

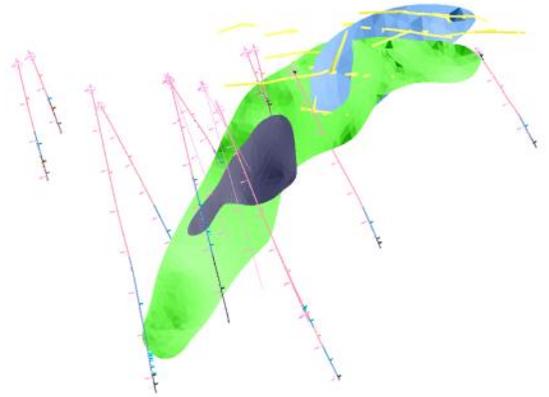


EXPLORATION LICENCE 21/2004 ANNUAL REPORT

JUNE 2010 - JUNE 2011

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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 the June 2010 - June 2011 licence period.

Role in the Regulation Process

This document fulfils the role of an Annual Report for EL 21/2004 during June 2010 - June 2011, 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.

Drill hole BHD-4 was completed to a final depth of 372.3m during the reporting period. Drill hole BHD-3, initially denied environmental approval during the wetter winter months, was not drilled due to a lack of encouragement from hole BHD-4.

The current focus is now centred upon diamond drilling at the historic tin deposit at Razorback.

Exploration expenditure on EL21/2004 during 2010/2011 totalled \$84,446*

*figures for Q2 2011 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.

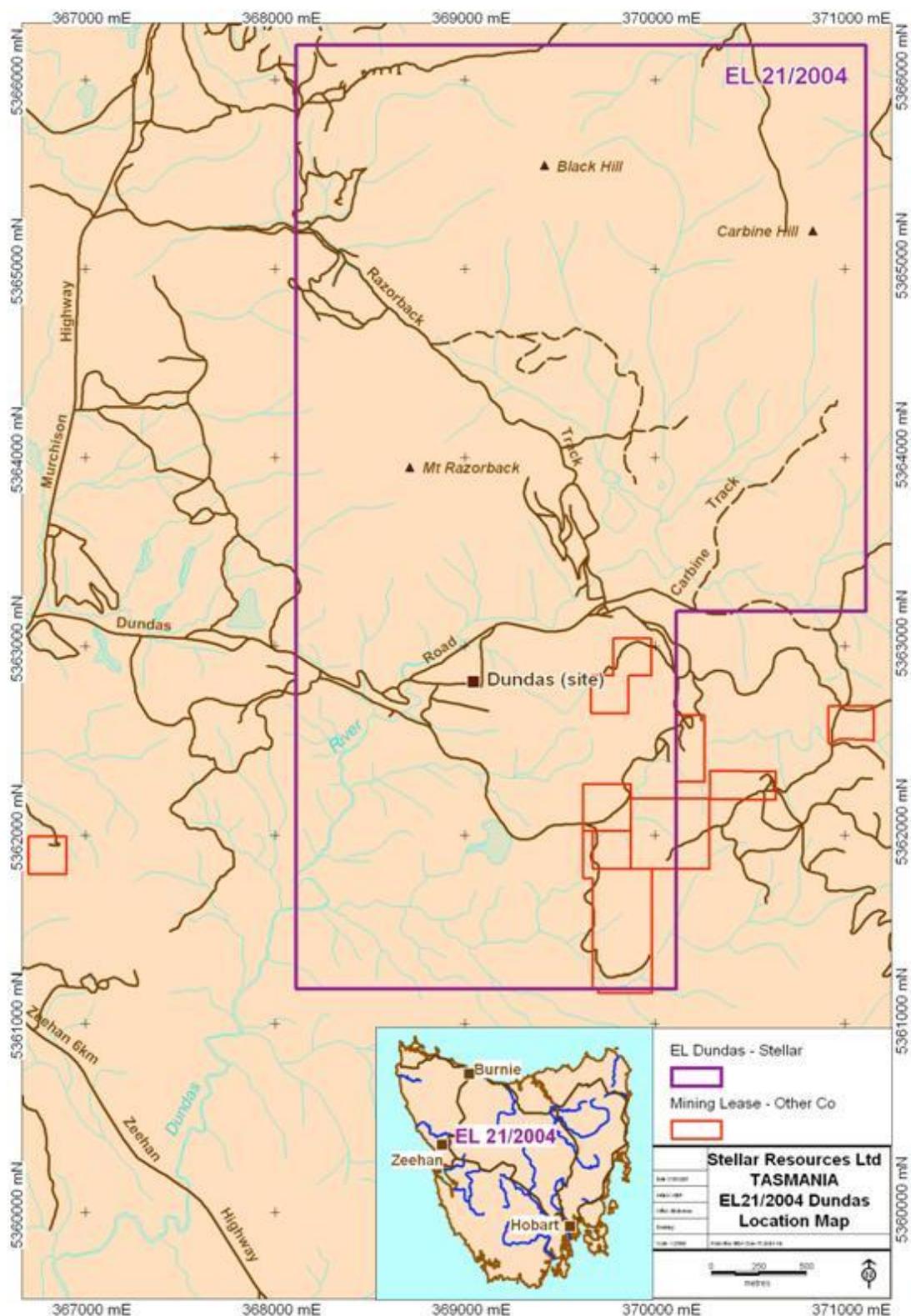


Figure 1: Location of EL 21/2004

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.

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.

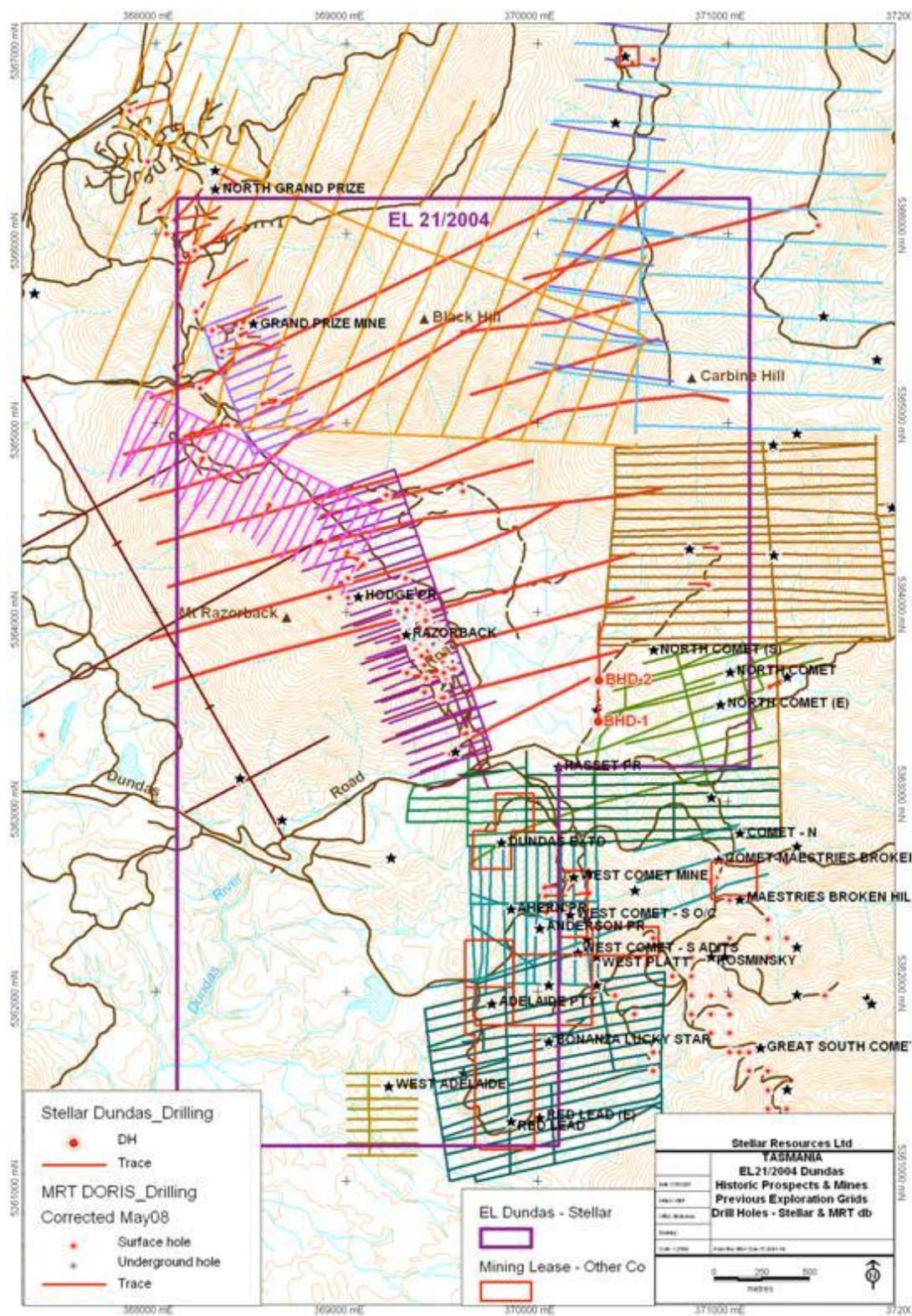


Figure 3 Previous exploration grids in vicinity of EL21

3 EXPLORATION UNDERTAKEN DURING 2010/2011

A summary of exploration activities undertaken is presented below.

- Compilation of 3D GoCAD geological data into Surpac DTM format
- Drilling of diamond hole BHD-4
- Entry of historic Razorback drill hole data into digital database
- Planning of drill holes centred upon the historic Razorback tin mine

3.1 GoCAD 3D data acquisition

PGN Geoscience, consultant to the previous tenement holder, has provided the Company with digital 3D data including ore profiles, mineralised zones, fault and structural surfaces, underground workings and various geological surfaces at the known tin occurrences at the historic Mount Razorback and Grand Prize mines.

The acquisition of this significant and valuable 3D data package will greatly facilitate the previously stated objective of upgrading the known tin occurrences at the Mount Razorback and Grand Prize mines to a higher resource confidence level.

This data, in GDA94 Datum, has been migrated to Surpac DTM format.

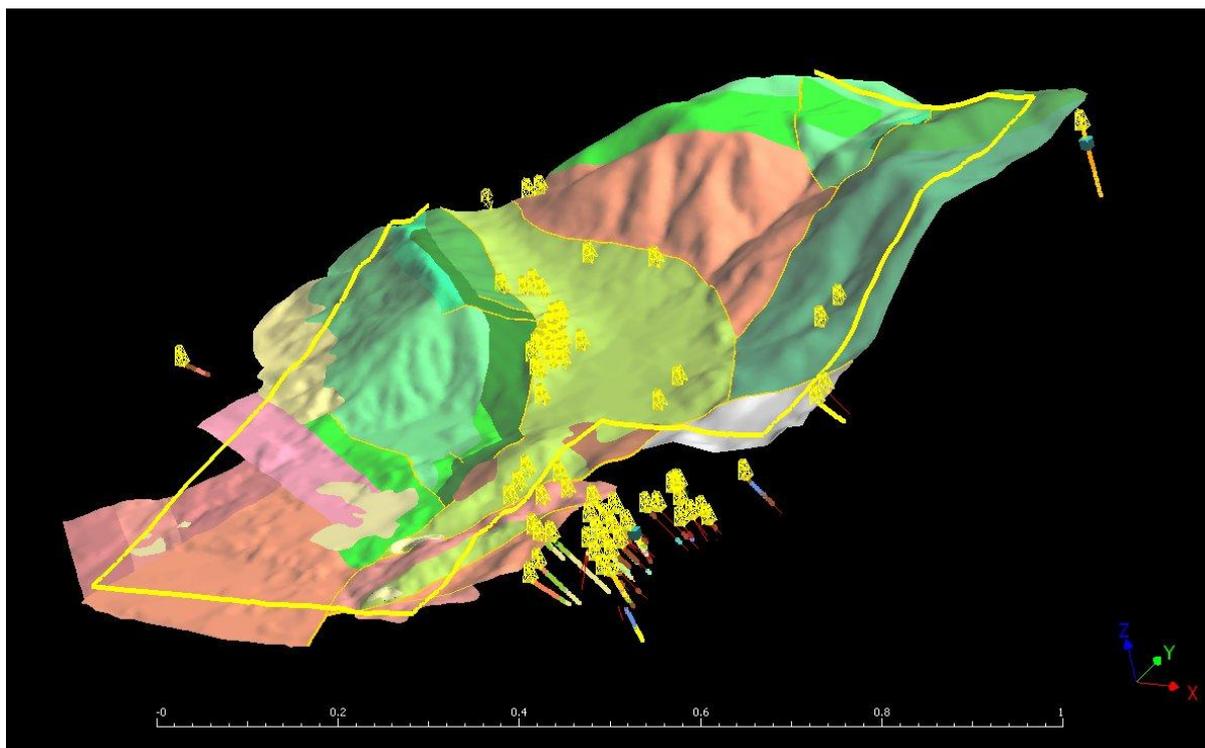


Figure 5: Paradigm GoCAD model of EL21

3.2 Drilling Program

3.2.1 Objectives

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.

On 23rd June 2010 drill hole BHD-4 commenced on the northern flank of Mount Razorback. The program initially consisted of 2 holes for a total of 600m. Environmental approval for hole BHD-3 was not forthcoming due to access issues given the wet and boggy conditions during winter. It was recommended that the hole should be drilled during the drier summer months instead.

BHD-4 was collared on ultramafic (serpentine) 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 BHD-4 would be stopped shortly after the Red Lead Conglomerate was intersected, and the core was screened using the Company's handheld XRF unit. It was also hoped that a zone of talc-carbonate altered serpentine near the contact with the conglomerate would be encountered, as this alteration zone has been shown to be a focus for mineralisation at the historic Razorback Tin Mine.

The hole was designed taking into account 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 in 2008 were:

Future exploration should focus attention on the western margin of the serpentine 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-4 met 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

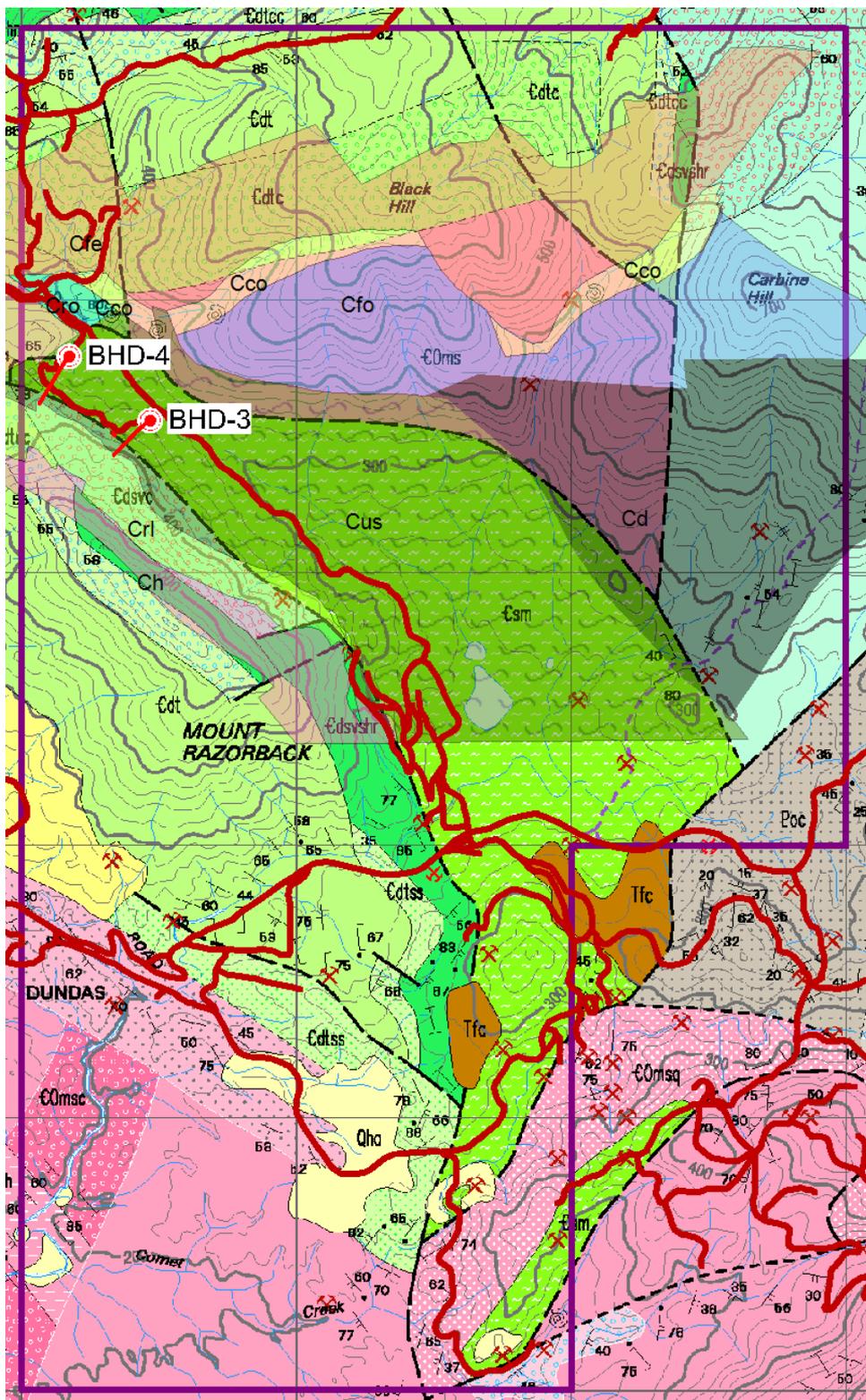


Figure 6: Hole BHD-4 was collared in ultramafic and was drilled towards the structural geological contact to the SW.



Figure 7: Close-up showing BHD-4 and proposed BHD-3 hole (not drilled); access tracks in red.

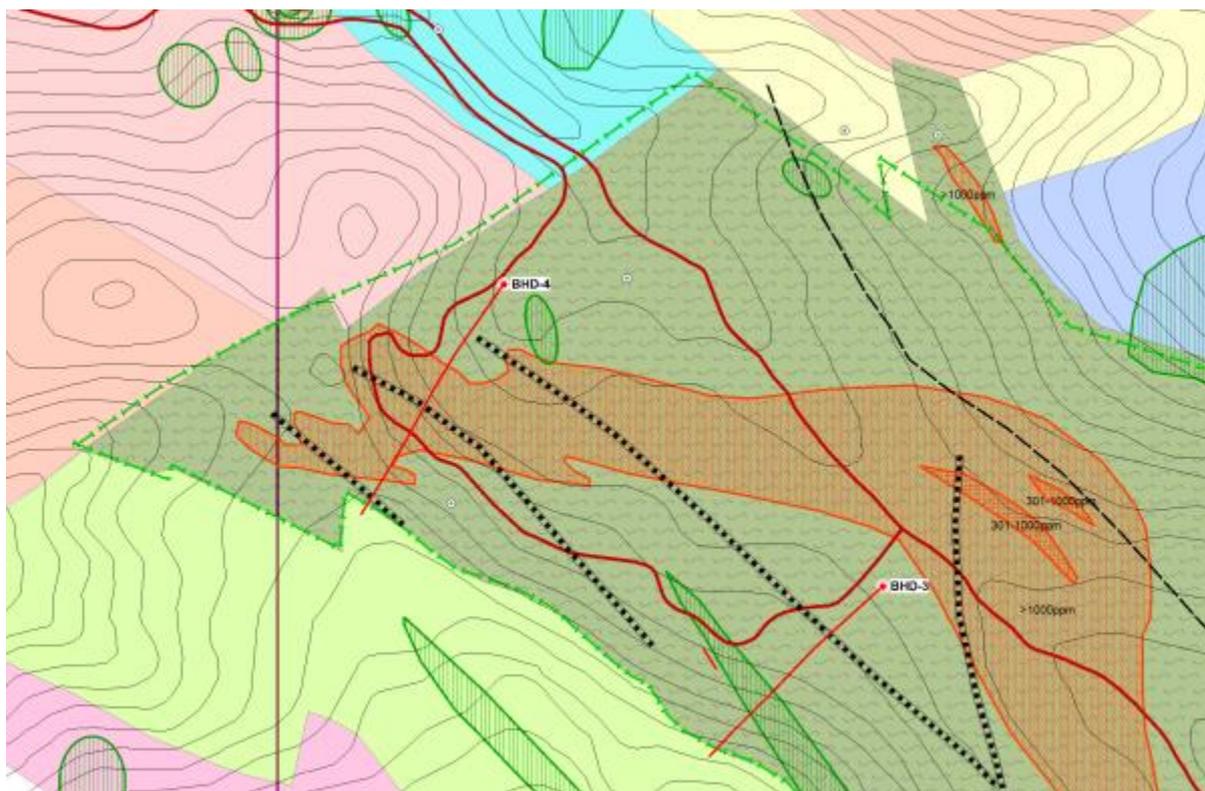


Figure 8: BHD-4 (top), anomalous nickel and copper geochemistry, 1970 RGC Exploration IP anomalies

3.2.2 Drilling Results

Drill hole BHD-4 at EL21 Razorback was completed during August and the drill site rehabilitated. Geological logging of the core has been completed, and selected samples have been assayed at SGS Laboratories.

BHD-4 was collared in serpentinite and intersected what was thought to be a strongly altered occurrence of the Red Lead Conglomerate at 271 metres depth. The hole then unexpectedly returned again into serpentinite at 285 metres, which was the dominant lithology until the end of the hole at 372.3 metres. Several zones of talc-carbonate (dolomite) alteration were intersected (host rock to the mineralisation at the historic Razorback Tin Mine further south), although no mineralisation was visible in the core.

Spot analyses of up to 2% Ni were measured however at various locations within the serpentinite with the company hand-held XRF unit, these readings often corresponding with narrow 10-15cm magnetite-carbonate veins.

Collar Information

<input checked="" type="radio"/> <u>Drillhole Name</u> BHD-4	<u>Parent Hole (for re-entries)</u>
<u>Property</u> EL21/2004	<u>Prospect</u> Razorback
<u>Datum</u> MGA94 Zone55	<input checked="" type="radio"/> <u>Primary Drill Type</u> Diamond
<u>Wedge Depth (m)</u>	<u>Underground/Surface</u> Surface
<u>X</u> 368284	<u>Y</u> 5364994
<u>X Local Grid</u> 368172	<u>Y Local Grid</u> 5364811
<u>Coord. Accuracy</u> 10m	
<u>Position Method</u> Handheld GPS	
<u>RL (m)</u> 335	<u>RL Accuracy</u> 10m
<input checked="" type="radio"/> <u>Collar Azimuth (Mag)</u> 220	<input checked="" type="radio"/> <u>Collar Dip</u> -50
<input checked="" type="radio"/> <u>Drill Length (m)</u> 372.3	
<u>Hole Complete Date</u> 04-AUG-2010	<u>Date Precision</u> Day
<u>QA Level</u> Incomplete	<u>Enter Date</u> 25/MAY/10
<u>Last Update Date</u> 21/APR/11	<u>Last User</u> CORESTORE

Drill Comments

Started drilling 23rd June. Good recovery achieved, and good drilling generally.

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Figure 9: BHD-4 Details (excerpt from CoreStore database)

Downhole Survey Details

[Create Survey](#)

Eastman Camera (or similar) survey data down hole.

	Depth (m)	Dip (degrees)	Azimuth	Azimuth Datum
	0	-50	220	Magnetic
	50	-49	232	Magnetic
	101	-49	230	Magnetic
	150	-49	230	Magnetic
	205	-49	225	Magnetic
	255	-49	225	Magnetic
	305	-50	230	Magnetic
	360	-50	231	Magnetic

1 - 8

Figure 10: BHD-4 down-hole survey details

Table 1: Summary geological log of BHD-4, detailed log available in digital appendix file#2

Depth From (m)	Depth To (m)	Lithology
0	28.1	(IUS) serpentinite
28.1	30.4	(IUS) serpentinite
30.4	35.2	(IUS) serpentinite
35.2	39.2	(SBS) black shale
39.2	72.5	(IUS) serpentinite
72.5	91.9	(IUS) serpentinite
91.9	122.8	(IUS) serpentinite
122.8	123.8	(IUS) serpentinite
123.8	126.44	(IUS) serpentinite
126.44	134.95	(SDL) dolomite
134.95	143.84	(IUS) serpentinite
143.84	148.5	(IUS) serpentinite
148.5	148.9	(IUS) serpentinite
148.9	151.5	(IUS) serpentinite
151.5	154.2	(IUS) serpentinite
154.2	156	(IUS) serpentinite
156	168.9	(IUS) serpentinite
168.9	171.9	(IUS) serpentinite
171.9	185.2	(IUS) serpentinite
185.2	186.8	(SSI) siltstone
186.8	192.75	(IUS) serpentinite
192.75	193.45	(SSI) siltstone
193.45	198.5	(IUS) serpentinite

198.5	201.1	(IUS) serpentinite
201.1	207.6	(SDL) dolomite
207.6	210.64	(IUS) serpentinite
210.64	225.55	(IUS) serpentinite
225.55	228.45	(IUS) serpentinite
228.45	246	(IUS) serpentinite
246	257.2	(IUS) serpentinite
257.2	270	(IUS) serpentinite
270	271.9	(IUS) serpentinite
271.9	285.15	(MQZ) quartzite/conglomerate
285.15	286.4	(IUS) serpentinite
286.4	323.6	(IUS) serpentinite
323.6	372.3m (e.o.h)	(IUS) serpentinite



Figure 11: Drill core photograph; 268.3 - 277.4m



Figure 12: Drill core photograph; 277.4 - 286.73m. Possible Red Lead Conglomerate interval within serpentinite.

4 CONCLUSIONS AND PROPOSED WORK PROGRAM

In light of the nickel assay results being fairly discouraging, the emphasis and exploration focus will shift towards the known tin mineralisation at the historic Razorback Tin Mine. There are 2 drill holes planned (and submitted for environmental approval) 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 (now migrated to Surpac format) will also be utilised to help achieve these aims.

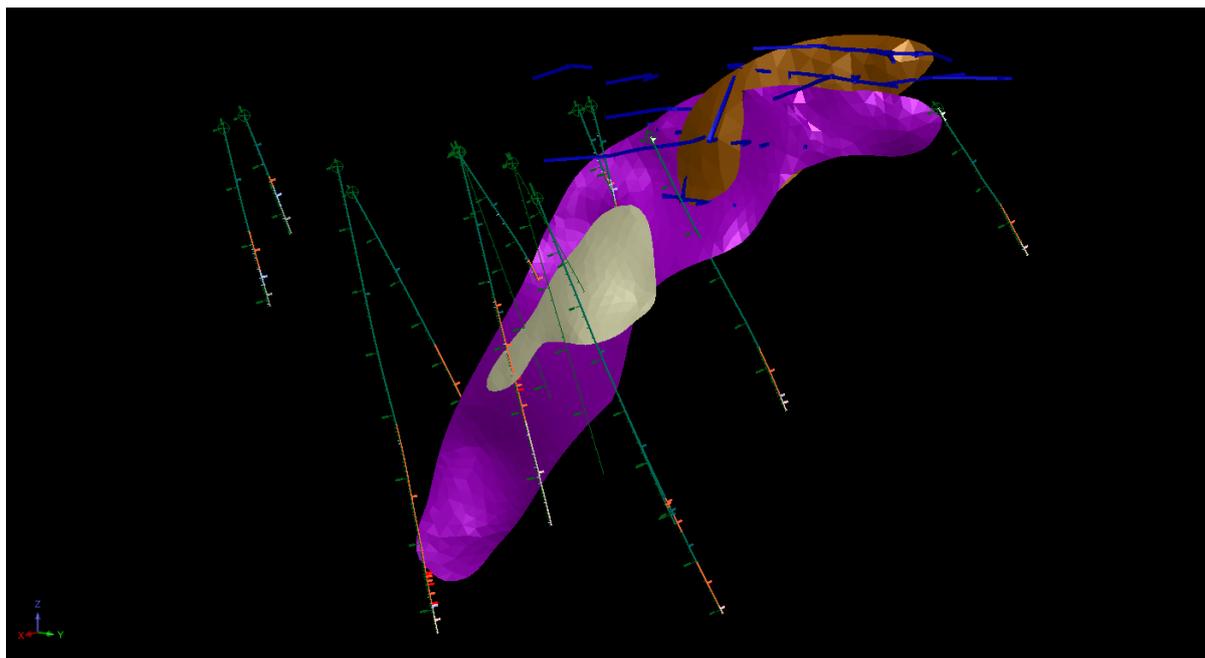


Figure 13: Surpac model for Razorback showing proposed and historic drill holes

Table 2: Proposed work program summary; July 2011 - June 2012

Exploration type	EL21
Geochemical survey and update mapping	1 km ²
Ground CSAMT survey/EH4	5 km
Trenching	2000 m ³
Diamond drilling	1200 m

5 ENVIRONMENT

The main rehabilitation works completed during the 12 months to June 2011 consisted of re-contouring of the drill pad and access track for BHD-4, replacement of topsoil, and the scattering of previously removed vegetation over the disturbed area.

6 EXPENDITURE

Expenditure for three quarters is presented below.

2010	Q3	\$ 65,044
2010	Q4	\$ 11,884
2011	Q1	\$ 7,518
2011	Q2	\$ * not available at time of writing

7 REFERENCES

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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 file #2 (digital): BHD-4 Detailed Geology Log

Appendix file #3 (digital): BHD-4 Sample and Analysis Details

Appendix file #4 (digital): BHD-4 Oblique Section

Appendix file #5 (digital): BHD-4 Assays .csv format

Appendix file #6 (digital): BHD-4 Assays .pdf format

Appendix 7 (hardcopy): BHD-4 Assays as supplied by SGS Laboratories

Appendix 8 (hardcopy): BHD-4 Oblique Section