BRIDGING REPORT

EXPLORATION LICENCE 9608

Burnside Project

25 May 2010 to 15 January 2011

Distribution:-

1. DOR Darwin, NT
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1 EXECUTIVE SUMMARY

EL 9608 is a strategic landholding which is located about 145 km SE of Darwin, NT and 18 km SE of Brocks Creek. EL 9608 was granted on 25 May 2004 and expires on 24 May 2011. It comprises three blocks that cover approximately 10 km². Originally, EL 9608 was granted to Northern Gold NL, which in 2005 became the subsidiary of GBS Gold Australia Pty Ltd. On 15 September 2008, GBS Gold Australia went into voluntary administration and in the following year, all assets were purchased by Crocodile Gold Australia on 6 November 2009.

EL 9608 covers the Koolpin Formation meta-sediments that have been tightly folded and faulted on NW-SE axes. The Koolpin Formation has been intruded and dilated regionally by dolerite sills with a wide range of thicknesses. Cross-folding has generated a dome structure in the southern most block of the tenement. This feature is a clone of the mineralised Golden Dyke Dome 4 km to the west. The area is well exposed on strike ridges with scree deposits and alluvial cover in the valley floors and flanks of the ridges.

During 2008 and 2009, EL9608 remained under care and maintenance as GBS Gold Australia went into voluntary administration. A review of the project was undertaken and found to have good potential for gold, uranium and base metal metals mineralisation. A high resolution geophysical survey (magnetic and radiometric) was conducted and interpretation of geophysical data supports the mineral potential for gold, uranium and base metal mineralisation.

There was no further exploration activities conducted on EL9608 during the May 2010 to January 2011 reporting period.

During the 2011 reporting period, Crocodile Gold will target mainly gold and base metal anomalies in the Burnside Project area to add to existing mineral resources. By identifying additional deposit the economic viability of this project area can be assured. Exploration activities will include a review of geochemical and geophysical data, a helicopter-borne VTEM survey and regional geochemical sampling and mapping.
2 INTRODUCTION

EL 9608 is located approximately 145 km SE of Darwin, NT and about 18km SE of Brocks Creek, immediately south of Mt Bonnie Project area. Crocodile Gold regards the tenement highly and will pursue dedicated exploration program for gold and base metals 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 25 May 2010 and the new group Technical Reporting Anniversary of 15 January 2011.

In this report, exploration activity conducted between 25 May 2010 and 15 January 2011 is documented.

3 LOCATION AND ACCESS

EL 9608 is located 145km SE of Darwin, NT and 18km SE of Brocks Creek (Figure 1). Access from the Stuart Highway is via the Grove Hill Road for 7km, then to the Mt Bonnie access road. From Mt Bonnie, there is a track that heads south towards the Margaret Diggings.

Within the tenement access is poor, due to the hilly terrain and lack of tracks.

4 TENEMENT DETAILS

Northern Gold NL applied for EL 9608 (3 blocks) on 10th July 1996. EL 9608 was granted on 25 May 2004 and expires on 24 May 2012. It comprises three blocks that cover approximately 10 km². Underlying cadastre is pastoral lease, with Equest Pty Ltd (PL 1630; Mary River West Station) on the eastern side of the tenement, and Branir Pty Ltd (PL 2683) covering most of the 2 western blocks.

Originally, EL 9608 was granted to Northern Gold NL, but as Northern Gold NL were in JV with Harmony subsidiary Buffalo Mines Pty Ltd (Burnside JV) the tenement was transferred to being 50% Buffalo Creek Mines Pty Ltd, and 50% Territory Goldfields NL upon grant. During 2005, GBS made a successful takeover of Northern Gold NL, with the takeover becoming final in November 2005. In April 2006, GBS acquired Harmony's 50% share in the Burnside JV, and now control 100% of the Burnside Project.

On 15 September 2008, 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 announced to purchase these assets in June 2009, and after meeting regulatory and statutory requirements, all these assets were transferred to Crocodile Gold Australia on 6 November 2009.
Figure 1: EL9608 Tenement Location
5 GEOLOGICAL SETTING

5.1 REGIONAL GEOLOGY

Regional geology is outlined in many publications, notably Ahmad et al. (1994) and Needham and Needham and Stuart-Smith (1984), and Needham et al. (1988). The tenements are within the Pine Creek Orogen, a folded sequence of Lower Proterozoic pelitic and psammitic sediments, with interlayered cherty tuff units. Mafic sills of the Zamu Dolerite (~1.87Ga) intruded lower formations of the South Alligator Group.

EL 9608 covers a sector of Koolpin Formation meta-sediments that have been tightly folded and faulted on NW-SE axes (Figure 2). The Koolpin Formation has been intruded and dilated regionally by dolerite sills with a wide range of thicknesses. These dolerites comprise the Zamu Dolerite event that just predates the Pine Creek Orogeny. Cross folding has generated a dome structure in the southern most block of the tenement. This feature is a clone of the mineralised Golden Dyke Dome 4km to the west. The area is well exposed on strike ridges with scree deposits and alluvial cover in the valley floors and flanks of the ridges.

Gold is well known in a variety of settings in the region of EL9608. The Koolpin Formation occurrences at Golden Dyke Dome 4km to the west are similar to those at Cosmo Howley and by some workers have been considered syn-genetic in style or at least strata-bound. Sener (2003) showed that an epigenetic origin is most likely supported with rock chemistry and metamorphic grade setting more likely to have played a dominant part. Shaw (2005) interpreted strike (reverse?) faults from the SPOT image cut the axial zones of the principal anticlinal folds and are potential sites for gold deposition. Where these are cut by late stage WNW trending fractures a favourable gold depositional site is to be expected.

The Koolpin Formation and Zamu Dolerite have been folded along NNW-SSE axes. The Zamu Dolerite forms the core of a double-plunging anticline, forming an elliptical outcrop with well-defined contacts. This feature is interpreted to be similar to that of the Golden Dyke dome in the north which contains significant gold and base metal mineralisation. Ground-truthing has identified prominent quart-veining within the dolerite. Box-work goethite, possibly after sulfides is prominent in veins.
Figure 2: EL9608 Regional Geology
6 PREVIOUS EXPLORATION

In previous years EL9608 has been explored by many different companies including AOG Minerals, Geopeko, Acquitaine-Nord JV, Oceania Exploration, Dundas Gold, Dominion and Northern Territory Gold to name a few.

AOG minerals held a large tenement in the area in the mid-1970’s and concentrated most of their work on the Mount Bonnie and Iron Blow prospects. Geopeko explored the area in the early 1980’s completing soil and rock chip sampling identifying three geochemical anomalies.

The Acquitaine-Nord JV explored for base metals, and drilled 3 percussion/diamond holes into pyrrhotitic carbonaceous sediments within the Upper Koolpin Formation on the western boundary of EL9608 in 1983. Minor sphalerite and galena were present but gold results were negative.

Oceania Exploration conducted exploration in the mid-1980’s. The exploration activities included photo-geological mapping, geological field reconnaissance and stream sediment sampling. Iron rich horizons were identified which were similar to those hosting mineralisation at the Golden Dyke mine.

Dundas Gold explored for gold and base metal deposits during the late 1980’s with an emphasis on quartz vein systems and stratabound exhalite related mineralisation. In the late 1980’s there were several MCN’s within EL 9608. Two were granted to Zapopan but Dominion gained control in the early 1990’s. Dominion completed soil sampling, vacuum and RAB drilling looking for Mt Bonnie style of mineralisation, but no further results are available.

Northern Territory Gold carried out soil sampling, highlighting some anomalous values but during 1990 but the controlling company went into liquidation and the ground was relinquished.

Mt Carrington Mines explored for Cosmo Howley / Golden Dyke style mineralisation, with a lesser emphasis on quartz-stockwork type gold mineralisation and stratiform base metal mineralisation. Exploration included BLEG soil sampling and geological mapping along the soil lines, which followed up results from Northern Territory Gold. An Au-As association with a meta-dolerite host similar to Quest 29 mineralisation (near Mt Bundy) was recognised, and RC drilling was recommended. The lack of gold anomalism over the bulk of the area underlain by meta-sediments downgraded the potential for Golden Dyke-style mineralisation in the Koolpin Formation. No further drilling was carried out.

From 2004 to 2006 Harmony Gold completed a remote sensing study based upon satellite SPOT imagery and also completed a review based on all previous exploration data. These studies showed EL9608 to be highly prospective for gold and base metals.

In 2007 to 2008, GBS Gold Australia explored the region for gold mineralisation undertaking field mapping and RC drilling. Samples retrieved during drilling assayed as high as 6.18 ppm Au. The Zamu Dolerite is the main host rock which has been cut-across by quartz veins.
During 2009, GBS Gold Australia went into voluntary administration. 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 statuary and regulatory requirements, these assets included EL 9608 were transferred to new owner. Crocodile Gold Australia immediately commenced exploration and mining activities in the region.

In 2009, JV partner Thundelarra Exploration Limited completed a high resolution geophysical survey (magnetic and radiometric). Results reveal a pronounced magnetic anomaly which defines the Mt Bonnie gold-base metal deposit. Similar magnetic anomalies are present within the project area. These types of structures are known to host gold and base metals mineralisation in the Pine Creek Orogen. Radiometric data identified at least three radioactive anomalous areas which are similar to Thunderball uranium prospect.
7  EXPLORATION ACTIVITY 25 MAY 2010 TO 15 JANUARY 2011

There was no further exploration conducted on EL9608 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, particular 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.

The Mt Bonnie deposit situated north of the tenement is considered to be a high ranked target for Crocodile Gold. There will be a focus for geophysical exploration and drilling on and around the Mt Bonnie deposit which will include part of EL9608.

A minimum budget of $25,000 has been proposed for EL9608. Details are given in Appendix 1.


