

Company Announcement, Friday October 25th, 2013**Greenland Repeals Zero-Tolerance Uranium Policy Allowing Kvanefjeld to Move into Permitting and Towards Mine Development**

Greenland Minerals and Energy Limited ("GMEL" or "the Company") is pleased to advise that on Thursday 24th October, Greenland's parliament voted in favour of removing a long-standing zero-tolerance policy concerning uranium and other radioactive elements ("the zero-tolerance policy"). This landmark decision represents a significant moment for Greenland, as it places Greenland on the path to uranium-producer status, and thereby opens up coincident resources of rare earth elements to exploitation. The removal of the zero-tolerance policy is in alignment with Greenland's broader intent to develop mining projects as a core to its future economic prosperity.

A key underlying reason for Greenland to address and repeal the zero-tolerance policy is that abundant resources of uranium occur in Greenland's south, resources which are also strongly enriched in rare earth elements. These resources are hosted within the northern Ilimaussaq Complex and form the basis of GMEL's 100%-owned Kvanefjeld project (rare earth elements, uranium, zinc). The global resource base (JORC-code compliant) established for Kvanefjeld contains 575Mlb's U₃O₈, and 10.3Mt of rare earth oxide (REO); a resource of genuine global significance, particularly in consideration that less than 20% of the project area has been subjected to drilling and resource definition.

The Kvanefjeld project is currently the subject of a definitive feasibility study to evaluate a poly-metallic mining operation that is slated to produce uranium oxide, rare earth concentrates, and zinc. A Preliminary Feasibility Study on Kvanefjeld, released by GMEL in 2012, outlined a long-life, internationally cost-competitive operation that would stand to make Greenland a major supplier of REEs and a substantial long-term supplier of uranium oxide. For these reasons Kvanefjeld represents one of Greenland's most significant, and strategically important mining opportunities.

The decision to abolish the zero-tolerance policy comes after several years in which uranium has been the subject of political and community discussions in Greenland (see background). The timing is important for GMEL and the Kvanefjeld Project. Metallurgical process development is well-advanced, and several years of environmental baseline studies have been completed. The Company is now looking to work closely with regulatory bodies to lock in the configuration of the Kvanefjeld project, which then allows for the finalisation of environmental and social impact assessments and the lodging of an exploitation license application. Greenland is preparing to be appropriately equipped to process the application, in parallel to establishing a regulatory framework to effectively manage uranium production.

The Company looks forward to continuing discussions on the Kvanefjeld project with Greenland stakeholders and regulators in order to finalise the development strategy of what is emerging as a world-class mining opportunity in Greenland.

Background – Key Developments in the Kvanefjeld Project

Kvanefjeld is a mining project sixty years in the making. The considerable history commenced in the 1950's when elevated uranium and thorium levels were identified in rocks of the Ilimaussaq Complex, located in south Greenland. This led to historic investigations by Danish research institutes through the 1960's, 70's and into the 1980's, that aimed to evaluate uranium production from Kvanefjeld in order to fuel potential nuclear power stations. In the early 1980's the Danish government decided to no longer pursue the nuclear option, and after completing a positive preliminary feasibility study on Kvanefjeld, work ceased in 1983. In 1988, the zero-tolerance policy concerning radioactive materials was introduced.

GMEL acquired a majority interest in exploration license covering the northern Ilimaussaq Complex, host to the Kvanefjeld project, in 2007, and later moved to 100% ownership. In addition to historic uranium-focussed studies, scientists had identified that rare earth elements were also strongly enriched at Kvanefjeld, putting forth the concept of multi-element exploitation. Initial drill programs conducted by GMEL in 2007 and 2008 confirmed that resources were indeed polymetallic, and were increasingly expansive. The reinvigoration of Kvanefjeld led to the removal of the zero-tolerance policy being raised for discussion in Greenland's parliament in late 2008.

In 2009, Greenland made the significant step toward greater autonomy from Denmark with the official transition from 'Home Rule', to 'Self Rule'. This step saw Greenland assume full authority over its mineral and hydrocarbon rights, which had formerly been shared with Denmark. In Greenland awareness was building that mining would be critical to establishing a viable economic basis to support the increasingly independent political direction.

As work programs continued to advance Kvanefjeld, further licensing requirements were required to effectively evaluate the project. In September 2010, the Greenland Government, led by the Inuit Ataqatigiit (IA) Party, introduced an amendment to the 'Standard Terms for Exploration Licenses in Greenland'. This allowed for organizations to apply for approval from the Bureau of Minerals and Petroleum (BMP) to conduct feasibility studies on potential mining projects which contain elevated concentrations of radioactive elements. At the direction of the government, information briefs on uranium were produced by technical agencies and made available to the populous. A delegation of politicians and government officials then made study tour of Canada to learn more about the Canadian uranium mining industry and its governance.

In November, 2011 the BMP then amended GMEL's exploration license over Kvanefjeld to include uranium. This move provided the Company with the right to apply to exploit uranium along with other

economic minerals. This licensing development was important as it created a framework in which a mining application could be submitted for processing by regulators for a project that includes uranium.

In the 2012 autumn session of parliament, the Greenland Government initiated a series of reports to address the consequences of removing the zero-tolerance policy. These reports, conducted by independent experts, set out to address the regulatory roles of both Greenland and Denmark in managing uranium exploitation, identify all international conventions that would need to be adhered to, as well as investigating the potential environmental and health risks. The series of reports have been completed through the course of 2013, and provide a solid information basis for Greenland to remove the zero-tolerance policy and map out a path to uranium producer status, in accordance with best international practice.

In March, 2013, a national election in Greenland saw the Siumut Party return to power, with a clear intent to remove the zero-tolerance policy, and move to effectively regulate uranium production.

The debate surrounding uranium exploitation in Greenland has largely been ideological. Interest in the topic has led to an increased awareness of the facts involved in uranium production, nuclear power, and the regulation of the nuclear fuel cycle. This understanding has led to a growing awareness that nuclear power offers the main base-load energy source that does not contribute to carbon-fuelled climate change. The Arctic regions are already feeling the environmental and societal changes that are presented by a changing climate. In this context, Kvanefjeld's relevance is heightened, with uranium providing an efficient energy source free of carbon emissions, and rare earths being utilised in both efficient energy generation and usage.

Yours faithfully,



Roderick McIlree

Managing Director

Greenland Minerals and Energy Ltd.

Statement of Identified Mineral Resources, Kvanefjeld Project (Independently prepared by SRK Consulting)

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 - March 2011</i>														
150	Indicated	437	10929	274	9626	402	10029	900	2212	4.77	0.18	0.39	263	0.97
150	Inferred	182	9763	216	8630	356	8986	776	2134	1.78	0.06	0.14	86	0.39
150	Grand Total	619	10585	257	9333	389	9721	864	2189	6.55	0.24	0.53	350	1.36
200	Indicated	291	11849	325	10452	419	10871	978	2343	3.45	0.12	0.28	208	0.68
200	Inferred	79	11086	275	9932	343	10275	811	2478	0.88	0.03	0.06	48	0.20
200	Grand Total	370	11686	314	10341	403	10743	942	2372	4.32	0.15	0.35	256	0.88
250	Indicated	231	12429	352	10950	443	11389	1041	2363	2.84	0.10	0.24	178	0.55
250	Inferred	41	12204	324	10929	366	11319	886	2598	0.46	0.02	0.03	29	0.11
250	Grand Total	272	12395	347	10947	431	11378	1017	2398	3.33	0.12	0.27	208	0.65
300	Indicated	177	13013	374	11437	469	11906	1107	2414	2.30	0.08	0.20	146	0.43
300	Inferred	24	13120	362	11763	396	12158	962	2671	0.31	0.01	0.02	19	0.06
300	Grand Total	200	13025	373	11475	460	11935	1090	2444	2.61	0.09	0.22	164	0.49
350	Indicated	111	13735	404	12040	503	12543	1192	2487	1.52	0.06	0.13	98	0.27
350	Inferred	12	13729	403	12239	436	12675	1054	2826	0.16	0.01	0.01	10	0.03
350	Grand Total	122	13735	404	12059	497	12556	1179	2519	1.68	0.06	0.14	108	0.31
<i>Sørensen - March 2012</i>														
150	Inferred	242	11022	304	9729	398	10127	895	2602	2.67	0.10	0.22	162	0.63
200	Inferred	186	11554	344	10223	399	10622	932	2802	2.15	0.07	0.17	141	0.52
250	Inferred	148	11847	375	10480	407	10887	961	2932	1.75	0.06	0.14	123	0.43
300	Inferred	119	12068	400	10671	414	11084	983	3023	1.44	0.05	0.12	105	0.36
350	Inferred	92	12393	422	10967	422	11389	1004	3080	1.14	0.04	0.09	85	0.28
<i>Zone 3 - May 2012</i>														
150	Inferred	95	11609	300	10242	396	10638	971	2768	1.11	0.04	0.09	63	0.26
200	Inferred	89	11665	310	10276	400	10676	989	2806	1.03	0.04	0.09	60	0.25
250	Inferred	71	11907	330	10471	410	10882	1026	2902	0.84	0.03	0.07	51	0.2
300	Inferred	47	12407	358	10887	433	11319	1087	3008	0.58	0.02	0.05	37	0.14
350	Inferred	24	13048	392	11392	471	11864	1184	3043	0.31	0.01	0.03	21	0.07
Project Total														
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
150	Indicated	437	10929	274	9626	402	10029	900	2212	4.77	0.18	0.39	263	0.97
150	Inferred	520	10687	272	9437	383	9820	867	2468	5.55	0.20	0.45	312	1.28
150	Grand Total	956	10798	273	9524	392	9915	882	2351	10.33	0.37	0.84	575	2.25

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

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 project (Rare Earth Elements, Uranium, Zinc), which 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. For further information on Greenland Minerals and Energy visit <http://www.ggg.gl> or contact:

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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.

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 and Zone 2 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.