FINAL REPORT (RELINQUISHED AREA)

EXPLORATION LICENCE 23172

*Mt Bundy Project*

6 May 2003 to December 2011

Title Holder: Crocodile Gold Australia Pty Ltd

Distribution:-

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

Marcelle Watson
December 2011
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1 EXECUTIVE SUMMARY

EL 23172 is located about 90 km east of Darwin and 8 km from Toms Gully Gold Mine. It was granted to Renison Consolidated Mines on 6 May 2003. In 2007, GBS Gold Australia Pty Ltd acquired all tenements and Toms Gully gold mine held by Renison Consolidated Mines NL, including EL 23172. GBS Gold Australia went into voluntary administration in September 2009, and all assets were acquired by Crocodile Gold Australia on 6 November 2009.

The tenement expired in May 2011. A renewal application was lodged with the NTDoR in April 2010 and is still pending. The DoR requested that 25% of the Mt Bundy tenements be relinquished in December 2011. EL23172 is one of the Mt Bundy tenements being reduced.

The tenement is situated in the north-western part the Pine Creek Orogen, which has been interpreted as an intra-cratonic basin lying on an Archaean basement. It comprises 14 km thick sequence of Palaeoproterozoic sediments, accompanied by lesser volcanics, granitic plutons and dolerite intrusions. The Northern portion of the project area contains the oldest sediment of the Mount Partridge Group that is unconformably overlain by the South Alligator Group. The southern portion of the Project area is comprised of Burrell Creek Formation, 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”.

Exploration conducted on the relinquished section of the tenement from 2003 to 2011 included geophysical aeromagnetic and radiometric surveying, rock chip sampling, geological mapping and reconnaissance field visits, data processing, compilation and validation and purchase of satellite imagery.

A total of $44,058 was spent on the relinquished part of EL23172 over the life of the tenement.
2 INTRODUCTION

EL 23172 is located about 90 km east of Darwin and 8 km from Toms Gully Gold Mine. It was granted to Renison Consolidated Mines on 6 May 2003. In 2007, GBS Gold Australia Pty Ltd acquired all tenements and Toms Gully gold mine held by Renison Consolidated Mines NL, including EL 23172. GBS Gold Australia went into voluntary administration in September 2009, and all assets were acquired by Crocodile Gold Australia on 6 November 2009. The licence expired in May 2010 and the renewal is pending. The NTDoR requested for 25% of the Mt Bundy tenements be relinquished by Crocodile Gold. EL23172 is one of the tenements being reduced.

This report discusses the exploration activities conducted over the life of the relinquished area of EL23172.

3 LOCATION AND ACCESS

EL 23172 is located about 90 km east of Darwin and 8 km from Toms Gully Gold Mine. The tenement is located within Darwin (1:250 000) and Noonamah (1: 100 000) sheets. Access to the northern part of the tenement is via the Marrakai Road; the central and southern area is via the Rustlers Roost/Bandicoot Mine track. Existing station tracks and fence lines provide good, interior access to most of the license. Access to the southern sector is difficult due to a major drainage line with standing water. This sector can be accessed via an east-west track from the McKinlay area during the dry season.

Figure 1 illustrates the tenement location and relinquished area.

4 TENEMENT DETAILS

EL23172 was granted to Renison Consolidated Mines on 6 May 2003. The tenement comprises 65 blocks covering 193km² west of Tom’s Gully Mine Site. The tenement expired on 5 May 2010 and the renewal is pending. The relinquished area covers approximately 72km², and will reduce EL23172 to 42 blocks.

In 2007, GBS Gold Australia Pty Ltd acquired all tenements and Toms Gully gold mine held by Renison Consolidated Mines NL including EL 23172. GBS Gold Australia went into voluntary administration on 15 September 2008 and a result of that all exploration and mining assets were placed under care and maintenance. In June 2009, Crocodile Gold Australia announced it was purchasing these assets, and after meeting statutory and regulatory requirements, these assets including EL 23172 were transferred to the new owner.

Underlying cadastre is dominantly Perpetual Pastoral Lease No. 815, Mary River West owned by Equest Pty Ltd (ACN 009 632 642).
Figure 1: EL23172 Tenement Location
5 GEOLOGICAL SETTING

5.1 REGIONAL GEOLOGY

EL23172 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 fluvialite 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 Finniss 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 EL23172
Figure 2: EL23172 Regional Geology
5.2 **LOCAL GEOLOGY**

The tenement area EL23172 is comprised of Burrell Creek Formation interpreted as a sequence of fine to coarse marine sediments and appears to be part of continuous sedimentation process. Due to the lack of marker horizons and poor exposure the width of the unit is unknown but is thought to be >1000m. This formation is considered prospective for large low-grade gold deposits.
6  EXPLORATION ACTIVITIES FOR EL23172 – 2003 TO 2011

During the first year of tenure, Renison Consolidated Mines conducted a literature review, reprocessed remote sensing data and compiled historic GIS data. Field reconnaissance visits were also conducted.

In the following year, exploration activities included reconnaissance field mapping and rock chip sampling. Enhanced Landsat Thematic Mapper Imagery and 1:20,000 scale topographic maps were purchased to assist in office and field interpretation of the tenement. A total of 12 rock chips were collected from outcropping quartz veins and quartz vein rubble/float within EL23172. Four samples were collected with the relinquished sections. All samples within the relinquished areas returned a value of 0.01 or less. Figure 3 shows the locations of rock chip samples collected during 2005.

In the 2005 to 2006 reporting year, exploration activities included reconnaissance field visits, mainly around the Bandicoot Au Mine, with 10 rock chip samples being collected, geological mapping and aerial photography interpretation was also conducted. The rock chip samples were collected from outcropping highly ferruginous quartz veins, with the highest Au value at 0.75ppm. Crocodile Gold has no data for the 10 chips samples taken.

From 2006 to 2007, exploration activities reported by Renison Consolidated Mines, was the same as the previous exploration year. It is unclear as to what activities were conducted during the 2007 year.

In the 2007 to 2008 reporting year GBS Gold took control of the tenement and completed a technical review of the project, conducted database compilation and validation and several reconnaissance field visits were completed. High resolution aeromagnetic and radiometric data, as well as remote sensing data, was obtained during the reporting year.

During the 2008 to 2009 exploration year, GBS Gold completed another review of the project and completed analysis of the high resolution aeromagnetic and radiometric obtained in the previous year. The geophysical data covering EL23172 included the relinquished areas. Analysis revealed a NW-trending deep-seated fault structure which has a number of gold prospects located on the margins. Another NNW-trending narrow feature, likely to be a doleritic dyke, intersects the fault at a steep angle and also shows presence of number of gold prospects. The radiometric analysis showed no significant uranium anomalies. Figure 4 illustrates the TMI image. Further work included, database compilation and validation.

During most of 2009 to 2010, GBS Gold Australia remained under voluntary administration. An appraisal, ranking and valuation of EL 23172 was undertaken in order to prepare asset for sale. On 6 November 2009 Crocodile Gold Australia acquired all assets including EL23172. 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 EL23172 from May 2010 to November 2011.

The total expenditure for the relinquished section of EL23172 was $44,058. 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>May 2003 to May 2004</td>
<td>Literature review, GIS data compilation, interp of remote sensing data, recon visits</td>
<td>$4,313</td>
</tr>
<tr>
<td>May 2004 to May 2005</td>
<td>Purchase of sat imagery, field recon visits and mapping, rock chip sampling</td>
<td>$4,763</td>
</tr>
<tr>
<td>May 2005 to May 2006</td>
<td>Recon field visits and mapping, rock chip sampling</td>
<td>$6,033</td>
</tr>
<tr>
<td>May 2006 to May 2007</td>
<td>Unclear - Renison reported same exploration as previous year.</td>
<td>-</td>
</tr>
<tr>
<td>May 2007 to May 2008</td>
<td>Technical review, data compilation and high resolution aeromag and radiometric survey.</td>
<td>$17,945</td>
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<tr>
<td></td>
<td>Reconnaissance field visits</td>
<td></td>
</tr>
<tr>
<td>May 2008 to May 2009</td>
<td>Interp of geophysical data, data compilation and validation</td>
<td>$5,328</td>
</tr>
<tr>
<td>May 2009 to May 2010</td>
<td>Project review, comp of geophysical data, recon field visits and mapping</td>
<td>$5,176</td>
</tr>
<tr>
<td>May 2010 to relinquishment report prep</td>
<td></td>
<td>$500</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$44,058</strong></td>
</tr>
</tbody>
</table>

Table 1: Expenditure for relinquished section of EL23172.
Figure 3: Rock chips samples collected during the 2004 to 2005 exploration year.
Figure 4: TMI Image over relinquished section of EL23172
7 REFERENCES


