

GREENLAND

MINERALS AND ENERGY LTD

Company Announcement

Tuesday, September 7th

We refer to the current suspension of Greenland Minerals and Energy Limited (“GMEL” or “the Company”).

The Australian Securities Exchange Limited (ASX) has requested the reinstatement of the Company’s securities after the lodgement of this announcement.

Background

On 1 August 2010 Greenland Minerals and Energy Ltd requested a trading halt following press articles in Greenland that did not reflect the Company’s understanding of its position regarding ongoing work programs on Kvanefjeld multi-element project (EL 2010/2).

The Company has since received a letter from the Minister for Industry and Mineral Resources.

Main points in the correspondence received from the Minister for Industry and Mineral Resources:

- The letter confirmed that the existing zero tolerance policy for uranium mining was still in place and that no change to that policy had been decided.
- It further advised that more information regarding environmental, health and regulatory aspects of uranium mining are required before any changes to the policy was to be considered and that the government intends to investigate these areas further before making any policy decisions.
- The letter then confirmed that the Company’s exploration licence at Kuannersuit (EL 2010/2 or Kvanefjeld) is in good standing and that the Company can continue its exploration activities and feasibility studies aimed at understanding the features of the multi-element deposit.

- Finally it affirmed that a decision to permit mining would be subject to the information generated in the Company's detailed feasibility studies, with an emphasis on environmental and social impact assessments.

Following receipt of the letter Company representatives met with the Bureau of Minerals and Petroleum (BMP) to further discuss the evaluation and assessment of the Kvanefjeld project. These discussions built positively upon the points outlined above from the Minister for Industry and Mineral Resources. The outcomes of the discussions between the Company and BMP are now being reviewed by the government. Given the short notice upon which the items have been presented for government discussion and the necessary considerations, the timetable for an outcome is yet to be determined. However, the Company anticipates further updates from the government in the coming weeks, and will update shareholders accordingly.

Since entering a trading halt on August 1st, GMEL has maintained a dialogue with the ASX in regard to the suspension of its shares. In consideration of the uncertain timing for the finalisation of the government review, the ASX has now recommended that the Company resumes trading. GMEL would like to affirm that the Greenland government has made clear its support for ongoing work programs on the Kvanefjeld multi-element project, and that the outcomes of the Company's detailed feasibility studies will form the basis of a decision on whether to grant an exploitation permit.

Yours faithfully,



Roderick McIlree

Managing Director
Greenland Minerals and Energy Ltd

ABOUT GREENLAND MINERALS AND ENERGY LTD

Greenland Minerals and Energy Ltd (ASX – GGG) is an exploration and development company focused on unlocking the mineral riches of southern Greenland. The Company's flagship project is the Kvanefjeld multi-element deposit that is recognised as the world's largest JORC-compliant resource of rare earth elements in a deposit that also is enriched in uranium and zinc. An interim report on pre-feasibility studies has demonstrated the potential for a large-scale 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 stance on uranium exploration and development in Greenland – which is currently a zero tolerance approach to the exploration and exploitation of uranium. Any potential change toward the current stance of zero tolerance is not expected until after the public consultation and review process is concluded in the coming months.

The Company is currently advancing the Kvanefjeld Project, recognised as the world's largest undeveloped JORC-compliant resource of rare earth oxides (REO), in a multi-element deposit that is inclusive of 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 the community discussion on the social and economic benefits associated with the development of the Kvanefjeld Project.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Jeremy Whybrow, who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy or the Australian Institute of Geoscientists or a 'Recognised Overseas Professional Organisation' ('ROPO') included in a list promulgated by the ASX from time to time.

Jeremy Whybrow is a director of the company.

Jeremy Whybrow has sufficient experience which is 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 in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Jeremy Whybrow consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 1.

Statement of identified mineral resources, Kvanefjeld multi-element project, Greenland

At U₃O₈% cutoff grades¹	Tonnes (million)	U₃O₈%²	U₃O₈ lb/t	TREO%³	Zn%	Resource category
0.015	365	0.028	0.62	1.06	0.22	Indicated
	92	0.027	0.59	1.12	0.22	Inferred
	457	0.028	0.62	1.07	0.22	TOTAL
0.020	276	0.032	0.70	1.13	0.23	Indicated
	63	0.031	0.69	1.21	0.24	Inferred
	339	0.032	0.70	1.14	0.23	TOTAL
0.025	207	0.035	0.77	1.20	0.23	Indicated
	43	0.036	0.78	1.31	0.25	Inferred
	250	0.035	0.77	1.22	0.24	TOTAL

1- There 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.

2- Additional decimal places do not imply an added level of precision.

3- Total 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.