

04 October 2021

## **Appointment of DRC Drilling as Drill Contractor for Halls Peak**

Critical Resources Limited (ASX:CRR) (“**Critical Resources**” or the “**Company**”), advises that it has appointed DRC Drilling (“**DRC**”) as the drilling contractor for the upcoming drill program at its Halls Peak Project in New South Wales.

### **Highlights**

- **Excellent safety record**
- **Experienced, well established drilling company**
- **Previous experience drilling at Halls Peak**
- **Regionally located in NSW to reduce impact of COVID travel restrictions**
- **Deep drilling experience**
- **Tier 1 client and project expertise**
- **Strong value proposition and competitive pricing**

DRC specialise in providing surface and underground drilling services to the resources sector, especially diamond and reverse circulation drilling. Strategically located in Dubbo, Central New South Wales this is of significant benefit to the Company due to the current strict COVID restrictions in major metropolitan areas in the state.

DRC also has experience drilling at Halls Peak in 2016 which adds significant intellectual property to the upcoming works. DRC are scheduled to arrive on site this quarter.

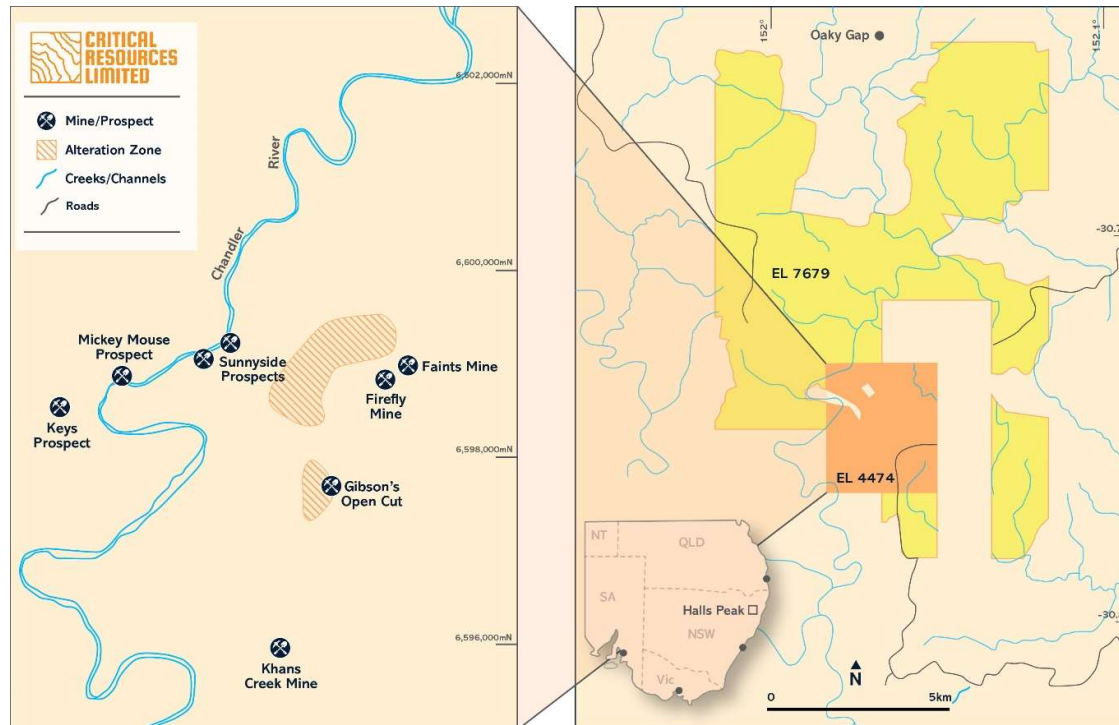
Critical Resources Chief Executive Officer Alex Biggs said: “We are excited to announce the appointment of DRC Drilling as our preferred contractor for completion of drilling activities at Halls Peak. DRC provide a strong track record in safety, a high level of expertise and employment of best practice principles. Historical drilling at Halls Peak has been shallow and given this drill program is focussing on VTEM data at depth, selecting the right drilling Contractor is of the utmost importance. We look forward to working together on the exciting exploration program at our Halls Peak Project.”

### **Halls Peak Project Description**

The 100% owned Halls Peak project is located in New South Wales approximately 45km South-East of Armidale in the New England Fold Belt, an area well known for its mineral endowment and production. The Halls Peak massive sulphide deposits were discovered in 1896 where near surface mining extracted high-grade Zinc, Lead, Copper and Silver. More recent near surface exploration has been conducted by Precious Metal Resources Limited, Sovereign Gold Company Limited (now Critical Resources Limited) and Force Commodities Limited (now Critical Resources Limited) yielding high-grade intercepts to a depth of approximately 150m at the Gibsons prospect. Some near surface historic mining has occurred around the Sunnyside prospect.

The project area comprises multiple historic mines and prospects including Gibsons, Sunnyside, Firefly, Faints, Khans Creek, Keys and Mickey Mouse. All current exploration activities are focused on exploration licence EL 4474 with primary targets being the Gibsons and Sunnyside prospects. A summary of the project location is shown in Figure 1.

**Figure 1 - Halls Peak project location**



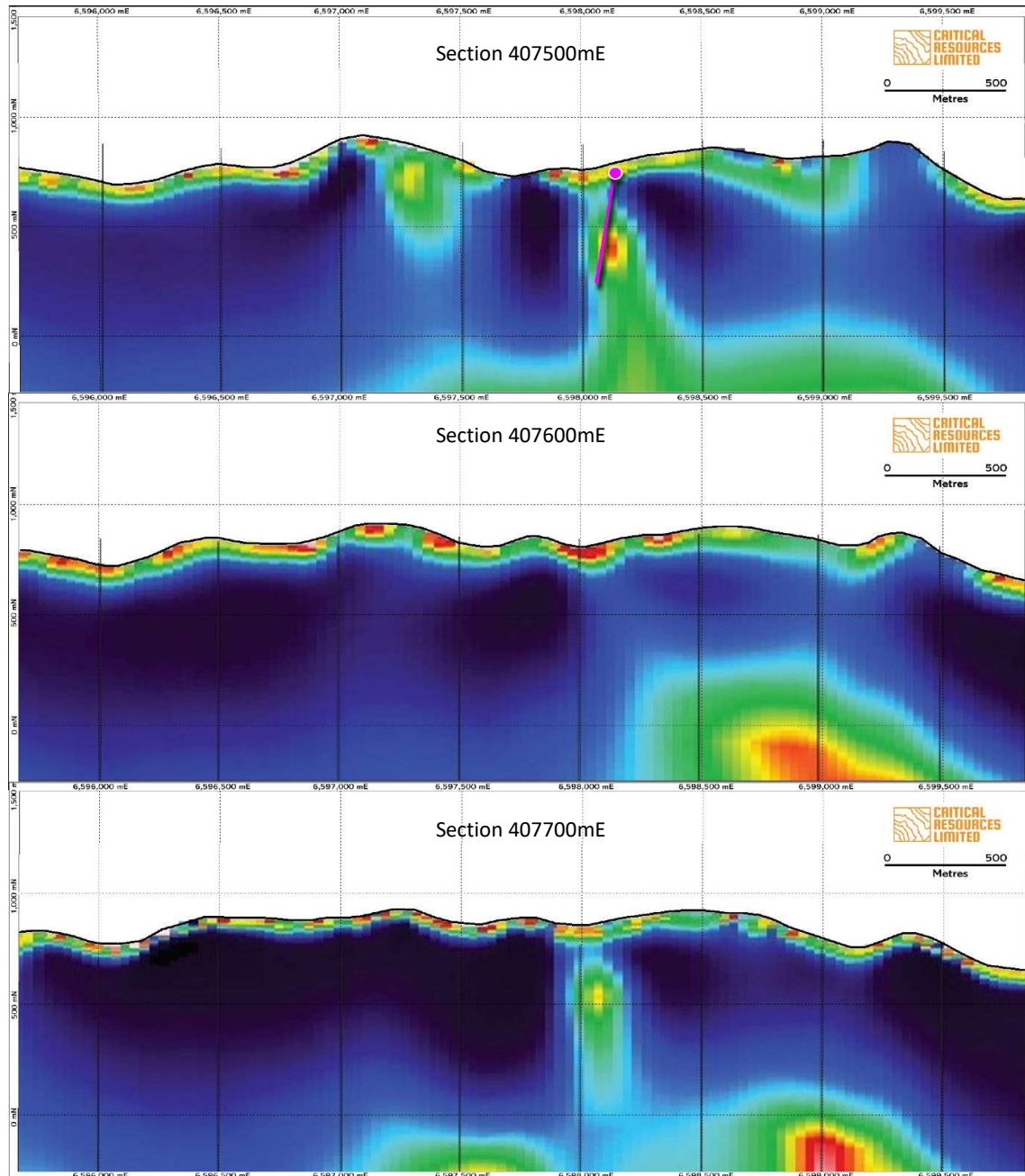
## Drilling – Gibsons

The planned drilling program at Gibsons is set to comprise 14 holes for a total of ~2,500m. Drilling will occur simultaneously with the proposed Sunnyside drilling.

Reinterpretation of geophysical data has yielded genuine targets at Gibsons as shown in Figure 2. Targets at Gibsons are slightly shallower as conductors appear to deepen towards the Sunnyside prospect. Near surface historic mining and drilling has yielded high-grade intersections as outlined in ASX announcement dated 8 July 2021.

The Gibsons prospect is located approximately 2km south-east of the Sunnyside prospect. Drilling at both deposits simultaneously will allow for a significant increase in knowledge of the deposit at depth and allow the Company to further develop a thesis on deposit formation, type and scale. It is believed that all the Halls Peak prospects are part of the same mineralised system and present significant depth and scale potential.

**Figure 2 - Gibsons geophysical targets demonstrated in three sections at 100m intervals**

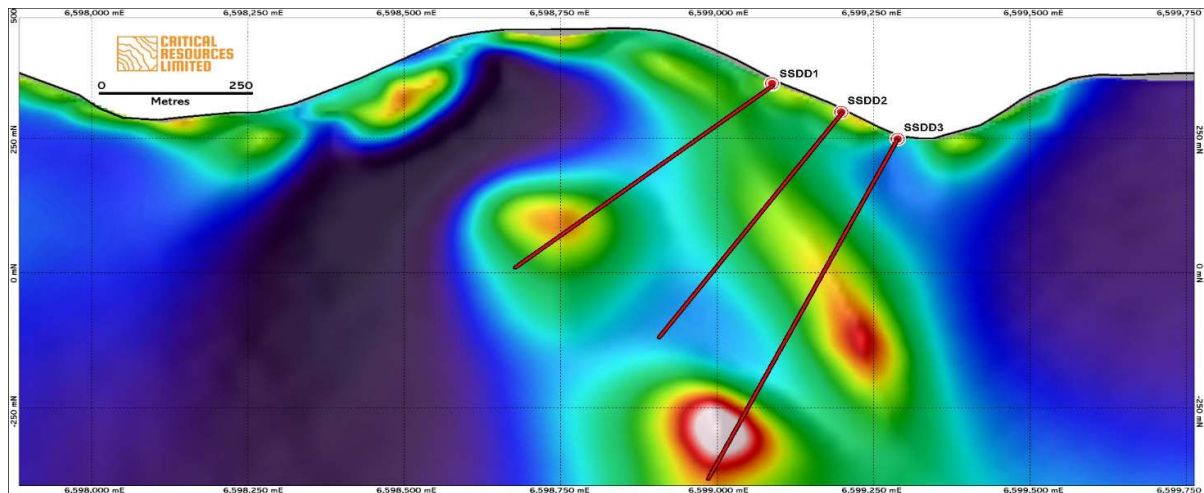


### Drilling – Sunnyside

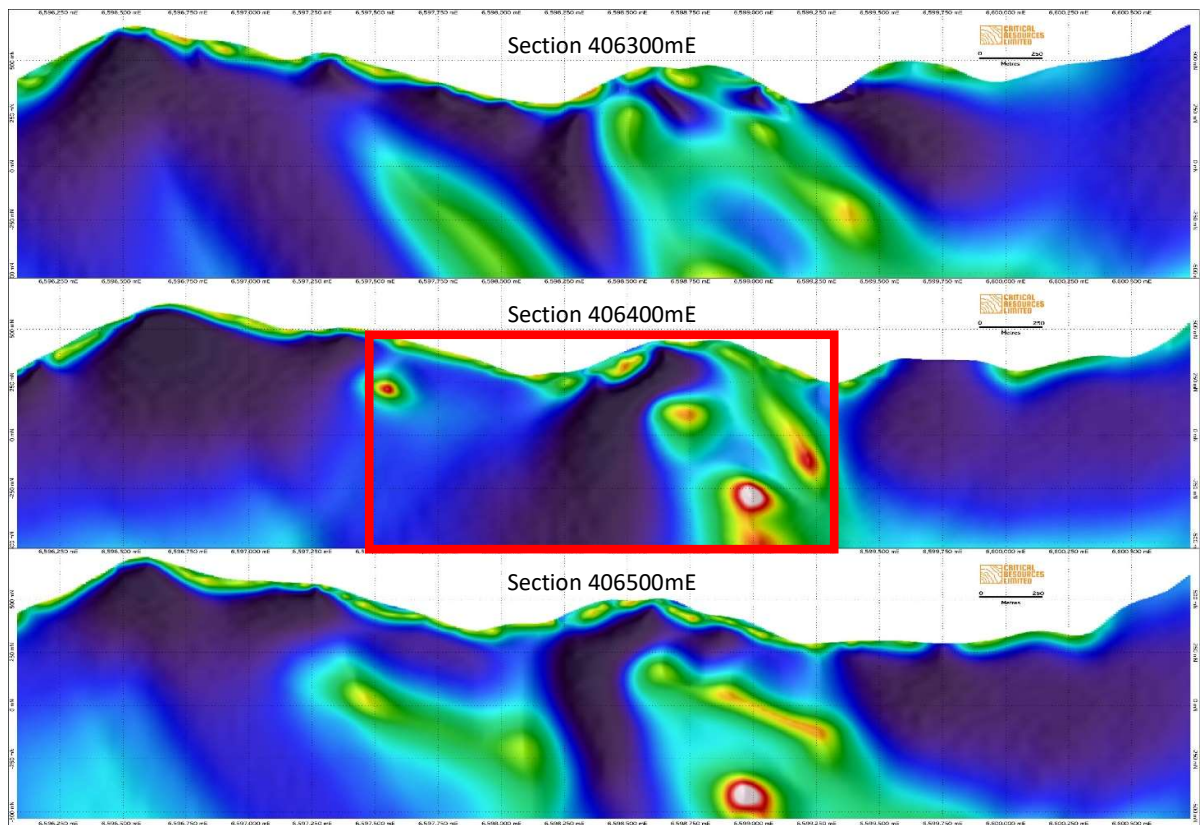
A total of 3 drill holes have been designed for a total of ~1,700m. Proposed drill holes are shown in Figure 3, based on section 406400mE. Figure 4 shows three sections: 406300mE, 406400mE and 406500mE. Each section is a 100m interval from the next demonstrating continuity of potential mineralisation along strike as well as at depth.



**Figure 3 – Proposed Sunnyside drill holes on section 406400mE (see highlighted section in Figure 4)**



**Figure 4 – Sunnyside geophysical targets demonstrated in three sections at 100m intervals**



## Deposit Type and Exploration Thesis

Historical evaluations and interpretations of the Halls Peak project suggest that it is a SEDEX style mineral system. Halls Peak has been recognised as a SEDEX province since the 2000's with experts concluding that Halls Peak is a classic SEDEX massive sulphide system with mineralisation in a large Sedimentary Exhalative System over 30 km<sup>2</sup>.

SEDEX base metal deposits are formed when fluids carrying high-grade concentrations of Zn-Pb-Ag-Cu flow up fractures and faults and deposit metals on the side of these fractures and as fine crystals within the sea water. These crystals then settle on the sea floor as metal-rich beds referred to as bedded sulphides. They are typically conductive and can be detected by surveying techniques such as VTEM.

The VTEM survey in 2012 recorded conductive zones at depths of approximately 400m extending beneath 14km<sup>2</sup> of the Halls Peak project. These conductors may be produced by similar highly mineralised Zn-Pb-Ag-Cu ore bodies as those experienced in typical Australian SEDEX type deposits such as Mt Isa, McArthur River and Cannington.

Due to the shallow extent of historical drilling and mining across the Halls Peak project, the deeper extent of mineralisation remains untested. The new interpretation of the VTEM data has now presented coherent, viable targets which potentially host large scale massive sulphide mineralisation.

Near surface, high-grade mineralisation across the Halls Peak project is possibly related to the location of the projects on or near major faults which suggests the mineralised fluids were vented through the faults from depth. At McArthur River the base metals originate from a main vent zone located on the intersection of two major faults. At Halls Peak the conductors deepen towards the Sunnyside area, consistent with a similar vent on the intersection of mineralising faults.

Gibsons and Sunnyside high-grade near surface mineralisation are likely surface expressions of a deeper, larger system.

### **Permitting and Stakeholder Engagement**

Permitting is progressing well and as expected. The Company will update the market in due course.

**This announcement has been approved for release by the Board of Directors.**

-End-

### **COMPETENT PERSONS' STATEMENT**

The information in this ASX Announcement that relates to Exploration Results is based on information compiled by Mr Michael Leu, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Leu is a full-time employee of Critical Resources Limited. Mr Leu has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Leu consents to the inclusion in this ASX Announcement of the matters based on his information in the form and context in which it appears.

### **FORWARD LOOKING STATEMENTS**

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

#### **ABOUT CRITICAL RESOURCES LIMITED**

Critical Resources is a base metals exploration and development focused company headquartered in Perth, Western Australia and is listed on the Australian Securities Exchange (ASX:CRR). The Company has recently been undergoing a structured process of change at the Director and Executive level. These changes mark the commencement of a renewed focus by the Company on providing shareholder value through the exploration, development and advancement of the Company's long held NSW assets and also of its Copper assets in Oman.