BRIDGING REPORT

Exploration Licence 22232

Mt Bundy Project

3 SEPTEMBER 2010 TO 15 DECEMBER 2010

Darwin 1:250,000 SD5204
Noonamah 1:100,000 5172

Distribution:-

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

Report Number: EL22232 BR2010

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February 2011
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EL22232 is a strategic landholding which is situated about 80 km SE of Darwin and 10 km NW of the Toms Gully Mine along the Arnhem Highway. The tenement was granted to Renison Consolidated Mines NL on 3rd September 2003 and expired on 2nd September 2009. GBS Gold Australia Pty Ltd acquired the tenement on 25 July 2007. However, GBS Gold Australia went into voluntary administration in 2008, and Crocodile Gold Australia purchased all assets including EL 22232 on 6 November 2009.

EL 22232 is located within the Pine Creek Orogen, a tightly folded sequence of Palaeoproterozoic 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 minor inter-layered tuff units. The Cullen intrusive event introduced a suite of fractionated calc-alkaline granitic batholiths into the sequence in the period ~1.85-1.78Ga.

During the previous reporting period, after taking control of EL 22232, Crocodile Gold Australia embarked on the review of the project area. A technical review of EL22232 based on previous exploration data, geological mapping and high resolution geophysical data suggested that the tenement is prospective for gold and uranium mineralisation. Radiometric data revealed some anomalous areas in the eastern part of the tenement.

There was no further work conducted on EL22232 during the September to December 2010 reporting period.

During the 2011 reporting period, exploration activities for EL22232 will include a detailed review of all geophysical and geochemical data with the aim of generating new targets. If suitable gold/base metals targets are identified then field mapping and sampling may be completed. A RAB or RC drilling program may be completed over anomalous targets.
2 INTRODUCTION

EL22232 was granted to Renison Consolidated Mines NL in 2003 as part of a group of tenements (AuQuest Project. GBS Gold Australia Pty Ltd acquired the tenement in 2007. However, GBS Gold Australia went into voluntary administration in 2008, and Crocodile Gold Australia purchased all assets including EL 22232 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 2 September 2010 and the new group Technical Reporting Anniversary of 16 December 2010.

This report deals with exploration activity carried from 3 September 2010 to 15 December 2010.

3 LOCATION AND ACCESS

EL22232 is situated 80km SE of Darwin NT and 10km NW of the Toms Gully Mine along the Arnhem Highway. Access to the tenement is via the Arnhem Highway, the via secondary tracks that provide good access during the dry season. Tracks become impassable during the wet season.

The existing bush tracks lead to and from Scott Creek, and in the east old station tracks were utilised to gain access into the denuded laterite and residual soil areas. A major wet season creek (Scott Creek) drains the region to the northwest towards the Adelaide River Floodplains. Black soil plains cover the tenement and subdued areas of eroding laterite and residual soils cover the remainder.

The tenement falls on the Darwin 1:250,000 sheet and on the Noonamah 1:100,000 sheet. The tenement is within the Limilngan-Wulna (Land Holding) Aboriginal Corporation.

4 TENEMENT DETAILS

EL 22232 was granted on 3rd September 2003 and expired on 2nd September 2009. A renewal application was lodged with the Dept of Mines and now the tenement will expire on 2nd September 2011. It consists of 4 graticular blocks covering an area of approximately 10.6 km².

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 22232 in Toms Gully area, Northern Territory. GBS Gold Australia went into voluntary administration on 15 September 2008 and all assets were placed under care and maintenance. On 6 November 2009, Crocodile Gold Australia purchased all assets including EL 22232 held by GBS Gold Australia (liquidated), and commenced exploration, mining and processing activities.
5 GEOLOGICAL SETTING

5.1 REGIONAL GEOLOGY

EL 22232 is located within the Pine Creek Orogen, a tightly folded sequence of Palaeoproterozoic rocks, 10 to 14km in thickness, laid down on a rifted granitic Archaean basement during the interval ~2.2-1.87Ga (Ahmad et al. 1993). The sequence is dominated by pelitic and psammitic (continental shelf shallow marine) sediments with minor inter-layered tuff units. During the Top End Orogeny (Nimbuwah Event ~1.87-1.85Ga) the sequence was tightly folded and pervasively altered with metamorphic grade averaging greenschist facies to phyllite. The Cullen intrusive event introduced a suite of fractionated calc-alkaline granitic batholiths into the sequence in the period ~1.85-1.78Ga (Bajwah 1994). These high temperature I-type intrusives induced strong contact metamorphic aureoles ranging up to (garnet) amphibolite facies, and created more extensive biotite and andalusite hornfels facies.

The Northern portions of the project area contain the oldest sediments. In the project area, the Mount Partridge Group is unconformably overlain by the South Alligator Group and covers most of the tenement area. 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”. All of the Palaeoproterozoic sediments and volcanics in the Mount Bundey 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.
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 Bundey 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 South Alligator Group is represented by the Koolpin Formation, which comprises ferruginous siltstone and shale and 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 Bundey Region for hosting mineralisation (West Koolpin, Taipan, BHS and North Koolpin Open Pits at Quest 29 are all within Koolpin sediments).

The South Alligator Group is represented by the Gerowie Tuff which comprises siltstone, argillite and crystal tuff. Pale green, brown or grey siliceous siltstone and phyllite interbedded with pale cherty argillite, black cherty crystal tuff, spotted feldspathic crystal tuff and lithic tuff; minor felsic ignimbrite, chloritic volcaniclastic shale, lithic tuff and lapilli tuff; porphyritic dacite. The depositional environment is described by the NTGS as Subaerial dacitic volcanic ash with shallow marine lutites.
The South Alligator Group is represented by the Mount Bonnie Formation which conformably 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.

The Finnis River Group is represented by the Burrell Creek Formation which conformably overlies the Mount Bonnie Formation and is interpreted as a flysch sequence of fine to coarse marine sediments and appears to be part of continuous sedimentation process. Due to 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.

Intrusives within the Exploration Licence include the Zamu Dolerite. This 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.
6 PREVIOUS EXPLORATION

The earliest record of exploration in this area of the Mount Bundy region was located in the EL114 and AP2605 tenures, conducted in 1973 by Kewanee Australia Pty Ltd with no significant results found; Geopeko (EL114) also were interested in the area but reported no geophysical or geochemical anomalies of interest.

Geopeko were the dominant exploratory company until 1977. The company explored for uranium and base metals using costeaneing and rock chipping on EL142, however results from these samples were poor, with no economic value. Four costeans were completed in 1975, and a seven hole diamond drill program and the collection of soil and rock chip samples. One further diamond hole was drilled in 1976.

During 1979 both CRA Exploration and the Northern Territory Geological Survey conducted tests on EL1468, rock chips and soil samples were collected and analysed, with CRA receiving only poor results while the Northern Territory Geological Survey data suggested gold possibilities but no base metals. Carpentaria Gold took over EL5863 in 1989, non-economic gold values were found by stream sediment sampling.

During the 2006 field season several reconnaissance trips and geological/vehicle traverses were conducted within EL22232.

GBS Gold Australia acquired the tenement in 2007, however, it went into voluntary administration in 2008. All assets were liquidated and were purchased by Crocodile Gold Australia on 6 November 2009.

In the previous reporting year, Crocodile Gold Australia commenced review of all the assets acquired along with mining and processing activities. A technical review of the EL22232 based on previous exploration data, geological setting and high resolution geophysical data suggested that the tenement is prospective for gold and uranium mineralisation.
7  **EXPLORATION ACTIVITY 3 SEPTEMBER 2010 TO 15 DECEMBER 2010**

There was no further work conducted on EL22232 during the 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 EL22232 will include a detailed review of all geophysical and geochemical data with the aim of generating new targets. If suitable gold/base metals targets are identified then field mapping and sampling may be completed. A RAB or RC drilling program may be completed over anomalous targets.

Proposed expenditure for the year is expected to be a minimum of $16,000.
REFERENCES


NTDME, 1999. Rum Jungle Magnetics Survey

NTDME, 2000. Mary River Magnetics Survey

