

Company Announcement July 26th, 2022

Draft Exploitation Licence Decision and White Paper Review

- **The Greenland Government has issued a draft decision to reject the Company's application for an exploitation licence**
- **The rejection is based on the application of Act No. 20, which is the subject of the arbitration**
- **The Company disputes the basis upon which the draft decision rests**
- **Reviews of Company contributions to the EIA White Paper have been completed by DCE and GINR that conclude all major environmental issues raised in the White Paper have been addressed in the summary EIA report and/or supporting background studies**
- **DCE and GINR do not find that submissions made during the public consultation period have identified significant errors in the Company's assessment of potential environmental impacts from the mining project**

Greenland Minerals Limited ('GGG' or 'the Company') advises that it has received a draft decision on the Company's application for an exploitation licence for the Kvanefjeld Project ('draft decision'). In the draft decision, the Greenland Ministry of Mineral Resources and Justice proposes to reject the Company's exploitation licence application. According to the draft decision, the Company's exploitation licence application cannot be granted because it would involve exploitation of an ore body that contains more than 100 ppm of uranium (the threshold that was introduced in Greenland Parliament Act No. 20 of 1 December 2021 to ban uranium prospecting, exploration and exploitation, etc ('Act No. 20')).

The Company is disappointed with the Government's actions in making this draft decision which relies on the application of Act No. 20, when the application of Act No. 20 is one of the questions submitted for determination in the arbitration. In addition, the Government has taken the decision despite the fact that some requirements for an exploitation licence remain outstanding, specifically the completion of the White Papers and the Impact Benefit Agreement.

The Company has been given four weeks to submit a response to the draft decision. The Government has indicated that, after the consultation process on the draft decision, it intends to proceed to make a final decision on the Company's exploitation licence application. The Company will be working through the details of the draft decision and will be lodging an objection based on the grounds of the draft decision. It is the Company's position that, in accordance with general principles of law, the draft decision and any subsequent final decision should have no lawful bearing on the arbitration process.

The arbitral tribunal has scheduled a hearing on an application by the Company for interim measures (and other procedural issues), for 7 September 2022. The interim measures application being made by the Company seeks to have the *status quo* maintained and ensure that the legal process for determination of the Company's exploitation licence application is respected while the arbitration is ongoing.

White Paper Review

The Danish Centre for Environment ('DCE') and the Greenland Institute of Natural Resources ('GINR') have completed their review of the Company's responses to issues raised during public consultation in respect of the Environmental Impact Assessment ('EIA') for the Kvanefjeld project ('Project').

As part of the statutory process preceding the issue of an exploitation licence, the Company is required to prepare written responses to each matter raised and each question posed during the public consultation period for the Project's EIA and Social Impact Assessment ('SIA') which occurred during 2021. The written responses were prepared and compiled in separate documents, referred to as White Papers ('WP'), one for each impact assessment. The WPs were finalised in October 2021 and submitted to the Greenland Government for review.

During public consultation, questions were also directed to Government representatives and the Government is required to respond to these issues in the relevant WPs. The Company has not yet received a copy of the Government's responses to these issues.

The DCE and GINR provided summary and detailed comment on the Company's EIA WP. In summary, the DCE and GINR assessed that all major environmental issues raised during public consultation, and responded to by the Company in the WP, have been described in the summary EIA report and/or supporting background studies. However, the DCE and GINR noted that some issues previously assessed to be adequately dealt with in the supporting background studies are not effectively and clearly summarised and communicated to non-experts in the EIA report.

When considering information included in the entire body of technical background studies, DCE and GINR found that submissions made during the period of public consultation did not identify significant errors in the Company's assessment of potential environmental impacts from the Project.

The DCE and GINR also provided detailed comments on each of the responses in the EIA WP. For a significant majority of the Company's responses, the DCE and GINR's contribution took the form of "No comments, no revision needed". For a small number of responses, the DCE and GINR made specific recommendations that can be easily accommodated.

Prior to approving the EIA for public consultation, the Company and the Government of Greenland agreed that a programme of geotechnical drilling would be required to address uncertainties in some of the data supporting the EIA. At relevant points in the detailed WP comments the DCE and GINR noted that the data from the proposed drilling programme remained outstanding.

The Company had planned to carry out this work during a field season in 2021, however the work program was deferred because of political developments in Greenland at the first half of 2021.

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

"We are very disappointed the Greenland Government has issued this draft decision rejecting our application for an exploitation licence for the Kvanefjeld rare earth mine.

Greenland initially invited us as foreign investors to develop a rare earth project and contribute to the Greenlandic economy. Since 2007, the company delivered on its commitment to deploy all the human and financial capital required to support the establishment of Kvanefjeld as a world-class asset. Company employees, government officials, local and international consultants, environmental

experts and local community leaders have worked very hard to thoroughly study and assess the impact of this project on the environment and the economy of Greenland. We are proud to say that to date, there isn't another rare earth project that has undergone as thorough and rigorous evaluation as Kvanefjeld has.

The draft decision rejecting our application for a mining licence is at odds with Greenland's stated policy to be a significant player in the energy transition going forward and to support the development of a vibrant mining industry.

We are also frustrated by the approach taken by the Government regarding our dispute: although, the parties had agreed to solve their disagreements through arbitration, it is now clear that the Government wants to implement a different approach.

Developing a rare earth greenfield project from inception can take up to a decade or even longer; as financial sponsors, we crave a stable legal and regulatory environment, with clear rules of engagement from the beginning, which form the basis of reliable mining jurisdictions.

Despite the current situation, we hope the legal process will allow for a fully informed assessment of the project according to the local laws and regulations and the terms of the exploration licence that we have relied upon in good faith for over a decade, and a reconsideration of this draft decision".

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.

Daniel Mamadou
Managing Director
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Greenland Minerals 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 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.