

ASX ANNOUNCEMENT

25 January 2022

About Critical Resources

Critical Resources Limited is a Perth based exploration and development company listed on the Australian Securities Exchange (ASX Code: CRR) and is focused on base metals and lithium exploration and project development.

Project Summary

Halls Peak Project (Zinc-Lead- Silver-Copper) - Australia

Sohar (Block 4 & 5) Project (Copper) – Oman

Subsequent to quarter end

Mavis Lake (Lithium, Canada)

Graphic Lake (Lithium, Canada)

Directors and Management

Mr Robert Martin – Chairperson

Mr Alex Biggs – Managing Director

Mr Alex Cheeseman – Non-Executive Director (appointed subsequent to quarter end)

Mr Michael Leu – Non-Executive Director

Mr Jihad Malaeb – Non-Executive Director

Mr Chris Achurch – Company Secretary

Capital Structure

Shares on Issue:

-1,093,345,302 fully paid ordinary

Options on Issue:

-3,334,000 exercisable @\$0.025
expiring 3 November 2022

-1,300,000 exercisable @\$0.05
expiring 30 June 2024

-1,300,000 exercisable @\$0.07
expiring 30 June 2024

-5,000,000 exercisable @\$0.10
expiring 30 June 2024

Performance Rights on Issue

-34,000,000 Director, CEO and Company Secretary Performance Rights

DECEMBER 2021 QUARTER REVIEW OF OPERATIONS

Critical Resources Limited (ASX Code: CRR) (“Critical” or the “Company”) provides its activities report for the quarter ended 31 December 2021.

Summary

Halls Peak Project - Australia

- Massive sulphide mineralisation in the first, second and fourth drill holes
- Visual massive and base metal sulphides intersected in sixth drill hole at Gibsons to 138m (subsequent to quarter end)
- Intervals of visible chalcopyrite across 7.6 metres in step out hole seven (11A) (subsequent to quarter end)
- Received outstanding high-grade zinc, copper and silver assays from Gibsons’ first drill hole (subsequent to quarter end)
- 839km² of tenements applied for around Halls Peak

Sohar Block 4 and 5 Project – Sultanate of Oman

- Ongoing discussions with the Oman government and mining ministry regarding renewal of Block 4 licence
- Block 5 exploration and mining tenements are unaffected by the discussions around Block 4
- Exploration and evaluation works are continuing in country

Project Generation

- Completed acquisition of Mavis Lake Lithium Project in Ontario, Canada (subsequent to quarter end)
- Further strengthened lithium exploration footprint in Canada via acquisition of Graphic Lake Lithium Project in Ontario (subsequent to quarter end)

Corporate and Funding

- Capital raising of A\$4.0 million completed (funds received during December 2021, shares allotted subsequent to quarter end)
- 100% exercise of options raised A\$0.8 million
- CEO Alex Biggs promoted to Managing Director
- Experienced Lithium executive Alex Cheeseman appointed as Non-Executive Director (subsequent to quarter end)

Halls Peak Project- Australia

- Drilling program commenced with massive sulphide mineralisation and mineralisation encountered in the first, second, fourth, sixth and seventh drill holes.
- Received outstanding high-grade zinc, copper and silver assays from Gibsons' first drill hole.
- Applications submitted for an Additional 839km² of tenements surrounding the Company's Halls Peak tenements

Mavis Lake Lithium Project - Canada

- Paid non-refundable exclusivity fee of A\$200,000 for a period of 90 days.
- Airborne survey completed and data under review to identify additional drill targets.
- Completed acquisition of Mavis Lake Lithium Project in Ontario, Canada (subsequent to quarter end). Refer to Section 9 below.

Sohar Block 4 and 5 – Sultanate of Oman

- The Company continues to discuss with the Minerals Department the latest ground fees that have been calculated for the renewal of Block 4. The Company considers these fees to be onerous and unreasonable. The Company will update the market in due course.
- Block 5 assets are unaffected by the discussions regarding Block 4.
- The Company's geologists and external consultants are actively completing on ground exploration works. Areas have been delineated for future work programs based on aerial magnetics and ground checking of areas previously unexplored.
- Joint venture and commercialisation opportunities continue to be evaluated.

PROJECT SUMMARY**1. HALLS PEAK PROJECT – AUSTRALIA**

The Halls Peak Project comprises granted Exploration Licenses EL 4474 and EL 7679, located in north-eastern NSW and covering an area of about 84km².

The Halls Peak Project area contains several known occurrences of base metals rich in zinc and lead with varying associated levels of copper, silver and gold.

An additional 839km² have been applied for across three leases, ELA6378, ELA6379 and ELA6380. The leases remain at an application stage.

A drill program commenced in December 2021 for 14-holes at the Gibsons prospect (~2,500m). Three -holes for ~1,700m are anticipated at the Sunnyside prospect once final approvals have been received.

Holes are designed to confirm near surface mineralisation and deeper targets to a maximum depth of up to 500m at Gibsons and 700m at Sunnyside.

Project Highlights

- Encountered massive sulphide mineralisation in the first diamond drill hole of the Company's drilling campaign at the Gibsons prospect. The following massive sulphide intervals were intersected in the first 20 metres downhole: 6.4m-7.4m (45% Shale); 10.75m-11.60m (10% Shale); 13.3m-17.1m (14% Shale). Some further narrow massive sulphide units were intersected down to 103.84m. Subsequent to the quarter end, outstanding high grade Copper and Silver assay results received:
12.45m @ 10.91% Zn 5.73% Pb , 1.15% Cu, 331.63g/t Ag (10.66 oz) and 1.50g/t Au.
Interval includes 4.05m @ 19.31% Zn, 10.23% Pb, 2.12% Cu, 549.68g/t Ag (17.67 oz) and 1.89g/t Au
- The second drill hole at the Gibsons prospect intersected massive sulphide mineralisation with a 5.3m mineralised zone (7.7m-13m downhole) containing 3.8m of massive sulphide in four intervals.
- The fourth drill hole at the Gibsons prospect intersected massive sulphide in a variably mineralised zone from 51.0m to 58.18m downhole.
- Visual massive and base metal sulphides intersected in the sixth drill hole at Gibsons to 138m (subsequent to quarter end).
- Cores from all completed drilling are currently being assayed at the ALS laboratory in Brisbane with results expected imminently.
- Subsequent to the quarter end, CRR Encountered intervals of sheeted vein and stockwork mineralisation containing chalcopyrites across 7.6 metres (from 41.00m – 48.60m) in step out hole 11A (seventh diamond drill hole. Hole 11A represents a potentially new style of mineralisation in an area never drilled. Importantly, this has the potential to further expand the Halls Peak base metal system.

2. SOHAR COPPER PROJECT (Block 4 and Block 5) – OMAN

Project Highlights

- The Company holds a 51% interest in Block 4 (granted Exploration Licence), a 65% interest in Block 5 (granted Exploration Licence and 2 Mining Lease applications) and a 70% interest in two Exploration Licence applications near Block 10 to the West of Blocks 4 and 5.
- The Projects cover 1,006 km² of the copper-rich Ophiolite belt, proven to host clusters of relatively high grade VHMS copper deposits. Ores within these deposits are metallurgically simple and contain gold and silver credits.
- Measured, Indicated and Inferred Mineral Resources (2012 JORC) of 0.82Mt at 3.4% Cu (including a high-grade zone of approximately 0.5Mt at 4.5% Cu) are in two deposits within Block 5. Contained metal is reported at 28,000 tonnes of Copper, 5,900 ounces of Gold and 220,000 ounces of Silver (Table 1-3).

3. MALAWI & DEMOCRATIC REPUBLIC OF CONGO

No work was completed on these projects during the quarter. The Company has also commenced procedures to cancel any remaining mineral interests in relation to its projects in the Democratic Republic of Congo (DRC), during the quarter.

4. PROJECT GENERATION

Project generation continued to advance, with several new project opportunities reviewed during the quarter. Notably, the Company executed two Lithium acquisitions in Ontario, Canada, subsequent to 31 December 2021 (see below). The Company will continue to assess any projects that would be complimentary to its business.

5. CORPORATE AND FINANCE

100% of the 40,000,000 Options with expiry date 31 October 2021 were exercised at A\$0.02, raising A\$800,000. The Company received A\$4,000,000 before costs as part of the capital raising at \$0.029 with shares issued subsequent to the end of the quarter. Participants in the Placement received an attaching 1 for 3 option exercisable at \$0.04, expiring 3 December 2024.

Cash at Bank

Cash at bank at 31 December 2021 - \$4.75 million.

Shares on Issue

Fully paid ordinary shares on issue totalled 1,093,345,302 at 31 December 2021.

Options on Issue

As at 31 December 2021, options on issue were:

- 3,334,000 exercisable at \$0.025; expiring 3 November 2022
- 1,300,000 exercisable at \$0.05; expiring 30 June 2024
- 1,300,000 exercisable at \$0.07; expiring 30 June 2024
- 5,000,000 exercisable at \$0.10; expiring 30 June 2024

Performance Rights on Issue

As at 31 December 2021, performance rights on issue were:

- 34,000,000 Director and Company Secretary Performance Rights

6. BOARD CHANGES

The Company's Chief Executive Officer Alex Biggs was promoted to the position of Managing Director effective 15 November 2021. Jeremy Whybrow resigned from the Board as a Non-Executive Director, effective 15 November 2021.

Experienced Lithium Executive Mr. Alex Cheeseman joined as a Non-Executive Director (subsequent to quarter end).

7. MATERIAL EVENTS SUBSEQUENT TO THE END OF QUARTER

Mavis Lake Acquisition

The Company completed the 100% acquisition of the Mavis Lake lithium project in Ontario, Canada from vendors Essential Metals ("ESS") and International Lithium Corp ("ILC").

Key Transaction Terms

The Company completed transaction payments as follows:

- A\$1.50 million cash (split 50/50 between ESS and ILC)
- A\$1.50 million fully ordinary paid shares (calculated at A\$0.022 per share) for 68,000,000 fully ordinary paid shares in Critical Resources (split 50/50 between ESS and ILC)

The Company is also committed to the following milestone payments:

- A\$1.50 million in cash following the definition of a Mineral Resource Estimate (as defined in the JORC Code 2012) for the Project with a volume of not less than 5.0 million tonnes containing not less than 50,000 tonnes of Li₂O using a cut-off grade of not less than 0.4% Li₂O (split 50/50 between ESS and ILC)
- A\$1.50 million in cash following the definition of a Mineral Resource Estimate (as defined in the JORC Code 2012) for the Project with a volume of not less than 10.0 million tonnes containing not less than 100,000 tonnes of Li₂O using a cut-off grade of not less than 0.4% Li₂O (split 50/50 between ESS and ILC)

Funding

The company completed a Placement and issued 137,931,034 fully paid ordinary shares at \$0.029 per share, raising funds of A\$4.0 million before costs, as approved by shareholders on 15 December 2021. Participants in the Placement received a 1 for 3 free attaching unlisted option exercisable at A\$0.04 and expiring 3 December 2024. The capital raising was to finalise the acquisition, fund exploration activities at Halls Peak and fund ongoing corporate costs.

Graphic Lake Acquisition

The Company further strengthened its lithium exploration footprint in Canada through the acquisition of the Graphic Lake lithium project in Ontario, Canada, as announced to the market on 18 January 2022. The Project is located ~180km from the Company's Mavis Lake lithium project and is considered prospective for both lithium and rare earth elements ("REE").

The key transaction terms for the Graphic Lake acquisition were as follows:

- A\$80,000 cash payment (A\$10,000 paid as an option fee),
- A\$120,000 fully paid ordinary shares in Critical Resources Limited (calculated at a 20-day VWAP), and
- 1.5% Net Smelter Royalty ("NSR") capped at C\$500,000 with the option to purchase at any time for C\$500,000

GUIDENCE NOTE 23 DISCLOSURES

Details of mining exploration activities

Details of exploration activities during the quarter are set out above.

The \$204,000 amount of exploration and evaluation expenditure capitalised is comprised of expenditure relating to geological staff salaries, tenement administration and maintenance, exploration programme generation/administration, site surveying, geophysical data reprocessing, drill program preparation and pre-work, drilling and geological interpretation work.

Details of mining production and development activities

No production and development activities were undertaken during the quarter.

Details of tenement activities

The tenement schedule included on the following page shows all holdings and any change for the Company and its subsidiaries.

Details of related party payments

The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities was \$39,600, comprising Directors fees and cash flows from investing activities was \$23,411, comprising Director Consulting fees.

8. SCHEDULE OF MINERAL TENEMENTS AS AT 31 DECEMBER 2021

| Licence No. | Project / Location | Acquired Interest during quarter | Disposed interest during quarter | Interest at end of Quarter |
|-------------------------|---------------------------|---|---|-----------------------------------|
| EL 4474 | Halls Peak, NSW | - | - | 100% |
| EL 7679 | Halls Peak, NSW | - | - | 59.5% |
| PE 13247 ⁽¹⁾ | Kitotolo, DRC | - | - | 70% |
| PR 12453 ⁽¹⁾ | Kitotolo, DRC | - | - | 70% |
| PE 13082 ⁽²⁾ | Kanuka, DRC | - | - | 51% |
| PR 4100 ⁽²⁾ | Kanuka, DRC | - | - | 51% |
| EPL 479 | Tshimpala, Malawi | - | - | 51% ⁽³⁾ |
| EPL 483 | Tshimpala, Malawi | - | - | 51% ⁽³⁾ |
| EPL 484 | Tshimpala, Malawi | - | - | 51% ⁽³⁾ |
| AML 0029 | Tshimpala, Malawi | - | - | 51% ⁽³⁾ |
| Block 5 | Oman | - | - | 65% |
| Block 4 | Oman | - | - | 51% |

- (1) legal transfer of the tenements has been affected; official recording of tenements in DRC Mines Department system has not yet occurred
- (2) tenements are held by joint venture partner, with Critical having a 51% joint venture interest in the Lithium rights only
- (3) tenement at risk of vendor take-back under the terms of share sale and purchase agreement

This report has been authorised for release to ASX by the Chairman.

ENDS

Figure 1: Halls Peak Project Location

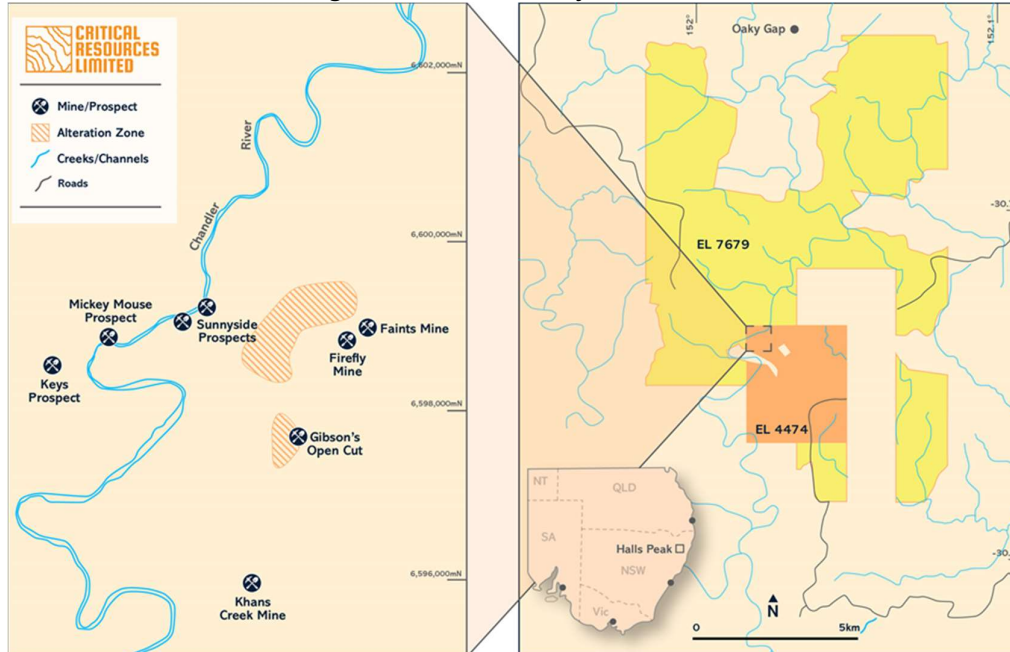


Figure 2: Historical Drilling at Gibsons Prospect

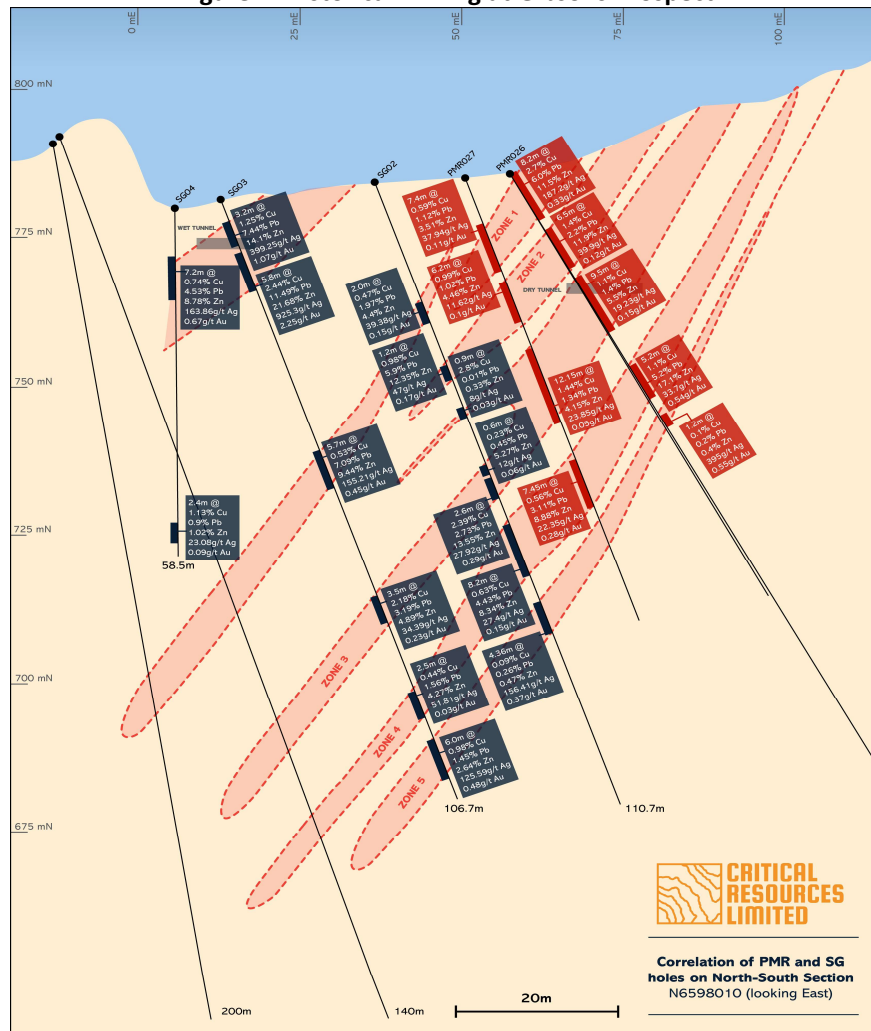


Figure 3: Gibsons geophysical targets demonstrating three sections at 100m intervals

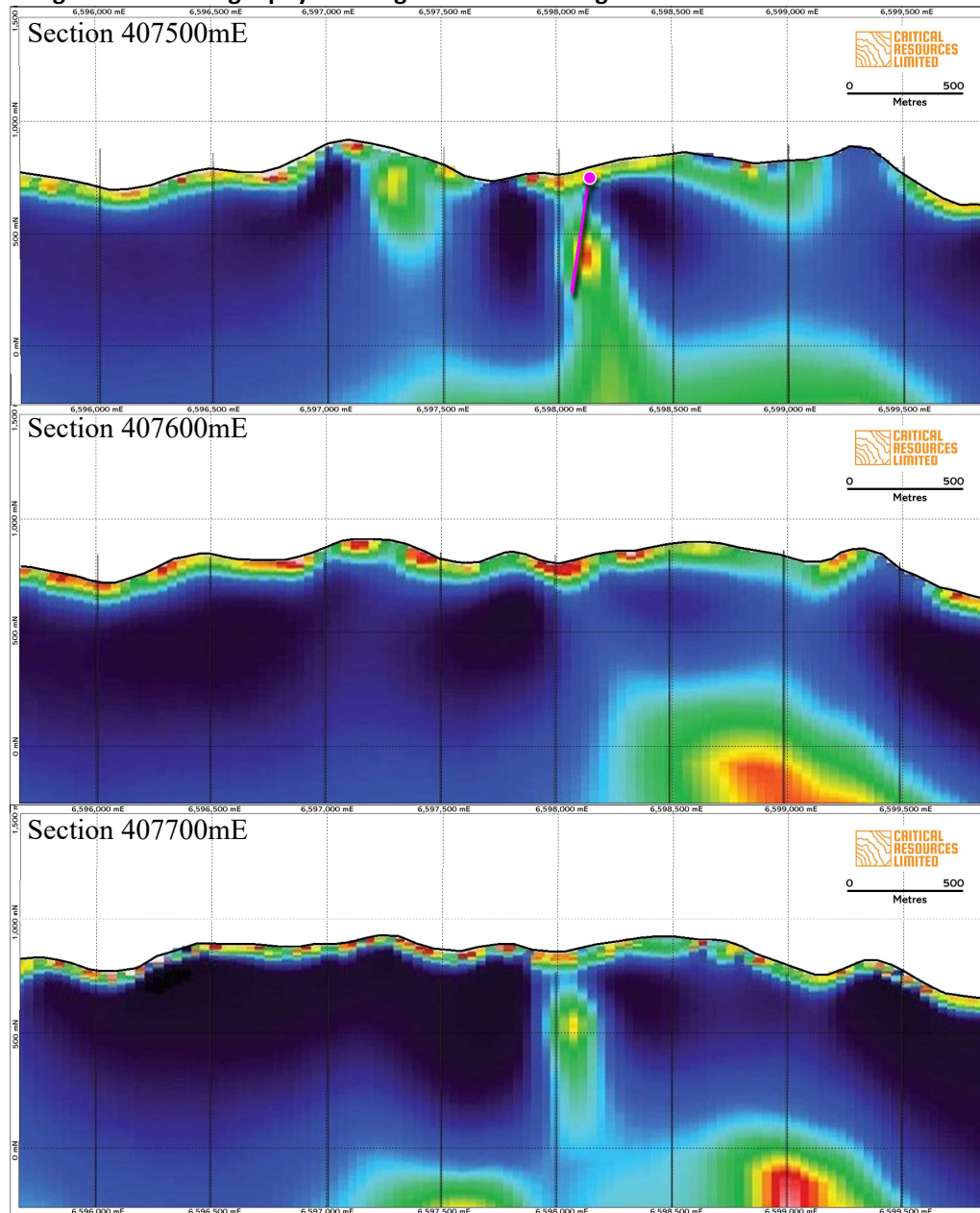


Figure 4: Sunnyside geophysical targets and planned drill holes

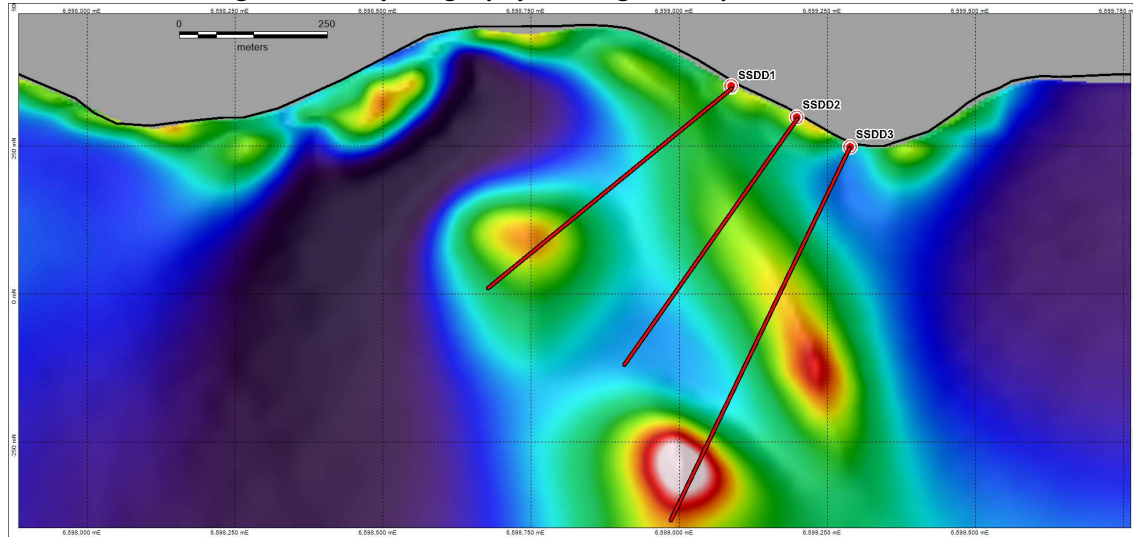


Figure 5: Oman Tenement Location Plan

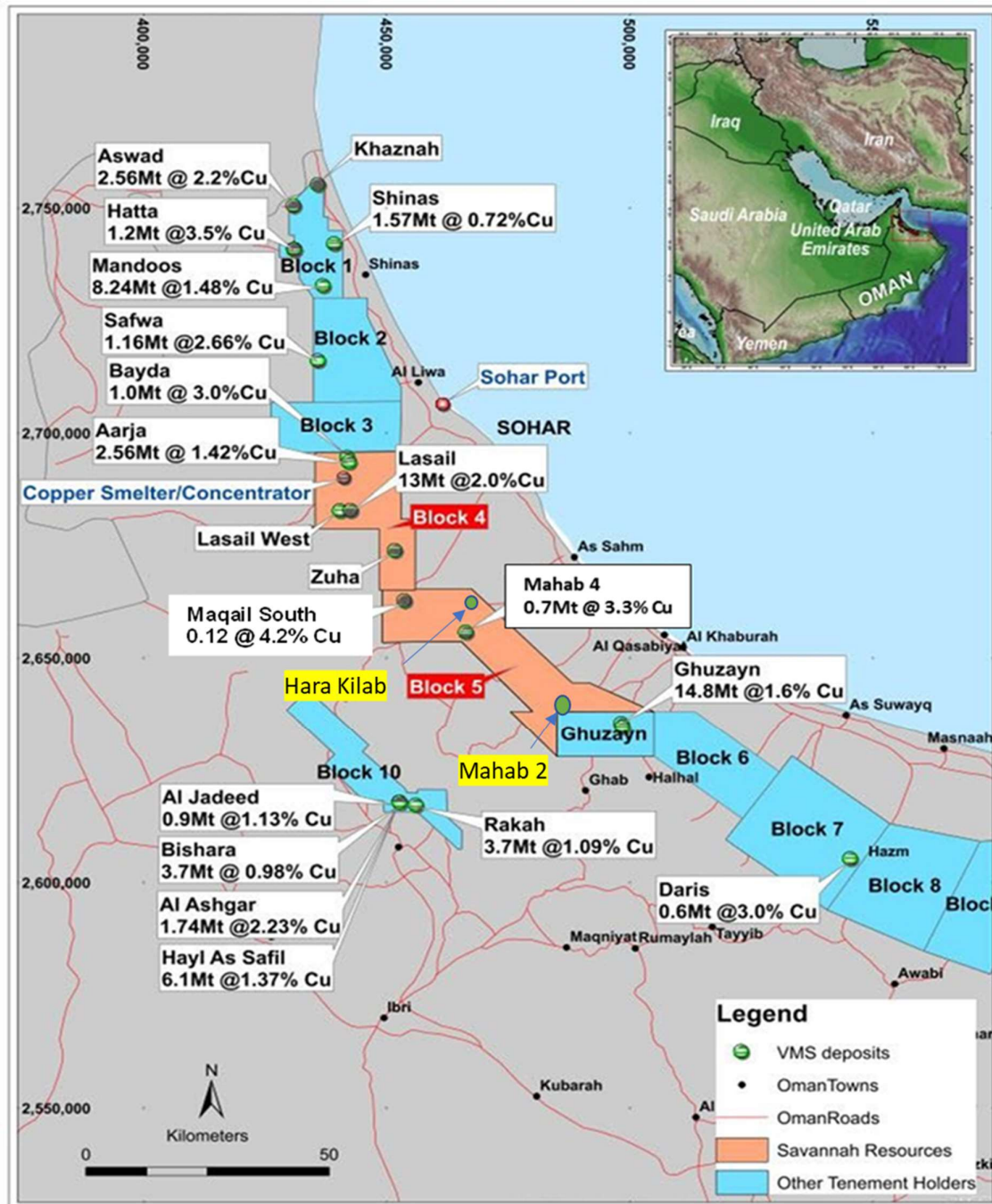


Table 1: Mahab 4 Mineral Resource Estimate 0.5% Cu Cut-off

| Domain | Tonnes t | Cu % | Au ppm | Ag ppm | Cu tonnes | Au Ounces | Ag Ounces |
|--------------------------------|----------------|-------------|-------------|-----------|---------------|--------------|----------------|
| Oxide Domain* | | | | | | | |
| Measured | | | | | | | |
| Indicated | 22,000 | 0.2 | 1.4 | 14 | 40 | 1,000 | 10,000 |
| Inferred | | | | | | | |
| Total Oxide | 22,000 | 0.2 | 1.4 | 14 | 40 | 1,000 | 10,000 |
| Supergene Domain | | | | | | | |
| Measured | | | | | | | |
| Indicated | 11,000 | 14.8 | 1.1 | 41 | 1,700 | 400 | 15,000 |
| Inferred | | | | | | | |
| Total Supergene | 11,000 | 14.8 | 1.1 | 41 | 1,700 | 400 | 15,000 |
| Massive Sulphide Domain | | | | | | | |
| Measured | 307,000 | 5.3 | 0.3 | 14 | 16,300 | 3,000 | 143,000 |
| Indicated | 60,000 | 4.6 | 0.3 | 15 | 2,800 | 600 | 29,000 |
| Inferred | | | | | | | |
| Total Massive Sulphide | 367,000 | 5.2 | 0.3 | 15 | 19,100 | 3,600 | 172,000 |
| Disseminated Domain | | | | | | | |
| Measured | | | | | | | |
| Indicated | 64,000 | 0.6 | 0.05 | 2 | 400 | 100 | 4,000 |
| Inferred | 234,000 | 0.7 | 0.02 | 1 | 1,700 | 200 | 6,000 |
| Total Disseminated | 297,000 | 0.7 | 0.03 | 1 | 2,000 | 300 | 10,000 |
| All Domains | | | | | | | |
| Measured | 307,000 | 5.3 | 0.3 | 14 | 16,300 | 3,000 | 143,000 |
| Indicated | 157,000 | 3.1 | 0.4 | 11 | 4,900 | 2,100 | 58,000 |
| Inferred | 234,000 | 0.7 | 0.2 | 1 | 1,700 | 200 | 6,000 |
| Total Mahab 4 Deposit | 698,000 | 3.3 | 0.2 | 9 | 22,800 | 5,300 | 207,000 |

* Oxide reported at 0.5 ppm Au Cut-off

Table 2: Maqail South Mineral Resource Estimate 0.5% Cu Cut-off

| Domain | Tonnes t | Cu % | Au ppm | Ag ppm | Cu tonnes | Au Ounces | Ag Ounces |
|-----------------------------------|----------------|------------|------------|-----------|--------------|--------------|---------------|
| Massive Sulphide Domain | | | | | | | |
| Measured | | | | | | | |
| Indicated | 121,000 | 4.2 | 0.2 | 3 | 5,100 | 600 | 13,000 |
| Inferred | | | | | | | |
| Total Maqail South Deposit | 121,000 | 4.2 | 0.2 | 3 | 5,100 | 600 | 13,000 |

Table 3: Total Mineral Resource Estimate 0.5% Cu Cut-off

| Classification | Tonnes t | Cu % | Au ppm | Ag ppm | Cu tonnes | Au Ounces | Ag Ounces |
|----------------------|----------------|------------|------------|-----------|---------------|--------------|----------------|
| Measured | 307,000 | 5.3 | 0.3 | 14 | 16,300 | 3,000 | 143,000 |
| Indicated | 279,000 | 3.6 | 0.3 | 8 | 10,000 | 2,700 | 70,000 |
| Inferred | 234,000 | 0.7 | 0.02 | 1 | 1,700 | 200 | 6,000 |
| Total Project | 819,000 | 3.4 | 0.2 | 8 | 28,000 | 5,900 | 220,000 |

Table 4: Significant Copper Assay Results - Oman

| Hole Id | Prospect | Northing | Easting | RL | Dip | Azimuth | EOH | From | To | Interval | Grade | Cu Sulphide |
|------------|------------|----------|----------|-------|-----------|-----------|-----------|-----------------------|------|----------|-------|--------------|
| | | (mN) | (mE) | (ASL) | (Degrees) | (Degrees) | (m) | (m) | (m) | (m) | (%Cu) | (Type) |
| 20B5DD001 | Mahab 4 | 2656158 | 468753 | 226 | -61 | 250 | 42 | 25 | 31.8 | 6.8 | 3.44 | Massive |
| | | | | | | | including | 25 | 27 | 2 | 8.08 | Massive |
| | | | | | | | | 35.65 | 41 | 5.35 | 3.43 | Massive |
| 20B5DD001R | Mahab 4 | 2656157 | 468757 | 226 | -60 | 250 | 132 | 24 | 37 | 13 | 5.6 | Massive |
| | | | | | | | including | 25 | 27 | 2 | 15.7 | Massive |
| | | | | | | | and | 35 | 37 | 2 | 9.11 | Massive |
| | | | | | | | | 37 | 60 | 23 | 0.79 | Disseminated |
| | | | | | | | | 78 | 124 | 46 | 0.99 | Disseminated |
| 20B5DD002 | Hara kilab | 2659947 | 464563 | 214 | -90 | 0 | 50 | 18 | 26.3 | 8.3 | 1.34 | Massive |
| 20B5DD004 | Hara kilab | 2659938 | 464559 | 214 | -70 | 360 | 41.5 | 19 | 26 | 7 | 1.26 | Massive |
| | | | | | | | | 21.7 | 23 | 1.3 | 2.28 | Massive |
| 20B5DD005 | Mahab 4 | 2656101 | 468765 | 224 | -62 | 216 | 70 | 29 | 65.4 | 36.4 | 2.80 | Massive |
| | | | | | | | | 46 | 56 | 10 | 4.80 | Massive |
| 20B5DD006 | Mahab 4 | 2656101 | 468765 | 224 | -66 | 270 | 77.5 | 11 | 60 | 49 | 4.50 | Massive |
| | | | | | | | including | 19.2 | 53 | 33.8 | 6.10 | Massive |
| 20B5DD007 | Mahab 4 | 2656361 | 468755 | 219 | -60 | 240 | 150.00 | Not Sampled | | | | |
| 20B5DD008 | Mahab 4 | 2659864 | 464765 | 214 | -90 | 0 | 60.00 | Not Sampled | | | | |
| 20B5DD009 | Hara kilab | 2659931 | 464569 | 214 | -70 | 350 | 42 | 5 | 7 | 2 | 2.30 | Massive |
| | | | | | | | | 19 | 27 | 8 | 3.40 | Massive |
| 20B5DD010 | Hara kilab | 2659913 | 464541 | 214 | -70 | 35 | 62.7 | No Significant Assays | | | | |
| 20B5DD011 | Hara kilab | 2659934 | 464538.8 | 214 | -70 | 35 | 44.7 | 22 | 23 | 1 | 1.26 | Massive |
| | | | | | | | | 34 | 35 | 1 | 1.25 | Massive |
| 20B5DD012 | Hara kilab | 2659954 | 464532 | 214 | -70 | 35 | 35.7 | 21 | 28.9 | 7.9 | 1.39 | Disseminated |
| | | | | | | | including | 23 | 25 | 2 | 2.39 | Massive |
| 20B5DD013 | Hara kilab | 2569931 | 464505 | 214 | -70 | 35 | 55 | No Significant Assays | | | | |
| 20B5DD014 | Hara kilab | 2659960 | 464490 | 214 | -70 | 35 | 44.7 | 15 | 17 | 2 | 0.56 | Disseminated |
| | | | | | | | | 28.45 | 29.2 | 0.75 | 0.92 | Disseminated |
| 20B5DD015 | Hara kilab | 2659968 | 464472.4 | 214 | -70 | 35 | 44.7 | No Significant Assays | | | | |

Table 5: Significant Gold Assay Results - Oman

| Hole Id | Prospect | Northing | Easting | RL | Dip | Azimuth | EOH | From | To | Interval | Grade |
|------------|------------|-------------|----------|-------|-----------|-----------|-----------|-----------------------|------|----------|--------|
| | | (mN) | (mE) | (ASL) | (Degrees) | (Degrees) | (m) | (m) | (m) | (m) | g/t Au |
| 20B5DD001R | Mahab 4 | 2656157 | 468757 | 226 | -60 | 250 | 132 | 5 | 37 | 32 | 1.05 |
| | | | | | | | including | 16 | 25 | 9 | 2.22 |
| 20B5DD002 | Hara kilab | 2659947 | 464563 | 214 | -90 | 0 | 50 | No Significant Assays | | | |
| 20B5DD004 | Hara kilab | 2659938.039 | 464559 | 214 | -70 | 360 | 41.5 | No Significant Assays | | | |
| 20B5DD005 | Mahab 4 | 2656101 | 468765 | 224 | -62 | 216 | 70 | 29 | 65.4 | 36.4 | 0.30 |
| 20B5DD006 | Mahab 4 | 2656101 | 468765 | 224 | -66 | 270 | 77.5 | 11 | 60 | 49 | 0.30 |
| 20B5DD007 | Mahab 4 | 2656361 | 468755 | 219 | -60 | 240 | 150.00 | Not Sampled | | | |
| 20B5DD008 | Mahab 4 | 2659864 | 464765 | 214 | -90 | 0 | 60.00 | Not Sampled | | | |
| 20B5DD009 | Hara kilab | 2659931 | 464569 | 214 | -70 | 350 | 40 | 5 | 7 | 2 | 0.10 |
| | | | | | | | | 19 | 27 | 8 | 0.10 |
| 20B5DD010 | Hara kilab | 2659913 | 464541 | 214 | -70 | 35 | 62.7 | No Significant Assays | | | |
| 20B5DD011 | Hara kilab | 2659934 | 464538.8 | 214 | -70 | 35 | 44.7 | 22 | 23 | 1 | 0.07 |
| | | | | | | | | 34 | 35 | 1 | 0.05 |
| 20B5DD012 | Hara kilab | 2659954 | 464532 | 214 | -70 | 35 | 35.7 | 21 | 28.9 | 7.9 | 0.09 |
| | | | | | | | including | 23 | 25 | 2 | 0.07 |
| 20B5DD013 | Hara kilab | 2569931 | 464505 | 214 | -70 | 35 | 55 | No Significant Assays | | | |
| 20B5DD014 | Hara kilab | 2659960 | 464490 | 214 | -70 | 35 | 44.7 | 15 | 17 | 2 | 0.05 |
| | | | | | | | | 28.45 | 29.2 | 0.75 | 0.09 |
| 20B5DD015 | Hara kilab | 2659968 | 464472.4 | 214 | -70 | 35 | 44.7 | No Significant Assays | | | |

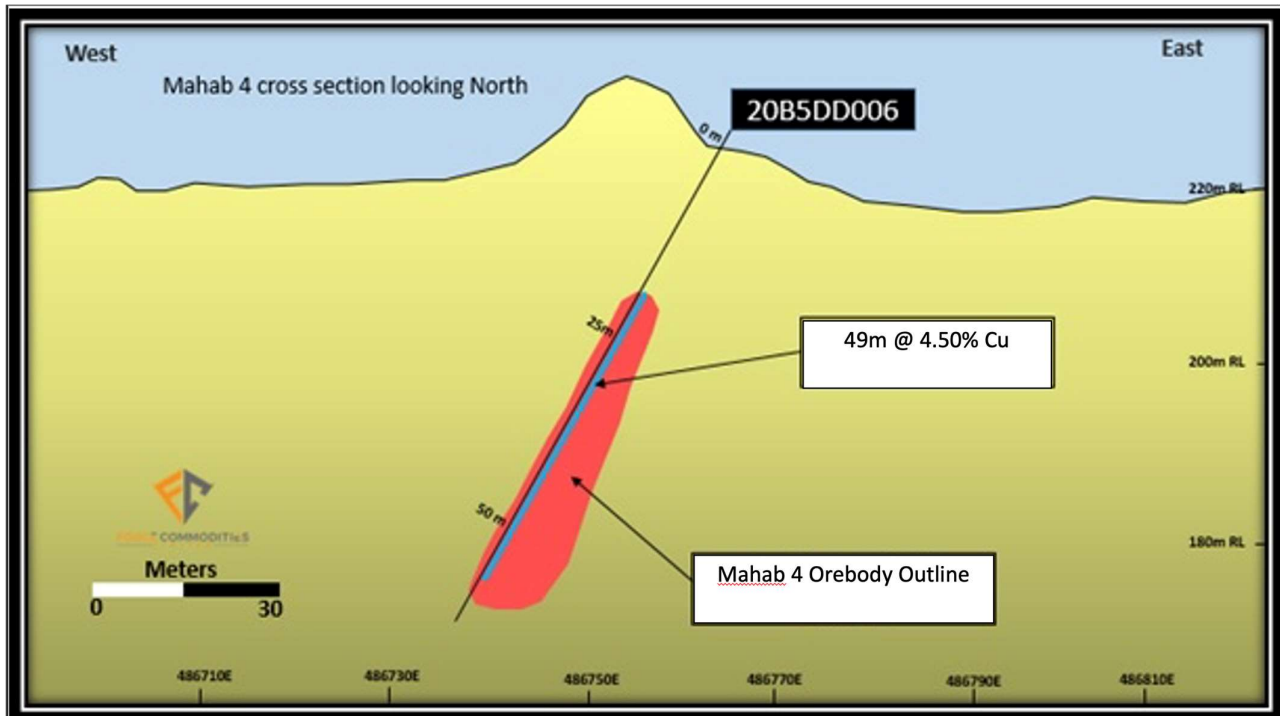
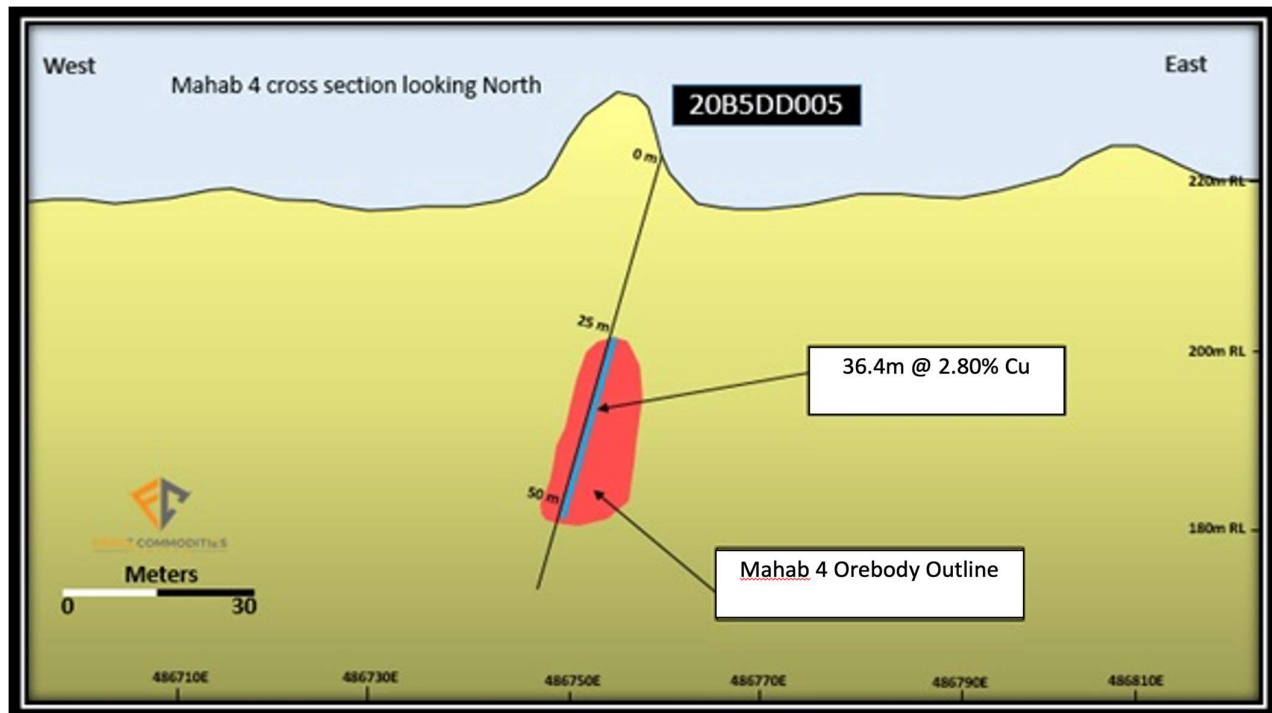
Figure 6: Cross Section of Mahab 4 with completed diamond drill hole 20B5DD006. Orebody in red.


Figure 7: Cross Section Mahab 4 with completed diamond drill holes 20B5DD005



Competent Person Statement

The Information in this ASX Announcement that relates to Exploration Results is based on information compiled by Mr Jeremy Whybrow, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Whybrow is a full-time employee of Critical Resources Limited. Mr Whybrow 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 Whybrow consents to the inclusion in this ASX Announcement of the matters based on his information in the form and context in which it appears.

The Information in this report that relates Mineral Resources is based on information compiled by Mr Paul Payne, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Payne is a full-time employee of Payne Geological Services. Mr Payne 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 Payne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC Code Compliant Reports

The information regarding the Mineral Resource is extracted from the report entitled "Force to Acquire High Grade Copper Projects in Oman" created 1 September 2020 and is available to view on www.criticalresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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.

NO NEW INFORMATION

Except where explicitly stated, this announcement contains references to prior exploration results, all of which have been cross-referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Critical Resources Limited

ABN

12 145 184 667

Quarter ended ("current quarter")

31 December 2021

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--------------------------------------|---|----------------------------|--|
| 1. | Cash flows from operating activities | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation (if expensed) | - | - |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (35) | (141) |
| | (e) administration and corporate costs | (324) | (1,027) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 1 | 5 |
| 1.5 | Interest and other costs of finance paid | - | (7) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Other (provide details if material) | - | (14) |
| 1.9 | Net cash from / (used in) operating activities | (358) | (1,184) |
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | (4) | (4) |
| | (d) exploration & evaluation (if capitalised) | (204) | (1,050) |
| | (e) investments | (400) | (400) |
| | (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--------------------------------------|---|----------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (608) | (1,454) |

| | | | |
|-------------|---|--------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | 800 | 1,549 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Proceeds from capital raising held | 4,000 | 4,000 |
| 3.10 | Net cash from / (used in) financing activities | 4,800 | 5,549 |

| | | | |
|-----------|--|-------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 915 | 1,847 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (358) | (1,184) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (608) | (1,454) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 4,800 | 5,549 |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--------------------------------------|---|----------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | - | (9) |
| 4.6 | Cash and cash equivalents at end of period | 4,749 | 4,749 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|-----|--|----------------------------|-----------------------------|
| 5.1 | Bank balances | 4,749 | 915 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 4,749 | 915 |

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

| Current quarter \$A'000 |
|----------------------------|
| 40 ¹ |
| 23 ¹ |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

¹ Payments relate to director and consultancy fees.

| | | |
|---|---|--|
| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> | | |
| <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | - | - |
| 7.5 Unused financing facilities available at quarter end | | - |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| Not applicable | | |

| | |
|---|----------------|
| 8. Estimated cash available for future operating activities | \$A'000 |
| 8.1 Net cash from / (used in) operating activities (Item 1.9) | (358) |
| 8.2 Capitalised exploration & evaluation (Item 2.1(d)) | (204) |
| 8.3 Total relevant outgoings (Item 8.1 + Item 8.2) | (562) |
| 8.4 Cash and cash equivalents at quarter end (Item 4.6) | 4,749 |
| 8.5 Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.6 Total available funding (Item 8.4 + Item 8.5) | 4,749 |
| 8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3) | 8.5 |

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Not applicable.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not applicable.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:25 January 2022.....

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.