

GGG.AU

Greenland Minerals and Energy Ltd

A\$ 0.35

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 Rare Earth Elements, Uranium
 Greenland
 Advanced Exploration
 Exchanges: ASX:GGG

After a Jun '09 upgrade, the giant Kvanefjeld Deposit has a JORC resource including 283mlb U₃O₈ and 4.91mt total REO, with 79% Indicated. A PFS is expected in late 2009. In Greenland, a national debate is planned, to decide the future of uranium production.

Capital Profile

Share price (A\$)	0.35
52 week range (A\$/share)	0.15 to 0.56
Number of shares (m)	223
Options and warrants (m)	178
Convertible notes (m)	0
Fully diluted (m)	401
Market capitalisation (undiluted) (A\$m)	77.9
Debt (A\$m) - Sep 09F	0.0
Enterprise value (A\$m)	77.9
Major shareholders: GCM Nominees (18.1%), Westrip Holdings (15.6%), Gravner Ltd (15.0%), ANZ Nominees (10.5%), HSBC Custody Nom. (5.5%)	
Avg monthly volume (m)	12
Cash (A\$m) - Sep 09F	12.2
Price/Cash (x)	6.4
Price/Book (x)	2.0
Listed company options:	GGGO

Production and Financial Forecasts

Year End: June	Jun-09a	Sep-09F	2008a	2009F	2010F
Exploration and evaluation (A\$m)	2.59	1.50	11.78	10.97	3.30
Corporate (A\$m)	1.09	0.63	4	3.98	2.50
Exploration/(Expl.+ Corporate) (%)	70	71	0	73	57
Funding duration at current burn (years)			0	1.0	3.1
Shares on issue (pr end) (m shares)	218.5	222.5	192.9	218.5	239.2
Drilling - RAB (m)	0	0	0	0	0
Drilling - Other/Diamond (m)	1,000	5,000	17,522	10,000	8,000
Land holding ('000 ha)	211	211	211	211	0
Tenement costs (\$k per year)	-	-	-	-	-
Capital raisings (A\$m)	5.0	1.0	38.8	5.0	11.0
Funding from JV partners (A\$m)	0	0	0	0	1.6
Cash (A\$m)	14.9	12.2	21.5	14.9	17.8
Cash backing (Ac/share)	6.8	5.5	11.2	6.8	7.4
Net asset backing (Ac/share)	18.5	17.9	18.7	18.5	19.7

Quarters refer to calendar year.

Investment Points

Multi-element focus at Kvanefjeld - uranium component valued at approx ~US\$15.5bn (US\$55/lb).

Potential to be one of the world's largest REE and U deposits - plus economic potential NaF, Zn and Sn.

JORC resource (Jun '09) containing 283mlbs U₃ 4.9mt REO, 1mt Zn and 3.1mt NaF - defined over 2km x 1km, open at depth (>300m) and along strike.

Exploration budget '09 is A\$3m. Drilling ~5,000-7000m (geotech and met) in June-Sept '09.

Metallurgy and mineralogy budget ~A\$5m in 2009. Pre-feasibility study, with mine plan (Coffey) and process flow sheet (GRD Minproc, ANSTO), expected late 2009.

Placements in 2Q09 raised A\$6m @ A20-25c/share.

Greenland Government (elected Jun '09) will allow issue of uranium production to be decided by public debate.

Company Comment

Overview: Greenland Minerals and Energy Limited is a Perth based company that listed on the ASX in June 2006 (ASX:GGG). It is evaluating the uranium-rich Kvanefjeld multi-element project in Greenland, a self-governing Danish province. The project was acquired in 2007.

Kvanefjeld (uranium, Greenland): The project (80km²) is located on the SW tip of Greenland, at Narsaq. Within the Ilmaussaq alkaline intrusive complex, it is one of the world's largest undeveloped rare earth elements and uranium deposits. The Danish Atomic Energy Agency and the Danish Geological Survey completed >11,500m of diamond drilling (1957-1983) and defined a resource of 126mt @ 0.04% U₃O₈ (1km² area). Other potentially economic elements and minerals include zinc, tin and sodium fluoride. Uranium likely accounts for ~25% of the potential in-ground value. GGG's ownership of 61% is moving to 90% with A\$10m cash payment, and 100% with additional A\$50m.

The deposit: is a flat-lying slab of disseminated mineralisation, open at depth and in three directions, and accounts for ~10% of the prospective host rock. Current **JORC resource** (Jun '09) is 457mt @ 0.028% U₃O₈ for 283mlbs, 1.07% REO for 4.91mt (includes yttrium) and 0.22% Zn for 0.99mt, with 79% of these in the Indicated category. There is also 363mt @ 0.85% NaF for 3.09mt. Changes from previous (Aug '08) resource include 27% increase in U₃O₈ and 88% increase in REO. Total '09 exp. budget is ~A\$3m, planning to drill 5,000m-7,000m (Jun-Sep) for metallurgical and geotechnical testing. The resource covers 2km by 1km and extends from surface to 280m depth. There is significant resource and exploration upside within the ~6km x 4km Ilmaussaq intrusive (e.g. prospects K2-K8). GGG indicates **historical metallurgical testwork** recoveries of 70%-90% using pressure alkaline leach. Further metallurgical and mineralogical tests began 4Q07, with a 2009 budget of A\$5m (met currently in Phase 4, with SGS Lakefield). There is potential to beneficiate the ore and reduce downstream processing costs through upgrade of U₃O₈ (e.g., from 0.04% to 0.14%) and REO. Potential production (open cut) is in the order of 3,000tpa U₃O₈ and compares with Rossing (3,700tpa U₃O₈; 174kt resource @ 0.03% U₃O₈, 470mlbs). There is potential to commercialise the large NaF resource, which could have applications in dentistry, agriculture, ceramics and aluminium smelting. **Pre-Feasibility Study:** began in 4Q08, drawing on the historic feasibility study. Results expected in late 2009, including mine plan (Coffey Mining) and multi-element process flow sheet (GRD Minproc, ANSTO). Environment studies are well advanced (Coffey Natural Systems, Orbicon).

Investment Comment: GGG's focus is on advancing the Kvanefjeld project in Greenland. The resource has potential to be one of the world's largest REE and uranium deposits, with huge exploration upside. A successful Pre-Feasibility Study would provide confidence in project economics, especially regarding mineralogy and metallurgical recoveries, and be a step towards potential re-rating of GGG mkt cap to over A\$500m (>US\$3/lb U₃O₈ resource) mid-term. Two share placements in 2Q09 (A\$6m @ A20-25c/share) were oversubscribed. Mineral rights will transfer from the Danish Crown to Greenland as part of the self-governing transition, expected to be formalized in Jan '10. The recently elected governing Inuit Ataqatigiti party (Jun '09) has an anti-uranium stance; however, it has said it will allow the issue of uranium production as a byproduct of multi-element exploration and mining to be decided by public debate, as per a framework established by the Greenland parliament in Nov '08.

Reserves and Resources/Mineralised Material

Code for reporting mineral resources - Australian: (JORC)

Uranium	Classification	Project	Ore	U ₃ O ₈	Cut Off	U ₃ O ₈	U ₃ O ₈	U ₃ O ₈	Eqty
U ₃ O ₈			Equity	Mt	%	ppm	Kt	Mlb	Mlb
Reserves							0.0	0.0	0.0
Resources									
Kvanefjeld*	Inferred		61%	457	0.03	150	128	283	173
Mineralised Material (est., non compliant with JORC)							0.0	0.0	0.0

*Also total REO (4.91mt contained @ 1.07%), Zn (0.99mt contained @ 0.22%) and NaF (3.09mt contained @ 0.85% NaF).

Key Projects

Project	Ownership/Option	Metal	JV Partner	Target Type	Process Route	Project Status	Project Location
Kvanefjeld	61%/100%	U, REO	Westrip	Igneous	na	Advanced Expl	Greenland

Contacts

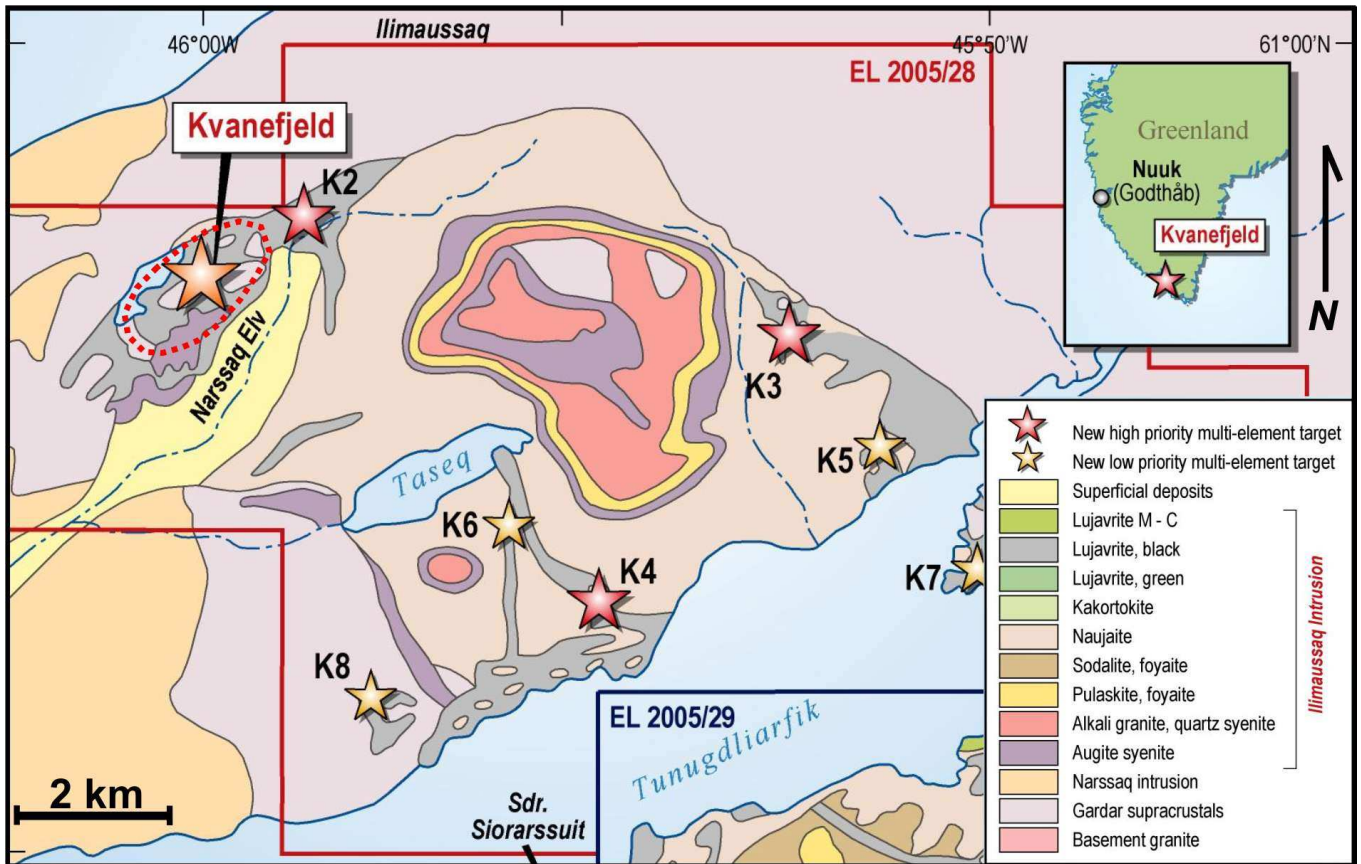
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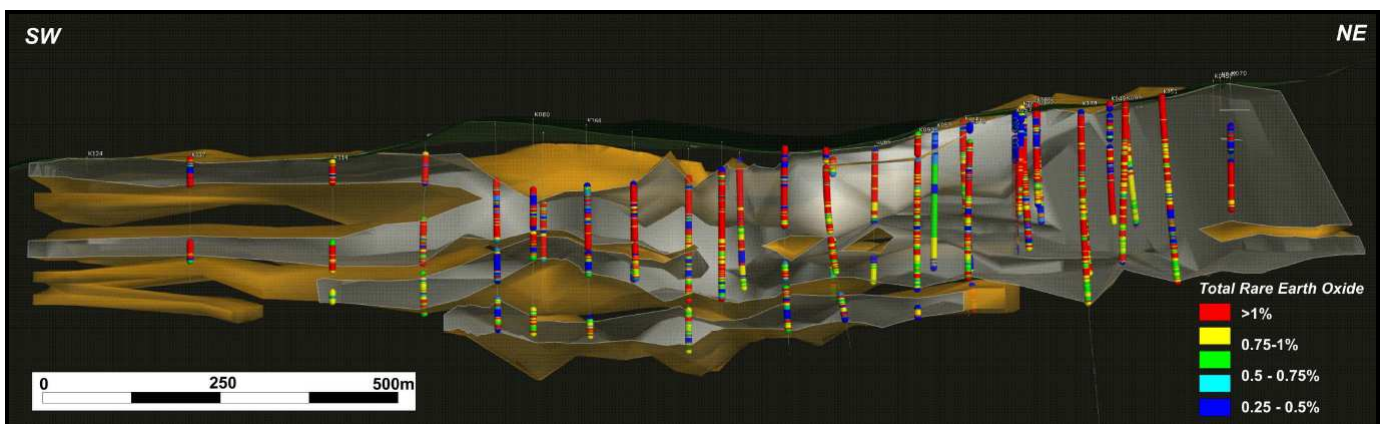
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Map of the Ilimaussaq intrusive complex showing the Kvanefjeld deposit and new multi-element targets. Current resource is 283mlbs U₃O₈, 4.9mt of rare earth oxides, 1mt of Zn and 3.1mt of NaF. Mineralised lujavrite is likely to continue between Kvanefjeld and K2.



Kvanefjeld resource model cross section (NE-SW), with drill strings coloured by distribution of REOs (rare earth oxides). The deposit is mineralised from surface. A PFS is expected late 2009, including preliminary mine plan and process flow sheet.



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