

30 October 2012

Quarterly Report for the period ending 30 September 2012

HIGHLIGHTS

- Exciting gold anomaly located in the south eastern corner of Tyegana 1, on trend from the Sartenga discovery (WAF:ASX)
- Soil sampling programs completed across majority of permits and review underway

SUMMARY

Burkina Faso Activities

Credo has now acquired full contractual rights to ten (10) permits in Burkina Faso, and a further four (4) are subject to permit grant. The Company moved to full contract status on the Taonsgo, Zaongo, Deou Pasgo and Kolongay permits and has withdrawn from the Saga and Mourdeni permits during the quarter.

The Company has carried out significant soil sampling and reconnaissance mapping of most permits which are under full contractual standing. Results for many of these programs are still awaited as the laboratory analysis situation in Burkina Faso and West Africa in general is over loaded with some results being delayed for five months or more.

The Company undertook drilling at three prospects prior to and during the period of review, Prospect A (Peotenga) on the Tyegana 1 permit, Prospect A (Damesma) on the Sebila permit and Prospect A (Pisselle) on the Bourzanga permit. Assays have been undertaken on the basis of four metre composite samples and will be re-assayed on a one metre basis where appropriate.

Initial results from both the Tyegana 1 and Sebila drilling programs are considered to be encouraging given this maiden drilling program is first pass in nature. Interpretation of these results is suggesting future drilling is required at both prospects and future field programs will focus on Tyegana 1 and Sebila permits. Tyegana 1 in particular is proving to be of great interest due to a very good gold anomaly on trend from the West Africa Resources Sartenga discovery. Bourzanga drilling results showed little mineralisation under the Pisselle workings.

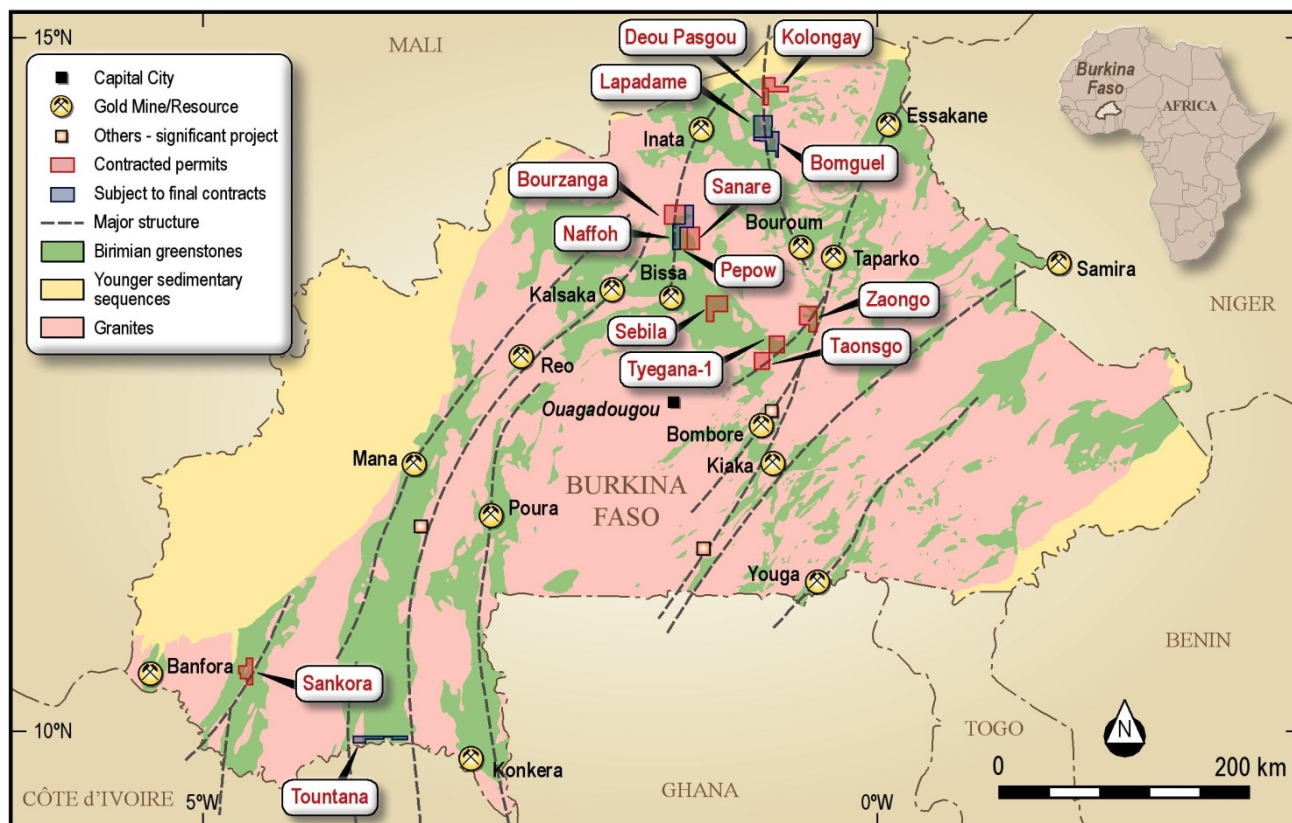


Figure 1: Burkina Faso Permit Location Map

Tyegana 1 Permit

In the prior quarter Credo completed a program of 24 RC holes totalling 2303 metres at the Peotenga prospect, designed to test below the artisanal workings and also to the east and west where soil sampling indicated gold anomalous extensions. The holes were generally drilled on traverses spaced at 160 metre intervals over a strike length of 1040 metres.

Anomalous gold was intercepted in several drill holes with significant values recorded in two holes. TYRC002 intersected two mineralised zones, down dip of the artisanal workings at the western end of the area. TYRC014 intersected a single mineralised zone interpreted to represent a sub parallel mineralised horizon to the south.

Best intercepts were 8m @ 11g/t and 8m @ 3.1 g/t and can be seen in the attached Figures 2 and 3. Mineralisation in this zone extends over approximately fifty metres down dip and remains open along strike and at depth.

Interpretation of the results during the current quarter suggests further drilling is warranted to test the strike extent of the mineralised zone.

New Gold Anomalies:

The Company has received assays from a soil geochemical program covering the full extent of the Tyegana 1 permit which has highlighted two large and significant soil anomalies (Figure 2). The soil sampling was undertaken on a grid of 800m by 200m. Approximately 2kgs of surficial soil was collected and despatched to SGS Laboratories in Ouagadougou, Burkina Faso. The soils were pulverised to 80% passing 75um and then bottle roll leached in cyanide. The resultant solution was analysed for gold. A sub sample has been submitted for multi element ICP analysis. Blanks and duplicate samples were inserted at a frequency of one to twenty samples.

The main gold anomaly (Tanyoko-Sartenga trend) extends over 4 kms in length and is up to 1.4kms wide. An area of artisan gold workings occur within the northern end of the anomaly which is coincident with a regional magnetic high.

A second, strike parallel gold anomaly (Tanyoko North trend) was outlined 1km to the north-west of the main anomaly and extends over 6 kms in length.

Figure 2 shows the two soil anomalies superimposed on the regional magnetics. The image also shows the gold geochemistry reported by West African Resources from its Sartenga project and announced on 26 July 2011. Note that the gold results of WAR are from auger drilling, whilst Credo's results are from surficial soils and are likely to be lower absolute values as a result of the different sampling medium.

It is clear the Tanyoko-Sartenga trend and its coincident magnetic structure are continuations of the Sartenga copper-gold anomaly of West African Resources, and extends the Sartenga anomaly for a further 4 kms.

Both geochemical anomalies at Tyegana 1 are of major interest to the Company and present as the next immediate target to be drilled.

Prior to drilling a detailed aeromagnetic survey will be flown to assist in target generation and prioritisation. The airborne survey is scheduled to occur within the next two months with drilling proposed to commence in January or February 2012.

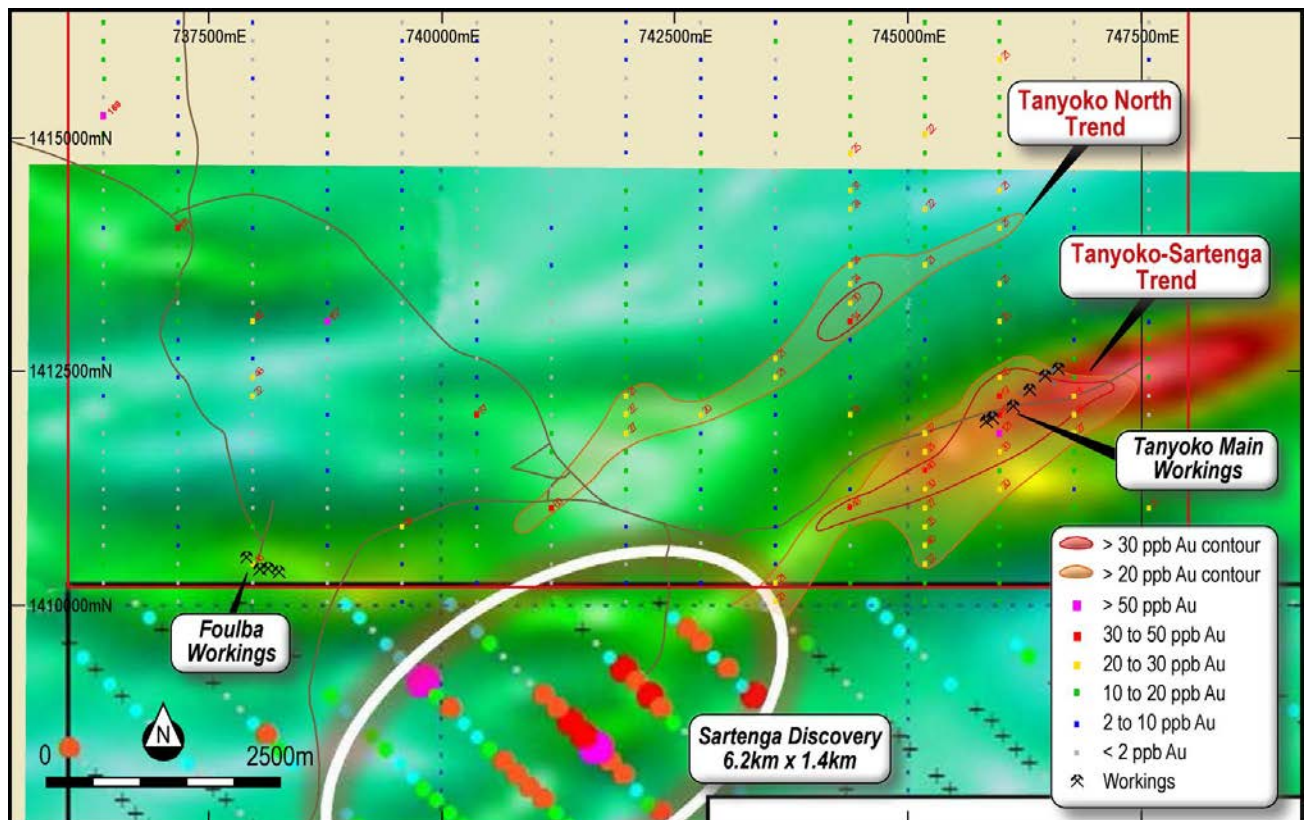


Figure 2: Tyegana 1 showing new gold anomalies on trend from the West Africa Resources Sartenga Project

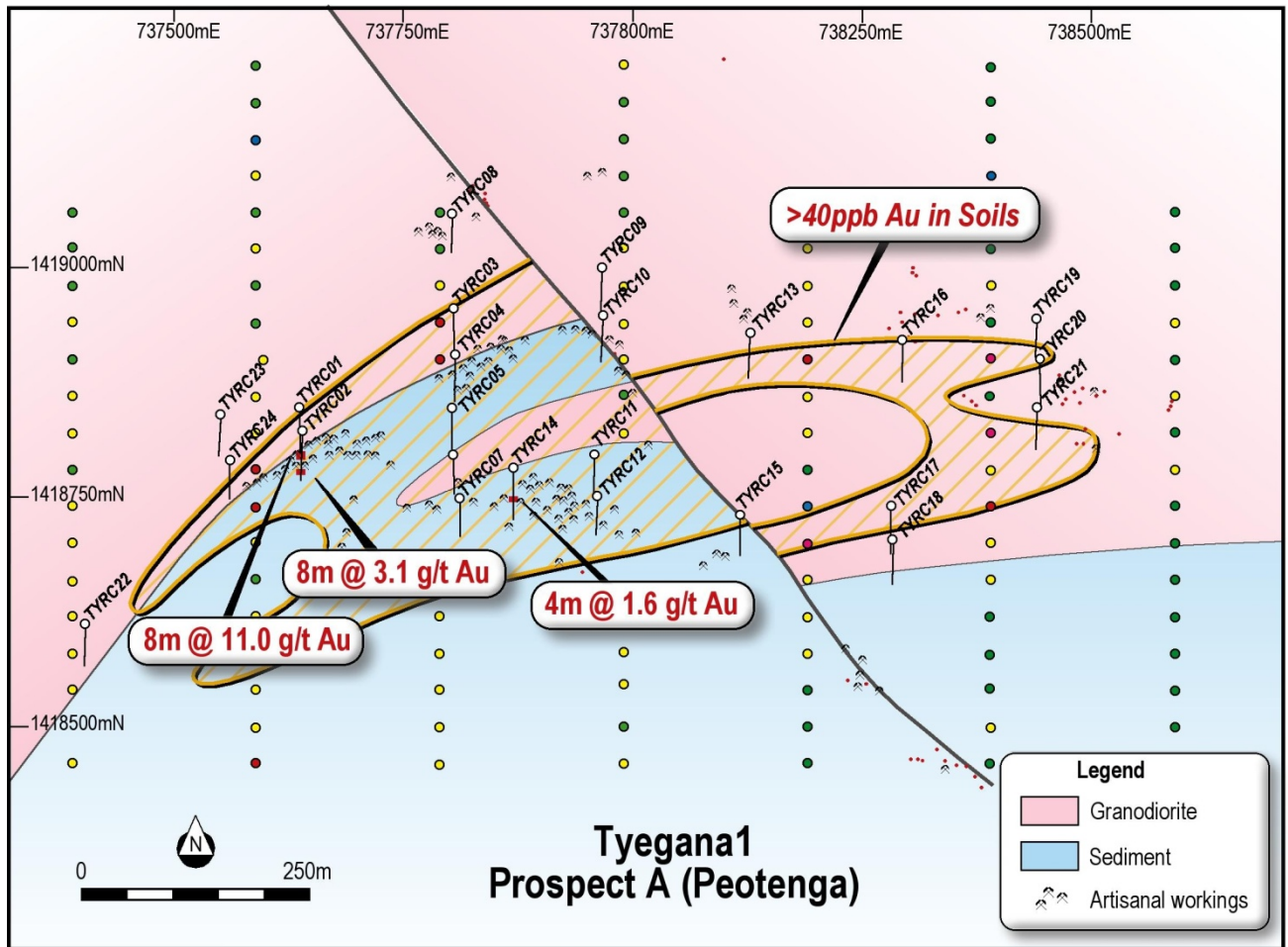


Figure 3: Tyegana 1 - Plan View of Drilling Prospect A

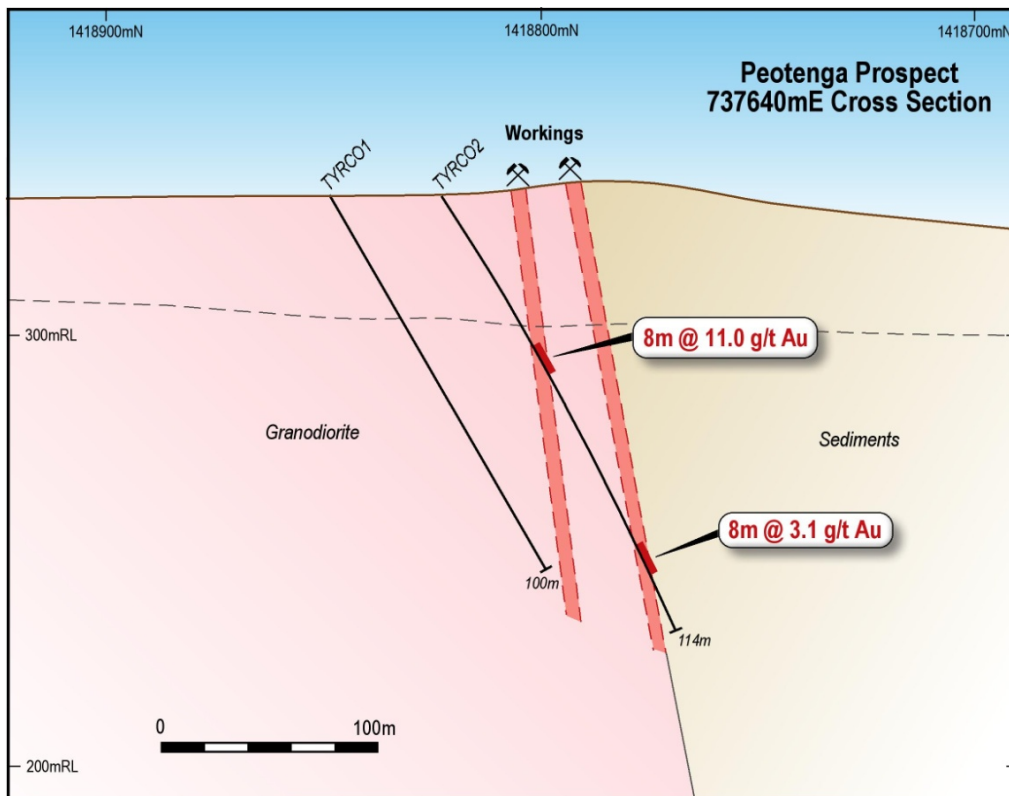


Figure 4: Tyegana 1 Cross Section

Bourzanga Permit

Credo completed a program of reverse circulation drilling and results were disappointing with no material gold intercepts encountered. Twenty two holes were completed at Prospect A (Pisselle) for a total of 2130 metres.

Following a review of the geology intersected in the drilling and re-interpretation of the regolith it appears that the gold mineralisation within the artisanal workings, is a result of shallow surficial enrichment and not evidence of significant primary mineralisation.

A program of auger geochemical drilling was completed during the quarter. This covered areas previously soil sampled and also extended to the north into areas with no geochemical sample coverage. Results have been received and are currently being assessed to determine further work on the permit.

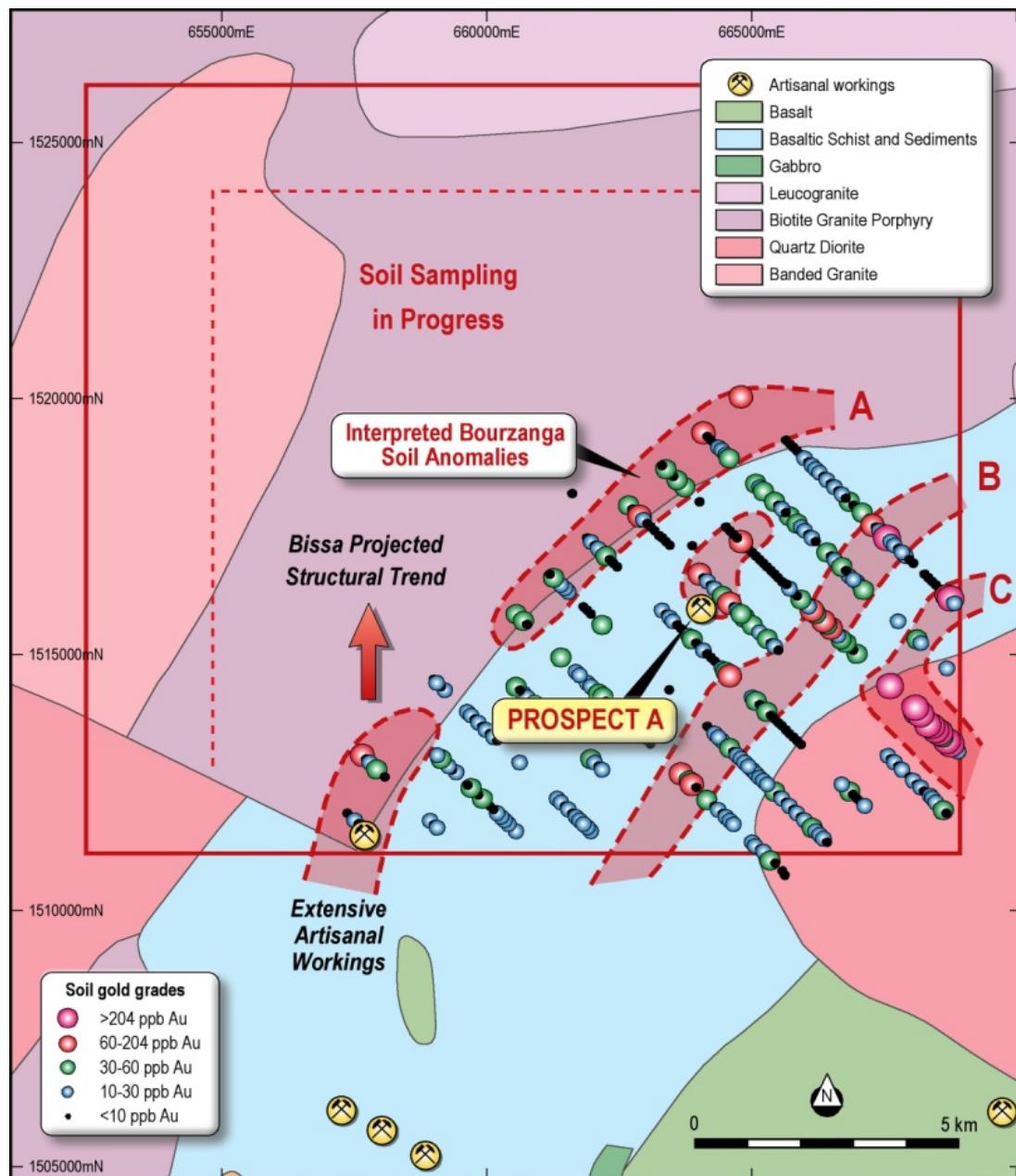


Figure 5: Bourzanga Permit showing Prospect A and soil gold values

Western Australia

Kalgoorlie, Ora Banda Tenements

Data compilation and assessment work continued on the Companies tenement areas in the Kalgoorlie Region.

Given the current market environment retention of the tenements in Western Australia is under review.

CORPORATE

Cash available as at 30 September 2012 is \$2,122,000.

ABOUT CREDO:

Credo Resources Ltd is an Australian based mineral exploration company, focused on gold exploration in the sought after and emerging greenstone belts of Burkina Faso. Credo is now engaged in work programs on the Burkina properties.

For further Information please contact:

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Competent Person Statement

The information relating to Exploration Results is based on information compiled and reviewed by Mr. Kevin Shugg, who is a Member of the AIG. Mr Shugg is a full time employee of Credo Resources Limited.

Mr. Shugg has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Shugg consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Forward Looking Statements

This document may include forward looking statements. Forward looking statements include, but are not necessarily limited to, statements concerning Credo Resources Limited's planned exploration programme and other statements that are not historic facts. When used in this document, the words such as "could", "indicates", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Such statements involve risks and uncertainties, and no assurances can be provided that actual results or work completed will be consistent with these forward looking statements.