

FORM 7
MONTHLY PROGRESS REPORT

Name of CNQ Issuer: **CREATION CASINOS INC.** (the “Issuer”).

Trading Symbol: **CSNO**

Number of Outstanding Quoted Securities: **30,619,039**

Date: **December 2005**

Report on Business

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the issuer was inactive disclose this fact.

Creation Casinos Inc. (the “Issuer”) is a gaming operator headquartered in Vancouver, BC, currently with one active casino located in Vilnius, the capital of the Republic of Lithuania. The 20,000 square foot casino currently features 23 table games and 106 slot machines and is the main attraction of the “Grand Casino World” complex in the city’s main commercial district which also features an authentic Japanese restaurant, Hawaii themed bar and a New Orleans themed nightclub.

2. Provide a general overview and discussion of the activities of Management.

Management is responding to the need for a single focus and direction for the complex in Lithuania and continues to work toward that goal.

3. Describe and provide details of any new products or services developed or offered.

No new products and services were developed during this period.

4. Describe and provide details of any products or services that were discontinued.

No products nor services were discontinued.

5. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

No new business relationships were entered into during this period.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

No contracts expired or were terminated during this period.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

There were no acquisitions or dispositions by the Issuer during this period.

8. Describe the acquisition of new customers or loss of customers.

Various marketing and promotional activities continue to draw customers to the casino complex.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

There were no new developments with respect to intangible products during this period.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

There were no employee hirings, terminations or lay-offs during this period.

11. Report on any labour disputes and resolutions of those disputes if applicable.

N/A

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

On Thursday, October 27, 2005, UAB Grand Casino Europa, the wholly owned subsidiary of Creation Casinos Inc., filed for arbitration in the Vilnius Court of Commercial Arbitration against UAB Grand Casino International, our Lithuanian business partner in the Grand Casino World gaming complex. Present status is that the arbitration process is on-going.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

N/A

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Stock Options	125,000	Options Exercised	Gross Proceeds \$31,250 used for general working capital.
Stock options	125,000	Option Grant	

15. Provide details of any loans to or by Related Persons.

N/A

16. Provide details of any changes in directors, officers or committee members.

N/A

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

Gaming in Lithuania is highly regulated. However, in this new gaming environment there are limited barriers to entry and significant opportunity and interest for gaming operators. Once an operator receives its gaming license, it may open multiple casinos in Lithuania, provided that it receives a required permit for each casino location from the local municipality.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to CNQ that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNQ Requirements (as defined in CNQ Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: Jan. 7th 2005

Mr. Daniel Sutherland

Name of Director or Senior Officer

"Original Signed by Daniel Sutherland"
Signature

President & CEO

Official Capacity

Name of Issuer Creation Casinos Inc.	For Month End December 2005	Date of Report 07/07/06
Issuer Address #1201-700 West Pender Street		
City/Province/Postal Code Vancouver, B.C. V6C 1G8	Issuer Fax No. (604) 658-2045	Issuer Telephone No. (604) 658-2042
Contact Name Lindsay MacLeod	Contact Position Corporate Relations	Contact Telephone No. 604-658-2042
Contact Email Address lmacleod@creationcasinos.com	Web Site Address www.creationcasinos.com	