BRIDGING REPORT

EXPLORATION LICENCE 24288

4 APRIL 2010 TO 15 DECEMBER 2010

Mt Bundy Project

Darwin SD5204 1:250,000
Mary River 5272 1:100,000

Distribution:-
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2. Crocodile Gold Australia, Darwin

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# 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 Deformation & Metamorphism .......................................................................................7
6 PREVIOUS EXPLORATION .....................................................................................................8
7 EXPLORATION ACTIVITY 4 APRIL 2010 TO 15 DECEMBER 2010 ..........................10
8 FORWARD PROGRAM YEAR ENDING 15 DECEMBER 2011 .................................11
9 REFERENCES .....................................................................................................................12
1 EXECUTIVE SUMMARY

Crocodile Gold Australia acquired Exploration Licence (EL) 24288 in November 2009, after purchasing all assets held by GBS Gold Australia (liquidated). It is located approximately 100 kilometres south east of Darwin and 15 kilometres south east of the Toms Gully Mine Site, and surrounds the Quest 29 and Quest 30 mining leases.

In April 2004, the tenement was granted originally to Renison Consolidated Mines Ltd. On 25 July 2007, by virtue of an agreement, GBS Gold Australia Pty Ltd acquired all mining and exploration assets, including EL 24288, located in the Toms Gully Region.

The Project area is located within the central northern portion of the Palaeoproterozoic Pine Creek Orogen. Rocks of the Koolpin Formation, Mount Bonnie Formation, Gerowie Tuff and Burrell Creek Formation are exposed in the project area, which have been intruded by Mount Bundy/Mount Goyder Syenite towards north. In the last thirty years, there has been significant exploration activity in the project area, which led to the discovery of gold mineralisation in a number of localities. The area is considered to be prospective for gold, base metal, uranium and iron mineralisation.

During 2008-2009, the EL went through a technical review, tenement ranking and evaluation in order to prepare the asset for sale. JV partner conducted a Heli –VTEM electromagnetic survey, geophysical data processing and interpretation. In addition, a total of 49 rock chip samples were taken. These samples were analysed for gold, uranium and base metal elements. Processing and Interpretation of geophysical data identified significant anomalies which appear to have potential for gold, uranium and base metal mineralisation. Assaying of rock chip samples returned significant gold and silver values.

Crocodile Gold Australia purchased assets held by GBS Gold Australia (liquidated) in June 2009, and after meeting all statuary and regulatory requirements all these assets including EL 24288 were transferred to Crocodile Gold Australia on 6 November 2009. The new owner immediately commenced exploration, mining and processing activities in the region.

During the reporting period, three RC holes were drilled for 169m on the Black Cockatoo prospect on EL24288. The drilling program aimed at testing a VTEM anomaly identified in the previous year. One hole intersection trace pyrite associated with quartz however results showed that holes were barren of mineralisation.

Planned work for the 2010-2011 reporting period will include a thorough review of all regional and local scale geophysical data. There will also be a major review of all the regional exploration work completed by JV partner Rum Jungle. This work has not been completed on this tenement in the past and the aim is to generate new gold and base metal targets.
2 INTRODUCTION

EL 24288 is located some 100 kilometres south east of Darwin and 15 kilometres south east of the Toms Gully Mine Site. The tenement encompasses an abandoned gold mine which is known as Quest 29 and many other gold prospects. The EL is part of JV agreement between Crocodile Gold Australia and Rum Jungle Resources.

Crocodile Gold Australia applied for group technical reporting status on the group of tenements comprising the Mt Bundy project area. This was approved by Department of Resources in December 2010 and the Mt Bundy project area was given the group reporting number GR-184/11. This report has been written to bridge the gap between the previous annual report ending 4 April 2010 and the new group Technical Reporting Anniversary of 16 December 2010.

In this report exploration activities carried out from 4 April 2010 to 15 December 2010 are documented.

3 LOCATION AND ACCESS

EL 24288 is situated 100 km SE of Darwin NT and 15 km south east of the Toms Gully Mine Site and to the south of the Arnhem Highway (Figure 1). Access to tenement is available from the all-weather haul road from Quest 29 to Tom’s Gully, which passes through tenement. This road then links to station tracks and fence lines that provide good access for 4WD vehicles during the dry season. However these tracks become impassable after heavy rain and therefore no access is possible throughout the wet season.

Most of the licence is dominated by three anticlinal ridge systems following the regional folding to the south. Extensive black soil planes both run parallel and cross cut these ridges. Low scrubby flora dominates the countryside, including spear grass following the wet season.

4 TENEMENT DETAILS

EL 24288 was initially granted to Renison Consolidated Mines NL in 2005 and expires on 3 April 2011. It comprises 14 blocks and covers approximately 46.68 km². On 25 July 2007, by virtue of an agreement, GBS Gold Australia Pty Ltd acquired all mining and exploration assets, located in the Toms Gully Region and commenced mining and processing operation at Toms Gully mine. On 15 September 2009, GBS Gold Australia went into voluntary administration and all assets were placed under care and maintenance. Crocodile Gold Australia purchased assets held by GBS Gold Australia (liquidated) in June 2009, and after meeting all statutory and regulatory requirements all these assets including EL 24288 were transferred to Crocodile Gold Australia on 6 November 2009. The new owner immediately commenced exploration, mining and processing activities in the region.

Underlying cadastre is PPL 1184 and held by Barry Coulter.
Figure 1: EL24288 Tenement Location
5 GEOLOGICAL SETTING

5.1 REGIONAL GEOLOGY

The Project area is located within the central northern portion of the Palaeoproterozoic Pine Creek Orogen. EL24288 outlines a southerly plunging anticlinal structure located on the southern side of the Palaeoproterozoic Mount Bundey Granite (Venables 1998).

The Palaeoproterozoic rocks of the region include Mount Partridge Group – the Wildman Siltstone which is unconformably overlain by South Alligator Group – Koolpin Formation, Gerowie Tuff and Mount Bonnie Formation. The Finniss River Group – Burrell Creek Formation, lies conformably over the South Alligator Group (Pietsch & Smith 1988). Basements Rocks in the region consist of shale, carbonaceous shale, siltstone and minor greywacke of the Koolpin Formation, siliceous tuff of the overlying Gerowie Tuff and the Mount Bonnie Formation which is inclusive of shales, siltstone, greywacke, tuff and chert rich sediments. All the Palaeoproterozoic stratigraphic units host significant gold and/or base metal mineralisation eg Rustler’s Roost within the Mount Bonnie Formation, Woodcutters Base Metal Mine and Toms Gully Gold Mine are located with the Mount Partridge Group. Geology of the project area is shown in Figure 2.

The mafic sills of the Zamu Dolerite – a Palaeoproterozoic altered quartz dolerite; gabbro and amphibolite - has intruded lower formations of the South Alligator Group. Intrusive rocks of the Mount Bundey Granite and the Mount Goyder Syenite outcrop in the northeastern portion of the area (Venables 1998). Surficial deposits consist of remnants of Tertiary laterite and a minor, weakly laterised Tertiary to Quaternary conglomerate (Venables 1998).
5.2 DEFORMATION & METAMORPHISM

Regional deformation with north-northeast folding plunging gently south occurred around 1800 My, based on a rubidium-strontium analysis, causing metamorphism to greenschist, and sometimes higher to amphibolite facies. This event also resulted in the intrusion of thin sills of Zamu Dolerite, and the post – tectonic emplacement of the Mount Bundey Granite and Mount Goyder Syenite is a comparable cogenetic pluton dated at 1790 + 110 My in the region. Structural deformation of the meta-sediments is complex. The major folding episode resulted in tight folds whose axes plunge southwest. However within these major folds the more incompetent beds, i.e. carbonaceous shales, have been deformed into localised complex structures. The granitic emplacement has also influenced the fold structures as can be seen on the regional geological map. Metamorphism to greenschist facies through dynamic compression associated with intense folding is common. The granitic emplacement and the associated structural deformation and generation of hydrothermal fluids are thought to have been responsible for most of the gold enrichment throughout the Pine Creek Geosyncline. e.g. Cosmo Howley, Rustlers Roost, Toms Gully, Moline, Mt Todd and Quest.
The earliest record of exploration in the Mount Bundy region was Australian Geophysical Pty. Ltd from 1967 – 1971 utilising geochemical and geophysical surveys and limited RAB drilling, primarily looking for Uranium and Base Metals with no recorded success.

The next significant exploration within the region was undertaken by Geopeko (EL 142) during the early 1970's following their acquisition of the then relatively new BMR aeromagnetic and radiometric survey data, which was flown during 1970. Interpretation of this geophysical data outlined a large number of potential target areas throughout the region, which were subsequently investigated by ground based geophysics, geochemical sampling, stream sediment sampling; soil geochemistry; rock chipping, geological mapping, costeaneing, and limited drilling. These sampling programmes defined anomalies, which were thence-designated "Quest" numbers for identification. These anomalies became the focus of Geopeko's exploration activities for some six years. The majority of the Quest prospects were covered by Mining Claims during this exploration programme. Which now make up Quest 29 Mining area and the Quest 30 area within EL 24288.

After the mineral claims were pegged by Geopeko the AJP Joint Venture 1978-1983 (EL 1653) Aquitaine, Jimberlana Minerals & Pan d’Or Mining came to the region also looking for uranium and base metals with a minor focus on gold.

In 1986 EL 4927 was granted to Carpentaria Exploration who from a stream sediment survey discovered a new gold deposit at Tom's Gully in the Wildman Siltstone.

Following the successful discovery of the Tom's Gully gold deposit during 1986 - 1993, Carpentaria launched a regional gold exploration programme, largely completed under Joint Venture agreements with smaller companies or syndicates, which held exploration tenure within the area. The work on the rest of the Mount Bundy Region however produced limited success with follow up rock chipping and drilling only finding very small scale prospects, such as Bandicoot, Henry’s Prospect, Fenceline, Block X and further delineated Quest 29 Dolerite deposit.

From 1987 to 1995, after the discovery of gold at nearby Tom’s Gully by Carpentaria Gold, the exploration focussed more on gold, with work completed by Newmont, Pinnacle Mining Gold and Base Metals, Normandy and Poseidon. Poseiden did some minor exploration for Diamonds, based upon interpretation of kimberlitic target signatures from aeromagnetic imaging.

In 2005, EL24288 was granted to Renison Consolidated Mines NL and was subjected to several technical reviews which identified mineral potential for gold, base metals and uranium. On 25 July 2007, by virtue of an agreement, GBS Gold Australia Pty Ltd acquired all mining and exploration assets, located in the Toms Gully Region and commenced mining and processing operation at Toms Gully mine.

A Heli–VTEM electromagnetic survey was completed in May 2009. The survey comprised 33 lines flown north-south at 200m line spacing for a total of 131 line-km. Profiles were analysed and some priority conductors within EL24288 resulted from the VTEM survey. When conductors were tested elsewhere around Mount Bundy, thick
graphitic siltstone was intersected in the drill holes which belong to the Koolpin Formation, explaining the conductive anomaly; however, the holes were generally barren of mineralisation. Rock chip samples of some anomalous conductors were taken and analysed, with a number returning high gold, silver and lead values.

In September 2009, GBS Gold Australia went into voluntary administration and all assets were placed under care and maintenance. At the same time, JV partner, Rum Jungle Uranium Pty Ltd undertook an active exploration program which involved high resolution VTEMP survey, geological mapping and geochemical sampling program.

Crocodile Gold Australia purchased assets held by GBS Gold Australia (liquidated) in June 2009, and after meeting all statuary and regulatory requirements all these assets including EL 24288 were transferred to Crocodile Gold Australia on 6 November 2009. The new owner immediately commenced exploration, mining and processing activities in the region.
7 EXPLORATION ACTIVITY 4 APRIL 2010 TO 15 DECEMBER 2010

During the reporting period, three RC holes were drilled for 169m on the Black Cockatoo prospect on EL24288. The drilling program aimed at testing a VTEM anomaly identified in the previous year. All holes intersected the outcropping grey-pink coarse biotite granite (Mt Bundy Granite). MBRC041 encountered trace pyrite at irregular intervals downhole, including a 1m interval associated with quartz veining. MBRC043 intersected some graphitic black siltstone before entering granite.

Results revealed that the holes were generally barren of mineralisation.

Exploration activity for this period incurred a sum of $33,268 and details are given in Appendix 1.

Figure 3: Drilling campaign over Black Cockatoo Prospect.
8  FORWARD PROGRAM YEAR ENDING 15 DECEMBER 2011

This tenement now forms part of the Mt Bundy Exploration project for both exploration activities and for group reporting. Exploration activities planned for this project for the coming year will include:

- Desk top review of all exploration activities conducted by Joint Venture partner Rum Jungle Resources, particularly looking at exploration for Gold and Base Metals
- Detailed review of all historic and recent geophysical data for the project
- Thorough review of all geochemical data for the project area, to be used in future target generation
- RC and diamond drilling with subsequent Mineral Resource estimation of advanced projects (such as Quest 29) in the Mt Bundy project area
- Review of targets using Satellite imagery in conjunction with regional geology mapping
- Field mapping of targets highlighted from these reviews
- RAB or RC drilling or highest ranked targets

Through these activities Crocodile Gold will target mainly Gold and Base Metal targets in the Mt Bundy Project area to add to the existing Mineral Resources at Mt Bundy (formally Rustlers Roost) and Tom’s Gully. By identifying additional deposits in this project area the economic viability of this project area can be assured.

During the 2011 reporting period, exploration activities for EL24288 will include a thorough review of all regional and local scale geophysical data. This will also include a review of the gold and base metal potential identified through the Rum Jungle exploration conducted in 2009 and 2010.

A minimum budget of $25,000 has been set aside for this program.
REFERENCES


