



Company Announcement 8th March, 2016

Greenland Minerals Enters Agreement with Leading European Industrial on Hydro Power Generation for the Kvanefjeld Project

Greenland Minerals and Energy Ltd ('GMEL' or 'the Company') is pleased to advise that it has signed a Letter of Intent (LoI) with a European multi-national conglomerate (the provider) that specialises in energy provision to develop a power concept for the Kvanefjeld rare earth –uranium project, based on renewable energy (hydropower).

The power solution will investigate the potential to link in to the existing public network, providing broader benefits for South Greenland. The set-up for the power solution would consider a Private Public Partnership (PPP) model, in which GMEL would be an end-user. The provider will map out the entire concept and aim to bring in a partner for the main EPC contractor, civil work and financing.

The agreement comes after an ongoing dialogue driven by the provider with the Government of Greenland and the Company.

GMEL has been looking into third party infrastructure concepts to reduce capital costs and enhance the projects economic metrics. The agreement to advance third party power solution is a significant step in progressing this strategy.

Importantly, utilising hydropower to produce raw materials that are critical to clean energy generation and new energy efficient technologies is an optimal outcome for the Kvanefjeld project, and will reduce the carbon footprint of the project and be advantageous to end product branding.

Upcoming Work Programs

Under the agreement the provider has mapped out a three stage work program.

- The first stage will be the delivery of a 'power concept' which will be completed within a couple of months, and will be incorporated into the mining license application prior to public hearing period. The power concept will draw off the information in the Kvanefjeld Feasibility Study, and the provider's in-depth experience and expertise in power provision solutions.
- The second phase would commence upon receipt of mining permits, and aim to take the power concept to bankable status.
- The third stage will involve the supply of electromechanical equipment for the hydro-power plant and the substation and grid control for the network.

Managing Director, Dr John Mair commented *'GMEL has actively been investigating third-party infrastructure concepts that would benefit the Kvanefjeld Project. Greenland has excellent potential to increase the hydro-electric power capacity, which would provide major benefit for new industry, as well as nearby communities. Utilising hydroelectricity to power operations will reduce the carbon footprint and strengthen the brand of raw materials produced in Greenland, which is of increasing importance to end users.'*

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