BRIDGING REPORT

SUBSTITUTUE EXPLORATION LICENCE 23200

Mt Bundy Project

7 February 2010 to 15 December 2010

Distribution:-

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

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SEL23200 is located about 100 km east of Darwin and approximately 17 km SSE of the Toms Gully gold mine. SEL23200 was originally granted to Northern Gold NL. Crocodile Gold Australia recently acquired the project area which was explored and managed by Rustler’s Roost Mining Pty Ltd under a farm-in agreement with Northern Gold Australia NL. GBS Gold Australia, parent company of Northern Gold, went into voluntary administration on 15 September 2008. On 6 November 2009, Crocodile Gold Australia purchased all assets (liquidated) held by GBS Gold Australia and its subsidiaries including SEL23200.

SEL 23200 is located within central domain of the Palaeoproterozoic PCO in The Northern Territory. The tenement geology is predominantly comprises deformed rocks of the Finnish River Group and South Alligator Group. They are composed of iron rich rocks of the Koolpin Formation, the Gerowie Tuff, Mount Bonnie Formation and Burrell Creek Formation. To the north of the tenement, the Mount Bundy Igneous Suite, comprising the magnetic Mount Goyder Syenite and the pinkish-brown Mount Bundy Granite, intruded the formations in the project area.

After securing the control of the tenement, Crocodile Gold Australia conducted an appraisal of SEL23200. Processing and interpretation of previous exploration data and recent geophysical data has provided significant encouragement to explore the project area for gold and base metals.

There were no further exploration activities for SEL23200 during the reporting period.

During the 2011 reporting period, exploration activities for SEL23200 will include geological mapping of identified anomalies. This may be followed up by a soil/rock chip sampling program. If encouraging results are received, then an RC or RAB drilling campaign may be completed. Samples collected during the drilling will be assayed for gold and base metals.
2 INTRODUCTION

SEL 23200 is located about 17 km SSE of the Toms Gully gold mine and immediately west of Quest 29 gold mine. Crocodile Gold Australia recently acquired the project area which was explored and managed by Rustler’s Roost Mining Pty Ltd under a farm-in agreement with Northern Gold Australia NL.

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 7 February 2010 and the new group Technical Reporting Anniversary of 16 December 2010.

In this report, exploration activity conducted between 7 February 2010 and 15 December 2010 is reported.

3 LOCATION AND ACCESS

The tenement is located about 100 km SE of Darwin in the vicinity of Arnhem Highway (Figure 1). It is about 17 km SSE of Toms Gully gold mine in a close proximity of Quest 29 mine. SEL23200 can be reached from Stuart Highway towards south via station tracks or via Toms Gully gold mine. These tracks 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.

4 TENEMENT DETAILS

SEL23200 was originally granted to Northern Gold Pty Ltd for a period of 4 years and covers 4 blocks. The tenement licence was been renewed several times under the ownership of Northern Gold Pty Ltd.

In September 2008, GBS Gold Australia (parent company of Northern Gold Pty Ltd) entered into voluntary administration on 15 September 2008. On 6 November 2009, Crocodile Gold Australia purchased all assets (liquidated) held by GBS Gold Australia and its subsidiaries including SEL23200.

SEL23200 is due to expire on 6 February 2012.
5 GEOLOGICAL SETTING

5.1 REGIONAL GEOLOGY

EL 24682 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 Palaeoproterozoic sediments, accompanied by lesser volcanics, granitic plutons and dolerite intrusions. The northern part of the project area contains the oldest sediments such as the Mount Partridge Group that is unconformably overlain by the South Alligator Group.

The South Alligator Group mainly contains the Koolpin Formation, Mt Bonnie Formation and Gerowie Tuff. The southern portion of the project area is comprised of the Burrell Creek Formation which conformably overlies the South Alligator Group. Towards NE, the rocks have been intruded by the Mount Bundy Granite. 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 plunge gently to the south. Figure 2 illustrates the geology of the region.

Figure 2: SEL23200 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 flysch 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 $1790 \pm 110$ 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.
PREVIOUS EXPLORATION

SEL 23200 has been explored by a number of exploration companies including Geopeko, Pan D’Or Mining NL, Zapopan NL and Carpentaria Gold Pty Ltd. During these programs, a number of geological mapping programs, soil/rock chips sampling and geophysical surveys were undertaken. This led to the discovery of a number of gold and base metals deposits. Notable discovery has been the Quest 29 gold deposit, located immediately in the east of the tenement.

In the mid 1970’s Geopeko explored part of the area for gold, base metals and uranium. Programs of airborne and ground magnetic and radiometric surveys, soil sampling and drilling identified Quest 29, 30, 42 and 44 gold and base metals prospects mainly on the eastern side (JV tenements) of the current project area. These tenements were the subject of a JV agreement between Geopeko and Carpentaria Gold.

Pan D’Or Mining NL explored parts of the area during the late 1970’s, and identified a number of gold prospects and anomalies. Newmont Australia and Carpentaria Gold explored parts of the project area for gold. Both companies conducted an intensive program of BCL and soil sampling, mapping and rock chip sampling of identified prospects of gossanous veined and brecciated Koolpin Formation, but the results were disappointing.

During the early 1990’s, Carpentaria Gold completed a new exploration model focussing on intrusive contacts which led to renewed interest on the area. To assess gold potential of the area located south of the Mt Bundy Granite, Carpentaria Gold conducted a magnetic survey. Interpretation of the geophysical data identified a number of magnetic anomalies which were drill-tested. Again results were disappointing.

Northern Gold NL (GBS Gold Australia) explored the project area between 1996 and 1997. A regional soil sampling program which targeted gold and base metals mineralisation was undertaken, mainly over the Mt Bundy anticline. Peak assay results varied from 7.4 ppb to 17 ppb gold. Since the grant of SEL 23200 to Northern Gold NL, the tenement had been subject of a farm-in agreement with Rustler’s Roost Mining Limited, which allowed Rustler’s Roost to earn equity over a period. Due to various company issues there was no further exploration activities conducted on SEL 23200 and the tenement was handed to Crocodile Gold Australia in late 2009 as it took over all assets held by GBS Gold Australia (liquidated) and its subsidiaries in Northern Territory.

Crocodile Gold Australia commenced an appraisal of the project area using previous exploration data and high resolution geophysical survey data collected by JV partner Rum Jungle Uranium Australia in 2009. A review of the project area suggests that it has a fertile geological setting for hosting a variety of mineralisation.
7 EXPLORATION ACTIVITY 7 FEBRUARY 2010 TO 15 DECEMBER 2010

There was no further work completed on SEL23200 during the February 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.

During the 2011 reporting period, exploration activities for SEL23200 will include a program of geological mapping targeting anomalies identified from previous geophysical data (Figure 3). This may be followed by a soil/rock chip sampling program. If encouraging results are received, then an RC or RAB drilling program may be conducted. Samples collected during this drilling campaign will be assayed for gold and base metals.

This program is budgeted at least $30,000.
REFERENCES


