ANNUAL TECHNICAL REPORT

EXPLORATION LICENCE 28616

Moline Exploration Project

For Period Ending 19 January 2013

Distribution:-

1. **DME Darwin NT**
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1 EXECUTIVE SUMMARY

Exploration Licence 28616, the Moline Project is an amalgamation of seven previous Exploration Licences (EL 22966, EL 22967 EL 22968, EL 22970, EL 23605, EL 24127 and EL 24262) and surrounds the Moline goldfield. The tenements are about 245 km from Darwin via the Stuart Highway then the Kakadu Highway. This is the first annual technical report for EL28616 since it was granted on 20 January 2012.

The stratigraphy of EL28616 is dominated by the Burrell Creek Formation of the Finniss River Group and the underlying Sediments of the South Alligator Group which have been folded along west northwest trending axes within the project area. There are also minor exposures of the Mount Davis Granite, The Allamber Springs Granite and McCarthy's Granite all straddling the borders of the tenement.

Exploration activities conducted during the reporting period included a VTEM geophysical survey and interpretation, historic report and data compilation and analysis and rock chip sampling.

During the next reporting period exploration activities will include evaluation and follow up of recommendations from work conducted over this reporting period, ongoing analysis and interpretation of geophysical data and historical geochemical data to further identify and evaluate additional targets, following up with field reconnaissance and geological mapping.

2 COPYRIGHT

3 INTRODUCTION

Exploration Licence (EL) 28616, is the amalgamation of EL22966, EL22967 EL22968, EL22970,
EL23605, EL24127 and EL24262 and surrounds the Moline goldfield. The application for EL28616 was submitted on 11 February 2011 to cover the area over the Moline project and was granted on 20 January 2012, for a period of four years.

Moline is approximately 245km by road from Darwin via Pine Creek along the Stuart Highway, then the Kakadu Highway. This is the first annual technical report for the newly formed EL28616 following the amalgamation of seven exploration licences all previously held by Crocodile Gold Australia.

Exploration from the respective final days of the previous exploration licence reporting periods to the 19 January 2013 are discussed in this report.

4 LOCATION AND ACCESS

EL28616 is located approximately 200 km SE of Darwin, but is further by road. Access is from Pine Creek (220 km SE of Darwin) along the Kakadu Highway (approximately 45 km east of Pine Creek). Access within the tenements is possible during the dry season using old mining tracks and station tracks. Topography consists of low hills and ridges, usually with good rock outcrop, which drain into the Mary River via Bowerbird, Evelyn, Eureka and O'Neil Creeks. The Mary River forms the northern boundary of the Moline project area, and the Wandie Creek is close to the southern boundary. Vegetation consists of open savannah woodlands.

The location of the EL28616 is shown in Figure 1.
EL28616 "Moline" falls within the Mt Evelyn 1:250,000 map sheet and on the Ranford Hill 1:100,000 map sheet.

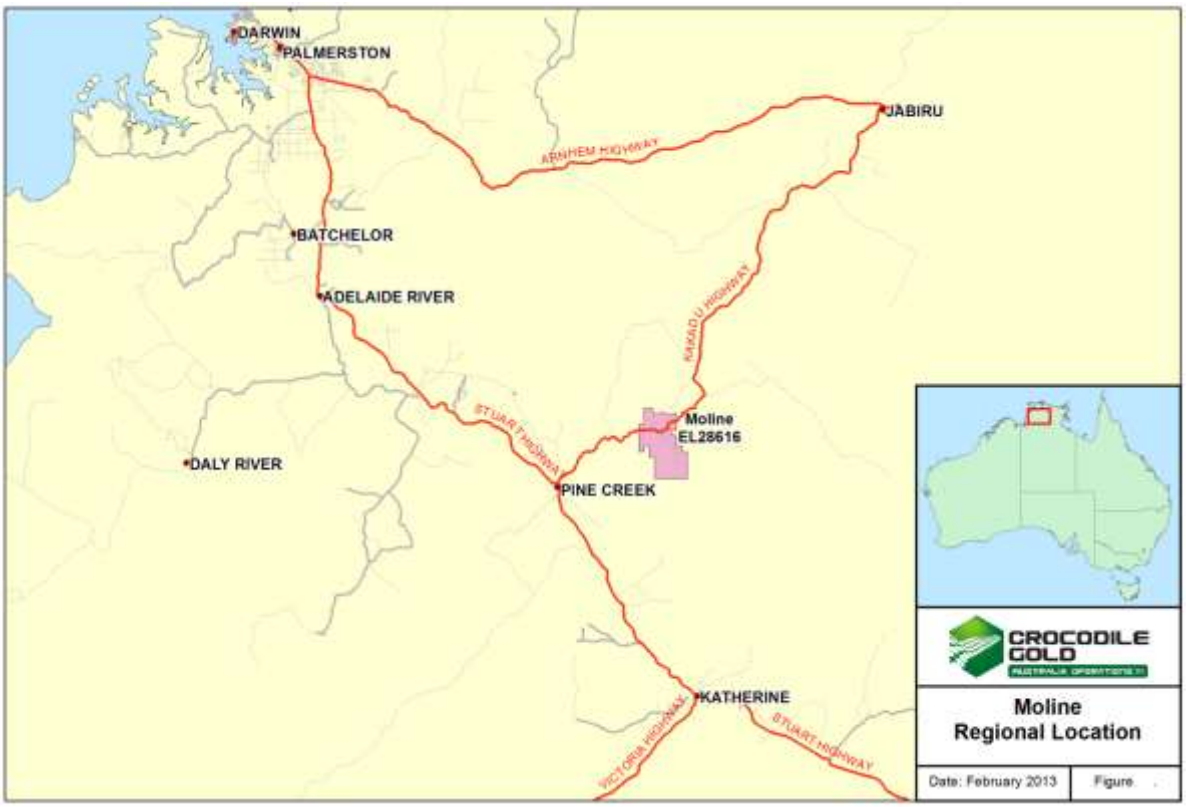

Figure 1: EL28616 Moline Project Locality

5 TENEMENT DETAILS

EL28616 Moline comprises of approximately 262 square kilometres representing the amalgamation of EL22966, EL22967 EL22968, EL22970, EL23605, EL24127 and EL24262. These tenements were acquired by Crocodile Gold from the liquidated GBS Gold in November 2009.

EL24127 was due to expire on the 14 October 2012; EL24262 expired on the 2 March 2011 while the remainder of the former tenements expired on the 30 April 2011.

An application for EL28616 was submitted to the DoR on 11 February 2011 to cover the Moline Project area and was granted on the 20 January 2012.

Underlying cadastre is the Northern Territory Portions 00649 and 01631 which include Perpetual Pastoral Lease 1134 Mary River Wildlife Ranch Pty Ltd.

6 GEOLOGICAL SETTING

6.1 REGIONAL GEOLOGY

EL28616 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 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).

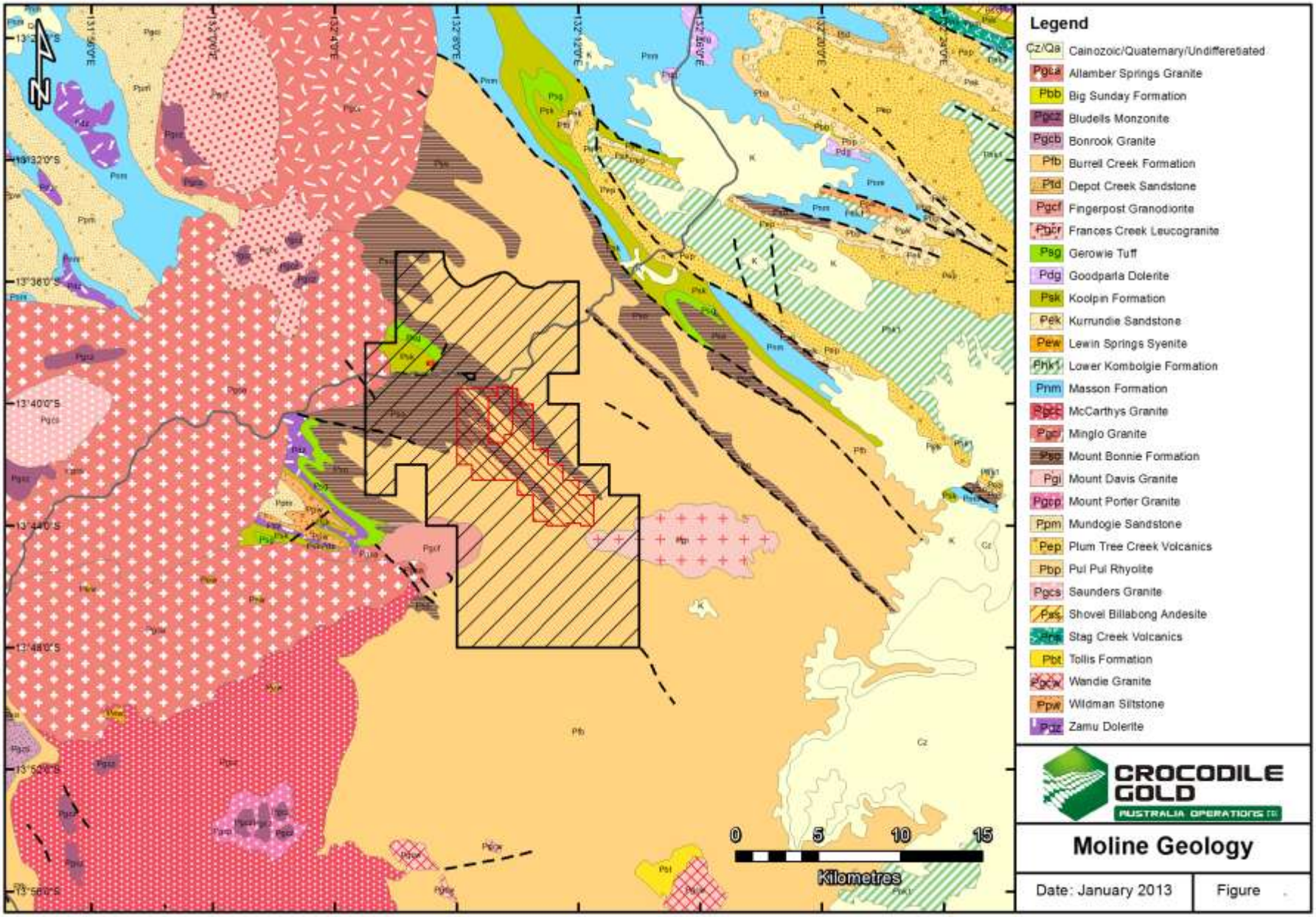

Figure 2. Regional Geology of EL28616, The Moline Project

6.2 LOCAL GEOLOGY

The tenement area is dominated by massive greywacke of the folded Burrell Creek Formation, the Mt Bonnie Formation outcrops in the northern section of the tenement with the Mt Davis Granite present adjacent to lithologies of the Koolpin and Gerowie Tuff formations in the western part of the tenement.

The Burrell Creek Formation is typically a cyclic greywacke-dominated assemblage with minor dark siltstone and mudstone packages. The Mount Bonnie Formation is dominated by a shallow marine sequence of interbedded and graded siltstone, chert and greywacke.

The sediments are regionally metamorphosed to greenschist facies (phyllites in the argillaceous lithologies), with a thermal metamorphic overprint forming hornfelses at granite contacts in the west

The metasediments are tightly folded into shallow southeast-plunging anticlines and synclines, generally overturned to the northeast, with dips commonly ranging from 50 to 80 degrees southwest on the fold limbs.

Over the Moline Project, gold mineralisation occurs within greywacke, siltstone and carbonaceous phyllite of the Mt Bonnie Formation. It is also confined to meta-greywacke and slate of the Burrell Creek Formation, which are the most prospective lithologies in the Pine Creek Orogen.

7 PREVIOUS EXPLORATION

EL28616 lies on, and surrounds, the Moline Mineral Field. The Moline field was originally opened up as “Housechildt’s Rush” in the 1880’s, when it was worked mainly by Chinese miners in small open pits, with hand crushing of selected ore. The Northern Hercules reef was worked underground between 1891 and 1900, and again from 1954 to 1957, for a total production of about 33,000 ounces of gold, and an average recovery of about 27 g/t Au.

The field was reinvestigated between 1981 and 1990 by a consortium of Greenbushes, Amoco and Cyprus, with comprehensive regional exploration including programs of geological mapping, rock chip sampling, soil sampling, drainage sampling and aeromagnetics. Some of this regional work extended into areas now held under EL28616.

Gold mining was resumed by open pit methods between February 1989 and February 1992, and approximately 1.6 million tonnes were treated yielding an average of 2.14 g/t of gold. The ore was extracted from four main pits (Hercules, Moline, School, Tumbling Dice) and from at least 17 other satellite pits.

Mineralisation containing copper, lead, zinc and silver is also widespread, particularly in zones of hornfelsing close to the granite contacts. The most significant base metal deposit was at Evelyn Mine which produced 83,000 tonnes averaging 260 g/t Ag, 5.8% Pb and 6.1% Zn between 1966 and 1970.

During 2004 exploration activities included a review of previous exploration data, metal detecting and field exploration with the use of a bulldozer.

Terra Gold Mining (wholly owned subsidiary of GBS Gold Australia) obtained the licence during 2004 and from 2004 to 2005 work relating to EL28616 consisted of sorting, cataloguing and evaluating a large map database which related to exploration and mining in the Moline Field during the 1981 to 1998 period. This database had apparently been lost, but was eventually recovered from Northern Gold's warehouse at Brocks Creek in November 2004.

From 2005 to 2006 exploration activities included a review of historic data, a review of the Geocraft Moline database and consequent database compilation for the Moline Project, identifying the Rockwall Waterhole prospect, Strongbow trend, High Chinese – Low Chinese trend, Simple Dreams prospect, Tumbling Dice (Swan-Emu-Crow-Divot line) and Paw Paw, target, geological mapping and surveying of the tenements. Au and As BLEG soil sampling results were presented with follow up reconnaissance work highlighting 3 areas of interest; High Chinese; extensions to Paw Paw (NW and SE) and extensions to Strongbow (NW and SE).

Exploration on EL28616 during the 2006 to 2007 reporting period consisted of a literature review, field reconnaissance mapping. Two geochemical soil sampling programs, one of 55 samples and one of 370 samples were undertaken but not analysed until the 07/08 reporting year. Two diamond holes (HEX001 and HEX002) were drilled within EL23605 for a total of 321m. During drilling, 321 samples were retrieved and analysed for Au, As, Ag, Cu, Pb and Zn. Both holes were drilled into the Burrell Creek Formation. A number of quartz veins systems were encountered at various depths with disseminated sulphides and greywacke and siltstone as common lithologies. Wall rock alterations were observed, particularly in the vicinity of quartz vein systems.

The first significant quartz vein system was intersected at a depth of 60m in drill hole HEX001. Samples retrieved from a depth of 60 to 62m contained gold contents ranging from 1.05 g/t to 1.88 g/t Au. This intersection also returned higher As values ranging from 220ppm to 9660ppm. Another small zone of gold mineralisation was intersected at a depth of 87m and returned an assay result of 1.44 g/t Au.

Drillhole HEX002 also intersected rocks of the Burrell Creek Formation with some Mount Bonnie Formation beds. However, HEX002 was weakly mineralised probably due to poorly developed quartz vein system at various stratigraphic horizons. A noteable intersection was observed from 148.96m to 150.05m and assayed 2.76 g/t Au.

From 2007 to 2008 exploration on EL28616 a 50m by 400m spaced soil sampling program was undertaken for 2483 soil samples, infilling the 370 samples taken the previous year. This sampling program aimed at infilling previous soil sampling completed (before EL23605 was granted) and to further identify mineralisation along strike from the Moline Dam and Hercules gold deposits.

Results revealed a NW trending Au anomalous trend covering a 6km by 2km zone, along strike from the existing Moline Dam gold deposit. Rocks within the anomalous zone are from the Burrell Creek and Mt Bonnie Formations which are folded along a NW trending axis, and cut by shear zones. Further north, the Moline group of gold deposits are confined to shear zones within a similar NW trending anticlinal structure. It appears that the anomalous zone is the continuation of mineralised structures at Moline. The soil anomaly weakens down the SE trend.

Base metal assays showed variable concentration in soil samples and did not correspond to Au concentrations.

An additional 309 soil samples were also taken over the Evelyn mine area to the West of the tenement to test for base metal mineralisation.

Crocodile Gold acquired the Moline Project tenements as part of the takeover from GBS Gold Australia liquidated) in November 2009.

During the 2009 to May 2010 exploration period, Crocodile Gold conducted a project review, conducted a review of existing satellite imagery and purchased new satellite imagery. Field reconnaissance mapping over EL28616 also occurred during this period.

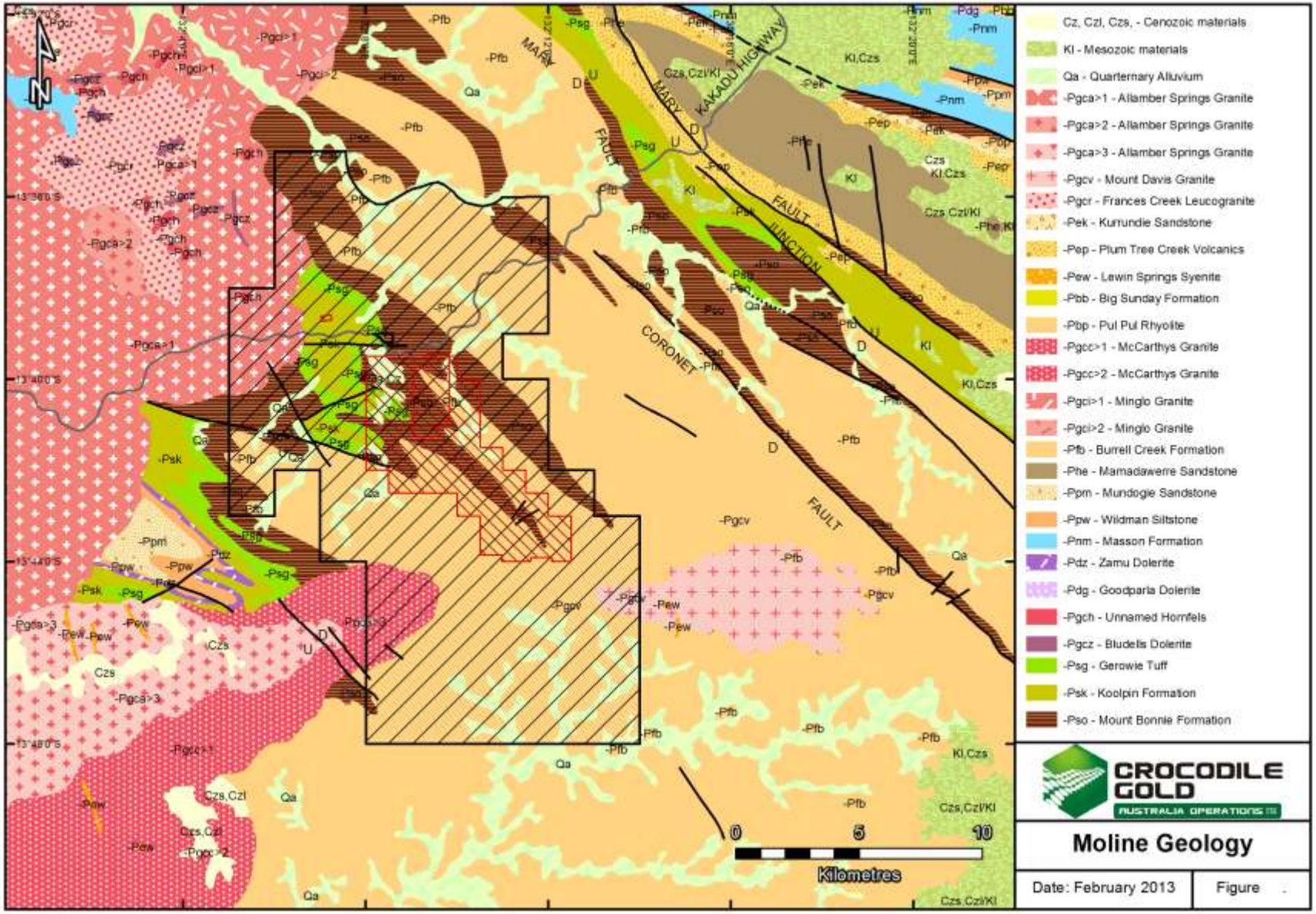

Figure 2: EL28616 Moline Project Geology

8 EXPLORATION ACTIVITIES PERIOD ENDING 19 JANUARY 2013

During 2011 a VTEM survey was flown over the Moline Project with an interpretation of the data resulting in the generation of potential exploration targets.

The primary VTEM anomaly was traversed and sampled with outcrops along geophysical trends with 16 rock samples being collected for assay. A total of 5.2 km of the core of this anomaly had been evaluated. All activities ceased at the Crocodile Gold south eastern property boundary. Outcrops along the geophysical trend transitioned from mainly leached, siliceous sediments and rusty, limonitic quartz veins into a very strong BIF looking horizon for the final 500m of this trend. No graphitic horizons were identified during this field work. Historic soil geochemistry sampling data greatly assisted in the sampling program by assisting in focussing on known anomaly areas. Access to further anomalies was inhibited by poor access which prevented further immediate follow up.

From Mid June to Mid September 2012 a review of all available historical data for the Moline project was undertaken.

The objectives of the review were to

- review data from the major known deposits in order to obtain an idea of what resources remain to be exploited
- to identify targets for further exploration

Historic Review Extract

There are two main types of gold deposit at Moline, namely (1) sulphide vein hosted bodies that are at least generally conformable to the host rock stratigraphy, (e.g. the Moline deposit); and (2) quartz-sulphide vein hosted, discordant deposits (e.g. the Hercules deposit). The Tumbling Dice deposit is a sulphidic deposit which has been modified by cross-structures. The sulphide vein type of gold deposit is most abundant. However, Hercules was perhaps the richest. Underground mining at the Hercules deposit produced about 33,000 oz. of gold from 38,000 t of ore, and the open pit 40,000 oz. from about 470,000 t. Moline produced 48,000 oz. of gold from 600,000 t. Remaining reserves (proven, probable, and indicated) are quoted as Hercules, 164,000 t at 4.3 g/t gold; and Moline, 338,000 t at 2.4 g/t gold (these figures have not been verified to modern standards). Some data are available for the School deposit as well. Details from the other deposits have either not been located or are fragmentary.

Since its discovery in the 1880's, gold has been worked at this camp by several different operators. By far the largest mining effort was by Cyprus Gold Australia Corporation, which mined four large open pits and nineteen smaller ones in the period 1989 to early 1992. The largest pits were Hercules, School, Moline, and Tumbling Dice. Of all the deposits, only Hercules had been mined previously.

Primary and transition zone ore from this property has proven to be at least partially refractory, and most mining was restricted to the oxidised rocks. Addition of primary ore had adverse effects on gold recoveries. Investigations into gold recoveries were

undertaken in 2012. Tests were run on ore from the stockpile at Moline. For a suite of eleven samples, recoveries ranged from about 18% to about 90%.

Because of the partial refractory problem, previous exploration primarily targeted gold deposits in the oxide zone. In several cases, deeper zones in unoxidised rocks were not adequately tested. This presents an opportunity, provided that the refractory ore problem is accepted.

In the author's opinion, Cyprus gave up too soon on many of their drill sections. They seem to have concluded that one weak or unmineralised hole on the down-dip side of a gold zone was definitive. However, zones may fade temporarily before picking up again. For this reason there may be more open drill sections than appear on the maps in this report.

The sulphide vein hosted gold deposits occur in sediments of the Proterozoic age Mt. Bonnie and Koolpin Formations. These rocks generally display magnetic anomalies, which are attributed to pyrrhotite, and VTEM anomalies caused by sulphides and graphite. The favourable location for sulphide vein hosted deposits is in the magnetically active area in the northwest portion of the property. They are unlikely to occur elsewhere. Quartz-sulphide vein hosted deposits such as Hercules and Cornwall are not associated with magnetic or electromagnetic anomalies, and presumably could occur anywhere that structural conditions and hydrothermal history permit.

Drill holes with open gold intersections occur at almost all of the deposits studied. Fairly large open zones occur at School and Moline. Tumbling Dice and its satellite deposit, Emu, retain areas where gold mineralisation has not been closed off. There are also open intersections at Hercules (principally the SW corner of the pit), but it is noted that over most of the deposit, mineralisation declines abruptly in the down-dip direction. Cornwall, which was a relatively small open pit, is of interest; all sections remain open (some are low grade), and the orientation and mode of mineralisation are similar to Hercules. Some intersections at Dingo and Azaria remain open.

The 2011 airborne geophysical survey located numerous VTEM anomalies. These are entirely new data, as airborne EM has not been undertaken at Moline in the past. To a greater or lesser degree, all of the anomalies are potential exploration targets. They have been prioritised and should be evaluated systematically on the ground. Descriptions of individual prospects in this report include reviews of the geological and geochemical contexts of virtually all strong VTEM conductors.

Previous surface exploration on the property covered it in considerable detail. Cyprus in particular did a thorough job, and their work is well documented. Nevertheless, some gaps in the work have been identified by this study, and the VTEM results permit a new approach. The central mineralised zone is well covered by soil geochemistry at a reconnaissance level, in some cases by overlapping surveys. More detailed soil geochemistry is required at some individual prospects as listed in the report. Areas outside of the main mineralised zone have received varying degrees of lesser attention.

Drilling is recommended for the areas where open mineralisation occurs at Hercules, Moline, School, Tumbling Dice, and Cornwall. It is also recommended for Dingo, which should, however, be regarded as an exploration play. A coincident VTEM/magnetic

anomaly about 200 m from Dingo should also be drilled, given its proximity to the deposit. At least one more hole under the Azaria pit is indicated.

Before Tumbling Dice can be drilled, either the former Cyprus soil geochemical data should be located (preferable, as it was collected before mining), or a new detailed survey implemented.

Along the line of small open pits and costeans southeast of the School Pit (down to Vivs, Redback and Arm), previous drilling concentrated on the oxide zone. There was no significant mineralised zone there, but two or three holes down-dip of those pits would be in order. There is a VTEM anomaly in the immediate area.

At Waterhole, a VTEM anomaly occurs immediately down-dip from an area where gold was intersected in costeans and shallow drill holes. Another nearby anomaly is down dip from a soil gold anomaly. Further south, there is open mineralisation in drill hole BRC105. All should be drilled.

In the El Dollarado area, a VTEM anomaly occurs adjacent to a gold in soil anomaly. A drill programme should be designed to test both features.

A VTEM anomaly occurs in the hanging wall of the Emu pit. This would also be a priority drill target (gold mineralisation was located there by the author). However, there are reports that Newcrest completed a deep diamond drill hole under Emu. The hole is not in the database and the author has not been able to locate the information. An effort to find the data should precede further drilling.

Gold mineralisation appears to occupy cross structures at the Fosters and Simple Dreams prospects. These areas require detailed geological mapping and soil geochemistry.

Prospects requiring at least a field visit include Dustbowl, Little Wandie, Strongbow, and the region between Eitherway and Dingo. Areas with VTEM anomalies to check (other than those already mentioned) include Eitherway, Banana, El Dollarado, Stockyard, and Evelyn; and lower priority ones occur at Cowbell and Mango. At least some of these could be upgraded to the drilling stage.

At High Chinese, Low Chinese, and Skinners, more work is recommended. Soil gold/arsenic anomalies at all of them have not been fully tested. In some cases, there are problems with the exact locations of soil anomalies, requiring further soil sampling. It is virtually certain that drilling would be required at a number of sites in that area.

West of the High Chinese-Low Chinese line, VTEM anomaly MoLT_043 requires further work. It has a coincident magnetic anomaly. Activities should comprise a soil geochemical survey, followed by drilling if anomalous values are reported.

The few soil anomalies at Wandie could be checked by smaller, more detailed soil grids. General prospecting would also be useful there.
Reconnaissance prospecting should be undertaken over large areas along the northern and western margins of the tenements, for which very little information is currently available. This is also recommended for the belt of Mt. Bonnie rocks that passes to the east of the Strongbow occurrence.

Cyprus geochemical data (especially soils) should be located and entered onto the database if possible. Their grids were more detailed than those used for this report. At least some of the data appear on scan no. 112577.

There is potential for base metals mineralisation on the property. The Evelyn Mine produced Pb-Zn-Ag in the past. There are combined Pb and Zn rock chip, stream sediment, and soil anomalies, associated with magnetic and VTEM anomalies, over a 40 km^2 area in the north-central part of the property. Zinc, and to a lesser extent Pb, occur in anomalous quantities in the Moline Deposit and others. Silver is also frequently present. The region from the Moline pit, through to about 3 km north of the Evelyn prospect, could be evaluated for base metals, provided that the Company decides to pursue such targets.

Regardless of whether or not the Company specifically targets base metals, it is recommended that:

- *While diamond drilling in the area of known base metals anomalies, all core samples should be routinely analysed for base metals, especially if sulphides are present. Sphalerite, galena, and copper minerals have been identified.*
- *Samples from RC drill holes or costeans with visible sulphide mineralisation should be analysed for base metals.*
- *Rock chip samples should be routinely analysed for base metals.*

Assuming that the refractory gold issue can be resolved satisfactorily, drilling priorities should be as follows:

1. *Open mineralisation at School, Moline, and Cornwall.*
2. *Open mineralisation in the SW part of the Hercules pit, and at Tumbling Dice.*
3. *Open mineralisation at Dingo, Azaria, Emu, Swan, Divot, and Highway; VTEM anomaly near Dingo; VTEM anomaly behind Emu; VTEM anomalies near drill hole BRC105 (all at Waterhole); the line of showings and pits from the S end of the School pit to the Arm pit; and VTEM anomaly El Dollarado.*
4. *Other areas identified by further exploration as recommended in this report.*

CONCLUSIONS

There are two main types of gold deposit at Moline, namely: (1) sulphide vein hosted bodies that are at least generally conformable to the host rock stratigraphy, (e.g. Moline deposit); and (2) quartz-sulphide vein hosted, discordant deposits (e.g. Hercules deposit). The Tumbling Dice deposit is a sulphidic deposit which has been modified by cross-structures. The sulphide vein type of gold deposit is most abundant. However, at least to date, Hercules has been richer.

Lithology and structure of the area are well understood, but correlations to the usual Pine Creek Orogen stratigraphy are not. The sulphide vein hosted gold deposits occur in fine clastic sediments that often carry sulphide horizons, and or bedded and nodular chert, which most likely correlate to the Mt. Bonnie Formation. These rocks generally display magnetic anomalies, which are attributed to pyrrhotite, and VTEM anomalies caused by sulphides and/or graphite. The favourable location for these deposits is in the magnetically active area in the northwest portion of the property. They are unlikely to occur elsewhere. Quartz vein hosted deposits such as Hercules and Cornwall are not

associated with magnetic or electromagnetic anomalies, and presumably could occur anywhere that structural conditions and hydrothermal history permit.

Drill holes with open gold intersections occur at almost all of the deposits studied. The potential import of these is variable. Fairly large open zones occur at School, Moline, and Tumbling Dice. There are also open intersections at Hercules (especially the SW corner of the pit), but it is noted that the mineralisation there declines abruptly in both width and grade across a boundary that corresponds approximately to the western (down-dip) walls of the open pit. There are open intersections in the area north of the Hercules pit (notably at Highway). Cornwall is of interest; all sections remain open (some are low grade), and the orientation and mode of mineralisation are similar to Hercules. Some intersections at Dingo remain open, but grades are relatively low. Full details are given in the parts of the report dealing with individual prospects or deposits.

The 2011 airborne geophysical survey located numerous EM anomalies. These are entirely new data. Airborne EM has not been undertaken at Moline in the past. To a greater or lesser degree, all of the EM anomalies are potential exploration targets. The author feels that a fairly simple method of assigning priorities to airborne anomalies would serve as a useful guide. Points to consider would be:

- *Proximity to known gold deposits.*
- *Proximity to known geochemical anomalies (preferably gold, but perhaps including base metals).*
- *Coincident VTEM and magnetic anomalies.*
- *Favourable geological conditions noted in the field.*

Any anomaly with one or more of these characteristics should receive a relatively high priority for follow-up. Instances of only magnetic response, or only an EM anomaly, in the absence of local gold, should generally be assigned a lower priority. Exceptions are possible, of course.

Previous surface exploration on the property covered it in considerable detail. Cyprus in particular did a thorough job, and their work is well documented. Their assessment ("open file") reports from the late 1980's contain much useful information. Nevertheless, some gaps in the work have been identified by this study, and the VTEM results permit a new approach. The comparison of the VTEM and aeromagnetic results, with previous data, has produced a number of targets worthy of follow-up. These are discussed in the sections dealing with individual prospects.

The central mineralised zone is well covered by soil geochemistry at a reconnaissance level, in some cases by overlapping surveys. More detailed soil geochemistry is required at some of the individual prospects as listed in the report.

Gold mineralisation at Tumbling Dice is known to be affected by cross structures. There is also evidence for gold in cross-structures at Stockyard, Simple Dreams, and Fosters. Cyprus seldom followed up on this concept. Some of these may be small, but this has not yet been demonstrated.

There is potential for base metals mineralisation on the property. The Evelyn Mine produced Pb-Zn-Ag in the past. There are combined Pb and Zn rock chip, stream sediment, and soil anomalies, associated with magnetic and VTEM anomalies, over a 40 km^2 area in the north-central part of the property. Zinc, and to a lesser extent Pb, occur in anomalous quantities in the Moline Deposit and others. Silver is also frequently

present. There have been efforts to locate more mineralisation in the Evelyn vicinity, particularly by Newcrest Mining and Aztec Mining in the early 1990's. Elsewhere, Cyprus was aware of the base metals content of their ore bodies, but did not systematically evaluate them.

Previous operators were primarily interested in locating gold deposits in the oxide zone. Their drill programmes were designed to find this type of target. In several cases, deeper zones in unoxidised rocks were not adequately tested. This presents an opportunity, providing that the refractory ore problem is accepted.

In the author's opinion, Cyprus gave up too soon on many of their drill sections. They seem to have concluded that one weak or unmineralised hole on the down-dip side of a gold zone was definitive. However, as can be seen on the cross-section from the School deposit (Figure 11), the zones tend to fade temporarily before picking up again. Therefore in fact there may be more open drill sections than appear on the maps accompanying this report.

RECOMMENDATIONS

Economic grade mineralisation remains in all the largest known gold deposits at Moline, particularly Moline, School, Tumbling Dice, and Hercules. Cornwall was smaller, but appears to have potential. All of them have open gold mineralisation in drill holes. These require further drilling as detailed earlier in this report. While planning any drill programmes, the Appendix should be consulted and compared to maps and sections on Micro Mine.

At Tumbling Dice, detailed soil geochemistry is required in order to sort out the orientations of mineralised structures there. It would be best to locate the old Cyprus data, which was collected before the pit was mined. Otherwise a new detailed survey around the pit area would be necessary.

At Dingo, most drill intersections remain open at depth. Grade is rather low, so further drilling, while warranted, must be regarded as exploration. A coincident VTEM/magnetic anomaly about 200 m from Dingo should also be drilled, given its proximity to the deposit. At least one more hole under the Azaria pit is indicated.

Along the line of small open pits and costeans southeast of the School Pit (down to Vivs, Redback and Arm), precious drilling concentrated on the oxide zone. There was no significant mineralised zone there, but two or three holes down-dip of those pits would be in order. There is a VTEM anomaly in the immediate area. More detailed information is presented in the Appendix.

The Highway deposit, north of Hercules, also warrants a small drilling programme, as explained in that section of this report.

Regarding the lesser prospects and occurrences, recommendations have been made elsewhere in this report. Some of the highlights, and a general summary, appear below.

At Waterhole, a VTEM anomaly occurs immediately down-dip from an area where gold was intersected in costeans and shallow drill holes. Nearby an anomaly is down dip from

a soil gold anomaly, and there is open mineralisation in drill hole BRC105. All should be drilled.

In the El Dollarado area, VTEM anomaly occurs adjacent to a soil gold anomaly. A drill programme should be designed to test both features. Other VTEM anomalies in the area require field checking followed by reconnaissance soil geochemistry and drilling if deemed appropriate.

A VTEM anomaly occurs in the hanging wall of the Emu pit. The author collected rock chip samples with anomalous gold from this area (0.44 and 3.95 g/t). This would also be a priority drill target. However, there are reports that Newcrest completed a deep diamond drill hole under Emu. The hole is not in the database and the author has not been able to locate the information. An effort to find the data should precede further drilling. Elsewhere in the Tumbling Dice line, drilling could be contemplated for Divot and Swan, but both would be relatively low priority, as known grades are low.

Prospects requiring at least a field visit include Dustbowl, Little Wandie, and Strongbow. Refer to the respective sections of the report for details.

Areas with VTEM anomalies to check include Eitherway, Banana, the region between Eitherway and Dingo, Stockyard, west of High Chinese, Cowbell (lower priority as the central anomaly has been drilled, with negative results), and Mango (also lower priority as the conductors are likely to be graphitic).

Stockyard has a high value soil anomaly which may have been collected from alluvium. Good gold mineralisation seems restricted to one section, suggesting a possible cross structure. There is also a VTEM anomaly. At the very least, the area should be visited in the field to sort out these questions, and to determine a course for further action.

Gold mineralisation appears to occupy cross structures at the Fosters and Simple Dreams prospects. The author collected mineralised rock samples at both of them (3.09 g/t and 4.25 g/t Au respectively). These areas require detailed geological mapping and soil geochemistry.

AT High Chinese, Low Chinese, and Skinners, more work is recommended. Soil gold/arsenic anomalies at all of them have not been fully tested. There are three soil surveys covering these areas, which do not always agree. Also, In some cases, there may be problems with the exact locations of soil anomalies. Further soil sampling may be required to sort out these problems. It is virtually certain that subsequent drilling would be required at a number of sites.

West of the High Chinese-Low Chinese line, VTEM anomaly requires further work. It has a coincident magnetic anomaly. Activities should comprise a soil geochemical survey, followed by drilling if anomalous values are reported.

The few soil anomalies at Wandie could be checked by smaller, more detailed soil grids. This specifically includes anomalies Wandie 2, 3, and 4 General prospecting would also be useful there.

Reconnaissance prospecting should be undertaken over large areas along the northern and western margins of the tenements, for which very little information is available. This

is also recommended for the belt of Mt. Bonnie rocks that passes the Strongbow occurrence.

The dump sampled for the 2012 bottle roll tests could be re-examined to try to understand why large variations in recoveries were reported.

Cyprus geochemical data (especially soils) should be located and entered onto the database. Their grids were more detailed than those used for this report. At least some of the data appears on scan no. 112577.

If the Company decides to pursue base metals targets, the following steps could be taken:

- *Georeference and digitise the data in Aztec Mining reports CR1994-0089 and CR1994-0095, which cover the Evelyn area. Evaluate the data to determine its usefulness and whether further soil geochemistry is warranted.*
- *Evaluate all VTEM anomalies between Moline and the area up to 3 km N of Evelyn, giving first priority to those with coincident magnetic anomalies. Comments on many of them appear earlier in this report. "Evaluate" means review the data in the database, conduct field visits, and collect soil samples if deemed necessary, followed by drilling or costeaning.*

Regardless of whether or not the Company specifically targets base metals, the following procedures are recommended:

- *While diamond drilling in the area of known base metals anomalies, all core samples should be routinely analysed for base metals, especially if sphalerite or galena has been identified.*
- *Samples from RC drill holes or costeans with visible sulphide mineralisation should be analysed for base metals.*
- *Rock chip samples should be routinely analysed for base metals.*

Taking into consideration the refractory gold issue, drilling priorities should be as follows:

1. *Open mineralisation at School, Moline, and Cornwall.*
2. *Open mineralisation in the SW part of the Hercules pit, and at Tumbling Dice.*
3. *Open mineralisation at Dingo, Azaria, Emu, Swan, Divot, and Highway; VTEM anomaly near Dingo; VTEM anomaly behind Emu, VTEM anomalies in the the area of drill hole BRC105 Waterhole; the line of showings and pits from the S end of the School pit to the Arm pit; and VTEM anomaly El Dollarado.*
4. *Other areas identified by further exploration as recommended in the report.*

Exploration activities conducted by Crocodile Gold since the end of the previous reporting periods of the pre-amalgamated licences from 2011/2012 to 19 January 2013 included a VTEM geophysical survey and interpretation, historical geophysics interpretation, historical data review as well as reconnaissance field visits, mapping and sampling.

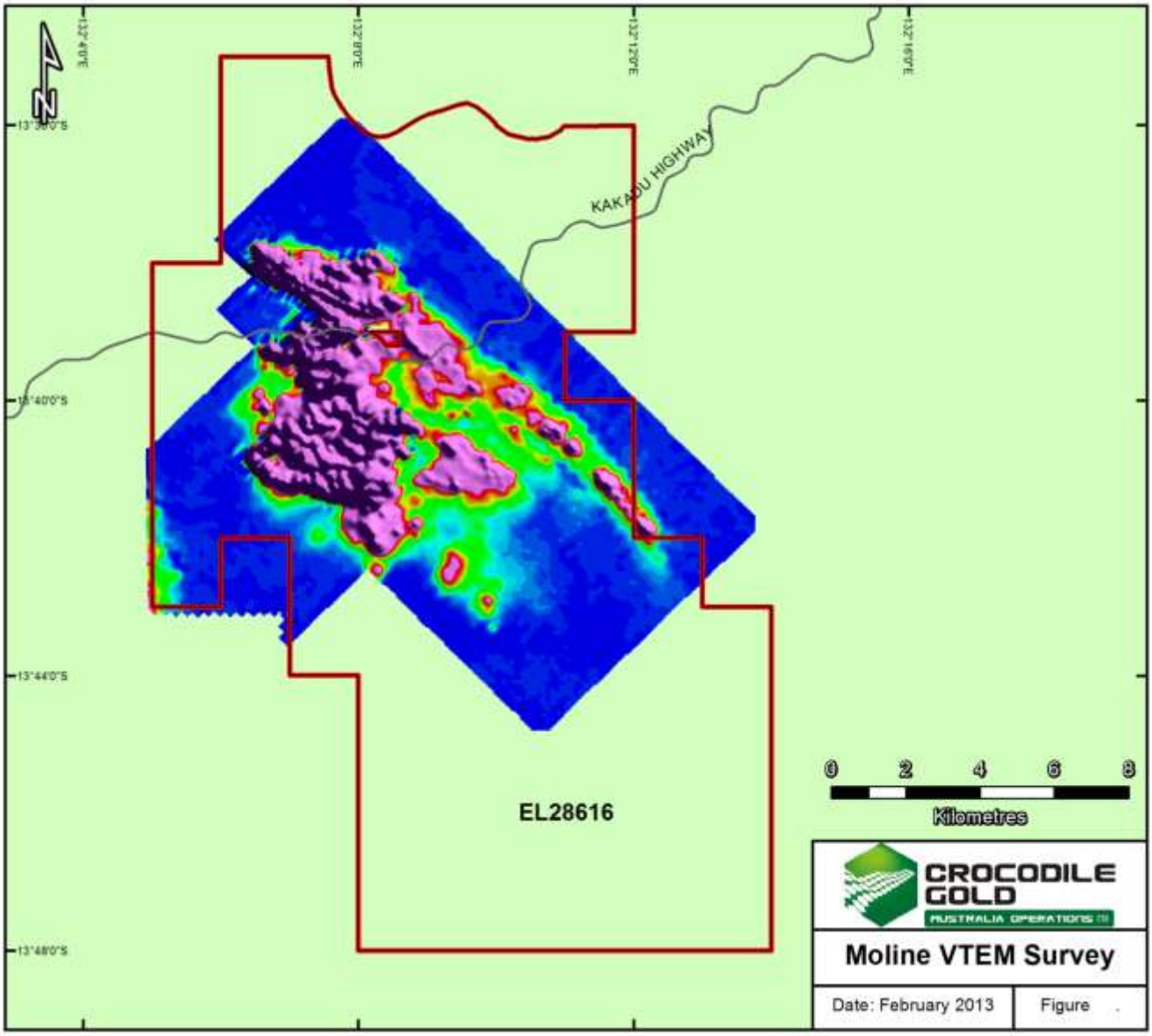

Figure 3: Moline Project VTEM Survey Conducted 2011

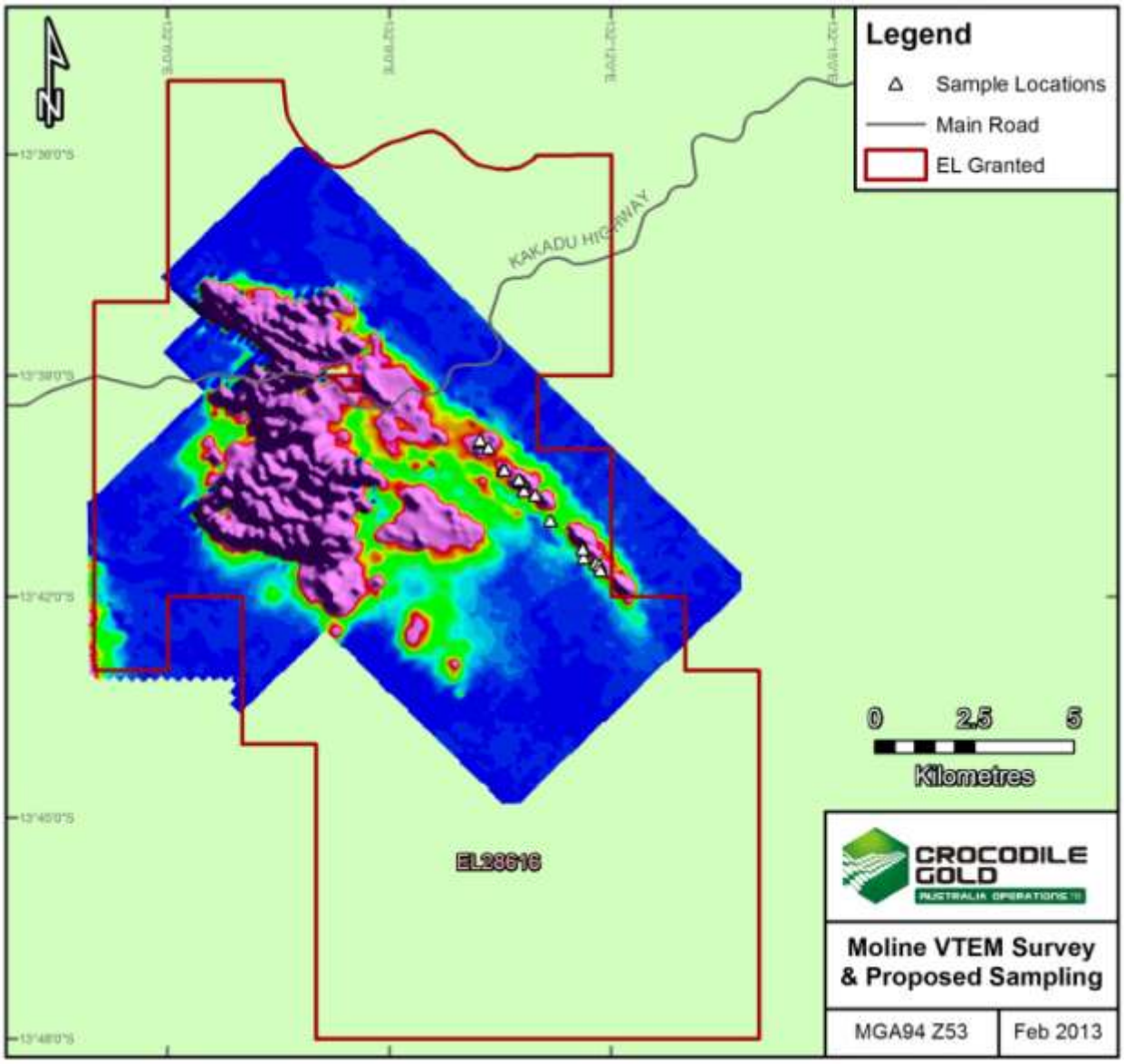

Figure 4: Moline Project Rock Chip Sample Locations on VTEM BfieldZ35

9 FORWARD PROGRAM YEAR ENDING 19 JANUARY 2014

Crocodile Gold will continue to investigate anomalies identified from the VTEM geophysical survey conducted during 2011. The anomalies will be followed up with geological mapping and rock chip sampling. Geochemical soil sampling and RC or diamond drilling may be conducted if results are encouraging.

Collation of historical reports at the Brocks Creek exploration office as well as the updating of the new reporting and sample database will be undertaken by Crocodile Gold Staff.

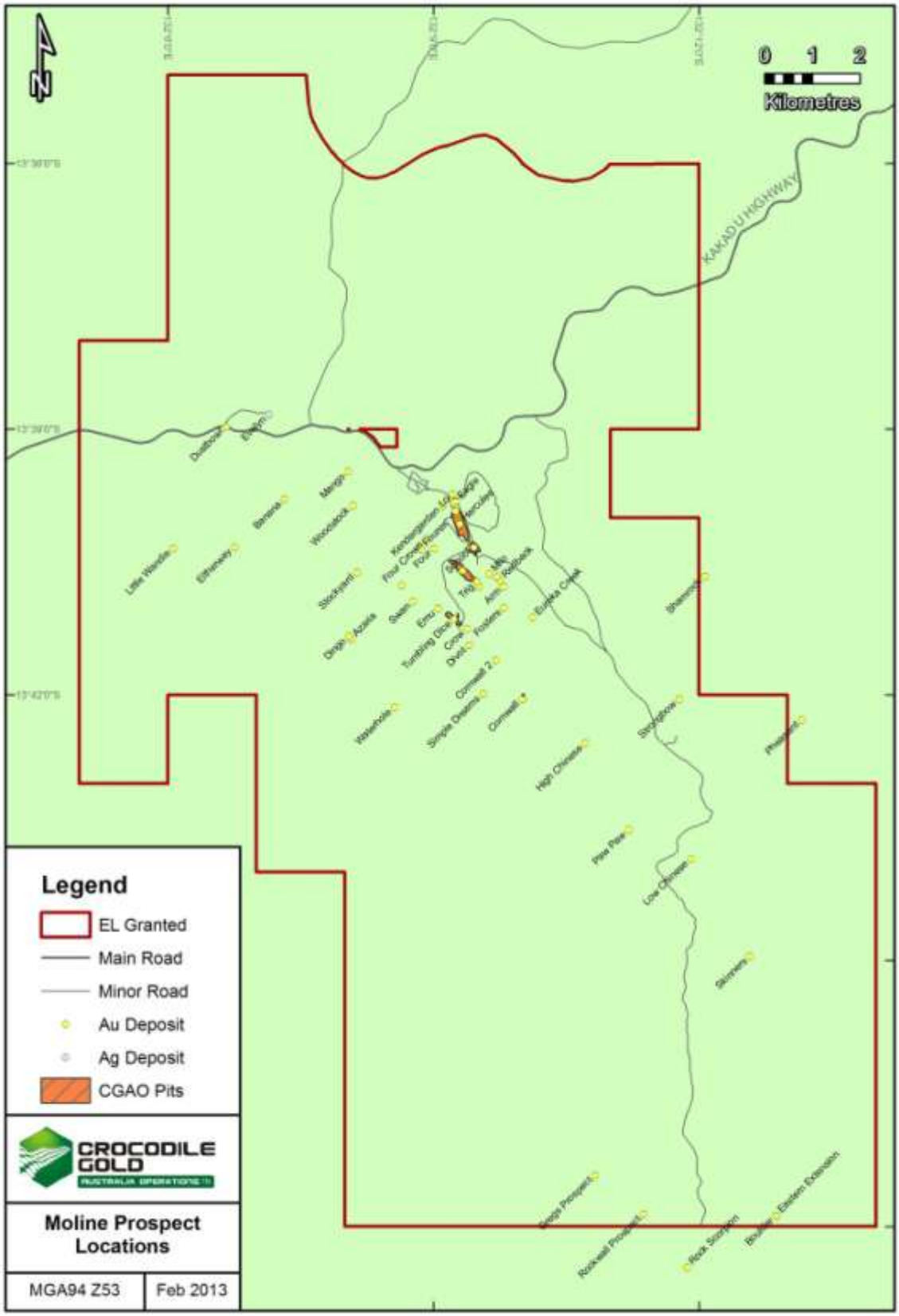

Figure 5: Moline Prospect Locations

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