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**CROCODILE GOLD ANNOUNCES SIGNIFICANT RESOURCE INCREASE  
AT MT. BUNDY PROJECT  
INDICATED RESOURCE OF 681,000 OZ & INFERRED RESOURCE OF 378,000 OZ**

**December 2, 2010 – Crocodile Gold Corp.** (TSX:CRK) (OTCQX:CROCF) (Frankfurt:XGC) (“Crocodile Gold” or the “Company”) is pleased to announce that it has increased the mineral resource estimate at its Mt. Bundy project located within the Mt. Bundy tenement package (formerly referred to as the Tom’s Gully Project) in the Northern Territory of Australia (refer to Figure 1 below for location map).

Highlights include:

- Increase of over 40% in indicated mineral resource ounces from 475,000 ounces to 681,000 ounces; and
- New inferred mineral resource ounces of 378,000 ounces.

**Table 1: Mt. Bundy Resource Estimate**

Deposit	Indicated Mineral Resource				Inferred Mineral Resource			
	Cut-off (g/t)	Tonnes	Gold Grade (g/t)	Ounces Gold	Cut-off (g/t)	Tonnes	Gold Grade (g/t)	Ounces Gold
Mt. Bundy	0.5	23,100,000	0.9	681,000	0.5	12,900,000	0.9	378,000
<i>Calculated at a gold price of US\$1,000/oz and exchange rate of \$A1.00:\$US0.91 (Aus\$1,100/oz) and contained within Optimized Pit Shells using current operating costs.</i>								

*Note: The above resource classifications conform to CIM Standards on Mineral Resources and Reserves referred to in National Instrument 43-101. Mineral Resources are not Mineral Reserves.*

*The mineral resource estimate was reviewed and optimized by Mark Edwards, Geology Manager of Crocodile Gold Australia Operations, a wholly owned subsidiary of the Company. Additional details on parameters used in calculating the resource estimate are provided below. Mark Edwards is a “qualified person” as such term is defined in National Instrument 43-101 and has reviewed and confirmed the technical information and data included in this press release.*

The Mt. Bundy deposit is located approximately 15 kilometres to the southwest of Crocodile Gold’s Tom’s Gully mine. The deposit was previously mined with a shallow open pit providing 4.71 million tonnes at 1.05 g/t gold of ore which was processed using a heap leach facility on site, with an overall gold recovery of around 70%. Mining was completed in the 1990’s and no mining has taken place since this operation finished. From 2004 to 2006, Valencia Ventures Inc. (a previous owner) completed a project feasibility study, however at that time, as the average long term gold price used in the study was approximately \$450 per ounce, the project was deferred.

Dave Keough, Chief Operating Officer of Crocodile Gold commented, “Our exploration team is actively reviewing opportunities in the Mt. Bundy project area as part of our overall strategic review. In addition to the update of resources, reserves and mine planning in the immediate vicinity of the Tom’s Gully mill and underground mine, we are reviewing all available data in the area to determine both other potential sources of ore for the Tom’s Gully mill and also the potential for other strategic opportunities such as a larger production centre at Tom’s Gully.”

The current indicated resource estimate for the Mt. Bundy project area (including Tom's Gully and Mt. Bundy) now totals over 850,000 ounces of gold and the current inferred resource estimate now totals over 445,000 ounces of gold. Crocodile Gold's focus in the project area is now directed on understanding the potential of the Quest Deposits located 17 kilometres from Tom's Gully which were a series of shallow open pits mined between 1999 and 2003 with the ore treated at a dedicated heap leach facility and the higher grade ore treated at the Tom's Gully processing facility (refer to Figure 2 below for Mt. Bundy Project Area map).

The Mt. Bundy deposit is a sediment-hosted, sheeted and stockwork quartz-sulphide-vein hosted gold deposit. The host sedimentary units predominantly consist of shale and siltstone with minor chert and greywacke. These units are strongly folded about tight north-northeasterly trending southerly plunging folds. The deposit is located at the nose of one of the regional south plunging anticlines. Gold mineralization occurs within three spatially separate stratigraphic units, primarily on the western limb of the anticline, over a stratigraphic thickness of at least 300 metres. East-west trending faulting has locally offset the mineralization. Gold occurs as finely disseminated grains, most commonly in cherty quartz layers where stratigraphy is cut by quartz-sulphide veins.

### **About Crocodile Gold**

Crocodile Gold is a Canadian company with operating gold mines in the Northern Territory of Australia and a land package of over 2,500 km<sup>2</sup>. Crocodile Gold is currently mining from the Howley, North Point and Princess Louise open pit mines and the Brocks Creek underground mine. Crocodile Gold commenced mining in November 2009 and announced its first gold pour in December 2009 at its Union Reefs Mill. The Company is currently developing the Cosmo underground mine. Ore is currently processed at the 2.4 million tonne per year Union Reefs Mill. Crocodile Gold has 3.5 million ounces of NI 43-101 compliant measured and indicated resources (57 million tonnes at an average grade of 1.9 g/t gold) and 2.2 million ounces of inferred resources (38 million tonnes at an average grade of 1.8 g/t gold) (see the Amended Annual Information Form dated November 5, 2010 and Crocodile Gold press releases dated September 8, 2009, January 25, 2010, October 14, 2010 and December 2, 2010). The Company has an exploration program in place with a main focus on the Cosmo/Howley corridor which covers a five kilometre strike length of a 25 kilometre trend.

### **Qualified Person**

Mark Edwards, Geology Manager of Crocodile Gold Australia Operations is a "qualified person" as such term is defined in National Instrument 43-101 and has reviewed and confirmed the technical information and data included in this press release.

The mineral resource estimate was generated using the following parameters:

- Model used was generated by Resource Evaluations Pty Ltd in 2004 and optimized and reviewed by Mark Edwards
- Model technique is ID<sup>2</sup>
- Mineralization wireframes conducted on +0.2g/t material with a minimum width of 5m
- High grade top cut used of 10g/t
- 402 drill holes used (both RC and diamond)
- Approximately 39,900 metres of drilling
- 1m samples with core half core
- Samples were submitted to NAL in Pine Creek and analyzed using 50g fire assay with AAS finish.

### **For further information, please contact:**

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### **Cautionary Note**

Certain information set forth in this press release contains “forward-looking statements”, and “forward-looking information under applicable securities laws. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements which include management’s assessment of Crocodile Gold’s targeted production, future plans, operations and mineral resource estimates and are based on Crocodile Gold’s current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by words such as “expects” “anticipates”, “believes”, “projects”, “plans”, and similar expressions. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause Crocodile Gold’s actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: liabilities inherent in mine development and production; geological, mining and processing technical problems; Crocodile Gold’s inability to obtain required mine licenses, mine permits and regulatory approvals required in connection with mining and mineral processing operations; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; changes in commodity prices and exchange rates; currency and interest rate fluctuations; various events which could disrupt operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions; the demand for and availability of rail, port and other transportation services; the ability to secure adequate financing and management’s ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Crocodile Gold undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

Figure 1: Crocodile Gold Northern Territory Location Map

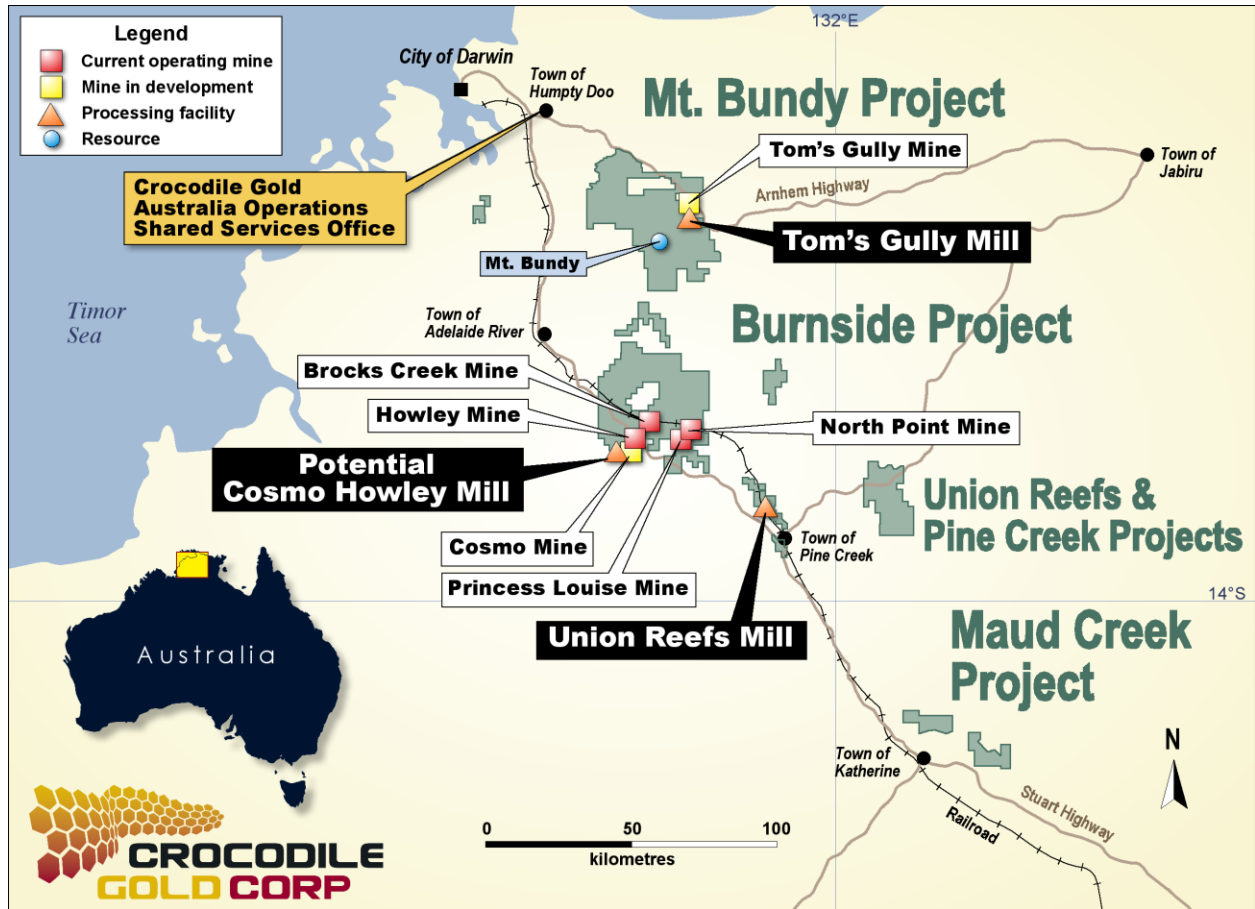


Figure 2: Mt Bundy Project Area

