

GREENLAND MINERALS AND ENERGY LIMITED
ACN 118 463 004

**NOTICE OF GENERAL MEETING
AND
EXPLANATORY STATEMENT**

For the General Meeting to be held
on Tuesday the 29th November 2016 at 1:30pm (WST) at The Vic Hotel
226 Hay Street, Subiaco, Western Australia

This is an important document. Please read it carefully.
Please speak to your professional advisers if you have any questions about this document or how to
vote at the Meeting.

TIME AND PLACE OF GENERAL MEETING AND HOW TO VOTE

Venue

The General Meeting of the Company will be held at:

The Vic Hotel
The Boardroom – First Floor
226 Hay Street
Subiaco, Western Australia 6008

Commencing
1:30 pm (WST)
29th November 2016

How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 1:30 pm (WST).

Voting by Proxy

To vote by proxy, please complete and sign the enclosed proxy form and return by:

- post to the Company at PO Box 2006, Subiaco, Western Australia, 6904;
- hand to the Company's office at Unit 6, 100 Railway Road, Subiaco, Western Australia, 6008;
- facsimile to facsimile number +61 8 9382 2788; or
- email to voting@ggg.gl,

so that it is received not later than 1:30 pm (WST) on 27th November 2016.

GREENLAND MINERALS AND ENERGY LIMITED
ACN 118 463 004
NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of the Shareholders of Greenland Minerals and Energy Limited will be held at The Vic Hotel, 226 Hay Street, Subiaco, Western Australia, on 29th November 2016 at 1:30pm (WST) for the purpose of transacting the following business.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

AGENDA

RESOLUTION 1 – APPROVAL TO ISSUE SHARES UNDER SUBSCRIPTION AGREEMENT

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 125,000,000 Shares to the Subscriber or its nominee under the Subscription Agreement on the terms set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity as a Shareholder, if this Resolution is passed and any associate of those persons. However, the Company need not disregard a vote if it:

- (a) is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 2 – RATIFICATION OF PLACEMENT SECURITIES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 81,966,668 Shares and 81,966,668 free attaching Options in respect of a placement to unrelated parties on the terms set out in the Explanatory Statement accompanying this Notice."

Voting exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associate of those persons. However, the Company need not disregard a vote if it:

- (a) is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment do not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form or it is cast by Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. The Chairman of the Meeting intends to vote undirected proxies in favour of all Resolutions.
4. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 27th November 2016 at 4:00 pm (WST).
5. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

By order of the Board



Miles Guy
Company Secretary

Dated: 26 October 2016

GREENLAND MINERALS AND ENERGY LIMITED

ACN 118 463 004

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

1. BACKGROUND TO SUBSCRIPTION TRANSACTION

As announced by the Company on 23 September 2016, the Company has entered into the Subscription Agreement by which, at completion, the Subscriber will subscribe for 125,000,000 Shares at an issue price of 3.7 cents each to raise \$4,625,000. The subscription will result in the Subscriber holding 12.5% of the Shares in the Company at completion.

The Subscriber is a subsidiary of Shenghe and is focused on rare earth downstream processing. Shenghe is a leading rare earth company with it and its subsidiaries having experience in the rare earth industrial chain including mining, beneficiation, metallurgy, separation and downstream processing and marketing with financial investment background. Shenghe is listed on the Shanghai Stock Exchange and is focused on the rare earth sector.

The completion of the subscription transaction is subject to conditions precedent including:

- (a) the Subscriber obtaining any necessary FIRB approvals;
- (b) the Company obtaining Shareholder approval to the issue of the 125,000,000 subscription shares (which it is seeking by this Notice); and
- (c) the Subscriber and/or Shenghe obtaining any necessary Chinese regulatory approvals to give effect to the subscription transaction.

The conditions precedent need to be satisfied by 30 November 2016 or such other date as may be agreed in writing between the parties. At the date of this Notice, the conditions precedent referred to above remain outstanding.

The subscription price for the Shares of 3.7 cents each represents a 5% discount to the 60 day volume weighted average price of the Company's Shares as at 19 September 2016.

Other material terms of the Subscription Agreement are:

- (a) Shenghe unconditionally and irrevocably guarantees to the Company the due and punctual performance by the Subscriber of its obligations under the Subscription Agreement.
- (b) Upon completion of the subscription transaction, the Subscriber has a right to have a nominee representative appointed as a non-executive director to the Board of the Company provided the Subscriber maintains at least a minimum share interest of 6.5% of Shares in the Company.
- (c) The Subscriber has anti-dilution or top-up rights upon completion of the subscription transaction. The right is for the Subscriber to subscribe for top-up Shares so as to maintain its existing percentage interest where the Company issues additional

Shares which increases the existing Share capital by greater than 0.5%. The subscription price will be the same price as the additional Shares issued under a capital raising (in the event of a cash capital raising) or, in any other event (such as non-cash consideration), the volume weighted average price of the Shares calculated over the last 10 days on which sales of Shares were recorded before the day on which the additional Shares were issued. The top-up right is subject to the Subscriber maintaining at least a minimum Share interest of 6.5% of Shares in the Company and ceases to operate where the Subscriber's Share interest or voting power exceeds 19.9%. The Company has obtained a waiver from ASX from Listing Rule 6.18 to enable the Company to provide the anti-dilution rights to the Subscriber. In addition to the conditions set out above, the top-up right will cease on the date the ASX considers that the strategic relationship between the Company and the Subscriber or Shenghe changes in such a way so as to effectively cease.

The key objective of the parties to the Subscription Agreement is to develop the Kvanefjeld Project as a cornerstone to new supply networks. The Company believes Shenghe and the Subscriber are ideal strategic partners for the Kvanefjeld Project given Shenghe's technical expertise, processing capacity and international customer base.

The strategic relationship is acknowledged in the Subscription Agreement as the parties will enter into a technical cooperation program for the technical and economic enhancement of the Kvanefjeld Project. Subject to the Company receiving a mining (exploitation) licence for the Kvanefjeld Project and the successful completion of technical cooperation to enhance the Project, the Subscriber may notify the Company of its intention to negotiate terms to acquire a direct interest in the Kvanefjeld Project, in association with project development.

Should this occur, the parties will enter into commercial negotiations in good faith. Any such project level investment and associated agreement will be subject to regulatory and commercial considerations, as well as relevant approvals.

By Resolution 1, the Company seeks Shareholder approval to issue 125,000,000 Shares in accordance with the Subscription Agreement.

2. RESOLUTION 1 – APPROVAL TO ISSUE SHARES UNDER SUBSCRIPTION AGREEMENT

Resolution 1 seeks Shareholder approval so that the Company may issue 125,000,000 Shares to the Subscriber in accordance with the Subscription Agreement, the material terms of which are set out in Section 1 above.

Listing Rule 7.1 provides, subject to certain exceptions, a listed company must not issue equity securities where the number of equity securities proposed to be issued represents more than 15% of the company's shares then on issue without the approval of shareholders.

Shareholder approval is required for the purposes of Listing Rule 7.1 as the Company has used its remaining placement capacities by the issue of the Placement Securities the subject of Resolution 2.

In accordance with Listing Rule 7.3, the following information is provided to Shareholders:

- (a) The maximum number of securities to issue is 125,000,000 Shares.
- (b) The Shares will be issued no later than 3 months after the date of this Meeting (or a later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The issue price of the Shares is 3.7 cents each.

- (d) The Shares will be issued to the Subscriber in accordance with the Subscription Agreement. The Subscriber is not a related party of the Company.
- (e) The Shares will be fully paid ordinary Shares in the Company and rank equally with the Company's current issued Shares.
- (f) The Company intends to use the funds for the development of the Company's Kvanefjeld Project and for general working capital.
- (g) It is intended that the Shares will be issued on one date.

The Directors unanimously recommend that Shareholders vote in favour of the issue of this Resolution to enable the Company to complete the subscription transaction under the Subscription Agreement.

3. RESOLUTION 2 – RATIFICATION OF PLACEMENT SECURITIES

Resolution 2 seeks Shareholder ratification in relation to the issue of 81,966,668 Shares and 81,966,668 free attaching Options in respect of a placement conducted to unrelated parties in June 2016 that raised \$2,459,000 before costs.

Listing Rule 7.1 provides, subject to certain exceptions, a listed company must not issue equity securities where the number of equity securities proposed to be issued represents more than 15% of the company's shares then on issue without the approval of shareholders.

Listing Rule 7.4 provides that an issue of securities made without the approval under Listing Rule 7.1 is treated as having been made with approval if the issue of securities did not breach Listing Rule 7.1 (that is, the issue was within the Company's 15% capacity or any additional 10% placement capacity under Listing Rule 7.1A) and shareholders subsequently approve it.

Having obtained Shareholder approval at the Company's Annual General Meeting on 26 May 2016, the Company has an additional 10% placement capacity under Listing Rule 7.1A.

Issues of securities made under Listing Rule 7.1A can also, after they have been made, be ratified under Listing Rule 7.4. This has the effect of refreshing the Company's ability to issue securities within the additional 10% limit, and restoring the Company's ability to make placements within that limit without the need for shareholder approval.

The securities the subject of this Resolution have been issued within the Company's combined capacity under Listing Rules 7.1 and 7.1A and the Company seeks Shareholder ratification of the issue of those securities for the purpose of Listing Rule 7.4 so that the Company's ability to issue securities under Listing Rule 7.1 and Listing Rule 7.1A will be refreshed and it will have flexibility to issue further securities within the capacities should the need or opportunity arise.

In accordance with Listing Rule 7.5, the following information is provided to Shareholders:

- (a) The number of securities issued was :
 - (i) 6,966,668 Shares and 81,966,668 Options under Listing Rule 7.1; and
 - (ii) 75,000,000 Shares under Listing Rule 7.1A.
- (b) The Shares were issued at an issue price of 3 cents per Share and the Options were issued as free attaching Options.

- (c) The Shares are fully paid ordinary shares in the Company and rank equally with the Company's current issued Shares. The Options have an exercise price of 8 cents and an expiry date of 30 September 2018. The full terms of the Options are set out in Schedule 1.
- (d) The Shares and Options were issued to sophisticated, professional and other investors who are exempt from the disclosure requirements under Chapter 6D of the Corporations Act. None of the subscribers is a related party of the Company.
- (e) The Company intends to use the funds raised for the development of the Company Kvanefjeld Project and for general working capital.

The Directors unanimously recommend that Shareholders vote in favour of this Resolution so as to refresh the Company's placement capacities.

GLOSSARY

In the Notice and this Explanatory Statement the following expressions have the following meanings:

"ASX"	ASX Limited (ACN 008 624 691).
"Board"	the Board of Directors of the Company.
"Chairman" or "Chair"	the person appointed to chair the Meeting convened by this Notice.
"Company" or "GGG"	Greenland Minerals and Energy Limited (ACN 118 463 004).
"Directors"	Directors of the Company from time to time.
"Explanatory Statement"	this Explanatory Statement.
"Listing Rules" or "ASX Listing Rules"	the listing rules of the ASX.
"Meeting" or "General Meeting"	the meeting convened by this Notice.
"Notice"	notice of meeting that accompanies this Explanatory Statement.
"Option"	an option to subscribe for a Share.
"Placement Securities"	means the 81,966,668 Shares and 81,966,668 Options the subject of Resolution 2.
"Resolution"	a resolution referred to in the Notice.
"Share"	a fully paid ordinary share in the capital of the Company.
"Shareholder"	a registered holder of Shares in the Company.
"Shenghe"	means Shenghe Resources Holding Co. Ltd, a company incorporated in China.
"Subscriber"	means Le Shan Shenghe Rare Earth Company Limited, a company incorporated in China.
"Subscription Agreement "	means the subscription deed between the Company, the Subscriber and Shenghe made on or about 20 September 2016.
"WST"	WST, Perth, Western Australia.
"`\$"	Australian dollars unless otherwise stated.

SCHEDULE 1

TERMS OF OPTIONS (Resolution 2)

The terms of the Options are:

1. Each Option entitles the holder to one Share in the capital of the Company.
2. The Options may be exercised at any time prior to 5.00pm WST on 30 September 2018.
3. The exercise price of the Options is 8 cents each.
4. Application will be made for the Options to be quoted and the Options will be freely tradeable.
5. The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("Notice of Exercise"). Options may be exercised by the Option holder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be allotted and the identity of the proposed allottee. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share. The Company will process all relevant documents received at the end of every calendar month.
6. All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares.
7. There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised. The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
8. If there is a bonus issue ("Bonus Issue") to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("Bonus Shares"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
9. In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the Listing Rules

GREENLAND MINERALS AND ENERGY LIMITED

ACN 118 463 004

PROXY FORM

**APPOINTMENT OF PROXY
GREENLAND MINERALS AND ENERGY LIMITED
ACN 118 463 004**

I/We

being a Member of Greenland Minerals and Energy Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of Proxy (Insert the name of the person or body corporate you are appointing if this person is someone other than the Chairman of the Meeting. Do not insert your own name.)

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Meeting to be held at the Vic Hotel, 226 Hay Street, Subiaco, Western Australia on 29th November 2016 at 1:30 pm (WST) and at any adjournment thereof.

If you appoint the Chairman of the Meeting as your proxy (or the Chairman of the Meeting becomes your proxy by default) and you do not direct your proxy how to vote then by signing and returning this Proxy Form you will be expressly authorising the Chairman to exercise your proxy in respect of the Resolutions. **The Chairman intends to vote any undirected proxies in favour of all Resolutions.** If you appoint the Chairman as your proxy you can direct him/her to vote for or against or to abstain from voting on the Resolutions by marking the appropriate box below.

Voting on Business of the Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Approval to issue Shares under Subscription Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Placement Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %

Please return this Proxy Form to the Company in accordance with the accompanying instructions.

Signed this _____ day of _____ 2016.

By:

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature

Director

Signature

Director/Secretary

Signature

Sole Director and Sole Secretary

GREENLAND MINERALS AND ENERGY LIMITED

ACN 118 463 004

Instructions for Completing Proxy Form

1. A Shareholder of the Company who is entitled to attend and cast two or more votes at a general meeting of Shareholders is entitled to appoint two proxies. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a Company may execute a document without using its common seal if the document is signed by:
 - 2 Directors of the Company;
 - a Director and a Company Secretary of the Company; or
 - for a proprietary Company that has a sole Director who is also the sole Company Secretary – that Director.

For the Company to rely on the assumptions set out in sections 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with sections 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole Director and sole Company Secretary of the Company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. Lodgement of Proxy Form

To vote by proxy, please complete and sign the proxy form enclosed with this Notice and lodge as follows:

- post to the Company at PO Box 2006, Subiaco, Western Australia, 6904;
- hand to the Company's office at Unit 6, 100 Railway Road, Subiaco, Western Australia, 6008;
- facsimile to facsimile number +61 8 9382 2788; or
- email to voting@ggg.gl,

so that it is received not later than 1:30 pm (WST) on 27th November 2016.