Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

GREENLAND MINERALS AND ENERGY LIMITED

ABN	Quarter ended ("current quarter")
85 118 463 004	30 September 2011

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date **(9 months)** $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(3,171)	(11,281)
	(b) development	-	-
	(c) production	-	-
	(d) administration (i)	(3,081)	(8,353)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	248	545
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	276	453
	Net Operating Cash Flows	(5,728)	(18,636)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	(250)
	(c) other fixed assets (ii)	(32)	(1,425)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	82	643
	(c) other fixed assets	-	10
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material) (iii)	(611)	(611)
	Net investing cash flows	(561)	(1,633)
1.13	Total operating and investing cash flows (carried forward)	(6,289)	(20,269)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(6,289)	(20,269)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,329	26,746
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (costs related to issue of shares)	-	(261)
	Net financing cash flows	1,329	26,485
	Net increase (decrease) in cash held	(4,960)	6,216
1.20	Cash at beginning of quarter/year to date	22,763	11,587
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter (iii)**	17,803	17,803

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	403,139
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

(i) The administration payments for the quarter include a one off payment of $1.3m payroll tax liability. This expense was previously recognised in the Company's 31 December 2010 Annual Accounts.

(ii) Includes the acquisition of infrastructure in Greenland and various metallurgical equipment.

(iii) Deposit payment that forms part of the settlement of the acquisition of the 39% balance of the Kvanefjeld project.

(iv) Proceeds from the issues of shares relates to the final exercise of options that expired 30 Sep 2011. $1.1m received for the excise of options was recognised in the cash balance at 30 June 2011, however the share were not issued until the current quarter.

Please note the Company has a 31 December financial year end date, therefore the year to date balances relate to the three quarters of the Company's financial year.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

+ See chapter 19 for defined terms.

NA

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NA

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	4,889
4.2	Development	-
4.3	Production	-
4.4	Administration	1,790
	Total	**6,679**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	1,303	225
5.2	Deposits at call	11,500	22,538
5.3	Bank overdraft	-	-
5.4	Other (Funds held in trust)	5,000	-
	Total: cash at end of quarter (item 1.22)	17,803	22,763

+ See chapter 19 for defined terms.

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-	-

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	- -	- -	- -	- -
7.3	**+Ordinary securities**	410,407,582	410,407,582	Various	Various
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	6,733,315 2,250,000 -	6,733,315 2,250,000 -	20 50 -	20 50 -
7.5	**+Convertible debt securities** *(description)*	-	-	-	-

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7	**Options** *(description and conversion factor)*	7,000,000	-	*Exercise price* 1.75	*Expiry date* 30/06/2013
7.8	Issued during quarter	7,000,000	-	1.75	31/08/2013
7.9	Exercised during quarter	6,733,315 2,250,000	- -	20 50	30/06/2011 30/06/2011
7.10	Expired during quarter	-	-	-	-
7.11	**Debentures** *(totals only)*	-	-		
7.12	**Unsecured notes** *(totals only)*	-	-		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does /does not* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: .... (Company secretary) Date: ..24/10/2011.....

Print name: Miles Guy...

+ See chapter 19 for defined terms.

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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