

BREAKING NEWS - January 9, 2010

Greenland Minerals and Energy to become the next billion dollar rare earth elements and uranium company



Greenland Minerals and Energy (GGG – ASX) has secured to acquire 61%, with options to acquire up to 100% of the **Kvanefjeld Project** on the southwest tip of Greenland and is recognized as the second largest undeveloped multi-element occurrence of rare earth oxides, sodium fluoride and uranium in the world.

Particularly since having further increased and upgraded in size, the Kvanefjeld Project with an estimated JORC compliant resource of 120,000 tonnes U₃O₈ grading 283 ppm, containing 223 million pounds of U₃O₈ (192 million pounds at 350 ppm), can be compared with Rio Tinto's producing Rössing Uranium Mine in Namibia, containing a current 174,000 tonnes Mine resource grading 300 ppm for 470 million pounds of U₃O₈.

Apart from the Kvanefjeld Project being the western world's largest REO project, Greenland Minerals owns one of the top-5 uranium deposits. The present U₃O₈ resource represents a value of less than US\$ 1.00 per pound (fully diluted), compared with average resource valuations in the uranium sector between US\$ 3 to US\$ 5 per pound U₃O₈.

Early indications are that uranium represents approximately a quarter of the total in the ground value of the Kvanefjeld Project, to be estimated at more than US\$ 40 billion.

On January 4, 2010 **Greenland Minerals and Energy** ("GGG") advised that the Minerals Resource Act approved by the Government of Greenland on November 27, 2009 came into effect on January 1, 2010.

The Company views this step as a key milestone for Greenland on its path to self rule. The next step on this path will be to complete handover of mineral and oil rights from Denmark to Greenland, a process expected to be completed in the near future.

After four years of deliberations the country, with only 56,000 inhabitants, took an important step close to full autonomy when it implemented self-rule on June 21, 2009.

In the November 2008 sitting of Greenland's parliament, the issue of uranium mining was debated, with the majority of politicians strongly in favor of by-product mining of uranium from multi element or polymetallic ores in concentrations less than 1,000 ppm, which is the international standard of a by-product.

In 2009, GGG's focus has shifted from exploration and resource definition to the requirements of a planned pre-feasibility study on the Kvanefjeld Project.

On December 18, 2009, GGG announced that it had received drafts of component reports for the "base case" mining scenario of the Kvanefjeld Multi-Element Project. The "base case" is built around the process flow sheet that was announced in the Company's September Quarterly Activities report, which was released on October 31, 2009.

Upcoming test work programs in 2010 will be completed prior to finalizing the process flow sheet that will then be taken through a Definitive Feasibility Study which will provide a clear indication of the Project's potential.

The Board of GGG will review the interim report before key outcomes of the study are released to the market later this month. I expect this report to provide a net present value of the Kvanefjeld Project of at least \$ 1 billion.

Investment recommendation:

Already since mid-2007 and even more so since a site visit in September 2008, GGG has been one of my favourite investment opportunities in the uranium sector at a time that the Company was only publicly known for its uranium resource of the Kvanefjeld Project. Since then, within two years, the Company has emerged the Project to the world's largest undeveloped multi-element occurrence of rare earth oxides, sodium fluoride and uranium.

However, due to the zero tolerance towards uranium exploration and exploitation in Greenland, despite its unmatched fundamental prospects, GGG's shares remained extremely undervalued, particularly compared to booming share prices of uranium companies active in Namibia.

Based on both the geopolitical progress in Greenland and the outstanding results to be expected from the pre-feasibility study, in my view, at an estimated net present value of at least \$ 1 billion, GGG offers the potential to at least double in value to a next share price target of A\$ 2.00.