



GREENLAND
MINERALS AND ENERGY LTD

ASX: GGG
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Company Announcement: *Monday, December 5th, 2011*

Greenland Government Introduces Uranium Licensing Framework For the Kvanefjeld Multi-Element Project

Greenland Minerals and Energy Ltd ('GMEL' or 'the Company') is pleased to announce that the government of Greenland has amended the Company's exploration license (EL 2010/02) covering the Kvanefjeld multi-element project such that it is now inclusive of uranium.

This license covers the northern Ilimaussaq complex and includes the world-class Kvanefjeld resource, in addition to emerging satellite deposits Zones 2 & Zone 3 (Table 1). Under the licensing framework in Greenland, the licensee maintains the right to apply for an exploitation (mining) license for all exploitable elements listed on the exploration license. Importantly EL 2010/02 now includes radioactive materials, providing the company with the clear right to apply for the exploitation of radioactive elements along with all other exploitable elements. The granting of an exploitation license will be dependent on establishing an environmentally and socially sustainable development scenario that is economically robust.

The amendment comes approximately one year after the Government of Greenland issued GMEL with an evaluation permit to allow for comprehensive feasibility studies to be conducted on a mineral deposit that included uranium. Through the first half of 2011, the Company conducted extensive stakeholder engagement to establish the terms-of-reference for environmental and social impact assessments. These terms were approved by the government in July, and both the EIA and SIA are progressing on schedule.

Yours faithfully,

Roderick McIlree

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About Kvanefjeld

Kvanefjeld is a project of international strategic significance; through the production of uranium oxide, Kvanefjeld can become a cost-effective cornerstone producer of critical REEs; the REEs essential to energy efficient technologies and that are forecast to be in short supply for many years to come.

The Kvanefjeld resource in its own right includes the world's largest JORC-code compliant resource of REEs, as well as a global top ten uranium resource (Table 1). With the first resource estimates for Zones 2 and 3 slated for Q1 2012, the project's overall resource base will increase substantially, further consolidating the northern Ilimaussaq Complex as a prolific ore-field of genuine global significance.

The project is favorably located near existing infrastructure in southern Greenland. Deep water fjords provide direct shipping access to the project area, and an international airport is located approximately 35 km away. A nearby lake system has been positively evaluated for a hydro-electric scheme to power the Kvanefjeld project.

Kvanefjeld was the subject of twenty years of historic research and development by Danish research agencies that investigated uranium production, providing a solid foundation of high-quality technical data. Following successful piloting of the project in the late 1970's and early 1980's the project was mothballed as the uranium price slumped to historic lows. Since 2007, GMEL has been the majority owner and operator of the project, taking a multi-element approach with the delineation of REE resources in addition to uranium, and feasibility studies to investigate their cost-effective production. Combined, the historic and recent work programs account for approximately \$100 M (USD) of direct investment into the project.

GMEL outlined an initial development scenario for Kvanefjeld in an interim pre-feasibility report released in Q1 2010. This considered an operation with large-scale production of uranium oxide and mixed rare earth concentrate. Focused research and development has since identified alternate development scenarios that involve an efficient mineral beneficiation circuit up-front to convert the ore into a substantially higher-grade, low mass concentrate; a significant advantage over the scenario investigated in the interim pre-feasibility report. Studies are now investigating a leach circuit to extract uranium and heavy REEs from the mineral concentrate. Light REEs would then be recovered from the residue at an independent, demand-driven rate, mitigating market risk associated with bulk light-REE production. This approach would see the projects economics underpinned by uranium and heavy REE-production, with flexible, cost-effective light REE production capacity.

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

Cut-off (U ₃ O ₈ ppm) ¹	Classification	Multi-Element Resources, Classification, Tonnage and Grade								Contained Metal				
		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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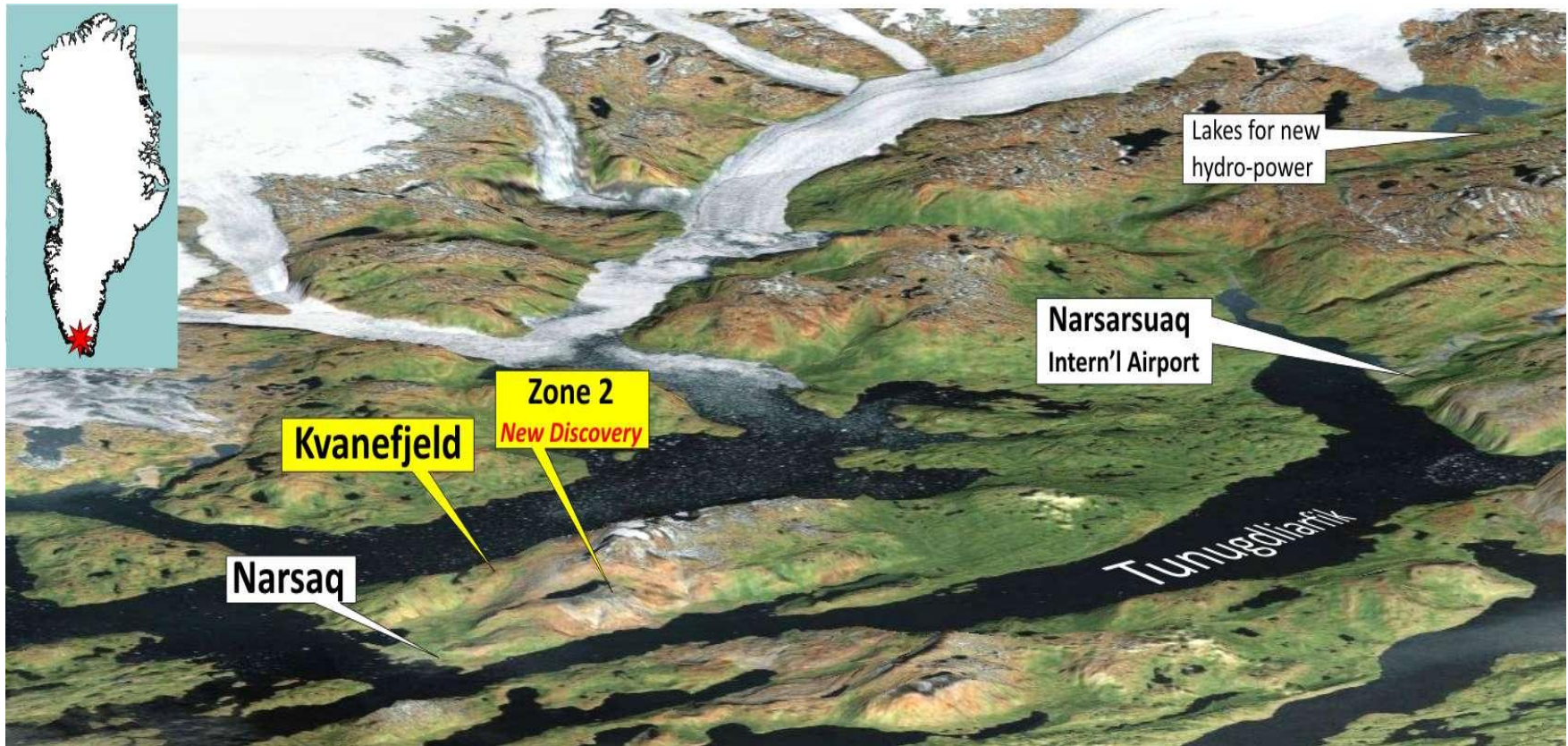
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Greenland Minerals and Energy Ltd will continue to advance the Kvanefjeld project in a manner that is in accord with both Greenlandic Government and local community expectations, and looks forward to being part of continued community discussions on 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