

31 January 2012

## Quarterly Report for the period ending 31 December 2011

### HIGHLIGHTS

- **Transaction to acquire gold properties in Burkina Faso, West Africa approved**
- **Burkina Faso base established and staffed with highly experienced Australian and local personnel**
- **Work on three permits in Burkina Faso has commenced**
- **One more contract has moved to completion with another permit awaiting registration at Burkina Faso Ministry of Mines**
- **Negotiations on further gold property acquisitions are on-going with execution of contract over the Mourdeni permit completed**

### CORPORATE

During the quarter, Credo announced that it has entered into an agreement to acquire a 100% interest in a private company, Riverglide Investments Pty Ltd (Riverglide), which holds extensive interests in gold permits in Burkina Faso. The acquisition was approved by shareholders on 30 November 2011.

Ian Hobson resigned as a director on 31 January 2012.

### EXPLORATION

#### Burkina Faso

Credo has acquired rights to three (3) permits in Burkina Faso, and is continuing to negotiate the rights with local vendors and the Ministry of Mines for a further four (4) that are subject to renewal and two (2) that are subject to permit grant. In addition applications have been made for three (3) permits in its own right. The permits are considered to be highly prospective with a mix of existing artisanal workings and structures regarded as attractive for hosting gold mineralisation (Figure 1). Three permits from the existing package have been deleted, being Kiella, Toloper and Diakora.

One permit, Saga, has moved to full contract status and Sanare (part of the Bourzanga Group) is awaiting Mines Department registration notification. Together with this the Riverglide vendors have added one more permit, Sebila Mourdeni to the Company's portfolio and continue to review more permits.

Drill targets along artisanal gold workings have already been identified for immediate exploration with broad based soil sampling, mapping and interpretation of aeromagnetics commencing in December. These work programs are scheduled for the next six months. Drilling of potential exploration targets is subject to executing a drill contract and completion of interpretive work. It is still anticipated a 2-3,000 metre RC drill program is possible prior to the onset of the midyear wet season.

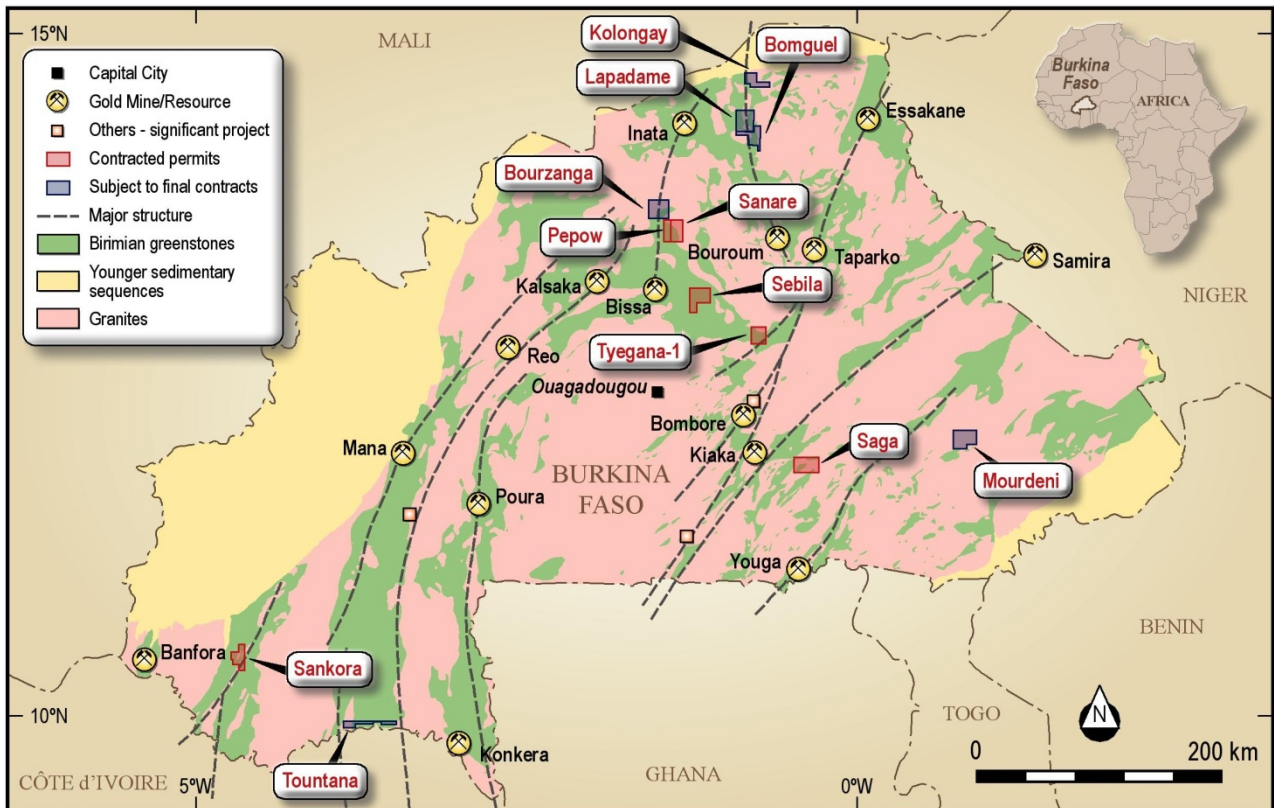


Figure 1

## Burkina Faso - Exploration Work

### Pepow Permit:

The Pepow permit is located approximately 135km due north of the Burkina Faso capital, Ouagadougou.

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

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

In January 2012 SEMS Exploration will complete structural mapping and rock chip sampling of the artisanal workings and surrounds and submit a report with recommendations for further work.

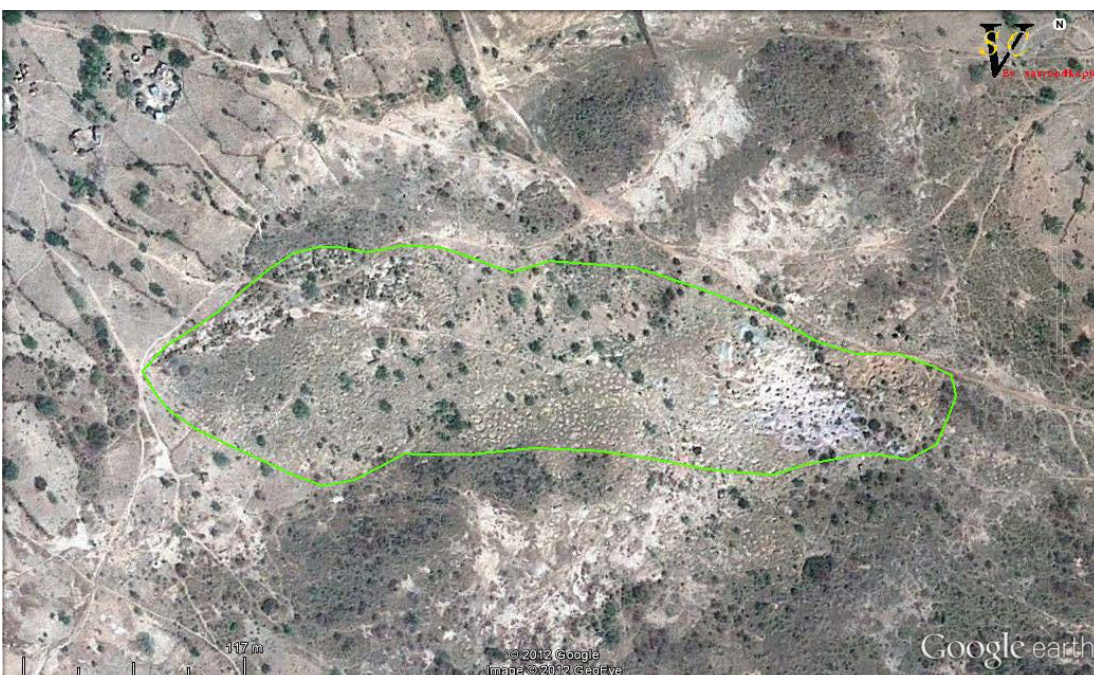


**Google Earth Image showing the extent and orientation of the Pepow artisanal workings.**

**Tyegana-1 Permit:**

The Tyegana-1 permit is located approximately 95km north-east of Ouagadougou.

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



**Google Earth Image showing the extent and orientation of the Tyegana-1 artisanal workings.**

In December 2011 the Company's local exploration contractor, SEMS Exploration, completed a program of soil sampling at 200 x 40m spacings (134 samples collected) along a zone 650m wide by 1,600m long which covered the area surrounding the old workings and strike extensions of the shear. The samples will be assayed for gold by 1,000gm bottle roll analysis, and for As, Cu and Zn by aqua regia digest and AAS finish. Assay results are expected in the near future.

SEMS Exploration will also complete structural and lithological mapping of the workings and surrounding area and collect a suite of rock chip samples from the workings for assay. Following compilation of the mapping and sampling a report will be prepared with recommendations for future work.

### **Sankora Permit:**

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

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

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

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

The initial phase of soil sampling will be completed in January 2012 and the samples will be analysed by 1,000gm bottle roll analysis for gold and by aqua regia digests and AAS finish for As, Cu and Zn. The results should be available in February 2012.

### **WESTERN AUSTRALIA**

No work was completed on the company's Western Australian projects during the quarter. Future exploration programs for the properties are being developed.

### **ABOUT CREDO:**

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

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

For further Information please contact:

Robert Kirtlan or Simon Fleming on 08 9363 7109 or visit our website at

[www.credoresources.com.au](http://www.credoresources.com.au)