



Company Announcement, 24th March, 2014

**Greenland Minerals Signs Memorandum of Understanding with China's NFC,
to form Fully-Integrated Global Rare Earth Supply Chain**

Greenland Minerals and Energy Limited ("GMEL" or "the Company") is pleased to advise that it has made a significant step toward the establishment of an integrated global rare earth supply business with the signing of a non-binding Memorandum of Understanding (MoU) with China Non-Ferrous Metal Industry's Foreign Engineering and Construction Co. Ltd. (NFC). The MoU sets out a framework for both parties to cooperate in aligning the rare earth concentrates from GMEL's Kvanefjeld Project, with NFC's substantial rare earth separation experience and capacity, to create a powerful force in global rare earth supply.

Over recent years GMEL has looked to identify and engage groups that have the capability to work with the Company in establishing a vertically-integrated rare earth supply business, in parallel to advancing technical aspects of the Kvanefjeld Project. On the basis of numerous meetings and technical due-diligence conducted over the previous three years, a clear alignment of interests has emerged between GMEL and NFC.

GMEL's Kvanefjeld Project, ideally located in southern Greenland, is underpinned by one of the world's largest resources of both rare earth elements and uranium, with scope to increase the resource base substantially. The Project is now in definitive feasibility study stage, and is scheduled to enter the permitting phase in late-2014. Studies conducted to date indicate the potential to develop Kvanefjeld as a cost-competitive, long-life operation that will produce rare earth concentrates, uranium oxide, zinc concentrate and fluorspar. The unique ore-type allows for a simple and efficient processing route that is readily scalable with low-technical risk. These attributes make Kvanefjeld a standout amongst emerging mining operations with significant projected rare earth output.

NFC has a strong reputation in engineering, financing, constructing and operating mines, smelters, and refineries in many parts of the world. NFC's participation in the rare earth industry comes through its subsidiary Guangdong Zhujiang Rare Earths Company; which holds the distinguished status as the first group to carry out full separation of fifteen rare earth elements in China, and is recognised globally as a leader in rare earth separation technology.

NFC intends to increase its participation in the global rare earth business, and has a new 7000tpa capacity rare earth separation facility planned, with all approvals in place.



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Upon completion, this will represent one of the world's newest, largest-capacity and most technologically advanced rare earth separation facilities. Of significance, the planned facility is designed to process concentrates of a similar composition to the 'critical rare earth' mix aimed to be produced from Kvanefjeld, and the capacity closely matches the volume of Kvanefjeld's stage 1 projected output.

The complementary aspects of GMEL's Kvanefjeld Project and NFC's planned rare earth separation capability are clear, and represent a compelling opportunity.

Under the terms set out in the MoU, both parties intend to increase the technical cooperation to assist in the completion of feasibility studies on Kvanefjeld, and finalise a mining license application. The timing is important as the technical exchange is designed to ensure that Kvanefjeld and NFC's new separation facility are optimally aligned. Both parties are aiming to establish a strategic cooperation agreement, and map out the structure of a business partnership and associated commercial considerations. The creation of a full value chain will have GMEL well-positioned to commence marketing rare earths to end-users globally, and to secure offtake agreements.

GMEL's vision for the Kvanefjeld Project has included the establishment of an effective rare earth business, through combining the cost-competitive production of critical rare earth concentrates from Kvanefjeld with expertise and capacity in downstream rare earth separation. The Company looks forward to working with a group of NFC's capability and reputation to secure this vision and establish a strong rare earth business partnership.

With an avenue to establishing a strong rare earth business unit taking shape, GMEL will increase its focus on structuring the uranium business, and firming up an optimal uranium partner for the Kvanefjeld Project.

Yours faithfully,



Roderick McIlree

Managing Director

Greenland Minerals and Energy Ltd

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ABOUT GREENLAND MINERALS AND ENERGY LTD.

Greenland Minerals and Energy Ltd (ASX – GGG) is an exploration and development company focused on developing high-quality mineral projects in Greenland. The Company's flagship project is the Kvanefjeld multi-element deposit (Rare Earth Elements, Uranium, Zinc), that is rapidly emerging as a premier specialty metals project. A comprehensive pre-feasibility study has demonstrated the potential for a large-scale, cost-competitive, multi-element mining operation. For further information on Greenland Minerals and Energy visit <http://www.ggg.gl> or contact:

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Greenland Minerals and Energy Ltd will continue to advance the Kvanefjeld project in a manner that is in accord with both Greenlandic Government and local community expectations, and looks forward to being part of continued stakeholder discussions on the social and economic benefits associated with the development of the Kvanefjeld Project.

The information in this report that relates to exploration targets, exploration results, geological interpretations, appropriateness of cut-off grades, and reasonable expectation of potential viability of quoted rare earth element, uranium, and zinc resources is based on information compiled by Mr Jeremy Whybrow. Mr Whybrow is a director of the Company and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Whybrow has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Whybrow consents to the reporting of this information in the form and context in which it appears.

The geological model and geostatistical estimation for the Kvanefjeld, Sorensen and Zone 3 deposits were prepared by Robin Simpson of SRK Consulting. Mr Simpson is a Member of the Australian Institute of Geoscientists (AIG), and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Simpson consents to the reporting of information relating to the geological model and geostatistical estimation in the form and context in which it appears.

This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

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