BRIDGING REPORT

SUBSTITUTE EXPLORATION LICENCE 25748

Burnside Project

30 September 2010 to 15 January 2011

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EXECUTIVE SUMMARY

SEL (Substitute Exploration Licence) 25748 covers strategic land-holding which is located in the central part of the Burnside project area. The SEL contains extension to known gold mineralisation and also hosts significant number of uranium prospects.

In the project area, gold deposits are hosted by the Brocks Creek-Zapopan shear zone, the Hayes Creek Fault system, and the Pine Creek Shear Zone. The project area contains rocks of the Burrell Creek Formation, Koolpin Formation, Gerowie Tuff, Mount Bonnie Formation and Zamu Dolerite. This package is intruded by the Palaeoproterozoic Burnside and Margret Granites.

SEL25748 covers a large area of the Burnside Project area and has been explored by many companies in previous years. After taking the control of SEL 25748, Crocodile Gold Australia commenced a due diligence of the project area. Appraisal of previous exploration data and a technical review of SEL 25748 ranked it very highly for having significant potential for gold, uranium and base metal mineralisation. In 2008-09, TEMPEST survey of the project area was flown by JV partner Thundelarra Exploration Pty Ltd in partnership with Geoscience Australia.

There was no further exploration conducted on SEL25748 during the reporting period.

During the next reporting period, Crocodile Gold will conduct regional scale geophysical and geochemical surveys over the Burnside Project area, a large majority of which will cover SEL25748.
2 INTRODUCTION

SEL 25748 is a strategic land-holding which is located about 150 km SE of Darwin, NT. The tenement envelopes several goldfields and has the potential for locating new areas of gold, uranium and base metal 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 30 September 2010 and the new group Technical Reporting Anniversary of 15 January 2011.

In this report, exploration activity conducted between 30 September 2010 and 15 January 2011 is documented.

3 LOCATION AND ACCESS

SEL 25748 is centered on the Burnside Granite, approximately 150km SE of Darwin. It spans an irregular area, excluding the central portion of the Burnside Granite.

The Stuart Highway transgresses the central western portion of the Licence, and access to other parts of the Licence is possible via station tracks, the Old Stuart Highway, and Fountainhead Road. Access to some off-road areas is restricted to four wheel drive vehicles, and may be limited or impassable during the wet season. Other areas include steep sided hills, black soil plains and rugged outcrop. The location of the SEL25748 is shown in Figure 1.

4 TENEMENT DETAILS

SEL was granted on 1 October 2007 to Buffalo Creek Mines (50%) and Territory Goldfields NL (50%). It has been granted for four years and will expire on 30 September 2011. SEL comprises 197 blocks totalling around 642.5 km².

GBS Gold Australia Pty Ltd acquired 100% control of the tenement by a friendly takeover in 2005. GBS Gold Australia underwent voluntary receivership on 15 September 2008 and all assets were liquidated. In April 2009, Crocodile Gold Australia announced to purchase all assets including SEL 25748 and took control of all assets on 6 November 2009. Crocodile Gold has a JV partnership with uranium explorer, Thundelarra Exploration Pty Ltd.

Underlying cadastre is dominantly by Pepetual Pastoral Lease No. 1111 Ban Ban Springs, which covers just over 100 blocks, north of the railway, and most of the eastern side of the tenement. To the west, PPL 1183 (Ringwood) held by Donald Aaron White covers approximately 26 blocks, and PPL 903 (Branir Pty Ltd) covers approximately 47 blocks. The NT Land Corporation covers approximately 4 blocks north and between the Brocks Creek and Fountainhead railway sidings. Crown Lease 1905 (railway corridor) held by Austral Asia Railway Corporation truncates the western blocks, and some of the south eastern blocks. One northern block (SD521073Y) is held by Markus Anthony Rathsmann (Pastoral Lease 1182).
Figure 1: SEL25748 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 tenement is within the Pine Creek Orogen, a folded sequence of Palaeoproterozoic 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. In addition Palaeoproterozoic Burnside and Margret Granites intrude the package at various stratigraphic horizons.

The Burnside Granite is the geometric centre of SEL 25748 and has had a substantial impact on local structure. The Burnside Granite is part of north-east trending intrusions of the Cullen Batholith, linked at depth and imparted a thermal aureole and concentric outcrop pattern on the sequence and warped pre-existing fold structures. It also appears to have been a buttress against which late stage directed stresses from the SW and SE were refracted.

The largest gold deposits in the area are located on the Howley Anticline. This major fold hosts the Cosmopolitan Howley (Cosmo Deeps), the Chinese Howley group and Big Howley mines as well as smaller deposits at Bridge Creek, Western Arm, Ios and Santorini. Significant deposits are also hosted by the Brocks Creek-Zapopan shear zone, the Hayes Creek Fault system and the Pine Creek Tectonic corridor.

Field observations indicate that gold deposits occur within or just outside the contact metamorphic haloes of the younger granites, such as the Burnside Granite. Regional structures, particularly anticlines associated with duplex thrust fault systems, appear to be favoured sites for mineralisation. On a regional scale, gold, and to some extent base metal mineralisation, has a heterogeneous distribution, and is concentrated in elongate zones associated with regional folds and shear zones, suggesting that the dominant control on mineralisation is structural rather than lithological.

Figure 2 illustrates the regional geology of the Burnside project.
Figure 2: SEL25748 Regional Geology
PREVIOUS EXPLORATION

SEL25748 has been explored by various companies using 198 expired exploration licences. The licence covers a large area over the Burnside project.

Mineralisation and weathering zones were first identified using Geo-flite remote sensing in 1987. A dominant NW-SE fracture direction was defined by the survey with minor NE-SW trending cross fractures also indicated.

Dominion Gold Operations bought the property in 1989. A number of licences covered the area over which Dominion conducted extensive exploration. From 1989 to 1995 exploration activities included, aerial photography (1:10,000 and 1:25,000 scale), geophysical surveys, geological mapping at 1:10,000 scale, soil and rock chip sampling and aircore, RAB, RC and vacuum drilling. Exploration identified the Grove Hill, ST003 and BT001 anomalies in the south east of the tenement including a weak Au, As, Cu anomaly NW of the BT004 anomaly. To the east, the Ellison anomaly was found. A weak soil anomaly to the north of the Lady Josephine prospect was also identified, as well as the Fenton, EL8082 and Liberator Extension anomalies south of the Chinese/Howley prospects. Exploration in the north east of the tenement identified a few anomalous Au and As samples as well as the Callum 1 and Callum 2 prospects. Dominion Gold also identified a magnetic bullseye anomaly with a signature similar to the Goodall prospect. Drilling at the ‘Scrapper’ anomaly intersected a maximum value of 4.68g/t Au.

Carpentaria Gold conducted stream sediment sampling and rock chip sampling over the Burnside Granite, with notable results of 1.05g/t Au and 3 samples of >1% Pb. This anomaly was called the ‘Northern Gold anomaly’.

Zapopan / Pegasus explored tenements held by Oceania Exploration and Mining on the northern boundary of SEL25748 during 1990. A new technique ‘called ‘Stress Mapping Technology’ was used to identify areas of minimum stress (maximum dilation) by applying computer simulated stress analysis techniques to solid geology interpretations of lithology and structure. The ‘Sth Goodall Stress Anomaly’ was identified.

BP Australia started with literature research, including acquiring Landsat, regional geological data and aerial photography. Ground work included a rock chip sampling programme, and soil sampling. A siliceous ridge located approximately 2.2km north of the Mt Wells Burrundie Siding road returned a 60m section averaging 0.45ppm Au, and a second section of 150m had an average assay of 0.15ppm. Soil samples had sporadic highs between 30ppb Au and 81ppb Au defining the silicified ridge tops.

From 1992 to 1996, Northern Gold N.L. explored for gold and base metals conducting regional soil sampling, stream sediment sampling, geological mapping, RAB, aircore, RC and diamond drilling. The exploration identified the Paquali anomaly in the north west of SEL25748, located on the contact between the Zamu Dolerite and ironstone-rich Koolpin Formation. This area has also been referred to as the ‘F17’ anticline (by WMC); now called ‘Santorini’. A BLEG soil sampling and an RC drilling program identified the EL8521 and EL8550 anomalies, to the south and south west of the Santorini prospect.
Drilling also identified a north trending gold and arsenic mineralised zone. Further exploration and resource evaluation work was conducted on the Kazi Gold Prospect (W.M.C. Quest 150), Rhodes Gold Prospect (W.M.C. Quest 155), Ithaca Gold Prospect (W.M.C. 9000 North Prospect) and the Santorini Gold Prospect.

Additional soil sampling was conducted to further define anomalies at Bons Rush, Big Red Blob, Santorini East, Santorini South, 8550 East and Big Howley West. Rock chip sampling, geological mapping and trenching was conducted to define the F16 prospect.

The Beacon Hill anomaly was identified to the west of the Howley Anticline. In the south east region of SEL25748, the BT003 anomaly was also found. Gold anomaly EL8683 was identified in the north east part of SEL25748 (south of Callum 1 and Callum 2).

GBS Gold Australia conducted a literature review, geological mapping and geophysical surveys. Uranium anomalies, Anomaly 136 and Ugly Sister were identified in 2008.

Thunderlarra Exploration (in partnership with Geoscience Australia) conducted a TEMPEST survey of the project area in 2008/09.

7 EXPLORATION ACTIVITY 30 SEPTEMBER 2010 TO 15 JANUARY 2011

There was no further exploration conducted on SEL25748 during the reporting period.
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 geophysical 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, the economic viability of this project area can be assured.

SEL25748 is a highly ranked tenement and covers a large area over the Brocks Creek-Zapopan shear zone, the Hayes Creek Fault system, and the Pine Creek Shear Zone, large structural zones that are host to many gold and base metal deposits. Crocodile Gold will conduct regional scale geophysical and geochemical surveys over the Burnside Project area, a large majority of which will cover SEL25748.

A minimum budget of $310,000 has been proposed for SEL25748.
9 REFERENCES


Crick, I., 1980. Geology of the Batchelor Hayes Creek Region, BMR 1:100,000 Geological Special.


