BRIDGING REPORT

MLN's 809, 884-892; 993, 1000, 1027, 1053, 1062

MCN's 1014-1015; 1231-1232; 3422; 4299; 4860-4861

Burnside Project – Howley Group

1 January 2010 to 15 February 2011

Distribution:-

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

Marcelle Watson
September 2011

TABLE OF CONTENTS

1 EXECUTIVE SUMMARY

The Howley Group of tenements is one of the most significant projects within Crocodile Gold Australia's port folio. It is located approximately 140km SSE of Darwin, NT.

The tenements cover the southern sector of the Howley Anticline, an economically important fold structure that hosts many gold mines and prospects. These include the important Cosmopolitan Howley mine (Cosmo Deep) and its satellites including the Phantom, Chinese No. 1, Chinese No. 2, Mottrams, Chinese South and Big Howley. Most have been the subject of historic underground and more recently, open pit mining.

The Howley group covers a sector of the Howley Anticline, a macroscopic, west convex arcuate, asymmetric fold structure that has been mapped over a distance of 30 km from the Cosmo Howley gold mine in the south to Mount Paqualin in the north. Within the Howley area the fold has a moderate NW plunge (50 degrees, locally up to 75 degrees). This plunge reverses to southerly in the Bridge Creek area. Parallel fold axes lie east and west of the Howley structure, and there is evidence of strike-extensive SW-dipping thrust faulting affecting the tenement area. At the Cosmo mine the west limb of the fold dips moderately west while the east limb dips steep east at surface and passes through vertical to steep overturned at depth. Both limbs of the Howley Anticline, particularly the higher grade sub vertical northeast limb, and the axis of the fold have been mined by shallow underground methods and recently by open pit. Mineralised shoots plunge north-westerly within the favoured litho-structural setting, sub parallel to the local plunge of the Howley Anticline.

The principal mineralisation at Cosmo Howley is hosted by the Koolpin Formation, which is divided into Lower, Middle and Upper Members. The Lower Member is up to 250 m thick and consists of carbonaceous and micaceous mudstone and siltstone. The prospective Middle Member consists mainly of inter-bedded, carbonaceous mudstone, mudstone and iron formation (10-15% FeO including iron sulphide), and attains a thickness of up to 100m. The Upper Member consists of carbonaceous mudstone and varies in thickness from 50m-150m. Gold is found at various horizons within the Middle Koolpin but significant economic mineralisation has so far been confined to the uppermost ironstone and mudstone units known locally as I5, M4 and I4.

An extensive drilling program was conducted over the Howley group of tenements with 19 diamond holes and 209 RC holes drilled for a total of 46,199.46 metres. Results from the drilling were used to update mineralisation and geological wireframes, which were then used to update the Greater Howley and Cosmo Deeps resource models.

During the next reporting period, work on the Howley group of tenements will include a campaign of approximately 5,000m of RC drilling, most of which will focus around the Cosmo deposit, and this will include both surface and underground drilling. The recent update of the Cosmo Deeps resource model identified the Cosmo Deeps Western Lode as an area that requires further drilling. Results from the drilling will be used to update geological and mineral wireframes which will then be used to update the Cosmo Deeps resource model, with the aim being to increase ore resources and reserves.

2 INTRODUCTION

The Howley Group of tenements covers one the most important projects within Crocodile Gold Australia's portfolio in the Northern Territory and hosts the important Cosmopolitan Howley mine (Cosmo Deep) and its satellites including the Phantom, Chinese No. 1, Chinese No. 2, Mottrams, Chinese South and Big Howley. Most have been the subject of historic underground and more recently, open pit mining

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 mining project area was given the group reporting number GR-187/11. This report has been written to bridge the gap between the previous annual report ending 31 December 2009 and the new group Technical Reporting Anniversary of 15 February 2011.

In this report, exploration activity conducted between 1 January 2010 and 15 February 2011 is documented.

3 LOCATION AND ACCESS

The Howley Group tenements are located on the Burnside area on the Batchelor and Tipperary map sheets, between latitudes 13°29' south and 13°33' south and longitudes 131°20' east and 131°23'30" east. The project area is situated within Pastoral Lease No. 903, Douglas, held by Tovehead Pty. Ltd.

Access to the ground is via the old Stuart Highway (Dorat Road), which passes to the south of the tenements, then along existing access and hauls roads leading north from the Cosmo Howley mine area. A new access road has been constructed on the northern part of the project area which is connected to Stuart Highway, but it is restricted only company vehicles at present.

Figure 1 shows the location of the Howley group of tenements.

4 TENEMENT DETAILS

The tenements that comprise the Howley Group (formerly Burnside) are listed in Table 1 and comprise a total 1507.25ha. Territory Goldfields NL, which is a subsidiary of Northern Gold N.L. purchased the Howley (Burnside) tenements in late 1994 from Dominion Mining Limited. Following the finalisation of the Burnside Joint Venture, the management of the tenements passed to Burnside Operations P/L on 4 April 2002, which was acquired by GBS Gold Australia Pty Ltd in 2005.

GBS Gold Australia went into voluntary administration on 15 September 20058 and all exploration and mining assets were placed under care and maintenance. Crocodile Gold Australia Pty Ltd purchased all assets held by GBS Gold Australia (liquidated) including Howley Group of tenements on 9 November 2009, and commenced exploration and mining activities in the region.

Tenement	Grant Date	Expiry Date	Area (ha)
MLN 809	1/11/1974	31/12/2011	8.09
MLN 884	13/03/1980	Renewal - lodged	8
MLN 885	13/03/1980	Renewal - lodged	8
MLN 886	13/03/1980	Renewal - lodged	8
MLN 887	13/03/1980	Renewal - lodged	8
MLN 888	13/03/1980	Renewal - lodged	8
MLN 889	13/03/1980	Renewal - lodged	8
MLN 890	13/03/1980	Renewal - lodged	8
MLN 891	13/03/1980	Renewal - lodged	8
MLN 892	13/03/1980	Renewal - lodged	8
MLN 993	4/11/1986	3/11/2011	567
MLN 1000	2/03/1989	1/03/2014	242.3
MLN 1027	2/11/1988	3/11/2011	47.27
MLN 1053	27/06/1989	26/06/2019	365.2
MLN 1062	2/11/1988	1/11/2013	55.43
MCN 1014	25/06/1986	31/12/2013	15.5
MCN 1015	25/06/1986	31/12/2013	15.5
MCN 1231	20/11/1986	19/11/2016	12
MCN 1232	20/11/1986	19/11/2016	11.61
MCN 3422	9/10/1989	31/12/2018	3.68
MCN 4299	5/08/1992	5/08/2017	20.2
MCN 4860	25/11/1994	31/12/2014	34.62
MCN 4861	25/11/1994	31/12/2014	36.85

Table 1: Howley GroupTenement Details

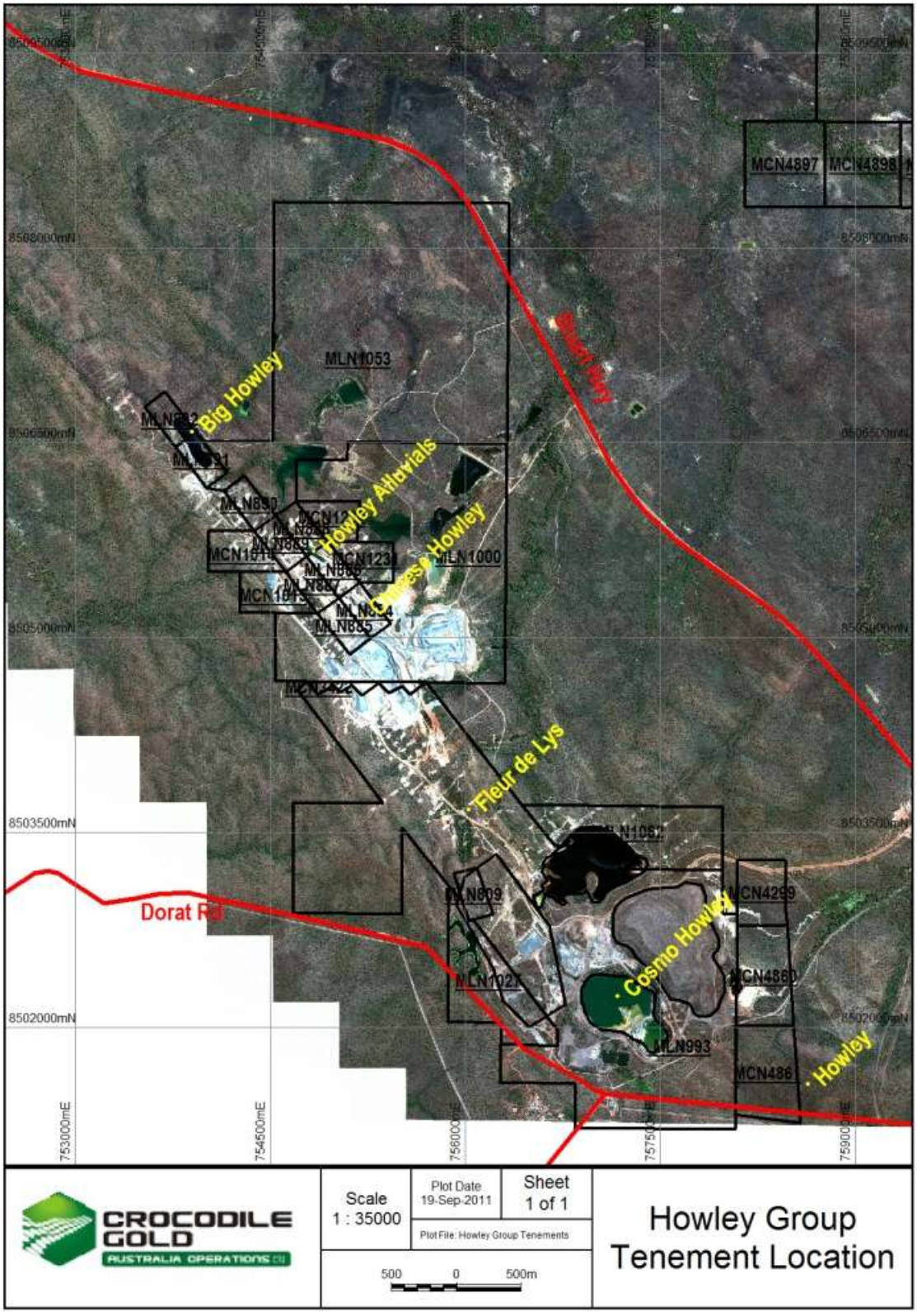

Figure 1: Howley Group Tenements Location

5 GEOLOGICAL SETTING

5.1 REGIONAL GEOLOGY

The howley group of tenements are situated within the Pine Creek Geosyncline, 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 inter-layered cherty tuff units. Pre-orogenic mafic sills of the Zamu Dolerite event (~1.87Ga) intruded formations of the South Alligator Group. 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 batholiths into the sequence in the period ~1.84-1.80Ga. 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 Geosyncline 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.

Regionally 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. Dated at ~1740Ga (Sener 2004) the gold events post dated the Pine Creek Orogeny and Cullen intrusive events and has favoured suitable litho-structural sites in the biotite-hornfels contact facies.

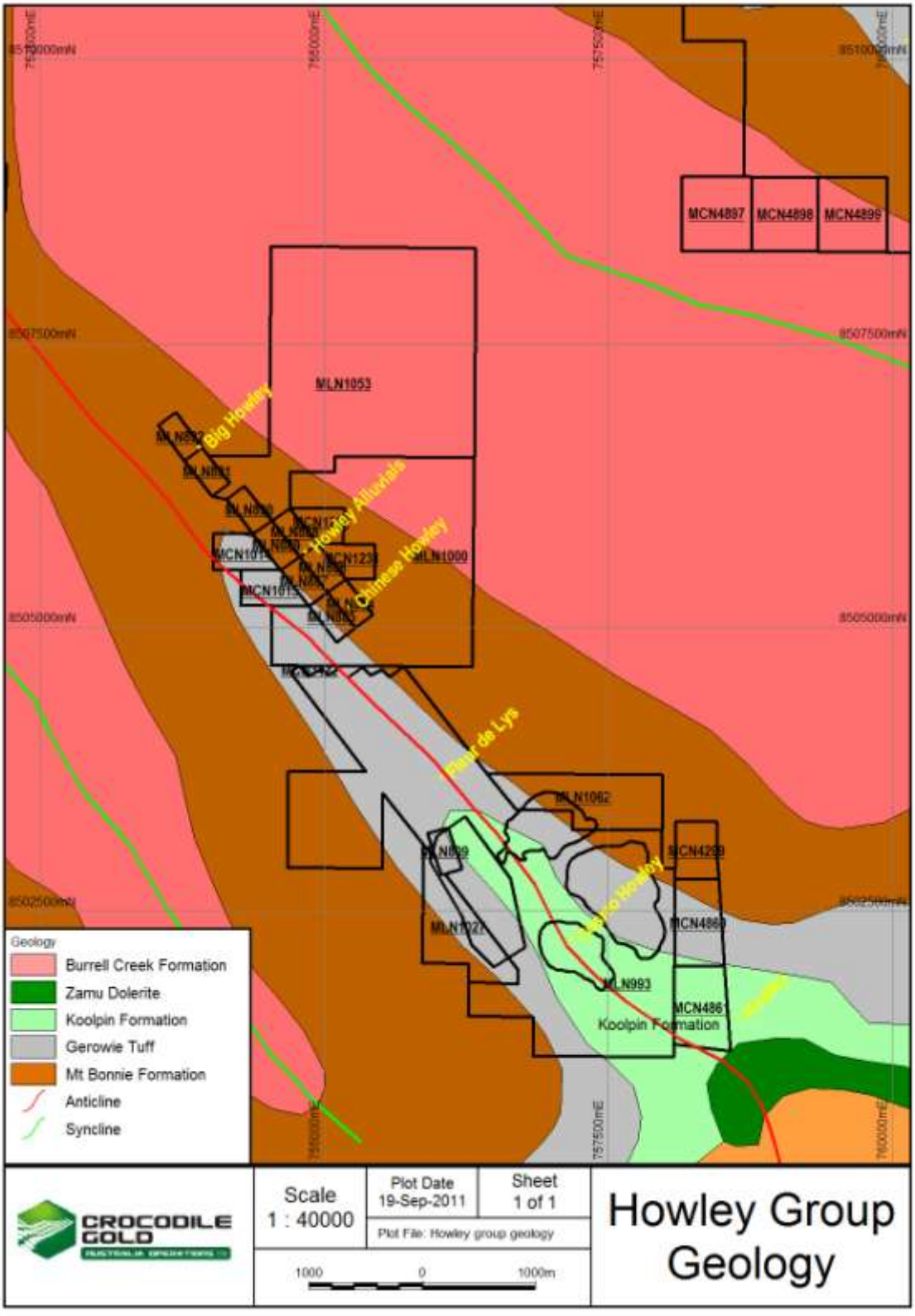

Figure 2: Howley Group Tenement Geology

5.2 LOCAL GEOLOGY

The Howley group covers a sector of the Howley Anticline, a macroscopic, west convex arcuate, asymmetric fold structure that has been mapped over a distance of 30 km from the Cosmo Howley gold mine in the south to Mount Paqualin in the north.

Within the Howley area the fold has a moderate NW plunge (50 degrees, locally up to 75 degrees). This plunge reverses to southerly in the Bridge Creek area. Parallel fold axes lie east and west of the Howley structure, and there is evidence of strike-extensive SW-dipping thrust faulting affecting the tenement area. At the Cosmo mine the west limb of the fold dips moderately west while the east limb dips steep east at surface and passes through vertical to steep overturned at depth. Both limbs of the Howley Anticline, particularly the higher grade sub vertical northeast limb, and the axis of the fold have been mined by shallow underground methods and recently by open pit. Mineralised shoots plunge north-westerly within the favoured litho-structural setting, sub parallel to the local plunge of the Howley Anticline.

The principal mineralisation at Cosmo Howley is hosted by the Koolpin Formation, which is divided into Lower, Middle and Upper Members. The Lower Member is up to 250 m thick and consists of carbonaceous and micaceous mudstone and siltstone. The prospective Middle Member consists mainly of inter-bedded, carbonaceous mudstone, mudstone and iron formation (10-15% FeO including iron sulphide), and attains a thickness of up to 100m. The Upper Member consists of carbonaceous mudstone and varies in thickness from 50m-150m. Gold is found at various horizons within the Middle Koolpin but significant economic mineralisation has so far been confined to the uppermost ironstone and mudstone units known locally as I5, M4 and I4.

The I5 Unit comprises upper and lower members, separated by a pelletal mudstone. The lower member (6-12m) has at its base a siliceous unit usually recrystallised into oval shaped chert nodules, overlain by a silicate facies banded iron formation. The later is a green schist metamorphic assemblage of chlorite-actinolite with lesser amounts of mica, quartz, garnet, graphite and fine grained pyrite. The silicate facies BIF is overlain by inter-bedded and intermixed mudstone and silicate BIF with actinolite content decreasing with an increase in micaceous minerals. The “pellet marker” is a one metre thick carbonaceous mudstone and is characterised by randomly oriented ellipsoidal pellets about 5mm long. The upper I5 member varies in thickness from 8-12 m and comprises a silicate facies BIF which is overlain by an intermixed iron formation-mudstone unit which in-turn is overlain by silicate facies BIF with a siliceous top.

The M4 Unit is 20 m thick and is predominantly a mudstone assemblage with several intercalated ‘iron formation’ beds up to 2 m thick. The mudstone varies from micaceous to chloritic to carbonaceous. The inter-bedded iron formations range in composition from almost pure chert to silicate facies BIF dominated by actinolite.

The I4 Unit immediately underlies the M4 mudstone and is usually 4-6 m thick. It consists of silicate facies BIF comprising laminated chlorite-actinolite with minor chert nodules. Gold is associated with quartz-sulphide veining in bedding-parallel or cross fracture and radial sites, complex dilational stock-work style settings and as saddle reef style bodies. Pyrite and or pyrrhotite with arsenopyrite are the most common introduced sulphides and minor chalcopyrite has been reported. Fine grained pyrite is dispersed through the whole sequence and generally aligned with the cleavage. The BIFs contain about 5-15% pyrite, mudstone to 10% and carbonaceous mudstone 5-30%. Thin “beds”

of fine prismatic arsenopyrite occur within the BIFs. Silicification and chlorite alteration are in close association with the gold event which is considered to be epigenetic and superimposed on pre-existing, reactivated structures. Lesser, but significant amounts of gold are associated with structures hosted by the Middle Member of the Gerowie Tuff (Chinese Howley, Big Howley). Lesser occurrences are hosted by Mt Bonnie Formation silt-greywacke settings. Structural features are considered to be the primary controls, with interactive lithology a close second.

Figure 3 shows a diagram of the Cosmo/Howley lithological units.

To the south of Cosmo Howley, the fold has a core of Wildman Siltstone, the upper unit of the Mt Partridge Group that has been domed and intruded by the Fenton Granite. Biotite alteration, andalusite spotting, tourmalinisation and garnet are associated with the thermal aureole of the local granites, a few of which are believed to be non outcropping, their presence suggested only by their thermal or geophysical signatures. The late stage granites have had the effect of warping the fold axes and refracting the later phases of faulting.

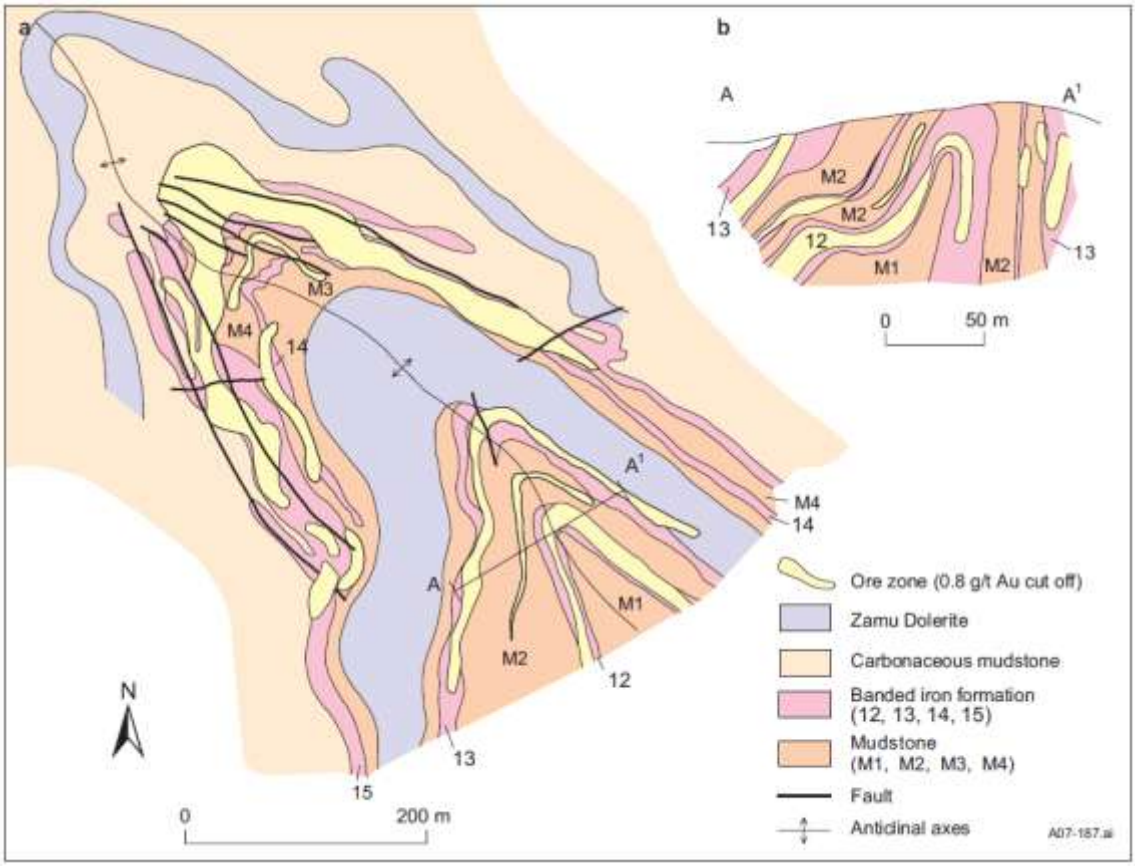

Figure 3: Cosmo/Howley lithological units

6 **PREVIOUS EXPLORATION**

Gold was discovered at Cosmo Howley in 1873, during the construction of the Adelaide to Darwin overland telegraph. The mine was worked by the Chinese from 1892 to 1903 with an approximate production of 34,000 oz from ore averaging 22.0g/t Au.

During the 1950's the BMR drilled several deep core holes to evaluate the underground potential of the mine. The first major assessment of the property was undertaken by Homestake-Damco (BHP) from 1975-79. Some 38 diamond holes totaling 6,000m were completed.

In 1982, the Golden Dyke Joint Venture (GDJV) partners, Geopeko-Anaconda, optioned the property from Homestake-Damco and drilled a further 21 diamond holes totaling 6,500 m. They tested the main deposit to depths between 300 m and 600 m. The GDJV partners sold on their option on the property to Regent-Southern Goldfields joint venture in 1984. Dominion Mining Ltd acquired 50% interest in 1985 by exercising the option to purchase from Homestake-Damco. The Regent-Southern-Dominion joint venture drilled a further 60 diamond holes for 6,000m. To 1988 the open pit and underground potential of the deposit had been tested by a total of 164 diamond holes for 17,500m. In late 1987 Dominion Mining Ltd started heap leach production from oxide open pits at Cosmo Howley. CIL treatment of open pit ores from Cosmo, Phantom, Chinese South, Chinese Howley, and Big Howley commenced in November 1988.

Between 1986-1990 alluvial gold mining was conducted in the Chinese Howley East area by Metana Mining under agreement with the tenement holders, Northern Gold N.L. Territory Goldfields N.L which is managed by Northern Gold N.L acquired the operations in late 1994. Mining and milling was suspended in April 1995 after production of 6.94Mt @ 2.14g/t Au. During 1996 Northern Gold N.L re-established grids and conducted RAB drilling and RC drilling. RAB drilling was undertaken in order to identify areas of bedrock mineralisation away from the existing pits which showed anomalous soil results. A total of 284 RC drill holes were completed for 22,972m. Drilling was undertaken in order to determine the extent and style of bedrock mineralisation around the existing open cuts. Bulk density determinations were completed on 146 RC samples. These samples were a representative sample of the drilling completed (Glassock, 1997a). Several resource estimates were also completed using RC and diamond core data. During 1997 Northern Gold N.L. completed an RC drilling program over MLN 884, MLN 885, MLN 993, MLN 1000 and MCN 3422. A total of 33 holes were drilled for 2,585m. A block model was constructed of the Cosmo Howley mineralised zone using a three dimensional geological solid to constrain the block modelling process. A top cut of 15 g/t Au was used.
The block model gave a resource outside the existing pit at a 2.5 g/t cut-off and to 535 RL as follows: Cosmo Howley Tonnes g/t Au - Measured 1,515,850 @ 5.03 g/t Au, Indicated 656,910 @ 5.15 g/t Au, Inferred 449,190 @ 5.00 g/t Au, with a total of 2,621,950 @ 5.05 g/t Au.

During 1998 exploration Northern Gold N.L completed infill soil sampling over Chinese Howley West, drainage channel rock chip sampling at Fleur de Lys and RC drilling programs and rock chip sampling over Chinese Howley. 84 Soil samples were collected at 50 m intervals along eleven, 200 m spaced lines over Chinese Howley West. One additional line was completed, approximately 600 m north-west of the soil lines. Analysis was for Au, using FALL method, and Ag, As, Cu, Pb and Zn, using G400M method [Assaycorp].

Rock chip samples were collected from outcrop within the Chinese Howley area. Extensive channel/costean sampling was carried out along two drainage channels south of the Fleur De Lys Prospect, to follow up encouraging rock chip sampling results. A total of 123 samples were collected over a length of 327m from the two drainage trenches. Composite samples were collected over 3 metre intervals from Trench 1, and composite 3 metre samples, with additional 1 metre composite samples from 162 m to 183 m, were collected from Trench 2. Northern Gold N.L. also completed a program of RC drilling at Chinese Howley to test mineralisation in the continuing southerly extension of Chinese Howley, both in the hinge zone and in the strike extension of the No.3 pit, and to infill resource drilling at the north end of Chinese Howley. The RC drilling program consisted of 37 holes completed for a total of 2,551m.

During 2000 Northern Gold N.L. completed wire framing and resource modelling of Chinese Howley. The entire Burnside area was re-evaluated and re-interpreted, following the latter phase of RC drilling. Three dimensional models of the geology and mineralogy were wire framed using Gemcom software. This data was then passed to Scoffield and Hellman for resource block modelling, using Multiple Indicator Kriging and 0.7g/t cutoff. Chinese Howley Deposit Tonnes g/t Au - Measured 3,200,000 @1.55 g/t Au, Indicated 2,800,000 @1.42 g/t Au, Inferred 3,250,000@1.45 g/t Au, with a total of 9,250,000 @1.48 g/t Au.

During 2001 work was limited to care and maintenance, rehabilitation and reviews.

During 2002 reverse circulation drilling programs were completed at Chinese South Extension and Mottrams by the Burnside Joint Venture. This work totalled 110 holes for an advance of 6,656 m. Computer wire frame modelling and resource reports were completed on both deposits. Work commenced on the Cosmo Deeps geological and resource models. In 2003 work on the tenement group comprised three dimensional block modelling and resource reporting (Cosmo Howley, Mottrams, Chinese South Extension), reverse circulation drilling (2 pre-collars at Cosmo for 266m) and one RC hole at Fortress for 78m (FOR001). The indicated mineral resource at Cosmo Howley was calculated at 1.02Mt @ 4.76g/tAu to 885mRL. At Chinese South Extension, the indicated and inferred mineral resource totalled 506,185t @ 2.16g/t Au. The Mottrams deposit totalled an indicated and inferred mineral resource of 824,745t @ 1.60g/t Au. Following the geologically constrained wire framing and modelling, exploratory and resource definition diamond core drilling was initiated late in the year at Cosmo Howley. A total of 2 holes for 598.3 m of coring was completed by year's end. (CNT002, 136m-229.3m, CNT005, 130m-369m).

In 2004 the joint venture undertook pre-collared diamond core drilling plus wire frame and resource block modelling at Cosmo Howley, and resource reviews and modeling at Mottrams and Chinese South Extension. The first stage of the Cosmopolitan Howley "deeps" resource definition diamond drilling program was initiated in late 2003. This was completed mid-year and stage two was completed in the second half of 2004. The program had the objective of advancing the state of understanding of the distribution, grade and structure of the deposit beneath the Cosmo open pit, and particularly of the higher grade, steep to overturned, east limb of the anticlinal structure. A stratigraphically contained resource model was released in November 2004, giving a Total Resource (Indicated and Inferred) of 7,507,300t @ 4.3g/t Au for 1.0389Moz Au. A consultant geologist undertook a technical review of the Mottrams and Chinese South Extension

gold deposits located to the north west of Cosmo Howley (MLN889, MCN1014, MCN1015).

During 2005, work continued to evaluate gold mineralisation in the project area. Drilling was designed to further define the resource, test geological interpretation to explore further gold mineralisation. Salient features of the exploration program were the identification of structurally controlled lode mineralisation which can be present at depth. Similar structural regime can exist on the western limb, providing additional targets for further exploration. A total of 3462 m of RC/Diamond drilling was carried out. 2370 drill hole samples were retrieved and analysed for gold, whereas specific gravity of 228 samples was reported. A new resource model of mineralisation using the drilling was completed. In addition, data from old reports were loaded into DataShed.

In 2008 reporting year, an extensive drilling campaign targeting gold and uranium mineralisation was undertaken. Work also concentrated on resource definition with infill drilling, assaying and density testing. RC drilling at the “Big Pit” identified significant gold mineralisation which led to a new resource model. In addition, another drilling campaign by Thundelarra focused on delineating uranium mineralisation (7 RC drill holes for 512 meters). A radiometric survey was conducted and samples retrieved during drilling were assayed for uranium and base metals.

During 2009, geological interpretation/modelling, drilling, assaying and resource update on the Howley project area was undertaken. It involved 81 RC drill holes for 12,013 metres and a diamond hole for 680 metres. The results led to an update of the resource model with an increase in gold resources, as well as drill target generation for areas that are yet to be tested.

7 EXPLORATION ACTIVITY 1 JANUARY 2010 TO 15 FEBRUARY 2011

An extensive drilling program was conducted over the Howley group of tenements with 19 diamond holes and 209 RC holes drilled for a total of 46,199.46 metres. Results from the drilling were used to update mineralisation and geological wireframes, which were then used to update the Greater Howley and Cosmo Deeps resource models.

Figure 4 and Figure 5 illustrate the holes drilled over the Howley Group of tenements. Table 2 lists the number of holes drilled on each Howley tenement. Table 3 lists the expenditure for each tenement.

A total of $7,430,711 was spent on the Howley group of tenements during the reporting period.

Greater Howley Resource Model

A review of the Greater Howley resource model (Big Howley & Mottrams, Howley East Lodes, Howley West Lodes and Howley South) was completed by Crocodile Gold geologists with the assistance of Geostat (Odessa Resources). There had been no resource updates completed on the Howley trend for several years, mainly due to the complex nature of the mineralisation and the sheer size of the deposit.

It was decided that the models needed a complete update for several reasons; these being:

- The poor reconciliation with the milled grade. During the time that the Howley pit supplied the majority of ore to the mill, the model performed poorly, suggesting fewer tonnes at higher grade. It was not possible to replicate this in the pit; therefore a new interpretation was required.
- The wireframes were generated using a lower cut of 0.7g/t Au which is identical to the lower cut for Low Grade ore. It was decided that this lower cut should be lowered to remove the possibility of artificially influencing the model at high grades.
- A greater understanding of the geology and structures has been gained through mining, leading to improved accuracy of the new interpretations.
- The deposit had not been interpreted as one overall package for many years, with wireframes compiled for separate areas by different authors. It was decided to generate a new set of wireframes which was complete from north to south. This set was then finalized and validated by Geostat.
- An updated set of wireframes will also provide a new and current set of information to the mining team to assist with hole planning and mine scheduling.

New geological and mineralogical interpretations were generated for the deposit. Geological modelling and wireframing used downhole lithological logging and surface structural mapping and interpretations. The new geological wireframes were then used to delineate the mineralogical wireframes. A total of 205 wireframes were created for the Howley deposit using 0.4g/t Au cut-off.

Further work on the resource model update included; compositing assay intervals, applying top cuts to selected lodes and domaining for the purpose of variography and the block modelling process. A 3D block model of the Howley deposit (Greater Howley Project) was generated using Surpac software. A separate block model was created for the Big Howley deposit, since the Big Howley deposit is located 500m north of the main Howley deposit.

The Howley resource update calculated an Indicated resource of 6.6Mt @ 1.20g/t Au (259,000 oz).

The Mottrams resource model update calculated and Measured resource of 278Kt @ 1.30g/t Au (11,200oz) and an Indicated resource of 1.55Mt @1.20g/t Au (60,900oz)

Cosmo Resource Model

A review of the Cosmo Deeps resource model was completed by Crocodile Gold geologists with the assistance of Geostat (Odessa Resources).

The aim of this work was to update the geostatistical kriged resource of the Eastern Lodes Cosmo Deeps underground orebody, using updated mineral and geological wireframes. New geological and mineralogical interpretations were generated using downhole lithological logging information from recent drilling as well as surface structural mapping and interpretations. The new geological wireframes were then used to delineate the mineralogical wireframes. Three main lodes were delineated corresponding to an approximate 20g/m Au cut-off.

Further work on the resource model update included; compositing of assay intervals and data declustering, statistical analysis of Au composites and applying top cuts, and domaining for the purpose of variography and the block modelling process. A 3D block model of the Cosmo Eastern Lodes was generated using Surpac software.

The Cosmo Deeps resource model update calculated an Indicated resource of 5.3Mt @ 4.6g/t Au (776,000oz).

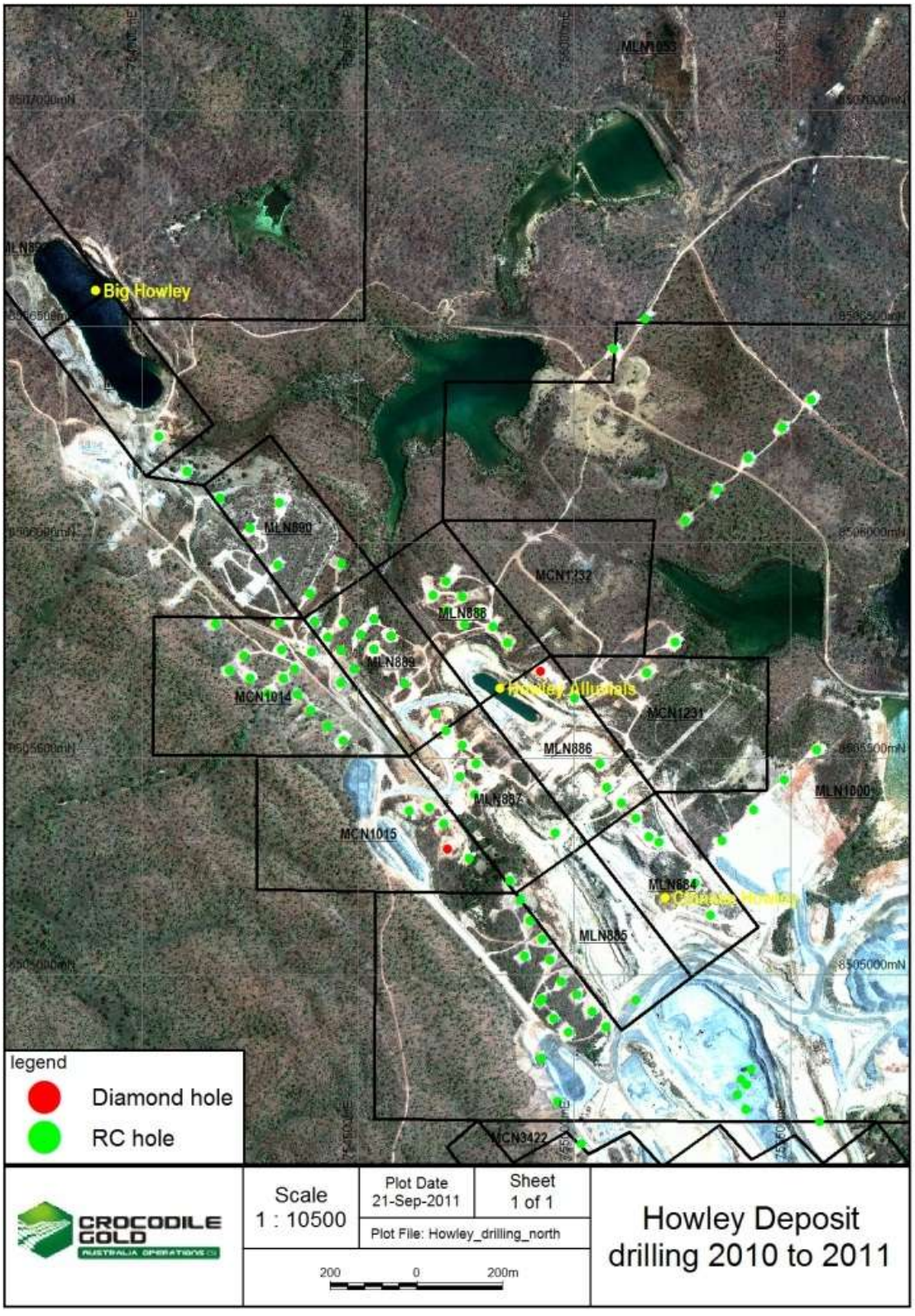

Figure 4: RC and Diamond drilling conducted over the Howley Group of tenements

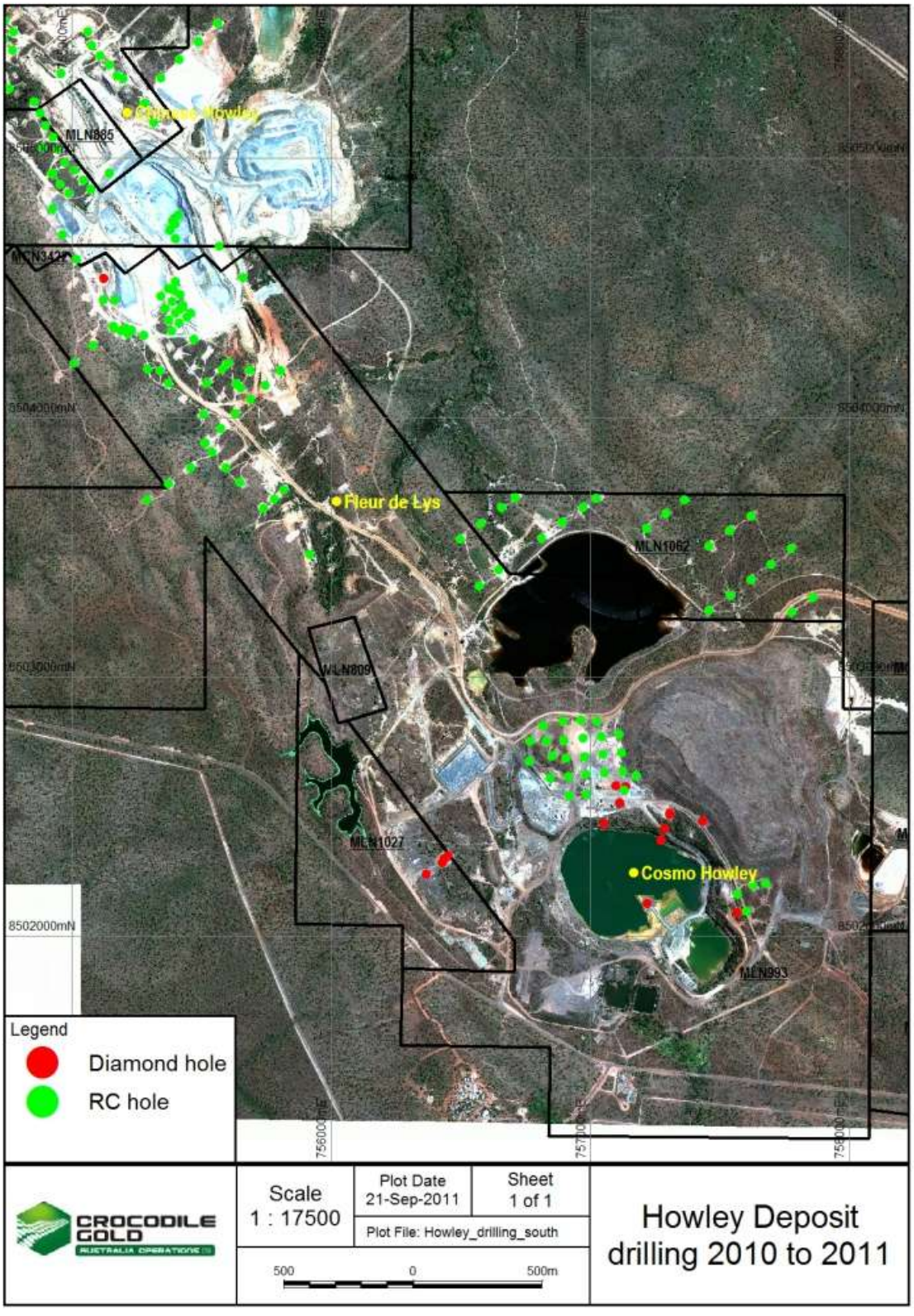

Figure 5: RC and Diamond drilling conducted over the Howley Group of tenements

Tenement	RC holes	Diamond holes
MLN809	-	-
MCN4299	-	-
MCN4860	-	-
MCN4861	-	-
MLN884	5	-
MLN885	3	-
MLN886	3	1
MLN887	8	-
MLN888	8	-
MLN889	13	-
MLN890	7	-
MLN891	1	-
MLN892	-	-
MCN1231	1	-
MCN1232	-	-
MLN993	86	13
MLN1000	30	-
MCN3422	-	-
MLN1027	-	4
MLN1053	3	-
MLN1062	23	-
MCN1014	15	-
MCN1015	3	1
TOTAL	209	19

Table 2: Total number of RC and Diamond holes drilled on each tenement

Tenement	Expenditure
MLN809	$250
MCN4299	$250
MCN4860	$500
MCN4861	$500
MLN884	$101,135
MLN885	$128,188
MLN886	$137,951
MLN887	$88,931
MLN888	$55,860
MLN889	$246,489
MLN890	$156,940
MLN891	$97,742
MLN892	$9,812
MCN1231	$25,270
MCN1232	$500
MLN993	$3,864,467
MLN1000	$953,609
MCN3422	$395
MLN1027	$630,056
MLN1053	$26,216
MLN1062	$279,216
MCN1014	$474,642
MCN1015	$151,792
TOTAL	$7,430,711

Table 3: Howley Group tenement expenditure 2010 to 2011.

8 FORWARD PROGRAM YEAR ENDING 15 FEBRUARY 2012

These tenements now form part of the Burnside Exploration project for both exploration activities, mining and for group reporting. Exploration activities for the Burnside 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.

During the next reporting period, work on the Howley group of tenements will include a campaign of approximately 5,000m of RC drilling, most of which will focus around the Cosmo deposit, and this will include both surface and underground drilling. The recent update of the Cosmo Deeps resource model identified the Cosmo Deeps Western Lode as an area that requires further drilling. Results from the drilling will be used to update geological and mineral wireframes which will then be used to update the Cosmo Deeps resource model, with the aim being to increase ore resources and reserves.

A minimum budget of $500,000 has been proposed for the Howley group of tenements.

9 **REFERENCES**

Ahmad, M., Wygralak, A.S., Ferenczi, P.A., and Bajwah, Z.U. 1993. Explanatory Notes and Mineral Deposit Data Sheets. *1:250,000 Metallogenic Map Series, Department of Mines and Energy, Northern Territory Geological Survey*

Bajwah, Z.U., 2010, Annual Exploration Repport MLN's 809, 884-892; 993, 1000, 1027, 1053, 1062 MCN's 1014-1015; 1231-1232; 3422; 4299; 4860-4861
For Period Ending 31 December 2009, Howley Tenement Group Burnside Project NT. *Crocodile Gold Australia Annual report submitted to DoR.*

Edwards, M., Gerritsen, H., Muller, F.L., 2011, Report on the Mineral Resources & Mineral Reserves of the Northern Territory Gold and Base Metals Properties, For Crocodile Gold Corp, April 4th 2011. Pages 207 to 240.