



## CROCODILE GOLD ANNOUNCES FEASIBILITY STUDY RESULTS FOR THE BIG HILL PROJECT WITH PRE-TAX IRR OF 125% AND RESERVES OF 145,000 OZ GOLD

- Pre-Tax IRR of 125% and NPV (8% discount rate) of A\$38.5M; Post-Tax IRR of 79% and NPV (8% discount rate) of A\$22.5M
- Open pit mining and processing producing an average of 40,000/oz per annum over 3.5 years at an operating cash cost of A\$885/oz of the recovered gold over the life of the Project
- Total Project capital costs of A\$19.6M
- Measured and Indicated Mineral Resource Estimate of 3.0Mt at 1.7 g/t Au for 160,000 oz of gold and Mineral Reserve of 3.0Mt at 1.5 g/t Au for 145,000 oz of gold
- Uses the existing Stawell processing facilities and extends the operating life of Stawell mining complex

**June 4, 2014, Toronto, Ontario** – Crocodile Gold Corp. (TSX:CRK, CRK.DB, CRK.WT)(OTCQX:CROCF)(Frankfurt:XGC) (“Crocodile Gold” or the “Company”) is releasing the results of the Feasibility Study for the Big Hill Enhanced Development Project (the “Project”), located adjacent to the Stawell Gold Mine (SGM), in the State of Victoria, Australia. The Feasibility Study has been completed in accordance with the CIM Definition Standards on Mineral Resources and Mineral Reserves referred to in the National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) and will be filed within 45 days of this release. All figures are in Australian dollars unless otherwise specified.

### Key Project Elements

Financial Analysis	Pre-Tax	Post-Tax
Gold Price*	A\$1,415	A\$1,415
Undiscounted Cash Flow (M)	A\$49.2	A\$30.3
NPV @ 8% Discount (M)	A\$38.5	A\$22.6
IRR	125.3%	79.1%
Payback Period (Years)	1.5	1.9

\*Based on a USD\$1,225 per gold ounce price and a USD:AUD exchange rate of 0.87

Capital Costs	
Pre-production Capital (M)	A\$11.99
Total Project Capital (M)	A\$19.60

Operating Costs	
Mining Cost (A\$/t ore)	A\$4.83
Waste Rehandle (A\$/m <sup>3</sup> waste)	A\$4.98
Processing Costs (A\$/t ore)	A\$14.75
Royalty (A\$/oz)	A\$2.00

Unit Costs	
Operating Cash Cost (A\$/oz)	A\$886

All-in Sustaining Cash Cost (A\$/oz)	A\$1,035
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<b>Operating Plan</b>	
Mining Duration (Years)	3.5 – 4
Mining (Days/Yr)	260
Landform Re-establishment (Years)	1-1.5

<b>Processing</b>	
Metallurgical Recovery	90 %
Recovered Grade (g/t Au)	1.5
Recovered Gold (oz)	131,000

### Operating Highlights and Project Performance

The Feasibility Study confirms the technical and economic viability of the Project and highlights the measures taken to achieve levels of compliance beyond that of conventional open pit mining because of the proximity to the Stawell community. Self-imposed modified practices have been adopted to mitigate environmental and social impacts, even if not economically optimal.

The Project is currently the subject of an Environmental Effects Statement and Ministerial Assessment. These modified work practices have been adopted in consideration for favourable permitting and works approval.

Substantial work has been done to confirm operational costs, technical support and social impacts. Based on a forecast gold price of A\$1,415 per ounce, the Feasibility Study pre-tax NPV (8%) is A\$39M with an IRR of 125%. The most positive characteristic of the Project is its high operating margin—economic sensitivity analyses demonstrate the Project NPV to be resilient to downward movement in gold price and potential upward movement in costs. Tables 1 and 2 highlight the Project's ability to withstand potential market pressures and capacity to capitalize on opportunities.

**Table 1: Gold Price Sensitivity**

<b>Gold price sensitivity (Pre-tax)</b>					
A\$/oz	A\$1,300	A\$1,350	A\$1,400	A\$1,450	A\$1,500
NPV (A\$)(M)	A\$26.3	A\$31.6	A\$36.9	A\$42.2	A\$47.6
IRR (%)	97.7%	110.2%	121.9%	133.1%	143.7%
Pre-Tax Payback Period Undiscounted (Years)	1.7	1.6	1.6	1.5	1.5

**Table 2: Cost Sensitivity**

<b>Change in NPV Pre-tax (%)</b>	-20	-10	0	10	20
Capital costs (M)	A\$42.7	A\$40.6	A\$38.5	A\$36.4	A\$34.3
Operating costs (M)	A\$56.7	A\$47.6	A\$38.5	A\$29.4	A\$20.3

### Capital Costs

The total pre-production capital cost is estimated at A\$11.99 million and include costs associated with site establishment, relocation of existing infrastructure and environmental impact mitigation. The total capital cost for the Big Hill Enhanced Development Project is estimated at A\$19.6 million which includes rehabilitation and end land use amenity consideration. Mine fleet requirements will be pursued through either leasing or dry hire arrangement.

<b>Capital Cost Summary</b>	<b>Unit Cost (M)</b>
Permitting	A\$1.85
Project Site Set Up	A\$2.56
Public Infrastructure	A\$0.90
Town Water Infrastructures	A\$2.67
Communication and Fire Watch	A\$2.05
Mining Set Up	A\$1.62
Mining Equipment and Operation Fixed Capital	A\$0.34
<b>Pre-production Capital Costs</b>	<b>A\$11.99</b>
Environmental	A\$7.61
<b>Total Project Capital Costs</b>	<b>A\$19.60</b>

Environmental Bonds will reflect incremental payment at key stages of the project and will also reflect bond reduction on completion of progressive rehabilitative works.

### **Operating Costs**

A comprehensive first principle mining cost model was developed to provide a shadow bid estimate and compared to the result of a formal tender process. This undertaking forms the basis of mine operating costs used in the Feasibility Study. Processing costs are based on actual costs as realized at Stawell Gold Mines for the treatment of Big Hill ore types.

At the end of mining operations, re-handling and rehabilitation of the pits and waste dumps will be undertaken. Approximately 3.6 million cubic meters of material will be re-handled back into the pit voids as part of the rehabilitation. This will complete the progressive rehabilitation program of events.

<b>Operating Cost Summary</b>	<b>Unit Cost</b>
Mining cost (A\$/t rock)	A\$4.83
Waste re-handle cost (A\$/m <sup>3</sup> )	A\$4.98
Processing & Administration cost (A\$/t ore)	A\$14.75

Additional operating cost allowances have been incorporated to reflect the adoption of leading practice mine operations and are estimated to be more than A\$10.6 million over the life of the project (see cost details below). These initiatives are in addition to those environmental management initiatives included within capital costs, and are included within operating unit rates presented.

### **Big Hill Mineral Resource Estimate**

The mineral resource model used in the Feasibility Study is current as at March 2014. Drill spacing over the considered resource area is largely 20m x 25m, with drilling inclusive of additional RC and diamond drilling programs from 2008, 2012 and 2013. The estimate incorporates an updated geological interpretation, update of the resource estimate, review and update of historical void models, utilization of a pit shell (constrained) at A\$1,425 gold price and an in situ cut off for reporting of 0.35g/t Au. The Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserves.

### Big Hill Mineral Resources Estimate as of March 2014

Domain	Tonnes (Mt)	Gold Grade (g/t Au)	Ounces Gold (000's)
Big Hill Measured	-	-	-
Big Hill Indicated	3.0	1.7	160
<b>Total (Measured and Indicated)</b>	<b>3.0</b>	<b>1.7</b>	<b>160</b>
Inferred	0.2	1.2	7

1. All Mineral Resources and Mineral Reserves have been estimated in accordance with the JORC Code and have been reconciled to CIM Standards as prescribed by National Instrument 43-101.
2. Mineral Resources are exclusive of Mineral Reserves.
3. Mineral Resources were estimated using a gold price of A\$1,425/oz and cut-off grade of 0.35g/t Au.
4. Surface Mineral Resource estimates were prepared by Justine Tracey, Resource Geologist, Crocodile Gold, under the supervision of Mr Stuart Hutchin. Mr Hutchin is the Geology Manager for Mining One Consultants of Melbourne, Victoria and member of the Australasian Institute of Mining and Metallurgy and the member of the Australasian Institute of Geoscientists, and acts as the Qualified Person for Surface Resources under NI43-101.
5. Mineral Resources and Mineral Reserves are rounded to 1,000 tonnes, 0.01 g/t Au and 1,000 ounces. Minor discrepancies in summations may occur due to rounding.
6. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

A series of dilution modelling routines were applied to the resource model to develop a model that would reflect the impact, on grade and tonnes, of practical mining constraints.

### Big Hill Mineral Reserve Estimate

The pit optimization and design were developed considering, detailed slope parameter analysis, potential infrastructure interaction, safe operating widths for the proposed equipment, business objectives, rehabilitation commitments, previous mining activities (both open pit and underground), minimization of dust and noise impact on the surrounding community and rehabilitative commitments.

### Big Hill Ore Reserves as of March 2014

Big Hill Enhanced Development Project	Reserve Classification	Tonnes (Mt)	Gold Grade (g/t Au)	Ounces Gold (000's)
North Pit	Probable	1.4	1.7	77
South Pit	Probable	1.5	1.4	68
<b>Total</b>		<b>2.9</b>	<b>1.5</b>	<b>145</b>

1. All Mineral Resources and Mineral Reserves have been estimated in accordance with the JORC Code and have been reconciled to CIM Standards as prescribed by National Instrument 43-101.
2. Mineral Reserves were estimated using a gold price of A\$1,415/oz and cut-off grade of 0.4g/t Au.
3. Mineral Reserve estimates were prepared by Dean Basille, Principal Mining Engineer with Mining One Consultants of Melbourne, Victoria. Mr. Basille is a member and Chartered Engineer of the Australasian Institute of Mining and Metallurgy, has over 18 years of relevant mining engineering experience and is the Qualified Person for Reserves under NI 43-101.
4. Mineral Resources and Mineral Reserves are rounded to 1,000 tonnes, 0.01 g/t Au and 1,000 ounces. Minor discrepancies in summations may occur due to rounding.
5. Mineral Reserves have demonstrated economic viability.

### Geology, Mining, Metallurgy and Processing

Underground mining operations at Stawell Gold Mines has been continuous since 1981 with the extraction of gold bearing ore from the Magdala and Golden Gift systems to a vertical depth of -1200mRL and -1600mRL respectively.

Big Hill is the up dip extension of the Magdala system which has been historically mined from underground. It contains Basalt Contact mineralisation, Central Lode mineralisation and Stockwork

mineralisation, all typically seen in the Magdala system. Big Hill geology and mineralisation can be broken into 4 main domains: Mariner's, Allen's, Iron Duke and Magdala Flank. All except Mariner's and Allen's are separated by faults (Figures 1 & 2).

The project proposes the mining of two open cut pits, the North Pit and the South Pit (Figure 3). The North Pit will be mined first and provide near immediate production contribution in light of outcropping ore zones. On completion of the North Pit, the pit will be filled and progressively rehabilitated as the South Pit is mined. The South Pit is effectively an extension to economic depth of the former "Davis Pit" which was mined in the late 80's and early 90's. On completion of the South Pit, all waste rock will be returned to the pit voids and a full re-establishment and rehabilitation program will be undertaken with additional waste rock and top soil contributions from historic stockpiles.

The mine life is anticipated to be in the order of 3.5 to 4 years (excluding backfilling of the South Pit) using a mining fleet consisting of one 120 tonne and one 190 tonne excavator coupled with an average of five 90t trucks. Test work indicates material can be extracted using a rip and dig or free dig mining methods, with some drill and blast planned in the lower 30m of both pits.

An extensive Metallurgical test work program has been completed for both the Big Hill northern and southern (Davis Extension) pit areas. This test work was based on the leaching of a large number of RC drill intercepts during the period of 1998 to early 1999 and several new diamond drill holes drilled in 2013.

Overall, the gold recovery from testing averaged 91.7%, with recovery consistent with depth, level of weathering of the rock and mine section.

The processing plant at Stawell has been in operation since 1984 and has a well-established flow path to accommodate the treatment of both oxidized and fresh ore types.

Ore from the Davis Open Cut has been previously processed at SGM with close to 500kt milled, with an overall gold recovery of 90% achieved. Testing of the mineralization in Big Hill has demonstrated that the mineralisation elsewhere in the deposit will behave in a similar manner to the Davis Open Cut mineralisation previously processed. A gold recovery of 90% is forecast.

The tailings facility at SGM has a current approved work plan to cover all additional requirements for the Project.

### **Environmental, Permitting, Social and Community Considerations**

To achieve leading practice operations, which mitigate environmental and social impacts, the project has taken into account a number of additional initiatives to conventional practice. Strategies associated with the mining method modification (eg. no blasting until the bottom portion of the Pits), alignment of ramps relative to residential dwellings, dust mitigation measures, pit development, waste dump construction, noise modelling and monitoring, re-establishment of Big Hill, back filling of the South Pit, etc. has required the mine plan to be delivered to a high level of detail.

Pit and stockpile benching configurations have been proposed that shield nearby residences from noise and dust emissions, reducing some overall efficiency of operations. A staged mining approach is to be used in the South Pit to reduce the active footprint and noise and dust emissions in the upper levels. Mining operations will be restricted to daylight hours only on Monday to Friday, with additional modified practices to mitigate social impact:

- Reduced use of blasting
- Sealing of haul roads, additional water carts and use of dust suppressants
- Staged clearing and grubbing
- Noise attenuation suppressant equipment
- Real time weather monitoring and predictive management practices

### **Additional Operating Costs for Community and Environmental Considerations**

<b>Initiative</b>	<b>Impact</b>	<b>Cost Implication</b>
Mining, stockpile and reconstruction sequence and schedule	Decreased efficiency of mining, increased equipment moves, reduced equipment and schedule for the North Pit. Additional equipment for noise bunding and increased haulage distance for staged pit.	A\$4.9M
Reduced blasting	Rip and Dig requirement increased to defer drill and blast activity. Costing allowance in ancillary equipment for an extra D11 bulldozer over normal project allowances.	A\$1.9M
Additional watering capacity	Additional water carts required for project duration, ancillary fleet contains two additional water carts to contractor requirements.	A\$2.2M
Landform re-construction	Additional bulldozer and compactor maintained during re-construction activities. Ancillary equipment for land form push-up and compaction.	A\$1.6M
<b>Total</b>		<b>A\$10.6M</b>

#### **Notes/Technical Disclosure/Disclaimers**

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues may materially affect the estimates of Mineral Resources.

The quantity and grade of reported Inferred Mineral Resources in the above estimations are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.

Technical reports prepared in accordance with NI 43-101 supporting the updated Mineral Resource and Mineral Reserve estimates will be available under the Company's profile on SEDAR ([www.sedar.com](http://www.sedar.com)) within 45 days of this news release.

#### **Qualified Person**

F. W. Nielsen, P.Geo, Technical Consultant to Crocodile Gold, is a "qualified person" as such term is defined in National Instrument 43-101 and has reviewed and approved the technical information and data included in this press release.

#### **About Crocodile Gold**

Crocodile Gold is a Canadian gold mining and exploration company with three operating mines in Australia in the State of Victoria and the Northern Territory. The Company has a combined land package in excess of 4,000 sq. km. The objective of Crocodile Gold is to continue production from its three operating mines, Cosmo, Fosterville, and Stawell, while also exploring and developing the Company's resources to ensure sustainable production in the future. For additional information, please visit our website [www.crocgold.com](http://www.crocgold.com).

Follow us on Twitter [@crocgold\\_crk](https://twitter.com/crocgold_crk) or Facebook [facebook.com/CrocodileGoldCorp](https://facebook.com/CrocodileGoldCorp).

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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 the Company's expectations for future performance based on current drill results and past production, expected gold prices, and mineral resource and mineral reserve 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 licences, 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 that 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, and 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: North Pit Cross Section

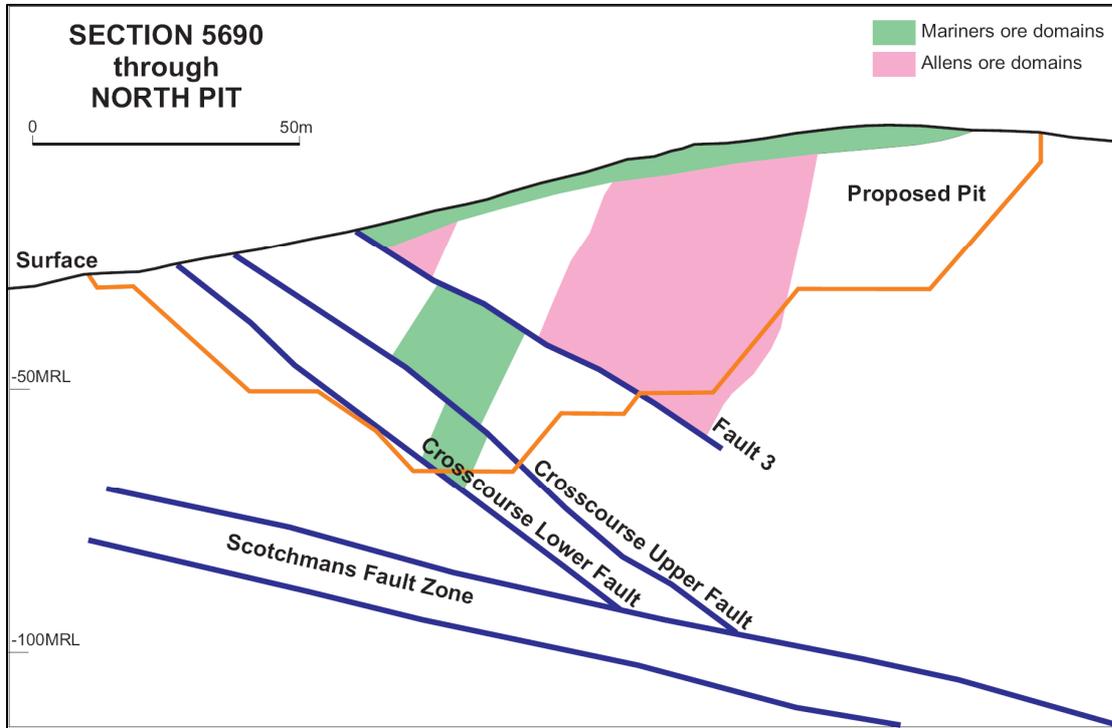
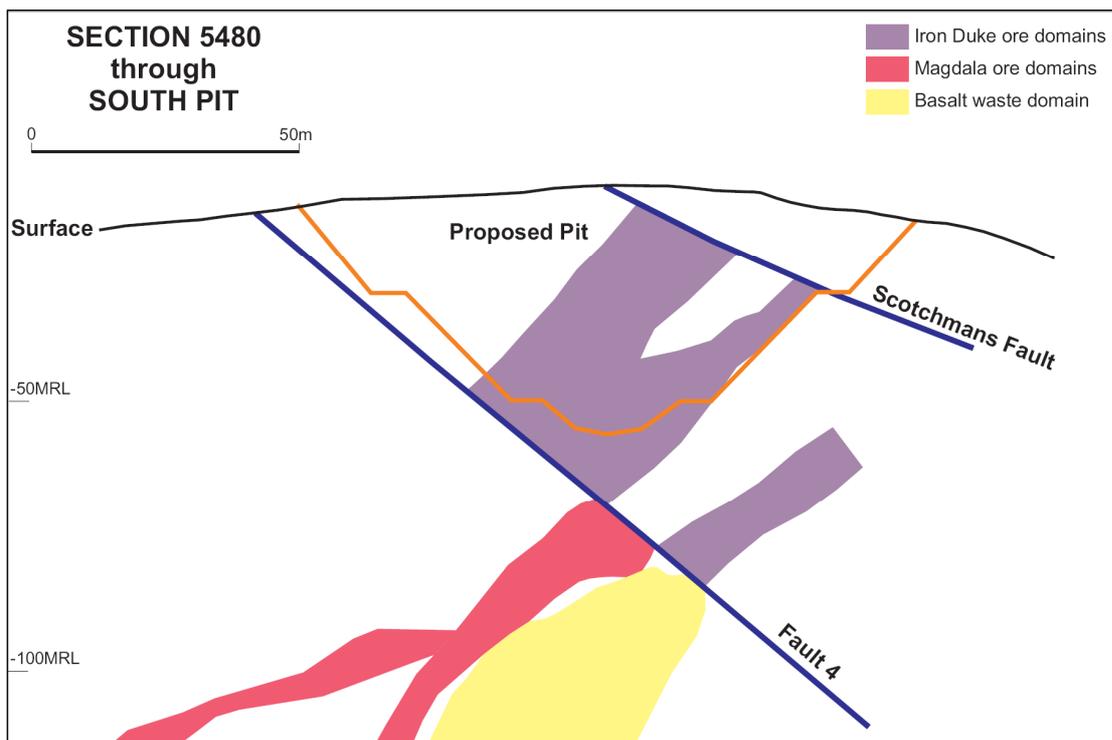


Figure 2: South Pit Cross Section



**Figure 3: Pit Plan**

