

*Exploring the highly-prospective Ilimaussaq Intrusive Complex, favourably located near the southern tip of Greenland*

*457 Mt JORC compliant multi-element resource (REE, U, Zn, NaF) defined at Kvanefjeld plateau, with huge upside potential*

*Pre-Feasibility Study scheduled for completion late 2009*

*Greenland Minerals and Energy Ltd is an mineral exploration and development company focused on unlocking the mineral riches of southern Greenland. The company is listed on the Australian Securities Exchange.*

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## Update on Activities in Greenland

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Wednesday, 30<sup>th</sup> September, 2009

### Highlights

- *Successful completion of 2009 fieldwork program in Greenland to generate data critical to pre-feasibility study on Kvanefjeld project*
- *Public consultation meetings conducted in Narsaq, Greenland, well attended, including the Minister for Commerce and Raw Materials, and Director of Bureau of Minerals and Petroleum (BMP)*
- *Consultation with South Greenland Municipal Council regarding project status and future developments ongoing*
- *Site visit conducted to Kvanefjeld project area for government and council representatives*



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## **Introduction**

Greenland Minerals and Energy (“Greenland Minerals” or the “Company”) is a mineral exploration and development company actively exploring in southern Greenland. The Company is primarily focused on discovering and advancing resources within its license area (2005/28) over the northern Ilimaussaq Intrusive Complex; a unique geological entity with extraordinary resource potential. A large JORC-compliant multi-element resource (rare earth elements, zinc, uranium) has been rapidly defined at Kvanefjeld plateau, which clearly highlights the world-class resource potential of the Ilimaussaq Complex. A pre-feasibility study is currently underway, with a focus on defining a process route to extract the elements of interest from the multi-element ores in an economically viable and environmentally responsible way.

## **2009 Field Activities in Greenland**

Greenland Minerals and Energy is pleased to report that it has successfully completed its 2009 field program in Greenland. This year’s program was undertaken in the period of mid-June to late-August, and was the third significant work program undertaken by the Company since it commenced operations in Greenland in 2007. The program primarily involved diamond core drilling to obtain data relevant to the pre-feasibility study that is currently underway on the Kvanefjeld project, as well as obtaining core for ongoing metallurgical testwork. Geotechnical drilling and sterilization drilling were conducted to generate data that is pertinent to initial mine plans, which are being generated by consultants Coffey Mining. Drill core data is complemented by surface geotechnical mapping over the Kvanefjeld plateau, conducted by Coffey Mining personnel. In total, 5417 metres of core were drilled during the program.

Approximately 2290 metres of HQ core were drilled to obtain sample material for ongoing metallurgical studies. Fourteen holes were drilled through the Kvanefjeld resource to obtain ore material of subtly different characteristics. This will allow future test work to evaluate the metallurgical response of varying ore types within the resource. On the basis of detailed geological studies conducted over the last year the Kvanefjeld resource has been mapped in three dimensions, and subdivided into regions of subtly different mineralogical and geochemical characteristics. The resulting three dimensional models, generated with Leapfrog™ software in conjunction with SRK Consulting, provided the basis for the targeting of metallurgical drill holes.

### ***Environmental Baseline Studies***

Orbicon, a Danish environmental engineering group and consultant to Greenland Minerals, undertook a third year of data collection for the ongoing environmental baseline studies. These

studies are designed to characterize the state of the broader environment prior to any disturbances relating to mining. This year's studies build on those conducted in 2007 and 2008. While there is a minimum of two years of data collection required in Greenland for an environmental baseline study, the Company extended the program into 2009 to increase the level of detail.

### **Overview of Recent Community and Council Meetings Held in Narsaq, Greenland**

In early September, 2009, Company representatives participated in a series of meetings in Narsaq, south Greenland, that were attended by the new Minister for Commerce and Raw Materials the Honourable Mr Ove Karl Berthelsen, the Director of the Bureau of Minerals and Petroleum (BMP), Mr Jørn Skov Neilson, the Mayor of south Greenland, Mr Simon Simonson, and the South Greenland Municipal Council. The council represents the three main towns of southern Greenland that include Qakortoq, Nanortalik and Narsaq. The latter is the town closest to the Ilimaussaq Intrusive Complex and the Kvanefjeld project area. Company representatives presented an update on the current status and increasing significance of the Kvanefjeld project to the above parties, before general discussions commenced in relation to any issues raised.

Discussions largely focussed on where the project is presently at within the framework of assessing the feasibility of a mining project, and the work programs moving forward. A site visit to Kvanefjeld plateau was conducted to ensure that the Minister, the BMP Director, the Mayor and council representatives have a good understanding of the geography of the project area.

Following the meeting with the Minister and council, a public meeting was held in Narsaq that was well-attended by community members. The meeting was headed by a panel that included the Minister of Commerce and Raw Materials, the Mayor, Company representatives, and spokespersons for groups opposed to mining. The aim of the meeting was to update the community on emerging opportunities in southern Greenland, with the specific intention of updating the community on the status of the Kvanefjeld project, discussing and debating issues pertaining to mining in general, as well as issues associated with the mining of uranium-bearing ores. Following presentations by panel members the community had the opportunity to ask specific questions and provide their opinion and perspective. The public forum meetings provided an excellent opportunity to clearly update key stakeholders on the status and significance of the Kvanefjeld project, and indicated a lot of strong support from the community for the project to advance into a *Definitive Feasibility Study*, once all necessary components of a preliminary feasibility study are completed.



Between meetings held on September 2<sup>nd</sup> in Narsaq, Greenland, a site visit to the Kvanefjeld project area (above) was conducted. Pictured from left, Greenland's Minister for Commerce and Raw Materials the Hon Mr Ove Karl Berthelsen, Greenland Minerals representative Dr John Mair, the Mayor of South Greenland Mr Simon Simonsen, and the Director of the Bureau of Minerals and Petroleum Mr Jørn Skov Nielson (*Photograph courtesy of John Rasmussen*).

Prior to the meetings community representatives from the town of Narsaq had circulated a petition seeking support for a mining project at Kvanefjeld to proceed if all social and environmental requirements were met. The petition was presented to Minister Berthelsen during the public meeting by community leaders.

Strong local community support from Narsaq and across the southern Greenland business community allows the Company to positively engage with the new Greenland Government. Kvanefjeld is the first resource defined within the Company's license over the northern Ilimaussaq Complex, and already holds the potential to be one of the world's most significant rare earth element and uranium projects with a mine life measured in decades. In 2010 increased levels of community and governmental interaction will aim to accurately demonstrate how the development of Kvanefjeld would benefit Greenland. Issues to be addressed include the environment, safety, job security, skills training, and levels of infrastructure commitment.

## Summary

The 2009 field season sees the conclusion of a third year of intense work at Kvanefjeld. Immediately before commencement of the field season a new JORC compliant resource statement was released that demonstrates that the resource already has the potential to underpin a world class mining operation. Accordingly, the 2009 field program was aimed at generating data for mine plans and environmental studies, as well as obtaining more material for metallurgical studies.

The recent community and council meetings in Greenland were considered as very positive and productive by the Company, and an important step in commencing a positive dialogue with the new Greenland Government moving forward.

As we move towards completion of our pre-feasibility study we are committed to continue to work closely with the new Greenland Government and secure all necessary permissions to allow Greenland Minerals and Energy to continue to advance the project toward development.

On behalf of the Board,



Roderick McIlree

Managing Director  
Greenland Minerals and Energy Ltd

**ABOUT GREENLAND MINERALS AND ENERGY LTD.**

Greenland Minerals and Energy (ASX – GGG) is an exploration and development company focused on unlocking the mineral riches of southern Greenland. The Company’s flagship project is the Kvanefjeld multi-element deposit (Rare Earth Elements, Zinc, Uranium), that is rapidly emerging as the world’s premier specialty metals project. Kvanefjeld has now entered the pre-feasibility phase that will ultimately map out a path to development and timeline to production. For further information on Greenland Minerals and Energy visit <http://www.ggg.gl> or contact:

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*Greenland Minerals and Energy Ltd is aware of and respects the Greenlandic government stance on uranium exploration and development in Greenland – which is currently a zero tolerance approach to the exploration and exploitation of uranium. Any potential change toward the current stance of zero tolerance is not expected until after the public consultation and review process is concluded in the coming months.*

*The company is currently advancing the Kvanefjeld Project, recognised as the world’s largest undeveloped JORC compliant resource of rare earth oxides (REO), in a multi-element deposit that is inclusive of uranium and zinc.*

*Greenland Minerals will continue to advance this world class project in a manner that is in accord with both Greenlandic Government and local community expectations, and looks forward to being part of the community discussion on the social and economic benefits associated with the development of the Kvanefjeld Project.*