



12 October 2011

CREDO ACQUIRES INTERESTS IN GOLD PROSPECTS IN WEST AFRICA

Highlights:

- Credo to acquire gold properties in Burkina Faso, West Africa
- Board appointment of Robert Kirtlan who brings considerable industry and African experience
- Preliminary site inspections on several have been completed by the Vendors
- Local base established and staffed with highly experienced Australian and Burkina Faso personnel
- Negotiations on further gold property acquisitions are on-going
- Planning to commence field work in November at the end of the wet season

The Board of Credo is pleased to announce that it has entered into an agreement to acquire a 100% interest in a private company, Riverglide Investments Pty Ltd (Riverglide), which holds extensive interests in gold permits in Burkina Faso. The acquisition is subject to shareholder approval.

Credo has elected to invest into a number of gold exploration opportunities in the world class Birimian Province of West Africa, due to the following advantages:

- A proven world class gold province
- Under-explored geological environment
- High prospectivity for further gold discoveries
- Immediate drill targets
- Access to good infrastructure and locally based experienced exploration and mining service providers
- Similar gold styles, geochemistry and weathering to our current gold projects in the Eastern Goldfields of WA
- Low entry costs as compared to other gold opportunities in Australia and SE Asia

Credo is initially acquiring Riverglide's rights to three (3) permits in Burkina Faso, and is continuing to negotiate the rights with the local vendor and the Ministry of Mines for a further four (4) that are subject to renewal and five (5) that are subject to permit grant. In addition Riverglide has applied for three (3) permits in its own name.

These permits are all located along and within greenstone belts within Burkina Faso and in many instances are host to recent artisanal gold workings as evidence of their gold endowment.

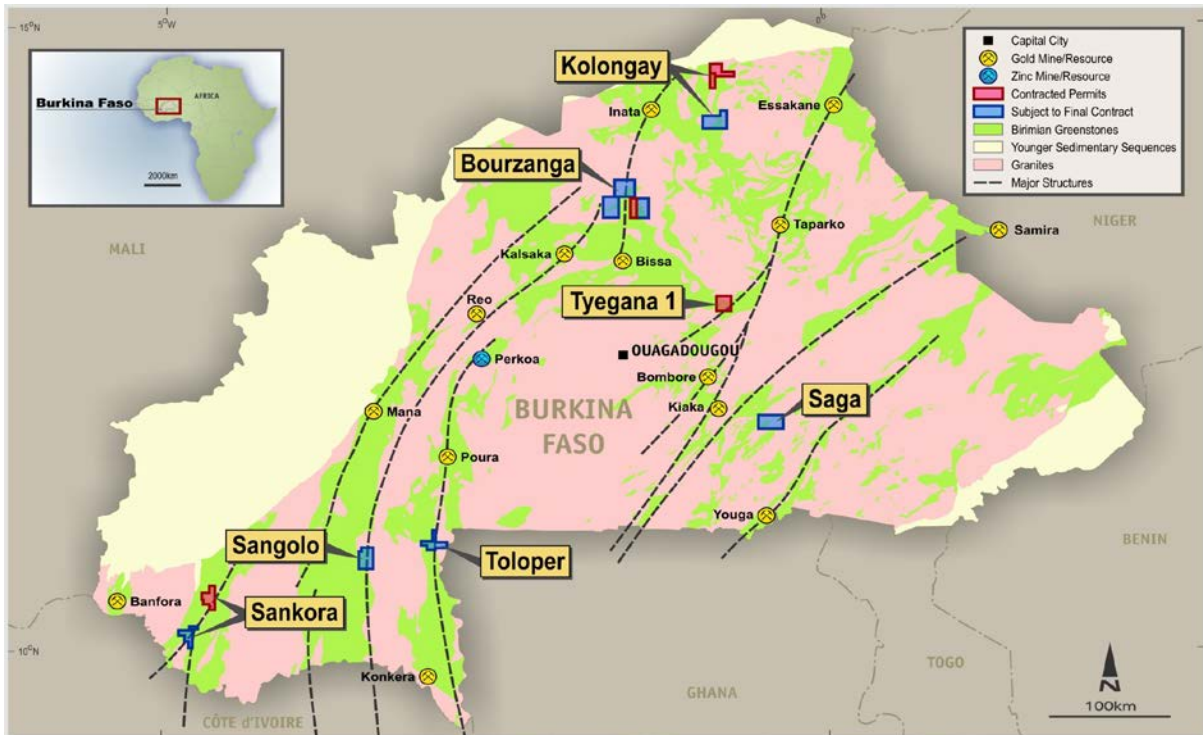


Figure 1 Location of Permits

Tyegana 1 is located in the Bissa gold belt. A recent field trip has located a group of artisanal gold workings over a strike length of 500m. These gold workings are along a shear system through strongly chlorite altered and veined sediments and basalts and do not appear to have been drill tested. These zones have been mapped and represent a likely drill target for Credo in the first year's exploration programme.

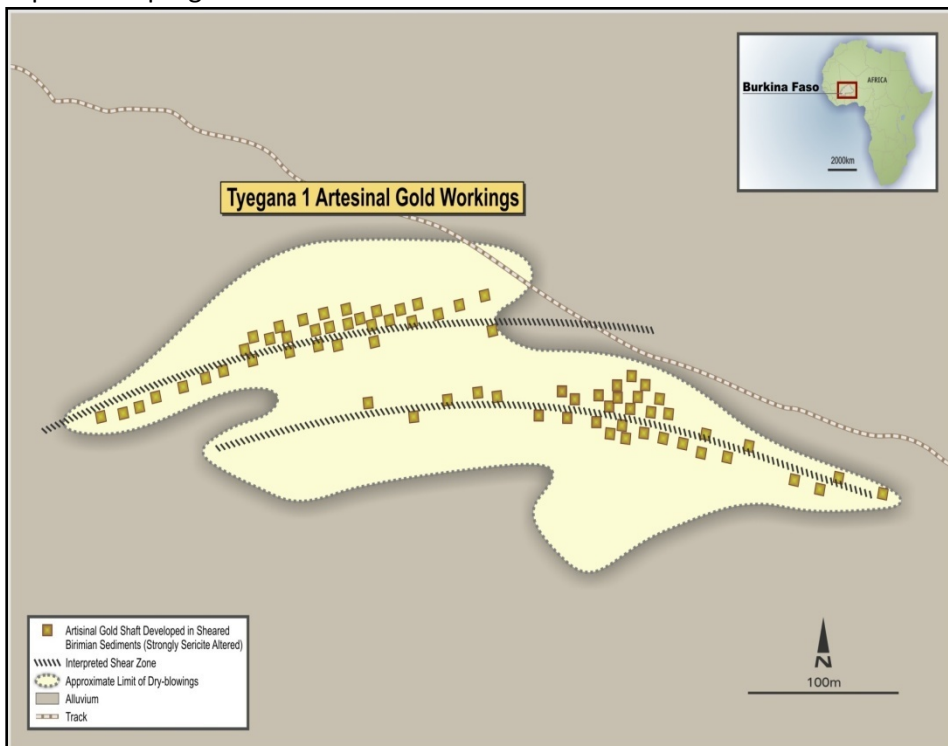


Figure 2 Tyegana 1 Artisanal workings

In conclusion, the Birimian geology of Burkina Faso is under-explored and yet highly gold endowed. The permits being acquired by Credo are located in the Birimian volcanics and sediments and two of the three permits have artisanal gold workings reflecting the gold endowment of the prospects.

The exploration budget proposed by the Company is focused on rapidly evaluating a number of permits and targets whilst drill testing the known gold workings.

Permit Contract Terms

Riverglide has entered into a series of contracts with local Burkinabe permit holders through its wholly owned subsidiary, South Shore Group Burkina Faso SARL (SSGBF). All contracts are based upon:

1. an initial payment on the permit being granted or renewed (commencement date);
2. payments at 6, 12, 24 and 36 months from commencement date (at which time the permit name and title will transfer to SSGBF); and
3. permit holders retain a 2% net smelter interest upon transfer of the permit and title.

SSGBF can withdraw from the contract and commitment at any time and can also make all payments due under the contract at any time to affect the transfer of the permit and title.

The contracts provide the Company with flexibility in doing initial work in the first twelve to twenty four months and at any time the Company can withdraw if the permit is not showing promise. Conversely, if there is good early success the Company can make all the payments and assume permit title if deemed necessary.

With respect to contracts with local Burkinabe permit holders, three permits have satisfied the conditions precedent and are now registered with the Burkina Faso Mines Department (BFMD). A further nine (9) contracts are subject to condition precedents principally the BFMD granting the permit to the applicant or granting a renewal of an expired permit. SSGBF has also applied for three permits in its own right and has lodged an expression of interest in acquiring permits currently held by the Government which previously contained a gold deposit and was mined.

Summary of Material Terms

The material terms of the Agreement between Credo and Riverglide is summarised as follows:

1. Upon approval of the transaction by shareholders, Riverglide to be issued:
 - I. Six million (6,000,000) fully paid ordinary shares in Company
 - II. Five million (5,000,000) options exercisable at \$0.25 with a five year expiry
2. 6,000,000 converting performance shares which convert into ordinary shares upon the successful contracting of two further permits, two applications for permits or one of each.
3. 6,000,000 class A options to acquire Credo Shares each option having an exercise price of \$0.25 and exercisable into one Credo Share upon the successful contracting of two further permits, two applications for permits or one of each.
4. Ten million (10,000,000) converting performance shares which convert into ten million (10,000,000) Credo Shares upon the completion of an independent JORC and/or NI 43-101

compliant combined Mineral Resource Estimate (including all categories of resources as defined by the JORC or NI 43-101 guidelines) of not less than one million (1,000,000) ounces of contained gold or gold equivalent on the current contracted and not fully contracted permits or the permit applications.

5. Other standard commercial terms including shareholder approval and completion of due diligence.

As part of the transaction, Credo's corporate advisors, Forrest Capital Pty Ltd will receive one million (1,000,000) options exercisable at \$0.25 with a five year expiry for their role in introducing the two parties.

New Board Position

Upon approval for the transaction from shareholders Mr Robert Kirtlan will join the board. Mr Kirtlan is currently Chairman of RMG Limited and a director of Aviva Corporation Limited. RMG is currently drilling for base metals, principally zinc, in the northern Mt Isa region and Aviva is operating in Kenya targeting base metals and gold; Aviva has recently announced an initial resource on a base metal deposit. Previously he was a founding director and CEO of NGM Resources Limited, a company with uranium exploration permits in Niger. The Company was taken over by Paladin Energy in late 2010. He was also a founding director of MM Mining limited, a public unlisted company, taken over in April 2011 and a founding director and shareholder of Copper energy Limited, from which he resigned in late 2006.

Planned Work Program

A program for the first twelve months work has been planned:

- Drilling (RC and RAB) \$550,000
- Soil sampling programs 100,000
- Aeromagnetics/geophysics 100,000

Subject to results and the issue of further permits this initial planned program maybe varied and expanded.

Background

During the last 10 years gold production in West Africa has increased by over 50% as a result of the large number of major gold discoveries in excess of 1M ozs. West Africa now ranks as the seventh largest gold producer in the world and at the current rate of expansion, may well rank second to China in the next decade. Table 1 is based on data provided by the USGS 2009 and shows the strong growth in gold deposits in West Africa over the past 10 years.

Within West Africa, Ghana remains the largest gold producer, whilst countries such as Mali and Guinea have doubled their production. Burkina Faso, Cote d'Ivoire, Mauritania, Senegal, Niger, Sierra Leone and Nigeria are also rapidly increasing production. Table 2 shows the area of each West African country hosting Birimian gold deposits. Whilst Burkina Faso hosts 22% of the Birimian Super Group, it only produces 7% of the gold. This discrepancy may reflect the lack of sustained exploration activities in the country over the past decade, and be a sign of the opportunities for Credo to be a successful gold explorer.

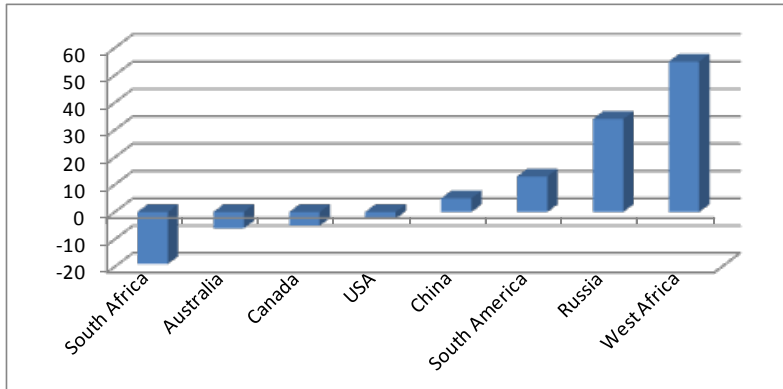


Table 1 Growth in West African Gold Inventory

| Country | Birimian Area % | Gold Resources (Moz)* | % of Birimian Gold |
|---------------------|-----------------|-----------------------|--------------------|
| Ghana | 19 | 110 | 61% |
| Mali | 10 | 33 | 19% |
| Burkina Faso | 22 | 12 | 7% |
| Guinea | 11 | 12 | 7% |
| Ivory Coast | 35 | 8 | 4% |
| Senegal | 3 | 3 | 2% |
| Total | 100 | 178 | 100% |

* - Only Deposits >1Moz

Table 2 Burkina Faso endowment

Background on Burkina Faso

Burkina Faso is a landlocked nation in West Africa, bounded to the south by Ghana, Cote d'Ivoire, Togo and Benin, to the north and west by Mali and the east by Niger. Its capital is Ouagadougou and has a population of 16 million people. The inhabitants are known as Burkinabe.

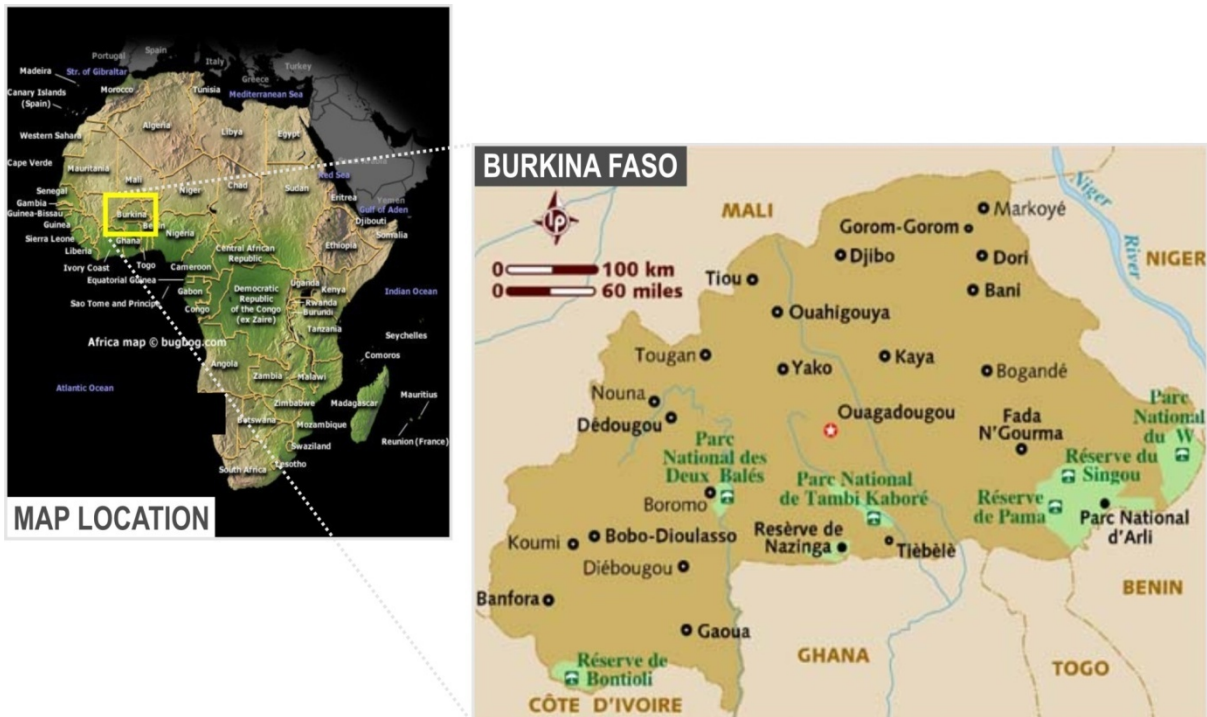


Figure 3 Location of Burkina Faso

Politics and Law

Burkina Faso was a French Protectorate until 1960. In June 1991 a new Constitution was approved by National Referendum, which proclaimed the Republic of Burkina Faso as a democratic, secular state. Multi-party elections commenced in 1992. The President is elected by popular democratic vote and appoints the Prime Minister with the consent of the National Assembly. The Prime Minister is the head of Government.

The legal system is based on French civil and national customary law. The Council of the Supreme Magistrate ensures the independence of the judges.

Mining Tenure

The State of Burkina Faso owns the title to all mineral rights. The 2003 Mining Code is similar to WA and provides for annual exploration commitments and rental fees and permit area reductions over a period of time. The Act is administered by the Mines Department. The Act also states the rights and obligations of the parties upon mining, including the States 10% free carried interest.

An Exploration Permit authorises its holder the exclusive right to explore for the Specific Commodities for which the permit was granted. Exploration Permits are transferable and can be extended. The holder of an Exploration Permit has the exclusive right to obtain an Exploitation Permit if the holder has outlined a mineable reserve and complied with the Mining Code.

Geography

The country of Burkina Faso is mostly low elevation topography. It is dissected by 3 major river systems that are the dominate water sources for the agricultural industries. The weather is dominated by a June-November wet season. Access to most of the country is facilitated with a network of roads and tracks, passable throughout the dry season (November – July).

Geology

The geology of Burkina Faso is dominated by the West African Proterozoic Birimian Super Group. The Birimian is a complex of volcanics and sediments (“Greenstone Belts”) and granitoid intrusives similar in chemistry and tectonics to the greenstone belts of Canada and West Australia. To end of 2008 the West African Birimian has produced 178Moz gold. In comparison, the West Australian Yilgarn Craton has produced 201Moz to end 2008.

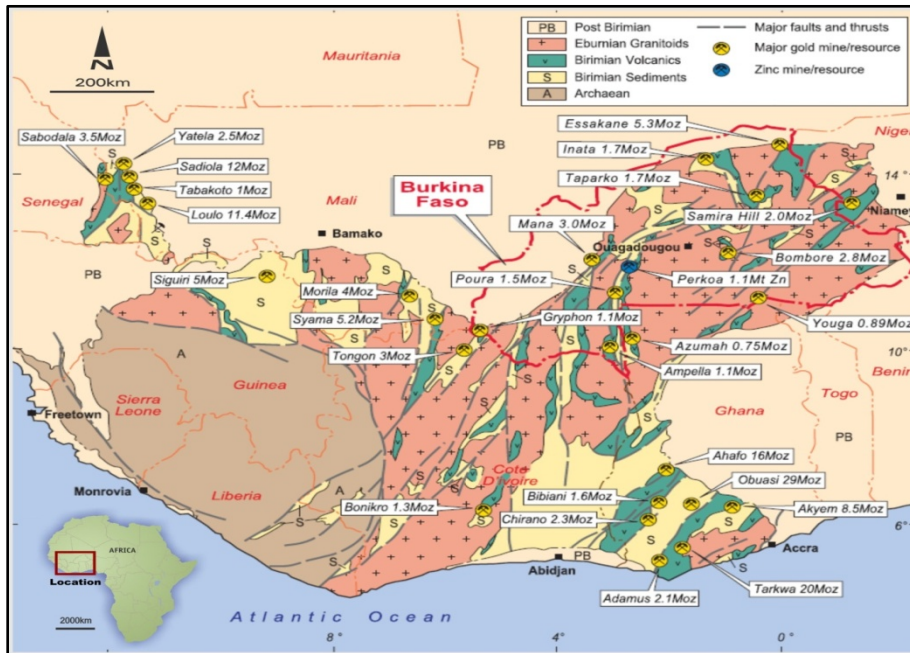


Figure 4 Extent of Birimian SuperGroup

Riccardo Vittino
Chairman