

24 April 2012

## Quarterly Report for the period ending 31 March 2012

### HIGHLIGHTS

- **Work on gold properties in Burkina Faso well underway**
- **Large soil anomaly identified at Tyegana 1**
- **Previous company data high lights prospectivity of Sebila and Bourzanga permits**
- **RC drill rig booked to commence drilling mid-May at Tyegana 1**
- **\$2m capital raising completed ensures cash reserves of \$4m allows the Company to fast track the current drilling program and plan for more following the upcoming wet season (July-Oct)**
- **One more permit moves to full contracted status giving a total of six permits the Company is now working on**

### EXPLORATION

#### **Burkina Faso**

Credo has now acquired rights to six (6) permits in Burkina Faso, and is continuing to negotiate the rights with local vendors and the Ministry of Mines for a further two (2) permits that are subject to renewal and 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).

During the Quarter the Sanare permit moved to full contract status. Field work has commenced on this permit.

Immediate drill targets have been identified at the Tyegana 1 and Sebila permits (Sebila permit moved to full contract status subsequent to the quarter end). A contract for 4,000m of RC drilling has been executed with Layne Drilling (West Africa Drilling Services) and drilling is expected to commence at Tyegana 1 in mid May 2012. Layne is a long term experienced operator in the region.

#### **Western Australia**

The Dixie option has formally been terminated.

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

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

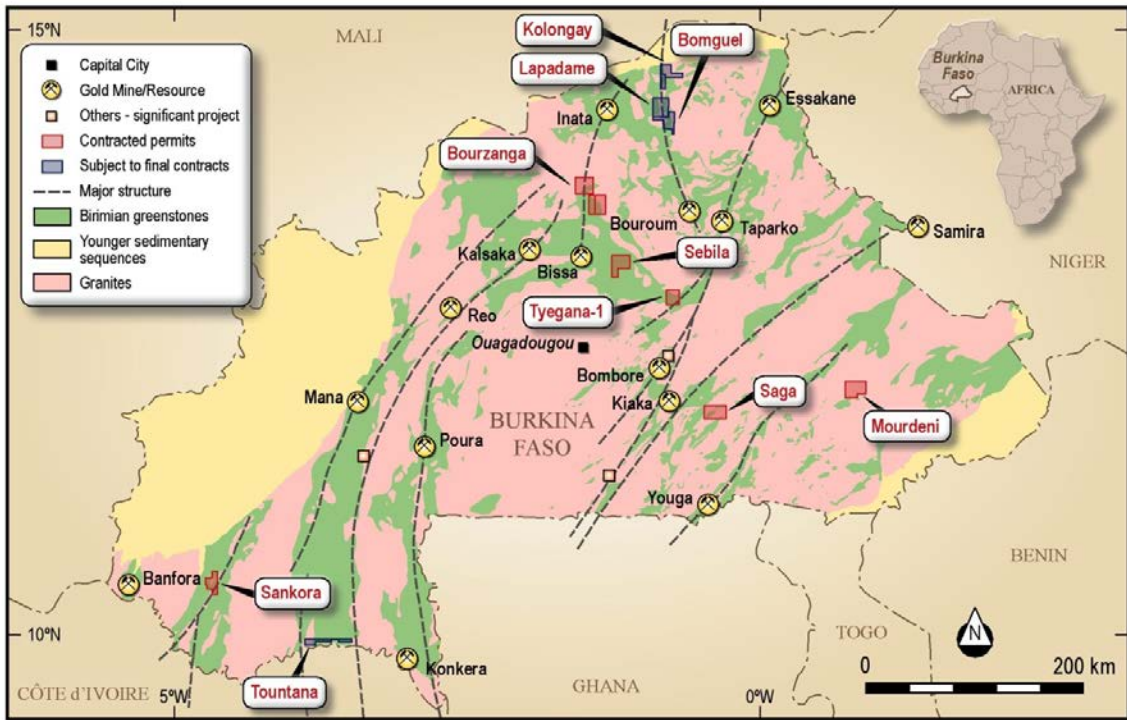


Figure 1: Company Permit Map

## Burkina Faso - Exploration Work

### Tyegana 1 Permit (Figure 2, located ~1.5 hours north east of Ouagadougou):

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

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

When Credo first visited the site in October 2011 there were no artisanal miners working the area, currently there are approximately 300 artisanal miners working at the site, with excavation extending to 20 – 30m depth. Credo plans to RC drill test this site in the June Quarter 2012. The drill program will involve drilling several traverses(three or four traverses, 200m apart) of RC drill holes across the zone.

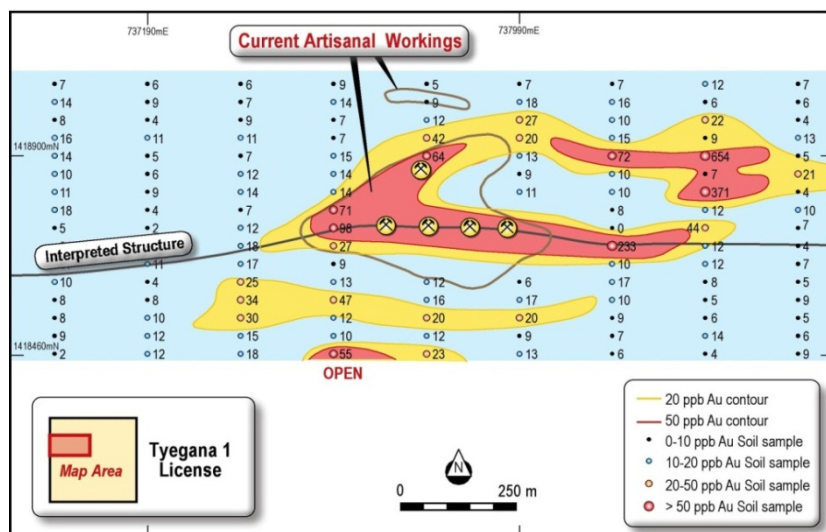


Figure 2: Tyegana 2 Soil Sampling Grid and Artisan Workings

**Sebila Permit (Figure 4, located ~1.5 hours north of Ouagadougou)**

The Sebila permit was recently renewed and work has commenced with a regional mapping and soil sampling program. As highlighted in Figure 4, the permit has numerous artisan workings and is regarded as a high priority permit in the Company’s portfolio.

Previous soil sampling undertaken by Riverstone Resources Inc (a Canadian listed Company which holds other permits and continues to work in Burkina Faso) was obtained and has been added to the Company’s data base. The Damesma Prospect (Figure 3) is a good example of artisan workings and the soil program undertaken showing the potential for the gold zone to extend well beyond the artisan area of workings.

Mineralisation at Damesma is developed in narrow quartz – carbonate – sulphide veins in a sheared gabbroic unit. Costean samples have produced wide intersections of strongly anomalous gold mineralisation over approximately 1,000m of strike length.

Subject to drilling at Tyegana 1 drilling may be undertaken on the Sebila permit in the Company’s upcoming first phase drilling program and Damesma is just one candidate for drill testing.

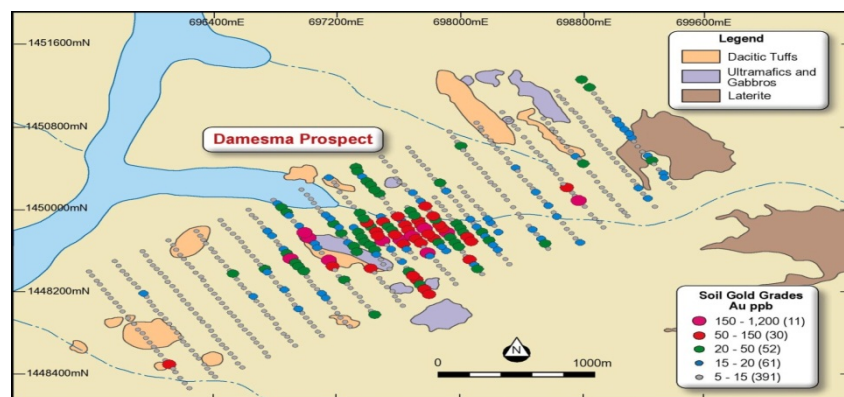


Figure 3: Sebila Permit; Damesma Prospect Soils

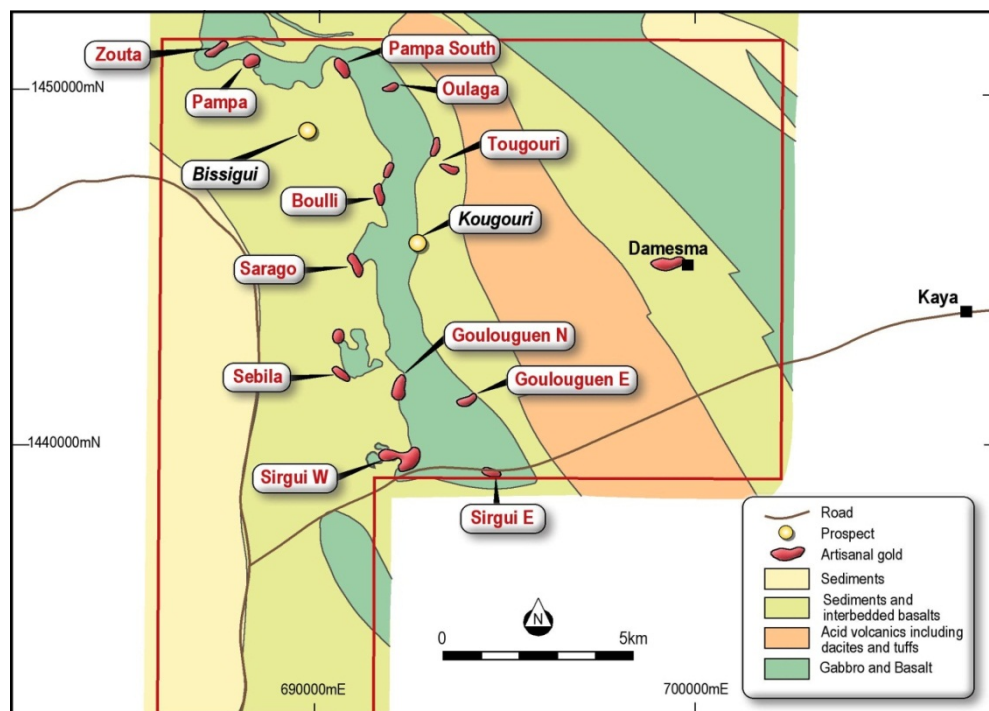


Figure 4: Sebila Permit showing mapped Artisan Workings

## Pepow Permit (Figure 5, located ~2 hours north of 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 were assayed for gold by 1,000gm bottle roll analysis, and for As, Cu and Zn by aqua regia digest and AAS finish.

The gold results (shown below) show a several wide zones of anomalism, with the zones being open in many directions. This program has been followed up with a much larger soil sampling program covering the northern 60% of the permit. The samples have been sent to the laboratory and results are expected in the near future.

SEMS Exploration have completed structural mapping and rock chip sampling of the artisanal workings and surrounds and are in the process of reporting results and recommendations for further work.

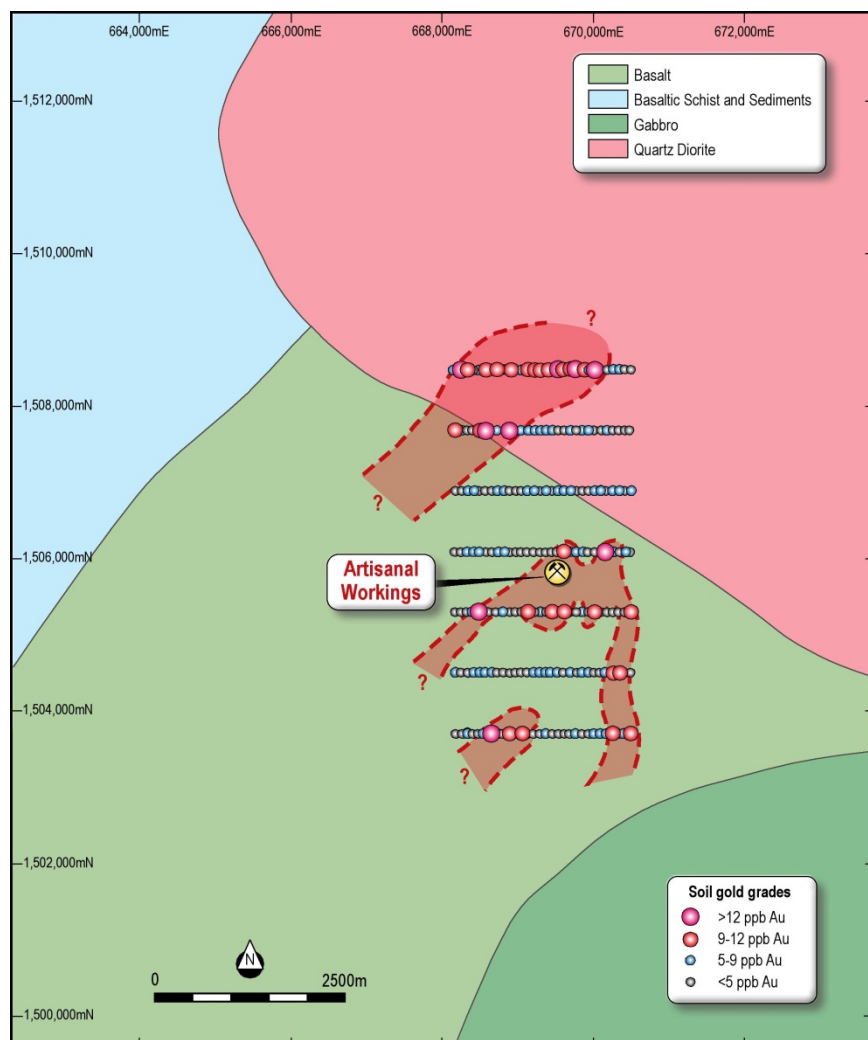


Figure 5: Pepow Permit soil grid with interpreted structures

## **Other Permits:**

### **Sankora**

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

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

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

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

Only a small portion of (200 samples) of results have been received from this sampling program. The remained of the results will be reported in the June Quarter.

### **Sanare, Mourdeni, Saga Permits:**

SEMS Exploration is completing wide spaced reconnaissance soil sampling programs across the Sanare, Mourdeni and Saga Permits. Results for these programs will be available in the near future.

### **Kalgoorlie, Ora Banda Tenements**

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

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

## **CORPORATE**

During the quarter, Credo announced that it had raised \$2m by way of placement to institutional and sophisticated investors at ten cents per share. The placement was conducted in two tranches being tranche one issued immediately under the Company’s 15% capacity and tranche subject to shareholder approval on 3<sup>rd</sup> April 2012. Approval was forthcoming at the meeting and full proceeds less expenses of the issue have been received.

## **ABOUT CREDO:**

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

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

For further Information please contact:

Robert Kirtlan or Peter Rolley on 08 9363 7109 or visit our website at [www.credoresources.com.au](http://www.credoresources.com.au)

### **Competent Person Statement**

*The information relating to Exploration Results is based on information compiled and reviewed by Mr. Simon Fleming, who is a Fellow of the AusIMM. Mr Fleming is self-employed and provides consulting services to Credo Resources Limited.*

*Mr. Fleming has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Fleming consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.*

### **Forward Looking Statements**

*This document may include forward looking statements. Forward looking statements include, but are not necessarily limited to, statements concerning Credo Resources Limited's planned exploration programme and other statements that are not historic facts. When used in this document, the words such as "could", "indicates", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Such statements involve risks and uncertainties, and no assurances can be provided that actual results or work completed will be consistent with these forward looking statements.*