BRIDGING REPORT

EXPLORATION LICENCE 23172

Mt Bundy Project

6 May 2010 to 15 December 2010

Darwin: 1:250000
Noonamah: 1:100 000

Distribution:-

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

Report Number: EL23172 BR2010

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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 for a period of 6 years. On 25 July 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 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”.

EL 23172 is located in the vicinity of world-class Alligator River Uranium Field which contains uranium deposits such as Ranger, Jabiluka and Koongarra.

During 2009 to 2010, while the tenement remained under voluntary administration, a technical review, tenement ranking and evaluation was undertaken. This review identified mineral potential of the project area. TMI images of the project area identified two deep seated structures with gold prospects on the margins.

There was no further work completed on EL23172 during the reporting period.

During the 2011 reporting period, exploration activities on EL23172 will include an extensive review of all geochemical and geophysical data; selected areas will be mapped in detail and will include a program of soil and rock chip sampling. This may lead to a RAB drilling campaign if targets are identified.
2 INTRODUCTION

EL 23172 is a strategic landholding which Crocodile Gold Australia acquired after purchasing all assets held by GBS Gold Australia (liquidated) in the Northern Territory. This transaction took place on 6 November 2009.

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 6 May 2010 and the new group Technical Reporting Anniversary of 16 December 2010.

In this report, exploration activity conducted between 6 May 2010 and 15 December 2010 is reported.

3 LOCATION AND ACCESS

EL 23172 is located about 90 km east of Darwin (Figure 1) and 8 km form 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.

4 TENEMENT DETAILS

This Tenement was granted to Renison Consolidated Mines on 6 May 2003. The tenement comprises 65 blocks covering 117 km² west of Tom’s Gully Mine Site.

On 25 July 2007, GBS Gold Australia Pty Ltd acquired all tenements and Toms Gully gold mine held by Renison Consolidated Mines NL including EL 23172 in the Toms Gully area, Northern Territory. 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 statuary and regulatory requirements, these assets including EL 23172 were transferred to the new owner.
Figure 1: EL23172 Tenement Location
5 GEOLOGICAL SETTING

5.1 REGIONAL GEOLOGY

EL 23172 is located within the Pine Creek Orogen, which has been interpreted as an intra-cratonic basin lying on an Archaean basement, and containing a 14 km thick sequence of Proterozoic sediments, accompanied by lesser volcanics, granitic plutons and dolerite intrusions. The Northern portions of the project area contain the oldest sediments of the Mount Partridge Group (Figure 2) that is unconformably overlain by the South Alligator Group. The southern portion of the Project area is comprised of the 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 Palaeoproterozoic 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.

Figure 2: EL23172 Regional Geology
5.2 Local Geology

The Mount Partridge Group is represented by the Wildman Siltstone, which is interpreted to be up to 1500m thick. In the Mount Bundy Region the Wildman Siltstone consists of laminated and banded shale, carbonaceous and often pyritic siltstone inter-bedded with undifferentiated volcanics in up to 100m interbeds, minor dolomitic sediments may also be present. The sediments near the granite intrusion may also be hornfelsed. The Wildman Siltstone is interpreted to be prospective for large tonnage, low-grade gold deposits and small tonnage, high-grade deposits. Wildman Siltstone hosts the Tom’s Gully gold deposit.

The Koolpin Formation, Gerowie Tuff and the Mount Bonnie Formation represent the South Alligator Group. The rocks of the South Alligator Group are considered to be prospective for either large tonnage, low grade gold deposits (such as that at the nearby Rustler’s Roost gold mine) or small tonnage, high grade deposits.

The Koolpin Formation comprises ferruginous siltstone and shale, which is commonly carbonaceous and pyritic. Chert bands and nodular horizons are common and lenses of ironstone occur occasionally, as haematitic breccias throughout the sequence into undisturbed quartz-veined siltstone and shale. Minor components of dolomite can also occur. The Koolpin is one of the most prospective units in the Mount Bundy Region for hosting mineralisation (West Koolpin, Taipan, BHS and North Koolpin Open Pits at Quest 29) are all within Koolpin sediments.

The Gerowie Tuff conformably overlies the Koolpin and has similar characteristics of siltstones and shales but is not as iron rich. Within the Mount Bundy Region it is dominated by graded beds of siliceous tuffaceous mudstones grading to greywacke and arenite, diagenetically altered, up to 600m thick, and generally poorly mineralised. The highly siliceous component of the tuffs and arenites make them resistant to erosion, and they tend to form areas of high relief.

The Mount Bonnie Formation conformable overlies the Gerowie Tuff and is dominated by a shallow marine sequence of interbedded and graded siltstone, chert and greywacke with occasional BIF’s. The unit can be up to 600m thick and is generally iron rich and may be siliceous in places. The Mount Bonnie Formation hosts the Rustler’s Roost deposit.

Conformably overlying the Mount Bonnie Formation is the Burrell Creek Formation interpreted as a flxysch 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 as typified by the Batman deposit of Mount Todd. The potential also exists for small high-grade deposits similar to Possum and Happy Valley with John Shields GIGIAC Theory (Gold in Greywacke in Anticlinal Crests). Also high-grade deposits such as Bandicoot, Marrakai and the Ringwood line which all lie on a major deep-seated magnetic trend (Hall, 2007).
The Zamu Dolerite occurs as small bodies that are poorly exposed, as a result of its weathering, some rubble boulders may be present at surface. It consists of altered quartz dolerite and gabbro and is generally narrow and broadly conformable to bedding as thin sills. The Zamu Dolerite is the only known suite of mafic intrusives that were emplaced prior to regional metamorphism and deformation. The Zamu Dolerite appears to have a controlling influence on the mineralisation at Quest 29 within the Koolpin sediments but this is not fully understood at this stage. Mineralisation is also hosted within this unit at Quest 29 and also at Chinese Howley.

5.3 **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 Bundy 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 29.
6 PREVIOUS EXPLORATION

During 2005-07 Renison Consolidated Mines NL undertook a reconnaissance exploration programme over accessible areas of EL23172. It covers ground over one of the significant northwest trending basement structure, which has been dislocated by later deformation events. There appears to be a close association between these dislocated structures and gold mineralisation, evident by the Bandicoot Mines and several other prospects to the northwest along the basement trend.

From 2007 to 2009 exploration work focused on the area surrounding the Bandicoot Gold Mine with geological mapping, aerial photography and rock chip sampling being completed. Results returned non-economic gold values however the area still remains prospective, due to its alignment and proximity to the Merlin Station Dam, Marrakai and Stop 16 gold occurrences and the Steve’s Hill gold trend to the north east.

During 2009- 2010 reporting period, a detailed technical review of the project area was undertaken, which identified the gold and uranium potential. EL 23172 is located in the vicinity of world-class Alligator River Uranium Field which contains uranium deposits such as Ranger, Jabiluka and Koongarra. In addition tenement ranking and valuation was also undertaken. TMI images of the project area showed two prominent deep-seated structures with a number of gold prospects located on the margins. Geophysical data revealed some magnetic anomalies which could be important gold targets. Radiometric imaging of the project area showed no significant uranium anomalies but this may be due to the thick alluvial cover which may have subdued the radiometric response.
7  EXPLORATION ACTIVITY 6 MAY 2010 TO 15 DECEMBER 2010

There was no further work completed on EL23172 during the May to December 2010 reporting period.

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.

Crocodile Gold Australia regards the tenement highly due to its significance for hosting gold, uranium and base metal mineralisation. A technical review of the project area completed during 2009 and 2010 has identified some gold and uranium targets (Figure 3).
During the 2011 reporting period, exploration activities on EL23172 will include an extensive review of all geochemical and geophysical data; selected areas will be mapped in detail and will include a program of soil and rock chip sampling. This may lead to a RAB drilling campaign if targets are identified.

This program is estimated to cost approximately $40,000.
The detailed work plan for the next 2 years on the tenement will include a thorough review of tenement geophysical and geochemical data, field reconnaissance and mapping of identified targets and a small RAB drilling campaign over identified targets.

### Year 1

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<th>Cost</th>
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<td>Geophysics Review</td>
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<td>Geochemical Review</td>
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<td>Field Recon &amp; Sampling</td>
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<td>RAB drilling campaign (500m)</td>
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<td><strong>TOTAL</strong></td>
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Table 1: EL23172 work program & budget for 2011

### Year 2

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<th>Activity</th>
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<td>Further RAB drilling (400m)</td>
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<td>RC drilling (400m if required)</td>
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<td><strong>TOTAL</strong></td>
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Table 2: EL23172 work program & budget for 2012
9 REFERENCES


NTDME, 1999. Rum Jungle Magnetics Survey

NTDME, 2000. Mary River Magnetics Survey

