

Creat Resources Holdings Ltd

Annual Report
on
Exploration Licence 20/2002

For the period

December 2010 – December 2011

Prepared by:
Jianping He
Chief Geologist - CRHL
Morris R. Hansen
Senior Geologist – CRHL

For

Creat Resources Holdings Ltd
262 Main St.
Zeehan, Tasmania 7469

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 20/2002 (EL 20/2002) during December 2010 - December 2011.

Role in the Regulation Process

This document fulfils the role of an Annual Report on EL 20/2002 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

The majority of work completed during the period was carried out on the Austral project. Three diamond drill holes were completed. Two holes were designed to further test results from earlier programs and the third was designed to test a second zone further to the west. The two holes drilled to confirm earlier results were both successful in locating the mineralised zone. The third hole results indicate an anomalous zone that appears to be of limited potential and future diamond holes will concentrate on defining the main zone of interest. Application has been made for a permit to drill a fourth hole, which when granted, will be completed in the next year.

The results of the Melba Flats program completed last year have been assessed and changes to the planned program have been made based on that assessment. New locations for the diamond drilling have been discussed and applications for permits to drill will be lodged in the new year.

Mariposa and Sunny Corner were visited and evaluated with respect to future work. Infrastructure repair to the access track will need to be carried out prior to any drilling program proceeding in the area.

Table of Contents

Foreword	2
Function of the Annual Report	2
Role in the Regulation Process	2
Datum	2
Distribution	2
Abstract	3
1 Introduction	6
1.1 Purpose of this Document	6
1.2 The Proponent	6
1.3 Exploration Licence Location and Operations	6
1.3.1 Mineral Exploration Area	6
1.3.2 Site Location	7
1.3.3 Exploration Licence Tenure	7
2 Summary of Previous Work	9
2.1 Previous Mining and Exploration within EL 20/2002	9
3 Current Exploration, 2010 - 2011	9
3.1 Summary	9
3.2 Austral Project	10
3.3 Melba Flats Project	11
3.4 Sunny Corner Project	11
4 Discussion	12
5 Conclusions	12
5.1 Austral Project	12
5.2 Melba Flats Project	12
6 Environment	12
7 Expenditure	13
8 References	13
9 Appendices	13

FIGURES

Figure 1: Location of EL 20/2002.....	6
Figure 2: EL 20/2002 Excluded areas.....	7
Figure 3: Land tenure for EL20/2002.....	8
Figure 4: Drill hole locations on geology map.....	11

TABLES

Table 1: Collar details for Tenth Legion drill holes.....	10
Table 2: Significant Intersections and mineralized zones.....	10
Table 3: Expenditure for 4 quarters.....	13

1 INTRODUCTION

1.1 Purpose of This Document

This document fulfils the role of an Annual Report for EL 20/2002 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 20/2002, 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 20/2002 covers approximately 68 km², and is located 1km southeast from Zeehan, Western Tasmania (Figure. 1).

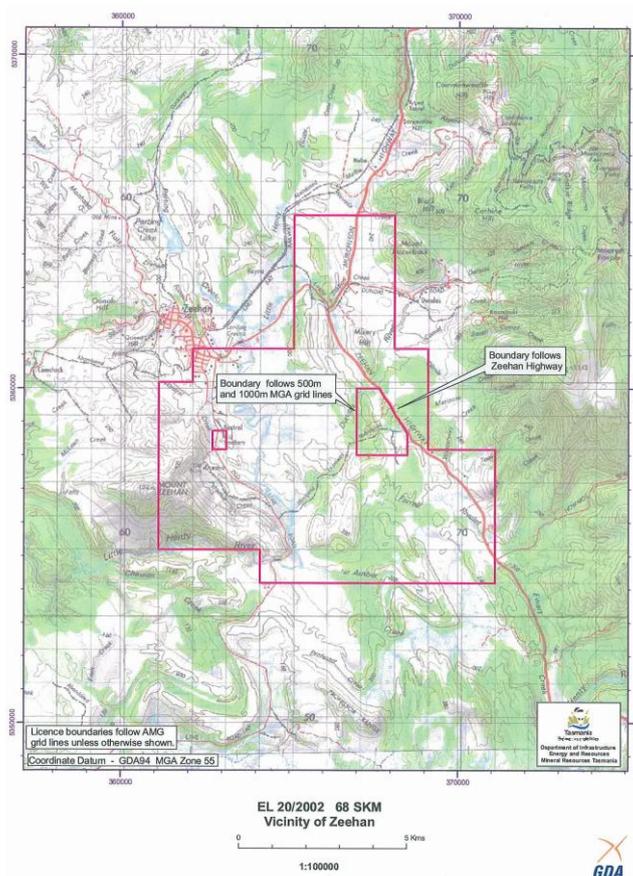


Figure 1: Location map EL20/2002

1.3.2 Site Location

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.

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.

1.3.3 Exploration Licence Tenure

The tenement, 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 68km², with excluded areas including:

- CRHL Retention Licence RL1/2008 Mariposa;
- CRHL Retention Licence RL3/2009 Oceana;
- Any land owned or leased by the Commonwealth of Australia;
- Mining Leases; and
- Crown reservations.

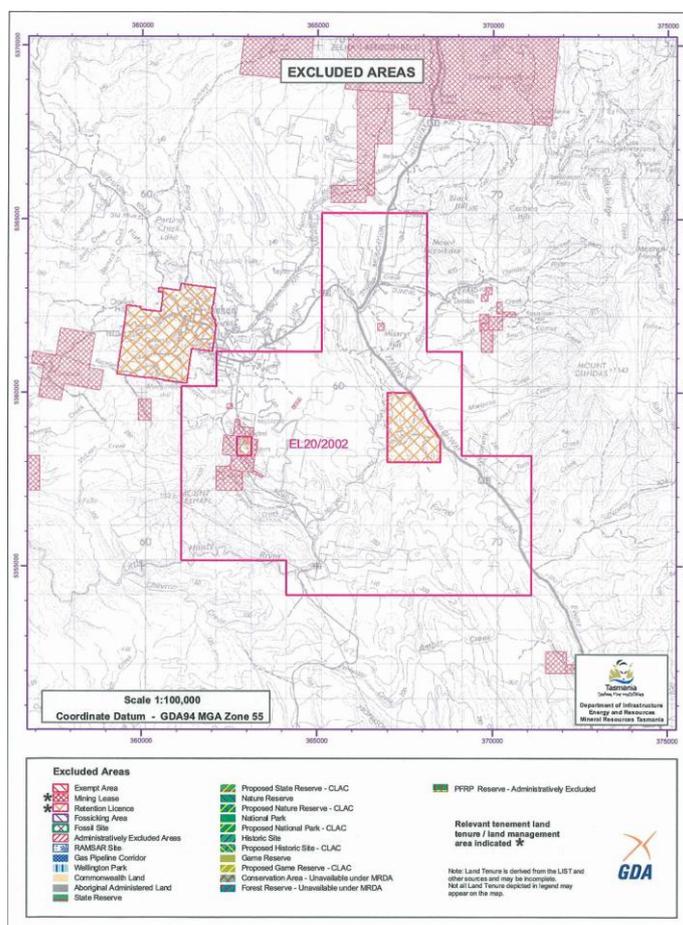


Figure 2: EL20/2002 excluded areas

The current land tenure in and around EL 20/2002 is provided in Figure 3 below. EL20/2002 now encompasses the Crotty Ridge Regional Reserve (outlined in red below) gazetted on the 13/07/11. The majority of work carried out during the period was within this reserve area.

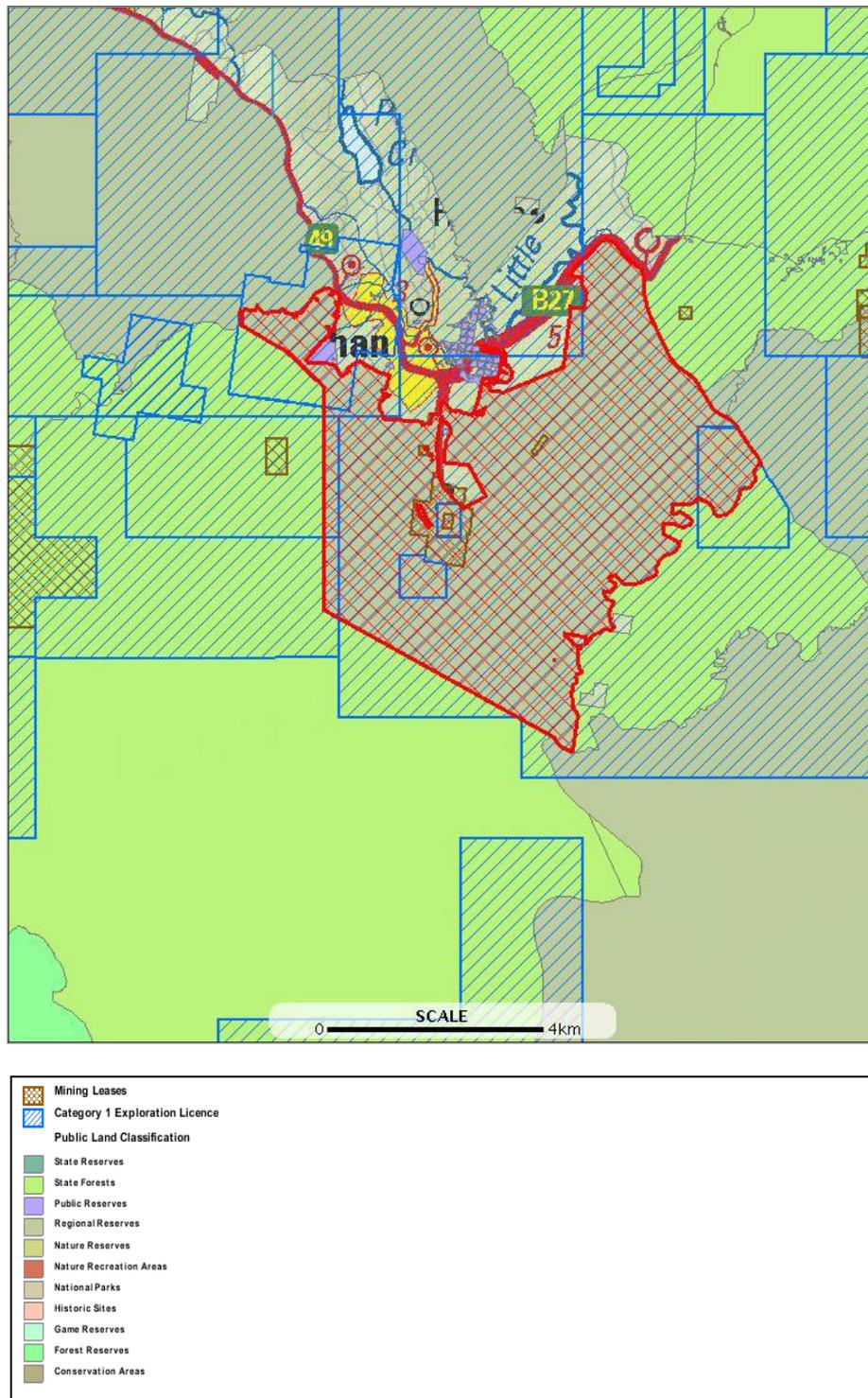


Figure 3: Land tenure for EL20/2002 – current as at 20/12/11

2 SUMMARY OF PREVIOUS WORK

2.1 Previous Mining and Exploration within EL 20/2002

EL20/2002 extends from the Melba Flats Project area in the north to the Austral/Oceana Projects in the southwest and the Mariposa Project in the east of the tenement.

The 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 during the early to mid-1990's by CRA Exploration Pty Ltd. They reported that despite an 800m long soil geochemistry survey identified and significant Ni-Cu anomaly around the North Cuni/Genets Winze area, the potential for Ni sulphides was downgraded due to the lack of response from the geophysical surveys completed (CRAE 1995 Annual report). This area, directly north of Creat Resources Holdings Ltd's EL20/2002, is now held under licence by MMG.

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 2010- 2011

3.1 Summary

A summary of exploration activities undertaken is presented below.

- Drilling of 935.90m completed at Austral Project.
- Data review and site visits carried out to assess nickel potential at Melba Flats Project.
- Site visit to Sunny Corner Project completed to confirm track conditions and view potential drill sites for future consideration.

3.2 Austral Project

During the year, three diamond drill holes were completed as summarised in the table below.

Table 1: Collar details for Austral drill holes

Drill hole	Easting	Northing	RL	Az. (Mag)	Dip	Length (m)	Completion date
AU001	362045	5358785		69	-55	344.4	27/05/11
AU002	362271	5358975		250	-55	352	22/11/11
AU003	362036	5358886		250	-45	239.5	17/12/11

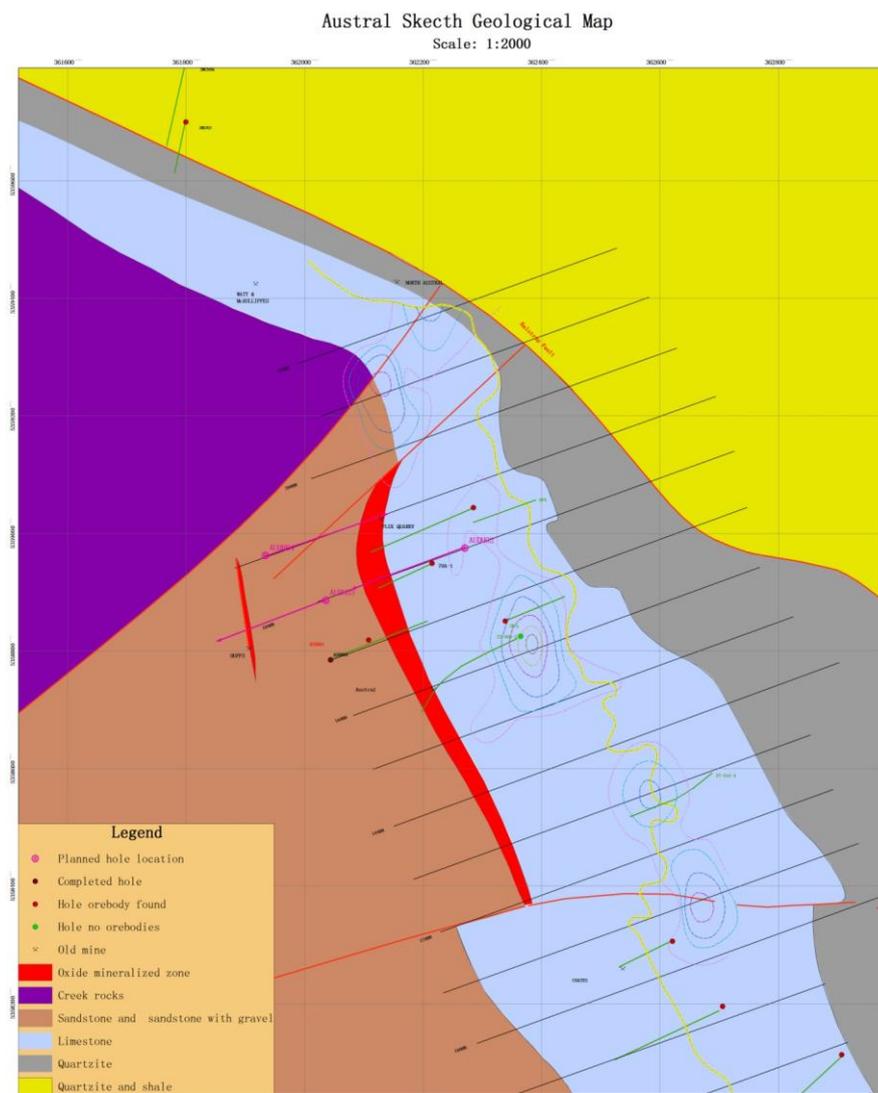
The first diamond drill hole completed, AU001 intersected a limestone unit with lead zinc veining and disseminated mineralization within the lower 24m of the unit. Two mineralized zones were located in AU002 and were sampled, then sent for assay. The assay results have not yet been received. This confirmed the continuity of results from earlier explorers with several more potential drill holes being tentatively planned. The significant assay results for AU001 and the mineralised zones for AU002 are shown in the table below.

Table 2: Significant Intersections and mineralised zones

Hole Id	From(m)	To(m)	Interval(m)	Pb(%)	Z(%)	Ag(g/t)	Comments
AU001	226	250	24	3.43	0.71	60	Including 5m @ 7.75%Pb, 1.14%Zn and 106g/t Ag
AU002	205.6	210.2	4.6				No assays received
	263.2	277	13.8				

After a review of the data in relation to AU001, it was decided to continue the drilling program with the completion of AU002 and AU003, results of which are awaited and still with the laboratory. Interpretation of results will continue into the 2011 – 2012 year and a decision as to further drilling will be taken.

Upon completion of AU003 visual inspection of the core indicated 3 distinct but narrow zones of base metal mineralisation between 72m and 206m. Sections of the hole have been sent off for analysis, however, it is expected that drilling will be discontinued here and future drill holes will be planned around results achieved from the earlier two diamond drill holes.



3.3 Melba Flats Project

During the year data from the previous year's soil sampling results, geological mapping and the results acquired from BHD04 drilled near the area was assessed and two areas prospective for their nickel potential were defined. Two diamond drill holes have been planned with drilling to commence early next year.

3.4 Sunny Corner Project

A field visit was made to the site to determine access issues with respect to potential future drilling programs. The track itself remains in excellent shape, however, the culverts at the Dundas River crossing have been washed out by flood and require roadwork before vehicle access can be gained. Earlier drill holes put in by previous explorers were located despite bushfire damage in the area.

No further work was carried out on this project during the year.

4 DISCUSSION

Work carried out during the period has confirmed the extension of the mineralised zones located at the Austral project by earlier explorers and has given the company confidence in extending the zone with further drilling. Historically, the majority of the work carried out by the company has been centred on the Oceana Mine. Although more work needs to be done here to confirm a resource, continued exploration in the area will hopefully add to any resource available. The company has thus far concentrated on three discreet areas and further research of historical data combined with recent results may indicate further areas of interest within the tenement.

5 CONCLUSIONS

Work carried out during the year on the various projects within this EL are still in the early stages of exploration and no conclusions have been reached with respect to future prospects.

5.1 Austral Project

Two of the diamond drill holes completed, AU001 and AU002 confirmed the extension of the mineralised zones located in earlier drill holes in the area. It is still too early in the program to form a reasonable opinion with respect to the potential of the project. Consideration is now being given to extension further along strike as a more promising target. The third diamond hole, AU003, has intersected another mineralised zone, however, it is unlikely at this point that further work will be continued here.

5.2 Melba Flats Project

Upon completion of the earlier soil program and assessment of results, the lack of a substantial nickel anomaly has forced the company to rethink the further planned drilling. Research and reinvestigation continues at this project and it is now likely that the drill program will change with the relocation of the planned holes.

6 ENVIRONMENT

Minimal disturbance was caused during the reporting period. At Austral, 3 diamond drill holes were completed. Access was gained by using pre-existing tracks. Three pads were constructed that will require rehabilitation and a short section of track that was constructed to access AU003 will also need rehabilitation. This will be attended to within a reasonable time frame at the conclusion of the drilling program.

The Austral valley has extensive gorse infestation. Precautions were taken during the exploration and drilling program to minimise spread of the weed. All equipment travelling past the existing gorse infected areas were washed down on a daily basis with pressure spray equipment provided by the local council weed abatement unit.

Several gorse plants found to exist near to the new drill sites above the gorse infested valley, prior to our work commencing, were physically dug up and removed by CRHL staff to prevent further spread of the weed.

7 EXPENDITURE

EL20 Expenditure for the four quarters for 2011 is presented below.

Table 3: Expenditure for 4 quarters

2011	Q1	\$ 5,718.00
	Q2	\$101,650.00
	Q3	\$ 55,150.00
	Q4	\$194,825.00
Total		\$357,343.00

*The figures for EL20/2002 Q4 2011 are submitted as documented to end of December, 2011.

8 REFERENCES

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

CRAE Annual Report 1995 EL 43/92 Melba Flats, Tasmania Report on Exploration for the Second Year of Tenure 17.4.94 to 16.3.95 (TCR 95-3729).

Greenhill, (1995) Honours thesis, The Geological setting and Mineralisation of the CUNI Cu-Ni Deposits.

McGilvray, C.T. (2003). Geology and Mineralisation of Oceana Zn-Pb-Ag Deposit, Zeehan Tasmania. Unpublished University of Tasmania Thesis.

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].

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: Drill Hole location plan and Geology

Appendix B: Diamond Drill Hole Sections

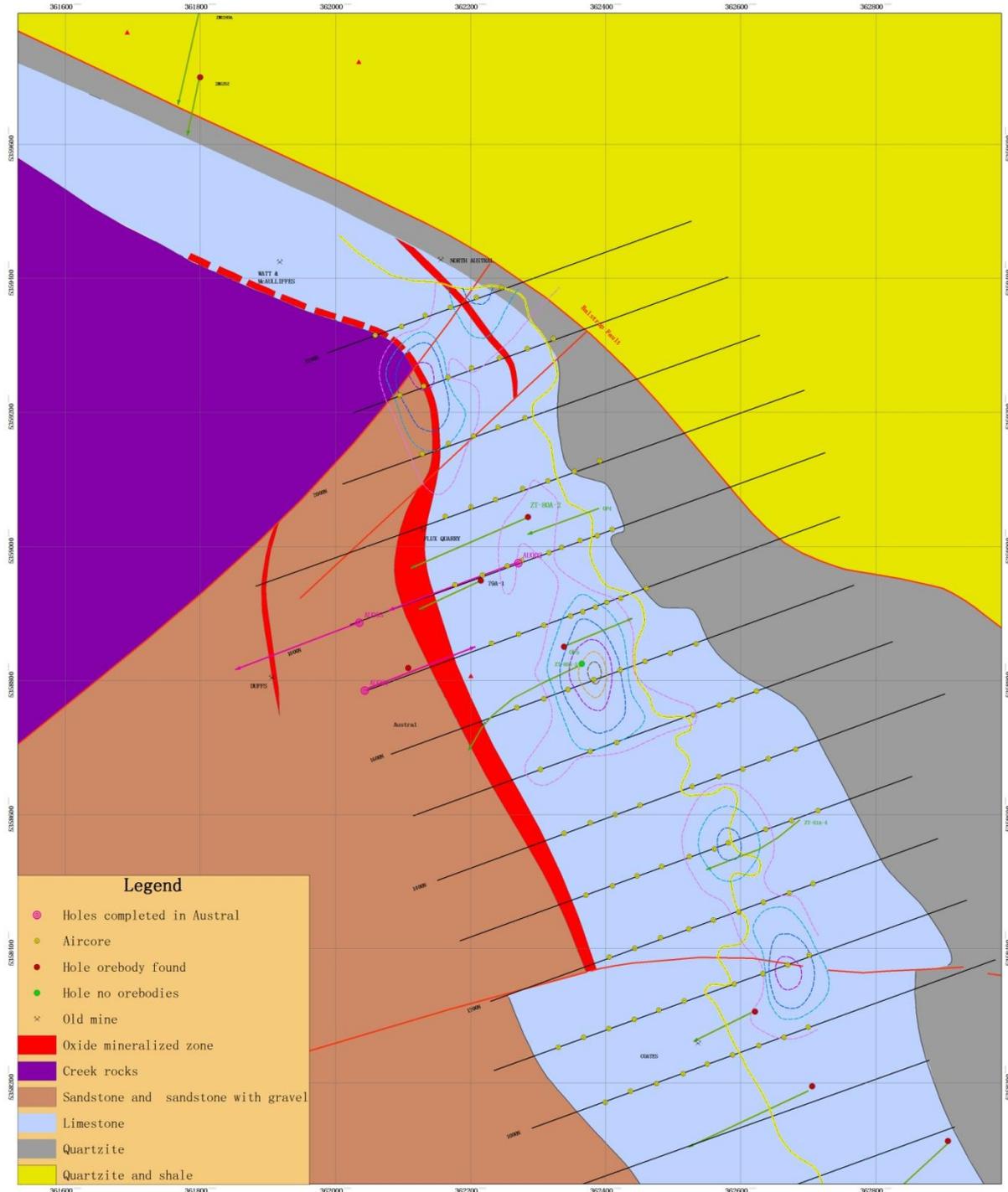
Appendix C: Geology Logs – Diamond Drill Holes

Appendix D: Assay Summary Sheets

Appendix A

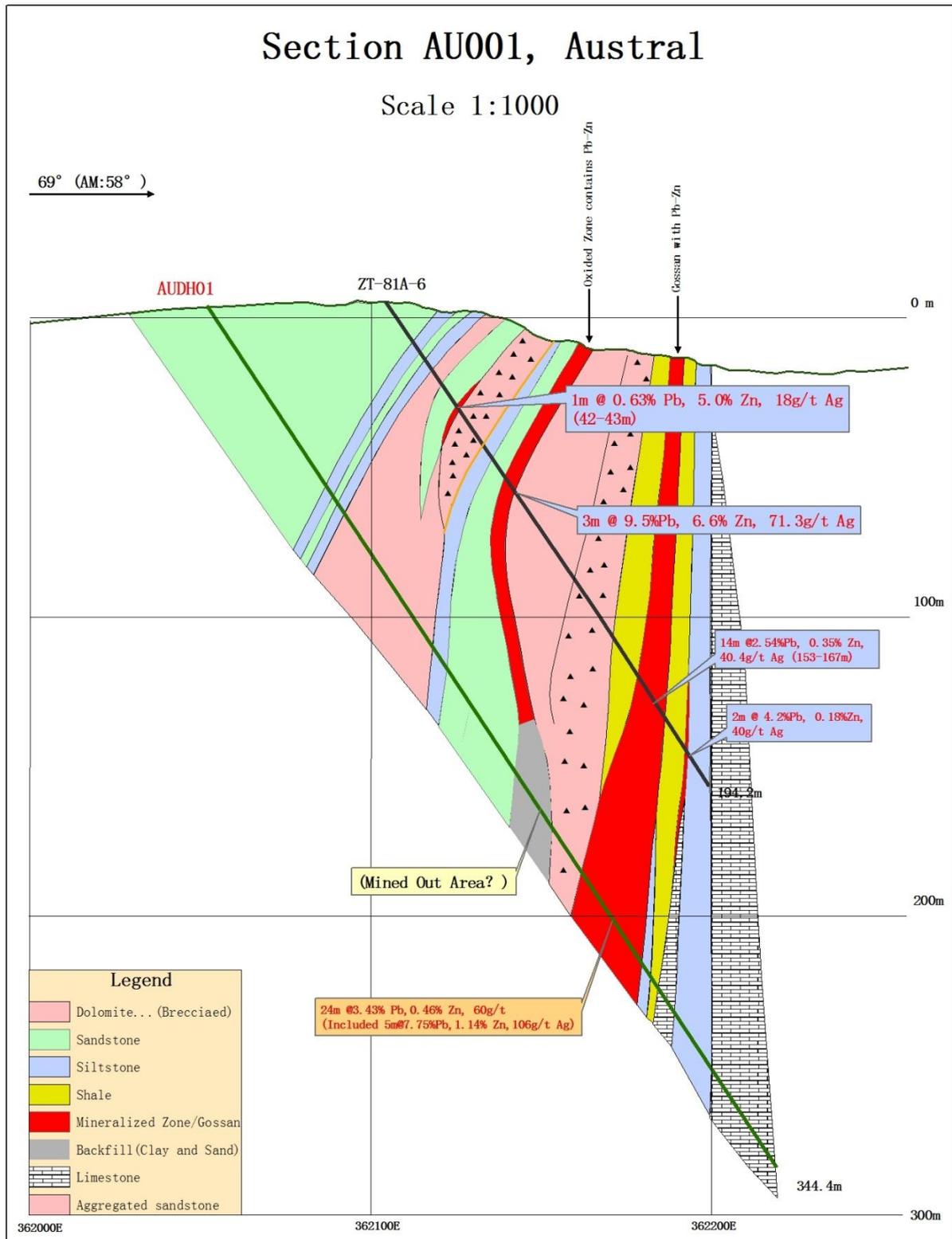
Location plan and Geology for Austral drill holes

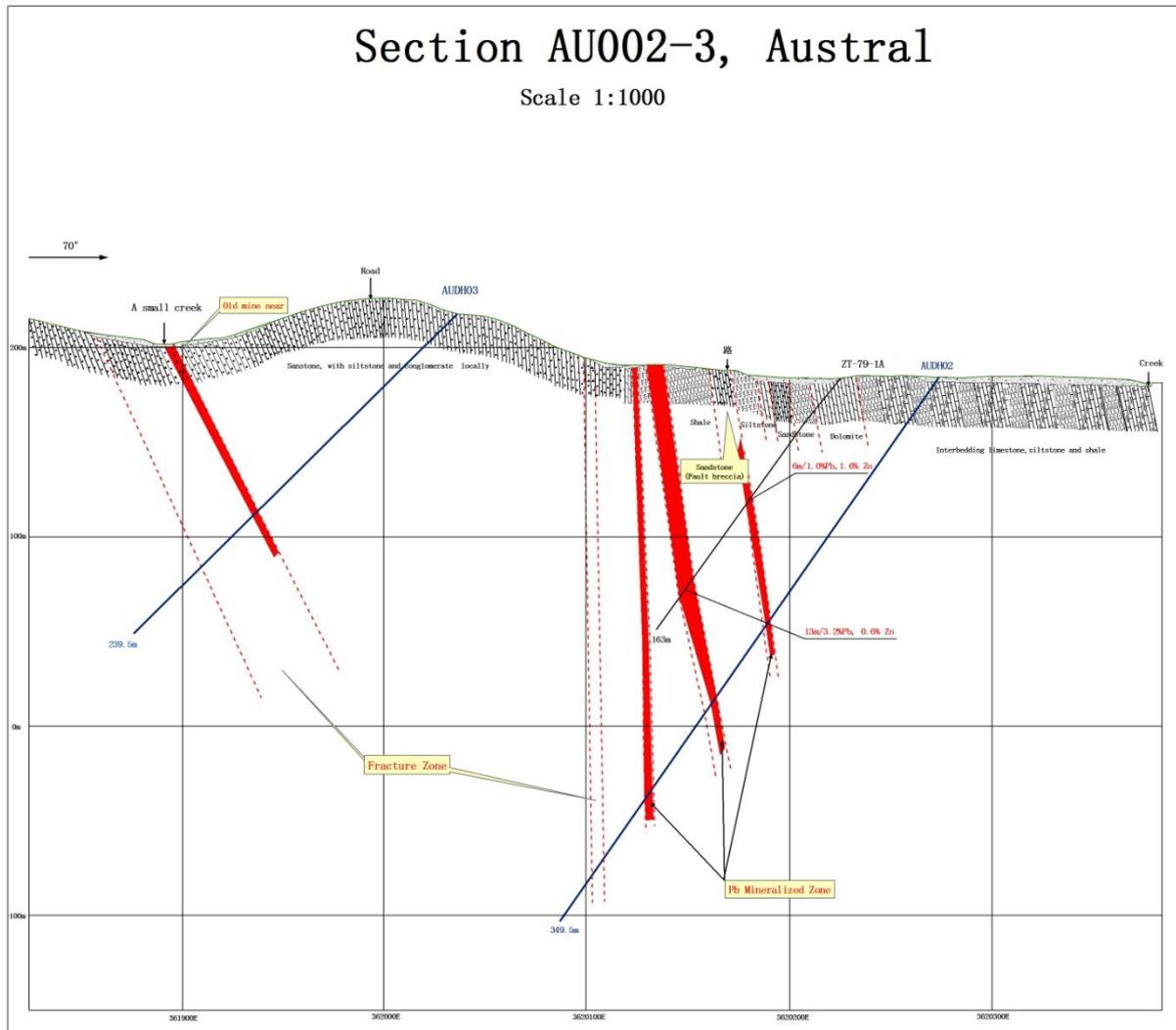
Austral Skeeth Geological Map
Scale: 1:2000



Appendix B

Drill hole sections for Austral drill holes





Appendix C

Geology summary logs for Austral drill holes

AU001

Depth From	Depth To	Lithology	Lithology Description
0	2.4	(NS) no sample	No sample recovered
2.4	16	(SSS) sandstone	Cream colored sandstone
16	180.5	(SSS) sandstone	Argillaceous sandstone and interbedded carbonaceous shales with minor disseminated pyrite in places
180.5	187.8	(SSS) sandstone	Gray sandstone with increasing pinkish hue towards lower contact
187.8	210.2	(CCY) carbonaceous clay	Black carbonaceous clay with pyrite and quartz fragments in places. Pyritic black shale?
210.2	270	(SAL) argillaceous limestone	Gray dolomitised argillaceous limestone. Main ore zone contained in the unit. Lower 36m approx is gray altered silicified limestone with disseminated and vein galena and sphalerite. Siderite visible throughout this zone
270	278	(SCS) carbonaceous sandstone	Gray black argillaceous/carbonaceous calc arenite
278	281.5	(SBS) black shale	Brown/black carbonaceous shales
281.5	294.9	(SAL) argillaceous limestone	Dark gray argillaceous limestone
294.9	307.5	(SSS) sandstone	Calc arenite with interbedded carbonaceous shales
307.5	316.5	(SAL) argillaceous limestone	Gray argillaceous limestone
316.5	318.7	(SSS) sandstone	Calc arenite
318.7	344.4	(SAL) argillaceous limestone	Gray argillaceous limestone

AU002

Depth From	Depth To	Lithology	Lithology Description
0	53.8	(SSH) shale	Medium gray calcareous shale with minor calcite veining in more competent sections. Graphite abundant along bedding planes
53.8	55	(SSS) sandstone	light gray calcareous sandstone
55	155.2	(SSH) shale	Medium gray shale with minor interbedded sandstones
155.2	215.4	(SSH) shale	Brown oxidized shale/clay with minor sandstone/iron beds increasing with depth. Approx 1% average handheld XRF readings throughout the section for Pb & Zn. Limonitic sandstone from 205.6 - 210.2. Possible remnant ore zone
215.4	237	(CLY) clay	Black clays with minor vuggy sandstone beds interbedded
237	238.5	(SSH) shale	Cream colored altered/leached band of shale
238.5	252.3	(CLY) clay	Black clay, highly leached altered black shale
252.3	260	(SSH) shale	Cream colored altered interbedded shale/clay and sandstone
260	263.2	(CLY) clay	Black clay with minor sandy patches
263.2	277	(SDL) dolomite	Dolomitic sandstone cream in color with Galena, siderite minor Zn. ORE ZONE.
277	349.5	(CLY) clay	Black clays/shale with minor gray sandstone beds exhibiting graphite along fracture zones
349.5	352	(SLM) limestone	Gray crystalline limestone with minor calcite veining

AU003

Depth From	Depth To	Lithology	Lithology Description
0	33.9	(H) Shale and siltstone	Interbedded gray to tan siltstone and shale
33.9	34.4	(SCG) conglomerate	Light gray conglomerate, semi angular quartz fragments somewhat gradational into shale unit at base
34.4	53.4	(H) Shale and siltstone	Interbedded gray to tan siltstone and shale
53.4	53.5	(SCG) conglomerate	Light gray conglomerate with semi angular quartz fragments
53.5	80	(H) Shale and siltstone	Gray interbedded shale and siltstone
80	81.5	(SCG) conglomerate	Light gray conglomerate with semi angular quartz fragments and quartz veining
81.5	157	(SSS) sandstone	Gray sandstone with minor siltstone. minor quartz veining throughout with concentrations at 72m-73m with pyrite and zinc in veins at 111.1-111.5. Pb and Zn at 146-151m with brecciated fault zone from 151-157m.
157	237.9	(SSH) shale	Gray shale with minor siltstone banding. Dolomitised from 159.9 - 237.9. visible zinc on fractures from 205.3-206. Fault zone from 175.5-188.4.
237.9	239.5	(SSS) sandstone	Light gray sandstone with minor quartz veining and pyrite along veins and as masses.

Appendix D

Assays for Austral Drill holes

AU001

Sample Number	Sample Type	Depth From	Depth To	Unit	Pb	Zn	Au	Ag	Ni
202890	Blank 1	0	0	metre	-100	-100		-1	5
202891	True Sample	156	157	metre	100	500		2	67
202892	True Sample	157	158	metre	100	700		2	154
202893	True Sample	158	159	metre	100	600		-1	63
202894	True Sample	159	160	metre	-100	400		-1	46
202895	True Sample	160	161	metre	100	1000		-1	72
202896	True Sample	189	191	metre	400	2900		3	68
202897	True Sample	192	194	metre	400	5500		1	84
202898	True Sample	205	206	metre	300	600		-1	117
202899	True Sample	206	207	metre	200	700		-1	174
202900	True Sample	207	208	metre	700	800		-1	130
202901	True Sample	208	209	metre	500	1200		1	109
202902	True Sample	209	210	metre	100	300		1	71
202903	True Sample	210	211	metre	400	700		2	88
202904	True Sample	211	212	metre	1200	700		2	74
202905	True Sample	212	213	metre	1000	800		1	60
202906	True Sample	213	214	metre	1000	800		2	70
202907	True Sample	214	215	metre	1500	1600	-0.01	2	101
202908	True Sample	215	216	metre	900	900	-0.01	2	62
202909	True Sample	216	217	metre	1100	600	-0.01	2	61
202910	True Sample	217	218	metre	2600	700	-0.01	2	119
202911	Standard 3	0	0	metre	242000	27300	0.04	1331	58
202912	True Sample	218	219	metre	700	6600	-0.01	2	213
202913	True Sample	219	220	metre	600	8400	-0.01	2	210
202914	True Sample	220	221	metre	1500	4900	-0.01	2	127
202915	True Sample	221	223	metre	1100	9800	-0.01	2	160
202916	True Sample	223	225	metre	1200	1900		2	56
202917	True Sample	225	226	metre	1500	4200		2	84
202918	True Sample	226	227	metre	11100	4600		6	67
202919	True Sample	227	228	metre	68400	2100		72	60
202920	True Sample	228	229	metre	37500	4100		39	56
202921	True Sample	229	231	metre	33100	4000		16	67
202922	True Sample	231	232	metre	19500	1200		15	47
202923	True Sample	232	233	metre	13800	2100		12	73
202924	True Sample	233	234	metre	4900	1500		5	43
202925	True Sample	234	235	metre	19900	3100		15	61
202926	True Sample	235	236	metre	15900	2300		13	49
202927	True Sample	236	237	metre	28700	5500		324	52
202928	True Sample	237	238	metre	17600	2100		15	34
202929	True Sample	238	239	metre	19100	1200		21	26
202930	True Sample	239	240	metre	20300	2900		110	55
202931	Standard 3	0	0	metre	238000	28000		1391	49

AU001

Sample Number	Sample Type	Depth From	Depth To	Unit	Pb	Zn	Au	Ag	Ni
202932	True Sample	240	241	metre	26000	8100		15	68
202933	True Sample	241	242	metre	28900	3900		35	41
202934	True Sample	242	243	metre	12400	1300		55	39
202935	True Sample	243	244	metre	18600	2400		105	33
202936	True Sample	244	245	metre	7000	1100		15	19
202937	True Sample	245	246	metre	12100	2000		15	43
202938	True Sample	246	247	metre	46300	3800		112	32
202939	True Sample	247	248	metre	110000	18500		115	42
202940	True Sample	248	249	metre	151000	26300		215	27
202941	True Sample	249	250	metre	67900	6400		72	29
202942	True Sample	250	251	metre	4800	600		8	25
202943	True Sample	251	252	metre	1000	1600		6	24
202944	True Sample	252	253	metre	1500	500		7	37
202945	True Sample	253	254	metre	22600	500		47	31
202946	True Sample	254	255	metre	10700	1500		18	18
202947	True Sample	255	256	metre	4700	600		8	27
202948	True Sample	256	256.7	metre	4800	1700		10	28
202949	True Sample	261	263	metre	22400	49500		27	40
202950	True Sample	263.5	265.3	metre	400	600		2	48
202951	True Sample	295	296	metre	300	1000		2	35
202952	Standard 3	0	0	metre	238000	27900		1431	37
202953	True Sample	296	297	metre	600	700		5	37
202954	True Sample	297	298	metre	200	900		3	40
202955	True Sample	341	342	metre	100	100		2	28
202956	True Sample	342	343	metre	100	100		2	24
202957	True Sample	343	344.4	metre	100	100		1	29
202958	Blank 1	0	0	metre	-100	100		-1	8