

# GREENLAND

## MINERALS AND ENERGY LTD

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Friday, 10 September 2010

### *Media Release*

#### **New Amendment to the Standard Terms for Exploration License Provides Pathway for the Development of Kvanefjeld**

**Key points:**

- Greenland Government introduce an amendment to *Standard Terms for Exploration Licenses* in Greenland
- Amendments allow for, upon application approval, the inclusion of radioactive elements as exploitable minerals for the purpose of thorough evaluation and reporting
- GMEL's has applied under these new regulations
- Company now has a clear path for the continued development of the Kvanefjeld rare earth and uranium project through definitive feasibility study in cooperation with Greenland Government and stakeholder groups

Greenland Minerals and Energy A/S (the Company) welcomes the decision by the Government of Greenland (the Government) to introduce an amendment to the *Standard Terms for Exploration Licenses* that will allow for, at the Government's discretion, the thorough evaluation of, and reporting on, mineral projects that contain radioactive elements above background concentrations.

Following this important development, Greenland Minerals and Energy A/S can now commit to commence definitive feasibility studies in 2011 as planned, and will work in close consultation with the Government and stakeholder groups to determine the environmental, social, economic, and health parameters with respect to development at Kvanefjeld.

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The Company would also like to acknowledge its confidence in the comprehensive review process into the exploitation of radioactive materials that was announced by the Minister for Industry and Raw Materials, Mr Ove Karl Berthelsen in late June.

Over the coming months, Greenland Minerals and Energy A/S will conduct planning and preparation for environmental and social impact assessments, as well as preparation for ongoing technical studies. It is anticipated that the ramp up of work programs over the next six months will create up to 20 additional jobs in the town of Narsaq, South Greenland and surrounding areas.

The Kvanefjeld multi-element project has the potential to become one of the world's largest suppliers of rare earth elements at a time when demand for these strategically important metals is soaring. China currently dominates global REE supply, but is now taking a long term strategic position on its REE resources and production, that is resulting in a substantial shortfall in global REE supply. The development of Kvanefjeld could see Greenland emerge as one of the world's major REE supply hubs and thereby creating a new multi-decade industry to be formed in South Greenland. A multi-element production profile at Kvanefjeld with diversified revenue streams would serve to make Kvanefjeld a highly-competitive mining operation in the international arena, which importantly brings job security and stability.

Greenland Minerals and Energy Ltd Managing Director, Mr. Roderick McIlree, said this amendment to the regulations provides the Company with a clear path for the continued development of the Kvanefjeld multi-element project, and recognises the strategic importance of the project in the development of a mining industry in Greenland.

*"This critical development has resulted from the government's recognition of the unique potential of the Kvanefjeld project, and the opportunity it represents to Greenland," Mr. McIlree said.*

*"Significantly, what we believe to be the world's most strategically important mineral projects can now move through the next phase of development. This confirms that the government of Greenland is committed to working with companies to develop a strong and well-regulated minerals industry in Greenland," he added.*

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