BRIDGING REPORT

EXPLORATION LICENCE 23536

Burnside Project – Lady Josephine (Mt Osborne)

29 July 2010 to 15 January 2011

Distribution:-

1. DOR Darwin, NT
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Marcelle Watson
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1 EXECUTIVE SUMMARY

EL 23536 is a strategic landholding which is located south of important Brocks Creek project area, and covers several mineral claims and part of MLN 1139. EL 23536 was granted on 29 July 2003 and expires on 28 July 2011. An application for renewal has been lodged with the DoR. The tenement was granted to GBS Gold Australia’s subsidiaries Buffalo Creek Mines Pty Ltd (50%) and Territory Goldfields NL (50%). GBS Gold Australia went into voluntary administration on 15 September 2008 and all assets including EL 23536 were placed under care and maintenance. Crocodile Gold Australia acquired all liquidated assets of GBS Gold Australia (liquidated) on 6 November 2009 and commenced mining and exploration activities in the region.

The tenement overlies a sequence of Palaeoproterozoic meta-sediments ranging from South Alligator Group to the Finniss River Group. Much of the area is covered by pre-existing titles (e.g ML 1139) which cover the South Alligator Group sediments, and the area covered by EL 23536 is mainly of the Burrell Creek Formation sediments of the Finniss River Group. In the northern part of the tenement, rocks of the Gerowie Tuff and Mount Bonnie Formation are also present. The sequence has been intruded by the Burnside Granite, a fractionated and oxidised body that is known to have been associated with gold mineralisation in the Pine Creek Orogen.

During the year under review, JV partner Thunderlarra Resources conducted geological mapping and drilled two RC holes over the Lady Josephine prospect.

In the next reporting period, Crocodile Gold will conduct regional scale geophysical and geochemical surveys over the Burnside Project area, part of which will cover EL 23536. A review of all previous geochemical data will also be completed. JV partner Thundelarra Resources also plans to drill another RC hole at the Lady Josephine prospect.
2 INTRODUCTION

EL 23536 covers a strategic landholding which is located immediately south of the Brocks Creek Project area. It is located in a close proximity to Brocks Creek (Zapopan) and Fountain Head mines. The tenement appears to have good potential for gold and uranium 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 28 July 2010 and the new group Technical Reporting Anniversary of 15 January 2011.

In this report, exploration activity conducted between 29 July 2010 and 15 January 2011 is documented.

3 LOCATION AND ACCESS

EL 23536 is situated approximately 160 km SE of Darwin NT. The North Australian Railway transects the northern edges of the tenement. The Fountainhead Road transects the southern and eastern blocks of the licence. The Mt Osborne transmitter mast service road also crosses the tenement.

Topography is relatively flat (except around Mt Osborne) 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 EL23536 is shown in Figure 1.

4 TENEMENT DETAILS

EL 23536 was granted on 29 July 2003 and expires on 28 July 2011. An application for renewal was submitted on 15 July 2011. It comprises 22 blocks that cover approximately 70.84 km\(^2\). The component blocks are considerably fragmented and reduced in effective area by pre-existing titles, particularly the Brocks Creek Group tenements (ML 1139 etc). It was originally granted in equal shares to Buffalo Creek Mines Pty Ltd (50%) and Territory Goldfields NL (50%), which were part of Burnside JV. The Burnside JV was established between Harmony Gold (50%) and Northern Gold NL (50%) for exploration and mining in the region. GBS Gold had 100% of the Burnside Project as of 1 April 2006.

However on 15 September 2008, GBS Gold Australia went into voluntary administration and as result, 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 all statutory and regulatory requirements, these assets including EL 23536 were transferred to Crocodile Gold Australia on 6 November 2009.

Underlying cadastre is NT Portion 2683 (Pastoral Lease 903) held by Branir Pty Ltd.
Figure 1: EL23536 Tenement Location
5 GEOLOGICAL SETTING

5.1 REGIONAL GEOLOGY

EL23536 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 ~1.84-1.178Ga. 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 cement 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

Much of EL 23536 is covered by sediments of the Burrell Creek Formation which is part of the Finniss River Group. In the northern part of the tenement, rocks of the Gerowie Tuff and Mount Bonnie Formation are also present. The sequence has been intruded by the Burnside Granite, a fractionated and oxidised body that is known to have been associated with gold mineralisation in the contact aureole in the Pine Creek Orogen (Bajwah, 1994).

The western and central sectors of the tenement have been folded along axes trending north westerly and with the north eastern anticlinal limbs steep to overturned and locally sheared out by SW dipping reverse faulting. Towards the eastern sector of the tenement near Mt Osborne and Yam Creek-North Point, the fabric has adopted an arcuate strike swing to northerly and then north-north easterly. This NNE trend is sub parallel to the Hayes Creek Fault system.

There is a tendency for gold mineralisation, dated at ~1740Ma, to be overprinted on pre existing anticlines within spotted hornfelsed strata of the South Alligator Group and lower parts of the Finniss River Group.
6 PREVIOUS EXPLORATION

EL23536 has been explored by various companies using many expired exploration licences. Much of the exploration area is now covered by MCN or MLN licences.

Since 1965, the tenement area has been explored for gold, base metals, uranium, iron and manganese.

Central Pacific Minerals explored within EL 23536 conducting reconnaissance sampling at Lady Josephine (U), Lady Josephine West (Cu, Pb) and Jar (Cu, Pb, Zn, Ag) prospects.

In 1977, CRA explored the western area of EL23536 conducting 1:250,000 scale geological mapping, ironstone sampling and soil sampling for base metals. No base metal anomalies were found, and the ground was relinquished within a year. Work failed to locate first order CRA-sized targets, and the ground was dropped.

Geopeko explored part of EL23536 in 1978. Exploration activities included geological mapping and interpretation and aeromagnetic surveys, concluding that there was no base metal mineralisation, and relinquished the tenement.

Zapopan conducted some exploration in the early 1980’s, covering part of EL23536. Soil geochemical surveys used arsenic as a pathfinder element, but no Au was found >0.02 ppm.

Titleholder Bronte Douglass explored for gold over the Mt Osborne area and the south central and eastern portions of EL23536. Exploration activities included a structural interpretation using photo-geological mapping at 1:25,000, 1:100,000 geological mapping, interpretation of Landsat imagery at 1:250,000 scale. The structural interpretation recorded NW-SE lineaments intersected by NE-trending structures. Grant’s Patch Mining entered into an agreement with the Titleholder (Bronte Douglass) and the work then focussed on the Zapopan anticline to the north.

Dominion Mining NL held a licence over part of EL23536 from 1984 to 1990. RAB drilling was carried out over 2 soil anomalies, the western anomaly was deemed to be colluvium related with no hardrock potential. The eastern anomaly was outside EL23536.

Northern Gold acquired a tenement from Talmina Trading covering part of EL23536 but no work was reported. Northern Gold then entered into a production agreement with Metana Minerals for alluvial gold, while still concentrating on evaluating the hardrock potential.

Oceania Exploration and Mining conducted an airborne geophysical survey and some geochemical sampling, but did not identify any anomalies.

Eastern Gold conducted a literature search. No further work was done as a JV partner could not be secured before licence expiry. Other work consisted of panning to determine hardrock and alluvial potential, particularly around the John Bull mine. The
last report stated ‘no hardrock or alluvial material was found’. Soil sampling outlined a broad 80ppb Au anomaly, which was downgraded after vacuum and shallow RC drilling.

Work by Bob Biddlecombe consisted of fossicking and rock chip sampling, with assay results indicating ‘the prospect of economic gold mineralisation is slight’.

Dominion Gold carried out soil sampling and Lag-scree sampling, plus interpretation of airborne geophysics and geological mapping. No targets warranting follow-up were found, and a couple of anomalous results from lag scree sampling were not confirmed with soil sampling.

Solomon Pacific Resources secured the most prospective areas under MCN’s after carrying out rock chip sampling and soil sampling.

Magnum Gold held a tenement for around a year and conducted limited soil sampling, which returned some anomalous samples to 33ppb Au.

Dominion drilled 99 vacuum holes within EL23536, at 50m spacings along 400m spaced lines. Maximum Au result was 10200 ppb Au in hole 94YCVR006, which confirmed a strong soil anomaly, and is in an area of sub-cropping rubbly ferruginous quartz veining in greywacke. Northern Gold drilled 269 RAB holes on a 20m x 100m pattern over the eastern part of EL23536, with most holes going to 4m depth in this area. Maximum Au result within EL 23536 was 2950 ppb Au in YCH01. RAB holes around 94YCRV006 had maximum values of around 22 ppb Au, but on the line 100m north YCW206 intersected 1750ppb Au.

Solomon Pacific explored the southern part of tenement in 1994-96. Work included collecting BLEG stream sediment sampling, and soil sampling which outlined a low-order gold anomalous zone covering a large catchment area (‘Inferno’ – approximately 94MGA52 768800E / 8505100N). Solomon Pacific also conducted vacuum drilling over the northern parts of the tenement. Acacia Resources took over Solomon Pacific in 1996, and did a regional aeromagnetic/radiometric survey.

Further work by Acacia outlined 3 anomalous areas from soil auger sampling, with a total of 512 samples collected within EL 23536. Geological mapping showed the Burrell Creek Formation float.

During 2003, the first year of grant of the tenement, exploration work by the Burnside Joint Venture initiated the structural analysis of the tenement setting. This was put into a regional context using SPOT and Magnetic images. During 2004-05, P. Harris examined the regional TMI, and identified an arcuate structure where the Fountainhead structure veers south and terminates/joins the Yam Creek shear (“ST002”).

From 2005 to 2007 work consisted of historic data compilation and field reconnaissance work to check hole locations for the purpose of database checking and validation. Some field mapping was also completed.
In September 2008 GBS Gold Australia went into voluntary administration. A review of the tenement identified the uranium potential of the project area, which led to identification of Lady Josephine prospect. A campaign of drilling, down-hole geophysical survey and assaying was undertaken by JV partner Thundelarra Resources in conjunction with GBS Gold Australia. In September-October 2008, 7 RC holes were drilled for 349 metres. A total of 136 drill hole samples were retrieved and assayed for U, Cu, Pb(2), Zn, Bi, Co, Ni, As, Ag, Th and V. RC drilling intersected a sequence of interbedded siltstones and litharenites (probably tuffaceous greywackes) assigned to the Burrell Creek Formation. Moderate to strongly anomalous uranium (up to 160 ppm over 1m) was intersected in holes 08PCRC014 and 08PCRC017.

During the 2009 to 2010 reporting period, after Crocodile Gold obtained all assets from GBS Gold Australia including EL23536, the tenement was reviewed, ranked and evaluated which suggested significant potential for uranium and gold mineralisation. High resolution aerial geophysical data was gathered over part of the tenement and a 50m x 50m soil survey was completed. A total of 113 soil samples were taken from B-horizon. Soil samples were analysed for a number of elements with the emphasis on gold, uranium and base metals. Gold values are generally low and many samples have below detection levels. These generally vary from 0.1 to 0.5 ppb. Base metals such as Cu and Ni concentrations are also low and many samples recorded below detection limit. However U concentrations vary from 0.85 to 10 ppm with an average of 3.20 ppm. It appears most of the samples were collected around Lady Josephine uranium prospect.

7 EXPLORATION ACTIVITY 29 JULY 2010 TO 15 JANUARY 2011

During the reporting period, JV partner Thunderlarra Resources completed reconnaissance mapping and drilled two RC holes into the Lady Josephine prospect.

TPCRC116 and 117 were drilled in response to the geophysical interpretation conducted in the previous year. Best results were recorded in TPCRC116 at a depth of 87m with 2m @ 156ppmU. TPCRC117 was not assayed. Figure 3 shows the RC holes drilled by Thundelarra Resources.

Reconnaissance mapping identified a fold hinge within the prospect area with an inferred north-easterly plunge. The inferred plunge of the fold can be linked to the uranium, mineralisation discovered at depth in TPCRC116.

A total of $48,792 was spent on EL23536 during the reporting period.
Figure 3: EL23536 RC holes drilled by Thundelarra Resources 2010
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, 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 EL23536. A review of all previous geochemical data will also be completed.

Thundelarra Resources plans to drill another RC hole at the Lady Josephine prospect. The hole will be drilled to the south-west to intersect the north-east plunging fold hinge (with potential mineralisation) identified in recent mapping.

A minimum budget of $12,000 has been proposed for EL23536.
9 REFERENCES


