

**GREENLAND MINERALS AND ENERGY  
LIMITED**

ABN 85 118 463 004

**NOTICE OF ANNUAL GENERAL MEETING  
AND  
EXPLANATORY STATEMENT**

**For the Annual General Meeting to be held  
on 25 November 2008 at 2.00 pm (Western Standard Time) at  
Country Women's Association of Western Australia (Inc),  
Level 2, 1176 Hay Street, West Perth,  
Western Australia**

*This is an important document. Please read it carefully.*

*If you are unable to attend the Meeting, please complete the form of proxy enclosed and return it in accordance with the instructions set out on that form.*

## **TIME AND PLACE OF ANNUAL GENERAL MEETING AND HOW TO VOTE**

### **Venue**

The Annual General Meeting of Greenland Minerals and Energy Limited will be held at:

<b>Country Women's Association of Western Australia (Inc) Level 2, 1176 Hay Street West Perth, Western Australia</b>	<b>Commencing  at 2.00 pm (Western Standard Time) on 25 November 2008</b>
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### **How to Vote**

You may vote by attending the Meeting in person, by proxy or authorised representative.

### **Voting in Person**

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 2.00 pm (Western Standard Time).

### **Voting by Proxy**

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of General Meeting as soon as possible and either:

- send the proxy form by hand to the Company's office at Ground Floor, 33 Colin Street, West Perth, Western Australia, 6005;
- send the proxy form by post to PO Box 1304, West Leederville, Western Australia, 6901; or
- send the proxy form by facsimile to facsimile number +61 8 9226 2299.

so that it is received not later than 2.00 pm (Western Standard Time) on 23 November 2008.

**Your proxy form is enclosed.**

**GREENLAND MINERALS AND ENERGY LIMITED**  
**ABN 85 118 463 004**

**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is hereby given that the Annual General Meeting of the Shareholders of GREENLAND MINERALS AND ENERGY LIMITED will be held at Country Women's Association of Western Australia (Inc), Level 2, 1176 Hay Street, West Perth, Western Australia on 25 November 2008 at 2.00 pm (Western Standard Time) for the purpose of transacting the following business.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

**AGENDA**

**GENERAL BUSINESS**

**Accounts and Reports**

To receive and consider the financial reports of the Company for the financial year ended 30 June 2008 and the reports of the Directors and Auditors thereon.

**Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass with or without amendment, the following in accordance with section 250R(2) of the Corporations Act:

*"That the Remuneration Report in the 2008 Annual Report of the Company be adopted."*

**Short Explanation:** The Remuneration Report is in the Directors Report section of the Company's Annual Report. Listed companies are required to put the Remuneration Report to the vote for adoption at the Company's Annual General Meeting. The resolution will be determined as an ordinary resolution but is advisory only and does not bind the Directors or the Company.

**Resolution 2 - Re-election of Director – Simon Cato**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That Simon Cato, who retires by rotation in accordance with clause 11.3 of the Constitution of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."*

**Short Explanation:** Mr Cato has been a Director of the Company since 21 February 2006. Mr Cato is presented for re-election in accordance with the rotation requirements of the Company's Constitution.

### **Resolution 3 – Re-election of Director – Hank Schonwandt**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That Hank Schonwandt, who retires by rotation in accordance with clause 11.3 of the Constitution of the Company, and being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."*

**Short Explanation:** Hank Schonwandt has been a Director of the Company since 23 August 2007. Hank Schonwandt is presented for re-election in accordance with the rotation requirements of the Company's Constitution.

## **SPECIAL BUSINESS**

### **Resolution 4 – Appointment of Auditor**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of section 327B(1) of the Corporations Act and all purposes, the Company appoints Deloitte Touche Tohmatsu (having consented in writing to act as auditor of the Company) as auditor of the Company."*

**Short Explanation:** The Company's current auditor, Mack & Co, has notified the Company that it has applied to ASIC to resign as auditor with effect from the date of this Meeting. Section 327B(1) of the Corporations Act provides a public company must appoint an auditor to fill any vacancy in the office of auditor at each annual general meeting. If ASIC consents to the resignation of Mack & Co effective as at the date of this Meeting, the Company proposes that Deloitte Touche Tohmatsu be appointed as auditor.

### **Resolution 5 – Approval to Issue Shares and Options to Hank Schonwandt**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 of the Listing Rules of the ASX Limited and for all other purposes, approval is given for the Company to allot and issue up to 500,000 fully paid ordinary shares in the capital of the Company and up to 1,000,000 options to acquire fully paid ordinary shares in the capital of the Company to Mr Hank Schonwandt or his nominee on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** Under the ASX Listing Rules an issue of securities to a director requires prior shareholder approval. For the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11, Shareholder approval is being sought to allow Mr Schonwandt as a Director to be issued securities in the Company.

The Company will disregard any votes cast on this Resolution by Mr Schonwandt and any of his associates or any person who may obtain a benefit if this Resolution is passed other than in their capacity as a holder of ordinary securities. However, the Company will not disregard a vote cast on this Resolution if:

- a) it is cast by an allottee as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

### **Resolution 6 – Approval to Issue Options to Malcolm Mason**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purposes of Chapter 2E of the Corporations Act, Listing Rule 10.11 of the Listing Rules of the ASX Limited and for all other purposes, approval is given for the Company to allot and issue up to 500,000 options to acquire fully paid ordinary shares in the capital of the Company to Mr Mason or his nominee on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** Under the ASX Listing Rules an issue of securities to a director requires prior shareholder approval. For the purposes of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11, Shareholder approval is being sought to allow Mr Mason as a Director to be issued securities in the Company.

The Company will disregard any votes cast on this Resolution by Mr Mason and any of his associates or any person who may obtain a benefit if this Resolution is passed other than in their capacity as a holder of ordinary securities. However, the Company will not disregard a vote cast on this Resolution if:

- a) it is cast by an allottee as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

### **Resolution 7 – Approval to Issue Options to Shaun Bunn**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purposes of Listing Rule 7.1 of the Listing Rules of the ASX Limited and for all other purposes, approval is given for the Company to allot and issue up to 750,000 options to acquire fully paid ordinary shares in the capital of the Company to Mr Shaun Bunn or his nominee on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** Under ASX Listing Rule 7.1, the Company may not issue or agree to issue equity securities in any 12 month period representing more than 15% of its ordinary share capital on issue at the commencement of that period without shareholder approval. By obtaining the prior approval of shareholders for the issue of securities proposed under this Resolution, the Company retains the flexibility to make future issues of securities up to that threshold.

The Company will disregard any votes cast on this Resolution by Mr Bunn and any of his associates or any person who may obtain a benefit if this Resolution is passed other than in their capacity as a holder of ordinary securities. However, the Company will not disregard a vote cast on this Resolution if:

- a) it is cast by an allottee as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

## **Resolution 8 – Approval for the Issue of Shares**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purpose of Listing Rule 7.1 of the Listing Rules of the ASX Limited and for all other purposes, approval is given for the Company to allot and issue up to 20,000,000 ordinary fully paid shares in the capital of the Company at an issue price that is at least 80% of the average market price calculated over the last 5 days on which sales of securities were recorded before the day on which the issue is made, or if there is a prospectus issued relating to the issue, over the last 5 days on which sales of the Company's ordinary fully paid shares are recorded before the date of the prospectus and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** Under ASX Listing Rule 7.1, the Company may not issue or agree to issue equity securities in any 12 month period representing more than 15% of its ordinary share capital on issue at the commencement of that period without shareholder approval. By obtaining the prior approval of shareholders for the issue of securities proposed under this Resolution, the Company retains the flexibility to make future issues of securities up to that threshold.

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if this Resolution is passed, and any associate of those persons. However, the Company will not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by a person chairing that Meeting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides.

## VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 23 November 2008 at 2.00 pm (Western Standard Time).
4. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

**By order of the Board**



Simon Cato  
Director  
Dated: 21 October 2008

**GREENLAND MINERALS AND ENERGY LIMITED**  
**ABN 85 118 463 004**

**EXPLANATORY STATEMENT**

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This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in this Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

**1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

The Remuneration Report is in the Directors Report section of the Company's Annual Report.

By way of summary, the Remuneration Report:

- (a) explains the Company's remuneration policy and the process for determining the remuneration of its directors and executive officers;
- (b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
- (c) sets out remuneration details for each Director and each of the Company's executives and group executives named in the Remuneration Report for the financial year ended 30 June 2008.

The Directors recommend that Shareholders vote in favour of Resolution 1. Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote on this resolution is advisory only, however, and does not bind the Board or the Company.

The Chairman will give Shareholders a reasonable opportunity to ask questions about or to make comments on the Remuneration Report.

**2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – SIMON CATO**

Mr Cato was appointed a director of the Company from its incorporation on 21 February 2006.

Pursuant to clause 11.3 of the Company's Constitution, Mr Cato, being a Director of the Company, retires by way of rotation and, being eligible, offers himself for re-election as a Director of the Company.

Details of the qualification and experience of Mr Cato are set out in the 2008 Annual Report for the Company.

### **3. RESOLUTION 3 - RE-ELECTION OF DIRECTOR – HANK SCHONWANDT**

Mr Schonwandt was appointed a director of the Company on 23 August 2007. He was last re-elected by Shareholders on 28 November 2007.

Pursuant to clause 11.3 of the Company's Constitution, Mr Schonwandt, being a Director of the Company, retires by way of rotation and, being eligible, offers himself for re-election as a Director of the Company.

Details of the qualification and experience of Mr Schonwandt are set out in the 2008 Annual Report for the Company.

### **4. RESOLUTION 4 – APPOINTMENT OF AUDITOR**

The Directors consider at this stage of the development of the Company that it would be advantageous to engage a top tier audit firm. Deloitte Touche Tohmatsu have the international relationships and experience now required to manage the issues arising in the development of the Company's Kvanefjeld Project.

The Company's current auditor, Mack & Co, has notified the Company that it has applied to ASIC to resign as auditor. ASIC must consent to the resignation for it to be effective.

If ASIC consents to the resignation of Mack & Co as auditor of the Company and that consent takes effect as at the date of this Meeting, the Company proposes that that Deloitte Touche Tohmatsu be appointed as auditor.

Simon Cato, being a Shareholder of the Company, has nominated that Deloitte Touche Tohmatsu be appointed as auditor. A copy of this nomination is attached as Annexure 1 to this Notice. Under section 328B(3) of the Corporations Act, a copy of this nomination has been sent to Deloitte Touche Tohmatsu, Mack & Co and is attached to this Notice.

Deloitte Touche Tohmatsu has consented in writing to act as the Company's auditor.

If ASIC does not consent to the resignation of Mack & Co at the date of this Meeting, this resolution 4 will not be proposed at the Meeting.

### **5. RESOLUTION 5 – APPROVAL TO ISSUE SHARES AND OPTIONS TO HANK SCHONWANDT**

#### **Background**

By a director services agreement dated August 2007 the Company engaged Mr Schonwandt as a director for a 3 year term to provide consultancy and legal services regarding securing sales and marketing agreements, promoting the Company and conducting negotiations with the Bureau of Minerals and Petroleum, Greenland. Under the agreement, Mr Schonwandt receives a director's fee of \$40,000 per annum to serve as non-executive chairman and is entitled to a living allowance and daily rate of 6,000 Danish Kroner per day for performing any part of his services outside Denmark.

Additionally, Mr Schonwandt is entitled to the issue of up to a maximum of 3,000,000 Shares. Of the maximum of 3,000,000 Shares, 500,000 Shares are to be issued to Mr Schonwandt after every 12 months of service during the 3 year term. Thereby, up to 1,500,000 Shares may be issued to Mr Schonwandt by reason of the service period criteria. Further, but subject to the maximum number of 3,000,000 Shares, further Shares will be issued to Mr Schonwandt upon the satisfaction of market capitalisation milestones

(numbers of shares multiplied by the ASX share price) achieved during the term of the agreement as follows:

- (a) 1,000,000 Shares if the market capitalisation of the Company is \$150,000,000 or more for 14 consecutive Trading Days.
- (b) 1,000,000 Shares if the market capitalisation of the Company is \$250,000,000 or more for 14 consecutive Trading Days.
- (c) 1,000,000 Shares if the market capitalisation of the Company is \$350,000,000 or more for 14 consecutive Trading Days.

The Company at the general meeting of 31 July 2007 previously approved the issue of up to 3,000,000 shares to Mr Schonwandt. The approval was obtained under both the related party provisions of the Corporations Act (to which there is no relevant time limit to implement the approval) and under ASX Listing Rule 10.11 (to which there is a one month time limit to issue the Shares the subject of the approval). 1,000,000 Shares have already been issued to Mr Schonwandt as a result of the first market capitalisation milestone having been achieved.

Mr Schonwandt by reason of providing more than 12 months service under the director services agreement is now entitled to be issued with 500,000 Shares in satisfaction of the first service period milestone. This issue of Shares is subject to Shareholder approval under Listing Rule 10.11.

The Company and Mr Schonwandt have agreed to vary the director services agreement subject to the passing of this Resolution. The variation proposed is to cancel all Share milestones under the director services agreement which means two further market capitalisation milestones and all the service period milestones which together could lead to the issue of up to a further 2,000,000 Shares (to make a total of 3,000,000 Shares). This cancellation is in exchange for the issue of 500,000 Shares and 1,000,000 Options with an exercise price of 20 cents and expiry date of 30 June 2011.

Shareholder approval is required for the purposes of Chapter 2E of the Corporations Act (section 208) and ASX Listing Rule 10.11 because Mr Schonwandt as a Director is a related party of the Company.

## **Chapter 2E of the Corporations Act**

### **Related Party Transaction**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Mr Schonwandt is a related party of the Company as a Director.

Resolution 5 provides for the allotment and issue of Shares and Options to a related party, which is a financial benefit requiring Shareholder approval in the absence of a specified exception applying.

For the purpose of Chapter 2E of the Corporations Act the following information is provided.

(a) ***The Related Party to Whom the Proposed Resolution would Permit the Financial Benefit to be Given:***

The related party is Mr Schonwandt or his nominee.

(b) ***The Nature of the Financial Benefit***

The proposed financial benefit to be given is the issue of up to 500,000 Shares and the grant of up to 1,000,000 Options for no cash consideration to Mr Schonwandt or his nominee.

The Shares to be allotted and issued are fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares.

The Options to be granted give the right to the holder to subscribe for a Share at an exercise price of 20 cents. The Options expire on 30 June 2011. The full terms of the Options are set out in Annexure 2 and are the same terms as the Options currently quoted and trading on the ASX. The Company will apply for the quotation of the Options on the ASX.

The 500,000 Shares and 1,000,000 Options are to be issued in consideration for the cancellation of all Share milestones under the director services agreement that could potentially lead to the issue of up to a further 2,000,000 Shares to Mr Schonwandt.

(c) ***Directors Recommendation and Basis of Financial Benefit***

The Board consists of Messrs Schonwandt, McIllree, Whybrow, Cato, Ho, Mason and Stafford-Michael.

The number of Shares and Options to be issued to Mr Schonwandt and their terms were negotiated with Mr Schonwandt by the other Directors independent of the Resolution being Messrs McIllree, Whybrow, Cato, Ho, Mason and Stafford-Michael.

The purpose of the issue of the Shares and Options is to be consideration for the cancellation of all Share milestones under the director services agreement that could potentially lead to the issue of up to a further 2,000,000 Shares to Mr Schonwandt. Further, the issue of the Shares and Options proposed will be an incentive to provide dedicated and ongoing commitment and effort to the Company. The independent Directors consider the particular number of Shares to be issued and the particular number and terms of the Options to be granted to Mr Schonwandt constitute an appropriate number in the circumstances and will adequately incentivise Mr Schonwandt in light of his skill, experience and reputation and when considered together with his other remuneration as Chairman (as detailed below).

Messrs McIllree, Whybrow, Cato, Ho, Mason and Stafford-Michael as the Directors independent of the Resolution recommend Shareholders vote in favour of the Resolution for the reasons set out above.

Mr Schonwandt abstains from making a recommendation to Shareholders as to the Resolution as he has an interest in the outcome of the Resolution as he or his nominee will be the recipient of the Shares and Options.

(d) ***Total Remuneration Package of Mr Schonwandt***

Excluding the Shares and Options proposed to be issued by this Resolution, the remuneration package of Mr Schonwandt consists of a Directors fee of \$40,000 per annum and a daily rate of 6,000 Danish Kroner a day for performing services under his director services agreement outside Denmark. Mr Schonwandt is further entitled to be reimbursed for reasonable expenses in undertaking his services.

(e) ***Existing Relevant Interest***

Mr Schonwandt and his associates currently have a current relevant interest in 1,000,000 Shares in the Company.

(f) ***Dilution***

The passing of the Resolution would have the effect of granting Mr Schonwandt or his nominee up to 500,000 Shares and up to 1,000,000 Options on the terms and conditions as set out in Annexure 2.

Upon the issue of Shares to Mr Schonwandt, the Shares currently on issue of 193,008,540 will increase by 500,000 to 193,508,540 representing a dilution of approximately 0.26% of the Company's Shares being fully paid ordinary shares.

If any Options granted as proposed above are exercised the effect would be to dilute the shareholding of existing Shareholders. The market price of the Company's Shares during the period of the Options will normally determine whether or not option holders exercise the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be valued at a price that is higher than the exercise price of the Options.

If all Options to be granted under this Resolution were to be exercised, the effect would be to dilute the shareholding of existing Shareholders by approximately 0.52% on an undiluted basis and being based on the total number of Shares on issue at the date of this Notice plus the number of Shares to be issued to Mr Schonwandt under this Resolution.

(g) ***Trading History***

The following table gives details of the highest, lowest and the latest closing price of the Company's Shares trading on the ASX over the last 12 months.

	<b>Date</b>	<b>Closing Price</b>
Highest Price	23 October 2007	\$1.55
Lowest Price	20 October 2008	\$0.19
Latest Price	20 October 2008	\$0.19

(h) ***Valuation of Securities***

***Shares***

The Shares to be issued to Mr Schonwandt or his nominee are fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares. The Company is an ASX listed resource company with its

major asset being the multi-element Kvanefjeld Project in Greenland. Although there are various methodologies for valuing shares, the Company considers the most appropriate indicator of the value of the Shares is the trading price of the Shares on the ASX (quoted market price basis).

Using the quoted market price basis, the most recent closing price of the Shares on the ASX prior to the date of the issue of this Notice was \$0.19 (19 cents) on 20 October 2008. The highest and lowest price of Shares on the ASX over the last 12 months is set out in the table above.

### ***Options***

The Company's independent advisers, BDO Kendalls Corporate Finance (WA) Pty Ltd, have valued the Options to be granted to Mr Schonwandt by reference to the closing price of the Options as at 20 October 2008.

The Options to be granted to Mr Schonwandt will be in the same class as Options currently quoted and trading on ASX. Although there are various methodologies for valuing options, the Company considers that the most appropriate indicator of value of the Options is the trading price of the Options on ASX (quoted market price basis).

Using the closing market price basis, the closing price of the Options on ASX was \$0.10 (10 cents) on 20 October 2008. The highest and lowest price of the Options in the last 12 months has been \$1.27 on 22 October 2007 and \$0.08 (8 cents) on 17 October 2008. The value of the Options to be issued to Mr Schonwandt using the quoted market price basis is \$0.10 (10 cents) each at 20 October 2008.

By reason of the above valuations, the value of the 500,000 Shares and 1,000,000 Options to be granted to Mr Schonwandt the subject of the Resolution is \$195,000 at 20 October 2008. If the Resolution is not passed, Mr Schonwandt would potentially receive up to 2,000,000 Shares which on the quoted market price methodology would have a value of \$380,000 at 20 October 2008.

### **(i) *Other Information***

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass the Resolution.

### **ASX Listing Rule 10.11**

For the purposes of ASX Listing Rule 10.11, Mr Schonwandt is a related party of the Company.

Accordingly, in order to issue the Shares and Options to Mr Schonwandt or his nominee the Company must obtain Shareholder approval pursuant to ASX Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to allot and issue the Shares and to grant the Options to Mr Schonwandt as approval is being obtained under ASX Listing Rule 10.11. Shareholders should note that the issue of Shares and Options to Mr Schonwandt will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out a number of matters which must be included in the notice of meeting convened to consider shareholder approval under ASX Listing Rule 10.11.

For the purposes of ASX Listing Rule 10.13, the following information is provided to Shareholders:

- (a) The Shares and Options will be issued to Mr Schonwandt or his nominee.
- (b) The maximum number of securities the Company will issue to Mr Schonwandt or his nominee is 500,000 Shares and 1,000,000 Options.
- (c) The securities will be issued no later than one (1) month after the date of this Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (d) The Shares and the Options will be issued and granted for nil cash consideration. The Shares will be fully paid ordinary shares in the capital of the Company and will rank equally with the Company's current issued Shares. The terms of the Options are set out in Annexure 2 of this Explanatory Statement.
- (e) There will be no funds raised from the issue of the Shares and Options to Mr Schonwandt or his nominee.
- (f) The Company acknowledges the issue of the Shares and Options to Mr Schonwandt as a non-executive Director is contrary to recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the issue of the Shares and Options to be reasonable in the circumstances given the Company's size and stage of development, the incentive it will provide and the necessity to attract and retain the highest calibre of professionals to the role of non-executive Director and Chairman. The issue of the Shares and Options further maintains the Company's cash reserves.

## **6. RESOLUTION 6 – APPROVAL TO ISSUE OPTIONS TO MALCOLM MASON**

### **Background**

Resolution 6 seeks Shareholder approval for the issue of 500,000 Options to Mr Mason for no cash consideration as reward for his services to the company in the 2007 and 2008 exploration season.

Shareholder approval is required for the purposes of Chapter 2E of the Corporations Act (section 208) and ASX Listing Rule 10.11 because Mr Mason as a Director is a related party of the Company.

### **Chapter 2E of the Corporations Act**

#### **Related Party Transaction**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Mr Mason is a related party of the Company.

Resolution 6 provides for the grant of Options to a related party, which is a financial benefit requiring Shareholder approval in the absence of a specified exception applying.

For the purpose of Chapter 2E of the Corporations Act the following information is provided.

(a) ***The Related Party to whom the Proposed Resolutions would permit the Financial Benefit to be given***

The related party is Mr Malcolm Mason or his nominee.

(b) ***The Nature of the Financial Benefit***

The proposed financial benefit to be given is the grant of up to 500,000 Options. The terms of the Options to be granted are set out in Annexure 3. The Options have an exercise price of 20 cents and an expiry date of 30 June 2011 and, when vested, are the same terms as Options currently quoted and trading on the ASX. The Company will apply for quotation of the Options on the ASX when they are vested.

(c) ***Directors Recommendation and Basis of Financial Benefit***

The Board currently consists of Messrs Schonwandt, McIllree, Whybrow, Cato, Ho, Mason and Stafford-Michael.

The number of Options to be granted to Mr Mason was negotiated with Mr Mason by the Board.

The purpose of the grant of the Options is to reward Mr Mason for providing dedicated and ongoing commitment and effort to the Company including providing technical geological services for the 2007 and 2008 field seasons upon the Kvanefjeld Project.

Messrs Schonwandt, McIllree, Whybrow, Cato, Ho and Stafford-Michael as the independent Directors consider the particular number and terms of the Options to be issued constitutes an appropriate number to adequately reward Mr Mason for providing the technical geological services for the 2007 and 2008 field seasons when considered together with his other remuneration as a Director (as detailed below).

Mr Mason abstains from making a recommendation to Shareholders as to the Resolution as he has an interest in the outcome of the Resolution as he or his nominee will be the recipient of the Shares and Options.

(d) ***Total Remuneration Package of Mr Mason***

The remuneration received by Mr Mason and his private consultancy company for Mr Mason providing technical geological services was approximately \$180,000 for each of the 2007 field season and the 2008 field season. The current remuneration package of Mr Mason and his private consultancy company consists of a Director's fee of \$40,000 per annum plus a consultancy fee of \$1,500 per day when services are performed overseas and \$1,000 per day when services are performed in Australia subject to a maximum of \$180,000 in each 12 month period.

(e) ***Existing Relevant Interests***

At the date of this Notice, Mr Mason and his associates have a relevant interest in 600,000 Shares, 3,000,000 Options currently unvested and unquoted with an exercise price of 20 cents and an expiry date of 30 June 2011 and 180,000

Options that are quoted with an exercise price of 20 cents and an expiry date of 30 June 2011.

(f) ***Dilution***

The passing of the Resolution would have the effect of granting Mr Mason (or his nominee) up to 500,000 Options.

If any Options granted as proposed above are exercised the effect would be to dilute the shareholding of existing Shareholders. The market price of the Company's Shares during the period of the Options will normally determine whether or not option holders exercise the Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Company's Shares may be valued at a price that is higher than the exercise price of the Options.

If the 500,000 Options to be granted were exercised, the effect would be to dilute the shareholding of the existing Shareholders by 0.26% based on the total number of Shares on issue at the date of this Notice of 193,008,540.

(g) ***Trading History***

The following table gives details of the highest, lowest and the latest closing price of the Company's Shares trading on the ASX over the last 12 months.

	<b>Date</b>	<b>Closing Price</b>
Highest Price	23 October 2007	\$1.55
Lowest Price	20 October 2008	\$0.19
Latest Price	20 October 2008	\$0.19

(h) ***Valuation of Options***

The Company's independent advisers, BDO Kendalls Corporate Finance (WA) Pty Ltd, have valued the Options to be granted to Mr Mason or his nominee by reference to the closing price of the Options as at 20 October 2008.

The Options to be granted to Mr Mason will, once vested, be in the same class as Options currently quoted and trading on ASX. Although there are various methodologies for valuing options, the Company considers that the most appropriate indicator of value of the Options is the trading price of the Options on ASX (quoted market price basis).

Using the closing market price basis, the closing price of the Options on ASX was \$0.10 (10 cents) on 20 October 2008. The highest and lowest price of the Options in the last 12 months has been \$1.27 on 22 October 2007 and \$0.08 (8 cents) on 17 October 2008. The value of the Options to be issued to Mr Mason using the quoted market price basis is \$0.10 (10 cents) each at 20 October 2008. By reason of the above valuation, the value of the 500,000 Options to be granted to Mr Mason the subject of the Resolution is \$50,000 at 20 October 2008.

(i) ***Other Information***

The Directors are not aware of any other information that is reasonably required by Shareholders to allow them to make a decision as to whether it is in the best interests of the Company to pass the Resolution.

**ASX Listing Rule 10.11**

For the purposes of ASX Listing Rule 10.11, Mr Mason is a related party of the Company.

Accordingly, in order to grant the Options to Mr Mason or his nominee, the Company must obtain Shareholder approval pursuant to ASX Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to grant the Options as approval is being obtained under ASX Listing Rule 10.11. Shareholders should note that the grant of the Options will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out a number of matters which must be included in the notice of meeting convened to consider shareholder approval under ASX Listing Rule 10.11.

For the purposes of ASX Listing Rule 10.13, the following information is provided to Shareholders:

- (a) The Options will be issued to Malcolm Mason or his nominee.
- (b) The number of Options the Company will issue up to 500,000.
- (c) The Options will be issued no later than one month after the date of this Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (d) The Options will be issued for nil cash consideration. The terms of the Options are set out in Annexure 3.
- (e) There will be no funds raised from the issue of the Options.

**7. RESOLUTION 7 – ISSUE OF OPTIONS TO SHAUN BUNN**

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities or other securities with rights of conversion to equity (such as an option) if the number of those securities exceeds 15% of the total ordinary securities on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of shareholders in a general meeting.

The Company has engaged a company associated with Shaun Bunn to fulfil the duties of study manager for a pre-feasibility study to be conducted upon the Kvanefjeld Project. Part of the consideration for the overseeing of the pre-feasibility study is the issue of the 750,000 Options the subject of this Resolution. The Company is seeking approval under ASX Listing Rule 7.1 for the issue of up to 750,000 Options to Shaun Bunn or his nominee to allow these securities to not be included in the calculation under ASX Listing Rule 7.1. This will enable the Company to have the flexibility to issue equity securities in the future up to the 15% threshold without the requirement to obtain Shareholder approval.

ASX Listing Rule 7.3 requires that the following information be provided to Shareholders when seeking an approval for the purposes of ASX Listing Rule 7.1:

- (a) The maximum number of Options to be issued is 750,000 to Shaun Bunn or his nominee.
- (b) All the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (c) The Options will be granted for no cash consideration.
- (d) The allottee is Shaun Bunn or his nominee who are not related parties of the Company.
- (e) The terms of the Options are set out in Annexure 4. The Options have an exercise price of 10 cents each and an expiry date of 30 June 2013.
- (f) There will be no funds raised from the issue of the Options.
- (g) It is intended that all the Options will be allotted on one date.

## **8. RESOLUTION 8 - APPROVAL FOR THE ISSUE OF SHARES**

Resolution 8 seeks Shareholder approval for the issue under up to 20,000,000 Shares. To assist financing the future development of the Kvanefjeld Project, the Company seeks to have the flexibility to issue securities to allow this number of securities not to be included in the calculation under ASX Listing Rule 7.1. This will enable the Company to have the flexibility to issue equity securities in the future up to the 15% threshold without the requirement to obtain Shareholder approval.

At the Company's annual general meeting held on 28 November 2007 the Shareholders approved an identical resolution providing the Company the ability to issue such Shares within 3 months (until 28 February 2008). No such Shares were issued under that resolution by 28 February 2008. By again putting such a resolution to Shareholders, the Company seeks to have the ability to issue such Shares within 3 months after the date of this Meeting (until 25 February 2009).

### **ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12 month period any equity securities or other securities with rights of conversion to equity if the number of those securities exceeds 15% of the total ordinary securities on issue at the commencement of that 12 month period.

One circumstance where an issue is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of Shareholders in a general meeting.

ASX Listing Rule 7.3 requires that the following information to be provided to Shareholders when seeking an approval for the purposes of ASX Listing Rule 7.1:

- (a) The maximum number of securities to be issued is 20,000,000 Shares.
- (b) The Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).

- (c) The Shares will be issued at a price that is at least 80% of the average market price of Shares calculated over the last 5 days on which sales of the Shares were recorded before the day on which the issue is made, or, if there is a prospectus relating to the issue, over the 5 days on which sales of Shares are recorded before the date of the prospectus.
- (d) The names of the proposed allottees are not known and the quantity of the Shares to be issued to each allottee is not known. The Company intends (but without limitation) to issue the Shares to institutional, sophisticated and professional investors who are exempt from the disclosure requirements of Chapter 6D of the Corporations Act. The Shares will not be issued to Directors or other related parties.
- (e) The Shares issued will be fully paid ordinary shares in the Company and will rank equally with the Company's current issued Shares.
- (f) The Company intends to use the funds raised from the issue of the Shares to provide general working capital so as to assist financing the future development of the Kvanefjeld Project.
- (g) It is intended that the Shares will be allotted on one date.

**GREENLAND MINERALS AND ENERGY LIMITED**  
**ABN 85 118 463 004**

**GLOSSARY**

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In the Notice and this Explanatory Statement the following expressions have the following meanings:

"**Annual General Meeting**" means this Meeting.

"**ASX**" means the ASX Limited (ACN 008 624 691).

"**ASX Listing Rules**" or "**Listing Rules**" means the Listing Rules of the ASX.

"**Board**" means the Board of Directors of the Company.

"**Chairman**" means the chairman of the Company.

"**Company**" or "**Greenland Minerals**" means Greenland Minerals and Energy Limited (ABN 85 118 463 004).

"**Constitution**" means the Constitution of the Company.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Directors**" mean the directors of the Company from time to time.

"**Explanatory Statement**" means this Explanatory Statement.

"**Kvanefjeld Project**" means the multi-element project in south west Greenland the subject of licence interests in which the Company or its subsidiaries have an interest.

"**Meeting**" means the meeting convened by this Notice.

"**Notice**" means the notice of meeting that accompanies this Explanatory Statement.

"**Option**" means an option to subscribe for a Share.

"**Optionholder**" means a holder of Options.

"**Resolution**" means a resolution referred to in the Notice.

"**Share**" means a fully paid ordinary share in the capital of the Company.

"**Shareholder**" means a registered holder of Shares in the Company.

"**Trading Day**" has the meaning as in the ASX Listing Rules.

"**WST**" or "**Western Standard Time**" means Western Standard Time, Perth, Western Australia.

"**\$**" means Australian dollars unless otherwise stated.

**ANNEXURE 1**

**LETTER OF NOMINATION OF AUDITOR**

Simon Cato  
28 Rockliff Avenue  
KARRINYUP WA 6018

The Company Secretary  
Greenland Minerals and Energy Limited  
Ground Floor  
33 Colin Street  
WEST PERTH WA 6005

Dear Sir

**Nomination of Auditor**

I, Simon Cato, being a shareholder of Greenland Minerals and Energy Limited, hereby nominate Deloitte Touche Tomatsu, of Level 14, Woodside Plaza, 240 St Georges Terrace, Perth, Western Australia to be appointed as auditor of Greenland Minerals and Energy Limited.

I consent to the distribution of a copy of this notice of nomination as an annexure to the Notice of Meeting for the 2008 Annual General Meeting of Greenland Minerals and Energy Limited as required by section 328B(3) of the Corporations Act.

Yours faithfully



Simon Cato

## ANNEXURE 2

### TERMS OF OPTIONS – RESOLUTION 5 – HANK SCHONWANDT

The terms of the Options are as follows:

1. Each Option entitles the holder to one Share.
2. The Options are exercisable at any time prior to 5.00 pm Western Standard Time on 30 June 2011 ("**Expiry Date**").
3. The exercise price of the Options is 20 cents per Option.
4. The Options are freely transferable.
5. The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("**Notice of Exercise**"). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
6. Upon the exercise of an Option and receipt of all relevant documents and payment, the holder in accordance with paragraph 5 will be allotted and issued a Share ranking pari passu with the then issued Shares.
7. There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Optionholders the opportunity (where available) to exercise their Options prior to the date for determining entitlements to participate in any such issue.
8. If there is a bonus issue ("**Bonus Issue**") to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
9. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.
10. In the event that the Company makes a pro rata issue of securities, the exercise price of the Options will be adjusted in accordance with the formula set out in Listing Rule 6.22.2.

## ANNEXURE 3

### TERMS OF OPTIONS – RESOLUTION 6 – MALCOLM MASON

Each Option able to be vested does not vest until the holder of the Options requests in writing that the Options vest. The Company will then vest the Options within 5 business days.

The terms of the Options are otherwise as follows:

1. Each Option entitles the holder to one Share.
2. The Options are exercisable at any time prior to 5.00 pm Western Standard Time on 30 June 2011 ("**Expiry Date**").
3. The exercise price of the Options is 20 cents per Option.
4. The Options are freely transferable.
5. The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("**Notice of Exercise**"). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
6. Upon the exercise of an Option and receipt of all relevant documents and payment, the holder in accordance with paragraph 5 will be allotted and issued a Share ranking pari passu with the then issued Shares.
7. There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Optionholders the opportunity (where available) to exercise their Options prior to the date for determining entitlements to participate in any such issue.
8. If there is a bonus issue ("**Bonus Issue**") to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
9. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.
10. In the event that the Company makes a pro rata issue of securities, the exercise price of the Options will be adjusted in accordance with the formula set out in Listing Rule 6.22.2.

## ANNEXURE 4

### TERMS OF OPTIONS – RESOLUTION 7 – SHAUN BUNN

Each Option able to be vested does not vest until the holder of the Options requests in writing that the Options vest. The Company will then vest the Options within 5 business days.

The terms of the Options are otherwise as follows:

1. Each Option entitles the holder to one Share.
2. Subject to vesting and paragraph 5, the Options are exercisable at any time prior to 5.00 pm Western Standard Time on 30 June 2013 ("**Expiry Date**").
3. The exercise price of the Options is 10 cents per Option.
4. The Options are transferable only with the prior approval of the Board.
5. The Company may request the Optionholder to exercise the Options earlier than the Expiry Date in order for the Company to list on the London Stock Exchange. The Company's request must be in writing and the Optionholder shall have 30 days to comply with the request otherwise the Options will lapse.
6. The Company will provide to each Option holder a notice that is to be completed when exercising the Options ("**Notice of Exercise**"). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
7. Upon the exercise of an Option and receipt of all relevant documents and payment, the holder in accordance with paragraph 6 will be allotted and issued a Share ranking pari passu with the then issued Shares.
8. There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Optionholders the opportunity (where available) to exercise their Options prior to the date for determining entitlements to participate in any such issue.
9. If there is a bonus issue ("**Bonus Issue**") to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date for the Bonus Issue ("**Bonus Shares**"). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
10. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.
11. In the event that the Company makes a pro rata issue of securities, the exercise price of the Options will be adjusted in accordance with the formula set out in Listing Rule 6.22.2.



**GREENLAND MINERALS AND ENERGY LIMITED**  
**ABN 85 118 463 004**  
**PROXY FORM**

**APPOINTMENT OF PROXY**

**Greenland Minerals and Energy Limited**  
**ABN 85 118 463 004**

I/We

being a Shareholder of Greenland Minerals and Energy Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

**Name of Proxy**

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at Country Women's Association of Western Australia (Inc), Level 2, 1176 Hay Street, West Perth, Western Australia on 25 November 2008 at 2.00 pm (WST) and at any adjournment thereof.

**Voting on Business of the General Meeting**

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Simon Cato	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – Hank Schonwandt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to Issue Shares and Options to Hank Schonwandt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to Issue Options to Malcolm Mason	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to Issue Options to Shaun Bunn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to Issue Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If the chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a Resolution, please place a mark in the box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the Resolutions and that the votes cast by the Chair of the meeting for those Resolutions other than as proxy holder will be disregarded because of that interest. **The Chair intends to vote any such undirected proxies in favour of all Resolutions.** If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the Resolutions and your votes will not be counted in calculating the required majority if a poll is called on the Resolutions.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is \_\_\_\_\_ %

Please return this Proxy Form to the Company Secretary, Greenland Minerals and Energy Limited, Ground Floor, 33 Colin Street, West Perth, Western Australia or by post to PO Box 1304, West Leederville, Western Australia 6901 or by fax to (08) 9226 2299 by 2.00 pm (WST) on 23 November 2008.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2008.

**By:**

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature

Director

Signature

Director/Secretary

Signature

Sole Director and Sole Secretary

**GREENLAND MINERALS AND ENERGY LIMITED**  
**ABN 85 118 463 004**

**Instructions for Completing Appointment of Proxy Form**

1. In accordance with section 249L of the Corporations Act, a shareholder of the Company who is entitled to attend and cast two or more votes at a general meeting of shareholders is entitled to appoint two proxies. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - 2 directors of the company;
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in sections 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with sections 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of sections 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. In accordance with section 250BA of the Corporations Act the Company specifies the following for the purposes of receipt of proxy appointments:

Registered Office: Ground Floor, 33 Colin Street, West Perth, Western Australia

Fax Number: +61 8 9226 2299

Postal Address: PO Box 1304, West Leederville, Western Australia 6901

by no later than 48 hours prior to the time of commencement of the Meeting.