



Company Announcement: *Wednesday June 15th, 2011*

Update on Operations in Greenland

Greenland Minerals and Energy Ltd (“GMEL” or “the Company”) is pleased to provide an update on operational activities in Greenland. The company commenced the 2011 field program in mid-May, with a focus on:

- *Resource definition at new multi-element deposits within the northern Ilimaussaq Complex;*
- *Ongoing environmental baseline studies;*
- *Reconnaissance engineering studies that aim to evaluate the suitability of sites for key infrastructure items.*

Stakeholder engagement programs continue, with a well-received open day having recently been held in the town of Qaqortoq, south Greenland.

Background

A 619 Mt multi-element resource (rare earth elements, uranium, zinc) has already been defined at Kvanefjeld; the first focal point of resource definition within the northern Ilimaussaq project area. The global resource at Kvanefjeld includes an inventory of 6.6 Mt of total rare earth oxides (TREO); the world’s largest resource of rare earths as defined by internationally-recognised reporting codes. In 2010, regional drilling confirmed the presence of three other significant multi-element deposits within the broader project area (see Figure 1). Currently resource definition drilling is being conducted on these new areas to establish initial JORC-code compliant resource estimates.





Figure 1. View over GMEL’s multi-element project on the northern Ilimaussaq Complex in Greenland. Resources have been defined at Kvanefjeld, with Steenstrupfjeld, Zone 2 and Zone 3 representing new areas of significant mineralisation. See recent company announcements for drill results from these zones. The distance from Kvanefjeld to Zone 2 is 6 km. The deposits identified represent the outcropping expressions of an ore system that is interconnected at depth.

Two diamond drill rigs are currently operating on Zone 2 where over 2000 metres of core have been drilled to date. Upon completion of the planned drill holes at Zone 2, both drill rigs will move to the Zone 3 area located along the northeastern margin of the Ilimaussaq complex. A third rig is scheduled to commence drilling in the Steenstrupfjeld area in the coming days. Approximately 15,000 m of drilling is planned for the season.

Stakeholder Engagement: Qaqortoq Open Day

GMEL has also continued with its stakeholder relations program, with a company open day held in Qaqatoq; the largest town in south Greenland. Qaqatoq is located approximately 30 km from the town of Narsaq where GMEL’s operations are based. The open day format is designed to provide a comprehensive update on the Kvanefjeld project, with a strong emphasis on the feasibility studies and the environmental and social impact assessments.



Scenes from GMEL's recent open day held in Qaqortoq, the largest town in south Greenland.

The open day took place in the Qaqortoq sports centre, which was turned into a display of posters and presentations covering all aspects of the Kvanefjeld project. A large contingent of company personnel and key consultants were on hand to talk through all aspects of the Kvanefjeld project.

The event was extremely well attended with well over 1,500 south Greenland residents embracing the opportunity to learn more about the Kvanefjeld project. This was the second open day that the company has conducted, with a similar open day having been held in the town of Narsaq where the Company's operations are based, in August 2010. The open day was reported on as a successful event by Greenlandic media.

Yours faithfully,



Roderick McIlree
Managing Director
Greenland Minerals and Energy Ltd

Table 1. Statement of Identified Mineral Resources, Kvanefjeld Multi-Element Project, March 2011.

Cut-off (U ₃ O ₈ ppm) ¹	Multi-Element Resources, Classification, Tonnage and Grade									Contained Metal				
	Classification	M tonnes Mt	TREO ² ppm	U ₃ O ₈ ppm	LREO ppm	HREO ppm	REO ppm	Y ₂ O ₃ ppm	Zn ppm	TREO Mt	HREO Mt	Y ₂ O ₃ Mt	U ₃ O ₈ M lbs	Zn Mt
150	Indicated	437	10929	274	9626	402	10029	900	2212	4.77	0.18	0.39	263	0.97
150	Inferred	182	9763	216	8630	356	8986	776	2134	1.78	0.06	0.14	86	0.39
150	Grand Total	619	10585	257	9333	389	9721	864	2189	6.55	0.24	0.53	350	1.36
200	Indicated	291	11849	325	10452	419	10871	978	2343	3.45	0.12	0.28	208	0.68
200	Inferred	79	11086	275	9932	343	10275	811	2478	0.88	0.03	0.06	48	0.20
200	Grand Total	370	11686	314	10341	403	10743	942	2372	4.32	0.15	0.35	256	0.88
250	Indicated	231	12312	352	10950	443	11281	1032	2363	2.84	0.10	0.24	178	0.55
250	Inferred	41	11251	324	10929	366	10426	825	2598	0.46	0.02	0.03	29	0.11
250	Grand Total	272	12152	347	10947	431	11152	1001	2398	3.30	0.12	0.27	208	0.65
300	Indicated	177	13013	374	11437	469	11906	1107	2414	2.30	0.08	0.20	146	0.43
300	Inferred	24	13120	362	11763	396	12158	962	2671	0.31	0.01	0.02	19	0.06
300	Grand Total	200	13025	373	11475	460	11935	1090	2444	2.61	0.09	0.22	164	0.49
350	Indicated	111	13735	404	12040	503	12543	1192	2487	1.52	0.06	0.13	98	0.27
350	Inferred	12	13729	403	12239	436	12675	1054	2826	0.16	0.01	0.01	10	0.03
350	Grand Total	122	13735	404	12059	497	12556	1179	2519	1.68	0.06	0.14	108	0.31

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.

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), that is rapidly emerging as a premier specialty metals project. An interim report on pre-feasibility studies has demonstrated the potential for a large-scale multi-element mining operation. For further information on Greenland Minerals and Energy visit <http://www.ggg.gl> or contact:

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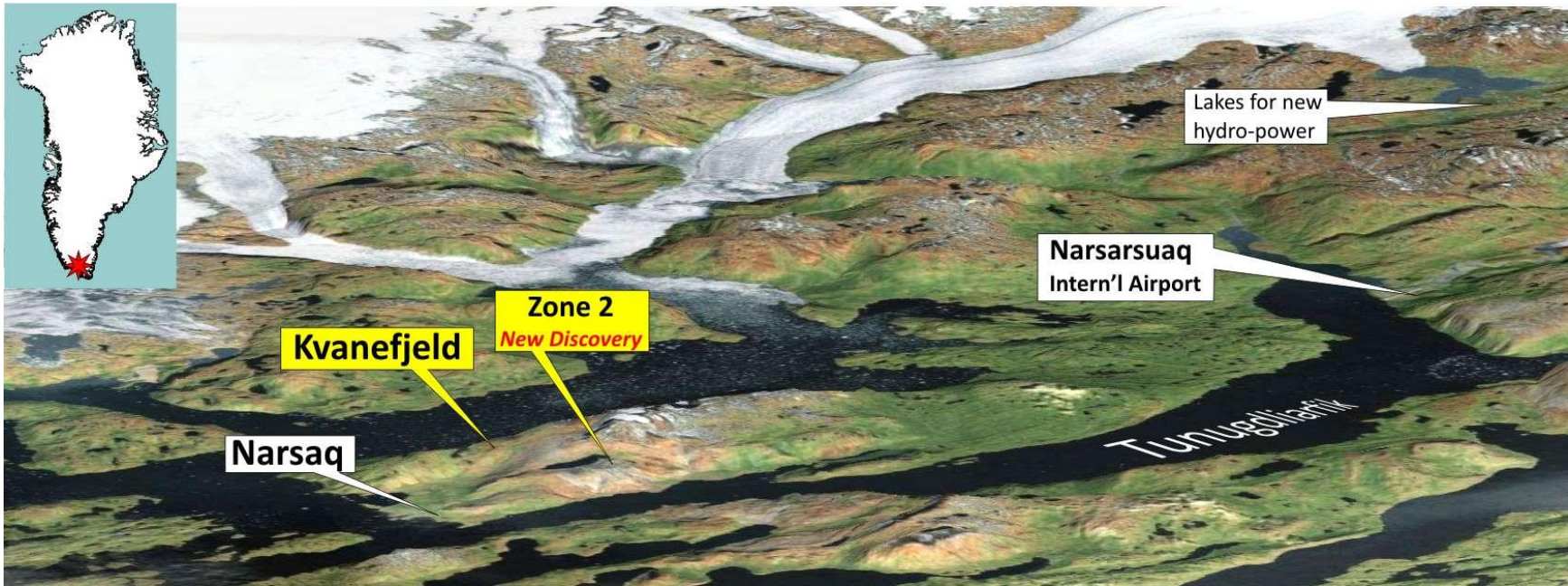
Greenland Minerals and Energy Ltd is aware of and respects the Greenlandic government's stance on uranium exploration and development in Greenland – which is currently a zero tolerance approach. However, a new amendment has been introduced to the standard terms for exploration licenses in Greenland that creates a framework for the evaluation of projects that include uranium amongst other economic elements. Within this framework the Company is permitted to fully evaluate the Kvanefjeld project, inclusive of radioactive elements.

The Kvanefjeld Project is recognised as the world's largest undeveloped JORC-compliant resource of rare earth oxides (REO), in a multi-element deposit that is also enriched in uranium and zinc.

Greenland Minerals will continue to advance this world class project in a manner that is in accord with both Greenlandic Government and local community expectations, and looks forward to being part of continued community discussions on the social and economic benefits associated with the development of the Kvanefjeld Project.

The information in this report that relates to exploration results, geological interpretations, appropriateness of cut-off grades, and reasonable expectation of potential viability of quoted rare earth element, uranium, and zinc resources is based on information compiled by Jeremy Whybrow. Mr Whybrow is a director of the Company and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Whybrow has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Whybrow consents to the reporting of this information in the form and context in which it appears.

The geological model and geostatistical estimation for the Kvanefjeld deposit were prepared by Robin Simpson of SRK Consulting. Mr Simpson is a Member of the Australian Institute of Geoscientists (AIG), and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Simpson consents to the reporting of information relating to the geological model and geostatistical estimation in the form and context in which it appears.



View over the broader geography of GMEL's multi-element project on the northern Ilimaussaq Complex located in southern Greenland. The fjords form a large-scale natural harbor system that is open to the north Atlantic shipping lanes all year round, and provide easy access to the project area. The distance from Narsaq to Narsarsuaq is approximately 45 km.

