



Company Announcement, November 24, 2017

Greenland Minerals Secures \$10.25 Million Via Placement to Asian and Australian Institutional Investors

Highlights:

- **Oversubscribed placement strongly supported by leading funds in Hong Kong, Singapore and Australia**
- **Supported by major shareholder and strategic partner Shenghe Resources who confirm their commitment to subscribe for shares in order to maintain a 12.5% shareholding**
- **Funds to be utilised to roll-out the technical optimisation of the Kvanefjeld Project and completion of permitting**
- **Optimisation will see Shenghe's leading rare earth technical expertise integrated with the world's most significant emerging rare earth project**

Greenland Minerals and Energy Limited (ASX:GGG) ("GMEL" or "the Company"), 100% owner and operator of the Kvanefjeld Project in Greenland, is pleased to announce a strongly supported Placement (the Placement) to Asian and Australian institutional investors to raise \$10.25 million.

Ashanti Capital acted as Lead Manager to the Placement and introduced a number of prominent institutional investors, the majority of whom will be new shareholders to the Company. This enhancement of GMEL's register comes at an important time for the Company as it moves to a transformational year in 2018.

Completion of Capital Raise

The Company announces the completion of the Placement, which will raise A\$10.25 million before costs. The placement was undertaken at an issue price of A\$0.09c per share, representing;

- a 21.74% discount to the last closing share price of GMEL shares on Tuesday, 21 November 2017 of \$0.115; and
- a 15.88% discount to the 30 day volume weighted average price of GMEL shares trading on ASX up to and including 21 November 2017

The Company has accepted firm commitments for \$9 million, comprising 100,000,000 shares at \$0.09 cents per share. In addition, major shareholder Shenghe Resources Holding Co Ltd (Shenghe) confirmed their intent to maintain their 12.5% shareholding through investing \$1.25 million, in accordance with their non-dilution rights. Shenghe will deliver notice to the Company when regulatory approvals have been addressed in order to exercise their non-dilution rights. The Company will look to update on the timing of regulatory approvals. In total, funds raised will be \$10.25 million.

The placement was limited to institutional and sophisticated investors in accordance with Section 708 Corporations Act and shares will be issued within the Company's Listing Rule 7.1 capacity. The participation of numerous Asian and Australian funds alongside Shenghe is a strong endorsement and recognition of the significance of Kvanefjeld as the outlook for the rare earth sector continues to strengthen.

Managing Director Dr John Mair commented:

"We're extremely pleased with the strong level of support from a cross section of prominent institutional investors who along with Shenghe provide strong endorsement of the Kvanefjeld Project and the Company strategy.

We're well placed to roll out optimisation work through 2018 that aims to have Kvanefjeld positioned as the lowest-cost, largest capacity rare earth project outside of China, with the longest projected mine life. In association with Shenghe, we'll be looking to develop a complete path to market and project finance strategy. The demand outlook for rare earths continues to strengthen creating an optimal window to position Kvanefjeld for the development phase.

We wish to thank Ashanti Capital for their assistance in completion of the placement and associated investor marketing. The Board of GMEL would also like to thank existing shareholders for their continued support, and welcome new shareholders to the Company, as we position Kvanefjeld for the development pipeline."

Background

In 2017, GMEL commenced optimisation studies with globally recognised rare earth company and major shareholder Shenghe, who brings leading rare earth processing technology and industry understanding to the world's most significant emerging rare earth project in Kvanefjeld. GMEL is now well-funded to continue optimisation work, update project cost structure, feasibility studies and enhance development strategy. Through 2018, the outcomes of optimisation work will be progressively rolled out, with engineering and feasibility studies updated accordingly. This will lead to revised operating and capital cost estimates.

Of the small number of advanced rare earth projects globally, Kvanefjeld is forecast to be the largest producer of key rare earths including neodymium (Nd), praseodymium (Pr) and dysprosium (Dy) that are essential to high powered permanent magnets used in the electric drive motors of EV's. Demand

for these elements is being further boosted by strong growth in off-shore wind power where RE magnets are also used.

Based on an ore reserve of 108 million tonnes, the project has an initial mine-life of 37 years, with the reserve representing only ~10% of the 1 billion tonne mineral resource estimate (JORC, 2012). Key project attributes include resource scale, enrichment across the full rare earth spectrum, simple, pilot plant proven processing, and year-round direct shipping access. In addition, Kvanefjeld is projected to produce a series of by-products including U₃O₈, zinc and fluorspar.

The outlook for rare earths continues to strengthen driven by the electrification of transport systems, the continued roll-out of offshore wind turbines to meet lower carbon emissions targets, smart phones, and a range of new energy efficient technologies. With the involvement of Shenghe, who bring leading technology, an international marketing network and strong financial capacity Kvanefjeld is well placed to become one of the most important new suppliers of rare earths globally.

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

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.

Classification (JORC 2012)	Inventory (MT)	REO (ppm)	U ₃ O ₈ (ppm)	Zn (ppm)
Proven	43	14,700	352	2,700
Provable	64	14,000	368	2,500
Total	108	14,300	362	2,600

-ENDS-

PERTH: Unit 6, 100 Railway Road, Subiaco Western Australia 6008 **POSTAL:** PO Box 2006, Subiaco WA 6904

Telephone: +61 8 9382 2322 Facsimile: +61 8 9382 2788

GREENLAND: PO Box 156, Narsaq, Greenland 3921

WEB: www.ggg.gl **EMAIL:** info@ggg.gl **ABN:** 85 118 463 004

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 May, 2015. The studies demonstrate the potential for a large-scale, long-life, cost-competitive, multi-element mining operation. An exploitation (mining) license application for the initial development strategy was completed in 2015.

In 2017, GMEL is focussed on working closely with Greenland's regulatory bodies on the processing of the mining license application, and maintaining regular stakeholder updates. The Company will be undertaking technical work programs with Shenghe Resources Holding Co Ltd that aim to further enhance the Kvanefjeld Project, and ensure it is aligned with downstream processing. In addition, the Company will look to further value add initiatives including the recovery of additional by-products from the leach solution.

Dr John Mair
Managing Director
+61 8 9382 2322

Christian Olesen
Rostra Communication
+45 3336 0429

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.