



GREENLAND
MINERALS AND ENERGY LTD

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Greenland Government Approve 'Terms of Reference' for Environmental and Social Impact Assessments on the Kvanefjeld Project

Greenland Minerals and Energy Limited ('GMEL' or 'the Company') is pleased to provide an update on the status of environmental and social impact assessments on the Kvanefjeld multi-element project. The Kvanefjeld project, located in south Greenland, is underpinned by one of the world's most significant multi-element resources of rare earth elements and uranium. In late-2010, GMEL received permitting for the full feasibility evaluation of the Kvanefjeld project.

Critical components of a definitive (bankable) feasibility study in Greenland are the environmental and social impact assessments (EIA and SIA). The guidelines for these studies are set out by Greenland's Bureau of Minerals and Petroleum (BMP). Prior to the commencement of the studies a comprehensive scoping phase is required to plan and time all constituent work programs. This process involves the engagement of both government and community stakeholder groups, in order to establish an agreed 'terms of reference' for the studies.

In early April 2011, as part of the scoping process, GMEL in conjunction with consultants Gontmij/Carl Bro and Orbicon conducted a series of workshops with all key stakeholder groups in the towns of Narsaq, and Qaqortoq in southern Greenland, as well as in Nuuk, Greenland's capital. These workshops aimed to provide a comprehensive overview of the project and establish stakeholder input to incorporate into the 'terms of reference' for both the EIA and SIA.

Following a review process by both the BMP and NERI (Denmark's National Environmental Research Institute; advisor to the BMP on environmental sustainability) the 'terms of reference' for both the EIA and SIA on the Kvanefjeld multi-element project have now been approved.

All work programs relating to the EIA and SIA will now proceed. Stakeholder engagement will continue throughout the duration of the studies to aid in establishing an appropriate development scenario.

The finalisation of the terms of reference represents another critically important step in the path to the development of the Kvanefjeld multi-element project.

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Background

Greenland Minerals and Energy Limited ('GMEL' or 'the Company') has been advancing the Kvanefjeld multi-element project since 2007. This has included extensive resource development programs, environmental base-line studies, metallurgical process development studies, infrastructure studies, and preliminary economic evaluations. This phase of work builds on many years of high-quality research by Danish Research Institutes into mining and processing the Kvanefjeld ores. Collectively, the work conducted both historically and recently provides an extremely comprehensive technical foundation for the Kvanefjeld project.

Feasibility studies to establish the best possible development scenario for a multi-element mining operation to exploit Kvanefjeld's vast resources are now well advanced. Kvanefjeld is recognised as the world's largest JORC or NI 43-101 resource of rare earth elements, and also contains extensive uranium and zinc resources (Table 1). In early 2010, a first overview at a viable development scenario was released as an Interim Pre-feasibility report. This highlighted that a multi-element mining operation could be developed that would have one of the largest rare earth production capacities of any operation globally. The Interim report also demonstrated the strength of a diversified production profile, bringing multiple revenue drivers to the project, de-risking the project to the impact of price fluctuations in a particular sector.

The Feasibility Program

The Kvanefjeld feasibility program is managed by a first class in-house technical team that covers all the key disciplines that are required to deliver the project. This includes expertise in:

- large-scale project management,
- social and environmental sustainability,
- geology, resources and mineralogy,
- mineral beneficiation and geometallurgy,
- hydrometallurgy,
- process engineering,
- commercial development and marketing.

The company also utilises the services of internationally-recognised consultants as need be.

Since releasing the Interim report in early 2010, GMEL has made several critical technical advances that will lead to an increasingly efficient development scenario for Kvanefjeld. The Company aims to provide updates on the material benefits of these advances to the development of Kvanefjeld in the coming months.

Over the last year, GMEL has been conducting the necessary scoping studies to prepare the terms of reference for the environmental and social impact assessments; a required precursor to the commencement of these studies as stipulated by Greenland's Bureau of Minerals and Petroleum (BMP).

In early 2011, the Company announced the appointment of consultants Orbicon and Grontmij/Carl Bro to aid in conducting the EIA and SIA respectively.

Stakeholder Engagement

In February this year public meetings were held in the southern Greenland towns of Narsaq, Qaqortoq and Nanortalik to advise the general public of the process to scope the terms of reference for the EIA and SIA. Then through early April a series of public meetings and stakeholder workshops were held in Greenland's capital, Nuuk, along with Narsaq and Qaqortoq; the main two towns of southern Greenland that are in close proximity to the Kvanefjeld project area. These events were followed by an Open Day in Qaqortoq, and public meetings in Narsaq and Nanortalik in early June. The June meetings provided the opportunity for the Company to provide an overview to the public on the outcomes of the stakeholder workshops, and the preferred development scenario options to be evaluated.

The workshops held in Nuuk in June were attended by representatives from a range of government departments including Finance; Health; Social Affairs; Fishing, Hunting and Agriculture; Business and Workforce; Internal Affairs, Nature and the Environment; Culture Education and Science; the National Museum; Institute of Natural Resources; and the National Association of municipalities. The Nuuk workshops were also attended by representatives from the Employees and Employers Unions, and the Fisherman and Hunters Association.

The workshops held in the south Greenland townships of Narsaq and Qaqortoq were attended by a greater proportion of local non-government organisation groups in addition to local government representatives. Local government representation included the Mayors Department, Social Services and Finances. Non-government representation included the Women's and Elders Associations, along with the Sheepfarmers, Environmental, Local Trade, and Tourist Associations.

The workshops provided a forum for Company representatives to present on the current status and future plans for the Kvanefjeld project, which was followed by in-depth discussions in regard to the scope and coverage of both the EIA and SIA. Following the workshops, the draft terms of references were compiled and made available for public review. After a final review by the BMP and NERI, both have now been approved.

The finalisation of the terms of reference represents another critically important step in the path to the development of the Kvanefjeld multi-element project. The SIA and EIA will run in parallel with other components of the feasibility study that address mining and processing, infrastructure, economic modelling and operational requirements.

Yours faithfully,



Roderick McIlree
Managing Director
Greenland Minerals and Energy Ltd

Table 1. Statement of Identified Mineral Resources, Kvanefjeld Multi-Element Project, March 2011.

Cut-off (U ₃ O ₈ ppm) ¹	Multi-Element Resources, Classification, Tonnage and Grade									Contained Metal				
	Classification	M tonnes Mt	TREO ² ppm	U ₃ O ₈ ppm	LREO ppm	HREO ppm	REO ppm	Y ₂ O ₃ ppm	Zn ppm	TREO Mt	HREO Mt	Y ₂ O ₃ Mt	U ₃ O ₈ M lbs	Zn Mt
150	Indicated	437	10929	274	9626	402	10029	900	2212	4.77	0.18	0.39	263	0.97
150	Inferred	182	9763	216	8630	356	8986	776	2134	1.78	0.06	0.14	86	0.39
150	Grand Total	619	10585	257	9333	389	9721	864	2189	6.55	0.24	0.53	350	1.36
200	Indicated	291	11849	325	10452	419	10871	978	2343	3.45	0.12	0.28	208	0.68
200	Inferred	79	11086	275	9932	343	10275	811	2478	0.88	0.03	0.06	48	0.20
200	Grand Total	370	11686	314	10341	403	10743	942	2372	4.32	0.15	0.35	256	0.88
250	Indicated	231	12312	352	10950	443	11281	1032	2363	2.84	0.10	0.24	178	0.55
250	Inferred	41	11251	324	10929	366	10426	825	2598	0.46	0.02	0.03	29	0.11
250	Grand Total	272	12152	347	10947	431	11152	1001	2398	3.30	0.12	0.27	208	0.65
300	Indicated	177	13013	374	11437	469	11906	1107	2414	2.30	0.08	0.20	146	0.43
300	Inferred	24	13120	362	11763	396	12158	962	2671	0.31	0.01	0.02	19	0.06
300	Grand Total	200	13025	373	11475	460	11935	1090	2444	2.61	0.09	0.22	164	0.49
350	Indicated	111	13735	404	12040	503	12543	1192	2487	1.52	0.06	0.13	98	0.27
350	Inferred	12	13729	403	12239	436	12675	1054	2826	0.16	0.01	0.01	10	0.03
350	Grand Total	122	13735	404	12059	497	12556	1179	2519	1.68	0.06	0.14	108	0.31

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

²Total Rare Earth Oxide (TREO) refers to the rare earth elements in the lanthanide series plus yttrium.

Note: Figures quoted may not sum due to rounding.

ABOUT GREENLAND MINERALS AND ENERGY LTD.

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

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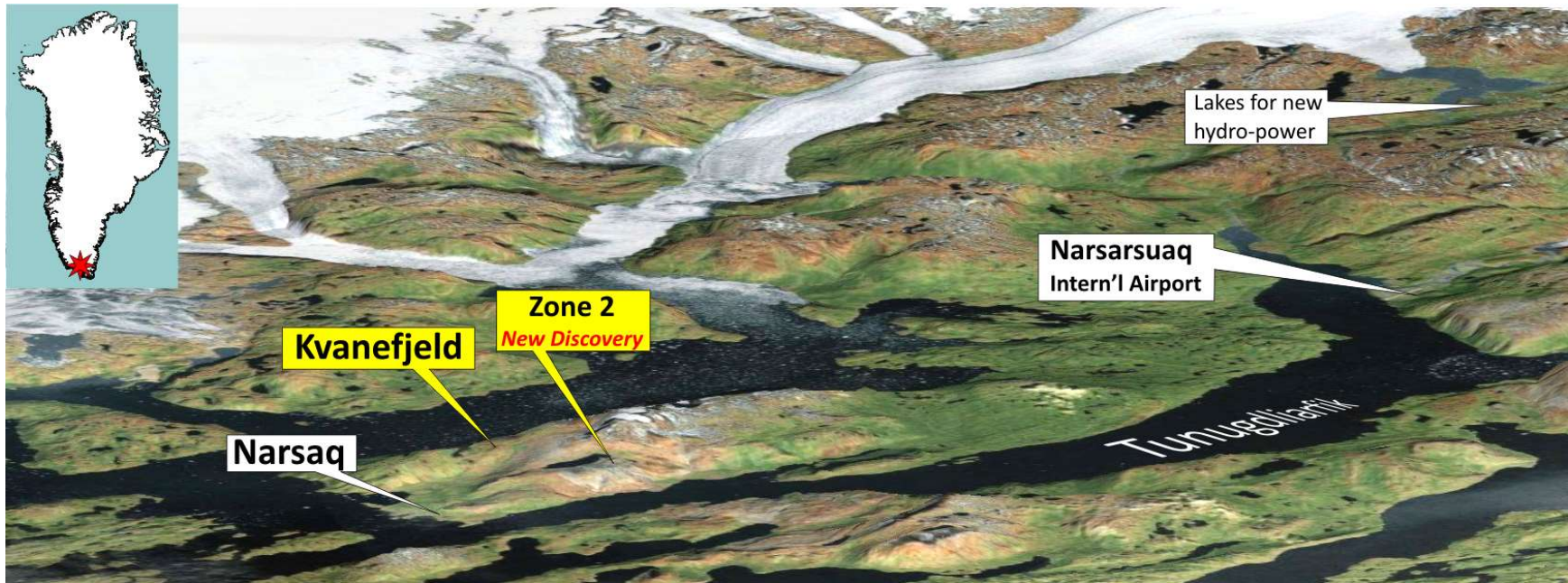
Greenland Minerals and Energy Ltd is aware of and respects the Greenlandic government's stance on uranium exploration and development in Greenland – which is currently a zero tolerance approach. However, a new amendment has been introduced to the standard terms for exploration licenses in Greenland that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

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

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

The information in this report that relates to exploration results, geological interpretations, appropriateness of cut-off grades, and reasonable expectation of potential viability of quoted rare earth element, uranium, and zinc resources is based on information compiled by Jeremy Whybrow. Mr Whybrow is a director of the Company and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Whybrow has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Whybrow consents to the reporting of this information in the form and context in which it appears.

The geological model and geostatistical estimation for the Kvanefjeld deposit were prepared by Robin Simpson of SRK Consulting. Mr Simpson is a Member of the Australian Institute of Geoscientists (AIG), and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Simpson consents to the reporting of information relating to the geological model and geostatistical estimation in the form and context in which it appears.



View over the broader geography of GMEL's multi-element project on the northern Ilimaussaq Complex located in southern Greenland. The fjords form a large-scale natural harbor system that is open to the north Atlantic shipping lanes all year round, and provide easy access to the project area. The distance from Narsaq to Narsarsuaq is approximately 45 km.