

PROSPECTUS

For the Offer of 13,000,000 Shares each at an issue price of \$0.20 to raise \$2,600,000 and up to an additional 2,500,000 Shares at \$0.20 to raise an additional \$500,000 in over-subscriptions.



CREDO
resources

ACN 145 040 857

IMPORTANT NOTICE

This is an important document that should be read in its entirety. If you do not understand it, you should consult your professional advisor without delay. The Shares offered by this Prospectus should be considered speculative. Refer to Section 8 for details relating to investment risks.

Corporate Directory

Directors

Riccardo Vittino – Chairman
William Dix – Director
Ian Hobson –Director

Company Secretary

Ian Hobson

Registered and Corporate Office

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Stock Exchange Listing

Australian Securities Exchange Limited
ASC Code : CRQ

Managers to the Issue

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Cottesloe WA 6011

Kings Park Capital Pty Ltd
15 Ord Street
West Perth WA 6005

Solicitors

Hardy Bowen Lawyers
Level 1
28 Ord Street
West Perth WA 6005

Auditor

Stantons International Audit and Consulting Pty Ltd
(trading as Stantons International)
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West Perth WA 6005

Independent Accountant

Stantons International Pty Ltd
(trading as Stantons International Securities)
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Independent Geologist

Ore (plus) Geology Solutions Pty Ltd
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Share Registry

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Perth WA 6000
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Important Notices and Statements

General

This Prospectus is dated and was lodged with ASIC on 1 February 2011. Neither ASIC nor ASX take responsibility for the contents of this Prospectus.

No Shares will be issued or granted on the basis of this Prospectus after the Closing Date which will be not later than 13 months after the date of this Prospectus.

The Prospectus will generally be made available in electronic form during the Exposure Period by being posted on the Company's website at www.credoresources.com.au. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the Application Form (free of charge) from the Company's principal place of business during the Offer Period by contacting the Company. The Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and Application Form within Australia.

Applications for Shares will only be accepted on the Application Form accompanying this Prospectus or in its paper copy form as downloaded in its entirety from www.credoresources.com.au. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer other than as is contained in this Prospectus. Any information or representation not contained in the Prospectus should not be relied on as having been made or authorised by the Company or its Directors in connection with the Offer.

The Company is not admitted to the Official List of ASX. The Company will make application within 7 days of the date of this Prospectus for admission of the Company and Official Quotation of the Shares to the Official List.

Foreign Investors

No offer is made by this Prospectus in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where it would be unlawful to issue this Prospectus.

Exposure Period

Applications for Shares under this Prospectus will not be processed until after expiry of the Exposure Period pursuant to Chapter 6D of the Corporations Act. No preference will be conferred on Applications received during the Exposure Period. All Applications received during the Exposure Period will be treated as if they were simultaneously received on the Opening Date. If the Exposure

Important Notices and Statements (Continued)

Period is extended by ASIC, Applications will not be processed until after expiry of the extended Exposure Period.

The purpose of the Exposure Period is to enable examination of this Prospectus by market participants prior to the acceptance of Applications and the raising of funds. That examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, any Application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act.

Speculative Investment

The Shares offered under this Prospectus are considered speculative. There is no guarantee that the Shares offered by this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.

Prospective investors should carefully consider whether the Shares offered by this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 8 for details relating to the investment risks.

Using this Prospectus

Persons wishing to subscribe for Shares offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Shares offered pursuant to this Prospectus. If persons considering subscribing for the Shares offered by this Prospectus have any questions, they should consult their stockbroker, solicitors, accountants or professional advisers for advice.

Prospective investors wishing to subscribe for Shares should complete the Application Form attached to, or provided with, this Prospectus.

Competent Persons Statement

The information in this Prospectus that relates to Exploration Results is based on information compiled by Mr John Bartlett who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Bartlett is a full time employee of Ore (plus) Geology Solutions. Mr Bartlett has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Mr Bartlett consents to the inclusion in this Prospectus of the matters based on his information in the form and context in which it appears.

Glossary

Defined terms and abbreviations used in this Prospectus are explained in the Glossary in Section 12.

Investment Highlights

- (a) Portfolio of projects located within 70km of the major gold mining city Kalgoorlie.
- (b) A number of 'drill ready' targets at the Dixie and Fair Adelaide Projects. All Projects have the potential for significant exploration upside.
- (c) Large tenement holding in geological setting comparable to that which hosts the Golden Citys mine with little or no previous exploration undertaken.
- (d) Current high gold price.
- (e) An experienced Board with a proven track record that aims to grow the Company through exploration success and value accretive acquisitions.

Risk Factors

An investment in the Shares of the Company is subject to many risks and uncertainties. Some of the more significant risks which affect an investment in the Company are:

- (a) General exploration and development risks (see Section 8.1(i)).
- (b) Ability of the Company to raise sufficient funds to meet the needs of the Company in the future (see Section 8.1(d)).
- (c) Limited operating history (see Section 8.1(g)).
- (d) New acquisitions risk (see Section 8.1(b)).
- (e) Reliance on key personnel (see Section 8.1(n)).

Indicative Timetable to the Offer

Lodgement of Prospectus with ASIC	1 February 2011
Expected Opening Date ¹	14 February 2011
Expected Closing Date of the Offer ²	14 March 2011
Expected Allotment Date ³	31 March 2011
Proposed date of trading of Shares on ASX to commence ³	14 April 2011

Notes

- 1 Subject to the Exposure Period. Any extension of the Exposure Period will impact on the Opening Date.
- 2 Prospective Investors are encouraged to submit their Applications as early as possible. The Directors reserve the right to close the Offer earlier or later than as indicated above without prior notice to prospective investors.
- 3 Anticipated dates only. The date the Shares are expected to be issued and/or commence trading on ASX may vary with any change to the Offer Closing Date.

Chairman's Letter

Dear Investor

On behalf of the Directors of Credo I am pleased to present this Prospectus for the Company's initial public offer and invite you to become a Shareholder in the Company.

The purpose of the Offer is to raise \$2,600,000 by the issue of 13,000,000 Shares, each at an issue price of \$0.20 and up to an additional 2,500,000 Shares at \$0.20 to raise an additional \$500,000 in over-subscriptions to fund the Company's gold and nickel exploration activities.

Credo was incorporated on 6 July 2010 and incorporated a subsidiary company, Ora Banda Gold Pty, Ltd to acquire mineral interests throughout Australia with an emphasis on gold projects. To this end Ora Banda Gold has successfully acquired a number of prospective exploration projects in close proximity to Australia's premier gold city, Kalgoorlie.

The Fair Adelaide Project is prospective for both gold and nickel mineralisation and contains several targets for follow up including the Puzzle Bear nickel target and shallow gold targets as discussed in section 3.1.4 of the Independent Geologist Report.

The Bardoc North Project, the Boomerang Dam Project and the Dixie Project also have existing gold mineralisation developed at shallow depths along shear zones and hosted in structurally controlled quartz lodes. These projects all require additional drilling to progress them to the next stage of exploration but all have drill targets ready for immediate testing.

The Cawse Extended Project is earlier stage and requires systematic first pass exploration to progress it to the drilling stage.

The Company's exploration efforts will be two-fold, firstly to rapidly evaluate the more advanced projects and maximise the Company's opportunities for a new discovery while systematically exploring the earlier stage projects to exploit the prospectivity of the underexplored areas.

On behalf of and for the benefit of Shareholders, the Board's priority objectives are to:

- encourage sustainable increases in the Company's Share price by, amongst other things, acquiring interests in quality projects and attracting growing and ongoing global investment support;
- achieve the above in a timely manner;
- specialise in the acquisition, or part thereof, of other potentially economic gold projects and earn international investor recognition for doing so; and
- acquire interests, or part thereof, in non gold projects and subsequently distributing the benefits to Shareholders upon the sale, transfer or farm-out of these interests.

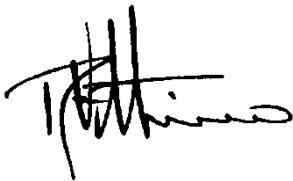
Chairman's Letter (Continued)

The Board of the Company includes directors experienced in the resources industry and the Company has access to technical consultants with experience in the exploration of both lode gold and nickel sulphide mineralisation.

This Prospectus includes details of the Company, its assets and proposed operations, together with a statement of the risks associated with investing in Credo. We recommend that you study this document carefully and, if you are interested in investing in Credo, seek independent professional advice.

Once again, on behalf of the Directors, I invite you to subscribe for Shares in the Company and join us in what we consider to be an exciting time for Credo and its future Shareholders.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Riccardo Vittino', with a stylized flourish at the end.

Riccardo Vittino
Chairman
1 February 2011

1. The Company's Projects

1.1 Company Background

Credo was incorporated on 6 July 2010 with a view to identifying and acquiring mineral exploration interests in Australia. Since that time the Company has incorporated a subsidiary, Ora Banda Gold Pty Ltd, to identify and acquire five projects in the Kalgoorlie region of Western Australia. The purpose of this Offer is to raise funds to advance the exploration and potential development on the Company's Projects.

All of the assets of the Company are located within 70km of Kalgoorlie (Figure 1) which is the main regional centre of the Eastern Goldfields. The Eastern Goldfields Province is host to many of the largest known gold deposits in Australia such as the Superpit (annual gold production of over 800,000oz) and Kanowna Belle (over 250,000oz gold produced per annum). It also remains a centre of exciting exploration opportunity. In the region, Integra Mining at its Randalls Gold Project, Silver Lake Resources at Daisy Milano and Avoca Resources at Higginsville have recently commenced mining.

1. The Company's Projects (Continued)

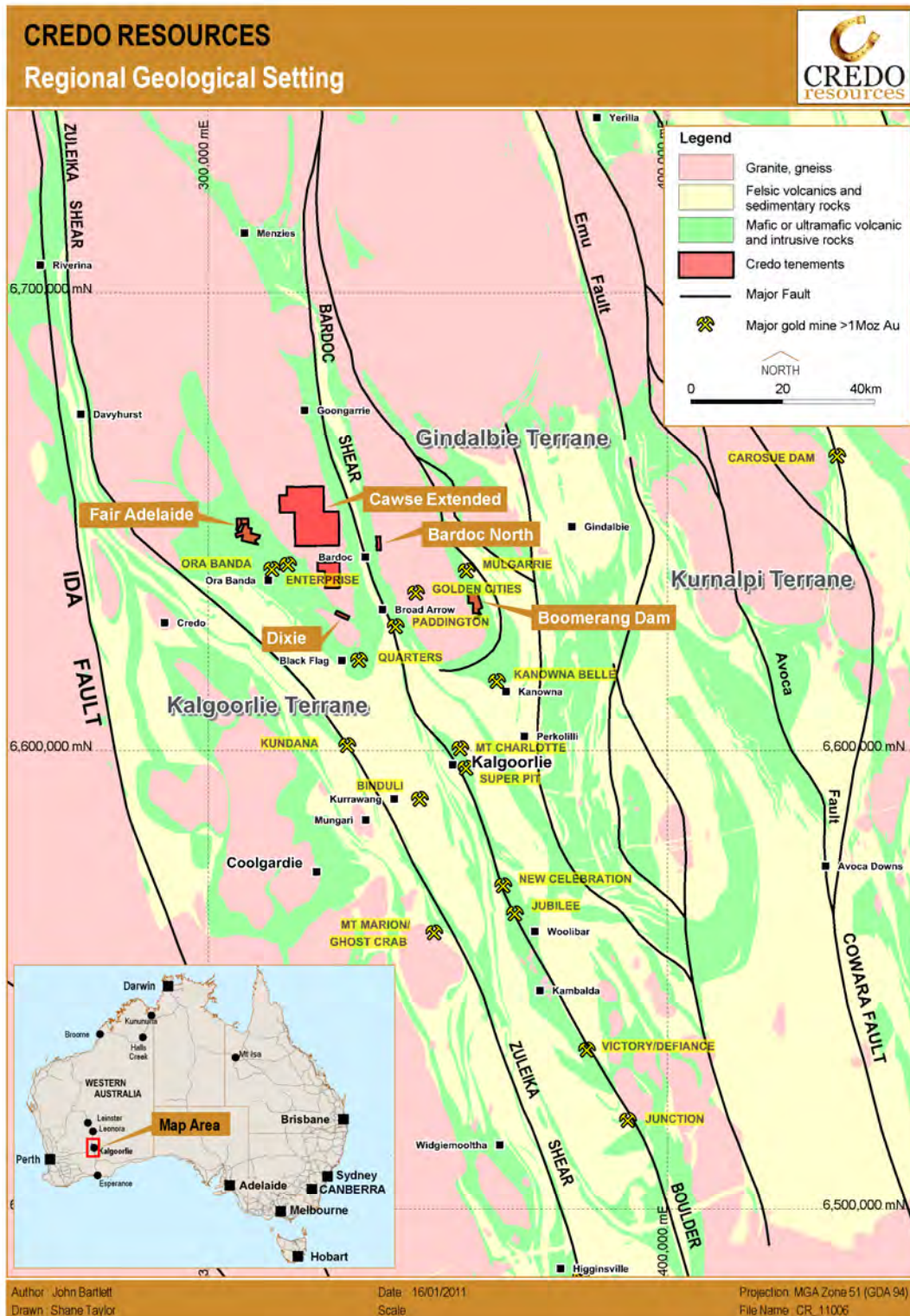


Figure 1 – Regional Geological Setting

Gold occurrences within the Eastern Goldfields Province are dominantly lode-style deposits, related to large scale regional fault systems. These gold deposits can occur within any host lithology and can develop at varying crustal depths and temperatures. One common characteristic to all orogenic lode gold systems is a well developed structural control, providing a focus for mineralising fluids and a well understood exploration model which is applicable to Credo's assets.

The Projects that make up Credo's portfolio are all exciting exploration opportunities in close proximity to currently operating gold mines. Established geological models and exploration methods for the area, and well understood local geology all contribute to effective and efficient exploration programs to maximise the value of expenditure. Details of the Company's five exploration programs are summarised below and explained in more detail in the Independent Geologist Report prepared by Ore (plus) Geology Solutions.

1.2 Fair Adelaide Project

Credo has entered into a sale and purchase agreement with Crusader Resources Limited to acquire 100% of Crusader's interest in the Fair Adelaide Project (being an 80% interest) located 70Km north west of Kalgoorlie. The Fair Adelaide Project is prospective for both gold and nickel mineralisation and requires additional drilling to test previously identified targets.

Drilling at Fair Adelaide East, has shown the presence of a weathered zone gold anomaly that remains poorly constrained and a primary source of gold has yet to be located. A conceptual model proposes gold in a sheared granitoid contact with ultramafic units, broadly similar to the setting of the Tarmoola gold mine near Leonora. This model remains untested (Figure 2).

1. The Company's Projects (Continued)

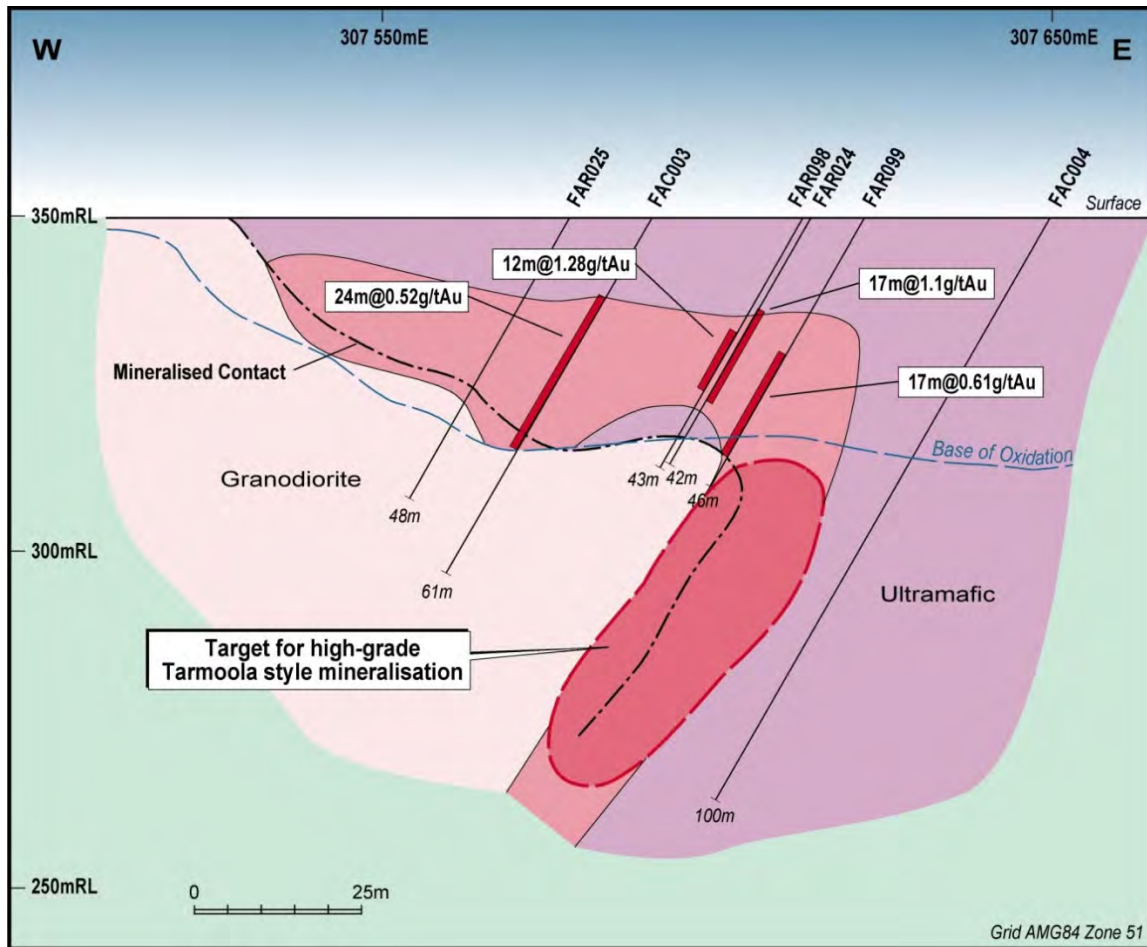


Figure 2 – Conceptual Target for Deep High Grade Mineralisation at the Fair Adelaide Project

Soil Sampling at the Puzzle Bear Prospect has outlined two gold in soil anomalies (> 10 ppb Au) that are spatially associated with a regional scale fault system with the higher order anomaly supported in limited RAB drilling by previous explorers (PBR003: 1m @ 2.38 g/t gold from 41 metres). These anomalies have not been subjected to systematic drill testing and are considered worthy of additional exploration.

Previous exploration for nickel sulphide mineralisation on the Fair Adelaide Project has been limited to surface evaluation. The gossans at the Puzzle Bear Prospect display geochemical similarities with hanging wall lodes recognised in the Kambalda and Forrestania areas (e.g. the Otter Juan and Cosmic Boy Mines).

Importantly, the concept has not been subjected to any drill testing with no testing into fresh rock. The lack of a substantial conductor does not preclude the presence of a significant disseminated to matrix style nickel sulphide mineralisation either down dip of the gossan positions, or on the interpreted basal contact position.

1.3 Boomerang Dam Project

Credo has entered into a sale and purchase agreement with Murray Hodges, Rod Hodges and Goldearth Enterprises Pty Ltd to acquire a 100% interest in the Boomerang Dam Project. The Boomerang Dam Project covers an area considered prospective for lode gold mineralisation. The project area contains the same geological package, and bears a similar structural configuration, to that of Kanowna Belle Gold Deposit, located approximately 20km to the south.

Widespread gold mineralisation at the base of oxidation has been intersected in aircore drill holes throughout the tenement. However, to date, no bedrock gold mineralisation has been intersected in RC drilling that explains the source of the gold in regolith. Exploration at Kanowna Belle demonstrated that there was significant gold depletion down to depths of up to 40m, and this needs to be carefully considered when interpreting drilling results from the Boomerang Dam Project.

There is a strong structural framework existing in the project area with cross cutting structures and splay faults offsetting the main trends. Significant alteration has been intersected in drilling within the Boomerang Dam Project, indicating strong fluid movement. Alteration intersected included quartz - sericite (biotite) alteration of felsic rocks and carbonate alteration of mafic rocks.

From the Boomerang Dam Project review it appears that some of the better past drill results, such as those in BDAC049 and BDAC061, remain untested by RC drilling. These provide early "walk up" drill targets for Credo.

1.4 Dixie Project

Credo has purchased an option over the Dixie Project from Peterborough Nominees Pty Ltd to allow the Company to fully assess the potential for mineralisation prior to committing to a large capital purchase. Gold mineralisation at the Dixie Project is developed at shallow depths along a series of shear zones which run the length of the Dixie Tenement and are largely hosted by steeply dipping, structurally controlled quartz lodes and mineralised porphyries.

The historical exploration over the past 30 years has been sporadic in nature, with short bursts of exploration, resulting in a disjointed knowledge base and localised programs. BP Minerals Australia Pty Ltd undertook the most extensive exploration program. However it was specifically targeting ore bodies capable of sustaining a large open pit operation. As a result, the exploration was wide spaced and did not have the necessary focus to target the structurally controlled, plunging high grade shoots that subsequent field mapping has identified.

The Dixie Project will benefit from a comprehensive compilation and review of all historical exploration results, in conjunction with a detailed geological evaluation, focussing on the structural orientations of shear / vein systems. It is expected that this would identify priority areas for additional future exploration.

The Company will utilise modern day geophysics used to aid and focus future drilling efforts. A SAM survey along the length of the Dixie Shear Zone has the potential to highlight the mineralised structure and identify internal structural complexities that may control high grade shoots. An IP survey over the porphyry could be considered to identify areas of increased alteration associated with mineralization.

1. The Company's Projects (Continued)

1.5 Bardoc North Project

The Company has entered into a sale and purchase agreement with Zetek Resources Pty Ltd and Western Resources Pty Ltd to acquire the Bardoc North Project. The Bardoc North Project lies immediately north west of the historic Bardoc Mining Centre (historical production >300,000oz Au) and previous exploration has defined a 2.3km gold in auger soil anomaly. The potential for economic mineralisation within the project area is demonstrated by the presence of numerous historical workings within, and adjacent to the project area.

For much of the Bardoc North Project's recent history it has been held by larger mining companies and has been considered a low priority area. As such, exploration has been sporadic and appears to be somewhat formulated, with limited time to properly evaluate and target the exploration efforts.

A priority area is in the southern portion of the project area, where historical RAB drilling has intersected a number of high grade intercepts associated with quartz veining and sheared, altered mafic rocks. These high grade intercepts occur within a broader envelope of low grade gold, defining a north striking shear zone.

Importantly, the RAB drilling has only tested the system to a depth of around 30 metres and there has been no RC drilling to test the system beneath the limits of the RAB drilling. A detailed structural evaluation of the area to assess the controls on mineralisation as well as establishing plunge direction will be undertaken prior to RC drilling testing.

Recent soil sampling indicates the potential for both north and northeast striking mineralised structures. Drilling to date has focussed on the areas immediately around, and along, strike from old workings and has not tested a large portion of the soil targets. In the northern portion of the project area wide spaced soils have defined broad soil anomaly in area previously not known for gold mineralisation.

1.6 Cawse Extended Project

Credo has applied for two exploration licences over the Cawse Monzogranite between the Ora Banda Gold and Broad Arrow mining centres 45km north west of Kalgoorlie. This is a greenfields exploration project over an area that has received little historical exploration. The tenement is considered prospective for granitoid hosted gold mineralisation (e.g. Golden Cities) and palaeochannel gold (e.g. Lady Bountiful Extended).

Centaur Mining & Exploration Ltd identified a number of occurrences of gold in sheared monzogranite in drilling adjacent to the current project area. More recently, Matsa Resources Ltd have reported supergene gold from within the Cawse Monzogranite (better results of 6m @ 1.33 g/t gold and 2m @ 1.24 g/t gold). Matsa Resources Ltd report the gold is closely related to a proterozoic dolerite that cuts the monzogranite, which may have exploited a pre-existing structure.

A detailed aeromagnetic interpretation of the project area will be undertaken to identify prospective structural targets. To assist this, the highest quality aeromagnetic data available will be purchased and re-processed to remove the effects of the highly magnetic ultramafic rocks to the west, and highlight subtle features within the project area.

1.7 Proposed exploration programs

Credo plans to implement a focused and cost effective exploration program over a two-year timeframe totalling \$2.04 million. The initial distribution of the funds will be weighted towards those projects ready for immediate drilling being the Fair Adelaide, Dixie and Boomerang Dam Projects. Concurrently, grassroots exploration at the Bardoc North and Cawse Extended Project will be focussed on developing a pipeline of drill targets to be tested in year 2. Following the first 12 months of exploration, funding will be results driven and hence subject to change. The details of the proposed expenditure are contained in the Independent Geologist Report in sections 3.1.5, 3.2.5, 3.3.5, 3.4.5 and 3.5.5 and are summarised below:

(a) Fair Adelaide Project

Credo's exploration strategy will initially comprise a detailed compilation and review of previous work, including a review of the available geophysical data (magnetic, IP and EM), to identify additional targets warranting follow-up exploration. A structural study around the Fair Adelaide – Fair Adelaide East area is to be completed. As part of the structural evaluation, the budget includes provisions for the acquisition of new geophysical data

The work program for Year 1 comprises:

- Sub-Audio Magnetic survey of the Fair Adelaide Project;
- Systematic RAB drilling to follow-up surface geochemical anomalies at Puzzle Bear; and
- RC drill testing to follow-up existing RAB gold anomalies and test conceptual targets at Fair Adelaide East and Puzzle Bear.

(b) Boomerang Dam Project

Credo's exploration strategy will initially comprise a detailed compilation and review of previous work to help build up a full picture of the project's prospectivity and plan follow-up work at the Boomerang Dam Project. In particular, a strong emphasis on the structural framework and distribution of alteration is expected to identify additional targets for future exploration.

The work program for Year 1 comprises:

- RC drilling to follow-up bedrock mineralisation identified in historical aircore drilling; and
- Regional aircore drilling, targeting areas identified during the review stage.

(c) Dixie Project

Initial field work shall consist of validating historical data in the field, as well as detailed geological mapping, focussing in particular on building up an understanding of the structural geometries and evolution with a view to identifying potential controls on high grade gold mineralisation.

1. The Company's Projects (Continued)

The work program for Year 1 comprises:

- Geophysical SAM survey of the Dixie Shear Zone to aid in the structural understanding and identifying potential controls on mineralisation;
- Trial IP survey over the northern porphyry area; and
- RC (and potential diamond) drilling to test down dip of historical intercepts as well as targets identified in the structural review.

(d) Bardoc North Project

A staged work program and budget has been proposed with planning of subsequent stages based on the results of the initial work programs.

The work program for Year 1 comprises:

- Follow-up surface geochemistry to better define gold in soil anomalism;
- Angled RAB drilling over priority soil / structural targets; and
- Limited RC drilling of the priority area to determine the down dip potential of mineralisation intersected in RAB drilling.

(e) Cawse Extended Project

Credo's exploration strategy will initially comprise a detailed aeromagnetic interpretation of the Cawse Extended Project following acquisition and processing of the highest quality data available. In addition, the budget includes provisions for mapping and geochemical sampling of the project area during the first year.

In the second year of exploration, a RAB program has been proposed to test any structural and geochemical targets identified during the first year.

1.8 Proposed Exploration Budget

Estimates of expenditure to be incurred to carry out Credo's proposed exploration program as outlined in Section 1.7 is summarised in the following table:

Fair Adelaide	Activity	Year 1 (A\$)	Year 2 (A\$)
	Geophysical Acquisition	40,000	
	RAB Drilling	50,000	
	RC (+/-diamond) drilling	80,000	210,000
	Project geologist, consultant geophysicist and Field Personnel	60,000	60,000
	Total	230,000	270,000
Dixie	Activity	Year 1 (A\$)	Year 2 (A\$)
	Geophysical Acquisition	50,000	
	RC (+/-diamond) drilling	80,000	100,000
	Project geologist, consultant geophysicist and Field Personnel	50,000	60,000
	Total	180,000	160,000
Boomerang Dam	Activity	Year 1 (A\$)	Year 2 (A\$)
	Aircore Drilling	80,000	
	RC (+/-diamond) drilling	90,000	210,000
	Project geologist, consultant geophysicist and Field Personnel	60,000	60,000
	Total	230,000	270,000
Bardoc North	Activity	Year 1 (A\$)	Year 2 (A\$)
	Surface geochemical surveys	40,000	
	RAB Drilling	90,000	
	RC drilling	60,000	200,000
	Project geologist, consultant geophysicist and Field Personnel	50,000	60,000
	Total	240,000	260,000
Cawse Extended	Activity	Year 1 (A\$)	Year 2 (A\$)
	Geophysical Data Acquisition	20,000	
	Geochemical Sampling	30,000	
	RAB Drilling		60,000
	Project geologist, consultant geophysicist and Field Personnel	30,000	60,000
	Total	80,000	120,000
	Grand Total	960,000	1,080,000

1. The Company's Projects (Continued)

It should be noted that the above exploration activities and budget will be subject to modification on an ongoing basis depending on the results obtained from exploration activities as they are carried out.

Due to market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in this Prospectus), actual expenditure levels may differ significantly to the above estimates. The Company also intends to capitalise on other opportunities as they arise which may result in costs being incurred that are not included in these estimates.

For further details about the application of funds raised from the Offer refer to Section 3.3 of this Prospectus.

2. Board and Management

2.1 Directors Profiles

The names and details of the Directors in office at the date of this Prospectus are:

Riccardo Vittino

Chairman

Mr Vittino has over 25 years experience in the resources sector with a focus on corporate and financial management.

He graduated from the University of Western Australian with a Bachelor of Commerce degree in 1985 and began his career in the mining industry in 1988 as Company Secretary for Helix Resources Limited.

During his 18 year tenure at Helix, Mr Vittino was involved with various IPOs and joint ventures both local and international. He left Helix in 2006 as CEO to pursue a role in South Africa as Finance Director of Central Rand Gold Ltd. He was responsible for overseeing Central Rand Gold's listing on the Main Board of the LSE and the JSE in 2007 and its subsequent progress to pre-feasibility and commencement of trial mining.

Mr Vittino returned to Perth in 2008 to focus on personal interests. He has held numerous non-executive Director roles including Diamond Ventures NL and Platinum Australia Limited. He is a Fellow of the Australian Institute of Company Directors. He is currently a Director of ASX listed Fitzroy Resources Ltd.

William Dix

Director

Mr Dix is a geologist with 16 years experience in base metal, uranium and gold exploration and mining. He holds a Bsc and Msc (Geology) from Monash University and is a member of AusIMM. Formerly Exploration Manager for Apex Minerals NL he led a successful exploration team that was responsible for significantly growing gold resources at all of Apex Minerals NL's projects.

Previously, Mr Dix spent 7 years with LionOre Mining International where he was a District Supervising Geologist in Western Australia. During his time with LionOre Mining International, Mr Dix was part of the team that discovered the Waterloo Nickel Mine and delineated the 2 million ounce Thunderbox Gold Project.

Mr Dix has a proven track record of successful project and team management and also has extensive experience in commercial activities including capital raisings, mergers, acquisitions and divestments. He is currently Managing Director of the ASX listed Fitzroy Resources Ltd.

2. Board and Management (Continued)

Ian Hobson

Director and Company Secretary

Mr Hobson is a chartered accountant and chartered secretary with 25 years experience in the finance and mining exploration industries. He has been a director of various exploration companies and currently acts as company secretary and CFO for five ASX listed companies, predominately in the mining exploration and services industries.

Mr Hobson is also experienced in providing corporate advisory and reconstruction services.

Mr Hobson does not currently hold directorships of any ASX listed companies.

2.2 Technical Consultant

Dr Christopher Stephens

Dr Stephens is a geologist with 30 years experience in the exploration, mining and academic sectors. He has worked as chief geologist and was Manager Geology for RSG Global Pty Ltd (now Coffey Mining). Previously he was responsible for RSG Global's specialist geological consulting, providing project evaluation internationally.

Dr Stephens currently works as an independent consulting geologist, providing project review, corporate strategy and independent technical reports. He is also a Director of Orrex Resources and Kings Park Capital, a private risk capital company.

2.3 Corporate Governance

The primary responsibility of the Board is to represent and advance Shareholders' interests and to protect the interests of stakeholders. To fulfil this role the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management, and monitoring the achievement of these goals.

Details of the composition of the Board are set out in Section 2.1.

The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability.

The Company seeks to follow the best practice recommendations for listed companies as outlined in ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations where appropriate for its size and the complexity of its operations. The Company considers that its present size and scope of activities do not justify the establishment of any special or separate Board committees, including audit, remuneration or nomination committees, preferring at this stage to manage the Company through the full Board of Directors.

As the Company's activities increase in size, scope and/or nature, the Company's corporate governance principles will be reviewed by the Board and amended as appropriate.

3. Details of Offer

3.1 The Offer

This Prospectus invites prospective investors to apply for a total of 13,000,000 Shares each at an issue price of \$0.20 to raise \$2,600,000 and up to an additional 2,500,000 Shares at \$0.20 to raise an additional \$500,000 in over-subscriptions before costs of the Offer.

The Shares issued under this Prospectus will be fully paid and rank equally with other Shares on issue.

The Company is offering a minimum of 13,000,000 Shares and up to an additional 2,500,000 Shares in over-subscriptions.

Applications under the Offer can only be made on the Application Form attached to this Prospectus. The allocation of Shares in the Offer will be at the complete discretion of the Directors, in conjunction with the Managers to the Issue.

3.2 Capital Structure

Assuming only the minimum is raised, the capital structure of the Company at the completion of the Offer will be as follows:

	Shares	Options
On issue at the date of this Prospectus	10,000,005 ¹	4,500,000 ²
Acquisition of Projects	650,000 ³	1,400,000 ⁴
Offered under this Prospectus (minimum)	13,000,000 ¹	-
Total securities on issue	23,650,005⁵	5,900,000

Notes

1. Refer to Section 10.1 for rights and obligations attaching to Shares.
2. 4,500,000 exercisable at \$0.25 on or before 15 January 2016.
3. A further 500,000 Shares are required to be issued on exercise of the Dixie Option.
4. 1,200,000 Options exercisable at \$0.30 on or before 5 years from issue date under the acquisition agreements. 200,000 Options exercisable at \$0.30 on or before 3 years from issue date under the acquisition agreements.
5. In the event the maximum subscription of \$3,100,000 is received, the number of ordinary Shares on issue would increase to 26,150,005.

In addition, 750,000 Performance Shares will convert to Shares on achievement of certain indicated JORC compliant resources within 5 years of ASX Listing as detailed below:

3. Details of Offer (Continued)

Project	Performance Shares	Milestone
Boomerang Dam	250,000	Ora Banda Gold successfully defining a JORC Code compliant indicated mineral resource of not less than 250,000 ounces of gold within 5 years of issue of Performance Shares
Fair Adelaide	250,000	Ora Banda Gold successfully defining a JORC Code compliant indicated mineral resource of not less than 250,000 ounces of gold or gold equivalent within 5 years of issue of performance shares
Dixie (assuming exercise of option)	250,000	Ora Banda Gold successfully defining a JORC Code compliant indicated mineral resource of not less than 250,000 ounces of gold 5 years of issue of Performance Shares
Total Performance Shares	750,000	

3.3 Objectives of the Offer and Use of Funds

The purpose of the Offer is to explore and develop the Projects. Funds raised from the Offer will be utilised as follows:

	Year 1 \$	Year 2 \$	Total \$
Funds on hand at date of this Prospectus			362,000
Offer funds raised (minimum)			2,600,000
Total funds available			2,962,000
Exploration and development expenditure ¹	960,000	1,080,00	2,040,000
Net administration expenses	252,000	272,700	524,700
Expenses of the Offer	324,662	-	324,662
Working capital ²			72,638
Total funds allocated			2,962,000

Notes

- 1 Refer Section 1.8.
2. Unallocated working capital will be utilised by the Company to consider other opportunities within the mineral resources sector, to pay for unbudgeted or additional exploration expenditure and in the administration of the Company.

3. In the event that the maximum subscription of \$3,100,000 is received, the additional funds will be expended on additional expenses of the Offer (\$30,000) and the balance will be working capital (\$542,638).

Actual expenditure may differ significantly from the above estimates due to a number of factors including market conditions, the development of new opportunities, the results obtained from exploration and other factors (including the risk factors outlined in Section 8). The consideration of new opportunities may result in the Company expending funds on due diligence or other acquisition costs which may not be recouped through the ultimate acquisition and/or development of the Project under consideration.

The Company proposes to actively pursue further acquisitions which complement its initial Projects. There may be a need to direct funds for this purpose or to raise additional capital.

The Directors believe that the Company will have sufficient working capital to meet its business obligations, as set out in the above table, upon completion of the Offer.

To capitalise on future opportunities and, depending on the success of its activities, the Company may require debt or further equity fundraisings.

3.4 Forecasts

The Company is a mineral exploration company. Due to the speculative nature of exploration, there are significant uncertainties associated with forecasting future revenues from the Company's proposed activities.

The Directors believe that given these inherent uncertainties, it is not possible to include a reliable forecast in this Prospectus.

Section 1 includes information in relation to the Company's activities.

3.5 Minimum Application under Offer

Applications under the Offer must be for a minimum of 10,000 Shares (\$2,000) and thereafter in multiples of 1,000 Shares (\$200). Applications to subscribe for Shares under the Offer will only be accepted on an Application Form attached to this Prospectus.

3.6 Minimum Subscription

There is no minimum subscription. The full amount of the Offer (\$2,600,000) must be raised prior to the Offer proceeding.

None of the Shares offered by this Prospectus will be issued if Applications are not received for 13,000,000 Shares. Should Applications for 13,000,000 Shares not be received within four months from the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and Application Monies will be repaid (without interest).

3. Details of Offer (Continued)

3.7 Brokers

Brokerage and/or handling fees on Applications for Shares will be payable to member firms of ASX or licensed investment advisers on such Application Forms bearing their stamp and accepted by the Company.

3.8 How to Apply

If you wish to invest in the Company, complete the Application Form attached to this Prospectus. Alternatively, complete a paper copy of the electronic Application Form which accompanies the electronic version of the Prospectus which can be found and downloaded from www.credoresources.com.au. Completed Application Forms should be returned to the Company, together with the Application Monies in full, prior to 5.00pm (WST) on the Closing Date.

Completed Application Forms and Application Monies should be returned to the Company as follows:

By Post To:	Or Delivered To:
Credo Resources Limited Link Market Services Limited Locked Bag A14 Sydney South NSW 1235	Credo Resources Limited Link Market Services Limited Level 12, 680 Georges Street Sydney NSW 2000 or Ground Floor, 178 St Georges Terrace Perth WA 6000

Refer to the instructions on the back of the Application Form when completing your Application. Cheques must be made payable to "Credo Resources Limited – Subscription Account" and crossed "Not Negotiable". All cheques must be in Australian currency.

An original completed and lodged Application Form, together with a cheque for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not have to be signed to be a valid Application. An Application will be deemed to have been accepted by the Company upon allotment of the Shares.

The Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offer or accept late Applications.

3.9 Official Quotation

Application for admission of the Company to Official Quotation of the Shares on the Official List will be made within 7 days of the date of this Prospectus.

The fact that ASX may admit the Company to the Official List is not to be taken in any way as an indication of the merits of the Company or the Shares offered by this Prospectus. ASX takes no responsibility for the contents of this Prospectus.

3.10 Allotment

Application Monies will be held in trust for Applicants until allotment of the Shares. Any interest that accrues will be retained by the Company. No allotment of Shares under the Prospectus will occur unless the full amount of the Offer is raised.

The Company reserves the right to reject any Application or to issue a lesser number of Shares than those applied for. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Closing Date.

Shares under the Offer are expected to be allotted on the Allotment Date. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares issued under the Offer. Applicants who sell Shares before they receive their holding statements do so at their own risk.

If ASX does not grant permission for Official Quotation within three months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the Shares offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest).

3.11 CHESS

The Company will apply to participate in the Clearing House Electronic Sub-register System (**CHESS**), operated by ASX Settlement and Transfer Corporation Pty Ltd (**ASTC**) (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASTC Operating Rules. On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's register of Shareholders.

The Company will not issue certificates to Shareholders. Instead, as soon as is practicable after allotment, successful Applicants will receive a holding statement which sets out the number of Shares issued.

A holding statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) (in the case of a holding on the CHESS sub-register) or Shareholder Reference Number (**SRN**) (in the case of a holding on the issuer sponsored sub-register).

Following distribution of these initial holding statements, an updated holding statement will only be provided at the end of any month during which changes occur to the number of Shares held. Security holders may also request statements at any other time (although the Company may charge an administration fee).

3.12 Dividend Policy

The extent, timing and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and the financial performance and position of the Company.

3. Details of Offer (Continued)

At the date of issue of this Prospectus the Company does not intend to declare or pay any dividends in the immediately foreseeable future.

3.13 Risk Factors of an Investment in the Company

Prospective investors should be aware that an investment in the Company should be considered speculative and involves a number of risks inherent with exploration and project development. Section 8 contains details of key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or independent adviser.

3.14 Overseas Applicants

No action has been taken to register or qualify the Shares, or the Offer, or otherwise to permit the public offering of the Shares, in any jurisdiction outside Australia.

The distribution of this Prospectus within jurisdictions outside Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

The Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

3.15 Restricted Securities

Chapter 9 of the Listing Rules prohibits holders of restricted securities from disposing of those securities or an interest in those securities or agreeing to dispose of those securities or an interest in those securities for the relevant restriction periods. The holder is also prohibited from granting a security interest over those securities.

None of the securities issued pursuant to the Offer are expected to be restricted securities.

In accordance with the Listing Rules the Directors expect ASX may classify a number of the Shares on issue at the date of this Prospectus as restricted securities.

3.16 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offer in which case the Company will return all Application Monies (without interest) within 28 days of giving notice of their withdrawal.

3.17 Enquiries

Enquiries relating to this Prospectus, or requests for additional copies of this Prospectus, should be directed to:

The Company Secretary
Telephone: (+61) 8 9388 8290

4. Independent Geologist Report



Ore (plus) Geology Solutions Pty Ltd
Consulting Geologist
(ABN 87 142 727 437)

240a Flamborough Street
Doubleview, Western Australia, 6018
AUSTRALIA

Phone: +61 429 403 277
E-mail: admin@oreplus.com.au

Date: 25/01/2011
Report No: 2011.CRL.001

CREDO RESOURCES LIMITED'S EASTERN YILGARN PROJECTS, WESTERN AUSTRALIA

by

John Bartlett B.Sc. (Hons.), MAusIMM

For:
Credo Resources Limited
Suite 2, Level 2,
35 – 37 Havelock Street,
West Perth, Western Australia
AUSTRALIA 6005

.....
John H. Bartlett

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Executive Summary

Ore Plus Geology Solutions Pty Ltd (OPGS) was requested by Credo Resources Limited (Credo) to complete an Independent Geologist's Report on its mineral assets in Western Australia to support the listing of Credo on the Australian Securities Exchange (ASX). Credo intends to raise \$2.6 million, and up to \$3.1 million by issuing between 13 and 15.5 million fully paid ordinary shares, respectively, at an issue price of \$0.20 per share.

Credo has entered in to heads of agreements to acquire interests in four exploration projects, with an option to acquire a fifth project, in the Kalgoorlie region of Western Australia. The portfolio of tenements in the five project areas has the potential for the discovery and development of significant gold deposits in a number of geological settings. Collectively, the Fair Adelaide, Dixie, Boomerang Dam and Bardoc North projects cover an area of approximately 28.2 km², with an additional 142.3 km² under application at Cawse Extended.

All of Credo's projects are located within the Kalgoorlie Domain, Eastern Goldfields Province of the Archaean Yilgarn Craton. The Kalgoorlie Terrane is well endowed in gold mineralisation contains a number multi-million ounce gold deposits; including the The Golden Mile (>70 Moz), Kanowna Belle (>5 Moz), Kundana (including Raleigh, Frogs Leg, Binduli; >5 Moz), Mt Charlotte (>4 Moz) and New Celebration (>4 Moz); as well as numerous smaller deposits. Despite over 100 years of prospecting, exploration and mining, the province has continues to yield significant new mines; including Randalls, Daisy Milano and Trident.

The Fair Adelaide, Dixie and Cawse Extended Projects all fall within the Ora Banda Domain and the Boomerang Dam Project falls within the Boorara Domain. The Bardoc North Project falls within the Bardoc Tectonic Zone; a crustal scale shear zone that separates the Ora Banda Domain to the west from the Boorara Domain to the east.

The Fair Adelaide Project covers rocks mafic-ultramafic rocks of the Walter Williams Formation, intruded by a number of small granitoid stocks. Several major thrusts cut through the project area are interpreted to repeat or structurally thicken the ultramafic units.

A steep dipping fault contact is interpreted along the eastern margin of the granodiorite with adjacent ultramafic. Gold mineralisation within the Fair Adelaide Project is associated with discrete quartz veining associated with the main shear structures and are interpreted to form en-echelon vein arrays sets.

Previous explorers have intersected significant gold mineralisation in drilling at the Queen Adelaide, and Fair Adelaide East prospects. In particular, Drilling at Fair Adelaide East has shown the presence of a significant zone weathered zone gold anomaly that remains poorly constrained and a primary source of gold has yet to be located. A conceptual model involving gold mineralisation associated with a sheared granitoid contact with ultramafic units (broadly similar to setting of the Tarmoola gold mine near Leonora) remains untested.

At Puzzle Bear, Soil Sampling has outlined two gold anomalies (> 10 ppb Au), spatially associated with a regional scale fault system,. Limited RAB drilling has confirmed the presence of gold in regolith co-

4. Independent Geologist Report (Continued)

incident with the soil anomalies. Neither of these anomalies have been subjected to systematic drill testing and are considered worthy of additional exploration.

In addition to gold mineralisation, the project is considered prospective for nickel sulphide and nickel laterite mineralisation. The underlying ultramafic rocks are the same lithologies that host the ore for the Cawse Nickel Laterite deposits and drilling by recent explorers has confirmed the presence high grade nickel laterite within the project.

The Dixie Project covers a narrow west-north-westerly trending mafic - ultramafic greenstone sequence bound by the late stage Liberty porphyry intrusion to the south, and a major granite body to the north. Felsic intrusive porphyry's are present throughout the project area; commonly exhibiting weakly developed quartz stockwork veining.

The dominant structural feature within the project is WNW striking Dixie shear Zone ("DSZ"), which can be traced for approximately 3km along the full length of the project. The Dixie Shear Zone hosts the Dixie Mining Camp which is reported to have historically produced 6,471oz gold at an average grade of 43.5g/t Au.

Gold mineralisation within the project area is associated with quartz veining within the Dixie Shear Zone. The quartz veins occur as a series of plunging shoots up to 100 metre in strike length, interpreted to form en-echelon vein sets within the DSZ. The intersection of the DSZ and late stage NNW structures are interpreted to be a primary control on high grade gold mineralisation. In addition to mineralisation within the Dixie Shear Zone, there is evidence of gold mineralisation associated with the stockwork quartz veining within the felsic porphyry intrusions.

Whilst there has been previous exploration, the majority of the exploration targeted large, continuous ore bodies capable of sustaining a large open pit operation and thus has not effectively tested for the structurally controlled, plunging high grade shoots that subsequent field mapping has identified. Little exploration has taken place since the early 1980's, and has been sporadic in nature, resulting in a disjointed knowledge base and localised programs.

The Boomerang Dam Project is located on the eastern limb of the Scotia-Kanowna Anticline, covering a NNW shear zone that separates a mafic dominated sequence to the west from a sedimentary sequence to the east. The project area contains the same geological package and bears a similar structural configuration to that of Kanowna Belle Gold Deposit, located approximately 20km to the south.

Exploration within the project area faces the challenges associated with exploring beneath transported cover; with the majority of the basement geology within project area obscured by recent transported sediments. Yet, this cover has acted to preserve the exploration potential of the project area, with exploration over majority of the project area limited to regolith geochemistry from aircore drilling. Exploration at Kanowna Belle demonstrated that there was significant gold depletion down to depths of up to 40m; and this needs to be carefully considered when interpreting drilling results from Boomerang Dam.

Aircore drilling by previous explorers has identified widespread gold mineralisation in the regolith at the base of oxidation. Spatially the gold mineralisation is associated with shearing and intense sericite – quartz alteration of the felsic rocks and carbonate alteration of the mafic rocks. Follow-up

RC drilling has so far failed to identify any bedrock gold mineralisation, however this follow-up has not been comprehensive and a number of regolith anomalies have not had been followed up with RC or diamond drilling.

The Bardoc North Project is located on the eastern margin of the The Bardoc – Broad Arrow Greenstone belt, consisting of a sequence of mafic rocks (basalt, dolerite and gabbro) in the western portion of the project and granitic rocks of the Scotia-Kanowna Batholith in the east. The contact between the mafic sequence and the granite is interpreted to be shear controlled.

The Bardoc North project areas covers a number of old gold workings) dating back to the early 1900's. This activity concentrated on near surface high-grade shear hosted gold mineralisation. The gold mineralisation appears to be associated with structurally controlled quartz veins and within sheared, altered mafic rocks.

Drilling by previous explorers has focussed in the southern portion of the project area and has defined broad envelope of low grade gold associated within a north striking shear zone. A number of high grade intercepts associated with quartz veining and sheared, altered mafic rocks occur within the low grade envelope. A detailed structural evaluation of the area to assess the controls on mineralisation as well as establishing plunge direction prior to RC drilling testing is strongly recommended.

More recently, a regional auger program, covering the entire project area has identified a number of gold anomalies, including a number of anomalies which are not spatially associated with historical workings and which have not been drill tested.

The project is considered prospective a for a variety of different styles of gold mineralisation, ranging from structurally controlled, mafic lode systems, the smaller, but typically higher grade "Kundana style" gold mineralisation as well as granite hosted gold mineralisation. In recent years, the project has been held by a number of larger mining companies and has been considered a low priority area within the various groups. As such, exploration has been sporadic and appears to be somewhat formulated, with limited time to properly evaluate and target the exploration efforts.

The Cawse Extended Project covers portions of the Cawse Monzogranite, which forms the core of the Mt Pleasant Anticline. The tenements have no significant historical exploration recorded and is considered conceptual, greenfields exploration project.

The Cawse Extended Project has been targeted to test for granite hosted similar to the million ounce Colden Cities orebody, located in the Scotia Granite to the east. The exploration model has been further enhanced by the recent announcements by Matsa Resources Ltd at its Mount Veters Project, confirming the presence of significant gold intercepts within the Cawse monzogranite.

Credo has proposed an exploration strategy with an initial two year exploration budget totalling approximately \$1.8 million to systematically explore all of its projects. The initial distribution of exploration funds is weighted towards those projects ready for immediate drill testing such as Fair Adelaide, Boomerang Dam and Boomerang Dam. Concurrently, Credo proposes to systematically evaluate the Dixie project and undertake grass roots exploration over the lesser advanced Cawse Extended project; designed to provide a pipeline of drill targets for the second year.

4. Independent Geologist Report (Continued)

The proposed exploration budget allocations are considered consistent with the exploration potential of Credo's projects and are considered adequate to cover the costs of the proposed programmes. The budgets are also considered sufficient to meet the minimum statutory expenditure commitments on the tenements.

Conclusions

It is considered quite possible that any of Credo's projects, may contain a significant economic gold deposit. The projects are located within the highly endowed Eastern Goldfields Province of the Yilgarn Craton, which has continued to yield significant discoveries despite over 100 years of intensive prospecting and exploration.

The stage approach proposed by Credo, consisting of drill testing the more advanced project whilst simultaneously working up the less advanced projects with data compilation, geophysics and soil geochemistry, designed to maintain a pipeline of drill targets, is considered by OPGS to be an appropriate strategy to effectively advance the projects, whilst minimising associated risks.

The exploration program and budget proposed by Credo are compatible with the prospectivity of the projects and sufficient to both achieve the stated objectives and to meet the statutory expenditure commitments.

1. Introduction

1.1 Terms of Reference

Ore (plus) Geology Solutions Pty Ltd ("OPGS") has been commissioned by Credo Resources Limited ("Credo") to provide an Independent Geologist's Report (IGR) on mineral exploration properties located in the state of Western Australia, for the inclusion in a prospectus to facilitate the listing of Credo on the Australian Securities Exchange. Credo intends to raise \$2.6 million, and up to \$3.1 million by issuing between 13 and 15.5 million fully paid ordinary shares, respectively, at an issue price of \$0.20 per share.

OPGS understands that Credo intends to acquire an 80% interest in the Fair Adelaide Project and a 100% interest in the Boomerang Dam, Bardoc North and Cawse Extended Projects as well as an option to acquire a 100% interest in the Dixie Project.

This report has been prepared in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports ("The Valmin Code"), which is binding upon Members of the Australasian Institute of Mining and Metallurgy (AusIMM) and the rules and guidelines issued by such bodies as ASIC and the Australian Stock Exchange, which pertains to Independent Expert Reports.

The IGR has been prepared on information available up to and including 25 January 2011. The conclusions expressed in this report are valid for this date and may change over time in response to exploration results, mineral prices and other relevant market factors.

1.2 Qualifications, Experience and Independence

OPGS is an independent, private company specialising in providing exploration and mining geological services.

This Report was prepared by Mr John Bartlett who is a professional geologist with 17 years experience in the exploration, development and mining of base and precious metal properties within Australia as well as internationally.

Mr Bartlett has a Bachelor's Degree in Science (Honours) (1993) from the University Of Tasmania in Australia. He is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). He has the appropriate relevant qualifications, competence and independence to be considered an "Expert" under the definitions provided in the Valmin Code and as a "Competent Person" under the definitions in the JORC Code.

Neither OPGS nor the author of this report have, or have had previously, any material interest in Credo or the mineral properties in which Credo has an interest. Our relationship with Credo is solely one of professional association between client and independent consultant. This report is prepared in return for professional fees based on agreed commercial rates and the payment of these fees is in no way contingent on the results of this report.

1.3 Principal Sources of Information

OPGS has based its review of the Credo properties on information provided by Credo, along with technical reports prepared by consultants, government agencies and previous tenement holders along with other relevant published and unpublished data. In addition, a site visit to the project areas was undertaken by Mr John Bartlett on the 13 January 2011.

OPGS has endeavoured to make reasonable enquiries to confirm the authenticity, accuracy and completeness of the technical data upon which this report is based.

A final draft of this report was provided to Credo, along with a request to identify any material errors or omissions prior to final submission. Consent has been given for the distribution of this report in the form and context in which it appears.

1.4 Location and infrastructure

Kalgoorlie, located approximately 600 kilometres east of the provincial capital Perth, the major regional centre for The Eastern Goldfields of Western Australia.. The Eastern Goldfields is an attractive location for gold mining and exploration, with a number of high quality gold Mineral Resource complemented by a combination of available supporting infrastructure and services that are matched by few other regions in the world, including:

- access to a skilled workforce;
- strong mining and mineral exploration culture;
- Well established service contractors based out of Kalgoorlie;

4. Independent Geologist Report (Continued)

- a modern, efficient communications and transport network and other favourable infrastructure; and
- an established gas pipeline;
- political and economic stability (supportive local and state government).

1.5 Tenure

The legal status of the projects and associated land in which Credo has an interest have not been independently verified by OPGS, and are the subject of a separate disclosure within the Independent Solicitors Report section of the prospectus. The present status of the landholding, assets, agreements and legislation described in this report is based on information provided by Credo and its Independent Solicitors. The report has been prepared on the assumption that the planned exploration and development studies will prove to be lawfully achievable.

The schedule of project tenements is presented in Table 1.1.

1.5.1 Fair Adelaide

The Fair Adelaide Project consists of nine contiguous prospecting licenses (P24/4051 – 4059), covering approximately 1,451 hectares. The tenements were granted on the 20 September 2007 for a period of four years.

The tenements are owned by Murray Kenneth Hodges, Rodney Charles Hodges with Crusader Resources Limited (Crusader) holding an unregistered beneficial interest of 80% in the tenements. The tenements are subject to a sales agreement, whereby Credo will, subject to the successful listing on the ASX, acquire Crusader's 80% interest in the tenements for a consideration of 200,000 ordinary shares and 500,000 options at an exercise price of \$0.30 with an expiry date of 5 years from the date of issue.

In addition, Crusader shall be issued 250,000 performance shares; which shall be converted to ordinary shares should a JORC Code compliant Indicated Mineral Resource of not less than 250,000 ounces be defined within the project area. The performance shares shall be valid for a period of 5 years from the date of issue.

1.5.2 Boomerang Dam

The Boomerang Dam Project consists of five contiguous prospecting licenses (P27/1702 – 1706), covering approximately 880 hectares. The tenements were granted on the 3 September 2007 for a period of four years.

The tenements are jointly owned by Goldearth Enterprises Pty Ltd, Rodney Charles Hodges and Murray Kenneth Hodges (the "Vendor") and are subject to a sales agreement, whereby Credo will, subject to the successful listing on the ASX, acquire a 100% interest in the tenements for a consideration of 100,000 ordinary shares and 200,000 options at an exercise price of \$0.30 with an expiry date of 5 years from the date of issue.

In addition 250,000 performance shares are to be issued to the Vendor, which shall be converted to ordinary shares should a JORC Code compliant Indicated Mineral Resource of not less than 250,000 ounces be defined within the project area. The performance shares shall be valid for a period of 5 years from the date of issue.

1.5.3 Bardoc North

The Bardoc North Project consists of two contiguous prospecting licenses (P24/4471 and 4487), covering approximately 246 hectares. The tenements were granted on the 20 July 2010 for a period of four years.

The tenements are jointly owned by Western Resources Pty Ltd and Zetek Resources Pty Ltd (the "Vendor") and are subject to a sales agreement, whereby Credo will, subject to the successful listing on the ASX, acquire a 100% interest in the tenements. In consideration of this agreement, Credo shall pay the Vendor a non refundable deposit of \$10,000 within seven days of the date of the agreement. Upon successful listing on the ASX, Credo shall issue the Vendor with 350,000 ordinary shares and 500,000 options at an exercise price of \$0.30 with an expiry date of 5 years from the date of issue. The Vendor shall retain a 3% Net Smelter Royalty ("NSR") on any future production from within the project area.

This agreement includes an agreement regarding competing exploration licence applications at the Cawse Extended Project. Details regarding this are outlined below.

1.5.4 Dixie

The Dixie Project consists of a single mining licence (M24/684), covering approximately 1,451 hectares. The tenement was granted on the 19 May 2010 for a period of twenty one years.

Credo has entered into an exclusive Option Agreement, whereby Credo is granted an exclusive option to purchase 100% of the project from the tenement holders, Peterborough Nominees Pty Ltd (Peterborough) of the project for a period of two years. In consideration of the option, Credo has paid Peterborough the sum of \$5,000, and shall pay an additional \$5,000 on the one year anniversary, should the option not yet be exercised. In addition, upon successful listing on the ASX Credo shall issue Peterborough 200,000 options at an exercise price of \$0.30 and an expiry date of 3 years from the date of issue.

Subject to the successful listing on the ASX, Credo can exercise the option at any time during the two year period for the consideration of 500,000 ordinary shares. In addition Peterborough shall be issued 250,000 performance shares, which shall be converted to ordinary shares should a JORC Code compliant Indicated Mineral Resource of not less than 250,000 ounces be defined within the project area. The performance shares shall be valid for a period of 5 years from the date of issue.

1.5.5 Cawse Extended

The Cawse Extended Project consists of two exploration license applications (E24/178 and E24/179). The tenements were applied for by Ora Banda Gold Pty Ltd (a wholly owned subsidiary of Credo) on the 6 January 2011.

4. Independent Geologist Report (Continued)

Western Resources Pty Ltd and Zetek Resources Pty Ltd (the "Vendor") have competing exploration license applications over the Cawse Extended Project. These competing applications are subject to a combined agreement with the Bardoc North Project, whereby on or before completion, the Vendor shall withdraw the competing tenement applications. The considerations for this agreement are outlined in the Bardoc North section above.

Upon granting, the tenements shall be 100% owned by Ora Banda Gold, with the Vendor retaining a 3% NSR of any future production from within the project area.

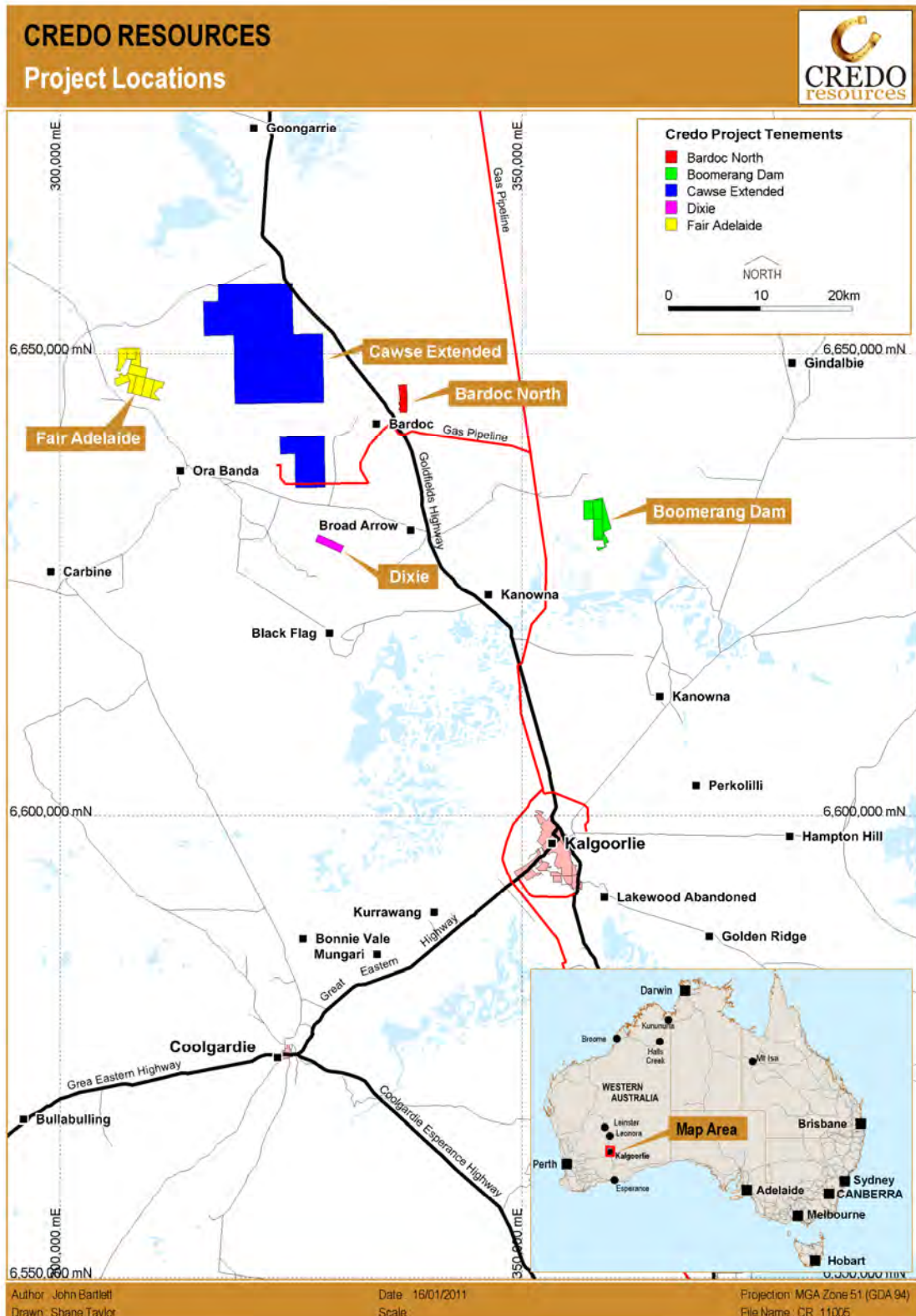


Figure 1.1 – Project Location Plan

Table 1.1 – Western Australian Tenement Schedule, Credo Resources Limited

Project	Tenement ID	Status	Grant Date	Expiry Date	Area (Ha)	Ownership	Credo's Interest	Expenditure Commitment
Fair Adelaide	P24/4051	Granted	20/09/2007	19/09/2011	129.6	Hodges, Murray Kenneth 32/96, Hodges, Rodney Charles 64/96,	80%	\$5,200
Fair Adelaide	P24/4052	Granted	20/09/2007	19/09/2011	131.3	Hodges, Murray Kenneth 32/96, Hodges, Rodney Charles 64/96,	80%	\$5,280
Fair Adelaide	P24/4053	Granted	20/09/2007	19/09/2011	200	Hodges, Murray Kenneth 32/96, Hodges, Rodney Charles 64/96,	80%	\$8,000
Fair Adelaide	P24/4054	Granted	20/09/2007	19/09/2011	200	Hodges, Murray Kenneth 32/96, Hodges, Rodney Charles 64/96,	80%	\$8,000
Fair Adelaide	P24/4055	Granted	20/09/2007	19/09/2011	155.1	Hodges, Murray Kenneth 32/96, Hodges, Rodney Charles 64/96,	80%	\$6,240
Fair Adelaide	P24/4056	Granted	20/09/2007	19/09/2011	187.7	Hodges, Murray Kenneth 32/96, Hodges, Rodney Charles 64/96,	80%	\$7,520
Fair Adelaide	P24/4057	Granted	20/09/2007	19/09/2011	118.3	Hodges, Murray Kenneth 32/96, Hodges, Rodney Charles 64/96,	80%	\$4,760
Fair Adelaide	P24/4058	Granted	20/09/2007	19/09/2011	129.4	Hodges, Murray Kenneth 32/96, Hodges, Rodney Charles 64/96,	80%	\$5,200
Fair Adelaide	P24/4059	Granted	20/09/2007	19/09/2011	200	Hodges, Murray Kenneth 32/96, Hodges, Rodney Charles 64/96,	80%	\$8,000
Boomerang Dam	P27/1702	Granted	3/09/2007	2/09/2011	90	Hodges, Rodney Charles 48/96, Goldearth Enterprises Pty Ltd 48/96	100%	\$3,600
Boomerang Dam	P27/1703	Granted	3/09/2007	2/09/2011	190	Hodges, Murray Kenneth 32/96, Hodges, Rodney Charles 32/96, Goldearth Enterprises Pty Ltd 32/96	100%	\$7,600

Project	Tenement ID	Status	Grant Date	Expiry Date	Area (Ha)	Ownership	Credo's Interest	Expenditure Commitment
Boomerang Dam	P27/1704	Granted	3/09/2007	2/09/2011	200	Hodges, Murray Kenneth 32/96, Hodges, Rodney Charles 32/96, Goldearth Enterprises Pty Ltd 32/96	100%	\$8,000
Boomerang Dam	P27/1705	Granted	3/09/2007	2/09/2011	200	Hodges, Murray Kenneth 32/96, Hodges, Rodney Charles 32/96, Goldearth Enterprises Pty Ltd 32/96	100%	\$8,000
Boomerang Dam	P27/1706	Granted	3/09/2007	2/09/2011	200	Hodges, Murray Kenneth 32/96, Hodges, Rodney Charles 32/96, Goldearth Enterprises Pty Ltd 32/96	100%	\$8,000
Dixie	M24/684	Granted	19/05/2010	18/05/2031	240	Peterborough Nominees Pty Ltd 100%	Option to purchase 100%	\$24,000
Bardoc North	P24/4471	Granted	20/07/2010	19/07/2014	124.2	Western Resources Pty Ltd 50/100, Zetek Resources Pty Ltd 50/100	100%	\$5,000
Bardoc North	P24/4487	Granted	20/07/2010	19/07/2014	122	Western Resources Pty Ltd 50/100, Zetek Resources Pty Ltd 50/100	100%	\$4,880
<i>Cawse Extended</i>	<i>E24/178</i>	<i>Pending</i>			<i>7 Blks</i>	<i>Ora Banda Gold Pty Ltd 100/100</i>	<i>100% upon granting</i>	
<i>Cawse Extended</i>	<i>E24/179</i>	<i>Pending</i>			<i>41 Blks</i>	<i>Ora Banda Gold Pty Ltd 100/100</i>	<i>100% upon granting</i>	

4. Independent Geologist Report (Continued)

2. Regional Geology and Metallogeny

2.1 Regional Setting

The Boomerang Dam, Dixie, Fair Adelaide, Bardoc North and Cawse Extended Projects lie within the Norseman – Wiluna Achaean Greenstone Belt, in the Eastern Goldfields Province of the Yilgarn Craton (Figure 2.1). The Eastern Goldfields Province is dominated by a north-northwest structural orientation, with a series of anatomising shear zone systems that divide the province into six elongate greenstone domains.

Credo's projects all lie within the Kalgoorlie Terrane, a sub-division of the Eastern Goldfields Province. The Kalgoorlie Terrane has been further sub-divided into four major domains: the Coolgardie, Ora Banda, Kambalda and Boorara domains. These domains are separated by crustal-scale shear zones; considered important for focussing gold mineralisation within the province.

The Dixie, Fair Adelaide and Cawse Extended and Bardoc North projects lie within the Ora Banda Domain and the Boomerang Dam project lies within the Boorara Domain. The Bardoc North Project sits on the edge of the Bardoc Tectonic Zone, the crustal scale shear that separates the Ora banda and Boorara Domains.

The Ora Banda Domain comprises a lower basalt unit, overlain in turn by a komatiite (Linger and Die Group), upper basalt (Grants Patch Group), felsic volcanic unit (Black Flag Group), and finally a sedimentary package (Kurrawang Conglomerate). Two differentiated mafic sills intrude the sequence; the lower 550 metre thick Mt Pleasant Sill and the upper 2,000 metre thick Ora Banda Sill.

The stratigraphic sequence of the Boorara Domain is similar, comprising a lower basalt unit, the Big Blow Chert, komatiite, a discontinuous upper basalt unit and a felsic volcanic and sedimentary sequence.

2.2 Metallogeny

The Eastern Goldfields Province is host to some of the largest gold and nickel deposits in Australia. Gold occurrences within the Eastern Goldfields Province are dominantly orogenic, mesothermal lode-style deposits, related to large scale regional fault systems.

Orogenic gold deposits can occur within any host lithology and can develop at varying crustal depths and temperatures. One common characteristic to all orogenic lode gold systems is a well developed structural control, providing a focus for mineralising fluids. The large orogenic gold deposits within the Eastern Goldfields Province typically display evidence of a prolonged structural episode, with multiple phases of gold mineralisation.

Studies have shown the gold mineralisation occurs late in the deformational history of the host terranes, meaning the geometry of structures and the rock sequences are essentially the same today as they were during gold deposition.

The Kalgoorlie Terrane contains a number of examples of large (multi million ounce) gold deposits; including The Golden Mile (>70 Moz), Kanowna Belle (>5 Moz), Kundana (including Raleigh, Frogs Leg, Binduli; >5 Moz), Mt Charlotte (>4 Moz) and New Celebration (>4 Moz).

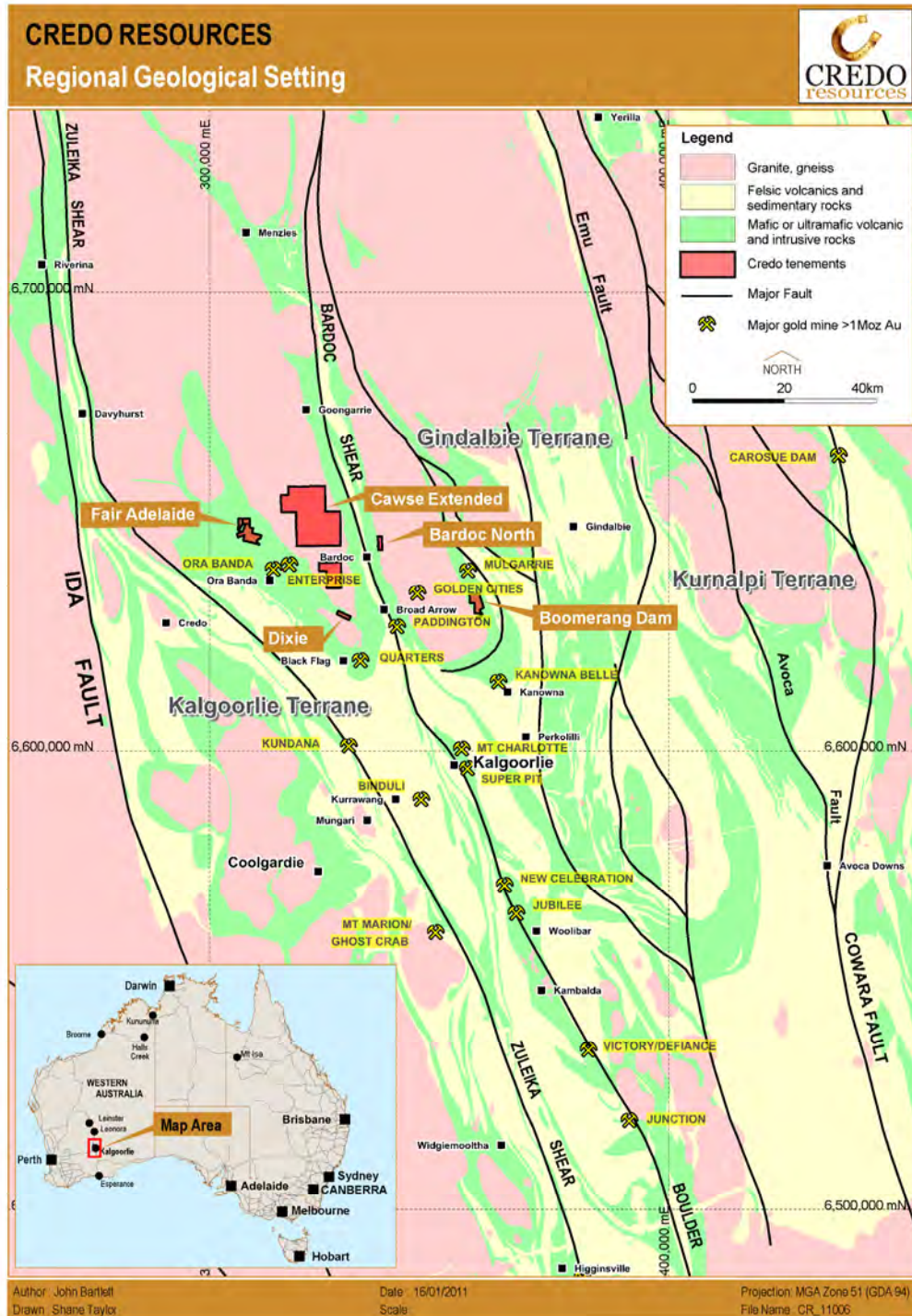


Figure 2.1 –Regional Geological Setting

4. Independent Geologist Report (Continued)

3. Technical Review of Projects

3.1 Fair Adelaide Project

3.1.1 Location and Access

The Fair Adelaide Project is located approximately 60 kilometres to the northwest of Kalgoorlie, in the Eastern Goldfields of Western Australia.

The tenements are situated across the Davyhurst (3037) and Bardoc (3137) 1:100,000 scale sheets and on the Kalgoorlie (SH51-9) 1: 250,000 scale sheet. All of the licences are located within the Mt Burgess pastoral lease.

Access to the project area is gained by travelling approximately 38 kilometres north from Kalgoorlie via the sealed Goldfields Highway, then another 38 kilometres northwest along the all-weather, unsealed Ora Banda and Ora Banda-Davyhurst roads. Local access is gained via various station tracks and fence lines.

The area is typical eastern goldfields terrain characterised by low relief dominated by dissected laterite hardpan and broad, low gradient alluvial systems. Surficial deposits predominate, typically alluvium, colluvium and dissected laterite hardpan. Vegetation comprises open mulga and Acacia woodland.

3.1.2 Project Geology and Mineralisation

The Fair Adelaide Project is located within the Ora Banda Domain; within the central portions of the Kalgoorlie Terrane.

The local stratigraphy within the Fair Adelaide Project is west facing, consisting of a thick basal sequence of high MgO olivine cumulate ultramafic, overlain by pyroxenite with locally developed dolerite–gabbro, which is in turn overlain by high magnesian basalt. The entire stratigraphic sequence belongs to the Walter Williams Formation of the Linger and Die Group (Figure 3.1).

Two small stocks of granodiorite intrude the sequence within the project area. The largest of these is approximately 2 x 1 kilometres at the Fair Adelaide prospect. Porphyry dykes peripheral to the stocks typically trend west-northwest, parallel to a strong joint fabric within the western side of the granodiorite.

Quartz veining occurs throughout the granodiorite and porphyries, tending to favour a WSW orientation, parallel to jointing, on the western side of the granodiorite, and a more WNW orientation on its eastern side. These quartz veins are generally fairly narrow (<1m) and discontinuous.

The margins of the granodiorite display weak pervasive sericite and pyrite alteration. Similar alteration assemblages are also found on the edges of quartz veins and within small shears through the granodiorite.

Structure

Several major thrust zones are interpreted within the greenstone sequence to repeat or structurally thicken the ultramafic units. The interpreted thrusts exhibit a west-northwest strike parallel to the geological grain.

A steep dipping fault contact is interpreted along the eastern margin of the granodiorite with adjacent ultramafic rocks based on drilling data. This fault is observed as shearing and alteration within the sub-cropping portions of the granodiorite.

Minor shear zones are observed both within and along the contacts of individual lithological units, although minor zones cross-cut the sequence in various orientations. These shear zones are generally orientated northwest.

4. Independent Geologist Report (Continued)

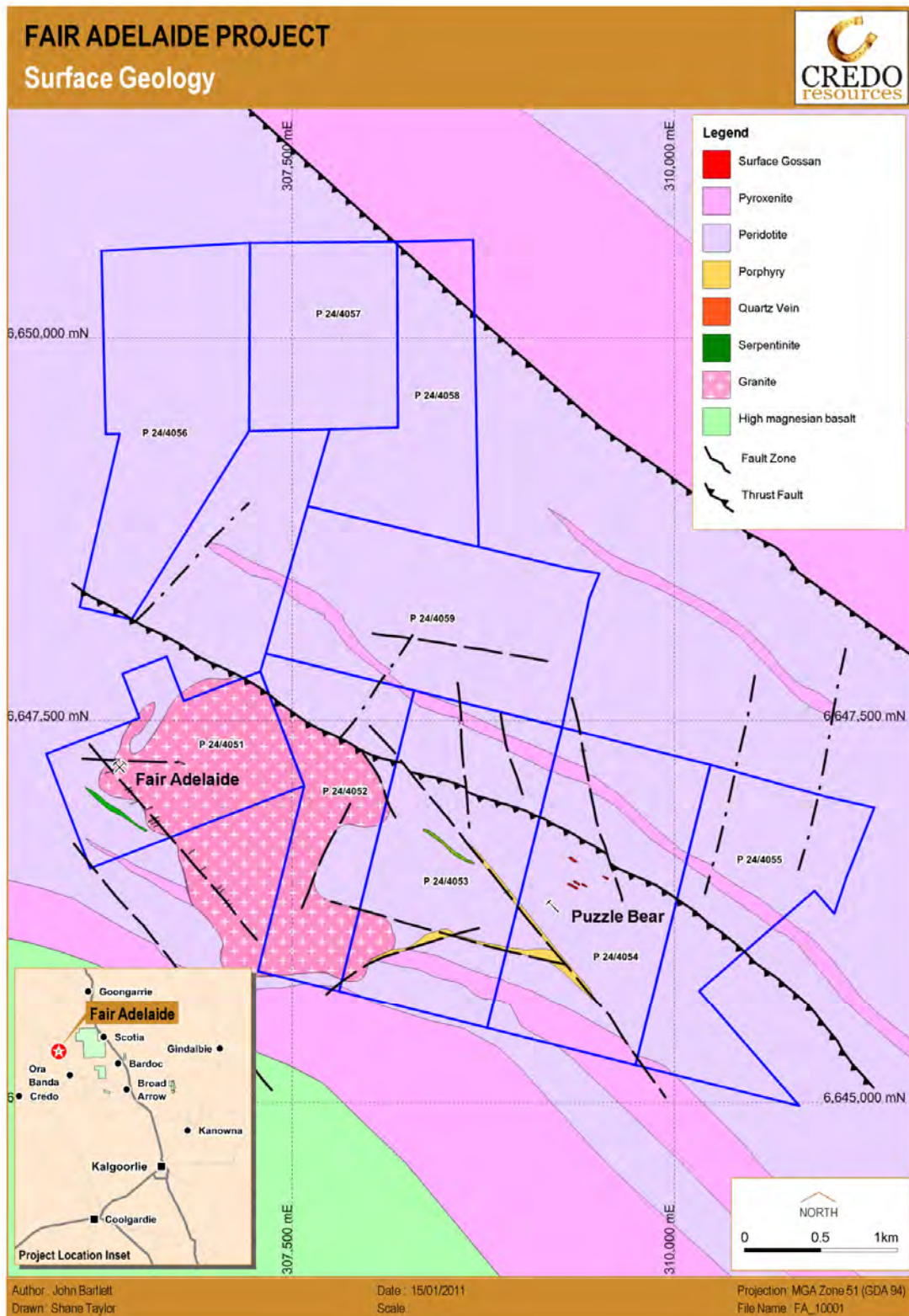


Figure 3.1 – Interpreted Geology of the Fair Adelaide Project

Mineralisation

The project covers the old workings of the Fair Adelaide Mine (Figure 3.2); where historic production between 1897 and 1934 from quartz veins is recorded as 3,856 tonnes for 17.3 kilograms of gold (Witt, 1993).

Gold mineralisation within the Fair Adelaide Project is associated with quartz veining; predominately striking in a northeast orientation, with variable dips ranging from sub vertical to shallow towards the southeast (Figure 3.3). The dip of the mineralised quartz veining on the quartz veining displays a wide range, varying from steep to shallow, predominately towards the southeast. The quartz veining is associated with the main shear structures within the project area and is interpreted to form enechelon vein arrays sets, at a high angle to the dominant shear orientation.



Figure 3.2 – Old Headframe at the Fair Adelaide Mine

4. Independent Geologist Report (Continued)



Figure 3.3 – Steep SE Dipping Quartz Veins at Fair Adelaide Mine

3.1.3 Previous Exploration

The Fair Adelaide project has been the subject to numerous phases of exploration since the nickel boom of the late 1960's. Western Mining Corporation (WMC) undertook nickel exploration during the 1960's and 1970's. Work included auger drilling and diamond drilling, however no results for the work are available.

Previous reports indicate that BHP Ltd completed drilling in the vicinity of the Fair Adelaide workings during the late 1970's and early 1980's; however no details of this work have been located.

BP Minerals Australia (BP) completed mapping, rock chip, soil sampling as well as RAB and percussion drilling between 1986 and 1988. Fifty two (52) rock chip samples were collected along small pits within granitoid and porphyry dykes and from quartz veining within the ultramafic. Seventeen (17) of the samples were returned greater than 1g/t Au, with better results including 52.6 g/t, 11.6 g/t and 9.5g/t Au.

BP completed a number of soil grids (initially 160 metre x 20 metre) at Queen Adelaide, Harry's Bore and Big Richard prospects. At Queen Adelaide, soil sampling defined a northwest trending gold anomaly, approximately 250 metres by 60 metres with a peak assay of 140ppb Au. At Big Richard, soil sampling defined a northwest trending gold in soil anomaly (peaking at 700 ppb Au) over 400 metres by 100 metres, open in both the northwest and southeast directions.

BP drilled a total of 280 RAB holes for 6,096 metres, primarily focussing on the margins of the Fair Adelaide granite as well as soil geochemical anomalies. Better results included 22 metres @ 0.27g/t Au from 8 metres (EOH) in RFA075 (Queen Adelaide prospect) and 12m @ 0.22g/t Au from 24m (EOH) in RFA154 (Fair Adelaide East). Twenty seven (27) reverse circulation holes for 1047 metres were completed on the project. Better results include 2m @ 0.52 g/t Au from 10m (FAP008), 2m @ 0.44 g/t Au from 8m (FAP025) and 2m @ 0.58 g/t Au from 6m (FAP026).

Between 1989 and 1990 WMC held an option over the Fair Adelaide Project. Work completed included a bulk (-6mm) soil sampling program on a 200 metre by 40 metres grid. A total of 1655 sample points were collected. The option was relinquished due to a lack of any significant surface geochemical response.

Delta Gold NL (Delta Gold) managed a joint venture over the Fair Adelaide Project with Archean Gold NL (Archean Gold) between 1994 and 1995. Delta Gold completed surface soil sampling over areas considered amenable and shallow vacuum drilling along the eastern margin of the granodiorite where it was believed alluvial clays may have diluted the surface geochemical response. Weak (>10ppb Au) anomalies were returned over subcropping granodiorite. Six (6) angled RC holes for 560 metres and seventeen (17) RAB holes for 524 metres were drilled during this period. Better results in the RC included 1m @ 3.77 g/t Au from 33 metres and 1 metre @ 2.14 g/t Au from 37 metres in hole FAC001 and 3m @ 1.84 g/t Au from 20 metres in FAC003. Better results from the RAB program included 1m @ 0.72 g/t Au from 5 metres and 1m @ 0.79 g/t Au from 24 metres (both in FAR007). Delta Gold withdrew from the joint venture in January 1996 due to disappointing exploration results.

Following the withdrawal of Delta Gold, Archean Gold continued to explore the Fair Adelaide Project. During 1996 Archean Gold undertook infill soil sampling and RAB drilling. Infill soil sampling to 100 x 50 metres confirmed the Fair Adelaide and Eastern Granite Contact (EGC) areas and the main zones of gold anomalism. Thirty three (33) RAB holes for 1534 metres were drilled to test the two main areas of greatest gold anomalism. Better results at Fair Adelaide included 5m @ 15.0 g/t Au from surface (FAR043) and 1m @ 3.1g/t Au from 3 metres (ending in a stope – FAR046). At the EGC area, a broad zone of anomalous gold mineralisation extends over one kilometre, associated with a granite ultramafic contact. Better results from the RAB drilling at EGC include 17m @ 1.1 g/t Au from 17 metres (FAR024) and 5m @ 1.1 g/t Au from 22 metres (FAR028).

Lachlan Resources NL (Lachlan) undertook exploration of Fair Adelaide Project from 1996 to 1998, following the takeover of Archean Gold. Work completed by Lachlan included re-assay of existing

4. Independent Geologist Report (Continued)

soil pulps for Ni, Cu, As; acquisition of multi-client aeromagnetic data, induced polarization (IP) geophysical surveys as well as RAB and RC drilling.

Four blocks of gradient array IP (26.6 line km) and two lines of dipole-dipole IP (1.7 line km) was completed. The IP surveys identified several chargeability anomalies.

A total of 47 RAB holes for 1,721 metres were drilled to test gold in soil anomalies associated with the northwest and eastern margins of the Fair Adelaide granodiorite stock. The drilling produced a best result of 7m @ 2.12 g/t Au from 36 metres (EOH) in FAR0071, associated with sulphidic, biotite altered komatiitic ultramafic. Fifteen (15) RC holes for 1,558 metres were completed to test RAB and IP chargeability anomalies. Results were disappointing with no significant mineralisation was intersected.

Between 2004 and 2007, Crusader Resource Ltd ("Crusader") has undertaken a number of soil and rock chip sampling programs at Fair Adelaide and at Puzzle Bear, targeting both gold and nickel.

In 2004, a fixed loop (FLEM) and moving loop (MLEM) electro-magnetic (EM) survey was carried out over the Puzzle Bear prospect. The initial FLEM identified a possible conductor outside the survey area to the southwest of the Puzzle Bear gossan, however interpretation of the subsequent MLEM concluded the measured response is consistent with a near surface, weathering source.

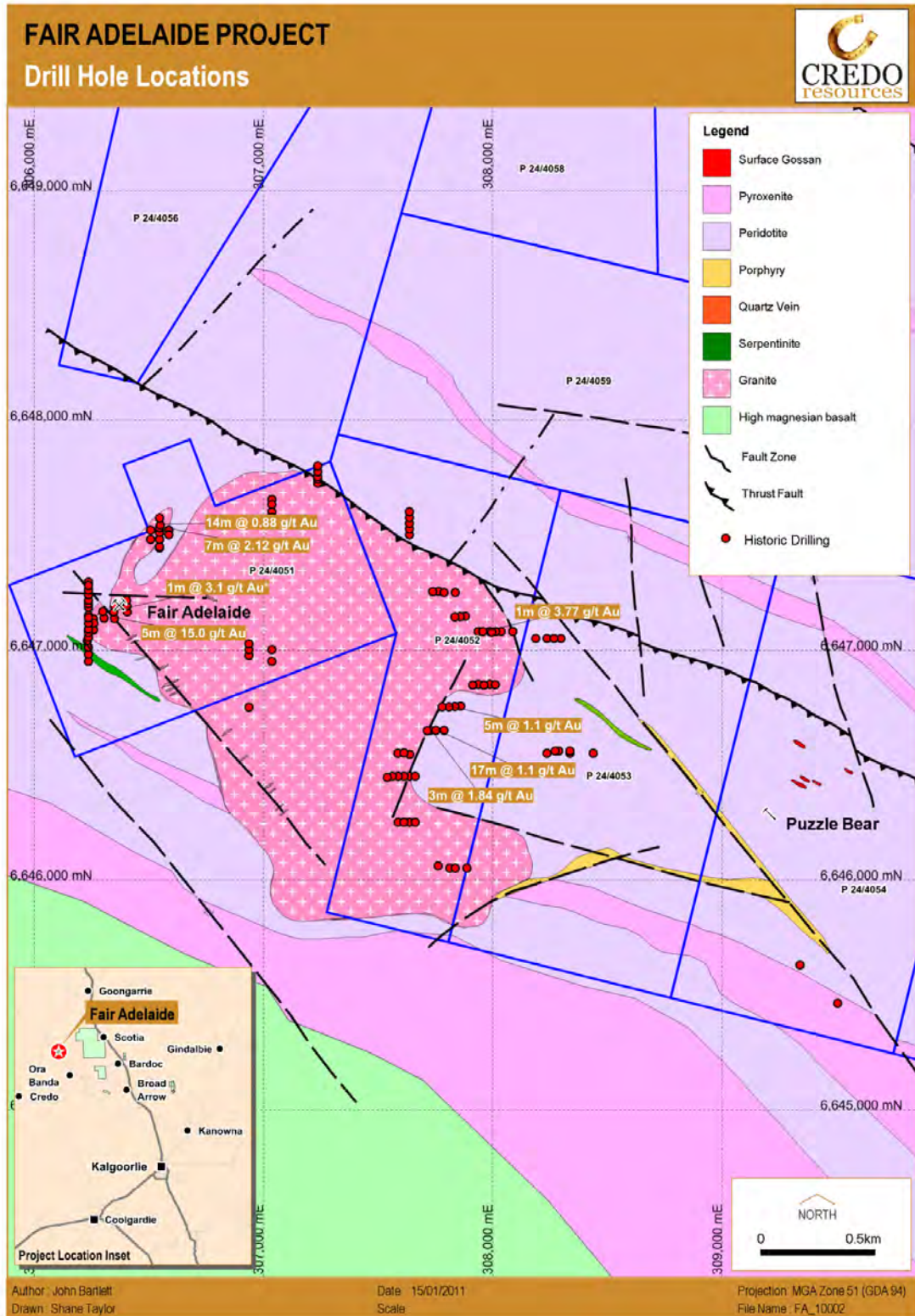


Figure 3.4 – Summary Drilling Plan of the Fair Adelaide Project

4. Independent Geologist Report (Continued)

Crusader completed a limited RAB / aircore program over the Fair Adelaide East prospect, designed to follow-up existing intersections. The drilling returned a best result of 12m @ 1.28 g/t Au from 22 metres (FAR098). A limited RAB program, designed to test the laterite nickel potential of the property was also undertaken at Puzzle Bear. Better results included 13m @ 0.72% Ni from 9 metres (PBR001), and 17m @ 0.92% Ni from 4 metres (PBR003).

From 2008, Crusader has limited exploration to desktop reviews minor prospecting activities.

3.1.4 Exploration Potential

The Fair Adelaide project is considered to be prospective for economic Achaean lode-style gold as well as komatiite nickel sulphide and laterite nickel mineralisation.

Drilling at Fair Adelaide East, has shown the presence of a weathered zone gold anomaly that remains poorly constrained and a primary source of gold has yet to be located. A conceptual model, broadly similar to setting of the Tarmoola gold mine near Leonora, consisting of a sheared granitoid contact with ultramafic remains untested (Figure 3.5).

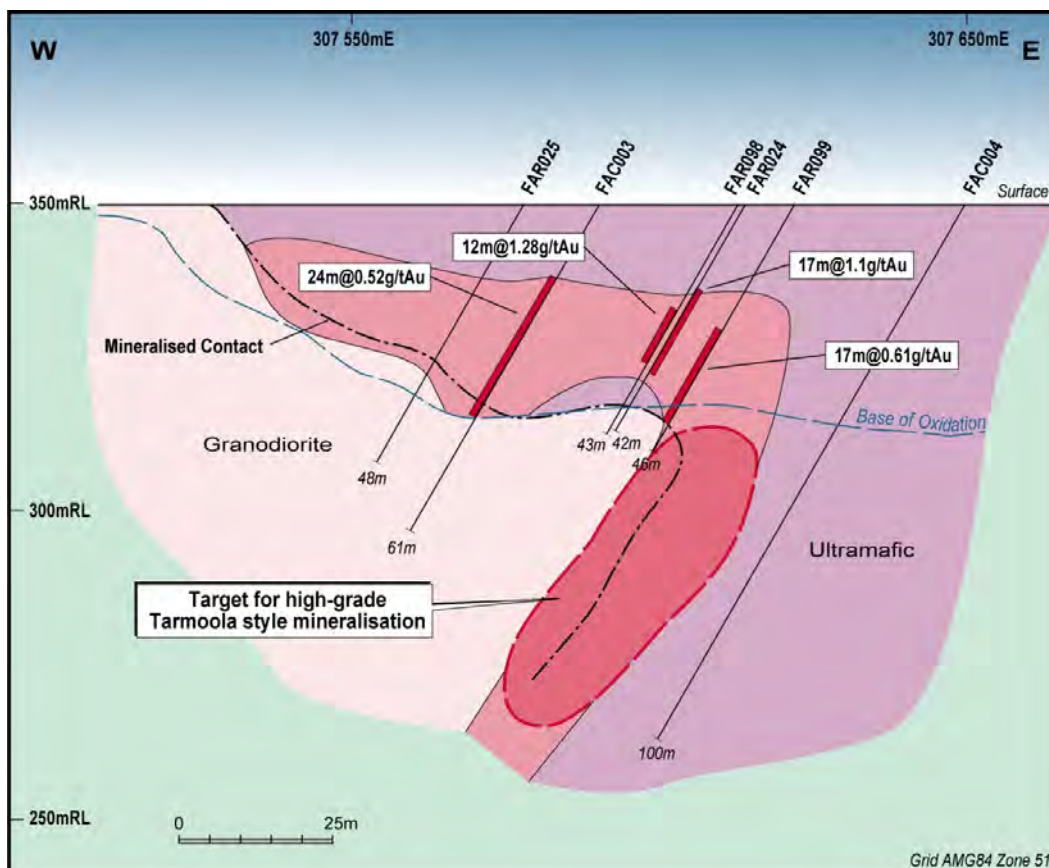


Figure 3.5 – Fair Adelaide East Prospect: Schematic of Gold Potential

A considerable amount of the exploration effort by past explorers has focused on the northeast trending Fair Adelaide Gold trend. Whilst exploration to date has so far failed to identify a significant

gold discovery, exploration has been of limited depth extent and doesn't preclude the possibility of a high grade, steeply plunging, pencil like shoot of limited strike extent being present. This project requires a detailed evaluation of the existing database, including a structural review of the controlling structures to identify likely positions for such shoots.

Soil Sampling at Puzzle Bear has outlined two gold anomalies (> 10 ppb Au) that are spatially associated with a regional scale fault system, with the higher order anomaly supported in limited RAB drilling by Crusader (PBR003: 1m @ 2.38 g/t Au from 41 metres). These anomalies have not been subjected to systematic drill testing and are considered worthy of additional exploration.

Previous exploration for nickel sulphide mineralisation on the Fair Adelaide project has been limited to surface evaluation. Two sub-parallel nickel bearing gossans adjacent to thrust faults were discovered at Puzzle Bear during mapping in 2004. The gossans occur within the lowermost komatiitic high MgO olivine cumulate rocks and are interpreted to be after hangingwall nickel sulphide positions. The gossans at Puzzle Bear display geochemical similarities with hanging wall lodestones recognised in the Kambalda and Forresteria areas (e.g. the Otter Juan and Cosmic Boy Mines).

Rock chip samples from Puzzle Bear returned assays up to 6,240ppm Ni and 271ppm Cu, with anomalous PGE's. Mineralogic and petrographic assessment of the gossan concluded that the gossanous boxworks were indicative of iron sulphides but no obvious nickel sulphide gossan was observed. The EM surveys over the Puzzle Bear gossan failed to identify a conductor; however the survey was not extended to the limits of the tenement holding.

Importantly the concept has not been subjected to any drill testing into fresh rock. The lack of a substantial conductor does not preclude the presence of a significant disseminated to matrix style nickel sulphide mineralisation either down dip of the gossan positions, or on the interpreted basal contact position.

The nickel laterite potential of the area remains largely untested, with no systematic efforts to establish the nature and extent of laterite deposits mineralisation, despite the project covering the same stratigraphic units that host the Cawse Laterite Nickel Mine; located less than five kilometres from the Fair Adelaide Project. Cawse Laterite Nickel Mine; which boasted a total resource estimated at 213Mt averaging 0.7% Ni and 0.04% Co in 1997, covering some 25 strike kilometres.

3.1.5 Exploration Strategy and Budget

Credo has provided OPGS with an exploration program and budget for the first two years following listing. Credo's exploration strategy will initially comprise a detailed compilation and review of previous work, including a review of the available geophysical data (magnetic, IP and EM), to identify additional targets warranting follow-up exploration. A structural study around the Fair Adelaide – Fair Adelaide East area is to be completed. As part of the structural evaluation, the budget includes provisions for the acquisition of additional geophysical data

A staged work program and budget has been proposed, with planning of subsequent stages based on the results of the initial work programs.

4. Independent Geologist Report (Continued)

The work program for Year 1 comprises:

- Sub-Audio Magnetic (SAM) survey of the Fair Adelaide prospect
- Systematic RAB drilling to follow-up surface geochemical anomalies at Puzzle Bear
- RC drill testing to follow-up existing RAB gold anomalies and test conceptual targets at Fair Adelaide East and Puzzle Bear.

In the second year of exploration, additional drilling has been proposed to advance targets identified during the first year.

The budget for the above work program is shown in Table 3.1. The proposed budget is considered compatible with the prospectivity of the project and is sufficient to achieve the stated objectives as well as meeting the statutory exploration commitments.

Table 3.1 – Exploration Budget at Fair Adelaide Project for the First Two Years

Activity	Year 1 (A\$)	Year 2 (A\$)
Geophysical Acquisition	40,000	
RAB Drilling	50,000	
RC (+/-diamond) drilling	80,000	210,000
Project geologist, consultant geophysicist and Field Personnel	60,000	60,000
Total	230,000	270,000

3.2 Boomerang Dam Project

3.2.1 Location, Access and Physiology

The Boomerang Dam Project is located approximately 35 kilometres to the north of Kalgoorlie, in the Coolgardie Mineral Field, Eastern Goldfields of Western Australia.

The tenements are situated on the Gindalbie (3237) 1:100,000 scale sheets and the Kurnalpi (SH51-10) 1: 250,000 scale sheet. The tenements lie wholly within the Mount Veters pastoral lease.

Access to the project area is gained by travelling approximately 20 kilometres north from Kalgoorlie via the sealed Goldfields Highway; turning east onto the former Kanowna – Paddington haul road. Access around the project area is via various station tracks.

The project area is characterised by low relief dominated by broad, low gradient alluvial systems. Vegetation comprises open mulga and Acacia woodland and open grassland.

3.2.2 Geology and Mineralisation

The Boomerang Dam Project is located within the Kanowna area; which lies within the Boorara Domain, on the eastern margin of the Kalgoorlie Terrane.

The area is dominated by ultramafic, mafic and felsic volcanic rocks which have been thrust against a massive granite body known as the Scotia – Kanowna Batholith. The Scotia – Kanowna Batholith is interpreted to be located within the core of a major north northwest striking anticline, with the Boomerang Dam Project located on the eastern limb of this structure.

The local stratigraphy comprises a north-easterly dipping sequence of predominately tholeiitic basalts with lesser komatiitic rocks, high magnesium basalts minor quartz poor sediments over the majority of the project area. A sequence of intercalated shales and chert is present along the eastern boundary of the Boomerang Dam tenements (Figure 3.6).

An east-west striking Proterozoic Dolerite dyke cuts across the project area towards the southern boundary.

The basement geology is obscured by recent cover over the majority of the project area. There appears to be three north-east trending palaeochannels within the tenement area. The Laguna Palaeochannel cuts through the northwest corner of the project area, with a number of the historical drill holes failing to reach basement. The second channel cuts through the central northern portion of the tenement package and appears to be broad and poorly defined. The third channel is narrow, occurring approximately 300 metres south of the second channel. Present day drainage mirrors the third channel.

Structure

The contact between the mafic – ultramafic dominated sequence and the sedimentary sequence is structural with intense shearing associated with a series of major north-northwest shear zones, including the Scotia Shear.

4. Independent Geologist Report (Continued)

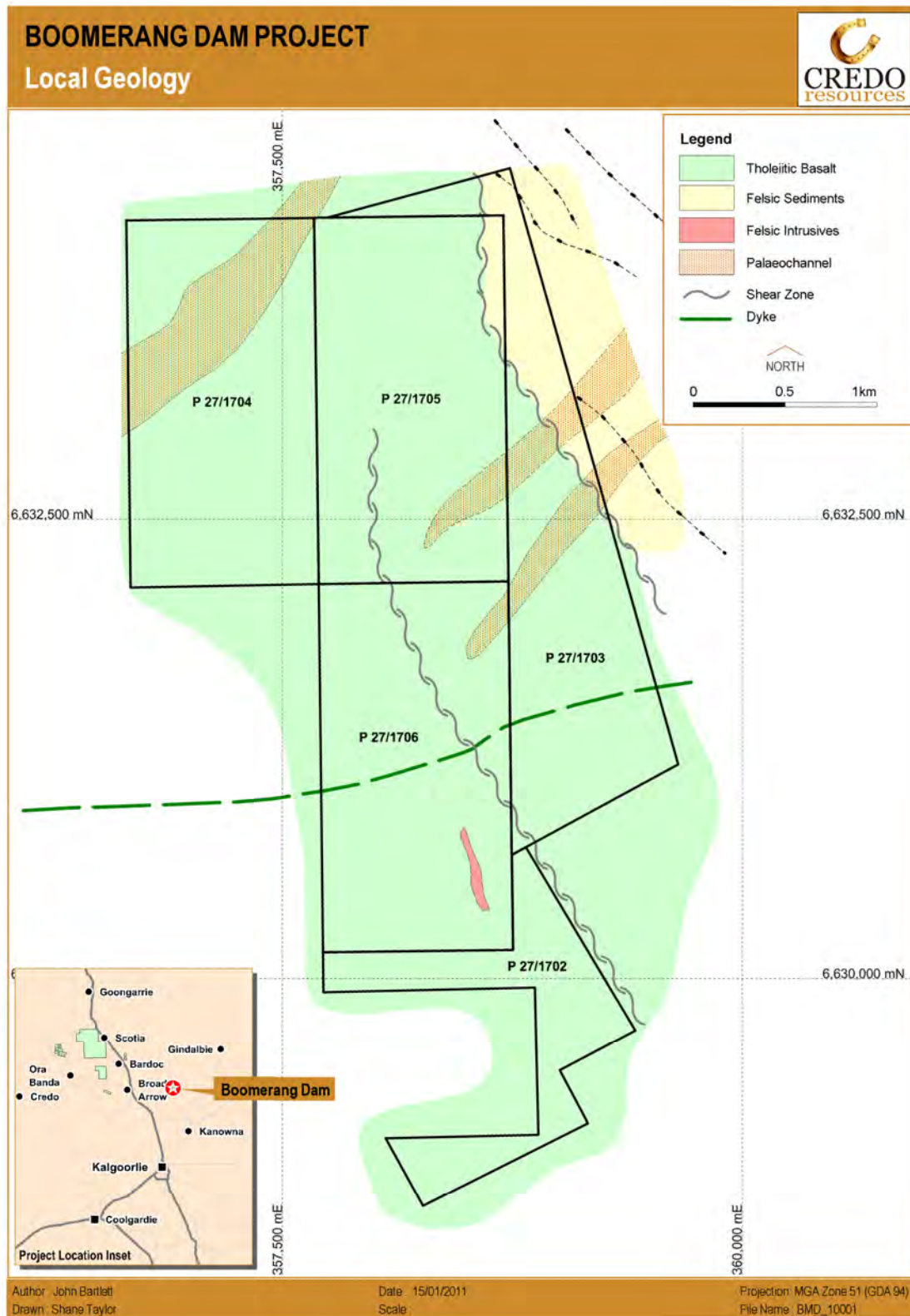


Figure 3.6 – Interpreted Local Geology of the Boomerang Dam Project

Mineralisation

The only known mineralisation on project area is a series of old gold workings over quartz veining along shear zones in the southern portion of the project area.

Widespread gold mineralisation has been intersected in the regolith at the base of oxidation; however, no bedrock gold mineralisation has been discovered in RC drilling to date. The regolith gold mineralisation is spatially related to sericite – quartz alteration of the felsic rocks and carbonate alteration of the mafic rocks, within zones of shearing.

3.2.3 Previous Exploration

The earliest evidence of mining activity in the project area are historical workings, located in the southern portion of the project area. The age of these workings are unknown and there no records of production have been located.

The first modern exploration on the Boomerang Dam prospect was conducted by ManKal Mining Pty Ltd ("ManKal") during 1987. Work completed by ManKal included limited rock chip sampling with a best result of 0.88g/t Au from the southern shaft. A total of 225 shallow RAB drill holes for 1476m were completed on 400 metre spaced lines. Bottom of hole sampling of the RAB holes returned a best result of 0.25g/t Au.

In 1995 North Ltd ("North") signed an option to purchase the project from the then owner, Mr R Lewis. Work completed by North between 1995 and 1996 included wide spaced soil sampling and RAB drilling. North completed a 250m x 250m soil sampling program over the entire project. A total of 163 samples were collected from 150 sample sites. The survey produced a peak gold value of 225 ppb Au with 18 anomalous samples (> 21 ppb Au), concentrated along the eastern portion of the project.

North completed a total of 116 vertical RAB holes were completed (RP2374-2420, RP2772, RP2776-2779 and RP2781-2844) for a total 5394 metres. Drilling defined a number of low order (+100ppb) bedrock geochemical anomalies, with a best result of 10m @ 0.68 g/t Au from 28 metres (RP2777), including 4m @ 1.31 g/t Au. North interpreted the anomalous results were a result of supergene enrichment of thin, erratically distributed primary sources. North Ltd withdrew from the project during 1996 and the ground was subsequently dropped by Mr Lewis.

In October 1996, Delta Gold NL ("Delta") signed an option to purchase the project from Goldearth Enterprises Pty Ltd ("Goldearth"). During the 1997 reporting period, Delta completed 54 aircore holes (BDAC001 – 054) for a total of 3,321 metres; targeting a north-west striking shear zone highlighted during a regional aeromagnetic interpretation. Drilling was carried out on a nominal 320 metre x 100 metre pattern. Interpretation of the drill results highlighted a series of northwest geochemical anomalies, coincident with the interpreted shear zone. Drilling also defined a bedrock geochemical anomaly along the eastern portion of the tenement, associated with an intensely sheared contact between tholeiitic basalts and felsic sediments (Figure 3.10). Better results from the drill program included 1m at 1.20g/t Au (BDAC009), 9m at 0.65g/t Au from 51 metres (BDAC011), 2m @ 1.08 g/t Au from 55 metres (BDAC046) as well as 8m @ 1.20 g/t Au from 43 metres and 2m @ 2.31 g/t Au from 62 metres (both BDAC049).

4. Independent Geologist Report (Continued)

During the 1998 reporting period, Delta drilled an additional 76 aircore holes (BDAC 055 – 171, non-consecutive) for a total of 5,703 metres to better define the anomalies defined the previous year. Drilling defined a coherent geochemical anomaly (>20ppb Au) at the Eastern anomaly over a 3.5 kilometre strike length and 150 – 250 metres wide; open to the north and south. Better drill results included 1m @ 1.20 g/t Au from 105m to EOH (BDAC090), 5m at 1.01g/t Au from 115 metres (BDAC154) and 2m at 2.5g/t Au from 61 metres (BDAC171).

A total of 9 RC holes (BDC001-007a, 010) for 1,661 metres were completed during 1998 to follow-up higher grade intercepts within the aircore drilling. Better results from the RC drilling included 5m at 1.72g/t Au from 85 metres (BDC003), 1m at 1.42g/t Au from 152 metres (BDC004) and 5m at 0.82g/t Au from 55 metres (BDC010).

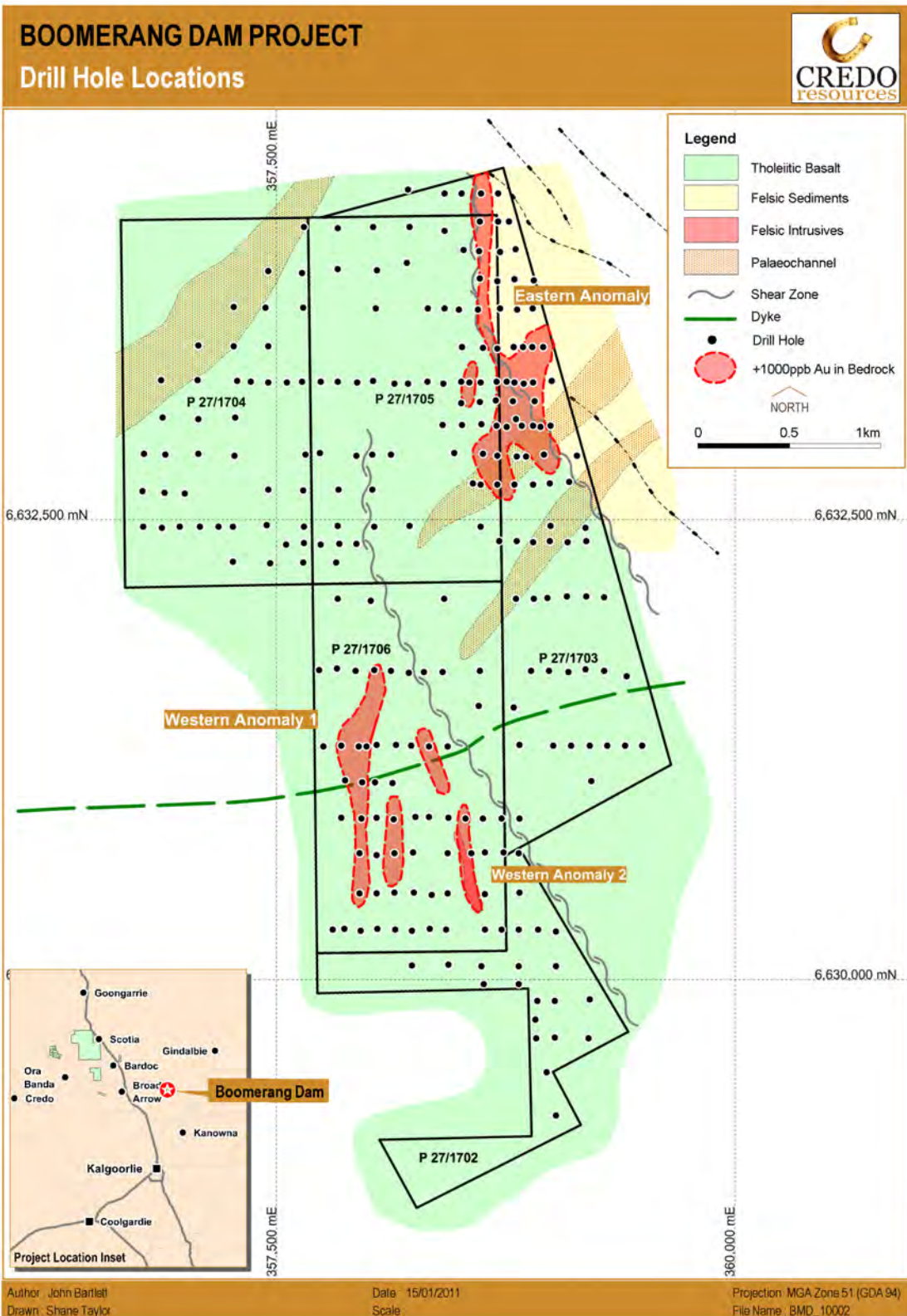


Figure 3.7 – Bedrock Geochemical Anomalies within the Boomerang Dam Project

4. Independent Geologist Report (Continued)

During the 1999 reporting period, Delta completed 7 aircore holes (BDAC178-184) for 688 metres and 1 RC hole (BDC011) for 140 metres. Significant results include 1m at 1.14g/t Au (BDAC180), 1m at 1.1g/t Au (BDAC182), 1m at 1.73g/t Au from 48m and 2m at 1.26g/t Au from 52m (BDAC183). Delta concluded that, based on the results of the RC drilling, there was limited potential for primary mineralisation. The option between Delta and Goldearth expired in December 2001.

Aurion Gold ("Aurion") entered into a joint venture with Goldearth in 2002. Aurion completed aeromagnetic survey over the project area. Aurion completed a total of 31 aircore holes (BDAC185-195, 198-217) for a total of 2216 metres. Better results from the aircore program include 4m at 1.39g/t Au from 44m and 5m at 1.1g/t Au from 56m (BDAC198) and 1m at 2.46g/t Au from 87m (BDAC185). Aurion subsequently withdrew from the joint venture in 2003.

Since 2003, exploration on the project has been restricted to limited prospecting activities.

3.2.4 Exploration Potential

The Boomerang Dam project covers an area considered prospective for lode gold mineralisation. The project area contains the same geological package and bears a similar structural configuration to that of Kanowna Belle Gold Deposit, located approximately 20km to the south.

Exploration within the project area faces the challenges associated with exploring beneath transported cover; with the majority of the basement geology within project area obscured by recent transported sediments. Effective exploration in areas of cover has been limited to regolith geochemistry within aircore drilling with only limited RC follow-up. It is important that the data be carefully evaluated to establish whether drilling to date has been effective. Exploration at the nearby Kanowna Belle Belle demonstrated that there was significant gold depletion to depths of up to 40m in residual regolith.

Aircore drilling by previous explorers has identified widespread gold mineralisation in the regolith at the base of oxidation. Spatially the regolith gold mineralisation is associated with shearing and strong alteration, including sericite – quartz (biotite) alteration of the felsic rocks and carbonate alteration of the mafic rocks; indicative of high fluid movement, important in the deposition of gold. Follow-up RC drilling has so far failed to identify any bedrock gold mineralisation, however this follow-up has not been comprehensive and a number of regolith anomalies, including BDAC049 and BDAC061, have not had been followed up with RC or diamond drilling. These targets represent early, "walk up" drill targets for Credo.

3.2.5 Exploration Strategy and Budget

Credo has provided OPGS with an exploration program and budget for the first two years following listing. Credo's exploration strategy will initially comprise a detailed compilation and review of previous work to help build up a full picture of the projects prospectivity and plan follow-up work at Boomerang Dam. In particular, a strong emphasis on the structural framework and distribution of alteration is expected to identify additional targets for future exploration.

A staged work program and budget has been proposed, with planning of subsequent stages based on the results of the initial work programs.

The work program for Year 1 comprises:

- RC drilling to follow-up bedrock mineralisation identified in historical aircore drilling; and
- Regional aircore drilling, targeting areas identified during the review stage.

In the second year of exploration, additional drilling has been proposed to follow-up targets identified during the first year.

The budget for the above work program is shown in Table 3.2. The proposed budget is considered compatible with the prospectivity of the project and is sufficient to achieve the stated objectives as well as meeting the statutory exploration commitments.

Table 3.2 – Exploration Budget at Boomerang Project for the First Two Years

Activity	Year 1 (A\$)	Year 2 (A\$)
Aircore Drilling	80,000	
RC (+/-diamond) drilling	90,000	210,000
Project geologist, consultant geophysicist and Field Personnel	60,000	60,000
Total	230,000	270,000

3.3 Bardoc North Project

3.3.1 Location and Access

The Dixie Project is located approximately 50 kilometres to the north of Kalgoorlie, in the Eastern Goldfields of Western Australia. The project area is wholly within the Mount Vettors Pastoral Lease.

The tenements are situated within Bardoc (3137) 1:100,000 scale sheets and on the Kalgoorlie (SH51-9) 1: 250,000 scale sheet.

Access is gained by travelling approximately 50 kilometres north from Kalgoorlie via the sealed Goldfields Highway. Access into the project area is via various tracks and exploration grid lines.

The project area is typified by open, gently undulating country with stands of mulga scrub, salmon gum and gimlet forest.

4. Independent Geologist Report (Continued)

3.3.2 Geology and Mineralisation

The Bardoc North Project is located in the Bardoc Tectonic Zone; a NNW striking crustal scale shear zone, developed along the Bardoc-Broad Arrow greenstone belt, which stretches from Broad Arrow in the south to Goongarrie in the north.

The Bardoc Tectonic Zone is a that separates the Goongarrie-Mount Pleasant Anticline (Ora Banda Domain) to the west from the and Scotia-Kanowna Anticline (Boorara Domain) to the east. The Project tenements cover the easternmost edge of the Bardoc – Broad Arrow Greenstone belt. A sequence of basalt, dolerite and gabbro underlay the western portion of the project area. To the east, the project covers granitic rocks of the Scotia – Kanowna Batholith. The contact between the mafic sequence and the granite is interpreted to be shear controlled. Small northeast to east northeast and southeast striking faults cut the greenstone belt, offsetting earlier structures (Figure 3.8).

Mineralisation

Mineralisation within the project area appears to be associated with structurally controlled quartz veins and within sheared, altered mafic rocks. A number of historical workings, including shafts and prospecting trenches are present within and immediately adjacent to the project area. . The Ellen Pearce and Wycheproof Mines along the western boundary of the project produced 52.5 and 78.14 kilograms of gold respectively between 1904 and 1985. Production from the Patience and Bardoc Extended South gold workings in the southwest of project is not known.

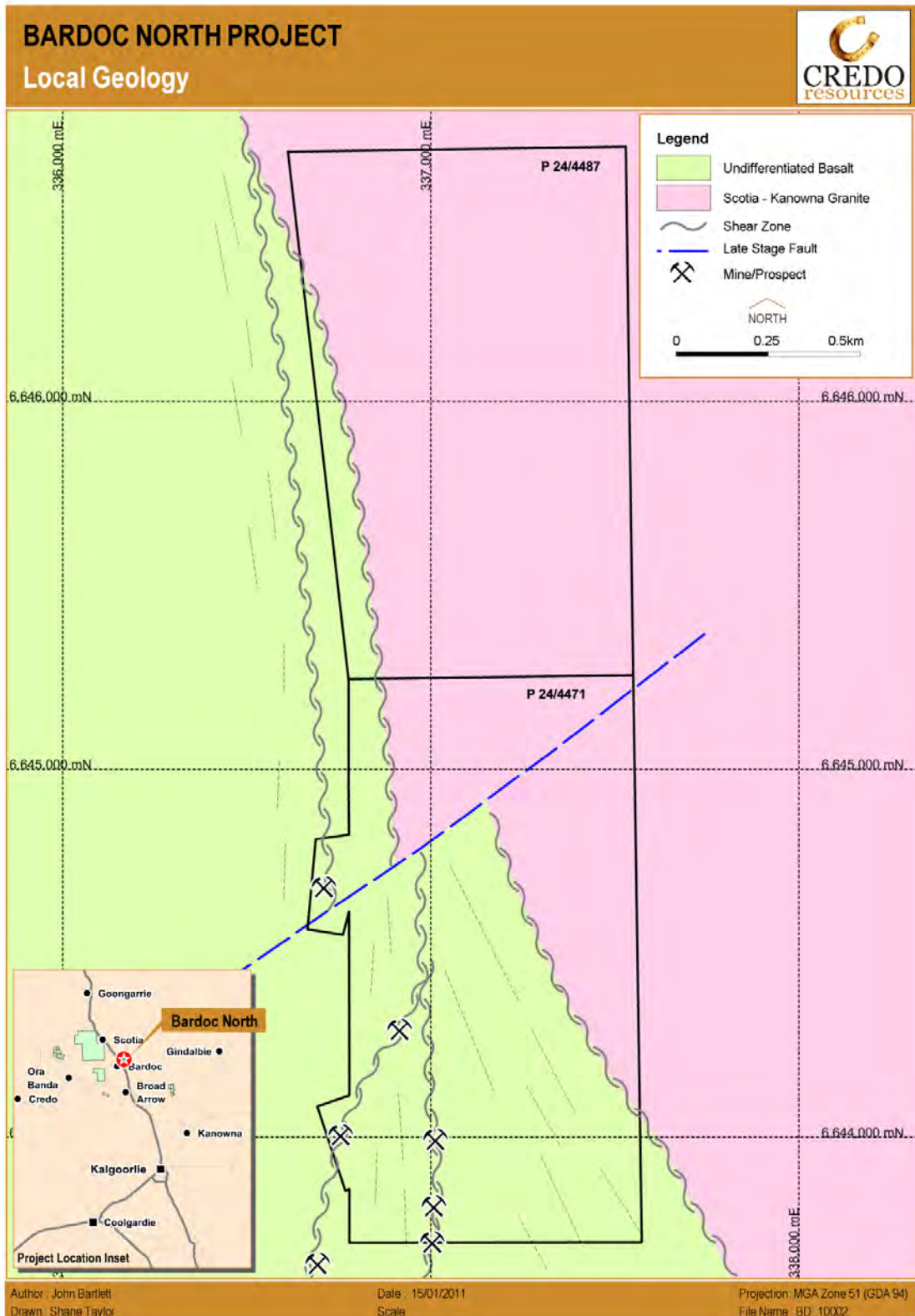


Figure 3.8 – Interpreted Local Geology of the Bardoc North Project

4. Independent Geologist Report (Continued)

3.3.3 Previous Exploration

Modern exploration efforts in the project area commenced during the late 1960's. Amax Exploration Aust. Inc and Australian Anglo American Ltd undertook exploration for Kambalda style nickel – copper mineralisation in the Bardoc area between 1967 and 1976. Their work included geological mapping, IP surveys, soil sampling and diamond drilling programs. Australian Consolidated Equities ("ACE") held the area covered by the current project from 1988 to 1990. During 1988 the company completed 34 RAB holes (BAR12-42, 49-51) for 563 metres in the southern part of M24/380. The drilling tested a north trending shear and a number of shallow gold intersections were reported including 4 m at 9.83 g/t Au from 20 m in BAR049.

Mount Edon Gold Mines ("Mt Edon") completed a total of 21 RAB holes (BAR52-72) for 526 metres, targeting a number of old workings and infilling the earlier drilling. The drilling identified a narrow, north trending zone of gold mineralisation associated quartz veining within sheared basalts. A number of significant intersections were reported, including 4 m at 8.70 g/t Au from 4 metres (BAR057).

Mt Edon conducted a soil sampling program over the southwest portion of the project area during 1993. A total of 135 samples were collected on a 200 m x 50 m grid which was closed up to 100 m x 25 m in the south. The samples were analysed for low-level Au (1 ppb detection limit) and As. The results outlined a broad zone of gold anomalism along the western licence boundary up to a peak of 94 ppb. During 1995 two of the old RAB holes were re-sampled as 2m composites and returned high grade gold assays associated with strongly sheared iron stained basalt and minor quartz veining. The re-sampling results included 2m @ 39.3 g/t Au from 6 metres (BAR057) and 2m @ 9.70 g/t Au from 20 metres (BAR060).

During 1996 a regional aeromagnetic survey was conducted by Tesla Airborne Geoscience for Mt Edon on 50 metre spaced east-west lines. Interpretation of the aeromagnetic data revealed a number of targets associated with major north northwest trending structural features.

Tarmoola Australia Pty Ltd ("Tarmoola"); a wholly owned subsidiary of PacMin Mining Corporation Ltd ("PacMin") acquired the ground during 1997 through a corporate takeover of Mount Edon. Work completed by Tarmoola, during January 1998 involved geological mapping at 1:50,000 scale over the project area. During the 1999-2000 field season Oriole Resources Ltd, a wholly owned subsidiary of PacMin, completed a program of 10 RAB holes (BAR073-082) for 460 metres over the south western part of the project area. The holes were drilled 100 – 200 metres apart on three east-west traverses between 300 to 400 metres apart north-south. Encouraging results were returned with a number of broad, low-grade gold intersections, such as 10 m at 0.88 g/t Au including 2 m at 1.43 g/t Au from 16 m in BAR079.

International Goldfields Ltd completed a single east-west traverse of 10 RAB holes for 559 metres within the project area during 2003. Drilling was designed to test a north striking shear zone and an interpreted northeast trending shear near the western margin of the large granitic body to the east. Results from the drilling were disappointing; with a best result of 4 m @ 0.10 g/t Au from 8 m (BCB009) in weakly foliated basalt below some old workings. Limited rock chip sampling of sub-cropping north striking quartz veins to the north of the drilling returned better results of 17.23 g/t, 14.75 g/t, and 1.15 g/t Au.

Scimitar Resources acquired the Bardoc Project in December 2003 Scimitar and completed a reconnaissance auger soil sampling program on 100 m by 50 m spacing over the south western part of the project area. This program successfully defined a "gold in auger" anomaly which peaks at 349ppb Au and is semi-continuous over a strike length of 2.3 km covering the western side of the project area (Figure 3.9).

3.3.4 Exploration Potential

The Bardoc North Project is located along the eastern margin of the structurally complex Bardoc Tectonic Zone, and is considered prospective a for a variety of different styles of gold mineralisation, ranging from structurally controlled, mafic lode systems, the smaller, but typically higher grade "Kundana style" gold mineralisation as well as granite hosted gold mineralisation.

4. Independent Geologist Report (Continued)

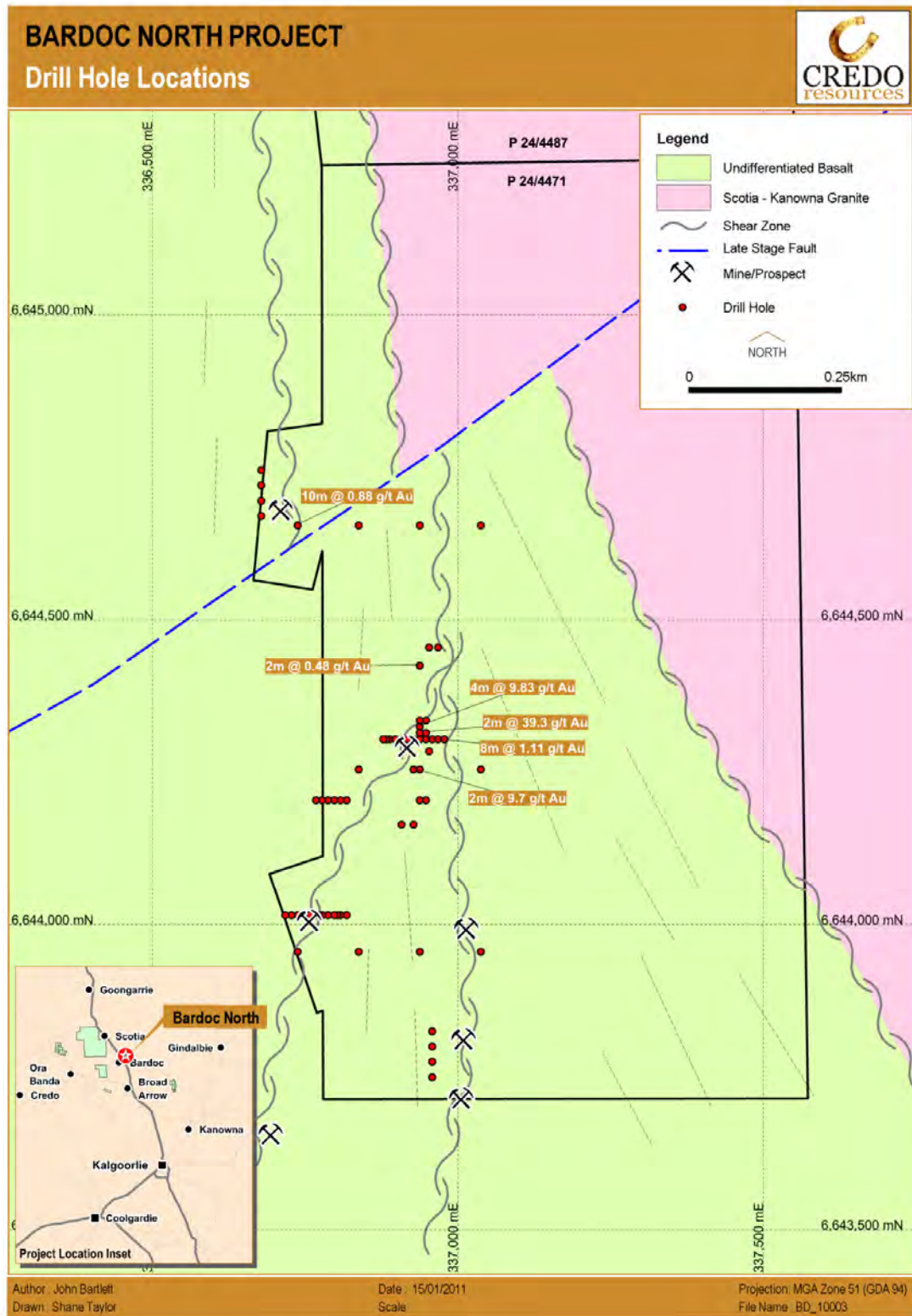
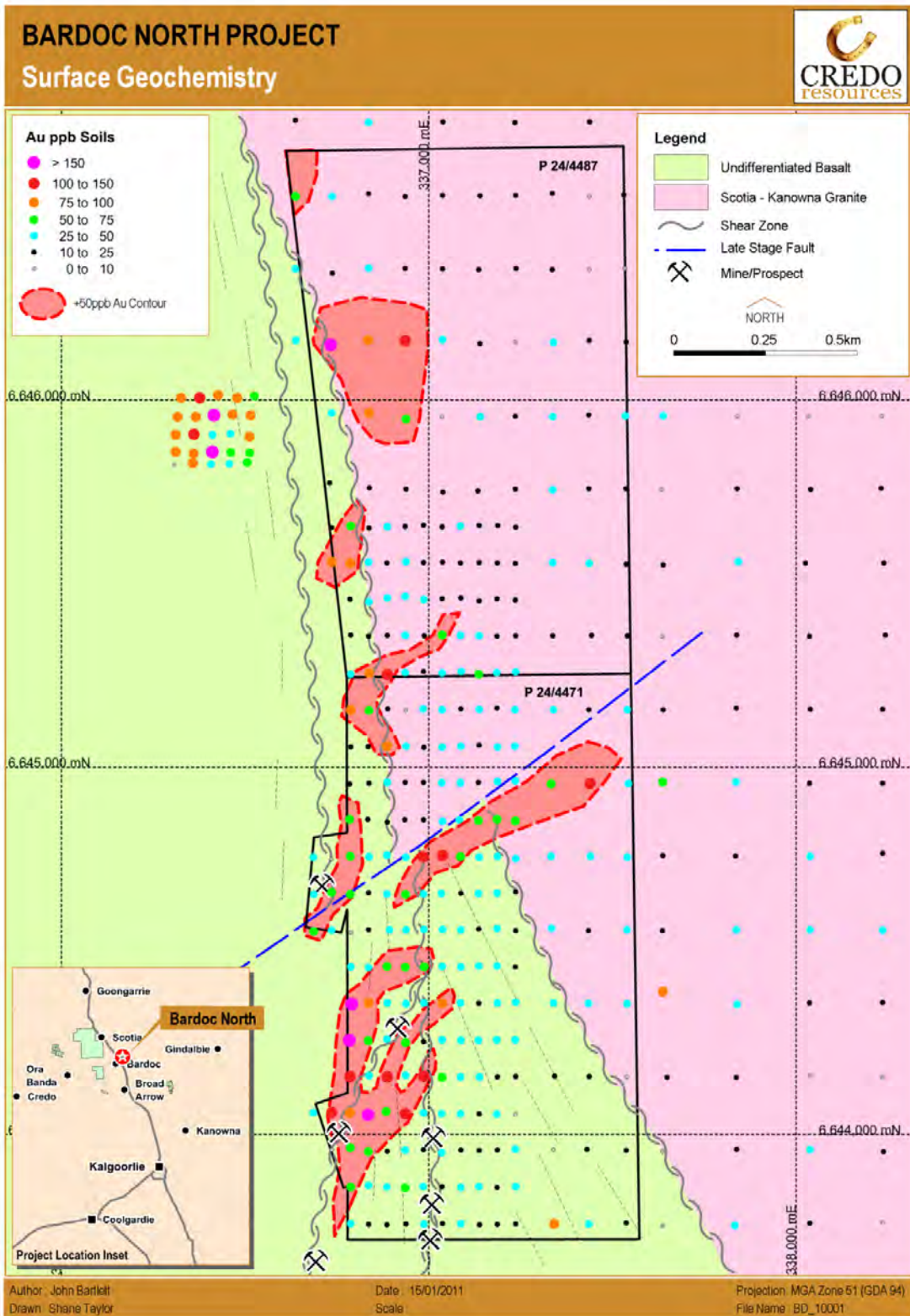


Figure 3.9 – Drill Summary Plan for Bardoc North Project



Author: John Bartlett Date: 15/01/2011 Projection: MGA Zone 51 (GDA 94)
 Drawn: Shane Taylor Scale: File Name: BD_10001

Figure 3.10 – Scimitar Soil Geochemistry (Gold) at Bardoc North Project

4. Independent Geologist Report (Continued)

The potential for economic mineralisation within the project area is demonstrated by the presence of numerous historical workings within and adjacent the project area.

For much of the projects recent history the project has been held by larger mining companies and has been considered a low priority area. As such, exploration has been sporadic and appears to be somewhat formulated, with limited time to properly evaluate and target the exploration efforts.

A priority area is in the southern portion of the project area, where historical RAB drilling has intersected a number of high grade intercepts associated with quartz veining and sheared, altered mafic rocks. These high grade intercepts occur within a broader envelope of low grade gold, defining a north striking shear zone.

Importantly, the RAB drilling has only tested the system to a depth of around 30 metres and there has been no RC drilling to test the system beneath the limits of the RAB drilling. A detailed structural evaluation of the area to assess the controls on mineralisation as well as establishing plunge direction prior to any RC drilling testing is strongly recommended.

Recent soil sampling indicates the potential for both north and northeast striking mineralised structures. Drilling to date has focussed on the areas immediately around, and along strike from old workings and has not tested a large portion of the soil targets. In the northern portion of the project area wide spaced soils have defined broad soil anomaly in area previously not known for gold mineralisation.

3.3.5 Exploration Strategy and Budget

Credo has provided OPGS with an exploration program and budget for the first two years following listing. Credo's exploration strategy will initially comprise a detailed compilation and review of previous work to plan follow-up work at Bardoc North. A staged work program and budget has been proposed, with planning of subsequent stages based on the results of the initial work programs.

The work program for Year 1 comprises:

- Follow-up surface geochemistry to better define gold in soil anomalism;
- Angled RAB drilling over priority soil / structural targets; and
- Limited RC drilling of the priority area to determine the down dip potential of mineralisation intersected in RAB drilling.

In the second year of exploration, additional drilling has been proposed to follow-up targets identified during the first year.

The budget for the above work program is shown in Table 3.3. The proposed budget is considered compatible with the prospectivity of the project and is sufficient to achieve the stated objectives as well as meeting the statutory exploration commitments.

Table 3.3 – Exploration Budget at Bardoc North Project for the First Two Years

Activity	Year 1 (A\$)	Year 2 (A\$)
Surface geochemical surveys	40,000	
RAB Drilling	90,000	
RC drilling	60,000	200,000
Project geologist, consultant geophysicist and Field Personnel	50,000	60,000
Total	240,000	260,000

3.4 Dixie Project

3.4.1 Location and Access

The Dixie Project is located approximately 40 kilometres to the northwest of Kalgoorlie, in the Broad Arrow Mineral Field, Eastern Goldfields of Western Australia.

The tenements are situated within Bardoc (3137) 1:100,000 scale sheets and on the Kalgoorlie (SH51-9) 1: 250,000 scale sheet. The tenement lies within the Black Flag pastoral lease.

Access to the project area is gained by travelling approximately 38 kilometres north from Kalgoorlie via the sealed Goldfields Highway, then west along the Broad Arrow – Ora Banda Road. A number of local tracks provide excellent access into the project area.

The project area is characterised by gently undulating country with a number of alluvial channels dissecting topography. Vegetation is predominately open mulga scrub with salmon gum stands along the alluvial channels.

3.4.2 Project Geology and Mineralisation

The Dixie Project is located within the Ora Banda Domain, within the central portions of the Kalgoorlie Terrane.

4. Independent Geologist Report (Continued)

The Dixie Project lies within a narrow west-north-westerly trending greenstone sequence bound by the late stage Liberty porphyry intrusion to the south, and a major granite body to the north. The greenstone sequence is thin, being generally less than one kilometre wide in outcrop, and consists of mafic - ultramafic lithologies (Figure 3.11). From north the sequence consists of:

- Fine grained serpentinite (serpentinised chlorite-feldspar-actinolite rock) interpreted to be altered high magnesia basalt;
- Talc-chlorite carbonate schist, interpreted to be a sheared equivalent of the nearby ultramafic rock;
- Medium to coarse grained meta-gabbro, displaying a fine grained "chill margin" along the southern contact;
- Undifferentiated mafic to ultramafic rocks, ranging in composition from tholeiitic basalt through to komatiitic basalt; and
- A thin band of interflow sediments outcrop along the southern boundary of the project area, enclosed within the mafic-ultramafic sequence.

Felsic intrusive porphyry's are present throughout the project area; most prevalent in the north. The porphyry's commonly exhibit weakly developed quartz stockwork veining.

Structure

The main structural feature observed within the project area is the WNW striking Dixie shear Zone ("DSZ"), which can be traced the full length of the project. The DSZ varies in thickness from 50 to 200 metres holding reaches up to 200m in width in places, generally dips steeply (70-80 degrees) to the south, although it has been observed as sub-vertical to steeply north dipping in parts.

The DSZ exhibits varying degrees of shearing and is associated with extensive sericite – carbonate – pyrite – talc – chlorite alteration.

There is evidence within the project area of secondary NNW striking structures. These structures appear to offset the DSZ, although this has not been definitively proven to date. The structures are interpreted to have developed late in the deformation history. They may be related to the main mineralising event, with the major workings being in the vicinity of the intersection of these structures with the DSZ.

DIXIE PROJECT

Surface Geology

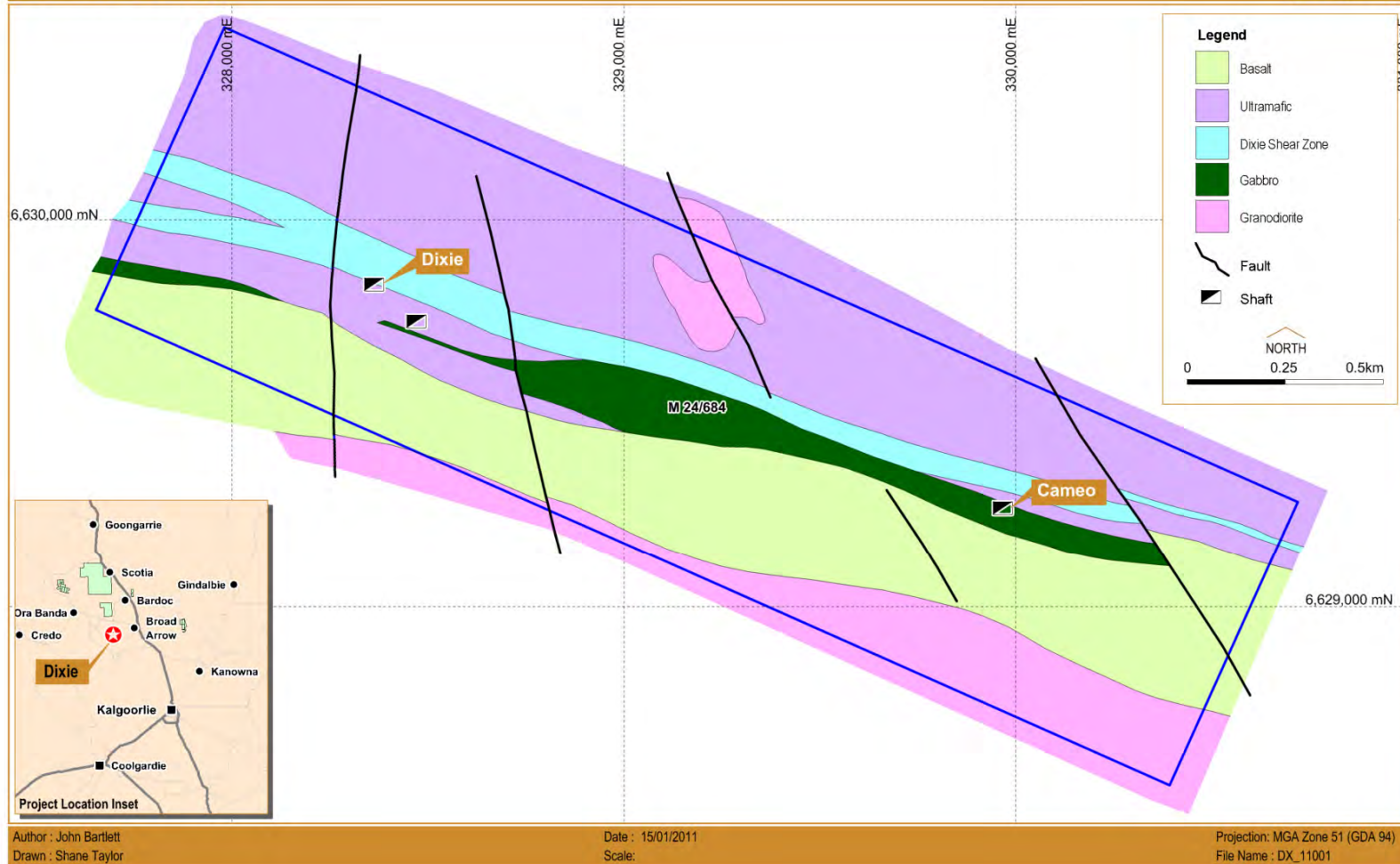


Figure 3.11 – Interpreted Local Geology of the Dixie Project



4. Independent Geologist Report (Continued)

Mineralisation

The project covers a line of historical gold workings extending over a strike length of 2.5 kilometres, which together form the Dixie Mining Camp (Figure 3.12). Total historical production from the Dixie Mining Camp is reported to be 6,471oz gold from 4,610t of ore mined at an average grade of 43.5g/t Au.

The gold (+/- silver) mineralisation is associated with quartz veining within the DSZ. Individual quartz veins with strike lengths of up to 100m and widths of up to 10m, forming shoots (or pods) plunging from 60° south to sub-vertical (locally steeply north). The individual shoots have been interpreted to be en-echelon vein sets within the DSZ. The intersection of the NNW structures and the DSZ are interpreted to be a primary control on high grade gold shoots.





Figure 3.12 – Old Workings from the Dixie Mining Camp

Elsewhere in the project area, there is evidence of gold mineralisation associated with stockwork quartz veining within the felsic porphyry intrusions.

3.4.3 Previous Exploration

The earliest records of work from the Dixie Mine dates back to 1908 when two parcels of ore were treated at Paddington. Face sampling of the underground workings by Sons of Gwalia in 1934 returned results up to 60 g/t Au.

Earliest recorded modern exploration on the Dixie prospect dates back to 1983. West Coast Holdings undertook a mapping and rock chip sampling program. This was followed up by a limited RC program consisting of 6 hole for 596 metres (RDX001-006). Drilling targeted a 200m strike length of the main shear, in the vicinity of the old Dixie workings, testing to a depth of approximately 75 metres. Better results included @ 5g/t Au from 38m (RDX004) and 2m @ 1.6g/t Au from 36 metres (RDX005).

During 1984 West Coast Holdings conducted a shallow RAB drilling program targeting the 2.2km strike length of the main shear within the tenement holdings. A total of 122 RAB holes for a total of 2461m were completed (GDX001-118). Drilling consisted of fences of angled RAB holes spaced 10m apart on 100 metre line spacing. Better results include 4m at 1.4g/t Au from 6 metres (GDX44) and 2m at 4.6g/t Au from 18 metres (GDX101).

4. Independent Geologist Report (Continued)

BP Minerals Australia Pty Ltd ("BP Minerals") entered into a joint venture over the project in late 1984. BP Minerals completed 35 RC drill holes for a total of 2738m (PDX001-035). Drilling focused on the DSZ with drill holes collared along its length at 100 or 50m line spacing (32 holes). In addition, a major quartz vein south of the DSZ was tested with two drill holes and quartz stockwork porphyry, to the north of the main shear, was tested with a single drill hole. Drilling defined scattered, but locally high grade gold values over narrow widths along the DSZ. Better results included 2m at 8.7g/t Au from 2 metres (PDX002 and 4m at 20.5g/t Au from 44 metres (RDX016) in sheared mafic and associated quartz veining. A single drill hole to test a zone of quartz stockwork veining within porphyry returned 2m at 12.4g/t Au from 58 metres (PDX25).

BP Minerals withdrew from the joint venture in 1995 after they concluded that the lack of continuity of high grade between adjacent holes precluded the presence of a large stand alone orebody on the property.

Tesla Mining NL held the project during 1988. A structural review identified 7 target zones concentrating on the NNW structures within and near the main DSZ. They proposed a two phase exploration program for the project area. The initial phase consisted of close-spaced, shallow drilling, followed by detailed diamond core drilling of the target areas. This program was never completed. Tesla also conducted some bulk sampling of the old battery sands and estimated that there was a resource of 5,000t at 3.5g/t Au remaining on site. This resource is historical in nature and does not comply with JORC Code classifications.

Dixie Gold formed in 1994 with the intention of floating the Dixie lease and other mineral properties on the ASX. Dixie Gold concluded that mineralisation within the DSZ may be hosted within a series of en echelon quartz lodes; which if present, could constitute a potential open-pit resource. Recommendations included more intensive RC drilling of the main shear zone as well as additional drilling within the mineralised porphyry.

The Dixie project was purchased by Peterborough Nominees Pty Ltd in 1996. Work completed included gridding and soil sampling program. A total of 429 soil samples were taken on 250m spaced lines at a sample interval of 25m. Results from this work highlighted a +20ppb Au in soil anomaly which correlates well with the DSZ with the strongest part of the anomaly +50ppb Au (peaking at 119ppb) covering a zone about 500m long associated with the outcropping quartz vein of the main Dixie shaft.

During 1998 Peterborough Nominees completed a small RC program consisting of seven holes for a total of 427 (DRB001-007). Drilling targeted the DSZ as well as the stockwork porphyry. Better results from the drilling included 2m at 57.1g/t Au from 46 metres (DRC007) and 2m at 5.2g/t Au from 48m (DRC004); both associated with quartz veining within the porphyry.

DIXIE PROJECT
Drill hole locations

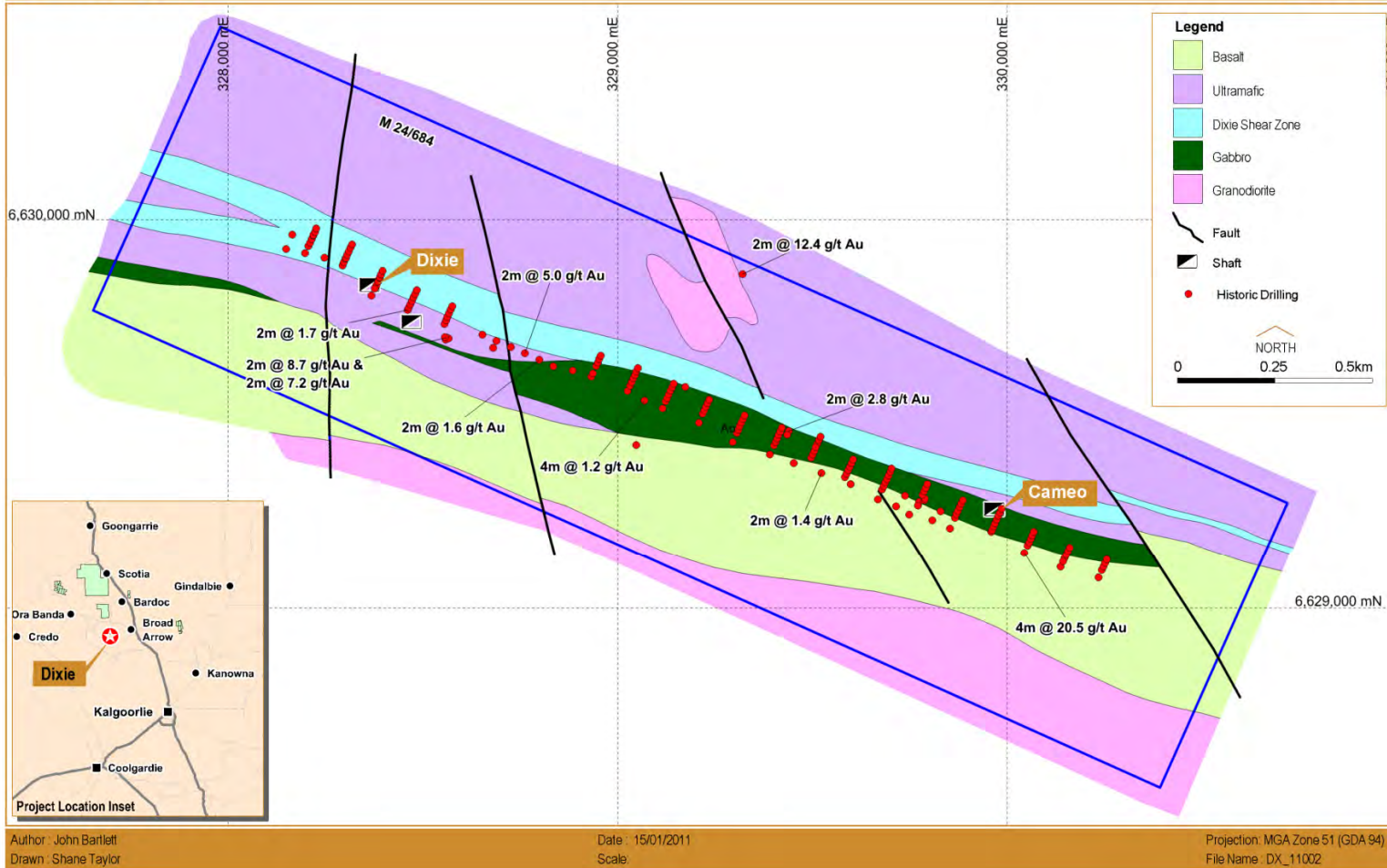


Figure 3.13 – Summary Drill Plan of the Dixie Project



4. Independent Geologist Report (Continued)

A further 11 RC drill holes, for a total of 583 metres were completed during 1999 (DRC008-018). Drilling targeted areas around the porphyry and DSZ; following up some of the better results in earlier drilling. Results were mixed with a best result of 2m@ 0.23g/t Au from 12m (DRC016). Drilling was hampered by the lack of penetration of the drill rig and further drilling with a more powerful rig was recommended; targeting the down dip extension of the mineralisation below 70 vertical metres.

Boyer Exploration held an option over the Dixie project between 2002 and 2004, with the intention of including the project as part of a new ASX float. During this period the exploration grid was re-established, geological mapping was completed together with some limited surface sampling. Mapping by Boyer Exploration suggested that the dip of the main quartz reef may be near vertical, and not moderately to the south as previously interpreted. They concluded that the DSZ may not have been adequately tested at depth with much of the deeper drilling by BP Minerals failing to reach the target area.

3.4.4 Exploration Potential

Gold mineralisation at the Dixie project is developed at shallow depths along a series of shear zones which run the length of the tenements and are largely hosted by steeply dipping structurally controlled quartz lodes and mineralised porphyry's.

The historical exploration over the past 30 years has been sporadic in nature, with short burst of exploration, resulting in a disjointed knowledge base and localised programs. BP Minerals undertook the most extensive exploration program; however they were specifically targeting ore bodies capable of sustaining a large open pit operation. As a result, the exploration was wide spaced and did not have the necessary focus to target the structurally controlled, plunging high grade shoots that subsequent field mapping has identified.

The project would benefit from a comprehensive compilation and review of all historical exploration results, in conjunction with a detailed geological evaluation, focussing on the structural orientations of shear / vein systems. It is expected that this would identify priority areas for additional future exploration.

It is recommended that consideration to the use of modern day geophysics to aid and focus future drilling efforts. A SAM survey along the length of the Dixie Shear Zone has the potential to highlight the mineralised structure and identify internal structural complexities that may control high grade shoots. An IP survey over the porphyry should be considered to identify areas of increased alteration associated with mineralisation?

3.4.5 Exploration Strategy and Budget

Credo has provided OPGS with an exploration program and budget for the first two years following listing. Credo's exploration strategy will initially comprise a detailed compilation and review of previous work to help build up a full picture of the projects prospectivity. Initial field work shall consist of validating historical data in the field, as well as detailed geological mapping, focussing in particular on building up an understanding of the structural geometries and evolution with a view to identifying potential controls on high grade gold mineralisation.

A staged work program and budget has been proposed, with planning of subsequent stages based on the results of the initial work programs.

The work program for Year 1 comprises:

- Geophysical SAM survey of the DSZ to aid in the structural understanding and identifying potential controls on mineralisation;
- Trial IP survey over the northern porphyry area; and
- RC (and potential diamond) drilling to test down dip of historical intercepts as well as targets identified in the structural review

In the second year of exploration, additional drilling has been proposed to advance targets identified during the first year.

The budget for the above work program is shown in Table 3.4. The proposed budget is considered compatible with the prospectivity of the project and is sufficient to achieve the stated objectives as well as meeting the statutory exploration commitments.

Table 3.4 – Exploration Budget at Dixie Project for the First Two Years

Activity	Year 1 (A\$)	Year 2 (A\$)
Geophysical Acquisition	50,000	
RC (+/-diamond) drilling	80,000	100,000
Project geologist, consultant geophysicist and Field Personnel	50,000	60,000
Total	180,000	160,000

3.5 Cawse Extended Project

3.5.1 Location and Access

The Cawse Project is located approximately 50 kilometres to the north of Kalgoorlie, in the Eastern Goldfields of Western Australia. The project area is wholly within the Mount Veters Pastoral Lease.

The tenements are situated within Bardoc (3137) 1:100,000 scale sheets and on the Kalgoorlie (SH51-9) 1: 250,000 scale sheet.

Access is gained by travelling approximately 50 kilometres north from Kalgoorlie via the sealed Goldfields Highway. Access into the project area is via various tracks and exploration grid lines.

The project area is characterised by gently undulating country with a number of alluvial channels dissecting topography. Vegetation is predominately open mulga scrub and salt bush.

4. Independent Geologist Report (Continued)

3.5.2 Geology and Mineralisation

The Cawse Extended Project is located within the Ora Banda Domain, within the central portions of the Kalgoorlie Terrane.

The project sits over portions of the Cawse monzogranite, which forms the core of the Goongarrie – Mt Peasant Anticline (Figure 3.14). To the west of the project area the monzogranite is enclosed by a thick sequence of cumulate ultramafics, known as the Walter Williams Formation. The contact between the ultramafic and monzogranite is sheared.

There is no known mineralisation within the project area. Regionally there are a number of known granitoid hosted gold mineralisation, the most significant being Golden Cities (1 Moz resource), situated in the Scotia granite to the east of the project area.

3.5.3 Previous Exploration

There are no records of historical mining activities within the project area and there is very little recorded exploration within the project area.

Centaur Mining & Exploration Limited ("Centaur") targeted the project area for Lady Bountiful Extended style gold mineralisation during 1993. A total of 43 RC drillholes (MBR001 – 043) for 1,870 metres were drilled during two phases. In total, six traverses were completed to test for palaeochannels at depth, with holes spaced between 100 and 300 metres. Drilling defined a number of channels; however no significant gold intersections were recorded.

By 1994, Centaur's focus moved to the laterite nickel over the ultramafic adjacent the project area and no further drilling was carried out other than three exploration water bores for the neighbouring Cawse Nickel Operation. Centaur did report a number of significant gold intercepts, associated with weathered granite, in RC drilling to the east of the project area did return a number of significant intercepts within weathered granite. Better results included 8m @ 4.62 g/t Au from 24 metres (CWC1956) and 14m @ 1.28 g/t Au from 80 metres (CWC1925).

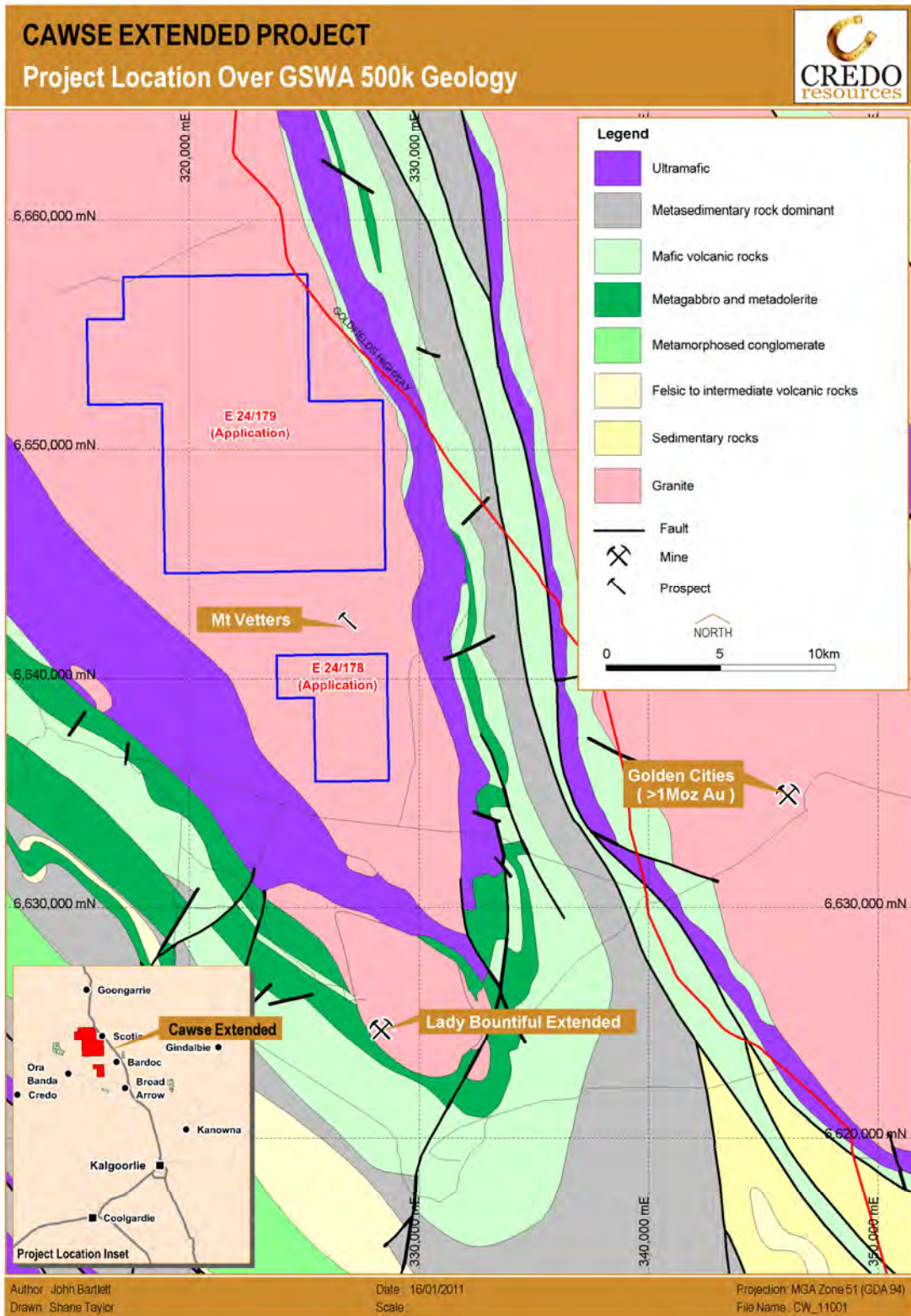


Figure 3.14 – Geological Setting of the Cawse Extended Project

4. Independent Geologist Report (Continued)

3.5.4 Exploration Potential

This is a greenfields exploration project over an area that has received little historical exploration. The tenement is considered prospective for granitoid hosted gold mineralisation (e.g. Golden Cities) and palaeochannel enriched gold (e.g. Lady Bountiful Extended).

Centaur Mining & Exploration Ltd identified a number of occurrences of gold in sheared monzogranite in drilling adjacent to the current project area. More recently Matsa Resources Ltd have reported supergene gold from within the Cawse monzogranite at their Mt Vettors Project (better results of 6m @ 1.33 g/t Au and 2m @ 1.24 g/t Au). Matsa report the gold is closely related to a Proterozoic Dolerite that cuts the monzogranite, which may have exploited a pre-existing structure.

It is recommended that a detailed aeromagnetic interpretation of the project area be undertaken, to identify prospective structural targets. To assist this, the highest quality aeromagnetic data available should be purchased. This should be re-processed, removing the effects of the highly magnetic ultramafic rocks to the west, to highlight subtle features within the project area.

3.5.5 Exploration Strategy and Budget

Credo has provided OPGS with an exploration program and budget for the first two years following listing. Credo's exploration strategy will initially comprise a detailed aeromagnetic interpretation of the project following acquisition and processing of the highest quality data available. In addition, the budget includes provisions for mapping and geochemical sampling of the project area during the first year.

In the second year of exploration, a RAB program has been proposed to test any structural and geochemical targets identified during the first year.

The budget for the above work program is shown in Table 3.5. The proposed budget is considered compatible with the prospectivity of the project and is sufficient to achieve the stated objectives as well as meeting the statutory exploration commitments.

Table 3.5 – Exploration Budget at Cawse Extended Project for the First Two Years

Activity	Year 1 (A\$)	Year 2 (A\$)
Geophysical Data Acquisition	20,000	
Geochemical Sampling	30,000	
RAB Drilling		60,000
Project geologist, consultant geophysicist and Field Personnel	30,000	60,000
Total	80,000	120,000

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4. Independent Geologist Report (Continued)

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4. Independent Geologist Report (Continued)

5. Glossary

Actinolite	An amphibole silicate mineral composed primarily of calcium, magnesium, iron, silica and oxygen, $\text{Ca}_2(\text{Mg,Fe})_5\text{Si}_8\text{O}_{22}(\text{OH})_2$. Commonly found in metamorphic rocks.
Air Core drilling	Rotary drill hole where sample return is internal to the drill string. Restricted to soft rock and generally used for geochemical sampling.
alteration	Process of forming new minerals by chemical reaction with hydrothermal fluids.
anticline	Arch shaped fold in rocks where the younger rocks are on the upper surface.
Archaean	Period of Earth history between 2500 and 4560 million years before the present.
As	Chemical symbol for the element arsenic.
Au	Chemical symbol for the element gold.
auger	Spiral drill method to retrieve shallow soil for geochemical sampling.
basalt	Dark coloured, fine grained igneous rock erupted onto the Earth's surface (lava) that is rich in magnesium and aluminium and poor in silica (vis gabbro).
batholith	Large emplacement of igneous intrusive that has formed from cooled magma deep in the earth's crust. Almost always composed of felsic to intermediate composition (eg granite, granodiorite).
biotite	A mica (or phyllosilicate) mineral composed primarily of potassium, magnesium, iron, aluminium, silica and oxygen; $\text{K}(\text{Mg,Fe})_3\text{AlSi}_3\text{O}_{10}(\text{F,OH})_2$.
boxwork	Preserved skeletal texture formed as a result of weathering of minerals, commonly sulphides.
carbonate	A rock, usually of sedimentary origin, composed primarily of calcium, magnesium, or iron and CO_3 . Essential component of limestone and marbles, but may also be the product of alteration.

chert	Very fine grained sedimentary rock, typically composed almost entirely of quartz.
chill margin	Fine grained rock on the margin of a larger intrusion, formed through the rapid cooling of the rock through dissipation of heat into the surrounding rock.
chlorite	A magnesium, iron rich phyllosilicate mineral, commonly formed within low to medium metamorphic rocks as well as hydrothermal alteration.
Co	Chemical symbol for the element cobalt.
conglomerate	Sedimentary rock composed predominantly of pebbles, larger than 4mm.
craton	Large, usually ancient, stable mass of the Earth's crust.
Cu	Chemical symbol for the element copper.
cumulate	Igneous rock formed by the accumulation of crystals from a magma Cumulate texture is diagnostic of the conditions of formation of the rock.
deformation	Related to the process or record of rocks being folded, faulted and altered.
diamond drilling	Drilling that produces a core sample of rock.
differentiated	Process in which magmas undergo bulk chemical change during the formation of rock.
disseminated	Mineral present as separate individual crystals, scattered throughout a rock.
dolerite	Dark coloured, coarse grained intrusive mafic rock, vis dolerite.
dyke	Sub vertically emplaced, sheet like intrusion that crosscuts the stratigraphic orientation.
Electro-magnetic (EM)	An electrical geophysical method to measure the conductive properties of subsurface material.
en-echelon	Sets of short, parallel veins or lenses, developed within a shear zone; at an angle to the dominant shear direction.
fault	A fracture or discontinuity within the Earth's crust, across which there has been significant displacement.

4. Independent Geologist Report (Continued)

feldspar	A group of rock forming minerals, present in many igneous rocks as well as metamorphic and sedimentary rocks. Feldspars are also a common alteration mineral.
felsic	Light coloured rock with a high silica content, contains abundant feldspar and quartz (vis rhyolite, granite).
g/t	Grammes per tonne (equivalent to ppm).
gabbro	Dark coloured, coarse grained intrusive mafic rock, vis basalt.
geochemical	Relating to the chemical composition of rocks and minerals.
geophysical	Potential fields (electrical and magnetic) related to the Earth.
gossan	Iron rich, intensely weathered, oxidised rock, usually after a sulphide rich orebody or vein.
granite or granitoid	Coarse grained intrusive rock of felsic composition.
granodiorite	Intrusive rock similar to granite, but containing more plagioclase than potassium feldspar.
grass-roots	Terminology used to describe initial stages of the exploration process, designed to test conceptual targets.
greenfields	Exploration distant from a known mineral deposit.
greenstone	Mass of variably metamorphosed mafic to ultramafic volcanic sequence with associated sedimentary and felsic rocks that occur in ancient cratons between granitic bodies.
gridding	Process in which spatial markers are placed on the ground to assist in locating data.
high magnesia (or magnesium) basalt	Basalt rock with elevated magnesium content, approaching an ultramafic rock in chemical composition.
Induced Polarization (IP)	An electrical geophysical method to measure the resistivity and chargeability properties of subsurface material.
interflow	Thin sediments developed in between two separate volcanic flows.
intrusion	Igneous rock formed by the cooling of magma beneath the surface within the Earth's crust beneath the surface.

joint	A fracture in which the displacement is associated with opening of the fracture rather than lateral movement.
JORC Code	Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (2004 Edition with updates). The Code was prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).
komatiite	Ultramafic derived volcanic rocks.
laterite	Surface deposit formed by prolonged weathering under warm and wet conditions, commonly leading to the formation of an iron or aluminium rich hard crust (duricrust).
lithology	Description of a rocks physical characteristic; such as texture, grain size or composition.
mafic	Dark rock composed primarily of magnesium and iron rich minerals (vis basalt, dolerite).
matrix	Fine grained mass of material into which larger grains or crystals are embedded.
MgO	Chemical symbol for the magnesium oxide.
Mineralogic	Study of the chemistry, crystal structure and physical properties of minerals.
Mineral Resource	A 'Mineral Resource' is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories (as defined in the JORC Code, 2004).
monzogranite	Biotite rich granitic rock.
Moz	Million ounce.
Ni	Chemical symbol for the element nickel.

4. Independent Geologist Report (Continued)

orogenic	A long tract of highly deformed roc, formed during severe structural deformation of the Earth's crust.
oz	Unit measurement of mass. 1oz = 31.1034768 grams .
Outcrop or Outcropping	In situ rock exposed at the surface, unaffected by surface movement.
palaeochannel	Ancient, inactive river and stream channel systems.
Petrographic	Detailed study of the mineral and textural composition of rocks.
Platinum Group Element (PGE)	Refers to group of metals including Platinum, Paladium, Osmium Iridium, Rhodium and Ruthenium.
porphyry	Igneous rock with large crystals in a fine grained matrix.
ppb	Parts per billion; 1ppm =1 x 10-6%; equivalent to 0.001 grammes per tonne (g/t).
ppm	Parts per million; 1ppm = 0.0001%; equivalent to grammes per tonne (g/t).
Proterozoic	Period of Earth History between 1000 and 2500 million years before present.
pyrite	A metallic mineral composed of iron and sulphur, FeS ₂ .
pyroxenite	Ultramafic igneous rock composite essentially of minerals from the pyroxene group.
Quaternary	Recent period of geological history, less than about 1.8 million years.
RAB Drilling	Rotary Air Blast drilling. Restricted to soft rock and generally used for geochemical sampling.
RC drilling	Percussion drillhole where the sample return is internal to the drill string, and hence relatively isolated from contamination.
regolith	Relating to near surface deposits, such as sand, silt, clay, laterite and calcrete, formed during by weathering and erosion of rocks
residual	Derived from the underlying rock, not transported.
Sub-audio Magnetics (SAM)	An electrical geophysical method that measures both magnetic and electrical properties of subsurface material.

Sedimentary	Rock type formed through processes at the Earth's surface that cause mineral and/or organic particles to settle and accumulate, or minerals to precipitate from a solution.
sericite	Fine grained white mica, typically formed as an alteration mineral.
shaft	Vertical (or near vertical) tunnel excavated for the purpose of extracting ore.
shale	Grey to black, very fine grained sedimentary rock composed mainly of clay. Shale often contains high levels of organic matter (carbonaceous) and iron sulphide.
Shear Zone	A zone in which shearing has occurred on a large scale, such that the rock is deformed in a dominantly ductile manner.
soil sampling	Collection of a soil fraction for the purposes of geochemical analysis.
stockwork	Complex system of structurally controlled or randomly orientated veins.
stope	Large open space created underground during the extraction of ore.
Stratigraphy or stratigraphic	Describes the relative age and relationships between rock units in a particular area.
strike	The trend of a horizontal line drawn on a planar surface.
sub-cropping	Boulders of rock that have not moved significantly and are representative of the underlying rock.
sulphidic	Rock containing sulphide minerals.
surface sampling	Geochemical media (including rock and soil) collected from the Earth's surface.
talc	Mineral composed of hydrated magnesium silicate, $Mg_3Si_4O_{10}(OH)_2$.
Terrane	A crustal block or fragment accreted onto surrounding rock with a different geological history.
tholeiitic basalt	A variety of basalt that is depleted in sodium.

4. Independent Geologist Report (Continued)

ultramafic	Dark coloured rock with a very low silica content, typically high in magnesium and iron.
VALMIN Code	Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (2005 Edition). The Valmin Code was prepared by The VALMIN Committee, a joint committee of The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Mineral Industry Consultants Association with the participation of the Australian Securities and Investment Commission, the Australian Stock Exchange Limited, the Minerals Council of Australia, the Petroleum Exploration Society of Australia, the Securities Association of Australia and representatives from the Australian finance sector.
vein	Narrow, discrete body of crystallised minerals formed by precipitation from a fluid / solution.
volcanic	Igneous rock formed from the cooling of molten lava on the Earth's surface.

5. Independent Accountant Report

Stantons International Pty Ltd trading as

Stantons International Securities

ABN 41 103 088 697

AFS licence No. 319600

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31 January 2011

The Directors
Credo Resources Limited
Level 2, 35-37 Havelock Street
WEST PERTH WA 6005

Dear Sirs

RE: INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

This report has been prepared at the request of the Directors of Credo Resources Limited ("Credo" or "the Company") for inclusion in a Prospectus to be dated on or around 31 January 2011 ("the Prospectus") relating to the proposed issue by Credo of 13,000,000 shares to be issued at a price of 20 cents per share to raise a gross \$2,600,000. The maximum subscription is \$3,100,000 (15,500,000 shares).

2. Basis of Preparation

This report has been prepared to provide investors with information on the unaudited historical results, the unaudited condensed consolidated statement of financial position (balance sheet) of Credo and the unaudited pro-forma consolidated statement of financial position of Credo as noted in Appendix 2. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial reports in accordance with the Corporation Act 2001. This report does not address the rights attaching to the securities to be issued in accordance with the Prospectus, nor the risks associated with the investment. Stantons International Securities has not been requested to consider the prospects for Credo, the securities on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly, has not done so, nor purports to do so. Stantons International Securities accordingly takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report. Risk factors are set out in Section 8 of the Prospectus.

5. Independent Accountant Report (Continued)

3. Background

Credo was incorporated on 6 July 2010 as Caerus Resources Limited with an initial issued capital of 5 shares of \$1 each. In December 2010 following shareholder approval in September 2010, Caerus Resources Limited changed its name to Credo Resources Limited.

Between 15 December 2010 and 31 December 2010 a further 4,375,000 shares were issued to seed investors at 4 cents each to raise a gross \$326,000 (shares issued on 4 January 2011) and subsequent to 31 December 2010 and to 18 January 2011 a further 5,625,000 shares were issued at 4 cents each to raise a gross \$225,000 (shares issued in January 2011). On 3 December 2010, the Company issued 4,500,000 share options exercisable at 25 cents each on or before 16 January 2016 to directors and promoters for nil consideration but fair valued for accounting purposes only at \$134,073. The Company incorporated a wholly owned subsidiary Ora Banda Gold Pty Ltd ("Ora Banda") during December 2010.

In January 2011, Ora Banda (and the Company) entered to an option agreement with Peterborough Nominees Pty Ltd whereby Ora Banda has a two year option to acquire the mining information and mining tenement M24/684 (the Dixie Tenement"). The option fee is \$5,000 cash (since paid) and if Credo achieves an Australian Securities Exchange ("ASX") listing prior to the expiration of the offer period, 200,000 share options will be issued within 5 business days of achieving an ASX listing with each share option exercisable at 30 cents each, on or before three years from date of issue. For accounting purposes the share options have been valued at approximately 11.23 cents each for a total value of \$22,460. If the option to acquire the tenement is exercised, Credo will issue 500,000 shares and 250,000 performance shares. The performance shares convert to ordinary shares once Ora Banda identifies a JORC compliant indicated mineral resource of not less than 250,000 ounces of gold or gold equivalent on M24/684 within 5 years from the date of issue of the performance shares. The accounting values ascribed to the ordinary shares and performance shares have not been raised as it is not ascertainable as to whether the ordinary shares and performance shares will be issued as they will only be issued if the option to acquire the Dixie Tenement is exercised. If issued, the ordinary shares will be valued at the market price of a listed Credo share at the date of issue of the ordinary shares and the performance shares will be valued at a yet to be determined percentage of the share price of an ordinary share at date of issue of the performance shares. If the performance shares are converted to ordinary shares (at no cash cost) the performance shares on conversion will have a value equivalent to the value of an ordinary share at date of conversion.

In January 2011, Ora Banda (and the Company) entered to an conditional mining property sale agreement with Murray Kenneth Hodges, Rodney Charles Hodges and Goldearth Enterprises Pty Ltd whereby Ora Banda is to acquire the mining information and mining tenements P27/1702 to 1706 ("Boomerang Dam Tenements"). Credo will issue 200,000 share options exercisable at 30 cents each, on or before 5 years from date of issue, 100,000 shares at a deemed value of 20 cents each (\$20,000) and 250,000 performance shares. For accounting purposes the share options have been valued at approximately 14.14 cents each for a total value of \$28,280. The performance shares convert to ordinary shares once Ora Banda identifies a JORC compliant indicated mineral resource of not less than 250,000 ounces of gold on the Boomerang Dam Tenements within 5 years from the date of issue of the performance shares. The accounting value ascribed to the performance shares is 25% of

the 20 cents IPO share price although if converted to ordinary shares (at no cash cost) will have a value equivalent to the value of an ordinary share at date of conversion. Thus the accounting value ascribed to the 250,000 performance shares is \$12,500.

In January 2011, Ora Banda (and the Company) entered to an mining property sale agreement with Murray Kenneth Hodges, Rodney Charles Hodges and Crusader Resources Ltd whereby Ora Banda is to acquire from Crusader Resources Limited the mining information and mining tenements in relation to an 80% interest in P24/4051 to 4059 ("Fair Adelaide Tenements"). Credo will issue 500,000 share options exercisable at 30 cents each, on or before 5 years from date of issue, 200,000 shares at a deemed value of 20 cents each (\$40,000) and 250,000 performance shares. For accounting purposes the share options have been valued at approximately 14.14 cents each for a total value of \$70,700. The performance shares convert to ordinary shares once Ora Banda identifies a JORC compliant indicated mineral resource of not less than 250,000 ounces of gold on the Fair Adelaide Tenements within 5 years from the date of issue of the performance shares. The accounting value ascribed to the performance shares is 25% of the 20 cents IPO share price although if converted to ordinary shares (at no cash cost) will have a value equivalent to the value of an ordinary share at date of conversion. Thus the accounting value ascribed to the 250,000 performance shares is \$12,500.

In January 2011, Ora Banda (and the Company) entered to an mining property sale agreement with Western Resources Pty Ltd and Zetek Resources Pty Ltd whereby Ora Banda is to acquire the mining information and mining tenements P24/4471 and 4487 ("Bardoc North Tenements"). Credo will pay a \$10,000 non refundable deposit, issue 500,000 share options exercisable at 30 cents each, on or before 5 years from the date of issue and issue 350,000 shares at a deemed value of 20 cents each (\$70,000). For accounting purposes the share options have been valued at approximately 14.14 cents each for a total value of \$70,700.

The above agreements are subject to Credo being given conditional approval for Credo to be admitted to the Official List of the ASX and where applicable the quotation of the various consideration shares and the conditions to such admission are being reasonably capable of satisfaction.

Potential investors should read the Prospectus in full that includes an Independent Geologist's Report and a Tenements Summary Report. We make no comments as to ownership or values of the proposed mineral tenement interests of Credo. Further details on all significant contracts entered into by the Company since incorporation are referred to in the Material Contracts Section 7 included in the Prospectus.

4. Scope of Examination

You have requested Stantons International Securities to prepare an Investigating Accountant's Report on:

- a) the consolidated results (statement of comprehensive income) of Credo for the period from incorporation to 31 December 2010;
- b) the consolidated statement of financial position of Credo as at 31 December 2010; and

5. Independent Accountant Report (Continued)

- c) the consolidated pro-forma statement of financial position of Credo at 31 December 2010 adjusted to include funds to be raised by the Prospectus and the completion of transactions referred to in note 2 of Appendix 3.

All of the financial information referred to above has not been audited however has been subject to audit review. The directors of Credo are responsible for the preparation and presentation of the historical and pro-forma financial information, including the determination of the pro-forma transactions. We have however examined the financial statements and other relevant information and made such enquiries, as we considered necessary for the purposes of this report. The scope of our examination was substantially less than an audit examination conducted in accordance with Australian Auditing Standards and accordingly, we do not express such an opinion. Our examination included:

- a) discussions with directors and other key management of Credo;
- b) review of contractual arrangements;
- c) a review of publicly available information; and
- d) a review of work papers, accounting records and other documents.

5. Opinion

In our opinion, the pro-forma consolidated statement of financial position as set out in Appendix 2 presents fairly, the pro-forma consolidated statement of financial position of Credo as at 31 December 2010 in accordance with the accounting methodologies required by Australian Accounting Standards on the basis of assumptions and transactions set out in Appendix 3. No opinion is expressed on the historical results and statements of financial position, as shown in Appendix 1, except to state that nothing has come to our attention which would require any further modification to the financial information in order for it to present fairly, the statements of financial position as at 31 December 2010 and the results of the period identified.

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 31 December 2010 that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

6. Other Matters

At the date of this report, Stantons International Securities or Stantons International Audit and Consulting Pty Ltd ("Stantons International") does not have any material interest in Credo either directly or indirectly, or in the outcome of the offer. Stantons International was appointed as auditors of Credo in September 2010. Stantons International Securities and Stantons International were not involved in the preparation of any other part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus. Stantons International Securities consents to the inclusion of this

report (including Appendices 1 to 3) in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully

STANTONS INTERNATIONAL SECURITIES



J P Van Dieren - FCA
Director

5. Independent Accountant Report (Continued)

Appendix 1

Unaudited Condensed Consolidated Statement of Comprehensive Income

	Credo Consolidated from Incorporation to 31 December 2010 \$
Interest income	318
General and administration costs	(5,164)
Legal costs	(4,647)
Exploration costs and other	(7,565)
Share option costs	(134,073)
Net (loss) before tax	(151,131)
Income tax expense attributable to net loss	-
Net (loss) after tax	(151,131)
Other Comprehensive Income	-
Total Comprehensive (Loss) for the period	(151,131)

Appendix 2

Unaudited Condensed Consolidated Statements of Financial Position

	Note	Credo Consolidated 31 December 2010 \$	Pro-forma Credo Consolidated 31 December 2010 \$
Current Assets			
Cash assets	3	175,176	2,610,138
Receivables and prepayments	4	13,741	147
Total Current Assets		188,917	2,610,285
Non Current Assets			
Capitalised acquisition costs	5	-	374,140
Investments	6	-	-
Total Non Current Assets		-	375,140
Total Assets		188,917	2,985,425
Current Liabilities			
Trade and other payables	7	30,970	-
Total Current Liabilities		30,970	-
Non Current Liabilities			
Owing to Credo	6	-	-
Total Non Current Liabilities		-	-
Total Liabilities		30,970	-
Net Assets		157,947	2,985,425
Equity			
Issued capital	8	175,005	2,830,343
Option Reserve	9	134,073	326,213
Accumulated losses	10	(151,131)	(171,131)
Total Equity		157,947	2,985,425

5. Independent Accountant Report (Continued)

Appendix 3

Condensed Notes to the Unaudited Condensed Consolidated Statement of Comprehensive Income and Condensed Consolidated Statements of Financial Position

1. Statement of Significant Accounting Policies

(a) Basis of Accounting

The unaudited condensed consolidated Statement of Comprehensive Income and unaudited condensed consolidated Statements of Financial Position have been prepared in accordance with applicable accounting standards, the Corporations Act 2001 and mandatory professional reporting requirements in Australia (including the Australian equivalents of International Financial Reporting Standards) and we have made such disclosures as considered necessary. They have also been prepared on the basis of historical cost and do not take into account changing money values. The accounting policies have been consistently applied, unless otherwise stated. The financial statements have been prepared on a going concern basis that is dependent on the IPO being successful and/or the Company raising additional seed capital to continue in business.

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted as at balance date. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxation profit or loss. Deferred income tax assets are recognised to the extent that it is probable that the future tax profits will be available against which deductible temporary differences will be utilised. The amount of the benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in the income taxation legislation and the anticipation that the economic unit will derive sufficient future assessable income to enable the benefits to be realised and comply with the conditions of deductibility imposed by law.

(c) Exploration, Evaluation and Development Expenditure

Exploration and evaluation expenditure on areas of interest are expensed as incurred. Costs of acquisition will normally be expensed but will be assessed on a case by case basis and may be capitalised to areas of interest and carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. When an area of interest is abandoned or the directors decide

that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future. Where projects have advanced to the stage that directors have made a decision to mine, they are classified as development properties. When further development expenditure is incurred in respect of a development property, such expenditure is carried forward as part of the cost of that development property only when substantial future economic benefits are established. Otherwise such expenditure is classified as part of the cost of production or written off where production has not commenced.

(d) Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value, less where applicable, any accumulated depreciation and impairment losses. The carrying amount of the plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employed and their subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. The asset's residual value and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

An assets' carrying value is written down immediately to its recoverable amount if the asset's carrying value is greater than the estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(e) Trade and other accounts payable

Trade and other accounts payable represent the principal amounts outstanding at balance date, plus, where applicable, any accrued interest.

(f) Recoverable Amount of Non Current Assets

The carrying amounts of non-current assets are reviewed annually by directors to ensure they are not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed and subsequent disposal. The expected net cash flows have been or will be discounted to present values in determining recoverable amounts.

(g) Operating Revenue

Revenue represents interest received and reimbursements of exploration expenditures.

5. Independent Accountant Report (Continued)

(h) Issued Capital

Ordinary Shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(i) Principles of Consolidation

The consolidated financial statements comprise the financial statements of Credo and its subsidiary ("the Group"). The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which Credo has control.

(j) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

(k) Share Based Payments

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using Black-Scholes or Binomial option pricing models.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on

which the relevant employees become fully entitled to the award ("vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

(I) Critical Accounting Estimates and Judgements

In preparing Financial Reports, the Company has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of exploration and evaluation expenditure

The Group has capitalised significant Acquisition expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the Areas of Interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised acquisition expenditure is dependent on an number of factors, including whether the Company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

5. Independent Accountant Report (Continued)

(m) Investments and Other Financial Assets

The Company classifies its investments in the following categories: financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. Held-to-maturity investments are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the statement of financial position date.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed to the statement of financial performance. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

When securities are classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the statement of financial performance as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the income statement within other income or other expenses in the period in which they arise.

Income from financial assets at fair value through profit and loss is recognised in the income statement as part of income from continuing operations when the Group's right to receive payment is established.

(n) Asset Retirement Obligations

The Company's mineral exploration and development activities are subject to various Australian laws and regulations regarding the protection of the environment. As a result of these, the Group is expected to incur expenses from time to time to discharge its obligations under these laws and regulations.

Reclamation and closure costs are estimated based on the Group's interpretation of current regulatory and operating licence requirements and measured at fair value. Fair value is determined based on the net present value of future cash expenditures expected upon reclamation and closure and subsequent annual recognition of an accretion amount on the discounted liability. Reclamation and closure costs are capitalised as mine development costs and amortised over the life of the mine on a unit-of-production basis.

2 Actual and Proposed Transactions to Arrive at Pro-forma Unaudited Consolidated Statement of Financial Position

Actual and proposed transactions adjusting the 31 December 2010 unaudited condensed Statement of Financial Position of Credo in the pro-forma consolidated Statement of Financial Position of Credo are as follows:

- (a) the issue of 10,000,000 shares at 4 cents each to raise a gross \$400,000 to seed capitalists and promoters of which \$175,000 had been received prior to 31 December 2010 and treated as share subscriptions in advance;
- (b) Ora Banda entering into the option agreement relating to the Dixie Tenements and paying cash of \$5,000 and issuing 200,000 share options in Credo with a fair value of \$22,460;

5. Independent Accountant Report (Continued)

- (c) Ora Banda entering into the mining property sale agreement to acquire the Fair Adelaide Tenements by Credo issuing 500,000 share options with a fair value of \$70,700, issuing 200,000 shares at a deemed fair value of \$40,000 and issuing 250,000 performance shares with a deemed fair value of \$12,500;
- (d) Ora Banda entering into the mining property sale agreement to acquire the Boomerang Dam Tenements by Credo issuing 200,000 share options with a fair value of \$28,280, issuing 100,000 shares at a deemed fair value of \$20,000 and issuing 250,000 performance shares with a deemed fair value of \$12,500;
- (e) Ora Banda entering into the mining property sale agreement to acquire the Bardoc Tenements and paying \$10,000 and Credo issuing 500,000 share options with a fair value of \$70,700 and 350,000 shares with a deemed fair value of \$70,000;
- (f) the issue of 13,000,000 shares at 20 cents each to raise a gross \$2,600,000 pursuant to the Prospectus;
- (g) the payment of 31 December 2010 accounts payable of \$30,970;
- (h) the further payment of cash expenses of the Prospectus issue totalling an estimated \$311,068 and the expensing of such costs against share equity and the expensing the prepaid capital raising costs against share equity of \$13,594 so that the total cash capital raising costs are \$324,662;
- (i) the incurring of additional group administration costs of an estimated maximum of \$20,000 between 1 January 2011 and 31 March 2011; and
- (j) the incurring of indirect acquisition costs including stamp duty not expected to exceed \$13,000.

	Unaudited Consolidated Credo 31 December 2010 \$	Unaudited Consolidated Credo Pro-forma 31 December 2010 \$
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3. Cash Assets

The movements in cash assets are as follows:

	Note 2	Unaudited Consolidated Credo 31 December 2010 \$	Unaudited Consolidated Credo Pro-forma 31 December 2010 \$
Unaudited 31 December 2010		175,176	175,176
Issue of shares pursuant to seed investors	(a)	-	225,000
Payment of monies to Vendors	(b) (e)	-	(15,000)
Issue of shares pursuant to the Prospectus	(f)	-	2,600,000
Payment of payables	(g)	-	(30,970)
Prospectus issue costs	(h)	-	(311,068)
Administration costs	(i)	-	(20,000)
Indirect acquisition costs	(j)	-	(13,000)
		175,176	2,609,138

4. Receivables

GST receivable/other		147	147
Prepayments		13,594	13,594
Less: Transfer to share equity	(a)	-	(13,594)
		13,741	147

5. Capitalised Acquisition Costs

Further acquisition costs (cash, shares and share options)	(b) to (e)	-	362,140
Capitalised indirect costs	(j)	-	13,000
		-	375,140

5. Independent Accountant Report (Continued)

	Note 2	Unaudited Consolidated Credo 31 December 2010 \$	Unaudited Consolidated Credo Pro-forma 31 December 2010 \$
6. Investments			
Shares in wholly owned subsidiary			
Ora Banda Gold Pty Ltd		-	-
Less eliminated on consolidation		-	-
		-	-
Loans to Ora Banda Gold Pty Ltd	(b) to (e)	-	375,140
Less eliminated on consolidation		-	(375,140)
		-	-
Total Investments		-	-

The Company is financing the operations of Ora Banda and thus Ora Banda has unsecured borrowings from Credo that are interest free and at call. The ability for Ora Banda to repay debts due to Credo (and other parties) will be dependent on the commercialisation of the mining assets owned by the subsidiary. Losses may be incurred by the subsidiary and provisions raised against the loans due by the subsidiary to Credo in the books of Credo.

7. Trade and Other Payables

Trade and other payables		30,970	30,970
Less: Payment of payables	(g)	-	(30,970)
		30,970	-

	Note 2	Unaudited Consolidated Credo 31 December 2010 \$	Unaudited Consolidated Credo Pro-forma 31 December 2010 \$
8. Issued Capital			
Ordinary shares			
5 shares as at 31 December 2010		5	5
Share subscriptions received in advance	(a)	175,000	-
10,000,000 shares at 4 cents each	(a)	-	400,000
Issue of 650,000 shares to acquire mineral interests by Ora Banda	(c) to (e)	-	130,000
13,000,000 shares pursuant to the Prospectus	(f)	-	2,600,000
		175,005	3,130,005
Less: estimated share issue costs	(h)	-	(324,662)
Pro-forma (23,650,005 ordinary shares)		175,005	2,805,343

In the event that the maximum subscription of \$3,100,000 is received, the number of ordinary shares on issue would increase to 26,150,005 as 15,500,000 ordinary shares (instead of 13,000,000 ordinary shares) would be issued under the Prospectus, the issued capital would increase to \$3,275,343 (cash capital raising costs would increase by \$30,000 to \$354,662) and cash at bank would increase to \$3,081,138

Performance Shares

In addition there will be on issue 500,000 performance shares that have been fair valued at a total of \$25,000.

9. Option Reserve

Balance at 31 December 2010		134,073	134,073
Issue of share options in relation to tenement acquisitions	(b) to (e)	-	192,140
		134,073	326,213

5. Independent Accountant Report (Continued)

As at 31 December 2010 there are 4,500,000 share options outstanding all exercisable at 25 cents each on or before 16 January 2016. On entering into the agreements with vendors, there will also be 1,200,000 share options on issue exercisable at 30 cents each, on or before five years from issue date and 200,000 share options exercisable at 30 cents each, on or before three years from date of issue.

	Note 2	Unaudited Consolidated Credo 31 December 2010 \$	Unaudited Consolidated Credo Pro-forma 31 December 2010 \$
10. Accumulated Losses			
Balance as at 31 December 2010		151,131	151,131
Administration costs	(i)	-	20,000
		151,131	171,131

11. Contingent Liabilities and Commitments

The Company may need to issue a further 500,000 ordinary shares and 250,000 performance shares if the option to exercise the acquisition of the Dixie Tenement is exercised. The 500,000 performance shares and the possible 250,000 performance shares issue on exercise of the Dixie Tenement may convert to ordinary shares in Credo if the performance milestones are met as more fully described elsewhere in this report and the Prospectus. The issued ordinary shares on issue may rise to a maximum of 24,900,005 (27,400,005 if the maximum subscription occurs pursuant to the Prospectus). Based on discussions with the Directors, to our knowledge, the Company has no other material commitment or contingent liabilities not otherwise disclosed in this Investigating Accountant's Report (refer Background section 3) and in the Prospectus. Investors should read the Independent Geologist's Report, the Tenement Summary and the Material Contracts sections for further possible contingencies and commitments. A number of tenements may be subject to royalty payments on production of minerals and be subject to possible native title claims. For details on proposed exploration commitments on mineral tenements, refer to the Independent Geologist's Report in the Prospectus and section 1.8 of the Prospectus.

12. Rental of Premises Commitments

The Company has not entered into a lease of premises agreement as at 31 December 2010. The Company may seek to lease premises once it obtains an ASX listing.

6. Tenements Summary

6.1 General Information

- (a) The Company has projects at Fair Adelaide, Boomerang Dam, Dixie, Bardoc North and Cawse Extended.
- (i) The Fair Adelaide Project comprises a total of nine granted prospecting licences namely P24/4051, P24/4052, P24/4053, P24/4054, P24/4055, P24/4056, P24/4057, P24/4058 and P24/4059 which were granted on 20 September 2007 for a period of four years.
 - (ii) The Boomerang Dam Project comprises a total of five granted prospecting licences namely P27/1702, P27/1703, P27/1704, P27/1705 and P27/1706 were granted on 3 September 2007 for a period of four years.
 - (iii) The Dixie Project comprises a granted mining lease M24/684 granted on 19 May 2010 for a period of 21 years.
 - (iv) The Bardoc North Project comprises a total of two granted prospecting licences namely P24/4471 and P24/4487 which were granted on 20 July 2010 for a period of four years.
 - (v) The Cawse Extended Project comprises a total of two applications for exploration licences namely E24/178 and E24/179 which were applied for on 6 January 2011..
- (b) The rent and expenditure obligations for the Tenements are set out in the Schedule. Endorsements, conditions and dealings affecting the Tenements are summarised in the Schedule.

6.2 General Information about Prospecting Licences, Exploration Licences and Mining Leases in Western Australia

- (a) Prospecting licences
- (i) Application for a prospecting licence

The grant of a prospecting licence under the Mining Act lies with the Mining Warden. Applications for prospecting licences are not transferable but, once granted, prospecting licences may be transferred at any time following grant without the need for Ministerial consent.

- (ii) Duration and rights of a prospecting licence

A prospecting licence, which may not exceed 200 hectares in area, will remain in force for up to 4 years from the date of grant. The holder of a prospecting licence is entitled to prospect for minerals in the prescribed manner within the area of the prospecting licence and is obliged to pay an annual rent and to meet annual minimum expenditure requirements.

6. Tenements Summary (Continued)

(b) Exploration licences

(i) Licence area

Exploration licences are described by graticular blocks, which range in area from approximately 2.8km² to 3.3km² depending on where the block is located in the State of Western Australia. The holder of an exploration licence is permitted to carry out certain exploratory activities with respect to its area, subject to any conditions imposed on the grant of the licence. Exploration licences may be granted for areas not exceeding 70 blocks unless the Minister has designated areas of the State that may be made the subject of applications for exploration licences up to 200 blocks.

(ii) Duration of licence

An exploration licence that was applied for before 11 February 2006, remains in force for up to 5 years from the date of grant, with the possibility of renewal by the Minister in certain circumstances for a further two periods of 2 years, and then periods of 1 year provided the reason for extension is within prescribed grounds. An exploration licence applied for on or after the 11 February 2006, remains in force for 5 years with a possibility of renewal by the Minister in certain circumstances for a period of 5 years and then a further period or periods of 2 years.

(iii) Compulsory statutory reduction of licence area

The holder of an exploration licence applied for on or after 11 February 2006 must lodge a compulsory surrender of 40% of the number of blocks that are the subject of the licence at the end of the 5th year of the term. The holder of an exploration licence applied for before the 10 February 2006 must, before the third and fourth anniversary of the licence, compulsorily surrender 50% of the number of blocks that are the subject of the licence. There are grounds for obtaining exemption from compulsory partial surrender for licences applied for before 11 February 2006 and obtaining a one year deferral from compulsory partial surrender for exploration licences applied for after 11 February 2006.

(iv) Retention status

The holder of an exploration licence applied for after 11 February 2006 may apply for retention status for the whole or part of the land the subject of the exploration licence which may be approved if there is an identified mineral resource located in the land and mining of that identified mineral resource is impractical for economic or marketing reasons or if there are political, environmental or other difficulties in obtaining requisite approvals. On approval of retention status the holder of an exploration licence may have to comply with a specified programme of work. The Minister may ask the holder of an exploration licence with retention status to show cause why a mining lease or leases should not be applied for over the land.

(v) Right to apply for mining leases

The WA Mining Act confers on the holder of an exploration licence which is in force, the right to apply for and, subject to the WA Mining Act, have granted, one or more mining leases over

any part of the land the subject of that licence. The Mining Act limits the ability to apply for mining leases to instances where the Director, Geological Survey is satisfied that significant mineralisation exists or where a mining proposal has been prepared. Significant mineralisation is defined in the Mining Act as a deposit of minerals where there is a reasonable prospect of those minerals being obtained by mining operations. A mining proposal is a document which sets out in detail the mining operations proposed to be carried out on the area of the application.

(vi) First year of licence

Under the Mining Act, an exploration licence, or an interest therein, may not, during the first year of the term of the licence, be assigned, transferred, sublet or made the subject of any trust or other dealing, whether directly or indirectly, without the written consent of the Minister, and any such transaction entered into without such consent will be void.

(c) Mining leases

(i) Application for a mining lease

The holder of an exploration licence has, subject to the Mining Act, the right to apply for and have granted a mining lease over the land the subject of the exploration licence. The grant of mining leases under the Mining Act lies with the Minister on recommendation of the Mining Registrar or Warden. Applications for mining leases are not transferable, except when a mining lease application wholly within the area of the exploration licence, is transferred and the mining lease application then continues in the name of the transferee if the transferee was the applicant.

(ii) No assignment

It is a covenant and condition of a mining lease that the lessee not assign, underlet or part with possession of any part of a mining lease without the prior approval of the Minister or an officer of the relevant department acting on the authority of the Minister.

(iii) Duration and rights of a mining lease

A mining lease remains in force for up to 21 years from the date of grant. The maximum area over which a mining lease may be granted before 11 February 2006 was 10 square kilometres, since 11 February 2006 the area is unrestricted. The holder has an option to renew for a further 21 years and then for a further 21 years with Ministerial consent. A mining lease entitles the holder to exclusive possession of the land for the purposes of mining. The holder may work and mine the land for any minerals, extract and dispose of such minerals and do all acts and things necessary in order to carry out mining operations on the land the subject of that mining lease, conditional on a Programme of Work being approved by DoIR.

(d) Other obligations

The Mining Act also imposes obligations upon the holder of a mining tenement in relation to entry to, and use of, land, notice requirements and compensation to the landholder. The

6. Tenements Summary (Continued)

tenement holder must give written notice to landholders of the relevant land (including native title holders), before entering the land for exploration or mining purposes, and access arrangements are to be entered into in accordance with the requirements of the Mining Act. The holder of a mining tenement is also required to compensate every person having an interest in any land upon which mining operations are carried out in pursuance of the Mining Act, and this includes persons holding native title in the relevant land. Compensation may be by agreement or determined by the Court. Obligations are also imposed in relation to compliance with environmental, conservation and heritage obligations and rehabilitation requirements.

(e) Conditions of tenements

Mining tenements in Western Australia are granted subject to various conditions prescribed by the WA Mining Act including payment of rent, expenditure and reporting requirements and standard environmental conditions, as well as any conditions that may be imposed by the Minister in respect of a particular mining tenement. The rent and expenditure obligations and current status of these for the Tenements are set out in the Tenement Schedule along with the endorsements and conditions affecting the Tenements. Failure to comply with a condition to which the tenement is subject, such as the payment of rent or compliance with prescribed expenditure conditions, will render the tenement liable to forfeiture by the Minister (or alternatively the Minister may impose a penalty of up to \$50,000). Further, where the expenditure conditions have not been complied with (or relieved by the grant of an exemption) any person may apply to the Mining Warden for the forfeiture of the licence. The Warden may only recommend forfeiture where the non-compliance is of sufficient gravity to justify forfeiture and alternatively may impose a penalty of up to \$10,000.

(f) Other statutory requirements

Mining tenements in Western Australia are also subject to statutory requirements of certain other acts including but not limited to the *Aboriginal Heritage Act 1972*, *Environmental Protection Act 1986*, *Rights in Water and Irrigation Act 1914* and *Conservation and Land Management Act 1984*.

6.3 Key Highlights of the Tenements

Key highlights of the Tenements:

- (a) It is a covenant and condition of mining lease M24/684 that the lessee not assign, underlet or part with possession of any part of a mining lease without the prior approval of the Minister or an officer of the relevant department acting on the authority of the Minister. The prior approval of the Minister must be obtained for the transfer of the mining leases to the Company if the Company elects to exercise its option over the Dixie Project.
- (b) All of Tenements are 100% or near 100% over pastoral leases. Compensation is not payable under the Mining Act to a pastoral lessee for deprivation of the possession of the land. However compensation is payable under the Mining Act to a pastoral lessee for any damage to improvements on the land caused by the tenement holder and for any substantial loss of earnings suffered by the pastoral lessee resulting from mining by the tenement holder. It is

not necessary to conclude an agreement with a pastoral lessee as to compensation before a mining tenement application can be granted. However it is not uncommon for tenement holders and pastoral lessees to enter into such agreements. We have been informed by the Company that there are no compensation agreements with the pastoral lessees of the pastoral leases concerning the Tenements.

- (c) There are two registered claims by Native Title Parties in respect of the whole area covered by each of the Tenements.
- (d) The Widji People Claim Federal Court number WAD 6243/98 and NNTT number WC 98/27 covers the whole area of each of the Tenements. This claim was registered from 15 June 1998.
- (e) The Central East Goldfields People Claim Federal Court number WAD 70/98 and NNTT number WC 99/30 covers a part of each of the Prospecting Licences P27/1703 and P27/1705 in the Boomerang Dam Project. This claim was registered from 4 October 1999.
- (f) There is also a Native Title claim application by Strickland/Nudding WAD 301/10 and NNTT number WC 10/14 filed in October 2010 which overlaps all of the Tenements. This application is at the pre notification stage and is currently identified for registration testing.
- (g) Under the Native Title Act the grant of a mining lease or a prospecting licence is a "future act". A future act will be valid only if the requirements of the Native Title Act were complied with. Since 2001, the Western Australian Government incorporated the Native Title Act procedures when granting mining tenements. All of the granted Tenements were granted after 2001. Therefore all of the granted Tenements have been validly granted under the Native Title Act.
- (h) At present there are no Native Title compensation agreements with Native Title Parties in respect of the areas covered by the Tenements. However there are agreements for heritage protection between the Bardoc Vendors and the Widji People Claim Group (**Bardoc Heritage Agreements**) in respect of the ground covered by Exploration Licences E24/168 and E24/169, Prospecting Licence P24/4487 and the ground covered by Prospecting Licence P24/4471. The Bardoc Heritage Agreements have been executed by the Bardoc Vendors but are yet to be executed by the Widji People Claim Group. The Heritage Agreements enable the Bardoc Vendors to continue to exercise their rights under the Mining Act in respect of Prospecting Licences P24/4471 and P24/4487 and ensure that in the exercise of those rights by the Bardoc Vendors the Aboriginal Sites in the area of those tenements are protected. Furthermore, provided the Bardoc Vendors comply with their obligations under the Exploration Licence E24/168 Heritage Agreement, the Widji People Claim Group has agreed not to lodge an objection to the grant of the application for an exploration licence on the ground covered by E24/168. The Heritage Agreement provides for certain anthropological surveys to be carried out at the cost of the Bardoc Vendors. Each Heritage Agreement contains an assignment clause. This provides that the Bardoc Vendors may assign the whole or part of its interest in each Heritage Agreement to an assignee of the whole or part of the tenements to which the Heritage Agreement applies provided that the assignee covenants to be bound by the terms of the Heritage Agreement.
- (i) On completion of the Bardoc Sale Agreement the Company must enter into assignments of the Bardoc Heritage Agreements.

6. Tenements Summary (Continued)

- (j) There are no performance bonds against any of the Tenements.
- (k) Arrangements have been approved for combined mineral exploration reports to be filed for all of the Fair Adelaide Tenements instead of the usual requirement of having to file separate reports with the operations report for each Fair Adelaide Tenement.
- (l) All of the Tenements which were granted before 2010 met combined expenditure requirements in 2010. Mining lease M24/684 and prospecting licences P24/4471 and P24/4487 were granted in 2010 and are still in the process of meeting expenditure requirements in their first year of grant.
- (m) There are no granted miscellaneous licences or applications for a miscellaneous licence affecting the Tenements other than L27/60 (held by Kanowna Mines Ltd).
- (n) L27/60 is a granted miscellaneous licence for a road and a water pipeline which traverses of P27/1703, P27/1704 and P27/1703 and encroaches over 1.7% of P27/1703, 0.1% of P27/1704 and 1.9% of P27/1703. We have been told by the Company that there are no access or similar agreements with Kanowna Mines Ltd concerning the Tenements in respect of any of P27/1703, P27/1704 or P27/1703.

6.4 Schedule Details

The details set out in the Tenement Schedule and the notes below are a review of publicly available information obtained from searches and documents supplied by the Company. The results of the searches are described and the rights conferred by the exploration titles and applications in which the Company has an interest are outlined in the Tenement schedule.

The Tenement Schedule and notes set out extensive information about the Tenements. The information includes details of the Tenements, their status, location, grant or application dates (as applicable), expiry dates, rentals, minimum expenditure requirements, applications for exemption from expenditure obligations, associated securities, encumbrances over the Tenements, applications for conversions to mining leases, the identities of the parties who lodged caveats over titles and the basis upon which they were lodged, overlapping tenements, native title claims, heritage protection agreements, aboriginal nature reserves (including whether consents to mine have been granted or not yet requested) and relevant sections of the WA Mining Act under which applications for exploration licences were made or which govern granted exploration licences.

Below is a table which sets out detailed summaries of the Tenements.

6.5 Tenement Schedule

(a) Fair Adelaide Project

Tenement	Status	Holders	Application or Grant Date	Expiry Date	Area	Annual Rent	Minimum Expenditure	E & C	Aboriginal Heritage	Native Title
P24/4051	Live	Murray Kenneth Hodges & Rodney Charles Hodges	20/09/2007	19/09/2011	129.6 HA	\$300.30 (paid in full)	\$5,200 Expended in full	a, b, e, f, h, j, o, and p of the notes	N/A	See Section 6.8
P24/4052	Live	Murray Kenneth Hodges & Rodney Charles Hodges	20/09/2007	19/09/2011	131.3 HA	\$304.92 (paid in full)	\$5,280 Expended in full	a, b, e, f, h, j, and p of the notes	N/A	See Section 6.8

Tenement	Status	Holders	Application or Grant Date	Expiry Date	Area	Annual Rent	Minimum Expenditure	E & C	Aboriginal Heritage	Native Title
P24/4053	Live	Murray Kenneth Hodges & Rodney Charles Hodges	20/09/2007	19/09/2011	200 HA	\$462.00 (paid in full)	\$8,000 Expended in full	a, b, e, f, h, j, and p of the notes	N/A	See Section 6.8
P24/4054	Live	Murray Kenneth Hodges & Rodney Charles Hodges	20/09/2007	19/09/2011	200 HA	\$462.00 (paid in full)	\$8,000 Expended in full	a, b, e, f, h, j, and p of the notes	N/A	See Section 6.8
P24/4055	Live	Murray Kenneth Hodges & Rodney Charles Hodges	20/09/2007	19/09/2011	155.1 HA	\$360.36 (paid in full)	\$6,240 Expended in full	a, b, e, f, h, j, and p of the notes	See Section 6.9	See Section 6.8
P24/4056	Live	Murray Kenneth Hodges & Rodney Charles Hodges	20/09/2007	19/09/2011	187.7 HA	\$434.28 (paid in full)	\$7,520 Expended in full	a, b, e, f, h, j, and p of the notes	N/A	See Section 6.8
P24/4057	Live	Murray Kenneth Hodges & Rodney Charles Hodges	20/09/2007	19/09/2011	118.3 HA	\$274.89 (paid in full)	\$4,760 Expended in full	a, b, e, f, h, j, and p of the notes	N/A	See Section 6.8
P24/4058	Live	Murray Kenneth Hodges & Rodney Charles Hodges	20/09/2007	19/09/2011	129.4 HA	\$300.30 (paid in full)	\$5,200 Expended in full	a, b, e, f, h, j, and p of the notes	N/A	See Section 6.8
P24/4059	Live	Murray Kenneth Hodges & Rodney Charles Hodges	20/09/2007	19/09/2011	200 HA	\$462.00 (paid in full)	\$8,000 Expended in full	a, b, e, f, h, j, and p of the notes	N/A	See Section 6.8

Legend

E & C – Endorsement and Conditions

HA – hectares

NTA – Native Title Agreement

M - Mining Lease

BL – blocks

N/A - Information is either not applicable or not available

E - Exploration Licence

(b) Boomerang Dam Project

Tenement	Status	Holders	Application or Grant Date	Expiry Date	Area	Annual Rent	Minimum Expenditure	E & C	Aboriginal Heritage	Native Title
P27/1702	Live	Rodney Charles Hodges & Goldearth Enterprises Pty Ltd	03/09/2007	02/09/2011	90 HA	\$207.90 (paid in full)	\$3,600 Expended in full	a, b, c, e to h, j, k, and p of the notes	N/A	See Section 6.8
P27/1703	Live	Murray Kenneth Hodges & Rodney Charles Hodges & Goldearth Enterprises Pty Ltd	03/09/2007	02/09/2011	190 HA	\$438.90 (paid in full)	\$7,600 Expended in full	a, b, e, f, g, h, j, k, m and p of the notes	N/A	See Section 6.8
P27/1704	Live	Murray Kenneth Hodges & Rodney Charles Hodges & Goldearth Enterprises Pty Ltd	03/09/2007	02/09/2011	200 HA	\$462.00 (paid in full)	\$8,000 Expended in full	a, b, e, f, g, h, j, k, m and p of the notes	N/A	See Section 6.8
P27/1705	Live	Murray Kenneth Hodges & Rodney Charles Hodges & Goldearth Enterprises Pty Ltd	03/09/2007	02/09/2011	200 HA	\$462.00 (paid in full)	\$8,000 Expended in full	a, b, e, f, g, h, j, k, m and p of the notes	N/A	See Section 6.8
P27/1706	Live	Murray Kenneth Hodges & Rodney Charles Hodges & Goldearth Enterprises Pty Ltd	03/09/2007	02/09/2011	200 HA	\$462.00 (paid in full)	\$8,000 Expended in full	a, b, e, f, g, h, j, k, and p of the notes	N/A	See Section 6.8

(c) Dixie Project

Tenement	Status	Holders	Application or Grant Date	Expiry Date	Area	Annual Rent	Minimum Expenditure	E & C	Aboriginal Heritage	Native Title
M24/684	Live	Peterborough Nominees Pty Ltd	19/05/2010	18/05/2031	240 HA	\$3,828.00 (paid in full)	Current year commitment \$24,000	a, b, d, e to l, n, and q of the notes	N/A	See Section 6.8

Legend

E & C – Endorsement and Conditions

HA – hectares

NTA – Native Title Agreement

N/A - Information is either not applicable or not available

M - Mining Lease

BL – blocks

E - Exploration Licence

(d) Bardoc North Project

Tenement	Status	Holders	Application or Grant Date	Expiry Date	Area	Annual Rent	Minimum Expenditure	E & C	Aboriginal Heritage	Native Title
P24/4471	Live	Western Resources Pty Ltd & Zetek Resources Pty Ltd	20/07/2010	19/07/2014	124.2 HA	\$288.75 (paid in full)	\$5,000 Expended in full	a, b, e to h and k of the notes	N/A	See Section 6.8
P24/4487	Live	Western Resources Pty Ltd & Zetek Resources Pty Ltd	20/07/2010	19/07/2014	122 HA	\$281.82 (paid in full)	\$4,880 Expended in full	a, b, e to h, j, k and n of the notes	N/A	See Section 6.8

(e) Cawse Extended Project

Tenement	Status	Holders	Application or Grant Date	Expiry Date	Area	Annual Rent	Minimum Expenditure	E & C	Aboriginal Heritage	Native Title
E24/178	Pending	Ora Banda Gold Pty Ltd	06/01/2011	N/A	7 BL	N/A	N/A	N/A	N/A	See Section 6.8
E24/179	Pending	Ora Banda Gold Pty Ltd	06/01/2011	N/A	41 BL	N/A	N/A	N/A	N/A	See Section 6.8

Legend

E & C – Endorsement and Conditions

HA – hectares

NTA – Native Title Agreement

N/A - Information is either not applicable or not available

M - Mining Lease

BL – blocks

E - Exploration Licence

6. Tenements Summary (Continued)

6.6 Tenement Schedule Notes

- (a) Standard endorsements in relation to Aboriginal Heritage.
- (b) Standard endorsements in relation to environmental protection. The lessee's attention is drawn to the Environmental Protection Act 1986 and the Environmental Protection (Clearing of Native Vegetation) Regulations 2004, which provides for the protection of all native vegetation from damage unless prior permission is obtained.
- (c) The grant of this licence does not include the land the subject of prospecting licence 27/1190, mining lease 27/102 and application for mining lease 27/397.
- (d) Requirements to survey the tenement.
- (e) All surface holes drilled for the purpose of exploration are to be capped, filled or otherwise made safe after completion.
- (f) All costeans and other disturbances to the surface of the land made as a result of exploration, including drill pads, grid lines and access tracks, being backfilled and rehabilitated to the satisfaction of the Environmental Officer, DoIR. Backfilling and rehabilitation being required no later than 6 months after excavation unless otherwise approved in writing by the Environmental Officer, DoIR.
- (g) Standard conditions for the removal of waste materials, rubbish, plastic sample bags, abandoned equipment and temporary buildings from the mining tenement prior to, or at the termination of, exploration program.
- (h) Standard condition that the written approval of the Environmental Officer, DoIR be obtained before the use of drilling rigs, scrapers, graders, bulldozers, backhoes, or other mechanised equipment for surface disturbance or the excavation of costeans is prohibited. Following approval, all topsoil being removed ahead of mining operations and separately stockpiled for replacement after backfilling and/or completion of operations.
- (i) Standard conditions that no developmental or productive mining or construction activity being commenced until the tenement holder has submitted a plan of the proposed operations and measures to safeguard the environment to the Director, Environment, DoIR for assessment; and until his written approval has been obtained.
- (j) Standard condition that the licensee notify the holder of any underlying pastoral or grazing lease by telephone or in person, or by registered post if contact cannot be made, prior to undertaking airborne geophysical surveys or any ground disturbing activities utilising equipment such as scrapers, graders, bulldozers, backhoes, drilling rigs, water carting equipment or other mechanised equipment.
- (k) Standard conditions for the licensee or transferee, as the case may be, shall within thirty days of receiving written notification of the grant of the licence, or registration of a transfer

introducing a new licensee, advise, by registered post, the holder of any underlying pastoral or grazing lease details of the grant or transfer.

- (l) Mining on any road, road verge or road reserve being confined to below a depth of 15 metres from the natural surface.
- (m) The rights of ingress to and egress from miscellaneous licence 27/60 being at all times preserved to the licensee and no interference with the purpose or installations connected to the licence.
- (n) No interference with the transmission line or the installations in connection therewith, and the rights of ingress to and egress from the facility being at all times preserved to the owners thereof.
- (o) The prior written consent of the Minister for Mines being obtained before commencing mining on Water Reserve 11072.
- (p) In respect of the area covered by this licence if the Widji People (being the applicants in Federal Court Application No WAD6243/98 (WC98/027) send a request by pre-paid post to the licensee's or agent's address, not more than ninety days after the grant of this licence, the licensee shall within thirty days of the request execute in favour of the Widji People the Regional Standard Heritage Agreement endorsed by peak industry groups and the Goldfields Land and Sea Council.
- (q) The prior written consent of the Minister for Mines being obtained before commencing mining on Water Reserve 14644.

6.7 Underlying Land Holding

- (a) All of the Fair Adelaide Tenements are 100% over pastoral lease PL 3114/1222 (Mt Burges) save for P24/4056 which is 95.8%% over pastoral lease PL 3114/1222. 1% of the Cawse Extended Tenement exploration licences E24/179 is over pastoral lease PL 3114/1222.
- (b) All of the Boomerang Dam Tenements, the Bardoc North Tenements and the Cawse Extended Tenements are 100% or near 100% over pastoral lease PL398/707 (Mt Vettors).
- (c) All of the Dixie Tenement mining lease M24/684 is 100% over pastoral lease PL3114/951 (Black Flag).
- (d) Compensation is not payable under the Mining Act to a pastoral lessee for deprivation of the possession of the land. However compensation is payable under the Mining Act to a pastoral lessee for any damage to improvements on the land caused by the tenement holder and for any substantial loss of earnings suffered by the pastoral lessee resulting from mining by the tenement holder. It is not necessary to conclude an agreement with a pastoral lessee as to compensation before a mining tenement application can be granted. However it is not uncommon for tenement holders and pastoral lessees to enter into such agreements.
- (e) We have been informed by the Company that there is no compensation agreement with:

6. Tenements Summary (Continued)

- (i) the pastoral lessee of the Mt. Burges pastoral lease;
- (ii) the pastoral lessee of the Mt. Veters pastoral lease; and
- (iii) the pastoral lessee of the Black Flag pastoral lease,
concerning the Tenements.

6.8 Underlying Land Holding

- (a) The following Native Title claims exist in relation to the Tenements:
 - (i) The Widji People Claim Federal Court number WAD 6243/98 and NNTT number WC 98/27 covers the whole area of each of the Tenements. This claim was registered from 15/06/1998.
 - (ii) The Central East Goldfields People Claim Federal Court number WAD 70/98 and NNTT number WC 99/30 covers an area of 12.9% of prospecting licences P27/1703 and 4.8% of P27/1705 in the Boomerang Dam project. This claim was registered from 04/10/1999.
- (b) There is also a Native Title claim application by Strickland/Nudding WAD 301/10 and NNTT number WC 10/14 filed in October 2010 which overlaps all of the Tenements. This application is at the pre notification stage and is currently identified for registration testing.

6.9 Aboriginal Heritage Sites

Legend

Status

L - Lodged

I – Assessed awaiting decision

Access

O –Open

C – Closed

Restriction

M – Male access only

F – Female access

Tenement	No. of Sites	Site ID	Status	Access	Restriction	Name	Site Type	Additional Features	Site No.
P24/4055	1	1334	I	C	M	Paddys Knob	Mythological	Coordinates not available for closed sites	WO 1828

7. Material Contracts

7.1 Sale and Purchase Agreement – Boomerang Dam Project

Under the terms of a sale and purchase agreement between Mr Murray Hodges, Mr Rodney Hodges, Goldearth Enterprises Pty Ltd (together the **Vendors**), Ora Banda Gold and the Company (**Boomerang Dam Agreement**), Ora Banda Gold has agreed to purchase, and the Vendors have agreed to sell:

- (a) the Boomerang Dam Tenements further details of which are in Section 6; and
- (b) the mining information in relation to the Boomerang Dam Tenements.

The consideration for the acquisition of the Boomerang Dam Tenements and the related mining information is the issue to the Vendors of an aggregate of:

- (a) 100,000 Shares;
- (b) 200,000 \$0.30 Options exercisable on or before 5 years from the date of issue; and
- (c) 250,000 performance shares.

The performance shares referred to above shall convert into Shares if, before the date that is 5 years from the date of issue of the performance shares, Ora Banda Gold successfully defines a JORC Code compliant indicated mineral resource of not less than 250,000 ounces of gold in respect to any or all of the Boomerang Dam Tenements.

Completion of the Boomerang Dam Agreement is conditional on ASX granting conditional approval to the Company to be admitted to the Official List of ASX and for Official Quotation of the Shares that are to be issued to the Vendors as consideration. Completion will occur within 5 days of the date that this conditional approval is obtained or the condition is waived.

From the date of the Boomerang Dam Agreement, and pending its completion, the Vendors will:

- (a) provide Ora Banda Gold with reasonable access to the Boomerang Dam Tenements and their books, records and personnel that relate to the Boomerang Dam Tenements; and
- (b) maintain the Boomerang Dam Tenements in good standing and not do anything to prejudice or encumber their interest in the Boomerang Dam Tenements.

Following completion, Ora Banda Gold will grant to the Vendors access to the Boomerang Dam Tenements for the purpose of undertaking prospecting activities and the right to remove minerals that are located within a depth of 0.5 metres from the surface of the Boomerang Dam Tenements.

The Vendors have provided Ora Banda Gold with warranties in relation to ownership, encumbrances and good standing of the Boomerang Dam Tenements.

7.2 Sale and Purchase Agreement – Fair Adelaide Project

Under the terms of a sale and purchase agreement between Mr Murray Hodges, Mr Rodney Hodges (together the **Hodges**), Crusader, Ora Banda Gold and the Company (**Fair Adelaide Agreement**), Ora Banda Gold has agreed to purchase, and Crusader has agreed to sell:

- (a) its 80% beneficial interest in (the Fair Adelaide Tenements) further details of which are in Section 6; and
- (b) the mining information in relation to the Fair Adelaide Tenements.

The consideration for the acquisition of the 80% beneficial interest in the Fair Adelaide Tenements and the related mining information is the issue to Crusader of:

- (a) 200,000 Shares; and
- (b) 500,000 \$0.30 Options exercisable on or before 5 years from the date of issue; and
- (c) 250,000 performance shares.

The performance shares referred to above shall convert into Shares if, before the date that is 5 years from the date of issue of the performance shares, Ora Banda Gold successfully defines a JORC Code compliant indicated mineral resource of not less than 250,000 ounces of gold or gold equivalent in respect to any or all of the Fair Adelaide Tenements.

Completion of the Fair Adelaide Agreement is conditional on ASX granting conditional approval to the Company to be admitted to the Official List and for the Official Quotation of the Shares that are to be issued to Crusader as consideration. Completion will occur within 5 days of the date that this conditional approval is obtained or the condition is waived.

From the date of the Fair Adelaide Agreement and pending its completion, Crusader and the Hodges will:

- (a) provide Ora Banda Gold with reasonable access to the Fair Adelaide Tenements and their books, records and personnel that relate to the Fair Adelaide Tenements; and
- (b) maintain the Fair Adelaide Tenements in good standing and not do anything to prejudice or encumber their interest in the Fair Adelaide Tenements.

At completion the Hodges shall transfer to Ora Banda Gold their 80% beneficial interest in the Fair Adelaide Tenements and shall do any such other acts, or deliver any other documents that are required to effect Ora Banda Gold being registered with the Department of Mines and Petroleum (WA) as the 80% legal owner of the Fair Adelaide Tenements.

Crusader has provided Ora Banda Gold with warranties in relation to ownership, encumbrances and good standing of the Fair Adelaide Tenements.

7. Material Contracts (Continued)

7.3 Agreement – Bardoc North Project and Cawse Extended Project

Under the terms of a sale and purchase agreement between Western Resources Pty Ltd, Zetek Pty Ltd (together the **Vendors**), Ora Banda Gold and the Company (**Bardoc North and Cawse Extended Agreement**):

- (a) Ora Banda Gold has agreed to purchase and the Vendors have agreed to sell:
 - (i) the Bardoc North Tenements further details of which are in Section 6; and
 - (ii) the mining information in relation to the Bardoc North Tenements; and
- (b) the Vendors have agreed to withdraw their applications for mining tenements in respect to E24/168, E24/169 and E24/176.

The consideration for the acquisition of the Bardoc North Tenements and the related mining information is payment of a non-refundable deposit of \$10,000 and the issue to the Vendors of an aggregate of:

- (a) 350,000 Shares; and
- (b) 500,000 \$0.30 Options, exercisable on or before 5 years from the date issue.

The Company has also agreed to pay a 3% net smelter royalty to the Vendors from the commencement of mining in respect to any of the Bardoc North Tenements or any exploration licence granted pursuant to the Cawse Extended Tenements.

Completion of the Bardoc North and Cawse Extended Agreement is conditional on the Company being admitted to the Official List, for the Official Quotation of the Shares and the conditions to admission to the Official List being reasonably capable of satisfaction by the Company. Completion will occur 7 days after the date that this condition is satisfied.

The Vendors have provided Ora Banda Gold with warranties in relation to ownership, encumbrances and good standing of the Bardoc North Tenements.

7.4 Option Agreement – Dixie Project

Under the terms of a option agreement between Peterborough Nominees Pty Ltd (**Peterborough**), Ora Banda and the Company (**Dixie Agreement**) Peterborough has granted Ora Banda Gold an option (**Dixie Option**) to acquire:

- (a) the Dixie Tenement further details of which are in Section 6; and
- (b) the mining information in relation to the Dixie Tenement.

As consideration for the grant of the Dixie Option, Ora Banda Gold:

- (a) paid to Peterborough \$5,000 on the date of execution of the Dixie Agreement; and

- (b) will pay a further \$5,000 in the event that the Dixie Agreement has not been terminated or the Dixie Option has not been exercised within 1 year of the date of the Dixie Agreement.

In addition, if the Company is admitted to the Official List prior to the expiration of the offer period, the Company will grant to Peterborough 200,000 \$0.30 Options exercisable on or before 3 years from the date issue.

The Dixie Option may be exercised by Ora Banda Gold within 2 years of the date of the Dixie Agreement. During the period until 2 years of the date of the Dixie Agreement, Ora Banda Gold shall have the exclusive right to undertake due diligence investigation in respect to the Dixie Tenement.

Upon exercise of the Dixie Option:

- (a) the Company shall issue 500,000 shares and 250,000 performance shares to Peterborough; and
- (b) legal and beneficial title in the Dixie Tenement and the related mining information will pass to Ora Banda Gold.

The performance shares referred to above shall convert into Shares if, before the date that is 5 years from the date of the issue of the performance shares, Ora Banda Gold successfully defines a JORC Code compliant indicated mineral resource of not less than 250,000 ounces of gold in respect to the Dixie Tenement.

From the date of the Dixie Agreement until transfer of the Dixie Tenement (upon exercise of the Dixie Option), Peterborough will:

- (a) provide Ora Banda Gold with access to the Dixie Tenement and their books, records and personnel that relate to the Dixie Tenement; and
- (b) not do anything to prejudice or encumber its interest in the Dixie Tenement,

and the Company will

- (a) manage the Dixie Tenement and maintain it in good standing;
- (b) pay all outgoings; and
- (c) be responsible for all environmental liability.

Following completion of the transfer of the Dixie Tenement, Ora Banda Gold will grant to Peterborough access to the Dixie Tenement for the purpose of Peterborough undertaking prospecting activities on the Dixie Tenement and the right to remove minerals that are located within a depth of 1 metre from the surface of the Dixie Tenement.

Peterborough has provided Ora Banda Gold with warranties in relation to ownership, encumbrances and good standing of Dixie Tenements.

8. Risk Factors

Any investment in the Company should be considered speculative.

The activities of the Company are subject to a number of risks and other factors, which may impact its future performance. Prospective investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus before deciding whether to apply for Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

8.1 Risks Specific to the Company

(a) Tenement Title

Interests in tenements in Western Australia are governed by legislation and is evidenced by the granting of licences. Each licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interest in, the Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise.

All of the Tenements in which the Company has, or may acquire, an interest in will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the term of each Tenement is usually at the discretion of the relevant government authority. If a Tenement is not renewed or granted, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral gold on that Tenement.

For further information on the Tenements, refer to the Tenement Summary in Section 6.

(b) New Projects and Acquisitions

The Company has to date pursued and will continue to actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

(c) Use of unaudited accounts

Prospective investors should be aware that for the purpose of preparing the Independent Accountant's Report in Section 5 the Independent Accountant had relied on unaudited financial statements of Credo. There is a risk that the use of financial information that has not been subject to independent audit has the potential to be inaccurate. However, as stated in the Independent Accountant Report, there is nothing that has caused the Independent Accountant to believe that the information set out in the Independent Accountant Report does not present fairly:

- (i) the unaudited income statements of the company for the period ended on 31 December 2010;
- (ii) the balance sheet of the Company as at 31 December 2010; and
- (iii) the pro-forma balance sheet of the Company as at 31 December 2011 adjusted to include the effects of the Offer proposed in this Prospectus.

(d) Future Capital requirements

The Company's growth through its proposed and future drilling and exploration campaigns will require substantial expenditure. There can be no guarantees that the Company's cash reserves together with the funds raised by the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy.

If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer and existing working capital, there can be no assurance that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company if at all.

Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse affect on the Company's activities.

(e) Commodity price volatility and foreign exchange risk on revenues and expenses

The revenue the Company may derive through the sale of commodities exposes the income of the Company to commodity price risks.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, forward selling by producers, and production cost levels in major metal-producing regions.

Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities, as well as general global economic conditions. These factors may have an adverse effect on the price the Company receives for its commodities.

8. Risk Factors (Continued)

Furthermore, the price of commodities is denominated in United States dollars whereas the income and expenditure of the Company are, and will be taken into account, in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(f) Resource Estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available through drilling, sampling and similar examinations.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(g) Limited operating history of Credo

The Company has limited operating history on which an evaluation of its prospects can be made.

The prospects of the Company must be considered in the light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the mineral exploration sector, which has a high level of inherent uncertainty.

(h) Shareholders' Margin Lending arrangements

Shareholders may, from time to time, enter into margin lending arrangements for the purchase of Shares in the Company on terms and conditions not known to the Company.

The Directors are unable to predict the risk of financial failure or default by a Shareholder who has entered into such an arrangement or insolvency or other managerial failure by any party who may have provided such an arrangement to the Shareholder. Such an event may lead to parcels of Shares being made available for sale which may impact negatively on the price of the Company's Shares.

(i) Exploration and development risks

Prospective investors should understand that mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.

There is no assurance that exploration of the mineral interests currently held by the Company, or any other projects that may be acquired in the future, will result in the discovery of an economically viable mineral deposit. Even if an apparently viable mineral deposit is identified, there is no guarantee that it can be profitably exploited.

The cost of the proposed exploration programme of the Company described in the Independent Geologist Report and Section 1 of the Prospectus are based on certain estimates and assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(j) Operational risks

The operations of the Company may be affected by various factors which are beyond the control of the Company, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(k) Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(l) Native title

The *Native Title Act* recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.

Native Title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the Native Title holders or by valid use of land or waters. It can also be extinguished if the

8. Risk Factors (Continued)

indigenous group has lost its connection with the relevant land or waters. Native Title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.

Tenements granted before 1 January 1994 are valid or validated by the *Native Title Act*.

For tenements to be validly granted (or renewed) after 1 January 1994, the future act regime established by the *Native Title Act* must be complied with.

The existence of a Native Title claim is not an indication that Native Title in fact exists on the land covered by the claim, as this is a matter ultimately determined by the Federal Court.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining operations.

(m) Environmental risks

The Projects are subject to Western Australian and Federal Australian Government regulations regarding environmental matters. The Governments and other authorities that administer and enforce environmental laws determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(n) Reliance on key personnel

The Company is reliant on a number of key personnel and consultants. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

8.2 General Risks

(a) Share investments

Applicants should be aware that there are risks associated with any investment in securities. The prices at which the Shares trade may be above or below the issue price, and may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for mining and exploration companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that these trading prices and volumes will be sustained. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance.

(b) Share market conditions

The market price of the Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general, and resource stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Economic risk

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption in Australia, the rate of growth of Australia's gross domestic product, interest rates and the rate of inflation.

(d) Global credit and investment markets

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including ASX). This may impact the price at which the Company's Shares trade regardless of operating performance, and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

8.3 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by prospective investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this

8. Risk Factors (Continued)

Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Prospective investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

9. Additional Information

9.1 Company History, Tax Status and Financial Year

Credo was incorporated on 6 July 2010 and is an Australian public company.

The Company's financial year ends on 30 June annually and the Directors expect that the Company will be taxed in Australia as a public company.

9.2 Continuous Disclosure

The Company is subject to regular reporting and disclosure obligations under the Corporations Act. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

Further, the Company will adopt a continuous disclosure policy so as to comply with its continuous disclosure obligations once listed on ASX.

Those obligations include being required to notify ASX immediately of any information concerning the Company of which it is, or becomes aware of, and which a reasonable person would expect to have a material effect on the price or value of the Company's Shares. Exceptions apply for certain information which does not have to be disclosed.

Other documents that are required to be lodged include:

- (a) quarterly activities and cashflow reports, to be provided to ASX within a specified time at the end of each quarter;
- (b) half yearly reports and preliminary financial statements, to be provided to ASX within a specified time of the end of each half and full year accounting period respectively; and
- (c) financial statements, to be lodged with ASX within a specified time after the end of each accounting period.

9.3 Privacy Disclosure

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

9. Additional Information (Continued)

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application. An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

9.4 Taxation Implications

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to take independent financial advice about the taxation and any other consequences of investing in the Company.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

9.5 Litigation

Legal proceedings may arise from time to time in the course of the Company's business. As at the date of this Prospectus, the Company is not involved in any legal proceedings, nor so far as the Directors are aware, are any legal proceedings pending or threatened against the Company, the outcome of which will have a material adverse effect on the business or financial position of the Company.

9.6 Directors' Interests

(a) Directors' interest in Securities

The Directors and their related entities have the following interests in the Securities of the Company as at the date of this Prospectus:

Director	No of Shares	No of Options
Riccardo Vittino	350,000	500,000
William Dix	350,005	1,500,000
Ian Hobson	350,000	500,000

The Directors are not required to hold any Shares in the Company under the Constitution.

(b) Directors participation in the Offer

Directors may participate in the Offer up to a maximum of 2,500,000 Shares (\$500,000) in aggregate.

(c) Remuneration of Directors

The Constitution provides that the Company may remunerate the Directors. The remuneration shall, subject to any resolution of a general meeting, be fixed by the Directors.

The Constitution provides that non-executive Directors may collectively be paid the aggregate maximum of \$300,000 per annum which has been set by the Company in general meeting.

It is currently resolved that the Chairman will receive fees of \$12,000 per annum and non executive Directors will receive fees of \$12,000 to commence from the date the Company is admitted to the Official List.

A Director may be paid fees or other amounts as the Directors determine, where a Director performs duties or provides services other than acting as a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Except as disclosed in this Prospectus, no Director holds, or during the last two years has held, any interest in:

- (i) the formation or promotion of the Company;
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (iii) the Offer,

and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director to induce him to become or to qualify as a Director or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

Directors have not received any fees from the Company since its incorporation.

Ian Hobson has received fees for company secretarial services of \$2,200. The Company has retained Mr Hobson to provide company secretarial services on an hourly rate basis.

(d) Other Interests

The Company has entered into a deed of indemnity and access with each of its Directors and the Company Secretary (**Deeds**). Under the terms of the Deeds, the Company indemnifies each officer to the extent permitted by the Corporations Act against any liability as a result of the Officer acting as an officer of the Company. The Company is required under the Deeds to use its best endeavours to obtain and maintain insurance policies for the benefit of the relevant officer for the term of the appointment and for a period of seven years after retirement, termination or resignation, except to the extent that such insurance cannot be procured at a reasonable cost or is otherwise unavailable to

9. Additional Information (Continued)

the Company. The Deeds also provide for the Officer to have a right of access to Board papers and minutes.

9.7 Expenses of the Offer

The total expenses of the Offer payable by the Company are estimated at approximately \$324,662. These expenses include broker fees, expert fees, accounting fees, legal fees, ASX and ASIC fees, the cost of printing and distributing this Prospectus and other miscellaneous expenses.

These expenses have been paid or will be payable by the Company.

9.8 Existing Shareholders

As at the date of the Prospectus the existing Shareholders of the Company are:

Name of Shareholder	No of Shares Held
Tisia Nominees Pty Ltd <Henderson Family Account>	1,600,000
Mrs Jacqueline Cecilia Hogan	1,600,000
Eyeon Investments Pty Ltd	1,600,000
Kings Park Capital Pty Ltd	1,225,000
Stephen Partners Pty Ltd	1,100,000
Ndoo Pty Ltd	500,000
Mr Richard Stephen and Mrs Marjorie Stephen <Corless Super Fund A/C>	475,000
Harshell Investments Pty Ltd <Kaplan Family A/C>	475,000
KPC Investment Fund No. 1 Ltd	375,000
Mr William Robert Dix	350,005
Mr Riccardo Vittino and Mrs Jacqueline Vittino <The R & J Account>	250,000
Churchill Services Pty Ltd <Churchill Services Trust>	175,000
Churchill Services Pty Ltd < IR & SJ Hobson Superfund >	175,000
Mr Riccardo Vittino and Mrs Jacqueline Vittino < The Gargoyle Super Fund Account >	100,000
Total Shares	10,000,005

All of the above existing Shares were issued at \$0.04 per Share to raise \$400,000.

9.9 Interests of Promoters, Experts and Advisors

Except as disclosed in this Prospectus, no promoter or other person named in this Prospectus that has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus holds, or in the past two years has held, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to a promoter or any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Hardy Bowen Lawyers acts as solicitors to the Company and in that capacity have been involved in providing legal advice to the Company in relation to the Offer. The Company has or will pay approximately \$20,000 to Hardy Bowen Lawyers for these services.

Ore (plus) Geology Solutions Pty Ltd has prepared the Independent Geologist Report included in Section 4 of this Prospectus. The Company will pay approximately \$14,000 for these services.

Stantons International Pty Ltd (trading as Stantons International Securities) has prepared the Independent Accountant Report included in Section 5 of this Prospectus. The Company will pay approximately \$10,000 to Stantons International Pty Ltd for these services.

Stantons International Audit and Consulting Pty Ltd (trading as Stantons International) are auditors of the Company and are paid for these services on standard industry terms and conditions.

Link Market Services Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and are paid for these services on standard industry terms and conditions.

Each of the existing Shareholders (or an entity related to the existing Shareholders) will assist the Company with the completion of the Offer.

The Company has engaged, KPC Financial Services Pty Ltd ACN 135 225 366 which holds AFSL No 336349, and Forrest Capital Pty Ltd which holds AFSL No 298311 as lead managers to the Offer. Each company will receive a brokerage fee of 5% of the total amount of applications received and accepted by the Company bearing their stamp. In addition, they will be paid a management fee of 1% of the full amount raised under the Offer to be shared equally. The brokerage fee is the same as the fee that will be paid to other brokers and/or licensed investment advisors on Applications bearing their stamp.

9. Additional Information (Continued)

The amounts disclosed above are exclusive of any amount of goods and services tax payable by the Company in respect of those amounts.

9.10 Consents

Each of the parties referred to in this Section:

- (a) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;
- (b) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to its name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that party; and
- (c) has given and has not, before the date of lodgement of this Prospectus, with ASIC, withdrawn its written consent:
 - (i) to be named in this Prospectus in the form and context which it is named; and
 - (ii) to the inclusion in this Prospectus of the statement(s) and/or report(s) (if any) by that person in the form and context in which it appears in this Prospectus.

Name	Role	Statement/Report
Ore (plus) Geology Solutions Pty Ltd	Independent Geologist	Independent Geologist Report, the Chairman's Letter, Section 1.7 and any other references in the Prospectus.
Mr John Bartlett	Competent Person	Nil
Stantons International Pty Ltd (trading as Stantons International Securities)	Independent Accountant	Independent Accountant Report
Stantons International Audit and Consulting Pty Ltd (trading as Stantons International)	Auditors	Nil
Hardy Bowen Lawyers	Lawyers	Nil
Link Market Services	Share Registry	Nil

10. Rights Attaching to Shares

10.1 Rights and Restrictions Attaching to Shares

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

The Shares to be issued under this Prospectus will rank equally with the existing Shares.

This summary assumes that the Company is admitted to the Official List of ASX. See Section 3.9 for details.

(a) General Meeting and Notices

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of the Company every holder of fully paid ordinary shares present in person or by an attorney; representative or proxy has one vote on a show of hands (unless a member has appointed 2 proxies) and one vote per share on a poll.

A person who holds a share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

Where there are 2 or more joint holders of a share and more than one of them is present at a meeting and tenders a vote in respect of the share, the Company will count only the vote cast by the member whose name appears first in the Company's register of members.

(c) Issues of Further Shares

The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, ASX Listing Rules, the Corporations Act and any rights for the time being attached to the shares in any special class of those shares.

10. Rights Attaching to Shares (Continued)

(d) Variation of Rights

At present, the Company has on issue one class of shares only, namely Shares.

Unless otherwise provided by the Constitution or by the terms of issue of a class of shares, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

(e) Transfer of Shares

Subject to the Constitution, the Corporations Act and ASX Listing Rules, Shares are freely transferable.

The Shares may be transferred by a proper transfer effected in accordance with the ASTIC Business Rules, by any other method of transferring or dealing with Shares introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by either the Directors or ASX that is permitted by the Corporations Act.

The Directors may decline to register a transfer of Shares (other than a proper transfer in accordance with the ASTC Business Rules) where permitted to do so under ASX Listing Rules. If the Directors decline to register a transfer, the Company must, within 5 business days after the transfer is delivered to the Company, give the party lodging the transfer written notice of the refusal and the reason for the refusal. The Directors must decline to register a transfer of Shares when required by law, by ASX Listing Rules or by the ASTC Business Rules.

(f) Partly Paid Shares

The Directors may, subject to compliance with the Constitution, the Corporations Act and ASX Listing Rules, issue partly paid shares upon which there are outstanding amounts payable. These shares will have limited rights to vote and to receive dividends.

(g) Dividends

The Directors may from time to time determine dividends to be distributed to members according to their rights and interests. The Directors may fix the time for distribution and the methods of distribution. Subject to the terms of issue of shares, the Company may pay a dividend on one class of shares to the exclusion of another class.

Each share carries the right to participate in the dividend in the same proportion that the amount for the time being paid on the share (excluding any amount paid in advance of calls) bears to the total issue price of the share.

(h) Winding Up

Subject to the rights of holders of shares with special rights in a winding-up, if the Company is wound up, members will be entitled to participate in any surplus assets of the Company in proportion to the percentage of the capital paid-up or credited as paid up on the shares when the winding up begins.

(i) Dividend Reinvestment and Share Plans

Subject to the requirements in the Corporations Act and the Listing Rules, the Directors may implement and maintain dividend reinvestment plans (under which any member may elect that dividends payable by the Company be reinvested by way of subscription for fully paid shares in the Company) and any other share plans (under which any member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive instead some other entitlement, including the issue of fully paid shares).

(j) Directors

The Constitution states that the minimum number of Directors is 3.

(k) Powers of the Board

Except as otherwise required by the *Corporations Act*, any other law, ASX Listing Rules or the Constitution, the Directors have power to manage the business of the Company and may exercise every right, power or capacity of the Company.

(l) Share Buy Backs

Subject to the provisions of the *Corporations Act* and ASX Listing Rules, the Company may buy back shares in itself on the terms and at times determined by Directors.

(m) Unmarketable Parcels

The Company's constitution permits the Board to sell the Shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of ASX Business Rules. The procedure may only be invoked once in any 12 month period and requires the Company to give the Shareholder notice of the intended sale.

If a Shareholder does not want his Shares sold, he may notify the Company accordingly.

(n) Capitalisation of Profits

The Company may capitalise profits. Subject to the Constitution and the terms of the issue of shares, members are entitled to participate in a capital distribution in the same proportions in which they are entitled to participate in dividends.

(o) Capital Reduction

Subject to the *Corporations Act* and ASX Listing Rules, the Company may reduce its share capital.

10. Rights Attaching to Shares (Continued)

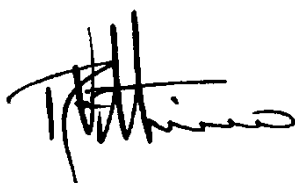
(p) Preference Shares

The Company may issue preference shares including preference shares that are liable to be redeemed. The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company's members.

11. Authorisation

This Prospectus is authorised by each of the Directors of Credo and each has consented to the lodgement of this Prospectus in accordance with section 720 of the *Corporations Act 2001*.

This Prospectus is signed for and on behalf of Credo by:

A handwritten signature in black ink, appearing to read "Riccardo Vittino".

Riccardo Vittino

Chairman

Dated: 1 February 2011

12. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

Terms used in the Independent Geologist Report in Section 4 have the same meaning throughout this Prospectus unless otherwise defined.

\$	Australian Dollars.
Allotment Date	The date, as determined by the Directors, on which the Shares offered under this Prospectus are allotted which is anticipated to be the date identified in the Indicative Timetable.
Applicant	A person who submits an Application Form.
Application	A valid application for Shares made pursuant to an Application Form.
Application Form(s) or Form(s)	An application form attached to, or provided with, this Prospectus for the Shares offered pursuant to this Prospectus.
Application Monies	Application monies for Shares received and banked by the Company.
ASIC	Australian Securities and Investments Commission.
ASTC	ASX Settlement and Transfer Corporations Pty Ltd ACN 008 504 532.
ASTC Operating Rules	Operating rules of ASTC, except to the extent of any relief given by ASTC.
ASX	ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.
Bardoc North Project	The area consisting of the Bardoc North Tenements covering approximately 246.2 Ha.
Bardoc North Tenements	Prospecting licences P24/4471 and P24/4487.
Board	The Directors of the Company as at the date of this Prospectus.

Boomerang Dam Project	The area consisting of the Boomerang Dam Tenements covering approximately 880 Ha.
Boomerang Dam Tenements	Prospecting licences P27/1702, P27/1703, P27/1704, P27/1705 and P27/1706.
Business Day	A day on which ASX is open for trading.
Cawse Extended Project	The area consisting of the Cawse Extended Tenements covering approximately 48 Blocks.
Cawse Extended Tenements	Exploration licence blocks E24/178 and E24/179.
CHESS	Clearing House Electronic Subregistry System.
Closing Date	The date specified as the closing date for the Offer in the Indicative Timetable of the Offer.
Company or Credo	Credo Resources Limited ACN 145 040 857 and where the context requires, includes its subsidiary Ora Banda Gold.
Constitution	The current constitution of the Company.
Corporations Act	Corporations Act 2001 (Cth).
Crusader	Crusader Resources Limited ACN 106 641 963.
Directors	The directors of the Company as at the date of this Prospectus.
Dixie Option	The option defined in Section 7.4 of this Prospectus.
Dixie Project	The area consisting of the Dixie Tenement covering approximately 240 Ha.
Dixie Tenement	Mining lease M24/684.
DoIR	Department of Industry and Resources.
Exposure Period	In accordance with section 727(3) of the Corporations Act, the period of 7 days (which may be extended by ASIC to up to 14 days) after lodgement of this Prospectus with ASIC during which the Company must not process Applications.
Fair Adelaide Project	The area consisting of the Fair Adelaide Tenements covering approximately 1451.4 Ha.
Fair Adelaide Tenements	Prospecting licences P24/4051, P24/4052, P24/4053,

12. Glossary of Terms (Continued)

	P24/4054, P24/4055, P24/4056, P24/4057, P24/4058 and P24/4059.
GST	Goods and Services Tax.
Independent Accountant	Stantons International.
Independent Accountant Report	The report prepared by the Independent Accountant in Section 5.
Independent Geologist	Ore (plus) Geology Solutions.
Independent Geologist Report	The report in Section 4 prepared by the Independent Geologist.
Indicative Timetable	The indicative timetable set out in this Prospectus.
IP	Induced polarisation.
JORC	Joint Ore Reserves Committee.
Listing Rules	The official listing rules of ASX and any other rules of ASX which are applicable while any Shares are admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
Mining Act	Mining Act 1990.
Native Title Act	Native Title Act 1993.
Offer	The offer made under Section 3.1 of this Prospectus.
Offer Period	The period from the Opening Date up to and including the Closing Dates.
Official List	The official list of ASX.
Official Quotation	Official quotation of the Shares on the Official List.
Opening Date	The date specified as the opening date in the Indicative Timetable of the Offer.
Options	An option granted by the Company to subscribe for one Share.
Ora Banda Gold	Ora Banda Gold Pty Ltd, ACN 147 719 239, a wholly owned subsidiary of Credo.

Ore (plus) Geology Solutions	Ore (plus) Geology Solutions Pty Ltd ACN 142 727 437.
Peterborough	Peterborough Nominees Pty Ltd ACN 008 855 936
Projects	The Fair Adelaide Project, the Boomerang Dam Project, the Dixie Project, the Bardoc North Project and the Cawse Extended Project.
Prospectus	This prospectus with the date in Section 11.
SAM	Sub audio magnetics.
Section	A Section of this Prospectus.
Securities	A Share or Option issued or granted (as the case may be) by the Company.
Security holder	Any person holding Securities.
Share or Shares	Ordinary fully paid voting Shares in the capital of the Company.
Share Registry	Link Market Services Limited ACN 083 214 537.
Shareholder	Any person holding Shares.
Tenements	The tenements referred to in the Tenement Summary.
Tenement Schedule	The schedule of Tenements in Section 6.4.
Tenement Summary	The tenement summary that appears in Section 6.
WA Mining Act	Mining Act 1978 (WA).
WST	Western Standard Time, being the time in Perth, Western Australia.

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CREDO RESOURCES LIMITED

APPLICATION FORM

Please read all instructions on reverse of this form

A Number of Shares applied for **B** Total amount payable
Cheque(s) to equal this amount

<input type="text"/>	at \$0.20 each =	A\$ <input type="text"/>
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you may be allocated all of the Shares above or a lesser number

C Full name details title, given name(s) (no initials) and surname or company name

Name of applicant 1

Name of joint applicant 2 or <account name>

Name of joint applicant 3 or <account name>

E Full postal address

Number/Street

Suburb/town

G CHESS HIN (if applicable)

H Cheque payment details

Please fill out your cheque details and make your cheque payable to "Credo Resources Limited – Subscription Account"

Drawer	Cheque number	BSB number	Account number	Total amount of cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

I Return of the Application Form with your cheque for the Application monies will constitute your offer to subscribe for Shares in the Company. I/We declare that:

- this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of the Company; and
- I/we have received personally a copy of the Prospectus accompanying the Application Form, before applying for Shares.

No signature is required.

The Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for Shares

You should read the Prospectus dated 1 February 2011 carefully before completing this Application Form. The *Corporations Act 2001* (Cth) prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

Share Registrars use only	
Broker reference – stamp only	
Broker Code	Adviser Code

D Tax file number(s)

Or exemption category

Applicant 1/company

Joint applicant 2/trust

Joint applicant 3/exemption

F Contact details

Contact name

Contact daytime telephone number

Contact email address

Guide to Credo Resources Limited Application Form

This Application Form relates to the Offer of up to 15,500,000 Shares in Credo Resources Limited at \$0.20 per Shares pursuant to the Prospectus dated 1 February 2011. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary prospectus (if applicable), and an Application Form, on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars and the correct forms of registrable titles to use on the Application Form are contained below.

- A** Insert the number of Shares you wish to apply for.
- B** Insert the relevant amount of Application monies. To calculate your Application monies, multiply the number of Shares applied for by the sum of \$0.20.
- C** Write the full name you wish to appear on the statement of holdings. This must be either your own name or the name of the company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that are presently registered in the CHES system.
- D** Enter your Tax File Number (TFN) or exemption category. Where applicable, please enter the TFN for each joint Applicant. Collection of TFN(s) is authorised by taxation laws. Official Quotation of your TFN is not compulsory and will not affect your Application.
- E** Please enter your postal address for all correspondence. All communications to you from the share registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.
- F** Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.
- G** The Company will apply to ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited.
If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertificated form on the CHES subregister, complete Section G or forward your Offer Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For further information refer to section 3.11 of the Prospectus.
- H** Please complete cheque details as requested:
Make your cheque payable to "**Credo Resources Limited – Subscription Account**" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank. The amount should agree with the amount shown in Section B. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.
- I** Before completing the Offer Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of this Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Offer Application Form.
- Privacy** – Please refer to Section 9.3 of the Prospectus for details about the collection, holding and use of your personal information. If you do not provide the information required on this Offer Application Form, the Company may not be able to accept or process your Application.

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual Use names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult; do not use the name of a minor	John Alfred Smith <Peter Smith>	Peter Smith
Company Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use executor(s) personal name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of late John Smith
Partnerships Use partners personal names, do not use the name of the partnership	Mr John Smith and Mr Michael Smith <John Smith and Son A/C>	John Smith and Son

Return your completed Application Form to:

By Post To
Credo Resources Limited
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Or Delivered To
Credo Resources Limited
Link Market Services Limited
Level 12, 680 George St or
Sydney NSW 2000
Ground Floor, 178 St Georges Tce
Perth WA 6000

Application Forms must be received no later than 5.00 pm WST time on the Closing Date.

CREDO RESOURCES LIMITED

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Name of joint applicant 3 or <account name>

D Tax file number(s)

Or exemption category

Applicant 1/company

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Joint applicant 3/exemption

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Deceased Estates Use executor(s) personal name(s), do not use the name of the deceased	Ms Jane Smith <Est John Smith A/C>	Estate of late John Smith
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Sydney South NSW 1235

Or Delivered To
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Link Market Services Limited
Level 12, 680 George St or
Sydney NSW 2000
Ground Floor, 178 St Georges Tce
Perth WA 6000

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CREDO
resources