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## **CROCODILE GOLD HIGHLIGHTS POTENTIAL OF UNION REEFS AND PINE CREEK TO PROVIDE LOW COST, NEAR TERM PRODUCTION ADJACENT TO UNION REEFS PLANT**

**September 8, 2010 – Crocodile Gold Corp.** (TSX:CRK) (OTCQX:CROCF) (Frankfurt:XGC) (“Crocodile Gold” or the “Company”) is pleased to announce that it has identified the Union Reefs and Pine Creek areas as potential near term mining areas located immediately adjacent and within 15 kilometres of the Company’s Union Reefs mill and believes the possibility exists to accelerate development activities to bring one or more of these deposits into production as early as the fourth quarter of 2010. Historical production in the Union Reefs area has yielded over 800,000 ounces of gold from 12 open pit operations. 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.

Of significance is that lower operating costs could be achieved if these areas are brought into production as they are in close proximity to the Union Reefs mill and minimal haulage would be required. These deposits would supplement the existing ore sources until the Cosmo underground mine is brought into production, planned for mid-2011.

The Company is also pleased to report that development of the Cosmo underground mine continues ahead of schedule with planned production still on schedule to commence in mid-2011. Once in full production Cosmo is expected to contribute over 100,000 ounces of gold annually to Crocodile Gold’s production profile.

In releasing this information, Dave Keough, Chief Operating Officer of Crocodile Gold commented, “The real advantage is that by bringing these projects into production they can assist in reducing overall operating costs until the Cosmo underground mine comes into production in mid-2011. We currently transport ore from our mines in the Burnside area approximately 80 kilometres to the Union Reefs mill which equates to approximately US\$125 per ounce. These projects are within 15 kilometres of the mill so minimal haulage would be required. We are currently completing detailed geological and mining evaluations at each of the deposits and expect to shortly begin exploration and development activities to bring one or more of these deposits into production during the fourth quarter to supplement existing production sources from Brocks Creek, Howley and North Point/Princess Louise”

Mark Edwards, Geology Manager of Crocodile Gold commented, “The potential of the Union Reefs and Pine Creek areas is very significant as the bulk of exploration to date has been to a depth of less than 100 metres. Any additional mineable resource our exploration team outlines will require minimal haulage to the Union Reefs processing facility and thus the potential for significantly lower operating cash costs. We believe the possibility exists for a resource increase at both the Union Reefs and Pine Creek areas and we will be further evaluating these areas in the coming months.”

### **Union Reefs**

**There appears to be excellent potential for the following at the Union Reefs area:**

- **Potential to upgrade existing mineralization to a NI 43-101 resource estimate through further detailed grade control drilling;**
- **Resource potential for higher grade material below existing pits; and**
- **Exploration potential along strike from existing deposits and historical mining.**

Numerous shallow, high grade historic drill intercepts have been documented along the two mineralized trends in the Union Reefs area which provide further reinforcement to the potential of the Union Reefs area and a likely possibility for a resource increase once the information is evaluated. Crocodile Gold believes that a significant resource increase in both the Union Reefs and Pine Creek areas is likely. Figure 2 below shows the mineralized trends at Union Reefs. Figure 3 below shows historic significant intercepts at the northern Union Reefs area greater than 10 g/t gold.

The Union Reefs mining area is located approximately 15 kilometres to the north of the town of Pine Creek and approximately 185 kilometres to the southeast of Darwin in the Northern Territory of Australia and is directly adjacent to Crocodile Gold's Union Reefs mill (refer to Figure 1 below for property location map).

Historical production in the Union Reefs area has yielded over 800,000 ounces of gold from 12 open pit operations (refer to Figure 2 below). Crocodile Gold believes the highest priority targets warranting follow-up in the area are:

- **Prospect Claim**
- **Crosscourse**
- **Esmeralda**
- **Big Tree/Millars**
- **Lady Alice**

Crocodile Gold's current resource estimate at the Union Reefs area is as follows:

**Table 1: Union Reefs Project Current 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
Prospect Claim	0.6	251,000	2.7	21,800	0.6	3,000	1.9	200
Esmeralda					0.7	1,550,000	1.8	89,700
<i>Calculated at a gold price of US\$775/oz and exchange rate of \$A:\$US0.80</i>								

**Pine Creek**

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. Crocodile Gold believes the highest priority targets warranting follow-up in the area are as follows (refer to Figure 4 below for deposit location map):

- **International**
- **Gandy's**
- **Cox's**

Crocodile Gold's current resource estimate at the Pine Creek area is as follows:

**Table 2: Pine Creek Project Current 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
Czarina	1.0	1,202,000	1.8	69,600	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
<i>Calculated at a gold price of US\$775/oz and exchange rate of \$A:\$US0.80</i>								

Additional background information is available on the Union Reefs and Pine Creek pages on Crocodile Gold's website at [www.crocgold.com](http://www.crocgold.com).

Please refer to the "Qualified Person" section below as well as Crocodile Gold's Annual Information Form dated March 31, 2010 filed on SEDAR for details regarding the NI 43-101 compliant reserve and resource estimates of the deposits described above in this release.

### **Operational Update**

#### **August 2010 Production & Third Quarter Production**

During the month of August, Crocodile Gold processed 189,323 tonnes of ore at an average grade of 1.46 g/t gold and a recovery of 91.7% for production of approximately 8,100 ounces of gold. Year-to-date gold production to the end of August was approximately 50,000 ounces of gold.

The Company expects to produce over 9,000 ounces of gold in September and to produce over 25,000 ounces of gold in the third quarter.

#### **Cosmo Development Ahead of Schedule**

The development of the Cosmo underground mine, the Company's flagship operation, continues ahead of schedule as Crocodile Gold prepares the mine for production commencing in mid-2011. Once in full production, the Cosmo underground mine is expected to contribute over 100,000 ounces of gold annually to the production profile. As of September 1<sup>st</sup>, the decline has advanced 340 metres and is ahead of schedule due to better than expected ground conditions. The Cosmo mine will be a key contributor to Crocodile Gold's increasing production profile and decreasing operating costs going forward. Crocodile Gold will continue to provide updates on the progress of development at Cosmo.

#### **Howley Mine Optimization**

Crocodile Gold is currently carrying out a detailed review of the Howley block model using an integrated technical team of internal and external professionals in order to develop a more accurate model on which to base future production plans. Mining experience indicates that the initial Howley resource model based on exploration drilling has over predicted expected grades which is a contributor to higher than expected operating costs at Howley. Shorter term grade forecasts which utilize close spaced grade control drilling completed for in-pit ore definition have reconciled very well with actual mill operating results. To date, the

study team has identified a number of areas for improvement to the overall resource model including tighter geological control, adjusting cutting factors, and revising estimation search parameters which will enable better prediction of future grades.

Waste stripping has been accelerated since June to assist in creating a stockpile of ore at the Union Reefs mill prior to the wet season in November and also to mine higher grade ore. The revised model will be used to create detailed mine plans so that more profitable mining can be accelerated and operating costs lowered.

This combined with the opportunity to bring new deposits into production within close proximity of the Union Reefs mill should contribute to a lower cost profile going forward until the Cosmo underground mine is in production.

### **Company Appoints Peter Tagliamonte to Board of Directors**

Crocodile Gold also announces that Mr. Greg Cameron has resigned as a director of the Company. Mr. Cameron has been involved with the Company from an early stage and the board of directors and management team thank him for his contributions.

The board of directors welcomes Mr. Peter Tagliamonte as a director of Crocodile Gold. Mr. Tagliamonte is a professional mining engineer and also holds an MBA from the Richard Ivey School of Business, at the University of Western Ontario. He is currently the President and CEO of Sulliden Gold, the former President and CEO of Central Sun Mining Inc. and former Chief Operating Officer of Desert Sun Mining Corp. where he was responsible for the development of the Jacobina Mine in Brazil into a 4,200-tonne-per-day mining operation. Mr. Tagliamonte has over 25 years of progressive managerial experience building and operating mines worldwide, notably in Central and South America. In 2005, he received the Mining Journal's "Mine Manager of the Year" award in recognition for his work in the mining sector.

### **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 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. Ore is currently processed at the 2.4 million tonne per year Union Reefs 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**

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.

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 Union Reefs and Pine Creek projects and he is independent of Crocodile Gold.

### **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 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

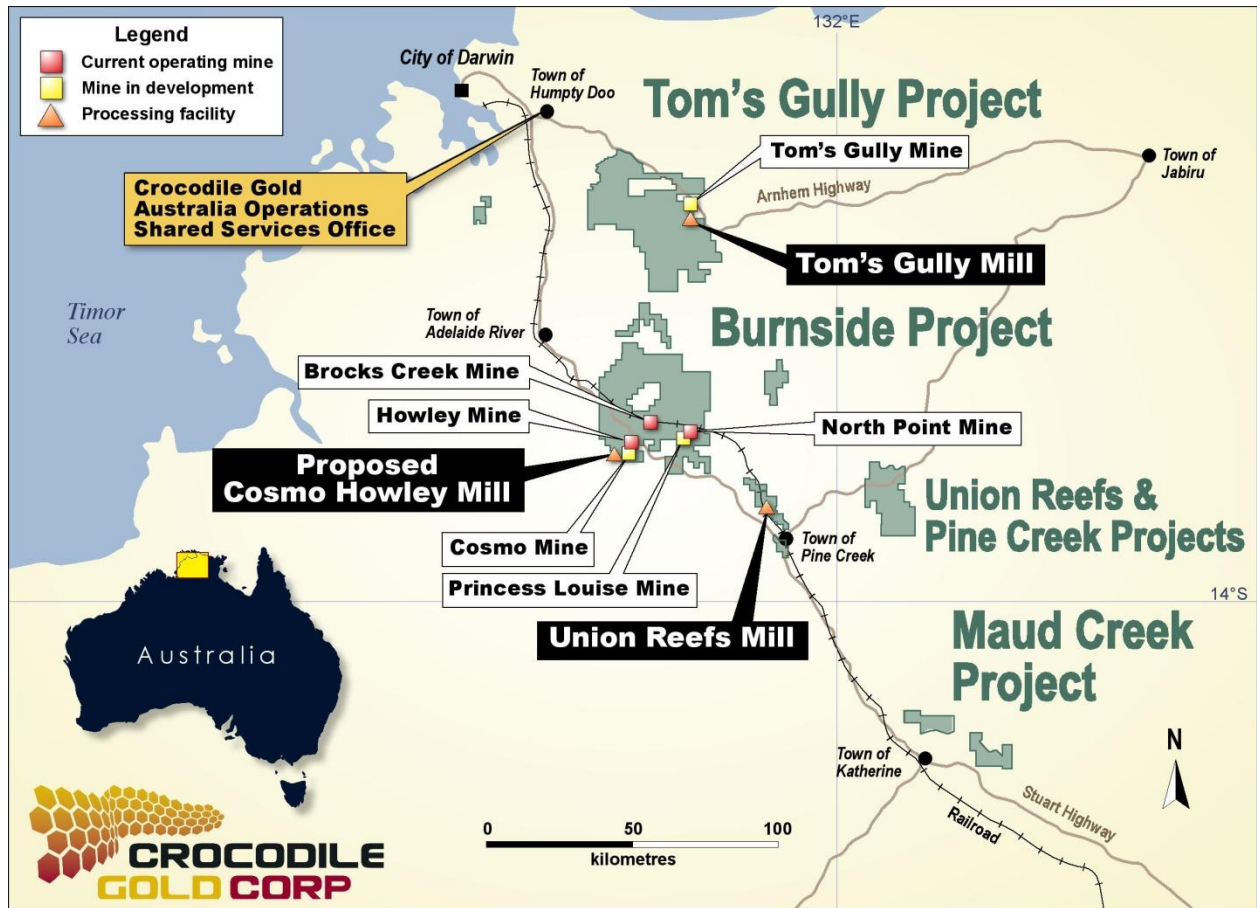


Figure 2: Mineralized Zones at Union Reefs

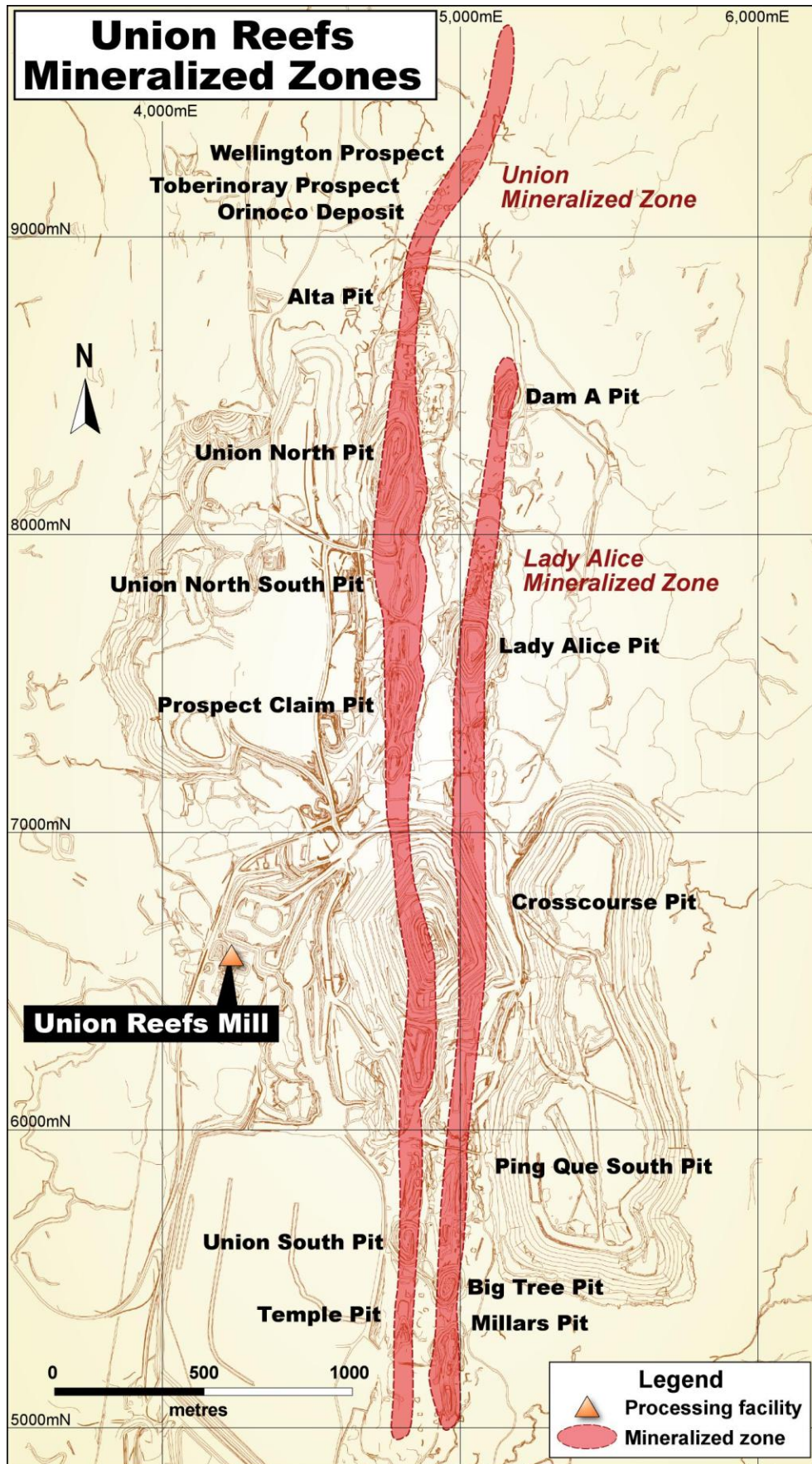


Figure 3: Significant Historic Intercepts at Northern Union Reefs

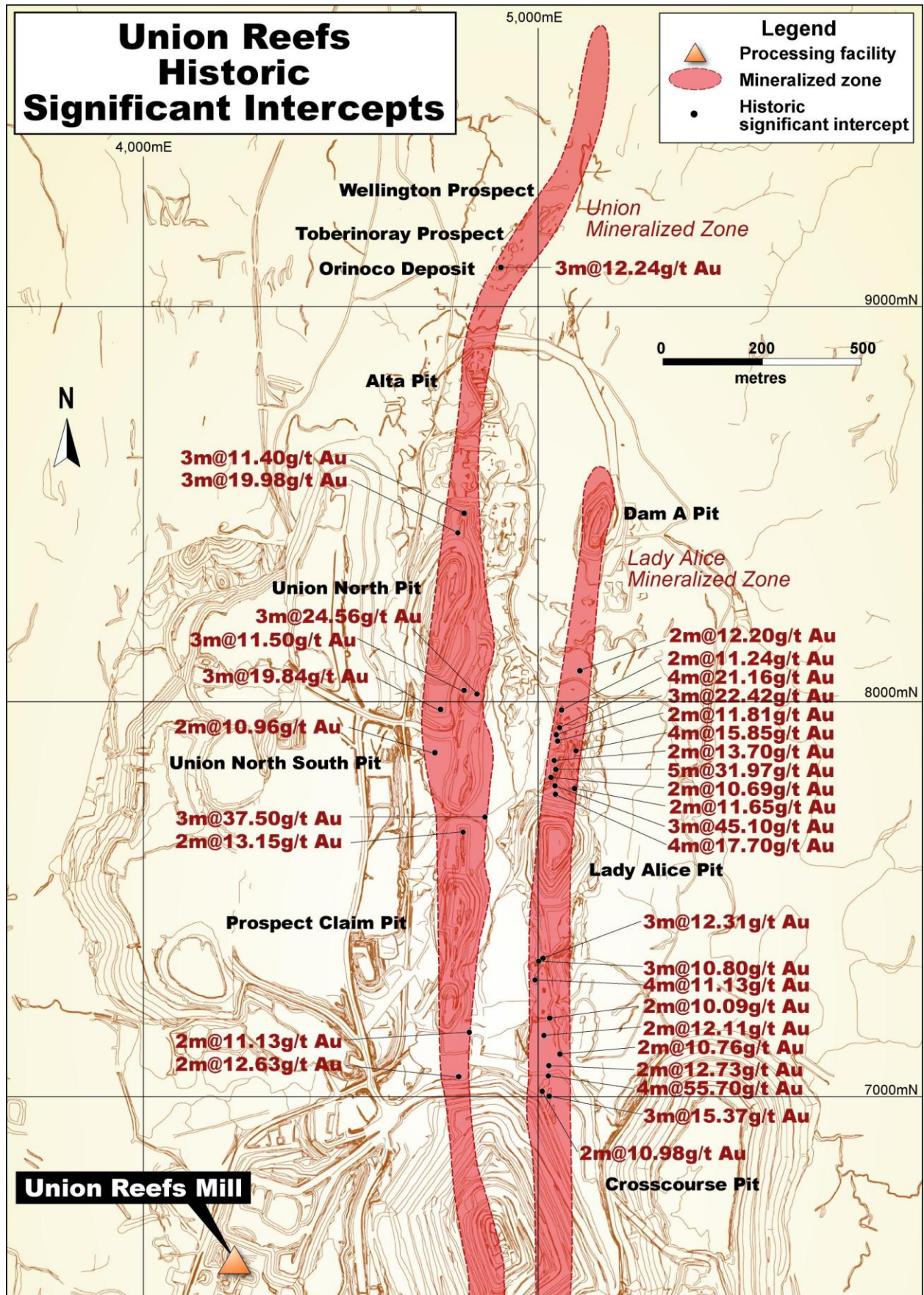


Figure 4: Union Reefs and Pine Creek Deposit Location Map

