BRIDGING REPORT

EXPLORATION LICENCE 24051

Burnside Project – Margaret River

10 August 2010 to 15 January 2011

Distribution:-

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

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1 EXECUTIVE SUMMARY

EL 24051 covers strategic landholding which is located about 140 km SE of Darwin, and 22 km NE of Brocks Creek Mine Office, Northern Territory. It is situated east of Woolwonga gold mine and contains similar stratigraphy which host gold mineralisation at Woolwonga. The tenement was granted on 10 August 2004 and will expire on 9 August 2012. Crocodile Gold Australia purchased the tenement and other assets held by GBS Gold Australia (liquidated) on 6 November 2009.

Lithologies of the Finniss River Group (Burrell Creek Formation) form the major component of the project area, which are folded and faulted on north-west axial trend in parallel with the Pine Creek Shear Zone, a ductile high strain regional feature that is some 3 km wide. The Shear Zone occupies the south western sector of the exploration licence. Minor rocks of the Mount Bonnie Formation and Gerowie Tuff are also present.

During part of 2009, GBS Gold Australia remained under care and maintenance. 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 EL24051 were transferred to new owner. Crocodile Gold Australia immediately commenced exploration, mining and processing activities in the region.

The project area was also reviewed for the presence of gold, uranium and base metal mineralisation. A drilling campaign found significant uranium mineralisation along the Hays Creek Fault which hosts other prospects like Thunderball (EL 23431), Corkscrew and Bella Rose (Thundelarra Exploration Pty Ltd Press Release, 2009). The Hays Creek Fault also hosts gold deposits such as Princess Louise and North Point as well as base metal deposits such as Mt Bonnie and Iron Blow.

EL 24051 is located to the north-east of these various prospects, and is thought to be intersected by the extension of the Hays Creek Fault, which appears to have control over mineralisation. This area is relatively under-explored.

There was no further exploration conducted on EL24051 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 EL24051.
2 INTRODUCTION

EL 24051 is significant tenement which covers ground north and east of the Woolwonga open pit.

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 9 August 2010 and the new group Technical Reporting Anniversary of 15 January 2011.

In this report, exploration activity conducted between 10 August 2010 and 15 January 2011 is documented.

3 LOCATION AND ACCESS

EL 24051 is situated 140 km SE of Darwin, Northern Territory and 22 km NE of Brocks Creek Mine Office on the Darwin-Alice Springs railway. Location of the tenement is shown in Figure 1. Access to the tenement is via the Stuart Highway, thence north via the Fountain Head/Ban Ban Springs sealed road that comprised the haul road for Woolwonga in the mid 1990s. The access deteriorates beyond Woolwonga but reasonable dry season access can be gained using bush tracks that service the Ban Ban Springs pastoral area. The Margaret River and tributaries meander northward through the tenement. The tenement falls on the Pine Creek 1:250,000 sheet, the McKinlay River 1:100,000 and on the Ban Ban 1:50,000 sheet. The tenement also is within the Ban Ban Springs pastoral lease.

4 TENEMENT DETAILS

EL 24051 was granted on 10 August 2004 expiring on 9 August 2012. The EL was registered in the names of Territory Goldfields NL (50%) and Buffalo Creek Mines NL (50%), and managed under Burnside Operations Pty Ltd. GBS Gold Australia secured the tenement holders by a takeover of Burnside Operations in 2005. The tenement comprises 26 blocks that cover approximately 8,658 ha (86.87 km²). EL 24051 is adjacent to the Woolwonga project tenements on the north east side. Underlying Cadastre is owned by Ban Ban Springs Pty Ltd (PPL 1111).

GBS Gold Australia went into voluntary administration on 15 September 2009 and all assets including EL 24051 were placed into voluntary receivership. Crocodile Gold announced to purchase assets held by GBS Gold Australia in June 2009. On 6 November 2009, after meeting all statuary and regulatory requirements, new owner took control of EL 24051 and other assets located in the Northern Territory.
Figure 1: EL24051 Tenement Location
5 GEOLOGICAL SETTING

5.1 REGIONAL GEOLOGY

EL24051 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 fluviatile 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.

Gold mineralisation appears to be related to the I-type members of the Cullen Batholith, formed as a result of fractionation and differentiation processes during magma emplacement. That ultimately led to the evolution of hydrothermal fluids responsible for gold mineralisation in the adjacent meta-sediments (Bajwah, 1994).

Figure 2 illustrates the regional geology of the Burnside project.
5.2 Local Geology

The tenement encloses a sequence of Finniss River Group clastic sediments that are folded and faulted on north-west axial trends in parallel with the Pine Creek Shear Zone, a ductile high strain regional feature that is some 3 km wide. The Shear Zone occupies the south western sector of the exploration licence.

The “Great Dyke”, a regionally persistent, thin, magnetic late stage dolerite, follows the Shear Zone through the Union Reefs area and passes close to Woolwonga Pit. A regional scale NE linear corridor also passes between the Burnside and the Prices Spring Granites. The intersection of these two major features occurs within the tenement and may have significance in terms of local crustal geometry and hydrothermal fluid flow. The north easterly alignment can best be seen on regional scale geological plans. The tenement occupies the country between the Margaret Granite contact and the Prices Spring Granite. In this area the Finniss River Group is represented by sparse low outcrops of Burrell Creek Formation which is typically a cyclic greywacke dominated assemblage with subordinate dark siltstone and mudstone packages. Minor rocks of the Mount Bonnie Formation and Gerowie Tuff are also present.

Black soil and other alluvial deposits relating to the Margaret River and its tributaries mask large areas of the tenement. Several lineament sets cross the tenements and most appear to be related to the Pine Creek Shear Zone.
6 PREVIOUS EXPLORATION

The area has been subjected to reconnaissance stream sediment sampling. Soil and rock chip programs have been carried out in the southernmost sector of the tenement near the contact with the Prices Springs Granite where anomalous gold values were reported.

Several (6) anomalous stream values in the range 40-200 ppb Au appear to align NWSE close to the interpreted north eastern boundary of the Pine Creek Shear Zone. Also in the south westernmost block, that lies on the SE strike extrapolation of the Woolwonga structural trend, RAB and soil anomalism (40-150ppb) was reported from previous work. This lies near to the 2004 RAB drilling coverage and close to the Palm Springs-Darwin gas pipeline.

During 2004 and 2005 Burnside Joint Venture carried out an angled RAB drilling program on lines across the SE trend of the Woolwonga mineralisation. This work extended across the Margaret River onto EL24051. The program totalled 28 holes for 396m. The program was unsuccessful in locating anomalous gold values.

Work during August 2005/06 was minimal and concentrated on tenement administration and report writing. This was due to the acquisition of the Burnside Joint Venture by GBS Gold Australia Pty Ltd. The takeover combined with the concentration of work on the recommencement of mining in the Brocks Creek district has meant exploration targets were re-prioritised.

During 2007-08 reporting year, an air core drilling program was undertaken which involved 36 drill holes for a total of 676 m. Samples were analysed for Au, As, Cu, Pb and Zn. Au values were generally low and ranged from 0 - 0.06 ppm. Most of the sample analysed came from alluvial cover or from the weathered zone, which is severally depleted in gold concentration. As is also low and correspond to gold values.

During part 2009, the tenement remained under care and maintenance. 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 EL24051 were transferred to new owner. Crocodile Gold Australia immediately commenced exploration, mining and processing activities in the region.

The project area was also reviewed for the presence of gold, uranium and base metal mineralisation. During 2009, a drilling campaign found significant uranium mineralisation along the Hays Creek Fault which hosts other prospects like Thunderball (EL 23431), Corkscrew and Bella Rose (Thundelarra Exploration Pty Ltd Press Release, 2009). The Hays Creek Fault also hosts gold deposits such as Princess Louise and North Point as well as base metal deposits such as Mt Bonnie and Iron Blow.

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7  EXPLORATION ACTIVITY 10 AUGUST 2010 TO 15 JANUARY 2011

There was no further exploration conducted on EL24051 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 EL24051.

A minimum budget of $16,000 has been proposed for EL24051.


