

Company Announcement, November 11th, 2016

Shenghe Resources Holding subsidiary, Le Shan Shenghe, Receives FIRB Approval

Greenland Minerals and Energy Ltd ('GMEL' or 'the Company') is pleased to advise that Le Shan Shenghe Rare Earth Co., Ltd ('Le Shan Shenghe'), subsidiary of Shenghe Resources Holding Co. Ltd ('Shenghe'), has received notification of approval from Australia's Foreign Investment Review Board ('FIRB'), for the proposed placement of 125 million ordinary GMEL shares to Le Shan Shenghe.

The proposed placement to Le Shan Shenghe remains conditional on obtaining GMEL's shareholder approval, which is to be sought at a General Meeting to be held on November 29th, 2016.

Background

On September 23rd, GMEL announced that it has entered into a Subscription Agreement (SA) with leading rare earth company Shenghe Resources Holding Co. Ltd, and its 99.99% subsidiary Le Shan Shenghe Rare Earth Co., Ltd. Le Shan Shenghe is focussed on rare earth downstream processing. The SA provides for the investment by Le Shan Shenghe of \$4.625 million (AUD) for 125 million ordinary shares in GMEL at 3.7 cents/share. The price of 3.7 cents per share represents a 5% discount to the 60-day volume weighted average price (VWAP) as of September 19th, 2016.

On the completion of the proposed placement transaction, the parties will jointly commence technical work programs to further improve the cost-structure of the Kvanefjeld Project, ensure the Project is optimised with respect to downstream rare earth processing, and identify further value add opportunities, including the recovery of additional products. This will be conducted in parallel to GMEL working through the permitting steps for Kvanefjeld that are currently underway in Greenland.

Shenghe's leading technical expertise, processing capacity, and strong international customer base make Shenghe an ideal strategic partner for the Kvanefjeld Project.

For further information, please refer to GMEL's announcement on September 23rd 2016, and the Notice of General Meeting, lodged with the ASX on October 27th 2016.

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