

Creat Resources Holdings Ltd

Annual Report
on
Exploration Licence 20/2002

For the period

December 2011 – December 2012

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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 20/2002 (EL 20/2002) during December 2011 - December 2012.

Role in the Regulation Process

This document fulfils the role of an Annual Report on EL 20/2002 for the period December 2011 - December 2012, 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
- 1 x Creat Resources Holdings Ltd – Zeehan Field Office

Abstract

Planning was completed for the continuation of the drilling program at the Austral project and for commencement of a program at Sunny Corner. However, no drilling commenced as the company was notified that there would be no further funding for exploration during the year due to the inability of the company to secure promised funding from our major shareholder at the level expected and planned to enable commencement and completion of the programs.

Once it was confirmed that funding would be cut back considerably, the company pursued, unsuccessfully, other avenues of short term funding to progress the drilling programs. When all alternatives for funding were exhausted the company made the decision to pursue a joint venture arrangement to enable the programs to commence.

During this period of actively searching out a joint venture partner, the company was approached about an outright sale of the tenement and in November entered into a sales contract with Australian Hualong Pty Ltd for the purchase of the tenement. The sale was finalised in mid-December 2012 subject to Ministerial approval of the transfer of title. All parties await the completion of the transaction expected late in the first quarter of 2013.

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1 INTRODUCTION

1.1 Purpose of This Document

This document fulfils the role of an Annual Report for EL 20/2002 during December 2011 – December 2012 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).

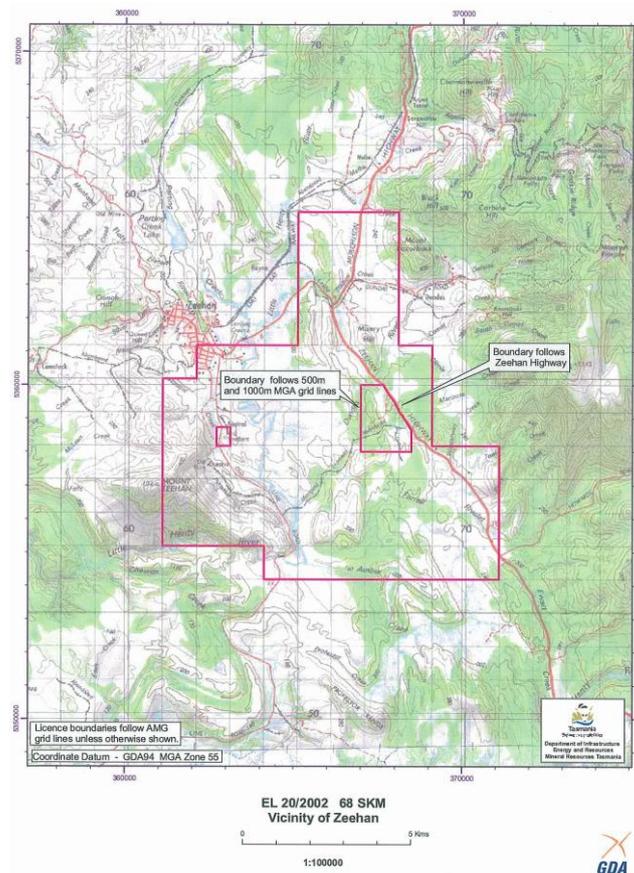


Figure 1: Location map EL20/2002

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.

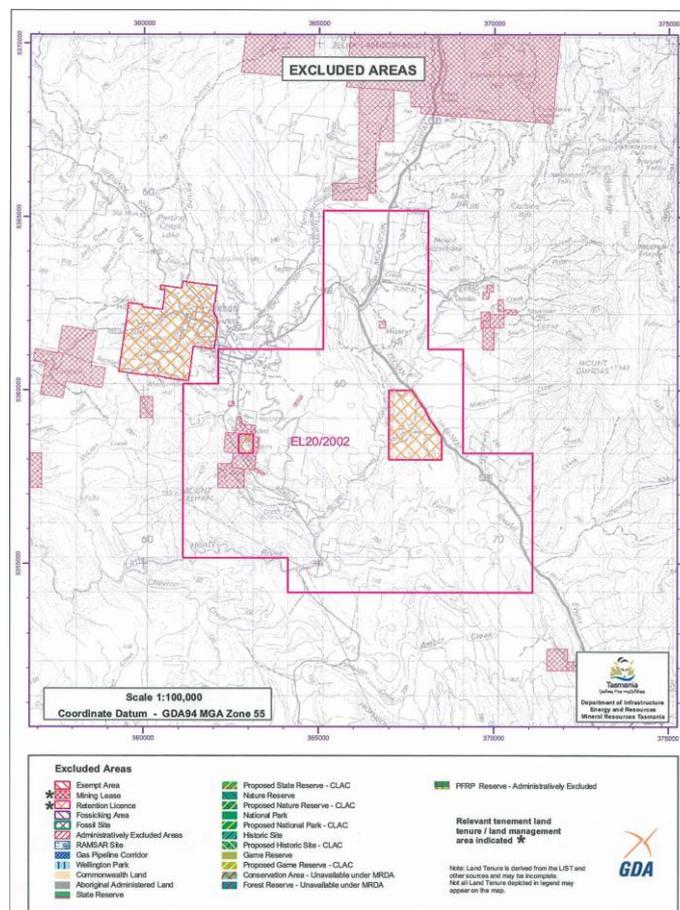


Figure 2: EL20/2002 excluded areas

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.

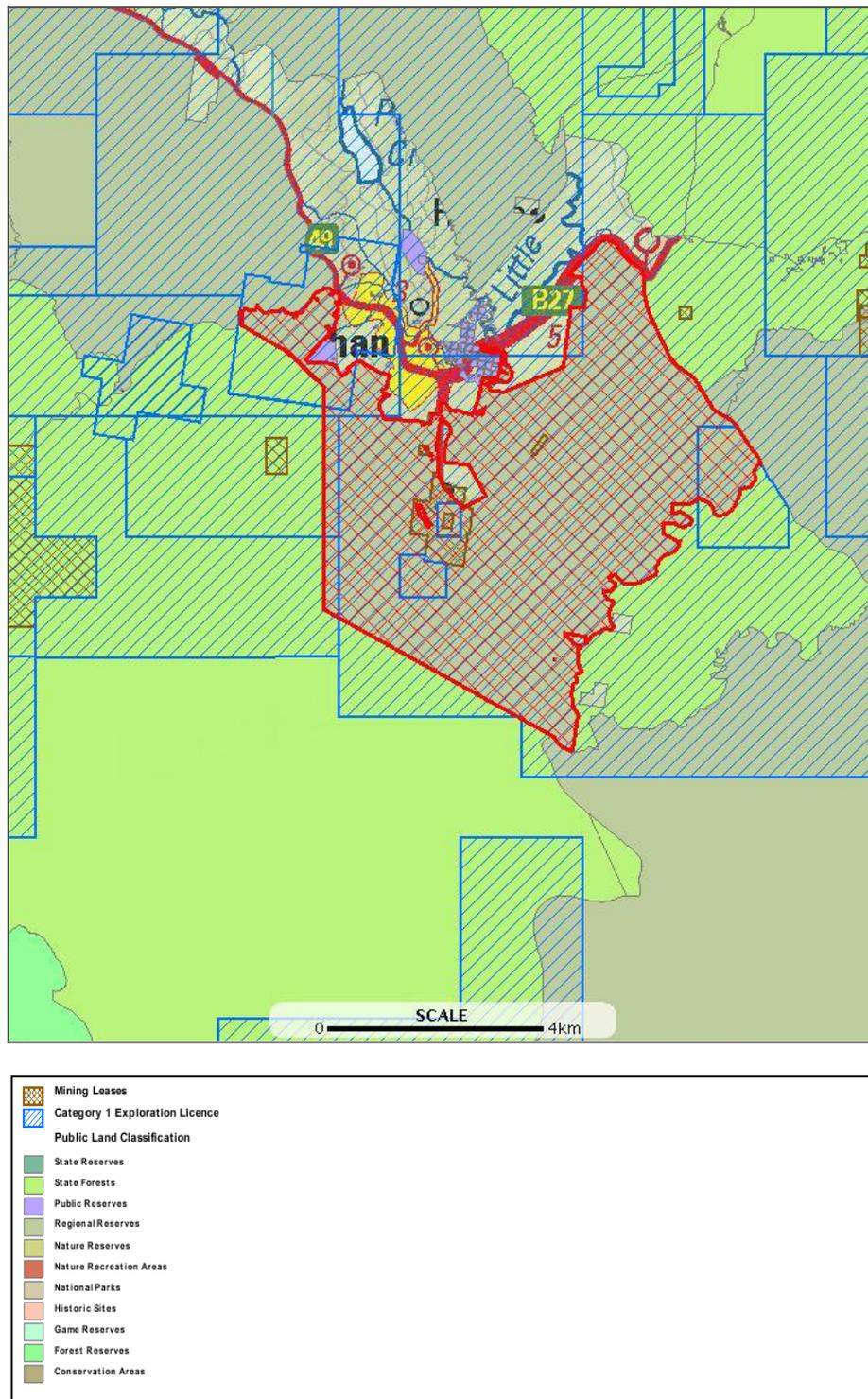


Figure 3: Land tenure for EL20/2002 – current as at 20/12/11

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.

A diamond drill program undertaken in the previous year, consisting of three diamond drill holes, was successful in repeating results of earlier drilling, demonstrating continuity of the mineralisation along strike. The grade was of a low order and further planned drilling is yet to be completed.

3 EXPLORATION UNDERTAKEN DURING 2011- 2012

3.1 Summary

Further drilling was planned for the current year, however, a sudden and unexpected cut in exploration funding saw exploration confined to continued research for future programs and occasional site visits by staff.

A decision was taken by management to seek alternate means of funding and/or joint venture the tenement. After investigating the potential funding options it was decided to proceed with joint venture opportunities. Several interested parties were invited to visit the site and discussions were carried out with regard to future participation. In August the company was approached by two separate parties with respect to purchase of the complete tenement package. Negotiations began in earnest with Australian Hualong Pty Ltd for the sale and purchase of Creat Resources Holdings Limited interest in the tenement. A deal was signed in November and finalised in mid-December 2012 subject to Ministerial approval of the transfer of title.

3.2 Austral Project

During the year, no drilling was undertaken at this project. Review and assessment of results obtained to date were ongoing.

3.3 Melba Flats Project

During the year no work was completed on this project.

3.4 Sunny Corner Project

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

4 DISCUSSION

During the reporting period expected exploration funding was not forthcoming. As such the company sought alternative means of funding. It was decided to look at joint venture potential as a means to fund ongoing exploration efforts.

During the companies pursuit of a joint venture partner Creat Resources Holdings Limited was approached by two parties with the express interest to purchase the tenement. CRHL, after protracted negotiations, entered into a sale arrangement with Australian Hualong Pty Ltd for the purchase of the tenement. The sale was finalised in mid-December 2012 subject to Ministerial approval of the transfer of title. All parties are currently awaiting the completion of this final stage of the sale.

5 CONCLUSIONS

Work carried out during the year on the various projects was predominately on a care and maintenance basis whilst the company pursued avenues of funding to continue with the planned exploration program.

6 ENVIRONMENT

No disturbance was caused during the reporting period. Required access during field visits was gained by using pre-existing tracks.

No rehabilitation work was completed during the period.

7 EXPENDITURE

EL20 Expenditure for the four quarters for 2012 is presented below.

Table 1: Expenditure for 4 quarters

2012	Q1	\$ 38,140.00
	Q2	\$ 17,400.00
	Q3	\$ 14,190.00
	Q4	\$ 20,070.00
Total		\$ 89,800.00

8 REFERENCES

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