

Company Announcement March 23rd, 2022

Commencement of arbitration by GGG against Greenland and Denmark

- **GGG has requested arbitration proceedings in its dispute with the Government of Greenland and the Government of the Kingdom of Denmark**
- **The dispute concerns the effect of the legislation passed by the Greenland Parliament in December 2021 on GGG's entitlements under its existing exploration licence, including its entitlement to an exploitation licence for the Kvanefjeld rare earths project**
- **GGG's intention is to proceed with the Project by obtaining binding confirmation that the new legislation has no effect on the Company's existing exploration licence, including the provision entitling the Company to an exploitation licence**
- **Alternatively, GGG will seek compensation and damages for expropriation**
- **GGG will be represented in the arbitration by UK law firm, Clifford Chance, and Danish law firms, Bruun & Hjejle and Plesner**

Greenland Minerals Limited ('GGG' or 'the Company') advises that, through its subsidiary, Greenland Minerals A/S ('GMAS'), the Company has requested arbitration in its dispute with the Government of Greenland and the Government of the Kingdom of Denmark. The dispute that the Company has referred to arbitration concerns the exploration licence held by GMAS for the Kvanefjeld rare earths project in southern Greenland ('Project' or 'Kvanefjeld') and the effect (if any) of Greenland Parliament Act No. 20 of 1 December 2021 to ban uranium prospecting, exploration and exploitation, etc ('Act No. 20') on GMAS' entitlement to an exploitation licence under Section 14 of the exploration licence.

The Company has taken the step of initiating these legal proceedings after its discussions with the Greenland Government (as outlined in the Company's ASX announcements of 20 December 2021 and 25 February 2022) failed to deliver any viable solution.

The Company's primary objective in the arbitration is to protect its investments in the Project and to obtain the exploitation licence that is required for the Project to proceed. To that end, GMAS is maintaining its application for an exploitation licence and, in the arbitration, GMAS is seeking an independent legal ruling on whether Act No. 20 applies to GMAS' exploration licence. GMAS is taking this approach because it wishes to see the Kvanefjeld Project through and believes that it is legally able and entitled to do so in circumstances where Act No. 20 explicitly states that it does *not* apply to existing licences (of which GMAS' exploration licence is one) and the explanatory note to Act No. 20 emphasises that Act 20 does not apply if its application would result in an expropriation (which would be the case, if GMAS were deprived of its entitlement to an exploitation licence).

The Company's position is that, if Act No. 20 does not apply to GMAS' exploration licence, then GMAS retains its entitlement to an exploitation licence for Kvanefjeld and GMAS' existing application for an exploitation licence must be granted by the Government of Greenland. If it is determined that Act No. 20 does apply to the Company's exploration licence, the Company will claim compensation for expropriation in an amount that takes into account the fair market value of the Project.

GMAS has brought the arbitration under Section 20 of the exploration licence, which provides for disputes between GMAS and the Government of Greenland to be resolved by arbitration before a tribunal of three arbitrators seated in Copenhagen. GMAS has named the Government of the Kingdom of Denmark as a respondent in the arbitration on the basis of the Danish Government's involvement in the exploration licence and the wider Project.

In the arbitration, GMAS is represented by a team of investor-State arbitration specialists at UK law firm, Clifford Chance, with Danish law firms, Bruun & Hjejle and Plesner, acting as co-counsel.

Daniel Mamadou, Managing Director of GGG released the following statement:

"We tried to find a constructive solution through dialogue with the Government of Greenland, but they made it clear that they would not move from their position that Act No. 20 applies to us and our exploitation licence will not be granted. In these discussions, the Government also made it clear that they do not consider themselves to be under any obligation to compensate us. Greenland Minerals has spent more than ten years and has invested over \$130 million in the Kvanefjeld project. The company followed every Government regulation and request throughout the process. The Project has been through a rigorous environmental assessment and it remains one of the largest undeveloped rare earth assets in the world and a key future source of the technology metals that will be required for the clean energy transition. We are starting the arbitration process to get confirmation on whether Act No. 20 actually does apply to us and blocks our exploitation licence application. Should this be the case, we claim damages in compensation for expropriation. As the Board of GGG, our duty is to protect our shareholders' interests: the position taken by the Government of Greenland leaves us with no other alternative than to enforce the Company's right to an exploitation licence."

Authorised for release by the Board of Greenland Minerals Limited.

-ENDS-

ABOUT GREENLAND MINERALS LTD.

Greenland Minerals 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 Rare Earth Project. 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 demonstrated the unique and highly advantageous strengths of the Kvanefjeld Project and outlined the potential for Kvanefjeld to be developed as a long-life, low cost, and large-scale producer of rare earth elements; key enablers to the electrification of transport systems.

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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 and Ore Reserves

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.

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.