PARTIAL RELINQUISHMENT REPORT

EXPLORATION LICENCE 10012

Burnside Project – Mt Ringwood

28 November 2003 to 18 February 2014

Distribution:-

1. DME Darwin, NT
2. Crocodile Gold Australia, Humpty Doo
3. Complete Tenement

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1 EXECUTIVE SUMMARY

Exploration Licence (EL) 10012 (previously SEL10012) is located approximately 110 kilometres southeast of Darwin, and 35km east of Adelaide River on the McKinlay River (1:100 000) and Pine Creek (1:250 00) sheets. The tenement was granted on 28 November 2003 for a period of four years, with two further extensions thereafter. Crocodile Gold Australia acquired the tenement from GBS Gold Australia (liquidated) in November 2009. The tenement area has been partially relinquished, reducing the EL to 5 blocks surrounding the Goodall mining centre. The exploration activities for the relinquished area, from November 2003 to February 2014 are documented in this report.

EL 10012 is situated within the Pine Creek Orogen which is a folded and metamorphosed sequence of Palaeoproterozoic pelitic and psammitic sediments, with interlayered cherty tuff units. These rocks have been intruded by the late-orogenic Palaeoproterozoic granites, causing widespread contact/thermal aureole which contains most of the gold mineralisation in the Orogen. Much of the geology of the tenement is dominated by the Burrell Creek Formation, transected by the Pine Creek Shear Zone - an important structural feature for the localisation of gold mineralisation in the area.

Exploration conducted over the relinquished area includes reviews and analysis of historical reports, aeromagnetic data, geochemical and geophysical data, Landsat imagery, GIS and satellite imagery, AGSO mapping and aerial mapping collected by various companies from past expired tenements. The reviews were also followed up by reconnaissance field visits to inspect geological outcrops and sampling areas. One such review identified some prospective areas within the south eastern section of the tenement however Crocodile Gold decided to relinquish this part for the more favourable ground around the Goodall deposit.
2 COPYRIGHT

This document and its content are the copyright of Crocodile Gold Australian Operations (CGAO). The document has been written by Marcelle Watson for submission to the Northern Territory Department of Mines and Energy as part of the tenement reporting requirements as per Regulation 86 of the Mineral Titles Act.

Any information included in the report that originates from historical reports or other sources is listed in the “References” section at the end of the document.

This report may be released to open file as per Regulation 125(3)(a).
3 INTRODUCTION

Exploration Licence 10012 is part of the Burnside Exploration project area and is located approximately 110 kilometres southeast of Darwin, and 35km east of Adelaide River. The tenement is situated within Mt Ringwood Station, Pastoral Lease No. 1182 owned by Markus Anthony Rathsmann. A minor portion of the tenement lies within the Mt Kepler Station, Pastoral Lease No. 1183 owned by Donald Aaron White. The Goodall deposit, Cookies Corner and Great Western Gold deposits are located within the tenement area.

The tenement (previously SEL10012) was originally granted to Northern Gold, subsidiary of GBS Gold Australia, in 2003. GBS Gold Australia went into voluntary administration in September 2008. On 9 November 2009, Crocodile Gold Australia purchased all assets including EL10012.

During 2013 the Mineral Leases that made up the Goodall mine were relinquished back to the department meaning the deposit is now located on EL10012 held by Crocodile Gold. With the relinquishment of the Goodall Mine Mineral titles it was decided to reduce the overall size of EL10012 to cover the 5 sub-blocks around the Goodall and Great Western mine sites, the remaining 17 blocks were relinquished.

In this report, exploration activities completed for the relinquished blocks, from 28 November 2003 to 18 February 2014, is documented.

4 LOCATION AND ACCESS

The centre of EL10012 is approximately 35km east of the township of Adelaide River in the Northern Territory. The licence area can be accessed via the old Goodall Mine Access Road, turning north off the Stuart Highway approximately 15 km southeast of Adelaide River and via pastoral tracks.

Figure 1 shows the tenement location and relinquished blocks.

5 TENEMENT DETAILS

EL 10012 (previously SEL10012) is located approximately 110 kilometres southeast of Darwin, on the Pine Creek (1:250 000) and McKinlay River (1:100 000) sheet. The entire tenement consisted of 22 graticular blocks totalling 73.6 square kilometres in area. EL 10012 covers the areas which originally comprised four active exploration licences previously held by Northern Gold. These exploration licences were EL 8573, EL 8780, EL 9122 and EL 8887. Crocodile Gold has relinquished 17 blocks, in the eastern portion of the tenement, reducing the tenement to 5 blocks.

EL 10012 was granted to Northern Gold, a subsidiary of GBS Gold Australia, on 28 November 2003 for a period of four years, with two subsequent extensions thereafter. GBS Gold Australia was declared under voluntary receivership and all assets held by the company were liquidated. On 9 November 2009, Crocodile Gold Australia purchased all assets including EL10012.
In 2012 Crocodile Gold purchase the assets of Australasia Consolidated which included the Glencoe, Great Western, Great Northern, Star of the North and John’s Hill assets. All of these (outside Glencoe) are located in close proximity to EL10012. The tenement has been reduced to surround the Goodall and Great Western mining centres.

Figure 1: EL10012 Tenement Location
6 GEOLOGICAL SETTING

6.1 REGIONAL GEOLOGY

EL 10012 is situated within the Pine Creek Orogen and regional geology of the Orogen is outlined in many publications, notably Ahmad et al. (1993), Needham and Stuart-Smith (1984) and Needham et al. (1988). The Pine Creek Orogen is a folded and metamorphosed sequence of Palaeoproterozoic pelitic and psammitic sediments, with interlayered cherty tuff units. These rocks have been intruded by the late-orogenic Palaeoproterozoic granites, causing widespread contact/thermal aureole which contains most of the gold mineralisation in the Orogen (Bajwah, 1994). Less deformed Mesoproterozoic sedimentary and volcanic sequences unconformably overlie the Palaeoproterozoic rocks and, in turn, overlain by Cambrian-Ordovician lavas, sediments and Cretaceous strata. Much of the project area is covered by the Quaternary sediments, which obscure parts of the Orogen lithologies. Figure 2 illustrates the regional geology of the project area.

Figure 2: EL10012 Regional Geology
6.2 Local Geology

The area of EL10012 is dominated by meta-sedimentary rocks of the Palaeoproterozoic Burrell Creek Formation (Socic, 1997). These consist of tight to isoclinally folded sequences of interbedded greywacke and shale units—representative of Flysch sedimentation and Bouma cycles. Individual greywacke and shale units commonly exceed tens of metres in thickness (Hardy, 2002). Further south, minor rocks of the Mt Bonnie Formation are present.

Unconformable, and building on these Proterozoic sediments, are quaternary ‘black soil’ alluvial floodplains, which follow drainage pathways into the Margaret River. These flats cover much of EL10012. This veneer of recent sediments is generally less than five meters in thickness, but can often exceed this depth in buried palaeo-channels and active drainage systems (Hardy, 2002).

Mapping completed by the BMR and company geologists has shown this area to be structurally complex. The regional Howley Anticline strikes north in the western graticular blocks of EL10012 and flexes to the northeast where it has been mapped at the Cookies Corner gold prospect. North trending, large quartz blows (i.e. at the historic Great Western and Great Northern mine workings) appear to define a regional north-south fault orientation that has been mapped in all areas of gold mineralisation. From satellite imagery and ground mapping, well defined northeast trending regional dextral faults have been mapped throughout the area of EL10012 and appear to have an associated northwest striking conjugate (Hardy, 2002).

Detailed costean mapping by Northern Gold at Cookies Corner has identified west dipping, north-east striking fold and thrust ramp structures, which have been subsequently rotated about a later northwest trending fold axis with associated sub-vertical axial planar cleavage. Detailed analysis of multi-client aeromagnetic data has identified a strong northwest trending fabric and this supports the detailed observations from the costean mapping (Hardy, 2002).

The spatial distribution of gold mineralisation in the area of EL10012 is best developed in the area of the Howley Anticline, and appears to be controlled by the intersection of north trending anticlinal hinges, and northwest striking faults and folds (Hardy, 2002).

The southeast graticular blocks of the tenement are located in the northwest extension of the northwest to southeast trending Pine Creek Shear Zone, a major structure in which a number of mineralised zones have been identified (Socic, 1996). Significantly, these blocks are situated on the northwestern flank of the Margaret Granite pluton. Regional interpretation holds such a zone, being in the pressure shadow of the granite, to be highly prospective for compressive-style mineralisation.

In the south of the tenement the Mount Bonnie Formation underlies Quaternary alluvial cover. The Margaret Granite intrudes the surrounding sediments to southeast of EL10012 (Socic, 1996).
EXPLORATION ACTIVITIES FOR RELINQUISHED BLOCKS – 2003 TO 2014

From 2003 to 2007, exploration activities over the relinquished area of EL10012 included desktop reviews of aeromagnetic data, geochemical and geophysical data, Landsat imagery, GIS and satellite imagery, AGSO mapping and aerial mapping collected by various companies from past expired tenements. The reviews were also followed up by reconnaissance field visits to inspect geological outcrops and sampling areas.

During 2008 to 2009 GBS Gold Australia remained under voluntary administration. Preparing the assets for sale, the company conducted a technical review, tenement ranking and valuation process. In addition reconnaissance visits to the relinquished area were also completed. This process identified two gold soil anomalies in the south-eastern part of EL10012.

Crocodile Gold Australia acquired the tenement on 9 November 2009. There was no further work completed on EL10012 from November 2009 to January 2011 with the company focus on mining and ore processing.

In 2012 Crocodile Gold purchase the assets of Australasia Consolidated which included the Glencoe, Great Western, Great Northern, Star of the North and John’s Hill assets. All of these (outside Glencoe) are located in close proximity to EL10012.

Later in 2013, the Goodall mine site and related Mineral Leases were handed back to the Department of Mines, meaning EL10012 covered the mining area. Site visits were then conducted to both the relinquished area and the newly acquired mine sites in 2013. Included in this site visit was a detailed review of the past mining activities and some sampling in and around the mine.

After the review of the new mining areas and EL10012, Crocodile Gold decided to reduce the overall size of EL10012 to cover the 5 sub-blocks around the Goodall and Great Western mine sites, the remaining 17 blocks were relinquished.
8 REFERENCES


