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**CREDO RESOURCES LIMITED**

**ACN 145 040 857**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

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**TIME:** 4.00pm (WST)

**DATE:** Tuesday, 3 April 2012

**PLACE:** The Irish Club, 61 Townshend Road, Subiaco WA 6008

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9381 1177.***

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Notice of Extraordinary General Meeting (setting out the proposed resolutions)

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The Extraordinary General Meeting of the Shareholders to which this Notice of Meeting relates to will be held at 4.00pm (WST) at:

The Irish Club, 61 Townshend Road, Subiaco WA 6008.

**YOUR VOTE IS IMPORTANT**

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The business of the Extraordinary General Meeting affects your shareholding and your vote is important.

**VOTING IN PERSON**

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To vote in person, attend the Extraordinary General Meeting on the date and at the place set out above.

**VOTING BY PROXY**

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To vote by proxy, please complete and sign the proxy form enclosed and return by:

- (a) post to Credo Resources Limited, PO Box 2025, Subiaco WA 6008; or
- (b) facsimile to the Company on facsimile number (+61 8) 9388 2355,

so that it is received not later than 4.00pm (WST) on 1 April 2012.

**Proxy forms received later than this time will be invalid.**

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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Notice is given that the Extraordinary General Meeting of Shareholders will be held at The Irish Club, 61 Townshend Road, Subiaco 6008 at 4.00pm (WST) on 3 April 2012.

The Explanatory Statement to this Notice Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Extraordinary General Meeting are those who are registered Shareholders of the Company on 2 trading days before date of meeting at 4.00pm (WST).

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

### AGENDA

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#### 1. RESOLUTION 1 - RATIFICATION OF PRIOR ISSUE - SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 5,584,875 Shares at an issue price of \$0.10 each on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 2. RESOLUTION 2 – APPROVAL OF PLACEMENT - SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*"That for the purposes of Listing Rule 7.1 of the ASX Listing Rules and for all other purposes, approval is given for the Directors to allot and issue up to 14,415,125 Shares at an issue price of \$0.10 per share on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**DATED: 1 March 2012**

**BY ORDER OF THE BOARD**

**Lloyd Flint  
COMPANY SECRETARY**

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## **EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Extraordinary General Meeting to be held at The Irish Club, 61 Townshend Road, Subiaco WA 6008 3 April 2012 at 4.00pm (WST).

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### **1. OVERVIEW**

As announced on 1 March 2012, the Company has proceeded with an issue of shares by way of a two tranche placement to sophisticated investors of Canaccord BGF Ltd, at \$0.10 per share to raise approximately A\$2m. The issue is to be made in two tranches as follows:

- i. Tranche 1 of 5,584,875 shares being the limit of shares able to be issued under the 15% exemption of ASX Listing Rule 7.2; and
- ii. Tranche 2 being 14,415,125 shares for which shareholder approval is required under ASX Listing Rule 7.1.

Resolution 1 seeks approval for the ratification of the issue of the tranche 1 shares, and Resolution 2 seeks approval to the issue of the Tranche 2 shares

This Explanatory Statement contains information relevant to the Resolutions set out in the Notice of Meeting.

This Explanatory Statement should be read carefully and in its entirety by Shareholders before making a decision in relation to the Resolution.

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### **2. RESOLUTION 1 - RATIFICATION OF PRIOR ISSUE – TRANCH 1 SHARES**

#### **2.1 General**

The Board of Directors anticipate that the issue and allotment of 5,584,875 Shares at an issue price of \$0.10 per share will be completed on or around 9 March 2012 to raise \$558,488.

In any event, the allotment and issue of Shares will be completed prior to the commencement of the Meeting.

The subscribers pursuant to the issue will not be related parties of the Company.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares .

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

#### **2.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5 the following information is provided in relation to the Share Ratification:

- (a) 5,584,875 Shares are to be allotted;
- (b) The issue price will be \$0.10 per Share;
- (c) the Shares are all fully paid ordinary shares in the capital of the Company to be issued on the same terms and conditions as the Company's existing Shares;

- (d) the Shares will be allotted and issued to sophisticated and/or professional investors and clients of Canaccord BGF Ltd who are also sophisticated investors; and
  - (e) the funds raised from this issue were used to progress exploration work on the permits in Burkina Faso and to supplement working capital.
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### **3. RESOLUTION 2 – APPROVAL OF PLACEMENT – TRANCHE 2 SHARES**

#### **3.1 General**

Resolution 2 seeks Shareholder approval of the allotment and issue of up to 14,415,125 Shares at an issue price of \$0.10 per Share to raise up to \$1,415,125.

None of the subscribers pursuant to this issue will be related parties of the Company.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 2 will be to allow the Directors to issue the Shares pursuant to the Share Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

#### **3.2 Technical information required by ASX Listing Rule 7.1**

The following information is provided to Shareholders pursuant to, and in accordance with, ASX Listing Rule 7.3:

- (a) the maximum number of Shares to be issued is 1,415,125 in aggregate;
  - (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
  - (c) the issue price will be \$0.10 per Share;
  - (d) the shares will be allotted and issued to sophisticated and/or professional investors and clients of Canaccord BGF Ltd who are also sophisticated investors;
  - (e) The Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
  - (f) The Company intends to use the funds raised by the Share Placement towards progressing exploration work on the permits in Burkina Faso and to supplement working capital.
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### **4. DIRECTORS' RECOMMENDATIONS AND INTENTIONS**

The Directors unanimously recommend to Shareholders that they vote in favour of the Resolutions.

To the extent they are permitted to vote, each of the Directors currently intends to vote all Ordinary Shares held or controlled by them in favour of the Resolutions.

Riccardo Vittino, as Chairman of the Meeting, currently intends to vote all undecided proxies in favour of the Resolutions.

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### **5. NO OTHER MATERIAL INFORMATION**

Other than as set out in the Notice of Meeting, this Explanatory Statement and the Independent Expert's Report, there is no other information that is known to any of the Directors which is material to the decision on how to vote on the Resolutions that has not been previously disclosed to all Shareholders.

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## GLOSSARY

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**\$A** Australian dollars.

**ASX** means ASX Limited ACN 008 624 691.

**ASX Listing Rules** means the official listing rules issued by the ASX.

**Company** or **Credo** means Credo Resources Limited (ACN 145 040 857).

**Constitution** means the constitution of the Company.

**Corporations Act** means Corporations Act 2001 (Cth).

**Director** means a director of the Company.

**Explanatory Statement** means the Explanatory Statement accompanying the Notice of Meeting.

**Meeting** means the extraordinary general meeting of Shareholders to consider the Resolutions.

**Notice** or **Notice of Meeting** or **Notice of Extraordinary General Meeting** means this notice of extraordinary general meeting including the Explanatory Statement and the Proxy Form.

**Placement** means the issue of Tranche 2 Shares, a total of 14,415,125 Shares at a subscription price of \$0.10 per Share.

**Proxy Form** means the proxy form accompanying the Notice of Meeting.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Ratification** means the approval of the issue of the 5,584,875 Tranche 1 Shares.

**Shareholder** means a holder of a Share.

**PROXY FORM**

**APPOINTMENT OF PROXY  
CREDO RESOURCES LIMITED  
ABN 74 145 040 857**

**EXTRAORDINARY GENERAL MEETING**

I/We   
being a Member of Credo Resources Limited entitled to attend and vote at the Meeting, hereby

Appoint   
Name of proxy

OR

Mark this box if you wish to appoint the Chairman of the Meeting as your proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at The Irish Club, 61 Townshend Road, Subiaco WA 6008, on 3 April 2012 at 4.00am (WST) and at any adjournment thereof.

**Voting on Business of the General Meeting**

		<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Resolution 1	Ratification of prior issue - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of Placement - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**OR**

In relation to Resolutions 1 and 2, if the Chairman is to be your proxy and you do **not** wish to direct your proxy how to vote on these Resolutions, please place a mark in this box

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the meeting will not cast your votes on Resolutions 1 and 2 and your votes will not be counted in computing the required majority if a poll is called on these Resolutions. The Chairman intends to vote in favour of these Resolutions.

**IF THE CHAIRMAN IS TO BE YOUR PROXY IN RELATION TO RESOLUTIONS 1 and 2 YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY IN RELATION TO RESOLUTIONS 1 and 2 WILL BE DISREGARDED.**

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012 \_\_\_\_\_ %

**By:**

**Individuals and joint holders**

Signature
Signature
Signature

**Companies (affix common seal if appropriate)**

Director
Director/Company Secretary
Sole Director and Sole Company Secretary

**CREDO RESOURCES LIMITED**  
**ABN 74 145 040 857**

**Instructions for Completing 'Appointment of Proxy' Form**

1. **(Appointing a Proxy):** A member entitled to attend and vote at a General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to PO Box 2025, Subiaco WA 6904; or
  - (b) facsimile to the Company on facsimile number (+61 8) 9388 2355,so that it is received not later than 4.00pm (WST) on 1 April 2012.

**Proxy Forms received later than this time will be invalid.**