

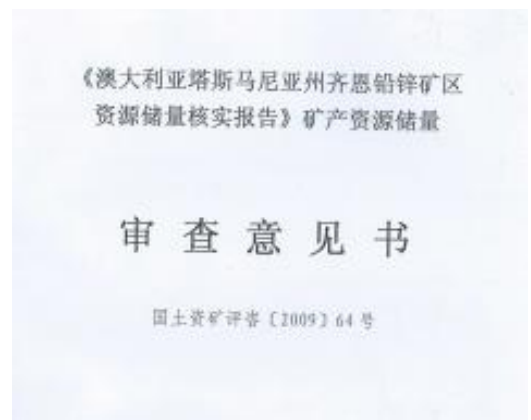


RETENTION LICENCE 1/2008 ANNUAL REPORT

February 2010 – February 2011

Prepared by

Laurie Veska



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 ZZ Exploration Pty Ltd (ZZE is a 100% owned subsidiary of Creat Resources Holdings Limited) within Retention Licence 1/2008 (RL1/2008) during February 2009 - February 2010.

Role in the Regulation Process

This document fulfils the role of an Annual Report for RL1/2008 during February 2009 - February 2010, as required under Section 28 of the *Mineral Resources Development Act 1995*.

Datum

Geodetic Datum AGD66 has been used throughout for this report.

ABSTRACT

ZZ Exploration Pty Ltd (ZZE) currently holds Retention Licence 1/2008 (RL1/2008), which primarily covers the Mariposa lead zinc deposit.

The highlight of the year was the completion of a comprehensive Chinese Resource Report in Chinese language summarising the lead and zinc resources held by the Company at the Zeehan project areas including Mariposa deposit. Also completed was a summary or notes on the Chinese Resource Report in English language, both of which are included as appendices.

The Report was prepared by Sinotek (Beijing) Exploration Technologies Limited and submitted to the Mineral Resources and Reserves Evaluation Centre, Ministry of Land and Resources P.R.C (the “Reserves Centre”) for verification and review. This report has contributed to significant exploration funds (up to \$2M) becoming available to the Company from the PRC Government.

As a condition of granting of these funds, PRC Government Geologists will arrive in Tasmania early 2011 to ensure the funds are well directed and contribute to the best opportunities for exploration success.

CONTENTS

FOREWORD	ii
Function of the Annual Report	ii
Role in the Regulation Process	ii
Datum	ii
ABSTRACT	iii
FIGURES	v
TABLES	v
1 INTRODUCTION	1
1.1 Purpose of This Document	1
1.2 The Proponent	1
1.3 Retention licence Location and Operations	1
1.3.1 Site Location and Mineral Exploration Area	1
1.3.2 Retention Licence Tenure	3
2 Geological Interpretation.....	4
2.1 Previous Mining and Exploration within RL1/2008	4
2.2 Prospect Geology	4
3 EXPLORATION UNDERTAKEN DURING 2010	8
4 CONCLUSIONS AND PROPOSED WORK PROGRAM	9
4.1 PRC Mineral Resources and Reserves Evaluation Centre Verification Report	9
5 ENVIRONMENT	12
6 EXPENDITURE	13
7 REFERENCES	14
8 APPENDICES	15

FIGURES

Figure 1: Location of RL1/2008	2
Figure 2: Land tenure for RL1/2008	3
Figure 3: Mariposa Prospect looking North	6
Figure 4: Mariposa Geology map	7

TABLES

Table 1: Chinese Resource figures.....	10
Table 2: JORC figures -source: ¹ Hellman & Schofield Pty Ltd 2007, ² Hellman & Schofield Pty Ltd 2008, ³ SMG Consultants 2006	10

1 INTRODUCTION

1.1 Purpose of This Document

This document fulfils the role of an Annual Report for RL1/2008 during February 2010 - February 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 Ltd ZZE currently holds Retention Licence 1/2008, which includes the Mariposa deposit. Creat Resources Holdings Ltd's long term objective is to grow through success in exploration within the Zeehan area, and through mineral acquisition opportunities both in Australia and overseas.

1.3 Retention licence Location and Operations

1.3.1 Site Location and Mineral Exploration Area

RL1/2008 covers approximately 3 km², and is located 5km southeast from Zeehan, Western Tasmania (Figure 1). The Zeehan Highway provides road access to RL1/2008. The Emu Bay Railway and the Murchison Highway connect the township of Zeehan with the Port of Burnie, located approximately 140km to the north.

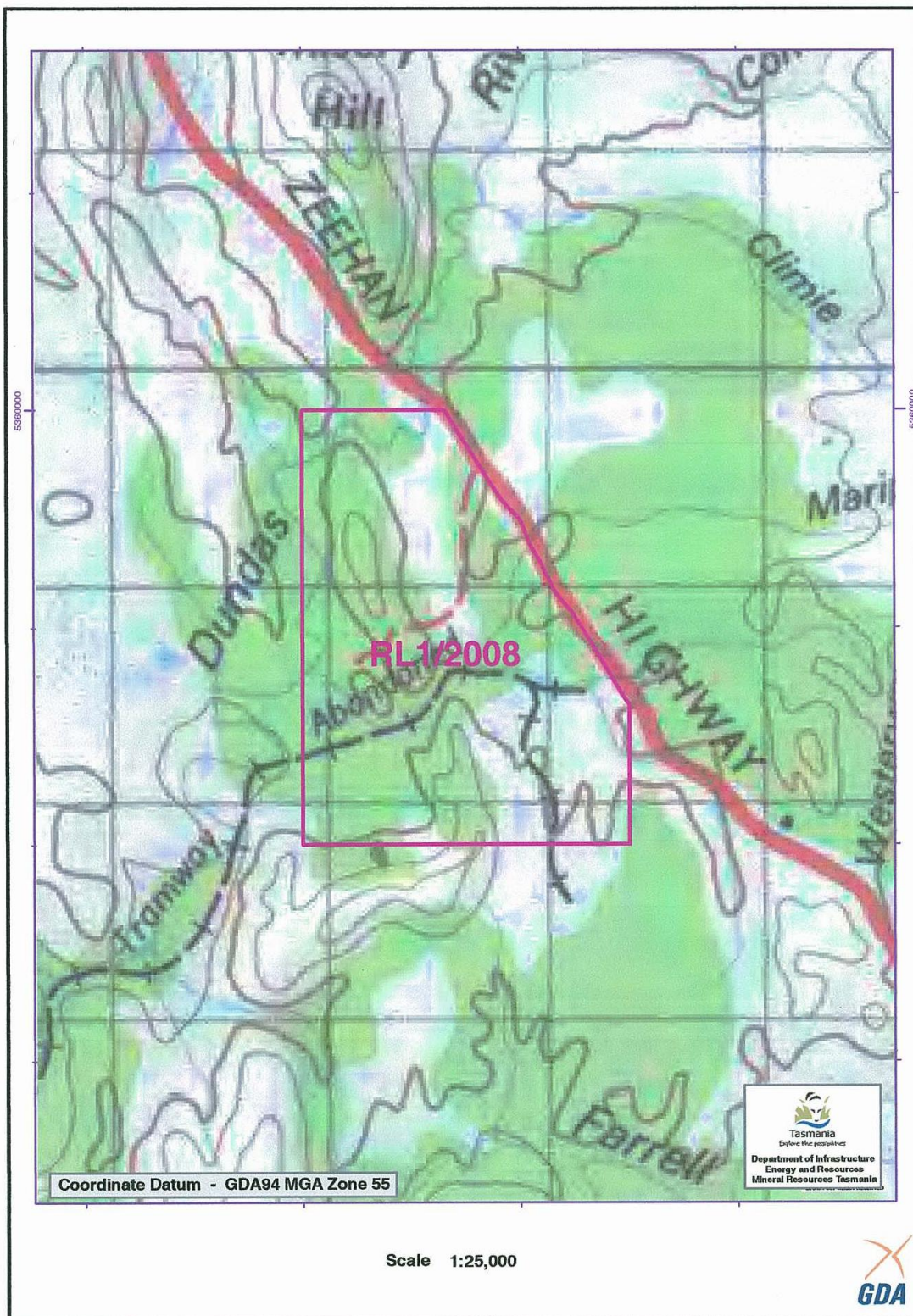


Figure 1: Location of RL1/2008

1.3.2 Retention Licence Tenure

RL1/2008 was granted to ZZ Exploration on February 20, 2009 for a period of 2 years, and applies to all Category 1 minerals. The licence covers approximately 3km², with excluded areas as shown in Figure 2 below:

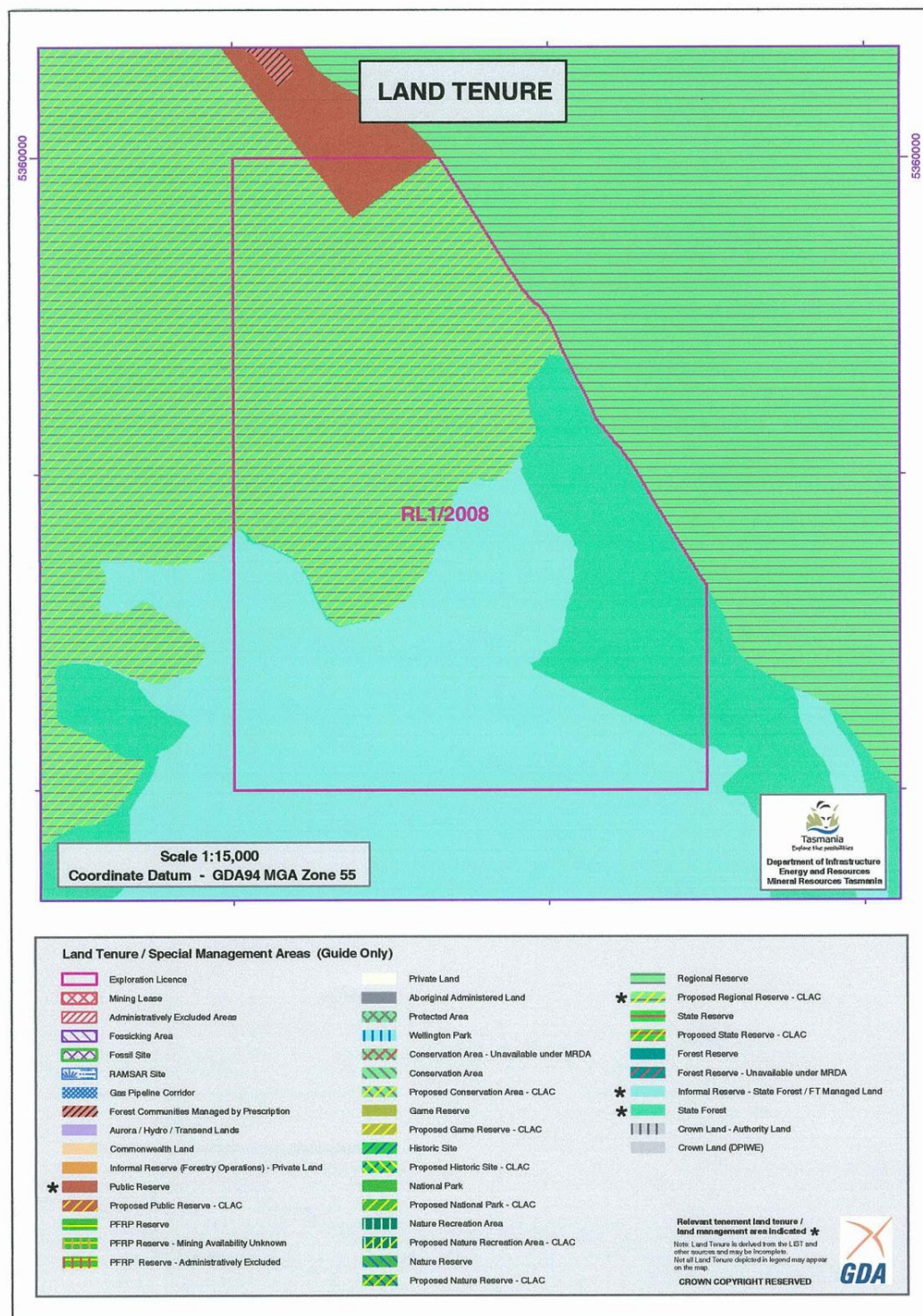


Figure 2: Land tenure for RL1/2008

2 Geological Interpretation

2.1 Previous Mining and Exploration within RL1/2008

The Mariposa Project is part of a series of limestone-hosted base metal prospects located around Zeehan which have been subjected to substantial previous mineral exploration. The Oceana lead/zinc deposit/mine provided much of the impetus for such exploration to be undertaken over all the outcropping areas of the Gordon Limestone in the general Zeehan area (Tear 2005a).

The original Mariposa deposit began its mine life in the 1890's as a small trial mining exercise with a shaft and underground drives developed with production amounting to "1000 tons of milling ore" at 33% Pb and 17ozs Ag (Cadwallader, 1951). Various attempts at re-opening the mine ensued until North Broken Hill undertook a diamond drilling campaign in the early 1950's. This work identified a resource and included a scoping study with some estimation of mining costs, but the reports contain no maps and hence four of the twelve drill holes cannot even be located. Macintyre Mines completed some exploration in the 1970's, drilling one diamond hole just south of the main Mariposa Lode (Bates 1972). This intersected weak lead/zinc mineralisation in the expected position.

In the 1980's the area was held as an exploration licence by AMOCO/CYPRUS who subjected the ground to a systematic search looking to find an Irish-type carbonate hosted lead/zinc deposit. This included drilling of the main Mariposa Lode and substantial trenching over the whole carbonate outcrop at Mariposa. Significant mineralisation and geochemical anomalism was encountered but follow up work was limited (Ellis 2002, Jones & Kary 1983 and Kary 1985). CRAE P/L were the subsequent explorers in the mid 1990's and completed an extensive aircore drilling programme coupled with some diamond drilling and other geological studies including mineralogy (Parkinson 1994, Parkinson, 1995, Tear, 1996 and Tear & Russell, 1997). Again significant mineralisation and geochemical anomalism was discovered but follow up work was not completed.

2.2 Prospect Geology

The base metal mineralisation that occurs at Mariposa is hosted by calcarenites and calcsiltites of the Ordovician-aged Gordon Limestone. The sequence is steeply dipping to the west with the Crotty Quartzite overlying the limestone, forming a distinct topographic high, possibly as a faulted contact. The footwall to the limestone is believed to be a faulted contact, now called the Mariposa Fault, juxtaposing the limestone with the older Cambrian Dundas Group of sediments and volcanoclastics. Within the limestone is a distinctive non-calcareous, mudstone unit with coarse bioclastic material called the Lords Siltstone. Regionally-related reflux dolomitisation has occurred across the upper part of the limestone creating a vuggy dolomite unit. A siderite alteration zone with anomalous lead/zinc values was identified in the base-of-hole aircore samples, from the CRAE P/L work, that is concomitant with the faulted eastern contact. For the main Mariposa Lode, now called the Western Lode, the lead/zinc mineralisation is associated with a seemingly strata-parallel, siderite replacement unit. Galena is the dominant sulphide species in conjunction with lesser amounts of sphalerite. This lode has been the subject to the majority of the previous diamond drilling. The eastern lodes are

weakly defined due to limited shallow drilling, but they are perceived to be steeply dipping and strata-parallel.

On face value, the structure for Mariposa has been presented as quite straightforward i.e. a steeply dipping package of limestone, fault bounded on its eastern margin and conformably overlain by sandstones of the Crotty Quartzite. However it is believed that there is another level of structural complexity, mainly associated with faulting, that may not have been appreciated in the CRAE and AMOCO mapping. In particular the occurrence of cross faults offsetting the geology, a faulted Crotty Quartzite contact and the possibility of shallower bed dips in the northern part of the area. There is some doubt as to the dip direction of the Mariposa Fault.

Also from the 1990's CRAE P/L end-of-hole aircore samples it is possible to delineate additional stratabound dolomitic alteration. This may be due to either reflux dolomitisation or base metal mineralisation. Weathering of the Gordon Limestone produces black clays which accumulate in the valley and can form a surficial deposit ranging from <1m to 50m thick. Other surficial deposits include washed in sand and gravel from eroded Crotty Quartzite forming deposits on the western flank and the floor of the limestone valley.

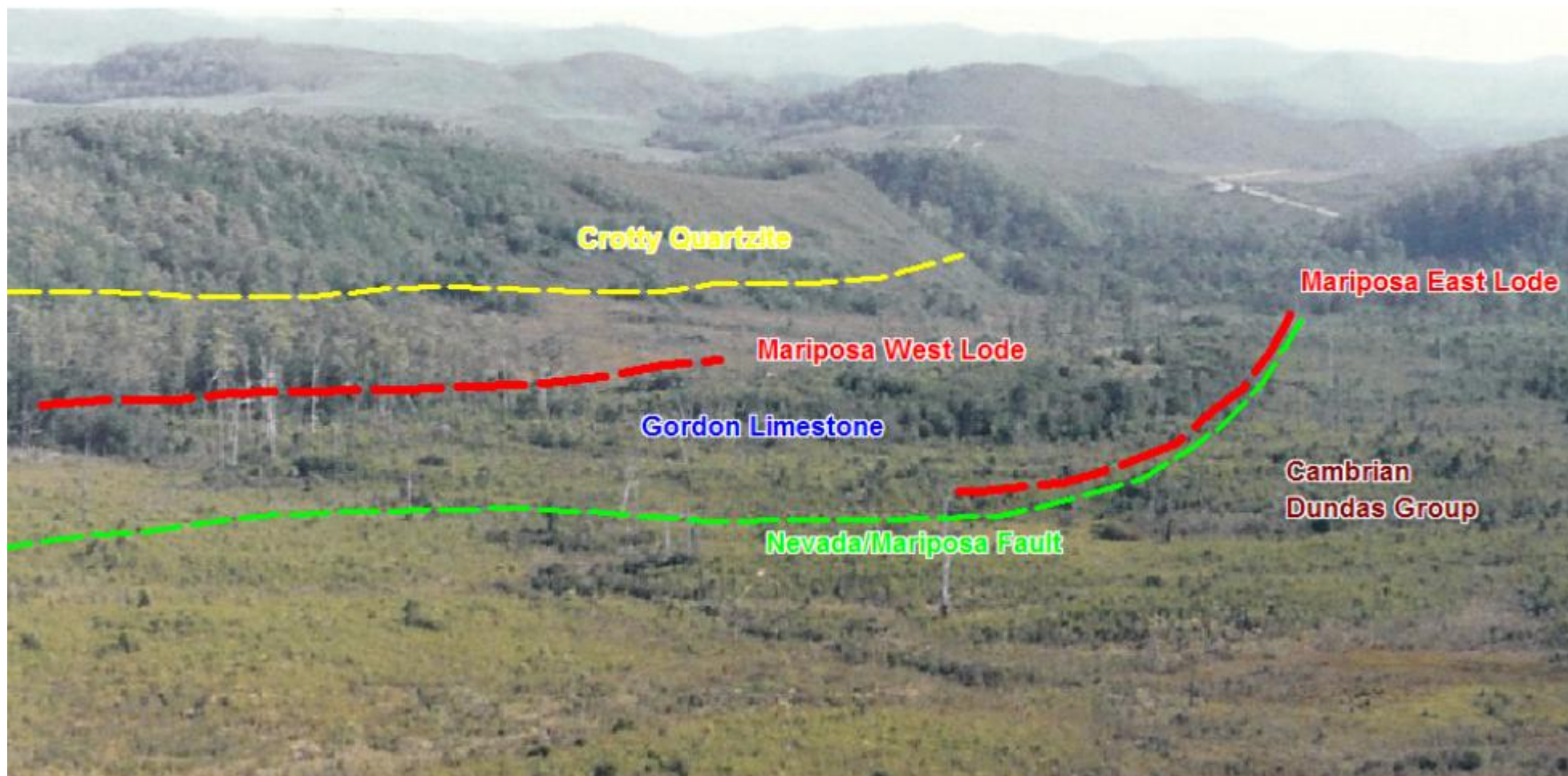


Figure 3: Mariposa Prospect looking North

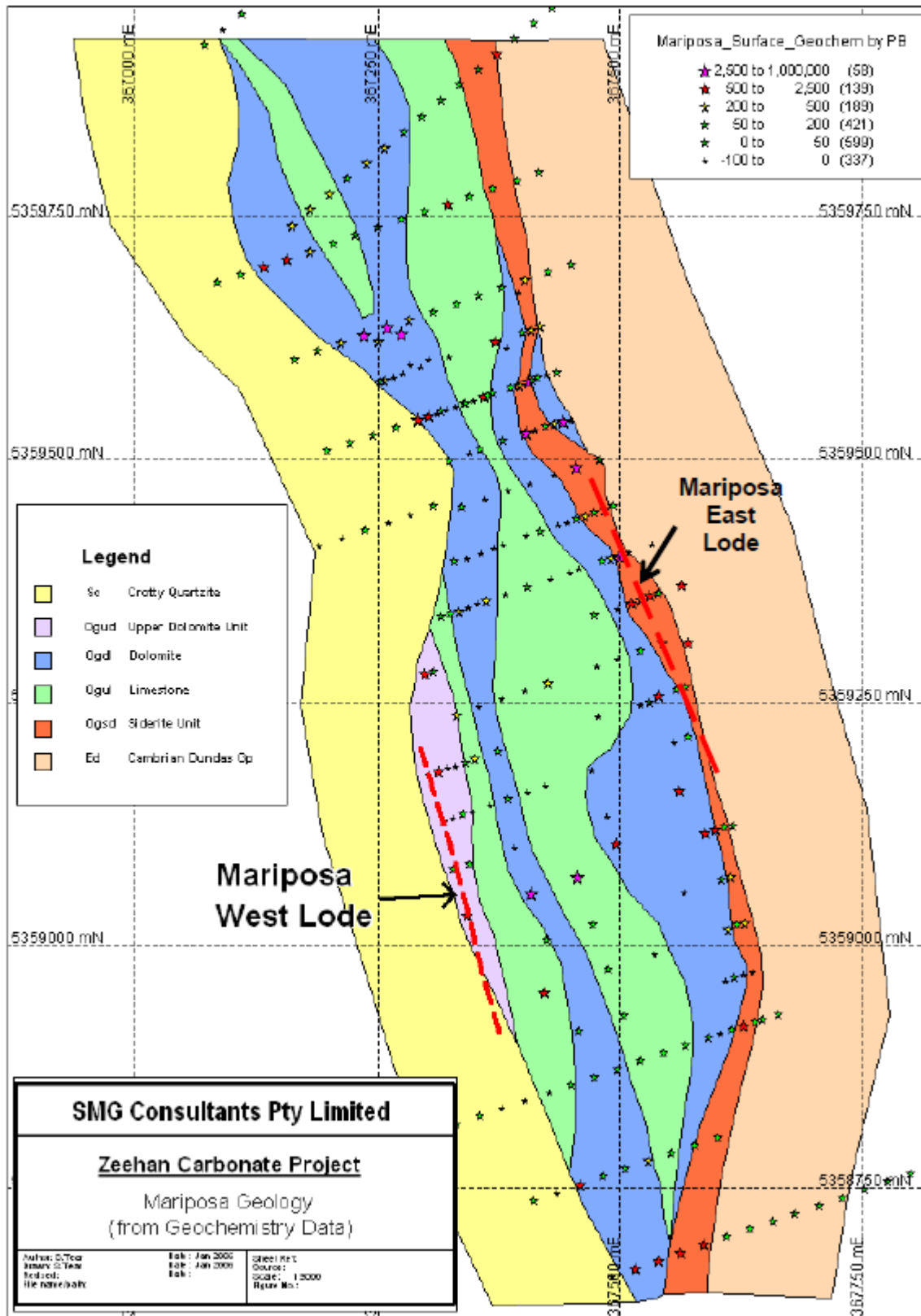


Figure 4: Mariposa Geology map

3 EXPLORATION UNDERTAKEN DURING 2010

No specific field-based exploration was undertaken at the Mariposa Prospect during 2010.

4 CONCLUSIONS AND PROPOSED WORK PROGRAM

4.1 PRC Mineral Resources and Reserves Evaluation Centre Verification Report

The Report summarises the lead and zinc resources held by the Company at the Zeehan project areas comprising Comstock, Oceana and Mariposa deposits, western Tasmania and is presented and summarised here for completeness, and for the benefit of CRHL shareholders. Creat Group accepts full responsibility for the contents of the Report, and it must be reiterated, that accordingly, CRHL takes no responsibility for the Report's contents.

The Report was prepared by Sinotek (Beijing) Exploration Technologies Limited and submitted to the Mineral Resources and Reserves Evaluation Centre, Ministry of Land and Resources P.R.C (the "Reserves Centre") for verification and review. The Report was reviewed by an expert panel of seven, including six Professors. Based on recommendations, a revised report was submitted and accepted by the panel of the Reserves Centre. The Reserves Centre in turn produced a summary report containing their comments. The Report was assigned File Number: MLREC (2009) No.64.

Highlights

- The Reserves Centre has approved the CRHL Zeehan resources and reserves totalling 25.3Mt @ 3.08% Zn, 3.02% Pb and 51 ppm Ag
- Total Resources comprise: 4.5Mt @ 2.41% Zn, 3.57% Pb and 64 ppm Ag (332) and 20.8Mt @ 3.23% Zn, 2.9% Pb and 48 ppm Ag (333)

The approved resource has an *Indicated Intrinsic Economic Resource* (332) and an *Inferred Intrinsic Economic Resource* (333) component, broadly analogous to the Australian JORC Code Inferred and Indicated categories. The above figures are non-compliant with JORC and apply a methodology that is unacceptable to the AIM, and not applicable outside of P.R.C.

Table 1: Chinese Resource figures

Category	Tonnes	Grade			Contained Metal		
		Zinc %	Lead %	Silver g/t	Zinc t	Lead t	Silver kg
332							
Comstock	2,479,486	2.72	3.02	82	67,540	74,912	202,845
Oceana	1,402,627	1.41	3.59	28	19,771	50,410	38,710
Mariposa	620,818	3.43	5.7	78	21,292	35,368	48,238
333							
Comstock	12,040,789	3.29	2.41	68	396,029	290,096	726,565
Oceana	2,269,852	1.15	3.71	32	26,063	84,235	71,531
Mariposa	1,252,592	3.49	5.46	79	43,690	68,438	98,494
TOTAL	20,066,164	2.86	3.01	59	574,385	603,459	1,186,383

The Report resource estimation results for Comstock, Oceana and Mariposa deposits are much greater than the currently accepted Hellman & Schofield JORC resource figures calculated for these deposits below (please refer to RNS dated 27 March 2009).

Table 2: JORC figures -source: ¹Hellman & Schofield Pty Ltd 2007, ²Hellman & Schofield Pty Ltd 2008, ³SMG Consultants 2006

Category	Tonnes	Grade			Contained Metal		
		Zinc %	Lead %	Silver g/t	Zinc t	Lead t	Silver Ozs
MEASURED							
Allison's Lode ²	14,850	5.37	1.1	21	797	163	10,027
INDICATED							
Oceana ¹	610,444	1.24	5.3	49.5	7,549	32,367	971,365
Allison's Lode ²	20,625	4.21	1.24	34.7	868	256	23,012
INFERRED							
Comstock ²	3,083,042	1.50	2.1	45.7	46,280	64,668	4,526,301
Oceana ¹	1,534,595	1.78	5.2	45.2	27,330	79,795	2,231,522
Mariposa ³	574,000	1.9	5.1	60	10,906	29,274	1,107,395
TOTAL	5,837,556	1.61	3.54	47.25	93,729	206,524	8,869,622

This difference is due to the differing resource estimation techniques generally used by companies operating in the P.R.C. The mineralised envelopes calculated in the Report are much larger than those determined in accordance with JORC. These envelopes were determined using the Chinese

"Polygon Method" of resource estimation, the maximum drill hole spacing allowed is up to 400 metres for Inferred (333), which under the JORC code would more than likely be considered "Exploration Potential" rather than a quotable resource figure.

Nevertheless, these estimation methods are the standard in the PRC, so any potential CRHL Chinese JV partners can certainly view the Zeehan Project comparatively with other projects they are familiar with.

4.2 Proposed Work Program

The proposed work program for Mariposa and north into Blackjacks will consist of trenching, mapping (with the possible assistance of an RC rig) and ground geophysics - specifically CSAMT.

4.3 Purpose and main task in next 1 year

From our recent Chief Geologist's Report:

According to the plan in Zeehan of Creat Resource Holdings Ltd and the results got from exploration before, the main aim in next 1 year is to increase much Pb-Zn resource possible in extension area of mineralization zone where some deposits found before and raise Pb-Zn grade up to 8% or more for some of 3 deposits found before. Some big discoveries are in some new targets as possible. Meanwhile, some great progress will be got in finding potential for Nickel.

The exploration program next 1 year in 7 targets is mainly geological mapping, soil sampling, then geophysical survey(CSAMT) for understanding area of mineralization-host statum(rocks unit) and shape of structure controlled orebody in the depth. Finally, drilling program including RC and diamond drilling will be carried out in somewhere we think the best area for minerlization. Due to most of surface in Zeehan is covered with overburden, a little of bedrock appeared only outcrop, some trenches and RC drilling will be done in mapping.

5 ENVIRONMENT

No environmental disturbance occurred in the licence during the reporting period.

6 EXPENDITURE

Expenditure for the four quarters for 2010 is presented below.

2010	Q1	\$ 21100
	Q2	\$ 2400
	Q3	\$ -
	Q4	\$ -
Total:		\$ 23500

Expenditure consisted of replacing the Mariposa prospect access track steel entry barrier, and preparation of the Chinese Resource Report aimed at achieving exploration funding.

The original boom gate at Mariposa was vandalised and torn from the ground.

7 REFERENCES

1. Bates, T.E., 1972; TCR72_0861 – Final report on Special Prospecting Licence no. 46, Zeehan, West Tasmania (for McIntyre Mines)
2. Cadwallader, W.J., Garretty, M.D., Loh, R.P., 1951; TCR50_0106 - Mariposa Mine (for North Broken Hill)
3. Ellis, P.D., 2002; TCR02_4820 - Past Exploration within the area of EL 15/1976 – Dundas (for AMOCO)
4. Jones, P.A., Kary, G.L. 1983; TCR83_1998 - Progress Report, January to June 1983, Amoco/CSR Joint Venture, Part Exploration Licence 15/76, Dundas, Tasmania
5. Tear, S.J. Geological Interpretation and Block Model Report for the Mariposa Prospect, Zeehan, West Tasmania, February 2006, SMG Consultants.
6. Kary, G.L., 1985; TCR85_2457 - Progress Report July 1984 to June 1985 Part EL 15/76 Dundas, Tasmania (for AMOCO)
7. Parkinson, R.G., 1994; TCR94_3551 - Mount Dundas EL 45/92, Tasmania, Report on Exploration for the First Year of Tenure, 16/4/93 to 15/3/94 (for CRAE)
8. Parkinson, R.G., 1995; TCR95_3722 - Mt Dundas EL 45/92 Tasmania Report on Exploration for Year 2 16.4.94 to 15.3.95 (for CRAE)
9. Russell, S.A.J., Tear, S.J., 1997; TCR97_4009 - Annual Report - EL 45/92 - Mt Dundas (for CRAE)

8 APPENDICES

Appendix A (digital): Comments on the Chinese Resource Report ;(English) pdf format

Appendix B (digital): Verification Report of CRHL lead-zinc deposits in the Zeehan Area
(Chinese) pdf format.