

# GGG.AU

A\$ 0.18

30 March 2009  
 Rare Earth Elements, Uranium  
 Greenland  
 Advanced exploration  
 Exchanges: ASX:GGG

## Greenland Minerals and Energy Ltd

**A Pre-Feasibility Study is under way at Kvanefjeld, which is emerging as one of the world's largest uranium and rare earths deposits – results expected from late 3Q09, including mine plan and process flow sheet. JORC resource 223mlb U<sub>3</sub>O<sub>8</sub> and 2.6mt REO, potential upgrade 2Q09.**

### Capital Profile

Share price (A\$)	0.18
52 week range (A\$/share)	0.15 to 1.10
Number of shares (m)	194
Options and warrants (m)	171
Shares and options to be issued (m)*	-
Fully diluted (m)	365
Market capitalisation (undiluted) (A\$m)	34.8
Debt (A\$m) - Mar 09F	0.0
Enterprise value (A\$m)	34.8
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)	2
Cash (A\$m) - Mar 09F	12.5
Price/Cash (x)	2.8
Price/Book (x)	1.0
Listed company options:	GGGO

\*A\$62m in cash and 10m shares subject to various conditions - optional staged payments to increase Kvanefjeld holding from 61% to 100%.

Quarters refer to calendar year.

### Production and Financial Forecasts

Year End: June	Dec-08a	Mar-09F	2008a	2009a	2010F
Exploration and evaluation (A\$m)	3.33	0.50	11.78	7.43	2.40
Corporate (A\$m)	1.05	0.63	4	3.10	2.50
Exploration/(Expl.+ Corporate) (%)	76	44	0	71	49
Funding duration at current burn (years)			0	1.0	2.7
Shares on issue (pr end) (m shares)	193.5	193.5	192.9	193.5	210.2
Drilling - RAB (m)	0	0	0	0	0
Drilling - Other/Diamond (m)	1,500	0	17,522	10,000	4,000
Land holding ('000 ha)	211	211	211	211	0
Tenement costs (\$k per year)	-	-	-	-	-
Capital raisings (A\$m)	0.0	0.0	38.8	0.0	10.0
Funding from JV partners (A\$m)	0	0	0	0	1.6
Cash (A\$m)	15.3	12.5	21.5	10.1	13.2
Cash backing (Ac/share)	7.9	6.5	11.2	5.2	6.3
Net asset backing (Ac/share)	18.7	17.8	18.7	16.9	18.2

### Investment Points

Multi-element focus at Kvanefjeld - uranium component valued at approx ~US\$12bn (US\$55/lb).

JORC resource 334mt containing 223mlbs U<sub>3</sub>O<sub>8</sub>, 2.6mt REO and 2.2mt NaF - open at depth (>300m) and along strike. Potential resource upgrade 2Q09.

Exploration budget '09 is A\$3m, with potential 40% contribution from JV. Drilling ~3,000m in 2009. Mid-term resource target 500mt.

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

Metallurgy and mineralogy budget ~A\$5m in 2009.

Pre-feasibility study, with mine plan (Coffey) and process flow sheet (GRD Minproc), expected from late 3Q09.

Government support - uranium production as a by-product from polymetallic resources to be considered following positive parliamentary debate in Nov '08.

### 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 is located on the SW tip of Greenland, within the Llimausaq alkaline intrusive complex, and 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% U<sub>3</sub>O<sub>8</sub> (1km<sup>2</sup> 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 ownership of 61% moving to 90% with A\$10m cash payment and 100% with additional A\$50m payment, subject to various conditions.

**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. The current area of significant mineralisation is 1,900m by 700m and depth >275m. Current **JORC Inferred resource** (Aug '08) is 334mt @ 0.03% U<sub>3</sub>O<sub>8</sub> for 223mlbs, including 215mt @ 1.21% REO for 2.59mt and 201mt @ 1.11% NaF for 2.21mt. REO and NaF resources expected to increase with receipt of pending assays – next upgrade possible 2Q09. Field season completed for '08 (runs May-Oct) with 19,334m drilling including regional exploration. Total '09 exp. budget ~A\$3m, with potential for JV partner to contribute 40%, planning to drill 3,000m. There is significant resource and exploration upside within the ~6km x 4km Llimausaq intrusive (eg targets K2 to K8) – target resource base is 500mt. GGG indicates **historical metallurgical testwork** recoveries of 70%→95% using pressure alkaline leach - good recoveries though may be expensive. Further metallurgical and mineralogical tests began 4Q07, with a 2009 budget of A\$5m. Beneficiation testwork underway has potential to reduce downstream processing costs through upgrade of U<sub>3</sub>O<sub>8</sub> (e.g., from 0.04% to 0.14%) and REO. Potential production (open cut) is in the order of 3,000tpa U<sub>3</sub>O<sub>8</sub> and compares with Rossing (3,700tpa U<sub>3</sub>O<sub>8</sub>; 174kt resource @ 0.03% U<sub>3</sub>O<sub>8</sub>, 470mlbs). GGG can acquire outstanding 39% of the project for total A\$60m. There is potential to commercialise the large NaF resource, which could have applications in dentistry, agriculture, ceramics and aluminium smelting. **Pre-Feasibility Study:** began in 4Q08, drawing on the historic feasibility study. Results expected from 3Q09, including mine plan (Coffey Mining) and multi-element process flow sheet (GRD Minproc).

**Investment Comment:** GGG's primary focus is advancing the Kvanefjeld project in Greenland. Director and former chairman, Mr H K Schonwandt, is the former minister for mines in Greenland, while new Chairman Michael Hutchinson is a director of the LME. The scale of the current resource (upgrade expected 2Q09), and the huge exploration upside in the area, show that Kvanefjeld has potential to be one of the world's largest REE and uranium deposits. Greenland parliamentary debate Nov '08 has indicated in-principle support for uranium production as a byproduct of multi-element exploration and mining. Mineral rights are expected to transfer from the Danish Crown to Greenland as part of the self-governing transition, in Jun '09. 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\$3/lb U<sub>3</sub>O<sub>8</sub> resource) mid-term.

### Reserves and Resources/Mineralised Material

Code for reporting mineral resources - Australian:		(JORC)						
Uranium	Classification	Project	Ore	U <sub>3</sub> O <sub>8</sub>	Cut Off	U <sub>3</sub> O <sub>8</sub>	U <sub>3</sub> O <sub>8</sub>	U <sub>3</sub> O <sub>8</sub> Eqty
U <sub>3</sub> O <sub>8</sub>		Equity	Mt	%	ppm	Kt	Mlb	Mlb
<b>Reserves</b>						<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Resources</b>								
Kvanefjeld	Inferred	61%	334.0	0.03	150	<b>101.0</b>	<b>222.6</b>	<b>135.8</b>
<b>Mineralised Material</b> (est., non compliant with JORC)						<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Additional mineralisation includes REO (2.59mt contained metal @ 1.21% REO) and NaF (2.21mt contained @ 1.11% NaF).

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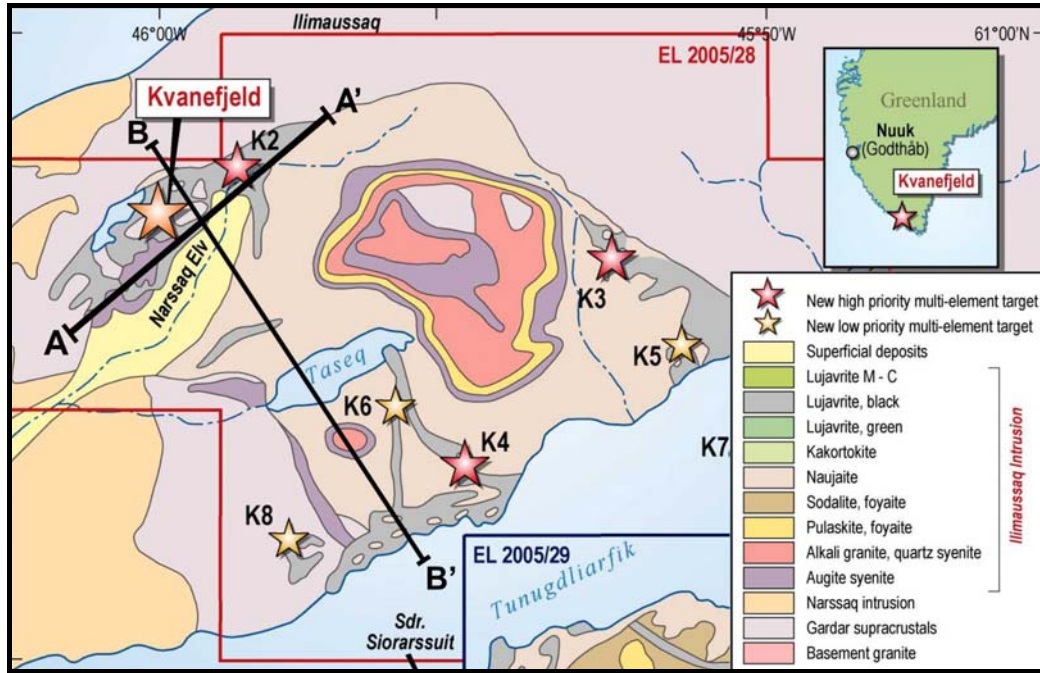
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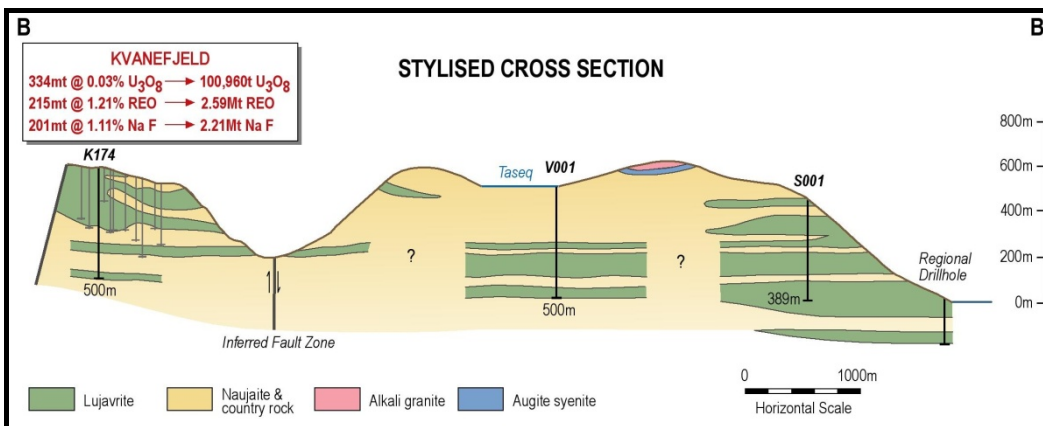
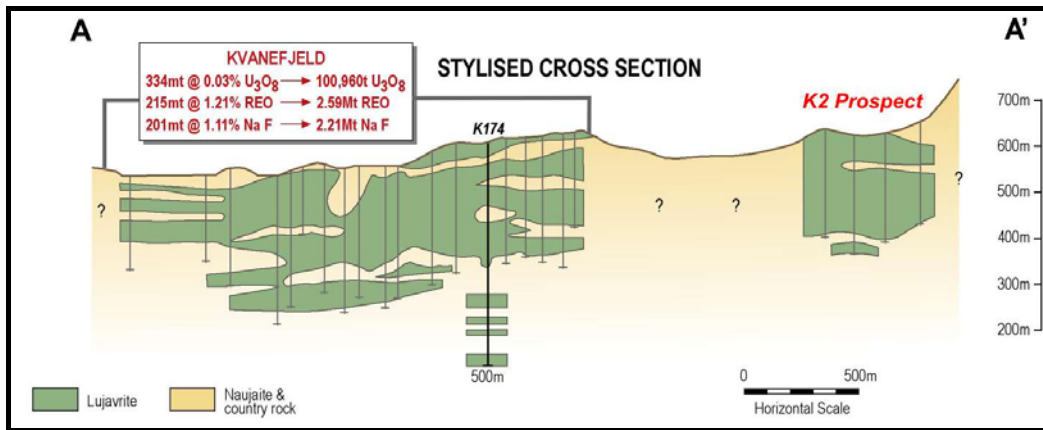
### Key Projects

Project	Ownership/Option	Metal	JV Partner	Target Type	Process Route	Project Status	Location
Kvanefjeld	61%/100%	U, REO	none	Dissem	na	Adv. Expl.	Greenland

Map of the Ilimaussaq intrusive complex showing the Kvanefjeld deposit and new multi-element targets. Current resource is 223mlbs U<sub>3</sub>O<sub>8</sub>, 2.6mt of rare earth oxides and 2.2mt of NaF – midterm upside >100%. PFS expected from 3Q09, including preliminary mine plan and process flow sheet.



Kvanefjeld exploration cross sections – assay results for 3Q08 holes and resource upgrade expected in 2Q09. Mineralised lujavrite is likely to continue between Kvanefjeld and K2 (top section), highlighting the resource potential. Holes V001 and S001 (lower section) also intersected mineralised lujavrite.



## Disclosure and Disclaimer

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