Creat Resources Holdings Ltd

Annual Report

on

Exploration Licence 18/2003

For the period

December 2010 – December 2011

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For

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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 18/2003 (EL 18/2003) during December 2010 - December 2011.

Role in the Regulation Process

This document fulfils the role of an Annual Report on EL 18/2003 for the period December 2010 - December 2011, as required under Section 28 of the *Mineral Resources Development Act 1995*.

Datum

Geodetic Datum AGD66, zone 55 has been used for this report unless stated otherwise.

Distribution:

1 x Mineral Resources Tasmania
1 x Creat Resources Holdings Ltd – Beijing Office
2 x Creat Resources Holdings Ltd – Hobart Office
1 x Creat Resources Holdings Ltd – Zeehan Field Office

Abstract

During the term two separate soil sample programs were completed. Anomalous results are now being considered in regard to possible future drilling programs.

Two diamond drill holes of the four planned, were completed. The first, a helicopter supported diamond drill hole located minor pockets of mineralisation in association with the contact between the Heemskirk granite and the Oonah sediments. The hole was targeted to locate the source of a high level SkyTEM anomaly, however, the source was not located.

The second drill hole was drilled as an extension of the Tenth Legion South program after successful results from the drilling program on EL30 directly to the east and has only just been completed. Two more holes will be completed by either late January or early February.

Table of Contents

FIGURES

TABLES

1 INTRODUCTION

1.1 Purpose of This Document

This document fulfils the role of an Annual Report for EL 18/2003 during December 2010 – December 2011 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 Limited (CRHL). ZZE currently holds Exploration Licence 18/2003, which includes numerous diverse historic mineral occurrences. CRHL's long term objective is to grow through success in base metal 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 Mineral Exploration Area

EL 18/2003 covers 12 square kilometres located four kilometres southwest from Zeehan, and an additional 2 square kilometres located eight kilometres west from Zeehan, in western Tasmania (Figure 1).

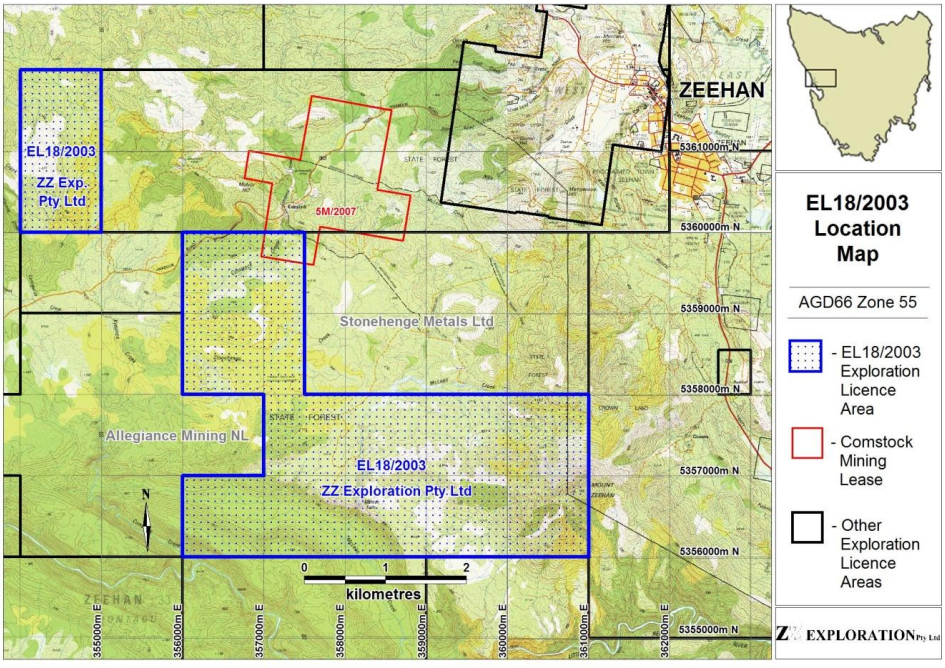


Figure 1: Location map EL18/2003

1.3.2 Site Location

The main access to EL 18/2003 is via Trial Harbour Road and a 4WD is required to negotiate the numerous overgrown tracks that cross the area.

EL 18/2003 is dominated by flat open button grass plains, rolling hills, swamps, tea-tree scrubland and dense eucalypt regrowth. The latter is particularly dense along creek beds and in other low-lying areas.

1.3.3 Exploration Licence Tenure

The tenement, EL 18/2003 was granted to Zeehan Zinc Exploration Pty Ltd on 3 February 2005 for a period of five years and applies to all Category 1, 3, 4 and 5(a) minerals. The licence covers 14 square kilometres and excluded areas include:

- Any land owned or leased by the Commonwealth of Australia;
- Mining Leases;
- Retention Licences; and
- Crown reservations.

The current land tenure in and around EL 18/2003 is provided in figure 2 below. The area within EL18 shown in red constitutes the Comstock Retention Licence, RL 4/2009.

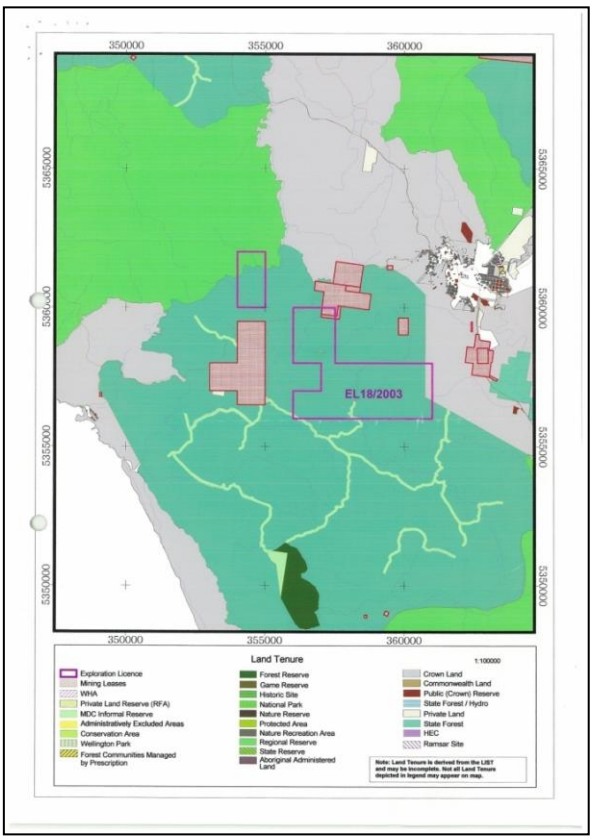


Figure 2: Land tenure - EL18/2003

2 SUMMARY OF PREVIOUS WORK

2.1 Previous Mining and Exploration within EL 18/2003

Limited early exploration has taken place within the confines of the tenement. One diamond drill hole, drilled by CRA Exploration Pty Ltd in the early 1980's is located just within the southern boundary of the north western block of the EL. The majority of work carried out in previous years consisted of basic field work, mapping and soil geochemistry by several companies throughout various periods in the 1980's and 1990's. CHRL staff have carried out research on historical work as well as ground work to confirm data and completed interpretation of the SkyTEM survey flown by CHRL in January 2009.

3 CURRENT EXPLORATION, 2010- 2011

3.1 Summary

A summary of exploration activities undertaken is presented below.

- Drilling of Diamond drill hole TINDH01 at the north western extent of the licence was completed.
- Drilling of the most western diamond drill holes in the Tenth Legion South project has commenced.
- Soil sample program in the southern portion and northwest portion of the licence was completed.

3.2 Regional work

During the year, two separate soil sampling programs were completed, one in the southern portion and one in the northwest portion of the lease. The soil sampling program in the southern portion of EL18, consisted of 12 line kilometres of cut line. 550 samples were collected and subjected to handheld XRF analysis by CHRL staff at the Zeehan Offices. A zone of anomalous nickel was indicated in a belt that is more than 1km in strike and approximately 50m in width. This zone appears to align with the gabbro and the contact between gabbro and sedimentary rocks. It indicates there is some potential for Nickel in the area. The information is shown in fig 3.

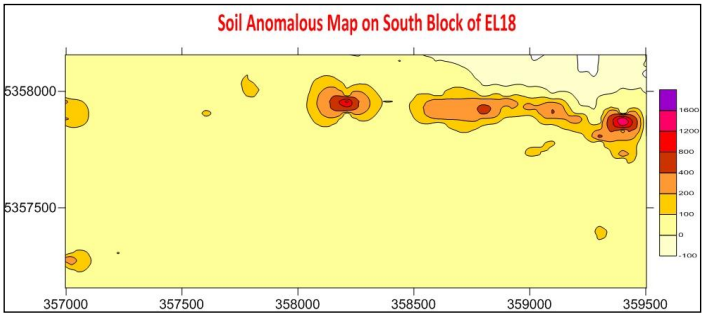


Figure 3

The second soil sample program consisted of 6 lines in an area of interest as indicated by an earlier determined SkyTEM anomaly located in the northwest portion of EL18. The geological relationship of the soil anomaly is, as yet, unclear.

Drilling in the nickel anomalous area in the southern portion of EL18 will be difficult due to access issues, including a major creek traversing the area which floods regularly. This has caused delays to the planning of a possible drill program and a reassessment as to the value of possible results with respect to increased costs to complete a program here.

Two diamond drill holes, of the four planned, were completed during the reporting period as summarised in the table below.

Table 1: Collar details for diamond drill holes

Drill hole	Easting	Northing	RL	Az. (Mag)	Dip	Length (m)	Completion date
TINDH01	354313	5361848		228	-59	275.9	05/04/11
TLC44	354592	5360021	264	88	-55		

Diamond drill hole TINDH01 was planned to test a high level anomaly delineated by the airborne SkyTEM survey flown by CRHL over the whole of the tenement package back in January 2009. The detailed location of TINDH01 and geology of the area is shown in fig 4. Although small zones of lead, zinc and minor copper were intersected, generally near the contacts between sediment and granite, the majority of the hole consisted of Heemskirk granite. It is now thought that the diamond drill hole may have been too shallow and has drilled across the top of the anomaly failing to locate the source. This target is still being considered for follow up at sometime in the future.

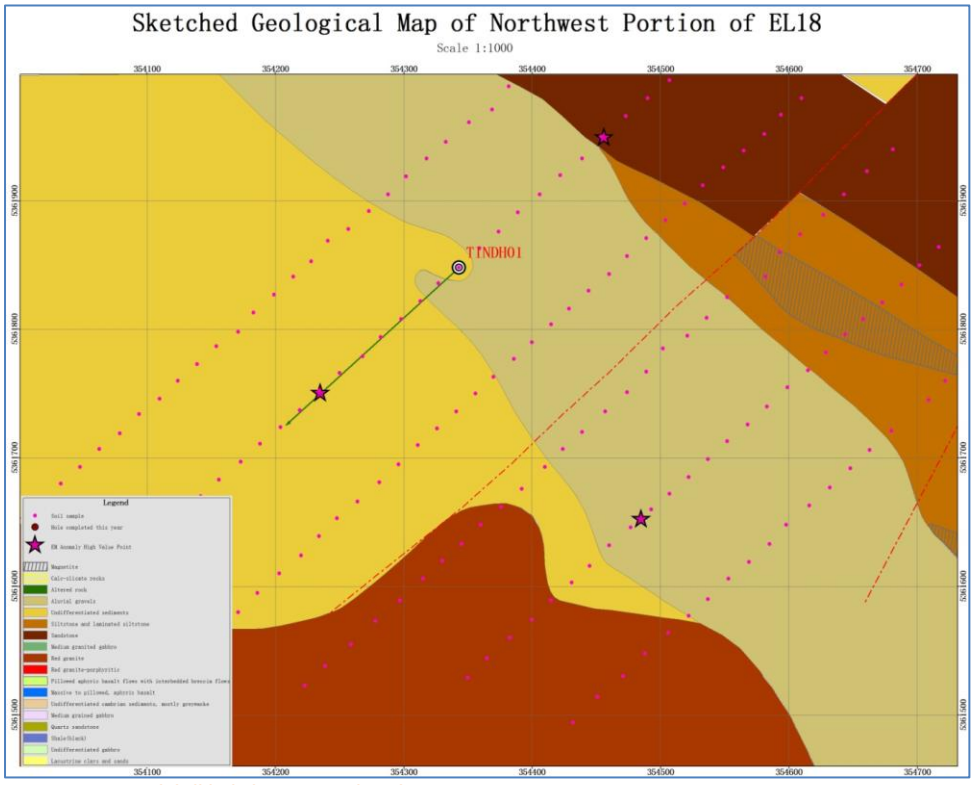


Figure 4: Diamond drill hole location and geology

3.3 Tenth Legion South Project

Assessment of good zinc results gained from drilling completed on the adjoining tenement to the east, EL30/2002, were encouraging enough to continue the drilling program. The extension of this program to the west falls within EL18/2003. Three diamond drill holes for zinc and nickel have been planned and permission granted to carry out the program. The first of these holes, TLC44 was commenced on the 12th December, 2011.

Access to the region was gained by renewing old existing tracks put in during the 1980's. A track was then pushed along an old cut soil line between TLC44 and TLC45. Part of the requirement to drill these holes was to wait for drier weather so as not to increase runoff from the steep tracks entering and leaving the creek which must be crossed for access. Drilling ceased for the Christmas Holiday break and recommenced on the 3rd January, 2012. No further information has been collated due to the break. This project is continuing and will now be completed in the new year.

4 DISCUSION

During the year, two soil sampling programs were undertaken with reasonable results achieved. In the southern portion of the tenement, soil sampling resulted in a large low level nickel anomaly. Consideration is currently being given to a drill program in the area. Access is difficult and may determine the priority with respect to this target.

Drilling was commenced west of Tenth Legion South to test the along strike potential of the zinc mineralization as well as any possible nickel mineralization similar to the nearby Avebury Mine. Visually, core from the first diamond drill hole exhibits minor mineralized zones and once the core has been sent away for assay a more definitive understanding of the mineralization should become clear.

5 CONCLUSIONS

Soil sampling was completed and assessment of the results continues to determine if further work is warranted in the southern portion of EL18.

The first diamond drill hole, TINDH01, to test a SkyTEM anomaly in northwest portion of EL18 was not successful in locating the source of the anomaly, so no further drill hole is currently planned here.

The Tenth Legion South drilling program has only just commenced with encouraging mineralization visible in the core to date of the first diamond drill hole, TLC44. It is too early to reach any conclusions with respect to results of the program or further work beyond that already in progress.

6 ENVIRONMENT

During the term, minimal environmental impact on the tenement was sustained. The lines cut for soil sampling will regenerate naturally in a few years. Drill access tracks were, for the most part, following 30 year old pre-existing tracks which had begun to regenerate naturally.

The first hole drilled, TINDH01 was a helicopter supported drill hole minimising any impact other than the immediate site which will regenerate naturally. All other pads and tracks will be rehabilitated upon completion of the program and a decision made as to whether the company will proceed with further work or not.

7 EXPENDITURE

EL18 Expenditure for the four quarters for 2011 is presented below.

Table 2: Expenditure for 4 quarters

2011	Q1	$ 39,555.00
	Q2	$ 80,390.00
	Q3	$ 42,815.00
	Q4	$ 59,481.00
Total		$222,241.00

*The figures for EL18/2003 Q4 2011 are submitted as documented to mid December plus estimated cost based on work to be completed by 10 February, 2012.

8 REFERENCES

Blisset, A.H. (1962). Geology of the Zeehan Sheet.

Godber, K (2009) Interpretation of the January 2009 Zeehan SkyTEM Survey. Unpublished Report.

Tear , 2007 Zeehan Zinc Ltd Nickel Project, Western Tasmania. Internal Creat Resources Holdings Ltd Report.

Williams, K.L. (1958) Nickel Mineralisation in Western Tasmania. Proc. Aust. Inst. Min. Met., Stillwell Anniversary Volume.

9 APPENDICES

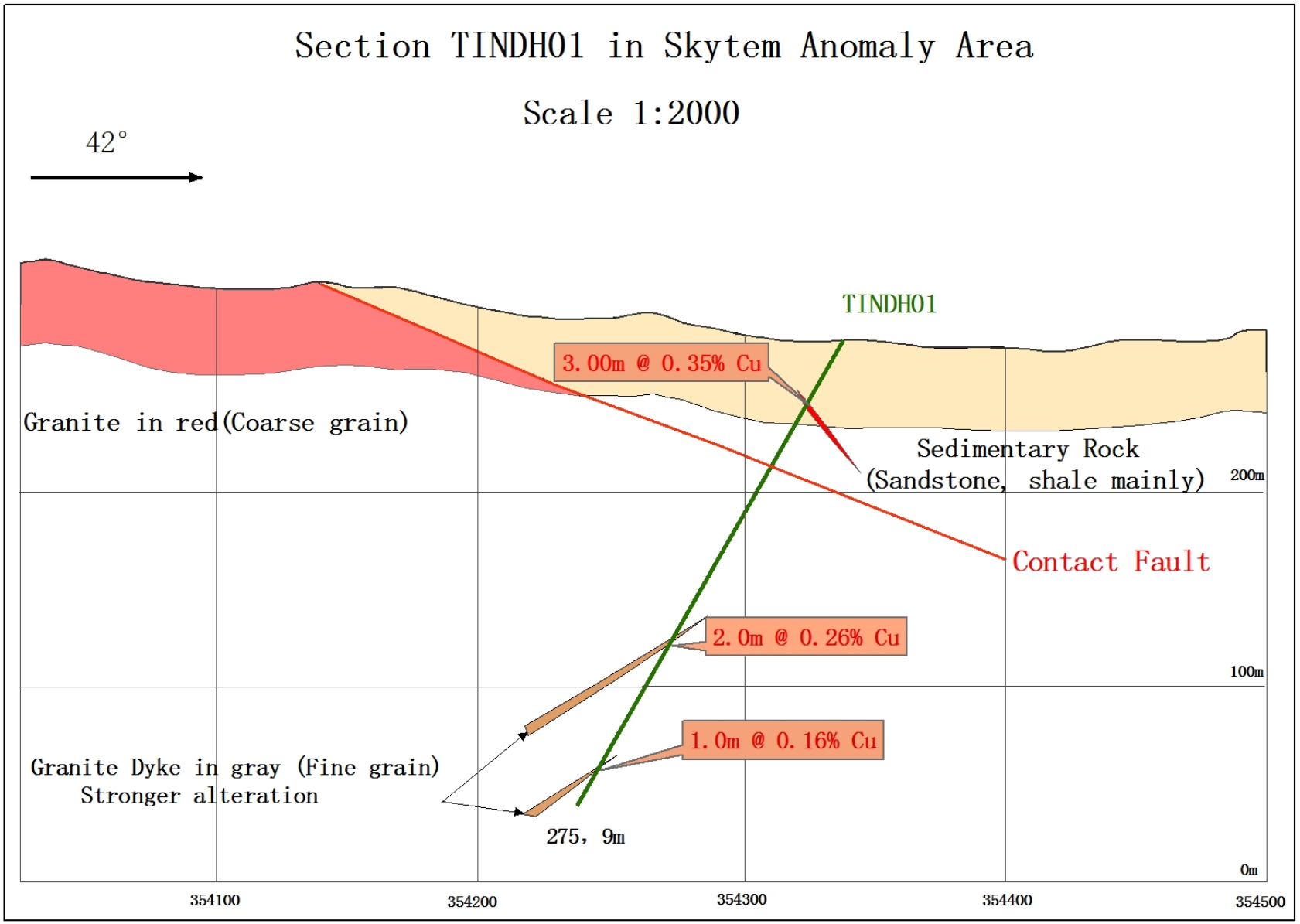
Appendix A: Diamond Drill Hole Sections
Appendix B: Geology Summary Logs – Diamond Drill Holes
Appendix C: Assay Results
Appendix D: SkyTEM Section – TINDH001

Appendix A

Diamond Drill Hole Sections

Section TINDH01 in Skytem Anomaly Area

Scale 1:2000



Appendix B

Geology summary logs – Diamond Drill Holes

TINDH001

Depth From	Depth To	Lithology	Lithology Description
0	5	(SSS) sandstone	Weathered siltstone and sandstone very minor pyrite present.
5	9.7	(H) Shale and siltstone	weathered in part to clays other parts still solid, minor pyrite present.
9.7	10.3	(SSS) sandstone	Sandstone, quartzite in part.
10.3	11.9	(H) Shale and siltstone	weathered siltstone
11.9	16.7	(SSS) sandstone	fine grained sandstone minor pyrite, some banding present but very deformed.
16.7	64.5	(Q) Quartzite, quartz-sericite rock	Mottled grey quartzite, pyrite present mostly as vein inclusions concentrated pyrite and possible chalcopyrite at 36-37.4m.
64.5	65.5	(SBS) black shale	Black shale with pyrite and possible pyhrotite
65.5	66.7	(H) Shale and siltstone	siltstone with lightly serpentenised
66.7	72.8	(Q) Quartzite, quartz-sericite rock	massive quartzite with minor pyrite
72.8	74.6	(IGR) granite	grey massive granite
74.6	81.4	(Q) Quartzite, quartz-sericite rock	massive quartzite, chalcopyrite occurs in feldspar/quartz vein, sphalerite also occurs in good sized blebs.
81.4	81.6	(IGR) granite	thin band of grey granite
81.6	88.2	(Q) Quartzite, quartz-sericite rock	Quartzite minor pyrite
88.2	172.5	(IGR) granite	Pink granite texture changes from course to fine grained, minor pyrite present.
172.5	174.8	(IGR) granite	Green granite, higher content of pyrite possible chalcopyrite.
174.8	257	(IGR) granite	Pink granite course grained, fine grained at 240-241, grey granite fractures at 249.5 showing 25' trend.
257	258.8	(IGR) granite	grey granite some pink granite, area has pyrite and magnetite present.
258.8	275.9	(IGR) granite	Course grained pink granite with some minow tourmaline veins showing a 20' trend, small section of fine grain at 262-262.6

Appendix C

Assay Results

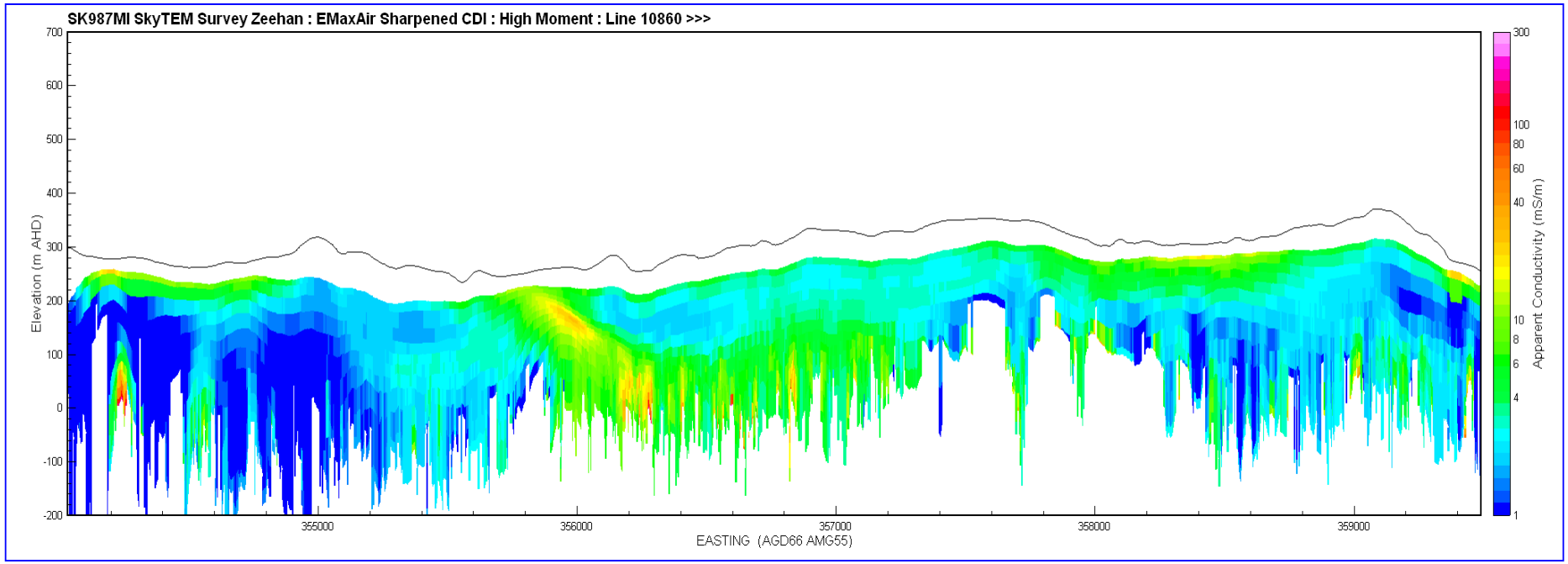
TINDH001

Sample Number	Sample Type	Depth From	Depth To	Unit	Cu	Pb	Zn	Sn	W
202680	Blank 1	0	0	metre	2	14	8	-5	-10
202681	True Sample	27	28	metre	39	5	16	-5	10
202682	True Sample	28	29	metre	51	9	16	13	10
202683	True Sample	29	30	metre	40	17	42	15	80
202684	True Sample	30	31	metre	326	42	86	-5	10
202685	True Sample	31	32	metre	90	11	48	13	10
202686	True Sample	32	33	metre	146	20	58	13	-10
202687	True Sample	33	34	metre	176	8	37	9	10
202688	True Sample	34	35	metre	488	14	39	9	10
202689	True Sample	35	36	metre	2440	14	57	-5	-10
202690	True Sample	36	37	metre	6180	21	118	-5	10
202691	True Sample	37	38	metre	1840	7	82	15	10
202692	True Sample	38	39	metre	491	8	52	12	10
202693	True Sample	42	43	metre	33	34	66	-5	10
202694	True Sample	43	44	metre	195	7	72	-5	10
202695	True Sample	44	45	metre	118	10	47	-5	-10
202696	True Sample	45	46	metre	126	6	33	-5	10
202697	True Sample	46	47	metre	173	9	24	-5	10
202698	True Sample	63	64	metre	234	52	97	-5	40
202699	True Sample	64	65	metre	62	4	427	40	-10
202700	True Sample	65	66	metre	82	-2	55	12	-10
202701	Standard 3	0	0	metre	10000	10000	10000	66	10
202702	True Sample	66	67	metre	91	130	766	35	-10
202703	True Sample	72	73	metre	16	18	43	-5	10
202704	True Sample	73	74	metre	3	18	18	6	10
202705	True Sample	74	75	metre	5	58	129	18	10
202706	True Sample	75	76	metre	8	120	1025	15	10
202707	True Sample	76	77	metre	30	216	1100	5	10
202708	True Sample	77	78	metre	85	110	821	-5	10
202709	True Sample	78	79	metre	286	70	240	-5	10
202710	True Sample	86	87	metre	45	6	18	-5	-10
202711	True Sample	87	88	metre	125	8	41	-5	10
202712	True Sample	88	89	metre	25	996	1905	11	10
202713	True Sample	89	90	metre	3	33	88	-5	10
202714	True Sample	90	91	metre	3	42	89	-5	-10
202715	True Sample	91	92	metre	3	18	30	16	10
202716	True Sample	139	140	metre	3	23	29	6	10
202717	True Sample	140	141	metre	3	24	31	-5	10
202718	True Sample	141	142	metre	3	24	31	-5	10
202719	True Sample	152	153	metre	4	21	29	11	10
202720	True Sample	153	154	metre	3	24	29	9	10
202721	True Sample	154	155	metre	2	25	32	8	10

202722	Standard 3	0	0	metre	424	10000	10000	42	100
202723	True Sample	155	156	metre	3	27	32	6	10
202724	True Sample	170	171	metre	2	17	22	-5	10
202725	True Sample	171	172	metre	13	16	40	-5	10
202726	True Sample	172	173	metre	325	15	162	15	20
202727	True Sample	173	174	metre	2420	54	279	19	20
202728	True Sample	174	175	metre	2850	64	232	19	10
202729	True Sample	175	176	metre	23	24	77	9	10
202730	True Sample	176	177	metre	3	16	22	9	10
202731	True Sample	195	196	metre	5	19	28	-5	20
202732	True Sample	196	197	metre	3	17	18	-5	10
202733	True Sample	197	198	metre	4	16	15	-5	10
202734	True Sample	198	199	metre	4	18	20	12	10
202735	True Sample	199	200	metre	3	19	21	9	-10
202736	True Sample	200	201	metre	3	19	32	9	10
202737	True Sample	240	241	metre	4	16	19	13	-10
202738	True Sample	241	242	metre	2	16	21	-5	-10
202739	True Sample	242	243	metre	2	15	22	9	10
202740	True Sample	256	257	metre	8	14	43	-5	20
202741	True Sample	257	258	metre	1560	38	222	6	20
202742	True Sample	258	259	metre	125	19	304	13	10
202743	Standard 3	0	0	metre	404	10000	10000	38	100
202744	True Sample	259	260	metre	4	18	40	5	10
202745	True Sample	260	261	metre	5	19	28	5	10
202746	True Sample	261	262	metre	4	16	25	-5	10
202747	True Sample	262	263	metre	3	18	19	8	10
202748	True Sample	273	274	metre	3	16	28	-5	-10
202749	True Sample	274	275	metre	2	15	28	-5	-10
202750	True Sample	275	276	metre	3	16	28	-5	-10
202751	Blank 1	0	0	metre	4	-2	2	-5	-10

Appendix D

SkyTEM Section – TINDH001


SK987MI SkyTEM Survey Zeehan : EMaxAir Sharpened CDI : High Moment : Line 10860 >>>
Elevation (m AHD)
700
600
500
400
300
200
100
0
-100
-200
355000
356000
357000
358000
359000
EASTING (AGD66 AMG55)
Apparent Conductivity (mS/m)
300
100
80
60
40
10
8
6
4
1