



Company Announcement, July 22nd, 2014

Key Milestones Approaching in the Kvanefjeld Project Development

Greenland Minerals and Energy Limited (“GMEL” or “the Company”) is pleased to provide this update on the Kvanefjeld Project development plans, as key milestones approach. Through the last twelve months, the Company has conducted extensive stakeholder engagement in Greenland, in the lead-up to completing a mining license application. In addition, the Company has continued to advance discussions with a tier-one rare earth development partner in China Non-Ferrous Metal Industry’s Foreign Engineering and Construction Co. Ltd (NFC) which has also provided positive feedback and technical input toward the development strategy for the Kvanefjeld project. Outlined below is an update on the status of the Kvanefjeld project, and the development strategy which underpins the upcoming permitting process, and commercial discussions with development partners.

- **Mineral resources – world class JORC-code compliant rare earth – uranium resource established**
 - *Sample material from infill drill holes ready for assay, looking to establish measured category resources at Kvanefjeld deposit, and an initial mine reserve*
- **Process development – prioritises ‘critical’ rare earth production, with by-production of U₃O₈, La and Ce products, zinc sulphide and fluorspar; process design package complete**
- **Aligned with top-tier rare earth development partner in NFC – looking to negotiate a Strategic Cooperation Agreement, with the aim of establishing a global rare earth business partnership**
- **Integrating NFC’s rare earth separation expertise and capacity with cost-competitive production of critical rare earth concentrates from Kvanefjeld to create full value chain, and path to market**
- **Extensive stakeholder engagement in Greenland, along with input from NFC, has firmed a preferred development scenario; *both* mineral beneficiation and refining process steps to be conducted in Greenland to produce RE intermediate products, U₃O₈, zinc sulphide and fluorspar**
- **Feasibility Study – key work programs have been initiated to update engineering design and cost estimates**
- **Permitting – looking to finalise a mining license application through 2014; Environmental and Social Impact Assessments to be completed in this period**



World Class Resources, Non-Refractory Minerals, Simple Processing Route

The Kvanefjeld Project centred on the northern Ilimaussaq Intrusive Complex, located near the southwest tip of Greenland, is underpinned by a world class rare earth-uranium resource. As a result of extensive exploration drilling campaigns from 2007 to 2011, delineated JORC-code compliant mineral resources include 956 million tonnes at 273 ppm U_3O_8 , 1.08% TREO and 0.24% Zn hosted through three deposits. Significant tonnage of higher grade material (e.g. >120 Mt in the Kvanefjeld deposit @ >1.37% TREO, >400ppm U_3O_8) is hosted through the upper levels of the deposits, and is the focus of mine studies. There is clear scope to increase the resource base several fold, with less than 20% of the prospective project area evaluated to date.

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 mineral concentrate, then leached with conventional acidic solutions under atmospheric conditions to achieve particularly high extraction levels of both heavy rare earths and uranium. This presents a simple process route with low technical risk that translates to an economically-robust project.

GMEL has access to cores from previously unsampled drill holes located in the middle of the Kvanefjeld deposit. Assaying of this material will soon commence, with the aim of establishing 'measured' category resources at the Kvanefjeld deposit, then working to establish an initial mine reserve.

Advanced Process Development: Targeting the 'Critical Rare Earths'

Through the development of an efficient process flow sheet for Kvanefjeld GMEL has placed a strong emphasis on the recovery of a subset of rare earths for which demand is strong owing to their application in growth industries. These are commonly referred to as the 'critical rare earths'; a term generated through a United States Department of Energy study that was undertaken in 2010. This study identified the rare earth elements that are important to clean energy technologies, and investigated their supply risk for the short to medium term (5-10 years).

The rare earths that are considered critical in this study include **neodymium, europium, dysprosium, terbium, and yttrium**. Reconnaissance studies to address future rare earth supply (e.g. Technology Metals Research, CRE Report, 2011), highlight that Kvanefjeld could supply 20-30% of critical rare earths from the later part of this decade. GMEL anticipates that the global supply of the REEs lanthanum and cerium will increase significantly post-2015, and has therefore focused on the critical RE's that are likely to remain in short supply for many years to come, while demand is set to continue to grow.

Table 1. The expected production of separated rare earths as oxides from the REE Separation Plant.

Product	REO (tonnes/year)
Pr	933
Nd	2,850
Eu	27
Tb	31
Dy	213
Y	1,585
Total Critical REO	6,376

In addition there are potentially further revenues from the sales of rare earth element oxides which are not included in the list considered critical. These include **La, Ce**, Sm, Gd and Lu, and total sales of these rare earths may vary from year to year, subject to demand.

Current Status of Development Plans

GMEL is currently completing the Feasibility Study for the Kvanefjeld Project. Through 2010-12 GMEL finalised a comprehensive testwork and design program that focussed on identifying and evaluating the optimal process flow sheet for the Kvanefjeld project. Following the release of a pre-feasibility study in 2012, continued test-work served to further enhance the process flow sheet, and the process design package has since been completed.

The Kvanefjeld Project involves a number of processing stages to convert the ore into multiple high-value, marketable products. The first stage is a mine and concentrator that will produce a rare earth- and uranium-rich mineral concentrate, in addition to zinc sulphide and fluorspar. This beneficiation stage has been the subject of two successful pilot plant campaigns, with outcomes provided in the Mine and Concentrator Study released in March 2013. This circuit will also be the subject of a demonstration plant operation in early 2015 for the EURARE program (see Company announcement July 1st, 2014). The next stage involves a hydrometallurgical refinery which includes a number of separation steps to extract the value components from the mineral concentrate and produce marketable products.

The hydrometallurgical refinery produces a critical rare earth intermediate product stream, a saleable uranium oxide product, as well as La and Ce rare earth products. The critical rare earth intermediate product stream requires further treatment to separate the rare earths into their individual oxides.

Alignment with a Top-Tier Rare Earth Development Partner

In March 2014, GMEL announced that it had entered into a Memorandum of Understanding with China Non-Ferrous Metal Industry's Foreign Engineering and Construction Co. Ltd (NFC). NFC has a strong reputation in engineering, financing, constructing and operating mines, smelters, and refineries in many parts of the world. NFC's participation in the rare earth industry comes through its subsidiary Guangdong Zhujiang Rare Earths Company, a recognised global leader in rare earth separation technology.

NFC intends to increase its participation in the global rare earth business, and has a new 7000tpa capacity rare earth separation facility expansion planned, with all approvals, design and financing in place. Upon completion, this will represent one of the world's newest, largest-capacity and most technologically advanced rare earth separation facilities.

GMEL and NFC are currently negotiating a Strategic Co-operation Agreement with the objective of establishing a global rare earth business partnership. This will be achieved by combining the cost-competitive production of critical rare earth intermediate products from Kvanefjeld with NFC's expertise and capacity in downstream rare earth separation. This business will utilize the Kvanefjeld product as the raw material feedstock for a new separation facility based in Xinfeng, China. The rare earth products would be jointly marketed by GMEL (outside China) and NFC (inside China). Importantly, the strategy provides access to rare earth separation, and a path to market for high-value end products.

Kvanefjeld Feasibility Study

The Feasibility Study is evaluating a mine, concentrator and hydrometallurgical refinery in Greenland treating 3 million tonnes of ore per annum (Figure 1). The concentrator will produce 230,000 tonnes per annum of a rare earth mineral concentrate which contains 14% REO and 0.25% U_3O_8 . Refining of this mineral concentrate is expected to produce 7,000 tonnes per annum of critical rare earths (Pr, Nd, Eu, Dy, Tb, Y) 16,000 tonnes per annum of light rare earths (mostly Ce & La) and 1.1 million pounds per annum of U_3O_8 .

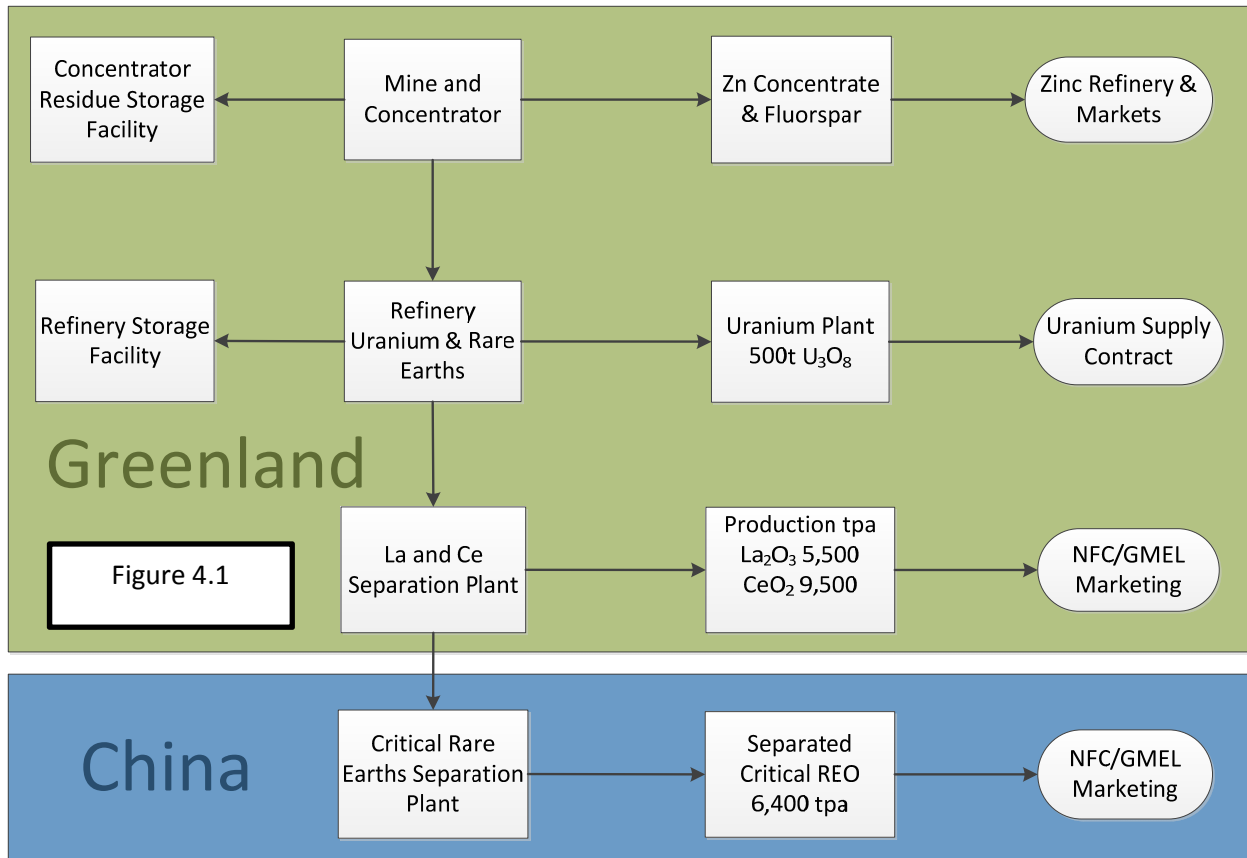


Figure 1. The main processing steps involved in the Kvanefjeld project and their location.

GMEL has selected a number of key consulting groups to contribute to the Feasibility Study who are internationally recognized leaders in their respective fields of mining, engineering and project development including:

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|--------------------------|--|
| 1. Geology | SRK Resource Estimation |
| 2. Mine | SRK Mine Design and Scheduling |
| 3. Process Plants | Tetra –Tech doing engineering based on in-house process design |
| 4. Capital Cost | Cost estimation provided by Non Ferrous China (NFC) |
| 5. Port | Ramboll, a large Danish consulting group |
| 6. Power Supply | Istak for Hydropower and BWSC for Heavy Fuel Oil |
| 7. Logistics | Blue Water Shipping |

Environmental and Social Impact Assessment (EIA and SIA)

In addition to the above, GMEL has been working in close association over the past 5 years with two leading Danish consultancies on the baseline monitoring for the EIA and SIA. Orbicon have completed the environmental baseline monitoring and will now be in a position to finalise the

drafting of the EIA. Grontmij have also largely completed the social baseline assessment. Further community consultation is planned in August of this year and the first draft of the SIA is expected to be finalized over the coming months.

Since project inception in 2007 GMEL has actively involved the local Narsaq community, the southern municipality (Kommune Kujalleq), various key departments of the central Greenlandic Government as well as other key stakeholders such as the SIK (local union movement) and the GA (Employer's Association) in the dialogue on the development of the Kvanefjeld Project.

In July 2011, after extensive consultation GMEL received approval for the Terms of Reference for the Environmental Impact Assessment (EIA) and the Social Impact Assessment (SIA). In 2013 GMEL commenced an additional round of key stakeholder consultation in order to assess an alternative option for the project, namely only constructing a mine and mineral concentrator in Greenland and relocating the hydrometallurgical refinery for separating the uranium and REO mixed carbonate offshore.

Since August 2013, GMEL has conducted a number of constructive and informative workshops with representatives of the Mining Licence and Safety Authority (MLSA), the Ministry of Industry & Mineral Resources, the Environmental Agency for the Mineral Resources Area (EAMRA) and the Kommune Kujalleq, to discuss the various development options available.

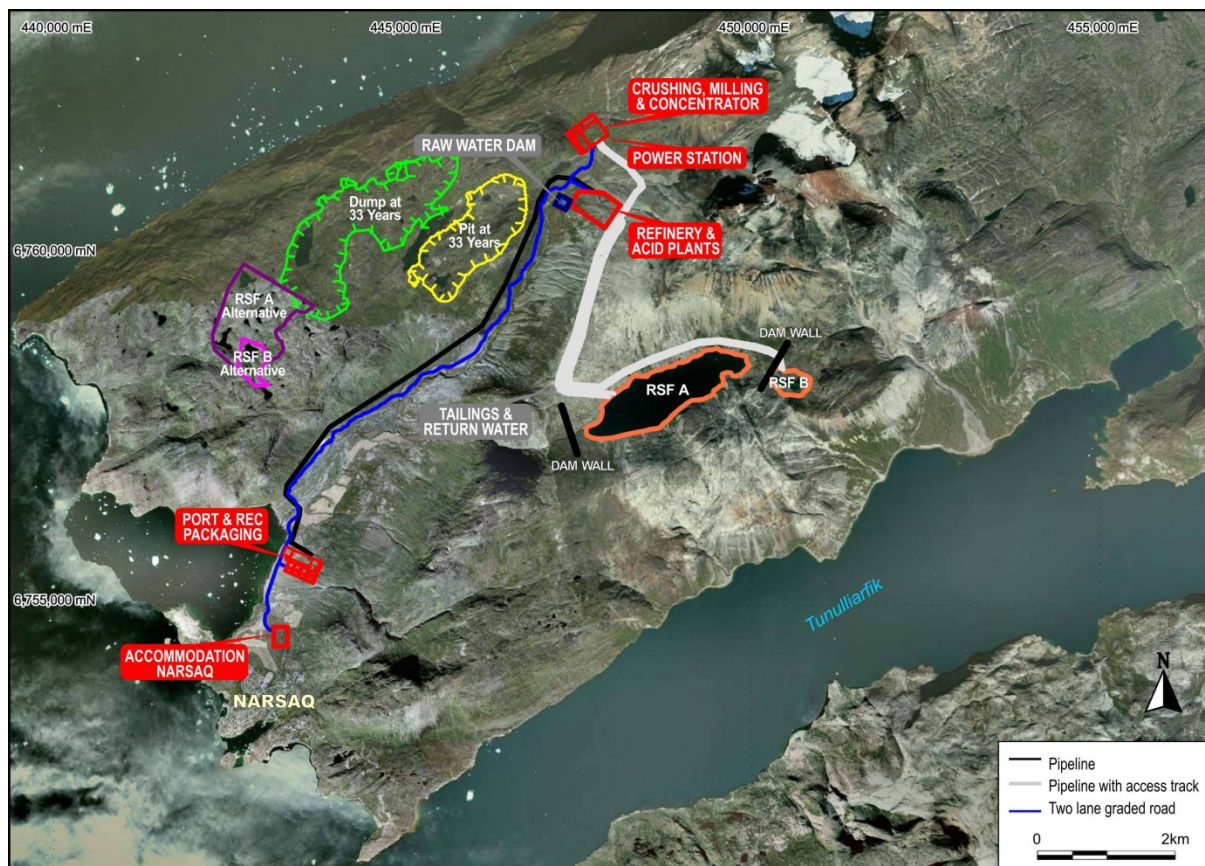


Figure 2. An overview of the Narsaq peninsula, south Greenland, and the planned location of key infrastructure components of the Kvanefjeld project. Residue Storage Facility A (RSF A) is to store the tails of the beneficiation processing stage, which is largely untreated silicate minerals (e.g. feldspar, amphibole).

Negotiations on a global rare earth business partnership with NFC are progressing well, and based on the support from NFC and the advice from the local key stakeholders GMEL considers that the most suitable location for the hydrometallurgical refinery is in Greenland, adjacent to the mine and concentrator (see Figure 2). Consequently this scenario has been selected as the basis for the Feasibility Study and the Terms of Reference for the EIA and SIA (approved in 2011) will be updated to reflect this.

Following the recent successful completion of an over-subscribed rights issue, GMEL is well placed to advance toward achieving key milestones; the completion and lodgement of a mining license application and the establishment of a Strategic Cooperation Agreement with NFC.

Both milestones represent critical steps in advancing the Kvanefjeld project into the development phase.

Yours faithfully,



Roderick McIlree

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. Through 2014, the Company is focussed on completing a mining license application in order to commence project permitting. 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.

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.

Statement of Identified Mineral Resources, Kvanefjeld Multi-Element Project (Independently Prepared by SRK Consulting).

Multi-Element Resources Classification, Tonnage and Grade										Contained Metal				
Cut-off (U ₃ O ₈ ppm) ¹	Classification	M tonnes Mt	TREO ² ppm	U ₃ O ₈ ppm	LREO ppm	HREO ppm	REO ppm	Y ₂ O ₃ ppm	Zn ppm	TREO Mt	HREO Mt	Y ₂ O ₃ Mt	U ₃ O ₈ M lbs	Zn Mt
<i>Kvanefjeld - March 2011</i>														
150	Indicated	437	10929	274	9626	402	10029	900	2212	4.77	0.18	0.39	263	0.97
150	Inferred	182	9763	216	8630	356	8986	776	2134	1.78	0.06	0.14	86	0.39
150	Grand Total	619	10585	257	9333	389	9721	864	2189	6.55	0.24	0.53	350	1.36
200	Indicated	291	11849	325	10452	419	10871	978	2343	3.45	0.12	0.28	208	0.68
200	Inferred	79	11086	275	9932	343	10275	811	2478	0.88	0.03	0.06	48	0.20
200	Grand Total	370	11686	314	10341	403	10743	942	2372	4.32	0.15	0.35	256	0.88
250	Indicated	231	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	Grand Total	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	Grand Total	200	13025	373	11475	460	11935	1090	2444	2.61	0.09	0.22	164	0.49
350	Indicated	111	13735	404	12040	503	12543	1192	2487	1.52	0.06	0.13	98	0.27
350	Inferred	12	13729	403	12239	436	12675	1054	2826	0.16	0.01	0.01	10	0.03
350	Grand Total	122	13735	404	12059	497	12556	1179	2519	1.68	0.06	0.14	108	0.31
<i>Sørensen - March 2012</i>														
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
<i>Zone 3 - May 2012</i>														
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
Project Total														
Cut-off (U ₃ O ₈ ppm) ¹	Classification	M tonnes Mt	TREO ² ppm	U ₃ O ₈ ppm	LREO ppm	HREO ppm	REO ppm	Y ₂ O ₃ ppm	Zn ppm	TREO Mt	HREO Mt	Y ₂ O ₃ Mt	U ₃ O ₈ M lbs	Zn Mt
150	Indicated	437	10929	274	9626	402	10029	900	2212	4.77	0.18	0.39	263	0.97
150	Inferred	520	10687	272	9437	383	9820	867	2468	5.55	0.20	0.45	312	1.28
150	Grand Total	956	10798	273	9524	392	9915	882	2351	10.33	0.37	0.84	575	2.25

¹There is greater coverage of assays for uranium than other elements owing to historic spectral assays. U₃O₈ has therefore been used to define the cut-off grades to maximise the confidence in the resource calculations.

²Total Rare Earth Oxide (TREO) refers to the rare earth elements in the lanthanide series plus yttrium.

Note: Figures quoted may not sum due to rounding.