

Creat Resources Holdings Ltd

Annual Report
on
Exploration Licence 18/2003

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 18/2003 (EL 18/2003) during December 2011 - December 2012.

Role in the Regulation Process

This document fulfils the role of an Annual Report on EL 18/2003 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

During the term the first of three diamond drill holes planned, TLC44, was completed. However, drilling of the remaining diamond holes was discontinued 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 18/2003 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 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).

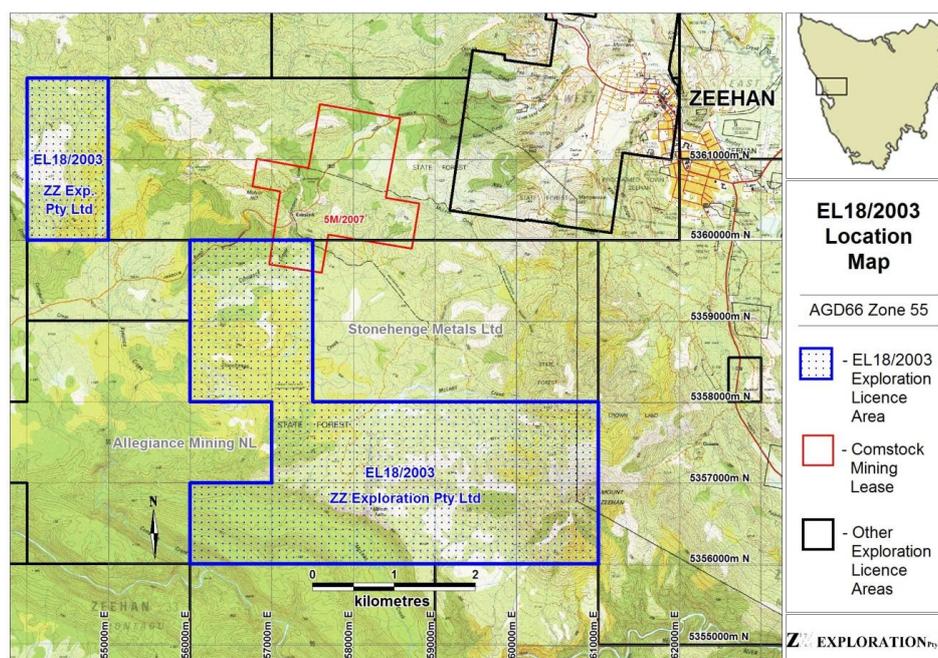


Figure 1: Location map EL18/2003

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 a portion of the Comstock Retention Licence, RL 4/2009.

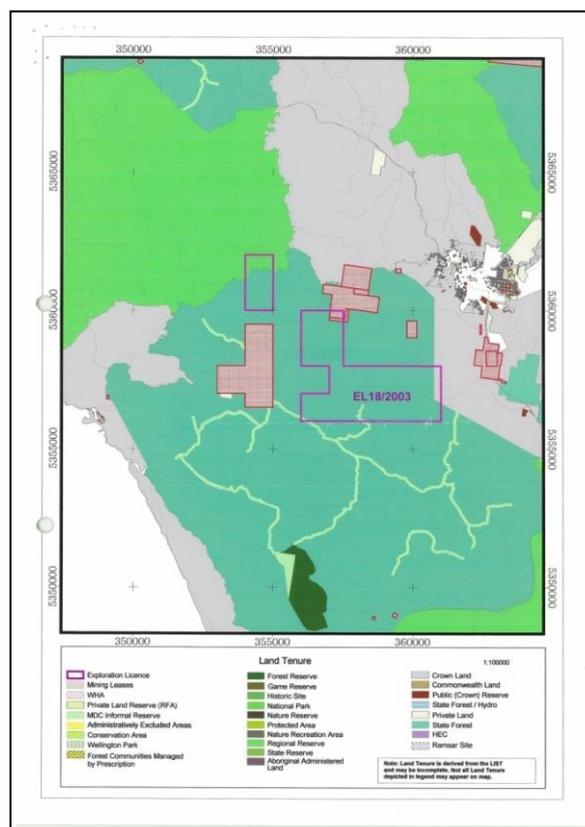


Figure 2: Land tenure - EL18/2003

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. A drilling commenced in 2010 completed TINDH01 in the northwestern portion of the tenement. This diamond hole was helicopter supported and designed to test one of the anomalies indicated after interpretation of the 2009 SkyTEM survey. The drill hole intersected several small zones of visible mineralisation along contacts between the sediments and granite. However, the majority of the hole was completed in un-mineralised granite. Review of the data suggests that the angle of the drill hole was too shallow with respect to the collar position and that the target was missed with the drill hole failing to reach the source of the anomaly. No further work was completed in the area.

A diamond drilling program was commenced further south to test the along strike continuity of the magnetite iron and zinc mineralisation of the south Tenth Legion project on adjoining EL30/2002. The first diamond hole was commenced and nearing completion at the end of the 2012 reporting period.

3 CURRENT EXPLORATION, 2011- 2012

3.1 Summary

A summary of exploration activities undertaken is presented below.

- Drilling of Diamond drill hole TLC44 was completed.

One diamond drill hole, of the three planned for this area was 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
TLC44	354592	5360021	264	88	-55	201.90	13/01/12

3.2 Tenth Legion South Project

A preliminary diamond drill program was completed on this project wholly within adjoining EL30/2002 during the 2010 – 2011 year. The drilling completed further added to the understanding of the magnetite distribution and the associated zinc values.

It was determined to test the continuity of the potential resource along strike in EL18/2003 and a drill program was planned and commenced in the previous reporting period. TLC44 was the first of the planned diamond drill holes to be drilled towards the end of 2012. The diamond hole was completed in January 2012 at a depth of 201.90m.

Further drill holes were planned and were to be commenced during this reporting period. A sudden and unexpected curtailment of funds for exploration meant that the program was not completed.

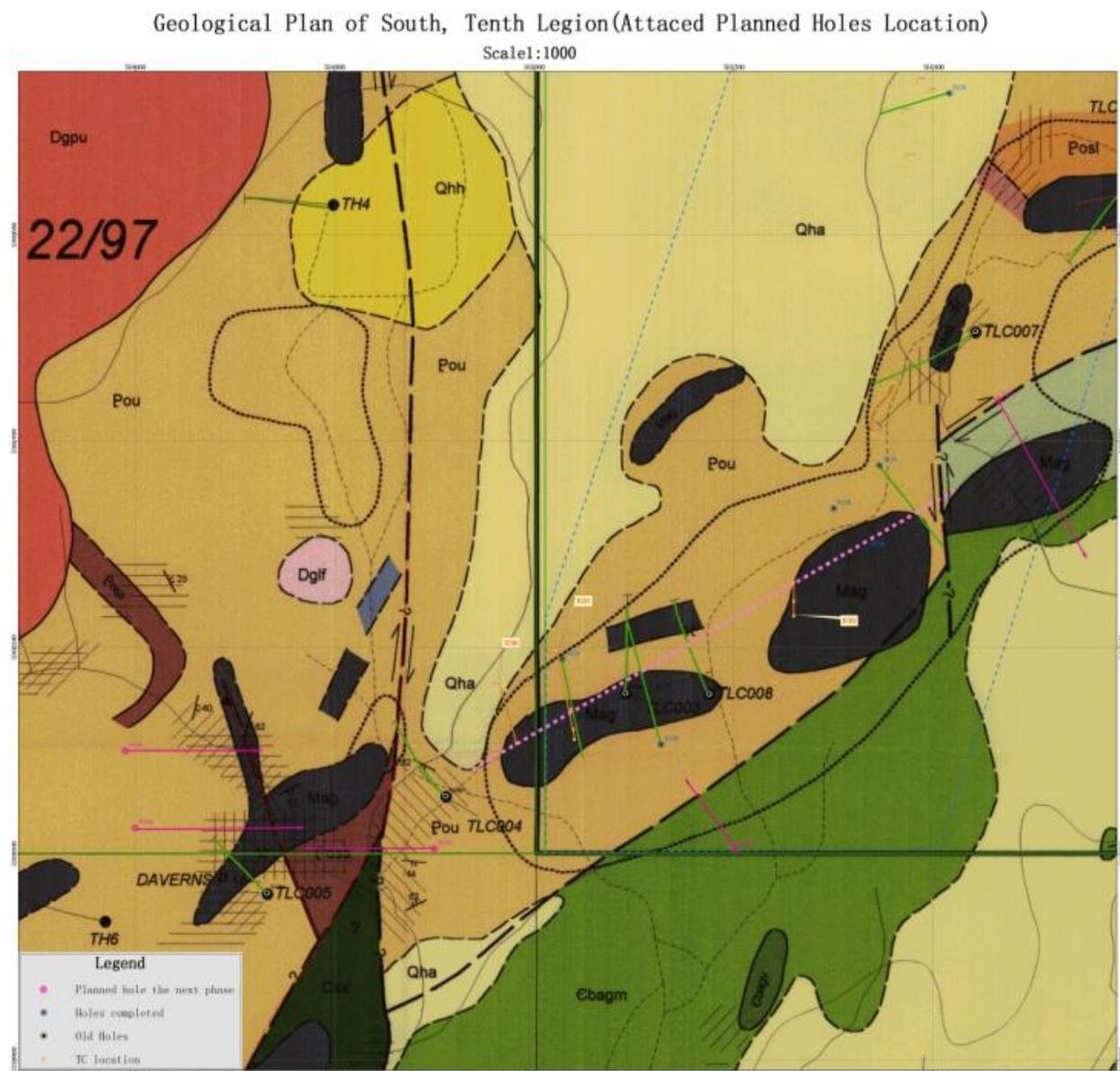


Figure 3: Diamond drill hole location and geology

4 DISCUSSION

Drilling of TLC44, the first of a series of planned diamond drill holes, was completed 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. The core was cut and sampled for assays, however, a sudden cut in exploration funding has meant that the core was never sent to the lab for analysis and still sits on a pallet in the workshop awaiting analysis.

5 CONCLUSIONS

The Tenth Legion South drilling program was commenced during the last reporting period with encouraging mineralization visible in the core of the first diamond drill hole, TLC44. Unfortunately, due to an unforeseen and sudden cut in Exploration funding the program was discontinued at the completion of TLC44 in January 2012.

6 ENVIRONMENT

During the term, minimal environmental impact on the tenement was sustained. Drill access tracks were, for the most part, following 30 year old pre-existing tracks which had begun to regenerate naturally. All 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 2012 is presented below.

Table 2: Expenditure for 4 quarters

2012	Q1	\$ 69,359.00
	Q2	\$ 26,855.00
	Q3	\$ 17,160.00
	Q4	\$ 7,790.00
Total		\$121,164.00

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: Geology Summary Log – Diamond Drill Hole TLC44

Appendix B: Geology Section – Diamond Drill Hole TLC44