

ASX ANNOUNCEMENT

29 July 2011

ASX:GOT

Quarterly Report For the Period ended 30 June 2011

HIGHLIGHTS

- **Priority Shareholders offer – Ridge Resources**
- **Acquisition of North Manganese Pty Ltd**
- **Change of Company Name – Northern Manganese Limited**
- **Bateman Engineering Report Market Update**
- **Appointment of Managing director**
- **Appointment of Company secretary and change of registered Office**

Corporate

"The appointment of Mr Lloyd Jones effective from 20th June based in Darwin has completed the restructure of Groote Resources as a focused Manganese exploration company" Mr Daws said.

"With Mr Jones on board we are well on our way to establishing a permanent presence in the Northern Territory with our Darwin based offices due for occupancy next quarter. The former Perth office has been closed.

As previously advised the Company has divested a majority interest in the Mt Alexander uranium project to IPO Ridge Resources Limited but retain a interest in the project. This divestment together with the successful acquisition of North Manganese Pty Ltd has consolidated the Boards new focus particularly on Manganese project acquisition and development.

I am also pleased to confirm the appointment of Mr Rob Marusco of NKH Corporate as Company Secretary of this revamped and focused Manganese exploration team.

Acquisition of North Manganese Pty Ltd

As reported on 31 May Groote acquired North Manganese Proprietary Limited ("North Manganese"). North Manganese is an Australian company that has applied for 7 mineral exploration licences covering 3,856km² of shallow marine terrain in close proximity to the Northern territory mainland.

Whilst this tenure is still in the application phase Groote will make contact with the Northern Land Council who represents the Traditional Owners in this area.

As indicated previously, Groote recognises the need to consult with government authorities and community interest groups including Traditional Owners before embarking on any environmental investigations and exploration work.

OTHER

With the veto of the land based tenure on Winchelsea and Connexion Islands our focus has been on developing our EPBC referral to enable an acoustic survey to be completed of the seabed. We are

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mindful of the sea turtle breeding season and the care and scientific application that must be applied to ensure no interruption to this natural process.

The company has formally advised the Northern Territory Government that it will vigorously retain its rights to the tenements held over Connexion and Winchelsea Islands, The tenements will not be relinquished. This stance was confirmed to the Minister for Resources at a recent meeting in Darwin with himself and his senior departmental officers.

Therefore extensive modelling work has been conducted on the proposed acoustic program using data now available from the "Habitat" survey conducted earlier this year. Full results from that survey are still coming in as a consequence of the mass of data generated and the need to properly evaluate the information generated. At this time we are pleased with the offshore data that has been generated and although still of a preliminary nature is already assisting in a restructure of the EPBC referral that will follow.

KORES

The Memorandum of Intent (MOI) is on foot even though the original target dates have by necessity been pushed out due to the need to accommodate the turtle breeding program and the veto of the land based tenure.

The Executive Chairman and Managing Director recently met with the KORES representative who confirmed their continuing interest in the project. As a direct consequence of the discussions the Executive Chairman and Managing Director will now, as a matter of priority, travel to South Korea in September to reaffirm the MOI and present to the KORES Group an update on the Groote Resources Manganese Project. It will be an opportunity to introduce the new Board and Management team that has taken responsibility for the company's operations since the signing of the MOI.

OTHER

The company is continuing to receive overtures from other international companies wishing to discuss the progress of the project and seeking to examine how they may engage with us. Nothing has been firmly established from these meetings and unless or until a formal new business proposal is received the contacts will be treated as work in progress. Nevertheless we are encouraged by the strong and persistent international interest.

Whilst it is early in what will become a long-term and extensive exploration and development program I express my appreciation for the co-operation and support given to us by the wide range of public servants with whom we have to work with in the Northern Territory

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