

**GREENLAND MINERALS AND ENERGY LIMITED
ABN 85 118 463 004**

**NOTICE OF ANNUAL GENERAL MEETING
AND
EXPLANATORY STATEMENT**

**For the Shareholders' Annual General Meeting to be held
on Thursday, 12 May 2011 at 10.00am (Western Standard Time) at the Celtic Club, 48
Ord Street, West Perth, Western Australia**

This is an important document. Please read it carefully.

***If you are unable to attend the Meeting, please complete the form of proxy enclosed
and return it in accordance with the instructions set out on that form.***

TIME AND PLACE OF GENERAL MEETING AND HOW TO VOTE

Venue

The Annual General Meeting of Greenland Minerals and Energy Limited will be held at:

**Celtic Club
(Upstairs Function Room)
48 Ord Street
WEST PERTH WA 6005**

**Commencing
at 10.00am (Western Standard Time)
on 12 May 2011**

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 10.00am (Western Standard Time).

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Annual General Meeting as soon as possible and either:

- send the proxy form by hand to the Company's office at Unit 6, 100 Railway Road, Subiaco, Western Australia, 6008;
- send the proxy form by post to PO Box 2006, Subiaco, Western Australia, 6904; or
- send the proxy form by facsimile to facsimile number +61 8 9382 2788.

so that it is received not later than 10.00am (Western Standard Time) on 10 May 2011.

Your proxy form is enclosed.

GREENLAND MINERALS AND ENERGY LIMITED
ABN 85 118 463 004

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of GREENLAND MINERALS AND ENERGY LIMITED will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on 12 May 2011 at 10.00am (Western Standard Time) for the purpose of transacting the following business.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

AGENDA

GENERAL BUSINESS

Accounts and Reports

To receive and consider the financial statements of the Company and the reports of the Directors and Auditors for the financial year ended 31 December 2010.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following in accordance with section 250R(2) of the Corporations Act:

"That the Remuneration Report in the 2010 Annual Report of the Company be adopted."

Short Explanation: The Remuneration Report is in the Directors Report section of the Company's Annual Report. Listed companies are required to put the Remuneration Report to the vote for adoption at the Company's Annual General Meeting. The resolution will be determined as an ordinary resolution but is advisory only and does not bind the Directors or the Company.

Resolution 2 – Re-Election of Director – Michael Hutchinson

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Michael Hutchinson, who retires by rotation in accordance with clause 11.3 of the Constitution of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a director of the Company."

Short Explanation: Under clause 11.3 of the Company's Constitution one third of the Company's Directors must retire at each Annual General Meeting. A Director who retires in accordance with clause 11.3 is eligible for re-election. Mr Hutchinson is presented for re-election in accordance with the rotation requirements of the Company's Constitution.

Resolution 3 – Re-Election of Director – Tony Ho

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Tony Ho, who retires by rotation in accordance with clause 11.3 of the Constitution of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a director of the Company."

Short Explanation: Under clause 11.3 of the Company's Constitution one third of the Company's Directors must retire at each Annual General Meeting. A Director who retires in accordance with clause 11.3 is eligible for re-election. Mr Ho is presented for re-election in accordance with the rotation requirements of the Company's Constitution.

SPECIAL BUSINESS

Resolution 4 - Ratification of Placement of Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the issue of 17,647,060 fully paid ordinary shares in the capital of the Company on the terms set out in the Explanatory Statement accompanying this Notice."

Short Explanation: ASX Listing Rule 7.1 allows a company to issue equity securities in any 12 month period representing up to 15% of its ordinary share capital on issue at the commencement of that period without shareholder approval. Under ASX Listing Rule 7.4, shareholders may ratify the issue of the securities and thereby refresh the Company's capacity to make future issues of securities up to the 15% threshold. Please refer to the Explanatory Statement for details.

The Company will disregard any votes cast on this Resolution by a person who participated in the issue the subject of this Resolution and any of their associates. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 – Ratification of Share Placement Fee

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the issue of 800,000 fully paid ordinary shares in the capital of the Company on the terms set out in the Explanatory Statement accompanying this Notice."

Short Explanation: ASX Listing Rule 7.1 allows a company to issue equity securities in any 12 month period representing up to 15% of its ordinary share capital on issue at the commencement of that period without shareholder approval. Under ASX Listing Rule 7.4, shareholders may ratify the issue of the securities and thereby refresh the Company's capacity to make future issues of securities up to the 15% threshold. Please refer to the Explanatory Statement for details.

The Company will disregard any votes cast on this Resolution by a person who participated in the issue the subject of this Resolution and any of their associates. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6 – Approval of Share Placement Facility

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue up to 30,000,000 fully paid ordinary shares in the capital of the Company at an issue price that is at least 80% of the average market price calculated over the last 5 days on which sales of securities were recorded before the day on which the issue is made, or, if there is a prospectus issued relating to the issue, over the last 5 days on which sales of the Company's ordinary fully paid shares are recorded before the date of the prospectus and otherwise on the terms set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Under ASX Listing Rule 7.1, the Company may not issue or agree to issue equity securities in any 12 month period representing more than 15% of its ordinary share capital on issue at the commencement of that period without shareholder approval. By obtaining the prior approval of shareholders for the issue of securities proposed under this Resolution, the Company retains the flexibility to make future issues of securities up to that threshold.

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this Resolution is passed, and any associate of those persons. However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing that meeting as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 7 – Approval of Employee Incentive Scheme

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 7.2 Exception 9(b) and for all other purposes, the Company approve the issue of securities under the employee performance rights and share plan for a period of 3 years commencing on the date of this meeting on the terms set out in the Explanatory Statement accompanying this Notice."

Short Explanation: For the purposes of Listing Rule 7.2 Exception 9(b), Shareholders must give their approval to the issue of securities under an employee incentive scheme as an exception to the requirements of Listing Rule 7.1.

The Company will disregard any votes cast on this Resolution by a Director and any associate of those persons. However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing that Meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

Resolution 8 – Issue of Performance Rights to Roderick McIlree

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 2,700,000 performance rights under an employee incentive scheme to Roderick McIlree or his nominee on the terms set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Under the related party provisions of the Corporations Act (Chapter 2E) the provision of any financial benefit (which includes the issue of performance rights) to a related party requires shareholder approval unless excepted in terms of the Corporations Act. The ASX Listing Rules requires the Company to seek shareholder approval prior to the issue of securities to a related party under an employee incentive scheme. Mr McIlree is a related party of the Company.

The Company will disregard any votes cast on this resolution by any Director or their nominee and any of their associates. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 9 – Issue of Performance Rights to Michael Hutchinson

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 1,400,000 performance rights under an employee incentive scheme to Michael Hutchinson or his nominee on the terms set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Under the related party provisions of the Corporations Act (Chapter 2E) the provision of any financial benefit (which includes the issue of performance rights) to a related party requires shareholder approval unless excepted in terms of the Corporations Act. The ASX Listing Rules requires the Company to seek shareholder approval prior to the issue of securities to a related party under an employee incentive scheme. Mr Hutchinson is a related party of the Company.

The Company will disregard any votes cast on this resolution by any Director or their nominee and any of their associates. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 10 – Issue of Performance Rights to Jeremy Whybrow

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 1,000,000 performance rights under an employee incentive scheme to Jeremy Whybrow or his nominee on the terms set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Under the related party provisions of the Corporations Act (Chapter 2E) the provision of any financial benefit (which includes the issue of performance rights) to a related party requires shareholder approval unless excepted in terms of the Corporations Act. The ASX Listing Rules requires the Company to seek shareholder approval prior to the issue of securities to a related party under an employee incentive scheme. Mr Whybrow is a related party of the Company.

The Company will disregard any votes cast on this resolution by any Director or their nominee and any of their associates. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 11 – Issue of Performance Rights to Simon Cato

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 600,000 performance rights under an employee incentive scheme to Simon Cato or his nominee on the terms set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Under the related party provisions of the Corporations Act (Chapter 2E) the provision of any financial benefit (which includes the issue of performance rights) to a related party requires shareholder approval unless excepted in terms of the Corporations Act. The ASX Listing Rules requires the Company to seek shareholder approval prior to the issue of securities to a related party under an employee incentive scheme. Mr Cato is a related party of the Company.

The Company will disregard any votes cast on this resolution by any Director or their nominee and any of their associates. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 12 – Issue of Performance Rights to Tony Ho

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 600,000 performance rights under an employee incentive scheme to Tony Ho or his nominee on the terms set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Under the related party provisions of the Corporations Act (Chapter 2E) the provision of any financial benefit (which includes the issue of performance rights) to a related party requires shareholder approval unless excepted in terms of the Corporations Act. The ASX Listing Rules requires the Company to seek shareholder approval prior to the issue of securities to a related party under an employee incentive scheme. Mr Ho is a related party of the Company.

The Company will disregard any votes cast on this resolution by any Director or their nominee and any of their associates. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 13 – Issue of Performance Rights to John Mair

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 2,100,000 performance rights under an employee incentive scheme to John Mair or his nominee on the terms set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Under the related party provisions of the Corporations Act (Chapter 2E) the provision of any financial benefit (which includes the issue of performance rights) to a related party requires shareholder approval unless excepted in terms of the Corporations Act. The ASX Listing Rules requires the Company to seek shareholder approval prior to the issue of securities to a related party under an employee incentive scheme. Dr Mair as a proposed Director is a related party of the Company.

The Company will disregard any votes cast on this resolution by any Director or their nominee and any of their associates. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 14 – Issue of Options to Roderick McIlree

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue to Roderick McIlree or his nominee up to 2,800,000 options to acquire fully paid ordinary shares in the capital of the Company, to be issued on the terms set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Under the related party provisions of the Corporations Act (Chapter 2E) the provision of any financial benefit (which includes the issue of options) to a related party requires shareholder approval unless excepted in terms of the Corporations Act. The ASX Listing Rules requires the Company to seek shareholder approval prior to the issue of securities to a related party. Mr McIlree is a related party of the Company.

The Company will disregard any votes cast on this resolution by Roderick McIlree or his nominee and any of their associates. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 15 – Issue of Options to John Mair

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue to John Mair or his nominee up to 2,100,000 options to acquire fully paid ordinary shares in the capital of the Company, to be issued on the terms set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Under the related party provisions of the Corporations Act (Chapter 2E) the provision of any financial benefit (which includes the issue of options) to a related party requires shareholder approval unless excepted in terms of the Corporations Act. The ASX Listing Rules requires the Company to seek shareholder approval prior to the issue of securities to a related party. Mr Mair as a proposed Director is a related party of the Company.

The Company will disregard any votes cast on this resolution by John Mair or his nominee and any of their associates. However, the Company will not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 16 – Issue of Options to Shaun Bunn

To consider and, if though fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 for all other purposes, approval is given for the Company to issue to Shaun Bunn or his nominee up to 2,100,000 options to acquire fully paid ordinary shares in the capital of the Company, to be issued on the terms set out in the Explanatory Statement accompanying this Notice."

Short Explanation: Under ASX Listing Rule 7.1, the Company may not issue or agree to issue equity securities in any 12 month period representing more than 15% of its ordinary share capital on issue at the commencement of that period without shareholder approval. By obtaining the prior approval of shareholders for the issue of securities proposed under this Resolution, the Company retains the flexibility to make future issues of securities up to that threshold.

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this Resolution is passed, and any associate of those persons. However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing that meeting as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 10 May 2011 at 5.00pm (Western Standard Time).

4. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

By order of the Board

A handwritten signature in black ink, appearing to read 'S. Cato', written in a cursive style.

Simon Cato
Director
Dated: 8 April 2011

GREENLAND MINERALS AND ENERGY LIMITED
ABN 85 118 463 004

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

GENERAL BUSINESS

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report is in the Directors Report section of the Company's Annual Report.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out remuneration details for each Director and each of the Company's executives and group executives named in the Remuneration Report for the financial year ended 31 December 2010.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote on this resolution is advisory only, however, and does not bind the Board or the Company.

The Directors recommend that Shareholders vote in favour of Resolution 1.

The Chairman will give Shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR MICHAEL HUTCHINSON

Mr Hutchinson was last re-elected as a director of the Company at the 2009 annual general meeting of the Company on 10 November 2009.

Pursuant to clause 11.3 of the Company's Constitution, Mr Hutchinson, being a Director of the Company, retires by way of rotation and being eligible, offers himself for re-election as a Director of the Company.

Details of the qualifications and experience of Mr Hutchinson are set out in the 2010 Annual Report for the Company.

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR TONY HO

Mr Ho was last re-elected as a director of the Company at the 2009 annual general meeting of the Company on 10 November 2009.

Pursuant to clause 11.3 of the Company's Constitution, Mr Ho, being a Director of the Company, retires by way of rotation and being eligible, offers himself for re-election as a Director of the Company.

Details of the qualifications and experience of Mr Ho are set out in the 2010 Annual Report for the Company.

SPECIAL BUSINESS

4. RESOLUTION 4 - RATIFICATION OF PLACEMENT OF SHARES

On or about 8 July 2010, the Company allotted and issued 17,647,060 Shares at an issue price of 34 cents each to raise \$6,000,000.

ASX Listing Rule 7.1 provides, subject to certain exceptions, that without shareholder approval, a listed company must not issue equity securities where the number of equity securities proposed to be issued represents more than 15% of the company's shares then on issue. The Company issued the Shares within its 15% capacity under Listing Rule 7.1.

ASX Listing Rule 7.4 provides that an issue of securities made without the approval under Listing Rule 7.1 is treated as having been made with approval if the issue of securities did not breach Listing Rule 7.1 (that is, the issue was within the Company's 15% capacity) and shareholders subsequently approve it. The Company now seeks Shareholder approval to ratify this issue and refresh its 15% capacity.

ASX Listing Rule 7.5 provides that for shareholders to approve an issue subsequently, the notice of meeting must include particular information. This information is as follows:

- (a) The number of securities allotted was 17,647,060 Shares.
- (b) The Shares were issued for 34 cents each.
- (c) The Shares are fully paid ordinary shares and rank equally with the Company's current issued Shares.
- (d) The allottees of the Shares are investors to whom an offer of securities does not require a disclosure document under Part 6D.2 of the Corporations Act. None of the Shares were issued to Directors or other related parties.
- (e) The Company used the funds raised for development programs on the Kvanefjeld Project.

5. RESOLUTION 5 – RATIFICATION OF SHARE PLACEMENT FEE

On or about 17 December 2010, the Company allotted and issued 800,000 Shares in lieu of a placement fee for the placement that raised \$6,000,000 the subject of Resolution 4.

Details about the ASX Listing Rule requirements regarding Listing Rules 7.1 and 7.4 are set out in section 4 above.

By ratifying the issue of the securities the subject of this Resolution, the Company will refresh its 15% capacity under Listing Rule 7.1.

Listing Rule 7.5 provides that for shareholders to approve an issue subsequently, the notice of meeting must include particular information. This information is as follows:

- (a) The number of securities allotted was 800,000 Shares.
- (b) The Shares were issued at a deemed price of 34 cents each in lieu of a placement fee otherwise payable of \$272,000 for the placement that raised \$6,000,000 the subject of Resolution 4.
- (c) The Shares are fully paid ordinary shares and rank equally with the Company's current issued Shares.
- (d) The allottees of the Shares were a number of broking firms involved in the placement.
- (e) There were no funds raised from the Share issue.

6. RESOLUTION 6 – APPROVAL OF SHARE PLACEMENT FACILITY

Resolution 6 seeks Shareholder approval for a Share placement facility to allow the issue of up to 30,000,000 Shares.

The Company seeks to have the flexibility to issue securities to allow this number of securities not to be included in the calculation under ASX Listing Rule 7.1. This will enable the Company to have the flexibility to issue equity securities in the future up to the 15% threshold without the requirement to obtain prior Shareholder approval.

ASX Listing Rule 7.1

Details about the ASX Listing Rule requirements regarding Listing Rule 7.1 is set out in section 4 above.

ASX Listing Rule 7.3 requires that the following information to be provided to Shareholders when seeking an approval for the purposes of ASX Listing Rule 7.1:

- (a) The maximum number of securities to be issued is 30,000,000 Shares.
- (b) The Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (c) The Shares will be issued at a price that is at least 80% of the average market price of Shares calculated over the last 5 days on which sales of the Shares were recorded before the day on which the issue is made, or, if there is a prospectus relating to the issue, over the 5 days on which sales of Shares are recorded before the date of the prospectus.
- (d) The names of the proposed allottees are not known and the quantity of the Shares to be issued to each allottee is not known. The Company intends (but without limitation) to issue the Shares to institutional, sophisticated and professional investors who are exempt from the disclosure requirements of Chapter 6D of the Corporations Act. The Shares will not be issued to Directors or other related parties.

- (e) The Shares issued will be fully paid ordinary shares in the Company and will rank equally with the Company's current issued Shares.
- (f) The Company intends to use the funds raised from the issue of the Shares to provide general working capital and assist funding the development of the Kvanefjeld Project.
- (g) It is intended that Shares will be allotted on one date.

7. RESOLUTION 7 – APPROVAL OF EMPLOYEE INCENTIVE SCHEME

7.1 Background

In February 2011 the Board adopted an employee performance rights and share plan ("**Plan**") to enable the Company to issue Performance Rights to employees and Directors. On 24 February 2011 the Company announced its intention to implement the Plan.

The Plan was developed by the Board after a review which included advice from independent consultants. The focus of the review and the outcome by the Plan is to provide an opportunity to employees to participate in the Company's future growth and provide an incentive to contribute to that growth. The Plan is further designed to assist in retaining employees. The Company has made a significant investment in employees and management.

Performance Rights were chosen as they allow the Company to incentivise employees and Directors of the Company without creating onerous up-front taxation obligations on them for a security (Share) they may not receive. They also increase the amount of the incentive available per right/security issued by not requiring an option exercise price comparable to the current Share price which also reduces the total number of Shares that need to be issued to achieve the same outcome and therefore the ultimate dilution to Shareholders if the performance hurdles are satisfied.

While there are a significant number of securities to potentially issue they only vest once significant price hurdles are met. Further these price hurdles must be met with 10 day volume weighted average prices to minimise the effect of intra-day price spikes.

Vesting of all the securities also require two years continuous employment from 1 April 2011.

This means that vesting will essentially be aligned with the company meeting the development timetable set out in the interim feasibility study report as significant share price movements can be expected to align with continuing success at satisfying the goals required to be achieved during the next two years to meet that timetable.

Generally the allocation of Performance Rights are either spread evenly among price hurdles or larger portions of some individuals allotments are skewed to the higher price hurdles or tranches.

The Performance Rights vesting hurdles for the 3 tranches of Performance Rights are respectively \$1.50, \$1.85 and \$2.50.

The Option vesting price hurdles for the 3 tranches of Options are \$3.75, \$5.00 and \$6.25, these hurdles in particular are greatly in excess of the current Share price.

The valuation model used to value the Performance Rights and Options acknowledges these vesting hurdles, but no further discount has been applied to the valuation to reflect that these hurdles may not be met.

The market capitalisation performance hurdles set out in the ASX announcement of 24 February 2011 have been amended to equivalent Share price parameters for simplicity and greater transparency.

The Options the subject of Resolutions 14 to 16 are being issued outside the Plan or an employee incentive scheme.

A copy of the Plan will be made available for inspection at the Meeting. A summary of the Plan is set out in Annexure 1. A summary of the material terms of the Performance Rights that may be issued under the Plan is set out in Annexure 2.

7.2 Regulatory Requirements

Shareholder approval is not required under the Corporations Act or the ASX Listing Rules for the establishment or operation of the Plan. However, Shareholder approval is being sought to allow the Company to rely on an exception to the calculation of the 15% limit imposed by ASX Listing Rule 7.1 on the number of securities that may be issued without shareholder approval. ASX Listing Rule 7.2 exception 9(b) provides that ASX Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by shareholders and the issue of securities is within 3 years from the date of shareholder approval of the issue of securities under the employee incentive scheme.

If an offer is made to a Director to participate in the Plan then separate Shareholder approval will need to be obtained. Resolutions 8 to 13 seek approval for each of the members of the Board to participate.

7.3 Recommendation

The Board recommends that Shareholders approve the Plan. It will allow the Company to issue securities for the benefit of participants of the Plan whilst preserving the Company's 15% limit of issuing securities and provide flexibility in the manner in which the Plan is managed.

In September 2011 and after the Meeting, the Board intends to initially issue Performance Rights under the Plan to 13 people who are not Directors or related parties. The delay in the allotment is to resolve regulatory issues that would otherwise require expensive documentation. Performance Rights will also be issued at that time if the issues are approved by Shareholders.

8. RESOLUTIONS 8 TO 13 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTIES

8.1 Background

A background to the Plan and the Performance Rights is set out in section 7.1.

Resolutions 8 to 13 seek Shareholder approval for the issue of Performance Rights to both the current members of the Board (Roderick McIlree, Michael Hutchinson, Jeremy Whybrow, Simon Cato and Tony Ho) and to John Mair as a proposed Director. It is proposed to appoint John Mair to the Board after the meeting.

The Performance Rights will be issued pursuant to the Plan (Employee Performance Rights and Share Plan).

Shareholder approval is required for the purposes of Chapter 2E of the Corporations Act (section 208) and ASX Listing Rule 10.14 because the Directors and the proposed Directors are each a related party of the Company.

8.2 Chapter 2E of the Corporations Act - Related Party Transactions

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, the Directors and John Mair as a proposed Director are related parties of the Company.

The issue of Performance Rights to a related party is a financial benefit requiring shareholder approval in the absence of a specified exception applying.

For the purpose of Chapter 2E of the Corporations Act the following information is provided.

- (a) *The related party to whom the resolutions would permit the financial benefit to be given*

The related parties are Roderick McIlree or his nominee (Resolution 8), Michael Hutchinson or his nominee (Resolution 9), Jeremy Whybrow or his nominee (Resolution 10), Simon Cato or his nominee (Resolution 11), Tony Ho or his nominee (Resolution 12) and John Mair or his nominee (Resolution 13).

- (b) *The nature of the financial benefit*

The nature of the financial benefit is the issue of Performance Rights.

The general terms of the Performance Rights are set out in Annexure 2. The number of the Performance Rights and the performance/vesting hurdles imposed are set out in Annexure 3.

- (c) *Reasons for giving the benefit*

The Board believes that the issue of Performance Rights to related parties under the Plan is an appropriate way to add incentive to their performance, without additional cash outlay by the Company and without creating onerous up-front taxation obligations. The Performance Rights provide a means by which the Company can supplement the existing cash remuneration with incentive to the related parties thereby preserving the Company's cash resources. The continuous service performance hurdle in respect of the Performance Rights is designed to assist with retention of the related parties. The Company is further seeking to issue Roderick McIlree and John Mair with Options under Resolutions 14 and 15.

- (d) *Directors recommendation*

By Resolutions 8 to 12 the Directors will each receive Performance Rights. By Resolution 13 John Mair as a proposed Director will receive Performance Rights. All the Directors abstain from making a recommendation to Shareholders as they have or may be seen to have an interest in the outcome of the Resolutions.

- (e) *Total remuneration package*

The remuneration received by Roderick McIlree is \$360,000 inclusive of statutory superannuation.

The remuneration received by Michael Hutchinson is 100,000 British pounds inclusive of statutory superannuation.

The remuneration received by Jeremy Whybrow is \$220,000 inclusive of statutory superannuation.

The remuneration received by Simon Cato is \$140,000 inclusive of statutory superannuation.

The remuneration received by Tony Ho is \$50,000 exclusive of statutory superannuation.

The remuneration received by John Mair is \$350,000 inclusive of statutory superannuation.

(f) *Existing relevant interests*

As at the date of this Notice, the Directors, proposed Directors and their associates have the following relevant interest in securities of the Company as set out below.

	Shares	Options
Roderick McIlree	3,331,095	2,522,000 listed Options (20 cent exercise price) and 6,600,000 unlisted Options (20 cent exercise price)
Michael Hutchinson	Nil	2,000,000 unlisted Options (50 cent exercise price) and 2,000,000 unlisted Options (\$1.00 exercise price)
Jeremy Whybrow	900,100	710,100 listed Options (20 cent exercise price) and 6,600,000 unlisted Options (20 cent exercise price)
Simon Cato	920,100	800,100 listed Options (20 cent exercise price) and 6,600,000 unlisted Options (20 cent exercise price)
Tony Ho	250,000	500,000 unlisted Options (\$1.00 exercise price) and 500,000 unlisted Options (\$1.50 exercise price)
John Mair	260,000	5,100,000 listed Options (20 cent exercise price) 250,000 unlisted Options (50 cent exercise price) and 250,000 unlisted Options (\$1.00 exercise price)

All the above Options expire on 30 June 2011.

In addition to the existing Shares and Options it is proposed that Roderick McIlree will be issued with up to 2,800,000 Options by Resolution 14 and John Mair up to 2,100,000 Options by Resolution 15.

(g) *Dilution*

The passing of the Resolutions 8 to 13 would have the effect of granting the related parties up to 8,400,000 Performance Rights.

If all the Performance Rights vest, Shares will issue which will have the effect of diluting the shareholding of existing Shareholders. If all the 8,400,000 Performance Rights vest so that 8,400,000 Shares are issued, the effect would be to dilute the shareholding of the existing Shareholders by approximately 2.58% based on the total number of Shares on issue at the date of this Notice of 317,557,865.

(h) *Trading history*

The following table gives details of the highest, lowest and the latest closing price of the Company's Shares trading on the ASX over the last 12 months.

	Closing Price	Date
Highest Price	\$1.375	17 February 2011
Lowest Price	\$0.31	21 July 2010
Latest Price	\$0.965	1 April 2011

(i) *Valuation of Performance Rights*

The Company's independent advisers, RSM Bird Cameron Corporate Pty Ltd, have valued the Performance Rights to be issued to the Directors by reference to the binomial option pricing model. There is no discount to the valuation to take account of the possibility that the Performance Rights will not vest.

The following assumptions have been made regarding the inputs required for the option pricing model:

Input	Tranche 1 (vesting \$1.50)	Tranche 2 (vesting \$1.85)	Tranche 3 (vesting \$2.50)	Note
Number of Performance Rights	2,600,000	2,800,000	3,000,000	
Underlying share spot price	\$0.97	\$0.97	\$0.97	1
Dividend rate	Nil	Nil	Nil	2
Risk free rate	5.03%	5.03%	5.03%	3
Volatility	100%	100%	100%	4
Life of the Performance Rights	3 years	3 years	3 years	5
Share price hurdle	\$1.50	\$1.85	\$2.50	6

- Note 1: The underlying share spot price used for the purpose of the valuation is based on the price as at 29 March 2011.
- Note 2: No dividends are expected to be paid during the life of the Performance Rights.
- Note 3: The risk free rate is the Commonwealth Government 3 year bond rate at 28 March 2011.
- Note 4: The volatility was estimated from the Company's historical trading volatility over the past 3 years.
- Note 5: The life of the Performance Rights has therefore been assumed to be 3 years expiring on 12 May 2013.
- Note 6: The Performance Rights have been valued using a "barrier up and in" binomial option valuation model. It has been assumed that the barrier price is equal to the share price hurdle and that the Performance Rights vest once this share price hurdle is met.

Based on the above assumptions, the Performance Rights have been valued as follows:

Number and Value of Performance Rights			
	Tranche 1	Tranche 2	Tranche 3
Roderick McIlree	900,000 Performance Rights – 91.5 cents each	900,000 Performance Rights – 88.0 cents each	900,000 Performance Rights – 82.2 cents each
Michael Hutchinson	400,000 Performance Rights – 91.5 cents each	500,000 Performance Rights – 88.0 cents each	500,000 Performance Rights – 82.2 cents each
Jeremy Whybrow	300,000 Performance Rights – 91.5 cents each	300,000 Performance Rights – 88.0 cents each	400,000 Performance Rights – 82.2 cents each
Simon Cato	100,000 Performance Rights – 91.5 cents each	200,000 Performance Rights – 88.0 cents each	300,000 Performance Rights – 82.2 cents each
Tony Ho	200,000 Performance Rights – 91.5 cents each	200,000 Performance Rights – 88.0 cents each	200,000 Performance Rights – 82.2 cents each
John Mair	700,000 Performance Rights – 91.5 cents each	700,000 Performance Rights – 88.0 cents each	700,000 Performance Rights – 82.2 cents each

(j) *Other information*

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass the Resolutions.

8.3 ASX Listing Rule 10.14

ASX Listing Rule 10.11 provides that a company must not issue securities (including Performance Rights) to a director of the company under an employee incentive scheme unless the issue has been approved by shareholders by ordinary resolution. If approval is given by shareholders under ASX Listing Rule 10.14, separate shareholder approval is not required under ASX Listing Rule 10.11.

The Company seeks approval from Shareholders for the issue of Performance Rights to Directors and proposed Directors who are each related parties of the Company.

For the purposes of ASX Listing Rule 10.15A, the following information is provided:

- (a) The Performance Rights will be issued to Roderick McIlree, Michael Hutchinson, Jeremy Whybrow, Simon Cato and Tony Ho as Directors and to John Mair as a proposed Director.
- (b) The maximum number of Performance Rights that will be issued to the Directors and proposed Directors is 8,400,000 as set out in Annexure 3.
- (c) No monetary consideration is payable for the issue of the Performance Rights and any resultant Shares.
- (d) No securities have to date been issued under the Plan.
- (e) All the Directors and the Proposed Directors are entitled to participate in the Plan.
- (f) No loans will be provided to the Directors and the Proposed Directors.
- (g) Details of any securities issued under the Plan will be published in each annual report of the entity relating to a period in which securities have been issued, and that approval for the issue of securities was obtained under ASX Listing Rule 10.14.
- (h) Any additional related parties who may become entitled to participate in the Plan after the resolutions are approved and who were not named in the Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.
- (i) The Performance Rights will be issued no later than 3 years after the date of Shareholder approval.

9. RESOLUTIONS 14 AND 15 – ISSUE OF OPTIONS TO RELATED PARTIES

9.1 Background

Resolutions 14 and 15 seek shareholder approval for the issue of Options to Roderick McIlree, the Managing Director of the Company and John Mair, a proposed Director.

The Options will not be issued under an employee incentive scheme. The Options the subject of Resolutions 14, 15 and 16 were structured to award outstanding performance for Shareholders and at the same time eliminate or reduce other coincident employment costs such as payroll tax liabilities that would otherwise be incurred. The exercise of these Options with an exercise price of \$1.75, being substantially in excess of the Share price at the date of this Notice, would also provide substantial funds to the Company.

Shareholder approval is required for the purposes of Chapter 2E of the Corporations Act (section 208) and ASX Listing Rule 10.11 because each of Roderick McIlree and John Mair are related parties of the Company.

9.2 Chapter 2E of the Corporations Act - Related Party Transactions

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Roderick McIlree as a Director is a related party of the Company. Further, it is proposed to appoint John Mair to the Board of the Company after the Meeting. John Mair is thereby a related party within the terms of section 228(6) of the Corporations Act as there is reasonable grounds to believe he will become a Director.

The issue of Options to a related party is a financial benefit requiring shareholder approval in the absence of a specified exception applying.

For the purpose of Chapter 2E of the Corporations Act the following information is provided.

- (a) *The related party to whom the resolutions would permit the financial benefit to be given*

The related parties are Roderick McIlree or his nominee (Resolution 14) and John Mair or his nominee (Resolution 15).

- (b) *The nature of the financial benefit*

The nature of the financial benefit is the issue of Options.

The terms of the Options are set out in Annexure 4. 2,800,000 Options will be issued to Roderick McIlree in 3 tranches being 900,000 tranche 1 Options, 950,000 tranche 2 Options and 950,000 tranche 3 Options. 2,100,000 Options will be issued to John Mair in 3 tranches being 700,000 tranche 1 Options, 700,000 tranche 2 Options and 700,000 tranche 3 Options. The difference in the terms of the Option tranches are as to share price vesting hurdles.

- (c) *Reasons for giving the benefit*

In addition to issuing Performance Rights to Roderick McIlree and John Mair under the Plan, the Directors seek Shareholder approval to issue the Options to each of Roderick McIlree and John Mair. Together with the Performance Rights these Options add incentive to the performance of these related parties without additional cash outlay by the Company.

The Options have been structured so that the exercise price of \$1.75 is significantly in excess of the Share price at the date of this Notice as part of the incentive process and will also reduce up-front taxation obligations on the recipient whilst reducing taxation obligations on the Company.

The continuous service vesting hurdle for the Options is designed to assist with retention of these key employees. Vesting of all the securities requires two years continuous employment from 1 April 2011.

This means that vesting will essentially be aligned with the Company meeting the development timetable set out in the interim feasibility study report as significant share price movements can be expected to align with continuing success at satisfying the goals required to be achieved during the next two years to meet that timetable.

(d) *Directors recommendation*

The Board currently consists of Michael Hutchinson, Roderick McIlree, Jeremy Whybrow, Simon Cato and Tony Ho. Roderick McIlree is the subject of Resolution 15.

For the reasons set out above in section 9.2(c), the Directors independent of Rod McIlree (being all the other Directors) in respect of Resolution 14 and all the Directors in respect of Resolution 15 recommend that Shareholders vote in favour of the Resolutions as the particular number and terms of the Options to be issued constitute an appropriate number to adequately incentivise and reward in the circumstances in light of the skill and experience of Roderick McIlree and John Mair when considered with their other remuneration as detailed below.

Roderick McIlree abstains from making a recommendation to Shareholders on Resolution 14 as he has a material personal interest in the outcome as he is the recipient of the Options.

(e) *Total remuneration package*

The remuneration received by Roderick McIlree is \$360,000 inclusive of statutory superannuation.

The remuneration received by John Mair is \$350,000 inclusive of statutory superannuation.

(f) *Existing relevant interests*

As at the date of this Notice, Roderick McIlree, John Mair and their associates have the following relevant interest in securities of the Company as set out below.

	Shares	Options
Roderick McIlree	3,331,095	2,522,000 listed Options (20 cent exercise price) and 6,600,000 unlisted Options (20 cent exercise price)
John Mair	260,000	5,100,000 listed Options (20 cent exercise price), 250,000 unlisted Options (50 cent exercise price) and 250,000 unlisted Options (\$1.00 exercise price)

All the above Options expire on 30 June 2011.

In addition to the existing Shares and Options, it is proposed that Roderick McIlree will be issued with 2,700,000 Performance Rights (Resolution 8). It is proposed that John Mair will be issued with 2,100,000 Performance Rights (Resolution 13).

(g) *Dilution*

The passing of the Resolutions 14 and 15 would have the effect of granting up to 4,900,000 Options.

Assuming the Options to be issued vest and are exercised, the effect of Resolutions 13 and 15 would be to dilute the shareholding of the existing Shareholders by approximately 1.52% based on the total number of Shares on issue at the date of this Notice of 317,557,865.

(h) *Trading history*

In section 8.2 the highest, lowest and the latest closing price of the Company's Shares trading on the ASX over the last 12 months is set out.

(i) *Valuation of Options*

The Company's independent advisers, RSM Bird Cameron Corporate Pty Ltd, have valued the Options to be issued under Resolutions 14 and 15 by reference to the binomial option pricing model. There is no discount to the valuation to take account of the possibility that the Options will not vest.

The following assumptions have been made regarding the inputs required for the option pricing model:

Input	Tranche 1 (vesting \$3.75)	Tranche 2 (vesting \$5.00)	Tranche 3 (vesting \$6.25)	Note
Number of Options to related parties	1,600,000	1,650,000	1,650,000	
Underlying share spot price	\$0.97	\$0.97	\$0.97	1
Dividend rate	Nil	Nil	Nil	2
Risk free rate	4.91%	4.91%	4.91%	3
Volatility	100%	100%	100%	4
Expiry Date	31.8.2013	31.8.2013	31.8.2013	5
Share price hurdle	\$3.75	\$5.00	\$6.25	6

Note 1: The underlying share spot price used for the purpose of the valuation is based on the price as at 29 March 2011.

Note 2: No dividends are expected to be paid during the life of the Options.

- Note 3: The risk free rate is the 2 year Commonwealth Government bond rate at 28 March 2011.
- Note 4: The volatility was estimated from the Company's historical trading volatility over the past 3 years.
- Note 5: The life of the Options has therefore been assumed to be 2.3 years.
- Note 6: The Options have been valued using a "barrier up and in" binomial option value model. It has been assumed that the barrier price is equal to the Share price hurdle and that the Options vest once this Share price hurdle is met.

Based on the above assumptions, the Options have been valued as follows:

Number and Value of Options			
	Tranche 1	Tranche 2	Tranche 3
Roderick McIlree	900,000 Options – 41.6 cents each	950,000 Options – 39.3 cents each	950,000 Options – 36.6 cents each
John Mair	700,000 Options – 41.6 cents each	700,000 Options – 39.3 cents each	700,000 Options – 36.6 cents each

(j) *Other information*

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass the Resolutions.

9.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a company to obtain shareholder approval prior to the issue of securities to a related party. Each of Roderick McIlree as a Director and John Mair as a proposed Director are related parties within the terms of the ASX Listing Rules. Accordingly, the Company must obtain Shareholder approval pursuant to ASX Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required as approval is being obtained under ASX Listing Rule 10.11. Shareholders should note that the issue of the Shares will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

In accordance with ASX Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolutions 14 and 15:

- (a) The Options will be issued to Roderick McIlree or his nominee (Resolution 14) and John Mair or his nominee (Resolution 15).
- (b) The maximum number of securities of the Company to be issued is 2,800,000 Options under Resolution 14 and 2,100,000 Options under Resolution 15.
- (c) The securities will be issued no later than 1 month after the date of this Meeting (or a later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).

- (d) Roderick McIlree is a Director. John Mair is a proposed Director and is thereby a related party within the terms of section 228(6) of the Corporations Act as there is reasonable grounds to believe he will become a Director.
- (e) The Options will be issued for no consideration. The terms of the Options are set out in Annexure 4. 2,800,000 Options will be issued to Roderick McIlree and 2,100,000 Options to John Mair. The difference in the terms of the Option tranches are to share price vesting hurdles.
- (f) There will be no funds raised by the issue of the Options.

10. RESOLUTION 16 – ISSUE OF OPTIONS TO SHAUN BUNN

Resolution 16 seeks Shareholder approval to issue up to 2,100,000 Options to Shaun Bunn as an incentive for continued quality performance. In addition to the Options the subject of this Resolution, it is intended that Shaun Bunn will be issued with 2,100,000 Performance Rights under the Plan after the Meeting (being 700,000 tranche 1 Performance Rights, 700,000 tranche 2 Performance Rights and 700,000 tranche 3 Performance Rights).

The Company seeks to have the flexibility to issue securities to allow this number of securities not to be included in the calculation under ASX Listing Rule 7.1. This will enable the Company to have the flexibility to issue equity securities in the future up to the 15% threshold without the requirement to obtain prior Shareholder approval.

ASX Listing Rule 7.1

Details about the ASX Listing Rule requirements regarding Listing Rule 7.1 is set out in section 4 above.

ASX Listing Rule 7.3 requires that the following information to be provided to Shareholders when seeking an approval for the purposes of ASX Listing Rule 7.1:

- (a) The maximum number of securities to be issued is 2,100,000 Options.
- (b) The Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (c) The Options will be issued for no consideration.
- (d) The Options will be issued to Shaun Bunn or his nominee.
- (e) The terms of the Options are set out in Annexure 4. The 2,100,000 Options will be issued in 3 tranches of 700,000 Options each, namely 700,000 tranche 1 Options, 700,000 tranche 2 Options and 700,000 tranche 3 Options. The difference in the terms of the Option tranches is as to share price vesting hurdles. The Options are the same terms as Options to be issued to related parties under Resolutions 13 and 14 which have been valued in this Explanatory Statement.
- (f) There will be no funds raised from the issue of the Options.
- (g) It is intended that Options will be allotted on one date.

GREENLAND MINERALS AND ENERGY LIMITED
ABN 85 118 463 004

GLOSSARY

In the Notice and this Explanatory Statement the following expressions have the following meanings:

"**ASX**" means the ASX Limited (ACN 008 624 691).

"**ASX Listing Rules**" or "**Listing Rules**" means the Listing Rules of the ASX.

"**Board**" means the Board of Directors of the Company.

"**Company**" or "**GGG**" means Greenland Minerals and Energy Limited (ABN 85 118 463 004).

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Directors**" mean the directors of the Company from time to time.

"**Explanatory Statement**" means this Explanatory Statement.

"**Meeting**" means the meeting convened by this Notice.

"**Notice**" means the notice of meeting that accompanies this Explanatory Statement.

"**Option**" means an option to subscribe for a Share.

"**Performance Right**" means a right to acquire a Share on the terms set out in Annexure 2.

"**Plan**" means the Employee Performance Rights and Share Plan as defined in section 7 of the Explanatory Statement.

"**Resolution**" means a resolution referred to in the Notice.

"**Share**" means a fully paid ordinary share in the capital of the Company.

"**Shareholder**" means a registered holder of Shares in the Company.

"**Trading Days**" has the same meaning as in the ASX Listing Rules.

"**WST**" or "**Western Standard Time**" means Western Standard Time, Perth, Western Australia.

"**\$**" means Australian dollars unless otherwise stated.

ANNEXURE 1

Summary of Terms of Plan

Following is a summary of the terms and operation of the Plan:

- 1. Purpose**

The purpose of the Plan is to offer Performance Rights to assist with reward, retention, motivation and recruitment of eligible participants.
- 2. Eligible Participants**

Eligible participants are a full or part-time employee or a director of the Company or a related body corporate ("**Eligible Participants**").
- 3. Offers**

Subject to any necessary Shareholder approval, the Board may invite Eligible Participants to apply for Performance Rights. The Eligible Participant must apply for the Performance Right in writing signed by that Eligible Participant.
- 4. Nature of Performance Rights**

A summary of the material terms of the Performance Rights is set out in Annexure 2.
- 5. Vesting and Lapse**

Performance Rights will only vest when any performance hurdles specified at the time of issue have been satisfied or the Board waives any performance hurdles. Subject to not breaching regulatory requirements, the Company must issue a Share upon a Performance Right vesting.

Any unvested Performance Rights will lapse upon the Eligible Employee ceasing to be employed or on the death, incapacity or disability of the Eligible Employee or on the failure to satisfy any performance hurdles within a required time.
- 6. Amendments**

The Board may make such amendments to the Plan as it sees fit subject to the Listing Rules and subject to any amendment not reducing the rights of an Eligible Participant for issued Performance Rights other than in limited circumstances relating to legislative compliance, manifest error and adverse tax implications.
- 7. Limitation on number of Performance Rights**

Performance Rights when aggregated with the number of Shares issued during the 5 years under any employee share plan of the Company must not exceed 5% of the total number of Shares on issue at the time of the relevant invitation. Various excluded offers may be disregarded so as to not count for the 5% limit.
- 8. Operation**

The operation of the Plan is subject to the Listing Rules and the Corporations Act.

ANNEXURE 2

Material Terms of Performance Rights

Following is a summary of the material terms of the Performance Rights:

1. The Performance Rights are non-transferable.
2. The rights under Performance Rights are personal and a Performance Right does not confer any entitlement to attend or vote at meetings of the Company, to dividends, participation in new issues of securities or entitlement to participate in any return of capital.
3. The Performance Rights vest upon the satisfaction of any performance hurdles specified at the time of issue.
4. The Performance Rights lapse upon the Eligible Employee ceasing to be employed or on the death, incapacity or disability of the Eligible Employee or on the failure to satisfy any performance hurdles within a required time of the issue of the Performance Rights.
5. Upon vesting, one (1) Share will be issued for every one (1) Performance Right. The Shares will rank equally in all respects with the existing Shares.
6. If the Company makes a bonus issue of Shares, then the holder of the Performance Right upon vesting will be entitled to have issued to it the increased number of Shares that it would have received if the Performance Right had vested and the holder acquired Shares in respect of the Performance Right before the record date for the bonus issue.
7. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the vesting date, the number of Performance Rights will be reconstructed in a manner consistent with the ASX Listing Rules.

ANNEXURE 3

Number of Performance Rights to the Directors and the Performance Hurdles (Resolutions 8 to 13)

1. Number of Performance Rights

Person	Tranche 1	Tranche 2	Tranche 3	Total
Roderick McIlree	900,000	900,000	900,000	2,700,000
Michael Hutchinson	400,000	500,000	500,000	1,400,000
Jeremy Whybrow	300,000	300,000	400,000	1,000,000
Simon Cato	100,000	200,000	300,000	600,000
Tony Ho	200,000	200,000	200,000	600,000
John Mair	700,000	700,000	700,000	2,100,000
				8,400,000

2. Performance/Vesting Hurdles

The Performance Rights will be issued in 3 tranches with performance/vesting hurdles as follows:

Tranche 1 - will vest upon both the volume weighted average price of Shares being \$1.50 or more for 10 consecutive Trading Days and 2 years continuous service for the Company from 1 April 2011 save that this continuous service vesting hurdle will be deemed to be satisfied in the event of a successful takeover bid where the bidder has acceptances for greater than 50% of the Shares in the Company.

Tranche 2 - will vest upon both the volume weighted average price of Shares being \$1.85 or more for 10 consecutive Trading Days and 2 years continuous service for the Company from 1 April 2011 save that this continuous service vesting hurdle will be deemed to be satisfied in the event of a successful takeover bid where the bidder has acceptances for greater than 50% of the Shares in the Company.

Tranche 3 - will vest upon both the volume weighted average price of Shares being \$2.50 or more for 10 consecutive Trading Days and 2 years continuous service for the Company from 1 April 2011 save that this continuous service vesting hurdle will be deemed to be satisfied in the event of a successful takeover bid where the bidder has acceptances for greater than 50% of the Shares in the Company.

The Performance Rights will lapse if the performance/vesting hurdles are not satisfied within 3 years of the date of the Meeting.

ANNEXURE 4

Terms of Options

(Resolutions 14 to 16)

The Options will be issued in 3 tranches with vesting hurdles as follows:

- (a) Tranche 1 – will vest upon both the volume weighted average price of shares being \$3.75 or more for 10 consecutive Trading Days and 2 years continuous service for the Company from 1 April 2011 save that this continuous service vesting hurdle will be deemed to be satisfied in the event of a successful takeover bid where the bidder has acceptances for greater than 50% of the Shares in the Company.
- (b) Tranche 2 – will vest upon both the volume weighted average price of shares being \$5.00 or more for 10 consecutive Trading Days and 2 years continuous service for the Company from 1 April 2011 save that this continuous service vesting hurdle will be deemed to be satisfied in the event of a successful takeover bid where the bidder has acceptances for greater than 50% of the Shares in the Company.
- (c) Tranche 3 – will vest upon both the volume weighted average price of shares being \$6.25 or more for 10 consecutive Trading Days and 2 years continuous service for the Company from 1 April 2011 save that this continuous service vesting hurdle will be deemed to be satisfied in the event of a successful takeover bid where the bidder has acceptances for greater than 50% of the Shares in the Company.

The terms of the Options are otherwise as follows:

- 1. Each Option entitles the holder to one Share.
- 2. The Options are exercisable at any time prior to 5.00 pm Western Standard Time on 31 August 2013 ("**Expiry Date**").
- 3. The exercise price of the Options is \$1.75 per Option.
- 4. Upon vesting, the Options are freely transferable.
- 5. The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("**Notice of Exercise**"). Subject to vesting, the Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
- 6. Upon the exercise of an Option and receipt of all relevant documents and payment, the holder in accordance with paragraph 5 will be allotted and issued a Share ranking pari passu with the then issued Shares.
- 7. There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Optionholders the opportunity (where Options have vested) to exercise their Options prior to the date for determining entitlements to participate in any such issue.

8. If there is a bonus issue ("**Bonus Issue**") to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
9. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.
10. In the event that the Company makes a pro rata issue of securities, the exercise price of the Options will be adjusted in accordance with the formula set out in Listing Rule 6.22.2.

Direct Line: (08) 9261 9447
Email: andy.gilmour@rsmi.com.au
AJG/AB

30 March 2011

Mr Simon Cato
Director
Greenland Minerals and Energy Limited
Unit 6, 100 Railway Road
Subiaco
Perth WA 6008

Dear Mr Cato

Indicative Valuation of Director and Employee Performance Rights ("Rights") and Share Options ("Options")

1. Introduction

Terms of Reference

- 1.1. In accordance with your instructions, we have valued the Rights and Options to be granted by Greenland Minerals and Energy Limited ("Greenland" or "the Company") to certain Directors and employees. The granting of these Rights and Options is subject to shareholder approval at a General Meeting which is proposed to be held on 12 May 2011.
- 1.2. We understand this indicative valuation is required for inclusion in the Notice of the General Meeting and Explanatory Statement ("Notice"), which will be distributed to shareholders prior to the General Meeting.
- 1.3. References to the Notice throughout this report are references to information contained in the draft Notice provided to us by the Company on 28 March 2011.

Nature of the Assignment

- 1.4. This valuation engagement has been undertaken in accordance with APES 225 – Valuation Services.
- 1.5. This valuation has been undertaken by Andy Gilmour, a director of the Corporate Finance Division of RSM Bird Cameron, acting independently. Andy Gilmour has extensive experience in providing valuations of businesses, shares and other equities. A detailed resume is set out as an Appendix to this report.
- 1.6. The fee to be paid to RSM Bird Cameron Corporate Pty Ltd for this valuation assignment is not contingent on the conclusion, content or future use of this valuation report.

2. Scope of Valuation*Performance Rights*

- 2.1. We understand that each of the five Directors and two employees will receive a pre-determined number of Rights which will vest into ordinary shares of the Company upon the satisfaction of specified performance conditions. We understand that the Rights expire where the performance conditions are not satisfied within a three year period from the grant date or where eligible employees cease to be employed by the Company, or upon death, incapacity or disability of the eligible employees.
- 2.2. We set out below the Rights which are the subject of this valuation report.

Number of Performance Rights				
Director/Employee	Tranche 1	Tranche 2	Tranche 3	Total
Roderick McIlree	900,000	900,000	900,000	2,700,000
Michael Hutchinson	400,000	500,000	500,000	1,400,000
Jeremy Whybrow	300,000	300,000	400,000	1,000,000
Simon Cato	100,000	200,000	300,000	600,000
Tony Ho	200,000	200,000	200,000	600,000
John Mair	700,000	700,000	700,000	2,100,000
Shaun Bunn	700,000	700,000	700,000	2,100,000
Total	3,300,000	3,500,000	3,700,000	10,500,000

- 2.3. The Rights vest into ordinary shares in the Company if the Volume Weighted Average Price ("VWAP") of the Company's shares is above certain share price hurdles for a period of 10 consecutive trading days and the holder has 2 years continuous service with the Company from 1 April 2011. Each tranche is subject to a different share price hurdle, as set out in the table below.

Tranche	VWAP (\$)
1	1.50
2	1.85
3	2.50

- 2.4. In substance each Right is a "barrier up and in share option" which vests once the "barrier price" being \$1.50 for tranche 1, \$1.85 for tranche 2 and \$2.50 for tranche 3 is met and after two years of continuous service from 1 April 2011.
- 2.5. As the Rights have yet to be granted the deemed valuation date is 30 March 2011 being the date of this report.

Options

- 2.6. We understand that a Director and two employees of the Company will receive a pre-determined number of Options exercisable at \$1.75 subject to vesting upon the satisfaction of specified performance conditions. We understand that the Options expire on 31 August 2013.

2.7. We set out below the Options which are the subject of this valuation report.

Director/Employee	Number of Options			Total
	Tranche 1	Tranche 2	Tranche 3	
Roderick McIlree	900,000	950,000	950,000	2,800,000
John Mair	700,000	700,000	700,000	2,100,000
Shaun Bunn	700,000	700,000	700,000	2,100,000
Total	2,300,000	2,350,000	2,350,000	7,000,000

2.8. The Options vest if the VWAP of the Company's shares is above certain share price hurdles for a period of 10 consecutive trading days and the holder has 2 years continuous service with the Company from 1 April 2011. Each tranche is subject to a different share price hurdle, as set out in the table below:

Tranche	VWAP (\$)
1	3.75
2	5.00
3	6.25

2.9. The scope of the work performed in valuing the Rights and Options has consisted of:

- An assessment of the value of the Rights and Options using the binomial pricing model;
- A review of the historical price volatility of Greenland; and
- Discussions with Greenland's Directors and company secretary.

3. Disclaimer

3.1. The statements and opinions given in this report are given in good faith and in the belief that such statements and opinions are not false or misleading. In preparing this report we have relied upon information supplied by management, which we believe to be accurate and reliable. We have not, in preparing this report, independently verified the correctness, existence or value of any item, which is, or should be, in such information. We do not have any reason to believe that any material facts have been withheld from us, nor do we warrant that our investigation has revealed all of the matters which an audit or more extensive examination might disclose. Although the report and opinions expressed herein are based on information supplied to us, we believe the report and opinions to be accurate. However, for the above reasons, we do not warrant the accuracy or reliability of either the information supplied to us or the conclusions drawn there from.

4. Valuation Methodology

4.1. Accounting Standard AASB 2 Share Based Payments prescribes that the following should be factored into the valuation of options (or rights):

- strike or exercise price;
- price on grant date of the underlying share;
- life of the option (or right);
- volatility of the underlying share;
- dividends expected on the shares (if appropriate); and
- risk free interest rate.

- 4.2. The table below analyses the impact on the value of the option (or right) of an increase in each of the variables listed, all other factors remaining the same.

Variable increased	Effect on the value of the Right or Option
Exercise Price	Decrease
Current Stock Price	Increase
Life of the option	Increase
Volatility	Increase
Dividends	Decrease
Risk free interest rate	Increase
Vesting period	Increase

- 4.3. The Options are “barrier up and in” share options, and in substance each Right is also a “barrier up and in” share option which has an exercise price of \$0 that vests and is exercised once the barrier price is met and maintained for a certain period of time (the performance condition).
- 4.4. Barrier up and in options require that market based exercise conditions are satisfied prior to the options vesting. As such we have determined that the Rights and Options issued to the Directors and Employees are more suitably valued using a binomial option pricing model that allows us to reflect the barrier price that must be met before the Rights and Options vest.
- 4.5. Unlike traditional barrier up and in options for the Rights and Options to vest the barrier price must be maintained for a period of 10 consecutive business days. It is not possible for us to make a judgement as to the probability of this event occurring therefore our valuation of the Rights and Options assumes that the Rights and Options vest once the barrier price is hit.
- 4.6. The basis of the valuation we have undertaken is the binomial option pricing model.
- 4.7. The binomial option pricing model consists of three components:
- Plots the possible future value of the underlying stock (in this case Greenland shares) by using a model with many binomial steps. Each step represents a movement upward or downward, the magnitude of which is based on the assessed price volatility of Greenland shares;
 - At each step the underlying stock values are translated to option values; and
 - These future option values are discounted back to determine a single present value of the option as at the grant date.
- 4.8. The binomial model we have used to value the Rights and Options is Peter Hoadley's Barrier1 option valuation model. Further information regarding Hoadley's share option valuation models can be found at www.hoadley.net.

- 4.9. We set out the assumptions we have used in the Binomial model below for the valuation of the Rights and Options.

Variable	Paragraph Ref:	Assumptions (Rights)	Assumptions (Options)
Grant date	4.10	12 May 2011	12 May 2011
Underlying share price at grant date	4.11	\$0.97	\$0.97
Exercise price	4.12	\$0.00	\$1.75
Maximum life (Years)	4.13	3	2.3
Expected future volatility	4.14	100%	100%
Risk free rate	4.15	5.03%	4.91%
Barrier price (tranche 1)	4.16	\$1.50	\$3.75
Barrier price (tranche 2)	4.16	\$1.85	\$5.00
Barrier price (tranche 3)	4.16	\$2.50	\$6.25
Dividend yield	4.17	0%	0%

- 4.10. *Grant date* – We have assumed that the grant date is 12 May 2011, being (at the date of this report) the proposed date of Greenland's General Meeting, when approval from shareholders for the issue of the options will be sought.
- 4.11. *Underlying share price at grant date* – This is usually the closing share price of a company's shares on the last trading day prior to the grant date. As we are providing an indicative valuation, and the Rights and Options which are the subject of this report have yet to be granted we have assumed that the underlying share price at the grant date is the closing share price on 29 March 2011, being the last completed trading date prior to the issue of this report.
- 4.12. *Exercise price* – As set out in the Notice we have assumed that the exercise price of the Rights is nil and the exercise price of the Options is \$1.75.
- 4.13. *Maximum Right/Option life* – As set out in the Notice the maximum life of the Rights is 3 years (expiring on 12 May 2014) whereas the maximum life of the Options is approximately 2.3 years (expiring on 31 August 2013).
- 4.14. *Expected future volatility* – We have calculated the historical volatility of Greenland's shares using Hoadley's Volatility Calculator for numerous periods of time. Based on our analysis we have concluded that a volatility figure of 100% is reflective of the future volatility of Greenland's shares over the life of the Rights and Options.
- 4.15. *Risk free rate* – We have determined this based on the yield of a Commonwealth Government 3 year bond, being the period which most closely corresponds to the estimated life of the Rights, which at 28 March 2011 yielded 5.03%. For the Options which have a life closer to 2 years, we have used the 2 year Commonwealth Government bond rate which at 28 March 2011 yielded 4.91%.
- 4.16. *Barrier price* – As set out in the Notice the terms attached to the Rights and Options specify the barrier prices which must be achieved for at least 10 consecutive trading days, for the Rights or Options to vest. We are unable to estimate the probability of the Greenland share price remaining above these levels for a specified period of time therefore our valuation assumes that the Rights and Options vest once each barrier price is met.
- 4.17. *Dividend Yield* - Dividend yield of 0% has been assumed as the Company has no history of dividends and is not expected to pay dividends over the option period.

5. Indicative Valuation

- 5.1. Based on the methodology and assumptions set out in section 4 of this report, we summarise our indicative valuation of each Right and Option split by tranche as follows:

Tranche	Value Per	
	Right	Option
1	\$0.915	\$0.416
2	\$0.880	\$0.393
3	\$0.822	\$0.366

Performance Rights

- 5.2. We summarise the total value of each tranche of Rights split by individual in the table below.

	Mr McIllree	Mr Hutchinson	Mr Whybrow	Mr Cato	Mr Ho	Mr Mair	Mr Bunn	Total
Number of Rights (Tranche 1)	900,000	400,000	300,000	100,000	200,000	700,000	700,000	3,300,000
Value per Right	\$0.915	\$0.915	\$0.915	\$0.915	\$0.915	\$0.915	\$0.915	\$0.915
Total Value of Tranche 1	\$823,500	\$366,000	\$274,500	\$91,500	\$183,000	\$640,500	\$640,500	\$3,019,500
Number of Rights (Tranche 2)	900,000	500,000	300,000	200,000	200,000	700,000	700,000	3,500,000
Value per Right	\$0.880	\$0.880	\$0.880	\$0.880	\$0.880	\$0.880	\$0.880	\$0.880
Total Value of Tranche 2	\$792,000	\$440,000	\$264,000	\$176,000	\$176,000	\$616,000	\$616,000	\$3,080,000
Number of Rights (Tranche 3)	900,000	500,000	400,000	300,000	200,000	700,000	700,000	3,700,000
Value per Right	\$0.822	\$0.822	\$0.822	\$0.822	\$0.822	\$0.822	\$0.822	\$0.822
Total Value of Tranche 3	\$739,800	\$411,000	\$328,800	\$246,600	\$164,400	\$575,400	\$575,400	\$3,041,400
Total	\$2,355,300	\$1,217,000	\$867,300	\$514,100	\$523,400	\$1,831,900	\$1,831,900	\$9,140,900

Options

5.3. We summarise the total value of each tranche of Options split by individual in the table below.

	Mr McIlree	Mr Mair	Mr Bunn	Total
Number (Tranche 1)	900,000	700,000	700,000	2,300,000
Value per Option	\$0.416	\$0.416	\$0.416	\$0.416
Total Value of Tranche 1	\$374,400	\$291,200	\$291,200	\$956,800
Number (Tranche 2)	950,000	700,000	700,000	2,350,000
Value per Option	\$0.393	\$0.393	\$0.393	\$0.393
Total Value of Tranche 2	\$373,350	\$275,100	\$275,100	\$923,550
Number (Tranche 3)	950,000	700,000	700,000	2,350,000
Value per Option	\$0.366	\$0.366	\$0.366	\$0.366
Total Value of Tranche 3	\$347,700	\$256,200	\$256,200	\$860,100
Total	\$1,095,450	\$822,500	\$822,500	\$2,740,450

5.4. The valuations outlined in this report have been derived using a binomial option valuation model. We note that no additional discount has been applied to the valuations determined by these models to reflect the fact that both the Rights and Options may never vest, which would occur if the performance hurdles are not be achieved.

6. General

6.1. If you have any queries or would like further information please do not hesitate to contact the writer.

Yours faithfully

Andrew Gilmour

A J GILMOUR - Director

APPENDIX A

Qualifications and experience of Andy Gilmour

Andy Gilmour FCA

Andy Gilmour has been a partner in the Corporate Finance Division of RSM Bird Cameron for the last 17 years. He is currently the national head of the division. Andy is also the Chairman and responsible person for RSM Bird Cameron Corporate Pty Ltd holder of an Australian Financial Services licence.

Andy is the WA Representative of the National Committee of the Business Valuations Special Interest Group of the Institute of Chartered Accountants.

Andy has over 24 years valuation experience and has undertaken valuations of companies and businesses for many different purposes including Independent Expert Reports to shareholders for takeovers, acquisitions and disposals, in relation to taxation – capital gains tax, tax consolidation, stamp duty - in relation to litigation matters, assisting in determining appropriate acquisition and disposal prices for purchase and sale of businesses, for bank lending purposes and for internal management and restructuring purposes.

Andy has valued businesses from a wide range of industries including, health, manufacturing, financial services, construction, agribusiness, hospitality and retailing.

GREENLAND MINERALS AND ENERGY LIMITED
ABN 85 118 463 004
PROXY FORM

APPOINTMENT OF PROXY
Greenland Minerals and Energy Limited
ABN 85 118 463 004

I/We

being a Shareholder of Greenland Minerals and Energy Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of Proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at Celtic Club, 48 Ord Street, West Perth, Western Australia on 12 May 2011 at 10.00am (WST) and at any adjournment thereof.

Voting on Business of the Annual General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	☐	☐	☐
Resolution 2	Re-election of Director – Michael Hutchinson	☐	☐	☐
Resolution 3	Re-election of Director – Tony Ho	☐	☐	☐
Resolution 4	Ratification of Placement of Shares	☐	☐	☐
Resolution 5	Ratification of Share Placement Fee	☐	☐	☐
Resolution 6	Approval of Share Placement Facility	☐	☐	☐
Resolution 7	Approval of Employee Incentive Scheme	☐	☐	☐
Resolution 8	Issue of Performance Rights to Roderick McIlree	☐	☐	☐
Resolution 9	Issue of Performance Rights to Michael Hutchinson	☐	☐	☐
Resolution 10	Issue of Performance Rights to Jeremy Whybrow	☐	☐	☐
Resolution 11	Issue of Performance Rights to Simon Cato	☐	☐	☐
Resolution 12	Issue of Performance Rights to Tony Ho	☐	☐	☐
Resolution 13	Issue of Performance Rights to John Mair	☐	☐	☐
Resolution 14	Issue of Options to Roderick McIlree	☐	☐	☐
Resolution 15	Issue of Options to John Mair	☐	☐	☐
Resolution 16	Issue of Options to Shaun Bunn	☐	☐	☐

If the chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a Resolution, please place a mark in the box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the Resolutions and that the votes cast by the Chair of the meeting for those Resolutions other than as proxy holder will be disregarded because of that interest. **The Chair intends to vote any such undirected proxies in favour of all Resolutions.** If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the Resolutions and your votes will not be counted in calculating the required majority if a poll is called on the Resolutions.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

Please return this Proxy Form to the Company Secretary, Greenland Minerals and Energy Limited, Unit 6, 100 Railway Road, Subiaco, Western Australia or by post to PO Box 2006, Subiaco, Western Australia 6904 or by fax to (08) 9382 2788 by 10.00am (WST) on 10 May 2011.

Signed this _____ day of _____ 2011.

By:

Individuals and joint holders

Signature

Signature

Signature

Companies (affix common seal if appropriate)

Director

Director/Secretary

Sole Director and Sole Secretary

GREENLAND MINERALS AND ENERGY LIMITED
ABN 85 118 463 004
Instructions for Completing Appointment of Proxy Form

1. In accordance with section 249L of the Corporations Act, a shareholder of the Company who is entitled to attend and cast two or more votes at a general meeting of shareholders is entitled to appoint two proxies. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in sections 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with sections 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of sections 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. In accordance with section 250BA of the Corporations Act the Company specifies the following for the purposes of receipt of proxy appointments:

Registered Office: Unit 6, 100 Railway Road, Subiaco, Western Australia

Fax Number: +61 8 9382 2788

Postal Address: PO Box 2006, Subiaco, Western Australia 6904

by no later than 48 hours prior to the time of commencement of the Meeting.