

GREENLAND

MINERALS AND ENERGY LTD

Company Announcement

Wednesday May 26, 2010

South Greenland Council to Support Definitive Feasibility Studies On the Kvanefjeld Multi-Element Project

Highlights

- *South Greenland Municipal Council officially supports removal of the current uranium policy of zero tolerance, and ongoing feasibility studies at Kvanefjeld*
- *Greenland's labour union (SIK) has backed a change from the current uranium policy to a byproduct ruling with a uranium concentration limit of 0.1%*
- *Greenland Government presents a timetable for review of the uranium policy*

South Greenland Council to Support Definitive Feasibility Studies On the Kvanefjeld Multi-Element Project

Greenland Minerals and Energy Ltd. (GMEL or the "Company") is pleased to provide an update on developments in Greenland following a meeting of southern Greenland's newly amalgamated Council where items that pertain to the development of the Kvanefjeld multi-element project were addressed.

The Kommuneqarfik Kujalleq (newly merged municipal council of south Greenland) met on May 12th and established their position on key items that are relevant to future definitive feasibility studies and ultimately the development of a mining operation at Kvanefjeld. The items were raised at the council level following a press release on April 15th from the Minister of Commerce and Raw Materials, Mr Ove Carl Berthelsen that outlined a timetable for the ongoing review on the current zero-tolerance uranium policy. In the official English translation Minister Berthelsen stated:

"As previously announced, in 2010 Naalakkersuisut will listen to the many views from citizens, interest groups and impartial experts. After the summer break, Naalakkersuitsut will make some concrete statements on the further process, before the legislative assembly reviews the proposal on the introduction of a maximum limit for uranium in connection with the mine operation in the autumn session."

In the council meeting held on May 12, the main item of relevance was to clarify the council's position in regard to the current uranium policy of zero tolerance, with specific reference to a mining operation at Kvanefjeld.

The council voted in *favour* of supporting a change from the zero-tolerance uranium policy, and acknowledged that a final decision to mine should be made based on the results of the definitive feasibility study and associated environmental and social impact assessments. The Company aims to commence these work programs in 2011 and work through the definitive feasibility process in close consultation with Greenlandic stakeholders.

A mining operation at Kvanefjeld would be the start of a significant new industry in south Greenland, and would create many jobs and bring infrastructure benefits. During recent months GMEL has been conducting community consultation and stakeholder meetings where it has been emphasised to the Company that the creation of new employment is a priority, provided that this can be done in a way that ensures a safe and healthy work place and minimal environmental impact. The council has put forward an invitation to Inatsisartut (Greenland's legislative assembly) to change the regulations from the current zero tolerance uranium policy to a by-product policy with a maximum concentration limit for uranium of 0.1%.

Importantly, the same proposal has also been put forward to Inatsisartut by the executive committee of Greenland's labour union, the SIK. The SIK takes care of the interests of the biggest wage-earning group in Greenland, and has a vital role in the betterment of living conditions for wage-earners, as well as

having close ties with the political mainstream. Through its representatives, the SIK plays a major role in the development and debate about the Greenland society.

Roderick McIlfree, GMEL Chief Executive Officer commented,

"The Company has been conducting a series of stakeholder meetings and community information forums in relation to Kvanefjeld over the last three months which have been extremely beneficial for all parties. We are very appreciative of the support of stakeholder groups, and aim to continue to build the dialogue and provide regular updates. The Company will continue information forums and stakeholder presentations whilst it is conducting fieldwork programs through the coming months."

Yours faithfully,



Roderick McIlfree

Managing Director

Greenland Minerals and Energy Ltd

ABOUT GREENLAND MINERALS AND ENERGY LTD.

Greenland Minerals and Energy (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 project. Kvanefjeld has now entered the pre-feasibility phase that will ultimately map out a path to development and timeline to production. For further information on Greenland Minerals and Energy visit <http://www.ggg.gl> or contact:

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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. Any potential change toward the current stance of zero tolerance is not expected until after the public consultation and review process is concluded in the coming months.

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.