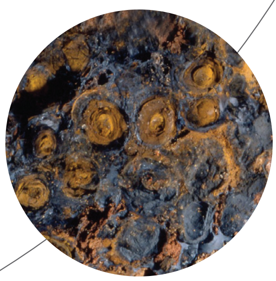
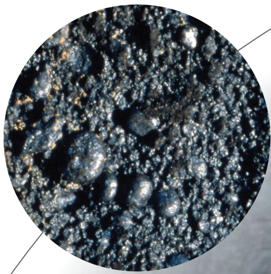




GROOTE RESOURCES LIMITED

annual report 2010

ABN 24 119 494 772

corporate directory

ABN:
24 119 494 772

Directors:
Simon Alexander Noon
Executive Director

Alexander Robert Harry Hewlett
Chairman, Non-Executive Director

Stuart John Hall
Non-Executive Director

Barrie Richard Bolton
Non-Executive Director

Company Secretary
Maurice Catina

Registered Office
Suite 4, 38 Colin Street
West Perth WA 6005
Australia

Solicitors
Steinepreis Paganin
Lawyers and Consultants
Level 4, the Read Buldings
16 Milligan Street
Perth WA 6000

Bankers
Westpac Banking Corporation
Limited
109 St George's Terrace
Perth WA 6000
Australia

Share Registry
Computershare Investor
Services Pty Ltd
Level 2, RBA Building
45 St George's Terrace
Perth WA 6000
Australia

Stock Exchange Listing
The Company is listed on
the Australian Securities
Exchange

ASX Code: GOT

www.grooteresources.com.au

Auditors
BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008
Australia

contents

chairman's report

Dear Shareholder,

On behalf of your Board of Directors, I have pleasure in presenting the Annual Report and Financial Statements of Groote Resources Limited ("Groote Resources" or the "Company") for the 30 June 2010 financial year.

Since announcing its strategic intentions in November 2009, the Company committed itself to a process of transformation which culminated in March 2010, when it re-entered the Australian Securities Exchange following a change of name (formerly known as Western Uranium Limited) and business direction of the Company.

The company successfully acquired six (6) key exploration licences as part of the Groote Eylandt project from Reflective Minerals Pty Ltd. This culminated with the successful granting of the tenements in August 2010. In addition, the company successfully completed a $2.5 million placement to assist with the development of the company.

The Board was reconstituted as part of the change in business focus and now contains a complimentary mix of skill sets and experience which is focused on the identification, consideration and determination of new and potentially undervalued resource opportunities.

The Board of Groote Resources is committed to pursuing a strategy that will deliver long-term growth to shareholders. Groote Resources has significant cash reserves with no debt, allowing the Company to pursue its ambitions of achieving growth through acquisitions in the resources sector.

I wish to extend my sincere thanks to the Board of Groote Resources for their contributions and efforts to date. Appreciation is also extended to our shareholders for their support and we look forward to continued success in the financial year ahead.

Yours faithfully

Alex Hewlett
Chairman

directors' report

The Directors of Groote Resources Limited ("Groote Resources" or "the Company") present their financial report for the year ending to 30 June 2010 ("the Balance Date").

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire year unless otherwise stated.

Names, qualifications experience and special responsibilities

Mr Simon Alexander Noon

Executive Director
Appointed 10th March 2010
Simon Noon was previously a director of Reflective Minerals and is a member of the Australian institute of company directors. Mr Noon was involved in the targeting of the Groote Eylandt tenements in 2009 and has been an investor in the resource and mining sector for over 10 years and during this time has supported many successful projects. Mr Noon also has a strong background in corporate development and team management.

Mr Alexander Robert Harry Hewlett (BSc, MAICD, GAusIMM, GAIG)

Chairman, Non-Executive Director
Appointed 10th March 2010
Alexander Hewlett is a qualified geologist and a member of the Australian Institute of Company Directors, as well as a graduate member of both the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Alex is currently the CEO of US Nickel (formerly Lumacom) a nickel explorer with assets in North America as well as Canada. Alex was previously a director of Reflective Minerals who acquired the exploration tenements surrounding Groote.

Mr Stuart John Hall (BSc Hons, FAusIMM, FGS)

Non-Executive Director
Appointed 21 November 2008
Mr Hall is a qualified geologist with over 40 years experience in exploration and mining projects located in Australia and Africa. He has extensive experience in the areas of exploration strategy, mine geology, open pit and underground mining operations, resource/reserve estimations, reconciliation, feasibility, mine project development and mine management. Mr Hall has been involved in the feasibility, construction, commissioning and management of several open pit and underground mining operations. Mr Hall currently operates his own geological consultancy. During the past three years Mr Hall has also served as a Director of the following other listed companies:

- Prairie Downs Metals Limited* - Appointed 21 November 2008
- Papillon Resources Limited*- Appointed 8 October 2008

* denotes current Directorship

Mr Barrie Richard Bolton (BSc (Hons.) FGS, FAusIMM)

Non-Executive Director
Appointed 16 August, 2010
Barrie Bolton is a geologist with over thirty years international experience in the mineral exploration and environmental management industry, including almost eighteen years exploring for manganese with BHP. He is a Fellow of the Australasian Institute of Mining and Metallurgy, the Geological Society of London and the Society of Economic Geologists. He is currently providing consulting services to a range of clients in the global exploration and environmental management industry as well being an Adjunct Senior Research Fellow in the Department of Geosciences and Water Studies Centre at Monash University in Melbourne.

Mr Maurice Catina CA,
Company Secretary
Appointed 22 March 2010
Maurice Catina is a chartered accountant and is company secretary of a number of ASX listed companies

Jeremy David Shervington B.Juris. LLB.
Non-Executive Chairman
Appointed 11 May 2006 – Resigned 4 March 2010
Mr Shervington operates a legal practice in Western Australia. He specialises in the laws regulating companies and the securities industry in Australia. Mr Shervington has 30 years' experience as a lawyer, gained since his admission as a Barrister and Solicitor of the Supreme Court of Western Australia. Mr Shervington has since 1985 served as a Director of various ASX listed companies as well as a number of unlisted public and private companies.

Alec Christopher Pismiris B.Comm. ICSA.
Executive Director & Company Secretary
Appointed 11 May 2006 – Resigned 4 March 2010
Mr Pismiris is currently an Executive Director of Azure Capital Limited, a company which provides corporate advisory services. He is also the Company Secretary of several companies listed on ASX and Company Secretary of several public and private companies. Mr Pismiris completed a Bachelor of Commerce degree at the University of Western Australia and is an associate of Chartered Secretaries Australia. Mr Pismiris has over 22 years' experience in the securities, finance and mining industries.

Chris Catlow BSc
Non-Executive Chairman
Appointed 22 March 2010 – Resigned 16 June 2010

Interests in the shares and options of the Company

At the date of this report, the interests of the Directors, including those nominally held, in the shares and options of Groote Resources Limited were:

Director	Number of Ordinary Shares	Number of Options over Ordinary Shares
S Noon	-	-
A Hewlett	12,012,000	18,000,000
S J Hall	200,000	200,000
B Bolton	107,000	-

directors' report continued

CORPORATE INFORMATION

Corporate Structure
Groote Resources Limited is a Company limited by shares that is incorporated and domiciled in Australia.

Principal Activities
The principal activities of the Company throughout the year have comprised of the following:

- Acquisition of the Groote Eylant Tenements
- Seeking to identify new investment opportunities in the resource sector;
- Investing cash assets in interest bearing bank accounts; and
- The general administration of the Company.

Employees
The Company had 4 Directors and 1 full time employee as at 30 June 2010.

LOSS PER SHARE

Basic loss per share	**(4.98) cents**
Diluted loss per share	**(4.98) cents**

DIVIDENDS

No dividends in respect of the current financial year have been paid, declared or recommended for payment.

OPERATING AND FINANCIAL REVIEW

Groote Resources Limited was incorporated in Western Australia on 11 May 2006.

Throughout the year the Company continued to search for new projects including several uranium projects which were reviewed and independently evaluated.

EXPLORATION REVIEW

Groote Eylandt, NT.
(Groote Resources 100%)

Groote Eylandt is located approximately 630km east of Darwin in the Northern Territory, close to the western margin of the Gulf of Carpentaria. The project consists of 3 onshore applications (Winchelsea and Connexion Islands and ELA27937 on Groote Eylandt), 4 granted exploration licences over shallow marine tenements and a further 14 offshore applications to the south between Groote Eylandt and the Australian mainland for a total of 17,162km² (Figure 1).

The exploration licences cover interpreted along strike and down-dip extensions to the Groote Eylandt manganese deposit which is one of the world's largest high-grade manganese resources. The Groote Eylandt manganese deposit has been continuously mined since 1966 by Groote Eylandt Mining Company Pty Ltd ("GEMCO") which is jointly owned by BHP Billiton (60%) and Anglo American Corporation (40%). With a June 2009 measured resource of 160MT @ 45.5% Mn producing more than 3 million tonnes of manganese ore annually, GEMCO accounts for more than 15% of the world's high-grade manganese supply. Due to the grade, close proximity to port and Asian markets, this low impurity and low strip ratio operation is Australia's 9th most profitable mine and one of the lowest cost operating manganese mines in the world.

It is Groote Resources intention, through the discovery of 45-60MT resource (grading 35-50% Mn) and planned mining rate of 2-3Mtpa DSO, to become one of the world's largest high-grade manganese producers.

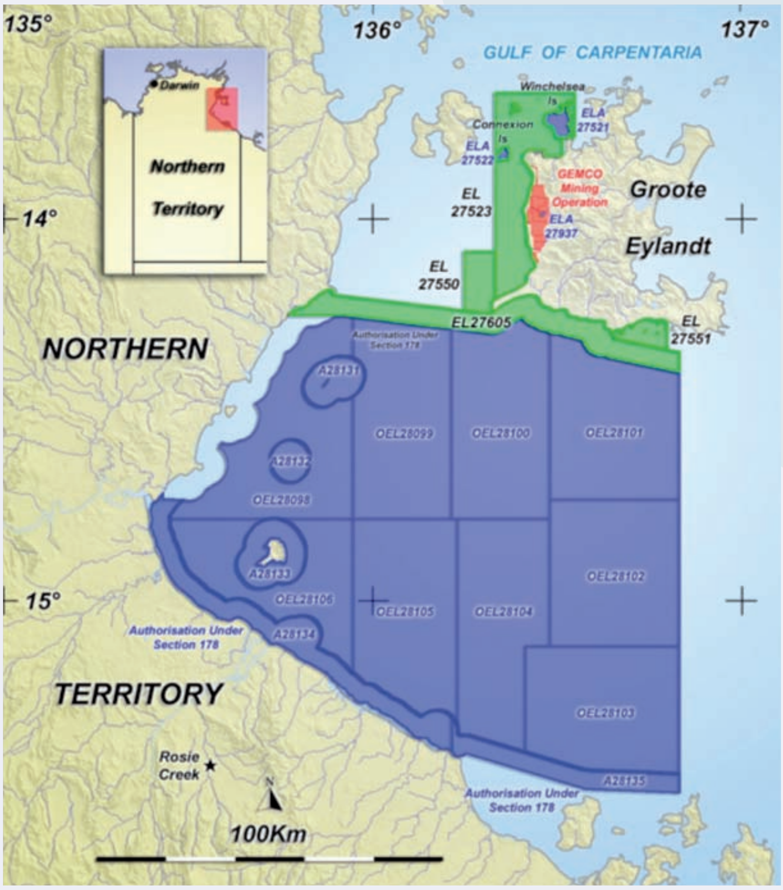


Figure 1:
Location map of Groote Eylandt tenements.
Granted tenements: green.
Tenement applications: blue.

EXPLORATION REVIEW CONTINUED

Geological Setting

The manganese (Mn) ores at Groote Eylandt occur in a near flat-lying marine sedimentary unit (Walker River Formation) of Middle Cretaceous age (~95 Ma), that onlaps a deeply dissected and irregular Palaeoproterozoic basement composed mainly of orthoquartzite (Dalumbu Sandstone) (Fig. 2).

The manganese ores occur mainly in sedimentary beds between 2 to 20m thick (averaging 3m in thickness) over an area of approximately 150 km2, mainly in an elongate tabular body along the western seaboard of the island. The ore beds dip at a low angle (typically <5°) towards the west and south, where they are interpreted to occur beneath the shallow sea floor of the Gulf of Carpentaria and within the tenements granted to Groote Resources.

The Cretaceous sediment that host the Mn mineralisation are up to 100m thick on Groote Eylandt. A generalised stratigraphic section through these sediments and their contained Mn ore beds, is given in Figure 3.

As shown in Figure 3, the manganese ores occur mainly in the form of pisolites and oolites in stratiform beds overlying glauconitic clays and quartz sands, and underlying extensive areas of Tertiary laterite and Quaternary sand. Lateritic secondary alteration of the manganese ore horizon is extensive and has played a vital role in the production of important supergene products that form a major component of the deposits. The Mn ores are composed mainly of manganese oxides such as pyrolusite and cryptomelane grading up to 84% MnO_2 although Mn carbonates such as

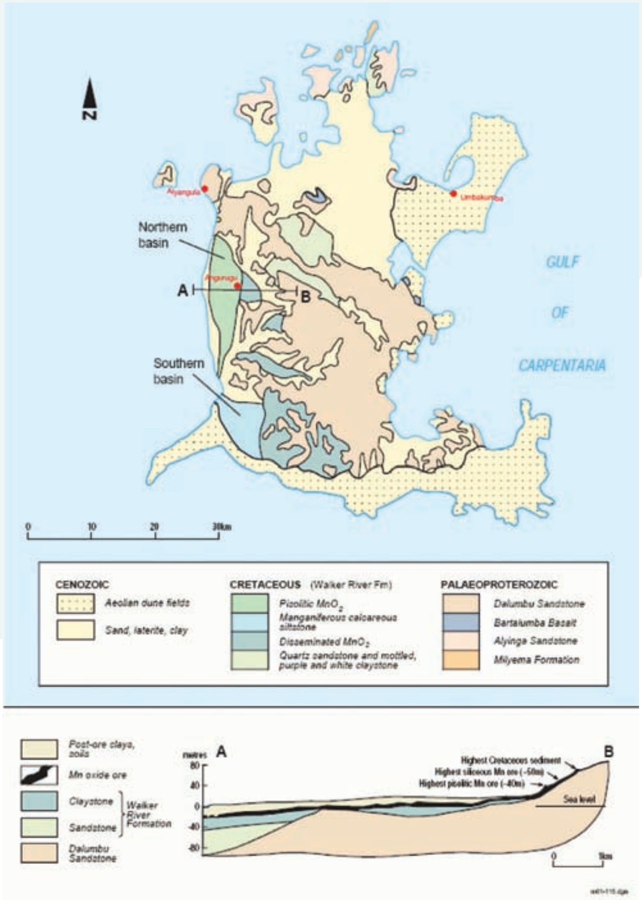


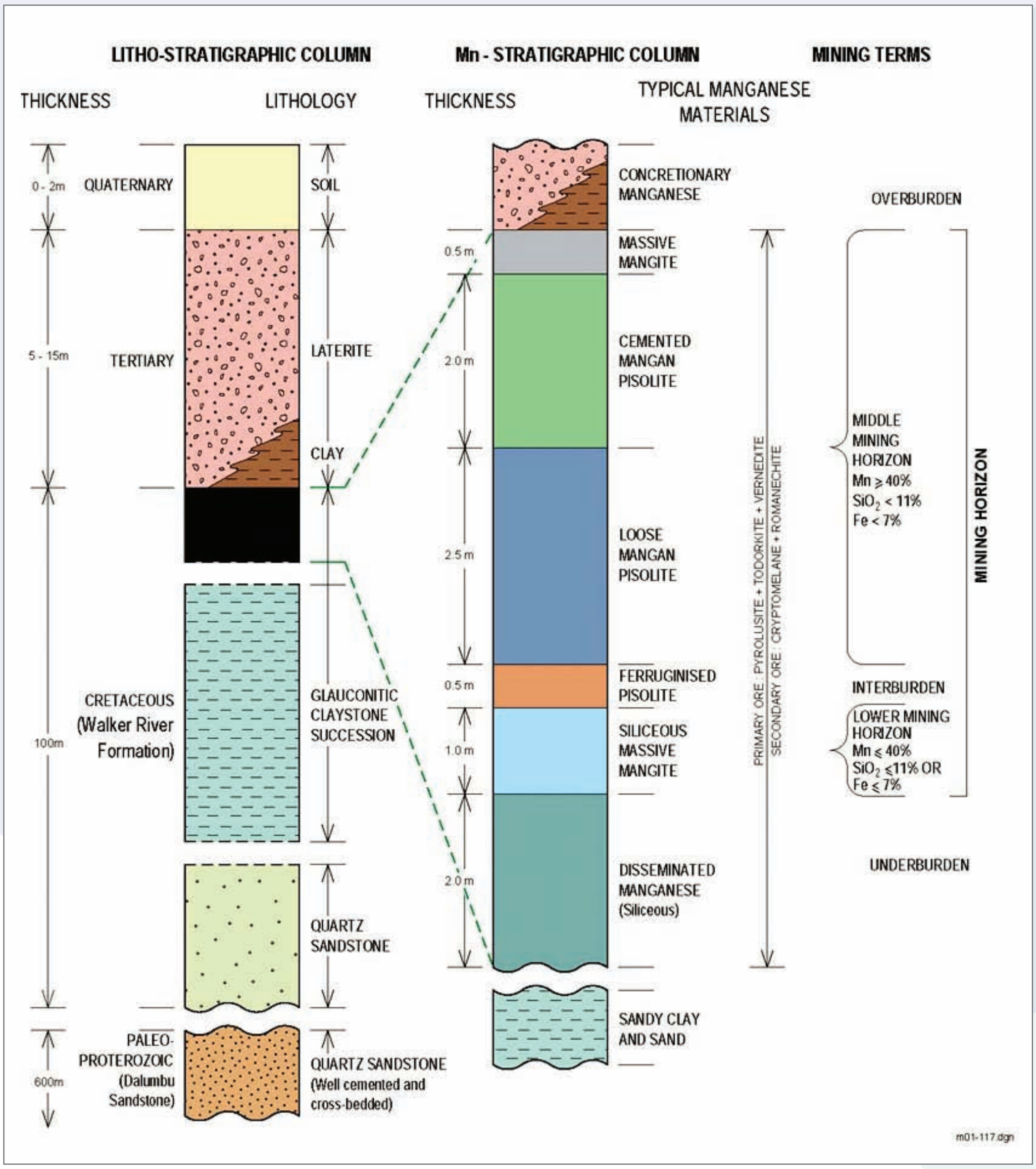
Figure 2.
Simplified geology of Groote Eylandt and surrounding islands (from Ferenczi, 2001, modified after Bolton et al 1990).

mangocalcite and rhodochrosite are known to occur in the southern parts of the island.

The Groote Eylandt Mn deposit is generally interpreted to have formed as chemical precipitates, probably biologically mediated, in a protected shallow water marine environment close to the shoreline of an intracratonic basin during a major rise in sealevel (transgression).

The manganese exploration program proposed by Groote Resources is designed to discover extensions to the main mineralised belt presently worked on Groote Eylandt in the intertidal and shallow marine terrain immediately to the west, and the Cretaceous sediments known to occur on Winchelsea and Connexion Islands to the north.

Figure 3. Generalised stratigraphic section through the Groote Eylandt Mn deposits (from Frenczi, 2001, modified after Bolton et al 1990).



EXPLORATION REVIEW CONTINUED

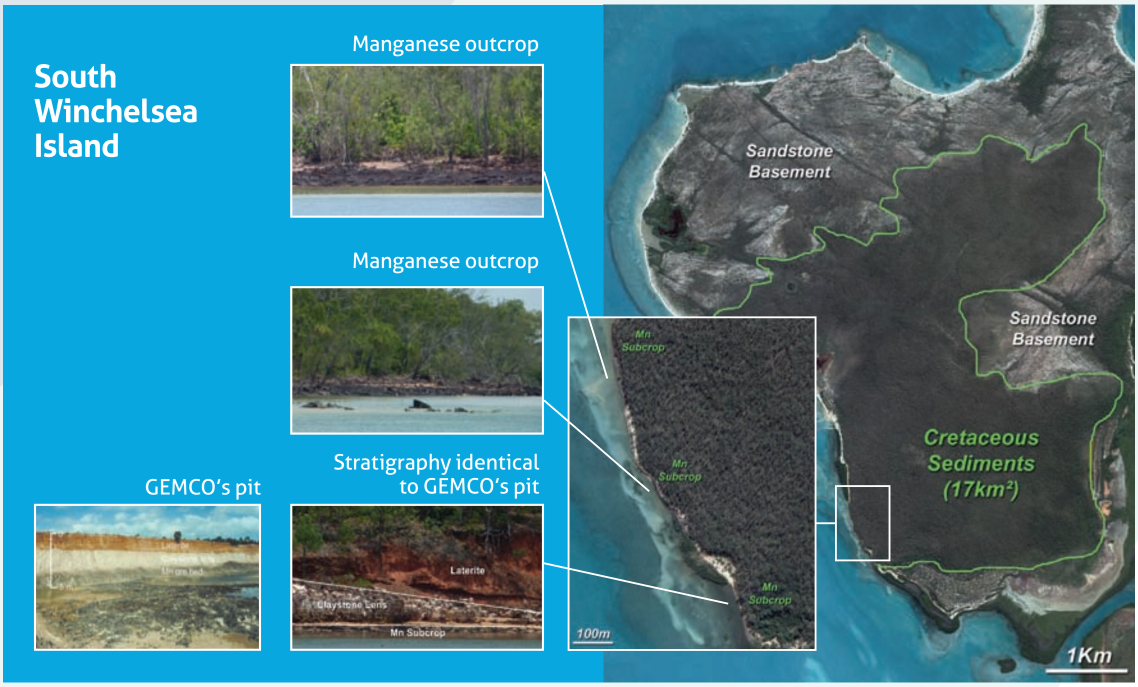
Winchelsea and Connexion Island Tenements

Groote Resources has received consent from the Northern Territory Department of Resources to enter into discussions with the Anindiliyakwa Land Council (ALC) for the granting of Exploration Licence Applications 27521 (Winchelsea Island) and 27522 (Connexion Island) which in total cover about 58km² (Fig. 1; Table 1). Applications seeking consent to explore both islands have been submitted to the ALC.

On Winchelsea Island, analysis of high-resolution satellite imagery has delineated 17km² of highly prospective Cretaceous sediments (Figure 4). Based on the style of mineralisation and the resource size to Cretaceous sediment area ratio found on Groote Eylandt, this island has the potential to host a resource of 30-50MT, potentially making Winchelsea Island the world's 8th largest manganese resource. This estimate is further supported by the presence of manganese-enriched outcrops exposed along the south-western margin of the island as well as the near identical stratigraphy to that found at GEMCO's operating pits further to the south (Figure 4).

The exploration program for Winchelsea Island will include a reconnaissance program consisting of detailed satellite and aerial imagery remote sensing followed by an airborne EM and magnetic survey. This will be followed up by detailed ground program consisting of geological mapping, sampling and detailed ground gravity/EM surveys to delineate drill targets. Drilling will be of a mixture of shallow RC and diamond drilling to model a JORC resource.

Figure 4.
Satellite imagery of Winchelsea Island illustrating the presence of Cretaceous sediments and photographs showing the occurance of Mn mineralisation in the southwest. The bottom two photographs highlight the simularity in stratigraphy at Winchelsea Island to that known from GEMCO's pits on Groote Eylandt.



EXPLORATION REVIEW CONTINUED

West Groote Eylandt offshore tenements

Comprising almost 300km², Groote Resources offshore tenements *(Fig. 1; Table 1)*, are highly prospective for extensions to the Groote Eylandt mineralisation. Remote sensing has delineated 12km² of manganiferous hardground outcropping in the intertidal zone directly adjacent to GEMCO's operations (Figures 5). Based on this observation and on GEMCO's average resource thickness of 3m and the size of the prospective tenements, it is estimated that in excess of 100MT of manganese ore might be present.

The exploration program for the offshore will include seafloor mapping designed to generate drill targets for follow-up testing. The initial work program will involve acquisition of high resolution stereoscopic satellite imagery over shallow-water, nearshore areas to generate detailed bathymetry of all licence areas. This will be followed by a three-week, non-invasive, marine geophysical survey employing a variety of acoustic devices (pinger, boomer and chirp) plus a resistivity geophysics survey. This survey is designed to generate detailed information on the sub-surface geology and, most importantly, the presence of Cretaceous marine sediments and their relationship to local sandstone basement. Cretaceous marine sediments are host to manganese ores on Groote Eylandt. Typically, high grade manganese ores on Groote Eylandt occur in the upper parts of this sedimentary sequence where they 'onlap' basement ridges or 'highs'.

During this phase geologic maps and detailed three-dimensional models of the sub-surface stratigraphy will be prepared with a view to identifying follow-up drill targets. Based on this work, Groote Resources will initiate a 10,000m drilling program using a low-footprint jack-up barge with the aim of delineating a JORC resource by the second quarter of 2011.

Figure 5. Satellite imagery of western Groote Eyland showing the aerial distribution of manganiferous outcrop as illustrated in the two photographs.

EXPLORATION REVIEW CONTINUED

Mt Alexander and Granites Bore Project, WA. (Groote Resources 100%).

The Mt Alexander project is located 8km to the south of Nanutarra, 150km south of Onslow (Figure 7). Adjacent to the Mt Alexander Magnetite project the area has been investigated for magnetite mineralisation with only minor potential for Fe. However, there is significant anomalism for Sn and Ta with historic rock-chip samples of 11,000ppm Sn and 5,060ppm Ta. These areas of anomalism have been inadequately sampled and will be investigated further.

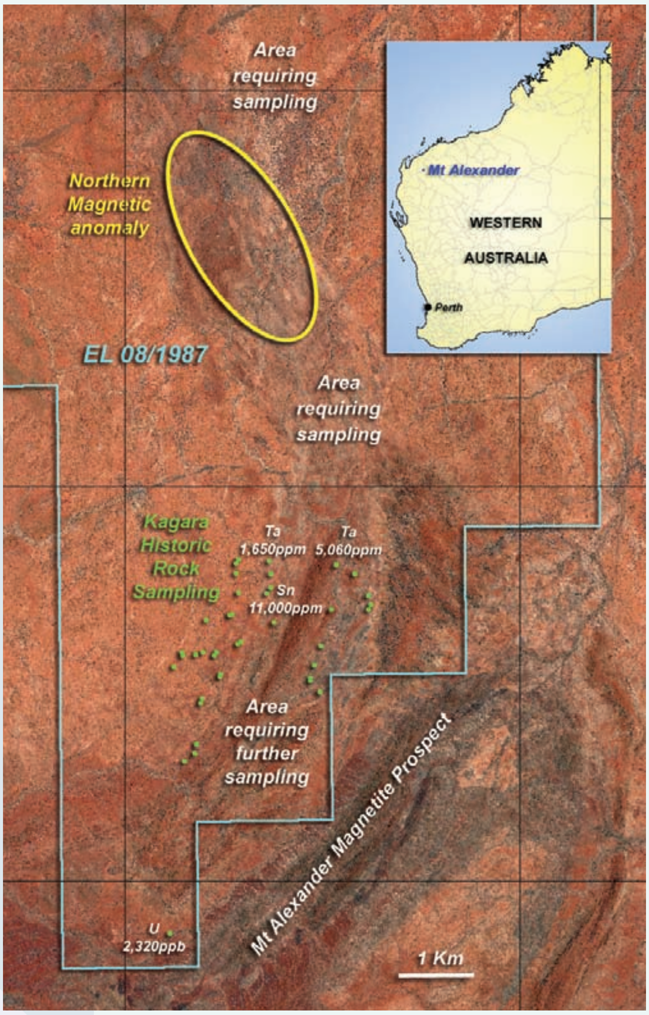


Figure 6: Location map of Mt Alexander project and historic sampling results.

Competent Person's Statement
The information in this announcement that relates to Mineral Resources is based on information compiled in conjunction with Mr. Barrie Bolton BSc (Hons.) FGS, FAusIMM who is a consultant for Groote Resources Limited. Mr. Bolton is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Bolton consents to the inclusion in this announcement of the matters based on information in the form and context in which it appears. Mr. Bolton has over 30 years global manganese experience, including 18 years exploring for manganese with BHP

OPERATING AND FINANCIAL REVIEW

Financial Overview

Operating Results for the Year

The operating loss for the Company after income tax was $1,682,755. This result was substantial increase from prior years has the company went through a major transition, the company acquired a number of tenements in the Groote Eylant region this was reflected in the operating costs incurred over the financial year and comprised largely of costs associated with the general administration of the Company, compliance expenses incurred during the year and the impairment of the exploration expenditure increasing substantially.

Review of Financial Condition

During the financial year, the Company utilised funds in the following manner:

- Costs incurred in acquiring the Groote Eylant Tenements;
- Initial exploration expenditure for the tenements acquisition;
- Capital raising costs;
- Meeting the costs of due diligence investigations conducted during the year;
- Funds for the administration of the Company.

Review of Financial Position

The Company has cash reserves of approximately $4,366,465 (2009: $1,056,325) and net assets of $5,751,743 (2009: $1,016,781). The Company is well placed to develop the business opportunities and able to conduct current activities.

Cash Flows

The cash flows of the Company consisted of:

- Interest income from interest bearing bank accounts;
- Payments in relation to exploration costs for the Groote Eylant project;
- Payments to Directors, consultants and suppliers.

Risk Management

The Board takes a pro-active approach to risk management. The Board is responsible for ensuring that risks and also opportunities are identified on a timely basis and the Company's objectives and activities are aligned with the risks and opportunities identified by the Board. The Company believes that it is crucial for all Board members to be a part of this process and as such has not established a separate risk management committee. Risk management is a recurring agenda item at meetings of the Board.

Capital Raisings / Capital Structure

During the year under review, the company issued the following:

- On the 2 March 2010, 30,000,000 shares at 10 cents per share were issued in relation to the acquisition of the Groote Elyant Tenements, approved by the shareholders on 26 February 2010;
- On the 2 March 2010, 24,000,000 shares at 10 cents per share were issued in relation to a share placement, approved by the shareholders on 26 February 2010;
- On the 20 May 2010, 1,000,000 shares at 10 cents per share were issued in relation to a share placement, approved by the shareholders on 26 February 2010.

Share Issues

The Company issued 3,182,703 shares for options exercised during the year.

Grant of Options

The Company issued the following unlisted options:

- On 3 March 2010, 2,000,000 options exercisable at 20 cents and expiring 31 December 2014 in lieu of cash for corporate advisory fee approved at a general meeting held on 26 February 2010;

- On 20 March 2010, 45,000,000 options exercisable at 20 cents if exercised prior to 20 May 2012 or 40 cents if exercised between 21 May 2012 and 20 May 2015 and expiring 20 May 2015 as part consideration for the acquisition of the Groote Elyant Tenements, approved by the shareholders on 26 February 2010.

Summary of Shares and Options on Issue at Balance Date

The Company has the following securities on issue at 30 June 2010;

Security Description	Number of Securities
Fully paid shares	**73,189,371**
Listed Options exercisable at 20 cents expiring 30 June 2010	**7,610,436**
Unlisted Options exercisable at 20 cents and expiring 30 June 2010	**2,900,000**
Unlisted Options exercisable at 20 cents if exercised prior to 20 May 2012 or 40 cents if exercised between 21 May 2012 and 20 May 2015 and expiring 20 May 2015	**45,000,000**
Unlisted Options exercisable at 20 cents and expiring 31 December 2014	**2,000,000**

Shares issued as a result of the exercise of Options

No shares were issued during the year on t he exercise of options.

Except as otherwise set out in this report, the Directors are unaware of any significant changes in the state of affairs or principal activities of the Company that occurred during the year under review.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On the 30 July 2010, Groote Resources Ltd were granted a number of key explorations licences for tenements in the Groote Elyandt Project, the company will now progress to the next stage of the exploration program.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Board of Directors intends begin the exploration phase of the Groote Eylant tenements.

Further information on likely developments in the operations of the Company has not been included in this report because at this stage the Directors believe it would be likely to result in unreasonable prejudice to the Company.

ENVIRONMENTAL REGULATION

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the Director and executive remuneration arrangements of Groote Resources Limited in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purpose of this report Key Management Personnel ("KMP") of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company, and includes the five executives of the Company on group receiving the highest remuneration.

The information provided in this remuneration report has been audited as required by section 308 (3C) of the Corporations Act 2001.

Remuneration Philosophy

The Board of Directors of Groote Resources Limited is currently responsible for determining and reviewing compensation arrangements for the Directors and senior executives. The Board's remuneration policy has been implemented to ensure that the remuneration package properly reflects the person's duties and responsibilities, with the overall objective of ensuring goal congruence between Directors, executives and shareholders from the retention of a high quality Board and executive team. The policy seeks to provide remuneration and benefits that encourage high standards of performance and demonstrate the value the Company places on its officers by being equitable, consistent with individual performance and experience, and market competitive. Such officers are given the

Names and positions held of Directors and Specified Executives in office at any time during the financial year.

Directors	
Mr Simon Alexander Noon	Director (Executive) appointed 4 March 2010
Mr Alexander Robert Harry Hewlett	Chairman, Director (Non-Executive) appointed 4 March 2010
Mr Stuart John Hall	Director (Non-Executive) appointed 21 November 2008
Mr Jeremy David Shervington	Chairman (non-executive) (Resigned 4 March 2010)
Mr Alec Christopher Pismiris	Director (executive) (Resigned 4 March 2010) (Resigned as company secretary as at 22 March 2010)
Mr Chris Catlow	Chairman (non-executive) Appointed 22 March 2010 – Resigned 16 June 2010
Mr Maurice Catina	Company Secretary appointed 22 March 2010

opportunity to receive their base emolument in a variety of forms. It is intended that the manner of payment chosen will be optimal for the recipient without creating any additional cost to the Company.

Principles used to determine the nature and amount of remuneration

The objective of the Company's remuneration policy for Directors and other Key Management Personnel is to ensure that:

- Remuneration packages properly reflect the duties and responsibilities of the person concerned; and
- Remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The remuneration framework has regard to shareholders' interests by:

- Focusing on sustained growth in share price, as well as focusing the executive on key non-financial drivers of value; and
- Attracting and retaining high calibre executives.

The remuneration framework has regard to executives' interests by:

- Rewarding capability and experience,
- Providing a clear structure for earning rewards,
- Providing recognition for contribution.

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution specifies that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination was in the constitution adopted on 11 May 2006 which approved an aggregate remuneration of $150,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each Director receives a fee for being a Director of the Company. Directors who are called upon to perform extra services beyond the Director's ordinary duties may be paid additional fees for those services.

Non-Executive Directors have long been encouraged by the Board to hold shares in the Company. It is considered good governance for Directors to have a stake in the Company on whose Board he or she sits. The Company considers the granting of options as a long term variable component of the remuneration of Key Management Personnel as it provides a direct relationship as to increases in shareholders wealth via an increasing share price and the remuneration of individuals. For this reason, there are no performance conditions relating to the grant, but instead an incentive to increase the value to all shareholders. During the year 2010 no cash bonus was paid to Directors (2009: nil).

The remuneration of Non-Executive Directors for the year ending 30 June 2010 is detailed in the table on page 11 of this report.

REMUNERATION REPORT (CONTINUED)

Senior Executive Remuneration

Objective

The Company aims to reward executives and executive Directors with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- Reward executives for business unit and individual performance;
- Align the interests of executives with those of shareholders;
- Link reward with the strategic goals of the Company; and
- Ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Board obtains independent advice from external consultants on market levels of remuneration for comparable executive roles.

Variable Remuneration – Short Term Incentives

Objective

Short Term incentives are used to recognised directors and executives for the achievement of short term goals and successes. At this stage of the company's life, there are currently not set Key Performance indicators by which short term incentives are measured, and therefore any payments are at the sole discretion of the board. No short term incentives of variable remuneration were paid to Key Management Personnel for 2010 and 2009.

The company does not currently have a policy for limiting the level of at risk (incentive) remuneration.

Variable Remuneration – Long Term Incentives

Objective

The objectives of long term incentives are to:

- Recognise the ability and efforts of the Directors, employees and consultants of the Company who have contributed to the success of the Company and to provide them with rewards where deemed appropriate;
- Provide an incentive to the Directors, employees and consultants to achieve the long term objectives of the Company and improve the performance of the Company; and
- Attract persons of experience and ability to employment with the Company and foster and promote loyalty between the Company and its Directors, employees and consultants

Structure

Long term incentives granted to senior executives has and will be delivered in the form of options issued under an Employee Share Option Plan adopted during prior financial years.

Company Performance

It is not possible at this time to evaluate the Company's financial performance using generally accepted measures such as profitability, total shareholder return or peer company comparison as the Company is at a very early stage in the implementation of the corporate strategy. Shareholder wealth is the only evaluation at this stage. This assessment will be developed over the next few years.

	2008 $	2009 $	2010 $
Revenue	117,193	59,876	49,401
Net Loss	(866,136)	(261,265)	(1,682,755)
Earnings/(Loss) per share (cents per share)	(5.77)	(2.01)	(4.98)
Share price at year end	$0.32	$0.09	$0.85

The company listed during the 2007 year and therefore details for this period are not comparable

Relationship of Reward and Performance

The value of options will represent a significant portion of an executive's salary package. The ultimate value to the executives of the options depends on the share price of Groote Resources Limited. The share price is the key performance criteria for long term incentive as the realised value arising from options issued is dependent upon an increase in the share price to above the exercise price of the options.

Short Term Incentive to Performance

The objective of the shorter term incentive plan is to reward executives in a manner which aligns reward with the creation of shareholder wealth. As such this reward is only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Company's performance.

Long Term Incentive to Performance

The objective of the long term incentive plan is to reward executives in a manner which aligns reward with the creation of shareholder wealth. As such this reward is only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Company's performance.

Long term incentives are delivered in the form of options. The strike price of options are determined so as to ensure that the options only have value if there is an increase in shareholder wealth over time.

The Company has no policy on executives and Directors entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

Employment Contracts

Executives

On appointment, all executive's sign an employment agreement setting forth the terms oftheir employment. The following are the details of the current executive service contracts:

Simon Noon

Term of Agreement –
Base salary of $188,600 including superannuation

The agreement may be terminated by either party with 3 months written notice. No Termination benefits are payable under the contract.

Non-Executives

Non- Executives will be employed under employment contract or service agreement. It is envisaged that employment contracts or service agreements will be terminated by either party giving to the other not less than either one or two months' written notice.

REMUNERATION REPORT (CONTINUED)

Remuneration of Key Management Personnel

Table 1: Remuneration for the year ended 30 June 2010

Non-Executive Directors	Short Term		Post Employment Superannuation	Share Based Payment options	Total	Performance Related	Remuneration consisting of options for the year
	Salary & Fees $	Non Monetary Benefits $	$	$	$		%
Non – Executive Directors							
J D Shervington	121,690	-	-	-	121,690	-	-
S J Hall	33,000	-	-	-	33,000	-	-
A H Hewlett	8,500	-	-	-	8,500	-	-
C Catlow	8,646	-	778	-	9,424	-	-
	171,836	**-**	**778**	**-**	**172,614**	**-**	**-**
Executive Directors							
S Noon	73,918	-	6,653	-	80,571	-	-
A C Pismiris	58,384	-	-	-	58,384	-	-
	132,302	**-**	**6,653**	**-**	**138,955**	**-**	**-**
Other Company Directors							
Maurice Catina	19,760	-	-	-	19,760	-	-
	323,898	**-**	**7,431**	**-**	**331,329**	**-**	**-**

The Company has paid premiums totalling (2010 $13,082) in respect of Directors' and Officers' liability insurance and Company Reimbursement Policies, which cover all Directors and officers of the Company.

Fees paid to Maurice Catina in his capacity as Company Secretary have been paid to NS Corporate Pty Ltd.

REMUNERATION REPORT (CONTINUED)

Table 2: Remuneration for the year ended 30 June 2009

Non-Executive Directors	Short Term		Post Employment Superannuation $	Share Based Payment options $	Total $	Performance Related	Remuneration consisting of options for the year %
	Salary & Fees $	Non Monetary Benefits $					
Non – Executive Directors							
J D Shervington	60,000	-	-	-	60,000	-	-
S J Hall	21,945	-	-	-	21,945	-	-
A G Coulthard	4,241	-	-	-	4,241	-	-
	86,186	**-**	**-**	**-**	**86,186**	**-**	**-**
Executive Directors							
A C Pismiris	72,000	-	-	-	72,000	-	-
M C Hansen	9,194	-	827	-	10,021	-	-
	81,194	**-**	**827**	**-**	**82,021**	**-**	**-**
Other Company Directors							
L Kerr[1]	16,435	-	-	-	16,435	-	-
	16,435	**-**	**-**	**-**	**16,435**	**-**	**-**
Totals	**183,815**	**-**	**827**	**-**	**184,642**	**-**	**-**

Notes:
1. The fees paid to other Key Management Personnel are paid to Prairie Downs Metals Limited, a related entity, pursuant to a Services Agreement. Fees are not paid directly to the Key Management Personnel. The allocation of the fees between the executives is based on an estimate by Directors on allocation of time and resources. This agreement expired on 30 June 2009.
2. The Company has paid premiums totalling (2009 $8,100) in respect of Directors' and Officers' liability insurance and Company Reimbursement Policies, which cover all Directors and officers of the Company.

Share Based Compensation

No Shares or options over ordinary shares were issued to the Directors or Executives of the company as part of their remuneration.

End of Audited Remuneration Report

MEETINGS OF DIRECTORS

The number of meetings of the Directors (including the Audit and Compliance Committee) held during the year and the number of meetings attended by each Director was as follows:

	Board of Directors		Audit & Compliance Committee	
	Held	Attended	Held	Attended
Current Directors				
A Hewlett	3	3	1	1
S Noon	3	3	1	1
S J Hall	5	5	-	-
J D Shervington	3	3	-	-
A C Pismiras	3	3	-	-
C Catlow	3	3	-	-

Committee membership

As at the date of this report the Company had an Audit & Compliance Committee. Members of the Committee during the year were A H Hewlett (Chairman) and S Noon.

Other Directors and officers may attend meetings of the Audit and Compliance Committee at the invitation of the Chairman. The details of the functions and membership of the Audit and Compliance Committee of the Board are included in the Statement of Corporate Governance Practices.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into Deeds of Indemnity with the Directors indemnifying them against certain liabilities and costs to the extent permitted by law.

The Company has paid premiums totalling $13,082 (2009: $8,100) in respect of Directors' and Officers' Liability Insurance and Company Reimbursement policies, which cover all Directors and officers of the Company. The policy conditions preclude the Company from any detailed disclosures.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Groote Resources Limited adhere to strict principles of corporate governance. The Company's corporate governance statement is included on page 18 of this annual report.

NON-AUDIT SERVICES

The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board of Directors prior to commencement to ensure they do not adversely affect the integrity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

The following fees for non–audit services were paid/payable to related entities of the external auditors during the year ended 30 June:

	2010	2009
Taxation related services	6,178	-
Independent Experts Report	24,047	-

AUDITORS' INDEPENDENCE

The Directors received the declaration included on page 17 of this annual report from the auditor of Groote Resources Limited.

Signed in accordance with a resolution of the Directors

Simon Noon
Director

Perth, Western Australia
30th day of September 2010

auditors' independence declaration

BDO

Tel: +8 6382 4600
Fax: +8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

30 September 2010

The Directors,
Groote Resources Limited
Suite 4, 38 Colin St
WEST PERTH, WA 6005

Dear Sirs,

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF GROOTE RESOURCES LIMITED

As lead auditor of Groote Resources Limited for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Groote Resources Limited and the entities it controlled during the period.

Brad McVeigh
Director

BDO

BDO Audit (WA) Pty Ltd
Perth, Western Australia

corporate governance statement

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Groote Resources Limited adhere to strict principles of corporate governance.

The Board of Directors of Groote Resources Limited is responsible for the overall corporate governance of the Company, guiding and monitoring the business and affairs of Groote Resources Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Corporate Governance Statement is structured with reference to the Australian Stock Exchange Corporate Governance Council's ("Council") "Principles of Good Corporate Governance and Best Practice Recommendations". In accordance with the recommendations of the Council, the Corporate Governance Statement must now contain certain specific information and must disclose the extent to which the Company has followed the guidelines during the year. Where a recommendation has not been followed, that fact must be disclosed, together with the reasons for the departure Groote Resources Corporate Governance Statement has been structured with reference to the Council's principles and recommendations.

The following is a summary of Groote Resources adherence to the Council's principles and recommendations:

Principle 1	**Lay solid foundations for management and oversight** Groote Resources largely complies with this recommendation except the Board and senior management of Groote Resources actively participate in the operations of the Company due to the nature of the Company's current operations.
Principle 2	**Structure the Board to add value** Groote Resources complies with this recommendation.
Principle 3	**Promote ethical and responsible decision making** Groote Resources complies with this recommendation.
Principle 4	**Safeguard integrity in financial reporting** Groote Resources does not comply with this recommendation of having at least three Non-Executive Directors on the Audit Committee. Groote is a small Company with limited resources that does not have an operating business. Groote's Audit and Compliance Committee is comprised of an executive Director and non executive Director.
Principle 5	**Make timely and balanced disclosure** Groote Resources complies with this recommendation.
Principle 6	**Respect the rights of shareholders** Groote Resources complies with this recommendation.
Principle 7	**Recognise and manage risk** Groote Resources complies with this recommendation.
Principle 8	**Remunerate fairly and responsibly** Groote Resources complies with this recommendation except that it has not established a Remuneration Committee. The objective of granting options is to ensure maximum stakeholder benefit is achieved from the retention of a high quality Board and to provide incentive for Directors to identify new commercial opportunities for the Company.

The Groote Resources Corporate Governance Policies and Procedures are largely consistent with the Council's best practice recommendations. The process to achieve consistency with the Council's recommendations are gradual and where the Company's corporate governance practices do not correlate with the practices recommended by the Council, the Company does not consider that the practices are appropriate for the Company due to the scale and nature of the Company's operations.

To illustrate where the Company has addressed each of the Council's recommendations, the following table cross-references each recommendation with sections of this report. The table does not provide the full text of each recommendation but rather the topic covered.

Recommendation	Section
Recommendation 1.1 Functions of the Board and Management	1.1 and 1.3
Recommendation 1.2 Senior Executive Evaluation	1.2
Recommendation 1.3 Reporting on Principle 1	1.3
Recommendation 2.1 Independent Directors	1.2
Recommendation 2.2 Independent Chair	1.2
Recommendation 2.3 Role of the Chair and CEO	Not Applicable
Recommendation 2.4 Establishment of Nomination Committee	2.3
Recommendation 2.5 Board and Individual Director Evaluation	1.4.10
Recommendation 2.6 Reporting on Principle 2	1.2, 1.4.6, 2.3 and the Directors' Report
Recommendation 3.1 Code of Conduct	1.1 and 1.3
Recommendation 3.2 Company Securities Trading Policy	1.4.9
Recommendation 3.3 Reporting on Principle 3	1.1 and 1.4.9
Recommendation 4.1 Establishment of Audit Committee	2.1
Recommendation 4.2 Structure of the Audit Committee	2.1
Recommendation 4.3 Audit Committee Charter	2.1
Recommendation 4.4 Reporting on Principle 4	2.1
Recommendation 5.1 Policy for Compliance with Continuous Disclosure	1.4.4
Recommendation 5.2 Reporting on Principle 5	1.4.4
Recommendation 6.1 Communications Strategy	1.4.4 and 1.4.8
Recommendation 6.2 Reporting on Principle 6	1.4.4 and 1.4.8
Recommendation 7.1 Policies on Risk Oversight and Management	2.1
Recommendation 7.2 Risk Management Report	1.4.11
Recommendation 7.4 Reporting on Principle 7	2.1
Recommendation 8.1 Establishment of Remuneration Committee	2.2
Recommendation 8.2 Executive and Non-Executive Director Remuneration	2.2
Recommendation 8.3 Reporting on Principle 8	2.2

1. BOARD OF DIRECTORS

1.1 Role of the Board

The Board's current role is to collectively govern and manage the Company. The Directors must act in the best interests of the Company as a whole. It is the role of the Board to govern and manage the Company in accordance with the stated objectives of the Company.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company.

To assist the Board carry out its functions, it has developed a Code of Conduct to guide the Directors in the performance of their roles.

1.2 Composition of the Board

To add value to the Company, the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties. The names of the Directors and their qualifications and experience are stated on page 2 and 3 of this report. Directors are appointed based on their experience and on the independence of their decision-making and judgment.

The Company's Constitution provides for the appointment of a minimum number of Directors as three with the maximum determined by the Board. Currently the Company has four Directors comprising one executive Director. The Constitution does not require a shareholding qualification for Directors.

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. Mr Hewlett, Mr Hall and Mr Bolton are Non-Executive Directors and meet the following criteria for independence adopted by the Company.

An independent Director:

- Is a Non-Executive Director and:
- Is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- Within the last three years has not been employed in an executive capacity by the Company or another company member, or been a Director after ceasing to hold any such employment;
- Within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another company member, or an employee materially associated with the service provided;
- Is not a material supplier or customer of the Company or another company member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- Has no material contractual relationship with the Company or other company member other than as a Director of the Company;
- Has not served on the Board for a year which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- Is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Mr Noon is an Executive Director. Mr Noon is responsible for the overall administration and financial management of the Company and therefore does not meet the Company's criteria for independence.

1.3 Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

(i) Leadership of the organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board, management and employees.

(ii) Strategy formulation: working to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.

(iii) Overseeing planning activities: overseeing the development of the Company's strategic plan and approving that plan as well as the annual and long-term budgets.

(iv) Shareholder liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.

(v) Monitoring, compliance and risk management: overseeing the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.

(vi) Company finances: approving expenses in excess of those approved in the annual budget and approving and monitoring acquisitions, divestitures and financial and other reporting.

(vii) Human resources: appointing, and, where appropriate, removing the Managing Director/Chief Executive Officer and Chief Financial Officer as well as reviewing their performance and monitoring the performance of senior management in their implementation of the Company's strategy.

(viii) Ensuring the health, safety and well-being of employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.

(ix) Delegation of authority: where appropriate delegating appropriate powers to the Company's executives to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of any Committees of the Board.

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following.

1.4 Board Policies

1.4.1 Conflicts of Interest

Directors must disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company and if requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the Corporations Act, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

1.4.2 Commitments

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

1.4.3 Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

1.4.4 Continuous Disclosure

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules, the Company immediately notifies the ASX of information:

- Concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- That would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Upon confirmation of receipt from the ASX, the Company is able to publish the information in accordance with this policy.

1.4.5 Education and Induction

New Directors undergo an induction process in which they are given a full briefing on the Company.

Information conveyed to new Directors includes:

- Details of the roles and responsibilities of a Director with an outline of the qualities required to be a successful Director;
- Formal policies on Director appointment as well as conduct and contribution expectations;
- Details of all relevant legal requirements;
- A copy of the Board Charter;
- Guidelines on how the Board processes function;
- Details of past, recent and likely future developments relating to the Board including anticipated regulatory changes;
- Background information on and contact information for key people in the organisation including an outline of their roles and capabilities;
- An analysis of the Company;
- A synopsis of the current strategic direction of the Company including a copy of the current strategic plan and annual budget; and
- A copy of the Constitution of the Company.

1.4.6 Independent Professional Advice

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

1.4.7 Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company and will be reported in writing to each Board meeting. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

1.4.8 Shareholder Communication

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

(i) Communicating effectively with shareholders through releases to the market via ASX, information mailed to shareholders and the general meetings of the Company;

(ii) Giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;

(iii) Making it easy for shareholders to participate in general meetings of the Company; and

(iv) Requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number and for shareholders to make enquiries of the Company.

1.4.9 Trading in Company Shares

The Company has a Share Trading Policy under which Directors are required to discuss their intention to trade in the Company's securities with the Chairman prior to trading. Consideration will be given in these discussions to any special circumstances (eg financial hardship).

Directors must not trade in the shares of any other entity if inside information on such entity comes to the attention of the Director by virtue of holding office as a Director of the Company.

The following guidelines are to be observed by Directors and employees of Groote Resources:

- Securities may be purchased or sold during the two week period immediately following the release of Groote Resource's, half-yearly and final results ("results announcements") (subject to observing the additional approval requirements set out below).
- Securities should not be purchased or sold during the two week period preceding any results announcements.
- Securities should not be purchased or sold preceding any material ASX announcement by Groote Resources, if the employee is aware that it is likely that such an announcement will be made.
- Securities should not be purchased or sold for the purpose of short term speculation.
- Securities may be purchased or sold at other times (subject to additional disclosure requirements established by the Board).

In addition, consistent with the law, designated officers are prohibited from trading in the Company's securities while in the possession of unpublished price sensitive information concerning the Company. Unpublished price sensitive information is information regarding the Company of which the market is not aware and that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Notice of an intention to trade must be given prior to trading in the Company's securities as well as a confirmation that the person is not in possession of any unpublished price sensitive information. The completion of any such trade by a Director must also be notified to the Company Secretary who in turn advises the ASX.

1.4.10 Performance Review/Evaluation

The Board intends to conduct an evaluation of its performance annually. There was no evaluation conducted during the financial year.

1.4.11 Attestations by Company Secretary

In accordance with the Board's policy, the Company Secretary is required to make the attestations recommended by the ASX Corporate Governance Council as to the Company's financial condition prior to the Board signing this Annual Report.

2. BOARD COMMITTEES

2.1 Audit & Compliance Committee

The Board has adopted an Audit and Compliance Committee which operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the Company to deal with the effectiveness and efficiency of business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information. The Board has delegated the responsibility for the establishment and maintenance of the internal control framework and ethical standards to the audit and compliance committee. The committee's responsibilities include the following:

- Oversee and appraise the independence, quality and extent of the total audit effort;
- Perform an independent overview of the financial information prepared by Company management for shareholders and prospective shareholders;
- Evaluate the adequacy and effectiveness of the Company's and the Company's risk management and financial control, and other internal control systems and evaluate the operation thereof;
- Review and endorse the annual and half year attestation statements in accordance with regulatory requirements.
- The appointment of external auditors;
- Review and implement risk management and internal control structures appropriate to the needs of Groote Resources;
- Monitor compliance issues applicable laws and regulations, particularly compliance with the Stock Exchange Listing Rules;
- Review all public releases to the ASX of material consequence, prior to release to the market; and
- Review of Corporate Governance Practices.

The members of the Audit and Compliance Committee since its inception were Messrs A R Hewlett and S Noon.

Mr A R Hewlett (Bsc) has worked in the administration of a number of publicly listed companies.

Mr S A Noon has significant experience in the management and administration of public companies.

2.2 Remuneration Committee

The Directors have elected not to appoint a Remuneration Committee due to the scale and nature of the Company's activities.

It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board by remunerating Directors fairly and appropriately with reference to relevant market conditions. To assist in achieving this objective, the Board attempts to link the nature and amount of Directors' emoluments to the Company's performance. The outcome of the remuneration structure is:

- Reward executives for company and individual performance against appropriate benchmarks;
- Align the interests of the executives with those of shareholders;
- Link reward with the strategic goals and performance of the Company; and

- Ensure remuneration is comparable to market standards.

For details of the amount of remuneration for each of the Directors during the financial year, refer to page 10 of the Directors' Report.

There is no scheme to provide retirement benefits, other than statutory superannuation, to Directors.

For further information in relation to the remuneration of Directors, refer to the Directors' Report.

2.3 Nomination Committee

The Directors have elected not to appoint a Nomination Committee due to the scale and nature of the Company's activities

Subject to the provision of the Company's Constitution, the issues of Board composition and selection criteria for Directors are dealt with by the full Board. The Board continues to have the mix of skills and experience necessary for the conduct of the Company's activities.

The Constitution provides for events whereby Directors may be removed from the Board. Similarly shareholders have the ability to nominate, appoint and remove Directors. In addition, the Constitution provides for the regular rotation of Directors which ensures that Directors seek re-election by shareholders at least once every three years.

Given these existing regulatory requirements, Directors are not appointed for a specified term and Directors' continuity of service is in the hands of shareholders.

2.4 Company Code of Conduct

As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole.

This Code includes the following:

Responsibilities to Shareholders and the Financial Community Generally

The Company complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights. The Company has processes in place designed to ensure the truthful and factual presentation of the Company's financial position and prepares and maintains its accounts fairly and accurately in accordance with the generally accepted accounting and financial reporting standards.

Responsibilities to Clients, Customers and Consumers

Each employee has an obligation to use their best efforts to deal in a fair and responsible manner with each of the Company's clients, customers and consumers. The Company for its part is committed to providing clients, customers and consumers with fair value.

Employment Practices

The Company endeavours to provide a safe workplace in which there is equal opportunity for all employees at all levels of the Company. The Company does not tolerate the offering or acceptance of bribes or the misuse of Company assets or resources.

Obligations Relative to Fair Trading and Dealing

The Company aims to conduct its business fairly and to compete ethically and in accordance with relevant competition laws. The Company strives to deal fairly with the Company's customers, suppliers, competitors and other employees and encourages it employees to strive to do the same.

Responsibilities to the Community

As part of the community the Company is committed to conducting its business in accordance with applicable environmental laws and regulations and encourages all employees to have regard for the environment when carrying out their jobs.

Responsibility to the Individual
The Company is committed to keeping private information collected during the course of its activities, confidential and protected from uses other than those for which it was provided.

Conflicts of Interest
Employees and Directors must avoid conflicts as well as the appearance of conflicts between personal interests and the interests of the Company.

How the Company Complies with Legislation Affecting its Operations
Within Australia, the Company strives to comply with the spirit and the letter of all legislation affecting its operations. Outside Australia, the Company will abide by local laws in all countries in which it operates. Where those laws are not as stringent as the Company's operating policies, particularly in relation to the environment, workplace practices, intellectual property and the giving of "gifts", Company policy will prevail.

How the Company Monitors and Ensures Compliance with its Code
The Board, management and all employees of the Company are committed to implementing this Code of Conduct and each individual is accountable for such compliance. Disciplinary measures may be imposed for violating the Code.

2.5 Shareholder Communication

The Board aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders as follows:

- The Annual Financial Report is distributed to all shareholders (unless a shareholder has specifically requested not to receive the document). The Board ensures that the annual report includes relevant information about the operations of the Company during the financial year, changes in the state of affairs of the Company and details of future developments, in addition to other disclosures required by the Corporations Act 2001;
- Developments, in addition to other disclosures required by the Corporations Act 2001;
- Release of a Half-Yearly Report to the Australian Stock Exchange Limited;
- The Company's website at www.grooteresources.com.au; and
- Proposed major changes in the economic entity which may impact on share ownership rights are submitted to a vote of shareholders.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Shareholders are responsible for voting on appointment of Directors, appointment of auditors, level of remuneration of Non-Executive Directors and any matters of special business.

financial statements

for the year ended 30 June 2010

statement of financial position
as at 30 June 2010

	Notes	Group 2010 $	Company 2009 $
ASSETS			
Current Assets			
Cash and cash equivalents	12	4,366,465	1,056,325
Trade and other receivables	13	85,239	13,755
Prepayments	14	3,641	5,058
Total Current Assets		4,455,345	1,075,138
Non-current Assets			
Capitalised Exploration Expenditure	15	6,300,000	-
Plant and equipment	16	20,170	4,880
Total Non-current Assets		6,320,170	4,880
TOTAL ASSETS		10,775,515	1,080,018
LIABILITIES			
Current Liabilities			
Trade and other payables	17	61,248	63,238
Provisions	18	13,893	-
Subscriptions in Advance	19	2,148,630	-
Total Current Liabilities		2,223,771	63,238
TOTAL LIABILITIES		2,223,771	63,238
NET ASSETS		8,551,744	1,016,780
EQUITY			
Equity attributable to equity holders			
Contributed equity	20	7,711,740	2,704,058
Reserves	21(b)	4,665,277	455,240
Accumulated losses	21(a)	(3,825,273)	(2,142,518)
TOTAL EQUITY		8,551,744	1,016,780

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

statement of comprehensive income
for the year ended 30 June 2010

	Notes	Group 2010 $	Company 2009 $
Interest revenue	7	49,401	64,462
Administration Expenses		(323,954)	-
Compliance Costs		(159,971)	(82,360)
Consultants fees		(777,810)	(16,435)
Depreciation Expense	8(e)	(3,797)	(2,928)
Directors fees	8(a)	(141,540)	(132,207)
Exploration expenditure impairment	14	-	-
Exploration and evaluation expenditure		(218,655)	(20,219)
Investor relations expenses		(69,101)	(3,952)
Office accommodation expenses	8(c)	(37,328)	-
Office services expenses	8(b)	-	(32,952)
Share based payments expenses	8(d)	-	(1,709)
Other expenses		-	(72,988)
Loss before income tax		(1,682,755)	(301,288)
Income tax expense	9	-	-
Net loss for the year		(1,682,755)	(301,288)
Other Comprehensive Income			
Other Comprehensive Income for the year, net of tax		-	-
Total Comprehensive income for the year attributable to members of Groote Resources Ltd		(1,682,755)	(301,288)
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic loss per Share (cents per share)	11(b)	(4.98)	(2.01)
Diluted loss per Share (cents per share)	11(b)	(n/a)	(n/a)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

statement of changes in equity
for the year ended 30 June 2010

		Attributable to Owners of Groote Resources Limited			
Company	Notes	Contributed Equity $	Share-Based Payments Reserve $	Accumulated Losses $	Total $
BALANCE AT 1 JULY 2008		2,704,058	453,531	(1,841,230)	1,316,359
Loss for the year		-	-	(301,288)	(301,288)
TOTAL COMPREHENSIVE LOSS		-	-	(301,288)	(301,288)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Share-based payments	25	-	1,709	-	-
BALANCE AT 30 JUNE 2009		2,704,058	455,240	(2,142,518)	1,016,780
Consolidated					
Loss for the year		-	-	(1,682,755)	(1,682,755)
TOTAL COMPREHENSIVE LOSS		-	-	(1,682,755)	(1,682,755)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Contributions of equity	20	5,456,469	-	-	5,456,469
Transaction costs	20	(448,787)	-	-	(448,787)
Share-based payments	25	-	4,210,037	-	4,210,037
BALANCE AT 30 JUNE 2010		7,711,740	4,665,277	(3,825,273)	8,551,744

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

statement of cash flows
for the year ended 30 June 2010

	Notes	Group 2010 $	Company 2009 $
Cash flows from operating activities			
Payments to suppliers and employees		(899,277)	(486,764)
Exploration and evaluation expenditure		(205,474)	(20,219)
Interest received		49,401	74,274
Net cash flows used in operating activities	22	(1,055,350)	(432,709)
Cash flows from investing activities			
Payments for exploration and evaluation		(500,000)	-
Payments for plant and equipment		(20,894)	-
Net cash flows used in investing activities		(520,894)	-
Cash flows from financing activities			
Proceeds from capital raising, net of transaction costs		4,886,384	-
Net cash flows provided by financing activities		4,886,384	-
Net increase/(decrease) in cash and cash equivalents		3,310,140	(432,709)
Cash and cash equivalents at beginning of financial year		1,056,325	1,489,034
Cash and cash equivalents at end of financial year	12	4,366,465	1,056,325

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

notes to the financial statements
for the year ended 30 June 2010

1 CORPORATE INFORMATION

The financial statement of Groote Resources Limited for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of the Directors on 30 September 2010.

Groote Resources Limited is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange Limited. The financial statements include Groote Resources Ltd (the "Company") and its subsidiary (the Group) for 30 June 2010. The comparative information disclosed for 30 June 2010 is for the parent entity only as no group structure existed for that period.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These financial statements are general-purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Australian Accounting Interpretations. The financial report has also been prepared on a historical cost basis.

The financial statements have been prepared for the year ended 30 June 2010 and is presented in Australian dollars, which is also the company's functional currency.

(b) Statement of compliance

The financial statements comply with both Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The following policies have been applied consistently to all years, unless otherwise stated.

Changes in accounting policy

The following amending Standards have been adopted from 1 July 2009. Adoption of these Standards did not have any material effect on the financial position or performance of the Company.

- AASB 101 (Revised) Presentation of Financial Statements

  The revised Standard separates owner and non-owner changes in equity and requires a statement of comprehensive income to be prepared which discloses all changes in equity during a period resulting from non-owner transactions. The Company has elected to present comprehensive income using the single statement approach.

- AASB 8 Operating Segments

  The Company has applied AASB 8 Operating Segments from 1 July 2009 which has replaced AASB 114 Segment reporting. AASB 8 requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are now reported in a manner that is consistent with the internal reporting to the Board of Directors.

- AASB 3 Business Combinations and AASB 127 Consolidated and Separate Financial Statements

  The adoption of AASB 3 and AASB 127 will change the accounting policy of the Company for future acquisitions and changes in ownership interests. These standards are applied prospectively and had no material impact on prior combinations.

The Company has not elected to early adopt any other new Standards or amendments that are issued by not yet effective.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 2009-5 Amendments to Australian Accounting Standards - Equity Settled Liabilities [AASB 101] (effective from 1 January 2010)

Clarifies that terms of a liability that could, at the option of the counterparty, result in the liability being settled by the issue of equity instruments, do not affect its classification. This means that unless the terms of such liabilities require a transfer of cash or other assets within 12 months, they do not necessarily have to be classified as current liabilities. Initial adoption of this amendment will have no impact as the Group does not have any current liabilities where the counterparty has the option to have the liabilities settled by the issue of equity instruments.

AASB 2009-5 Amendments to Australian Accounting Standards - Clarification of Cash Flows Classification [AASB 107] (effective from 1 January 2010)

Clarifies that only expenditures that result in a recognised asset in the statement of financial position are eligible for classification as cash flows from investing activities. Initial adoption of this amendment will have no impact as the Group only recognises cash flows from investing activities for expenditures that result in a recognised asset in the statement of financial position.

AASB 2009-5 Amendments to Australian Accounting Standards - Clarification of Goodwill Allocations [AASB 136] (effective from 1 January 2010)

Clarifies that CGUs to which goodwill is allocated cannot be larger than an operating segment as defined in AASB 8 Operating Segments before aggregation. There will be no impact as these requirements are only required to be applied prospectively to goodwill impairment calculations for periods commencing on or after 1 July 2010.

AASB 2009-8 Amendments to Australian Accounting Standards - Group Cash-Settled Share-based Payment Transactions [AASB 2] (effective from 1 January 2010)

The amendments made by the AASB to AASB 2 confirm that an entity receiving goods or services in a Group share-based payment arrangement must recognise or expense for those goods or services regardless of which entity in the Group settles the transaction or whether the transaction is settled in shares or cash. They also clarify how the Group share-based payment arrangement should be measured, that is, whether it is measured as an equity or a cash-settled transaction. The Group will apply these amendments retrospectively for the financial reporting period commencing on 1 July 2010. There will be no impact on the Group's financial statements.

AASB 2009-10 Amendments to Australian Accounting Standards - Classification of Rights Issues [AASB 132] (effective from 1 February 2010)

In October 2009 the AASB issued an amendment to AASB 132 Financial Instruments: Presentation which addresses the accounting for addresses for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities. The amendment must be applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The Group will apply the amended standard from 1 July 2010. As the Group has not made any such rights issues, the amendment will not have any effect on the Group's financial statements.

AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification and measurement of financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until1 January 2013 but is available for early adoption. The group is yet to assess its full impact. The Group has not yet decided when to adopt AASB 9.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party. The Group will apply the amended standard from 1 July 2011. The amendments are not expected to have a significant impact on the financial statements of the Group.

AASB Interpretation 19 Extinguishing financial liabilities with equity instruments and AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19 (effective from 1 July 2010)

AASB Interpretation 19 clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the entity issuing its own equity instruments to the creditor (debt for equity swap). It requires a gain or loss to be recognised in profit or loss which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. The Group will apply the interpretation from 1 July 2010, with retrospective application required. The Group has not yet determined the potential effect of the interpretation.

AASB 2010-3 Amendments to Australian Accounting Standards - Contingent Consideration in Business Combinations [AASB 3] (effective from 1 July 2010)

Confirms that any balances of contingent consideration that relate to acquisitions under the superseded AASB 3 must be accounted for under the superseded standard, i.e. not via profit or loss. There will be no impact on initial adoption as the Group did not have any contingent consideration on acquisitions prior to 1 July 2009.

AASB 2010-4 Amendments to Australian Accounting Standards - Financial Instrument Disclosures [AASB 7] (effective from 1 January 2011)

Deletes various disclosures relating to credit risk, renegotiated loans and receivables and the fair value of collateral held. There will be no impact on initial adoption to amounts recognised in the financial statement as the amendments result in fewer disclosures only.

AASB 2010-4 Amendments to Australian Accounting Standards - Presentation of Other Comprehensive Income [AASB 101] (effective from 1 January 2011)

A detailed reconciliation of each item of other comprehensive income may be included in the statement of changes in equity or in the notes to the financial statements. There will be no impact on initial adoption of this amendment as a detailed reconciliation of each item of other comprehensive income has always been included in the statement of changes in equity.

None of the other amendments or Interpretations are expected to affect the accounting policies of the Group.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an on-going basis. Debts that are known to be uncollectable are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Company will not be able to collect the debt financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment.

(f) Investments and other financial assets

Financial assets in the scope of AASB 139 Financial instruments: Recognition and measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales of financial assets under contracts that require delivery of the assets within the year established generally by regulation or convention in the market place.

Loans and receivables

Loans and receivables including loan notes and loans to Key Management Personnel are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised costs using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(g) Exploration and evaluation expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method. Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest is current and either;

- The exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- Exploration and evaluation activities in the area of interest have not at the reporting date reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

Impairment

Accumulated costs in respect of areas of interest which are abandoned are written off in full against profit in the year in which the decision to abandon the area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Notwithstanding the fact that a decision not to abandon an area of interest has been made, based on the above, the exploration and evaluation expenditure in relation to an area may still be written off if considered appropriate to do so

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the part is incurred. All other repairs and maintenance are recognised in the statement of comprehensive income as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

- Plant and equipment - over 4 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on unrecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

(i) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

<u>Company as a lessee</u>

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are recognised as an expense in the statement of comprehensive income.

Capitalised leases assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term. Lease incentives are recognised in the statement of comprehensive income as an integral part of the total lease expense.

(j) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and values in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or Group of assets (Cash-generating units). Non-financial assets that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(k) Trade and other payables

Trade payables and other payables are recognised initially at fair value and subsequently carried at amortised costs. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Provisions and employee leave benefits

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting form the passage of time is recognised in finance costs.

Employee Leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised if respect of the employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(m) Share-based payment transactions

(i) Equity settled transactions:

The Company provides benefits to its employees (including Key Management Personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

In prior years the Company has adopted an Employee Share Option Plan to provide these benefits to Directors, executives, employees and consultants.

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a black scholes model.

In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the market price of the shares of Groote Resources Limited.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income is the product of (i) the grant date of the award; (ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employees turnover during the vesting period and the likelihood of non-market performance conditions being met; and (iii) the expired portion of the vesting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Share-based payment transactions (continued)

(i) Equity settled transactions (continued):

The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vested than were originally expected to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share based payment arrangements, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it has vested on the date on cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(n) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) Interest income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through life of the financial asset to the net carrying amount of the financial asset.

(p) Income tax and other taxes

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities based in the current year's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting dartebetween the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit not taxable profit or loss; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint venture, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Income tax and other taxes (continued)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets in reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the statement of cash flow on a gross basis and the GST component of cash flow arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the Company, adjusted for:

- Costs of servicing equity (other than dividends);
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares;
- Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(r) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Groote Resources Limited ("the company") as at 30 June 2010 and the results of all subsidiaries for the year then ended. Groote Resources Limited and its subsidiary together are referred to in these financial statements as the group.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

(i) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Groote Resources Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly controlled entity or associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise cash, term deposits and short-term deposits.

The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks as summarised below

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

Interest rate risk

Interest rate risk arises primarily from the entities short term cash deposits. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's cash assets held primarily in short term cash deposits. The Board monitors its cash balance on an ongoing basis and liaises with its financiers regularly to mitigate cash flow interest rate risk. Refer to note 26 for sensitivity analysis of interest rate risk.

Credit risk

Credit risk is the risk that a counterparty will not complete its obligations under a financial instrument resulting in a financial loss for the group. Credit risk is managed at the group level. The group does not generally obtain collateral or other security to support financial instruments subject to credit risk, but adopts a policy of only dealing with credit worthy counterparties.

The Company trades only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

Liquidity risk

The group's liquidity position is managed to ensure sufficient liquid funds are available to meet its financial obligations in a timely manner. The Company does not have major funding in place. However, the Company continuously monitors forecast and actual cash flows and the maturity profiles of financial assets and financial liabilities to manage its liquidity risk. The contractual maturity of trade and other payables is 60 days.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Company's accounting policies, management continually evaluates, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Company. All estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the estimates and assumptions. Significant estimates and assumptions made by management in the preparation of these financial statements are outlined below:

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting year are:

(a) Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Company decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Significant accounting estimates and assumptions (continued)

(a) Impairment of capitalised exploration and evaluation expenditure (continued)

Exploration and evaluation is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

(b) Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black Scholes model, with the assumption detailed in note 24. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amount of assets and liabilities within the next annual reporting period but may impact expenses and equity.

(c) Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experiences as well as manufacturers' warranties (for plant and equipment), and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary.

(d) Fair Value of Asset acquired

During the financial year, the company acquired its interest in the Groote Eylandt project for cash and shares. As shares and options were granted as part of this transaction, it has been classified as a share based payment transaction. The fair value of the project acquired was deemed to be the fair value of the equity instruments granted, being $6,300,000. This was the value at the time at which the project was entered into.

5 SEGMENT INFORMATION

The Directors (who are the chief decision makers) have determined the Company has one reportable segment, being mineral exploration in the Northern Territory following the acquisition. As the Company is focused on mineral exploration, the Board monitors the Company based on actual versus budgeted exploration expenditure incurred by area of interest. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Company and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

	Group JUNE 2010 $	Company JUNE 2009 $
	-	-
Revenue from external sources		
Reportable segment loss	(218,655)	-
Reportable segment assets	6,300,000	-
Reconciliation of reportable segment profit or loss		
Reportable segment loss	(218,655)	-
Unallocated:		
• Corporate expenses	(1,513,501)	(365,750)
• Interest income	49,401	64,462
Loss before income tax	(1,682,755)	(301,288)

There have been no changes to the way that the segment report is reported from the prior year. There is no reportable segment depreciation, amortisation or tax expense. As a result of the group's operations, it does not have any major customers.

6 SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy noted in Note 2 (r)

Name of Entity	Country of Incorporation	Class of Shares	Equity holding 2010 %	Equity holding 2009 %
Reflective Minerals Pty Ltd	Australia	Ordinary	100	-

The acquisition of reflective Minerals Pty Ltd during the year has not been treated as a business combination under AASB 3 Business Combinations as the group acquired this entity in order to obtain beneficial interest in the Groote Eylandt exploration licenses as outlined in Note 15

notes to the financial statements continued
for the year ended 30 June 2010

7 REVENUE

	Group 2010 $	Company 2009 $
Interest revenue	49,401	64,462

8 EXPENSES

	Group 2010 $	Company 2009 $
(a) Directors fees included in statement of comprehensive income		
Director fees	141,971	131,380
Superannuation costs	7,431	827
	149,402	132,207
(b) Office services expense included in statement of comprehensive income		
Included in Office Services related expenses:		
Fees for provision of executive and administrative staff	-	32,952
	-	32,952
(c) Office accommodation expense included in statement of comprehensive income		
Included in office related expenses:		
Minimum payments - services agreement	(37,328)	-
	(37,328)	-
(d) Employee benefits expense included in statement of comprehensive income		
Included in Employment related expenses:		
Share based payments - Contractors	-	1,709
	-	1,709
(e) Depreciation		
Depreciation	(3,797)	2,928
	(3,797)	2,928

9 INCOME TAX

	Group 2010 $	Company 2009 $
(a) The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the statement of comprehensive income	-	-
(b) The prima facie tax benefit on loss before income tax is reconciled to the income tax as follows:		
Loss from continuing operations before income tax expense	(1,633,563)	(301,288)
Prima facie tax benefit on loss before income tax at 30% (2009: 30%)	(504,827)	(90,386)
Add tax effect of:		
Share based payments	-	513
Other	-	-
Tax losses and temporary differences not brought to account	504,827	89,873
Income tax expense	-	-
(c) Deferred income tax at 30 June relates to the following		
Deferred tax liabilities:		
Accrued interest	-	(906)
Prepayments	425	(1,517)
Deferred tax asset netted off against deferred tax liability	(425)	2,423
	-	-
Deferred tax assets:		
Accrued audit fees	5,400	5,250
Employee Provisions	4,168	-
Capital raising costs	48,499	39,453
Other	-	-
Tax losses	1,222,617	675,510
Tax asset utilised to offset deferred tax liability	425	(2,423)
Deferred tax asset not recognised	(1,281,109)	(717,790)
	-	-
Net deferred tax assets/(liabilities)	-	-

9 INCOME TAX (CONTINUED)

The Company has tax losses of $4,270,363 (2009: $2,256,961) that are available indefinitely for offset against future taxable profits of the Company. The recoupment of available tax losses as at 30 June 2010 is contingent upon the following:

(i) The Company deriving future assessable income of a nature and of an amount sufficient to enable the benefit from the losses to be realised;

(ii) The conditions for deductibility imposed by tax legislation continuing to be complied with; and

(iii) There being no changes in tax legislation which would adversely affect the Company from realising the benefit from the losses.

10 DIVIDENDS PAID AND PROPOSED

No dividends in respect of the current financial year have been paid, declared or recommended for payment.

11 LOSS PER SHARE

(a) Loss used in calculating loss per share

For basic and diluted loss per share:

	Group 2010 $	Company 2009 $
Net loss attributable to members of Groote Resources Limited	(1,682,755)	(301,288)

Given the operating losses, the outstanding options are not considered dilutive. As a result, diluted loss per share equals basic loss per share.

(b) Weighted average number of shares

		2009 Number
Weighted average number of ordinary shares used in calculating basic and diluted loss per share.	33,826,420	15,006,668
Basic and diluted loss per share (cents per share)	(4.98)	(2.01)

(c) Information on the classification of securities

(i) Options

13,193,140 options (2008: 13,293,140) issued pursuant to offers made under disclosure documents and granted as remuneration in prior financial years are considered to be potential ordinary shares but have not been included in the calculation of earnings per share as they are anti-dilutive.

12 CASH AND CASH EQUIVALENTS

	Group 2010 $	Company 2009 $
Cash at bank and in hand	1,853,610	71,643
Short-term deposits	2,512,855	374,682
Term deposits > 3 months	-	610,000
	4,365,465	1,056,325

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and six months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

13 TRADE & OTHER RECEIVABLES

Interest receivable	-	3,020
Refunds receivable	-	1,725
GST receivable	85,239	9,010
	85,239	13,755

The other debtors and GST are incurred in the normal course of business and no allowance has been made for non-recovery. The debtors and GST are of short-term nature. No amounts are past due or impaired and it is expected that these balances will be received when due. Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivable mentioned above.

14 PREPAYMENTS

Prepaid insurance premiums	3,641	5,058
	3,641	5,058

15 EXPLORATION & EVALUATION

Balance at beginning of the year	-	-
Acquisition of Groote Tenements - cash	500,000	-
Acquisition of Groote Tenements - shares and options (Note 20)	5,800,000	-
At 30 June	6,300,000	-

The ultimate recoverability of the groups areas of interest is dependent on the on the successful discovery and commercialisation of the project.

Included in the total of the shares and options issued as consideration for the Groote Eylandt project was the issue of 30,000,000 ordinary shares in the company, and 45,000,000 options over ordinary shares. Refer to note 20 for further details.

16 PLANT AND EQUIPMENT

	Group 2010 $	Company 2009 $
Plant and equipment at cost	24,548	12,570
Accumulated depreciation	(11,191)	(7,690)
Net carrying amount	13,357	4,880
At July 1, net of accumulated depreciation	4,880	7,808
Additions	11,978	-
Disposals	-	-
Depreciation charge for the year	(3,501)	(2,928)
As at 30 June, net of accumulated depreciation	13,357	4,880
Furniture & Fittings at cost	7,109	-
Accumulated depreciation	(296)	-
Net carrying amount	6,813	-
At July 1, net of accumulated depreciation	-	-
Additions	7,109	-
Disposals	-	-
Depreciation charge for the year	(296)	-
As at 30 June, net of accumulated depreciation	6,813	-
	20,170	4,880

No assets of the company have been pledged as security.

17 TRADE AND OTHER PAYABLES

Trade payables	56,465	6,823
Other payables	1,483	17,500
	57,948	24,323
Related party payables		
Prairie Downs Metals Limited	-	23,515
Azure Capital Pty Ltd	-	6,600
Market Capital Pty Ltd	-	-
Drumugaghan Pty Ltd	-	5,500
S J Hall	3,300	3,300
	3,300	38,915
	61,248	63,238

17 TRADE AND OTHER PAYABLES (CONTINUED)

(a) Trade payables are non-interest bearing and are normally settled on 30 - 60 day terms.

(b) Other payables are non-trade payables, are non-interest bearing and have an average term of 3 months.

(c) For terms and conditions relating to related party payables refer to note 20.

(d) Transactions with related parties

The following table provides the total amount of transactions that were entered into with related parties for the year:

	Group 2010 $	Company 2009 $
Related entity:		
Prairie Downs Metals Limited - agreement for provision of personnel, office accommodation and equipment services	-	40,435

18 CURRENT PROVISIONS

Employee Entitlements	13,893	-

Whist employee provisions are all classified as current as there is a current legal obligation to pay this amount should the employee leave, the company expects to only pay out 70% of this balance in the next 12 months.

19 SUBSCRIPTIONS IN ADVANCE

Balance at beginning of the year	-	-
Funds received upon exercise of Options Expiring 30 June 2010	2,148,630	-
At 30 June	2,148,630	-

notes to the financial statements continued
for the year ended 30 June 2010

20 CONTRIBUTED EQUITY

	2010 Shares	2009 Shares
Ordinary shares		
Issued and fully paid	73,189,371	15,006,668

Effective 1 July 1998, the Corporations legislation abolished the concepts of authorised capital and par value shares. Accordingly the Company does not have the authorised capital or par value in respect of its issued capital.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	Shares	$
Movement in ordinary shares on issue		
At 1 July 2008	15,006,668	2,704,058
No issues	-	-
At 30 June 2009	15,006,668	2,704,058
Options Exercised on 27 January 2010	389,665	127,933
Options Exercised on 22 February 2010	1,250,000	250,000
Options Exercised on 22 February 2010	240,000	48,000
Shares Issued - Acquisition of Reflective Minerals Pty Ltd on 2 March 2010 (refer further details below)	30,000,000	2,269,928
Share Placement on 2 March 2010	24,000,000	2,400,000
Options Exercised on 5 March 2010	250,000	50,000
Options Exercised on 22 March 2010	125,000	25,000
Options Exercised on 8 April 2010	123,000	24,600
Options Exercised on 28 April 2010	519,830	103,966
Share Placement on 20 May 2010	1,000,000	100,000
Options Exercised on 20 May 2010	205,208	41,042
Options Exercised on 8 June 2010	80,000	16,000
Capital Raising Costs carried forward	-	-
Capital raising costs incurred in the current year	(298,027)	(150,760)
At 30 June 2010		
73,189,371	7,711,740	

20 CONTRIBUTED EQUITY (CONTINUED)

Options

Listed Options

The following listed options to subscribe for ordinary fully paid shares are outstanding at 30 June 2010:

- 7,610,436 options exercisable at $0.20 each on or before 30 June 2010.

The following listed options to subscribe for ordinary fully paid shares were granted during the year:

- 2,882,693 options exercisable at $0.20 each on or before 30 June 2010.

The following unlisted options to subscribe for ordinary fully paid shares were granted during the year:

- 45,000,000 options exercisable at $0.20 each on or before 20 May 2012 or 40 cents if exercised between 21 May 2012 and 20 May 2015 expiring on 20 May 2015. Upon exercise, the option holder receives one fully paid ordinary share, plus 1 further option exercisable on the same terms and conditions of the one exercised. (refer further details below)
- 2,000,000 options exercisable at $0.20 each on or before 31 December 2014.

No listed options lapsed or were forfeited during the year:

Unlisted Options

The following unlisted options to subscribe for ordinary fully paid shares are outstanding at 30 June 2010:

- 45,000,000 options exercisable at $0.20 each on or before 20 May 2012 or 40 cents if exercised between 21 May 2012 and 20 May 2015 expiring on 20 May 2015.
- 2,900,000 options exercisable at $0.20 each on or before 30 June 2010.
- 1,500,000 options exercisable at $0.20 each on or before 31 December 2014.

The following unlisted options were granted during the year:

- 45,000,000 options exercisable at $0.20 each on or before 20 May 2012 or 40 cents if exercised between 21 May 2012 and 20 May 2015 expiring on 20 May 2015.
- 2,000,000 options exercisable at $0.20 each on or before 31 December 2014.

The following unlisted options to subscribe for ordinary fully paid shares were granted during the prior year:

- 500,000 options exercisable at $0.20 each on or before 31 December 2014.
- 100,000 options exercisable at $0.20 each on or before 30 June 2010
- 200,000 options exercisable at $0.45 each on or before 1 December 2011

No unlisted options lapsed or were forfeited during the year.

Shares and options issued on acquisition of Project

The shares and options have been accounted for in accordance with accounting standard AASB 2 Share Based Payments. The company has fair valued the assets acquired at the date of entering the transaction which was determined to be $6,300,000. A fair value exercise was performed by the company at the grant date (being 26 February 2010) to determine the relative value attributable to the shares and options. Options were valued using a black-scholes model, modified for the terms of the options. The value of shares at grant date was $20,400,000 and the value of the options granted was $31,725,000.

20 CONTRIBUTED EQUITY (CONTINUED)

Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

21 RESERVES

The share-based payments reserve is used to recognise the fair value of options issued by the company to eligible executives, employees and contractors as part of their remuneration, or for other goods and services that the company may choose to settle with options rather than cash.

22 CASH FLOW RECONCILIATION

	2010 $	2009 $
(a) Reconciliation of net loss after tax to net cash flows from operations		
Net loss	(1,682,755)	(301,288)
Adjustments for:		
Depreciation	3,797	2,928
Impairment of exploration expenditure	-	-
Option based payments	680,354	-
Share based payments	-	1,709
Changes in assets and liabilities		
Decrease/(Increase) in prepayments	1,417	(566)
Reconciliation of net loss after tax to net cash flows from operations (continued)		
Decrease/(Increase) in trade and other receivables	(70,067)	15,400
Increase/(Decrease) in trade and other payables	11,904	(150,892)
Net cash from operating activities	(1,055,350)	(432,709)

Non-cash Financing Activities

During the financial year, the company acquired access to several areas of interest through its acquisition of Reflective Minerals Pty Ltd. As part of this asset acquisition, the company issued 30,000,000 ordinary shares and 45,000,000 options over ordinary shares in the company, in addition to cash consideration of $500,000. This issue has resulted in an increase in contributed equity and the share based payments reserve by a total of $5,800,000.

23 KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

(i) Directors

Alexander Hewlett	Chairman and Director (non-executive)
Simon Noon	Director (executive) appointed
Stuart John Hall	Director (non-executive) appointed 21 November 2008
Jeremy David Shervington	Chairman (non-executive) resigned 22 March 2010
Alec Christopher Pismiris	Director (executive) resigned 4 March 2010
Chris Catlow	Director (non-executive) appointed 22 March 2010, resigned 4

(b) Compensation of Key Management Personnel

	2010 $	2009 $
Short-term employee benefits	304,138	183,815
Post-employment benefits	7,431	827
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	311,569	184,642

23 KEY MANAGEMENT PERSONNEL

(c) Option holdings of Key Management Personnel — Vested at 30 June 2010

30 June 2010	Balance 01 Jul 09 (i)	Granted as Remuneration	Options Exercised	Net Change Other (ii)	Balance 30 Jun 10	Total	Exercisable	Not Exercisable
Directors							-	-
A R Hewlett (appointed 4 March 2010)	-	-	-	18,000,000	18,000,000	18,000,000	-	-
S A Noon (appointed 4 March 2010)	-	-	-	-	-	-	-	-
S J Hall	-	-	-	200,000	200,000	200,000	-	-
J D Shervington (resigned 22 March 2010)	1,016,666	-	-	(1,016,666)	-	-	-	-
A C Pismiris (resigned 4 March 2010)	1,006,666	-	-	(1,006,666)	-	-	-	-
C Catlow (appointed 22 March 2010, resigned 16 June 2010)	-	-	-	-	-	-	-	-
Total	2,023,332	-	-	16,176,668	18,200,000	18,200,000	-	-

(i) Or date of appointment/resignation

30 June 2009	Balance 01 Jul 08 (i)	Granted as Remuneration	Options Exercised	Net Change Other (ii)	Balance 30 Jun 09	Total	Exercisable	Not Exercisable
Directors							-	-
J D Shervington	1,016,666	-	-	-	1,016,666	1,016,666	1,016,666	-
A C Pismiris	1,006,666	-	-	-	1,006,666	1,006,666	1,006,666	-
S J Hall (appointed 21 Nov 2008)	-	-	-	-	-	-	-	-
A G Coulthard (appointed 8 Oct 2008; resigned 21 Nov 2008)	-	-	-	-	-	-	-	-
M C Hansen (resigned 2 Oct 2008)	1,000,000	-	-	(1,000,000)	-	-	-	-
C Catlow (appointed 22 March 2010, resigned 16 June 2010)	-	-	-	-	-	-	-	-
Total	3,223,332	-	-	(1,000,000)	2,223,332	2,223,332	2,223,332	-

(i) Or date of appointment.
(ii) M C Hansen resigned as a Director on 2 October 2008 therefore his option holdings as a Director reduced.

23 KEY MANAGEMENT PERSONNEL

(d) Shareholdings of Key Management Personnel

30 June 2010	Balance 01 Jul 09 (i)	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 Jun 10
Directors					
A R Hewlett (appointed 4 March 2010)	-	-	-	12,012,000	12,012,000
S A Noon (appointed 4 March 2010)	-	-	-	-	-
S J Hall	-	-	-	200,000	200,000
J D Shervington (resigned 22 March 2010)	10,000	-	-	(10,000)	-
A C Pismiris (resigned 4 March 2010)	20,002	-	-	(20,002)	-
C Catlow (appointed 22 March 2010, resigned 16 June 2010)	-	-	-	-	-
Total	30,002	-	-	12,181,998	12,212,000

(i) Or date of appointment.

30 June 2009	Balance 01 Jul 08 (i)	Granted as Remuneration	On Exercise of Options	Net Change Other	Balance 30 Jun 09
Directors					
AC Pismiris	10,000	-	-	-	10,000
J D Shervington	20,002	-	-	-	20,002
S J Hall (appointed 21 Nov 2008)	-	-	-	-	-
A G Coulthard (appointed 8 Oct 2008; resigned 21 Nov 2008)	-	-	-	-	-
M C Hansen (resigned 2 Oct 2008)	-	-	-	-	-
Total	30,002	-	-	-	30,002

All equity transactions with Key Management Personnel other than those arising from the exercise of remuneration options have been entered into under terms no more favourable than those the Company would have adopted if dealing at arm's length.

23 KEY MANAGEMENT PERSONNEL

(e) Other transaction and balances with Key Management Personnel and their related parties

Purchases

During the financial year fees of $49,500 (2009: $60,000) were paid under normal terms and conditions to Drumgaghan Pty Ltd of which Mr J D Shervington is a Director, for the provision of services in his capacity as a Director at normal commercial rates.

During the financial year fees of $52,800 (2008: $72,000) were paid under normal terms and conditions to Azure Capital Pty Ltd of which Mr A C Pismiris is a Director, for the provision of services in his capacity as a Director and Company Secretary at normal commercial rates.

During the financial year fees of $36,300 (2009: $21,945) were paid under normal terms and conditions to Mr S J Hall for the provision of services in his capacity as a Director at normal commercial rates. At year end, $3,300 (2009: $nil) remained outstanding.

During the financial year fees of $8,500 (2009: $Nil) were paid under normal terms and conditions to Mazza Resources Pty Ltd of which Mr A R Hewlett is a Director, for the provision of services in his capacity as a Director at normal commercial rates. At year end, $Nil (2009: $nil) remained outstanding.

24 SHARE BASED PAYMENT PLANS

(a) Recognised share-based payment expenses

The expense recognised for employee services received during the year is shown in the table below:

	2010 $	2009 $
Expense arising from equity-settled share-based payment transactions	-	1,709
Total expense arising from share-based payment transactions	-	1,709

The share-based payment plan is described below. There have been no modifications to the plan during the year.

(b) Types of share-based payment plans

Employee Share and Option Plan ("ESOP")

The Company has established the ESOP to assist in the retention and motivation of employees by providing them with the opportunity to acquire Shares. Under the ESOP, options over unissued shares are to be offered to eligible executives, employees and contractors of the Company. The principal terms of the ESOP are as follows:

(i) The Directors may at their discretion elect to issue up to a total of 7 million options to employees (including Directors and consultants) exercisable at a price or prices as determined by the Directors at the time or times that they elect to exercise their discretion to issue options pursuant to the Plan on such terms and conditions as the Directors determine from time to time and, subject to any such determination being contrary thereto, including the terms and conditions below.

(ii) It is a condition of the Plan that at least 75% of the Company's employees (including Directors) participate in it with participants to be chosen by the Directors at their absolute discretion.

(iii) It is a condition of the Plan that no participant is entitled to more than 5% of the Company's securities as a result of the issue of any options to that participant under the Plan.

(iv) Any participation by Directors will be subject to whatever shareholder approvals may be required by law.

24 SHARE BASED PAYMENT PLANS (CONTINUED)

(b) Types of share-based payment plans

Employee Share and Option Plan ("ESOP") (continued)

(v) The Plan will not prevent the Company from issuing options, in addition to those that may be issued under the Plan, to Directors or other employees or consultants by mutual agreement between the grantee and the Directors from time to time.

(vi) The Directors will review from time to time the number of options that are the subject of this Plan.

(vii) No Options will be issued under the Plan unless the issue is not inconsistent with Listing Rule 7.16.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, the share options granted during the prior year:

	2010 No.	2010 WAEP	2009 No.	2009 WAEP
Outstanding at the beginning of the year	200,000	0.45	300,000	0.45
Granted and issued during the year	-	-	-	-
Cancelled during the year	-	-	(100,000)	0.45
Forfeited during the year	-	-	-	-
Exercised during the year	(200,000)	0.45	-	-
Expired during the year	-	-	-	-
	-	-	200,000	0.45

25 FAIR VALUE AND INTEREST RATE RISK

(a) Fair values

All financial assets and financial liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

(b) Interest rate risk

The Company's exposure to interest rate risk is set out below:

	2010 Floating Interest Rate $	2009 Floating Interest Rate $	2010 $	2009 $
FINANCIAL ASSETS				
Cash and cash equivalents	4,366,465	1,056,325	4,366,465	1,056,325
Weighted average effective interest rate	4.73%	3.51%		

Interest on financial instruments classified as floating rate is repriced at intervals of less than a year. The other financial instruments of the Company that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

25 FAIR VALUE AND INTEREST RATE RISK

(b) Interest rate risk

The table below details the interest rate sensitivity analyses of the Company at the reporting date, holding all other variables constant. A 50 basis point favourable (+) and unfavourable (-) change is deemed to be a possible change and is used when reporting interest rate risk. This is considered a reasonable change given the current economic environment.

		Post tax effect on:		Post tax effect on:	
Risk Variable	Sensitivity*	Profit 2010	Equity 2010	Profit 2009	Equity 2009
Interest Rate	+0.50%	21,860		5,282	5,282
	-0.50%	(21,860)		(5,282)	(5,282)

* The method used to arrive at the possible change of 50 basis points was based on the analysis of the absolute nominal change of the Reserve Bank of Australia (RBA) monthly issued cash rate. Historical rates indicate that for the past five financial years, there was a bias towards an increase in interest rate ranging between 0 to 50 basis points. It is considered that 50 basis points a 'reasonably possible' estimate as it accommodates for the maximum variations inherent in the interest rate movement over the past five years.

26 COMMITMENTS AND CONTINGENCIES

Lease commitments

Future minimum payments under the services agreement as at 30 June 2010 are as follows:

	2010 $	2009 $
Within one year	**15,338**	-
After one year but not more than five years	**-**	-
More than five years	**-**	-
	15,338	-

Other expenditure commitments

The Company has no minimum expenditure commitments relating to the Groote Eylant Projects & Mt Alexander project as it is held in application status. Expenditure commitments at 30 June 2010 but not recognised as liabilities are as follows:

Within one year	2,416,650	-
After one year but not more than five years	-	-
More than five years	-	-
	2,416,650	-

Remuneration commitments

Within one year	51,910	-
After one year but not more than five years	-	-
More than five years	-	-
	51,920	-

Contingencies

The Company has no contingent assets and liabilities.

27 EVENTS AFTER THE BALANCE DATE

No matter or circumstance has arisen since 30 June 2010 which has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in subsequent financial years.

28 AUDITORS' REMUNERATION

	2010 $	2009 $
Amounts received or due and receivable for:		
An audit or review of the financial report of the Group by BDO Audit (WA) Pty Ltd	29,800	-
An audit or review of the financial report of the Group by Ernst & Young	-	36,276
Taxation Services - BDO Corporate Tax (WA) Pty Ltd	6,178	-
Independant Experts Report - BDO Consultants (WA) Pty Ltd	24,047	-
Total Remuneration of Auditors and their related practices	60,025	36,276

29 PARENT ENTITY DISCLOSURES

The following details information related to the entity, Groote Resources Limited, at 30 June 2010. The information presented here has been prepared using consistent accounting policies as presented

	2010 $	2009 $
Financial Position		
Assets		
Current assets	4,445,345	1,075,138
Non-current assets	6,320,170	4,880
Total Assets	10,765,515	1,080,018
Liabilities		
Current liabilities	2,218,352	63,237
Non-current liabilities	-	-
Total Liabilities	2,218,352	63,237
Equity		
Issued capital	7,711,740	2,704,058
Reserves	4,665,277	455,240
Accumulated losses	(3,825,273)	(2,142,518)
Total equity	8,551,744	1,016,781
Financial Performance		
Loss for the year	(1,682,755)	(301,288)
Other comprehensive income	-	-
Total comprehensive income	(1,682,755)	(301,288)
Commitments of the Parents Entity		
Operating lease		
One year or later and no later than five years	15,338	-
Total	-	-
Finance lease		
Within one year	-	-
One year or later and no later than five years	-	-
Minimum lease payments	-	-
Less future finance charges	-	-
Present value of minimum lease payments	-	-

directors' declaration

The Directors of the company declare that:

1 The financial statements, comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, accompanying notes, are in accordance with the Corporations Act 2001 and :

(a) Comply with Accounting Standards and the Corporations Regulations 2001; and

(b) Give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the group.

2 In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

3 The remuneration disclosures included in pages 10 to 14 of the directors' report (as part of audited Remuneration Report), for the year ended 30 June2010, comply with section 300A of the Corporations Act 2001.

4 The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

5 The Group has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Simon Noon
Director

Perth, Western Australia
30th day of September 2010

BDO

Tel: +8 6382 4600
Fax: +8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GROOTE RESOURCES LIMITED**

Report on the Financial Report

We have audited the accompanying financial report of Groote Resources Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2(b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's report was made.

Auditor's Opinion

In our opinion:

(a) the financial report of Groote Resources Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the financial position of Groote Resources Limited and consolidated entities at 30 June 2010 and of their performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(b).

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Groote Resources Limited for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Brad McVeigh
Director

Perth, Western Australia
Dated this 30th day of September 2010

asx additional information

Additional information required by the Australian Stock Exchange Ltd Listing Rules and not disclosed elsewhere in this report is as follows. The information is current as at 24 September 2010.

TWENTY LARGEST SHAREHOLDERS

Name of Holder	No. of Ordinary Shares Held	Percentage of Issued Capital %
ELEFANTINO PTY LTD <TALULA A/C>	12,000,000	14.42
MOONGOLD PTY LTD	12,000,000	14.42
MARINER MINING PTY LTD <MARINER FAMILY A/C>	6,000,000	7.21
ACP INVESTMENTS PTY LTD <THE ACP INVESTMENT A/C>	2,100,000	2.52
SECA RESOURCES PTY LTD <VALE 46 A/C>	1,680,000	2.02
PANGA PTY LTD	1,000,000	1.20
M & K KORKIDAS PTY LTD <M&K KORKIDAS P/L S/FUND A/C>	850,000	1.02
WULURA INVESTMENTS PTY LTD	821,666	0.99
KEMAST INVESTMENTS PTY LTD	801,666	0.96
MR JASON STANLEY MACDONALD	625,000	0.75
REDFEATHER HOLDINGS PTY LTD <HEWLETT SUPER FUND A/C>	564,000	0.68
MR ZYGMUND WOLSKI + MRS NOLA WOLSKI <THE WOLSKI SUPER FUND A/C>	550,000	0.66
MR JOHN TIMOTHY KINGSWOOD <KINGSWOOD FAMILY A/C>	506,041	0.61
OCEANIC CAPITAL PTY LTD	500,000	0.60
PANGA PTY LTD	500,000	0.60
B T & K R RYAN PTY LTD <SUPERFUND ACCOUNT>	482,000	0.58
MR TIMOTHY JOHN BAKER	470,796	0.57
MR SIMON BROWN <SIMON BROWN A/C>	450,000	0.54
NORTHERLY INVESTMENTS PTY LTD	450,000	0.54
SAURON CAPITAL PTY LTD <SENATOR INVESTMENT A/C>	415,000	0.50
Total	42,766,169	51.40
Shares on Issue at 24 September 2010	83,199,808	

DISTRIBUTION OF MEMBER HOLDINGS

At 1 September 2009 Listed Ordinary Shares

Size of Holding	No. of Holders	No. of Shares
1 - 1,000	86	57,000
1,001 - 5,000	811	4,633,991
5,001 - 10,000	679	21,776,302
10,001 - 100,000	87	22,952,515
100,000 and over	5	33,780,000
Total Holders	1,668	83,199,808

There are 30 shareholders holding less than a marketable parcel of shares.

SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

Name of Holder	No. of Ordinary Shares	Percentage of Issued Capital
ELEFANTINO PTY LTD <TALULA A/C>	12,000,000	14.42%
MOONGOLD PTY LTD	12,000,000	14.42%
MARINER MINING PTY LTD <MARINER FAMILY A/C>	6,000,000	7.21%

VOTING RIGHTS

All shares carry one vote per share without restriction.

UNLISTED OPTIONS ON ISSUE

Options issued by the Company which are not listed on the Australian Stock Exchange are as follows:

- 45,000,000 options exercisable at $0.20 each on or before 20 May 2012 or 40 cents if exercised between 21 May 2012 and 20 May 2015 expiring on 20 May 2015
- 1,500,000 options exercisable at $0.20 each on or before 31 December 2014.

MINERALS TENEMENTS HELD AT 30 SEPTEMBER 2010:

Groote Eylandt, Northern Territory (Groote Resources 100%)		
Tenement	**Status**	**Tenement Area (km^2)**
27521	Consent to Negotiate	47.3
27522	Consent to Negotiate	10.5
27523	Granted	738
27550	Granted	154.1
27551	Granted	87.7
27605*	Granted	685.1
27937	Application	0.2
OEL28098	Application	1472
OEL28099	Application	1615
OEL28100	Application	1595
OEL28101	Application	1587
OEL28102	Application	1603
OEL28103	Application	1578
OEL28104	Application	1546
OEL28105	Application	1613
OEL28106	Application	1079
A28131*	Application	196.7
A28132*	Application	115.0
A28133*	Application	278.5
A28134*	Application	772.9
A28135*	Application	387.9
Mt Alexander, Western Australia (Groote Resources 100%)		
08/1987	Granted	88.8

*Authorisation Under Section 178

GROOTE RESOURCES
LIMITED

ABN:
24 119 494 772

Registered Office:
Suite 4, 38 Colin Street
West Perth WA 6005
Australia

ASX Code: GOT

www.grooteresources.com.au