

GREENLAND

MINERALS AND ENERGY LTD

Company Announcement

Tuesday December 14th, 2010

Greenland Minerals Receives Permit for the Full Evaluation of the Kvanefjeld Multi-Element Project (REEs, U, Zn)

Greenland Minerals and Energy Ltd (“GMEL” or “the Company”) is pleased to announce that it has received approval by the government of Greenland to fully evaluate the Kvanefjeld multi-element project, inclusive of radioactive elements (uranium).

The permit has been issued in accordance with the recent amendment to the *standard terms for exploration licenses in Greenland* that creates a framework for the evaluation of mineral deposits that include uranium amongst other economic elements. Kvanefjeld is an unusual mineral deposit located near the southern tip of Greenland that is enriched in rare earth elements (REEs), uranium and zinc, and is widely known to contain one of the world’s largest resources of REEs (see Appendix 1).

GMEL is the first company in Greenland to receive permitting for the evaluation of a project that includes uranium. The permit has been issued following a hearing process in Greenland that involved the National Environmental Research Institute, the Ministry for Health, the Ministry of Domestic Affairs, Nature and Environment (NNPAN) as well as the South Greenland municipality. The permit is supplementary to the exploration license that covers Kvanefjeld and the broader northern Ilimaussaq complex (license 2010/02).

Critical components of a definitive, or bankable, feasibility study are the *Environmental and Social Impact Assessments*, which are to follow the guidelines established by Greenland’s Bureau of Minerals and Petroleum (BMP). At the completion of the definitive feasibility study, including the environmental and social impact assessments the Company will lodge an application for an exploitation license with the BMP.

Roderick McIlree, Managing Director of GMEL commented, *"We are extremely pleased to receive approval under Greenland's newly amended license terms and can now properly evaluate the Kvanefjeld project, inclusive of uranium. Kvanefjeld can now enter the next phase in the path to development and we will be working closely with Greenlandic stakeholders to determine the best possible development scenarios."*

In 2011 GMEL is planning on closing out the current pre-feasibility study with a final report before commencing a definitive feasibility study in the latter half of the year. Results from the 2010 exploration program will be finalized and announced in early 2011.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'R. McIlree', written in a cursive style.

Roderick McIlree

Managing Director

Greenland Minerals and Energy Ltd

ABOUT GREENLAND MINERALS AND ENERGY LTD.

Greenland Minerals and Energy Ltd (ASX – GGG) is an exploration and development company focused on unlocking the mineral riches of southern Greenland. The Company's flagship project is the Kvanefjeld multi-element deposit (Rare Earth Elements, Uranium, Zinc), that is rapidly emerging as a premier specialty metals project. An interim report on pre-feasibility studies has demonstrated the potential for a large-scale multi-element mining operation. For further information on Greenland Minerals and Energy visit <http://www.ggg.gl> or contact:

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Greenland Minerals and Energy Ltd is aware of and respects the Greenlandic government's stance on uranium exploration and development in Greenland – which is currently a zero tolerance approach. However, a new amendment has been introduced to the standard terms for exploration licenses in Greenland that creates a framework for the evaluation of projects that include uranium amongst other economic elements. Within this framework the Company is permitted to fully evaluate the Kvanefjeld project, inclusive of radioactive elements.

The Kvanefjeld Project is recognised as the world's largest undeveloped JORC-compliant resource of rare earth oxides (REO), in a multi-element deposit that is also enriched in uranium and zinc.

Greenland Minerals will continue to advance this world class project in a manner that is in accord with both Greenlandic Government and local community expectations, and looks forward to being part of continued community discussions on the social and economic benefits associated with the development of the Kvanefjeld Project.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Jeremy Whybrow, who is a Member of The Australasian Institute of Mining and Metallurgy.

Jeremy Whybrow is a director of the company.

Jeremy Whybrow has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Jeremy Whybrow consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 1. Statement of identified mineral resources, Kvanefjeld multi-element project, Greenland

At U ₃ O ₈ % cutoff grades ¹	Tonnes (million)	U ₃ O ₈ % ²	U ₃ O ₈ lb/t	TREO% ³	Zn%	Resource category
0.015	365	0.028	0.62	1.06	0.22	Indicated
	92	0.027	0.59	1.12	0.22	Inferred
	457	0.028	0.62	1.07	0.22	TOTAL
0.020	276	0.032	0.70	1.13	0.23	Indicated
	63	0.031	0.69	1.21	0.24	Inferred
	339	0.032	0.70	1.14	0.23	TOTAL
0.025	207	0.035	0.77	1.20	0.23	Indicated
	43	0.036	0.78	1.31	0.25	Inferred
	250	0.035	0.77	1.22	0.24	TOTAL

1- There is greater coverage of assays for uranium than other elements owing to historic spectral assays. U₃O₈ has therefore been used to define the cutoff grades to maximise the confidence in the resource calculations.

2- Additional decimal places do not imply an added level of precision.

3- Total Rare Earth Oxide (TREO) refers to the rare earth elements in the Lanthanide series plus yttrium.

Note: Figures quoted may not sum due to rounding.