



Company Announcement, January 22<sup>nd</sup>, 2016

## **Greenland and Denmark Reach Landmark Agreement on Uranium Exports**

**Greenland Minerals and Energy Limited** ('GMEL' or 'the Company') is pleased to advise of important regulatory developments in Greenland and Denmark that relate to uranium, and the Company's Kvanefjeld Project, located near the southern tip of Greenland.

The Government of Denmark and the self-rule Government of Greenland have reached formal agreement to establish an internal framework within the Kingdom of Denmark regarding the special foreign, defence, and security policy issues related to the mining and export of uranium from Greenland. This will lead to Danish legislation to implement safeguards and export regulations for uranium produced in Greenland.

Greenland assumed self-rule in 2009, but remains part of the Kingdom of Denmark. At the commencement of self-rule, Greenland assumed full authority over its mineral and hydrocarbon rights; however, its defence and foreign policies are still managed by Denmark. The production and export of uranium therefore requires cooperation between both Governments.

The agreement announced on 19<sup>th</sup> January represents another key step in Greenland enhancing its regulatory system to ensure that it is aligned with international standards and best practice associated with uranium and radioactive materials. It follows on from the Government of Greenland ratifying its accession to a series of international safety conventions relating to uranium in late 2015. These items come as the end result of ongoing cooperative work by Greenland and Denmark, which follow the recommendations of a report into uranium mining and export, commissioned in 2013.

This important development highlights the progress made by Greenland's authorities on regulatory aspects, which has taken place in parallel to GMEL working to establish an agreed development strategy with Greenland, and finalise an exploitation (mining) license application for Kvanefjeld. The application was successfully completed in late 2015, and handed over to Greenland's regulatory bodies.

The Company will look to provide further details on the export agreements as they become available.

### **Background**

GMEL's key license in southern Greenland has three delineated deposits that collectively comprise a global JORC (2012) resource estimate of 1 billion tonnes, containing 593 Mlbs U<sub>3</sub>O<sub>8</sub>, and 11Mt rare earth oxide and 5.3 Blbs zinc (ASX Announcement, 12 February, 2015). The deposits remain open, and represent one of the world's largest undeveloped resources of rare earth metals and uranium.

The initial development strategy focuses on a subset of Kvanefjeld, the most advanced of the three deposits. A 108 Mt ore reserve (ASX Announcement, 3 June, 2015) has been established, and is sufficient to sustain a 37 year mine life.

The project is set to produce a rare earth product containing praseodymium, neodymium, dysprosium and terbium (the key permanent magnet components), uranium oxide, zinc concentrate and fluorspar. The processing of the mining license application for Kvanefjeld is a key focus in 2016.

In addition, the Company will look to identify and pursue further value add initiatives afforded by the broader project area and contained mineral resources.

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## 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). A pre-feasibility study was finalised in 2012, and a comprehensive feasibility study was completed in May, 2015. The studies demonstrate the potential for a large-scale, long-life, cost-competitive, multi-element mining operation. An exploitation license application for the initial development strategy was completed in 2015.

In 2016, GMEL is focussed on working closely with Greenland's regulatory bodies on the processing of a mining license application, and maintaining regular stakeholder updates. A greater emphasis will also be placed on commercial development and progressing the dialogue with strategic partners. In addition, the Company will look to further value add initiatives afforded by the extensive resource inventory and prospective license holding.

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Greenland Minerals and Energy Ltd will continue to advance the Kvanefjeld project in a manner that is in accord with both Greenlandic Government and local community expectations, and looks forward to being part of continued stakeholder discussions on the social and economic benefits associated with the development of the Kvanefjeld Project.

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### **Competent Person Statement – Mineral Resources and Ore Reserves**

*The information in this report that relates to Mineral Resources is based on information compiled by Mr Robin Simpson, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Simpson is employed by SRK Consulting (UK) Ltd ("SRK"), and was engaged by Greenland Minerals and Energy Ltd on the basis of SRK's normal professional daily rates. SRK has no beneficial interest in the outcome of the technical assessment being capable of affecting its independence. Mr Simpson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Robin Simpson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information in the statement that relates to the Ore Reserves Estimate is based on work completed or accepted by Mr Damien Krebs of Greenland Minerals and Energy Ltd and Mr Scott McEwing of SRK Consulting (Australasia) Pty Ltd.*

*Damien Krebs is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the type of metallurgy and scale of project under consideration, and to the activity he is undertaking, to qualify as Competent Persons in terms of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 edition). The Competent Persons consent to the inclusion of such information in this report in the form and context in which it appears.*

*Scott McEwing is a Fellow and Chartered Professional of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as Competent Persons in terms of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 edition). The Competent Persons consent to the inclusion of such information in this report in the form and context in which it appears.*

The mineral resource estimate for the Kvanefjeld Project was updated and released in a Company Announcement on February 12<sup>th</sup>, 2015. The ore reserve estimate was released in a Company Announcement on June 3<sup>rd</sup>, 2015. There have been no material changes to the resource estimate, or ore reserve since the release of these announcements.