

Quick Comment

Greenland Minerals Ltd (GGG \$0.09) Speculative Buy

Analyst	Date	Price Target
Steven Clark	22 nd April 2020	\$0.20/sh

Indicative Timeline for Review of Kvanefjeld Project EIA Received

Key Points

- GGG has announced this morning that Greenland's Environmental Agency for Mineral Resource Activities (EAMRA) has provided an indicative period of 8 weeks to review the final EIA, indicating that traction has been gained with respect to the delivery of a final outcome of the permitting of the Kvanefjeld project.
- Prior to the submission of updated EIA material, GGG commissioned an independent review, which is scheduled to be finalised in the week commencing 27 April, at which point in time all documentation will then be lodged with the Greenland Government.
- Once the EIA is approved by EAMRA, the Ministry of Mineral Resources will manage the remainder of the licensing process, including formalising the public consultation process.
- Following EIA reviews by EAMRA in 2019, a short list of 'Type 1' issues were identified, largely relating to tailings management methods requiring further clarification prior to submission for public consultation.
- GGG has liaised directly with EAMRA in resolving these issues, and has asserted that all Type 1 issues identified have been appropriately addressed by additional studies, which have been reviewed by its independent consultant.
- We consider the provision of a defined timeline an encouraging development for GGG, particularly in the context of multiple EIA resubmission requests made by EAMRA in the past.
- Our PT of \$0.20/sh assumes successful navigation of the permitting of the Kvanefjeld project on the back of successful lodgement of the updated EIA.

Investment Thesis Kvanefjeld is the largest undeveloped Rare Earths project globally. Conservative pricing estimates for Rare Earth Oxide demonstrate the Project's economic potential, with the Project generating an unrisks NPV of \$1.40/sh. However, we are more drawn by the strategic significance of the Project, given its size, location and share register combined with the increasing security of supply concerns pertaining to the Rare Earth Element supply chain. We recently initiated coverage with a Speculative Buy recommendation.

Greenland Minerals Limited (GGG)

Share Price	0.09	A\$/sh	Enterprise Value	96	A\$m
Price Target	0.20	A\$/sh	Debt	Nil	A\$m
Valuation	0.57	A\$/sh	Cash	9	A\$m
Shares on issue	1,206	m(dil)	Largest Shareholder Shenghe	10.5%	
Market Capitalisation	105	A\$m			

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