GREENLAND
MINERALS AND ENERGY LTD

ASX: GGG
US-OTC: GDLNF.PK

Company Announcement: *Monday August 15th, 2011*

Greenland Minerals and Energy Finalise Terms to Move to 100% Ownership of the Kvanefjeld Multi-Element Project in Greenland

Greenland Minerals and Energy Ltd ("GMEL" or "the Company") today announces that it has finalised an agreement with Westrip Holdings ("Westrip") and Rimbal Pty Ltd ("Rimbal") to acquire the outstanding 39% of the exploration license (EL 2010/02) over the northern Ilimaussaq Complex in Greenland that contains the Kvanefjeld multi-element deposit (rare earth elements, uranium, zinc) and nearby satellite deposits; namely Zones 2 and 3.

Kvanefjeld's significance is underpinned by the world's largest JORC-code or NI 43-101 compliant resource of rare earth oxides with substantial resources of uranium and zinc (contained metal inventory of 6.6 Mt total rare earth oxide, 350 Mlbs U_3O_8, 3 Blbs zinc). Three drill rigs are currently operating on the recently discovered satellite deposits, with the program anticipated to lead to a substantial increase in the project's overall resource base.

Feasibility studies, conducted in close-consultation with Greenlandic stakeholders and regulatory bodies, are well-advanced in identifying a robust and sustainable development scenario. Initial studies indicate that Kvanefjeld could be developed as a large-scale multi-commodity mining operation that would have one of the world's largest rare earth production capacities. The diversified revenue streams that would stem from multi-commodity production strengthen the projects economics, and ensure a highly-competitive equivalent cost of rare earth production.

This acquisition is in line with the GMEL's stated objective to develop the Kvanefjeld project. To this end the executive team recognised the importance to now move to 100% control of the asset in a manner that is clearly value accretive for the company's shareholder base. Importantly, 100% ownership will place GMEL in a strong position to engage potential strategic partners looking to gain access to the extensive resource base, and facilitate its development.

Roderick McIllree, Managing Director of GMEL, stated,

"Securing 100% ownership of the Kvanefjeld project is an important step and comes at a time when the Company is making major technical advances in process development that will strengthen Kvanefjeld's great potential, and the environment and social impact assessments are progressing on schedule in close consultation with Greenlandic stakeholders. In the context of our future development, we believe the time is now right to secure 100% of what is clearly a tier 1 mining asset."

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Background

GMEL entered into a Joint Venture agreement with Westrip in 2007 that saw the Company acquire a 61% share of a Greenland-registered company 'Greenland Minerals and Energy (Trading) A/S, which owned 100% of the exploration license over the northern Ilimaussaq Complex in Greenland. Under the joint venture agreement, GMEL became the manager and operator of the project, and had options to move to 90% ownership for $10M (AUD), and to 100% ownership for a final payment of $50M (AUD). There existed no time-restrictions on these options, payable at GMELs elect. The payment could be made in cash or shares at Westrip's elect.

At the point of acquisition of the northern Ilimaussaq license, the area was known to contain a uranium deposit at Kvanefjeld that had been studied historically by Danish research institutes through the 1960's, 70's and into the 1980's. Since 2007 when GMEL became operator of the project, systematic exploration has identified that firstly mineralisation at Kvanefjeld is polymetallic in nature, being strongly enriched in rare earth elements, and secondly, that mineralisation is far more widespread than had been previously documented.

As of mid-2009, GMEL had become entangled in proceedings in the Western Australian Supreme Court in connection with claims by Westrip and Rimbal over which of these two entities owned the rights to the minority share of the joint venture. In addition GMEL had previously taken the decision to support action in the United Kingdom to support certain minority shareholders of Westrip in their claims against Westrip, Rimbal and others.

In consideration of the uncertainties outlined above GMEL, Westrip and Rimbal have now finalised an agreement that will provide the Company the certainty that it requires to position itself for future growth both from a corporate and development perspective.

In summary the agreement provides for, *subject to shareholder and regulatory approval*:

1. *GMEL to acquire the outstanding 39% of Greenland Minerals and Energy (Trading) A/S it does not own and thereby move to 100% ownership along with the termination of the joint venture agreement for the consideration outlined in point 2 below.*

2. *Pursuant to the agreement GMEL will pay the sum of $39,000,000 (AUD) in cash, 7,825,000 shares, and 5,000,000 options (ex $1.50) in a predetermined proportion to all shareholders of Westrip Holdings, the joint venture vehicle.*

3. *GMEL has also entered into an off-take agreement for the lujavrite rock type from license 2010/24 (Figure 1) located immediately to the south of the northern Ilimaussaq license. Lujavrite is the rock-type that is host to REE-U-Zn mineralisation at Kvanefjeld.*

4. *Dismissal of all legal proceedings with no orders as to costs.*

5. *Dismissal of the UK Proceedings and agreement by the Company and the minority shareholders of Westrip to lift the injunction granted by the High court of England and Wales over the minority interest of the joint venture also with no order as to costs.*

GMEL has been for some time been exploring various mechanisms to fund settlement, and has a number of proposals under review. Given the 150 day (5 month) settlement period the Company is confident that it has the time and flexibility to ensure the most appropriate outcome for shareholders. The Company's priority will be to take the least dilutive and lowest cost-of-capital route and is confident of an outcome that will maximise shareholder value, and minimise risk exposure. Owing to current volatility on global financial markets, there exists a clause in the settlement whereby GMEL at its sole discretion has 14 days to cancel the agreement if and when key market indices fall below certain levels.

The settlement terms are agreed by all parties to be mutually beneficial.

As a spokesman for Westrip/Rimbal stated,

"We are pleased with the outcome of the settlement process, and as an ongoing supportive shareholder in GMEL, it is our position that this corporate development represents another important step in unlocking the potential of Kvanefjeld. We further believe that all parties can move forward and look to future co-operation so as to establish Greenland as major new supplier of specialty metals."

Yours faithfully,

Roderick McIllree
Managing Director
Greenland Minerals and Energy Ltd

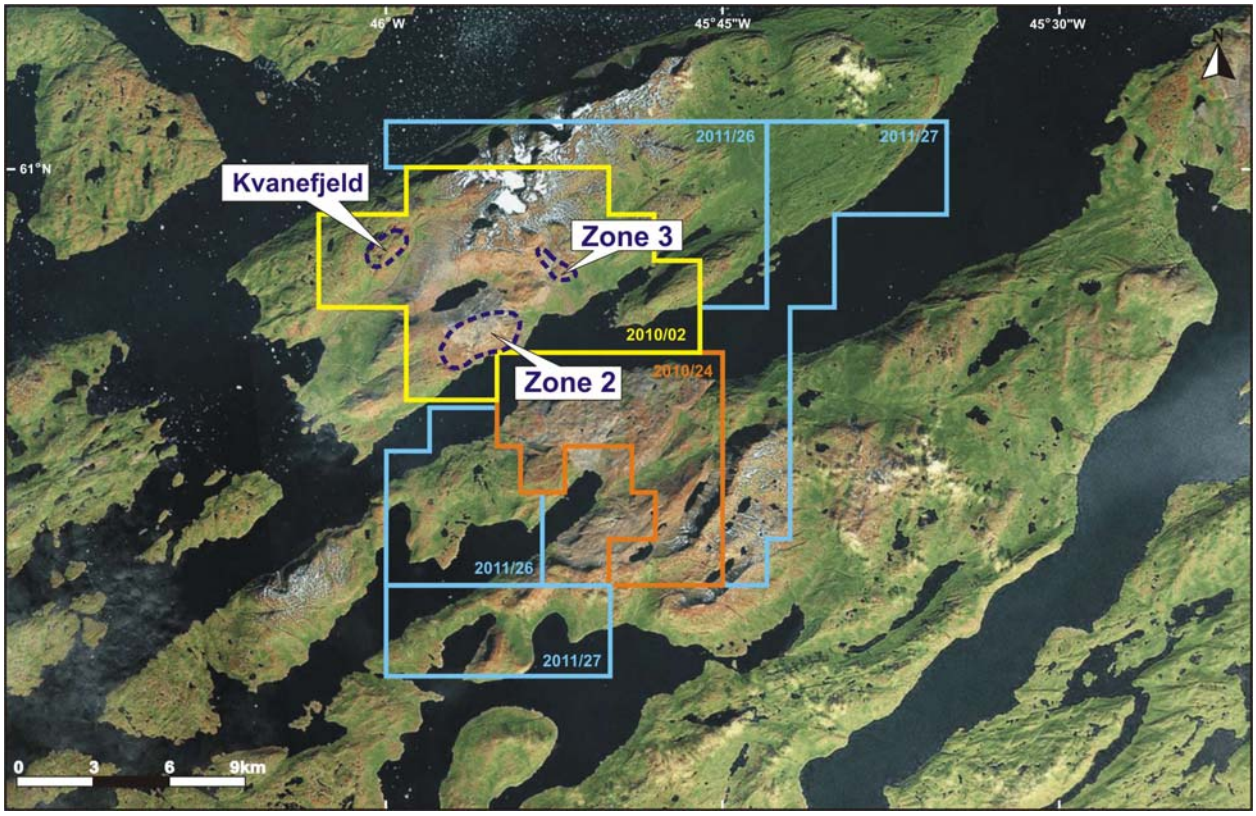

Figure 1. GMEL controls 61% of EL 2010/02 that covers the northern Ilimaussaq complex, and has now finalised terms to move to acquire the outstanding 39% as outlined herein. Under the agreement GMEL will also gain offtake rights to lujavrite on EL 2010/24, if any lujavrite of economic grade is identified. Lujavrite is the host-rock to REE-U-Zn mineralisation at Kvanefjeld and Zones 2 and 3. GMEL controls 100% of licenses EL 2011/26 and EL 2011/27 that surround the Ilimaussaq complex.

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

Multi-Element Resources, Classification, Tonnage and Grade										*Contained Metal*				
Cut-off (U_3O_8 ppm)[1]	**Classification**	**M tonnes** Mt	**TREO**[2] ppm	**U_3O_8** ppm	**LREO** ppm	**HREO** ppm	**REO** ppm	**Y_2O_3** ppm	**Zn** ppm	**TREO** Mt	**HREO** Mt	**Y_2O_3** Mt	**U_3O_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

[1]There is greater coverage of assays for uranium than other elements owing to historic spectral assays. U_3O_8 has therefore been used to define the cutoff grades to maximise the confidence in the resource calculations.

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

Note: Figures quoted may not sum due to rounding.

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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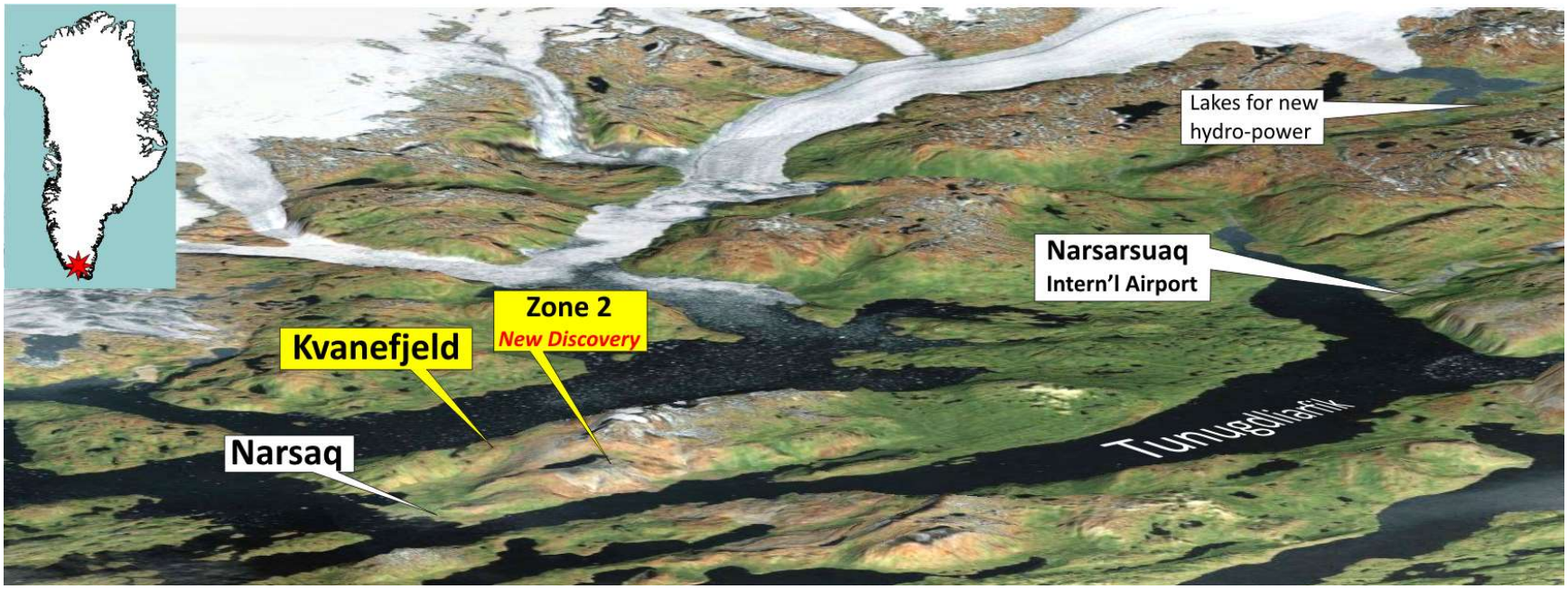
Greenland Minerals and Energy Ltd is aware of and respects the Greenlandic government's stance on uranium exploration and development in Greenland which is currently a zero tolerance approach. However, a new amendment has been introduced to the standard terms for exploration licenses in Greenland that 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.