

Creat Resources Holdings Ltd

Annual Report
on
Exploration Licence 30/2002

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 Ltd within Exploration Licence 30/2002 (EL 30/2002) during December 2011 - December 2012.

Role in the Regulation Process

This document fulfils the role of an Annual Report on EL 30/2002 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 southern portion of the Tenth Legion project to determine the extent of the magnetite zone and zinc mineralisation encountered in the previous year's diamond drilling program. 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 30/2002 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 30/2002, 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

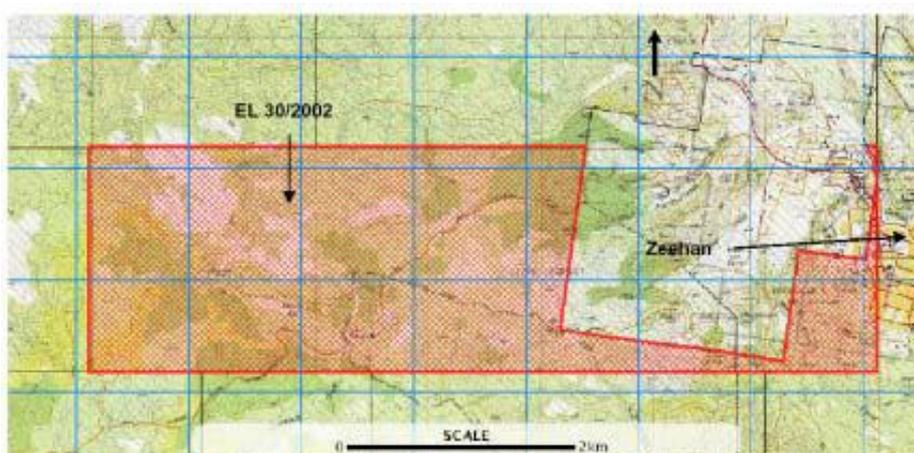
Exploration Licence 30/2002 (EL 30/2002) covers 8 square kilometres and is located directly west of Zeehan, Western Tasmania (Figure 1).

1.3.2 Site Location

The main access to EL 30/2002 is via the Trial Harbour Road and 4WD tracks crisscrossing the tenement holding, some following partially overgrown historical tramways that are still evident in the area. Access to the tenement is good.

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

Figure 1: Location of EL 30/2002



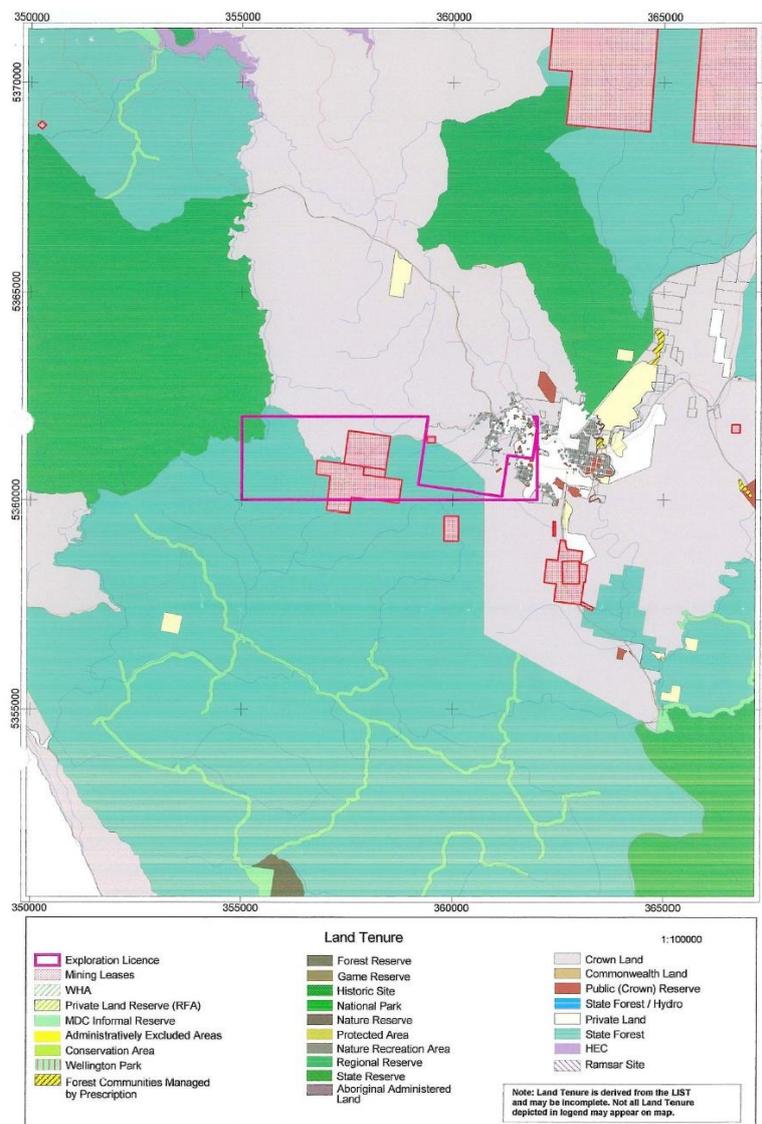
1.3.3 Exploration Licence Tenure

The tenement, EL 30/2002, was granted to Zeehan Zinc Exploration Pty Ltd on the 7 February 2003 for a period of five years and applies to all Category 1 minerals. The licence is currently granted on a year by year renewal basis. The licence area covers 8 square kilometres and excluded areas within the licence 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 30/2002 is provided in Figure 2. The area within EL30 originally constituting the Comstock Mine Lease, ML 5M/2007, was granted as a Retention Licence, RL4/2009, and continues in force to the current renewal date of 1 February 2014.

Figure 2: Land tenure for EL30/2002



2 SUMMARY OF PREVIOUS WORK

2.1 Previous Mining and Exploration within EL 30/2002

2.1.1 Regional Geology and Exploration Activities

The area encompassed by EL 30/2002 is considered to be geologically complex, dominated by deformed turbidites, carbonates and volcanics of the Neoproterozoic Oonah Formation (Tear 2005). Sediments and volcanics of the Crimson Creek Formation and Dundas Group occupy the central and eastern portions; while gabbros, basalt flows and massive serpentinite of the McIvor Hill Complex (bounded by the Tenth Legion Fault) crop out in the SW portion of EL 30/2002. Siluro-Devonian sediments of the Zeehan Sub-basin including the Crotty Quartzite, Amber Slate, Keel Quartzite, Austral Creek Siltstone, Florence Quartzite and Bell Shale are exposed in the eastern portion of EL 30/2002. An E/NE-trending Devonian granitoid spine associated with the Heemskirk Granite is shown to extend beneath EL 30/2002 (Leaman & Richardson, 1989).

The Oonah Formation, south of the Balstrup Fault, comprises the main target sequence for lead and zinc mineralisation. These units are thought to form a complexly folded, flat lying sequence in this area (Tear 2005). At greater depths, some carbonates in the Oonah Formation have been intruded by serpentinised ultramafic units, thereby producing mineralised skarn lithologies (Tear 2005).

A high resolution helimag survey conducted in 1998 identified and defined several anomalies within the area now covered by EL 30/2002. Allegiance Mining NL conducted research into the evaluation of these anomalies to determine their potential to host nickel sulphide deposits in the 'Avebury style', with one anomaly considered to potentially host a nickel deposit (Newnham 2000).

2.1.2 Previous Exploration over the Balstrup Fault Prospect

Exploration into the mineral deposits associated with the Balstrup Fault has been previously carried out by Renison Goldfields Consolidated Ltd (RGC) and Western Metal Resources Ltd (WMR), including resource estimation based on limited drilling operations (Cotlco 2005a).

Research conducted by Farrell (2001) investigated the structural relationships and development of the Comstock Zn-Pb-Ag deposit host rocks. This study also provides a summary of past exploration activities and results of exploration within the Comstock mine area.

2.1.3 Previous Exploration over the Tenth Legion Prospect

Exploration of the Tenth Legion area was carried out by CRA Exploration Pty Ltd in the early 1980's in joint venture with IMI who had acquired the ground for its iron ore potential. A local grid was established, sampling and mapping were carried out culminating in a diamond drilling program of 14 holes being completed to test the tin potential in the magnetite. Although tin mineralisation was located, insufficient grade and tonnage led to the termination of the program.

In 1996, Allegiance Mining NL was granted an Exploration Licence over the Tenth Legion area. Subsequently, various stages of exploration were carried out for nickel. A high resolution aeromagnetic survey was flown over EL2/96 in 1998 to detect similar magnetic anomalies to the Avebury nickel deposit situated to the immediate south. Several substantial anomalies were defined by this survey and it was decided to extend exploration through detailed mapping and litho-geochemical sampling and re-examination of core from previous drilling by CRA Exploration Pty. Ltd. Following this, further exploration was confined to zinc-rich zones in the far south west corner adjacent to a nickel enriched structural zone on the contiguous EL22/97 (Newnham 2000).

In 2002, Zeehan Zinc Exploration Pty Ltd applied for and was granted the current exploration licence, EL30/2002. Historical research was carried out with on ground confirmation of previous work. During 2008 – 2009, The Creat Group took a controlling interest in Zeehan Zinc and changed the name of the company to Creat Resources Holdings Ltd (CRHL). In 2009, CRHL completed an airborne SkyTEM survey, with the results discussed in the 2009 Annual Report for EL30/2002, and a follow-up soil geochemical survey comprising 4 small grids.

In 2009 CHRL decided to focus on the magnetite iron ore potential of the Tenth Legion prospect. This was based on the apparent economic viability of similar deposits controlled by Venture Minerals Ltd and Shree Minerals Ltd. Venture Minerals Ltd has since turned its focus to its tin/tungsten discoveries. In 2010 CRHL commenced a diamond drill program at Tenth Legion to define the extent of the magnetite iron ore. This drilling program was completed in May of 2011. In total 26 diamond drill holes were completed to determine the extent of the magnetite and zinc mineralisation in the Tenth Legion area.

Initial estimates show the magnetite resource to be of a reasonable grade, however, tonnage available for a viable resource still remains a question and a focused drill program to define the resource is required to determine it's viability. The zinc grades warrant further work in the area.

3. CURRENT EXPLORATION, 2011 – 2012

3.1 Tenth Legion Prospect

Further work is required to enable the confirmation of tonnes available of the magnetite and to complete JORC compliant resource estimations. This work should consist of a clearly defined resource definition drill program on 80m spacing, centred over the northern portion of the exposed magnetite body initially. If successful in proving up suitable tonnages then the program should be extended further to encompass other outcropping magnetite bodies further to the northwest and the southern zone.

3.2 Comstock East Prospect

The drilling on this project was limited and inconclusive. Further work needs to be completed prior to which the Boss mineralisation should be drilled out to determine if any along strike potential at Comstock East warrants follow-up work.

3.3 Comstock West Project

Further basic geological work is required in this area prior to a drilling program to establish the trend of potential mineralisation.

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 Environment

Environmental disturbance in EL30 during the reporting period was minimal. Existing access infrastructure was used when required for site visits and work completed during the year. No new work was completed that had any impact on the environment and minimal remedial work was done as required. Rehabilitation will be completed once a final decision as to the viability of the mineral potential in the area has been determined.

6 Expenditure

EL30 Expenditure for the four quarters for 2012 is presented below.

Table 4: Expenditure for 4 quarters

2012	Q1	\$ 36,412.00
	Q2	\$ 23,245.00
	Q3	\$ 19,160.00
	Q4	\$ 25,825.00
Total		\$104,642.00

7 References

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Newnham, L.A (2000). EL 2/96 – Tenth Legion Area, Report for the Twelve Month Period Ending February 2000. Newnham Exploration and Mining Services Pty Ltd, March 2000.

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