PARTIAL RELINQUISHMENT REPORT

EXPLORATION LICENCE 25295

Burnside Project – Margaret River Diggings

15 February 2007 to 15 February 2011

Distribution:-

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

Marcelle Watson
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1 EXECUTIVE SUMMARY

EL 25295 is located in the southern part of the Burnside Project area, approximately 150 km SE of Darwin. The Licence was granted on 15 February 2007 to Buffalo Creek Mines Pty Ltd (50%) and Territory Goldfields Pty Ltd (50%), which were subsidiaries of GBS Gold Australia. Crocodile Gold Australia acquired the tenement on 6 November 2009.

Much of the tenement is covered by the Koolpin formation and interlayered Zamu dolerite. The Koolpin Formation commonly occurs as carbonaceous siltstone, shale and phyllite with chert nodules. In places, massive limonitic ironstone lenses are also present. The oldest rock unit is the Wildman Siltstone which is generally siltstone, phyllite with minor sandstone. It may contain some massive hematite lenses and is of shallow marine origin. In the eastern corner of the tenement, Gerowie Tuff is present which comprises siltstone, phyllite, tuffaceous chert, chert along with sub-aerial volcanic ash which may have been re-worked in low energy reducing environment. Minor outcrops of Cretaceous sediments (sandstones) occur and outcrop as mesa like bodies in the terrain.

Exploration activities conducted over the relinquished part of EL25295 included a project review and evaluation, a review of historic exploration data and subsequent data entry as well as reprocessing and interpretation of historical geophysical data. Remote sensing imaging was obtained and reconnaissance field visits conducted.

A total of $11,813 was spent on the relinquished area of EL25295.
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.

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

Exploration License (EL) 25295 is located in the southern part of the Burnside Project area, approximately 150 km SE of Darwin, 20 km south east of Brocks Creek and some 5 km south east of the Mount Bonnie Mine. The licence area originally covered ground over the Margaret River Diggings.

The tenement was reduced by 50% to 3 blocks in February 2011 as requested by the NTDoR. This report documents the exploration activities conducted over the relinquished section of EL25295.

4 LOCATION AND ACCESS

EL25295 is approximately 150km south east of Darwin, 65km south east of Adelaide River and 5km north-west of Emerald Springs. The tenement lies north of the Stuart Highway allowing for access via bush tracks and access to the Margaret Diggings. The region has steep hills intersected by gullies making for challenging access. Access to some off road areas is restricted to foot only, and may be limited or impassable during the wet season.

The location of the EL25295 is shown in Figure 1.

5 TENEMENT DETAILS

EL 25295 originally comprised 5 blocks totalling 16.69 km². The Licence was granted on 15 February 2007 for a 6 year period and expires on the 14 February 2013. Tenement holders were Buffalo Creek Mines Pty Ltd (50%) and Territory Goldfields Pty (50%) which were wholly owned subsidiaries of GBS Gold Australia Pty Ltd. GBS Gold Australia went into voluntary receivership and as a result, all assets including EL 25295 were placed under care and maintenance. Crocodile Gold Australia purchased all assets held by GBS Gold Australia (liquidated) and its subsidiaries on 6 November 2009.

The tenement was reduced by 50% to 3 blocks (10 km²) in February 2011.

Underlying cadastre is dominantly Perpetual Pastoral Lease No. 815, Mary River West owned by Equest Pty Ltd (ACN 009 632 642).
Figure 1: EL25295 Tenement Location
6 GEOLOGICAL SETTING

6.1 REGIONAL GEOLOGY

EL25295 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.

Some of gold mineralisation appears to be related to the I-type members of Cullen Batholith, formed during the evolution of hydrothermal fluids as a result of fractionation and differentiation processes (Bajwah, 1994).

Figure 2 illustrates the regional geology of the Burnside project.
6.2 LOCAL GEOLOGY

EL 25295 is located in a ‘pocket’ of Palaeoproterozoic faulted and tightly folded South Alligator Group, Mount Partridge Group and Zamu Dolerite sandwiched between two I-type granites, the Prices Springs Granite and the McMinns Bluff Granite. The western portion of the Palaeoproterozoic sediments is known as the Golden Dyke Dome and the eastern portion of the sediment is known as the Burrundie Dome. Both folding and faulting show north-west to south-east trends.

The oldest rock unit is the Wildman Siltstone which is generally Siltstone, Phyllite with minor sandstone. It may contain some massive hematite lenses and is of shallow marine origin. Much of the area is covered by the Koolpin formation and interlayered Zamu dolerite. The Koolpin Formation commonly occurs as carbonaceous siltstone, shale and phyllite with chert nodules. In places, massive limonitic ironstone lenses are also present. Deposition of the formation took place in shallow reducing water environment. In the eastern corner of the tenement, Gerowie Tuff is present which comprises siltstone, phyllite, tuffaceous chert, chert along with sub-aerial volcanic ash which may have been re-worked in low energy reducing environment. Minor outcrops of Cretaceous sediments (sandstones) occur and manifest themselves as mesa like bodies in the terrain.
7  EXPLORATION ACTIVITIES 2007 TO 2011

Work conducted by GBS Gold Australia in the first year on tenure included a project review with collation and analysis of previous exploration data and purchase of remote sensing data. Data entry and several reconnaissance field visits were also conducted.

During the 2008 and 2009 exploration year GBS Gold continued with data entry and compilation as well as reprocessing of historic geophysical data. Several reconnaissance field visits were also conducted.

GBS Gold Australia went into voluntary administration and therefore work during the 2009 to 2010 reporting year was limited to a project review and tenement ranking and evaluation to prepare for sale. Crocodile Gold acquired EL25295 in November of 2009 but due to a focus on exploration around the active mining centres of Cosmo/Howley and Brocks Creek there was no further exploration conducted during the 2010 to 2011 exploration year.

Since the 50% relinquishment of EL25295 Crocodile Gold has conducted a high resolution VTEM survey over the Burnside project area, which also covered the remaining part of EL25295.

A total of $11,813 was spent on the relinquished part of EL25295. Table 1 lists the expenditure for each year of tenure.

<table>
<thead>
<tr>
<th>Year</th>
<th>Exploration Activity</th>
<th>Expenditure</th>
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</thead>
<tbody>
<tr>
<td>Feb 2007 to Feb 2008</td>
<td>literature review, historic data review, data entry, remote sensing data, field recon visits</td>
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<tr>
<td>Feb 2008 to Feb 2009</td>
<td>reprocessing historic geophysical data, data compilation and entry, field recon visits</td>
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<td>TOTAL</td>
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8 REFERENCES


