

31 January 2013

## Quarterly Report for the period ending 31 December 2012

### HIGHLIGHTS

- Exciting gold anomaly located in the south eastern corner of Tyegana 1, on trend from the Sartenga discovery (WAF:ASX)
- Drill program planned to commence late January 2013

### SUMMARY

#### Burkina Faso Activities

The Company has been reviewing drilling and soil sampling results and has undertaken renegotiation of the terms attaching to some permits. In accordance with the review the Company has withdrawn from the Bourzanga, Pepow and Sanare permits during the quarter. The Company currently has obligations relating to seven (7) permits with two of these subject to renegotiation of terms, and four permit applications (Figure 1).

Following receipt of soil sampling results at the Tyegana 1 permit the Company's immediate focus is on drilling the interpreted extension of the nearby Sartenga discovery made by West Africa Resources (ASX:WAF).

#### Australian Activities

The Company has moved to reduce costs and maintain its focus on the high priority Burkina Faso permits. As a consequence, the Company has commenced rationalising its Western Australian permits (Table 1).

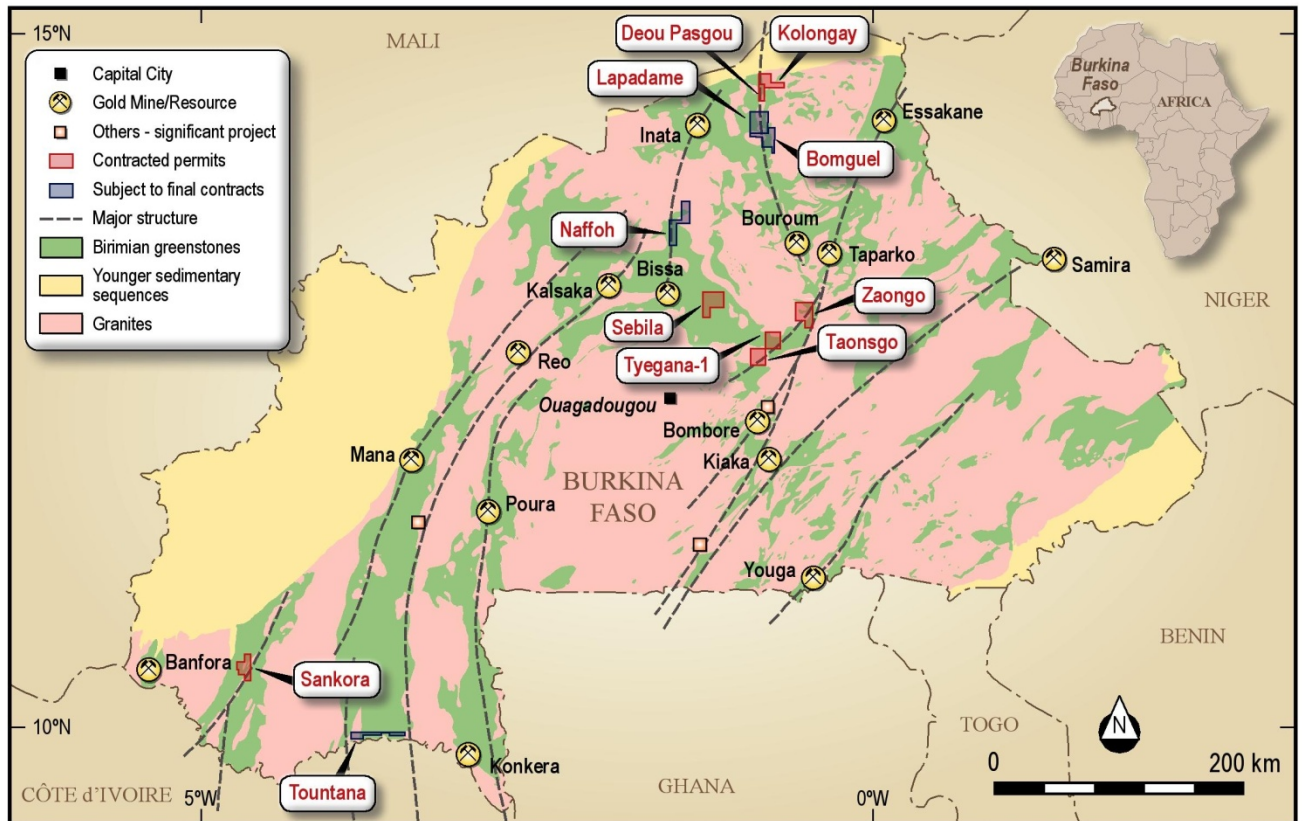


Figure 1: Burkina Faso Permit Location Map

### Tyegana 1 Permit

Drilling by Credo on Prospect A at Tyegana 1 in early 2012 intercepted anomalous gold in several drill holes, with significant values recorded in two holes. The best intercepts of 8m @ 11g/t and 8m @ 3.1 g/t can be seen in the attached Figures 3 and 4. Mineralisation in this zone extends over approximately fifty metres down dip and remains open along strike and at depth.

The regional soil sampling undertaken by the Company indicates that the Tyegana 1 permit is proving to host several large mineralised gold systems and is now a priority focus for the Company.

### **Tanyoko Prospect:**

The Company received assays from a soil geochemical program covering the full extent of the Tyegana 1 permit which has highlighted two large and significant soil anomalies (Figure 2). The soil sampling was undertaken on a grid of 800m by 200m. Approximately 2kgs of surficial soil was collected and despatched to SGS Laboratories in Ouagadougou, Burkina Faso. The soils were pulverised to 80% passing 75um and then bottle roll leached in cyanide. The resultant solution was analysed for gold. A sub sample has been submitted for multi element ICP analysis. Blanks and duplicate samples were inserted at a frequency of one to twenty samples.

The main gold anomaly (Tanyoko-Sartenga trend) extends over 4 kms in length and is up to 1.4kms wide. An area of artisan gold workings occurs within the northern end of the anomaly which is coincident with a magnetic high.

A second, strike parallel gold anomaly (Tanyoko North trend) was outlined 1km to the north-west of the main anomaly and extends over 6 kms in length.

Figure 2 shows the two soil anomalies superimposed on the regional magnetics. The image also shows the gold geochemistry reported by West African Resources from its Sartenga project and announced on 26 July 2011. Note that the gold results of West African Resources are from auger drilling, whilst Credo's results are from surficial soils and are likely to be lower absolute values as a result of the different sampling medium.

The Tanyoko-Sartenga trend and its coincident magnetic structure are interpreted to be the continuation of the Sartenga copper-gold anomaly of West African Resources, and potentially extends the Sartenga anomaly for a further 4 kms.

Air core drilling of the Tanyoko trend is proposed to commence in late January 2013.

### Proposed Work Programs

The Company intends to complete the following programs in the coming quarter:

- 3,000m air core drilling program on the Tanyoko prospect at Tyegana 1 permit
- First pass soil sampling and general field programs at Zaongo and Taonsgo permits
- Follow up soil and field programs at the Sebila permit.

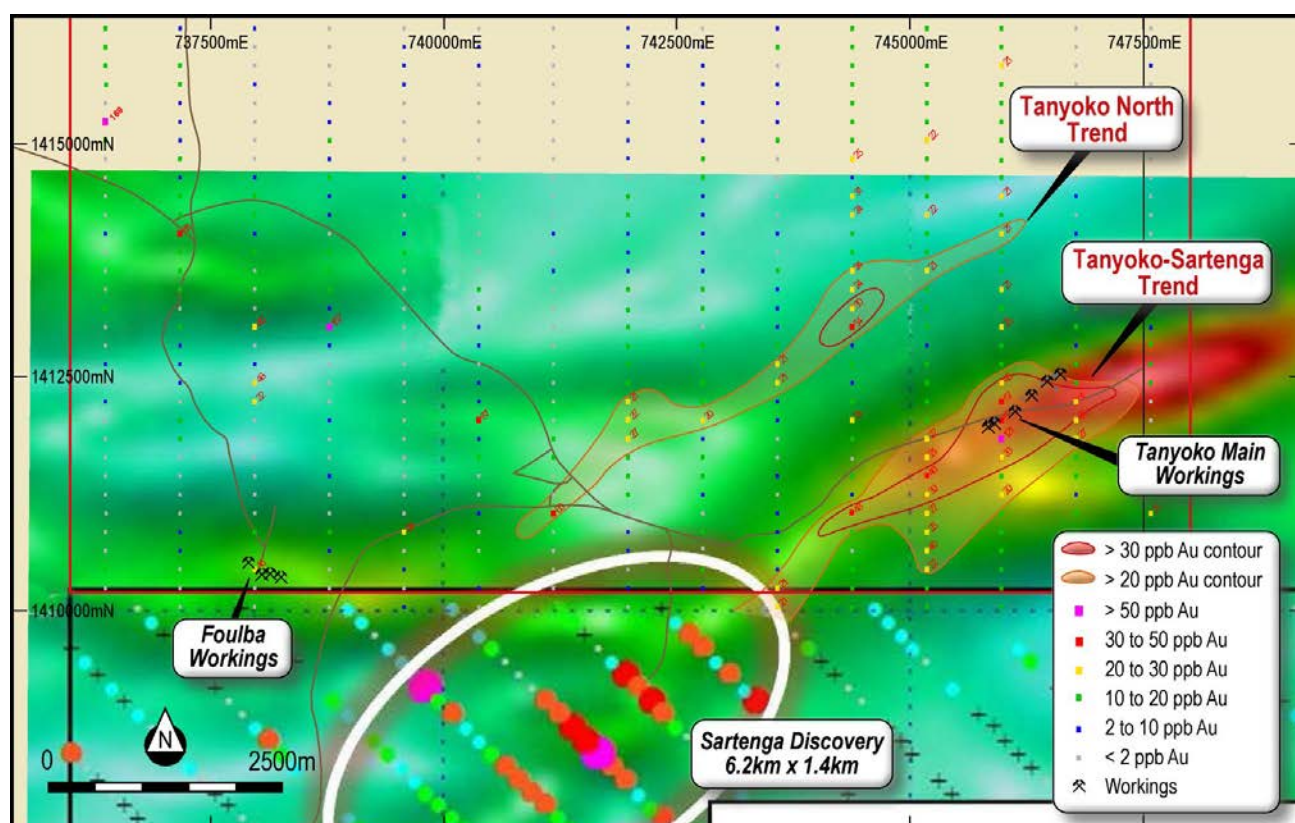


Figure 2: Tyegana 1 showing new gold anomalies on trend from the West Africa Resources Sartenga Project

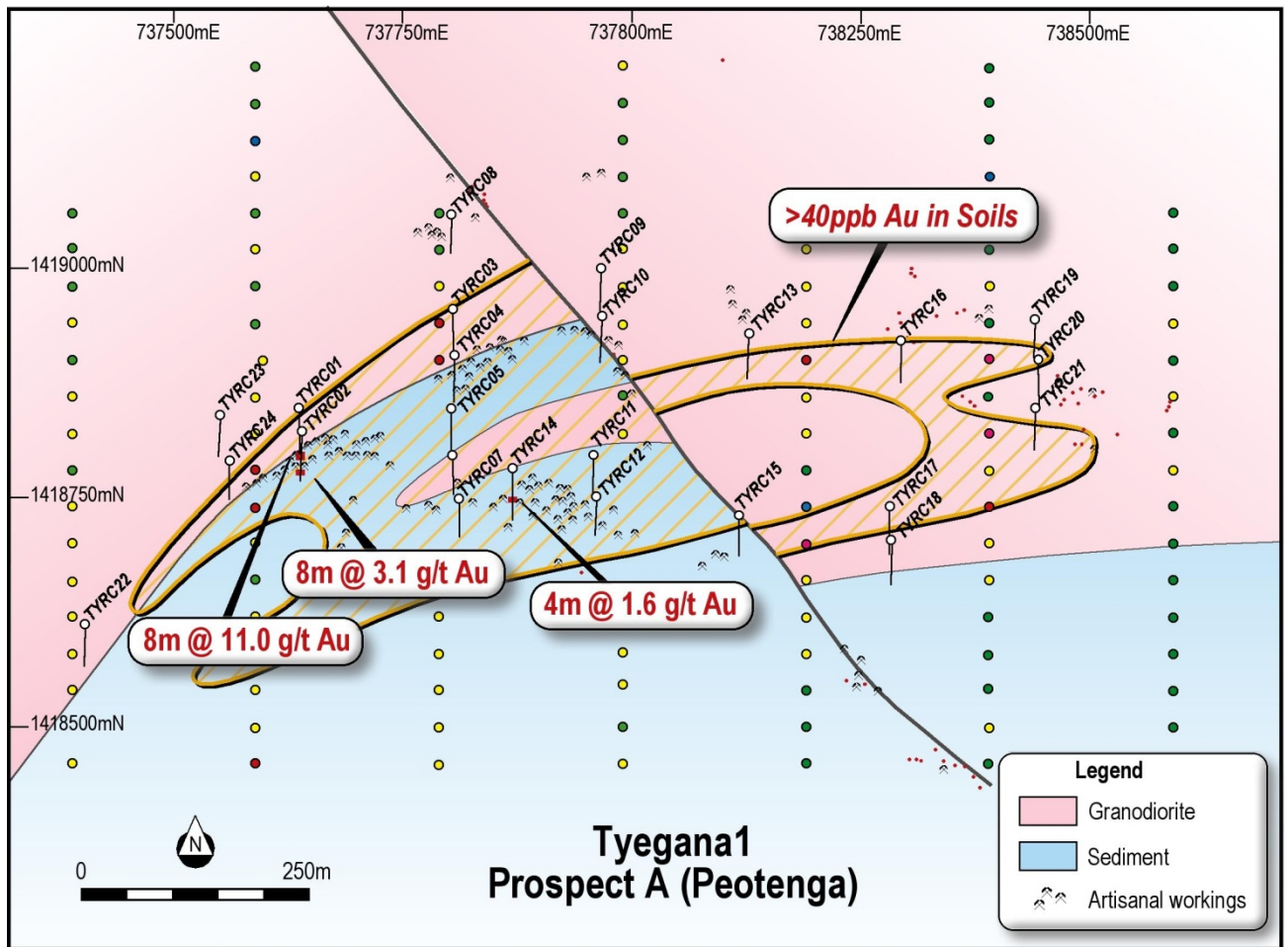


Figure 3: Tyegana 1 - Plan View of Drilling Prospect A

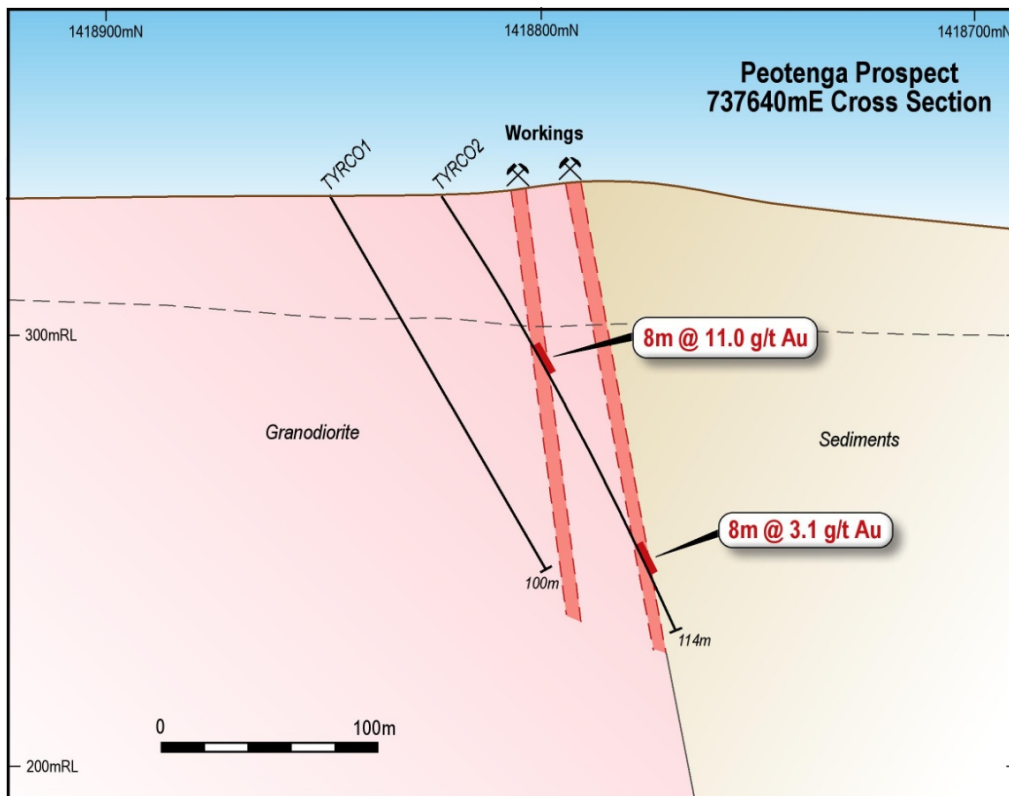


Figure 4: Tyegana 1 Cross Section Prospect A

## Western Australia

### Kalgoorlie, Ora Banda Tenements

TABLE 1 - Tenement Schedule Summary

Prospect	Number	Interest	Comment
DIXIE PROJECT	M24/684	Option	Relinquished on 13 February 2012.
FAIR ADELAIDE	P24/4051	80%	
FAIR ADELAIDE	P24/4052	80%	
FAIR ADELAIDE	P24/4053	80%	
FAIR ADELAIDE	P24/4054	80%	Rentals are up to date. Application for minimum expenditure exemptions have been submitted.
FAIR ADELAIDE	P24/4055	80%	
FAIR ADELAIDE	P24/4056	80%	
FAIR ADELAIDE	P24/4057	80%	
FAIR ADELAIDE	P24/4058	80%	
FAIR ADELAIDE	P24/4059	80%	
WYCHEPROOF EAST	P24/4471	100%	
BARDOC NORTH	P24/4487	100%	
Cause Extended	E24/178	100%	
Cause Extended	E24/179	Application	An offer for the sale of the tenements and a withdrawal from the application has been accepted. Documentation for the sale and withdrawal is under way.
BOOMERANG DAM	P27/1702	100%	
BOOMERANG DAM	P27/1703	100%	
BOOMERANG DAM	P27/1704	100%	
BOOMERANG DAM	P27/1705	100%	
BOOMERANG DAM	P27/1706	100%	An application to surrender the tenements is being prepared. Minimum expenditure application exemptions have not been applied for.

## CORPORATE

Cash available as at 31 December 2012 is \$1.523m.

## ABOUT CREDO:

Credo Resources Ltd is an Australian based mineral exploration company, focused on gold exploration in the sought after and emerging greenstone belts of Burkina Faso. Credo is now engaged in work programs on the Burkina properties.

For further information please contact:

Robert Kirtlan or Peter Rolley on 08 9381 4866 or visit our website at [www.credoresources.com.au](http://www.credoresources.com.au)

### **Competent Person Statement**

*The information relating to Exploration Results is based on information compiled and reviewed by Mr. Kevin Shugg, who is a Member of the AIG. Mr Shugg is a consultant to Credo Resources Limited.*

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

### **Forward Looking Statements**

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