FINAL REPORT (RELINQUISHED AREA)

EXPLORATION LICENCE 23178

Mt Bundy Project

Title Holder: Crocodile Gold Australia Pty Ltd

Distribution:-

1. DOR Darwin NT
2. Crocodile Gold Australia, Humpty Doo

Marcelle Watson
December 2011
# TABLE OF CONTENTS

1 EXECUTIVE SUMMARY ........................................................................................................3
2 INTRODUCTION....................................................................................................................4
3 LOCATION AND ACCESS......................................................................................................4
4 TENEMENT DETAILS ...........................................................................................................4
5 GEOLOGICAL SETTING.........................................................................................................6
  5.1 Regional Geology .............................................................................................................6
  5.2 Local Geology ................................................................................................................8
6 EXPLORATION ACTIVITIES FOR EL23178 – 2005 TO 2011 ......................................9
7 REFERENCES .......................................................................................................................13
1 EXECUTIVE SUMMARY

EL 23178 is located some 70 kilometers south-east of Darwin. It was granted on 8th March 2005 to Renison Consolidate Mines. The tenement consists of 45 graticular blocks (149.84km²). In 2007, GBS Gold Australia Pty Ltd acquired all mining and exploration assets, located in the Toms Gully Region. GBS Gold Australia went into voluntary administration on 15 September 2008, and all assets including EL 23178 were placed under care and maintenance. In June 2009, Crocodile Gold Australia announced to purchase all assets held by GBS Gold Australia. After meeting all regulatory and statutory requirements, these assets including EL 23178 were transferred to Crocodile Gold Australia.

The tenement expired in March 2011. A renewal application was lodged with the NTDoR in December 2010 and is still pending. The DoR requested that 25% of the Mt Bundy tenements be relinquished in December 2011.

The south western portion of EL 23178 contains the oldest sediments of the Mount Partridge Group that is unconformably overlain by the South Alligator Group, which covers small portions in the northern and southern parts of the tenement area. Much of the project area is comprised of Burrell Creek Formation, which conformably overlies the South Alligator Group.

Exploration conducted on the relinquished section of the tenement from 2005 to 2011 included literature and project reviews, data compilation and validation, acquisition and interpretation of remote sensing data, EM and radiometric surveys and reconnaissance mapping and field visits.

A total of $11,405 was spent on the relinquished part of EL23178 over the life of the tenement.
2 INTRODUCTION

EL 23178 is located approximately 70 km SE of Darwin, Northern Territory some 10 kilometers south of the Arnhem Highway. The tenement lies 20km north-west of Rustlers Roost and some 20 kilometers west of Toms Gully Mine Site, and is bounded by the Adelaide River on its western margin. The NTDOR requested for 25% of the Mt Bundy tenements be relinquished by Crocodile Gold. EL23178 was one of the tenements reduced.

This report discusses the exploration activities conducted over the life of the relinquished area of EL23178.

3 LOCATION AND ACCESS

EL 23178 is approximately 70 km south east of Darwin, and some 10 kilometres south of the Arnhem Highway. Access to the tenements is available from the Marrakai Track which links off the Arnhem Highway to the tenement, then via station roads on Adelaide River Station. However these tracks become impassable after heavy rain and therefore no access is possible throughout the wet season.

Figure 1 illustrates the tenement location and relinquished area.

4 TENEMENT DETAILS

EL23178 was granted on 8th March 2005 to Renison Consolidate Mines for a period of 6 years and expired on 7th March 2011. An application for renewal was lodged in December 2010 and is still pending. Exploration Licence 23178 comprises 45 blocks totalling 149.8km². On 25 July 2007, GBS Gold Australia Pty Ltd acquired all mining and exploration assets, located in the Toms Gully Region. However, GBS Gold Australia went into voluntary administration on 15 September 2008, and all assets including EL 23178 were placed under care and maintenance. In June 2009, Crocodile Gold Australia announced to purchase all assets held by GBS Gold Australia (liquidated). After meeting all regulatory and statutory requirements, these assets including EL 23178 were transferred to Crocodile Gold Australia who immediately commenced mining and exploration activities in the region.

Underlying cadastre is dominantly Perpetual Pastoral Lease No. 815, Mary River West owned by Equest Pty Ltd (ACN 009 632 642).
Figure 1: EL23178 Tenement Location
5 GEOLOGICAL SETTING

5.1 REGIONAL GEOLOGY

EL23178 is situated within the Pine Creek Orogen, a tightly folded sequence of Lower Proterozoic rocks, 10km to 14km in thickness, laid down on a rifted granitic Archaean basement during the interval ~2.2-1.87Ga. The sequence is dominated by pelitic and psammitic (continental shelf shallow marine) sediments with locally significant inter-layered cherty tuff units. Pre-orogenic mafic sills of the Zamu Dolerite event (~1.87Ga) intruded the lower formations of the South Alligator Group (Ahmad et al 1993). During the Top End Orogeny (Nimbuwah Event ~1.87-1.85Ga) the sequence was tightly folded, faulted and pervasively altered with metamorphic grade averaging greenschist facies with phyllite in sheared zones.

The Cullen intrusive event introduced a suite of fractionated calc-alkaline granitic batholith into the sequence in the period ~1.84-1.1.78Ga. These high temperature I-type intrusives induced strong contact metamorphic aureoles ranging up to (garnet) amphibolite facies, and created regionally extensive biotite and andalusite hornfels facies. Less deformed Middle and Late Proterozoic clastic rocks and volcanics have an unconformable relationship to the older sequences. Flat lying Palaeozoic and Mesozoic strata along with Cainozoic sediments and proto-laterite cementation overlie parts of the Pine Creek Orogen lithologies. Recent scree deposits sometimes with proto-laterite cement occupy the lower hill slopes while fluviatile sands, gravels and black soil deposits mask the river/creek flats areas.

There is a tendency for gold mineralisation to be focused in anticlinal settings within strata of the South Alligator Group and lower parts of the Finnis River Group. This sequence evolved from initial low energy shallow basinal sedimentation to higher energy deeper water flysch facies.

Gold mineralisation appears to be related to the I-type members of the Cullen Batholith, formed as a result of fractionation and differentiation processes during magma emplacement. That ultimately led to the evolution of hydrothermal fluids responsible for gold mineralisation in the adjacent meta-sediments (Bajwah, 1994).

Figure 2 illustrates the regional geology of EL23178
Figure 2: EL23178 Regional Geology
5.2 LOCAL GEOLOGY

The south-western portion of EL23178 contains the oldest sediments of the Mount Partridge Group that is unconformably overlain by the South Alligator Group, which covers small parts of the tenement mainly towards north and south. Much of the project area is comprised of Burrell Creek Formation (Figure 2), which conformably overlies the South Alligator Group. Tertiary and Quaternary Soils and Gravel’s unconformably overlie all the lower lying portions of the tenement areas, generally referred to as "Black Soils Regions". All of the Neoproterozoic sediments and volcanics in the Mount Bundy area were folded in a major deformation event dated around 1800 million years. The fold axes trend north-northeast, and generally plunging gently to the south with crosscutting magnetic features.
6 EXPLORATION ACTIVITIES FOR EL23178 – 2005 TO 2011

There was no work recorded by Renison Consolidates Mines during the first year of tenure.

In the following year, exploration activities included a literature review and compilation of historic GIS data, interpretation of acquired remote sensing data as well as reconnaissance mapping and rock chip sampling. The compilation of GIS data included some historic rock chip and BLEG soil samples taken from the relinquished southern part of EL23178.

In the 2007 to 2008 reporting year GBS Gold took control of the tenement and completed a technical review of the project and conducted reconnaissance field visits.

During the 2008 to 2009 exploration year, GBS Gold completed another review of the project and conducted a high resolution aeromagnetic and radiometric survey over the entire Mt Bundy project. The geophysical survey covered EL23178 including the relinquished areas. Analysis of the aeromagnetic survey revealed a NW trending deep-seated structure bisecting the tenement. Also noted were some N-trending weak magnetic ridges located in the eastern part of EL23178. Gold mineralisation has been observed in other locations which are associated with these weak subtle anomalies. Analysis of the radiometric data identified three uranium anomalies. The NW trending structure continues through the relinquished blocks to the south. There were no radiometric anomalies identified.

Figure 3 and Figure 4 illustrate the TMI image and radiometric image from the survey.

Further work included, database compilation and validation, acquisition of Quick Bird remote sensing data and reconnaissance field visits.

During most of 2009 to 2010, GBS Gold Australia remained under voluntary administration. An appraisal, ranking and valuation of EL 23178 was undertaken in order to prepare asset for sale. On 6 November 2009 Crocodile Gold Australia acquired all assets including EL23178. Crocodile Gold completed a desktop review, and a review and compilation of geochemical and geophysical data and also conducted some reconnaissance mapping.

There was no further exploration conducted over the relinquished area of EL23178 from March 2010 to November 2011.

The total expenditure for the relinquished section of EL23178 was $11,405. Table 1 shows the expenditure for each year of tenure.
<table>
<thead>
<tr>
<th>Year</th>
<th>Exploration Activity</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 2005 to Mar 2006</td>
<td>Nil</td>
<td>-</td>
</tr>
<tr>
<td>Mar 2006 to Mar 2007</td>
<td>literature review, GIS data compilation, field mapping, interp of remote sensing data and rock chip sampling</td>
<td>$3,420</td>
</tr>
<tr>
<td>Mar 2007 to Mar 2008</td>
<td>technical review and reconnaissance mapping</td>
<td>$1,196</td>
</tr>
<tr>
<td>Mar 2008 to Mar 2009</td>
<td>Technical review, EM and radiometric survey, data compilation, acquisition of Quick Bird remote sensing data, recon mapping</td>
<td>$3,942</td>
</tr>
<tr>
<td>Mar 2009 to Mar 2010</td>
<td>Technical review, data comp and recon mapping</td>
<td>$2,347</td>
</tr>
<tr>
<td>Mar 2010 to relinquishment</td>
<td>report prep</td>
<td>$500</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$11,405</strong></td>
</tr>
</tbody>
</table>

Table 1: Expenditure for relinquished section of EL23178.
Figure 3: TMI Image over relinquished section of EL23178
Figure 4: Radiometric Image of relinquished section of EL23178
7 REFERENCES


