



Company Announcement, October 23rd, 2014

Update - Feasibility Study Progress

Greenland Minerals and Energy (“GMEL”, or “the Company”) is pleased to update on continued advances to the Feasibility Studies on the Kvanefjeld rare earth – uranium project. The studies form part of the mining licence application for Kvanefjeld. In addition the Feasibility Studies will also be supplied to China Non-Ferrous Metal Industry’s Foreign Engineering and Construction Co. Ltd (NFC) to form a major input into the ongoing co-operation. GMEL and NFC are working to establish a fully-integrated critical rare earth supply chain that will market to end-users globally.

- **Process Plant engineering design by Tetra Tech progressing; Concentrator and Refinery mechanical design is largely complete**
- **Optimal shipping solution study by Denmark’s Blue Water Shipping complete**
- **Greenland port study by Danish engineering firm Ramboll on schedule for completion in December, 2014**
- **Residue storage facility design by AMEC advancing and set for completion in December, 2014**
- **Assay program on previously drilled cores set for completion in November, 2014**
- **Mine design and scheduling commenced with SRK; outputs to include capital and operating costs for an open-pit mining operation, and establishment of a mining reserve**

Update on Feasibility Study Work Programs

Process Plant engineering design is underway with the independent consultant Tetra Tech who is a global engineering services company with extensive cold climate experience. Work has progressed to the point that the Concentrator and Refinery mechanical design is largely complete.

Blue Water Shipping, a highly-regarded Danish Company, has completed a logistics study that has identified an optimal shipping solution for the project.



This solution will use vessels travelling between Greenland and a major European port for the transport of reagents into, and products out of Greenland.

The Feasibility Study design of the port is being completed by the large engineering consulting company Ramboll. Ramboll is a Denmark-based company with offices located globally, including in Greenland. They have recently completed a port site location study, and the port is now being designed in detail to meet Feasibility Study standards. Work here is currently on track to be completed by 31st December, 2014.

Plant residue storage facilities are being designed by AMEC out of their office in Ashford, Kent, England. This office has excellent experience in the design of cold climate tailings dams. Work here is on track and will be completed in December, 2014. No issues regarding tailings storage or radioactive elements have been identified, and are not expected based on the studies performed to date.

Some nearby elevated permanent lakes to the northeast of the plant site have been positively evaluated for hydroelectric power supply. GMEL has engaged a company highly experienced in establishing hydropower in Greenland to perform a study to build a hydropower plant specifically for project requirements. This work is being performed currently by Istak/Verkis of Iceland, and is set for completion in December, 2014. The use of hydropower will be provided as an option in the Mining Licence Application Study. Initial investigations highlight substantial operating cost benefits as a result of utilising hydropower, as well as providing greenhouse-gas free, sustainable energy for the operations.

A geotechnical assessment of the entire project site has been performed by specialist geological consultants 4DG. This will provide suitable locations and design parameters for project facilities and infrastructure to a range of consultants working on the study.

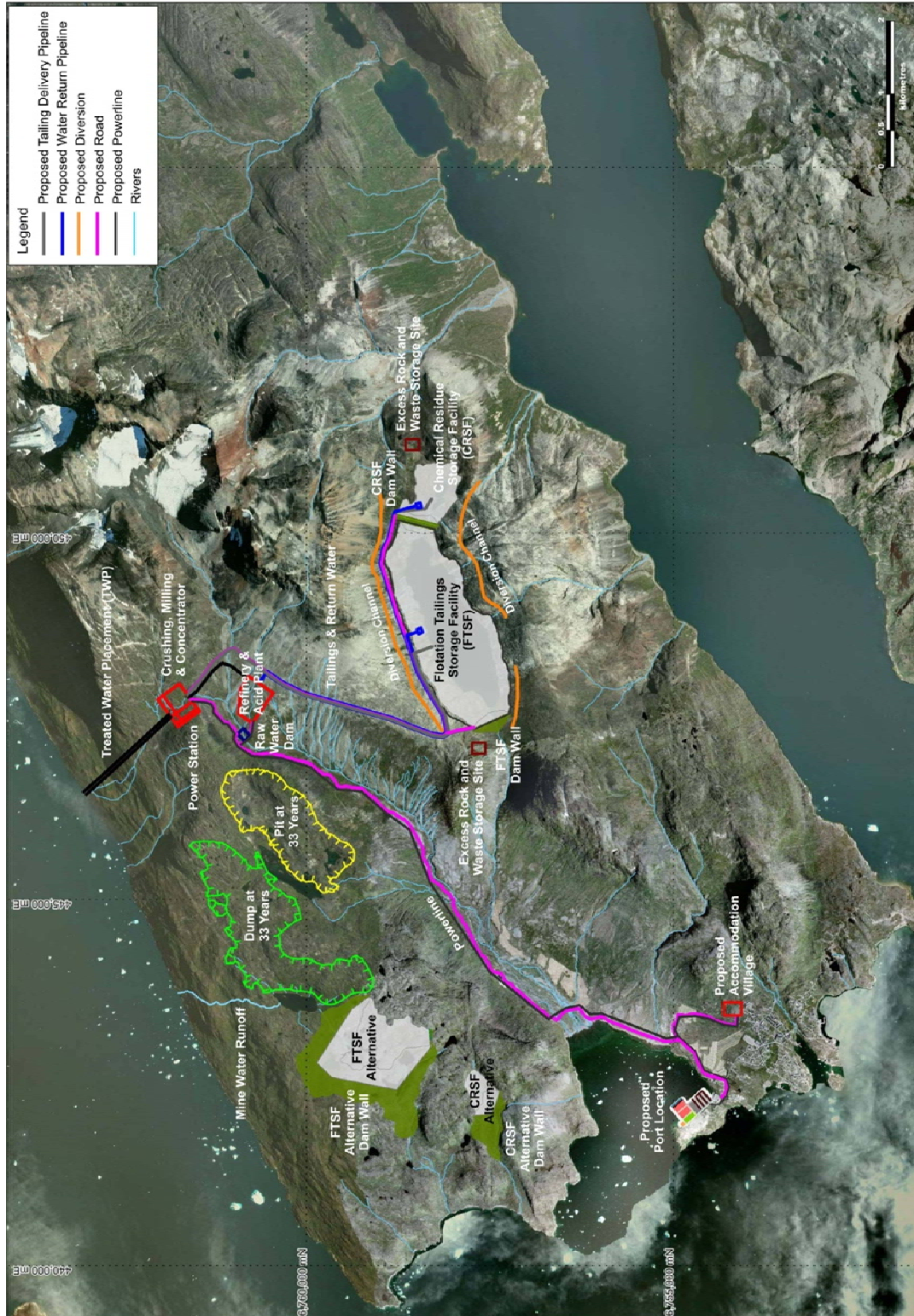
Mine design work and scheduling has commenced with global mining consultants SRK. They will be performing a capital and operating cost estimate for the open pit mining operations. The assaying of previously drilled cores is also nearing completion. These cores are from holes drilled centrally in the Kvanefjeld resource, and are aimed to provide data to establish 'measured' category JORC-code compliant resources. The SRK work will be ongoing into early next year and aims to result in conversion of some mineral resources into mining reserves.

Acid plant designs and cost information have already been received from SNC Lavalin and Uhde Nora and are ready for periphery cost estimation.

All capital costs will be estimated by NFC who signed a Memorandum of Understanding with GMEL in March 2014. NFC has a design and construction division along with ownership of a rare earth separation plant in China (Zujiang Rare Earth Company in Guangdong). The cost estimate will assume modular construction of the processing plants with installation in Greenland. This project construction methodology is likely to result in a reduced capital cost and reduced construction risks compared to full on site construction. This work by NFC is currently on track with costs received for over 3,000 different equipment items. A final feasibility level cost estimate is expected by the end of this year.

The entire Feasibility Study is being managed cost-effectively by the in-house GMEL Technical Team.

ENDS



An overview of the Kvanefield project area, and location of key infrastructure items. The preferred project configuration follows extensive stakeholder engagement, and the discussion of a number of differing development scenarios.

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:

Dr John Mair
Managing Director
+61 8 9382 2322

David Tasker
Professional PR
+61 8 9388 0944

Christian Olesen
Rostra Communication
+45 3336 0429

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.