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## **CROCODILE GOLD IDENTIFIES SIGNIFICANT RESOURCE INCREASE AT PINE CREEK – EXCELLENT POTENTIAL FOR LOW COST PRODUCTION NEAR EXISTING UNION REEFS MILL AS EARLY AS Q1 2011**

**October 14, 2010 – Crocodile Gold Corp.** (TSX:CRK) (OTCQX:CROCF) (Frankfurt:XGC) (“Crocodile Gold” or the “Company”) is pleased to announce an updated mineral resource estimate at its Pine Creek project area in the Northern Territory of Australia (refer to Figure 1 below for property location map) with a significant upgrade of inferred mineral resources to indicated mineral resources and also an increase in the overall estimates of both indicated mineral resources and inferred mineral resources. Crocodile Gold believes that this substantial upgrade of inferred to indicated mineral resources demonstrates the near term upside potential of the Pine Creek area to be a significant long life mining project in its own right. Crocodile Gold plans to accelerate development of one or more deposits in this area by early 2011 as they are within 15 kilometres of the Union Reefs mill.

### **Highlights include:**

- Increase of 315% in indicated resource ounces from 69,600 ounces to 288,600 ounces; and
- Excellent potential for a large portion of the indicated resource to be converted to mineable reserves as the reported resources were restricted using optimised pit shells, the parameters used are the current operating costs with a gold price below the current Australian Dollar gold price.

In releasing this information, David Keough, Chief Operating Officer of Crocodile Gold commented, “We believe that the upside potential in this area is significant as the bulk of exploration to date has been to a depth of less than 100 metres and we have fast tracked exploration, environmental and mine engineering studies to realize this potential in the near term. We believe one or more deposits can be brought into production by early 2011 with minimal capital requirements and the added advantage of reducing operating cash costs as these deposits are within 15 kilometres of the Union Reefs mill. We currently transport ore from our mines in the Burnside area approximately 80 kilometres to the Union Reefs mill which costs approximately US\$125 per ounce. This mineral resource upgrade required minimal drilling and geological studies and demonstrates one of many opportunities that exist on our 2,500 km<sup>2</sup> land package.”

Historical production in the Pine Creek area has yielded over 750,000 ounces of gold production from six open pits and some limited underground production. An updated mineral resource estimate is shown in Table 1 below.

Crocodile Gold intends to announce an updated mineral reserve at Pine Creek shortly and also expects to update the NI 43-101 mineral resources in the Union Reefs area adjacent to the existing Union Reefs mill.

**Table 1: Updated Pine Creek Project 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
Cox	0.5	730,000	1.4	33,100	0.5	74,000	1.4	3,300
Czarina	0.5	1,040,000	1.8	60,300				
South Czarina					0.5	294,000	1.5	14,100
Enterprise					0.5	1,061,000	2.6	87,600
Gandy's	0.5	535,000	1.8	31,100	0.5	482,000	2.9	45,300
International	0.5	2,253,000	1.4	105,000				
Kohinoor	0.5	470,000	1.8	27,100	0.5	335,000	2.6	28,500
South Enterprise	0.5	500,000	2.0	32,000	0.5	101,000	1.4	4,400
<b>Total</b>	<b>0.5</b>	<b>5,528,000</b>	<b>1.6</b>	<b>288,600</b>	<b>0.5</b>	<b>2,347,000</b>	<b>2.4</b>	<b>183,200</b>
<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 prepared by Mark Edwards, Geology Manager of Crocodile Gold Australia Operations. Additional details on parameters used in calculating the resource estimate are provided below.

### **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 3.31 million ounces of NI 43-101 compliant measured and indicated resources (47.5 million tonnes at an average grade of 2.2 g/t gold) and 1.84 million ounces of inferred resources (25.6 million tonnes at an average grade of 2.2 g/t gold) (see Annual Information Form dated March 31, 2010 and Crocodile Gold press releases dated September 8, 2009, January 25, 2010 and October 14, 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, and Heath Gerritsen, Mining Manager of Crocodile Gold Australia Operations are each 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 Au assays data from approximately 2000 RC and diamond drill holes (all from past programs drilled between 1980 and 2004). The deposit was modelled into several gold lodes and estimation domains using Minemap software. All assay data in the database was cut and then composited in 1m intervals starting at the collar. The top cuts of 30.0 g/t were used, based on statistical analysis. Au grades were interpolated into estimation domains using Inverse Distance (ID2) method and were reconciled against previous mining where possible. Analysis of the latest drilling conducted by Northern Gold NL in 2004 was completed at Northern Australian Laboratories (NAL).

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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

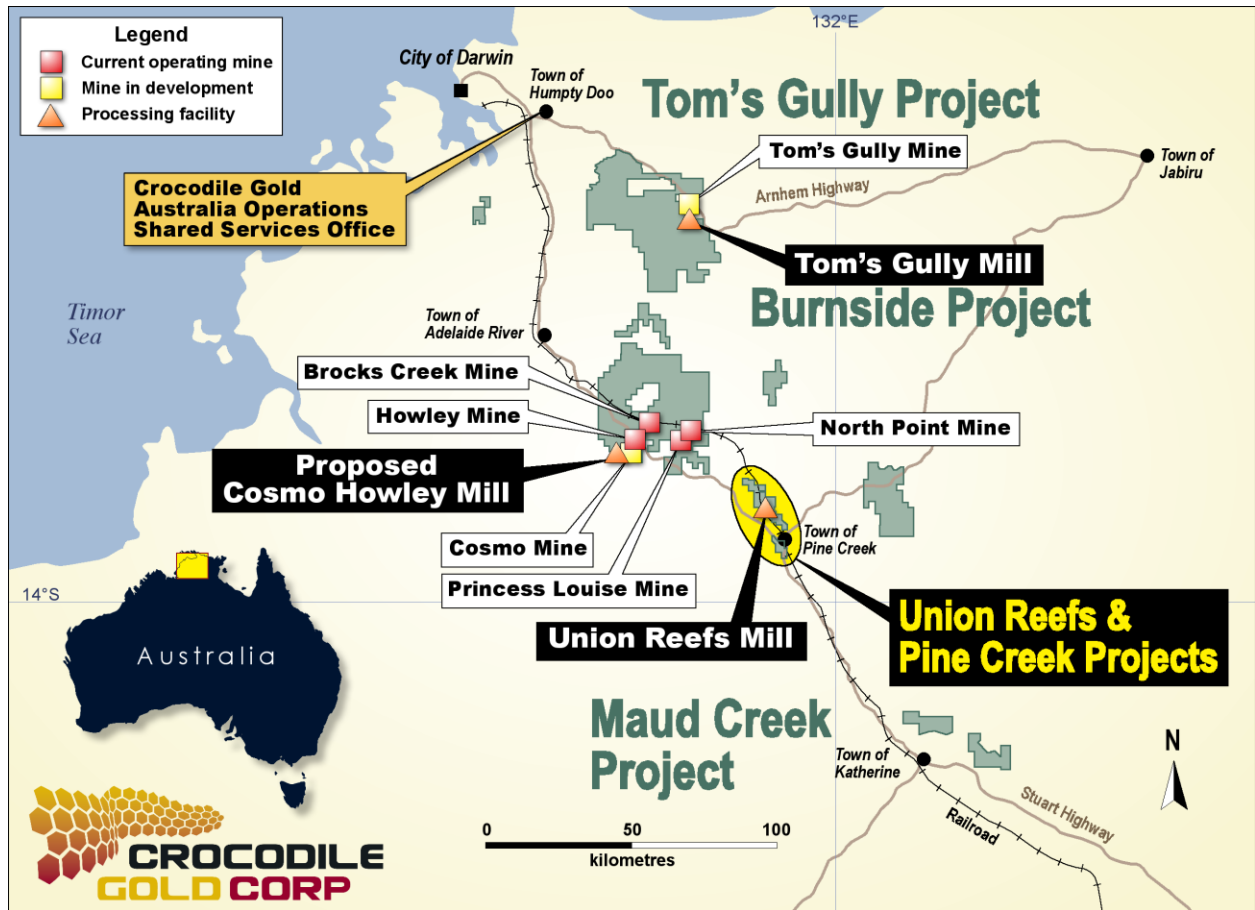


Figure 2: Pine Creek Area Deposit Location Map

