

Greenland Minerals and Shenghe Commence Technical Cooperative Program to Further Enhance Kvanefjeld

Greenland Minerals and Energy Ltd ('GMEL' or 'the Company') is pleased to advise that the technical cooperative program with strategic partner and 12.5% shareholder, Shenghe Resources Holding Ltd (Shenghe) has commenced. A joint Technical Committee has been established with representatives from both GMEL and Shenghe to oversee the programs to further enhance and optimise the Kvanefjeld Project in Greenland.

At a series of meetings held recently in China, the Technical Committee mapped out several work programs which will start immediately with the objective of optimising the current flowsheet to significantly improve Project economics.

The optimisation programs will address two key elements of the Project.

1. Concentrate Grade and Recovery

Shenghe has a long standing relationship with the prestigious Institute of Multipurpose Utilisation of Mineral Resources (IMUMR), a state-owned scientific research institution which is based in Chengdu and is a 14.9% shareholder in Shenghe.

The Technical Committee will commission the IMUMR to apply its demonstrated expertise in the areas of rare earths beneficiation to further improve the grade and recovery of rare earths from Kvanefjeld ore.

IMUMR specialises in research into mineral resources, with a strong focus on rare earth resources. Its research and development results have been applied in several industrialized rare earth mining operations in China. IMUMR also has experience in providing customised technical service to overseas rare earth deposits. GMEL expects positive optimisation opportunities for Kvanefjeld to result from this work. IMUMR's work will be undertaken in their facilities in China.

2. Refinery Optimisation

The Technical Committee, with significant input from Shenghe personnel, has identified several potential flow-sheet improvements which, if proven to be economically viable, will simplify and optimise the Project. The refinery optimisation work will be undertaken in Australia. The refinery work programs will also explore the recovery of additional by-products from the leach stream.

These optimisation programs will begin as soon as the scope-of-work documentation is complete and are scheduled to run through 2017 in parallel with the processing of the mining licence application, which is well advanced in Greenland. Both concentrator and refinery programs will run concurrently to fast-track the process.

The entry of Shenghe to the Kvanefjeld Project has immediately introduced a source of high level technical expertise as well as deep commercial knowledge on the rare earth sector which enables GMEL to configure Kvanefjeld to maximise its value as a significant, long term source of vital rare earths elements for the global industry. The Company looks forward to updating the market on developments as these work programs progress.

GMEL Managing Director Dr John Mair commented:

'We are genuinely excited to have the technical cooperation with our major shareholder Shenghe underway. Shenghe and IMUMR bring vast technical capacity to the Kvanefjeld Project, and their involvement will ensure we can achieve the best possible outcome and consolidate the project strengths. This is important for Greenland stakeholders and company shareholders alike. We know what we are aiming to achieve, and are confident of successful results, which will be a game changer for global specialty metal supply.'

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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, and updated in April, 2016. 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 is currently being processed by the Government of Greenland and their advisory groups.

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 is undertaking technical work programs with Shenghe Resources Holding that aim to further enhance the Kvanefjeld Project, and ensure it is aligned with downstream processing.

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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.