the year have a deemed value of nil per performance right. Consequently, share-based payment expense has been recognised in the statement of the comprehensive income for the year ended 30 June 2014.

2013

There are no share based payments issued for the year ended 30 June 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. PARENT ENTITY DISCLOSURE

	2014 \$	2013 \$
Current assets	474,928	235,588
Non-current assets	5,096,803	4,725,316
TOTAL ASSETS	5,571,731	4,960,903
Current liabilities	(136,105)	(197,285)
Non-current liabilities	(1,190,000)	-
TOTAL LIABILITIES	(1,326,105)	(197,285)
NET ASSETS	4,245,626	4,763,618
EQUITY		
Issued capital	11,306,406	11,306,406
Reserves	212,645	212,645
Accumulated losses	(7,273,425)	(6,755,433)
TOTAL EQUITY	4,245,626	4,763,618
STATEMENT OF COMPREHENSIVE INCOME		
Total Loss for the year	(517,993)	(559,900)
Total Comprehensive loss for the year	(517,993)	(559,900)

Greenvale Mining NL does not hold any deed of cross guarantee for the debts of its subsidiary company as at 30 June 2014 (2013: Nil).

Greenvale Mining NL has no commitments for the acquisition of property, plant and equipment as at 30 June 2014 (2013: Nil).

Greenvale Mining NL has no contingent liabilities at 30 June 2014 (2013: Nil).

26. SUBSEQUENT EVENTS

Other than ongoing consideration with regard to pursuing a listing of the Company's shares on London's AIM market, subsequent to 30 June 2014, there are not items, transactions or events of a material or unusual nature not otherwise disclosed within this report that are likely, in the opinion of the Directors, to affect significantly, the results of those operations, or the state of affairs of the Group in future financial years that require disclosure.

DIRECTORS' DECLARATION

The directors of the Company declare that:

- a) The financial statements and notes thereto are in accordance with the *Corporations Act 2001* and:
 - i. Comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards; and
 - ii. Give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the Group.
- b) 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; and
- c) The directors have been given the declarations required by s 295A of the *Corporations Act 2001*.

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

On behalf of the Directors:



Stephen Baird
Director

London, 29 August 2014

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
GREENVALE MINING NL**

Report on the Financial Report

We have audited the accompanying financial report of Greenvale Mining NL, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, 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 NL, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Greenvale Mining NL is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1A in the financial report, which indicates that the consolidated entity incurred a loss of \$518,143 and had net cash outflows from operating activities of \$295,037 for the year ended 30 June 2014. As at that date, the consolidated entity had net current liabilities of \$849,265. These conditions, along with other matters as set forth in Note 1A, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

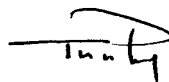
We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Greenvale Mining NL for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

Rsm Bird Cameron Partners

RSM BIRD CAMERON PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 29 August 2014

ADDITIONAL STATUTORY INFORMATION

TOP TWENTY HOLDERS OF FULLY PAID SHARES as at 18 August 2014

	NAME	NUMBER OF SHARES	%
1	MINING INVESTMENTS LIMITED	13,249,317	20.6%
2	PITT STREET ABSOLUTE RETURN FUND PTY LIMITED	6,604,699	10.3%
3	Q SUPA PTY LTD <TRUSTEE A/C>	4,341,180	6.8%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,361,485	5.2%
5	J P MORGAN NOMINEES AUSTRALIA LIMITED	2,515,731	3.9%
6	MONEYBUNG PTY LTD <MONEYBUNG FAMILY A/C>	2,317,500	3.6%
7	BOSS RESOURCES LIMITED	1,749,720	2.7%
8	1 PLUS 4 PTY LTD	1,525,300	2.4%
9	LQ SUPER PTY LTD LQ SUPER	1,281,904	2.0%
10	TRAYBURN PTY LTD	1,262,755	2.0%
11	Q SUPA PTY LTD <TRUSTEE A/C>	1,250,000	1.9%
12	PRORIDGE PTY LTD PRORIDGE SUPER FUND	1,000,000	1.6%
13	SANPEREZ PTY LTD <P CHALMERS PARTNERSHIP A/C>	951,359	1.5%
14	TRAYBURN PTY LTD	917,647	1.4%
14	WAYNE KING CORPORATION LIMITED	917,647	1.4%
15	AZALEA FAMILY HOLDINGS PTY LTD <NO 2 A/C>	799,989	1.2%
16	CITICORP NOMINEES PTY LIMITED	778,197	1.2%
17	MS LOUISE QUINN	714,496	1.1%
18	PERSHING AUSTRALIA NOMINEES PTY LTD <INDIAN OCEAN A/C>	553,998	0.9%
19	WARR HOLDINGS PTY LIMITED WARR SUPERANNUATION FUND	511,750	0.8%
20	FENUGREEK INVESTMENTS PTY LTD GM LORENTZ SUPERFUND	500,000	0.8%
		47,604,674	74.05%

ORDINARY SHAREHOLDERS RANGE as at 18 August 2014

Range	Securities	%	No of Holders
1 to 1,000	61,603	0.1	147
1,001 to 5,000	210,858	0.33	85
5,001 to 10,000	419,026	0.65	48
10,001 to 100,000	6,070,677	9.44	147
100,001 and Over	57,528,557	89.48	63
Total	64,290,721	100	490

Unmarketable parcels

There are 244 holders of unmarketable parcels comprising a total of 349,614 ordinary shares.

DISTRIBUTION OF OPTIONS (Exercisable at \$0.20 on or before 31 January 2015)

Range	Units	%	No of Holders
1 to 1,000	-	-	-
1,001 to 5,000	-	-	-
5,001 to 10,000	-	-	-
10,001 to 100,000	-	-	-
100,001 and Over	4,000,000 ⁶	100.00	3

⁶ 1,000,000 options held by Mr Elias Khouri; 1,000,000 options held by Mr Joseph Obeid; 1,000,000 options held by Fenugreek Investments Pty Ltd; 1,000,000 options held by Azalea Family Holding Pty Ltd.

ADDITIONAL STATUTORY INFORMATION

Total	4,000,000	100.00	4
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On-Market Buyback

There is no current on-market buyback in place.

Voting Rights

The voting rights attaching to the Fully Paid Ordinary Shares of the Company are:

- i. At a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and
- ii. On a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

Options do not carry any voting rights.

The Register of Substantial Shareholders discloses the following:

Pitt Street Absolute Return Fund Pty Limited

14 Macquarie St, Belmont, NSW 2280

Holder of: 9,199,969 fully paid shares

Notice received: 11 October 2012

Mining Investments Limited

PO Box 87, Byblos, Lebanon

Holder of: 12,778,677 fully paid shares

Notice received: 16 October 2012

Q Supa Pty Ltd

C/o Hemming & Hart, L2 307 Queen St, Brisbane, QLD 4000

Holder of: 4,341,180 fully paid shares

Notice received: 3 February 2011