



**ANNUAL INFORMATION FORM**

**For the year ended December 31, 2009**

**65 Queen Street West, Suite 815  
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March 31, 2010

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## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

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This Annual Information Form contains forward-looking information under Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Corporation's expected production from, and further potential, of the Corporation's properties; the Corporation's ability to raise additional funds; the future price of minerals, particularly gold; the estimation of mineral reserves and mineral resources; conclusions of economic evaluations; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration, development and production activities are based on assumptions underlying mineral reserve and mineral resource estimates and the probability of realizing such estimates that are set out herein. Capital and operating cost estimates are based on extensive research by the Corporation, purchase orders placed by the Corporation to date, recent estimates of construction and mining costs and other factors that are set out herein. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: variations in ore grade and recovery rates; revocation of government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future mineral prices; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry. Although management of the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Corporation does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

## **DEFINITIONS AND GLOSSARY OF TERMS**

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In this annual information form, references to “Crocodile Gold” or the “Corporation” mean Crocodile Gold Corp. and the following abbreviations and defined terms are used:

“AIF”	means this annual information form.
“Audit Committee”	means the audit committee of the Board.
“Board”	means the board of directors of the Corporation.
“Common Shares”	means the common shares in the capital of the Corporation.
“Compensation Committee”	means the compensation committee of the Board
“Corporate Governance Committee”	means the corporate governance committee of the Board
“Northern Territory Gold Properties”	means the Burnside Gold and Base Metals Project (which includes the Burnside, Union Reefs, Pine Creek, Maud Creek and Moline projects) and the Tom’s Gully Gold Project.
“NI 43-101”	means National Instrument 43-101 – <i>Standards of Disclosure for Mineral Projects</i> of the Canadian Securities Administrators.

## **CURRENCY PRESENTATION**

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This AIF contains references to Australian dollars, United States dollars and Canadian dollars. All dollar amounts referenced herein, unless otherwise indicated, are expressed in United States dollars. Australian dollars are referred to as “Australian dollars” or “AUD”, Canadian dollars are referred to as “C\$”.

The following tables sets out the exchange rates for Canadian dollars per United States dollar and Australian dollars in effect at the end of the following periods based on the Bank of Canada noon spot rate of exchange.

U.S. Dollar	Year Ended December 31		
	2009	2008	2007
Closing	1.0466	1.2246	1.0120
High	1.3000	1.2969	1.1853
Low	1.0292	0.9719	0.9170
Average	1.1420	1.0660	1.0748

On March 29 2010, the noon buying rate in U.S. Dollars reported by the Bank of Canada was US\$1.00 = \$1.0203

Australilian Dollar	Year Ended December 31		
	2009	2008	2007
Closing	0.9395	0.8550	0.8670
High	0.9822	0.9822	0.9474
Low	0.7838	0.7524	0.8389

Average	0.8969	0.9002	0.8982
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On March 29, 2010, the noon buying rate in Australian dollars reported by the Bank of Canada was AUD\$1.00= \$0.9336

All information in this AIF is given as of March 29, 2010, unless otherwise indicated.

## **CORPORATE STRUCTURE**

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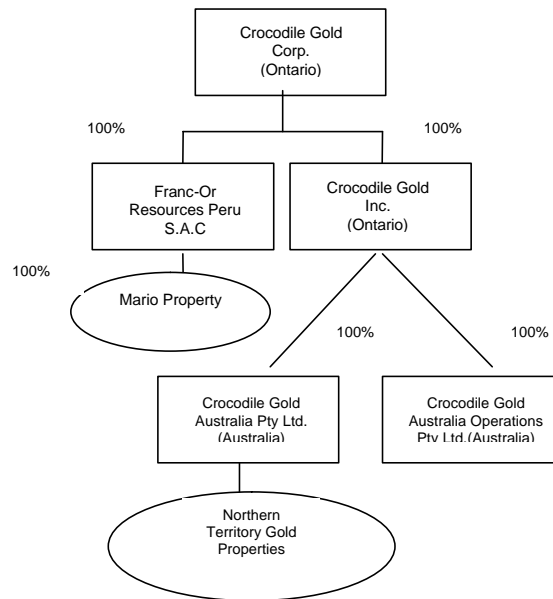
The Corporation, formerly known as “Card Lake Resources Limited”, was formed under the laws of the Province of Ontario by the amalgamation of Card Lake Copper Mines Limited, Matona Resources Limited and Mission Harker Exploration Limited pursuant to articles of amalgamation dated October 31, 1986. Following its formation, the Corporation engaged in mineral exploration activities, principally in Ontario, Canada.

On April 18, 1994, the Corporation filed Articles of Amendment to change its name to “Franc-Or Resources Corporation”. On June 23, 1994, the Corporation completed the acquisition of all of the issued and outstanding shares of 1075295 Ontario Inc., a holding company, the principal asset of which was the shares of its wholly-owned subsidiary, Guyanne Resources Inc. S.A.R.L. (“GRI”), a corporation incorporated in French Guiana under the laws of France which held mineral interests in French Guiana. The acquisition was accounted for as a reverse take-over under the purchase accounting method. At the time of the acquisition, the Corporation held two contiguous patented claims in respect of a gold and base metal exploration property located in the District of Cochrane, Ontario. In order to allow the Corporation to focus on its newly acquired French Guiana properties, the Ontario properties were relinquished and substantially all of the Corporation’s former assets and liabilities were written off or discharged and its deficit eliminated. The French Guiana properties were subsequently dropped by the Corporation. On August 25, 1997, the Corporation was continued under the laws of the Yukon Territory. On December 7, 2009, the Corporation was continued under the laws of the Province of Ontario.

On November 3, 2009, the Corporation completed an acquisition of Crocodile Gold Inc. (the “Business Combination”). Crocodile Gold Inc. was a private company incorporated as 2115565 Ontario Inc. under the laws of the Province of Ontario by Articles of Incorporation dated October 10, 2006. Immediately prior to the effective time of the Business Combination, by Articles of Amendment filed on November 2, 2009, the Corporation completed a consolidation (the “Consolidation”) of its issued and outstanding common shares on the basis of one new common Share for every 6.3 old Common Shares and changed its name to Crocodile Gold Corp.

Crocodile Gold’s head and registered office is located at 65 Queen Street West, 8<sup>th</sup> Floor, Toronto, Ontario M5H 2M5.

The following chart shows the subsidiaries of the Corporation, their jurisdiction of incorporation and the Corporation's, direct or indirect, percentage ownership in each corporation.



## **GENERAL DEVELOPMENT OF THE BUSINESS**

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Crocodile Gold is engaged in the acquisition, exploration, development and operation of gold properties in the Northern Territory of Australia. The Northern Territory Gold Properties comprise an area greater than 3,500 square kilometres and are located approximately 90 to 285 kilometres south of Northern Territory capital city, Darwin, and include the Burnside Project, Tom's Gully Project and Maud Creek Project. The property contains an estimated 3.0 million ounces of NI 43-101 compliant measured and indicated mineral resources (40.9 million tonnes at an average grade of 2.3 g/t gold), and 1.8 million ounces of inferred mineral resources (25.9 million tonnes at an average grade of 2.3 g/t gold) (See Description of the Northern Territory Properties – Mineral Resource and Mineral Reserve Estimates below). The Burnside Project includes the Brocks Creek underground mine, the Howley open pit mine and several additional deposits along the Cosmo/Howley corridor, including the undeveloped Cosmo underground deposit. The Tom's Gully Project includes the Tom's Gully underground mine and the 800 tpd Tom's Gully Mill and the former Mt Bundy (Rustler's Roost) Mine. Crocodile Gold owns the 8,000 tpd Union Reefs Mill.

### **Three-Year History**

The following is a summary of the development of the Corporation over the past three financial years and the current financial year.

#### ***Current Financial Year***

On March 16, 2010, the Corporation announced that Mr. David Keough had been appointed the Chief Operating Officer of Crocodile Gold effective April 19, 2010.

On February 9, 2010, Crocodile Gold began trading on the highest tier of the U.S. Over-the-Counter (“OTC”) market, the OTCQX International, under the stock symbol CROCF.

On January 18, 2010, the Corporation announced that it was issuing a notice of accelerated expiry to the holders of approximately 21,728,868 share purchase warrants for proceeds of up to approximately C\$31 million. The acceleration was effected pursuant to the terms of certain converted Franc-Or warrants and pursuant to the terms of a warrant indenture whereby the expiry dates became accelerated in the event that Crocodile Gold’s shares traded above C\$1.134 for more than 20 consecutive days and above C\$2.00 for a period of 10 consecutive days. The Corporation raised approximately C\$32.4 million in connection with the exercise of the accelerated warrants.

***Financial Year Ended December 31, 2009***

On December 29, 2009, Crocodile Gold announced its first gold pour at its Union Reefs Mill in the Northern Territory, Australia.

On December 18, 2009, Crocodile Gold closed an equity financing including the exercise of the over-allotment option in full. Pursuant to the terms of the financing, Crocodile Gold issued 22,195,000 Common Shares at a price of C\$1.30 per Common Share for aggregate gross proceeds of C\$28,853,500. The Common Shares were sold pursuant to an underwriting agreement with a syndicate of underwriters co-led by Cormark Securities Inc. and Macquarie Capital Markets Canada Ltd. and including Wellington West Capital Markets Inc., Fraser Mackenzie Limited, and GMP Securities L.P. The net proceeds of the Offering were intended to be used to fund expenditures on Crocodile Gold’s assets in the Northern Territory of Australia and other exploration activities, and for general working capital and corporate purposes. In consideration for their efforts, the Underwriters received a cash commission equal to C\$1,731,210 and were issued 1,331,700 compensation options that will entitle them to acquire an equal number of Crocodile Gold common shares at a price of C\$1.30 per share on or before December 18, 2011.

On December 7, 2009, Crocodile Gold was continued under the laws of the Province of Ontario.

On December 1, 2009, Crocodile Gold commenced milling at its 8,000 tonne per day Union Reefs Mill in the Northern Territory, Australia.

On November 9, 2009, Crocodile Gold commenced mining activities at its Northern Territory, Australia properties.

On November 6, 2009, the registration of the mining tenements comprising the Northern Territory Gold Properties in the name of the Corporation’s Australian subsidiary was completed. Upon receiving title to the licences and tenement, the Corporation began mining and stockpiling ore. Mining activities commenced at the Chinese South open pit and the Brocks Creek underground mine. Ore from these deposits is shipped to the Union Reefs Mill.

On November 3, 2009, the Corporation completed an acquisition of Crocodile Gold Inc. (the “Business Combination”). Crocodile Gold Inc. was a private company incorporated as 2115565 Ontario Inc. under the laws of the Province of Ontario by Articles of Incorporation dated October 10, 2008. In June 2009, Crocodile Gold Inc. acquired a number of past producing assets in the Northern Territory Australia, including the Burnside Gold and Base Metals Project and the Tom’s Gully Gold Project from GBS Gold International Inc. (in liquidation).

Prior to the effective time of the Business Combination, by Articles of Amendment filed on November 2, 2009, the Corporation completed the consolidation of its issued and outstanding Common Shares on the basis of one new Common Share for every 6.3 Common Shares and changed its name to Crocodile Gold Corp. In connection with the Business Combination, Crocodile Gold Inc. completed a private placement of subscription receipts for gross proceeds of \$35 million. Each subscription receipt automatically converted into one common share and one-half of one common share purchase warrant of Crocodile Gold Inc. immediately prior to the completion of the Business Combination. Upon completion of the Business Combination, the common shares and warrants of Crocodile Gold Inc. issued pursuant to this private placement were exchanged for Common Shares and warrants of the Corporation. The warrants were issued at an exercise price of \$1.50 with an expiry date of November 2, 2011 and an acceleration clause that provided that in the event that Crocodile Gold's shares traded above \$2.00 for a period of ten consecutive days on the TSX, the Corporation could accelerate the time of expiry of the warrants to 20 days following notice of such acceleration being provided to warrant holders. The Business Combination was effected by way of three-cornered amalgamation pursuant to which a wholly-owned subsidiary of Franc-Or amalgamated with Crocodile Gold Inc., and all holders of shares of Crocodile Gold Inc. received one Common Share of the Corporation on a post-consolidation basis. The Business Combination was approved by shareholders of the Corporation and Crocodile Gold Inc., respectively, at special meetings of shareholders held on November 2, 2009.

On October 16, 2009, the Corporation announced that it had secured the option to draw upon a US\$25 million senior secured credit facility from Marret Asset Management Inc. at any time prior to June 30, 2010. In consideration for the commitment, Marret was issued 4,000,000 common share purchase warrants at an exercise price of C\$1.50 for a period of three years.

#### *Financial Year Ended December 31, 2008*

In October 2008 the Corporation announced the relocation of its offices to Toronto, Ontario and announced the appointment of Ms. Deborah Battiston as Chief Financial Officer and Ms. Brianna Davies as Corporate Secretary, following the resignation of Mr. Vatche Tchakmakian.

In July 2008, the Corporation closed a two-tranche private placement financing for a total of \$2,000,000 in proceeds. The first tranche consisted of the issue and sale of 2.0 million units. The second tranche required shareholder approval since more than 25% (approximately 85%) of the issued and outstanding common shares were to be issued at such closing. The total number of common shares issued under the private placement represented 93.8% of the issued and outstanding common shares of the Corporation as of May 21, 2008. Shareholders approved the financing on June 26, 2008. Effective July 10, 2008, and in connection with the financing, Robert J. Casaceli resigned as President, Chief Executive Officer, and a Director of Franc-Or Resources, and was replaced in all positions by Mr. Scott Moore. Mr. George Faught was also appointed to the Board of Directors of the Corporation, upon the resignation of Mr. David Z. Royle.

In March 2008, the Corporation completed the drilling of 17 holes totaling 3,500 meters diamond drilling at the Mario, Peru property. During the remainder of 2008 the Corporation focused on data compilation and rehabilitation of new drill roads and drill platforms. The exploration camp is on care and maintenance and exploration activity has been suspended pending improvement in metal prices. In accordance with Peruvian mining law, the Report for Closure of Exploration Activity Minera Mario was filed with the Peruvian government in October, 2008 and accepted.

#### *Financial Year Ended December 31, 2007*

In March 2007, Teck Cominco (Peru) S.A. transferred the mining licence title to the Mario property in Peru to the Corporation's wholly owned subsidiary, Franc-Or Resources Peru S.A.C.

In May 2007, the Corporation acquired Teck Cominco's right to back-in to the Mario Property through the issuance of 1,900,000 Common Shares and 1,600,000 warrants at an exercise price of C\$0.40 per Common Share expiring on May 30, 2009.

## **NARRATIVE DESCRIPTION OF THE BUSINESS**

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### **General**

Crocodile Gold is engaged in the acquisition, exploration, development and operation of gold properties in the Northern Territory of Australia. Crocodile Gold has completed the acquisition of recent past producing gold assets in the Northern Territory of Australia. The Northern Territory Gold Properties comprise an area greater than 3,500 square kilometres and are located approximately 90 to 285 kilometres south of the state capital city, Darwin, and include the Burnside Project, Tom's Gully Project and Maud Creek Project. The property contains an estimated 3.09 million ounces of NI 43-101 compliant measured and indicated mineral resources (42.9 million tonnes at an average grade of 2.3 g/t gold), and 1.94 million ounces of inferred mineral resources (26.7 million tonnes at an average grade of 2.3 g/t gold) (See Description of the Northern Territory Properties – Mineral Resource and Mineral Reserve Estimates below) The Burnside Project includes the Brocks Creek underground mine, the Howley open pit mine and several additional deposits along the Cosmo/Howley corridor, including the undeveloped Cosmo underground deposit. The Tom's Gully Project includes the Tom's Gully underground mine and the former Mt Bundy (Rustler's Roost) Mine. Crocodile Gold owns the 8,000 tpd Union Reefs Mill and the 800 tpd Tom's Gully Mill. Crocodile Gold trades under the symbol CRK on the Toronto Stock Exchange, XGC on the Frankfurt Exchange and CROCF on OTCQX.

### **Principal Products and Markets**

The Corporation's principal product is gold. There is a global market into which any gold produced could be sold and, as a result, the Corporation will not be dependent on a particular purchaser with regard to the sale of any gold produced.

### **Competitive Conditions**

The gold exploration and mining business is a competitive business. Crocodile Gold competes with numerous companies that have resources significantly in excess of those of the Corporation, in the search for (i) attractive mineral properties; (ii) qualified service providers and labour; and (iii) equipment and suppliers. The ability of the Corporation to acquire additional mineral properties in the future will depend on its ability to operate and develop its present properties and on its ability to select and acquire suitable producing properties or prospects for development or exploration in the future.

### **Environmental Protection**

The Corporation's exploration, development and mining activities are subject to laws and regulations governing environmental protection, employee health and safety, waste disposal, remediation of environmental sites, reclamation, mine safety, control of toxic substances and other matters. Compliance with applicable laws and regulations requires forethought and diligence in the conduct of the Corporation's activities.

## **Employees**

As of March 2010, the Corporation had approximately 300 employees, contract service providers and consultants.

## **Risk Factors**

Investing in the Corporation involves risks that should be carefully considered. The business of the Corporation is speculative due to the high-risk nature of gold mining and exploration. Investors should be aware that there are various risks, including those discussed below, that could have a material adverse effect on, among other things, the operating results, earnings, properties, business and condition (financial or otherwise) of the Corporation.

### *Crocodile Gold's securities may experience price volatility*

Securities markets have recently had a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of Crocodile Gold include macroeconomic developments locally and globally, and market perceptions of the attractiveness of particular industries. There can be no assurance that continued fluctuations in mineral prices will not occur. As a result of any of these factors, the market price of the securities of the Corporation at any given point in time may not accurately reflect the long term value of Crocodile Gold. In the past, following periods of volatility in the market price of a company's securities, shareholders have instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could significantly harm profitability and the reputation of Crocodile Gold.

### *Mines have limited lives*

Mining companies need to continually discover, develop, or acquire mineral reserves for gold production. Because mines have limited lives based on resource and reserve estimates, the Corporation must continually replace and expand mineral resources and reserves as it produces gold. The Corporation's ability to maintain or increase its annual production of gold will be dependent in significant part on its ability to bring new mines into production and to expand or extend the life of existing mines.

### *Risks associated with mineral resource estimates*

The Corporation has defined mineral resources in accordance with NI 43-101 in respect of the Crocodile Gold Assets and is currently conducting mining operations on these resources, however it has limited defined current mineral reserves on its projects. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty of measured, indicated or inferred mineral resources, these mineral resources may never be upgraded to proven and probable mineral reserves. Investors are cautioned not to assume that any part of mineral deposits in these categories will ever be converted into reserves or recovered as part of the Corporation's mining operations.

### *Australian Foreign Investment Law*

Under Australia law a person acquiring control or direction, directly or indirectly, of 15% or more of the Common Shares may be required to obtain prior approval from the Australia Foreign Investment Review Board ("FIRB"). Failure by any investor to obtain such approval under Australian law prior to acquiring control or direction, directly or indirectly, of 15% or more of the securities of the Corporation may be subject to fines or may be forced to dispose of a portion of its investment. Luxor Capital Group LP and its related entities, which to the knowledge of the Corporation, as of the completion of the Business Combination, held approximately 19.2% of the issued and outstanding Common Shares (prior to giving effect to any convertible securities of the Corporation held by them), has obtained FIRB approval and may increase its holdings to a maximum of 24.5% of the outstanding capital of the Corporation. Investors should consult their own legal advisers prior to making any investment in securities of the Corporation.

#### *Government Regulation*

The Corporation's business, mining operations and exploration and development activities are subject to extensive federal, territorial and local laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection of the environment, reclamation, historic and cultural resource preservation, mine safety and occupational health, control of toxic substances, reporting and other matters, as well as accounting standards. Compliance with these laws, regulations and standards or the imposition of similar requirements could adversely affect operating and development costs, the timing of operations, the ability to operate and financial results.

#### *Current Global Financial Condition*

Financial markets globally have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to financing has been negatively impacted by liquidity crises throughout the world. These factors may affect the ability of the Corporation to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Corporation. If these increased levels of volatility and market turmoil continue, the Corporation may not be able to secure appropriate debt or equity financing, any of which could affect the trading price of the Corporation's securities in an adverse manner.

#### *Price of Gold*

Changes in the market price of gold, that in the past have fluctuated widely, will affect the profitability of Crocodile Gold's operations and its financial condition. Crocodile Gold's revenues, profitability and viability will depend on the market price of gold produced from Crocodile Gold's mines. The market price of gold is set in the world market and is affected by numerous industry factors beyond Crocodile Gold's control including the demand for precious metals, expectations with respect to the rate of inflation, interest rates, currency exchange rates, the demand for jewelry and industrial products containing metals, production levels, inventories, costs of substitutes, changes in global or regional investment or consumption patterns, and sales by central banks and other holders, speculators and producers of gold and other metals in response to any of the above factors, and global and regional political and economic factors. A decline in the market price of gold below Crocodile Gold's anticipated production costs for any sustained period would have a material adverse impact on the profit, cash flow and results of operations of Crocodile Gold's projects and anticipated future operations. Such a decline also could have a material adverse impact on the ability of Crocodile Gold to finance the exploration and development of its existing and future mineral projects. A decline in the market price of gold may also require Crocodile Gold to reduce its estimated mineral reserves which would have a material adverse effect on the value of Crocodile Gold's securities. Further, if revenue from gold

sales declines, Crocodile Gold may experience liquidity difficulties in the future. Crocodile Gold will also have to assess the economic impact of any sustained lower gold prices on recoverability and therefore, on cut-off grades and the level of its mineral reserves and resources.

#### *Exploration, Development and Operating Risks*

Mining operations generally involve a high degree of risk. Crocodile Gold's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of gold and base metals, including: unusual and unexpected geologic formations; seismic activity; rock bursts; cave-ins; flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities; damage to life or property; environmental damage and possible legal liability.

Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or the failure to retain dams around tailings disposal areas that may result in environmental pollution and consequent liability. The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Crocodile Gold not receiving an adequate return on invested capital.

Development projects have no operating history upon which to base estimates of future capital and operating costs. For development projects, resource estimates and estimates of operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of capital and operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from ore, estimated operating costs, and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

#### *Production Estimates*

Crocodile Gold has prepared estimates of future gold production for its existing and future mines. Crocodile Gold cannot give any assurance that it will achieve its production estimates. The failure by Crocodile Gold to achieve its production estimates could have a material adverse effect on any or all of its future cash flows, profitability, results of operations and financial conditions. The realization of production estimates are dependent on, among other things, the accuracy of mineral reserve and resource estimates, the accuracy of assumptions regarding ore grades and

recovery rates, ground conditions (including hydrology), the physical characteristics of ores, the presence or absence of particular metallurgical characteristics, and the accuracy of the estimated rates and costs of mining, ore haulage and processing. Actual production may vary from estimates for a variety of reasons, including the actual ore mined varying from estimates of grade or tonnage; dilution and metallurgical and other characteristics (whether based on representative samples of ore or not); short-term operating factors such as the need for sequential development of ore bodies and the processing of new or adjacent ore grades from those planned; mine failures or slope failures; industrial accidents; natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; shortages of principal supplies needed for mining operations; including explosives, fuels, chemical reagents, water, equipment parts and lubricants; plant and equipment failure; the inability to process certain types of ores; labour shortages or strikes; and restrictions or regulations imposed by government agencies or other changes in the regulatory environment. Such occurrences could also result in damage to mineral properties or mines, interruptions in production, injury or death to persons, damage to property of Crocodile Gold or others, monetary losses and legal liabilities in addition to adversely affecting mineral production. These factors may cause a mineral deposit that has been mined profitably in the past to become unprofitable forcing Crocodile Gold to cease production.

#### *Cost Estimates*

Capital and operating cost estimates made in respect of Crocodile Gold's mines and development projects may not prove accurate. Capital and operating cost estimates are based on the interpretation of geological data, feasibility studies, anticipated climatic conditions, other factors and assumptions regarding foreign exchange currency rates. Any such events, could affect the ultimate accuracy of such estimate; unanticipated changes in grade and tonnage of ore to be mined and processed; incorrect data on which engineering assumptions are made; delay in construction schedules, unanticipated transportation costs; the accuracy of major equipment and construction cost estimates; labour negotiations; changes in government regulation (including regulations regarding prices, cost of consumables, royalties, duties, taxes, permitting and restrictions on production quotas on exportation of minerals) and title claims.

#### *Native and Aboriginal Heritage Issues*

Native title claims and Aboriginal heritage issues may affect the ability of Crocodile Gold to pursue exploration, development and mining on Australian properties. The resolution of native title and Aboriginal heritage issues is an integral part of exploration and mining operations in Australia and Crocodile Gold is committed to managing the issues effectively. However, in view of the inherent legal and factual uncertainties, no assurance can be given that material adverse consequences will not arise in connection with native title and Aboriginal heritage issues.

#### *Infrastructure*

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants that affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect Crocodile Gold's operations, financial condition and results of operations.

#### *Environmental Regulation and Reclamation Obligations*

Crocodile Gold's activities are subject to laws and regulations controlling not only the mining of and exploration for mineral properties, but also the possible effects of such activities upon the environment. Environment laws may change and make the mining and processing of ore uneconomic, or result in significant environmental or reclamation costs. Environmental legislation provides for restrictions and prohibitions on spills, releases, or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which could result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties or the suspension or closure of mining operations. In addition, certain types of operations require the submission of environmental impact statements and approval thereof by government authorities. Environmental legislation is evolving in a manner that may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. Permits from a variety of regulatory authorities are required for many aspects of mine development, operation and reclamation. Future legislation and regulations could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of Crocodile Gold's properties, the extent of which cannot be reliably predicted. In the context of environmental permits, including the approval of reclamation plans, Crocodile Gold must comply with standards, laws and regulations that may entail costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the regulatory authority. The reclamation liability on any of Crocodile Gold's properties will be calculated based on current laws and regulations and the expected future costs to be incurred in reclaiming, restoring and closing its exploration or operating mine sites. It is possible that the Corporation's estimate of its ultimate reclamation liability could change as a result of changes in laws and regulations and changes in cost estimates. Should Crocodile Gold be unable to post required financial assurance related to an environmental remediation obligation, Crocodile Gold might be prohibited from starting planned operations or required to suspend existing operations or enter into interim compliance measures pending completion of the required remedy, which could have a material adverse effect.

#### *Northern Territory Wet Season*

All of Crocodile Gold's material properties are located in the Northern Territory of Australia. Typically, the Northern Territory's tropical wet season is from the end of November to the end of March. During the wet season, the properties may be subject to unpredictable weather conditions such as cyclones, heavy rains, strong winds and flash flooding. Crocodile Gold has undertaken several steps to minimize the effects of the wet season on its operations including sealing roads, accommodating the build-up of mined inventory and planning exploration and mining activities around the wet season. Nonetheless, no assurance can be given that the unpredictable weather conditions will not adversely affect mining and exploration activities. In particular, mining, drilling and exploration activities may have to be suspended due to poor ground conditions; ore haulage activities may be slowed or delayed as roads may be temporarily flooded, and deposits where the host rock is clayish in nature may have to be mined or processed at slower-than-anticipated rates and/or mixed with lower grade stockpile ore. As a result, during the first and fourth quarters of the calendar year, the financial performance and results of operations may vary significantly from the second and third quarters.

#### *Insurance and Uninsured Risks*

Crocodile Gold's business is subject to a number of risks and hazards generally, including: adverse environmental conditions; industrial accidents; labour disputes; unusual or unexpected geological conditions; ground or slope failures; cave-ins; changes in the regulatory environment; and natural phenomena such as inclement weather conditions, floods and earthquakes. Such

occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Crocodile Gold's properties or the properties of others, delays in mining, monetary losses and possible legal liability. The businesses and properties of Crocodile Gold are insured against loss or damage with coverage of types and in amounts consistent with the types and amounts of insurance maintained by corporations and other entities of a size and carrying on business of a type carried on by Crocodile Gold. However, such insurance will not cover all the potential risks associated with a mining company's operations. Crocodile Gold may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Crocodile Gold or to other companies in the mining industry on acceptable terms. Crocodile Gold might also become subject to liability for pollution or other hazards that may not be insured against or that Crocodile Gold may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Crocodile Gold to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

#### *Competition*

The mining industry is intensely competitive in all of its phases and Crocodile Gold competes with many companies possessing greater financial and technical resources. Competition in the precious metals mining industry is primarily for mineral rich properties that can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals, but conduct refining and marketing operations on a global basis. Such competition may result in Crocodile Gold being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect Crocodile Gold's prospects for mineral exploration and success in the future.

#### *Currency Fluctuations*

Currency fluctuations may affect Crocodile Gold's costs and margins. Gold is sold throughout the world based on U.S. dollars. Crocodile Gold pays for goods and services in Australian dollars. Adverse fluctuations in the Australian dollar relative to the U.S. dollar could materially and adversely affect Crocodile Gold's profitability, results of operation and financial position.

#### *Crocodile Gold Has Limited Historical Production Revenues*

To date, Crocodile Gold has only recorded limited revenues from mining operations and has yet to declare commercial production on any of its properties. There can be no assurance that significant additional losses will not occur in the near future or that Crocodile Gold will be profitable in the future. Crocodile Gold's operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of its properties are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, Crocodile Gold's acquisition of additional properties and other factors, many of which are beyond Crocodile Gold's control. Crocodile Gold expects to continue to incur losses unless and until such time as its properties enter into commercial production and generate sufficient revenues to fund its continuing operations. The development of certain of Crocodile Gold's

properties will require the commitment of substantial resources to conduct the time-consuming exploration and development of properties. There can be no assurance that Crocodile Gold will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

#### *Dependence on Outside Parties*

Crocodile Gold has relied upon consultants, engineers and others and intends to rely on these parties for exploration, development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on Crocodile Gold.

#### *Dependence on Key Personnel*

Crocodile Gold is reliant on key personnel it has employed or engaged. Loss of such personnel may have a material adverse impact on the performance of Crocodile Gold. In addition, the recruiting of qualified personnel is critical to Crocodile Gold's success. As Crocodile Gold's business grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff for operations. There is increased competition in the mining industry for qualified skilled personnel, especially in Australia where Crocodile Gold operates. While Crocodile Gold believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance that Crocodile Gold will be able to acquire or retain the necessary qualified skilled personnel to continue its operations or put its mineral deposits properties into production on terms it considers acceptable.

#### *Conflicts of Interest*

Certain directors of Crocodile Gold are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnership or joint ventures which are potential competitors of Crocodile Gold. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors may conflict with the interests of Crocodile Gold. Directors of Crocodile Gold with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation, regulations, rules and policies.

### **DESCRIPTION OF THE NORTHERN TERRITORY PROPERTIES**

The information below has been excerpted or derived from the technical report prepared by Snowden Mining Industry Consultants, HG Mine Design Pty Ltd., Geostat Services Pty Ltd. and Odessa Resources Pty Ltd. entitled "Overview of the Geology, Mineral Resources and Mineral Reserves and Exploration Potential of the Northern Territory Gold Properties (Burnside Gold and Base Metals Project – Tom's Gully Gold Project) Australia for Crocodile Gold Inc." dated July 12, 2009 (the "Technical Report") authorized by Alf Gillman (Principal Author), Fleur L. Muller, Michael C. Andrew and Heath Gerritsen, each of whom is independent of Crocodile Gold and a qualified person under National Instrument 43-101 ("NI 43-101") with the exception of Mr. Gerritsen, who, subsequent to the production of the NI 43-101 report, became an employee of Crocodile Gold. Mr. Gillman, Mrs. Muller, Mr. Andrew and Mr. Gerritsen have reviewed the scientific and technical information in this document. See "Interests of Experts". The Technical Report, particularly the conclusions, interpretation and recommendations, include forward-

looking estimates and projections and involves a number of risks and uncertainties that could cause actual results to differ materially. See “Cautionary Statement Regarding Forward-Looking Information.”

*Project Description and Location*

The Northern Territory gold properties, which comprise the Burnside Gold and Base Metals Project (which includes the Burnside, Union Reefs, Pine Creek, Maud Creek and Moline projects) and the Tom’s Gully Gold Project (collectively, the “Properties”) of Crocodile Gold comprise a total of 238 mineral titles (9 applications pending; 229 granted) totalling approximately 3,535.8 square kilometres (approximately 353,580.52 ha) in the Northern Territory, Australia which include an inventory of historical gold discoveries, past historical and modern gold mines, and current mineral resources and mineral reserves.

An agreement to acquire the Properties was entered into on June 19, 2009 from GBS Gold (in liquidation). GBS Gold operated the Tom’s Gully and Brocks Creek underground gold mines and mined several of the above-mentioned open pit gold deposits and operated two gold processing plants, one at Tom’s Gully, the other at Union Reefs, near Katherine, Northern Territory, until September, 2008, when administrators were appointed.

The Tom’s Gully Gold Project, which includes the Tom’s Gully Gold Mine (underground) is located about 90 kilometres east-southeast of the capital city of Darwin, Northern Territory (population of 120,000); the Burnside Gold & Base Metals Project is located approximately 125 – 285 kilometres south-southeast of Darwin, Northern Territory and includes the Brocks Creek Gold Mine (underground), and several recent open pit gold mines at Chinese South, Mottrams, Fountain Head and North Point, and undeveloped gold deposits at Cosmo Deeps, Maud Creek and other locations.

The following table sets out the mineral titles comprising the Properties.

**Crocodile Gold**

**Northern Territory Gold Properties Mineral Titles**

PROJECT	GRANTED	PENDING	AREA (ha)
<b>Tom’s Gully Gold Project</b>			
Toms Gully	57	1	87,280.29
<b>Burnside Gold &amp; Base Metals Project</b>			
Burnside Gold Project	104	5	133,066.64
Union Reefs Gold Project	27	0	5,653.65
Pine Creek Gold Project	9	0	1,461.45
Maud Creek Gold Project	22	2	14,920.79
Moline Gold Project	9	1	35,497.70
TOP Option	1	0	75,700.00
<b>Sub-Total</b>	<b>172</b>	<b>8</b>	<b>266,300.23</b>
<b>Total</b>	<b>229</b>	<b>9</b>	<b>353,580.52</b>

Please refer to Appendix I of the Technical Report for a list of the mineral titles.

The Properties are all located on pastoral leases. Holders of mining and exploration tenements have rights of access to their tenements, including access through neighbouring pastoral leases, and are not obligated to remunerate pastoral leaseholders for recovered minerals because by law do not have any title to the minerals on the tenements. However, as a matter of commercial practice, mining companies and pastoral leaseholders often reach access agreements governing their activities and relationships.

Tenements comprising the Tom’s Gully Gold Project are located on pre-existing Pastoral Leases as follows:

- Old Mt Bundy Station, Perpetual Pastoral Lease No. 1163
- McKinley Station, Perpetual Pastoral Lease No. 1164

Tenements comprising the Burnside, Union Reefs, Moline and Maud Creek Gold Projects are located on various pastoral leases, as follows:

- Ban Ban Springs Station, Perpetual Pastoral Lease No. 1111
- Mount Ringwood Station, Pastoral Lease No. 718
- Douglas River Station, Pastoral Lease No. 903
- Mary River West Station, Pastoral Lease No. 815
- Jindare Station, Pastoral Lease No. 1058
- Bonrook Station, Pastoral Lease No. 643
- Pastoral Lease No. 1182
- Crown Lease (Perpetual) Nos. 1546 and 900.

Relations with each pastoral lease owner and/or operator are reported to have been harmonious and regular communications are reportedly maintained with the lease operators for the active mining and exploration areas. No formal agreements exist with the pastoral leaseholders.

Several of the Properties are subject to infrastructure easements, including the Darwin and other gas supply pipelines, the Adelaide-Darwin transcontinental railway line, telecommunications towers and overhead electricity power supply lines and equipment.

#### Environmental Liability

Unconditional performance bonds totalling A\$2,351,532 for Tom's Gully, A\$493,059 for Pine Creek/Maud Creek/Moline and A\$8,271,814 for the Burnside Gold & Base Metals Projects (total A\$11,116,405) have been lodged with the Northern Territory Government to cover the anticipated cost of the rehabilitation commitments associated with the Properties.

Location of the Properties within an environment characterized by low relief, abundant ephemeral and permanent drainage and, particularly closer to the coast at Tom's Gully, sizeable billabongs and wetlands and a monsoonal wet season with heavy rainfall requires careful management of water, particularly discharge water from mining and milling operations.

Acid rock drainage is an issue at several locations and various systems have been developed to carefully manage this issue.

Crocodile Gold has included environmental management as an integral part of its operations. All exploration activities and mining operations are being performed in compliance with all environmental regulations within a defined environmental management program. Crocodile Gold have completed environmental assessments and project reviews as required and are thoroughly scrutinized before commencement of operations.

Site rehabilitation and reclamation has also been completed in a number of locations.

All recent mining operations have operated in accordance to Mine Management Plans submitted to DRDPFR, with various environmental permits in place, particularly including Waste Discharge Permits.

No material environmental incidents have been reported by Crocodile Gold and there are currently no investigations of breaches of any regulatory regime nor are there any current sanctions or restrictions imposed by Government Departments.

### **Joint Venture and Option Agreements**

The Properties are subject to a number of “farm-in” and “farm-out” joint venture and option agreements. Interests attributed to GBS Gold will be assumed by Crocodile Gold through CGA unless prohibited by existing agreements.

“Farm-in” agreements provide for Crocodile Gold to explore on mineral titles which are substantially controlled or owned 100% by third parties.

- **“TOP” Option.** One of GBS Gold's subsidiaries, Terra Gold Mining Pty Ltd. (“**TGM**”) has the exclusive right to prospect and explore (but not to mine) for all minerals on the Mt. Douglas exploration license which is owned by three individuals. TGM has the option to purchase the tenement for A\$800,000 before May 14, 2010. If exercised, the tenements become subject to a royalty of 0.5% of gross sale proceeds of all minerals.
- **Maud Creek Gold Project.** TGM acquired the Maud Creek Project tenements in 2004 from a subsidiary of Harmony Gold Mining Company Ltd (“**Harmony**”). The outstanding payments for this purchase include A\$2.0 million cash due within seven days of a decision to mine at the Maud Creek Project, and a 1% royalty on the value of gold produced at the Maud Creek Project in excess of the first 250,000 ounces. TGM may not assign or transfer any of its rights, interest or obligations under the agreement without the prior consent of Harmony and Harmony has lodged a caveat against the Maud Creek Project tenements to secure its rights. In addition, Crocodile Gold has the perpetual and assignable right to apply for a mining tenement and perform any mining related activities without objection or claim from the owner or occupier of the freehold titles of the area (the “Maud Creek Farm”), irrevocable and unlimited authority to use a right of way (including road construction and power line erection) to access the Maud Creek mining property, mine dewater on the Maud Creek Farm and a right of first refusal on any proposed sale of the whole or any portion of the Maud Creek Farm.
- **Moline Project.** TGM is in the process of finalizing the purchase of the Moline Project mining leases, having previously in 2008 acquired the Moline Project exploration licenses. The purchase consideration comprises the transfer of the Maud Creek Farm freehold interest, with encumbrances attached to ensure future access for development and operation of the adjacent Maud Creek Gold Project.

“Farm-out” agreements provide for third parties to explore on mineral titles which are owned 100% or substantially controlled by Crocodile Gold.

- Thundelarra Exploration Limited Uranium Exploration and Joint Venture Agreements. Element 92 Pty Ltd (“**E92**”), a wholly-owned subsidiary of Thundelarra Exploration Limited (“**THX**”), and certain GBS Gold's subsidiaries formed a joint venture on September 17, 2007 in regards to uranium exploration on the Burnside, Union Reefs, Pine Creek, Moline, Maud Creek and TOP Option groups of tenements. Simultaneously, the GBS subsidiaries acquired the right to explore for gold on three E92/THX exploration licences. The agreement has been transferred to Crocodile Gold and expires on November 29, 2017.

- Rum Jungle Uranium Limited Uranium Exploration Agreement (Tom's Gully & Mt. Bundy). Rum Jungle Uranium Limited ("RJU") has the exclusive right to prospect and explore for uranium on the Tom's Gully and Mt Bundy group of tenements. RJU had a minimum expenditure commitment of A\$500,000 by December 31, 2008, which it had met, and must meet statutory minimum expenditure commitments on any of the above tenements that it seeks to explore on after December 31, 2008. RJU has the right to apply for a mining tenement in its own name. RJU have provided Crocodile Gold with copies of technical reports and expenditure statements in fulfillment of these obligations. Crocodile Gold acquired the right to explore for gold on the three RJU exploration licences and Crocodile Gold acquired a royalty of 1% of the gross market value of uranium ore mined or processed. This royalty will be transferred to Crocodile Gold Australia as part of the acquisition of the Properties.
- Territory Resources Limited Split Commodity Agreement. Territory Resources Limited ("TFE") has the right to prospect and explore for iron ore on an exploration license held by TGM. TGM simultaneously acquired the right to explore for gold on three TFE exploration licences. If TFE or TGM identifies a resource of a mineral they are entitled to explore for, it may apply for a mining lease in its own name. A royalty of 1.5% of gross revenue of the applicable mineral is payable to the holding party if ore is mined or processed by the exploring party from one of the holding party's tenements. That is, TFE is to pay TGM for any iron ore production and TGM to pay TFE for any gold production. The agreement expires when all of the applicable tenements have expired or been relinquished.
- RBS Sempra Base Metals Option Agreement. Royal Bank of Scotland plc ("RBS"), for its metals trading business unit, RBS Sempra Metals & Concentrates LLC, has the exclusive option to market, purchase or a combination of both, any future production of copper, lead, zinc, nickel or concentrate derived from the Iron Blow and Mt. Bonnie projects, as well as any future base metals projects in which Crocodile Gold has an interest. The agreement expires on August 5, 2018.

#### Royalties

All tenements within the Northern Territory, Australia are subject to a Northern Territory Government ("NTG") minerals royalty in accordance with the Northern Territory Mineral Royalty Act 1982 (as amended). This royalty is calculated as 18% of the "Net Value" of mine production, where "Net Value" equals the gross revenue from the relevant production unit less the operating costs of the production unit for the year, a capital allowance on eligible capital assets expenditure, eligible exploration expenditure and additional deductions as approved by the Northern Territory Minister for Mines.

#### Tom's Gully

The Tom's Gully Gold Project has historically had sufficient carry forward deductions such that no NTG mineral royalty has been assessed. The future use of such deductions is fully dependent upon the ownership and form of operations going forward, as well as satisfaction of the requirements of the Northern Territory Mineral Royalty Act, 1982 (as amended).

In addition, the Tom's Gully Gold Project is subject to the Rustler's Roost Mining Pty Limited Royalty for 1% of the value of gold produced from MCN's 68-91 and EL 8508.

#### **Burnside**

The Burnside Gold and Base Metals Project is subject to the following additional royalties:

- AngloGold Ashanti Australia Limited – a vendor royalty of A\$20 per ounce of gold produced and sold from the Brocks Creek underground mine;
- Cyprus Amax Australia Corporation – a vendor royalty of 1% of gold produced from certain tenements in the Brocks Creek area, which includes the Brocks Creek underground mine; the royalty becomes payable only after recovery of all operating and capital costs involved with the post-1995 development of the Brocks Creek tenements, and therefore nil or minimal royalty is expected to be paid. Historic records in relation to this royalty are unavailable and it is unlikely that liability for this royalty can be properly ascertained.
- Silver Coin Mining and Prospecting Pty Ltd. – the Pine Creek Gold Project which is part of the Burnside Gold and Base Metals Project is subject to a vendor royalty of A\$4 per ounce of gold produced.
- The Maud Creek Project which is part of the Burnside Gold and Base Metals Project is subject to a 1% *ad valorem* royalty which is payable for any future gold production above 250,000 ounces derived from the Maud Creek Project and a 1% royalty payable with respect to mineral extraction on certain tenements which are located outside the currently anticipated mineral extraction areas.
- Robert Michael Biddlecombe – a vendor royalty of 1.5% if mining for the purposes of commercial production of gold commences on 10 tenements held by Crocodile Gold in the Union Reefs area which is part of the Burnside Gold and Base Metals Project.
- Mt. Carrington Mines Pty Ltd. – a vendor royalty of A\$5 per ounce of gold produced from mining operations conducted on eight tenements held by TGM forming part of the Maud Creek Project.
- Ben Hall and Mary and Joseph Groves – a vendor royalty of 3% of gross product from any mining operation on four tenements held by Crocodile Gold in the Tally Ho and Fountain Head area which is part of the Burnside Gold and Base Metals Project.

*Accessibility, Climate, Local Resources, Infrastructure and Physiography*

Accessibility

Access to the Properties is from Darwin, capital of the Northern Territory, which is an important communication and transportation centre, with a busy port and international airport providing daily service to other Australian capital cities and several Asia-Pacific destinations. The Stuart Highway, the area's major thoroughfare, and the Adelaide-to-Darwin transcontinental railway line bisect Australia in a north-south sense and provide access to the Burnside Gold and Base Metals Project. The mining areas and Union Reefs plant sites are easily accessed via good all-weather roads and there is excellent road, rail, water and electric power infrastructure. The Arnhem Highway, which links Darwin with the uranium mining centre of Jabiru and the Kakadu National Park passes just north of the Tom's Gully gold mine and provides access to tenements associated with that project.

Local Resources and Infrastructure

Darwin has a population in excess of 120,000 and is the capital city of the Northern Territory. It is the administrative centre of the Northern Territory government and a major transportation hub, with an international airport and deep-water port and the Adelaide to Darwin transcontinental

railway terminating at the East Arm port. Darwin is rapidly developing into a significant freight interchange for trade with southeastern Asia. A considerable proportion of consumer and other goods reaching the Northern Territory are brought by road from Queensland or South Australia. The Stuart, Arnhem, Kakadu, Barkley and Victoria Highways ensure high service levels to the Darwin region from the Australian capitals and other regional centres.

Power in the Northern Territory is generated and distributed by the Northern Territory Power and Water Authority ("NTPWA"). The NTPWA's main gas turbine power station is located at Channel Island in Darwin, which is capable of producing 254 megawatts ("MW"). A 19.5 MW power station exists at Pine Creek and is interconnected to the 132 kilovolts ("kV") line from Darwin to Katherine. A 66 kV line connects the Union Reefs processing facility, Brocks Creek, Cosmo Howley and the Cosmo camp to the Pine Creek Township. Power to the Tom's Gully minesite is also sourced from the Northern Territory power grid.

Gas is supplied to the area via the Amadeus Basin to Darwin pipeline. Spurs off this pipeline service Katherine, Pine Creek and the Cosmo site. The recently completed Bonaparte gas pipeline also runs through the area, connecting with the Amadeus pipeline near the Fountain Head/Tally Ho area.

The Cosmo accommodation camp at the Burnside Gold and Base Metals Project has capacity for 250 people and its own potable bore field and water treatment plant, which softens and chlorinates the water supplied to the camp. The accommodation camp at Pine Creek is serviced by scheme water managed by the Pine Creek Community Council.

At the Tom's Gully Gold Project, water for the camp and treatment plant is sourced from six mine bores. The potable water supply is sourced from Bore P100 which is treated by reverse osmosis prior to being available as potable water. Shower and other washing are using raw untreated water from the same bore.

The project areas have landline telephone communications (Telstra) as well as satellite and microwave communication systems. Recent work was also substantially completed on the establishment of a frame relay system between the various sites and administrative offices. Mobile telephone coverage under the Telstra Next-G network exists throughout a large area of the mining and plant sites and standard VHF radio communications are used for operational purposes.

The Properties are located within an area that has a strong mining tradition and as a result the mining industry within the region is well understood and supported by the surrounding centres. Mining activities have a direct impact on the manufacturing, service and hospitality sectors of the local economies immediately surrounding the Burnside, Union Reefs, Pine Creek, Maud Creek and Tom's Gully projects, with mining operations at Tom's Gully, Mount Todd, Maud Creek, Cosmo Howley, Brocks Creek, Enterprise and Union Reefs gold mines previously employing significant numbers of local residents.

#### Climate and Physiography

The top end of the Northern Territory has a tropical monsoon climate characterized by two distinct seasonal patterns: the 'wet' monsoon and the 'dry' seasons. The wet season generally occurs from November through to April and the dry season between May and October. Almost all rainfall occurs during the wet season, mostly between December and March, and the total rainfall decreases with distance from the coast. Mining operations are largely unaffected by normal seasonal conditions.

The mean daily maximum temperature, as recorded at Darwin on the northern coastline, is 31°C in the coolest months of June to August and 33°C in the hottest months of October and

November. The mean daily minimum temperature in Darwin range from approximately 19°C (dry season) to 25°C (wet season). The average annual rainfall at Darwin is 1,713 millimetres. The mean daily maximum temperature, as recorded at Katherine, is 31°C in the coolest months of June to August and 38°C in the hottest months of October and November. Mean daily minimum temperatures at Katherine range from approximately 13°C (dry season) to 24°C (wet season). The average annual rainfall at Katherine is 971 millimetres.

During the wet season, high intensity rainfall events are common, resulting in local flash flooding of ephemeral streams and watercourses. Mining operations are continuous throughout the year; however, increased ore stockpiling is undertaken in the lead up to the wet season thereby offsetting the reduced mining movements over that period. Experience has shown that it is best to shut down ore hauling during periods of extreme rainfall as damage to haul roads by large trucks may occur quickly. The annual evaporation rate remains high throughout most of the Northern Territory, ranging from 2,400 millimetres to 4,000 millimetres per annum. Monthly evaporation exceeds rainfall for eight months of the year at the coast increasing to the whole year inland. It remains relatively high even during the wet season.

Climate gradually moves from seasonally wet tropical in the north to arid in the south, with corresponding changes in landscape, with areas of rocky escarpment and plateau which break a low relief in the north and rocky ridges in the south.

The Northern Territory has a diversity of vegetation that is maintained by its variety of climate and soils. Natural vegetation of the Properties is typical of savannahs of the northern part of Australia, dominated by Eucalypt species with a grassy understorey dominated by sorghum species. The Northern Territory is the only area in Australia that does not have conspicuous temperate flora.

#### Topography

Generally the topography of the Property area is flat, locally gently undulating near the coast, near the Tom's Gully Gold Project, and slightly more elevated and locally rugged towards Katherine at the southern extremity of the Burnside Gold and Base Metals Project.

In the vicinity of the Tom's Gully Gold Project, elevations range from 35 metres to 50 metres above mean sea level. Drainage is generally to the north to the Timor Sea via ephemeral creeks, streams and gullied tributaries to Mary and Alligator River, two major rivers running north to the coast.

Further south, the local area of the Burnside, Union Reefs, Pine Creek and Moline projects is made up of a complex of landforms which include plains, peneplains, rises and low hills that are built of undifferentiated Palaeoproterozoic metasedimentary units. A series of east-west trending hills comprising granite pavements punctuate the plains and are characterized by rocky outcrops and sandy gravelly soils. The topography of the area varies from 35 metres to 300 metres above sea level.

Numerous ephemeral watercourses including the Adelaide, McKinley and Margaret Rivers drain northwards to the Timor Sea across the Burnside, Union Reefs, Pine Creek and Moline project tenements.

#### *History*

Since the first discovery of gold in 1870, the Northern Territory had produced approximately 11.5 million ounces of gold to 2001; of this total, an estimated 3.7 million ounces has been produced from the Pine Creek Orogen. There are about six hundred documented gold occurrences of potential economic significance and a resources inventory of a further 17 million ounces of gold.

There have been three significant periods of exploration and gold production. Early mining (1870-1915) was selective and concentrated on high grade (several ten's of g/t Au) veins, mainly in the Pine Creek Orogen. During this period, mining was from highly selective shallow pits, shafts and narrow adits that systematically followed the auriferous lodes. These old mines generally were confined to the oxide zone and stopped at the water table. The next significant phase commenced with the discovery of medium-high grade (15-20g/t Au) ironstone hosted deposits in the Tennant Creek inlier in 1936, with production peaking during 1971-75.

The current phase of gold exploration and production commenced in 1987 and concentrated on bulk open cut mining of relatively low-grade (2-3g/t Au) ores.

#### Tom's Gully Project

The Tom's Gully deposit was discovered by Mt. Isa Mines Ltd. ("MIM") subsidiary Carpentaria Exploration Company Pty Ltd. ("CEC") in 1986 during stream sediment sampling as part of a regional reconnaissance exploration program. Surface sampling of an outcropping quartz vein confirmed the high gold grade and led to the commencement of an extensive drilling program in 1987 which resulted in delineation of the resource.

Geophysical exploration at the project has been limited. CEC is reported to have tried a seismic survey after commencement of open pit mining. Renison carried out an aeromagnetic survey as part of a government program in 2000, but the results were not considered useful. Renison also attempted a sub audio magnetic survey in 2005. Renison reported that some interesting features were identified which warranted follow up work. Initial drilling commenced in April 1987 using open hole percussion, reverse circulation ("RC") and diamond core drilling methods. Later drilling was limited to reverse circulation and diamond core methods only.

An open cut mine was subsequently developed and operated by Carpentaria Gold Pty Ltd ("CGPL") between 1988 and May 1991. The CGPL open cut extended to a depth of 90 metres and reportedly yielded 100,000 ounces of gold from 330,000 tonnes grading 9.35 g/t Au with a strip ratio in excess of 40 to 1. CGPL commenced a decline to access ore reserves down dip beyond the open pit to a depth 15 metres below the base of the pit but the decline was subsequently abandoned in difficult ground conditions associated with the Crabb Fault on the eastern edge of the orebody.

In 1992, CGPL sold the mine and associated leases to Esmeralda Exploration Ltd. ("Esmeralda") who removed the services from the previously developed decline and allowed the pit to flood. Kakadu Resources NL ("Kakadu") acquired Tom's Gully from Esmeralda and built and commissioned a plant to re-treat the tailings. The plant was commissioned in May 1995, and it is estimated that Kakadu treated some 65,000 tonnes of tailings at an overall recovery of about 35 percent. This is the original plant which has been fully refurbished on site.

In 1995, Kakadu was placed in administration until December 1996, which after a seed capital fundraising and a new Board of Directors and management, was re-listed on the ASX as Sirocco Resources N.L. The company subsequently changed its name to Renison Consolidated Mines NL ("Renison") in late 2002. Following a period of exploration at Quest 29, Renison had delineated sufficient resources to consider the development of an open cut mining operation. In early 1999, Renison submitted a Public Environment Report ("PER") based on open cut mining at Quest 29. Higher grade ore was to be treated at the Tom's Gully treatment plant and lower grade ore at a to-be-constructed dump leach facility at Quest 29.

Following approval of the PER, Renison added a crushing circuit, re-commissioned the Tom's Gully treatment plant and commenced mining at Quest 29 in the latter part of 1999. Approximately 450,000 tonnes of ore was mined and treated at either the Tom's Gully treatment plant or the Quest 29 dump leach facility.

In 2003 and 2004, Renison carried out extensive drilling to delineate the Tom's Gully deposit down plunge of the existing open pit limits allowing a substantial resource upgrade to be defined. This formed the basis for a feasibility study, which was carried out in 2004 to assess the viability of an underground mining operation at the deposit.

As a result of a positive outcome from the study, Renison committed to the development of the project in 2005. The project development included upgrading of the on-site treatment plant and a substantial underground mining operation. Underground mining by Renison for the period ending March 31, 2007 produced 63,300 tonnes grading 3.7 g/t Au, at which point the operation was placed on care and maintenance.

GBS Gold, through certain subsidiaries, acquired the Tom's Gully Gold Project on July 25, 2007 from Renison. GBS Gold completed a feasibility study on the Tom's Gully deposit in December 2007 which supported a planned 35,000 ounces gold per annum for 3.5 years at a grade of 7.1g/t Au. GBS Gold commenced underground mining operations in July 2008 but only minimal mine development was completed before mining was suspended in September 2008 following the company being placed in administration. Total gold production for the September 2008 quarter is reported as 3,679 ounces from 26,835 tonnes mined, average grade 4.36g/t Au.

#### Burnside Gold and Base Metals Project

Crocodile Gold's 100% owned Burnside, Union Reefs, Pine Creek, Maud Creek and Moline projects have a long and complex ownership history. The more recent ownership history is summarized as follows:

In April 2002, Hill 50 Ltd. ("Hill 50") and Northern Gold agreed to form a 50:50 joint venture, the Burnside Joint Venture, to develop, mine and explore the joint assets of both parties in the Pine Creek region. Harmony subsequently acquired Hill 50.

In August 2004, the Burnside Joint Venture announced that it had acquired the Union Reefs Gold Project from AngloGold Ashanti Limited. In late September 2005, Harmony agreed to sell its interest in the Burnside Joint Venture, including the Union Reefs operations, to Northern Gold. Shortly thereafter, GBS Gold announced its intention to make an off-market take-over bid for Northern Gold, through its wholly owned subsidiary, GBS Gold Australia Pty Ltd. By mid-January 2006, GBS Gold had acquired Northern Gold and its associated assets. As such, Northern Gold's interests in the Burnside, Union Reef and Pine Creek projects were transferred to GBS Gold.

Hill 50 acquired the Maud Creek project from Phoenix Mining Ltd. in March 2001.

In late 2001, Harmony Gold Company Ltd launched a takeover bid for Hill 50 and by mid-2002 had successfully completed the acquisition of Hill 50 and all its assets including Maud Creek.

In December 2004, Terra Gold Mining Ltd ("Terra") entered into an option agreement to acquire the project from Harmony.

In August 2005, GBS Gold announced its intention to acquire all of the issued share capital of Terra, including its interest in the Maud Creek Gold Project. The acquisition was completed in January 2006 and the 100% interest was transferred to GBS Gold.

An option agreement dated October 30, 2003, and a Deed of Variation dated November 12, 2004 gave Terra the option to prospect and explore for minerals on the tenements comprising the Moline gold project during the option period.

Although exploration and mining within the Burnside Gold and Base Metals Project area has a history of over 100 years, modern exploration which led to the most significant phase of mining in

the region commenced during the mid-1980's. The fragmental ownership history of the tenements and frequently incomplete exploration and production records make compilation of detailed statistics difficult. Nevertheless, it is believed that over 750,000 metres of drilling has occurred within the project areas and a minimum of three million ounces of gold has been produced.

### *Geology*

The Precambrian rocks of the Northern Territory have been subdivided into two principal orogenic provinces: the North Australian Craton and the Central Australian Mobile Belt. Orogenic domains within the North Australian Cratons include the Pine Creek Orogen, the Tanami region, the Murphy, Tennant and Arnhem Inliers and the Northern Arunta Province.

The Properties all fall within the Archean to Palaeoproterozoic Pine Creek Orogen, one of the major mineral provinces of Australia. The Pine Creek Orogen is a deformed and metamorphosed sedimentary basin up to 14 kilometres maximum thickness covering an area of approximately 66,000 square kilometres and extending from Katherine in the south to Darwin in the north. It hosts significant resources of gold, uranium and platinum group metals ("PGMs"), as well as substantial base metals, silver, iron and tin-tantalum mineralization.

The Pine Creek Orogen comprises series of late Archean granite-gneiss basement domes, which are overlain by a fluvial to marine sedimentary sequence.

Gold mineralization within the Pine Creek Orogen is preferentially developed within strata of the South Alligator Group and lower parts of the Finnis River Group along anticlines, strike-slip shear zones and duplex thrusts located in proximity to the Cullen Granite Batholith. Of particular stratigraphic importance are the Wildman Siltstone, the Koolpin Formation, Gerowie Tuff, Mount Bonnie Formation and the Burrell Creek Formation.

The Wildman Siltstone consists of medium to thinly bedded, to laminated fine grained pyritic carbonaceous sediments with minor sandstone and tuff beds, with an overall thickness of approximately 1,000 metres.

The Tom's Gully Gold Project is hosted by the Wildman Siltstone. The stratigraphy of the Burnside Gold & Base Metals Project area is dominated by the Wildman Siltstone of the Mt Partridge Group and units of the South Alligator Group and the overlying Finnis River Group.

The Koolpin Formation consists of sulphidic and carbonaceous argillite, ferruginous chert, ironstone, silicified dolomites and phyllitic mudstones which were deposited in a low energy environment. The contact between the Wildman Siltstone and the overlying Koolpin Formation is partially conformable and partially an angular unconformity. The Koolpin Formation varies in thickness from less than 300 metres to in excess of 1,000 metres, but its overall thickness is difficult to determine due to the presence of several intrusive sills of Zamu Dolerite, which vary from several metres to a few hundred metres in thickness.

The Burrell Creek Formation comprises a 1,500 metres thick sequence of turbiditic sediments including greywackes, siltstones and mudstones. The Mount Bonnie Formation is a transitional unit between the Koolpin and Burrell Creek Formations, comprising greywacke, carbonaceous siltstone, chert, tuff and ironstone and with a variable thickness between 150 metres and 400 metres thick.

Crocodile Gold's Union Reefs project predominantly covers units of the Burrell Creek Formation of the Finnis River Group.

The area around the former Moline open pits is dominated by two main sequences of metasediments of the South Alligator Group, an upper sequence of thickly bedded greywackes

and siltstones of the Burrell Creek Formation and a lower sequence of thinly bedded cherty shale and carbonaceous shales of the Mount Bonnie Formation.

The Gerowie Tuff is up to 400 metres thick and consists of tuff, tuffaceous chert and tuffaceous siltstone, with subordinate amounts of laminated cherts and carbonaceous siltstones.

The Brocks Creek-Zapopan gold mineralization is hosted by argillite and greywacke units of the upper Gerowie Tuff and lower Mount Bonnie Formation.

Numerous semi-conformable sills of pre-orogenic Zamu Dolerite intrude the Koolpin Formation and the Gerowie Tuff. The post mineralization Burnside Granite and Mount Goyder Syenite intrude the sedimentary sequence.

The Pine Creek project overlies members of the South Alligator and Finnis River Groups, which are bound to the east, south and west by the Cullen Batholith.

The Maud Creek project area is located south of the Edith Falls Basin. The rock units within the project area are the Tollis Formation, the Maud Dolerite, the Edith River Volcanics, the Kombolgie Formation and the Antrim Plateau Volcanics.

### *Exploration*

As at the time of the Technical Report, no new exploration has been conducted on the Northern Territory Gold Properties by or on behalf of Crocodile Gold. An A\$9 million exploration program was commenced by Crocodile Gold on August 1, 2009; however, no new results were available as at the date of the Circular. Subsequent to the circular Crocodile Gold has released exploration results in press releases dated September 2, 28, November 9, 25, December 17, 2009 and January 14, 18 and February 25, 2010.

### *Mineralization*

#### Tom's Gully Gold Project

The Tom's Gully deposit consists of a shallowly south dipping quartz reef in graphitic shale and siltstone of the Wildman Siltstone unit within the thermal aureole of the post-tectonic Mt Bundy pluton.

Gold mineralization comprises a minimum of two south-southwest plunging sulphidic ore shoots which are intimately associated with brecciation and recrystallization of early barren quartz. Where early quartz is absent from the thrust, gold mineralization is not well developed, indicating that this secondary brittle fracturing was essential to sulphide and gold deposition.

The metamorphic overprint has resulted in a mineral assemblage in the sediments of varying proportions of quartz, sericite, graphite, biotite, pyrite and andalusite with accessory tourmaline and rutile. Locally, the sediment package dips southerly and the reef appears to be conformable with the sediments. However, mapping has demonstrated that the structure cross-cuts the fold structures. The sediments are generally well banded, with little structural fabric. However within 1-2 metres of the reef, a deformation fabric is typically present. This comprises shearing and varying degrees of brecciation, with the fabric parallel to the reef orientation. Similar deformation occurs in the vicinity of the Crabb and Williams faults.

In the deposit area, the Tom's Gully mineralization is hosted by a planar quartz sulphide vein, which strikes east-west and dips south at approximately 30° near the outcrop position to near horizontal some 1,500 metres down-dip (280 metres deep). The ore shoots plunge parallel to

the trend of the D3 fold axes; D3 folds in the hangingwall and footwall decrease in amplitude toward the reef, indicating that during continued east-west compression the thrust acted as a décollement zone. Field relationships and micro-fabric studies suggest that quartz and sulphide were deposited in a reactivated thrust during wrench shear along several north-northeast trending faults associated with emplacement of the Mt Bundy pluton.

The quartz reef is a composite structure comprised of two main quartz types: (i) euhedral buck-textured quartz and minor comb-textured and ribbon-textured milky quartz, and (ii) blue-grey cherty quartz and sulphides. The milky quartz contains abundant graphitic shale slivers or partings, 1-5 millimetres thick, oriented parallel to the reef walls and very minor podiform pyrite. The milky quartz occurs over the entire strike length of the reef and is the sole type present in the western half. A stockwork of barren quartz-pyrite veining is present in the wall rocks up to 20 metres away from the reef. The blue-grey cherty quartz and associated pyrite, arsenopyrite, loellingite and gold, with minor pyrrhotite, galena, chalcopyrite and rare sphalerite comprise the sulphide ore shoots within the eastern half of the reef.

The mineralized vein or reef has a thickness of 0.5 – 4 metres and a strike extent of 800 metres. The western half of the reef, towards the Williams Fault, carries sub-economic gold grades, with gold values rarely > 0.2g/t Au; however, the gold grades are not truncated by the fault but rather decrease towards it.

Sulphides may comprise 10-40% of the ore, with a ratio of pyrite to arsenopyrite between 2:1 and 5:1. Gold forms as electrum particles, is included in arsenopyrite associated with galena, with arsenopyrite on crystal faces or as fracture fillings within the arsenopyrite. Within the “ore shoots” gold grades typically vary from 3g/t to 30g/t Au.

No significant gold mineralization occurs outside of the defined quartz-sulphide reef. Within the open cut the “central shoot” or main mineralized zone was located immediately west of the vertically dipping, south-southwest striking Crabb Fault, which is the main structural feature along the eastern margin of the deposit. The sub-vertical Williams Fault marks the western margin of the portion of the reef mined in the open pit. The Williams Fault has a similar orientation to the Crabb Fault with a vertical throw of approximately 20 metres.

Numerous narrow lamprophyre dykes have been intersected in drilling and are visible in the wall of the open pit. The dykes are thought to be sub-parallel to the Crabb and Williams Faults. The dykes are locally well mineralized when in contact with the reef. Down-dip drilling beyond the pit extremities has located what is interpreted to be a series of echelon shoots, which mimic the orientation of the regional deformation, plunging along 220°.

The reef has not been located beyond the eastern contact with the intrusive Mount Goyder Syenite.

#### Burnside Gold and Base Metals Project

Although there are many similarities amongst the deposits described below, with most having some structural control, each is uniquely different in its structural setting and style of mineralization.

At the Cosmo Gold Deposit, gold mineralization is closely associated with sulphides, which in the weathered zone were altered to limonite, goethite and hematite. The main sulphide minerals are pyrite and arsenopyrite, with traces of sphalerite and chalcopyrite. Pyrrhotite occurs below depths of 300 metres.

Most of the gold mineralization is associated with quartz veins, breccias and shears, with higher grades commonly hosted by BIF adjacent to discordant structural positions. Lower gold grades

occur in the mudstone in similar positions. Ore grade intercepts are closely related to areas of elevated pyrite, pyrrhotite and arsenopyrite within the greywacke units.

The geometry of the mine sequence and gold-bearing lodes is controlled by a north-plunging overturned anticline (the Howley Anticline) with gold-bearing lodes developed on the sub-vertical eastern limb and on the moderately-west dipping west limb. In the pit area the fold plunges at about -45° towards the northwest (325°). This plunge is thought to shallow to grid north. However, current structural modeling indicates that this may be due to faulting and vertical displacement of the northern portion of the mine sequence. Intense faulting occurs parallel to cleavage within the axial plane zone and on the east limb of the fold. Bedding plane faulting occurs on the west limb.

Recently, GBS Gold geologists have postulated there to be a flexure in the dip of the east limb where there is poorly developed mineralization for a vertical height of about 20 metres; however, below this inflection zone there is higher grade mineralization developed. Modern-era open-pit mining operations were carried out by Dominion Mining between 1987 and 1995 during which time approximately 470,000 ounces of gold were produced from 6.9 million tonnes of ore grading at approximately 2.1g/t Au.

The Cosmo Deeps resource model encompasses the Cosmo Deeps Eastern Lodes down to a vertical depth of approximately 655 metres below surface and the Western Lodes down to a vertical depth of approximately 350 metres below surface. The strike length of each of the parallel Eastern Lodes is approximately 440 metres, and of the Western Lodes is approximately 260 metres.

Northwest of the Cosmo Gold Deposit, stretching for approximately 5 kilometres, there are several historical gold deposits located within a historically rich alluvial gold mining site, including, from south to north, the Chinese South, Chinese South Extension, Chinese 1, 2 and 3 Pits, Mottrams and at the northern end, the Big Howley Pit. In contrast to historic mining and resource evaluations where each deposit had been treated separately, recently Crocodile Gold recognized that each discrete deposit forms part of a larger, more continuous geological model and gold system. Furthermore, these near-surface deposits may be indicative of more robust gold mineralization at depth.

The extent of the Chinese (Howley) gold resource are defined by a conceptual pit design known as the Howley Big Pit ("HBP") with dimensions of three kilometres long and up to 450 metres wide. This conceptual pit perimeter encompasses several historic open pits, known as Chinese 1, 2 and 3, Chinese South and Big Howley.

The Howley gold mineralization is located about two kilometres northwest the Cosmo Deeps project in an area where gold mineralization is developed in both the hinge zone and steeply dipping flanks of a shallow north-plunging anticline within rocks belonging to the Proterozoic Gerowie Tuff Formation.

The Brocks Creek underground mine is a stratiform, meta-sedimentary hosted quartz-vein type gold deposit, formed in the steeply southeasterly plunging hinge of a tight anticline. The mineralized sequence consists of argillite, often highly carbonaceous near its base, with variable proportions of interbedded greywacke, chert and tuff. There are thin BIF beds near the top of the sequence.

Gold mineralization occurs within a number of bands of quartz as well as some bedding concordant quartz veins, along vein margins and within graphitic shears, and has a close affinity with pyrite and arsenopyrite. Ore zones may have up to 10% pyrite and 5% arsenopyrite and small grains of visible gold are a relatively common feature of higher grade zones.

The Lodes are folded and plunge southeast at approximately 40°. The orebody is complicated by two faults named the "North Slide fault" and "South Slide Fault". The two "slide faults" determine the extent of mineralization of the lodes. The intersection of the slides with the axial fold plane splits the mineralization into three identifiable units, these being the Fissure Lode, Main Lode and Central Lode from south to north, respectively. The Main and Fissure Lodes strike east-west and dip southwards at approximately -55° to -60°, in parallel with the bedding direction. The Central Lode is located along the hinge zone of the anticline.

Gold mineralization in the Fountain Head deposit is hosted by units of the Mount Bonnie Formation of the South Alligator Group and is associated with quartz-pyrite-arsenopyrite veins. These occur in dilatant zones in the axis of a shallow southeast plunging asymmetric anticline fold. Mineralization is hosted by sub-vertical shear related stockworks, fracture zones in greywackes and saddle reefs at lithological contacts over a strike length of 420 metres. Most of the resource is in the hinge zone of the anticline with gold grade rapidly tapering off down dip on the limbs. Fracture zones within the hinge zone lie parallel to the axis of the fold and have acted as a focus for fluid channelling.

The Yam Creek area was historically one of the better known bedrock and alluvial gold mining areas in the Northern Territory following the discovery of gold in the area in 1872. The district was famous for its gold nuggets, the largest being 700 ounces (22.5 kilograms). By 1901, a three compartment shaft had been sunk at North Point with two cross-cuts driven west at 42 metres and 62 metres as a prospecting exercise. The lodes in the 62 metre crosscut were reported to average 5g/t Au over a width of 20 metres.

Further south at Princess Louise, 2,422 tonnes grading 51g/t Au was reported as having been produced in 1891. Gold was recovered from east-dipping (50°) quartz-sulphide veins within a west-dipping greywacke unit, 4 metres in thickness. The shoots were reported to plunge northerly at 30°.

The host rocks comprise silt-greywacke-mudstone sediments of the South Alligator Group (Lower Mount Bonnie Formation). These are overlain by Finnis River Group, comprising greywacke (flysch) sediments of the Burrell Creek Formation. The underlying Gerowie Tuff and local sills of Zamu Dolerite are exposed in the south of the area in the core of the fold. The dominant mineralized structural feature in the area comprises the west limb of the Yam Creek anticline that dips west at 50-60°. The east limb is steep to overturned and the axis plunges north at 10-30°.

The majority of mineralization is associated with quartz-filled tension gash veins within the greywacke, controlled by the refracted cleavage pattern. The veins are best developed near the hanging wall (western) contact of greywacke and mudstone, occurring as an echelon vein sets, vein thickness varying from stringers to over one metre.

The Pine Creek area contains a number of historical gold mines, including, from north to south, North Gandys, International, South Gandys, Enterprise, Czarina, South Czarina and South Enterprise. The Enterprise Deposit was the largest mine; the most significant deposits currently outlined within the Pine Creek project are the Enterprise and Czarina deposits.

Gold mineralization is hosted within a thin, southeast trending antiformal lobe, measuring approximately 35 kilometres x 5 kilometres, of Mt Bonnie Formation metasediments within Cullen Granite. The lobe lies within a trough defined by the Pine Creek Shear Zone and bounded on the east by a steep westerly dipping reverse fault, the Eastern Fault Zone.

Gold mineralization consists of quartz-sulphide veining with abundant pyrite, arsenopyrite and pyrrhotite. Up to 50% of the gold is free gold, with the balance occurring as inclusions in the arsenopyrite. Most of the ore grade gold mineralization is within 50m of the axis of the Enterprise

Anticline. Mineralization may typically be 20 – 80m wide, particularly in the intensely fractured and brecciated hinge zone. On the west limb, mineralization is bounded by a single massive silt bed in the middle of a nodular chert unit and is continuous to the anticlinal axis for widths of 10 – 40 metres over the length of the deposit. Mineralization on the eastern limb is stratabound. Mineralization is up to 20 – 50 metres wide but discontinuous along strike. Generally the mineralization has been described as a “saddle-reef” style.

The Union Reefs project contains numerous historical workings developed over the northwest striking Pine Creek Shear Zone and the associated Union and Lady Alice Lines. Known gold mineralization extends over a length of 3.5 kilometres, 400 metres width and to a vertical depth of 300 metres.

The Lady Alice Line follows the axis of the Lady Alice Anticline, with the majority of workings developed on the western limb of this fold. Mineralization is associated with quartz-sulphide veining, comprising 1 mm to 2 metre thick lode-style veins (in sheared pelites), stockwork veins (in greywacke) and sheeted-vein systems (in thinly interbedded pelites and psammities).

The three veins styles may occur separately or coalesce. The lodes generally crop out as en-echelon, northwest plunging lenses parallel to near vertical shears trending 010°, 330° and 355°. Steeply plunging saddle reefs up to 3 metres thick are zoned with mineralized vein selvages.

The Maud Creek Project includes the historic Gold Creek Gold Deposit which is located along a steep easterly dipping, north-south trending fault, the Gold Creek Fault, which forms the contact between lithic sandstone and siltstone to the west and mafic tuff to the east. Gold mineralization is associated with intense quartz veining along the contact.

Structural features such as shears, faults, associated brecciation, geological contacts and competency contrast between the different rock types principally control the mineralization associated with the Maud Creek deposit.

Widths of mineralization are usually influenced by the intensity of deformation such as shearing, faulting and associated brecciation. This may range from several metres to 50 metres in true width.

The principal portion of the deposit is 250 metres long, up to 57 metres wide, striking north and dipping at 60° to the east. The strike extensions of this mineralized Main Zone lode are open to the north where previous near-surface drilling over a +800 metre strike length has intersected a similar style of mineralization, though at lower grades and widths. To the south the mineralization is most probably truncated and off-set by a cross fault. Approximately 80% of the mineralization has been defined in the Main Zone, which is open at depth.

The orebody is typically oxidized to 15-20 metres depth, then moderately oxidized (Transition Zone) to 25-30 metres passing abruptly to fresh sulphide ore. Primary mineralization contains up to 5% total sulphides, dominantly pyrite and arsenopyrite. Arsenic levels within the higher grade gold zone may range up to 2%.

The Moline Gold Project includes the Hercules, School, Moline and Tumbling Dice refractory gold deposits which historically were mined to the base of the oxidized zone. The area around the former Moline open pits is dominated by two main sequences of metasediments of the South Alligator Group. An upper sequence of thickly bedded greywackes and siltstones of the Burrell Creek Formation and a lower sequence of thinly bedded cherty shale and carbonaceous shales of the Mount Bonnie Formation. Within the project area, metasediments are isoclinally folded about axes plunging at low angles towards the southeast. These folds are intersected by west dipping shear zones trending between northwest-southeast to north-south which host pyrite, gold and base metal mineralization. Steeply dipping, northwest trending shears, parallel to fold axial

planes, are common. Some steep northeast trending, cross faults, are also present (and outcrop in the west wall at the south end of the pit) and post date the mineralization.

The Hercules shear which contains the Hercules Reef cross-cuts the stratigraphy and trends 345° in the north of the pit, but swings to trend 315° in the south of the pit and continues through School Pit. This structure is mineralized over three kilometres in strike length and dips steeply (average 65°) to the west. Ore shoots pinch and swell both down dip and along strike. There are at least two sub parallel but weaker mineralized shears in the hanging wall. The Hercules pit contains three ore shoots that pitch south at shallow angles. The two southern shoots are hosted by greywacke/siltstone beds within a synclinal fold plunging to the southeast across the pit, while the northern shoot is contained within the carbonaceous shales and cherts.

#### *Drilling*

Since modern exploration and development of gold occurrences and mining properties in the Pine Creek Orogen began, the Properties have had a multitude of owners who have utilized a variety of drilling techniques and drill contractors to complete in excess of an estimate 750,000 metres of drilling.

#### *Sampling and Analysis*

Crocodile Gold began a A\$9 million, 12 month drill program in August 2009 on the Chinese Pit area, Cosmo and Brock's Creek , with the dual purpose of increasing the confidence level of known resources and further increasing inferred resources.

All data reviewed during the preparation of the Technical Report was historically generated by GBS Gold or generated from databases historically managed by GBS Gold. No dedicated audits of the databases were conducted by the authors of the Technical Report. GBS Gold utilized specialized industry computer software to manage its drillhole and assay database and employed dedicated personnel to manage the database and apply appropriate QA/QC procedures to maintain the integrity of the data. Previous consultants have completed various database checks which have not identified any reportable errors which raise any concerns about the integrity of the data. During the preparation of the report, which has included search and look-up of assay results, generation of plans and sections and estimation of mineral resources, the qualified persons did not encounter any difficulties with the database; hence the authors of the Technical Report believe the historical data/database has been verified to a sufficient level to permit its use.

#### *Mineral Resources and Mineral Reserve Estimates*

Mineral Resource estimations are prepared in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards - On Mineral Resources and Mineral Reserves (December, 2005) as incorporated by reference in NI 43-101. The reported Mineral Resources are inclusive of the Mineral Reserves.

The following tables set forth the mineral resource estimates for the Properties as at May 31, 2009.

#### MEASURED AND INDICATED MINERAL RESOURCE STATEMENT

Project	Deposit	MEASURED MINERAL RESOURCE				INDICATED MINERAL RESOURCE			
		Cut-off Au (g/t)	Tonnes	Grade Au (g/t)	Au Ounces	Cut-off Au (g/t)	Tonnes	Grade Au (g/t)	Au Ounces
Tom's Gully	Tom's Gully					3.65	496,900	11.0	175,100
Burnside	Brocks Creek*	3.0	6,000	17.3	3,400	3.0	47,000	11.1	16,800

	Cosmo Deeps				2.0	4,244,000	4.9	670,000
	North Point*				0.7	336,000	1.6	17,700
	Princess Louise				0.7	298,000	1.4	13,300
	Rising Tide				0.7	1,303,000	1.4	59,100
	Chinese South Extension*				0.7	3,621,000	1.6	184,800
	Mottrams*				0.7	2,236,000	1.2	87,300
	Chinese 1, 2, 3				0.7	3,342,000	1.4	153,300
	Big Howley				0.7	299,000	1.5	14,400
	Fountain Head*				0.7	336,000	1.7	18,700
	Tally Ho*				0.7	642,000	2.5	51,500
<b>Union Reefs</b>	Prospect Claim				0.6	251,000	2.7	21,800
<b>Pine Creek</b>	Czarina				1.0	1,202,000	1.8	69,600
<b>Maud Creek</b>	Maud Creek				1.0	9,288,000	3.1	935,000
	<b>TOTAL</b>	<b>6,000</b>	<b>17.3</b>	<b>3,400</b>		<b>27,941,900</b>	<b>2.8</b>	<b>2,488,400</b>

Note: \* Depleted for mining as at May 31, 2009

INFERRED MINERAL RESOURCE STATEMENT

Project	Deposit	INFERRED MINERAL RESOURCE			
		Cut-off Au (g/t)	Tonnes	Cut-off Au (g/t)	Au Ounces
<b>Tom's Gully</b>	Tom's Gully	3.65	184,400	11.4	67,500
<b>Burnside</b>	Brocks Creek*	3.0	73,000	9.1	21,300
	Cosmo Deeps	2.0	4,503,000	3.9	570,000
	North Point*	0.7	452,000	1.4	20,900
	Princess Louise	0.7	381,000	1.1	13,000
	Rising Tide	0.7	885,000	1.3	37,800
	Chinese Extension* South	0.7	1,579,000	1.3	65,000
	Mottrams*	0.7	574,000	1.1	20,900
	Chinese 1, 2, 3	0.7	1,979,000	1.4	88,800
	Big Howley	0.7	348,000	1.8	19,800
	Fountain Head*	0.7	316,000	1.8	18,500
	Tally Ho*	0.7	260,000	2.9	24,300
	Kazi	1.0	676,000	2.9	63,200
	Western Arm	1.0	1,790,000	1.4	80,600
	Bridge Creek	1.0	1,038,000	1.6	53,400
	Bon's Rush	0.7	540,000	2.5	43,400
Low-Grade Stockpiles	NA	235,000	0.9	6,800	
<b>Union Reefs</b>	Prospect Claim	0.6	3,000	1.9	200
	Esmeralda	0.7	1,550,000	1.8	89,700
<b>Pine Creek</b>	Czarina	1.0	642,000	1.5	31,000
	Cox's	0.5	533,000	1.4	24,000
	South Czarina	0.5	170,000	1.5	8,200
	Enterprise	0.5	1,241,000	2.6	103,700
	South Enterprise	0.5	165,000	3.0	15,900
	North Gandys	0.5	163,000	2.8	14,700
	International	0.5	1,141,000	1.7	62,400
	Kohinoor	0.5	261,000	2.6	21,800
<b>Maud Creek</b>	Maud Creek	1.0	1,072,000	2.4	82,000
	<b>TOTAL</b>		<b>22,754,400</b>	<b>2.3</b>	<b>1,668,800</b>

Note: \* Depleted for mining as at May 31, 2009

Alfred John Gillman of Odessa Resources Pty Ltd. and Fleur Louise Muller of Geostat Services Pty Ltd. are the "qualified persons" (as such term is defined in National Instrument 43-101) responsible for the mineral resource estimate for the Tom's Gully Gold Project and each is independent of Crocodile Gold. Michael Charles Andrew of Snowden Mining Industry Consultants is the "qualified person" (as such term is defined in National Instrument 43-101) responsible for the mineral resources estimate for the Burnside, Union Reefs, Pine Creek and Maud Creek projects and he is independent of Crocodile Gold.

Mr. Gillman and Mrs. Muller are not aware of any known environmental, permitting, legal, title, taxation, socio-political or marketing issues affecting the mineral resource estimate for the Tom's Gully Gold Project. Mr. Andrew is not aware of any known permitting, legal, title, taxation, socio-political or marketing issues affecting the mineral resource estimate for the Burnside Project; however, certain operations in the Burnside, Union Reefs, Pine Creek and Maud Creek projects may pose environmental concerns in the future.

*Mineral Reserve Estimates*

Mineral Reserve estimations are prepared in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards - On Mineral Resources and Mineral Reserves (December, 2005), as incorporated by reference in NI 43-101.

No Inferred Mineral Resources are included in the defined Mineral Reserves.

The economic cut-off grade for each deposit, shown in the table below, has been estimated based on historical mining and metallurgical recoveries and costs and forecast mining parameters, including production rates, mining and metallurgical recoveries, haulage costs, if applicable, and mining, milling and administration costs, as discussed elsewhere in the Technical Report.

The following table sets forth the mineral reserves estimates for the Properties as at May 31, 2009.

MINERAL RESERVE STATEMENT

Project	Deposit	PROBABLE MINERAL RESERVE					
		Cut-off Au (g/t)	Tonnes	Grade (g/t)	Contained Ounces Au	Mill Recovery	Recovered Ounces Au
Tom's Gully	Tom's Gully U/G Mine	7.0	370,000	8.3	99,000	82%	80,000
Burnside	Brocks Creek U/G Mine*	7.1	68,000	7.4	16,000	95%	15,000
	Cosmo Deeps	3.2	2,200,000	5.0	350,000	95%	320,000
	Chinese South Extension*	1.4	1,000,000	2.1	68,000	90%	62,000
	North Point*	1.3	180,000	2.1	12,000	90%	11,000
	<b>TOTAL</b>		<b>3,818,000</b>		<b>545,000</b>		<b>488,000</b>
<b>Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability</b>							
Gold Price: US\$775/oz A\$:US\$ 0.80							

Heath Gerritsen of HG Mine Design Pty Ltd. is the "qualified person" (as such term is defined in National Instrument 43-101) responsible for the mineral reserves estimate for the Properties and he was independent of Crocodile Gold at the time of the reserve calculation but is currently employed by Crocodile Gold.

*Conclusions*

The Properties comprise a large tenement package with substantial historical gold production, defined mineral resources in 28 gold deposits and mineral reserves in two partially developed underground gold mines, two open pit mines and one, as yet undeveloped, underground deposit.

The Properties have demonstrated exploration potential, both to expand the existing resources/reserves and to locate new gold mineralization. The key to unlocking this potential is primarily increased exploration and resource definition drilling. A detailed three-year Exploration Programme and Budget of A\$25.8 million, which includes a total of 216,900 metres of drilling, is recommended. This budget should be considered a minimum; as additional targets are developed and funds become available this budget and programme can be expanded.

Further detailed compilation of all historical and recent data is essential prior to formalizing specific drill collar locations. All databases require auditing for completeness against historical "hardcopy" records and previous assessment reports. As required, new plans and sections

should be prepared and local, project-scale GIS platforms must be created to compile and allow interpretation of the data. Although time consuming, these low cost items have the potential to identify new targets, change current interpretations and possibly save valuable drilling funds by optimizing drillhole locations.

The Properties comprise a large area with substantial historical gold production but only limited conceptual regional exploration has ever been completed. Nevertheless, there are a number of already defined regional targets which require follow-up investigation. Interpretative analysis of the existing database will result in additional regional targets being identified. These targets will require geological evaluation followed by geochemical or geophysical surveys and reconnaissance rotary air blast ("RAB") drilling. Any anomalies will require follow-up RC drilling.

Many of the known gold deposits included within defined mineral resources or mineral reserves have significant potential to be expanded and the overall gold inventory will likely be increased. All mineral resource and mineral reserve areas are considerably under-drilled and the recommended program below includes substantial infill reverse circulation and diamond drilling.

Drilling of near-term production targets will increase the level of confidence of mineral resources and should quickly increase the mineral reserves for these projects.

Although drilling should commence immediately, and a preliminary drill schedule is included in the Technical Report, drilling must be scheduled in consultation with Crocodile Gold's development and production planning which have not been reviewed in detail for the purposes of this report.

An analysis of mining by Crocodile Gold has contributed to a better understanding of the geology of the deposits and aided considerably in the confirmation, and in some cases, reinterpretation of these ore bodies and estimation of mineral resources and mineral reserves, including:

- Gold mineralization in the Tom's Gully orebody has an average thickness of only 1.2 metres versus a historically interpreted 3.0 metres.
- Changes in the geometry of the mineralized lodes at Brocks Creek indicates that increased drilling is required to more accurately locate high grade ore blocks at a mining scale.
- Almost 50% of the gold mineralization in the Howley "Big Pit" area is less than 1.4g/t.

#### *Recommendations*

The key recommendations resulting from the analysis of mining conducted by Crocodile Gold are:

- Increased drilling is required within the Tom's Gully and Brocks Creek Deposits to better define, in detail, mineralized outlines to more accurately outline high grade ore blocks at a mining scale.
- Cut-off grades for open pit mineral reserves should be increased from 1.0g/t to 1.3g/t for North Pit and 1.4g/t for Chinese South Extension.
- Several of the existing mineral resources and mineral reserves are open at depth and extensional drilling is required.

Experience gained from Crocodile Gold's mining operations has resulted in recommendations for changes in mining practices, some of which have been incorporated in the preparation of the mineral reserve estimations included within the technical report:

- Excessive dilution at Tom's Gully requires a modification of the mine plan and utilization of low profile mine equipment.
- Similarly, reduction of the size of mine equipment utilized at Brocks Creek is recommended to reduce dilution.
- Reduction in the stope heights at Brocks Creek to 15 metres from 20 metres is recommended to improve stability.
- Tighter grade control and constant in-pit geological supervision of ore extraction is recommended in open pit mines.
- Evaluation of the potential to relocate a portion of the Union Reefs gold plant to Cosmo is recommended.
- The feasibility of heap leaching low grade (0.5 – 1.4g/t) gold mineralization in the Burnside Project, particularly the Howley Big Pit area, requires investigation.

Evaluation of the historical Crocodile Gold development plan has also identified several areas where changes in development or management strategies could potentially improve the economics of existing mines or future development projects. Several additional studies have been identified to investigate these options and preliminary budget level estimates are included for the following:

- Review and optimization of Cosmo Deeps feasibility study, with updating to reflect current economic parameters and any changes to development programme considered appropriate. (Budget Estimate: A\$350,000)
- Preparation of an engineering study to relocate a portion of the Union Reefs gold plant at Cosmo. (Budget Estimate: A\$400,000)
- A feasibility study to construct heap leaching infrastructure in the Cosmo area for treatment of low grade ore. (Budget Estimate: A\$200,000)

#### *Summary Programme and Budget*

The geological programme recommended for the Properties can be divided into three target streams, listed in order of priority: (1) Detailed Mine Planning and Development, (2) Resource & Reserve Conversion and Expansion, and (3) Regional Exploration.

Although the initial priority is that work which is required to assist production, that is, Detailed Mine Planning and Development, it is important that this area not become the only stream to be addressed to the sacrifice of the other two streams as this would have detrimental medium to long-term repercussions.

Continued exploration and development drilling programmes will be required throughout the life of the Properties, to:

- assist with new mine development and detailed mine planning;
- convert existing mineral resources to mineral reserves, to establish a minimum three year Mineral Reserve base;
- augment existing mineral resources and mineral reserves;
- establish new mineral resources; and

- continue to evaluate the discovery potential of Crocodile Gold's large tenement holdings.

The shorter term (Year 1) drilling program should commence immediately to assist detailed mine-scale planning, particularly for underground mining operations at Tom's Gully and Brocks Creek mines and planned open pit mining at Chinese South Extension and North Point, and future development projects, including Cosmo Deeps, Cosmo-Howley Gold Corridor (Howley Big Pit).

Direct drilling costs of A\$15.00/metre RAB, A\$65.00/metre RC and an average A\$120.00/metre DD (A\$85.00/metre underground DD, A\$120.00/metre surface NQ-DD and A\$130.00/metre surface HQ-DD) have been used in estimates below, based on recent drill tenders received. This represents a reduction from historical 2007-2008 drill costs, due to the current global economy and current availability of drill rigs. The estimated total direct drill costs (all drill contractor costs) would be approximately A\$13,597,000.

From industry experience, total direct drill costs typically represent approximately 50-55% of total exploration and development (geological) costs; hence, the total costs of the recommended programme would be approximately A\$25,881,000.

An annual exploration & development (geological) budget of approximately A\$8.0 – 9.0 million is proposed over a three year period). Some modifications to the proposed program may occur as the programme continues and results are received

Provision for several development project studies, totalling approximately A\$950,000 should be included, as follows (Budget Level estimates only):

Review - Cosmo Deeps Feasibility Study	A\$350,000
Engineering Study - Cosmo Mill Concept	A\$400,000
Feasibility Study – Howley Heap Leach	A\$200,000
Total	A\$950,000

### *Mining Operations*

#### Tom's Gully Gold Project

The Tom's Gully Gold Mine has historically operated as both an open pit and underground gold mine. The open pit, developed and operated by Carpentaria between 1988 and May 1991, was to a depth of 90 metres. Carpentaria also commenced development of a decline from the base of the open pit. GBS Gold acquired the property in 2007 and extended the decline to a vertical depth of 250 metres below surface.

Surface infrastructure includes a 250,000tpa CIL treatment plant, two tailings dams, an oxide and a sulphide dump, two water evaporation ponds and a administration compound consisting of a small demountable office complex, mine dry, storage buildings, etc.

The mine was shut down in September 2008 and is currently on care and maintenance. Much of the equipment required to recommence the Tom's Gully mining operation is already owned by Crocodile Gold and is located at the mine site or nearby sites. Contract mining is planned.

The majority of infrastructure required to restart mining operations is on-site; hence, capital requirements for recommencement of the mining project are anticipated to be low.

## *Mining*

The proposed mining method for the Block 2 component of the orebody at the Tom's Gully Mine is a modified room and pillar method.

The main decline (5 metres wide x 5.0 metres high) has been designed in the western edge of the reef.

Primary east-west ore drives are mined from the access decline at approximately 50 metre centres within the footwall of the orebody along the full width of the orebody (up to 200m in length). Stockpiles will be developed in the access decline at this point.

There will be two ore profiles mined Ore extraction drive (4 metres wide x 3 metres high) and ore access drives (4m wide by 1.8m high). These are mined parallel at 12 metre centres (leaving a 8 metre pillar between ore drives). Each ore drive is mined up the dip of the orebody in a north /south direction. The small profile drives will be mined using Low Profile Jumbo's that are currently used in South Africa for mining of this thickness. These drives are alternate between the two different profiles allowing production from the access drives of the stoping of ore between the two drives.

A review of the historical testwork data by GBS Australia demonstrated the ability to achieve an overall metallurgical recovery of ~85 % on the Tom's Gully ore by increasing the capacity of the concentrate regrind section.

GBS Gold production from Tom's Gully in 2008 reported a recovery of only 62%; however, the plant only operated for 6 weeks and there was insufficient operational experience to fine tune the circuit to achieve the planned recovery. Crocodile Gold believes the designed recovery is achievable, however, are utilizing a recovery of 75% in their calculations.

Tom's Gully has been initially planned at 12,000 tonnes per month with development rates up front in line with building the mine up to 20,000 tonnes per month.

### Cost Estimates

#### Mining Costs

The mining costs have been estimated based on the current mining contract. The total cost of mining is estimated at A\$110/tonne. This includes all stoping and development activities.

#### Processing Costs

A processing cost of A\$40/tonne has been derived and used in all cost models for the Tom's Gully reserves.

#### Taxes & Royalties

Royalties at Tom's Gully to former owners are not active for the modelled portion of the resource. The total mining reserve of the Tom's Gully Mine at this point in time is below the threshold levels for both of the applicable royalties.

#### Brocks Creek Gold Mine

The Brocks Creek underground gold mine was operated by GBS Gold until September, 2008; the mine has been on care and maintenance since, with maintenance staff maintaining all underground pumps and any other essential systems.

Ore from Brocks Creek was trucked to the Union Reefs Gold Plant; hence there is no processing plant currently at Brocks Creek. Surface infrastructure comprises a mine office, coreyard and associated support buildings.

Mining equipment will be sourced from within Australia by the appointed contractor. The recent down turn in base metals prices has made mining equipment available with short lead times.

Given the majority of infrastructure required to restart mining operations are already on-site, the capital cost requirements for recommencement of mining are the mobilization of mining equipment and recruitment of mining personnel along with some preproduction development before commencement of production mining.

### Mining

Access to the underground workings at Brocks Creek is via an approximately 4.5 metres by 4.5 metres decline. The decline descends at a 1 in 7 ratio. The mining method used comprises mechanized uphole retreat stoping mining. As each access drive was developed a programme of orebody definition diamond drilling ("DD") was undertaken for each level.

The planned mining will retreat from the east to the west end leaving rib/island pillars and sill pillars as required.

All stoping is planned at 15 metres sub level intervals with approximately 11 metres vertical stopes with the remaining four vertical metres from development. A programme of hanging wall stabilization is undertaken by grouted cable bolting and rock bolting in the hangingwall of each drill drive. Stopping is undertaken by uphole drilling and blasting.

Planned production holes will be 64 millimetres in diameter. Most of the mucking will be done using remote control allowing loaders to work in the open stope and recover all blasted ore. The ore is mucking on a solid rock floor and therefore is not vulnerable to the ore loss and dilution from bogging on a waste fill floor.

The mined ore is then loaded onto an underground truck, hauled to surface and stockpiled at a nearby ore pad where it is readied for loading and road haulage to the processing plant.

The Brocks Creek ore was historically treated at the Union Reefs Gold Plant. Based on historical reconciliations, the average gold recovery was 99.2%. A conservative 90% recovery factor is utilized in reserve estimations and cash flow models.

Production is scheduled at 6,000 – 8,000 tonnes per month for the first six months, with approximately 1,000 – 2,000t per month of development.

### Cost Estimates

#### Mining Costs

Mining costs for the Brocks Creek underground mine are derived from historical costs and a recently tendered mining contract.

Total estimated operating costs A\$140 per tonne including all downstream costs from the mining area (i.e. haulage, milling, admin etc).

The Brocks Creek mine is 80 kilometres by road to the Union Reefs processing plant. Ore haulage from the project mine site will be covered by a recently tendered Haulage Contract. It has been assumed that the cost of ore haulage from the operating mine site to the Union Reefs processing plant will be A\$8.20/t based on this existing contract.

## Taxes & Royalties

A Gold Royalty of A\$20 /oz for all gold sold is payable to AngloGold Ashanti Limited.

## Cosmo Deeps Gold Deposit

Crocodile Gold's current plan is to develop the Cosmo Deeps Gold Deposit as an underground mine, with production scheduled to commence in 2011.

### **Cosmo Deeps Gold Deposit Estimated Capital Costs for Re commencement of Mining**

<b>Item</b>	<b>Estimate (\$000)</b>
Surface Infrastructure	A\$400
Portal Development	A\$500
Ventilation Fans	A\$850
Dewatering (purchase)	A\$8,000
Water	A\$100
Communications	A\$50
Air	A\$100
Power / Electrical	A\$555
Mobilisation	A\$355
<b>Total</b>	<b>A\$10,910</b>

## Mining

To maximize the resource recovery, two mining methods have been considered for Cosmo. They are down hole – Stope & Fill (Modified Avoca), which will be the main stoping method and uphole bench stoping which will be used for isolated stopes.

Metallurgical recovery is estimated at 95% based on historical testwork and production records from the Cosmo open pit operation.

After an initial ramp-up period of approximately three quarters dominated by development, quarterly production will range between 175,000 – 200,000 tonnes per quarter for approximately two years with an average 20,000oz gold produced per quarter. Crocodile Gold plans to establish a new a new processing facility adjacent to Cosmo Deep. The new facility should be ready to process ore in the later half of 2011.

## Operating costs

Total estimated operating costs A\$85 per tonne including all downstream costs from the mining area.

## Haulage Costs

The Cosmo Deeps mine is 80 kilometres by road to the Union Reefs processing plant. Ore haulage from the Cosmo Deeps mine site will be covered by a new haulage contract. It has

been assumed that the cost of ore haulage from the operating mine site to the Union Reefs processing plant will be A\$8.50/tonne based on this existing contract.

#### Taxes & Royalties

No Gold Royalty is applicable.

#### Howley Gold Deposit

Ore was extracted from the Howley Gold Deposit by GBS Gold during 2008, until cessation of production in September. The ore was trucked to the Union Reefs Gold Plant. No infrastructure specific to the deposit exists.

Crocodile Gold's re-commenced mining operations at the Howley Chinese South Extension Gold Deposit in late 2009.

Ancillary mine plan components include haul roads connecting the pits and mine workings with waste rock dumps, ROM pads, site office and access roads.

Only minimum site infrastructure is required to safely and efficiently conduct mining at Howley.

#### Mining

Howley was in the initial stages of development when GBS operations ceased in 2008. Mining was conducted by a mining and haulage contractor. The Howley Pit will be contractor mined using drill and blast and load and haul open pit mining techniques. The blasted ore will be excavated, loaded onto trucks and hauled to a nearby ore pad where it is stockpiled and readied for loading and road haulage to the Union Reefs processing plant and later to the new processing facility near Cosmo Deep.

Previous processing of Howley ore through the Brocks Creek CIL plant in 2000 returned gold recoveries in the range of 87% to 95%. Reagent consumptions were reported as low. Ore recovery was assumed to be 90% for the calculation of ore reserves for Howley.

The Chinese South Extension mine is approximately 80 kilometres by road to the Union Reefs processing plant and approximately five kilometers from the new Cosmo plan that will be available in 2011.

#### Taxes & Royalties

There is no royalty payable on the Chinese South Extension Gold Deposit.

#### North Point Gold Deposit

A small quantity of ore was extracted from the North Point Gold Deposit by GBS Gold during September 2008, until cessation of production at the end of September. The ore was trucked to the Union Reefs Gold Plant. No infrastructure specific to the deposit exists.

Proposed infrastructural developments for North Point will include the expansion of the new pit, the ROM Pad and waste rock dump.

Ancillary mine plan components include haul roads connecting the pits and mine workings with waste rock dumps, ROM pads, site office and access roads.

#### Mining

Mining at North Point had only just commenced when GBS Australia operations ceased in 2008. Mining was conducted by a mining and haulage contractor. The North Point Deposit will be

contractor mined used drill and blast and load and haul open pit mining techniques. The blasted ore will be excavated, loaded onto trucks and hauled to a nearby ore pad where it is stockpiled and readied for loading and road haulage to the Union Reefs processing plant.

Previous processing of North Point ore through the Union Reef plant in 2008 returned gold recoveries in the range of 90% to 95%. Reagent consumptions were reported as low. Ore recovery was assumed to be 90% for the calculation of ore reserves for North Point.

The North Point mine is 85 kilometres by road to the Union Reefs processing plant and approximately 15 kilometres from the proposed new processing plant at Cosmo Deep.

#### Taxes & Royalties

There are no royalties payable for the North Point ore.

#### Markets

All the analysis has been conducted based on the assumption that Crocodile Gold will continue to sell gold on the spot market. Crocodile Gold currently has no forward sales agreements for their products Gold doré will be transported via a recognized security service from the gold room of the Union Reefs processing plant to the gold refinery at AGR Matthey in the grounds of Perth International Airport, Western Australia. AGR Matthey is Australia's only major gold refinery and is a partnership between the Perth Mint, Australian Gold Alliance Pty Ltd and Johnson Matthey (Aust) Ltd.

Contract payments and terms are typical of similar contracts for the refining and sale of doré produced from other operations elsewhere in Australia.

#### Comparison of Current Mineral Reserves & Planned Mining Practices to Historical Mineral Reserves & Operational Practices and Performance

An analysis of the recent past performance (specifically, 2007-2008 mining history of GBS Australia) has contributed to the understanding of the deposits which have been mined and conclusions derived from this information have been incorporated in the estimation of the mineral reserves and forward mine planning, where relevant.

GBS Australia mined several of the deposits which now are included in both mineral resources and mineral reserves. Mining within these deposits has aided confirmation or, in some cases, reinterpretation of the resources and reserves. It has also provided historical data on dilution and information on the success and limitations of mining techniques which has resulted in recommendations for changes to proposed mining practices which have been utilized in the preparation of mineral reserve calculations contained elsewhere in this report.

#### *Extraction of Mineral Reserves*

GBS Australia reported mineral reserves in December, 2007 and February, 2008, on the following deposits: Tom's Gully, Brocks Creek and Cosmo Deeps. During 2007 and 2008, GBS Australia mined ore from the following deposits: Rising Tide, Brocks Creek, Fountain Head/Tally Ho, Pine Creek Waste Dumps, Chinese South Extension, North Point and the Tom's Gully Mine.

Clearly, GBS Australia mined several deposits which were not included in mineral reserves. Mineral reserve estimations are included within the Technical Report for the following deposits: Brocks Creek, Tom's Gully, Cosmo Deeps, North Point, Chinese South Extension

Crocodile Gold has indicated that it intends to mine or to commit capital to the development of these deposits; no other sources of production are currently in Crocodile Gold's short term plan for mining. Other deposits are likely to be added to the development pipeline as additional work, including further resource to reserve conversion, rigorous geological and financial modelling, and detailed mine planning is performed on the deposits prior to mining.

### *Mining & Resource Development*

#### Tom's Gully Gold Mine

Lower than planned production grades were reported for the brief period of mining at the Tom's Gully Gold Project. What has not been made clear in historical discussions and commentary is that GBS Australia did not mine significant portions of the historically defined Tom's Gully Mineral Resource or mineral reserve. Only a total of 233 metres of mine development was completed within the mineralization that formed part of the historical reserve. Importantly, no stoping operations took place.

A significant re-interpretation of the orebody, with a higher confidence level resulting from information realized during the development mining completed, is reflected by a substantial difference between the historical estimation and the current estimation contained in the Technical Report.

The Crocodile Gold orebody model, inherited from the previous owners and modelled in 2D using grade thickness contours, interpreted a three metre average thickness for the mineralized lens. The current interpretation, based on 3D modelled geological wireframes shows an average thickness of 1.2 metres.

The reinterpretation of the orebody thickness has altered the mine plan, with fundamental changes to the mining layout and equipment selection.

The north/south, or up-dip, drives now planned enable stoping of eight metres either side of the development drive rather than the historical east/west mining direction. The historical East/West mining direction, with a 16 metre stope length, would have been appropriate in a three metre thick mineralized zone, with stoping only on the up-dip, or northern side, of the development drive. Drill hole accuracy would have been more forgiving if the thickness of the orebody was greater; in the narrower orebody drill hole accuracy is critical and therefore the shorter drilling length has been adopted.

A reduction in the size of mining equipment is justified on the basis that the orebody thickness is narrower. Conventional mining equipment was used historically in the mine to mine profiles of 4.5 metres high by 4.5 metres wide. The current mine design utilizes smaller, low-profile jumbos and loaders resulting in smaller drive profiles. The current mineral reserve estimate is based on drives four metres wide by 1.8 metres high. This reduces dilution by approximately 70%.

#### Brocks Creek

It was reported that a stope collapse caused significant problems at the Brocks Creek underground mine and considerable financial loss. In a strict sense, there was no seismic event or geotechnical failure which rendered a portion of the mine unworkable, commonly the criteria used in defining a "stope failure".

Although there were several large blocks of “rockfall”, GBS Australia was able to re-enter the stope and continued mining in August, 2008. With the benefit of hindsight, failure to leave adequate pillars and drill and blast practices were contributing factors.

However, this event brought about a change in the lift heights at Brocks Creek. The stope heights were reduced from 20 metres to 15 metres in height. The subsequent stopes in the same orebody performed well, with an increase in stability. There are currently two stopes at the 15 metre lift that have been open since the cease of mining operations in November 2008, that have had no significant fall off in the nine month period they have been open. The current mineral reserves have been estimated using this 15 metres stope height. It is important to note that there have never been any significant ground failures in any of the mine development access workings.

Increased knowledge of the orebody gained from previous operators mining history has changed the equipment selection for the mine by Crocodile Gold. Larger conventional mining equipment was used on the orebody historically. The mineralization has become thinner at points in the mine and the historical mine plan has been modified to utilize narrow profile equipment which will reduce dilution in development by 30% by being able to mine orebody thickness rather than being constrained to a minimum equipment width of 4.5 metres. This will also result in higher stope recovery.

The Brocks Creek deposit is high grade but structurally complex. Increased drilling will be required to generate the predicted reserve grade. To minimize drilling costs, and in particular, the development cost associated with creation of appropriate drill positions, drilling will be completed within the decline and the standoff distance of the decline away from the North Slide will be reduced

#### Howley Pit

Comments were made at cessation of mining by GBS Australia and the Administrator regarding “the removal of greater quantities of waste rock than originally anticipated” in the Howley Pit. While the strip ratio was at times in excess of 15:1, this was determined, at the time by mine management, to be prudent in advance of end-of-year wet season access and mobility issues and to take advantage of low unit costs for large scale bulk waste removal.

Crocodile Gold will have the benefit of GBS Australia having already completed the bulk of the pre-strip/overburden removal. A cut back has been designed in the pit for a bulk waste zone to smooth the strip ratio over the life of the project. This will ensure continued steady state ore production and no months of excessively large waste movements.

The cut-off grade at the Howley Pit has been optimized to ensure that all production shipped to the Union Reefs mill is economic.

#### North Point

The North Point open pit design has changed little since the historical mining activity; however, the cut-off grade has also been increased from 1.0g/t to 1.3g/t to ensure that all ore that reports to mill at Union Reefs is economic. Lower grade material will be stockpiled as possible feed for a potential heap leach operation (see below). The costs of open pit mining have also decreased by 8% due to supply and demand factors in the mining contractor market.

Overall, from the historical mining experience, it is clear that there is a requirement for tighter grade control on open pit mining. The previous mining practice allowed for ore extraction on the

night shift. This is a heated point of discussion in open pit mining forums; the general consensus is that it is allowable, but only in well lit and supervised situations.

#### Cosmo Mill

The majority of Crocodile Gold's mineral resources inventory are within the Burnside Project area. At the outset of modern mining at the Cosmo site, Dominion Mining operated a CIL gold mill on site; this was removed prior to GBS Australia's involvement in the project. Historically, GBS Australia transported ore up to 75 kilometres to the Union Reefs Gold plant; this added significantly to the production cost.

A feasibility study has commenced to study the viability of situating a mill in the Cosmo-Howley tenement area. The advantage of establishing a new mill at the Cosmo/Howley area is that transportation costs of over A\$8 per tonne are eliminated which reduces overall cash costs by over A\$100 per ounce of gold produced. There are also opportunities to expand this plant and mine and process lower grade material.

#### Cosmo Deeps

Crocodile Gold is optimizing and reviewing the historical Cosmo Deeps feasibility study with an aim to be develop the deposit in 2011, potentially as a low cost mine capable of producing 80,000 to 100,000 oz/per annum.

#### Heap Leach

Approximately 45% of mineralization within the Howley area has grades between 0.5 – 1.4g/t gold. Heap leaching may be an economical processing technique for this lower grade ore.

Heap leaching has been used effectively in the Northern Territory for many years, with several historical heap leach projects. Crocodile Gold is currently doing metallurgical test work to determine the viability of heap leaching low grade ore from the Burnside low grade ore sources. The viability of heap leaching will be dependent on the amount of lower grade material, the recovery characteristics of the various ore types and permitting. Preliminary data suggests that only transition and oxide type ore at Howley is amenable to heap leaching due to the presence of large amounts of silica in the sulphide ore.

### **DIVIDENDS**

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The Corporation is not limited in any way in its ability to pay dividends on its Common Shares. However, the Corporation has not paid any dividends since incorporation and the Corporation does not expect to pay dividends in the foreseeable future. Payment of dividends in the future will be made at the discretion of the board of directors of the Corporation.

### **DESCRIPTION OF CAPITAL STRUCTURE**

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The Corporation is authorized to issue an unlimited number of Common Shares of which 184,312,324 Common Shares are issued and outstanding as of March 29, 2010. In addition, 11,418,625 Common Shares are reserved for issuance under stock options granted to directors, officers, employees and consultants and 22,518,534 Common Shares are reserved for issuance upon exercise of outstanding share purchase warrants.

Holders of Common Shares are entitled to receive notice of and to attend any meetings of shareholders and shall have one vote per share at all meetings, except meetings at which only holders of another class or series of shares are entitled to vote separately as such class or series. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Board and, upon liquidation, dissolution or winding up of the Corporation, are entitled to receive on a pro rata basis the net assets of the Corporation after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

## MARKET FOR SECURITIES

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### Trading Price and Volume

The following table sets forth the high and low trading price in Canadian dollars of the Common Shares which are listed on the Toronto Stock Exchange under the symbol "CRK", for each month during the financial year ended December 31, 2009. Prior to November 6, 2009, the shares traded under the symbol "FOR".

Period	High (C\$)	Low (C\$)	Average Volume
December 2009	1.970	1.320	1,134,938
November 2009	1.450	0.165	1,465,723
October 2009	0.195	0.135	129,920
September 2009	0.170	0.115	428,247
August 2009	0.160	0.080	150,750
July 2009	0.085	0.060	79,606
June 2009	0.085	0.055	54,533
May 2009	0.085	0.050	122,683
April 2009	0.050	0.035	41,688
March 2009	0.055	0.030	90,456
February 2009	0.060	0.035	89,273
January 2009	0.045	0.035	67,446

### Prior Sales

During the financial year ended December 31, 2009, the Corporation issued the following Common Shares, Common Share Purchase Warrants and Options:

Date	Security	Price Per Security/Exercise Price (C\$)	Number of Securities
January 9, 2009	Stock Options	\$0.04	910,000*
June 3, 2009	Stock Options	\$0.06	1,885,000*
August 27, 2009 <sup>(1)</sup>	Common Shares	\$0.04	82,500*

Date	Security	Price Per Security/Exercise Price (C\$)	Number of Securities
September 9, 2009 <sup>(1)</sup>	Common Shares	\$0.04	82,500*
November 2, 2009 <sup>(2)</sup>	Common Shares	n/a	(53,915,953)
November 3, 2009 <sup>(3)</sup>	Common Shares	n/a	126,490,433
November 12, 2009 <sup>(1)</sup>	Common Shares	\$0.378	3,969
November 12, 2009 <sup>(1)</sup>	Common Shares	\$0.200	25,000
November 12, 2009	Stock Options	\$1.19	5,080,000
November 18, 2009 <sup>(1)</sup>	Common Shares	\$0.378	18,650
December 1, 2009 <sup>(1)</sup>	Common Shares	\$0.200	25,000
December 1, 2009 <sup>(1)</sup>	Common Shares	\$0.378	3,175
December 8, 2009 <sup>(1)</sup>	Common Shares	\$0.200	25,000
December 8, 2009 <sup>(1)</sup>	Common Shares	\$0.378	18,650
December 8, 2009	Stock Options	\$1.43	150,000
December 14, 2009 <sup>(4)</sup>	Common Shares	\$0.756	23,807
December 16, 2009 <sup>(1)</sup>	Common Shares	\$0.700	10,000
December 18, 2009 <sup>(5)</sup>	Common Shares	\$1.300	22,195,000
December 29, 2009	Stock Options	\$1.91	250,000

**\*Securities issued prior to November 2, 2009 are based on pre-consolidated numbers.**

- (1) Issued pursuant to the exercise of stock options
- (2) Reduction in Share Capital due to 6.3:1 Share Consolidation.
- (3) Issuance pursuant to acquisition of Crocodile Gold Inc. whereby Franc-Or acquired all the common shares of Crocodile Gold Inc. and pursuant to which all the outstanding convertible securities of Crocodile Gold Inc. were exchanged on a one-for-one basis to Franc-Or shares and convertible securities.
- (4) Issued pursuant to the exercise of warrants.
- (5) Issued pursuant to a public offering whereby Crocodile Gold issued 22,195,000 Common Shares at a price of C\$1.30 per share, for aggregate gross proceeds of C\$28,853,500. In addition, the Corporation issued the underwriters 1,331,700 compensation options that will entitle them to acquire an equal number of Crocodile Gold common shares at a price of C\$1.30 per share on or before December 18, 2011

## **DIRECTORS AND OFFICERS**

The following table sets forth the names, province or state and country of residence, present principal occupation and position with the Corporation of each director and each executive officer of the Corporation. Information regarding number of common shares that each person beneficially owns, directly or indirectly, or over which such person exercises control or direction, has been provided by each individual.

Name & Jurisdiction of Residence	Present Principal Occupation	Position with Corporation	Number of Common Shares Beneficially Held	Percentage of Common Shares Beneficially Held <sup>(1)</sup>
Stan Bharti Ontario, Canada	Mining Executive	Chairman, Director since November 2009	11,475,317	6.2%
Brad Boland	Chief Financial officer of	Chief Financial	500,000	0.27%

Name & Jurisdiction of Residence	Present Principal Occupation	Position with Corporation	Number of Common Shares Beneficially Held	Percentage of Common Shares Beneficially Held <sup>(1)</sup>
Ontario, Canada	the Corporation	Officer		
Chris Bradbrook Ontario, Canada	Vice President, Forbes & Manhattan, Inc.	Director since November 2009	3,000,000	1.6%
Greg Cameron <sup>(1)(2)(3)</sup> Ontario, Canada	Business Consultant	Director since November 2009	NIL	n/a
Grant Davey Northern Territory, Australia	Chief Operating Officer of the Corporation	Chief Operating Officer	1,100,000	0.59%
Brianna Davies Ontario, Canada	Lawyer	Corporate Secretary	45,872	0.02%
George Faught <sup>(1)(2)(3)</sup> Ontario, Canada	Chief Executive Officer of Aberdeen International Inc.	Director since August 2008	79,364	0.04%
Michael Hoffman Ontario, Canada	President and C.E.O. of the Corporation and Kria Resources Ltd.	President, CEO and Director since November 2009	1,037,500	0.56%
Bruce Humphrey <sup>(1)(2)(3)</sup> Ontario, Canada	Mining Executive	Director since November 2009	750,000	0.41%

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee
- (3) Member of the Governance Committee

The directors and executive officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercise control over, 17,942,181 common shares, representing approximately 9.7% of the issued and outstanding common shares of the Corporation as of the date hereof. The term of service of each of the directors expires at the next annual and general meeting of the shareholders of the Corporation, subject to their prior resignation or removal.

The principal occupations of each of the Corporation's directors and executive officers within the past five years are disclosed in the brief biographies below.

Stan Bharti (Chairman) is the Chief Executive Officer of Forbes & Manhattan, Inc., a private merchant bank operating in Canada, the United States and Western Europe. From February 2002 to April 2006, he was Chairman and a director of Desert Sun Mining Corp., a Toronto Stock Exchange-listed mining company which was acquired by Yamana Gold Inc. He has over 25 years of experience in operations, public markets and finance. Mr. Bharti is also a director of several other public and private companies.

Brad Boland (Chief Financial Officer) is a Certified Management Accountant. He was the Chief Financial Officer of Consolidated Thompson Iron Mines Limited until July 30, 2009 and is also currently the Chief Financial Officer of Dacha Capital Inc. From May 2005 to September 2007, he was at Kinross Gold Corporation, most recently serving in the position of Vice President, Corporate Controller. Prior to that, from August 1998 to February 2005, Mr. Boland was at Goldcorp Inc., as Corporate Controller and the Vice President, Finance.

Chris Bradbrook (Director) has more than 25 years in the mining industry. Mr. Bradbrook has performed principal roles in many aspects of the industry, including exploration, mine development, corporate development work, financial analysis, investor relations and marketing. Most recently, he was President and Chief Executive Officer of New Gold Inc. (from October

2004 to January 2008) and prior to that, he was Vice President of Corporate Development for Goldcorp Inc. (from January 2001 to May 2004). He is also a director of Rubicon Minerals Corporation.

Greg Cameron (Director) brings 13 years' of deal experience focused on small and mid capitalization companies in North America. Most recently, Mr. Cameron was a Senior Vice President at Macquarie Capital Markets Canada (formerly Orion Securities) focused on diversified industries (from 2006 to 2009). Mr. Cameron is a graduate of Saint Mary's University in Halifax, Nova Scotia, Canada with a Bachelor of Commerce in Finance and Accounting.

Grant Davey (Chief Operating Officer) is a mining engineer with almost 20 years' experience in the mining industry including senior mine and operational management roles within the AngloGold Ashanti and Anglo American organizations in South Africa and Australia. Mr. Davey has operated mines in the gold, platinum and coal sectors, and also has experience in the mining contracting business. He was previously the Chief Operating Officer of GBS Gold. He is currently the Chief Operating Officer of Crocodile Gold. Effective April 18, 2010 Mr. Davey will resign as Chief Operating Officer and be replaced by Mr. David Keough.

Brianna Davies (Corporate Secretary of Crocodile Gold) is a corporate lawyer. Since October 2007, Ms. Davies has worked as a legal consultant to several publicly traded and private companies. From 2006 to 2007, Ms. Davies was an associate at Fraser Milner Casgrain, LLP. She received a J.D. from the University of Toronto in 2005 and an Honours B.A in Economics from McMaster University in 2002.

George Faught (Director) is a Chartered Accountant with over 25 years' of senior management experience. Since November 2005, Mr. Faught has been the CEO of Aberdeen International Inc. From November 1999 until October 2005, Mr. Faught was Vice President, Finance and CFO of North American Palladium Ltd., a mid-tier Platinum Group Metal producer. In addition, Mr. Faught has served as the Chief Financial Officer of a number of publicly traded companies in the natural resource, financial services and pharmaceutical industries. Mr. Faught has broad financial management, corporate development and operating experience. Mr. Faught also serves as a director of several public and private companies.

Michael Hoffman (President and Chief Executive Officer and Director) is a professional mining engineer with over 25 years' of experience in mine operations, projects, engineering and corporate development. He recently served in senior executive positions at Crowflight Minerals Inc (from September 2007 to July 2009), Goldcorp Inc. (from April 2003 to June 2006), Desert Sun Mining Corp. (from September 2006 to April 2007) and Yamana Gold Inc (from April 2006 to June 2007). He currently serves as President and Chief Executive Officer of Kria Resources Ltd., a company listed on the TSX Venture Exchange. He also serves on the Board of Directors of Castillian Resources Inc., Aberdeen International Inc. and Largo Resources Inc.

Bruce Humphrey (Director) is a mining engineer with over 35 years' experience. He served as the President and Chief Executive Officer of Desert Sun Mining Corp. from October 2004 to April 2006. From May 1998 to May 2004, Mr. Humphrey served as Senior Vice President and Chief Operating Officer of Goldcorp Inc. He is a member of the Professional Engineers of Ontario.

David Keough (Chief Operating Officer, effective April 19, 2010) has been involved in the mining industry for more than 25 years and brings international and Australian experience in mining and exploration, project evaluation, feasibility studies, construction and project and business development. Mr. Keough has held several senior leadership positions with companies including Goldcorp (South America), Wheaton River (Asia Pacific), Minera Alumbrera Ltd. (Argentina) and Placer Dome Inc. (Asia Pacific). Mr. Keough holds a B.Sc (Applied Science) and Post Graduate

qualifications in Mineral Economics and Mining Law and is a Registered Mine Manager in the state of Western Australia.

### **Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

No director, executive officer of the Corporation, (a) is, as at the date of this Annual Information Form, or has been, within ten years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including the Corporation) that (i) while that person was acting in the capacity as director, chief executive officer or chief financial officer was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days; or (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer other than Mr. Stan Bharti, who was a director of William Multi-Tech Inc, which on May 29, 2001 became subject to a cease trade order for a period of more than 30 consecutive days for failing to file its financial statements, and a director of Galaxy OnLine Inc., which on May 29, 2001 became subject to a cease trade order for a period of more than 30 consecutive days for failing to file its financial statements. The cease trade orders were revoked on November 30, 2001 and August 17, 2001, respectively. Mr. Bharti is a director of Stetson Oil & Gas Ltd. which on May 7, 2008 became subject to a cease trade order for failing to file its financial statements. This cease trade order was revoked on May 30, 2008.

No director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, (i) is, as at the date of this Annual Information Form, or has been within ten years before the date of this Annual Information Form, a director or executive officer of any company (including the Corporation) that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) has, within the ten years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder, other than Mr. Stan Bharti, who was a director of BLM Service Group Inc., which was petitioned into receivership on May 31, 2001.

No director or executive officer of the Corporation or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation has: (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

### **Conflicts of Interest**

Certain of the Corporation's directors and officers serve or may agree to serve as directors or officers of other reporting issuers or have significant shareholdings in other reporting issuers. To

the extent that such other companies may participate in ventures in which the Corporation may participate, the directors of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Corporation's directors, a director who has such a conflict will abstain from voting for or against the approval of resolutions. Under the laws of the province of Ontario, the directors of the Corporation are also required to act honestly, in good faith and in the best interests of the Corporation.

## **PROMOTERS**

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Stan Bharti may be considered to be a promoter of Crocodile Gold. As discussed herein, Mr. Bharti holds 11,475,317 Common Shares and 1,980,000 Crocodile Gold stock options. In addition, Mr. Bharti receives compensation from Crocodile Gold in his capacity as Chairman pursuant to his management consulting agreement.

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

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Other than with respect to the voluntary administration proceedings involving GBS Australia and a disputed notice received from the Territory Revenue Office ("TRO") of the Northern Territory that it is the position of the TRO that stamp duty is payable on the fair value of the Corporation's dutiable Australian property on the date of the Franc-Or transaction, November 3, 2009, to the best of Crocodile Gold's knowledge there have been no legal proceedings during the financial year ended December 31, 2009 to which Crocodile Gold was a party or of which any of Crocodile Gold's property was subject that would have had a material adverse effect on Crocodile Gold, nor are there any such legal proceedings existing or contemplated to which Crocodile Gold is a party or of which any of Crocodile Gold's property is subject that would have a material adverse effect on Crocodile Gold.

There have been no penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by any securities regulatory authority during the fiscal year ended December 31, 2009, or any other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor making an investment decision. The Corporation has not entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority during the fiscal year ended December 31, 2009.

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

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Other than as discussed below none of the directors or executive officers of Crocodile Gold, nor any person who beneficially owns, controls, or directs, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, in any transaction since the commencement of Crocodile Gold's last completed financial year or in any proposed transaction not otherwise disclosed herein which, in either case, has affected or will materially affect Crocodile Gold.

Forbes & Manhattan Inc. ("Forbes"), a private entity of which Stan Bharti is an officer, and Mr. Bharti is also a director and principal shareholder of Crocodile Gold, acts as Crocodile Gold's guarantor with respect to the deferred payments owing in connection with the acquisition of the Crocodile Gold Assets pursuant to the Asset Sale Agreement. To date, Forbes has received as compensation an aggregate of \$985,000 for providing these services.

On July 1, 2009, Crocodile Gold signed a three-year service agreement with Forbes for consulting and advisor services (the "Forbes Agreement") which agreement was assumed by the Corporation following completion of the Business Combination. Pursuant to the Forbes Agreement, Forbes will receive: (i) a general fee of \$25,000 per month, or \$300,000 annually; (ii) success fees of \$300,000 to \$1,300,000 in connection with any equity or debt financings and depending on size of such financings (which fee may be paid in cash or shares at the option Crocodile Gold) and, (iii) with a transaction bonus of 0.25% to 1% in connection a transaction and depending on the size of the transaction (which fee may be paid in cash or shares at the option Crocodile Gold). A "transaction" is defined by the Forbes Agreement as any merger, amalgamation, plan of arrangement, reorganization, business combination, take-over bid, purchase or similar transaction, as well as any strategic asset acquisition, pursuant to which the assets and business of Crocodile Gold are combined with another corporation or Crocodile Gold acquires more than 50% of another corporation and Crocodile Gold is the continuing entity. Crocodile Gold may also, from time to time, make discretionary payments in such amounts and in such form as the Crocodile Gold Board of Directors considers appropriate in consideration for value provided by Forbes to Crocodile Gold. In addition, in the event that there is a change of control of Crocodile Gold, either party may terminate this appointment within one year from the date of such change in control. In the event of making such an election, a lump sum termination payment to Forbes equivalent to 36 months in general fees plus an amount that is equivalent to all bonuses paid to Forbes in the 36 months prior to the change in control shall be paid.

Crocodile Gold recently acquired from Valere Mining Ltd. its 80% interest in Mt. Bundy pursuant to the Mt. Bundy Agreement. Stan Bharti, a director and principal shareholder of Crocodile Gold, is also a director of Valere.

In connection with the private placements completed by Crocodile Gold since January 1, 2009, bonuses totalling C\$1,935,000 were paid to directors, officers and consultants of Crocodile Gold, including payments totalling C\$1,050,000 to Forbes.

## **TRANSFER AGENTS AND REGISTRARS**

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The Corporation's transfer agent is Equity Transfer and Trust Company, located in Toronto, Ontario.

## **MATERIAL CONTRACTS**

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Except for contracts entered into by the Corporation in the ordinary course of business, the only material contracts entered into by the Corporation within the last financial year (or prior thereto if such contract remains in effect) are the following:

1. the Asset Sale Agreement between Crocodile Gold Inc. and GBS Gold, dated June 19, 2009 is a material contract of Crocodile Gold and was entered into before the date of this AIF and is still in effect as of the date hereof. The Asset Sale Agreement is available for inspection during normal business hours at Crocodile Gold's office in Toronto, Ontario.
2. the Forbes Agreement is a material contract of Crocodile Gold and was entered into on July 1, 2009 and is still in effect as of the date hereof. The Forbes Agreement is available for inspection during normal business hours at Crocodile Gold's office in Toronto, Ontario.

3. the Business Combination Agreement between Franc-Or Resources Corporation, Crocodile Gold Inc. and 2214656 Ontario Inc. dated November 3, 2009 See “General Development of the Business – Three-Year History – Year Ending December 31, 2009”.
4. the underwriting agreement dated December 18, 2009 entered into among Cormark Securities Inc., Macquarie Capital Markets Canada Ltd., Wellington West Capital Markets Inc., Fraser Mackenzie Limited, GMP Securities L.P. and the Corporation with respect to the issuance of 22,195,000 common shares of the Corporation. See “General Development of the Business – Three-Year History – Financial Year Ended December 31, 2009”.

Unless otherwise indicated above, copies of these material contracts are available under the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

## **INTERESTS OF EXPERTS**

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The following are the names of all the persons who have prepared or certified for Crocodile Gold a statement, report or valuation described or included in this AIF:

Alf Gillman, BSc (Hons) FAusIMM, CP (Geology) of Odessa Resources Pty Ltd., prepared a NI 43-101 report for Crocodile Gold entitled “Overview of the Geology, Mineral Resources and Mineral Reserves and Exploration Potential of the Northern Territory Gold Properties (Burnside Gold & Base Metals Project – Tom’s Gully Gold Project for Crocodile Gold Inc.” dated July 12, 2009.

Fleur L. Muller, BSc (Hons), MAusIMM, MAIG, of Geostat Services Pty Ltd., prepared a NI 43-101 report for Crocodile Gold entitled “Overview of the Geology, Mineral Resources and Mineral Reserves and Exploration Potential of the Northern Territory Gold Properties (Burnside Gold & Base Metals Project – Tom’s Gully Gold Project for Crocodile Gold Inc.” dated July 12, 2009).

Michael C. Andrew, BSc (Hons), MAusIMM, of Snowden Mining Industry Consultants, prepared a NI 43-101 report for Crocodile Gold entitled “Overview of the Geology, Mineral Resources and Mineral Reserves and Exploration Potential of the Northern Territory Gold Properties (Burnside Gold & Base Metals Project – Tom’s Gully Gold Project for Crocodile Gold Inc.” dated July 12, 2009).

Heath Gerritsen, BEng, MAusIMM, of HG Mine Design Pty Ltd., prepared a NI 43-101 report for Crocodile Gold entitled “Overview of the Geology, Mineral Resources and Mineral Reserves and Exploration Potential of the Northern Territory Gold Properties (Burnside Gold & Base Metals Project – Tom’s Gully Gold Project for Crocodile Gold Inc.” dated July 12, 2009).

To the knowledge of Crocodile Gold, each of these experts held less than 1% of the outstanding common shares of Crocodile Gold at the time of the preparation of the reports and/or at the time of the preparation of the technical information contained in this AIF and either did not receive any or received less than a one percent direct or indirect interest in any securities of the Corporation or of any associate or affiliate of the Corporation in connection with the preparation of such reports or data.

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently, or are expected to be elected, appointed or employed as, a director, officer or employee of the Corporation or of any associate or affiliate of the Corporation with the exception of Mr. Heath Gerritsen who is currently Mining Manager at Crocodile Gold.

McGovern, Hurley, Cunningham LLP, Chartered Accountants, are the auditors of the Corporation and have performed the audit in respect of the audited annual financial statements of the Corporation as at and for the year ended December 31, 2009. McGovern, Hurley, Cunningham LLP, Chartered Accountants, are independent of the Corporation in accordance with the applicable rules of professional conduct as of the date hereof.

#### **ADDITIONAL INFORMATION**

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Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, and securities authorized for issuance under the Corporation's stock option plan is contained in the management information circular of the Corporation dated September 30, 2009 and filed on SEDAR under the Corporation's profile at [www.sedar.com](http://www.sedar.com).

Additional financial information is provided in the Corporation's annual financial statements and management discussion and analysis for the year ended December 31, 2009. These documents and other information about the Corporation can be found on SEDAR under the Corporation's profile at [www.sedar.com](http://www.sedar.com).