

GREENLAND MINERALS AND ENERGY LIMITED

ACN 118 463 004

PROSPECTUS

For the renounceable pro-rata rights issue of approximately 88,685,050 New Shares, on the basis of 2 New Shares for every 13 Shares held at an issue price of 10 cents per New Share, to raise up to approximately \$8,868,505 and 1 free New Option for every 1 New Share subscribed for under the Prospectus

Offer closes at 5:00pm WST on 3 July 2014

The Offer is fully underwritten by Patersons Securities Limited

This document is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act. This Prospectus contains important information about the Offer. You should read the entire document including the Entitlement and Acceptance Form. If after reading this Prospectus you have any questions about the Offer or this Prospectus, you should speak to your professional adviser.

The New Shares and New Options offered by this Prospectus should be considered highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 6 June 2014 and was lodged with ASIC on that date. Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Certain terms and abbreviations used in this Prospectus have defined meanings, which are explained in the Glossary. In this Prospectus, the words "we", "our" and "us" refer to the Company. The words "you" or "your" refer to Shareholders.

No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application for quotation of the New Shares and New Options will be made to ASX within 7 days after the date of this Prospectus.

We are an ASX listed company whose securities are granted official quotation by ASX. In preparing this Prospectus regard has been had to the fact that we are a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers who investors may consult.

No person is authorised to give any information or to make any representations in connection with this Offer that is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by the Directors or by us.

Restrictions on distribution

The Offer is made in Australia and New Zealand only. This Prospectus does not constitute an offer in any overseas jurisdiction where it would be unlawful to make the Offer. You must ensure compliance with all laws of any country relevant to your Application. We will take the return of a duly completed Entitlement and Acceptance Form as a representation by you that there has been no breach of any laws and that you are an Eligible Shareholder.

The Corporations Act prohibits any person passing on to another person an application form unless it is accompanied by or included in a hard copy, or the complete and unaltered electronic version of this Prospectus. Please contact us if you wish to obtain a hard copy of this Prospectus free of charge.

A copy of this Prospectus can be downloaded from our website at www.ggg.gl. If you access the electronic version of this Prospectus you should ensure that you download and read the entire Prospectus. The electronic version of this Prospectus is only available to Australian residents.

Rights trading

Your Rights may have value. If you decide not to exercise all or part of your Rights you should consider whether to sell your Rights. It is important that you either accept or sell your Rights in accordance with the instructions in Section 4 of this Prospectus.

Individual applicants are responsible for determining their allocations of Rights and Shares before trading in them. Eligible Shareholders who trade in Rights or Shares before receiving confirmation of their allocation do so at their own risk.

Shareholders who take no action in respect of their Rights will receive no benefits. An Entitlement and Acceptance Form is enclosed with this Prospectus.

CORPORATE DIRECTORY

DIRECTORS

Mr Michael Hutchinson (Non-Executive Chairman)
Mr Roderick McIlree (Managing Director)
Mr Simon Cato (Executive Director)
Dr John Mair (Executive Director)
Mr Anthony Ho (Non-Executive Director)
Mr Jeremy Whybrow (Non-Executive Director)

COMPANY SECRETARY

Mr Miles Guy

AUSTRALIAN BUSINESS OFFICE

Ground Floor, Unit 6
100 Railway Road
Subiaco WA 6008

Tel: +61 8 9382 2322
Fax: +61 8 9382 2788

UNDERWRITER

Patersons Securities Limited
Level 23, Exchange Plaza
2 The Esplanade
Perth WA 6000

SOLICITORS

Fairweather Corporate Lawyers
595 Stirling Highway
Cottesloe WA 6011

SHARE REGISTRY *

Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009

Tel: +61 8 9389 8033
Fax: +61 8 9262 3723

* The name of the Share Registry is included for information purposes only. It has not been involved in the preparation of any part of this Prospectus and has not consented to being named in the Prospectus.

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1. INVESTMENT OVERVIEW

Question	Response	Where to find more information
What is the Offer?	<p>We are offering to issue New Shares and New Options to Eligible Shareholders by a pro-rata renounceable rights issue.</p> <p>Under the Rights Issue, Eligible Shareholders may subscribe for 2 New Shares for every 13 Shares held on the Record Date. Each Eligible Shareholder will also be entitled to 1 free New Option for every 1 New Share subscribed for under the Prospectus. Application will be made for quotation of the New Options.</p>	Section 2.1
What is the Issue Price for the New Shares?	The Issue Price is 10 cents per New Share.	Section 2.1
What are the terms of the New Options?	The New Options have an exercise price of 20 cents and an expiry date of 30 June 2016. The full terms of the New Options are set out in Section 5.2.	Section 5.2
Who is an Eligible Shareholder?	The Offer is made to Eligible Shareholders only. An Eligible Shareholder is a Shareholder with a registered address in Australia or New Zealand on the Record Date.	Section 4.1(a)
What are the key highlights of an investment in the Company?	<ul style="list-style-type: none"> • The Company 100% owns the Kvanefjeld project in southern Greenland. • In October 2013 Greenland's parliament voted in favour of removing a long-standing zero-tolerance policy against the exploitation of radioactive materials. • The Kvanefjeld project is in feasibility stage. A pre-feasibility study indicates the potential to develop the Kvanefjeld project as a cost-competitive, long-life operation producing rare earth concentrates, uranium oxide, zinc concentrate and fluorspar. • The Offer seeks to raise funds to primarily fund the application for a mining (exploitation) licence. • The Company is looking to progress relationships with funding and strategic development partners. The aim is to establish a fully integrated global rare earth supply business 	

Question	Response	Where to find more information
	<ul style="list-style-type: none"> • In March 2014 the Company signed a non-binding memorandum of understanding (MOU) with China Non-Ferrous Metal Industry's Foreign Engineering and Construction Co Ltd (NFC). NFC is a potential development partner and the MOU sets out a framework to work towards a strategic co-operation agreement including assisting completion of feasibility studies and finalising a mining lease application. NFC and its associated companies are experienced in engineering, financing, constructing and operating mines, smelters and refineries including in the rare earth industry. <p>This is a selective overview of the highlights and should be read in conjunction with the key risks below, the information in this Prospectus and other public announcements and reports of the Company.</p>	
<p>What are the key risks of a further investment in the Company?</p>	<p>The Rights Issue should be considered highly speculative. Before deciding to subscribe under the Offer, you should consider the risk factors set out in this Prospectus and all other public announcements and reports of the Company. Some of the specific risks relevant to an investment in the Company are:</p> <ul style="list-style-type: none"> • Development risk – The Company is in feasibility stage upon the Kvanefjeld project. There is no guarantee of the successful outcome of a feasibility study including the grant of a mining (exploitation) licence, the economic recoverability of ore bodies and the success of environmental and social impact studies. • Funding a mining operation and strategic partnerships – Financing, constructing and operating any mining operation will be a significant cost and beyond any funds raised under this Offer. The Company is looking to progress relationships with funding and strategic development partners. No assurance can be given that future funding will be available to the Company on favourable terms or at all or that a suitable agreement can be reached with a strategic partner which would prejudice the development of the Kvanefjeld project. To date, the MOU with NFC (as referred to in the key highlights above) is a non-binding framework agreement. • Commodity prices – The Company is aiming to produce rare earth concentrates, uranium oxide, zinc concentrate and fluorspar from the Kvanefjeld project. Adverse fluctuations in prices of these products may detrimentally affect any earnings of the Company and the terms of any offtake agreement it may enter into. 	<p>Section 3</p>

Question	Response	Where to find more information
	<ul style="list-style-type: none"> Reliance on key personnel - The Company's success largely depends on the core competencies of its Directors and management and their familiarisation with, and ability to operate in, the resource industry and the Company's ability to retain its key executives. 	
How many New Securities will be issued?	<p>The maximum number of New Securities that will be issued under the Offer is 88,685,050 New Shares and 88,685,050 New Options.</p> <p>Where Option holders who reside in Australia or New Zealand exercise their Options before the Record Date, they will be entitled to participate in the Offer. This will increase the maximum number of New Shares and New Options that may be issued under the Offer.</p>	Section 2.1
What is the amount that will be raised under the Offer?	<p>At the date of this Prospectus, the maximum amount that may be raised under the Prospectus is \$8,868,505 before expenses. If existing Option holders who reside in Australia or New Zealand exercise their Options before the Record Date so as to participate in the Offer, the amount raised under the Offer may increase.</p> <p>Minimum Subscription under the Rights Issue is \$8,868,505 representing the Underwritten Amount.</p>	Section 2.1
What are the Underwriting arrangements?	<p>Patersons Securities Limited is the Underwriter to the Offer to the Underwritten Amount of \$8,868,505.</p> <p>The Underwriter is not a related party and has no current relevant interest in Shares.</p> <p>The Underwriter must apply for the Shortfall Shares up to the Underwritten Amount in accordance with the terms of the Underwriting Agreement. The Underwriter has appointed sub-underwriters to subscribe for the Shortfall up to the Underwritten Amount. Each sub-underwriter will not by its sub-underwriting increase its relevant interest in Shares to 20% or more.</p>	Section 4.7
What is the purpose of the Offer?	<p>The purpose of the Offer is to raise funds:</p> <ul style="list-style-type: none"> To fund the application for a mining licence upon the Kvanefjeld project. To provide general working capital. To pay the costs of the rights issue process including the underwriting fee. <p>A budget of how we intend to use the funds at Full Subscription is set out in Section 2.2. As with any budget, new</p>	Section 2.2

Question	Response	Where to find more information
	circumstances may change the way we apply the funds.	
What is the effect of the Offer on share capital and cash reserves?	<p>The effect of the Offer on share capital and cash reserves is to:</p> <ul style="list-style-type: none"> • Increase the number of Shares and Options on issue. • Increase our cash reserves by up to approximately \$8,868,505 before the costs of the Offer. 	Section 2.3
What are the alternatives for Eligible Shareholders?	<p>The Offer is renounceable so that you are able to trade your Rights.</p> <p>As an Eligible Shareholder, you may:</p> <ul style="list-style-type: none"> • Take up all of your Rights. • Apply for Shortfall Securities. • Sell all of your Rights on ASX. • Take up part of your Rights and sell the balance of your Rights on ASX. • Take up part of your Rights and allow the balance of your Rights to lapse. • Deal with part or all of your Rights other than on ASX. • Allow all or part of your Rights to lapse. 	Section 4.2
How will Shortfall be allocated?	<p>Any Entitlement not accepted will form the Shortfall.</p> <p>Eligible Shareholders are entitled to apply for Shortfall Securities. The Shortfall Securities will be placed at the discretion of the Directors in consultation with the Underwriter.</p>	Sections 4.5 and 4.7
What will happen to Excluded Shareholders Rights?	<p>The Company has appointed the Underwriter as nominee to sell the Excluded Shareholders Rights. The Underwriter will sell the Rights and distribute the proceeds of the sale net of expenses (in Australian dollars) to each of the Excluded Shareholders in proportion to their shareholdings.</p>	Section 4.4
What is the effect of the Offer on control of the Company?	<p>The Offer is 2 new Shares for every 13 Shares held by Eligible Shareholders and the maximum dilution at Full Subscription that will be experienced by any Eligible Shareholder that fails to subscribe for any Entitlement is 13.33% of its existing shareholding.</p> <p>In the event the Underwriter is required to subscribe for all of the Shortfall Securities up to the Underwritten Amount, the relevant interest of the Underwriter will be 13.33%. Additionally, no sub-underwriter will by its sub-underwriting increase its relevant interest in Shares to 20% or more.</p>	Section 4.7(d)

Question	Response	Where to find more information																												
	By reason of the above, the Offer will not result in any party gaining control of the Company.																													
What are the key dates of the Offer?	<table border="0"> <tr> <td>Prospectus lodged with ASIC and ASX</td> <td>6 June 2014</td> </tr> <tr> <td>Appendix 3B lodged with ASX</td> <td>6 June 2014</td> </tr> <tr> <td>Notice sent to Shareholders</td> <td>11 June 2014</td> </tr> <tr> <td>"Ex" date (date from which Shares trade on ASX without the entitlement to participate in the Offer)</td> <td>12 June 2014</td> </tr> <tr> <td>Rights trading commences</td> <td>12 June 2014</td> </tr> <tr> <td>Record Date (to determine eligibility of Shareholders to participate in the Offer)</td> <td>16 June 2014</td> </tr> <tr> <td>Anticipated despatch of Prospectus and Entitlement and Acceptance Forms to Eligible Shareholders</td> <td>19 June 2014</td> </tr> <tr> <td>Last day for Rights trading</td> <td>26 June 2014</td> </tr> <tr> <td>Securities quoted on a deferred settlement basis</td> <td>27 June 2014</td> </tr> <tr> <td>Closing Date</td> <td>3 July 2014</td> </tr> <tr> <td>ASX notified of under-subscriptions</td> <td>8 July 2014</td> </tr> <tr> <td>Issue date</td> <td>10 July 2014</td> </tr> <tr> <td>Deferred settlement trading ends</td> <td>10 July 2014</td> </tr> <tr> <td>New Securities commence normal trading on ASX.</td> <td>11 July 2014</td> </tr> </table> <p>Please note that these dates are subject to change. We reserve the right, subject to the Corporations Act and the Listing Rules to amend the timetable at any time, and in particular, to extend the Closing Date or to withdraw the Offer without prior notice.</p>	Prospectus lodged with ASIC and ASX	6 June 2014	Appendix 3B lodged with ASX	6 June 2014	Notice sent to Shareholders	11 June 2014	"Ex" date (date from which Shares trade on ASX without the entitlement to participate in the Offer)	12 June 2014	Rights trading commences	12 June 2014	Record Date (to determine eligibility of Shareholders to participate in the Offer)	16 June 2014	Anticipated despatch of Prospectus and Entitlement and Acceptance Forms to Eligible Shareholders	19 June 2014	Last day for Rights trading	26 June 2014	Securities quoted on a deferred settlement basis	27 June 2014	Closing Date	3 July 2014	ASX notified of under-subscriptions	8 July 2014	Issue date	10 July 2014	Deferred settlement trading ends	10 July 2014	New Securities commence normal trading on ASX.	11 July 2014	
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2. REASON FOR THE RIGHTS ISSUE AND EFFECT ON THE COMPANY

2.1 Background

We listed on ASX on 20 June 2006. The Company 100% owns the Kvanefjeld project in southern Greenland. The Kvanefjeld project is in feasibility stage.

We are making this Offer which consists of a pro-rata renounceable rights issue of approximately 88,685,050 New Shares to Eligible Shareholders. The Offer is made on the basis of 2 New Shares for every 13 Shares held by Eligible Shareholders on the Record Date at an issue price of 10 cents per New Share and 1 free New Option for every 1 New Share subscribed for under the Prospectus ("**Rights Issue**"). On this basis, the Rights Issue will seek to raise up to approximately \$8,868,505.

The Offer is renounceable, so that Eligible Shareholders who do not wish to take up some or all of their Entitlement may be able to sell or otherwise transfer all or part of their Entitlement through the financial market operated by ASX or by way of an off-market transfer. Refer to Section 4.2 for more information.

As at the date of this Prospectus, we have 576,452,827 Shares, 30,768,711 Options, 9,685,500 employee rights and 1,000,000 performance rights on issue. Option holders with an address in Australia or New Zealand may exercise their Options before the Record Date and participate in the Offer. In this event, the number of New Securities to be issued under this Prospectus and the funds raised as a result of the Rights Issue may vary.

2.2 Use of Funds

We are seeking to raise a total of up to approximately \$8,868,505 from this Rights Issue. Presented below is how the Company intends to use its current funds at the date of this Prospectus and the proceeds of the Offer at Full Subscription:

Funds Available	Full Subscription
Cash on hand	\$3,990,000
Funds raised under the Offer ¹	\$8,868,505
Total funds available	\$12,858,505
Use of Funds	
Mining licence application items for Kvanefjeld project:	
(a) Resource modelling and definition	\$400,000
(b) Engineering, design and costing of infrastructure	\$2,300,000
(c) Completion of environmental and social impact studies	\$1,600,000
(d) Progress other aspects of mining licence application including strategic partner development	\$4,500,000
General working capital ²	\$3,336,835
Estimated expenses of the Offer including fees to the Underwriter ³	\$721,670
Total	\$12,858,505

1. The table assumes that none of the existing Option holders exercise their Options before the Record Date and participate in the Offer. In the event that more funds are raised than \$8,868,505, we will allocate those additional funds to general working capital.
2. General working capital includes but is not limited to corporate administration and operating costs and may be applied to directors' fees, ASX and share registry fees, legal, tax and audit fees, insurance and travel costs.
3. The items of expenses are set out in Section 5.8.
4. The table is a statement of our proposed application of the funds raised as at the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect our decisions and we reserve the right to vary the way the funds are applied.
5. To complete other aspects of a feasibility study beyond the mining licence application the Company will require future funding. The Company intends to consider, without limitation, an equity facility as a source of future funds.

2.3 Effect on share capital and cash reserves

The principal effects of the Rights Issue on the share capital and cash reserves of the Company will be to:

- (a) increase the total number of Shares and Options on issue (see Section 2.4); and
- (b) increase our cash reserves at Full Subscription by approximately \$8,868,505, before taking into account the expenses of the Offer (see Section 2.5).

A pro forma statement of financial position, which that contains further information about the effect of the Rights Issue on the Company, is provided in Section 2.5.

2.4 Effect on capital structure

Assuming that no Options are exercised before the Record Date, the effect of the Offer on the Company's issued share capital as at the date of this Prospectus will be as shown in the following table:

Shares	Full Subscription
Existing Shares	576,452,827
New Shares issued under Rights Issue	88,685,050
Shares issued to Underwriter as part of corporate fee	300,000
Total Shares on issue after completion of the Rights Issue¹	665,437,877
Options	Full Subscription
Existing quoted Options (exercise price 60 cents expiring 5.10.14) ²	25,769,191
Existing unquoted Options (exercise price 75 cents expiring 15.10.14) ²	4,999,520
New Options issued under Rights Issue (exercise price 20 cents expiring 30 June 2016) ³	86,685,050
Total Options on issue after completion of the Rights Issue	117,453,761
Employee rights	Full Subscription
Employee rights ⁴	9,685,500
Performance rights	Full Subscription
Performance rights ⁵	1,000,000

1. A further tranche of Shares is to be issued to directors and employees in lieu of cash payments being 955,467 Shares to directors on 31 October 2014 and 923,637 Shares to employees on 30 September 2014.
2. This Rights Issue will have the effect of adjusting the exercise price of the two existing classes of Options in accordance with the Listing Rule 6.22.2 adjustment formula.
3. Application will be made to the ASX for quotation of these Options.
4. The employee rights if converted will result in the issue of 9,685,500 Shares. The employee rights have various performance hurdles that must be satisfied by 13 September 2016.
5. The performance rights if converted will result in the issue of 1,000,000 Shares. The performance rights have various performance hurdles that must be satisfied by 23 January 2015.

2.5 **Pro forma Statement of financial position**

To illustrate the effect of the Rights Issue on the Company, a pro forma statement of financial position has been prepared based on the unaudited proforma statement of financial position as at 30 April 2014. The pro forma statement of financial position shows the effect of the Rights Issue as if it had been made on 30 April 2014 at Full Subscription based on the following assumptions:

- * The issue of 88,685,050 New Shares under the Offer at an issue price of 10 cents each to raise \$8,868,505 and the issue of 88,685,505 New Options for free and estimated expenses of the Offer of \$721,670.

	30 April 2014 (Unaudited)	Proforma Adjustments	30 April 2014 Proforma (Full Subscription)
	\$	\$	\$
Current Assets			
Cash and cash equivalents	4,483,249	8,146,835	12,630,084
Trade and other receivables	65,356		65,356
Other assets	237,614		237,614
Total Current Assets	<u>4,786,219</u>		<u>12,933,054</u>
Non-Current Assets			
Investments in associates	41,086		41,086
Property, plant and equipment	1,418,417		1,418,417
Capitalised exploration and evaluation expenditure	64,428,179		64,428,179
Total Non-Current Assets	<u>65,887,682</u>		<u>65,887,682</u>
Total Assets	<u>70,673,907</u>		<u>78,820,736</u>
Current Liabilities			
Trade and Other Payables	545,777		545,777
Other liabilities	116,164		116,164
Provisions	167,522		168,522
Total Current Liabilities	<u>829,462</u>		<u>829,463</u>
Non-Current Liabilities			
Provisions	47,894		47,894
Total Non-Current Liabilities	<u>47,894</u>		<u>47,894</u>
Total Liabilities	<u>877,357</u>		<u>877,357</u>
Net Assets	<u>69,796,544</u>		<u>77,943,379</u>
Equity			
Issued Capital	337,561,007	5,411,036	342,972,043
Reserves	(10,830,371)	2,735,799	(8,094,572)
Accumulated Losses	(256,934,091)		(256,934,092)
Total Equity	<u>69,796,544</u>		<u>77,943,379</u>

3. RISK FACTORS

3.1 Introduction

An investment in the securities the subject of this Prospectus is highly speculative as the Company is an exploration and development company which 100% owns the Kvanefjeld project in southern Greenland. The Kvanefjeld Project is in feasibility stage.

There are a number of factors that may have a material impact on our future operating and financial performance. The key material risks are described below.

You should carefully consider the risks described below, the information contained in other sections of this Prospectus, and all other relevant material including our public announcements and reports.

The specific risks below are some of the risks specific to the Company including by reason of its involvement in the resource industry and the Kvanefjeld Project being located in Greenland. The general investment risks below are some of the risks to the Company of a general economic nature.

3.2 Specific Risks

Exploration and Development

Investors should understand that resource exploration and development is by its nature a high risk undertaking.

The Company is in feasibility stage upon the Kvanefjeld project. There is no guarantee of the successful outcome of a feasibility study including the grant of a mining (exploitation) licence, the economic recoverability of ore bodies and the success of environmental and social impact studies.

Future capital needs and additional funding

Financing, constructing and operating any mining operation will be a significant cost and beyond any funds raised under this Offer. The Company is looking to progress relationships with funding and strategic development partners. No assurance can be given that future funding will be available to the Company on favourable terms or at all or that a suitable agreement can be reached with a strategic partner which would prejudice the development of the Kvanefjeld project. Any such future funding may take the form of equity or debt or a combination of equity and debt. To date, the MOU with NFC (as referred to in the key highlights in Section 1) is a non-binding framework agreement.

The funds raised by this Offer will primarily be used to fund the mining licence application. To complete other aspects of a feasibility study beyond the mining licence application, the Company will require further funding. The Company intends to consider, without limitation, an equity facility as a source of such future funds. There can be no assurance such funding will be available on favourable terms or at all which would prejudice the development of the Kvanefjeld project.

Mining

Possible future development of a mining operation at the Kvanefjeld Project is dependent on a number of factors. Some of the factors limiting or preventing development and

operations include, but are not limited to, unsuccessful completion of a feasibility study, failure to acquire and/or delineate economically recoverable ore bodies, unfavourable geological conditions, failing to receive the necessary approvals from all relevant authorities and parties including necessary environmental approvals, unseasonal weather patterns, construction of any necessary production facilities, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, unexpected shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, risk of access to the required level of funding and contracting risk from third parties providing essential services.

In the event that the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations and extended interruptions due to inclement or hazardous weather conditions.

Commodity prices

The Company is aiming to produce rare earth concentrates, uranium oxide, zinc concentrate and fluorspar from the Kvanefjeld project. Adverse fluctuations in prices of these products may detrimentally affect any earnings of the Company and the terms of any offtake agreement it may enter into.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for specific commodities, commodity trading on the futures markets, general world economic conditions and the outlook of interest rates, inflation and other economic factors on both a regional and global basis.

Reliance on Key Personnel and Contractors

The Company's success largely depends on the core competencies of its Directors and management and their familiarisation with, and ability to operate in, the metals and mining industry and the Company's ability to retain its key executives.

Additionally, the Company relies on third party contractors to provide logistics and services for the exploration field seasons upon the Kvanefjeld Project.

Resource Estimates

Resources estimates are expressions of judgment based on knowledge, experience and resource modelling. As such, resource estimates are inherently imprecise and rely to some extent on interpretations made.

Additionally, resource estimates may change over time as new information becomes available. Should the Company encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, resource estimates may need to be altered in a way that could adversely affect the Company's operations.

Licensing and Government Regulations

In October 2013 Greenland's parliament voted in favour of removing a long-standing zero-tolerance policy against the exploitation of radioactive materials.

The issue of a mining (exploitation) licence (needed to mine) for the Kvanefjeld project is a matter of Greenland Government discretion. The Greenland Government will need to be satisfied as to social and environmental considerations. There can be no guarantee that the Greenland Government will issue a mining licence.

In the event of production involving uranium, the regulatory burden at different levels of the industry increases the cost of doing business.

Environmental

The Company's operations are subject to the environmental risks inherent in the mineral exploration and production industries. This includes the Greenland Government being satisfied as to environmental considerations prior to the issue of a mining licence upon the Kvanefjeld project. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's costs of doing business or affect its operations in any area.

Currency

The Company's future revenue so far as concerns its operations in Greenland may be in US dollars whilst its costs will be payable in Danish Kroner, Australian dollars and Euros. The exchange rates between the various currencies are affected by numerous factors beyond the control of the Company. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

Title

The Company considers the relevant Greenland exploration licences are valid, in force and enforceable in accordance with their terms. The licences are subject to a number of legislative conditions which if not met would affect the standing of the licences and their ability to be renewed.

Sovereign Risk

The Kvanefjeld Project is located in Greenland. Greenland is an autonomous country within the Kingdom of Denmark.

The political conditions in Greenland and Denmark are generally stable, however, changes in exchange rates, control or fiscal regulations and regulatory regimes, labour unrest, inflation or economic recession could adversely affect the Company's business.

Insurance

The Company, where economically feasible, insures its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance (if obtained) may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with mineral exploration and development is not always available and where available the costs can be prohibitive.

3.3 **General Risks**

Securities Investments and Share Market Conditions

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for exploration and mining companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

Economic Risk

Changes in both the world and Greenland economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

Legislative

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies in either Greenland or Australia may adversely affect the financial performance of the Company.

4. DETAILS OF THE OFFER

4.1 The Offer

(a) Overview

All Eligible Shareholders are entitled to participate in the Rights Issue. You are an Eligible Shareholder if you are a Shareholder with a registered address in Australia or New Zealand on the Record Date. The Record Date is 5.00pm WST, 16 June 2014.

As an Eligible Shareholder you are entitled to subscribe for 2 New Shares for every 13 Shares held on the Record Date at the Issue Price of 10 cents per New Share. You are also entitled to 1 free New Option for every 1 New Share subscribed for.

When calculating your Rights, we will round up fractions to the nearest whole number.

The Company's Share Registry must receive your Entitlement and Acceptance Form by the Closing Date (being 5.00pm WST on 3 July 2014).

The Offer is renounceable. This means that you may sell your Rights.

(b) Minimum Subscription

Minimum Subscription under the Rights Issue is \$8,868,505 representing the Underwritten Amount.

No New Securities will be allotted or issued until the Minimum Subscription has been received. If the Minimum Subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application moneys to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application moneys.

(c) Offer is underwritten

The Offer is underwritten by the Underwriter to the Underwritten Amount. The Underwriter is not a related party or shareholder in the Company. Further information about the underwriting is set out in Section 4.7.

(d) Rights attaching to New Shares and terms of New Options

A summary of the rights attaching to the New Shares and the terms of the New Options are set out in Sections 5.1 and 5.2.

(e) Taxation

There may be taxation implications in relation to the Rights Issue and subscribing for New Shares and New Options. These taxation implications vary depending on your individual circumstances. You should seek and rely on your own taxation advice regarding an investment in the Company. Neither the Company nor any of its officers, employees, agents and advisers accepts any liability or responsibility with respect to the taxation consequences connected with the Rights Issue or the New Shares and New Options.

4.2 What Eligible Shareholders may do

(a) Alternatives

The number of Shares to which Eligible Shareholders are entitled (your Entitlement or Rights) is shown on the accompanying Entitlement and Acceptance Form.

Rights can be bought and sold on market like other tradeable securities. Other than taking up Rights to which you are entitled as an Eligible Shareholder, if you wish to ensure acquiring further Shares you will need to purchase Rights and take up these additional Rights. Allocation of additional Shares from Shortfall is at the discretion of the Directors in consultation with the Underwriter.

If you do not take up your Rights, then your percentage holding in the Company will be diluted.

As an Eligible Shareholder, you may:

- take up all of your Rights (refer Section 4.2(b));
- take up all of your Rights and apply for Shortfall Securities (refer Section 4.2(c));
- sell all of your Rights on the ASX (refer Section 4.2(d));
- take up part of your Rights and sell the balance on the ASX (refer Section 4.2(e));
- take up part of your Rights and allow the balance to lapse (refer Section 4.2(f));
- deal with part or all of your Rights other than on the ASX (refer Section 4.2(g))
- allow all or part of your Rights to lapse (refer Section 4.2(h)).

(b) Taking up all of your Rights

If you wish to take up all of your Rights, complete the accompanying Entitlement and Acceptance Form for New Shares and New Options in accordance with the instructions set out in that form.

You should then forward your completed Entitlement and Acceptance Form together with your application moneys in accordance with Section 4.3 to reach the Company's Share Registry no later than 5.00pm (WST) on the Closing Date.

(c) Taking up all your Rights and applying for Shortfall Securities

Eligible Shareholders may, in addition to taking up all their Rights, apply for Shortfall Securities as described in Section 4.5.

A single payment should be used for the application moneys for your Rights and the number of Shortfall Shares you wish to apply for as stated on the Entitlement and Acceptance Form.

(d) Selling all of your Rights on the ASX

If you wish to sell all of your Rights on the ASX, you will need to provide instructions to your stockbroker regarding the number of Rights you wish to sell on the ASX. The Company accepts no responsibility for any failure by your stockbroker to carry out your instructions.

(e) Taking up part of your Rights and selling the balance on the ASX

If you wish to take up only part of your Rights, complete the accompanying Entitlement and Acceptance Form for the number of New Shares and New Options you wish to take up and follow the steps required in accordance with Section 4.2(b). You may then provide instructions to your stockbroker regarding the number of Rights you wish to sell on the ASX.

(f) Taking up part of your Rights and allowing the balance to lapse

If you wish to take up part of your Rights and allow the balance to lapse, complete the accompanying Entitlement and Acceptance Form for the number of New Shares and New Options you wish to take up and follow the steps required in accordance with Section 4.2(b). If you take no further action, the balance of your Rights will lapse and you will have forfeited any potential benefit to be gained from selling/trading your Rights.

(g) Dealing with part or all of your Rights other than on the ASX

You may transfer all or part of your Rights to another person other than on the ASX provided that the purchaser is not an Excluded Shareholder or would not be an Excluded Shareholder if the purchaser was the registered holder of Shares.

If you wish to transfer all of your Rights to another person other than on the ASX, forward a completed standard renunciation and acceptance form (obtainable from the Company's Share Registry) and the applicable transferee's payment for the New Shares and New Options they wish to subscribe for to the Company's Share Registry by 5.00pm (WST) on the Closing Date.

If you wish to transfer part of your Rights to another person other than on the ASX only, but also want to take up some or all of the balance of your Rights, you will need to take the steps described above in relation to the Rights you wish to transfer and complete the accompanying Entitlement and Acceptance Form in respect of the Rights you wish to take up. You will need to lodge the form in accordance with the procedure in Section 4.2(b).

If the Share Registry receives both a completed renunciation and acceptance form and a completed Entitlement and Acceptance Form in respect of the same Rights, the renunciation will be given effect in priority to the acceptance.

(h) Allow all or part of your Rights to lapse

If you take no action, your Rights will lapse and you will have forfeited any potential benefit to be gained from selling/trading your Rights. Rights are renounceable, which enable Eligible Participants who do not wish to accept some or all of their Rights, to sell or trade all or part of their Rights on the ASX.

4.3 Payment

The price for New Shares is payable in full on application by a payment of 10 cents per Share. The Entitlement and Acceptance Form must be accompanied by payment of the Application Moneys.

Cheques or bank drafts must be drawn in Australian currency on an Australian bank and

made payable to "**Greenland Minerals and Energy Limited – Trust Account**" and crossed "Not Negotiable". Applicants must not forward cash. Receipts for payment will not be issued. You should ensure that sufficient funds are held in the relevant account(s) to cover the cheque(s). If the amount of your cheque(s) is not sufficient to pay for the number of New Shares you have applied for, you may be taken to have applied for such lower number of New Shares as your cleared moneys will pay for or your application may be rejected.

If you pay by BPAY, please follow the procedure set out in the Entitlement and Acceptance Form. You do not have to send us a completed Entitlement and Acceptance Form if you pay by BPAY. It is your responsibility to ensure that we receive your payment by the Closing Date. We do not accept any responsibility for incorrectly completed BPAY payments.

4.4 **Excluded Shareholders**

The Company is of the view that it is unreasonable to make an offer to Excluded Shareholders (a Shareholder whose registered address is not in Australia or New Zealand) having regard to the number of Excluded Shareholders, the number and value of Shares these Excluded Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended, and Shares will not be issued, to Shareholders with a registered address which is outside Australia or New Zealand.

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013. The New Securities are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand. This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

The Company has appointed the Underwriter as nominee ("**Nominee**") to sell the Rights to which Excluded Shareholders are entitled. The Nominee will have the absolute and sole discretion to determine the timing and price at which the Rights will be sold and the manner of any such sale. The Company will pay the Nominee a fee of \$7,500 plus a brokerage fee of 1% on the execution of the sale of any Rights.

Any interest earned on the proceeds of the sale of these Rights will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Excluded Shareholders as described below.

The net proceeds of any sale of these Rights will then be forwarded by the Company as soon as practicable to the Excluded Shareholders, in proportion to their share of such Rights (after deducting brokerage commission and other expenses).

In the event of a sale of the Rights, Excluded Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. In this regard, the Nominee will not be required to sell Excluded Shareholders' Entitlements at a particular price.

Shareholders resident in Australia or New Zealand holding shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the

Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.5 **Shortfall**

Any New Shares and New Options under the Rights Issue that are not applied for will form the Shortfall Securities. The Offer to issue Shortfall Securities is a separate offer under the Prospectus.

Under this Prospectus, the Company offers to issue the Shortfall Securities to a party (which may include investors other than Eligible Shareholders) at the same price as the New Shares offered under the Rights Issue.

Shareholders may apply for any Shortfall Securities by completing the relevant section in the Entitlement and Acceptance Form and sending it to the Company's share registry together with payment by cheque or BPAY in the amount of Shortfall applied for.

Application for Shortfall with moneys does not guarantee any allotment of any Shortfall Shares. Shortfall will be placed at the discretion of the Directors in consultation with the Underwriter. All application moneys in relation to which Shortfall Securities are not allocated will be returned without interest.

The Underwriter is obliged to take up and subscribe for Shortfall Shares up to the Underwritten Amount.

The Shortfall Securities may be placed at the discretion of the Directors, in consultation with the Underwriter, within 3 months of the Closing Date.

It is your responsibility to ensure that you will not breach the takeovers provisions in the Corporations Act by applying for Shortfall Securities.

4.6 **Allotment and quotation**

(a) **Allotment of New Shares and New Options**

The New Shares and New Options issued pursuant to the Rights Issue will be allotted in accordance with the timetable set out in Section 1. We will allot the New Shares and New Options on the basis of your Rights.

Pending the allotment and issue of New Shares and New Options or payment of refunds under this Prospectus, we will hold all Application Money on trust for you in a separate bank account. We will, however, be entitled to retain all interest that accrues on any Application Money we hold.

No securities will be allotted and issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

(b) **Quotation by ASX**

We intend to apply to ASX for quotation of the New Shares and New Options within 7 days of the date of this Prospectus. If the ASX accepts our application, quotation of the New Shares and New Options will commence after the issue of the New Shares and New Options.

If any New Shares and New Options are not granted quotation on ASX within 3 months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, we will not issue those New Shares and New Options and the Application Money in respect of those New Shares and New Options will be refunded to you without interest within the time prescribed by the Corporations Act.

(c) **Holding statements**

We participate in the security transfer system known as CHESS. CHESS is operated by ASX Settlement Pty Ltd (ACN 008 504 532) (a wholly owned subsidiary of ASX) in accordance with the Listing Rules and the ASX Settlement Operating Rules. Under CHESS you will not receive a share certificate. You will receive a holding statement setting out the number of New Shares issued to you under this Prospectus. If you are broker sponsored, ASX Settlement will send you a CHESS statement.

4.7 **Underwriting and sub-underwriting arrangements**

(a) **The Underwriter**

The Underwriter is appointed under the Underwriting Agreement to underwrite the Rights Issue up to the Underwritten Amount. The Underwriter is not a related party and has no current relevant interest in Shares.

In the event of a Shortfall, the Directors are not aware of any reason why the Underwriter would not be in a position to meet its financial obligations to subscribe for the Shortfall in accordance with the Underwriting Agreement.

(b) **Underwriting Agreement**

The Underwriting Agreement was negotiated on an arms length basis. The parties to the agreement are the Company and the Underwriter.

Under the Underwriting Agreement, the Underwriter is obliged to subscribe for all of the Shortfall Shares within 5 business days of receiving notice from us as to the number of Shortfall Shares. The maximum number of Shortfall Securities that the Underwriter is required to subscribe for is 88,685,050 Shares and associated New Options representing the Underwritten Amount.

We must on the Issue Date pay the Underwriter a corporate fee of \$60,000 and an underwriting fee of 6% of the Underwritten Amount being \$532,110. We are also required to reimburse the Underwriter for all reasonable out-of-pocket expenses.

The corporate fee of \$60,000 will be paid to the Underwriter by \$30,000 cash and the issue of 300,000 Shares representing \$30,000 at the issue price of 10 cents. This Prospectus is also an offer of the 300,000 Shares to the Underwriter.

Under the Underwriting Agreement we are required to make the Offer in accordance with all relevant regulatory requirements and we have given various representations and warranties to the Underwriter, which are customary for an agreement of this nature.

As is normal for underwriting agreements of this nature, the Underwriter has a wide discretion to terminate its obligations under the Underwriting Agreement on the occurrence of a number of events, which may occur before the issue of the Shortfall

Securities. The more significant termination events are a fall in indices event allowing the Underwriter to terminate its obligations if the All Ordinaries Index falls to a level that is 10% or more than the level at the close of business on the business day prior to the date of this Prospectus, the volume weighted average price of the Shares of the Company during any consecutive 5 trading days upon which Shares trade is less than the Offer price of 10 cents and where an adverse change occurs in respect of the Company or its assets which has a material adverse effect. The failure of the Underwriter to appoint sub-underwriters will not relieve the Underwriter of its obligations.

(c) **Sub-Underwriting**

The Underwriter has appointed sub-underwriters to subscribe for certain of the Shortfall. Each sub-underwriter will not by its sub-underwriting increase its relevant interest in Shares to 20% or more.

No related parties are sub-underwriting the Offer.

The Underwriter is responsible for fees payable to sub-underwriters.

(d) **Effect on control**

The Offer is 2 New Shares for every 13 Shares held by Eligible Shareholders and the maximum dilution at Full Subscription that will be experienced by any Eligible Shareholder that fails to subscribe for any Entitlement is 13.33% of its existing shareholding.

The Underwriter currently has no relevant interest in Shares.

Under the Underwriting Agreement, the Underwriter is obliged to subscribe for all of the Shortfall Shares up to the Underwritten Amount (maximum of 88,685,050 Shares as at the date of this Prospectus). In the event that the Underwriter is required to subscribe for all of the Shortfall Securities up to the Underwritten Amount, the relevant interest of the Underwriter will be 13.33%. Additionally, no sub-underwriter will by its sub-underwriting increase its relevant interest in Shares to 20% or more.

By reason of the above, the Offer will not result in any party gaining control of the Company.

5. ADDITIONAL INFORMATION

5.1 Rights attaching to New Shares

The rights attaching to ownership of Shares in the Company (including the New Shares) are:

- (a) set out in the Company's Constitution; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

A summary of the more significant rights attaching to Shares is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of our Shareholders.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. The person who holds a share which is not fully paid shall be entitled to a fraction of a vote equal to that proportion of a vote that the amount paid or credited (excluding amounts paid in advance) on the relevant share bears to the total amounts paid and payable (including amounts credited) on that share. Voting may be in person or by proxy, attorney or representative.

Dividends

Subject to the rights of holders of shares issued with any special rights (at present there are none), the profits of the Company which the Board may from time to time determine to distribute by way of dividend are divisible to each share of a class on which the Board resolves to pay a dividend in proportion to the amount for the time being paid on a share (including amounts credited) bears to the total amount paid or payable (including amounts credited) on that share. All shares currently on issue and the shares to be issued under this Prospectus are fully paid shares.

Future Issues of Securities

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

Transfer of Shares

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by the Board.

Meetings and Notices

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to

shareholders under the Constitution, the Corporations Act or the Listing Rules. Shareholders may requisition meetings in accordance with the Corporations Act.

Election of Directors

There must be a minimum of three Directors. At every annual general meeting one third of the Directors (rounded down to the nearest whole number) must retire from office together with any Director who would have held office for more than three years since that Director's election or last election. These retirement rules do not apply to certain appointments including the managing director.

Amendment of Constitution

The Constitution of the Company can only be amended by a special resolution, passed by at least three quarters of the votes cast by holders of Shares entitled to vote on the resolution, at general meeting. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

Predominance of Listing Rules

While the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

5.2 Terms of New Options

The terms of the issue of the New Options are:

- (a) Each Option entitles the holder to one Share in the capital of the Company.
- (b) The Options may be exercised at any time prior to 5.00pm WST on 30 June 2016.
- (c) The exercise price of the Options is 20 cents each.
- (d) Application will be made for the Options to be quoted and the Options will be freely tradeable.
- (e) The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("Notice of Exercise"). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be allotted and the identity of the proposed allottee. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price

per Share. The Company will process all relevant documents received at the end of every calendar month.

- (f) All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares.
- (g) There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised. The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
- (h) If there is a bonus issue ("Bonus Issue") to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("Bonus Shares"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
- (i) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the Listing Rules.

5.3 Transaction specific prospectus and continuous disclosure obligations

We are a disclosing entity under the Corporations Act and therefore are subject to regular reporting and disclosure obligations. Under those obligations, we are required to comply with all applicable continuous disclosure and reporting requirements in the Corporations Act and the Listing Rules. In particular, we must comply with the requirement to disclose to ASX any information held by us which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

As this Prospectus is a transaction specific prospectus issued under section 713 of the Corporations Act, it is required to contain information in relation to the effect of the Offer on the Company and the rights and liabilities attaching to the securities offered. This Prospectus is not required to provide information regarding our assets and liabilities, financial position and performance, profits and losses or prospects on the basis that, as at the date of this Prospectus, the Company has not withheld from its continuous disclosure reporting any information about such matters that investors and their professional advisers would reasonably require to make an informed assessment of such matters and expect to find in this Prospectus.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;

- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request:
- (i) the annual financial report most recently lodged by the Company with ASIC;
 - (ii) any half-year financial report lodged with ASIC after lodgement of the annual financial report and before lodgement of this Prospectus with ASIC; and
 - (iii) any continuous disclosure notices given by the Company after the lodgement of the annual financial report and before the lodgement of this Prospectus with ASIC.

We lodged our latest annual report with ASX on 17 April 2014. Since then, we have made the following announcements to ASX, shown in the table below.

Date	Description of Announcement
17/04/2014	Notice of Annual General Meeting/Proxy Form
23/04/2014	Change of Share Registry address
30/04/2014	Quarterly Cashflow Report
30/04/2014	Quarterly Activities Report
08/05/2014	Appendix 3B and Sec708 Cleansing Statement
08/05/2014	Change of Director's Interest Notice x 3
19/05/2014	Expiry of rights & change of director's interest notice x 6
22/05/2014	Annual General Meeting Presentation
22/05/2014	Results of Annual General Meeting
29/05/2014	Trading Halt
03/06/2014	Suspension from Official Quotation
03/06/2014	Request for suspension

5.4 **Market price of Shares**

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest closing market price of the Company's quoted Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales and the last closing market price on the day on which Shares traded prior to lodgement of this Prospectus with ASIC were:

	Price	Date
Highest	24 cents	6 March 2014
Lowest	12 cents	29 May 2014
Latest	12 cents	29 May 2014

5.5 **Board and Management**

The Board consists of:

- Mr Michael Hutchinson (Non-Executive Chairman)
- Mr Roderick McIlree (Managing Director)
- Mr Simon Cato (Executive Director)
- Dr John Mair (Executive Director)
- Mr Anthony Ho (Non-Executive Director)
- Mr Jeremy Whybrow (Non-Executive Director)

Messrs McIlree, Cato, Mair and Whybrow as current or former executive directors are not considered independent directors.

Messrs Hutchinson and Ho are independent directors.

5.6 **Directors' Interests**

(a) **Interests of Directors**

Other than as disclosed in this Prospectus, no Director or proposed Director holds, or has held at any time during the last two years, any interest in:

- (i) the formation or promotion of the Company; or
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- (iii) the Offer;

and no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person to a Director or proposed

Director to induce him or her to become, or to qualify as, a Director or for services provided by a Director or proposed Director in connection with the formation or promotion of the Company or the Offer.

(b) **Interests in securities as at the date of this Prospectus**

As at the date of this Prospectus, the Directors (and their respective associates) have relevant interests in the Shares and Options of the Company as set out in the table below. Interests include those held directly and indirectly.

Each Director who is an Eligible Shareholder will be entitled to participate in the Rights Issue. The table below does not include the New shares and New Options that the Directors may subscribe for under the Offer.

Director	Number of Shares currently held	Number of Options currently held	Performance Rights
Michael Hutchinson	421,276	0	0
Roderick McIlree	13,864,706	0	0
Simon Cato	4,762,198	0	0
John Mair	5,791,249	0	0
Anthony Ho	550,000	0	1,000,000 ¹
Jeremy Whybrow	6,010,200	0	0

Notes:

1. The 1,000,000 performance rights held by Anthony Ho are issued in 3 tranches and are subject to performance hurdles that must be satisfied by 23 January 2015. Details of the performance hurdles are set out in the announcement of 19 May 2014.

(c) **Remuneration of Directors**

Mr Michael Hutchinson is paid £150,000 per annum as a director's fee as non-executive chairman. In the two years prior to the date of this Prospectus Mr Hutchinson has received a total remuneration of \$391,894 of which \$126,382 was paid in Shares based on a Share issue price of 30 cents in accordance with Shareholder approval on 15 May 2013.

Mr Roderick McIlree is paid \$500,000 plus statutory superannuation per annum as managing director including a director's fee. In the two years prior to the date of this Prospectus Mr McIlree has received a total remuneration of \$1,200,974 of which \$465,975 was paid in Shares based on a Share issue price of 30 cents in accordance with Shareholder approval on 15 May 2013.

Mr Simon Cato is paid \$45,000 per annum as an executive director. In the two years prior to the date of this Prospectus Mr Cato has received a total remuneration of \$164,999.

Dr John Mair is paid \$350,000 per annum as an executive director. In the two years

prior to the date of this Prospectus Dr Mair has received a total remuneration of \$772,706 of which \$204,374 was paid in Shares based on a Share issue price of 30 cents in accordance with Shareholder approval on 15 May 2013.

Mr Anthony Ho is paid \$50,000 per annum as a director's fee as a non-executive director. In the two years prior to the date of this Prospectus Mr Ho has received a total remuneration of \$158,211.

Mr Jeremy Whybrow is paid \$45,000 per annum as a director's fee as a non-executive director. In the two years prior to the date of this Prospectus Mr Whybrow has received a total remuneration of \$272,082.

Directors are also entitled to be reimbursed for reasonable expenses incurred by them in providing their services to the Company. Non-executive directors are entitled to payment in addition to their director's fee if they undertake work in addition to their services as a non-executive director. Payment for any such additional work will be at agreed market rates.

5.7 Interests of experts and advisers

Other than as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer.

Other than as disclosed in this Prospectus, no amounts of any kind (whether in cash, securities or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Fairweather Corporate Lawyers has acted as lawyers to the Company in relation to the Rights Issue. We estimate that we will pay approximately \$20,000 (excluding GST) for these services. In the past two years, Fairweather Corporate Lawyers has or will be paid fees (excluding GST) of approximately \$166,950 by the Company for other services.

Patersons Securities Limited is the Underwriter in relation to the Rights Issue and will receive a \$60,000 corporate fee payable \$30,000 in cash and by the issue of 300,000 Shares representing \$30,000 at the issue price of 10 cents and a fee of 6% of the Underwritten Amount being \$532,110. Patersons Securities Limited will also act as nominee to sell the Rights of Excluded Shareholders on the terms set out in Section 4.4. In the past two years, Patersons Securities Limited has not been paid any fees by the Company.

5.8 Expenses of the Offer

The expenses connected to the Rights Issue payable by the Company are estimated at approximately \$721,670. These estimated expenses include fees to be paid to the Underwriter, legal fees, ASX and ASIC fees and other miscellaneous expenses directly attributable to the Rights Issue.

5.9 Consents

The following parties has given their written consent to be named in this Prospectus and for the inclusion of statements made by that party (as described below in the form and context in which they are included), and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

FW Legal Pty Ltd trading as Fairweather Corporate Lawyers has consented to Fairweather Corporate Lawyers being named as the Solicitors to the Offer.

Patersons Securities Limited has consented to being named as the Underwriter to the Offer and the inclusion in the Prospectus of all statements referring to it.

The parties referred to above in this Section:

- do not make, or purport to make any statement in this Prospectus, or on which a statement made in this Prospectus is based other than as specified in this Section;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in the Prospectus with the consent of that party as specified in this Section; and
- has not caused or authorised the issue of this Prospectus.

5.10 Privacy Disclosure

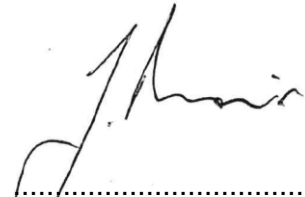
The Company collects information about each Applicant on the Entitlement and Acceptance Form for the purposes of processing the Application and administering the Applicant's security holding in the Company. The Company must maintain a public register. Information contained in the Company's register is also used for corporate communications and compliance by the Company with legal and regulatory requirements.

6. DIRECTORS' AUTHORISATION AND CONSENT

This Prospectus is authorised by the Company and lodged with the ASIC pursuant to section 718 of the Corporations Act.

Each Director has consented to lodgement of this Prospectus with ASIC in accordance with the terms of section 720 of the Corporations Act and has not withdrawn that consent.

Dated: 6 June 2014



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Signed for and on behalf of Greenland Minerals and Energy Limited
By Dr John Mair
Executive Director

7. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

Applicant	A person who submits and Entitlement and Acceptance Form.
Application	An application for New Shares and New Options under the Rights Issue.
Application Money	The Issue Price multiplied by the total number of New Shares applied for by an Applicant under an Entitlement and Acceptance Form.
AFSL	Australian Financial Services Licence.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) and the Australian Securities Exchange it operates
Board	The Board of Directors.
Closing Date	The time and date at which the Offer expires, being 5.00pm WST, 3 July 2014, subject to the Company varying this date in accordance with the Listing Rules.
Company or Greenland Minerals	Greenland Minerals and Energy Limited (ACN 118 463 004).
Constitution	The constitution of the Company.
Corporations Act	The Corporations Act 2001 (Cth)
Director	A director of the Company for the time being.
Eligible Shareholders	Shareholders with a registered address in Australia or New Zealand at the Record Date.
Entitlement	The entitlement to subscribe for New Shares and New Options under the Rights Issue.
Entitlement and Acceptance Form	The entitlement and acceptance form attached to or accompanying this Prospectus, personalised for each Eligible Shareholder, which allows each Eligible Shareholder to accept the Offer.
Excluded Shareholder	A Shareholder whose registered address is not in Australia or New Zealand.
Full Subscription	The maximum amount to be raised under the Offer being the sum of \$8,868,505 assuming no existing Options are exercised.

Issue Price	10 cents per New Share, being the price payable to subscribe for each New Share.
Listing Rules	The official listing rules of ASX.
Minimum Subscription	The minimum amount to be raised under the Offer being the sum of \$8,868,505.
New Options	The Options offered under the Rights Issue exercisable at 20 cents on or before 30 June 2016 on terms set out in Section 5.2.
New Securities	The New Shares and New Options.
New Shares	The Shares offered under the Rights Issue.
Offer	The offer to Eligible Shareholders of New Shares and New Options under the Rights Issue.
Official List	The official list of the ASX.
Option	An option to acquire a Share.
Prospectus	This prospectus dated 6 June 2014.
Record Date	The time and date for determining a Shareholder's entitlement to participate in the Rights Issue, being 5.00pm WST, 16 June 2014.
Rights	The right to subscribe for New Shares and New Options under this Prospectus.
Rights Issue	The pro-rata renounceable offer to Eligible Shareholders of 2 New Shares for every 13 Shares held by Eligible Shareholders on the Record Date with 1 free New Option for every 1 New Share subscribed for.
Share	A fully paid ordinary share in the issued capital of the Company.
Shareholder	Registered holder of Shares.
Shortfall	Securities not applied for under the Offer before the Closing Date.
Shortfall Securities	New Securities constituting the Shortfall.
Underwriter	Patersons Securities Limited (ACN 008 896 311) (AFSL 239052).
Underwriting Agreement	The underwriting agreement between the Company and the Underwriter dated 6 June 2014.
Underwritten Amount	\$8,868,505.

WST

Western Standard Time.

\$

Australian dollars unless otherwise stated.