

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Groote Resources Limited

ABN

24 119 494 772

Quarter ended ("current quarter")

30 June 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(84)	(153)
(b) development	-	-
(c) production	-	-
(d) administration	(299)	(899)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	20	50
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(363)	(1,002)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	(27)	(527)
(b)equity investments	-	-
(c)other fixed assets	-	(21)
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(27)	(548)
1.13 Total operating and investing cash flows (carried forward)	(390)	(1,550)

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1.13	Total operating and investing cash flows (brought forward)	(390)	(1,550)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	2,114	5,037
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	(178)
	Net financing cash flows	2,114	4,859
	Net increase (decrease) in cash held	1,724	3,309
1.20	Cash at beginning of quarter/year to date	2,642	1,056
1.21	Exchange rate adjustments to item 1.20	1,724	-
1.22	Cash at end of quarter	4,366	4,366

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	84
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Not Applicable

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not Applicable

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not Applicable

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	700
4.2 Development	-
4.3 Production	-
4.4 Administration	250
Total	950

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	377	136
5.2 Deposits at call	1477	6
5.3 Bank overdraft	-	-
5.4 Other – Term Deposits	2,512	2,500
Total: cash at end of quarter (item 1.22)	4,366	2,642

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Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			
	ELA27521	On 30 April 2010 the company was granted consent to negotiate with the local Land Council for Exploration licence 27521 (Winchelsea Island).	100%	100%
	ELA27522	On 18 May 2010 the company was granted consent to negotiate with the local Land Council for Exploration licence 27522 (Connexion Island).	100%	100%
	A28131 - A28135	The company has applied for 5 mineral exploration licences, Authorisation under section 178 covering approximately 1,751km ² southwest of Groote Eylandt.	Nil	100%
	OEL28098 - OEL28106	The company has applied for 9 mineral exploration licences covering approximately 13,688km ² south of Groote Eylandt.	Nil	100%

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.


	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	73,189,371	43,189,371		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	928,038 1,000,000	928,038 1,000,000	20c 10c	Fully paid Fully paid
7.5 *Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	7,610,436 2,900,000 1,500,000 45,000,000	7,610,436 - - -	<i>Exercise price</i> 20c 20c 20c 20c prior 20 May 2012 40c after 21 May 2012	<i>Expiry date</i> 30 Jun 2010 30 Jun 2010 31 Dec 2014 20 May 2015
7.8 Issued during quarter	45,000,000	-	20c prior 20 May 2012 40c after 21 May 2012	20 May 2015
7.9 Exercised during quarter	428,038 500,000	- -	20c 20c	30 Jun 2010 31 Dec 2014
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:  Date: 29 July 2010
(Director/Company secretary)

Print name: Maurice Catina

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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