BRIDGING REPORT

EXPLORATION LICENCE 24409

*Burnside Project – Brocks South-West*

6 May 2010 to 15 January 2011

Distribution:-

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

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1 EXECUTIVE SUMMARY

Exploration License (EL) 24409 covers strategic landholding which is located SW of Brocks Creek gold mine. It was granted to Buffalo Creek Mines Pty Ltd (50%) and Territory Goldfields NL (50%), which were part of the Burnside JV. During 2005, GBS successfully made a takeover bid for the JV through Northern Gold NL. On 15 September 2009, GBS Gold Australia went into voluntary administration and as a result of that all exploration and mining assets were placed under care and maintenance. Crocodile Gold Australia purchased these assets on 6 November 2009 and commenced exploration, mining and processing activities in the region.

Most of the tenement overlies the Burrell Creek Formation of the Finniss River Group. The southern 2 blocks are mapped as Mt Bonnie Formation sediments of the South Alligator Group. Out-crops of the rock units are sparse throughout the tenement. The area has been explored by a number of companies which led to the identification of a number of anomalous gold zones.

During most of 2009, the tenement remained under care and maintenance. However, under the instructions from Several Administrators, a technical review, tenement ranking and valuation was undertaken in order to prepare assets for sale. In June 2009, Crocodile Gold Australia announced to purchase all assets held by GBS Gold Australia (liquidated). After meeting all statutory and regulatory requirements, these assets included EL 24409 were transferred to new owner. Crocodile Gold Australia immediately commenced mining and processing activities in the region.

The review of exploration data and the close proximity to the Zapopan (Brocks Creek) gold mine has highlighted the mineral potential of this tenement. Of particular interest is a magnetically recessive structure bounded by magnetic highs. This type of feature is associated with gold mineralisation at Fountain Head and Glencoe deposits. In addition, the project area also has potential for uranium and base metal mineralisation. An area of significant uranium mineralisation has recently been discovered within EL 23431.

There was no further work conducted on EL24409 during the reporting period.

During the next reporting period, Crocodile Gold will conduct regional scale geophysical and geochemical surveys over the Burnside Project area, part of which will cover EL24409.
2 INTRODUCTION

EL 24409 is located SW of the Brock’s Creek project area, an important goldfield in the Pine Creek Orogen. GBS Gold Australia regards it a strategic asset with respect to gold mineralisation.

Crocodile Gold Australia applied for group technical reporting status on the group of tenements comprising the Burnside project area. This was approved by Department of Resources in December 2010 and the Burnside project area was given the group reporting number GR-185/11. This report has been written to bridge the gap between the previous annual report ending 5 May 2010 and the new group Technical Reporting Anniversary of 15 January 2011.

In this report, exploration activity conducted between 6 May 2010 and 15 January 2011 is documented.

3 LOCATION AND ACCESS

EL 24409 is situated approximately 150km SE of Darwin NT. The Stuart Highway transects the tenement and the intersection of Fountainhead Road and the Stuart Highway is within the tenement. Topography is relatively flat, with low hills and creeks which can flood in heavy rains during the wet season. Access is relatively easy in the dry season. The location of the EL24409 is shown in Figure 1.

4 TENEMENT DETAILS

EL 24409 was granted on 6 May 2005 and expires on 5 May 2011. An application for renewal was lodged in April 2011. It comprises seven blocks that cover approximately 22.1 km² (Figure 1). It was originally granted in equal shares to Buffalo Creek Mines Pty Ltd (50%) and Territory Goldfields NL (50%), which were part of the Burnside JV. The Burnside JV was a JV between Harmony Gold (50%) and Northern Gold NL (50%). During April 2006, GBS Australia (liquidated) acquired the tenement.

GBS Gold Australia went into voluntary administration on 15 September 2008, and as a result of that all exploration and mining assets were placed under care and maintenance. In June 2009, Crocodile Gold Australia announced to purchase all assets held by GBS Gold Australia (liquidated) in the Northern Territory. After meeting regulatory and statutory requirements, these assets were transferred to the new owner.

Underlying cadastre is NT Portion 2683 (Pastoral Lease 903) held by Branir Pty Ltd.
Figure 1: EL24409 Tenement Location
5 GEOLOGICAL SETTING

5.1 REGIONAL GEOLOGY

EL24409 is situated within the Pine Creek Orogen, a tightly folded sequence of Lower Proterozoic 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 locally significant interlayered cherty tuff units. Pre-orogenic mafic sills of the Zamu Dolerite event (~1.87Ga) intruded the lower formations of the South Alligator Group (Ahmad et al 1993). During the Top End Orogeny (Nimbuwah Event ~1.87-1.85Ga) the sequence was tightly folded, faulted and pervasively altered with metamorphic grade averaging greenschist facies with phyllite in sheared zones.

The Cullen intrusive event introduced a suite of fractionated calc-alkaline granitic batholith into the sequence in the period ~1.84-1.1.78Ga. These high temperature I-type intrusives induced strong contact metamorphic aureoles ranging up to (garnet) amphibolite facies, and created regionally extensive biotite and andalusite hornfels facies. Less deformed Middle and Late Proterozoic clastic rocks and volcanics have an unconformable relationship to the older sequences. Flat lying Palaeozoic and Mesozoic strata along with Cainozoic sediments and proto-laterite cementation overlie parts of the Pine Creek Orogen lithologies. Recent scree deposits sometimes with proto-laterite cement occupy the lower hill slopes while fluvialite sands, gravels and black soil deposits mask the river/creek flats areas.

There is a tendency for gold mineralisation to be focused in anticlinal settings within strata of the South Alligator Group and lower parts of the Finniss River Group. This sequence evolved from initial low energy shallow basinal sedimentation to higher energy deeper water flysch facies.

Some of gold mineralisation appears to be related to the I-type members of Cullen Batholith, formed during the evolution of hydrothermal fluids as a result of fractionation and differentiation processes (Bajwah, 1994).

Figure 2 illustrates the regional geology of the Burnside project.
EL24409 overlies the Burrell Creek Formation of the Finniss River Group. The southern 2 blocks are mapped as Mt Bonnie Formation sediments from the South Alligator Group. Outcrop within the tenement is sparse. A stratigraphic hole drilled within the tenement (B21; Crick, 1976) intersected feldspathic quartz arenite with locally inter-bedded siltstone and phyllite of the Burrell Creek Formation.

The area has undergone at least four phases of deformation which led to the development of open to tight folds, off-set by reverse faults. These structures generally host gold mineralisation. The project area is characterised by the presence of NW-SE lineament trend which appears to control gold mineralisation in the area.
EL24409 has been explored by many companies using numerous expired exploration licences.

United Uranium explored for base metals, uranium, as well as Fe and Mn. Work concentrated on the Howley line and Mt Shoobridge. CRA explored for a year in 1977 and carried out 1:25,000 scale mapping, ironstone sampling and soil sampling for base metals. The work failed to locate first order CRA size targets, and the ground was dropped.

Geopeko explored for base metals in the late 1970’s. Work included photogeological interpretation, stratigraphic mapping (to delineate Mt Bonnie-Iron Blow style mineralisation) and some rock chip samples assayed for base metals (results not known).

Talmina Trading drilled 18 auger holes for 82m (average 4.56m) mainly around old gold and copper diggings in ferruginous tuffaceous arenites and schists of the South Alligator Group. Samples from six small trenches dug into the sides of ridges ‘gave significant to minor colours of gold in pans’. The locations and results of the auger drilling were not supplied. Geological mapping showed the Mount Bonnie Formation sediments cut by N to NE-trending faults.

Titleholder (Bronte Douglass) viewed the tenement as having potential for quartz-vein stockwork type gold mineralisation in Burrell Creek Formation sediments. Activities included a structural interpretation using photo-geological mapping, this was difficult because of steeply dipping structures, 1:100,000 geological mapping was also completed. An old mine (alluvial digging) was also is mapped at approximately MGA 760050E / 8504700N. Burrell Creek sediments are mapped as striking approximately 320° and dipping around 70° to the NE. Interpretation of Landsat imagery at 1:250,000 scale recorded NW-SE lineaments intersected by NE-trending structures.

In the 1980’s, Northern Gold negotiated a production agreement with Metana Minerals for alluvial gold over the Howley Anticline and gold production from the alluvials commenced in September 1986. Exploration activities also included stream sediment and soil sampling.

Oceania Mining and Exploration explored part of EL24409 during the late 1980’s. Exploration included geological mapping with minor soil and rock chip sampling. Results showed a maximum soil sample value of 0.19g/t Au and a maximum rock chip value of 0.03g/t Au. All other soil sample results were <0.01g/t Au. Further exploration included photo-geological mapping, soil sampling and airborne magnetic and radiometric surveys. Results showed three anomalous Au assays from soil samples (30ppb Au, 6ppb Au, 7ppb Au) and one anomalous Pb assay over 100ppm.

Driffield Mining sampled a quartz vein which assayed less than 0.008g/t Au. Six auger holes were drilled but no free alluvial gold was found. Samples of wash from dumps were taken, which indicated there was gold mineralisation.
During the early 1990’s, Dominion Gold carried out soil sampling, Lag-scree sampling, geological mapping and interpretation of geophysics. Dominion Gold collected 17 rock chip samples and 3 stream sediment samples with no anomalous results, so the ground was dropped.

Solomon Pacific took soil auger samples, and conducted vacuum drilling as part of a larger programme over all its tenements. Vacuum drilling found that the depth of transported cover varied from 3-8m and is underlain by weathered bedrock of the Burrell Creek Formation. Interpretation of magnetic data indicated a zone of magnetite destruction in the SW corner of the licence, and a possible subsurface granite in the SE corner.

From 1996 to 1998, Northern Gold conducted rock chip sampling, and produced a geological plan from satellite imagery and multi-client aeromagnetics. Rock chip samples were below detection for gold. Soil samples returned anomalous values in the areas draining the old Zapopan mine.

During the late 1990’s, Acacia Resources conducted soil sampling with a peak value of 161ppb Au, as well as aeromagnetic and radiometric surveys.

A further check of scanned historic mining tenure maps indicated several MCN’s plus ERL 83 within EL24409. MCN 1175 (in NW block of EL24409) contains a (non-JORC) probable alluvial source of an estimated 126000LCM’s at up to 0.4g/t Au (Stokes, 1993).

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7 EXPLORATION ACTIVITY 6 MAY 2010 TO 15 JANUARY 2011

There was no further exploration conducted on EL24409 during the reporting period.

8 FORWARD PROGRAM YEAR ENDING 15 JANUARY 2012

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

- Crocodile Gold is currently looking at a large scale regional exploration push during the 2011 and 2012 seasons, including a helicopter-borne VTEM survey, region geochemical sampling and mapping, this will include areas of the Burnside project.
- Desktop review of all exploration activities conducted by Joint Venture partner Thundelarra Exploration, particularly looking at exploration for gold and base metals.
- Detailed review of all historic and recent geophysical data for the project, with the aim of generating green field targets.
- Thorough review of all geochemical data for the project area, to be used in future target generation.
- Review of targets using satellite imagery in conjunction with regional geological mapping and the latest geophysical data
- Field mapping of targets highlighted from these reviews
- RAB and RC drilling of highest ranked targets
- A review of all historic deposits noted in the MoDAT database

Through these activities Crocodile Gold will target mainly gold and base metal targets in the Burnside Project area to add to existing mineral resources. By identifying additional deposits in this project area the economic viability of this project area can be assured.

Crocodile Gold will conduct regional scale geophysical and geochemical surveys over the Burnside Project area, part of which will cover EL24409.

A minimum budget of $12,000 has been proposed for EL24409.
9  REFERENCES


