



Company Announcement, June 6<sup>th</sup>, 2014

## **Fully Underwritten Renounceable Rights Issue to Fund Mining License Application for the Kvanefjeld Project**

- Underwritten amount to raise \$8.87 million to fund Mining Licence Application
- Strong support from institutional and sophisticated investors in Australia and Europe
- Book significantly oversubscribed
- Attractive pricing - 30% discount to 1 month VWAP of 14.3 cents and 42% discount to 3 months VWAP of 17.1 cents
- Free attaching options (exercise price 20 cents, 30 June 2016) to be listed
- Shareholders can apply for additional shares above entitlements, guaranteed via the purchase of additional rights
- Rights to start trading from 12 June 2014

Greenland Minerals and Energy Limited (“GMEL” or “the Company”) is pleased to announce a fully underwritten renounceable rights issue to raise A\$8.87 million. Net proceeds in conjunction with existing cash reserves will be used to finalise a mining license application for the Kvanefjeld rare earth – uranium project, strategically located in southern Greenland.

The offer will be made to shareholders on a two for thirteen basis at the issue price of A\$0.10, which represents a 30% discount to the 1 month volume weighted average price (VWAP) of A\$0.143 and a 42% discount to the 3 month VWAP of A\$0.171.

Shareholders will also receive one free attaching option, exercisable at \$0.20 with a term of 2 years for every one new share issued. Both new shares and new options will be listed.

Shareholders will be given the opportunity to apply for additional shares in excess of their entitlement, however, allocations are not guaranteed. The issue is renounceable and shareholders will be able to guarantee an increase to entitlements by the purchase of additional rights.

The Company is very pleased with the strong demand received from Australian and European institutional and sophisticated investors, including Danish pension funds. The bookbuild closed significantly oversubscribed and the Company is pleased with the level of demand that reflects Kvanefjeld’s standing as an emerging world-class specialty metals project, which is now approaching the permitting pipeline.

Patersons Securities Limited acts as Lead Manager and the Underwriter. Wimmer Financial LLP and CPS Capital Group Pty Ltd act as co-managers.



The net proceeds in conjunction with existing cash reserves will be used to complete key components of a mining license application, including Environmental and Social Impact Assessments, improving the quality of mineral resources and to seek the establishment of 'measured' category resources, engineering design work and updated cost estimates. The Company will also continue to progress discussions with key development partners, including tier-one rare earth industry participant China Non-Ferrous Metal Co (NFC) as noted in the company's announcement on 24 March 2014.

The Directors of GMEL are extremely pleased to be able to offer eligible shareholders the opportunity to participate in the rights issue, which will see the Company well-funded to complete the next major milestone for Kvanefjeld with the finalisation and lodgement of a mining license application.

**GREENLAND MINERALS AND ENERGY LIMITED**  
**TIMETABLE FOR RENOUNCEABLE RIGHTS ISSUE**

<b>Event</b>	<b>Business Day</b>	<b>Date</b>
Lodgement of prospectus and Appendix 3B		Friday, 6/6/14
Day 0	0	Tuesday, 10/6/14
Notice to security holders.	1	Wednesday, 11/6/14
Ex date and Rights Trading commences	2	Thursday, 12/6/14
Record date	4	Monday, 16/6/14
Despatch of Prospectus with Entitlement and Acceptance Form.	7	Thursday, 19/6/14
Rights Trading ends	12	Thursday, 26/6/14
Securities quoted on a deferred settlement basis	13	Friday, 27/6/14
Closing Date for acceptance of Entitlement	17	Thursday, 3/7/14
Notification to ASX of undersubscriptions	20	Tuesday, 8/7/14
Issue date and end of deferred settlement trading.	22	Thursday, 10/7/14
Normal trading	23	Friday, 11/7/14

The Company has obtained a waiver from the ASX to permit it to not send notice to option holders notifying them of the rights issue and participation in the issue by exercising their options. This waiver relates to both existing series of options being 25,769,191 quoted options exercisable at 60 cents before 5 October 2014 and 4,999,520 unquoted options exercisable at 75 cents before 15 October 2014.

## About the Kvanefjeld Project

The Kvanefjeld project is centred on the northern Ilimaussaq Intrusive Complex in southern Greenland. The project includes several large scale multi-element resources including Kvanefjeld, Sørensen and Zone 3. Global mineral resources now stand at **956 Mt** (JORC-code compliant), containing 575Mlb's  $U_3O_8$ , and 10.33Mt total rare earth oxide. The deposits are characterised by thick, persistent mineralisation hosted within sub-horizontal lenses that can exceed 200m in true thickness. Highest grades generally occur in the uppermost portions of deposits, with overall low waste-ore ratios. Less than 20% of the prospective area has been evaluated, with billions of tonnes of lujavrite (host-rock to defined resources) awaiting resource definition.

While the resources are extensive, a key advantage to the Kvanefjeld project is the unique rare earth and uranium-bearing minerals. These minerals can be effectively beneficiated into a low-mass, high value concentrate, then leached with conventional acidic solutions under atmospheric conditions to achieve particularly high extraction levels of both heavy rare earths and uranium. This contrasts to the highly refractory minerals that are common in many rare earth deposits.

The Kvanefjeld project area is located adjacent to deep-water fjords that allow for shipping access directly to the project area, year round. An international airport is located 35km away, and a nearby lake system has been positively evaluated for hydroelectric power.

GMEL finalised a comprehensive, multi-year pre-feasibility program in March 2012 that focused on identifying and evaluating the best possible process flow sheet for the Kvanefjeld project, taking into account economic metrics, environmental considerations, technical and market risk. A feasibility-level Mine and Concentrator Study was released in early 2013 following successful pilot plant operations, and the overall process design package has been completed. Continuous testwork programs have demonstrated the production of high purity rare earth concentrates. All study outcomes have been extremely positive and reiterate the potential for Kvanefjeld to become a long-life, cost competitive operation. A large heavy REE output and significant uranium output differentiate Kvanefjeld from other potential emerging RE producers.

Rare earth elements (REEs) are now recognised as being critical to the global manufacturing base of many emerging consumer items and green technologies. Uranium forms an important part of the global base-load energy supply, with demand set to grow in coming years as developing nations expand their energy capacity.

Kvanefjeld Project - Multi-Element Resources Classification, Tonnage and Grade										Contained Metal				
Cut-off (U <sub>3</sub> O <sub>8</sub> ppm) <sup>1</sup>	Classification	M tonnes Mt	TREO <sup>2</sup> ppm	U <sub>3</sub> O <sub>8</sub> ppm	LREO ppm	HREO ppm	REO ppm	Y <sub>2</sub> O <sub>3</sub> ppm	Zn ppm	TREO Mt	HREO Mt	Y <sub>2</sub> O <sub>3</sub> Mt	U <sub>3</sub> O <sub>8</sub> M lbs	Zn Mt
<b><i>Kvanefjeld - March 2011</i></b>														
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	<b>Grand Total</b>	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	<b>Grand Total</b>	370	11686	314	10341	403	10743	942	2372	4.32	0.15	0.35	256	0.88
250	Indicated	231	12429	352	10950	443	11389	1041	2363	2.84	0.10	0.24	178	0.55
250	Inferred	41	12204	324	10929	366	11319	886	2598	0.46	0.02	0.03	29	0.11
250	<b>Grand Total</b>	272	12395	347	10947	431	11378	1017	2398	3.33	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	<b>Grand Total</b>	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	<b>Grand Total</b>	122	13735	404	12059	497	12556	1179	2519	1.68	0.06	0.14	108	0.31
<b><i>Sørensen - March 2012</i></b>														
150	Inferred	242	11022	304	9729	398	10127	895	2602	2.67	0.10	0.22	162	0.63
200	Inferred	186	11554	344	10223	399	10622	932	2802	2.15	0.07	0.17	141	0.52
250	Inferred	148	11847	375	10480	407	10887	961	2932	1.75	0.06	0.14	123	0.43
300	Inferred	119	12068	400	10671	414	11084	983	3023	1.44	0.05	0.12	105	0.36
350	Inferred	92	12393	422	10967	422	11389	1004	3080	1.14	0.04	0.09	85	0.28
<b><i>Zone 3 - May 2012</i></b>														
150	Inferred	95	11609	300	10242	396	10638	971	2768	1.11	0.04	0.09	63	0.26
200	Inferred	89	11665	310	10276	400	10676	989	2806	1.03	0.04	0.09	60	0.25
250	Inferred	71	11907	330	10471	410	10882	1026	2902	0.84	0.03	0.07	51	0.2
300	Inferred	47	12407	358	10887	433	11319	1087	3008	0.58	0.02	0.05	37	0.14
350	Inferred	24	13048	392	11392	471	11864	1184	3043	0.31	0.01	0.03	21	0.07
<b>Project Total</b>														
Cut-off (U <sub>3</sub> O <sub>8</sub> ppm) <sup>1</sup>	Classification	M tonnes Mt	TREO <sup>2</sup> ppm	U <sub>3</sub> O <sub>8</sub> ppm	LREO ppm	HREO ppm	REO ppm	Y <sub>2</sub> O <sub>3</sub> ppm	Zn ppm	TREO Mt	HREO Mt	Y <sub>2</sub> O <sub>3</sub> Mt	U <sub>3</sub> O <sub>8</sub> 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	520	10687	272	9437	383	9820	867	2468	5.55	0.20	0.45	312	1.28
150	<b>Grand Total</b>	956	10798	273	9524	392	9915	882	2351	10.33	0.37	0.84	575	2.25

<sup>1</sup>There is greater coverage of assays for uranium than other elements owing to historic spectral assays. U<sub>3</sub>O<sub>8</sub> has therefore been used to define the cut-off grades to maximise the confidence in the resource calculations.

<sup>2</sup>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. 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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**Managing Director**  
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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.

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*The information in this report that relates to exploration targets, 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 Mr 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, Sorensen and Zone 3 deposits 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.*

*This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*