

March 2018 Quarterly Report

Monday 30th April 2018

Highlights:

- **Strategy set and work programs implemented to complete updated Environmental and Social Impact Assessments to finalise the mining license application for the Kvanefjeld Project.**
 - Meetings held in Greenland (February 2018) and Denmark (March 2018) to agree action plan of finalising the EIA
 - Both updated impact assessments are being completed by highly-reputed Danish consultants with strong Greenland familiarity, in addition to expert consultants with broader international mining industry experience
 - This approach provides a high level of rigour that will consider specific Greenland conditions, and ensure that both impact assessments are aligned with international best-practice

- **Technical optimisation under guidance from Shenghe continues to deliver exceptional results**
 - Second Chinese technical institute completes advanced flotation test work and confirms significant rare earth grade improvements.
 - Rare earth mineral concentrate grades of 20-25% REO at ~78% recovery have been achieved using *two* different methods from two separate institutes in China
 - Work programs continue to develop methodology in the lead up to pilot plant operations
 - Results will deliver simplifications, significant efficiency enhancements, reductions in capital and operating costs

- **Investigations underway into staged development strategy**

- **Greenland national election held on April 24th won by the incumbent government led by Siumut Party**
 - Siumut Party will now establish a new coalition government led by incumbent Premier Kim Kielsen

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March 2018 Quarterly Activities

The March Quarter, 2018, saw a concerted focus on finalising the updated Environmental and Social Impact Assessments for the Kvanefjeld Project; key documents for project permitting. As part of this process, meetings were held in Greenland with all departments that are involved in mining project assessments and the licensing process, as well as meetings in Denmark with the Danish Centre for Environment. These meetings established action plans to close out the impact assessments and the underlying studies and datasets.

A clear and constructive dialogue with the Greenland Government and advisory groups is providing a coordinated approach to establishing robust and rigorous project assessments to provide full-confidence the local stakeholders.

Technical optimisation under guidance from Shenghe continued through Q1, with further strong results continuing to build confidence in project enhancements that are on track to see Kvanefjeld feature the simplest, most efficient, and cost-competitive processing route in the global rare earth sector.

The Kvanefjeld Project, 100% owned by GMEL, is underpinned by a JORC-code compliant resource of >1 billion tonnes, and an ore reserve estimate of 108 million tonnes to sustain an initial 37-year mine life. It is projected to be one of the largest producers globally of key magnet metals including neodymium, praseodymium, dysprosium and terbium, along with by-production of uranium and zinc.

The Kvanefjeld Project is located near the southern tip of Greenland near existing infrastructure, including an international airport, and has year-round direct shipping access to the project area.

Shenghe is a leader in RE processing technology, one of the largest RE producers globally, and is the largest shareholder in GMEL. Both companies are working to optimise Kvanefjeld, and develop the project as a low-cost, long-life cornerstone to future rare earth supply.

On April 24th, a national election was held in Greenland. The Siumut Party that had led the incumbent government in a coalition won the most votes and will move to form a new coalition. GMEL anticipates that the new government will place a continuing strong focus on attracting foreign investment and mine development.

Permitting Update – Impact Assessments Set for Completion

A major area of focus through 2016-17 was on project permitting. Key permitting documents include the Environmental and Social Impact Assessments, and Maritime Safety Study. The permitting process in Greenland necessitates that these studies are submitted in draft form and reviewed in detail by the Greenland Government and their external advisory groups. Studies are then updated to address recommendations under guidance from the government. Following this rigorous review process and subsequent updates, studies are accepted for public consultation.

The reviews for the Kvanefjeld exploitation (mining) license application took place through 2016, with additional work conducted to augment recommendations through 2017. Additional work has been undertaken in a constructive dialogue with the authorities. With most outstanding studies and data collection completed, company personnel have met with the Greenland authorities in February 2018, and with the Danish Centre for Environment (DCE) in March 2018, to discuss the completion of the impact assessments.

- The SIA content has been updated and augmented following a constructive dialogue with Greenland's Ministry for Industry Trade and Labour. The SIA is being completed by independent consultants **NIRAS** (Denmark), and **Shared Resources** (Australia, global experience).
- Additional work programs that supplement the EIA are concluding. The updated EIA is being completed by independent Danish consultant **Orbicon**, who bring extensive Greenland understanding and experience, and international consultancy **GHD** who brings extensive international mining and EIA experience. **GHD** has specific experience with rare earth projects where environmental considerations are similar to those for Kvanefjeld.
- In October 2017, the updated Maritime Safety Study was accepted as suitable for public consultation by the Danish Maritime Authority.

The updated impact assessments will be completed in June 2018. The Company is confident that the approach taken is thorough, rigorous, and will provide confidence to regulators and stakeholders that Kvanefjeld can be developed and operated effectively without risk to the environment, workers and local communities.

Kvanefjeld will provide long-term opportunity and benefits, especially local employment to Greenland society at a time when demand for magnet rare earth elements and prices are increasing.

Next Steps

Work programs to support the updated EIA are being conducted by independent consultants and laboratories. The following groups are working on the additional supporting studies that will be completed by June.

- **Air Quality** – Pacific Environment
- **Hydrology** – Orbicon and GHD
- **Radiation** – Arcadis, Canada
- **Tailings Disposal** - Wood Group
- **Waste Rock Analysis** – SGS Laboratories, SRK Consulting
- **Fjord Impacts** – Danish Hydraulic Institute

Once the outstanding studies are complete and the EIA and SIA documentation is finalised, the mining license application documents will be lodged with the Greenland Government. The next step in the permitting process is a public consultation period. Translations of the EIA and SIA for the public consultation period has commenced.

As the impact assessments are finalised, the Company will initiate a dialogue with the Greenland Government to establish the timing and schedule for the public consultation period.

Kvanefjeld Optimisation Program

In early 2017 a technical committee was established with representatives from both GMEL and Shenghe to oversee test work programs that improve the metallurgical performance, simplify the processing route and related infrastructure, and improve the cost structure of the Kvanefjeld Project. Flotation beneficiation test work is being directed by Shenghe and draws on the expertise of a number of Chinese technical institutes. Work on the refinery circuit is being conducted in Australia and China.

Important technical progress has been made on both the flotation and refinery circuits as announced in December 2017, and January 2018. Test work has continued through Q1, 2018, with excellent results

that continue to build confidence in project enhancements. The technical developments complement the unique non-refractory nature of the Kvanefjeld ore and have the project on track to be one of the simplest and lowest-cost rare earth producers globally.

Metallurgical test work has now been completed with two Chinese Institutes who have separately developed flotation methods to concentrate the unique, advantageous rare earth minerals from Kvanefjeld.

The Institute of Multipurpose Utilisation of Mineral Resources – Chinese Academy of Geological Sciences (IMUMR) based in Chengdu in Sichuan Province was the first institute engaged. They have developed flotation reagents and methods which have been successfully commercialised at Shenghe’s operating mining. Test work with IMUMR commenced in May 2017 with initial results announced in December 2017.

Baotou Meng Rong Fine Materials Co Ltd (BTMR) was the second institute engaged. They are a privately-owned technology and technical service provision company based in Baotou, Inner Mongolia. Test work with the BTMR commenced in February 2018 and is ongoing, with excellent initial results.

Flotation Test Work Program

Both IMUMR and BTMR have extensive experience with froth flotation, and the concentration of rare earth minerals. Work programs have consisted of:

- **Initial screening test work at small batch scale to survey the performance of a wide range of reagent schemes to identify the optimal reagent**
- **Further tests are then conducted to assess the doses of the collector, frother and depressants.**
- **Batch rougher flotation and cleaning test work is then conducted, which allows for the creation of rare earth grade-recovery curves**
- **Locked cycles tests are then conducted to examine the impact of recycling tailings and water streams**

Locked cycle test work is a more advanced methodology which is a better representation of a continuous operating flotation process. It uses a number of batch flotation tests performed in series to mimic the re-circulated flows required for the commercial plant.

The BTMR batch test work performance has exceeded that of the IMUMR. The initial locked cycle test work has resulted in a modest improvement in performance, however the locked cycle work is yet to be optimised. There is strong potential to improve the BTMR flotation performance with further locked cycle optimisation work.

The IMUMR were able to improve the flotation performance of the batch test work results through a series of optimisation locked cycle tests which delivered significant improvements. The grade and recovery for the system increased during the locked cycle test work as recycle streams were re-incorporated back into the circuit boosting recovery (Figure 1).

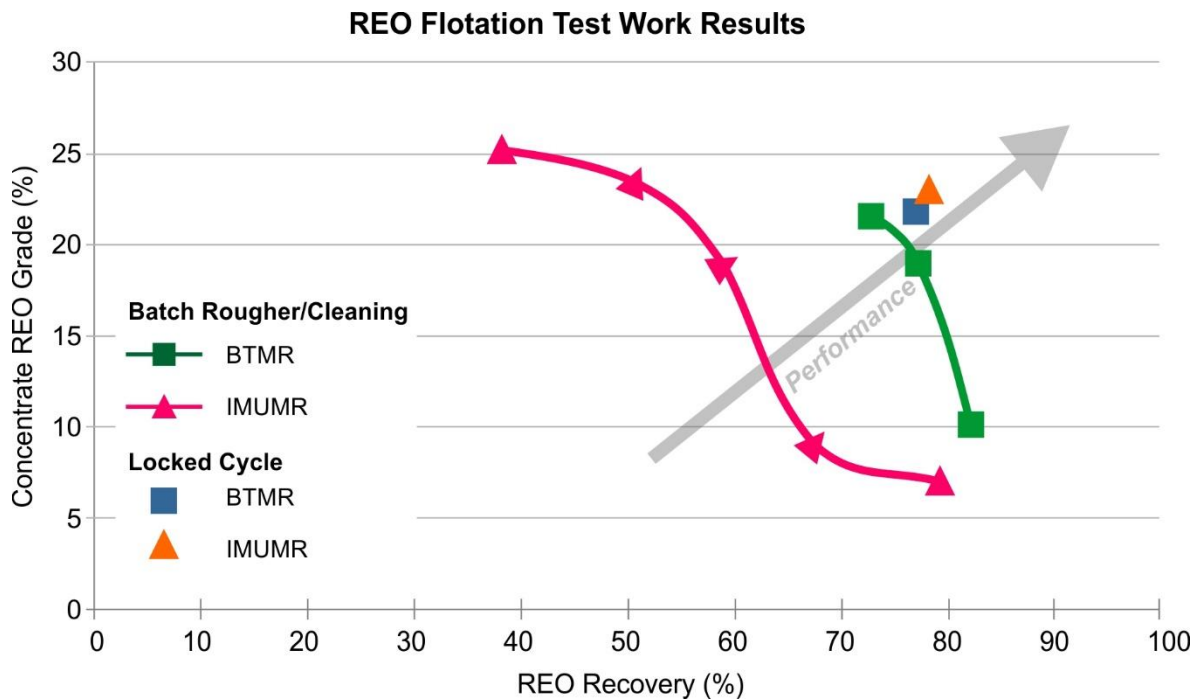


Figure 1. The results of the recent flotation test work by both the IMUMR and BTMR. The batch rougher tests that define the grade recovery curves generally feature lower recoveries with increasing RE mineral concentrate grade. The locked cycle tests produce a superior result. Although IMUMR have completed more tests, the BTMR work has produced a superior batch test work grade-recovery curve. Both methods deliver far superior results than those previously generated that are used in the Kvanefjeld Feasibility Study.

Excellent Flotation Results from Advanced Tests

Despite the use of two different reagent schemes and circuit configurations each Chinese Institute has produced concentrate grades which comfortably exceed 20% REO. The following table summarises the optimised results for each of the institutes.

Table 1: Comparison of Chinese Institute Metallurgical Performance

Institute	Ore Grade (%REO)	Concentrate Grade (%REO)	Recovery to Concentrate (% Recovery of REO)
IMUMR - Chengdu	1.44	23.1	78
BTMR - Baotou	1.44	21.9	77

Next Steps

Test work is continuing in China that aims to further optimise each method. Validation test work is currently being conducted in Perth to determine the preferred method, overseen by Chinese technical experts. The preferred method will then be evaluated at pilot plant scale. Pilot plant operations will be conducted in Perth mid-year, under guidance from Shenghe.

GMEL is continuing to investigate both the economic and regulatory considerations of shipping RE mineral concentrate as the first step in a staged development strategy. The high level of contained value in comparison to typical base metal mineral concentrates clearly justifies evaluation of the strategy.

Benefits of Substantial Mineral Concentrate Grade Improvements

The results of further flotation test work in China build confidence that a substantially enhanced mineral concentrate grade approaching 25% REO will be achieved, without recovery losses. Notably, the Kvanefjeld Feasibility Study uses a mineral concentrate grade of only 14% REO; *well below the grades* achieved by the revised flotation processes now under development.

This significant increase in mineral concentrate grade with a reduced mass pull will result in substantial reductions in the size of equipment leading to lower capital and operating costs of the processing plant (atmospheric leach) circuit. Test work on the atmospheric leach circuit continues in parallel to flotation work.

GMEL has also started to evaluate the potential for the direct shipping of mineral concentrates as a first step in a staged development strategy. GMEL has briefed key regulatory bodies in Greenland and Denmark as part of the evaluation process which remains ongoing.

The production of a mineral concentrate with an REO grade approaching 25% makes the direct export of mineral concentrate from Greenland a potential option. At this concentrate grade the value of the contained rare earths per kg of concentrate exceeds that of traded nickel, zinc and copper commercial concentrates (Figure 2).

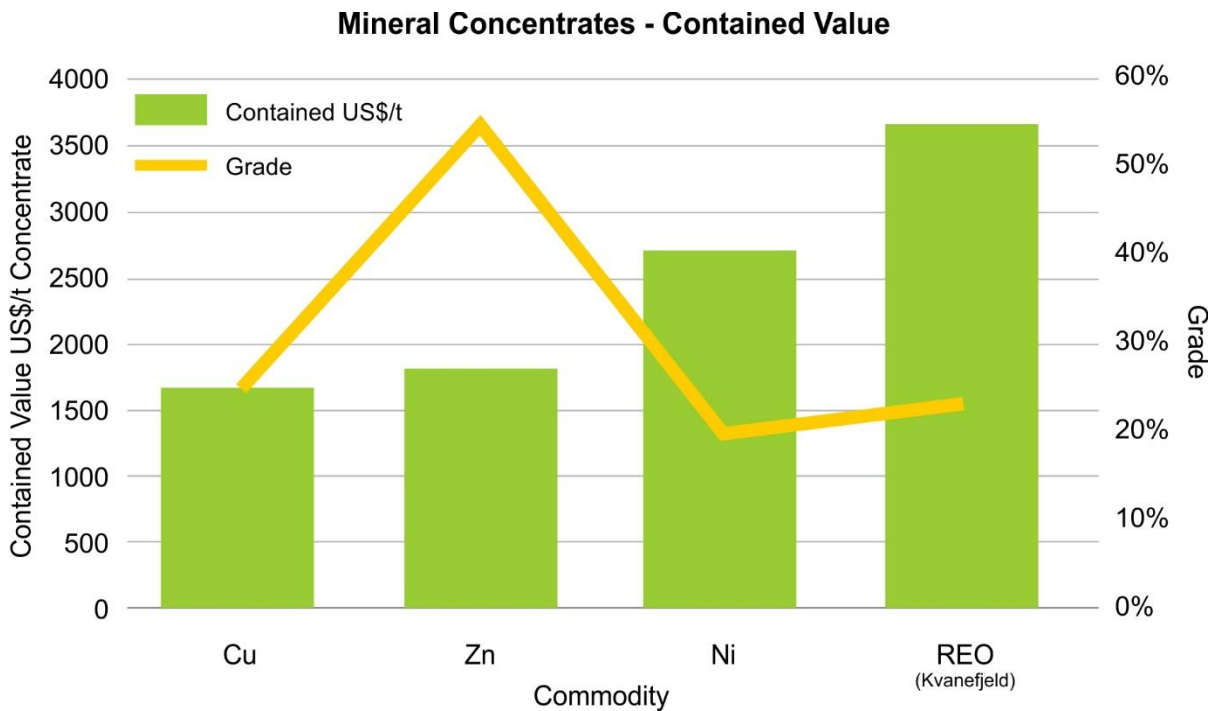


Figure 2. A comparison of grade and contained value for typical base metal concentrates, and REO concentrates from Kvanefjeld. Improvements in flotation performance have increased grades and therefore contained value which brings optionality to the Kvanefjeld Project. Contained value is based on current prices.

Greenland's Role in New RE Supply Chains

GMEL is at the forefront of a strategic evolution in rare earth supply. Major changes are coming to global RE supply, with China looking to cap primary production in 2020, at a point when demand is set to surge. Prior to establishing a strategic relationship with leading rare earth company Shenghe in 2016, the Company had been actively engaging the Chinese rare earth industry for a number of years; a process which provided strong insight into how the industry was reshaping.

Kvanefjeld has a number of key attributes that, when integrated with Shenghe's downstream processing technology and capacity, can provide the potential to play an important role in new supply networks. These include:

- ✓ **Scale – largest code-compliant rare earth resource, ore reserve for initial 37-year mine life**
- ✓ **Simple mining with 1:1 strip ratio over initial 37-year mine life**
- ✓ **Multiple by-product revenue streams to strengthen project economics (U₃O₈, zinc, fluorspar)**
- ✓ **Composition – ideal production profile across key rare earths – Nd, Pr, Tb, Dy**
- ✓ **Yttrium enrichment is highly beneficial for latest RE separation technology**
- ✓ **RE minerals that allow for simple processing, which will be maximised by technical optimisation work conducted through 2017 with Shenghe**
- ✓ **Favourable country and project location with direct shipping access, international airport nearby**
- ✓ **Regulatory framework implemented to manage project operation and export controls**

-ENDS-

About Shenghe Resources Holding Co. Ltd

Shenghe Resources Holding Co. Ltd (SSE 600392), (Shenghe) is a public company exclusively focused on mining and processing rare earth ores, and producing high purity rare earth oxides, metals and alloys along with a range of rare earth products. Shenghe is listed on Shanghai Stock Exchange (since 2012) and, as at 28 July, 2017 had 1.35 billion shares on issue and a market capitalization of approximately RMB 24.8 billion or AUD 4.6 billion.

Shenghe has a diversified background of its major shareholders. As at 20 June, 2017, the Institute of Multipurpose Utilization of Mineral Resources (IMUMR), a state owned scientific research institute specializing in mineral resources, holds 14.04%, Mr Wang Quangen, former engineer of IMUMR holds 6.85% and the Sichuan Giastar Enterprise Group, a private company involved in the agricultural industry holds 5.52%.

Shenghe is headquartered in Chengdu, Sichuan Province and is a single industry company with mining and processing activities in a number of Chinese centres, and has commenced the strategy of extending business outside China to increase the focus on overseas resources and international markets. Shenghe is involved at all levels of the rare earth industry, from mining through processing to the production of end products. Significantly, Shenghe also holds Chinese production quotas for the mining and separation/refining of rare earths.

For Shenghe, investment in GMEL is aimed to secure access to rare earth resources outside of China which are capable of supporting a range of rare earth businesses, facilitating long term growth opportunities.

About the Kvanefjeld Project

GMEL's primary focus is centred on the northern Ilimaussaq Intrusive Complex in southern Greenland. The project includes several large scale multi-element resources including Kvanefjeld, Sørensen and Zone 3. Global mineral resources now stand at **1.01** billion tonnes (JORC-code 2012 compliant).

The deposits are characterised by thick, persistent mineralisation hosted within sub-horizontal lenses that can exceed 200m in true thickness. Highest grades generally occur in the uppermost portions of deposits, with overall low waste-ore ratios.

Less than 20% of the prospective area has been evaluated, with billions of tonnes of lujavrite (host-rock to defined resources) awaiting resource definition.

While the resources are extensive, a key advantage to the Kvanefjeld project is the unique rare earth and uranium-bearing minerals. These minerals can be effectively beneficiated into a low-mass, high value concentrate, then leached with conventional acidic solutions under atmospheric conditions to achieve particularly high extraction levels of both heavy rare earths and uranium. This contrasts to the

highly refractory minerals that are common in many rare earth deposits that require technically challenging and costly processing. The rigorously developed process route for Kvanefjeld has been the subject of several successful pilot plant campaigns.

The Kvanefjeld project area is located adjacent to deep-water fjords that allow for shipping access directly to the project area, year-round. An international airport is located 35km away, and a nearby lake system has been positively evaluated for hydroelectric power.

Kvanefjeld is slated to produce a significant output of critical rare earths (**Nd, Pr, Eu, Dy, Tb**), with by-production of uranium, zinc, and bulk light rare earths (La, Ce). Low incremental cost of recovering by-products complements the simple metallurgy to deliver a highly competitive cost structure.

Rare earth elements (REEs) are used in a wide variety of applications. Most notably, rare earth elements make the world's strongest permanent magnets. The magnet industry continues to be a major growth area, owing to the essential requirement of high-powered magnets in many electrical applications.

Magnetism is the force that converts electricity to motion, and vice-versa in the case of renewable energy such as wind power. In recent years growth in rare earth demand has been limited by end-user concerns over pricing instability and surety of supply; however, demand has returned and the outlook continues to strengthen.

Kvanefjeld provides an excellent opportunity to introduce a large, stable supplier at prices that are readily sustainable to end-users. In addition, rare earths from Kvanefjeld will be produced in an environmentally sustainable manner further differentiating it as a preferred supplier of rare earth products to end-users globally. These factors serve to enhance demand growth.

Uranium forms an important part of the global base-load energy supply, with demand set to grow in coming years as developing nations expand their energy capacity.

Tenure, Permitting and Project Location

Tenure

Greenland Minerals and Energy Ltd (ABN 85 118 463 004) is a company listed on the Australian Securities Exchange. The Company has conducted extensive exploration and evaluation of license EL2010/02. The Company controls 100% of EL2010/02 through its Greenlandic subsidiary.

The tenement is classified as being for the exploration of minerals. The project hosts significant uranium, rare earth element, and zinc mineral resources (JORC-code compliant) within the northern Ilimaussaq Intrusive Complex.

Historically the Kvanefjeld deposit, which comprises just a small portion of the Ilimaussaq Complex, was investigated by the Danish Authorities. GMEL has since identified a resource base of greater than 1 billion tonnes, including the identification and delineation of two additional deposits. The Company has conducted extensive metallurgical and process development studies, including large scale pilot plant operations.

Permitting

Greenland Minerals and Energy Limited is permitted to conduct all exploration activities and feasibility studies for the Kvanefjeld REE-uranium project. The company's exploration license is inclusive of all economic components including uranium and REEs.

A pre-feasibility study was completed in 2012, and a comprehensive feasibility study completed in 2015. A mining license application was handed over to the Greenland Government in December 2015, which addresses an initial development strategy. The project offers further development opportunities owing to the extensive mineral resources.

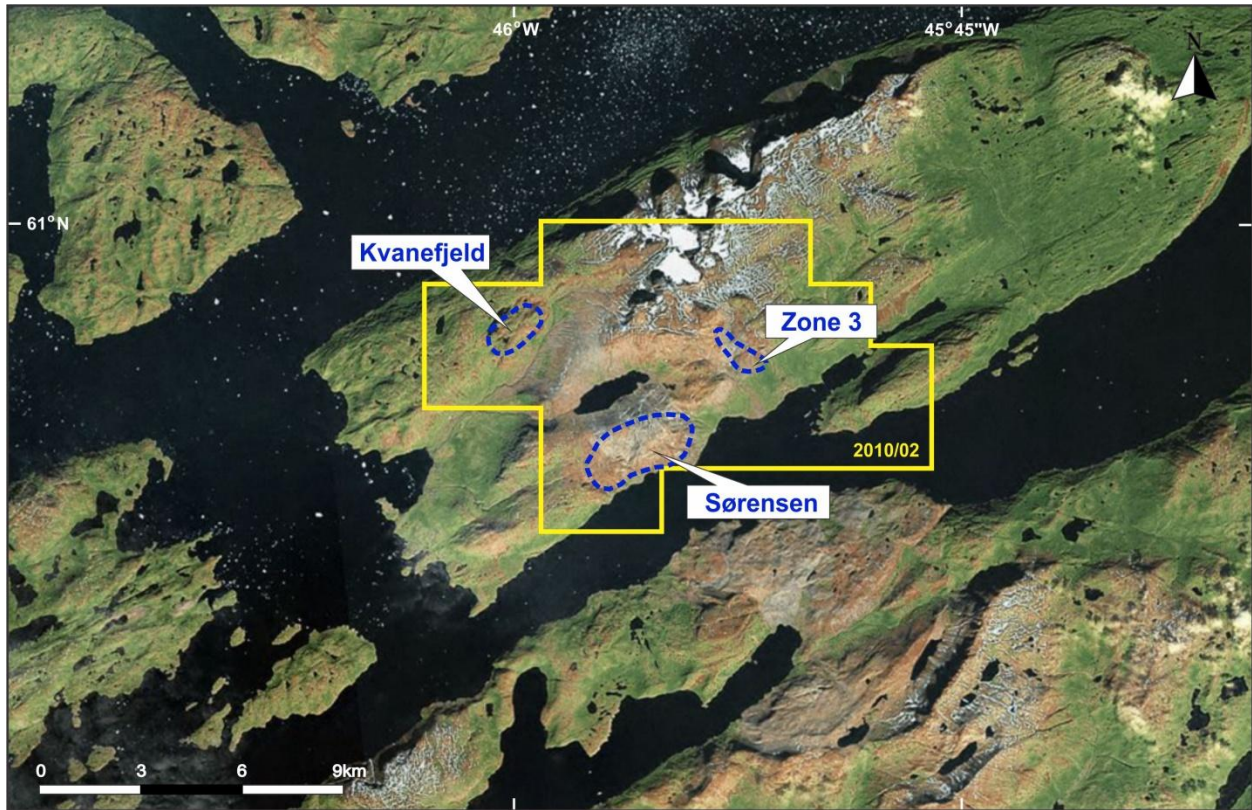
Location

The exploration lease covers an area of 80km² in Nakkaalaaq North on the southwest coast of Greenland. The project is located around 46° 00'W and 60 55'N.

The town of Narsaq is located approximately 8 kilometres to the south west of the license area. Narsaq is connected to Narsarsuaq International Airport by commercial helicopter flights operated by Air Greenland. Local transport between settlements is either by boat or by helicopter.

The Company has office facilities in Narsaq where storage, maintenance, core processing, and exploration and environmental activities are managed.

Access to the Kvanefjeld plateau (at approximately 500m asl) is generally gained by helicopter assistance from the operations base located on the edge of the town of Narsaq. It is possible to access the base of the plateau by vehicle and then up to the plateau by a track.



Overview of GMEL's 100% controlled license EL2010/02. A draft mining license application has been lodged.

Exploration License	Location	Ownership
EL 2010/02	Southern Greenland	Held by Greenland Minerals and Energy (Trading) A/S, a fully owned subsidiary of GMEL.

Capital Structure – As at 31 st March, 2018	
Total Ordinary shares	1,105,385,969
Quoted options exercisable at \$0.08 on or before 30 September 2018	187,161,816
Unquoted options exercisable at \$0.15 on or before 31 March 2021	4,000,000
Employee performance rights (subject to vesting hurdles – refer announcement 22 Dec 2017)	6,000,000

Please visit the company's website at www.ggg.gl where recent news articles, commentary, and company reports can be viewed.

Statement of Identified Mineral Resources, Kvanefjeld Project, Independently Prepared by SRK Consulting (February, 2015)

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 - February 2015</i>														
150	Measured	143	12,100	303	10,700	432	11,100	978	2,370	1.72	0.06	0.14	95.21	0.34
150	Indicated	308	11,100	253	9,800	411	10,200	899	2,290	3.42	0.13	0.28	171.97	0.71
150	Inferred	222	10,000	205	8,800	365	9,200	793	2,180	2.22	0.08	0.18	100.45	0.48
150	Total	673	10,900	248	9,600	400	10,000	881	2,270	7.34	0.27	0.59	368.02	1.53
200	Measured	111	12,900	341	11,400	454	11,800	1,048	2,460	1.43	0.05	0.12	83.19	0.27
200	Indicated	172	12,300	318	10,900	416	11,300	970	2,510	2.11	0.07	0.17	120.44	0.43
200	Inferred	86	10,900	256	9,700	339	10,000	804	2,500	0.94	0.03	0.07	48.55	0.22
200	Total	368	12,100	310	10,700	409	11,200	955	2,490	4.46	0.15	0.35	251.83	0.92
250	Measured	93	13,300	363	11,800	474	12,200	1,105	2,480	1.24	0.04	0.10	74.56	0.23
250	Indicated	134	12,800	345	11,300	437	11,700	1,027	2,520	1.72	0.06	0.14	101.92	0.34
250	Inferred	34	12,000	306	10,800	356	11,100	869	2,650	0.41	0.01	0.03	22.91	0.09
250	Total	261	12,900	346	11,400	440	11,800	1,034	2,520	3.37	0.11	0.27	199.18	0.66
300	Measured	78	13,700	379	12,000	493	12,500	1,153	2,500	1.07	0.04	0.09	65.39	0.20
300	Indicated	100	13,300	368	11,700	465	12,200	1,095	2,540	1.34	0.05	0.11	81.52	0.26
300	Inferred	15	13,200	353	11,800	391	12,200	955	2,620	0.20	0.01	0.01	11.96	0.04
300	Total	194	13,400	371	11,900	471	12,300	1,107	2,530	2.60	0.09	0.21	158.77	0.49
350	Measured	54	14,100	403	12,400	518	12,900	1,219	2,550	0.76	0.03	0.07	47.59	0.14
350	Indicated	63	13,900	394	12,200	505	12,700	1,191	2,580	0.87	0.03	0.07	54.30	0.16
350	Inferred	6	13,900	392	12,500	424	12,900	1,037	2,650	0.09	0.00	0.01	5.51	0.02
350	Total	122	14,000	398	12,300	506	12,800	1,195	2,570	1.71	0.06	0.15	107.45	0.31

Statement of Identified Mineral Resources, Kvanefjeld Project, Independently Prepared by SRK Consulting (February, 2015)

Cut-off (U ₃ O ₈ ppm) ¹	Multi-Element Resources Classification, Tonnage and Grade									Contained Metal				
	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
Sørensen - March 2012														
150	Inferred	242	11,000	304	9,700	398	10,100	895	2,602	2.67	0.10	0.22	162.18	0.63
200	Inferred	186	11,600	344	10,200	399	10,600	932	2,802	2.15	0.07	0.17	141.28	0.52
250	Inferred	148	11,800	375	10,500	407	10,900	961	2,932	1.75	0.06	0.14	122.55	0.43
300	Inferred	119	12,100	400	10,700	414	11,100	983	3,023	1.44	0.05	0.12	105.23	0.36
350	Inferred	92	12,400	422	11,000	422	11,400	1,004	3,080	1.14	0.04	0.09	85.48	0.28
Zone 3 - May 2012														
150	Inferred	95	11,600	300	10,200	396	10,600	971	2,768	1.11	0.04	0.09	63.00	0.26
200	Inferred	89	11,700	310	10,300	400	10,700	989	2,806	1.03	0.04	0.09	60.00	0.25
250	Inferred	71	11,900	330	10,500	410	10,900	1,026	2,902	0.84	0.03	0.07	51.00	0.20
300	Inferred	47	12,400	358	10,900	433	11,300	1,087	3,008	0.58	0.02	0.05	37.00	0.14
350	Inferred	24	13,000	392	11,400	471	11,900	1,184	3,043	0.31	0.01	0.03	21.00	0.07
All Deposits – Grand Total														
150	Measured	143	12,100	303	10,700	432	11,100	978	2,370	1.72	0.06	0.14	95.21	0.34
150	Indicated	308	11,100	253	9,800	411	10,200	899	2,290	3.42	0.13	0.28	171.97	0.71
150	Inferred	559	10,700	264	9,400	384	9,800	867	2,463	6.00	0.22	0.49	325.66	1.38
150	Grand Total	1010	11,000	266	9,700	399	10,100	893	2,397	11.14	0.40	0.90	592.84	2.42

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

Kvanefjeld Ore Reserves Estimate – April 2015

Class	Inventory (Mt)	TREO (ppm)	LREO (ppm)	HREO (ppm)	Y ₂ O ₃ (ppm)	U ₃ O ₈ (ppm)	Zn (ppm)
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Statement of Identified Mineral Resources, Kvanefjeld Project, Independently Prepared by SRK Consulting (February, 2015)

Proven	43	14,700	13,000	500	1,113	352	2,700
Probable	64	14,000	12,500	490	1,122	368	2,500
Total	108	14,300	12,700	495	1,118	362	2,600

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 deposit (rare earth elements, uranium, zinc). A pre-feasibility study was finalised in 2012, and a comprehensive feasibility study was completed in 2015 and updated following pilot plant operations in 2016. The studies highlight the potential to develop Kvanefjeld as a long-life, low cost, and large-scale producer of rare earth elements; key enablers to the electrification of transport systems.

GMEL is working closely with major shareholder and strategic partner Shenghe Resources Holding Co Ltd to develop Kvanefjeld as a cornerstone of future rare earth supply. An exploitation (mining) license application for the initial development strategy has been undergoing review by the Greenland Government through the latter part of 2016 and through 2017.

In 2017, GMEL has been undertaking technical work programs with Shenghe Resources Holding Co Ltd that aim to improve the metallurgical performance, simplify the development strategy and infrastructure footprint in Greenland, enhance the cost-structure, and ensure that Kvanefjeld is aligned with downstream processing. In addition, the Company continues its focus on working closely with Greenland's regulatory bodies on the processing of the mining license application, and maintaining regular stakeholder updates.

Dr John Mair
Managing Director
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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.

Competent Person Statement – Mineral Resources Ore Reserves and Metallurgy

The information in this report that relates to Mineral Resources is based on information compiled by Mr Robin Simpson, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Simpson is employed by SRK Consulting (UK) Ltd ("SRK"), and was engaged by Greenland Minerals and Energy Ltd on the basis of SRK's normal professional daily rates. SRK has no beneficial interest in the outcome of the technical assessment being capable of affecting its independence. Mr Simpson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Robin Simpson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in the statement that relates to the Ore Reserves Estimate is based on work completed or accepted by Mr Damien Krebs of Greenland Minerals and Energy Ltd and Mr Scott McEwing of SRK Consulting (Australasia) Pty Ltd. The information in this report that relates to metallurgy is based on information compiled by Damien Krebs.

Damien Krebs is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the type of metallurgy and scale of project under consideration, and to the activity he is undertaking, to qualify as Competent Persons in terms of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 edition). The Competent Persons consent to the inclusion of such information in this report in the form and context in which it appears.

Scott McEwing is a Fellow and Chartered Professional of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as Competent Persons in terms of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 edition). The Competent Persons consent to the inclusion of such information in this report in the form and context in which it appears.

The mineral resource estimate for the Kvanefjeld Project was updated and released in a Company Announcement on February 12th, 2015. The ore reserve estimate was released in a Company Announcement on June 3rd, 2015. There have been no material changes to the resource estimate, or ore reserve since the release of these announcements.