

31 July 2012

Quarterly Report for the period ending 30 June 2012

HIGHLIGHTS

- Drilling completed on first targets
- First results from Tyegana 1 Prospect A received with best intersection 8m @ 11.01g/t Au
- First results from Sebila Prospect A received with best intersection 22m @ 1.95g/t Au
- Soil sampling programs completed across majority of permits
- One more permit has moved to fully contracted basis giving a total of 8 permits the Company is now working on
- Two new permits near to Tyegana 1 under contract and awaiting Ministry of Mine registration

SUMMARY

Burkina Faso

Drilling of Prospect A at Tyegana 1 and drilling of Prospect A (Damesma) on the Sebila permit was completed in May and June.

During the Quarter the Bourzanga permit moved to full contract status. Drilling was undertaken on Prospect A (Pisselle artisanal workings) in the latter part of June through to early July. 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 Tyegana 1 and Damesma are considered to be encouraging given this maiden drilling program is first pass in nature. Full interpretation of the results is now underway. Bourzanga assays are expected by mid August. Future drilling programs will recommence in November following the wet season which has now commenced.

Credo has now acquired full contractual rights to eight (8) permits in Burkina Faso, and is continuing to negotiate the rights with local vendors and the Ministry of Mines for a further two (2) permits that are subject to renewal and four (4) that are subject to permit grant. The Company has recently executed contracts over two new permits, Taonsgo and Zaongo and has also made application for the Naffoh permit which is contiguous to the Bourzanga, Pepow and Sanare Permits (see Figure 1).

Western Australia

Data compilation continues on the Companies tenement areas in the Kalgoorlie Region. Work has focused on following up on previously completed work and assessing potential targets.

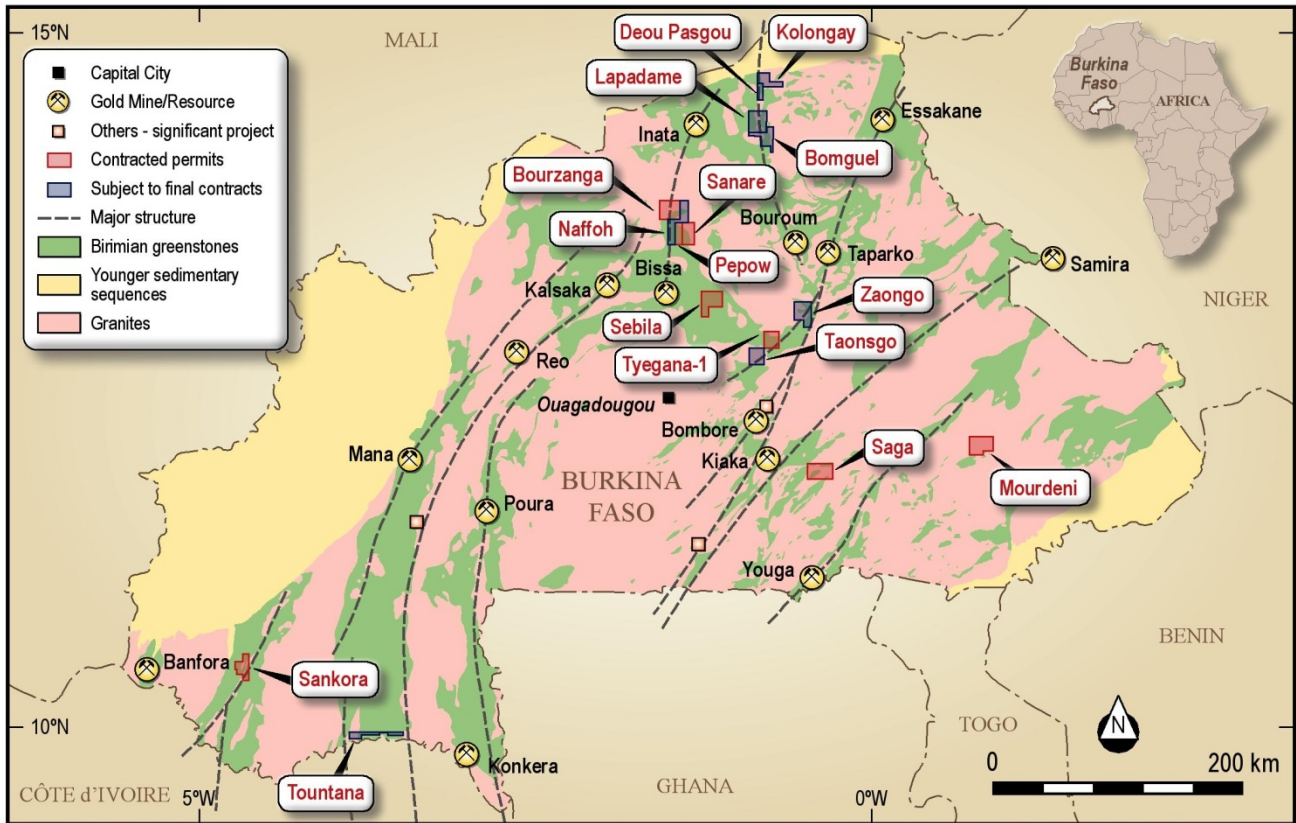


Figure 1: Burkina Faso Permit Location Map

Burkina Faso - Exploration Work Summary

Tyegana 1 Permit (Figure 2)

The first soil sampling program was completed in December 2011 and results received in late January 2012. A broad mineralised zone over 1.2km was identified and remained open in all directions. A follow up, step out soil sampling program was completed in February and results are pending.

The zone of artisanal workings, mostly developed on approx. 10 - 20cm thick quartz - sulphide veins, is hosted by intensely sericite altered metasediments. The quartz veins are foliation parallel and near vertical. The artisanal workings extend east - west for approximately 400m and cover a zone approximately 300 metres wide.

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.

Interpretation of the results and planning for follow up drilling of the significant mineralised results is underway.

Full drill results and plan view of drill holes is located in Appendix A and Appendix B.

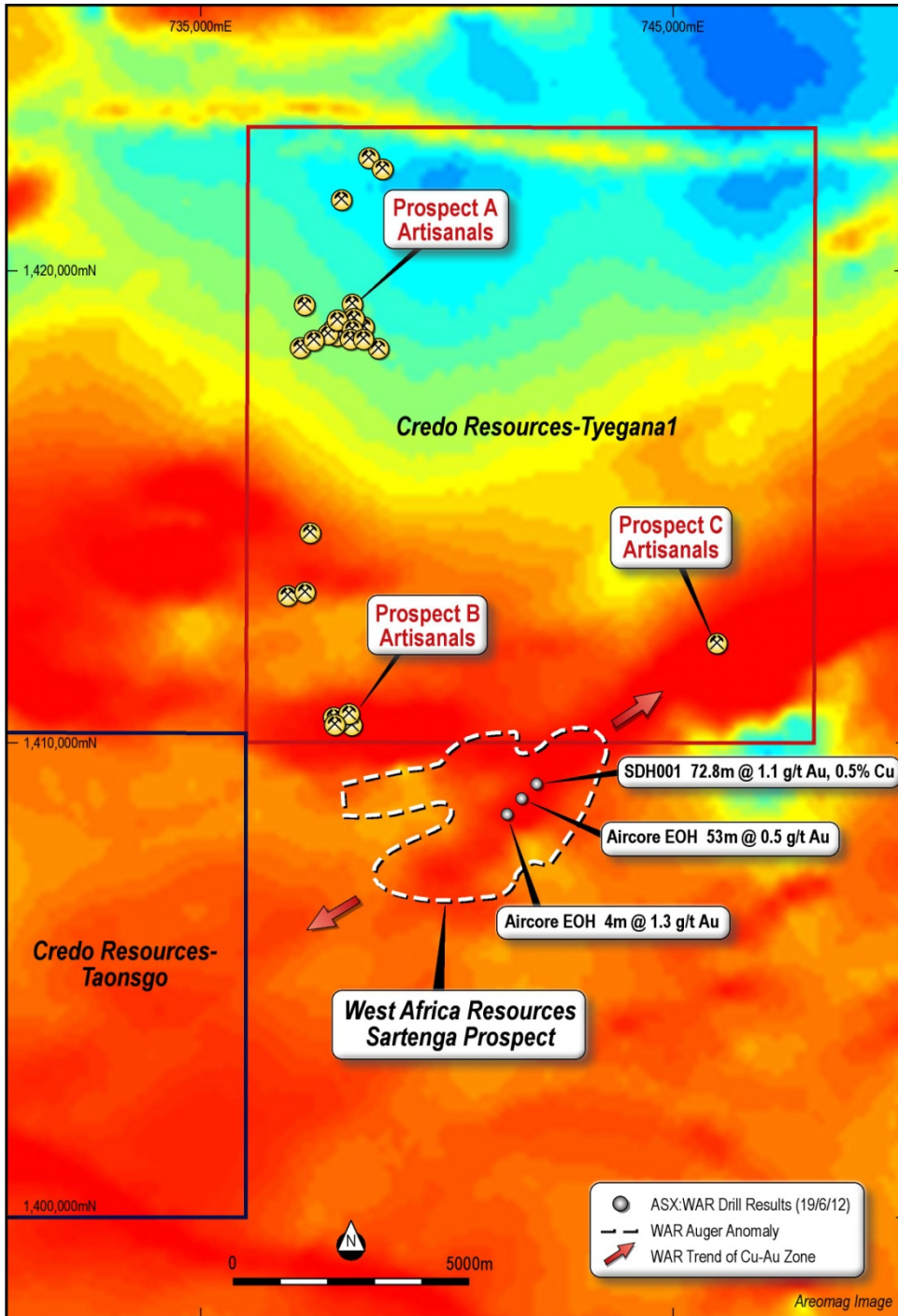


Figure 2: Tyegana 1 showing prospects and West Africa Resources Sartenga Project

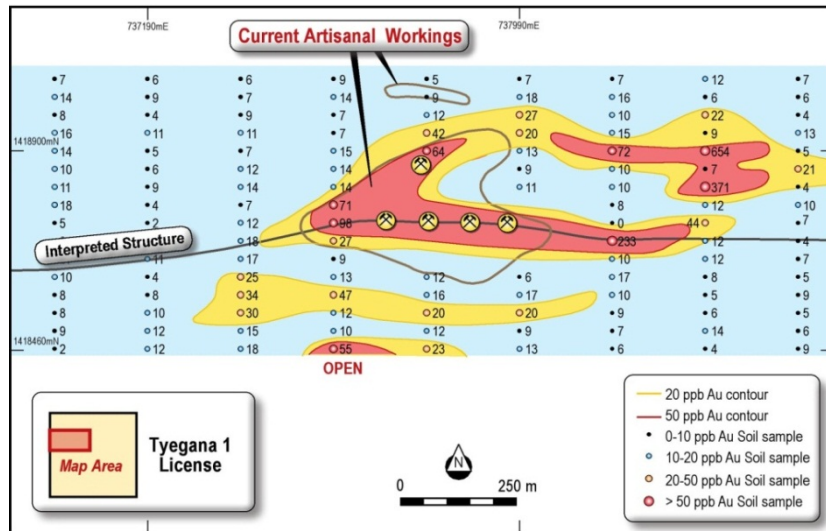


Figure 3: Tyegana 1, Prospect A Soil Sampling Grid and Artisan Workings

Sebila Permit (Figure 5)

The Sebila permit was recently renewed for a further 3 years and work has commenced with a review of previous data, regional mapping and an initial program of RC drilling. As highlighted in Figure 4, the permit has numerous artisan workings and is regarded as a high priority permit in the Company's portfolio.

Previous soil sampling undertaken by Riverstone Resources Inc (a Canadian listed Company which holds other permits and continues to work in Burkina Faso) was obtained and has been added to the Company's data base. The Damesma Prospect (Figure 4) was identified by Riverstone during their regional soil geochemical program in an area with no previous artisanal activity. Riverstone excavated several trenches across the soil geochemical anomaly and channel sampling produced wide intersections of strongly anomalous gold mineralisation over a strike length of approximately 300 metres, along a low ridge.

Mineralisation at Damesma is developed in narrow quartz - carbonate - sulphide veins in a sheared dolerite unit. The dolerite is masked along strike to the east and west by transported alluvial cover. No evidence of artisanal activity was seen in the vicinity of the ridge.

Credo Resources completed 7 reverse circulation (RC) holes totalling 680 metres, testing the quartz vein suite, on three traverses at 160 metre centres. Drill holes intersected broad zones of altered dolerite with minor pyrite and quartz veining. One hole, SERC002 returned significant widths of moderate grade gold mineralisation within two zones. A further hole, SERC007 intersected a broad zone of low grade gold mineralisation which may represent the same horizon as one of those intersected in SERC002. The mineralised horizons are open down dip and to the east and west.

Interpretation of the results and planning for follow up drilling of the significant mineralised results is underway.

Full drill results and plan view of drill holes is located in Appendix A and Appendix B.

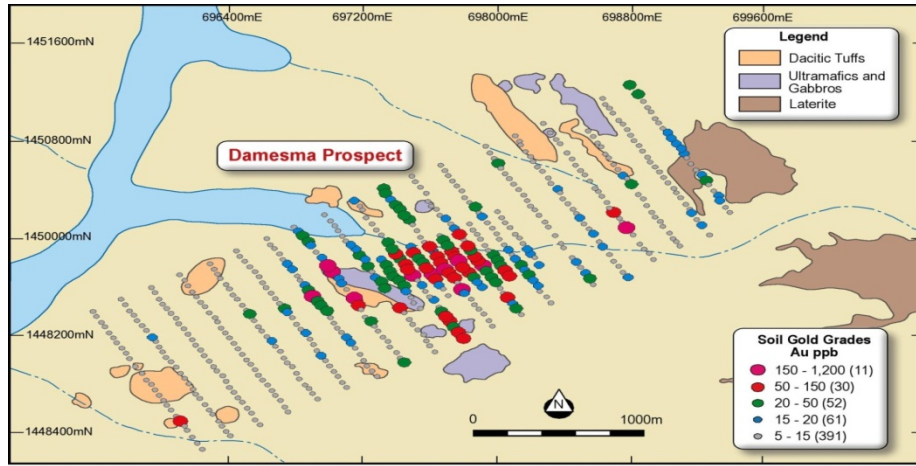


Figure 4: Sebila Permit; Damesma Prospect Soils

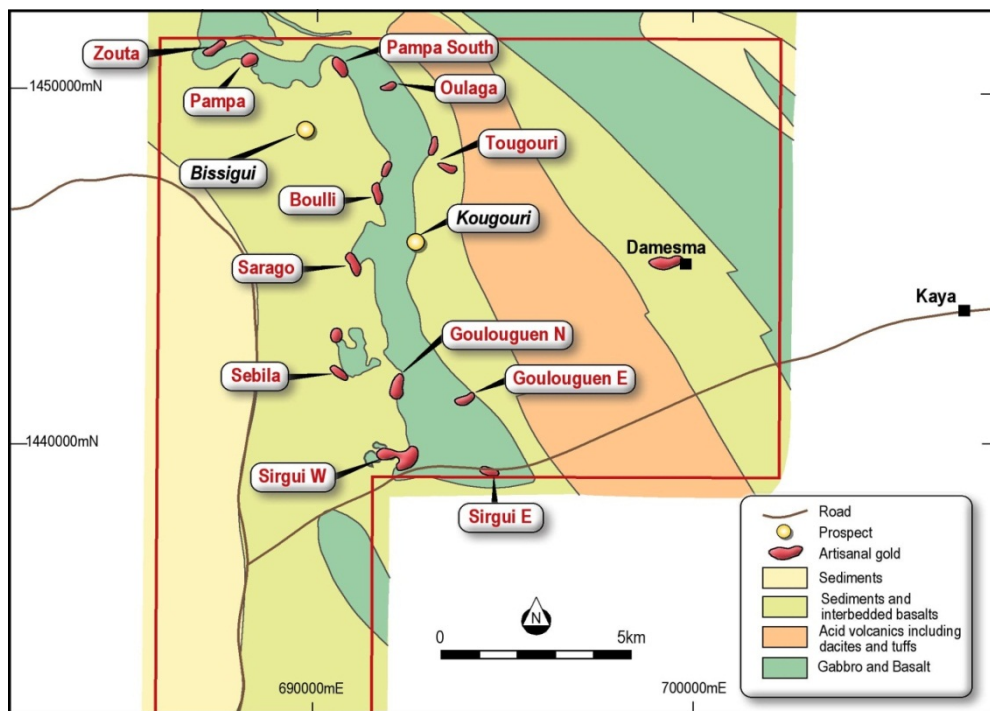


Figure 5: Sebila Permit showing mapped Artisan Workings

Bourzanga Permit (Figure 6)

Credo has recently commenced work on the Bourzanga permit following its renewal at the Ministry of Mines. Work completed to date includes a program of lithological and structural mapping of artisanal workings at Pissele and a reconnaissance soil sampling program across parts of the permit to verify previous soil sample results.

The artisanal activity at Pissele extends over an area with a north - south strike length of 600 metres, and includes at least three sub-parallel structures across a width of approximately 200m. Mineralisation consists of quartz - sulphide veins hosted within sheared mafic and amphibolitic rocks. The quartz veins are approximately 2 - 5 cm wide, foliation parallel and appear to strike north - south.

A program of reverse circulation drilling was completed late in the quarter and results are expected during the September quarter. Twenty two holes were completed for a total of 2130 metres. A program

of auger geochemical drilling commenced subsequent to the end of the quarter. This will cover areas previously soil sampled and will also extend to the north into areas with no geochemical sample coverage.

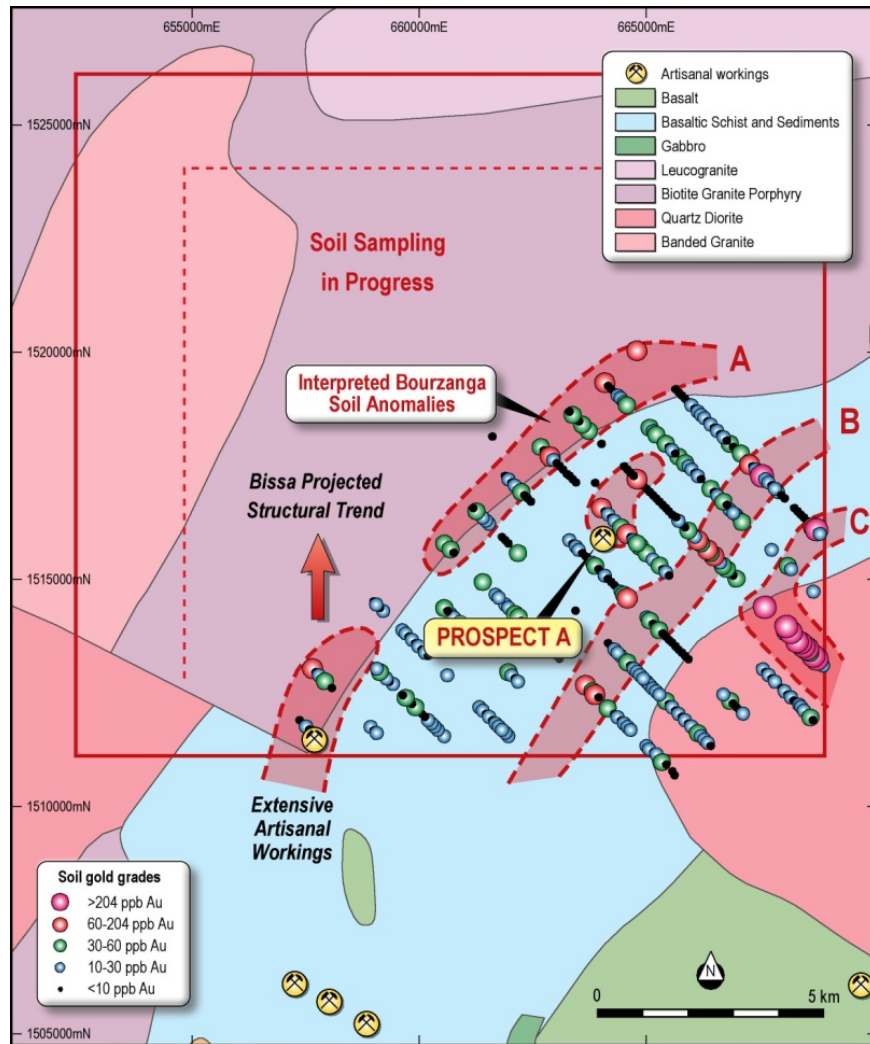


Figure 6: Bourzanga Permit showing Prospect A and soil gold values

Pepow Permit (Figure 7)

Abandoned artisanal workings at Pepow are oriented north - south and extend for approximately 150m along a sheared amphibolite - metasediment contact. Gold mineralisation is developed in 2 - 5cm wide, quartz - sulphide veins along or close to this contact.

In December 2011 our local exploration contractor, SEMS Exploration, completed a program of soil sampling at 200 x 40m spacings (210 samples collected) along a zone 600m wide by 1,200m long which included the area of the workings and the strike extensions of the shear. The samples were assayed for gold by 1,000gm bottle roll analysis, and for As, Cu and Zn by aqua regia digest and AAS finish.

The gold results (shown below) show a several wide zones of anomalism, with the zones being open in many directions. This program has been followed up with a larger soil sampling program extending the coverage to the north, south and west. The samples have been sent to the laboratory and results are expected in the near future.

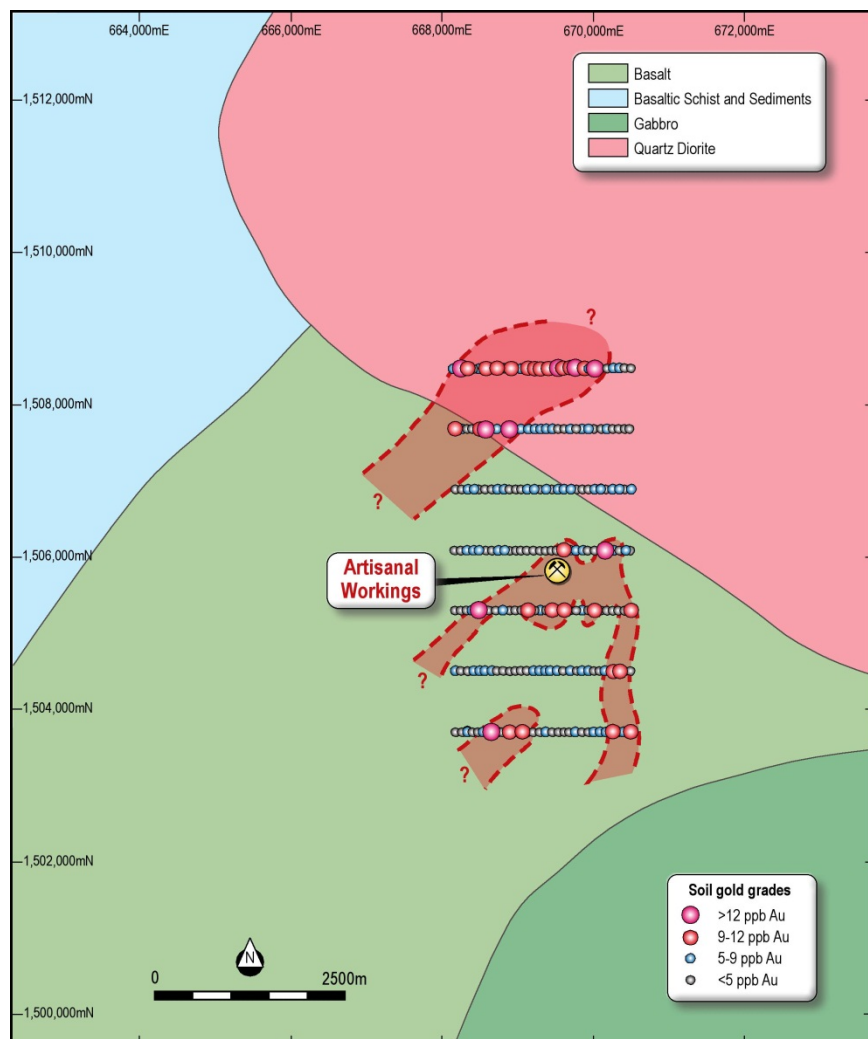


Figure 7: Pepow Permit soil grid with interpreted structures

Sanare Permit

The Sanare permit is situated adjacent and to the east of Pepow and encompasses areas of Birimian greenstone and granites. An initial soil sampling program has been completed over the permit and results have not been received to date.

Mourdeni Permit

The Mourdeni permit is situated east of Fada n’Gourma, approximately 240 km from Ouagadougou. The permit area encompasses areas of Birimian greenstone within broad areas of granite. Several areas of small scale artisanal and alluvial gold workings are known within and adjacent to the permit.

SEMS Exploration completed a program of reconnaissance soil sampling across the entire permit area and results have not been received to date.

Saga Permit

The Saga permit covers areas of Birimian greenstone within broad areas of granitic rocks. Small scale alluvial and artisanal mining activity has been identified within the permit. SEMS Exploration has completed a wide spaced reconnaissance soil sampling program across the Saga Permits although results for these have not been received to date.

Sankora Permit

The Sankora permit is located approximately 405km south -west of Ouagadougou, and 90km south-south-west of Burkina’s second city of Bobo-Dioulasso.

The Sankora permit contains a north-north east trending greenstone sequence intruded by granites and syenites. Out crop inspected in the area showed strongly foliated mafics close to the syenites intrusions with layer parallel quartz +/- sulphide veins.

The area has only very shallow alluvial cover and can be easily and effectively explored with soil sampling. There are no known artisanal workings on the permit.

SEMS Exploration has completed at 800 x 80m spaced soil sampling program (approx. 1,100 samples collected) across the central portion of the permit. This area was selected for the initial phase of exploration in the area after inspection of the aeromagnetics in area. The aeromagnetics showed what is interpreted to be a dilational jog along a major shear system. The shear zone has been invaded, in part, by magnetite rich syenites.

Some results have been received from this sampling program and interpretation and review of the data will be completed following receipt of final assays

Kaloorlie, Ora Banda Tenements

Data compilation and assessment work has commenced on the Companies tenement areas in the Kaloorlie Region. Work will focus on following up on previously completed work and preparing targets for drilling.

Quotes have been sought to provide detailed aeromagnetics coverage over the Companies tenements in the region. All gold deposits in the region are structurally controlled and the aeromagnetics coverage, along with good quality mapping, will provide the basis for an important structural interpretation of the area.

CORPORATE

Cash available as at 30 June 2012 is \$2,975,000.

The Company issued 500,000 options exercisable at \$0.25 each and expiring on 19 April 2015 to the company's Exploration Manager.

ABOUT CREDO:

Credo Resources Ltd is an Australian based mineral exploration company, with a portfolio of gold and nickel exploration projects in the Kalgoorlie and Ora Banda regions of Western Australia.

In the latter part of 2011 the Company acquired Riverglide Investments Pty Ltd. Riverglide has an attractive package of permits in the sought after greenstone belts of Burkina Faso. Credo is now engaged in work programs on the Burkina properties.

For further Information please contact:

Robert Kirtlan or Peter Rolley on 08 9381 4866 or visit our website at www.credoresources.com.au

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

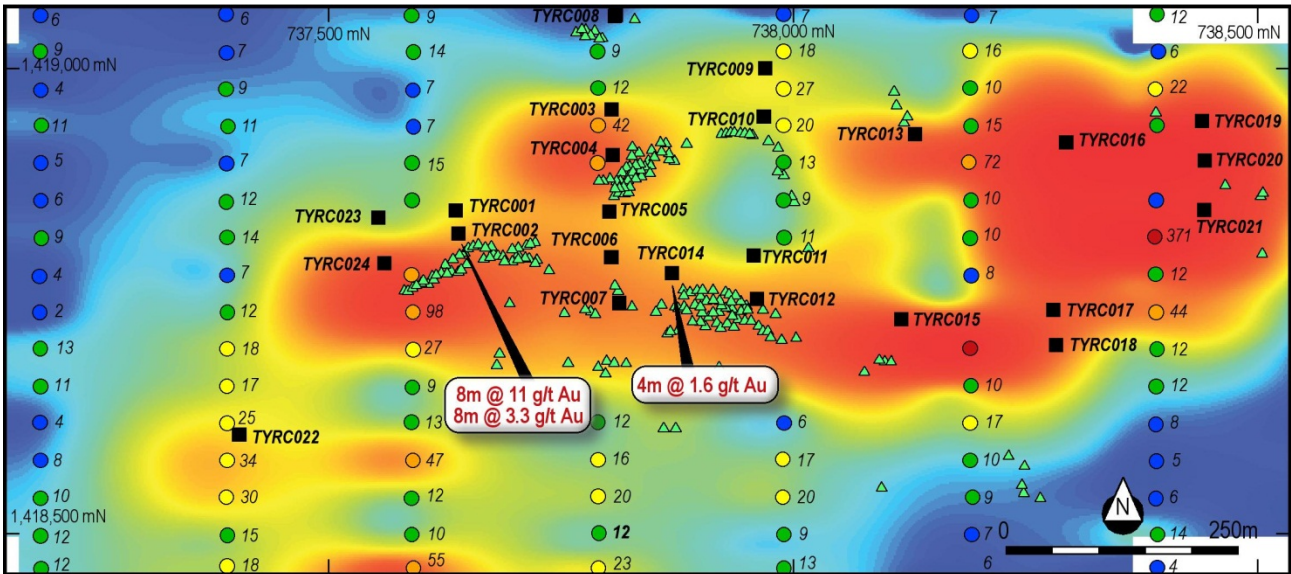
This document may include forward looking statements. Forward looking statements include, but are not necessarily limited to, statements concerning Credo Resources Limited's planned exploration programme and other statements that are not historic facts. When used in this document, the words such as "could", "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.

**APPENDIX A
COMPLETE DRILLING RESULTS**

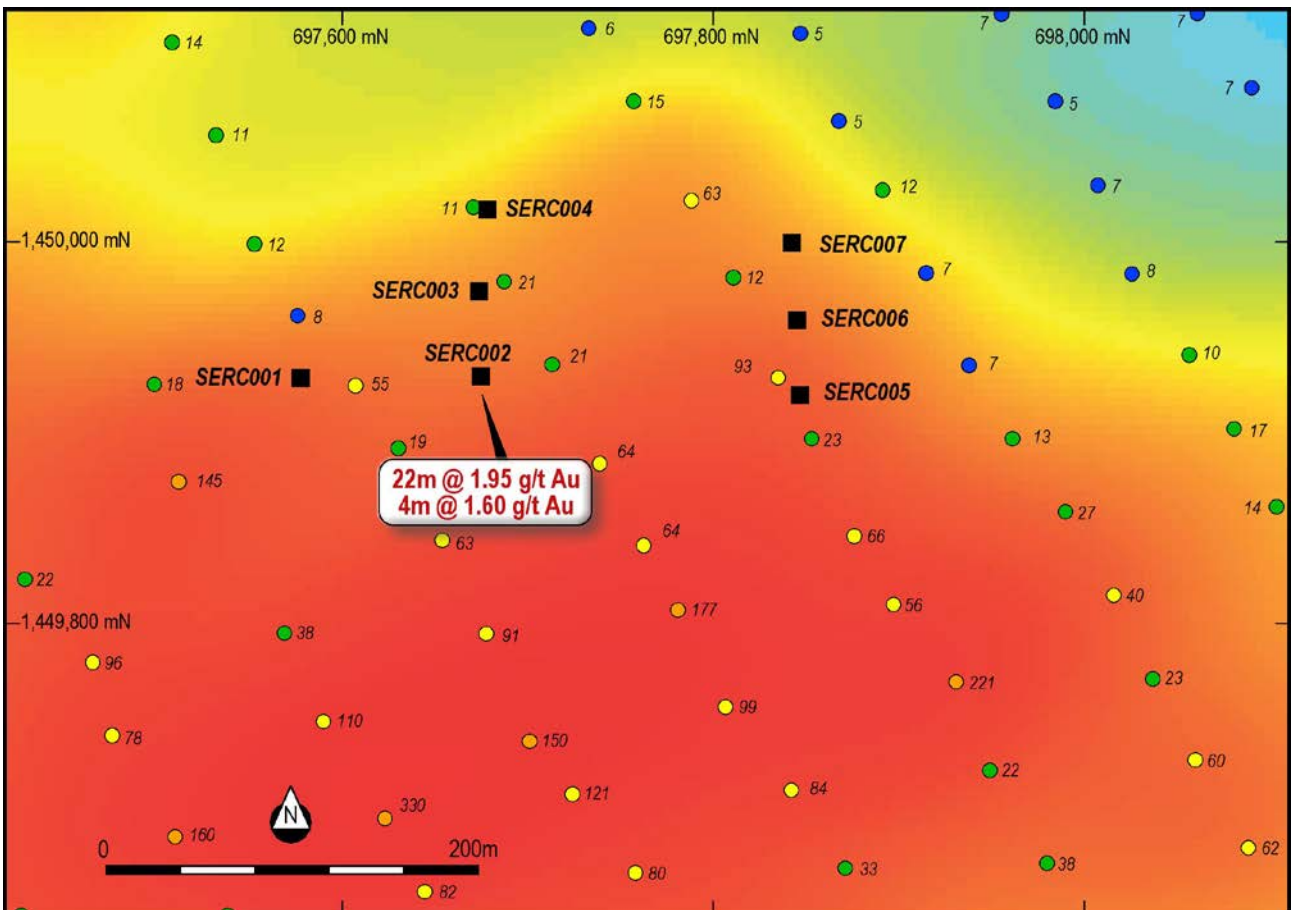
RC Drilling Results - Tyegana Prospect A						
Hole ID	East (WGS 84)	North (WGS 84)	From (m)	To (m)	Interval	Grade Au (g/t)
TYRC001	737,637	1,418,848				
TYRC002	737,640	1,418,822	40	48	8	11.01
			92	100	8	3.10
TYRC003	737,805	1,418,957	86	98	12	0.30
TYRC004	737,806	1,418,905	58	62	4	0.68
TYRC005	737,803	1,418,847	20	24	4	0.33
TYRC006	737,805	1,418,796				NSA
TYRC007	737,812	1,418,749				NSA
TYRC008	737,803	1,419,059				NSA
TYRC009	737,967	1,419,000	20	24	4	0.67
TYRC010	737,968	1,418,948				NSA
TYRC011	737,958	1,418,797				NSA
TYRC012	737,962	1,418,751				NSA
TYRC013	738,128	1,418,929				NSA
TYRC014	737,870	1,418,782	60	64	4	1.60
TYRC015	738,117	1,418,731				NSA
TYRC016	738,294	1,418,921				NSA
TYRC017	738,282	1,418,741				NSA
TYRC018	738,284	1,418,704				NSA
TYRC019	738,440	1,418,944				NSA
TYRC020	738,444	1,418,900				NSA
TYRC021	738,441	1,418,848				NSA
TYRC022	737,404	1,418,612				NSA
TYRC023	737,551	1,418,840				NSA
TYRC024	737,561	1,418,790				NSA
NSA - No Significant Assay						

RC Drilling Results - Sebila						
Hole ID	East (WGS 84)	North (WGS 84)	From (m)	To (m)	Interval	Grade Au (g/t)
SERC001	697,580	1,449,930				NSA
SERC002	697,676	1,449,930	0	22	22	1.95
			90	94	4	1.60
SERC003	697,675	1,449,975	8	20	12	0.28
SERC004	697,678	1,450,019	54	58	4	0.21
SERC005	697,846	1,449,920				NSA
SERC006	697,844	1,449,960	82	90(EOH)	8	0.36
SERC007	697,841	1,450,001	16	28	12	0.54
NSA - No Significant Assay						

APPENDIX B



PLAN SHOWING LOCATION OF RC DRILL HOLES AT TYEGANA 1



PLAN SHOWING LOCATION OF RC DRILL HOLES AT SEBILA