

Media Release  
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## Interim PFS report indicates Kvanefjeld Project poised to become one of worlds largest rare earth mines

### Key Points:

- Interim pre-feasibility report into Kvanefjeld Project in Greenland completed,
- Report indicates that Kvanefjeld could be developed as a world class, economically robust, large scale mining operation,
- NPV of US\$2.18 billion and free cash flow of US\$8.9 billion over the 23 mine life,
- Kvanefjeld resource estimate, of 4.9mt of rare earth oxides (“REO”) and 0.12mt of uranium oxide, is recognised as the world’s largest REO resource by either JORC or Canadian NI 43-101 standards, and
- 2010 work programme focused on optimising project economics and its base case scenario.

Emerging multi element exploration and development company Greenland Minerals and Energy Ltd (**ASX:GGG**) (“GMEL” or “the Company”) has, following the completion of an interim report from its Pre Feasibility Study, confirmed the multi-element Kvanefjeld Project (“Kvanefjeld”) in Southern Greenland has the potential to become one of the worlds largest rare earth mines

The interim report from the GMEL pre-feasibility study provided a Net Present Value (NPV) of US\$2.18 billion and free cash flow of US\$8.9 billion over the life of the project using the following key assumptions:

- a processing rate of 10.8mt pa,
- conventional open pit mine,
- waste to ore strip ratio of 0.8:1,
- a project life of 23 years,
- un-g geared capital costs of US\$2.31 billion,
- construction commencing in 2013 with production commencing in 2015,
- mean operating costs of 7.50/t of ore treated, and
- Rare Earth carbonate prices of US\$13/kg uranium price of US\$80/lb, growing annually at 5%

The report also gave a clear indication that the Kvanefjeld Project could be developed as a world class, economically robust, large-scale mining operation that would produce a rare earth concentrate and uranium oxide over a +20 year mine life.

**Greenland Minerals and Energy Limited**



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Initial estimates indicate the proposed output at Kvanefjeld could rival that of Bayan Ebo in China, the world's largest rare earth producing mine that accounts for approximately 40% of current world production.

“Should the Kvanefjeld Project be developed as outlined in the interim report it is also highly likely it will play a leading role in alleviating a worldwide shortfall of rare earths,” Said Greenland Minerals and Energy Managing Director, Mr Roderick Mcillree.

“The People's Republic of China satisfies a total of 97 percent of global demand and in recent months indicated their desire to cease the export of certain rare earths, therefore creating a significant supply deficit in the market.”

GMEL's independent market research indicates that by 2015, prices for mixed rare earth carbonate (similar to GMEL expected product) will fall within the range US\$7.50/kg to US\$18.50/kg, tending towards the upper end of this range. The company is of the view that the apparent relative equilibrium in the market over the next few years masks pressures that are likely to build in the medium to long term and the long term.

On the Uranium front independent research indicates that the price for uranium will range between US\$70 to US\$90/lb in the medium to long-term. The price assumption of US\$80/lb by 2015 assumes an annual growth of only 5%. Over the previous five years U<sub>3</sub>O<sub>8</sub> long term contract prices have escalated at over 21% pa.

“The interim report on the Kvanefjeld PFS has confirmed the company's view that the project not only economically sound, but will provide substantial cash flow over the life of the mine”, Mr Mcillree added.

“The results confirm that Kvanefjeld can fill the looming void in global rare earth supply. This should be welcome news to rare earth consumers worldwide”.

Based on the results of its pre-feasibility study and associated interim report GMEL has now taken the decision to accelerate further studies into mining operations at Kvanefjeld to further enhance the project economics. The 2010 work programme will focus on:

- Social and environmental impact studies,
- Beneficiation studies,
- Improving rare earth recoveries,
- Investigating zinc recovery,
- Improving mine schedule,
- Converting inferred to indicated resources, and
- Defining new multi-element resources.

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Kvanefjeld's JORC compliant resource estimate, containing 4.79mt of rare earth oxides ("REO") and 0.12mt of uranium oxide, is recognised as the world's largest REO resource by either JORC or Canadian NI 43-101 standards.

GMEL owns the asset through its 61% holding in the joint venture vehicle. GMEL has options to move to 90% and then 100% through two payments of AU\$10m and AU\$50m respectively.

A full summary of the interim report from its Pre Feasibility Study is attached.

For further information visit [www.ggg.gl](http://www.ggg.gl) or contact:

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### About Greenland Minerals and Energy

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, zinc, uranium), that is rapidly emerging as the world's premier specialty metals projects. Kvanefjeld has now entered the pre-feasibility phase that will ultimately map out a path to development and timeline to production.

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