



Company Announcement, November 3rd, 2016

New Coalition in Greenland

Greenland Minerals and Energy Ltd ('GMEL' or 'the Company') would like to update the market on the formation of a new governing coalition in Greenland. The ruling party Siumut, which won the last election in Greenland in November, 2014, moved to restructure the coalition on October 27. The Inuit Ataqatigiit (IA) and Partii Naleraq join the coalition, replacing the Democrat Party and Atassut Party.

The new coalition government has emphasized that, with Greenland on a course toward increased independence, political stability and unity are all important, and this direction is best served by a broad, representative coalition.

The new coalition holds a strong majority of seats, with 24 out of a total of 31 seats in the parliament. The restructured coalition government results in a number of ministerial changes. The leaders of the IA Party and Party Naleraq assume the positions of joint deputy leaders, under Siumut Chairman and Greenland Premier, Mr Kim Kielsen. Mr Vittus Qujaukitsoq retains the important role of Minister for Industry, Labour, Trade, Energy and Foreign Affairs.

The coalition has agreed to create an optimal framework for the raw materials (mining) sector to make the country attractive to investors, and is looking to establish a team of international experts to provide advice. The Company sees this agenda as clearly positive, and to the benefit of all companies operating in the resources sector in Greenland.

As a result of media speculation, the Company has sought clarification in regards to the restructuring of coalition arrangements and understands that there are no material developments or changes to the licensing process. For current projects advancing in Greenland, including Kvanefjeld, it has been expressed to be "business as usual".

As outlined in GMEL's September 2016 Quarterly Activities Report, the Company's priority remains working through comprehensive reviews of the environmental and social impact assessment for the Kvanefjeld Project, and continuing to revise the reports accordingly. A public consultation phase will then be scheduled, in accordance with standard procedures outlined in Greenland's Mineral Resources Act.

GMEL looks forward to entering the public consultation phase, and will look to update on the timing of this as soon as is practicable. The Company is confident of maintaining a positive and cooperative working relationship with the Greenland Government, as has been the case since commencing operations in Greenland in 2007.

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