



CROCODILE GOLD REPORTS SECOND QUARTER 2010 RESULTS MILL AVAILABILITY AND RECOVERIES AT TARGET LEVELS COMMENCES DEVELOPMENT OF PRINCESS LOUISE OPEN PIT MINE

August 16, 2010 – Crocodile Gold Corp. (TSX:CRK) (OTCQX:CROCF) (Frankfurt:XGC) (“Crocodile Gold” or the “Company”) today announces its results for the second quarter ended June 30, 2010. All figures are in U.S. dollars, unless otherwise stated.

Highlights include:

- Commercial production declared June 1, 2010;
- Gold poured during the month of June of 8,697 ounces, the first month of commercial production;
- During June, 174,000 tonnes of ore milled at the Union Reefs mill at an average head grade of 1.57 grams per tonne of gold (“g/t”) and a recovery rate of 90.1% with mill availability during the month of 94%;
- Gold poured during the quarter of 20,034 ounces;
- Year-to-date production to the end of July of 41,700 ounces of gold;
- During the quarter, 457,400 tonnes of ore milled at the Union Reefs mill at an average head grade of 1.57 g/t and a recovery of 85% to produce 19,644 ounces of gold;
- Commencement of mining at North Point open pit mine in April;
- Development of the new Cosmo underground mine began on May 30, 2010 and continues to advance ahead of schedule with over 200 metres of development completed from the portal as at August 1, 2010;
- Completed 60,000 metres of exploration and definition drilling during the quarter; and
- Continued to achieve targeted mill availability, mill throughput and gold recoveries in July.

Operations Discussion

During June 2010, the first month of commercial production, Crocodile Gold milled 174,000 tonnes of ore at a head grade of 1.57 g/t and a recovery rate of 90.1% to produce 7,913 ounces. Gold poured during the month of June was 8,697 ounces. The difference between produced and poured ounces was due to movement in the gold in circuit inventory.

Production during the quarter was from the Howley and North Point open pit mines and the Brocks Creek underground mine in the Northern Territory of Australia (refer to Figure 1 below for property location map). 476,000 tonnes of ore was mined from the Howley and North Point open pit mines at an average grade of 1.07 g/t, having an estimated 16,382 contained ounces of gold. During the quarter, 19,868 tonnes of ore was mined at the Brocks Creek underground mine at an average grade of 8.71 g/t, having an estimated 5,561 ounces of contained gold. Crocodile Gold milled 457,000 tonnes of ore at an average head grade of 1.56 g/t and a recovery rate of 85% to produce 19,644 ounces of gold. Gold poured during the quarter was 20,034 ounces.

During the six months ended June 30, 2010, Crocodile Gold milled 781,000 tonnes of ore at an average head grade of 1.58 g/t and a recovery rate of 84% to produce 33,538 ounces of gold. Gold poured in the first six months was 32,217 ounces.

The cash costs for the month of June were \$1,051 per ounce on 8,902 ounces of gold sold. The cash costs were higher than expected due to the processing of the higher cost pre-commercial production ounces in opening inventory at the beginning of the month and lower mill throughput and lower head grade. The cash costs of \$1,051 per ounce included an inventory write-down of \$77 per ounce.

Mill availability during the quarter was impacted by crusher difficulties in April, a ball mill reline in May and a disruption to the mill power supply due to an unscheduled transformer change out by the local power supplier in late May/early June. As a result of these disruptions, mill availability was 83% during the second quarter. Mill availability for the month of June was 94% which is at the targeted mill availability rate.

During the quarter, a number of steps were taken to improve recovery rates, including allowing for increased residence time, improvements to the gravity circuit process and a focus on ore blending to achieve desired grind size. As a result of these initiatives, recovery increased from 84% in the first quarter of 2010 to 90% in the month of June, which is the targeted recovery rate going forward. In addition, Crocodile Gold's mining activities included a focus on continuing to develop and improve its grade control and mine planning processes.

In addition, Crocodile Gold announces that it has commenced development of the Princess Louise open pit mine which is located approximately two kilometres to the south of the operating North Point open pit mine. Princess Louise is a fully permitted project and is expected to help in increasing throughput to the Union Reefs mill and in building ore stockpiles. Production from Princess Louise is expected to begin in September 2010.

In releasing this information, Chief Operating Officer, David Keough, commented, "We have been successful in taking steps to improve mill availability, mill run time and gold recoveries. These performance indicators have improved considerably from the start of commissioning and have stabilized at targeted levels. Moving forward the focus will be to improve mill throughput and achieve a higher gold head grade delivered to the mill based on increasing open pit material movements, including the development of the new Princess Louise open pit mine. We expect these improvements to help in decreasing our cash costs during the remainder of the year. The decline development of the Cosmo underground mine continues to advance ahead of schedule and once in production is expected to be a significant contributor to doubling our 2010 production."

Financial Discussion

As at June 30, 2010, Crocodile Gold had net working capital of \$16.8 million, which included cash and cash equivalents of \$20.8 million, restricted cash of \$0.9 million, amounts receivable of \$5.6 million, prepaid expenses of \$1.1 million and inventories of \$5.9 million, partially offset by current liabilities of \$17.5 million.

During the three months ended June 30, 2010, Crocodile Gold recorded a loss of \$5.3 million, or \$0.03 per share. Prior to the declaration of commercial production on June 1, 2010, operating expenses, net of gold sale revenues, were capitalized. As of June 1, 2010, operating activities were recorded on the statement of loss and comprehensive loss. During the month of June, Crocodile Gold recorded gold sales of \$10.9 million on the sale of 8,902 ounces of gold sold, for an average realized gold price of \$1,226 per ounce.

Operating expenses were \$9.4 million and depreciation, depletion and amortization expense of \$1.7 million was recorded during the second quarter on 8,902 ounces of gold sold in June, resulting in a loss from mining operations of \$0.3 million for the quarter. A royalty expense of \$42,800 and reclamation accretion expense of \$60,942 were also recorded.

Additional items in the loss during the quarter of \$5.3 million included a \$2.4 million financing charge related to an expired debt facility, general and administrative costs of \$1.1 million, stock-based compensation expense of \$0.7 million, a write-down of \$0.4 million on exploration properties and a \$0.7 million unrealized loss on currency forward contracts.

The \$2.4 million write-off of financing costs related to the June 30, 2010 expiry of the credit facility the Company had with Marret Asset Management Inc. ("Marret"). Following the completion of the June 2010 prospectus offering described below and having only recently entered into commercial production, the Company chose not to draw down on the credit facility. The charge of \$2.4 million included the 4 million

common share purchase warrants that were issued to Marret upon entering into the credit facility, which had an estimated value of \$2.3 million.

The \$0.4 million write-down of exploration properties largely related to the expiry of the "TOP" tenements which had been allocated on acquisition, as part of the purchase of the GBS Gold Australia assets, a value of approximately \$300,000. The TOP tenements, representing approximately 750 km² of property, did not contain any gold ounces included in Crocodile Gold's indicated or inferred resources and the Company had no near term plans to conduct any exploration on the properties. In addition, costs incurred at the Mario property in Peru during the quarter were written down.

To protect against a strengthening Australian dollar vis-à-vis the United States dollar, the Company holds a significant portion of its cash in Australian dollars and has also entered into currency forward contracts to help manage this foreign exchange risk. At June 30, 2010, the Company had entered into contracts to sell approximately US\$12 million and purchase Australian dollars with delivery dates between August 2010 and September 2010. The estimated negative value of the outstanding currency forward contracts at June 30, 2010 due the strengthening of the US dollar was approximately \$0.4 million and resulted in an unrealized mark-to-market loss of \$0.7 million during the quarter. Subsequent to June 30, 2010, the US dollar has weakened against the Australian dollar and the Company's currency forward contracts are no longer in a liability position.

During the quarter, operating activities provided \$7.2 million in cash flow. This was largely due to the net change in non-cash working capital of \$6.6 million in addition to cash flow from gold sales, net of cash operating expense and general and administrative costs.

Investing activities during the quarter used \$38.1 million and \$59.0 million during the first six months of 2010. Investing activities consisted of capitalized exploration costs, project expenditures on the dewatering of the Cosmo pit and the start of development on the Cosmo underground mine, and start up costs at Brocks Creek, Howley, Tom's Gully and at the Union Reefs mill. In addition, the final A\$15 million deferred property payment on the purchase of the GBS Gold Australia assets was made in June.

Crocodile Gold received proceeds of \$20.9 million during the quarter, net of shares issue costs, on the completion of a prospectus financing of 17,710,000 common shares at a price of C\$1.30 per share.

Further details are available on the Company's website at www.crocgold.com and also www.sedar.com where the Crocodile Gold financial statements and management's discussion and analysis (MD&A) are posted.

Tom's Gully Underground Mine

Development of the Tom's Gully underground mine commenced in the first quarter of 2010 and as at the end of June 2010, a total of 682 metres of capital development had been completed and over 3,500 tonnes of ore at an average grade of 4.84 g/t had been stoped and stockpiled on surface. Work has commenced on the refurbishment and recommissioning of the Tom's Gully mill with 3,000 tonnes of low grade ore already crushed in advance of the commissioning of the plant.

Crocodile Gold began drilling at the Tom's Gully underground mine in August 2009 as part of an exploration program to provide added confidence in the resource model prior to commencing mining operations. In reviewing the current available ore stockpiles, development progress and remaining capital requirements to restart Tom's Gully, Crocodile Gold has decided it is prudent, based on mine development results to date, to defer the reopening of Tom's Gully from late 3rd quarter of 2010 to later in the 1st half of 2011. Whilst the deferral of commissioning until 2011 has a short-term impact on the production, the additional time will allow the mine plan to be optimized, will increase mine scheduling flexibility as well as improve geological definition (from increased underground development) and will enable a higher gold production profile upfront when the mill is started.

July 2010 Production and Updated Production Forecast

During the month of July, Crocodile Gold processed 182,408 tonnes of ore at an average grade of 1.53 g/t gold and a recovery of 91.5% for production of approximately 8,200 ounces of gold. The ore was processed at Crocodile Gold's Union Reefs mill which has had an average plant availability and run time above target of 95%. Year-to-date gold production to the end of July was approximately 41,700 ounces of gold.

Previously, the Company has forecasted total production for 2010 of 100,000 ounces of gold. This figure included approximately 8,000 ounces of production from Tom's Gully with the remainder of production coming from the North Point and Howley open pit mines and the remainder from the Brocks Creek underground mine.

As a result of rescheduling the medium term mine plan for Howley, North Point and Princess Louise open pit mines in order to minimize disruptions caused by the monsoonal wet season commencing in November, lower grades in these areas are forecasted to year end. In addition, with the deferral of the expected start-up of Tom's Gully until 2011 it has been decided to reduce the forecasted 2010 production to 85,000 ounces. Production will come from the Howley, North Point and Princess Louise open pit mines and the Brocks Creek underground mine for the remainder of the year

Exploration

During the first half of 2010, the Company has spent approximately \$7.1 million on exploration expenditures, completing 46,027 metres of drilling. Exploration and evaluation expenditures have been capitalized. In addition, during the first half of 2010, definition drilling totalling 41,506 metres was completed at a cost of approximately \$2.4 million.

Based on the extensive and widespread positive drill results from the first half of 2010, the Company has reduced the amount of exploration drilling going forward to allow the drill results collected to be properly analyzed and evaluated. This will ensure that drilling activities over the balance of the exploration program are targeted with the aim of maximizing the results. In addition, the focus on the Cosmo/Howley corridor has increased along with transition from predominately extension drilling to infill drilling. As a result, the timeline for the current exploration program is now expected to extend beyond the 12 month period as originally announced. The Company's exploration personnel are also focussing on the very large historical geological database to not only guide current exploration activities but to also identify new targets. In some cases it may be possible with very little effort to verify historical data and add additional resources from new deposits. Information recently reviewed by Crocodile Gold exploration personnel in the Union Reefs area indicates there is very good potential for not only open pit mineable resources but also some significant higher grade underground potential. Crocodile Gold expects to shortly provide an update on this potential

Projects

Crocodile Gold has advanced the Cosmo portal approximately 200 metres from surface as of July 31, 2010. Ground conditions have been very good and Crocodile Gold expects to cross mineralization at Cosmo with development sometime in August.

Crocodile Gold expects to shortly release results of the Cosmo Howley Mill Feasibility Study which offers the opportunities of lowering operating costs of material mined in the Burnside Area, the location of all the current production, and potentially improving the economics of lower grade mineralized material.

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 km². Crocodile Gold is currently mining from the Howley and North Point 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 and the Tom's Gully underground mine. Ore is currently processed at the 2.4 million tonne per year Union Reefs Mill and ore from Tom's Gully is expected to be processed at the 240,000 tonne per year Tom's Gully Mill. Crocodile Gold has 3.09 million ounces of NI 43-101 compliant measured and indicated resources (42.9 million tonnes at an average grade of 2.3 g/t gold) and 1.94 million ounces of inferred resources (26.7 million tonnes at an average grade of 2.3 g/t gold) (see Annual Information Form dated March 31, 2010 and Crocodile Gold press releases dated September 8, 2009 and January 25, 2010). The Company has an exploration program in place and is drilling on several key properties on its expansive land package. Crocodile Gold's main focus is on the Cosmo/Howley corridor which covers a five kilometre strike length of a 25 kilometre trend.

Qualified Person

David Keough M.AusIMM of Crocodile Gold 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.

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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 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

