



Creat Resources Holdings Limited
ABN 43 089 093 943

20 April 2010

Dear Shareholder,

Meeting to consider special business of Annual General Meeting

The Company wishes to advise that the general meeting to consider the special business of the Annual General Meeting that was adjourned on 29 March 2010 is to be held at 9:00am (EDST) on 27 April 2010 at the Terrace Room, Mercure Hobart Hotel, 156 Bathurst Street, Hobart, Tasmania.

The general meeting will consider resolutions 2 to 5 (inclusive) referred to in the Notice of Annual General Meeting and Explanatory Statement dated 10 February 2010 (**Shareholder Notices**).

The special business to be considered relates to the proposed acquisition by the Company of a significant interest in the shares of Galaxy Resources Limited (**Galaxy**), the approval of certain put options between Creat Group Co. Limited (**Creat Group**), the Company's major shareholder, and other investors in the Company and certain amendments to the Company's constitution.

The Company wishes to advise that the further subscription in Galaxy (the funding requirement of which is approximately £15,635,000) (**Further Galaxy Subscription**) will be satisfied by the following:

- the whole of an investment of £10 million to be raised by way of a subscription for convertible loan notes by Time Wise Limited (**Time Wise Notes**);
- the whole of an investment of £4.5 million which has been agreed to be made to Macro-Link International Investment Co., Limited by way of a subscription for 100,000,000 new shares in the Company at a price of 4.5 pence per ordinary share (**Macro-Link Share Issue**); and
- the remainder of the funding requirement for the Further Galaxy Subscription will be satisfied from part of an investment of £4.5 million to be made by Create Group (HK) Limited through the subscription for a convertible loan note (**Creat Note**). The balance of the £4.5 million shall be used for the settlement of expenses relating to re-admission and for general working capital purposes (collectively the **New Funding Arrangements**)

Further details regarding the terms of the Time Wise Notes, Macro-Link Share Issue and Creat Note together with other material information in relation to the New Funding

Arrangements and re-admission of the Company are set out in the Supplementary Admission Document attached as Annexure A.

Given the New Funding Arrangements, we set out below and in the annexures to this letter supplementary information in relation to the resolutions to be considered at the general meeting.

Resolution 2 – Acquisition of a relevant interest by Creat Group in relation to the Put Option Deeds

Resolution 2 seeks shareholder approval for the acquisition by Creat Group of up to 114 million ordinary shares in the Company arising under the terms of Put Option Deeds as summarised in the Shareholder Notices (**Proposed Transaction**).

Given the New Funding Arrangements, we set out in the table below the number of additional shares in the Company to be transferred to Creat Group assuming no Put Options are exercised or all the Put Options are exercised by the first round subscribers and an indication of the potential change in Creat Group’s voting power under 4 different scenarios¹:

- (a) assuming the Macro-Link Share Issue is completed but the Time Wise Notes and the Creat Note are not converted;
- (b) assuming the Macro-Link Share Issue is completed and the Time Wise Notes are converted but the Creat Note is not converted²;
- (c) assuming the Macro-Link Share Issue is completed and the Creat Note is converted but the Time Wise Notes are not converted³; and
- (d) assuming the Macro-Link Share Issue is completed and both the Time Wise Notes and the Creat Note are converted⁴.

Scenario	Number of additional Shares	Scenario (a): Creat Group’s voting power in Company	Scenario (b): Creat Group’s voting power in Company	Scenario (c): Creat Group’s voting power in Company	Scenario (d): Creat Group’s voting power in Company
No Put Options are exercised	0	47.55%	35.67%	54.39%	42.17%

¹ The 4 scenarios assume that Time Wise Limited will not put their converted shares in the Company (upon conversion of the Time Wise Notes) to Creat Group, which would be subject to separate shareholder approval.
² Prior approval of the Company’s shareholders would be required for Time Wise Limited to be issued with shares in the Company representing a voting interest in more than 19.99%, as a result of the conversion of the Time Wise Notes.
³ Any conversion of the Creat Note would require the prior approval of Shareholders.
⁴ Any conversion of the Creat Note would require the prior approval of Shareholders. Prior approval of the Company’s shareholders would be required for Time Wise to be issued with shares in the Company representing a voting interest in more than 19.99%, as a result of the conversion of the Time Wise Notes.

All Put Options exercised	114,000,000	64.64%	48.49%	69.24%	53.69%
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The Independent Expert, Deloitte Corporate Finance Pty Limited, has issued a supplementary letter to its report dated 5 February 2010 that confirms that it has not changed its opinion in relation to Proposed Transaction, having regard to the New Funding Arrangements. A copy of the Independent Expert's supplementary letter is attached as Annexure B.

Your Independent Directors continue to recommend that you vote in favour of Resolution 2 contained in the Notice of Annual General Meeting, and intend to do so with respect to their own shareholding.

Resolution 4 – Amendment to Rule 17.2 of the Constitution

Resolution 4 seeks shareholder approval for a modification to the Company's Constitution to allow (amongst other things) the Company to issue shares and convertible securities on a non pre-emptive basis for the purposes of raising the necessary amount to fund the Further Galaxy Subscription.

The New Funding Arrangements will result in the Company issuing shares and convertible securities (**Equity Securities**) which if converted (subject to any relevant shareholder approvals) will result in the issue of up to 422,222,222 shares in the Company. On this basis, Resolution 4 is amended (as indicated in highlight below) to refer to 425 million Equity Securities rather than 300 million Equity Securities as set out in the Shareholder Notices and to amend the reference to the 2009 Annual General Meeting, in order for the Company to be able to complete the New Funding Arrangements:

"To consider and, if thought fit, pass the following resolution as a **special resolution**:

That, for the purposes of section 136(2) of the Corporations Act, approval be given for:

(a) the deletion of rule 17.2.12 of the Constitution in its entirety and its replacement with the following rule:

Notwithstanding Rule 17.2 above:

17.2.12 (a) in the period following the 2009 annual general meeting completed on 27 April 2010 until the 2010 annual general meeting ("2010 Annual General Meeting"), the Directors are hereby authorised to allot up to 425 million Equity Securities (the "Disapplication Limit"); and

17.2.12 (b) in the period from the 2010 Annual General Meeting to the 2011 annual general meeting (and in between each subsequent annual general meeting thereafter) the Disapplication Limit shall be 30% of the issued share capital of the Company as at the date of the 2010 Annual General Meeting (and the beginning of each subsequent period thereafter).

(b) the insertion of the following new rule into the Constitution as rule 17.2.13:

Rules 17.2.1 and 17.2.12 do not apply to the allotment of Relevant Shares arising from the conversion of convertible securities issued by the Company.”

What does this mean for you?

We recommend you read carefully the Supplementary Admission Document and supplementary report from the Independent Expert that are attached to this letter together with the Shareholder Notices that were sent to you in February 2010.

We also encourage you to attend the general meeting at 9:00am (EDST) on 27 April 2010 at the Terrace Room, Mercure Hobart Hotel, 156 Bathurst Street, Hobart, Tasmania.

If you have already submitted a proxy form for the Annual General Meeting adjourned on 29 March 2010, then your earlier proxy instructions will stand for the general meeting unless revoked. If you are unable to attend the general meeting and have not submitted a proxy form or wish to revoke your existing proxy, please complete the enclosed proxy form and return to the Company or the Company's Share Registry before 9:00am (EDST) on 25 April 2010.



Yasmine Healy
Company Secretary

Annexure A

Supplementary Admission Document

Annexure B

Independent Expert's Report – Supplementary Letter