ANNUAL GROUP REPORT - REVISED

EL’s 10367, 10368, 10382, 22206, 22232, 23172, 23173, 23174, 23178, 24150, 24151, 24288, 24682, 23200 and 25348

Mt Bundy Project

For Period Ending 15 December 2011

Distribution:-

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

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Marcelle Watson
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1 EXECUTIVE SUMMARY

The Mt Bundy group of exploration tenements are located about 90 km SE of Darwin, along the Arnhem Highway. The licences were originally granted to Renison Consolidated Mines NL, in 2003 and the project was then known as the Au Quest Project. GBS Gold Australia acquired the tenements in 2007 until going into voluntary administration in 2008. On 6 November 2009, Crocodile Gold Australia acquired the Mt Bundy exploration licences after purchasing all assets held by GBS Gold Australia (liquidated).

The Mt Bundy project area encompasses a suite of meta-sedimentary rocks belonging to the Mt Bonnie Formation and the Burrell Creek Formation. These comprise brown to grey-green, thickly bedded to massive, fine to coarse feldspathic meta-greywacke with graded bedding in places and minor lenses of volcanolithic pebble conglomerate; brown to grey, laminated phyllite, slate and mudstone and minor quartz-mica schist.

A review of the Mt Bundy exploration tenements was conducted during the reporting period and some reconnaissance field visits were also carried out. Mercator database consultants assisted with creating a new reporting database for all Crocodile Gold exploration and mining reports. Scanning and collation of historic reports was also carried out at the Brock Creek exploration office where the document library is located. Taiga geological consultants were also used to assist with a historic geophysical data review.

Rum Jungle Uranium Pty Ltd focused exploration activities on EL10382 and EL25348 (previously SEL25348) completing several campaigns of geological mapping. Rum Jungle had planned to drill a total of 11 holes over these tenements however the MMP had not yet been approved and drilling could not commence. 5 holes were pegged at Anniversary Breccia West and another 2 holes pegged at Anniversary Breccia South, a new target anomalous in U and Cu. A further 4 holes were also pegged and Toms Gully West on EL25348, over an ironstone outcrop identified by geological mapping.

During the 2012 exploration year, activities will include an ongoing review of historic geochemical and geophysical data, reconnaissance field visits and geological mapping. Rock chip and soil sampling may be conducted if targets are identified. Work on the new reporting database will continue as well as the collation and scanning of historic documents. Rum Jungle will complete a campaign of RC drilling over EL10382 and EL25348 targeting uranium and base metals anomalies.
2 COPYRIGHT

This document and its content are the copyright of Crocodile Gold Australian Operations (CGAO). The document has been written by Marcelle Watson for submission to the Northern Territory Department of Resources as part of the tenement reporting requirements as per Regulation 87 of the Minerals Titles Act.

Information discussed in this report pertaining to the exploration conducted by a joint venture partner, has been done so with the full knowledge of the JV Company; in this case Rum Jungle Resources Pty Ltd.

Any information included in the report that originates from historical reports or other sources is listed in the “References” section at the end of the document.

This report may be released to open file as per Regulation 125(3)(a).
3 INTRODUCTION

The Mt Bundy group of exploration tenements are located about 90 km SE of Darwin, along the Arnhem Highway. The licences were originally granted to Renison Consolidated Mines NL, in 2003 and the project was then known as the Au Quest Project. GBS Gold Australia acquired the tenements in 2007 until going into voluntary administration in 2008. On 6 November 2009, Crocodile Gold Australia acquired the Mt Bundy exploration licences after purchasing all assets held by GBS Gold Australia (liquidated). Rum Jungle Uranium Limited has the rights to explore for uranium under an agreement with Crocodile Gold.

Crocodile Gold Australia applied for group technical reporting status on the group of tenements comprising the Mt Bundy project area. This was approved by Department of Resources in December 2010 and the Mt Bundy project area was given the group reporting number GR-184/11.

In this report, exploration activity conducted from 16 December 2010 to 15 December 2011 is discussed.

4 LOCATION AND ACCESS

The Mt Bundy tenements are situated 90km SE of Darwin NT along the Arnhem Highway. Access to the various tenement is via the Rustler’s Roost access road leading from the Arnhem Highway, and then via secondary tracks. These tracks provide good access for 4WD vehicles during the dry season, however these tracks become impassable after heavy rain, and therefore no access is possible throughout the wet season.

The Mt Bundy tenements fall within the Darwin 1:250,000 mapsheet and on the Noonamah 1:100,000 mapsheet.

Figure 1 shows the Mt Bundy tenement group location.

5 TENEMENT DETAILS

The Mt Bundy group of exploration tenements were originally granted to Renison Consolidated Mines NL from 2002 to 2007. GBS Gold Australia Pty Ltd acquired all tenements of the Mt Bundy exploration group on 25 July 2007. Due to financial difficulties, GBS Gold Australia went into voluntary administration in September 2008 and all assets were placed under care and maintenance. On 6 November 2009, Crocodile Gold Australia purchased all assets held by GBS Gold Australia (liquidated) in the Northern Territory. Rum Jungle Uranium Limited has the rights to explore for uranium over the Mt Bundy tenements in agreement with Crocodile Gold Australia.

Table 1 lists the Mt Bundy group tenement details.
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Table 1: Mt Bundy group tenement details.
Figure 1: Mt Bundy Group Tenements Location
6 GEOLOGICAL SETTING

6.1 REGIONAL GEOLOGY

The Mt Bundy group of exploration tenements are 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 inter-layered 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).
6.2 LOCAL GEOLOGY

The Mount Partridge Group is represented by the Wildman Siltstone, which is interpreted to be up to 1500m thick. In the Mt Bundy Region the Wildman Siltstone consists of laminated and banded shale, carbonaceous and often pyritic siltstone inter-bedded with undifferentiated volcanics in up to 100m interbeds, minor dolomitic sediments may also be present. The sediments near the granite intrusion may also be hornfelsed. The Wildman Siltstone is interpreted to be prospective for large tonnage, low-grade gold deposits and small tonnage, high-grade deposits. Wildman Siltstone hosts the Tom’s Gully gold deposit.

The Koolpin Formation, Gerowie Tuff and the Mount Bonnie Formation represent the South Alligator Group. The rocks of the South Alligator Group are considered to be prospective for either large tonnage, low grade gold deposits (such as that at the nearby Rustler’s Roost gold mine) or small tonnage, high grade deposits.

The Koolpin Formation comprises ferruginous siltstone and shale, which is commonly carbonaceous and pyritic. Chert bands and nodular horizons are common and lenses of ironstone occur occasionally, as haematitic breccias throughout the sequence into undisturbed quartz-veined siltstone and shale. Minor components of dolomite can also occur. The Koolpin is one of the most prospective units in the Mt Bundy Region for hosting mineralisation (West Koolpin, Taipan, BHS and North Koolpin Open Pits at Quest 29) are all within Koolpin sediments.

The Gerowie Tuff conformably overlies the Koolpin and has similar characteristics of siltstones and shales but is not as iron rich. Within the Mt Bundy Region it is dominated by graded beds of siliceous tuffaceous mudstones grading to greywacke and arenite, diagenetically altered, up to 600m thick, and generally poorly mineralised. The highly
siliceous component of the tuffs and arenites make them resistant to erosion, and they tend to form areas of high relief.

The Mount Bonnie Formation conformable overlies the Gerowie Tuff and is dominated by a shallow marine sequence of interbedded and graded siltstone, chert and greywacke with occasional BIF’s. The unit can be up to 600m thick and is generally iron rich and may be siliceous in places. The Mount Bonnie Formation hosts the Rustler’s Roost deposit.

Conformably overlying the Mount Bonnie Formation is the Burrell Creek Formation interpreted as a sequence of fine to coarse marine sediments and appears to be part of continuous sedimentation process. Due to the lack of marker horizons and poor exposure the width of the unit is unknown but is thought to be >1000m. This Formation is considered prospective for large low-grade gold deposits and has the potential for small high-grade deposits. High-grade deposits such as Bandicoot, Marrakai and the Ringwood deposits all lie on a major deep-seated magnetic trend (Hall, 2007).

The Zamu Dolerite occurs as small bodies that are poorly exposed, as a result of its weathering, some rubble boulders may be present at surface. It consists of altered quartz dolerite and gabbro and is generally narrow and broadly conformable to bedding as thin sills. The Zamu Dolerite is the only known suite of mafic intrusives that were emplaced prior to regional metamorphism and deformation. The Zamu Dolerite appears to have a controlling influence on the mineralisation at Quest 29 within the Koolpin sediments but this is not fully understood at this stage. Mineralisation is also hosted within this unit at Quest 29 and also at Chinese Howley.
7 PREVIOUS EXPLORATION

Prior to the grant of the current Mt Bundy exploration licences the earliest known record of exploration in the area was briefly undertaken by Australian Geophysical Pty Ltd. From 1967 – 1971 exploration activities included geochemical and geophysical surveys and some limited RAB drilling, primarily looking for uranium and base metals with no recorded success.

During the early 1970’s exploration within the region was undertaken by Geopeko. Interpretation of new BMR aeromagnetic and radiometric survey data, collected in 1970, outlined a large number of potential target areas throughout the region, which were subsequently investigated by ground based geophysics, geochemical sampling, stream sediment sampling; soil geochemistry; rock chipping, geological mapping, costeaneing, and limited drilling. These sampling programs identified several uranium and base metal anomalies. These anomalies were dubbed “Quest” numbers for identification and became the focus of Geopeko’s exploration activities for some six years.

Further work was also conducted by Optimal Mining/ ACA Howe Australia and then by Aquitaine Australian Minerals/ Pan D’Or Mining/ Jimberlana Mining during the early 1980’s. Continuing through the 1980’s, the Mt Bundy area was also explored by Australia Coal and Gold Holdings, Euralba Mining/Burmine/ Carpentaria Gold Joint Venture.

Carpentaria Gold discovered the Tom’s Gully deposit in 1987, from stream sediment sampling. They continued the exploration campaign throughout the Mt Bundy project area for a number of years, however had limited success, only finding very small scale prospects. Further exploration was also conducted by Cyprus Gold Australian Corporation/ Greenbushes/ Moline Joint Venture. During the late 1980’s and into 1990 Western Mining Corporation used stream sediment sampling, trenching, and drilling to explore for gold and base metals. Additional work was also completed by Normandy Exploration, Mount Isa Mines and Poseidon Exploration. From 1993 to 1995 Normandy Poseidon explored for diamonds, base metals and gold. The most recent exploration completed by Poseidon Exploration under a regional exploration program aimed primarily at the discovery and evaluation of lamprophyre dykes, which were found to be shedding kimberlitic indicator minerals.

From the late 1990’s until 2002 Kakadu Resources, Dominion Gold, Territory Goldfields and Northern Gold conducted drilling and completed several campaigns of rock, soil and stream sediment sampling.

Renison Consolidated Mines NL acquired the first of the current Mt Bundy licences in 2002 (EL10368) with subsequent licences being granted in 2003. EL24151 and SEL25348 (now EL25348) were granted in 2007. Renison conducted several desktop reviews with reconnaissance field visits and mapping. New satellite images were purchased, remote sensing data reprocessed and historic GIS data acquired and validated. Renison also conducted an aeromagnetic and radiometric survey over the Mt Bundy project area during the 2005 to 2006 exploration year. Analysis of the geophysical survey data revealed a NW-trending deep-seated fault structure with a number of gold prospects located on the margins. Another NNW-trending narrow
feature, likely to be a dolerite dyke, intersected the fault and also showed presence of number of gold prospects.

During 2007 the Mt Bundy tenements were purchased by GBS Gold Australia who conducted a review of the project area until they went into voluntary administration in 2008. At the same time, JV partner, Rum Jungle Uranium Pty Ltd undertook an active exploration program which involved a high resolution VTEM survey, geological mapping, geochemical sampling and RC drilling. A total of 33 RC holes were drilled on EL10382 (Anniversary Breccia) for 4,162 metres which led to identification of low grade uranium, copper, cobalt and nickel mineralisation.

During 2009-2010, Crocodile Gold Australia took control of the Mt Bundy exploration tenements and conducted a project review. JV partner Run Jungle Uranium Pty Ltd focused exploration efforts over EL’s 10382, 23174 and 24288, targeting anomalies identified from the geophysical survey in the previous year.

An orientated 50m x 50m soil sampling grid was conducted over the Anniversary Breccia prospect on EL 10382, collecting a total of 76 samples. This prospect was drilled during 2008-2009 reporting period on the eastern side of the syncline and returned results elevated in uranium and base metals. The new soil grid aimed to test the west side of the fold. Soil samples were analysed for Au, Ag, As, Bi, Cu, Pb, Zn, U, Th, Co, Mo, Ni, Be, Ce, Dy, Er, Eu, GD, Ho, La, Lu, Nb, Nd, Pd, Pr, Pt, Re, S, Sb, Sm, Sn, Ta, Tb, Ti, Tm, W, V, Y. Two soil anomalies were identified. Following this, 5 RC holes were drilled for a total 618m. Best results for this drilling campaign include 3m @ 257 U3O8 and 1.75ppm Ag in hole number MBRC052. Hole number MBRC050 drilled through a number of intersections including 2m @ 183 U3O8 and 3.90ppm Ag, 2m @ 124 U3O8 and 1.50ppm Ag, 2m @ 100 U3O8 and 0.80ppm Ag, 2m @ 118 U3O8 and 5.50ppm Ag and finally 2m @ 29 U3O8 and 8.50ppm Ag. Although these results are not economic, they have extended the area of interest at the Anniversary Breccia.

A soil sampling program was also conducted at Hardies Billabong on EL23174. A total of 56 samples were collected and found to be anomalous in Zn, Pb Mn and Co. Following on from the soil sampling program, 5 holes were drilled for 504m, four of which were drilled on the apron of a north-south trending outcrop. Preliminary results from field tests using a Niton hand-held XRF returned base metal values in order of 100-400ppm from hole MBRC043. Hole MBRC045 returned an infield value of 1113ppm Zn over a 1m intersection of black shale.

Three RC holes were drilled for 169m on the Black Cockatoo prospect on EL24288. All holes intersected the outcropping grey-pink coarse biotite granite (Mt Bundy Granite). Results revealed that the holes were generally barren of mineralisation.
Taiga geological consultants conducted a review of historic geophysical data over the Mt Bundy project area. The analysis highlights some areas of interest which were followed up with some reconnaissance field visits.

Scanning and collation of the reports and documents in the library at the Brocks Creeks exploration office was also undertaken. The scanned reports are currently being entered into a new reporting database which was set up by Mercator database consultants during the year. This work is ongoing.

Rum Jungle Uranium Pty Ltd focused exploration activities on EL10382 and EL25348 (previously SEL25348) completing several campaigns of geological mapping. Rum Jungle had planned to drill a total of 11 holes over these tenements however the MMP had not yet been approved and drilling could not commence. 5 holes were pegged at Anniversary Breccia West and another 2 holes pegged at Anniversary Breccia South, a new target anomalous in U and Cu. A further 4 holes were also pegged and Toms Gully West on EL25348, over an ironstone outcrop identified by geological mapping.

Approval of the MMP will allow the drilling to take place during the next reporting period.

A total of $290,596 was spent on the Mt Bundy group of tenements during the 2011 reporting year. Table 2 lists the expenditure for each tenement.

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Table 2: Mt Bundy group tenements expenditure details.
During the 2012 exploration year, activities will include an ongoing review of historic geochemical and geophysical data, reconnaissance field visits and geological mapping. Rock chip and soil sampling may be conducted if targets are identified. The scanning and collation of the reports and documents in the library at Brocks Creek exploration office will continue with the digital copies being uploaded to the new reporting database with the assistance of Mercator database consultants.

Rum Jungle will complete a campaign of RC drilling over EL10382 and EL25348 targeting uranium and base metals anomalies.

A minimum budget of $587,000 is proposed for the Mt Bundy group of exploration tenements.