

GGG.AU

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 Rare Earth Elements, Uranium, Zinc, Sodium Fluoride
 Greenland
 Advanced Exploration
 Exchanges: ASX:GGG

Greenland Minerals and Energy Ltd

A\$ 0.62

A Pre-Feasibility Study of the giant Kvanefjeld Deposit (283mlb U₃O₈ and 4.91mt total REO), including a process flow sheet, is expected in late 2009. GGG is engaged in wide-reaching community consultation about development of the project.

Capital Profile

Share price (A\$)	0.62
52 week range (A\$/share)	0.15 to 0.67
Number of shares (m)	223
Options and warrants (m)	176
Convertible notes (m)	0
Fully diluted (m)	398
Market capitalisation (undiluted) (A\$m)	138.0
Debt (A\$m) - Dec 09F	0.0
Enterprise value (A\$m)	138.0
Major shareholders: GCM Nominees (18.1%), Westrip Holdings (15.6%), Gravner Ltd (15.0%), ANZ Nominees (10.5%), HSBC Custody Nom. (5.5%)	
Avg monthly volume (m)	24
Cash (A\$m) - Dec 09F	8.6
Price/Cash (x)	16.1
Price/Book (x)	2.8
Listed company options:	GGGO

Investment Points

Multi-element focus at Kvanefjeld - uranium component valued at approx ~US\$12.7bn (US\$45/lb).

Potential to be one of the world's largest REE and U deposits - plus economic potential NaF, Zn and Sn.

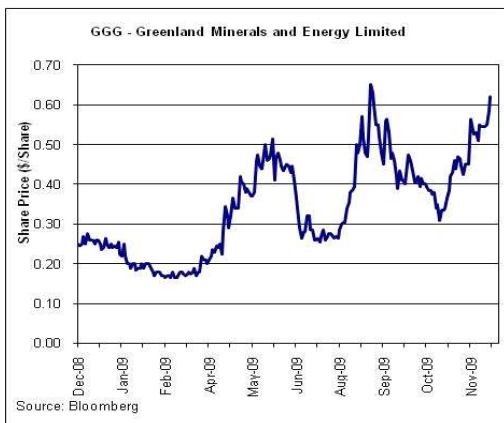
JORC resource (Jun '09) containing 283mlbs U₃ 4.9mt REO, 1mt Zn and 3.1mt NaF- defined over 2km x 1km, open at depth (>300m) and along strike.

Exploration budget '09 is A\$3m. Drilled 5,417m (geotech and met) in June-August 2009.

Metallurgy and mineralogy budget ~A\$5m in 2009. Pre-feasibility study, with mine plan (Coffey) and process flow sheet (GRD Minproc, ANSTO), expected late 2009.

Placements in 2Q09 raised A\$6m @ A20-25c/share.

Actively consulting with Greenland community and Government about issue of uranium production.



Production and Financial Forecasts

Year End: June	Sep-09a	Dec-09F	2008a	2009a	2010F
Exploration and evaluation (A\$m)	3.68	0.40	11.78	10.97	5.28
Corporate (A\$m)	1.54	0.63	4	3.98	3.41
Exploration/(Expl.+ Corporate) (%)	71	39	0	73	61
Funding duration at current burn (years)			0	0.9	1.9
Shares on issue (pr end) (m shares)	222.5	223.3	192.9	218.5	240.0
Drilling - RAB (m)	0	0	0	0	0
Drilling - Other/Diamond (m)	5,000	1,000	17,522	10,000	8,000
Land holding ('000 ha)	211	211	211	211	0
Tenement costs (\$k per year)	-	-	-	-	-
Capital raisings (A\$m)	1.0	0.5	38.8	5.0	11.5
Funding from JV partners (A\$m)	0	0	0	0	1.6
Cash (A\$m)	10.7	8.6	21.5	14.0	16.4
Cash backing (Ac/share)	4.8	3.8	11.2	6.4	6.8
Net asset backing (Ac/share)	22.3	21.7	18.7	22.0	24.0

Quarters refer to calendar year.

Company Comment

Overview: Greenland Minerals and Energy Limited is a Perth based company that listed on the ASX in June 2006 (ASX:GGG). It is evaluating the uranium-rich Kvanefjeld multi-element project in Greenland, a self-governing Danish province. The project was acquired in 2007.

Kvanefjeld (uranium, Greenland): The project (80km²) is located on the SW tip of Greenland, at Narsaq. Within the Ilmaussaq alkaline intrusive complex, it is one of the world's largest undeveloped rare earth elements and uranium deposits. The Danish Atomic Energy Agency and the Danish Geological Survey completed >11,500m of diamond drilling (1957-1983) and defined a resource of 126mt @ 0.04% U₃O₈ (1km² area). Other potentially economic elements and minerals include zinc, tin and sodium fluoride. Uranium likely accounts for ~25% of the potential in-ground value. GGG's ownership of 61% is moving to 90% with A\$10m cash payment, and 100% with additional A\$50m.

The deposit: is a flat-lying slab of disseminated mineralisation, open at depth and in three directions, and accounts for ~10% of the prospective host rock. Current **JORC resource** (Jun '09) is 457mt @ 0.028% U₃O₈ for 283mlbs, 1.07% REO for 4.91mt (includes yttrium) and 0.22% Zn for 0.99mt, with 79% of these in the Indicated category. There is also 363mt @ 0.85% NaF for 3.09mt. Changes from previous (Aug '08) resource include 27% increase in U₃O₈ and 88% increase in REO. Total '09 exp. budget is ~A\$3m; most recent activity was diamond core drilling (5,417m, work season Jun-Aug) for metallurgical and geotechnical testing. The resource covers 2km by 1km and extends from surface to 280m depth. There is significant resource and exploration upside within the ~6km x 4km Ilmaussaq intrusive (e.g. prospects K2-K8). GGG indicates historical metallurgical testwork recoveries of 70%-90% using pressure alkaline leach. Further **metallurgical and mineralogical tests** began 4Q07, with a 2009 budget of A\$5m (met currently in Phase 4, with SGS Lakefield). There is potential to beneficiate the ore and reduce costs, of subsequent alkaline and acid leaching, through upgrade of U₃O₈ (e.g., from 0.04% to 0.14%) and REO. Potential production (open cut) is ~3,000tpa U₃O₈ and compares with Rossing (3,700tpa U₃O₈; 174kt resource @ 0.03% U₃O₈, 470mlbs). There is potential to commercialise the large NaF resource, for use in dentistry, agriculture, ceramics and aluminium smelting. **Pre-Feasibility Study:** began in 4Q08, drawing on the historic feasibility study. Results expected in late 2009, including mine plan (Coffey Mining), multi-element flow sheet (GRD Minproc, ANSTO), and ore-type classification. Environmental baseline study has been running for three years (Coffey Natural Systems, Orbicon).

Investment Comment: GGG's focus is on advancing the Kvanefjeld project in Greenland. The resource of REE and uranium is one of the world's largest, with huge exploration upside. A successful Pre-Feasibility Study would provide confidence in project economics, especially regarding mineralogy and metallurgical recoveries, and be a step towards potential re-rating of GGG mkt cap to over A\$500m (>US\$2.5/lb U₃O₈ resource) mid-term. Recent share price performance has been strong, likely based on anticipation of the PFS and a transfer of mineral rights from Denmark to Greenland (expected Jan '10), and increasing awareness of growth potential in the rare earth sector. Currently, there is a zero tolerance toward uranium mining in Greenland but the Government will allow the issue of uranium production, as a by-product of multi-element mining, to be decided by public debate. In September 2009, GGG commenced meetings with regional stakeholders, aiming to show how a Kvanefjeld mine would benefit Greenland, and establish further support for a Definitive Feasibility Study in 2010.

Reserves and Resources/Mineralised Material

Code for reporting mineral resources - Australian: (JORC)

Uranium	Classification	Project	Ore	U ₃ O ₈	Cut Off	U ₃ O ₈	U ₃ O ₈	U ₃ O ₈	Eqty
U ₃ O ₈		Equity	Mt	%	ppm	Kt	Mlb	Mlb	Mlb
Reserves						0.0	0.0	0.0	
Resources									
Kvanefjeld*	Inferred	61%	457	0.03	150	128	283	173	
Mineralised Material (est., non compliant with JORC)						0.0	0.0	0.0	

*Also total REO (4.91mt contained @ 1.07%), Zn (0.99mt contained @ 0.22%) and NaF (3.09mt contained @ 0.85% NaF).

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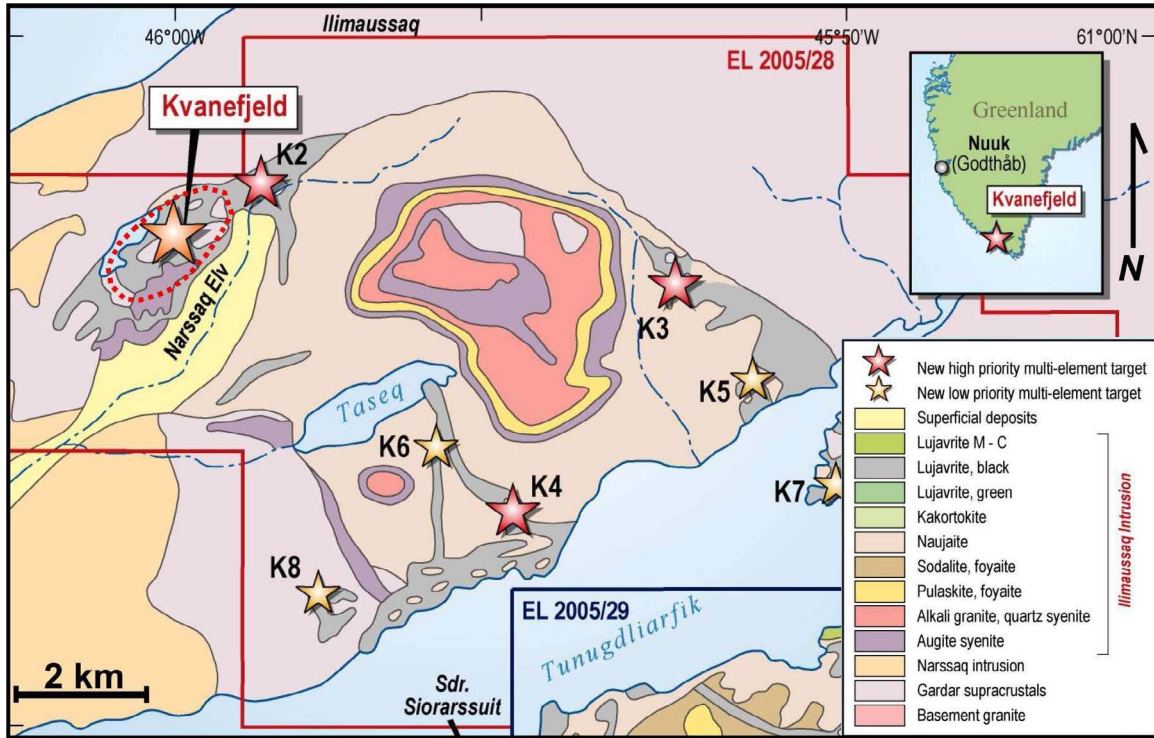
Directors

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 R McIlree (MD)
 M Mason (Tech Dir)
 S Cato (Exec Dir)
 J Whybrow (Expl Dir)
 T Ho (Non-Exec)
 H Schonwandt (Non Exec)

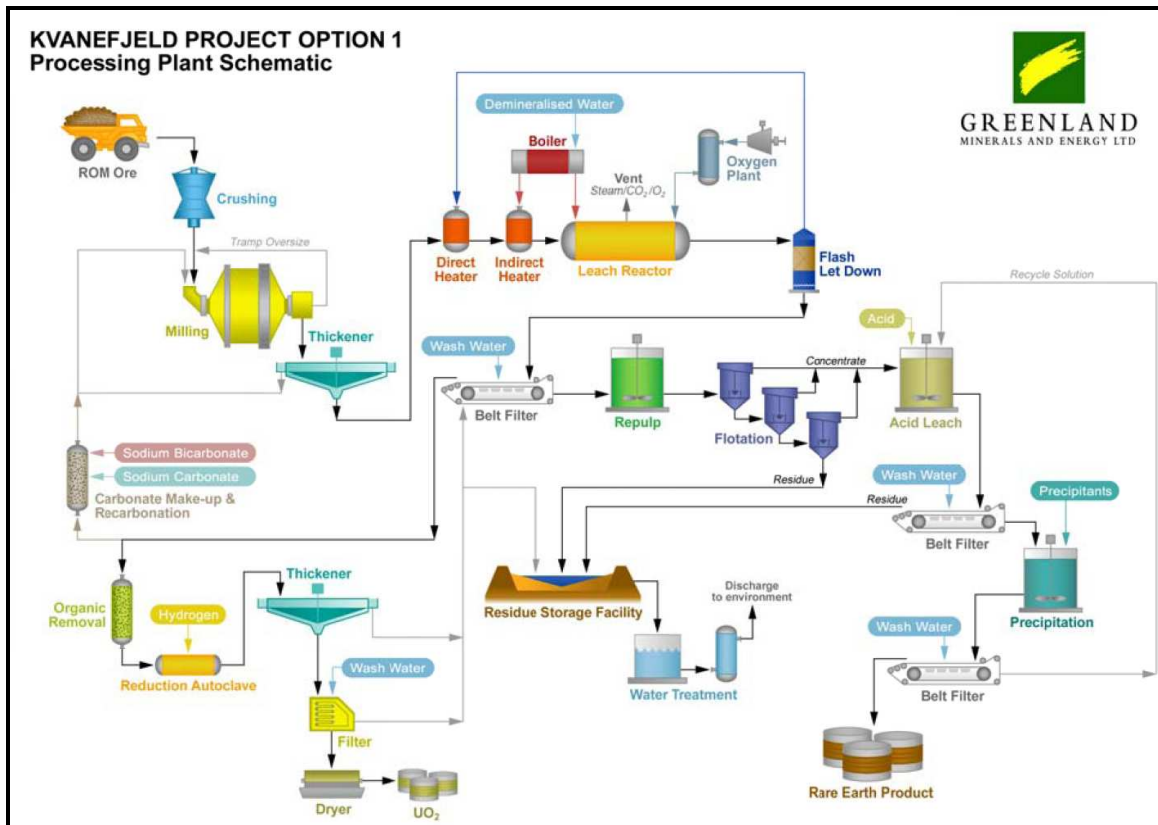
Key Projects

Project	Ownership/Option	Metal	JV Partner	Target Type	Process Route	Project Status	Location
Kvanefjeld	61%/100%	U, REO	Westrip	Igneous	na	Advanced Expl	Greenland

Map of the Ilimaussaq intrusive complex showing the Kvanefjeld deposit and new multi-element targets. Current resource is 283mlbs U₃O₈, 4.9mt of rare earth oxides, 1mt of Zn and 3.1mt of NaF. Mineralised lujavrite is likely to continue between Kvanefjeld and K2.



Conceptual process flow sheet for Kvanefjeld: The circuit incorporates an alkaline pressure leach to extract uranium, followed by flotation to concentrate REE minerals, and dilute acid leach to generate a REE product. A Pre Feasibility Study, including flow sheet and preliminary mine plan, is expected in late 2009.



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