

13 July 2022

Phase Two Drilling Program Fast-Track at Mavis Lake Lithium Project

Critical Resources Limited (ASX:CRR) (“Critical Resources” or the “Company”), is pleased to advise that diamond drilling stage two of the inaugural 5,000m Mavis Lake Lithium Program has been fast-tracked to include a further 5,000m with the objective to test the continuity between pegmatite 6 and pegmatite 18, with a potential strike length of 1.8km at the Company’s 100% owned Mavis Lake Lithium Project (“the Project”) in Ontario, Canada.

Highlights

- **Inaugural drilling campaign (Phase 1) intersected spodumene-bearing pegmatites in 35 of 37 holes including:**
 - 18.1m of ~20% spodumene in MF22-64
 - 23.1m of ~32% spodumene in MF22-72
 - 17.5m of ~18% spodumene in MF22-73
 - 15m of ~20% spodumene in MF22-85
 - 14.75m of ~16% spodumene in MF22-96
- **Phase 2 drilling, approximately 5,000m, to focus on proving continuity between Pegmatite 6 and Pegmatite 18, a potential strike length of 1.8km**
- **Phase 2 Drilling program to focus on high priority targets identified through geophysical interpretation¹**
- **All efforts are focussed on defining a maiden JORC resource.**

The Company is pleased to announce an additional 5,000m of diamond drilling at its 100% owned Mavis Lake Lithium Project, expanding on the inaugural 5,000m campaign which was completed recently. Phase 2 program is being undertaken to finish infill drilling in the southern zone of Pegmatite 6 and to test the potential continuity between Pegmatites 6 and 18 through testing targets identified during the recent geophysical survey¹.

The Company received a highly positive litho-structural interpretation from the geophysical airborne survey flown across the Mavis Lake property in late 2021. The interpretation is based on magnetic, radiometric and VLF electromagnetic data and has provided a significant basis for the potential of a further 28 new drill targets across the property¹. Exploration works on these targets has been undertaken to develop a drilling strategy to expand on the inaugural 5,000m program.

Critical Resources Managing Director Alex Biggs said: “The combination of strong drill results and newly identified geophysical targets puts the Company in a clear position to continue drilling at the Mavis Lake Lithium Project. Mavis Lake is quickly becoming a cornerstone project for the Company as demonstrated by the consistent drill results we have seen in the first 5,000m campaign. Our strategy is to define a JORC compliant Resource which requires both infill and extensional drilling along strike.”

¹ASX announcement 12 May 2022

37 holes were drilled during the Phase 1 program for a total of 5,000m, testing Pegmatite 6 at greater depths than was initially anticipated. The phase 1 drill program has yielded high-grade Li_2O intercepts including:

- 18.1m @ 0.98% Li_2O from 159.1 to 177.2m downhole, including:
 - 15.53m @ 1.1% Li_2O from 161 to 176.53m downhole
 - 7.66m @ 1.5% Li_2O from 161 to 168.66m downhole
 - 5.66m @ 1.68% Li_2O from 161 to 166.66m downhole

Historical drill programs have yielded high-grade Li_2O intercepts including:

- 55.25m at 1.04% Li_2O from 80.75m in drill hole MF18-53 and
- 26.30m at 1.70% Li_2O from 111.9m inc. 7.70m at 2.97% Li_2O from 130.5m in drill hole MF17-491.

35 of 37 holes intersecting spodumene-bearing pegmatites including:

- 18.1m of ~20% spodumene in MF22-64
- 23.1m of ~32% spodumene in MF22-72
- 17.5m of ~18% spodumene in MF22-73
- 15m of ~20% spodumene in MF22-85
- 14.75m of ~16% spodumene in MF22-96

Samples and core from completed drill holes have been sent for analysis and assay results are expected shortly.

The Mavis Lake infill step out drilling continues to extend Pegmatite 6's spodumene mineralisation over 500m strike to a depth of 200m with 50m drill hole spacing. Thickness varies however, significant intersections, up to 23.1 metres, of spodumene-bearing pegmatite have been intersected at depth.

Geophysical Data Interpretation¹

Litho-structural interpretation at a scale of 1:10 000 over the Mavis Lake project area was completed using flown magnetic/radiometric/VLF and DEM survey with the help of other supportive data and information from previous exploration efforts. Due to significant forest soil cover over the project area, the structural interpretation was based primarily on the aero magnetics and to some extent also on VLF data. Radiometric, DEM, satellite data have been studied and analysed, however, these make a minor contribution to the interpretation.

The interpretation was primarily concerned with the identification of pegmatite bodies prospective for lithium mineralisation. With no significant property contrasts between the pegmatites and the typical host rocks, (direct) targeting lithium bearing pegmatites with geophysics is difficult. The targeting strategy was therefore focused on indirect leads: a) lithological associations (proximity to granitoid bodies, associations with mafic/ultramafic sequences) b) structural context and structural complexity (looking for structures and traps that may act as conduits for Li-bearing fluids to flow and precipitate) c) reduction of the search area by eliminating strongly magnetic sequences and looking for distinct magnetic lows, consistent with presumed felsic lithology. In general, preferred were areas of significant structural deformation/fragmentation that produce favourable conditions for pegmatite precipitation and formation of structures that may act as fluid conduits.

Based on information derived from the geophysical data, a total of 28 target areas have been selected for follow up. The target areas require follow-up surface mapping, geochemical surveys and reconnaissance drilling to obtain further information about the underlying geology. The 28 targets have been ranked as high, moderate and low priority, with little to no difference between high and moderate priority. These areas are seen in the following two figures, with numerical values (High – 1, Moderate – 2 and Low – 3) placed in each target area to highlight their respective priority.

Figure 1: Mavis Lake targets and radiometric anomalies

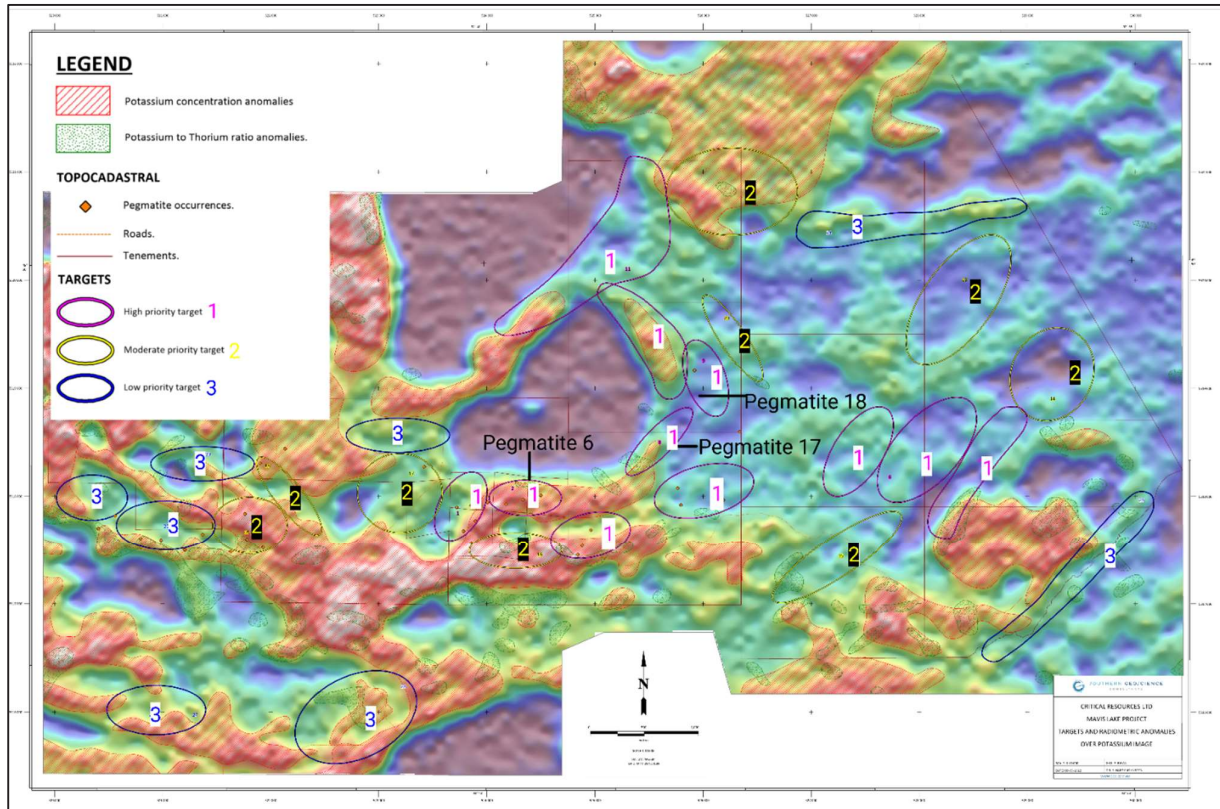


Figure 2: Mavis Lake Planned Drill Pad Locations (Phase 1 and Phase 2 drill program)

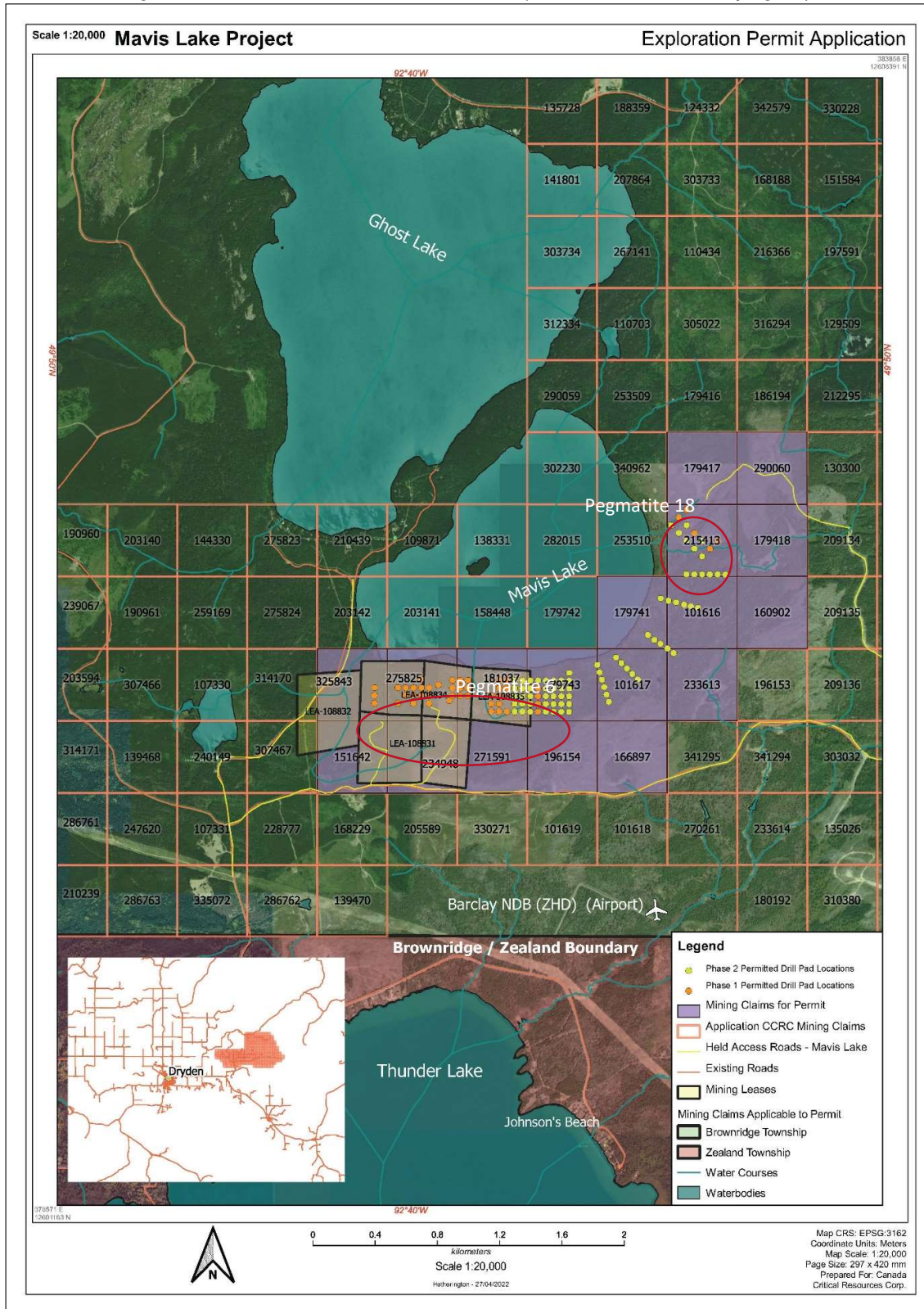
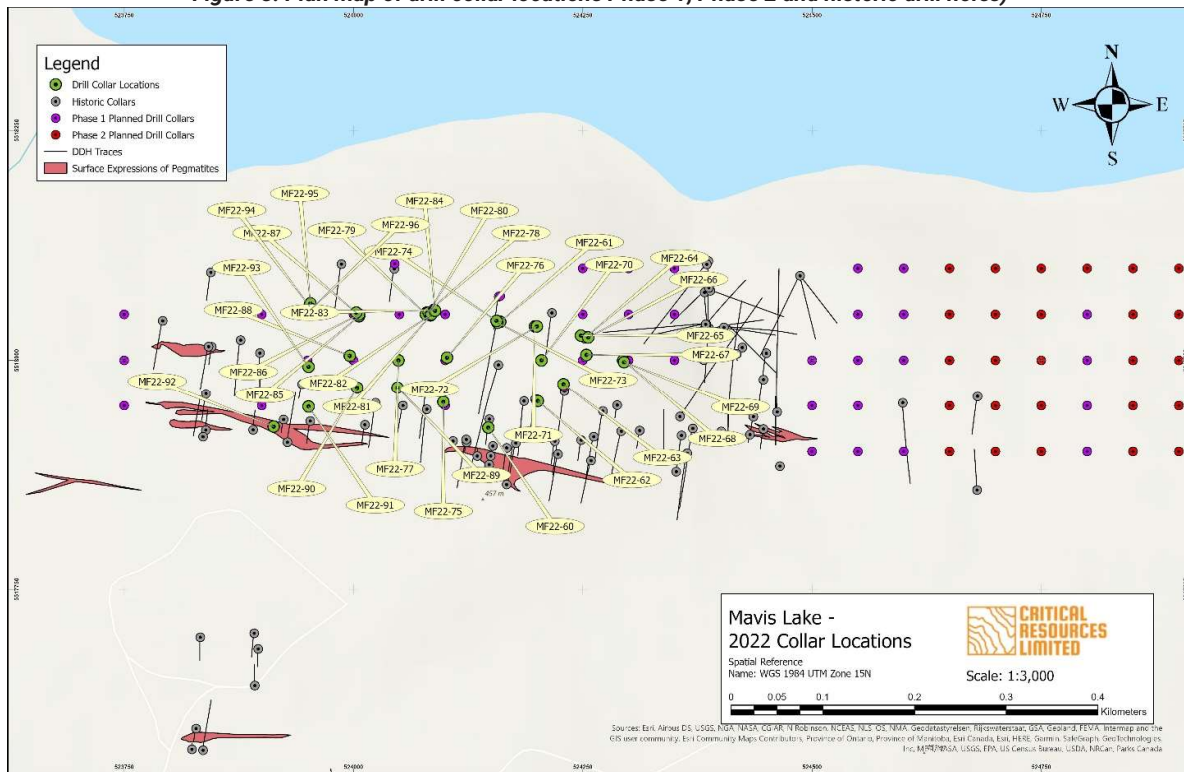


Figure 3: Plan map of drill collar locations Phase 1, Phase 2 and historic drill holes)



Mavis Lake Project Description

The Mavis Lake Lithium Project is 19 kilometres east of the town of Dryden, Ontario. The Project is in close vicinity to the Trans-Canada highway and railway major transportation arteries linking larger cities such as Thunder Bay, Ontario, to the southeast and Winnipeg, Manitoba, to the west. The region boasts excellent infrastructure with hydro-power located a few kilometres to the south-west of the project. The region is a well-established lithium province with multiple projects located within the vicinity.

Previous drill programs have yielded high-grade Li₂O intercepts including:

- 55.25m at 1.04% Li₂O from 80.75m in drill hole MF18-53 and
- 26.30m at 1.70% Li₂O from 111.9m inc. 7.70m at 2.97% Li₂O from 130.5m in drill hole MF17-491.

These results present significant exploration potential, a summary of previous results can be seen in ASX announcement dated 25 October 2021.

Figure 4: Sample of Mavis Lake intersections from 2017 and 2018 drilling campaign

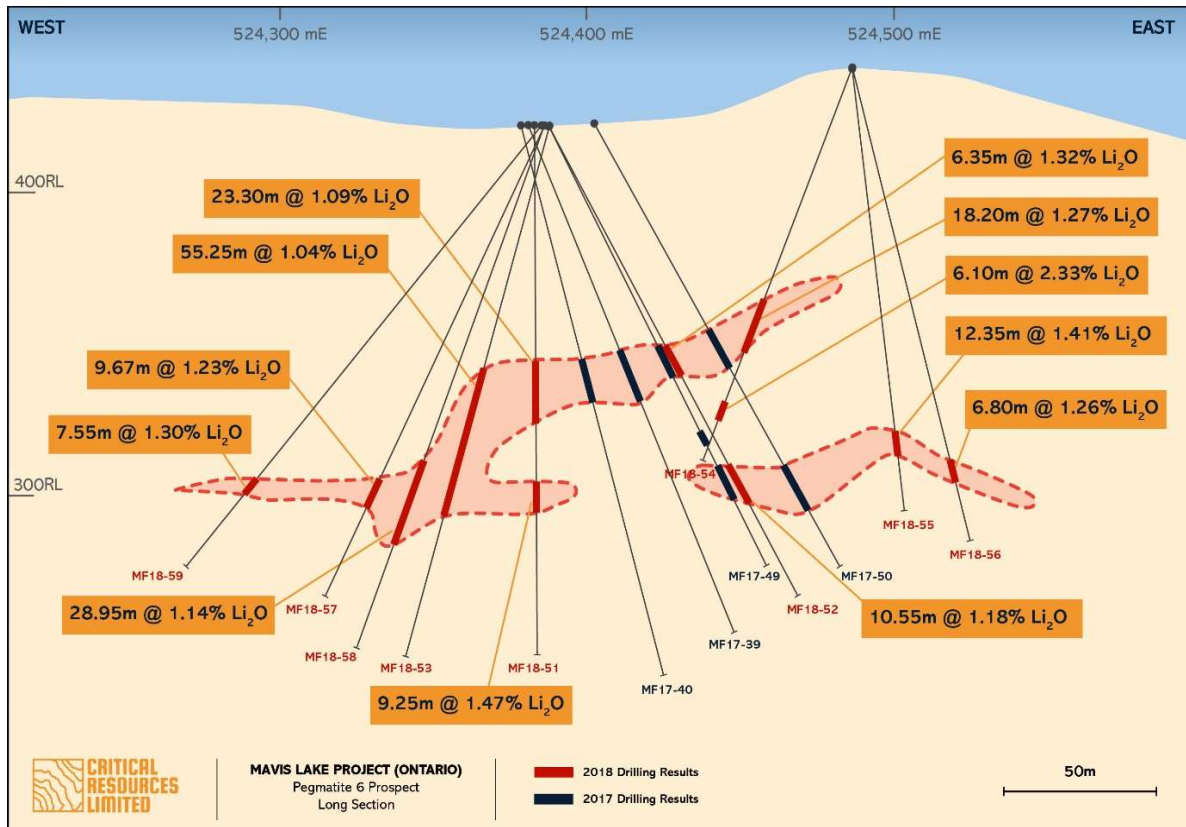


Figure 5: Mavis Lake project location



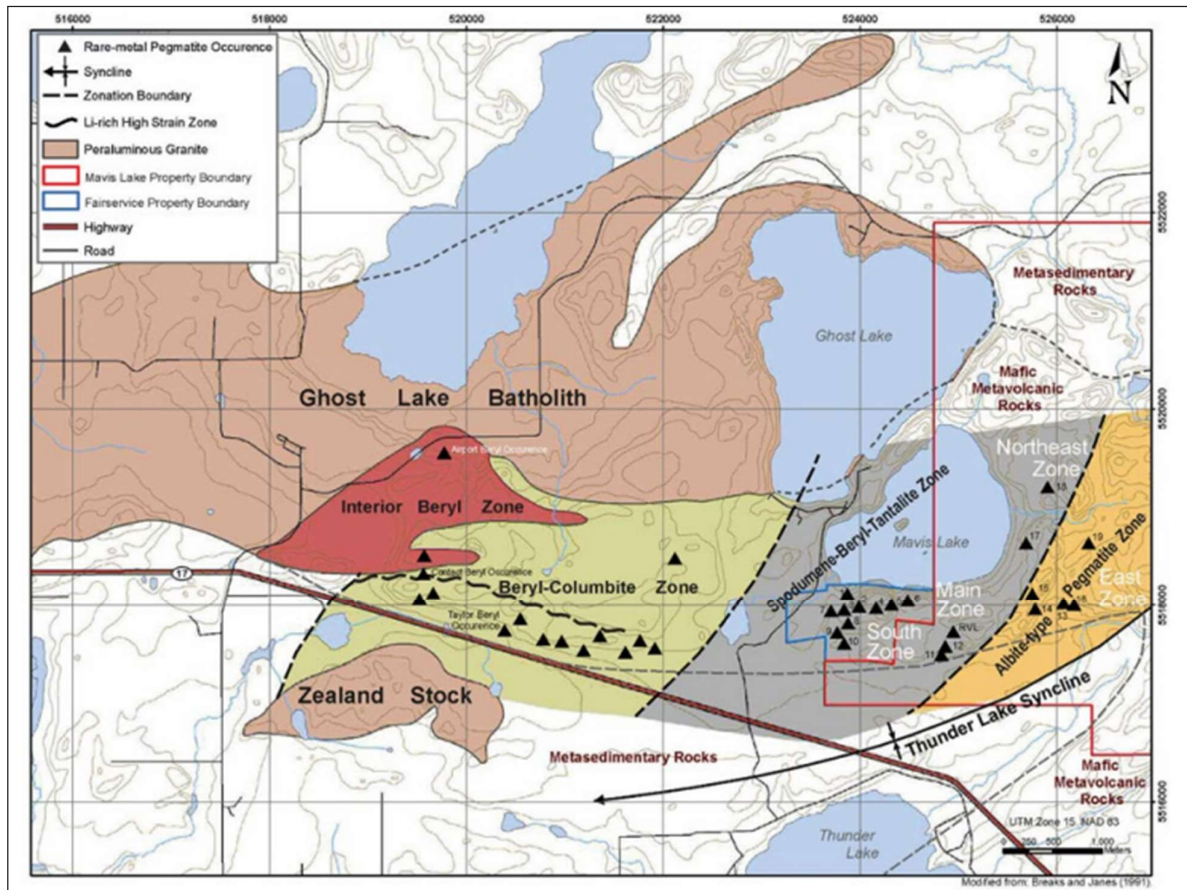
Deposit Type and Exploration Thesis

Previous exploration campaigns at Mavis Lake have confirmed the presence of lithium-bearing pegmatites.

The pegmatite occurrences at Mavis Lake are found within the correct zonation for lithium enrichment from the Ghost Lake Batholith, a fertile granite intrusion. The zonation of pegmatite occurrences can be seen in Figure 6.

The recently conducted airborne survey (see ASX announcement 01 February 2022) demonstrated the potential continuity of geological trends between Pegmatite 6 and Pegmatite 18.

Figure 6: Regional zonation of Mavis Lake Pegmatite group



Sources: Demmeier and Mercier (2011), modified from Breaks and James (1991)

The Lithium Industry in Ontario

Canadian Government's C\$3.8 Billion Critical Minerals Strategy

Recently announced strategy by the Canadian government to boost domestic production of lithium, copper and other strategic minerals to help propel the country's efforts to become a key part of the global electric vehicle supply chain. The spending, announced during Canada's federal budget unveiling on 7 April 22, promises grants for mineral surveying, processing, and recycling, as well as tax credits for the development of new mines and subsidies for infrastructure.

Ontario's First-Ever Critical Mineral Strategy

In March of 2022 the government of Ontario announced their first-ever critical minerals strategy. The strategy aims to secure Ontario's position as a global leader of responsibly sourced critical minerals. To achieve this, collaboration is dependent between government, industry, Indigenous peoples, communities, and other stakeholders. Working together, this strategy will build a stronger, more resilient economy and revitalise local communities. The strategy is comprised of six pillars, or areas of government action, which will solidify Ontario's position as a global leader of responsibly sourced

critical minerals. The pillars are; Enhancing geoscience information and supporting critical minerals exploration, Growing Domestic processing and creating resilient supply chains, Improving Ontario's regulatory framework, Investing in innovation, research, and development, Building economic development opportunities with Indigenous partners, and Growing labour supply and developing a skilled labour force.

Tesla Battery Gear Manufacturing Plant Opens

Tesla has recently announced the opening of a battery gear manufacturing plant in Markham, Ontario demonstrating the significant opportunity for Ontario to become one of the world's leading lithium provinces. The facility will be the first branded Tesla Canada manufacturing facility in Canada. A significant amount of activity in the lithium exploration sector is currently occurring in Ontario. Due to the quality of lithium assets in the region, the fundamental drivers behind the lithium market and the intent of North American manufacturers to source lithium for battery manufacturing from localised supply-chains, it is an excellent time to be gaining a foothold in Ontario.

Thunder Bay Regional Lithium Refinery

Avalon Advanced Materials Inc (TSX:AVL) has recently announced the agreement of a binding letter of intent to develop a regional battery supply chain in Ontario and elsewhere. The first step of this development will be establishing a lithium refinery in Thunder Bay, Ontario, approximately 350km from the Mavis Lake Lithium Project. The plant aims for a production capacity of 20,000 tonnes per annum of lithium hydroxide and/or lithium carbonate. Sources of lithium concentrate will be initially from Avalon's Separation Rapids Lithium Project while other projects begin production.

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

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EXPLORATION WORK – COMPETENT PERSONS STATEMENT

The information in this ASX Announcement that relates to Exploration Results is based on information compiled by Troy Gallik (P. Geo), a Competent Person who is a Member of the Association of Professional Geoscientists of Ontario. Troy Gallik is a full-time employee of Critical Resources Ltd. Troy Gallik 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". Troy Gallik consents to the inclusion in this ASX Announcement of the matters based on his information in the form and context in which it appears.

ABOUT CRITICAL RESOURCES LIMITED

Critical Resources is a base metals and lithium 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, its newly acquired Lithium assets in Canada and also of its Copper assets in Oman.

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, 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.