CREAT RESOURCES HOLDINGS

EXPLORATION LICENCE 20/2002
ANNUAL REPORT

DECEMBER 2009 – DECEMBER 2010

Prepared by

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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 ZZ Exploration Pty Ltd (ZZE is a 100% owned subsidiary of Creat Resources Holdings Limited) within Exploration Licence 20/2002 (EL 20/2002) during December 2009 - December 2010.

Role in the Regulation Process

This document fulfils the role of an Annual Report for EL 20/2002 during December 2009 - December 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

ZZ Exploration Pty Ltd (ZZE) a 100% owned subsidiary of Creat Resources Holdings Limited (CRHL) holds exploration licence 20/2002 (EL20/2002), which is primarily of interest to the company for the potential to host economic Irish-Style lead-zinc deposits in the Gordon Limestone areas, and for gabbro-hosted nickel-PGE deposits of the Cuni-Melba Flats style in the north of the licence area.

Geological field work in the licence has centred on the Melba Flats region to the west of Mount Razorback. A soil sampling grid comprising 10 E-W lines approximately one km in length has been completed. Line spacing is 100 metres, and soil samples were collected at 25 metre intervals for a total of 449 samples. A resulting coincident Ni-Co soil anomaly was generated, with plans to diamond drill in the vicinity during January 2011.

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FIGURES

1 INTRODUCTION

1.1 Purpose of This Document

This document fulfils the role of an Annual Report for EL 20/2002 during December 2008–December 2009 as required under Section 28 of the Mineral Resources Development Act 1995.

1.2 The Proponent

ZZ Exploration Pty Ltd is a wholly owned subsidiary of Creat Resources Holdings Ltd ZZE currently holds Exploration Licence 20/2002, which includes several known mineral deposits, including the Oceana and Mariposa deposits. Creat Resources Holdings Ltd's long term objective is to grow through success in nickel 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 20/2002 covers approximately 71km2, and is located 1km southeast from Zeehan, Western Tasmania (Figure. 1). The Murchison Hwy, Zeehan Hwy, and Henty Rd provide road access to EL 20/2002. The Emu Bay Railway and the Murchison Highway connect the township of Zeehan with the Port of Burnie, located approximately 140km to the north.

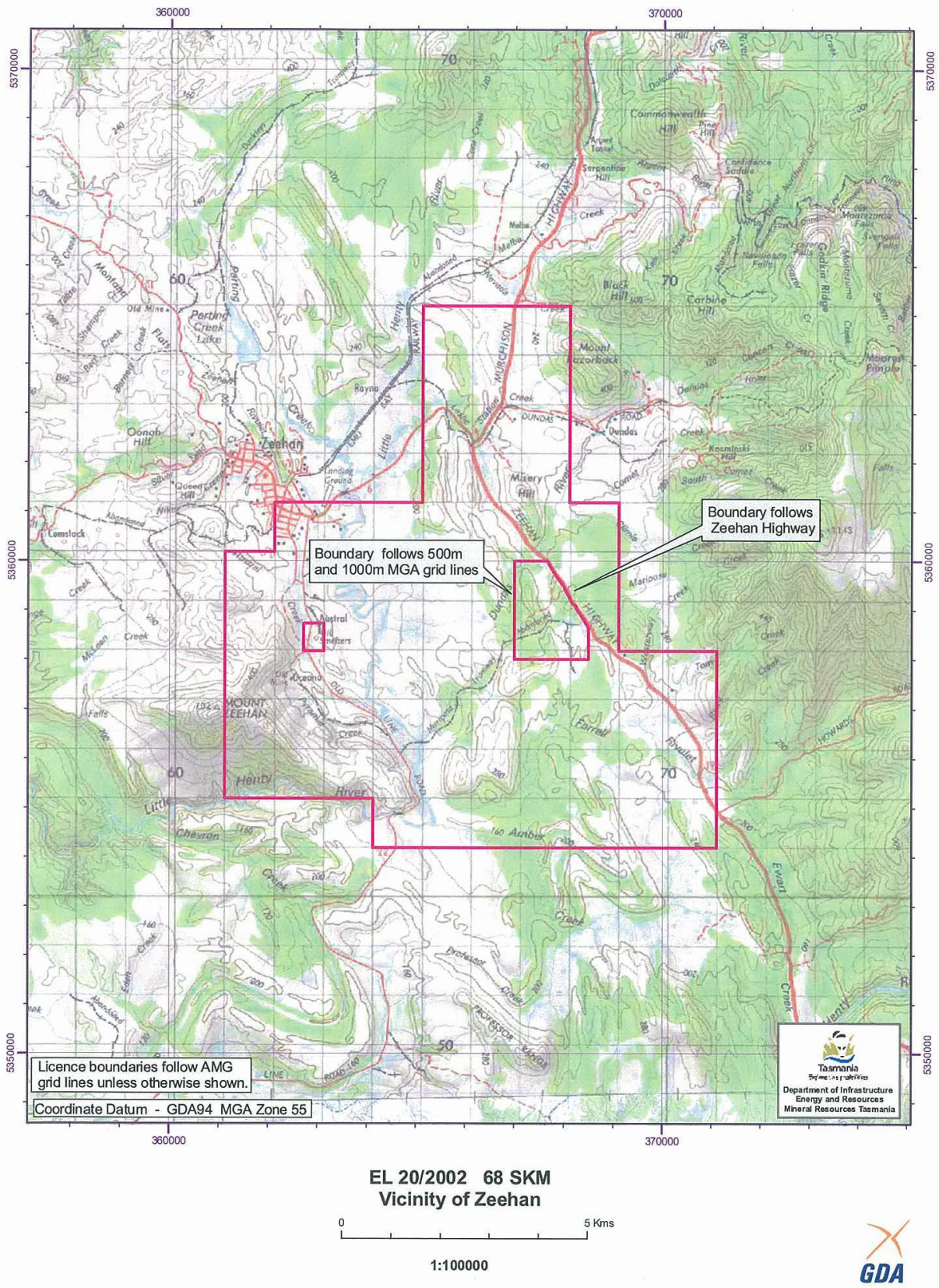

Figure 1: Location of EL 20/2002

Vegetation cover is generally sparse over EL 20/2002, dominated by button grass on ridges and in valleys, with dense tea-tree and eucalypt scrub occurring along creek lines.

1.3.2 Exploration Licence Tenure

EL 20/2002 was granted to ZZ Exploration on February 7, 2003 for a period of 5 years, and applies to all Category 1 minerals. The licence covers approximately 71km2, with excluded areas including:

- Retention Licence 3/1996 and CRHL Retention Licence RL1/2008 Mariposa;
- CRHL RLA3/2009 Oceana
- Any land owned or leased by the Commonwealth of Australia;
- Mining Leases; and
- Crown reservations.

The current land tenure in and around EL 20/2002 is provided in Figure 3.

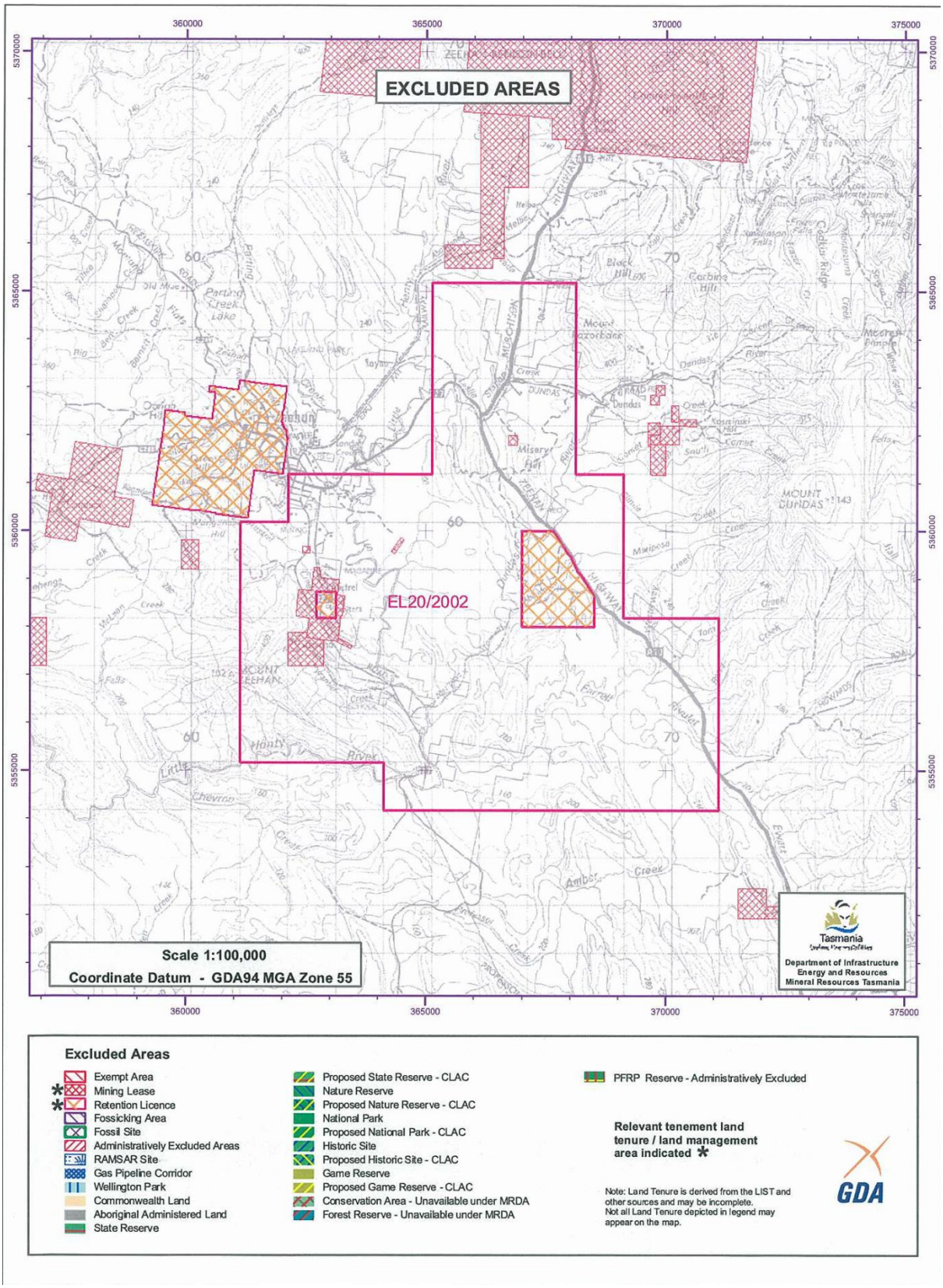

Figure 2: Excluded Areas

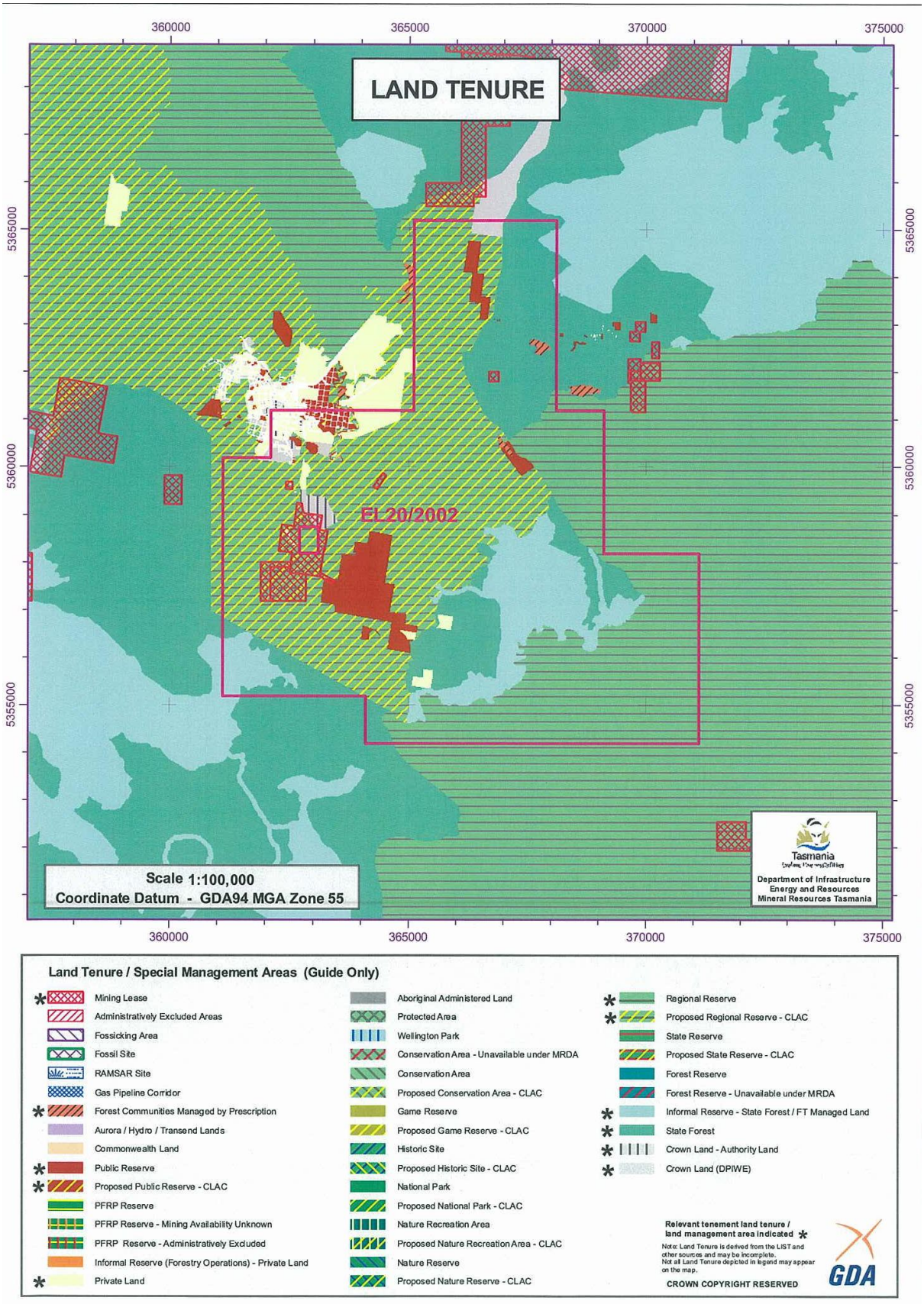

Figure 3: Land tenure for EL20/2002

2 SUMMARY OF PREVIOUS WORK

2.1 Previous Mining and Exploration within EL 20/2002

A series of limestone-hosted base metal prospects are located around Zeehan and have been subjected to substantial previous mineral exploration. The Oceana lead/zinc deposit provided much of the impetus for such exploration to be undertaken over all the known areas of Gordon Limestone in the general Zeehan area (SMG Consultants, 2005).

The known mineral deposits within EL 20/2002 have been subjected to various phases of mineral exploration which date back to the 19th century.

The regional geology of the area has been described in Blissett (1962), Taylor (1983), Jones (1988), and McGilvray (2003), and also provided in previous Creat Resources Holdings Ltd Annual Reports for EL 20/2002.

3 EXPLORATION UNDERTAKEN DURING 2009

A summary of exploration activities undertaken is presented below.

- Airborne electromagnetic (EM) and magnetic survey
- Geochemical Soil survey completed in the northern area of EL 20/2002
- Completion of Seismic survey report

3.1 Melba Flats Soil Survey

The following section outlines the key features that Creat Resources Holdings Ltd geologists have used to base their nickel exploration approach during 2009.

3.1.1 Historical Mining and Exploration

The Cuni (Cu=copper, Ni=Nickel) or Melba Flats deposits were first pegged out at the Nickel Reward prospect in 1893, with the first ore being extracted from the region in 1909. The field was then worked intermittently between 1909 and 1943 when production ceased. In that time 6500 tonnes of Cu-Ni ore was extracted at an average grade of 9.7% Ni and 4.7% Cu (Williams 1958; Blissett, 1962; and Greenhill, 1995). For a more detailed description of the history of the Melba Flats/Cuni field refer to Blissett, 1962; and Greenhill, 1995.

Further exploration for Ni in the region was undertaken in the area during the early to mid-1990's by CRA, including and honours thesis by Greenhill and at the same time as exploring the Avebury area. They reported that despite an 800m long soil geochemistry survey identified and significant Ni-Cu anomaly around the North Cuni/Genets Winze area (See Fig 5), the potential for Ni sulphides was downgraded due to the lack of response from the geophysical surveys completed (CRAE 1995 Annual report).

In recent years Allegiance Mining NL and now OZ Minerals have been granted a mining lease over large areas of the Melba Flats region, directly to the north of Creat Resources Holdings Ltd's EL20, due to good drilling intercepts.

3.1.2 Geology and Structure

The Cu-Ni mineralisation at Melba Flats is typically hosted within the footwall of the Cambrian aged gabbroic (also described by Blissett, 1962 as a pyroxenite) dykes and sills (Greenhill, 1995). The emplacement of the dykes are believed to be structurally controlled along a major north-south fault zone, essentially parallel to the strike of their host rocks, striking slightly to the west of north, dipping vertically or steeply to the east. Further to the north of the known mineralisation the beds and dykes bend to the northeast with steep southeast dips (Blissett, 1962).

Despite the fact that that in the areas around the North Cuni and Genets Winze several gabbroic bodies are recognised (Ellis 1987; Maher 1995; Greenhill 1996 and Allegiance reports) only two have been shown to be mineralised and extend south along strike of the North Cuni/Genets Winze area (see Fig 6). These 2 mineralised bodies are known as the Eastern and Western Gabbros, they are compositionally similar, and have both been intensely hydrothermally altered and metamorphosed, but the mineralisation differs between the two with the eastern body hosting the majority of the massive sulphide mineralisation and the western body hosting lower-grade disseminated mineralisation. The gabbros are also discontinuous over more than 2kms, and varying in thickness along strike, with the eastern body up to 10m thick and the western body up to 12m (Greenhill, 1995)

The gabbro dykes are hosted within interbedded mudstones, siltstones, volcaniclastics, lithic-wackes, quartz-wackes and green to purplish shale (CRAE, 1995 Annual Report and Blisset 1962) that have been both attributed to the Cambrian aged Crimson Creek Formation (CCF) (i.e. Blissett, 1962) and also as correlates but a distinct suite from the CCF (Greenhill, 1995), but either way as at Avebury the Cambrian aged, ultramafic intrusive hosts have been intruded into slightly older early to mid-Cambrian sediments.

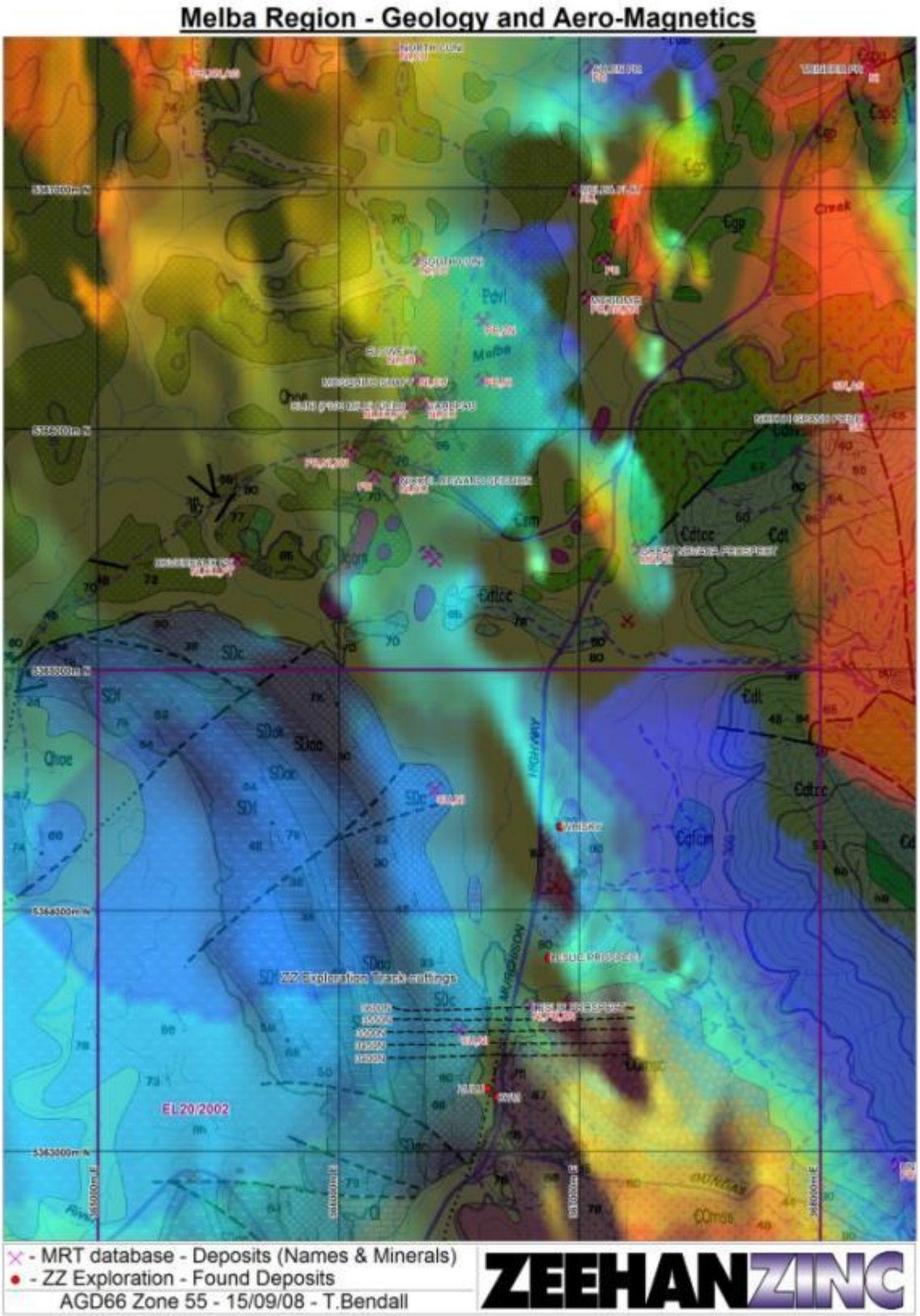

Figure 4: Location of Melba Flats grid showing geology and aero-magnetics.

3.1.3 Mineralisation

The Nickel and Copper mineralisation in the Melba Flats area has been reported by Allegiance Mining NL as "Melba Flats is rated as a highly prospective target" with their North Cuni-Genets prospects being estimated with an open-cuttable resource of 95,000 tonnes at 0.8% Ni and 1.0% Cu to a depth of 100m (17th Jan 2008 Targets statement by Allegiance NL). Unlike Avebury, the mineralisation is considered to consist of small, high grade pods of sulphides, rather than Ni-skarn type mineralisation, suggesting a separate, although possible syn-genetic deposition model to Avebury. The Melba Flats deposits, whilst also having a more extensive history of mining and exploration, also contains much higher copper contents in relation to the fairly high grade but low tonnages reported so far, along with the presence of anomalously high gold and platinum-group element (PGE) enrichment within the ore zones. For example at OZ Minerals' Devereaux Prospect (their most southerly prospect, and closest to Creat Resources Holdings Ltd EL20/2002) Cu actually exceeds the Ni content in some instances with historical mining reporting average grades of the ore produced there averaging 18% Cu, 5-9% Ni and 0.03 oz/t Au, and 0.13 oz/t PGE's.

The mineralisation is typically found in the immediate footwall side of the gabbroic dykes, that can be traced for over 2000m, (Taylor and Burger, 1952; Maher, 1995) with the higher grade intercepts typically occurring close to the thicker sections of the intrusive bodies (Greenhill, 1995). Like the gabbro bodies themselves, the mineralised sections have been reported in the past as also being discontinuous with the massive sulphide lenses in the Eastern Gabbro ranging in size from 0.5-2m thick, 6.5-60m wide and 10-75m in length along strike (CRAE Annual Report, 1995; Greenhill, 1995) and regularly >15% combined Ni +Cu content. However recent drilling in the Melba Flats area by Allegiance Mining NL has suggested that the mineralisation extends to at least 220 vertical metres depth, twice as much as previous estimates, and are also expected to maintain the elevated gold and PGE concentrations seen in past mining and shallow drill hole intercepts. Allegiance has also uncovered the presence at depth of a second (eastern) mineralised dyke which is important as it significantly increases the available tonnes of mineralisation per vertical metre and thus enhances the project economies. (Allegiance ASX release 10-01-08).

In the northern areas of Melba Flats there are several gabbro dykes over ~200m, however historically there are only two main dykes that are mineralised and extend along strike for more than a couple of hundred meters and are termed the Western and Eastern Gabbros, although as above there has been a recent discovery of a second mineralised eastern dyke in the North Cuni area. Of these two main dykes only the eastern dyke, containing high-grade massive sulphides has been exploited in the past, with the western dyke, consisting of lower grade disseminated sulphides, has in the past being considered uneconomic.

There is also variation within the mineralisation of the deposits in the northern area to those closer to Creat Resources Holdings Ltd's licences. In the northern areas around Genets Winze, North Cuni, South Cuni and Vaudeau deposits the sulphide mineralogy has been reported as high-grade pentlandite-pyrrhotite with pyrite consisting of up to 20% of total sulphides and the presence of chalcopyrite ($CuFeS_2$) (Williams 1958). This makes pentlandite the main Ni-producing ore mineral, although this is most often supergene altered along with the pyrrhotite to form violarite ($Fe\ Ni_2S_4$)

along with iron sulphides. The pyrrhotite content was also reported by Williams, 1958; and Blissett, 1962 as being elevated at the Vaudeau Prospect.

In the southern areas of the Melba Flats region the Cu content of the sulphides as well as that of gold and PGE's also have been reported both historically and in recent drilling by Allegiance as being elevated at both the Nickel Reward and Devereaux prospects, with the copper content at Devereaux outstripping the nickel content in past workings (Blissett, 1962). The sulphide mineralogy at these two prospects also varies from those to the north, with elevated chalcopyrite and pyrite (25-60% of total sulphides) and millerite (NiS) being the primary Ni-bearing sulphide in the area, and is often intergrown with chalcopyrite.

Allegiance Mining NL, and now OZ minerals recent drilling and exploration at both Nickel Reward and Devereaux has produced very promising results for the further exploration, and definition of extractable resources. At Nickel Reward prospect Allegiance reported that whilst their resources were initially rated at 30,000 tonnes of ore @3% Ni to a depth of 100m, recent drilling has uncovered intercepts as high as 10.8% Ni and 3.81% Cu at up to 220m depth, twice the depth that had been previously drill tested, and assay results also returning average grades of 1-2g/t Au and 2-3g/t combined Pt and Pd (Allegiance ASX announcement 10-01-2008). Two recent drill holes in the area (DDHMF90 and DDHMF91) were completed to show the depth extension of the Ni-Cu mineralisation at the Nickel reward prospect, and "the results suggest mineralisation extends to at least 250m depth, with a dip length of 300m" (Allegiance Mining NL exploration and development update to ASX)

The Devereaux prospect, 800m to the west due to being offset by a fault, also shows substantial promise with historic working reporting past grades of 0.1-0.16oz/t PGE's, 0.02-0.04oz/t Au, 1-1.4oz/t Ag, 13-18% Cu and 5-9% Ni (Blissett, 1962, Greenhill, 1996). 2 recent drill holes completed at Devereaux by Allegiance also "identified a significant new zone of Ni-Cu mineralisation" with one intercept reporting 4.7m @ 0.94% Cu and 1.3% Ni (Allegiance ASX release 10-01-2008).

3.1.4 Geophysics

Unlike at Avebury, Allegiance has reported no significant airborne magnetic signature associated with the mineralisation in the Melba Flats region. The trend of the magnetic signatures seen in Figure 3 can be seen to extend into the northern extensions of EL20 however, suggesting the trend of the mineralised host units also continues in this area. Also no detailed magnetic surveys have been undertaken in the region, either in Creat Resources Holdings Ltd's tenements or OZ Minerals' tenements, providing the opportunity for further, more detailed work in the region to help delineate both the geological and mineralisation patterns at Melba Flats.

3.1.5 Mineralisation Model and Relevance to EL20/2002

The whole rock geochemistry analysis of the host gabbro bodies at Melba Flats suggests that the intrusive suite correlates to the mafic Henty Dyke swarm and Henty fault wedge in the surrounding area, with their emplacement being as a result of extension related, tholeittic magmatism during the late Cambrian, late in the volcanic history of the Mt Read volcanic magmatic event (CRAE Annual Report, 1995)

The preserved primary sulphide mineral textures suggest an epigenetic origin for mineralisation (CRAE), however mineralogy in gabbros suggests a hydrous parental magma, incompatible with significant sulphide formation (CRA), along with allegiance suggesting that the underlying granite ridge has remobilised the mineralisation from a source or sources at depth.

There is no indication of structural concentration of the nickel mineralisation by later tectonic events and the host intrusive body is not considered the intrusion-type normally associated with a classical magmatic sulphide body (Tear, 2007).

Blissett, 1962 also reported that "Mineralisation has been historically reported as typically small (<50m) in strike length and down dip with mineral continuity observed but at lower grades, with suggestions made that coalescence could produce larger ore bodies at depth". Other models for the production of the mineralisation at Melba flats include:

The mineralisation type bears similarity to that recorded from large magmatic nickel, copper, cobalt, platinum and palladium deposits (such as Voisey Bay), with OZ Minerals committing to two distinct, but related economic targets of mineralization at Melba Flats:

- shallow high to medium grade nickel, copper, cobalt, platinum and palladium remobilised from depth and the subject of the present mining lease;
- Substantial deposits akin to Voisey Bay at depth.

Greenhill, 1995 proposed a model similar to other mafic-hosted Cu-Ni deposits, known as Gabbroid-type deposits, which include intrusive mafic/ultramafic complexes and large layered intrusions. This model was suggested largely on the basis of the low Ni:Cu ratio of the Melba Flats deposits, and their increased PGE concentrations, as witnessed at the gabbro-hosted Ni-Cu deposits at Jinchuan, China; and the Vammala Nickel belt in Finland. Conversely there has been no record of Ni-Cu deposits forming within a gabbro body that is not related to an associated large scale mafic/ultramafic intrusive, suggesting a link between the Avebury and Melba Flats deposits. The low-tonnage but high-grade mineralisation within such small gabbro dykes also makes the deposits somewhat unique, and suggesting a secondary source of the Ni, as the small gabbro bodies could not have been the only source for such large amounts of Ni.

Whatever the true genetic model for the Ni mineralisation at Melba Flats may be, the close proximity of the known deposits, and historical reports of Ni-occurrences with EL20 makes the area highly prospective for nickel. This statement is backed by anomalous nickel handheld XRF analyses of up to 0.27% Ni being recorded by Creat Resources Holdings Ltd geologists (see section 3.2.2). The north-south striking line of the Melba Flats mines has previously been reported as terminating just

north of EL20; however the reported nickel occurrences within the licence area and the known existence of related mafic units within the same geological trends as the mineralised gabbros to the north defy this theory. There has also been very little modern exploration for any form of nickel mineralisation in the northern area of EL20.

3.2 Geophysics and Geochemistry In 2009

3.2.1 Geochemical Soil Sampling

In August 2008, the Company began work on a ground magnetics survey and soil sampling program at the Melba Flats region of EL 20/2002. Grid cutters were brought into the South Melba Flats area to cut a grid as most of the ground was inaccessible to the ground crew undertaking the survey. Five 1000 metre east-west lines were cut with a spacing of 50m. A marker was placed every 20 meters with the corresponding GPS coordinate and a soil sampling number. For each line there were 51 soil samples taken.

This work has been followed up in 2010 with an expanded soil grid comprising 10 E-W lines approximately one km in length. Line spacing is 100 metres, and soil samples were collected at 25 metre intervals for a total of 449 samples. The area to the north of the 2010 lines (bordered by the tenement boundaries and the Murchison Highway) is to be sampled in 2011 to complete the area of interest.

A 1.5 metre long auger was used in conjunction with a 75mm head-piece to collect the soil samples. Depths the auger would pick up from were variable due to the inconsistency of the underlying ground, whether it would be hitting solid rock at shallow depth or large quantities of water. Where the ground was too hard to auger, appropriate rock chip samples were taken of the nearby area. Samples were brought back to the exploration shed, checked and put aside to be dried before being retagged for in-house (Hand-held XRF) assaying. The maximum attained auger depth was 100cm.

Results from the Niton XRF analysis where then inputted into Surfer to identify any correlations between the data.

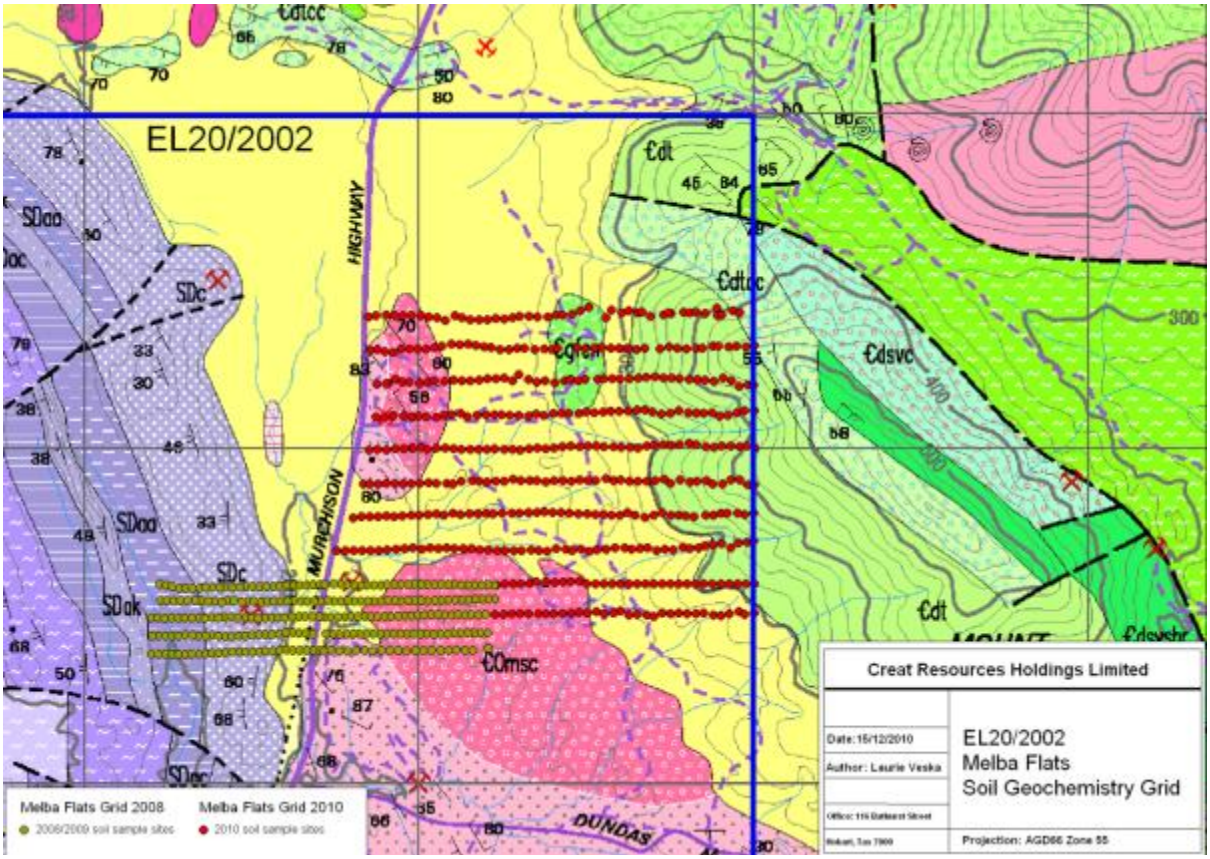

Figure 5: Map showing the northern section of EL20/2002. Red points are the 2010 soil sampling locations, olive points are 2008/2009 soil sample points

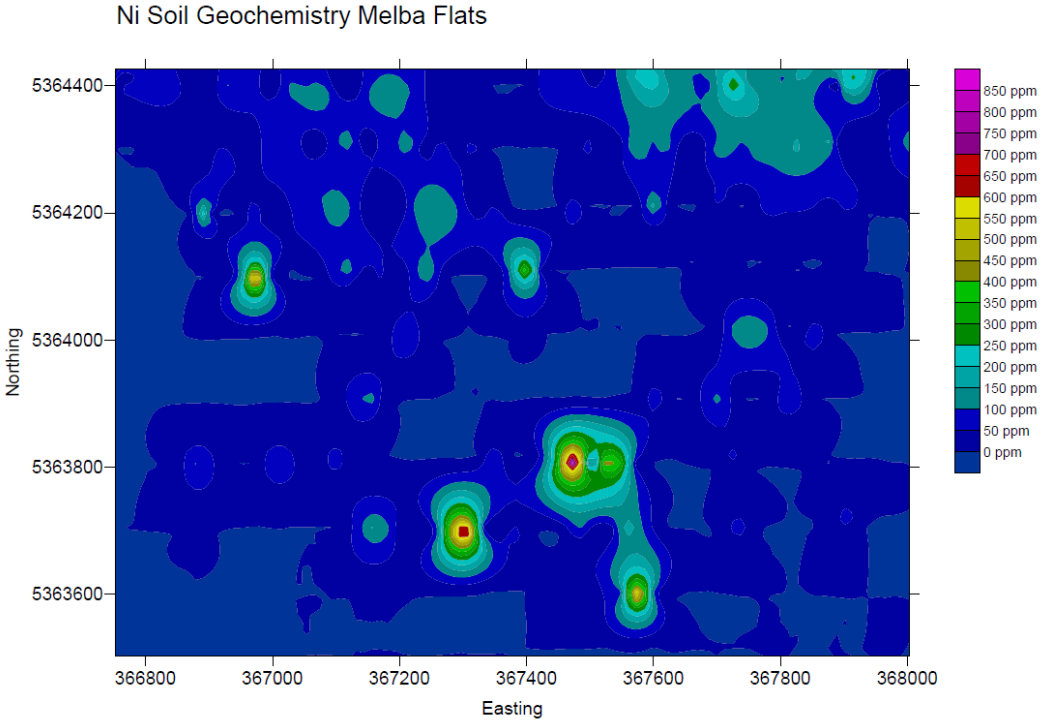

Figure 6: Ni soil geochemistry map

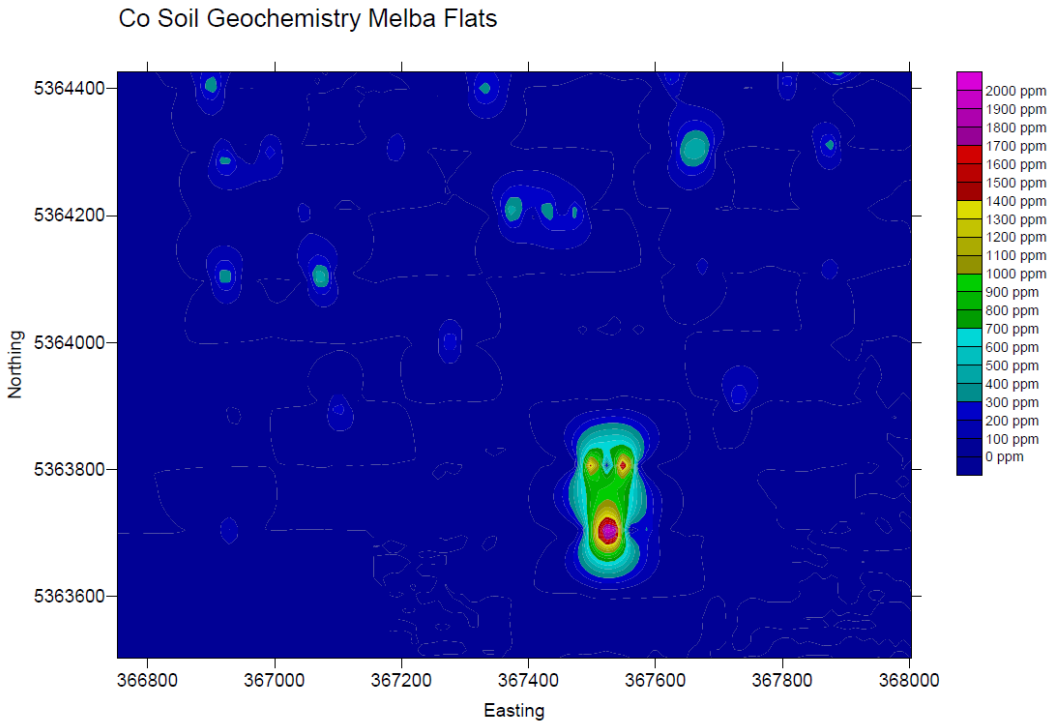

Figure 7: Co soil geochemistry map

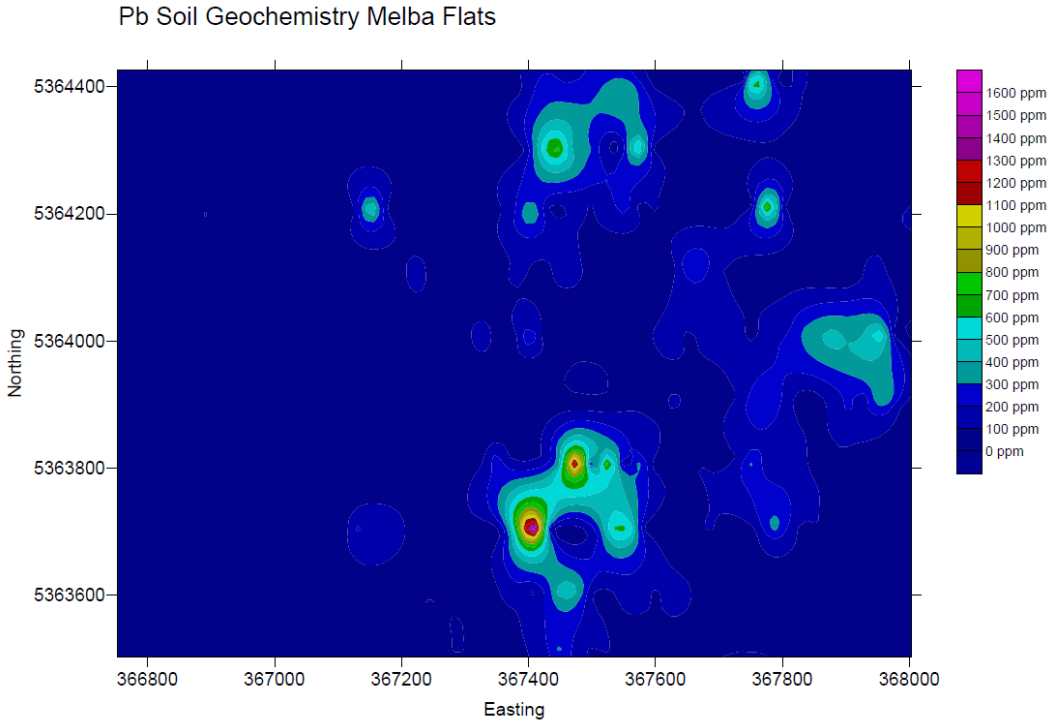

Figure 8: Pb soil geochemistry map

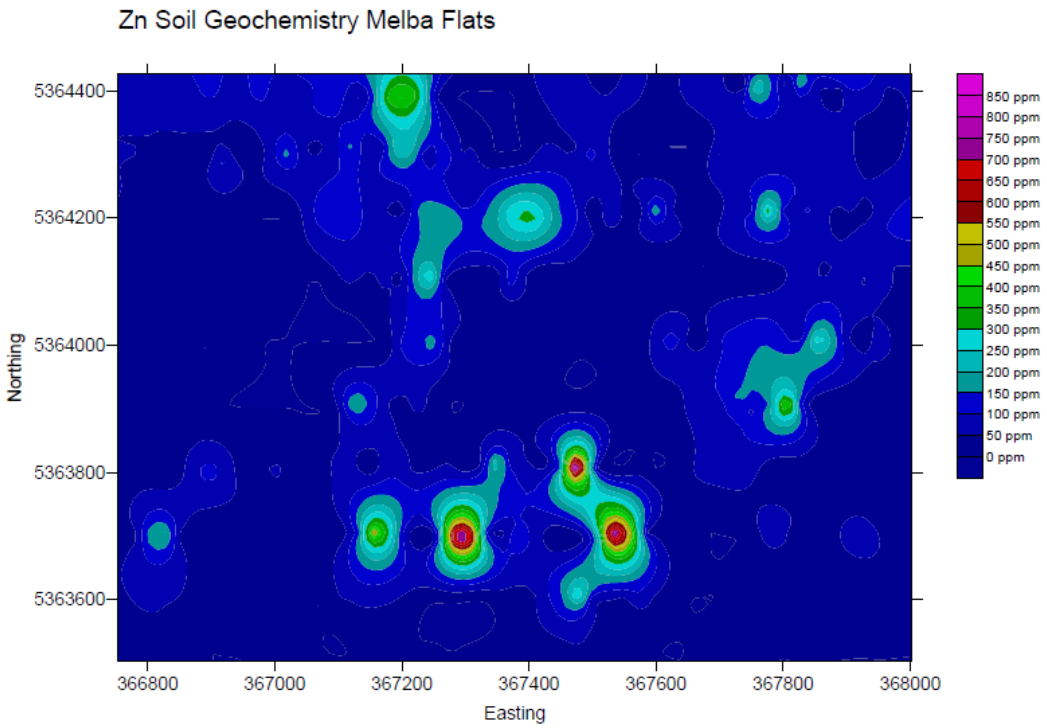

Figure 9: Zn soil geochemistry map

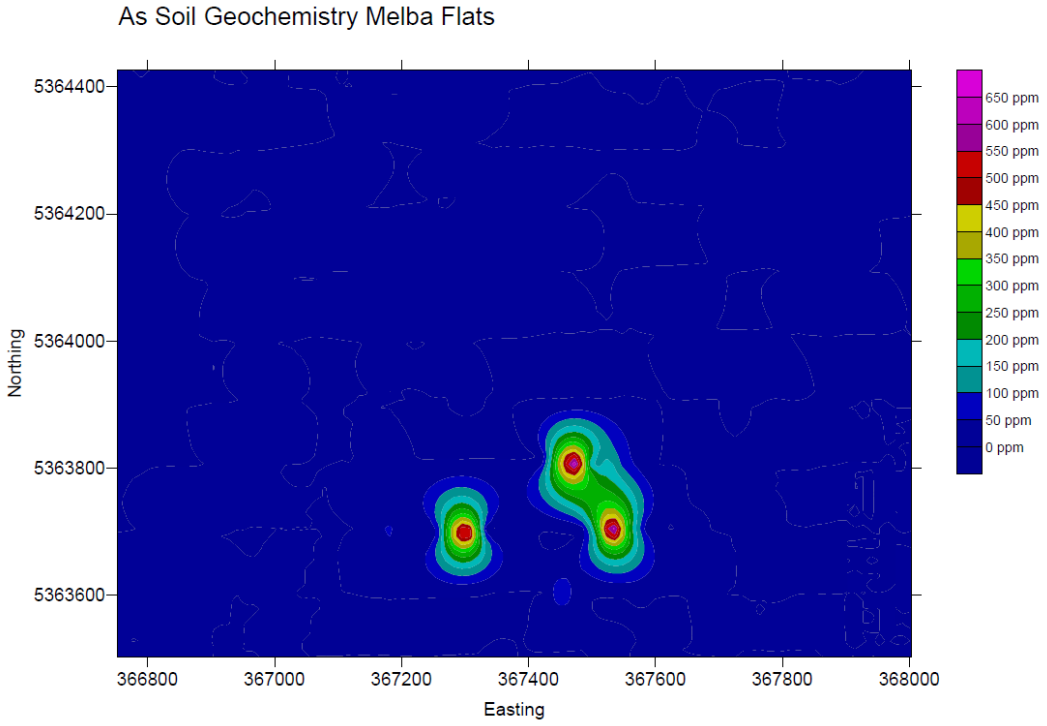

Figure 10: As soil geochemistry map

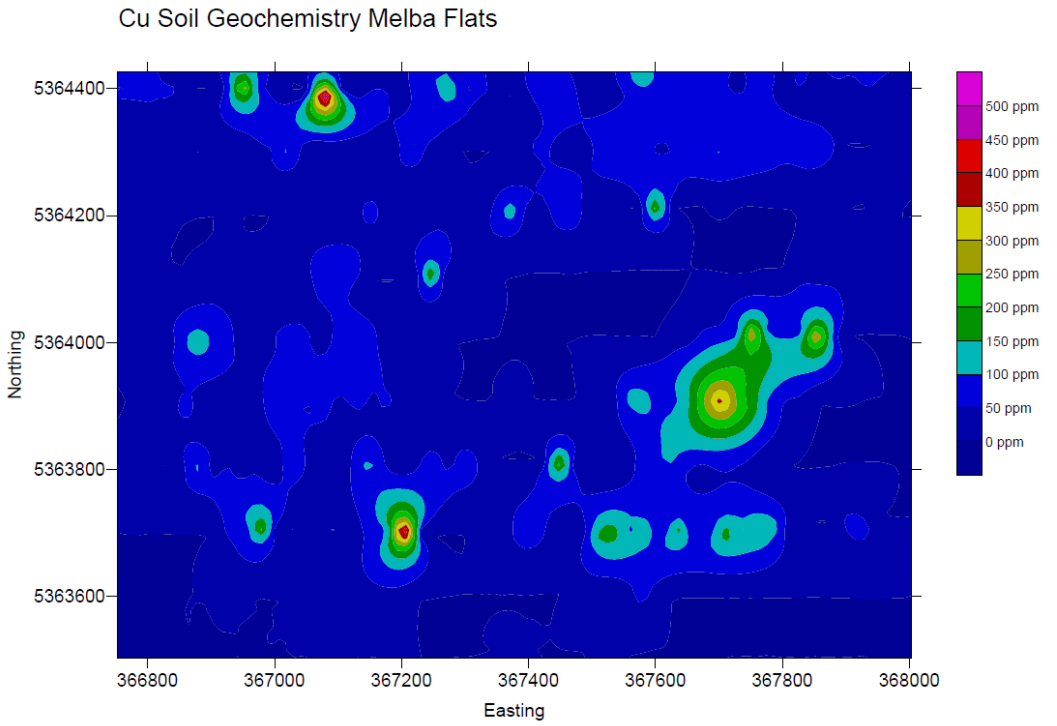

Figure 11: Cu soil geochemistry map

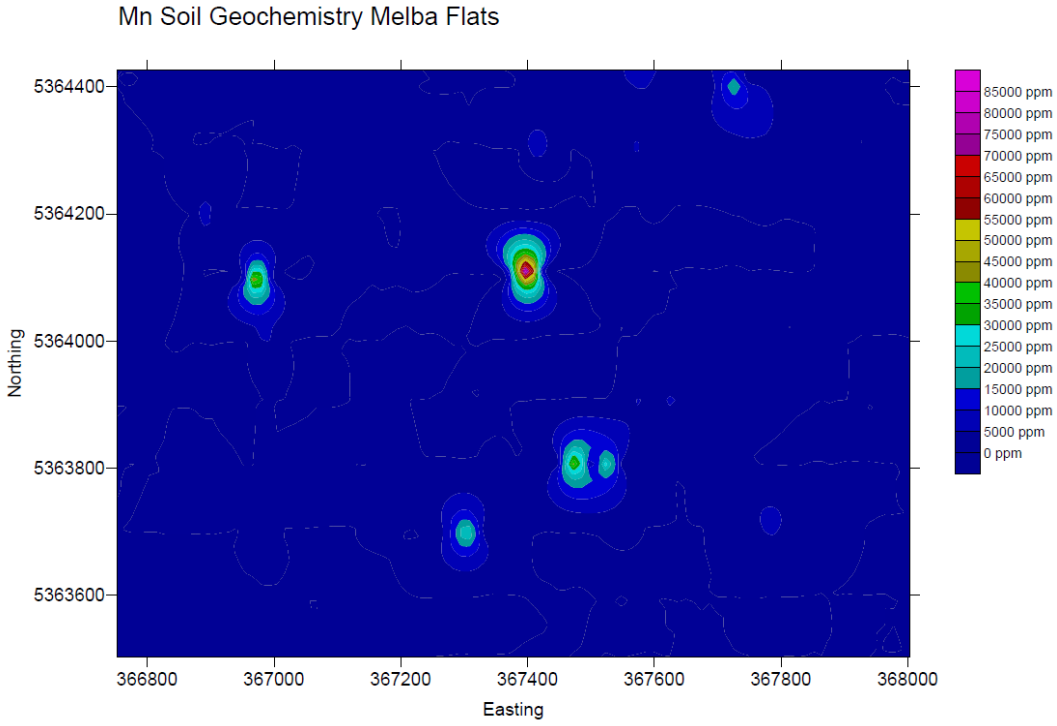

Figure 12: Mn soil geochemistry map

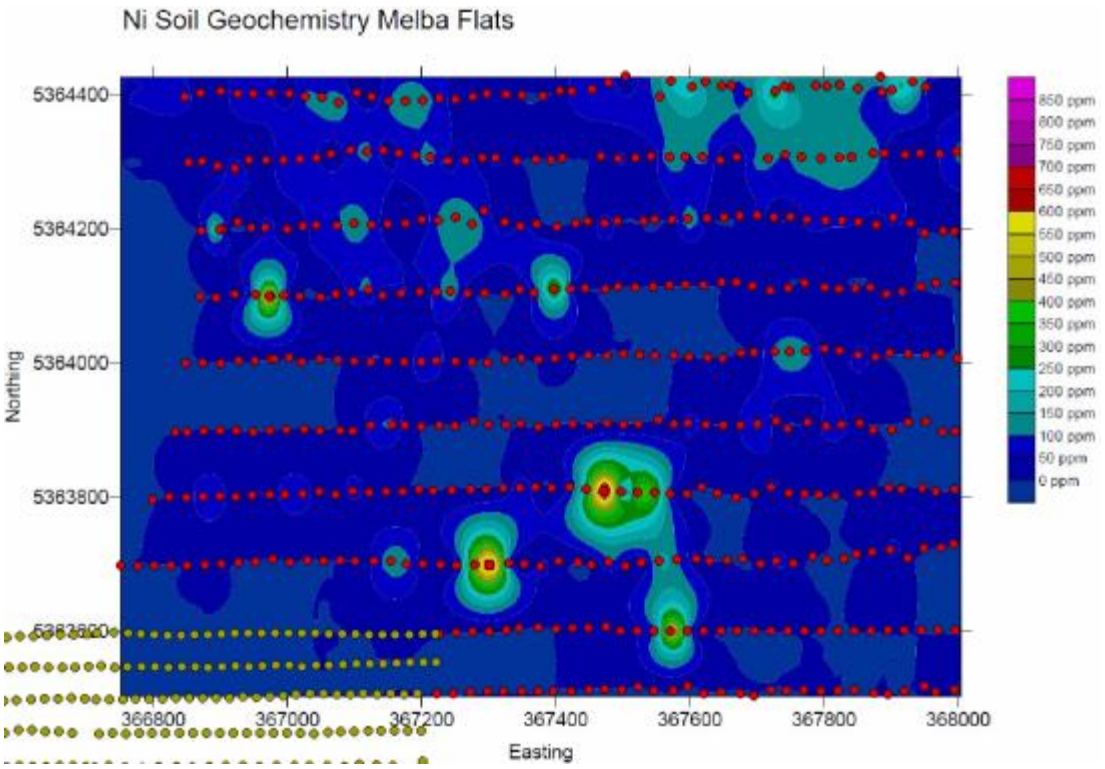

Figure 13: Ni anomaly with sample sites overlay

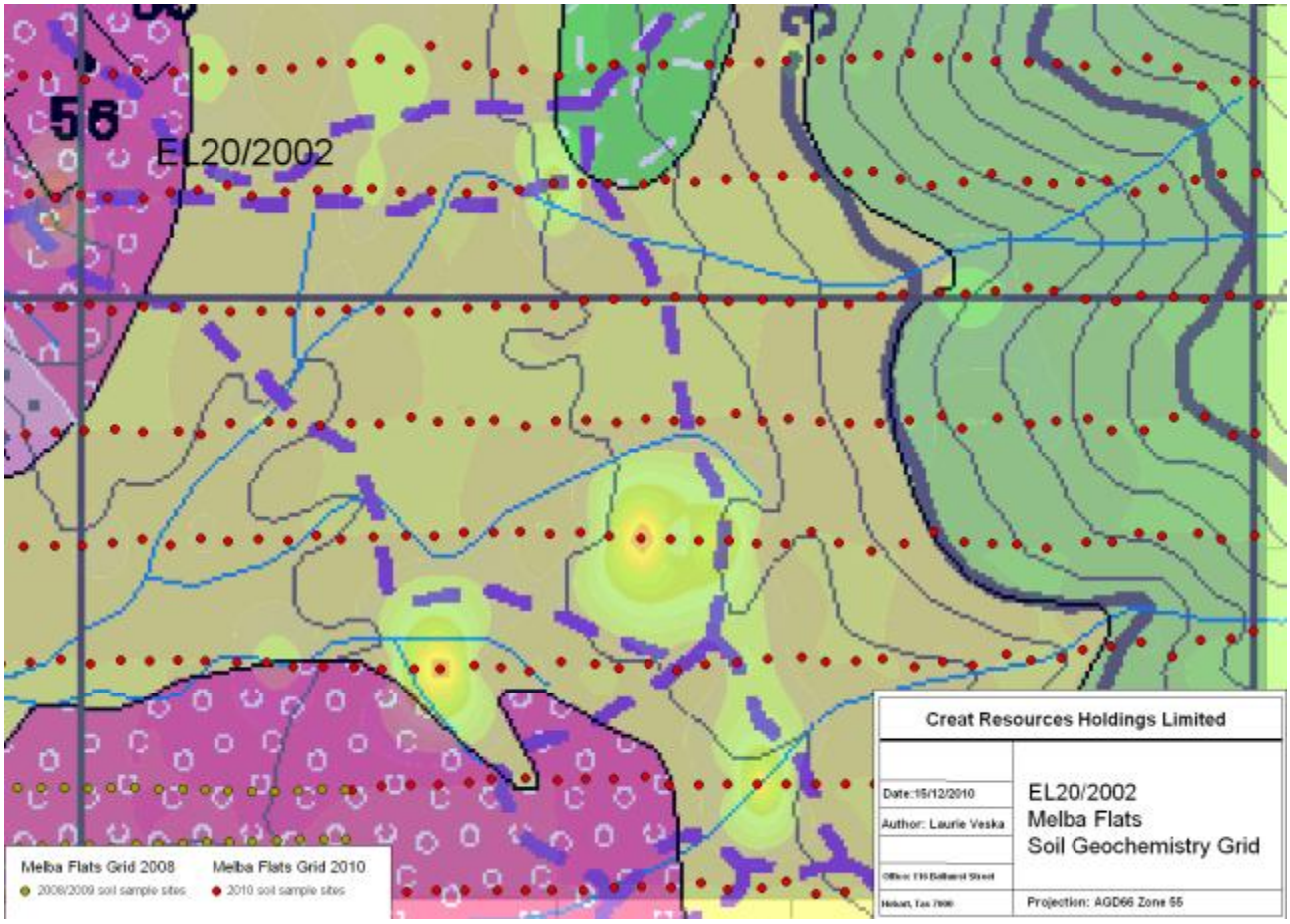

Figure 14: Ni anomaly with geology and sample sites

A coincident Ni-Co anomally located at approximately 367500E/5363700N also has elevated As, Pb and Zn associated with it. Anomalous copper values are 'smeared' to the north-east of the higher nickel areas, there is some analogy with the metal signature at CuNi.

These readings correspond to a gossan/ironstone outcrop on the N-S access track shown in Figure 14 and Figure 15, this outcrop was sampled and analysed in 2008 with the results discussed in the 2008 Annual Report for EL20. There is some evidence the mapped gabbroic rock to the north extends to at least 5363650N based on soil colour and texture along the access track.

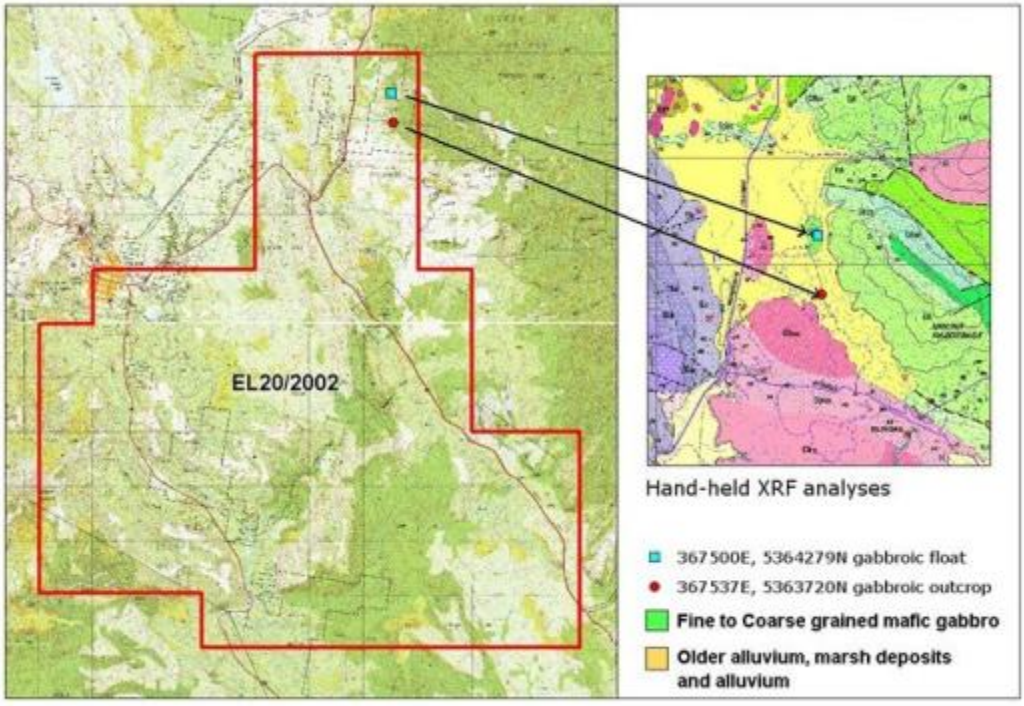

Figure 15: Excerpt from 2008 ZZL Annual Report for EL20

The case for a shallow diamond hole targeted on the Ni-Co anomaly within what is believed to be mafic intrusive/gabbro is currently being considered, and is tentatively scheduled for January 2011, subject to drill-rig availability.

Figure 16: Gossanous gabbroic? rock elevated in nickel (~0.25%) from 2008 ZZL Annual Report EL20

5 CONCLUSIONS AND PROPOSED WORK PROGRAM

Reconnaissance work around the location of the Ni-Co soil anomaly discussed will occur in early January, with the best locations for drill rig access investigated.

A Resource Verification report has been submitted to the Peoples Republic of China (P.R.C) Mineral Resources and Reserves Evaluation Centre for official verification.
The Report summarises the lead and zinc resources held by the Company at the Zeehan project areas comprising Comstock, Oceana and Mariposa deposits, western Tasmania.

The Report was prepared by Sinotek (Beijing) Exploration Technologies Limited and submitted to the Mineral Resources and Reserves Evaluation Centre, Ministry of Land and Resources P.R.C (the "Reserves Centre") for verification and review. The Report was reviewed by an expert panel of seven, including six Professors. Based on recommendations, a revised report was submitted and accepted by the panel of the Reserves Centre. The Reserves Centre in turn produced a summary report containing their comments. The Report was assigned File Number: MLREC (2009) No.64. This report has contributed to significant exploration funds becoming available to the Company from the PRC Government. As a condition of granting of these funds, PRC Government Geologists will arrive in Tasmania early 2011 to ensure the funds are well directed and contribute to the best opportunities for exploration success.

In terms of the implications for EL20 exploration, an expanded exploration work program will commence, with more focus on the lead-zinc potential of the licence. Details will be supplied to Mineral Resources Tasmania in January 2011 as part of the licence renewal process.

6 ENVIRONMENT

Minimal environmental disturbance was made during the reporting period, a total of 10 gridlines (Figure 5) were cut at Melba Flats, it is expected these lines will regenerate naturally within approximately 2 years.

7 EXPENDITURE

Expenditure for the four quarters for 2009 is presented below.

2009	Q4	$	13,947
2010	Q1	$	0
	Q2	$	1,950
	Q3	$	72,269
	Q4	$	*

*The figures for EL20/2002 Q4 are currently being collated and will be presented in the next report.

8 REFERENCES

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9 APPENDICES

Appendix A: Soil geochemical anomaly maps using Surfer software, various elements
Appendix B: Soil geochemistry assays and locations
Appendix C: Soil geochemical collection details
Appendix D: (digital): Soil geochemistry pdf print files and spreadsheets