



December 2016 Quarterly Report

Tuesday 31st January, 2017

Highlights:

- **Le Shan Shenghe, 99.999% subsidiary of Shenghe Resources Holding's acquisition of a 12.5% stake in GMEL finalised, following shareholder and Foreign Investment Review Board approvals**
- **Shenghe has strong proficiency in all parts of the rare earth industrial chain with extensive marketing and financial investment background and substantial balance sheet strength, making it an optimal strategic partner for the development of Kvanefjeld Project**
- **Ms Wenting Chen appointed to the board of GMEL as a non-executive director**
- **GMEL and Shenghe to commence joint technical work programs in early 2017**
- **Significant progress made on project permitting and reviews of Environmental and Social Impact Assessments (EIA, SIA), and Maritime Safety Study**
- **Major reviews of EIA sections by Greenland Government expert environmental consultants complete in late 2016, GMEL and Greenland Government assessing recommendations prior to updating the EIA**
- **Independent report by the Danish Centre for the Environment (DCE) – part of Aarhus University in Denmark – has concluded that it is possible to operate modern uranium mines without major environmental issues; a significant positive indicator for the Kvanefjeld Project**
- **SIA is advanced with consistent, constructive input and guidance from Greenland's Ministry for Industry, Trade and Labour**
- **GMEL looking to establish timeline and schedule with the Greenland Government for the public consultation, and follow-up phases**

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December 2016 Quarterly Activities

The final quarter of 2016 concluded a transformative year for GMEL that saw a robust foundation established for the Kvanefjeld Project. At the start of 2016, the Company's objectives were to progress the permitting for the Kvanefjeld Project, and to advance the commercial development strategy.

Material progress was made on both fronts, with major reviews of the Environmental and Social Impact Assessments by the Government of Greenland and their expert consultant groups, and the commencement of a strategic relationship with leading rare earth company Shenghe Resources Holding (Shenghe).

In addition, key political developments took place in the first half of 2016 that relate to uranium production and export. The Danish Parliament passed legislation to create the legal framework for uranium exports from Greenland, and the Greenland Parliament adopted laws in relation to non-proliferation commitments. This concluded a comprehensive program by the Governments of Greenland and Denmark to establish the regulatory framework required to manage uranium production and export from Greenland.

Market interest in minor metals has surged in recent years, owing to the criticality of numerous minor metals to energy efficient technologies, and clean energy generation (e.g. rare earths, lithium). As the wave of global urbanisation progresses, and the transition continues from carbon-based energy generation toward greater contributions from renewables and nuclear, projected demand for minor metals is set to surge. Batteries and permanent magnets are two key growth areas that depend on the specific properties of minor metals. Kvanefjeld is well-placed to play an important role in the new energy era.

Shenghe Resources Holding's 99.999% subsidiary, Le Shan Shenghe's acquisition of a 12.5% stake in GMEL was finalised during the December Quarter, following both shareholder and Foreign Investment Review Board approvals. This sees Shenghe become GMEL's largest shareholder, ahead of North American funds Global X, and Tracor Ltd.

These developments have GMEL well-placed for 2017, and the progression toward developing Kvanefjeld as a globally significant producer of specialty metals.

Shenghe's Acquisition of a 12.5% Interest in GMEL Finalised

On September 23rd, GMEL announced that it had entered into a Subscription Agreement (SA) with leading rare earth company Shenghe Resources Holding Ltd, and its 99.99% subsidiary Le Shan Shenghe Rare Earth Co., Ltd (Leshan Shenghe). Leshan Shenghe is focussed on rare earth downstream processing.

The SA provided for Shenghe to acquire 125 million shares in GMEL, which represents a 12.5% interest. The fundamental objective of both parties is to develop the Kvanefjeld Project as a cornerstone to new rare earth supply networks. Shenghe's leading technical expertise, processing capacity, and strong international customer base make Shenghe an ideal strategic partner for the Project.

During November, Australia's Foreign Investment Review Board (FIRB) approved the issue of 125 million shares to Shenghe. On November 29th, a General Meeting was held to seek shareholder approval. Shareholders voted overwhelmingly in favour (92.6%) of the SA and the issue of shares to Shenghe.

Following approvals and the receipt of \$4.625 million (AUD), 125 million shares were issued to Shenghe, who become the largest shareholder in GMEL.

The rare earth sector, by virtue of the extended industrial chain, necessitates that the mining end requires integration with strong downstream processing proficiency to create a strong business. This emphasizes the importance of aligning the Kvanefjeld Project with a strong global industrial partner. Shenghe's participation provides a means to establish a complete value chain from mine to high-purity end-products.

In early 2017, both parties will jointly commence technical work programs to further improve the cost-structure of the Kvanefjeld Project, ensure the Project is optimised with respect to downstream rare earth processing, and identify further value add opportunities, including the recovery of additional products.

About Shenghe Resources Holding

Shenghe Resources Holding Co. Ltd (SSE 600392), (Shenghe) is a public company exclusively focused on mining and processing rare earth ores, and producing high purity rare earth oxides, metals and alloys along with a range of rare earth products. Shenghe is listed on Shanghai Stock Exchange (since 2012) and, as at 20 September, 2016 had 941M shares on issue and a market capitalization of approximately RMB14.3 billion or AUD \$3 billion.

Shenghe has three major shareholders. The Institute of Multipurpose Utilization of Mineral Resources (IMUMR), a state owned scientific research institute specializing in mineral resources, holds just over 20%, Mr Quangen Wang, former engineer of IMUMR holds ~10% and the Sichuan Giastar Enterprise Group, a private company involved in natural resources holds ~8%.

Shenghe is headquartered in Chengdu, Sichuan Province and is a single industry company with mining and processing activities in a number of Chinese centres, and has commenced the strategy of extending business outside China to increase the focus on international markets. Shenghe is involved at all levels of the rare earth industry, from mining through processing to the production of end products.

The Shenghe Group;

- **controls domestic sources of rare earth ores and concentrates**
- **controls significant rare earth separation capacity in China**
- **produces rare earth metals and alloys to the highest purities**
- **produces “end use” rare earth products – polishing powders, catalysts, molecular sieves**
- **has an established international customer base for its products**

Significantly, Shenghe also holds Chinese production quotas for the mining and separation/refining of rare earths.

International Strategy

Shenghe has also commenced the path of international orientation since 2013.

- In 2013 Shenghe established Sheng Kang Ning Mining Investment (SKN) as the platform for overseas investments in rare earths and rare and precious metals.
- In 2015 Shenghe established Shenghe Resources (Singapore) Pte.Ltd as the platform for trade and investment.
- In 2016 Shenghe announced the agreement with a Japanese company of acquiring 100% equity in a rare earth metal and separation plant in Vietnam.

Shenghe/SKN has been actively involved in an extensive international search for suitable opportunities to secure supplies of rare earths outside of China, to support its international growth strategy. This has involved an assessment of many of the world’s emerging rare earth projects. Shenghe’s investment in GMEL is its first investment on an equity level of an overseas listed company since that international search commenced.

For Shenghe, investment in the Kvanefjeld Project secures access to rare earth intermediate products outside of China which are capable of supporting a range of downstream rare earth businesses, facilitating long term growth opportunities.

Appointment of New Non-Executive Director

In December 2016 Ms Wenting Chen, a representative of Shenghe Resources Holding Limited, was appointed to the board of GMEL as a non-executive director. The appointment follows the completion of Shenghe's acquisition of a 12.5% interest in GMEL.

Ms Chen holds degrees in Law, and Economics majoring in International Trade, from Nanjing University. She has additionally completed a Master's Degree in Business Administration, and the Bar Examination in China.

Ms Chen commenced her career at the Bank of Nanjing, before joining the East China Exploration Bureau (ECE) in early 2007, working in the investment department specializing in overseas mining project investments. She has considerable international commercial experience, and has been directly involved in several acquisitions in Australia and an Initial Public Offering on the Alternative Investment Market (AIM) of the London Stock Exchange. Prior to leaving ECE, Ms Chen was General Manager Assistant of ECE's overseas subsidiary.

Ms Chen joined Shenghe in early 2014 to lead the overseas investment department. She has been actively involved in the dialogue between Shenghe and GMEL since late 2015. Through this period, she has developed a strong familiarity with GMEL's activities and operations.

Kvanefjeld Mining License Application - Processing Update

In December, 2015, GMEL submitted an exploitation (mining) license application for the Kvanefjeld project to the Greenland Government after years of baseline surveys and scientific analysis. In addition other technical reference documents have also been provided to the Greenland Government at their specific request. The application included the Feasibility Study (inclusive of the Maritime Safety Study), and Environmental and Social Impact Assessments (EIA, and SIA).

Through the course of 2016, GMEL has also completed a number of additional studies and calculations as requested by the Greenland Government, to bolster specific areas. These relate to technical aspects of the EIA.

The EIA is a very substantive document, drawing on many years of extensive baseline studies, that summarises the existing natural environment and analysing the changes the mining operation will create. There are a number of major contributing studies which are referenced to the EIA document.

These contributing studies have been performed by world-leading independent consultants to ensure the scientific impact is well understood. These studies are referenced by the EIA and each consists of an extensive scientific and engineering evaluation. The independent consultants who contributed major studies to the EIA include:

- Pacific Environment – Air Quality Study
- Orbicon – Hydrology
- Arcadis – Radiation
- Danish Hydraulic Institute – Water
- SGS Laboratories – Tailings and waste rock stability
- AMEC Foster Wheeler – Tailings Dam and water recycling design

The EIA Review Process

The Greenland Government has been rigorous in its review of the EIA by engaging world leading environmental consultants to review the EIA. These consultants are based in Denmark and Canada. This approach is aimed to provide confidence to stakeholders that all environmental impacts associated with the project can be effectively managed.

- Greenland Natural Institute
- The Danish Centre for Environment and Energy based at Aarhus University in Denmark.
- Robertson GeoConsultants from Canada
- Canadian Nuclear Safety Commission

2016 EIA Progress

Significant progress was achieved during 2016 in the reviews of the EIA. Extensive consultation has been undertaken on the critical EIA documents with feedback and comments received from the Greenland authorities as well as from their independent consultants leading to the validation of the Company's Project parameters on most key aspects.

Comments and recommendations received from Greenland in late December 2016 leave only a few matters to be completed prior to the Company being able to submit an updated final version of the EIA which would be suitable for the public hearing phase of the mining licence application. Since receiving the review material late in 2016, the Company has had the opportunity to meet with both Greenland's Environmental Agency for Mineral Resource Activities (EAMRA), along with the Danish Centre for Environment, and is now working to confirm modifications or further data that is required for the public hearing phase.

The Company has a long-established, cordial and professional relationship with the relevant Greenland authorities, which has led to productive exchanges of technical information and a confidence that the exhaustive assessment process will have positive results for the Kvanefjeld Project.

Significantly, an independent report published in January 2017 by the Danish Centre for the Environment (DCE) – part of Aarhus University in Denmark – has concluded that experience in Canada,

Australia and the USA shows that it is possible to operate modern uranium mines without major environmental issues. This is a significant positive indicator for the Kvanefjeld Project in Greenland where the DCE has been providing professional advice to the Greenland Government on aspects of the EIA process. The report has been produced to be a useful guide for the general public, politicians, authorities, and other stakeholders that are seeking detailed information or improving their understanding of all topical areas related to uranium production activities.

Social Impact Assessment

GMEL has continued work on the SIA during this quarter and is nearing completion of updating the document for resubmission to the Greenland Government. A regular dialogue between GMEL and the government personnel is working to ensure that the SIA meets the needs of the company and addresses the requirements of the Government.

Over 90% of the comments and suggestions have been addressed, and work is ongoing to address the final outstanding matters. In particular the matters likely to be of most importance to the Greenland community have been revised to ensure that this information is arranged in the optimal order and format. Particular attention has been paid to the operational health and safety of workers and the general populace from the perceived impacts of the project. Finalising information requested as part of the Terms of Reference (approved in 2015) has been ongoing to ensure all matters raised have been addressed.

Public Consultation Phase

Once the formal review of the EIA and SIA have been completed and accepted by the Greenland Government, a public consultation phase will be initiated where public feedback will be sought with responses then incorporated into a 'whitepaper'. Following this an Impact Benefit Agreement will be entered into which formalises the commitments made in the SIA. This then feeds into the Exploitation (Mining) Licence documentation.

GMEL views the progress made to date as extremely encouraging. With major reviews of key EIA components by external consultants conducted in 2016, the Company is now working toward updating the studies where necessary, and setting a schedule for the public consultation phase. The cooperative approach of the Greenland Government aims to efficiently manage the overall permitting process, whilst ensuring that the application meets all necessary requirements and expectations.

Rare Earth Industry Updates

Developments in China remain the key to understanding the continuing evolution of the rare earth market.

On October 18th, 2016 China's Ministry of Industry and Information Technology released its Rare Earth Industry Development Plan (RE Plan) for the period 2016 to 2020. The RE Plan sets out a number of targets to be achieved by the rare earth industry by 2020. The more significant of these targets include limits on mine production (>140,000 tpa), reduction in separation plant capacity (>33%) and greater compliance with increasingly stringent environmental regulations (90% of operations in compliance).

Significantly, the RE Plan also has a focus on the development of primary sources of rare earth metals outside of China.

Then on November 19th, 2016 China's Ministry of Land and Resources released its National Mineral Resources Plan for the period 2016 to 2020 (Resources Plan). The Resources Plan was approved by the State Council on November 2nd.

The Resources Plan identifies for the first time 24 mineral and hydro-carbon resources that will be the focus of heightened Government attention for the purpose of protecting national economic security and supporting the development of strategic industries.

Rare earths are included in the suite of items covered by the Plan which confirms that the government is taking further control over those industries it considers to be of strategic significance to ensure that appropriate resources are allocated to secure long term supplies. Security of supply is a key factor for the rare earth industry.

As noted above, Shenghe's investment in the Company was finalised in December 2016 and as far as the Company is aware this is the first time that a major Chinese downstream processor has taken steps to address the issue of the long term security of supply of raw materials by investing in resources outside of China.

Domestic China prices for most rare earths remained relatively stable for the quarter, the exception being lanthanum. The RMB lanthanum oxide price was up by approximately 12.5% in the 3 months to December 31st, 2016. From an USD perspective all prices have also edged up in line with the appreciation of the USD.

Uranium Industry Developments

There are encouraging signs that the uranium market has passed its weakest point with spot prices rising from historical lows of US\$18/lb U₃O₈ in December 2016, to US\$23/ lb U₃O₈ in January 2017.

Reactor re-starts are still delayed in Japan where only two of the country's 42 operable nuclear power plants are in commercial operation, but worldwide 10 new nuclear plants were brought into production during 2016 and another 60 plants are under construction.

The uranium market still suffers from near term oversupply but the two largest producers, Kazatomprom (Kazakhstan) and Cameco (Canada) have announced production cutbacks which, together with changes expected in other sectors of the fuel cycle will work to bring supply and demand back into balance in the next few years. The election of President Trump may see renewed enthusiasm for nuclear power in the USA which will boost confidence in the sector.

Denmark and Greenland continue work to implement the uranium export controls to apply to Greenland uranium in conformity with legislation adopted in both countries during 2016. As discussed above, an independent report recently published by the Danish Centre for the Environment (DCE) – part of Aarhus University in Denmark – has concluded that it is possible to operate modern uranium mines without major environmental issues, which is a significant positive indicator for the Kvanefjeld Project.

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About the Kvanefjeld Project

GMEL's primary focus is centred on the northern Ilimaussaq Intrusive Complex in southern Greenland. The project includes several large scale multi-element resources including Kvanefjeld, Sørensen and Zone 3. Global mineral resources now stand at **1.01** billion tonnes (JORC-code 2012 compliant).

The deposits are characterised by thick, persistent mineralisation hosted within sub-horizontal lenses that can exceed 200m in true thickness. Highest grades generally occur in the uppermost portions of deposits, with overall low waste-ore ratios.

Less than 20% of the prospective area has been evaluated, with billions of tonnes of lujavrite (host-rock to defined resources) awaiting resource definition.

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

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

Kvanefjeld is slated to produce a significant output of critical rare earths (Nd, Pr, Eu, Dy, Tb, Y), with by-production of uranium, zinc, and bulk light rare earths (La, Ce). Low incremental cost of recovering by-products complements the simple metallurgy to deliver a highly competitive cost structure.

Rare earth elements (REEs) are used in a wide variety of applications. Most notably, rare earth elements make the world's strongest permanent magnets. The magnet industry continues to be a major growth area, owing to the essential requirement of high-powered magnets in many electrical applications.

Magnetism is the force that converts electricity to motion, and vice-versa in the case of renewable energy such as windpower. In recent years growth in rare earth demand has been limited by end-user concerns over pricing instability and surety of supply.

Kvanefjeld provides an excellent opportunity to introduce a large, stable supplier at prices that are readily sustainable to end-users. In addition rare earths from Kvanefjeld will be produced in an environmentally sustainable manner further differentiating it as a preferred supplier of rare earth products to end-users globally. These factors serve to enhance demand growth.

Uranium forms an important part of the global base-load energy supply, with demand set to grow in coming years as developing nations expand their energy capacity.

Tenure, Permitting and Project Location

Tenure

Greenland Minerals and Energy Ltd (ABN 85 118 463 004) is a company listed on the Australian Securities Exchange. The Company has conducted extensive exploration and evaluation of license EL2010/02. The Company controls 100% of EL2010/02 through its Greenlandic subsidiary.

The tenement is classified as being for the exploration of minerals. The project hosts significant uranium, rare earth element, and zinc mineral resources (JORC-code compliant) within the northern Ilimaussaq Intrusive Complex.

Historically the Kvanefjeld deposit, which comprises just a small portion of the Ilimaussaq Complex, was investigated by the Danish Authorities. GMEL has since identified a resource base of greater than 1 billion tonnes, including the identification and delineation of two additional deposits. The Company has conducted extensive metallurgical and process development studies, including large scale pilot plant operations.

Permitting

Greenland Minerals and Energy Limited is permitted to conduct all exploration activities and feasibility studies for the Kvanefjeld REE-uranium project. The company's exploration license is inclusive of all economic components including uranium and REEs.

A pre-feasibility study was completed in 2012, and a comprehensive feasibility study completed in 2015. A mining license application was handed over to the Greenland Government in December 2015, which addresses an initial development strategy. The project offers further development opportunities owing to the extensive mineral resources.

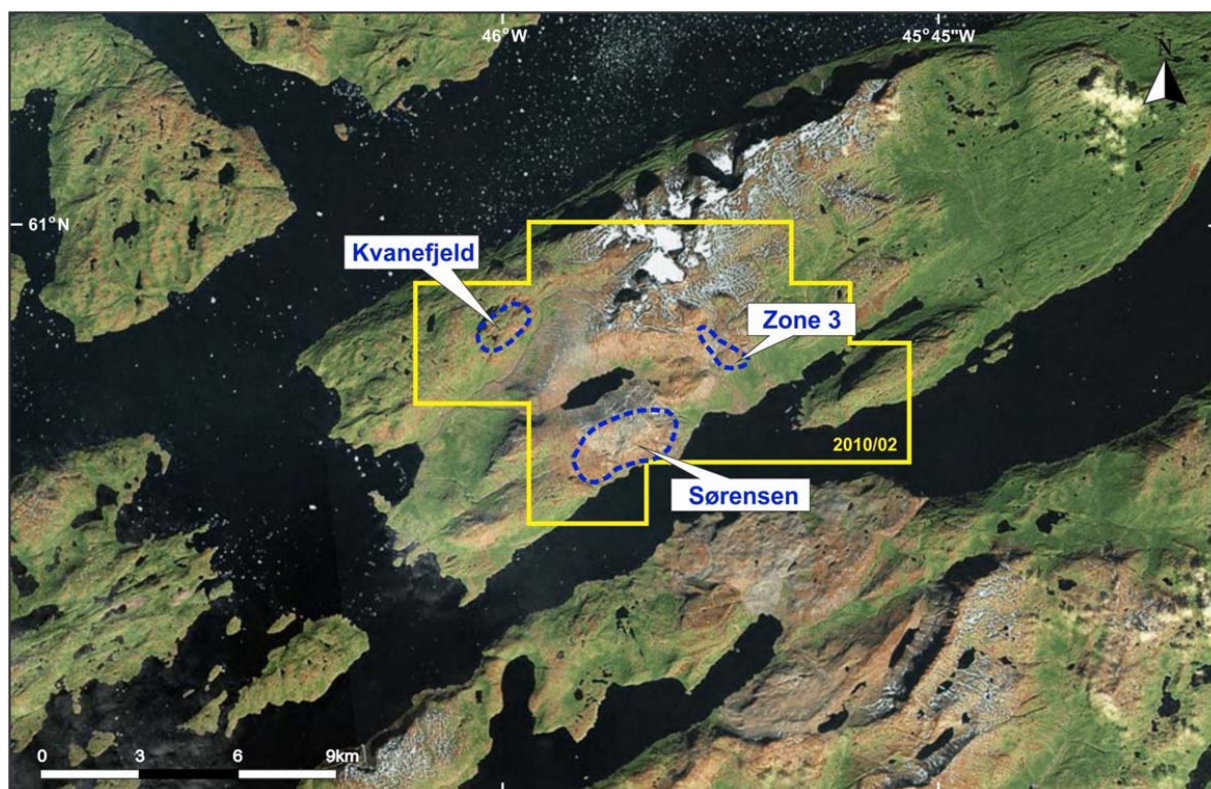
Location

The exploration lease covers an area of 80km² in Nakkaalaaq North on the southwest coast of Greenland. The project is located around 46° 00'W and 60 55'N.

The town of Narsaq is located approximately 8 kilometres to the south west of the license area. Narsaq is connected to Narsarsuaq International Airport by commercial helicopter flights operated by Air Greenland. Local transport between settlements is either by boat or by helicopter.

The Company has office facilities in Narsaq where storage, maintenance, core processing, and exploration and environmental activities are managed.

Access to the Kvanefjeld plateau (at approximately 500m asl) is generally gained by helicopter assistance from the operations base located on the edge of the town of Narsaq. It is possible to access the base of the plateau by vehicle and then up to the plateau by a track.



Overview of GMEL's 100% controlled license EL2010/02. A mining license application has been lodged.

Exploration License	Location	Ownership
EL 2010/02	Southern Greenland	Held by Greenland Minerals and Energy (Trading) A/S, a fully owned subsidiary of GMEL.

Capital Structure – As at 30 th September, 2016	
Total Ordinary shares	999,124,293
Quoted options exercisable at \$0.08 on or before 30 September 2018	187,032,480
Unquoted options exercisable at \$0.20 on or before 24 February 2018	7,500,000
Unquoted options exercisable at \$0.25 on or before 24 February 2018	7,500,000

Please visit the company's website at www.ggg.gl where recent news articles, commentary, and company reports can be viewed.

Statement of Identified Mineral Resources, Kvanefjeld Project, Independently Prepared By SRK Consulting (February, 2015)

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 - February 2015</i>														
150	Measured	143	12,100	303	10,700	432	11,100	978	2,370	1.72	0.06	0.14	95.21	0.34
150	Indicated	308	11,100	253	9,800	411	10,200	899	2,290	3.42	0.13	0.28	171.97	0.71
150	Inferred	222	10,000	205	8,800	365	9,200	793	2,180	2.22	0.08	0.18	100.45	0.48
150	Total	673	10,900	248	9,600	400	10,000	881	2,270	7.34	0.27	0.59	368.02	1.53
200	Measured	111	12,900	341	11,400	454	11,800	1,048	2,460	1.43	0.05	0.12	83.19	0.27
200	Indicated	172	12,300	318	10,900	416	11,300	970	2,510	2.11	0.07	0.17	120.44	0.43
200	Inferred	86	10,900	256	9,700	339	10,000	804	2,500	0.94	0.03	0.07	48.55	0.22
200	Total	368	12,100	310	10,700	409	11,200	955	2,490	4.46	0.15	0.35	251.83	0.92
250	Measured	93	13,300	363	11,800	474	12,200	1,105	2,480	1.24	0.04	0.10	74.56	0.23
250	Indicated	134	12,800	345	11,300	437	11,700	1,027	2,520	1.72	0.06	0.14	101.92	0.34
250	Inferred	34	12,000	306	10,800	356	11,100	869	2,650	0.41	0.01	0.03	22.91	0.09
250	Total	261	12,900	346	11,400	440	11,800	1,034	2,520	3.37	0.11	0.27	199.18	0.66
300	Measured	78	13,700	379	12,000	493	12,500	1,153	2,500	1.07	0.04	0.09	65.39	0.20
300	Indicated	100	13,300	368	11,700	465	12,200	1,095	2,540	1.34	0.05	0.11	81.52	0.26
300	Inferred	15	13,200	353	11,800	391	12,200	955	2,620	0.20	0.01	0.01	11.96	0.04
300	Total	194	13,400	371	11,900	471	12,300	1,107	2,530	2.60	0.09	0.21	158.77	0.49
350	Measured	54	14,100	403	12,400	518	12,900	1,219	2,550	0.76	0.03	0.07	47.59	0.14
350	Indicated	63	13,900	394	12,200	505	12,700	1,191	2,580	0.87	0.03	0.07	54.30	0.16
350	Inferred	6	13,900	392	12,500	424	12,900	1,037	2,650	0.09	0.00	0.01	5.51	0.02
350	Total	122	14,000	398	12,300	506	12,800	1,195	2,570	1.71	0.06	0.15	107.45	0.31

Statement of Identified Mineral Resources, Kvanefjeld Project, Independently Prepared By SRK Consulting (February, 2015)

Cut-off (U ₃ O ₈ ppm) ¹	Classification	Multi-Element Resources Classification, Tonnage and Grade								Contained Metal				
		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
Sørensen - March 2012														
150	Inferred	242	11,000	304	9,700	398	10,100	895	2,602	2.67	0.10	0.22	162.18	0.63
200	Inferred	186	11,600	344	10,200	399	10,600	932	2,802	2.15	0.07	0.17	141.28	0.52
250	Inferred	148	11,800	375	10,500	407	10,900	961	2,932	1.75	0.06	0.14	122.55	0.43
300	Inferred	119	12,100	400	10,700	414	11,100	983	3,023	1.44	0.05	0.12	105.23	0.36
350	Inferred	92	12,400	422	11,000	422	11,400	1,004	3,080	1.14	0.04	0.09	85.48	0.28
Zone 3 - May 2012														
150	Inferred	95	11,600	300	10,200	396	10,600	971	2,768	1.11	0.04	0.09	63.00	0.26
200	Inferred	89	11,700	310	10,300	400	10,700	989	2,806	1.03	0.04	0.09	60.00	0.25
250	Inferred	71	11,900	330	10,500	410	10,900	1,026	2,902	0.84	0.03	0.07	51.00	0.20
300	Inferred	47	12,400	358	10,900	433	11,300	1,087	3,008	0.58	0.02	0.05	37.00	0.14
350	Inferred	24	13,000	392	11,400	471	11,900	1,184	3,043	0.31	0.01	0.03	21.00	0.07
All Deposits – Grand Total														
150	Measured	143	12,100	303	10,700	432	11,100	978	2,370	1.72	0.06	0.14	95.21	0.34
150	Indicated	308	11,100	253	9,800	411	10,200	899	2,290	3.42	0.13	0.28	171.97	0.71
150	Inferred	559	10,700	264	9,400	384	9,800	867	2,463	6.00	0.22	0.49	325.66	1.38
150	Grand Total	1010	11,000	266	9,700	399	10,100	893	2,397	11.14	0.40	0.90	592.84	2.42

¹There is greater coverage of assays for uranium than other elements owing to historic spectral assays. U₃O₈ has therefore been used to define the cutoff 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.

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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 (mining) license application for the initial development strategy was completed in 2015.

In 2017, GMEL is focussed on working closely with Greenland's regulatory bodies on the processing of the mining license application, and maintaining regular stakeholder updates. The Company will be undertaking technical work programs with Shenghe Resources Holding that aim to further enhance the Kvanefjeld Project, and ensure it is aligned with downstream processing. 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.

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 12th, 2015. The ore reserve estimate was released in a Company Announcement on June 3rd, 2015. There have been no material changes to the resource estimate, or ore reserve since the release of these announcements.