



**EXPLORATION LICENCE 21/2004
ANNUAL REPORT**

JUNE 2009 – JUNE 2010

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FOREWORD

Function of the Annual Report

This Annual Report has been prepared as a public document for submission to Mineral Resources Tasmania (MRT). The report provides a summary of the exploration activities undertaken by Creat Resources Holdings Limited within Exploration Licence 21/2004 (EL 21/2004) during June 2009 - June 2010 licence period.

Role in the Regulation Process

This document fulfils the role of an Annual Report for EL 21/2004 during June 2009 - June 2010, as required under Section 28 of the *Mineral Resources Development Act 1995*.

Datum

Geodetic Datum AGD66 has been used throughout for this report.

ABSTRACT

On 11th December 2009 Creat Resources Holdings Limited (CRHL) acquired EL21 from Rubicon Min Tech Ventures Pty Ltd (100% owned subsidiary of Stellar Resources Ltd) after successful negotiations. The acquisition was initiated largely in response due to interest raised after analysing results from the airborne SkyTEM geophysical survey flown in January 2009. This exploration report is therefore based on six months licence tenure for CRHL.

Geological field work and planned drill holes have centred on the northern flank of Mount Razorback, with diamond drilling beginning at the time of writing this report.

Expenditure on EL21/2004 during 2009/2010 totalled \$22,900*

*figures for Q2 2010 have not been officially reported yet, and there may be a small variation.

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1 INTRODUCTION

1.1 Exploration Rationale

Creat Resources currently holds exploration licence 21/2004 (EL21/2004), which is primarily of interest to the Company for two styles of mineralisation compatible with the geology and history of the EL.

- Nickel sulphide deposits with a magnetic signature related to magmatic or hydrothermal alteration in Cambrian ultramafic rocks.
- Tin and tin-copper deposits at the intersection of fault conduits for Devonian granite sourced fluids and carbonate bearing horizons within the Cambrian host rocks.

1.2 Geological Setting and Known Mineralisation

The regional scale geology within EL 21/2004 (Figure 4) comprises a fault-bounded wedge of serpentinised Early Cambrian dunite juxtaposed against predominantly Middle Cambrian Dundas Group marine sedimentary rocks to the southwest, and predominantly Late Cambrian Owen Group and Late Proterozoic Oonah Formation marine sedimentary rocks to the northeast. Several silver-lead-zinc and tin prospects exist within the lease area. Their alteration and ore mineralogy styles and their structural settings are typical of Zeehan and Dundas district mineralisation genetically related to Late Devonian-Early Carboniferous granite batholiths and dykes.

The known mineralisation appears to be controlled partly by a major northwest-southeast trending fault structure which can be seen in the recent TMI survey flown by Creat Resources in January 2009. This structure forms the southwest margin of the serpentinite wedge. There is evidence of metal zonation along the structural trend, with silver-lead-zinc prospects grouped towards the southeast and tin prospects aligned further to the northwest at Razorback and Grand Prize.

At Razorback the Cambrian serpentinite is overlain by a talc-carbonate unit, (the mineralised unit), a shear, the Red Lead Conglomerate and the Hodge Slate. The sequence strikes northwest and is near vertically dipping. Tin mineralisation occurs mainly in the talc-carbonate but some has also been reported in the shear and in the conglomerate. The lode is a vertical, south plunging body of disseminated and massive pyrrhotite up to 19m thick and 130m long. Historic drilling indicates it extends to at least 140m below surface. Mineralisation is cassiterite, with some minor stannite, in association with pyrrhotite, pyrite, arsenopyrite, chalcopyrite, sphalerite and galena.

Grand Prize is located about 1.5km north of Razorback. The rocks are the same as those at Razorback being Cambrian sediments of the Dundas Group overlying basic and ultrabasic igneous rocks. There are mudstones, siltstones, grit and conglomerate but few carbonate bearing units.

Mineralisation is controlled by large faults, principal being the 15-30m wide, NNW-trending, west dipping Grand Prize Fault. A smaller sub parallel mineralised structure, the Grand Reward Fault, is 100m to the east of the Grand Prize Fault. The host sediments strike ENE, at 90° to the faults, and

dip south at 50°. Mineralisation occurs largely in the faults where their nature is influenced by the varying lithologies forming the fault walls. Cassiterite is the principal mineral in association with pyrite and pyrrhotite but there is also chalcopyrite, sphalerite, galena and arsenopyrite.

The regional geology of the area has been well described in Blissett (1962), Taylor (1983), Jones (1988), McGilvray (2003) and Hazeldene (2009).

Creat Resources Holdings Ltd currently holds Exploration Licence 21/2004 Dundas, which includes several known mineral deposits, including the historic Razorback and Grand Prize tin deposits as well as a few small active specimen mines such as the Adelaide Crocoite mine. Creat Resources Holdings Ltd's long term objective is to grow through success in exploration within the Zeehan area, and through mineral acquisition opportunities both in Australia and overseas.

1.3 Exploration Licence Location and Operations

1.3.1 Site Location and Mineral Exploration Area

EL 21/2004 covers approximately 13km², and is located 6km east from Zeehan covering the former township of Dundas, Western Tasmania (Figure 1). Primary access to the lease is from the unsealed all weather Dundas Rd which branches off the Murchison Hwy, other tracks within the area are weather dependant and year round are 4x4 only. The Emu Bay Railway and the Murchison Highway connect the township of Zeehan with the Port of Burnie, located approximately 140km to the north.

Vegetation cover is variable over EL 21/2004, consisting of button grass, tea tree/acacia forests as well as semi rainforest and eucalypt forest with wet underlying scrub.

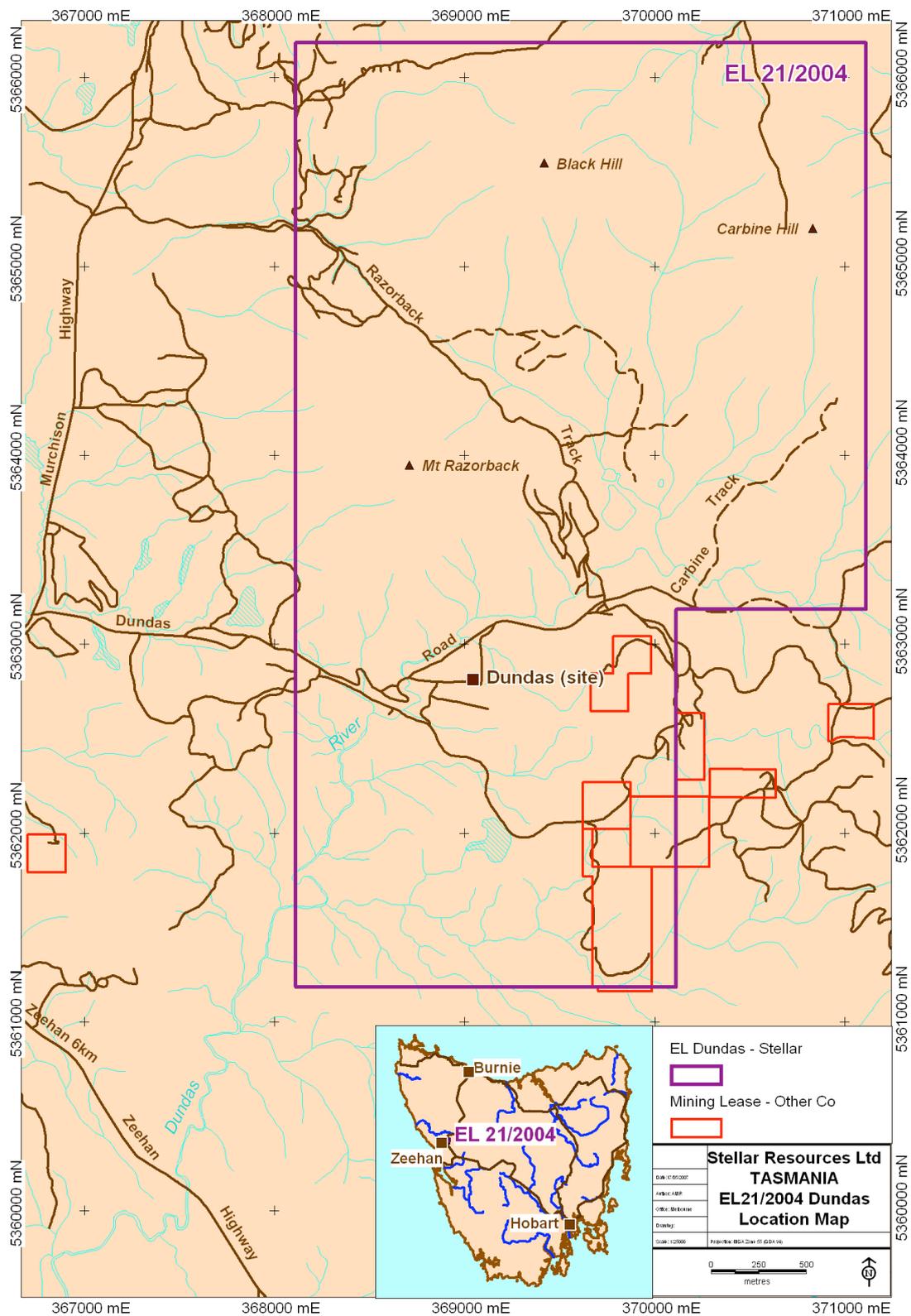


Figure 1: Location of EL 21/2004

1.3.2 Exploration Licence Tenure

EL 21/2004 was granted to Creat Resources on 11th December 2009 for a period ending on 25/06/2010, after successful purchase of the licence from Rubicon Min Tech Ventures Pty Ltd (100% subsidiary of Stellar Resources Ltd) and applies to all Category 1 minerals.

SCHEDULE

LAND DISTRICT OF MONTAGU VICINITY OF DUNDAS

MUNICIPALITY OF WEST COAST

EXPLORATION LICENCE 21/2004 13km²

CREAT RESOURCES HOLDINGS LIMITED

Commencing at the northwest corner at grid coordinates 368,000 mE 5,366,000 mN, thence grid east to 371,000 mE, grid south to 5,363,000 mN, grid west to 370,000 mE, again grid south to 5,361,000 mN, again grid west to 368,000 mE aforesaid, thence again grid north to the point of commencement.

Coordinate datum - AGD66AMG, Zone 55.

EXCLUSIONS

- (a) Any land owned or leased by the Commonwealth of Australia.
- (b) Mining Leases amounting to 43ha (more or less) which were applied for or in force prior to the date of application for this licence.
- (c) Crown reservations or other land amounting to 3ha (more or less) set apart or dedicated for any public purposes such as public reserves, municipal reserves or roadways unless such areas have been brought under the provisions of the Mineral Resources Development Act 1995.
- (d) Areas of private land which either have been, or are in the process of being, purchased by the Crown under the Regional Forest Agreement - Private Forests Reserves Program and / or private land over which the landowners have agreed, or are in the process of agreeing, to place a covenant or management agreement for conservation purposes under the Regional Forest Agreement – Private Forests Reserves Program.

LAND TENURE

The area comprises: Crown Land State/Multiple Use State Forest Mount Dundas Regional Reserve
The licence area contains Forest Communities Managed by Prescription. The current land tenure in and around EL 21/2004 is provided in Figure 2.

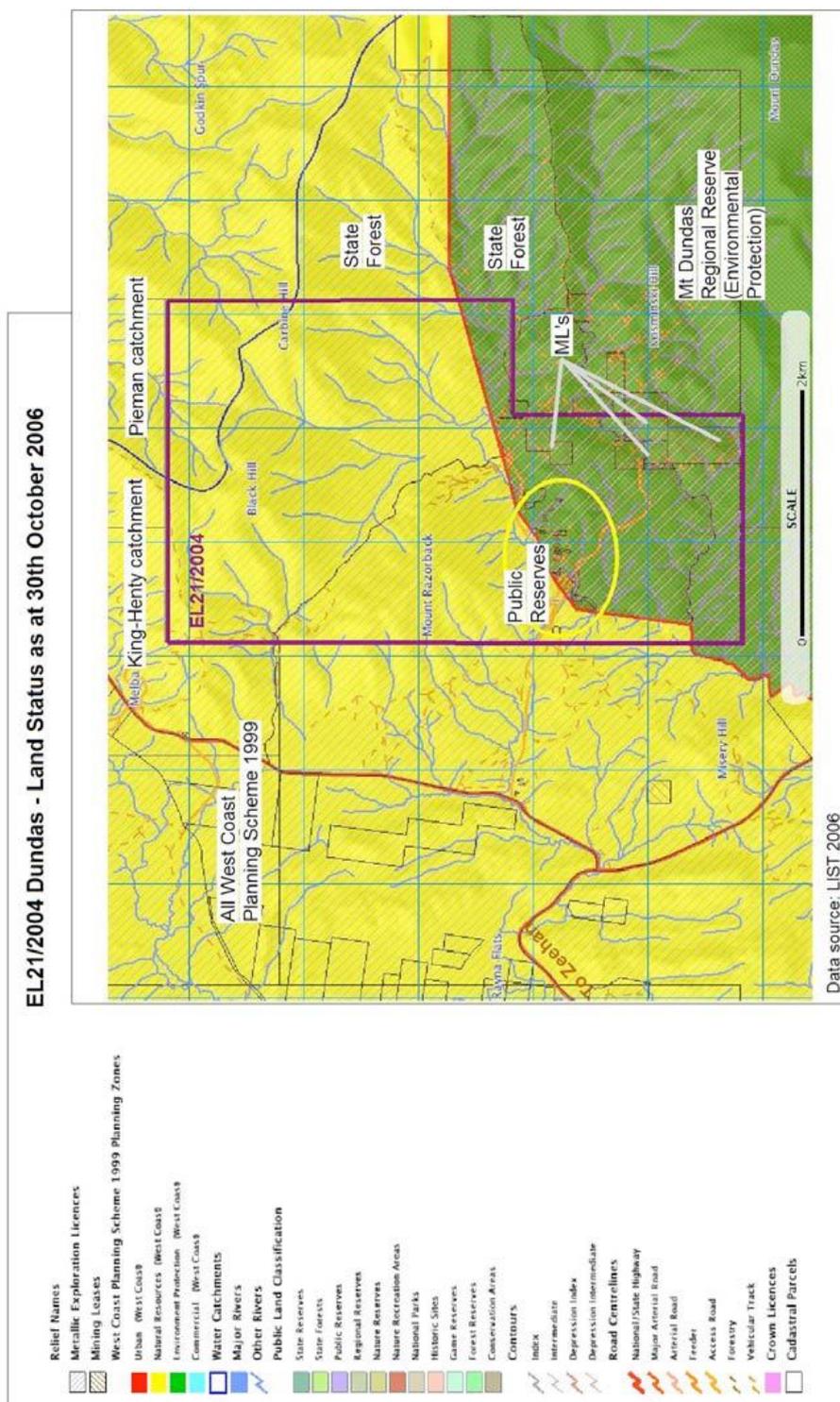


Figure 2: Land tenure for EL21/2004

2 SUMMARY OF PREVIOUS WORK

2.1 Previous Mining and Exploration within EL 21/2004

The area was mined originally for lead and silver during the late 1800's. Modern exploration for tin and Cu-Zn-Ag commenced in the 1930's which later led the discovery and subsequent operation of the Razorback tin mine as well and the Grand Prize tin mine being the major operations that took place within the lease boundaries, many other small operations have operated in the early to mid 1900's. Since 1960 there has been numerous companies hold the lease which has resulted in many drill holes being completed mostly around the historic Razorback and Grand Prize tin mines, there has also been extensive soil sampling geochemistry along various grids as evidenced by the concentration of historic grids (Figure 3).

Today, small-scale mining continues in the area for mineral specimens, particularly crocoite and stichtite.

A comprehensive spreadsheet summary of previous exploration work, compiled by A. Riggs of Stellar Resources is included as Appendix B.

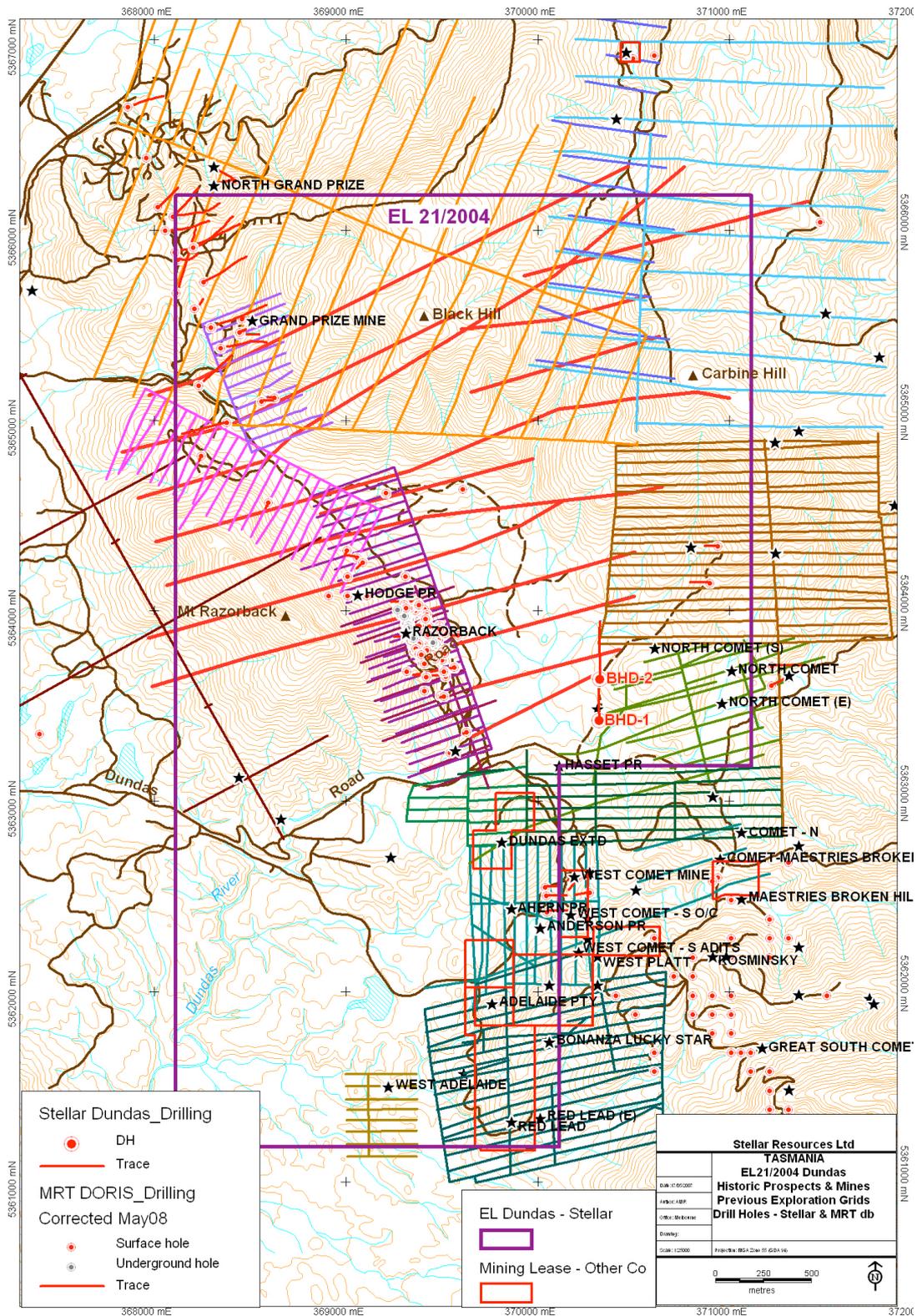


Figure 3 Previous exploration grids in vicinity of EL21

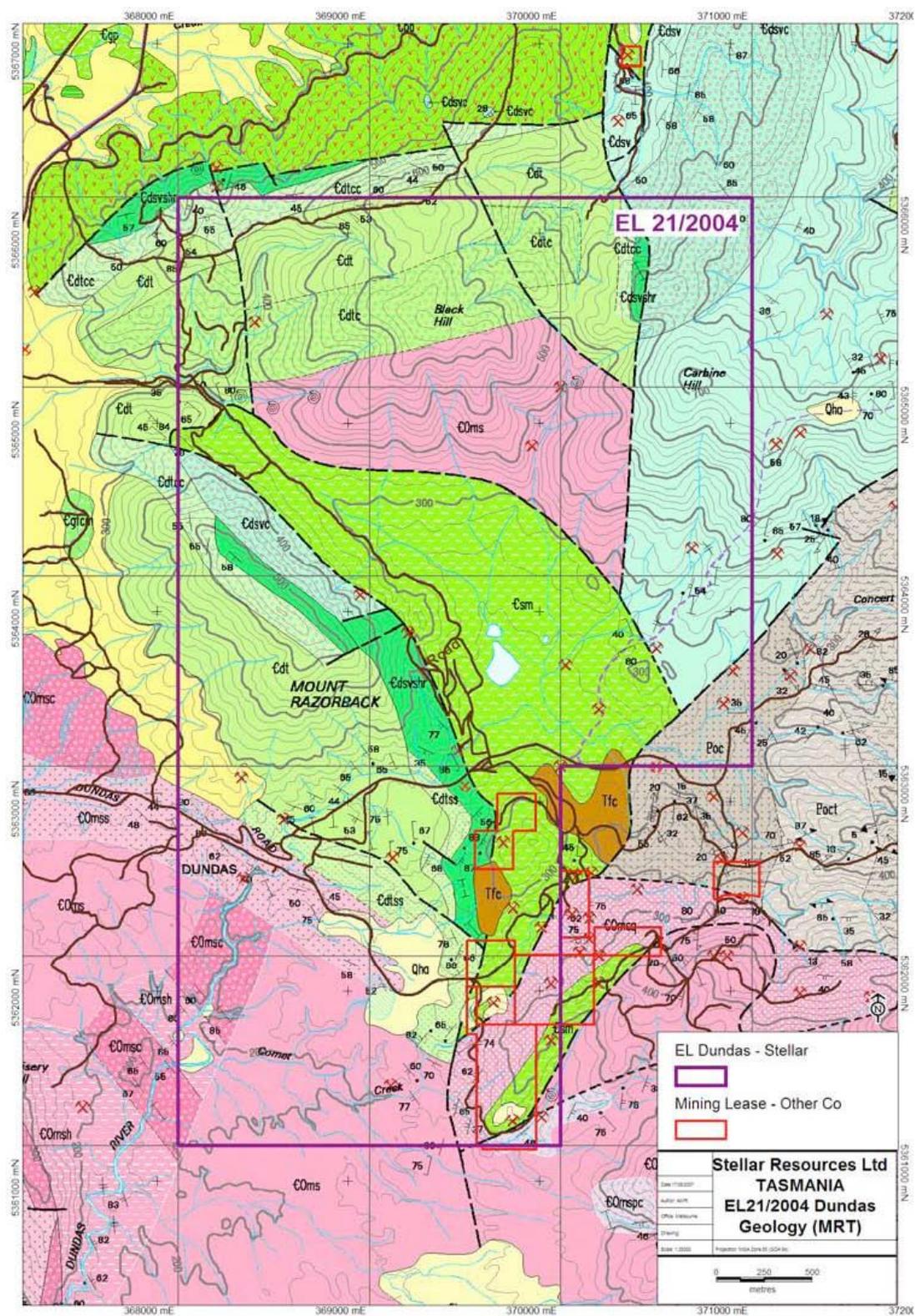


Figure 4 Geology underlying EL21 with other company leases

3 EXPLORATION UNDERTAKEN DURING 2010

A summary of exploration activities undertaken is presented below.

- Collation and study of data provided by previous tenement holder
- Soil sampling lines above intended drilling locations
- At time of writing, diamond drilling program in progress.

3.1 Geochemical Soil Sampling

Creat Resources conducted a short geochemical soil survey along the track that traverses the eastern side of the Mount Razorback ridge line, which also roughly coincides with the structure of interest. The samples were taken every 20 metres, each sample was either a soil sample taken below the organic layer, or where outcrop occurred a small rock chip sample was taken. In total 48 samples were collected, covering a distance of one line kilometre.

These collected samples were then prepared by our field team and analysed using the company's Niton XRF analyser, the spreadsheet of results are shown in Appendix A.

The analytical results of these soil samples were compared to previous surveys in the area, a general agreement in nickel analyses enabled us to use the previous results. The samples were then added to Mapinfo in conjunction with previous soil sampling to give an overall look at geochemical anomalies.

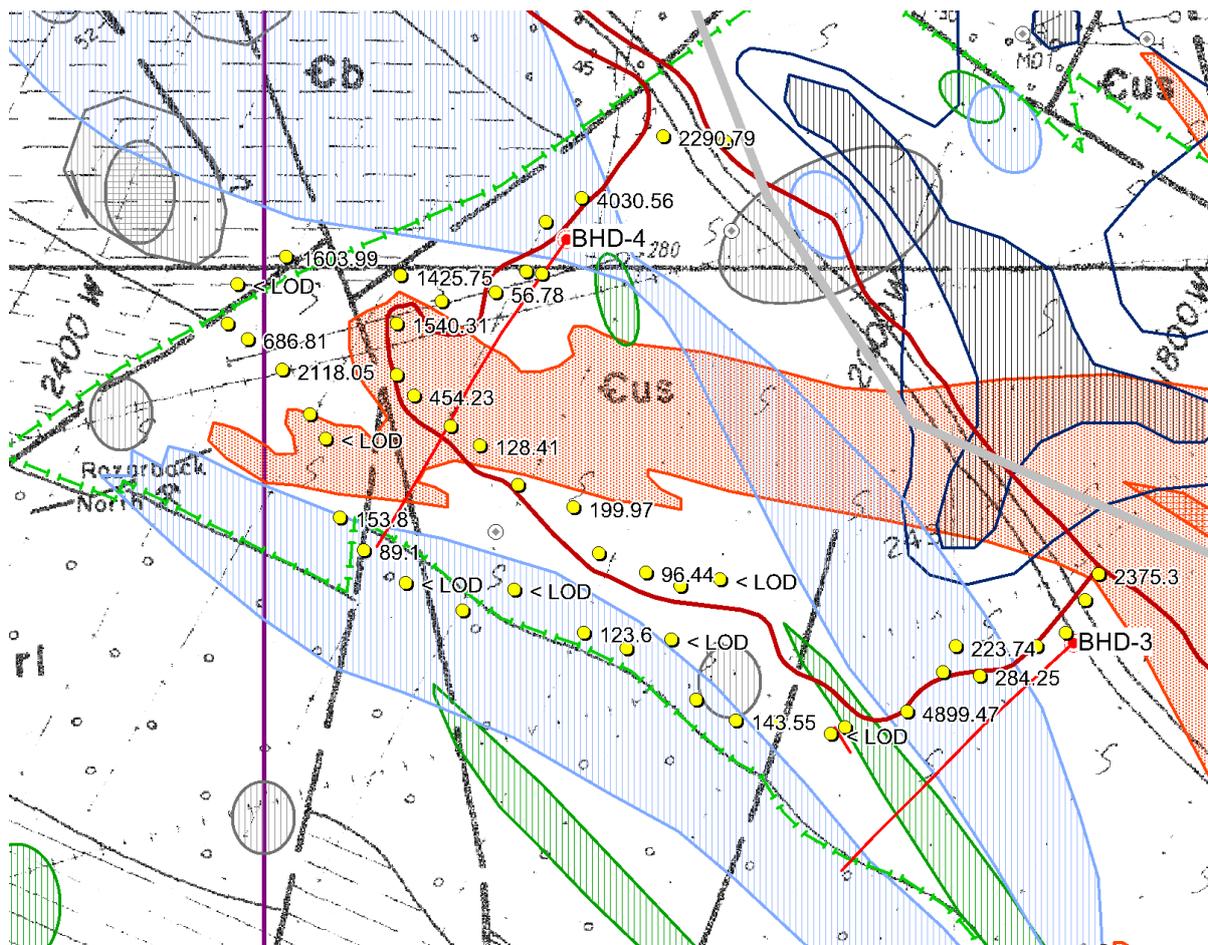


Figure 5: Location of soil geochemistry sample sites showing nickel analyses copper, nickel and zinc geochemistry from previous surveys and locations of proposed drill holes.

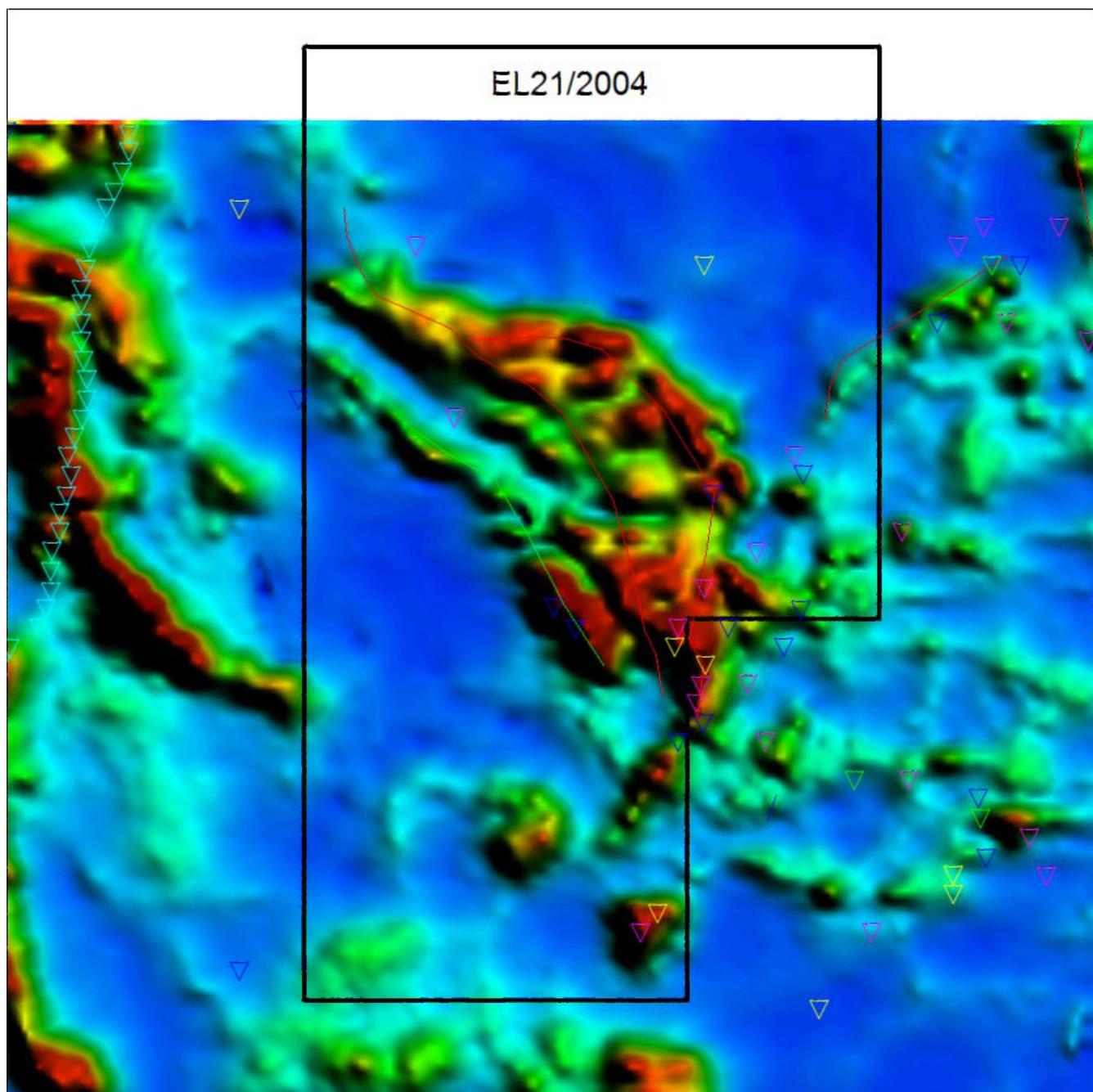


Figure 6: Z10 SkyTEM EM Response showing high priority anomalies in red

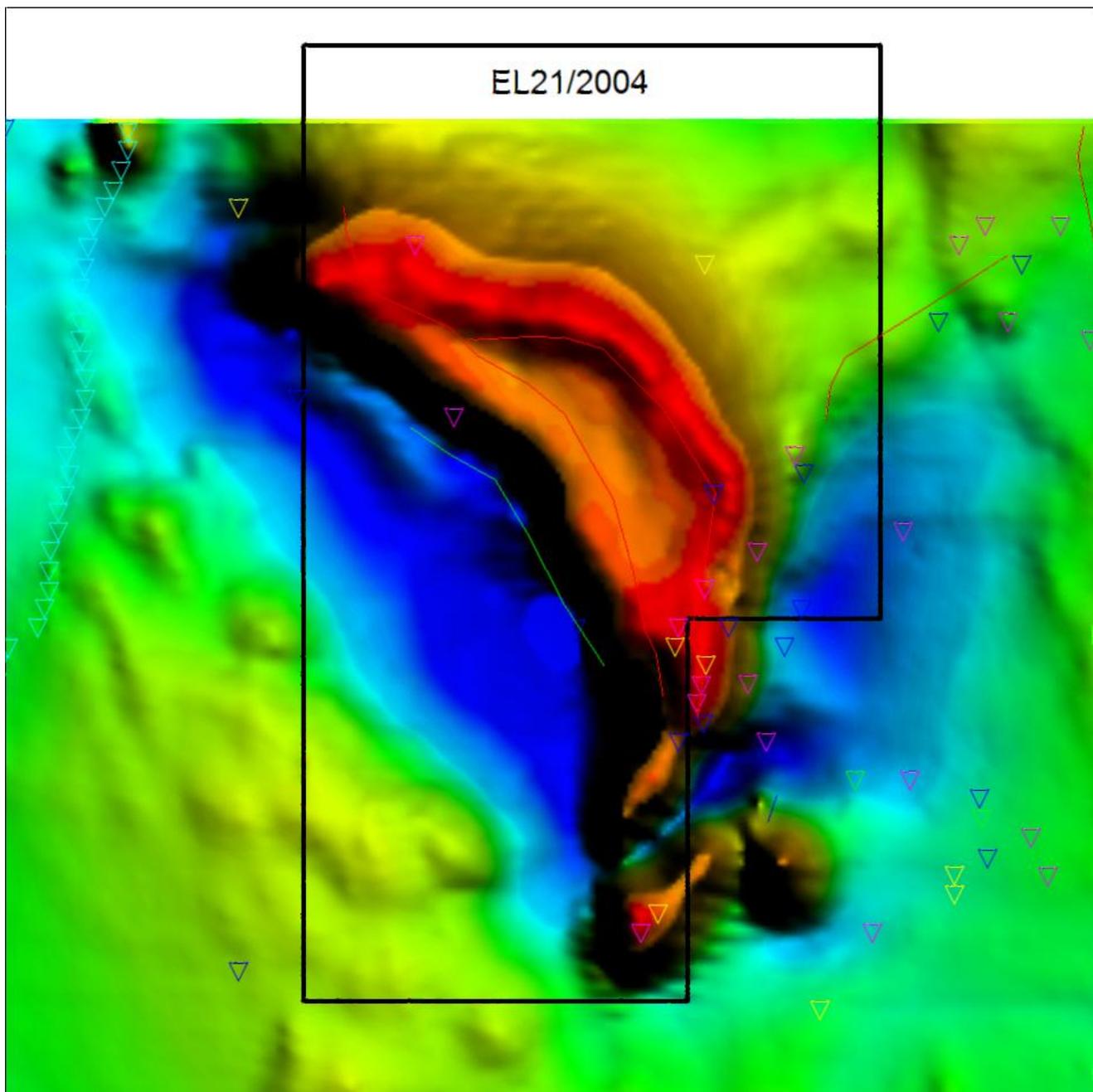


Figure 7: SkyTEM TMI Response showing high priority anomalies in red

3.2 Drilling Program

The Company was required to drill at EL21 Mount Razorback in accordance with the work program submitted to MRT by the previous operator, Stellar Resources/Rubicon Min Tech, before the tenement anniversary date.

In late June 2010 a drilling program commenced on the northern flank of Mount Razorback. The program consisted of 2 holes for a total of 600m, see Figure 8.

Table 1: Diamond drill hole BHD-3 details

Diamond Drill hole BHD-3
Easting: 368468
Northing: 5364569
Collar Dip: 50 degrees
Azimuth: 225T
Design Depth: 250m

Table 2: Diamond drill hole BHD-4 details

Diamond Drill hole BHD-4
Easting: 368175
Northing: 5364804
Collar Dip: 50 degrees
Azimuth: 210T
Design Depth: 320m

The two proposed holes are collared on ultramafic (serpentinite) on an existing but partially overgrown track branching off the Razorback/Grand Prize Track. The aim is to investigate at depth areas of anomalous surface nickel highlighted in CRHL and Stellar surveys. It is expected that the holes will be stopped shortly after the Red Lead Conglomerate is intersected, and the core is screened using the Company's handheld XRF unit. It is also hoped that a zone of talc-carbonate altered serpentinite near the contact with the conglomerate will be encountered, as this alteration zone has been shown to be a focus for mineralisation at the historic Razorback Tin Mine.

The holes also build upon the previous tenement holder – Stellar's (Rubicon) exploration drilling program (BHD-1 and BHD-2) at Dundas-Mount Razorback. The conclusions from Stellar Resources drilling program 2008 was:

Future exploration should focus attention on the western margin of the serpentinite body where fault-controlled hydrothermal alteration and tin, copper, lead and zinc mineralisation is known but apparently no specific nickel exploration has been conducted.

An examination of Stellar's exploration results, a review of the geology and data provided following acquisition of the licence, and a recent rock-chip geochemistry survey (highest reading of 0.49% Ni) has highlighted two areas worthy of drill follow-up.

In accordance with the aims for this initial round of drilling, the targets to be drilled by BHD-3 and BHD-4 meet the following criteria:

- Located within Cambrian ultramafic rocks known to have high background nickel
- Located approximately 1000 metres above a subsurface Devonian granite ridge modelled from regional gravity data

- Located at sites with some nickel, copper and zinc geochemical anomalism and no previous drilling
- Located near a faulted contact providing a good pathway for mineralising fluids, and also the same structure known to be a focus for hydrothermal alteration and mineralisation as demonstrated at Razorback Tin Mine
- Located at sites where drill pads can be accessed using upgraded existing vehicle tracks

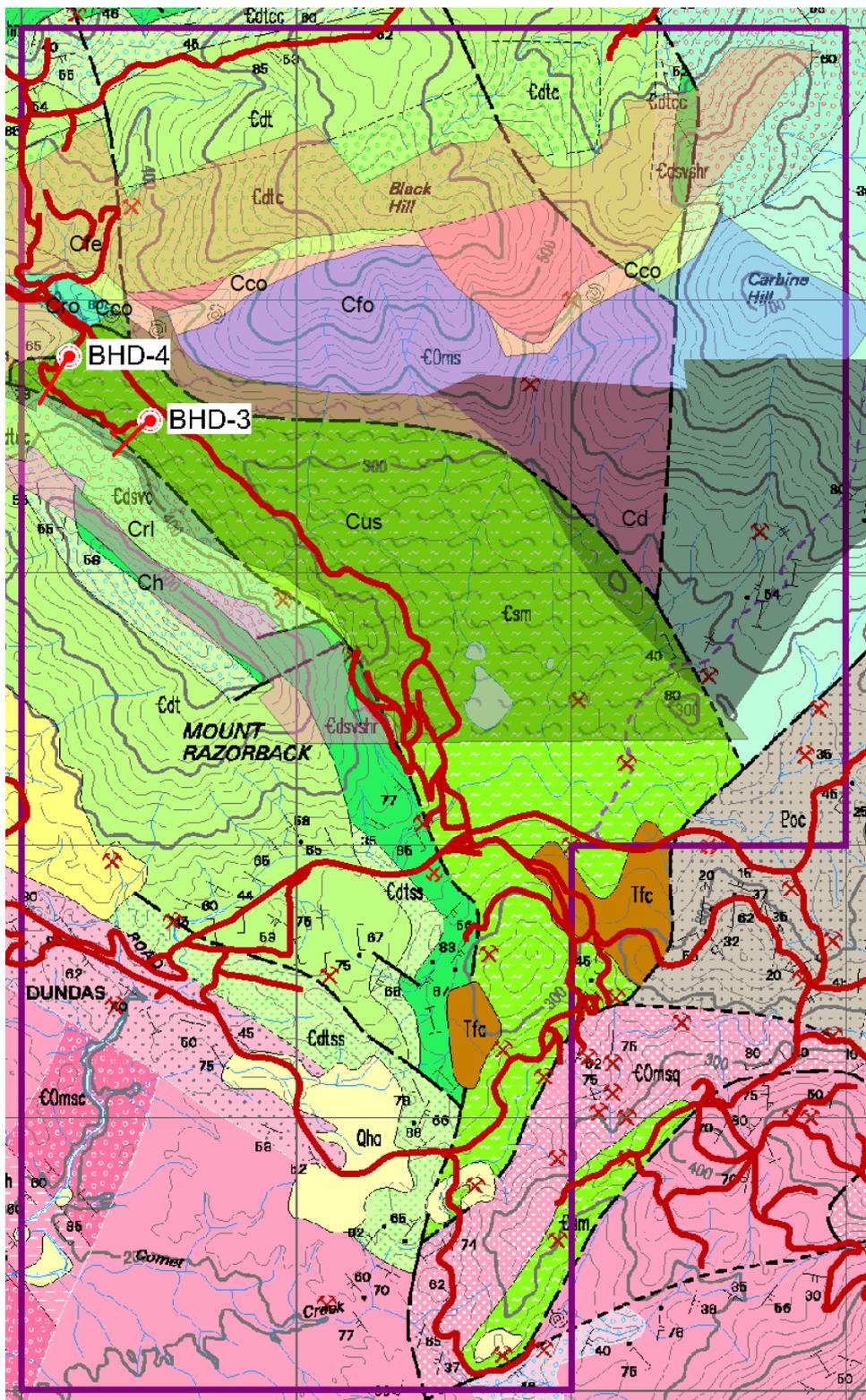


Figure 8: Proposed drill holes BHD-3 and BHD-4 are collared in ultramafic and will be drilled towards the structural geological contact to the SW.



Figure 9: Close-up showing proposed drill holes and access tracks in red.

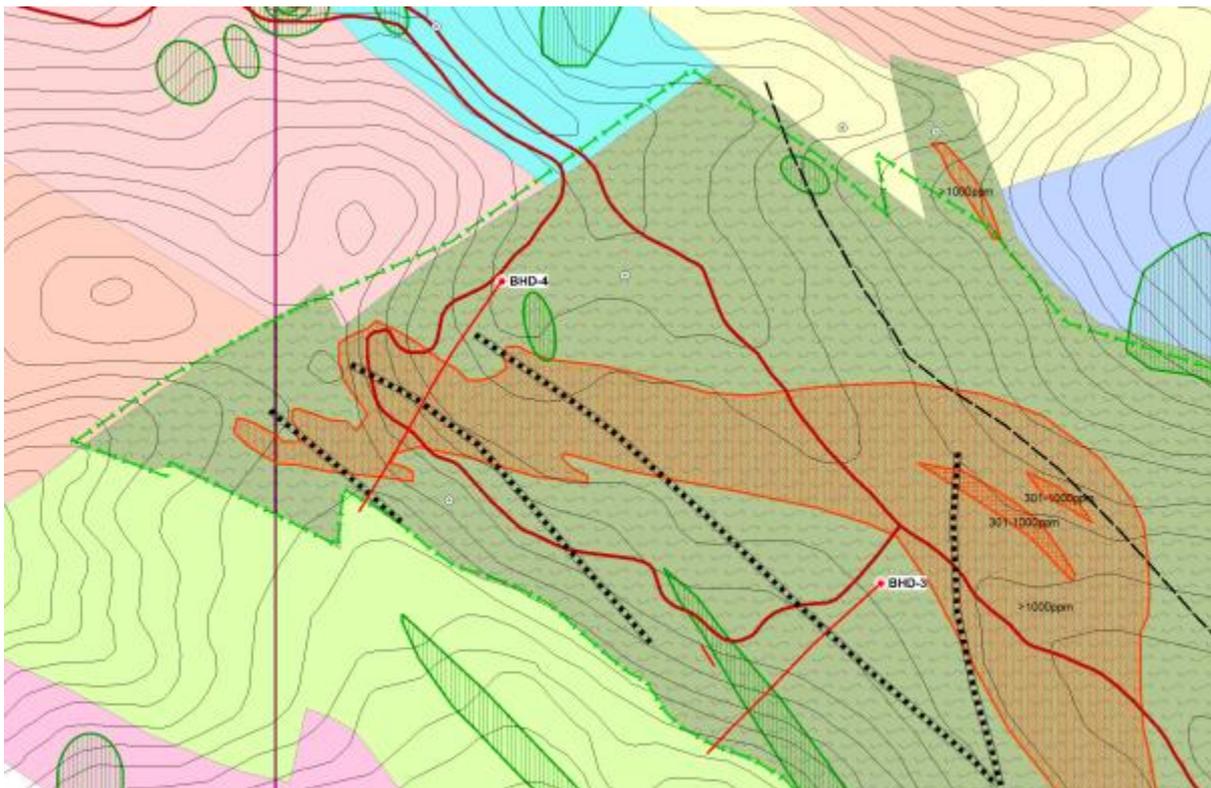


Figure 10: Proposed drill holes, anomalous nickel and copper geochemistry, 1970 RGC Exploration IP anomalies

4 CONCLUSIONS AND PROPOSED WORK PROGRAM

The intended nickel exploration works program in EL21 for the 2010 – 2011 renewal period will be largely dependent on the drilling results achieved from the BHD-3 and BHD-4 holes. If the results are sufficiently encouraging, the initial holes will be followed up with further drilling to test the ultramafic/clastic structural contact along strike.

If nickel assay results are discouraging, the emphasis and exploration focus will shift towards the known tin mineralisation at the historic Razorback Tin Mine. There is an intention to further drill the Razorback tin mineralisation and to increase the confidence level of the previously estimated tin resource (Purvis, 1980) to a JORC classification. The Rubicon Min Tech 3-D Go-CAD model will also be utilised to help achieve these aims.

5 ENVIRONMENT

The old track branching off the Murchison Highway has been upgraded to provide access to the drill sites, environmental approval was sought by Creat Resources and granted, an excavator was used to widen the access track as well as preparing the two drill locations and access to them.

The drill pads and sumps will require rehabilitation, the access tracks will require discussion with MRT environmental personnel before a decision is made regarding the approach to be taken.

6 EXPENDITURE

Expenditure for the three quarters CRHL has had full/partial tenure is presented below.

2009	Q4	\$ 3,014
2010	Q1	\$ 5,500
	Q2	\$ 14,400 (estimated from quotation, consisting of drilling-related earthworks)

7 REFERENCES

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Purvis, J.G. (1980) Exploration at the Razorback Tin Mine, Western Tasmania, March 1979 – September 1980, TCR 81-1561.

Taylor, B.L. (1983). Amoco – E.Z Exploration of the Gordon Limestone: Electrolytic Zinc Co. of Australasia Ltd & Amoco Minerals Aust. Co. [TCR 84-2192].

8 APPENDICES

Appendix A (digital): Mount Razorback Soil Geochemistry XRF Analyses

Appendix B (digital): Summary of Previous Exploration