

Advancing Kvanefjeld, the world's premier specialty metals project, toward development

Kvanefjeld is favorably located near the southern tip of Greenland

457 Mt JORC compliant multi-element resource (REE, U, Zn, NaF) with huge upside potential

Pre-Feasibility Study scheduled for completion late 2009

Greenland Minerals and Energy Ltd is an mineral exploration and development company focused on unlocking the mineral riches of southern Greenland. The company is listed on the Australian Securities Exchange.

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Company Announcements

Australian Securities Exchange Limited

ASX Company announcement

Thursday, 22 October 2009

Update on Westrip Litigation

On 21 July 2009, Greenland Minerals and Energy ("GGG" or 'the company') announced to the ASX that it had decided to provide financial support to a group of shareholders ("the Claimants") of Westrip Holdings Limited ("Westrip"). The Claimants, based upon legal advice, had initiated a derivative action against Westrip and its directors in the High Court of the United Kingdom regarding ownership of certain mineral licenses, including the 39% interest in the Kvanefjeld Project ('Kvanefjeld').

Kvanefjeld is presently the largest internationally recognised measured occurrence of Rare Earth Oxides in the world and also contains significant co-incident amounts of Uranium & Zinc.

Westrip is currently GGG's joint venture partner and 39% owner of the company that owns the license (2005/28) covering the Ilimaussaq mineral field which hosts, among other things, the Kvanefjeld multi element Project in Greenland. Greenland Minerals and Energy owns and manages the license in its 61% owned Greenlandic subsidiary, with rights to acquire Westrip's 39% interest in this Greenlandic entity for a pre-agreed consideration.

As previously announced, the company has provided financial support to the Claimants due to the need to correctly identify its joint venture partner on this project. The company has taken this course of action for no other reason than to protect its interest.

In relation to the matter of the 39% currently held by Westrip as part of the joint venture with GGG, Justice Lewison ordered the board of Westrip to formally re-consider its intention to transfer the joint venture assets out of Westrip to Rimbal Pty Ltd, a private company of one of the directors of Westrip. A further directions hearing is anticipated once the board of Westrip has re-considered its position. The company has indemnified the Claimants for costs and damages however, GGG do not see this as being a material risk at this point in time as the company has structured the injunctions so as to allow Westrip to conduct normal day to day business activity and hence minimise potential losses upon which any damages might be calculated.

Justice Lewison adjourned the permission hearing in respect of this issue to enable such re-consideration to take place.

Conclusion

The Company's sole reason for supporting the Claimants for their legal action has been to determine the rightful owner of the 39% interest in the joint venture not presently owned by GGG.

Justice Lewison's judgement supports GGG's belief that the rightful holder and owner of the Northern License is Westrip Holdings Limited. We look forward to a positive outcome from the board of Westrip on this matter.

The company is currently finalising the pre-feasibility study on Kvanefjeld which is expected to be released prior to the end of the year.



Kindest regards



Roderick McIlree
Managing Director
Greenland Minerals and Energy Ltd (Aust)

Corporate Profile

Greenland Minerals and Energy (ASX – GGG) is an exploration and development company focussed on unlocking the mineral potential of southern Greenland. The company's flagship project is the Kvanefjeld multi-element deposit (Rare Earth Elements, Sodium Fluoride, Uranium), where the company has established one of the largest occurrences of Rare Earth Oxides in the world. Kvanefjeld is now the subject of a pre-feasibility study that is scheduled for completion late in 2009. For further information on Greenland Minerals and Energy visit <http://www.ggg.gl> or contact:

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.

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.