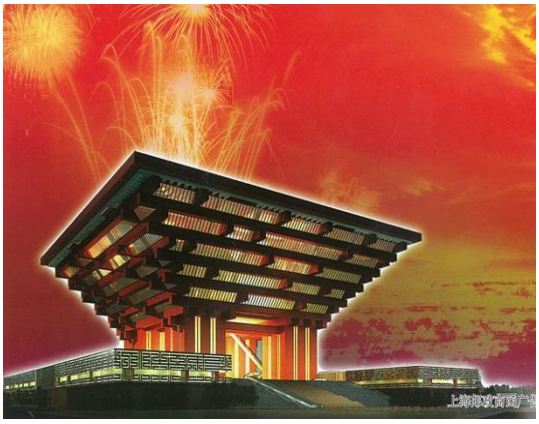
CREAT RESOURCES HOLDINGS



RETENTION LICENCE 4/2009

COMSTOCK

ANNUAL REPORT

February 2010 – February 2011

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 activities undertaken by Creat Resources Holdings Limited within Retention Licence 4/2009 (RL4/2009) during February 2010 - February 2011.

Role in the Regulation Process

This document fulfils the role of an Annual Report for RL4/2009 during February 2010 - February 2011, as required under Section 28 of the *Mineral Resources Development Act 1995*.

Datum

Geodetic Datum AGD66 has been used for this report unless stated otherwise.

ABSTRACT

Creat Resources currently holds Retention Licence 4/2009 (RL4/2009), which contains the Comstock (Allison's Pit, South Pit, Boss) zinc lead deposit.

The primary activity at Comstock during 2010 has involved sampling and assaying of Reverse Circulation (RC) and Diamond drill core which was drilled in 2007 and 2008 and unfortunately not assayed at the time of drilling due to financial constraints. It was recognised that the Comstock drill holes in question, originally conceived as metallurgical holes, would provide valuable data to be collated and used to recalculate and/or confirm the Comstock resource.

In addition, the Company is actively seeking JV partners at Comstock. China Non-Ferrous (CNF) and more recently Xinjiang Non-Ferrous (XNF) have visited the Comstock site. XNF are returning after the Chinese New Year in 2011 to perform due-diligence on the Comstock and other CRHL project areas at Zeehan.

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1 INTRODUCTION

1.1 Purpose of This Document

This document fulfils the role of an Annual Report for RL4/2009 during February 2010 - February 2011 as required under Section 28 of the Mineral Resources Development Act 1995.

1.2 The Proponent

Creat Resources Holdings Ltd currently holds Retention Licence 4/2009, which includes the Comstock deposit. 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 Retention licence Location and Operations

1.3.1 Site Location

RL4/2009 covers approximately 3 km^2, and is located 4 km west of Zeehan, Western Tasmania (Figure 1). The Trial Harbour Road provides road access to RL4/2009. The Emu Bay Railway and the Murchison Highway connect the township of Zeehan with the Port of Burnie, located approximately 140km to the north.

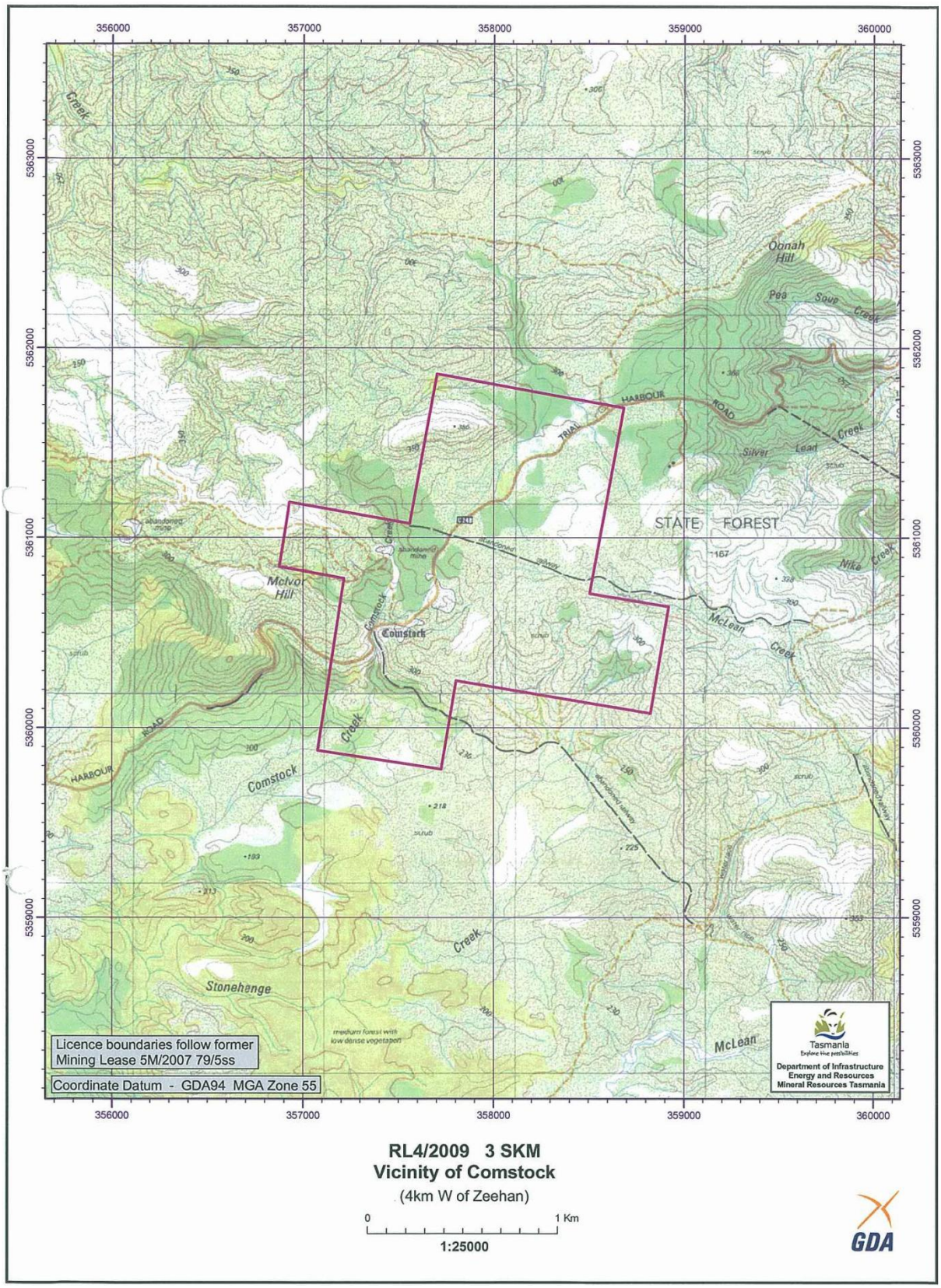

Figure 1: Location of RL4/2009

1.3.2 Retention Licence Tenure

RL4/2009 was granted to Creat Resources Holdings Limited on February 1, 2010 for a period of 2 years.

2 Geological Interpretation

2.1 Previous Mining and Exploration within RL4/2009

The Comstock area has had a long history of mining and related activity that dates back to the 1880's. Old workings aimed at extracting lead/silver-rich fissure fill veins litter the Comstock area and comprise small scale shafts and levels completed by previous miners, some of which date back to the 19th Century. Various records e.g. Blake (1936), Twelvetrees (1900), Blisset (1962) and Summons (1981) have accounts of the old workings and some of these reports have supplied maps, although these have in some cases been referred to as sketch maps. Recent attempts have been made to create 3D shapes of these old workings from scanned hardcopy images of the old maps but with mixed results. Digitisation of old workings' outlines was undertaken by RGC and Western Metals but these too have some geo-registering issues affecting accuracy.

In the case of the Allison's Lode there are some old workings in the central parts which appear to have been stoped to the 49' level (15m below the original surface). The ore thickness of the inferred stoped material between the No. 2 Shaft and the No 3A shaft ranges from 0.5m and 4.3m (Summons 1983). Recent aircore drilling by ZZL appears to have located the old stope, recorded in the logs as a cavity and as a result a small 3D solid was created but out of synchronisation with Blake's (1936) map of the workings. The volume of this shape is put at 1364m3, equivalent to 4500t. This shape was used as part of a constraint in the block model reporting of resources by SMGC (Tear 2005c).

Nearby mining at South Comstock and Sylvester in the late 1980's resulted in small open pits being developed and a reported quantity of 70,000t of material was extracted with 7000t of ore trucked to Rosebery for processing at an estimated grade of 14.8% Zn and 3.6% Pb (Hancock & Stephenson 2000).

In 1996 trial costeaning and sampling produced a bulk sample from Allison's. This was reported as 500t at 19% Zn (zinc) and 2.3% Pb (lead) that was trucked to the nearby Rosebery Zinc mine. A second shipment contained 740t at 11.8% Zn and 2.5% Pb (Hancock & Stephenson 2000). In 2000/2001 Oceania Tasmania (now ZZL) began trial mining of the Allison's Lode and produced a high grade stockpile containing 3300t @14.5%Pb, 21.5% Zn and 540g/t Ag (Cottle, 2005). The floor of the pit was 20m below the original surface after the trial mining. Exploration work in 2002-5 on the Comstock mine leases targeted the Allison's Lode and consisted of geological mapping, channel sampling and aircore drilling. SMGC completed a new geological interpretation, the definition of a 3D geological model and a new block model (Tear 2005b, c and d).

2.2 Regional Geology

The geology of the West Coast of Tasmania comprises a complexly folded series of late Pre-Cambrian to Ordovician-aged sediments and volcanics intruded by Late Devonian-aged granites. Structurally there have been many overprints, including the Late Devonian Tabberabberan Orogeny that has produced a complexly folded and faulted sequence of rocks.

Thrust faulting e.g. the Tenth Legion Fault, has substantially dislocated rock sequences whilst even later, NNW and WNW-striking normal and RC faulting e.g. the Balstrup Fault, has further complicated the picture. The area west of Zeehan (Figure 2) is dominated by a flat-lying interbedded sequence of dolomite and phyllite units (locally graphitic) belonging to the Late Pre-Cambrian Oonah Formation. The Oonah acts as the major host to the base metal lode style mineralisation (also known as "fissure-fill" structures) that was mined in the Zeehan area during the 1880's and 1890's. These rocks lie in the hanging wall of the Tenth Legion Fault. The Oonah has been thrusted by the Tenth Legion Fault over a sequence of Cambrian-aged rocks including the volcanoclastics and arenaceous rocks of the Lower Cambrian Crimson Creek Formation and the mafic and ultramafic rocks of the McIvor Complex. The latter unit is believed to be part of the ultramafic belt that hosts the Avebury Nickel deposit that lies 3km southwest of the Comstock area.

To the west of the Comstock area lies the Devonian Heemskirk Granite, which was thought responsible for substantial amounts of mineralisation in the area.

2.3 Prospect Geology

The geology of the Comstock Project comprises weakly metamorphosed Proterozoic-aged sediments of the Oonah Formation juxtaposed with a mixed sequence of volcanoclastics and arenaceous rocks of the Cambrian Crimson Creek Formation. The steeply north dipping WNW-ENE striking Balstrup Fault divides the two sedimentary packages. In the southern half of the mine leases the Oonah sequence consisting of flat-lying, thick dolomitised limestones co-existing with reasonably thick (20-30m) black phyllitic shales and fine grained sandstones (Figure 3). At Comstock the Upper Dolomite Unit (Poss1) of the Oonah hosts the Allison's, Watson's and Main Lodes as well as the Boss Upper Sulphide and Oxide mineralisation. A distinctive black argillaceous phyllite unit underlies this dolomite, known as the Phyllite Marker Unit (Posb1). Beneath the Posb1 is the Lower Dolomite Unit (Posd1), heavily brecciated and up to 150m thick, which hosts the Boss Lower mineralisation. A second phyllite unit with distinctive quartz boudinage veining occurs below Posd1, which is underlain by a second dolomite unit Posd2. This dolomite overlies a mixed sequence of clastic and carbonate rocks with an increasing overprint of thermal metamorphism e.g. diopsidic skarns. There are ultramafic rocks within this lower package, some of which have the characteristic blackwall alteration associated with the Avebury Nickel deposit. The Oonah is truncated by the moderately north dipping Tenth Legion Fault. Below the fault lies a sequence of chloritic volcanics and gabbros that are part of the Cambrian McIvor Complex. North of the Balstrup Fault lie the volcaniclastics and greywackes of the younger Crimson Creek Formation which have been down faulted to the north. These rocks produce a distinctive orange colour on weathering due to the oxidation of chlorite. The Upper Dolomite Unit (Poss1) is often characterised near surface by talc alteration (Wong, 2000), which may be the result of weathering of primary magnesite. The magnesium assay values would appear to indicate that the main magnesium mineral in the sub-surface

Poss1 is magnesite rather than talc. Iron carbonate, interpreted by H&S to be siderite, is distinctly associated with the stratabound base metal mineralisation at the top of the Lower Dolomite Unit (Posd1).

Deep weathering over the Boss area, locally >50m, has generated hematitic gossans, which are believed to have developed after weathering of massive sulphide bodies within the dolomites.

It has been possibly to trace the Posb1 unit using drillhole information, including multi-element assays, from 357100mE to 358000mE. From there it is inferred to go further east to the edge of the mine leases based on the airborne EM geophysical work completed by ZZL in 1999. The shape of the Posb1 indicates that it forms a relatively flat-lying unit with undulation associated with open folding. A distinct anticline occurs in the central part, with the hinge line coincident with the Allison's Lode. The unit tends to dip north into the Balstrup Fault and gradually dips away to the west and east. At 357900mE there is a sudden drop in the unit which coincides with the inferred traces of surface faults from the 2002 mapping. This suggests a down-throw to the east although there are suggestions that the unit may rise up going further east, where there are substantial exposures of gossan.

The Tenth Legion Fault is exposed in the south of the mine leases and is believed to be a thrust fault that dips about 25^{o} to the north. It is characterised by black matrix breccias with a seemingly strong shear fabric and rolled clasts (boudinage?), sometimes the rocks have been referred to as mylonites. Alternative authors, however, have suggested that these rocks are sedimentary breccias associated with depositional subsidence. ZZL had planned to undertake thin section analysis in order to shed light on the issue.

Underlying the Tenth Legion Fault is a series of strongly chloritised mafic volcanoclastics, andesites and mafic intrusives (gabbros) of presumably the McIvor Mafic Complex. The Balstrup Fault is the dominant structural feature within CRHL's Retention Licence. It is a normal fault, striking WNW-ENE with a 70^{o} dip to the north. In Diamond drill core it is recognised as a brittle structure with clay gouges and fracturing of the rock. In some instance there are black matrix breccias similar to the Tenth Legion Fault. There is no significant mineralisation associated with the fault. There is some evidence for the fault to post-date the main lead/zinc mineralisation of the Comstock area. There is also evidence for the fault to have small offsets associated with later NE striking structures. At the Boss there is some drillhole evidence for a parallel structure within the hanging wall of the main fault; this may be a separate fault or may be a bifurcation structure off the main fault. Bendall's Fault is a parallel structure to the Balstrup Fault. It was uncovered during the 2000 mining where it had mineralisation associated with it. However the fault itself was a series of narrow bifurcating planar structures and the mineralisation appeared to sit in the hanging wall to the fault. At the time it was felt that this mineralisation continued on into the Boss along the line of the fault. In the light of subsequent work this may not be the case and that the mineralisation caught up in the fault was from its truncation of the Allison's Lode.

The structure of the area is complicated by having flat lying beds being gently folded and disjointed by steeply dipping normal, wrench and possibly RC faulting. There are indications of other fault structures with NW; NNW and NE orientations (see Tear 2005a and 2000a). Most of the faulting is as brittle faults, i.e. clay gouges, fracturing and brecciation, and there is limited evidence of ductile shearing, usually confined to the phyllite units. The presence and effect of shallow dipping structures, perhaps parallel to or splays off the Tenth Legion Fault, is not known and can only be inferred to exist at this point. In addition flexural slip on major bedding planes, generally within the

phyllite units is an unknown quantity. There is considerable deformation associated with the phyllite units.

The margin of the Heemskirk Granite lies approximately 3km west of the RL. It is known to have thermal aureole of about 1km. The Allison's Lode appears to be an axial planar sub-vertical 'fissure-fill' structure located in the anticlinal hinge of an upright, N to NNW striking open fold. Immediate host lithologies comprise silicified, talc-rich (supposedly) dolomites of the Poss1 unit, underlain by locally silicified carbonaceous phyllites, Posb1. Sporadic lineations infer a possible shallow plunge direction to the north for the lode, which matches the bed dip direction. The vein system appears to have a silicification envelope up to several metres away from the sulphide bodies, particularly evident in the carbonaceous phyllites. The exposed lode comprises an N to NNW striking sulphide vein system/structure up to 200m long by a maximum width of 20m. The first 5m of overburden is regarded as totally weathered, barren, sandy material that was mistakenly mapped in the past as sandstone. At the southern margin of the vein system there appears a broadening out of the structure although this may be attributable to dilation and dextral movement associated with the Bendall's Fault (Tear 2001). This fault system is a WNW structure that truncates the Allison's Lode structure and is parallel to the Balstrup Fault. At the Boss there are substantial exposures of hematitic gossan over relatively large areas. In the light of the flat-lying nature of the stratigraphy these are believed to stratabound gossans oxidised from massive sulphide bodies within the carbonate units.

2.4 Mineralisation

The Comstock Mineral field consists of a series of lead/zinc vein-like structures mainly hosted by the Oonah Formation, which were the subject of substantial mining efforts in the late 19th Century. Mineralisation at the Comstock comprises massive to semi-massive sulphide and sulphide vein mineralisation hosted by the dolomite units. The main deposits within the ZZL mine leases are

1. Allison's Lode
2. Watson's Lode
3. Main Lode
4. South Comstock Pit
5. Boss Lode
6. Balstrup Fault Mineralisation (aka the Sylvester Lode)

Deposits 1 to 3 are parallel mineralised structures with up to 500m of historical strike length e.g. the Main Lode. The South Comstock Pit was originally mined in 1989, but new mineralisation was discovered immediately west of it in 2005 as part of some routine excavation work. This was originally referred to as the West Lode with a Measured and Inferred Resource being allocated to it by Cottle (2005). The Balstrup Fault Mineralisation was also known as the Sylvester deposit (from RGC work). This was unfortunate naming, as there is a small mine in the northern mine lease which is also known as the Sylvester Mine. This latter deposit has been subject to some surface trenching in the past (no maps were available), which has uncovered significant zinc mineralisation as exhibited by the occurrence of mineralised boulders scattered about on the ground. ZZL planned to

drill this deposit in 2006, hole collars were spotted but the drilling never eventuated. As a result of this name confusion the Sylvester Deposit was renamed by ZZL as the Balstrup Fault Mineralisation (BFM). It was thought to comprise a steeply dipping massive sulphide lode as part of the Balstrup Fault. However on closer inspection including examination of drill core, the mineralisation attributed to the BFM is actually hosted by carbonates in the fault's hanging wall and not necessarily in contact with the fault. This proposed deposit formed the bulk of the Comstock 2006 resource inventory and was based on 5 Diamond drill holes 400m apart. Cottle (2005) as a Competent Person signed off on this as an Inferred Resource. H&S are of the strong belief that there is insufficient data to identify a resource of any kind and that the drilling intercepts should be classified as exploration results. A more detailed explanation for this reasoning is included in Appendix 2 as a file note sent to ZZL in 2007, mainly as a result of the interpretation of the 2007 drilling. The exposed lode at Allison's comprises an N to NNW striking sulphide vein system/structural zone that is up to 200m long by a maximum width of 20m. A series of parallel, semi-continuous sulphide zones consist of coarse grained sphalerite, galena and pyrite with a quartz (+calcite) gangue. Some individual sulphide veins are discontinuous and poddy in nature and there are lower grade sulphide dissemination/veinlet zones interstitial to the massive sulphide pods. The mineralisation and alteration appear to cease within the underlying Posb1 unit. Weathered brown sandy/clay material is found in the host carbonate unit, peripheral to and within the zinc mineralisation and has been identified as talc. This material forms an alteration halo to the main mineralisation and acts as a surface indicator of blind mineralisation. Similar steeply dipping vein-style mineralisation occurs at the Watson's and Main Lode areas. Watson's Lode is a steeply dipping narrow sulphide vein, (1-2m wide) with limited extent, approximately 50m west of the Allison's Lode. It is hosted in the magnesium-rich Poss1 unit, as for the Allison's Lode; the Watson's Lode has a similar orientation to the Allison's. The lode measures 100m long with a maximum interpreted base about 40m below surface. The lode is considerably narrower than the Allison's and has a reduced level of mineralisation continuity. Figure 6 Host Rock & Replacive Mineralisation, Allison's Lode The Main Lode is located 200m west of the Allison's Lode and is similar to the Watson's Lode in mineral style. The lode occurs in two separate zones, a north section and south section, which is mainly due to a lack of drilling; historical mapping and mining indicates the lode is continuous in this middle section. The host unit is the same magnesium-rich dolomite as per the Watson's and Allison's Lodes, with the lode measuring 250m long with an interpreted base to the lode at a depth of 50m below surface. The lode is slightly more complex with there being a second narrow vein interpreted close to the original vein. In addition drilling has identified the old tailings from the original 19th Century mining, which is referred to in this report as the Main Lode Surface resource.

The most significant recent discovery at the Comstock is at the Boss, beneath the outcropping gossans, 100m east of the Allison's Lode. Mineralisation at the Boss is considered to be stratabound as semi-massive to veined sulphide replacement style with sphalerite, galena and pyrite. The Boss Lower mineralisation is hosted by the dolomitic Posd1 unit, immediately below the Phyllite Marker Unit (Posb1) and covers an area of 400m long by 200 wide, at an average depth of 70m below surface. Thickness of the mineralisation can range from a minimum of 4m to a maximum estimated true width of 20m. At this stage it is bounded by the Balstrup Fault to the north and by Bendall's Fault in the south. Anomalous host rocks in the same stratigraphic position accompanied by characteristic siderite alteration were drilled as far west as the Main Lode (DDH SY130), whilst mineralisation is open to the east. At its northern end, near the Balstrup Fault, the mineralisation

dips about 25-30^{o} to the north. This 'roll over' effect is attributed to dextral movement on the fault and the possibility of a secondary parallel fault. Additionally two units of stratabound mineralisation, overlying each other, were encountered in the Poss1 unit. This constitutes the Boss Upper Sulphide and Oxide mineralisation and comprises a thick unit of interpreted oxidised material, with localised high grade supergene silver mineralisation, overlying but separated from, a thinner sulphide-rich unit. The oxide material at the Boss measures 300m by 150m by up to 60m thick and outcrops at surface, whilst the Boss Upper Sulphide mineralisation measures 150m by 150m by 5m at a depth of 50-60m below surface. The gossan units continue to the east for another 800m and reach close to the old Britannia Mine. Additionally one hole at the Boss, SY131, has recorded near surface, high grade silver mineralisation in jarosite material (possibly supergene related) of 7m @ 520g/t Ag from 7m down hole (Pb 0.4% and Zn 0.07%). Key aspects on the mode of formation for the mineralisation at the Comstock are included below:

- Generation of lead/zinc sulphide fluids, age unknown; could be Cambrian i.e. Mt Read Volcanics, Ordovician i.e. Gordon Limestone or Devonian i.e. Heemskirk Granite. Presumed at this stage to be Devonian as Pb-isotope data for the Allison's Lode confirms a Devonian lode style (Radonich 2002).
- Fluids introduced into the carbonate sequence causing mineral replacement; possibly ponding beneath the less replacive phyllite units e.g. Boss Lower. There is pervasive wall rock replacement associated with the lode mineralisation.
- Brittle fracturing in the carbonate allows for lode development; is this contemporaneous with the replacive mineralisation or a later stage product associated with deformation and possible granite intrusion?
- The 'mineralising structure' is unknown; it is not thought to be either the Balstrup Fault or the Tenth Legion Fault.

It is worth noting that there is significant base metal and massive magnetite mineralisation at depths of >450m. Some of this mineralisation was suggested by RGC to be part of the Balstrup Fault Mineralisation, although if the mineralisation is stratabound some of these intercepts line up in an entirely plausible flat-lying geological scenario.

3 WORK UNDERTAKEN DURING 2010

A summary of activities undertaken is presented below.

3.1 Assay Program

The following 15 Diamond and RC holes were drilled at Comstock mine lease (now RL4/2009) in September 2008 and the previous year. These holes are currently being sampled and submitted for analysis to Burnie Assay Laboratories. In some cases (e.g. RC holes) the samples are in bags and have been sitting on pallets ready for dispatch for years, with the samples in calico bags still in apparent good condition.

At Burnie Assay Laboratories the samples are jaw-crushed, then LM5 pulverised so that 90% of the sample passed 75 micron. A triple acid digest is then followed by AAS finish for lead, zinc and silver.

Table 1: Details for unassayed holes at Comstock

Drill hole	Easting	Northing	Datum	Accuracy	RL	Azimuth	Dip	Drill Length	Drill Date	Prospect	Primary Drill Type
SY091	357798.49	5360717.74	AGD66	0.01	307.32	0	-90	109	1-Sep-07	Balstrup	RC
SY092	357650	5360840	AGD66		300.5	165	-60	600	29-Jan-07	Balstrup	Diamond
SY111	357645	5360838.48	AGD66		304.95	200	-50	609	17-Mar-07	Balstrup	Diamond
SY135	357802	5360689.31	AGD66		308.52	180	-60	361	14-Feb-07	Boss	Diamond
SY141	357702.12	5360729.07	AGD66	0.01	307.38	200		110	1-Sep-07	Balstrup	RC
SY142	357750.05	5360727.64	AGD66	0.01	307.28	0	-90	92	1-Sep-07	Balstrup	RC
SY143	357642.6	5360743.63	AGD66	0.01	305.67	168	-64	122	1-Sep-07	Balstrup	RC
SY144	357681.95	5360550.94	AGD66	0.01	305.91	165	-61.5	121	1-Sep-07	Boss	RC
SY146	357716.57	5360523.74	AGD66	0.01	305.73	188	-61.5	98	1-Sep-07	Boss	RC
SY147	357745.06	5360743.63	AGD66	0.01	309.29	0	-90	111	1-Sep-07	Boss	RC
SY148	357577.1	5360597.426	AGD66	0.01	282.59	6	-60	48.1	1-Aug-08	Allisons	Diamond
SY150	357570.729	5360664.268	AGD66	0.01	285.84	0	-90	69.8	5-Aug-08	Allisons	Diamond
SY153	357574.478	5360605.048	AGD66	0.01	282.57	151	-60	79	1-Aug-08	Allisons	Diamond
SY157	357531.227	5360647.881	AGD66	0.01	295.59	76	-50	132	11-Sep-08	Allisons	Diamond
SY158	357540.788	5360592.326	AGD66	0.01	296.41	240	-50	96.4	29-Aug-08	Allisons	Diamond

Sampling and assaying of diamond drill core did not occur at the time of drilling due to financial constraints. It was recently recognised that the Comstock drill holes in question, originally conceived as metallurgical holes, would provide valuable data to be collated and used to recalculate and/or confirm the Comstock resource. Results will be reported in the 2011 Annual Report.

4 CONCLUSIONS AND PROPOSED WORK PROGRAM

Exploration works at Comstock during 2011 will focus on analysing and interpreting the results from the assaying program and using the additional drill hole information to recalculate the existing resource figure. In the light of a successful JV partnership with XNF at Comstock, it is anticipated that an expanded exploration and resource drilling work program will be formulated for the RL during 2011.

5 ENVIRONMENT

5.1 Comstock Environmental Works for 2010

- Construction of a lime dosing system for water treatment.

The poor quality of water discharged into the environment has been a longstanding issue at Comstock Mine. To improve this CRHL is currently constructing a lime dosing system that will treat the water as it flows through a series of settling ponds. The lime dosing system is being constructed at the mill and will add lime to the water as it flows into the tailings dam. This treatment plant will greatly improve the quality of water being discharged into Comstock Creek.

- Shaping and compacting of Swansea Tramway waste rock dump.

To reduce the amount of acid mine drainage (AMD) occurring onsite, CRHL is currently re-shaping and compacting the Swansea Tramway waste rock dump. This will reduce the amount of water seeping into the waste rock and help minimise AMD. This will also improve the water quality as there is less contaminated water that requires treatment before being discharged into the environment.

- Moving PAF waste rock stockpiles back inside works boundary and capping.

During construction of water dams at Comstock Mine some waste rock was stockpiled outside the works boundary. Some of this waste rock is potentially acid forming (PAF) and needs to be moved back within the mining lease boundary. CRHL has begun work on this and will move the waste rock into one of the decommissioned water dams at the northern end of the site. This will allow the waste rock to be clay capped when finished, keeping water off and preventing AMD.

- Removal of gorse from Comstock Mine.

A small patch of the invasive weed species gorse (*Ulex europaeus*) was found growing on the Comstock Mine site earlier this year. This weed is notoriously hard to eradicate once it becomes established so CRHL began a program of chemical spraying and physical removal to prevent it from spreading further. This method has proved successful and the gorse at this site has been eliminated. CRHL staff will continue to monitor the area to ensure that no new outbreaks occur.

6 EXPENDITURE

Expenditure for the four quarters for 2010 is presented below.

2010	Q1	$ -
	Q2	$ -
	Q3	$ 4850
	Q4	$ *
Total:		$ 4850

Expenditure directly attributable to exploration has involved the assay of drill core from the 2008 drilling program. More expenditure in Q4 2010 and Q1 2011 is expected for this work.

7 REFERENCES

- Tear, S.J. 2008; Report on the Resource Estimates for the Comstock Project, Tasmania, Australia

8 APPENDICES

Appendix A (digital): This report in pdf format