



Company Announcement: *Wednesday May 18th, 2011*

Greenland Minerals Consolidates Ground Position Around the Ilimaussaq Complex and Kvanefjeld REE-U-Zn Project

Greenland Minerals and Energy Limited (“GMEL” or “the Company”, ASX:GGG) is pleased to announce that it has increased its ground position around the Ilimaussaq Complex in south Greenland. The Ilimaussaq Complex is host to the world-class Kvanefjeld multi-element resource (rare earth elements, uranium, zinc), as well as three other deposits that have recently been discovered (Steenstrupfjeld, Zone 2, and Zone 3).

GMEL had applied for the available exploration licenses surrounding the Ilimaussaq Complex, and the application was approved yesterday by the Greenland Government. No consideration was paid outside of normal license application fees.

The increase in ground position is in line with GMEL’s aim of developing a mining operation to exploit the vast multi-element resources of the northern Ilimaussaq Complex (see Table 1). Initial studies demonstrated the viability of a multi-element operation that could be developed to become the largest rare earth producing mine outside China; thereby creating a stable new long-term supply hub of rare earth metals in southern Greenland.

The new license areas occur immediately adjacent to the Ilimaussaq Complex and may be prospective for specialty metal mineralization hosted near the margins of the complex (see Figure 1). GMEL aims to conduct evaluations to assess the potential for mineralization, in conjunction with sterilising key areas that are under assessment for plant and infrastructure locations. The Company is considering a number of possible locations for key infrastructure items, which include areas adjacent to the Kvanefjeld resource, as well as the broad area on the northeastern side of the Ilimaussaq Complex. Stakeholder input and environmental considerations are a critically important to the site selection process. Options for the location of key infrastructure items have recently been presented to Greenlandic stakeholders during public meetings held in early April.

Greenland Minerals is currently working to establish the optimal development scenario for a sustainable, long-term, economically-robust mining operation in southern Greenland to produce both light and heavy rare earth elements, uranium oxide and zinc.



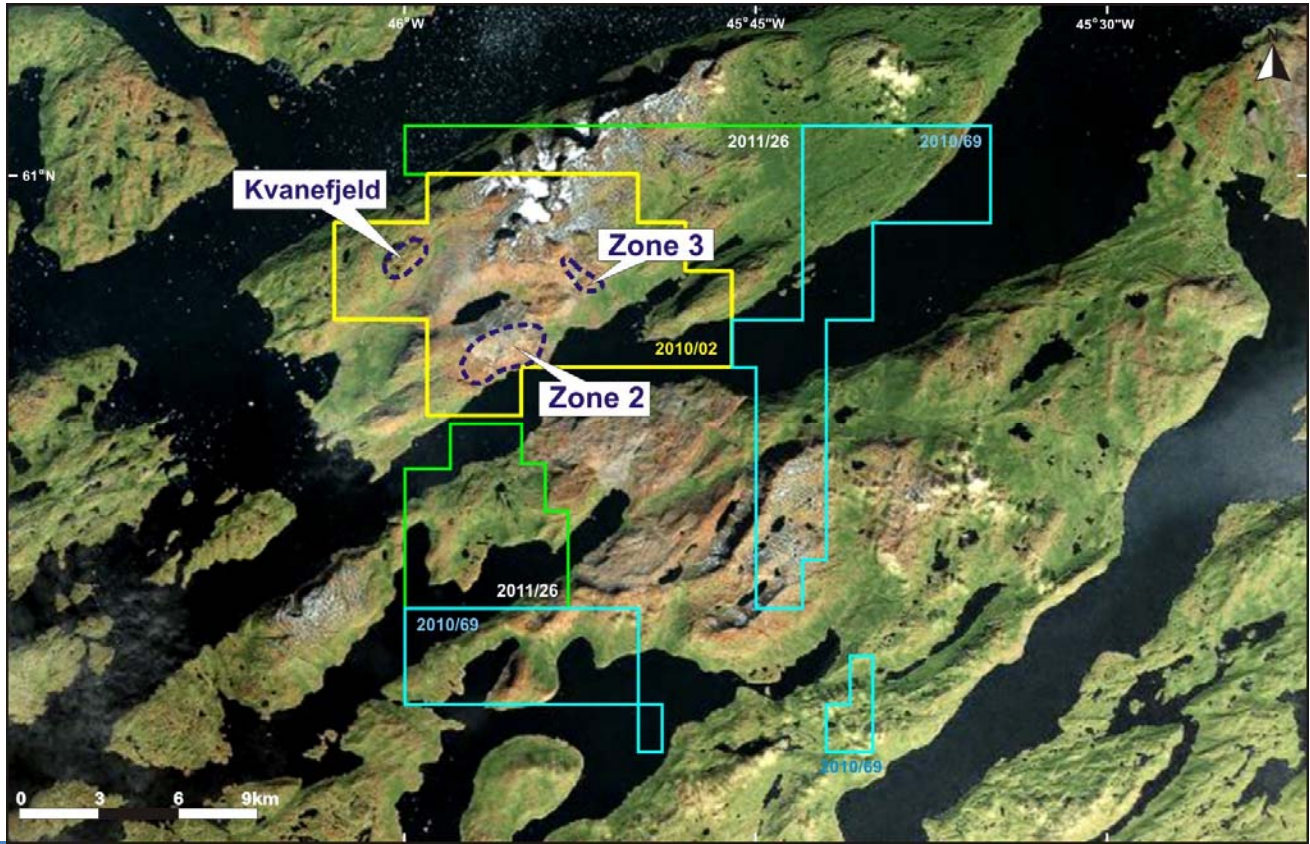


Figure 1. Image over GMEL’s multi-element project on the Ilimaussaq Complex in southern Greenland. The newly acquired licenses are delineated with green and blue outlines, and serve to consolidate the Company’s ground position as feasibility studies continue to progress. The world’s largest JORC-code compliant rare earth resource is located at Kvanefjeld in a deposit that is also enriched in uranium and zinc. New deposits have recently been discovered at Zones 2 and 3. The deep-water fjord system in southern Greenland creates a large-scale natural harbor that can provide clear access to the project area for shipping, all year round.

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 unlocking the mineral riches of southern 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.