GREENLAND
MINERALS AND ENERGY LTD

ASX: GGG

Company Announcement, Monday October 1st, 2012

Greenland Minerals and Energy Completes Capital Raising and Launches Share Purchase Plan

Greenland Minerals and Energy Limited ("GMEL" or the "Company") is pleased to announce that it has placed 50,000,000 shares at $0.30 (AUD) cents per share and 25,000,000 free attaching options* to Australian and international institutions, existing shareholders and sophisticated investor clients of Bell Potter Securities Limited to raise $15M (AUD). The offer was oversubscribed, resulting in scaled back applications.

Funds raised will be used to finalise the move to 100% ownership of the Kvanefjeld project, and for general working capital. As announced on August 6th the move to 100% ownership of Kvanefjeld is conditional on shareholder approval that is scheduled for October 8th, with final settlement on October 15th.

The Company's Board has also determined that it will initiate a Share Purchase Plan ("SPP") so that existing shareholders have the opportunity to participate in this raising as well. The issue price of the shares in the SPP is $0.30 (AUD) per share with a maximum of 16,666,666 shares offered. No options can be offered under the SPP because of Corporations Law restrictions. The SPP application period will close on October 19th or as soon as the subscription level reaches $5M (AUD).

The capital raising follows major advances in the development of GMEL's core asset; the Kvanefjeld multi-element project that is recognized as one of the world's largest resources of heavy and light rare earth elements and uranium. In May 2012 GMEL released a comprehensive prefeasibility study that provides a clear indication of the potential for Kvanefjeld to be developed as a long life, cost-competitive producer of both heavy and light rare earth elements and uranium oxide.

The Board views the move to 100% ownership of Kvanefjeld as a value-accretive move for existing shareholders. In addition, GMEL is continuing to optimize the Kvanefjeld project, and focus on completing a mining license application. This is in-line with the Company's strategy of progressively de-risking the Kvanefjeld project, with the aim of generating greater value recognition as Kvanefjeld advances to development.

**The issue of the options is subject to later shareholder approval. The options are exercisable at 60 cents and will expire 5 October 2014.*

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Timetable

Record date for Share Purchase Plan (SPP)	28 September 2012
Announcement of placement and SPP	1 October 2012
Despatch of SPP to shareholders	3 October 2012
Settlement of placement	5 October 2012
Opening of SPP	5 October 2012
Shareholder meeting to approve acquisition of balance of Kvanefjeld interest	8 October 2012
Settlement of acquisition of Kvanefjeld interest	By 15 October 2012
Closing date of SPP (Note directors reserve the right to close the SPP earlier)	19 October 2012
Shareholder meeting to approve the issue of the 25,000,000 attaching options in the placement.	During November 2012.

Yours faithfully,

Roderick McIllree
Managing Director
Greenland Minerals and Energy Ltd

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. A comprehensive pre-feasibility study has demonstrated the potential for a large-scale, cost-competitive, 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 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 stakeholder discussions on the social and economic benefits associated with the development of the Kvanefjeld Project.