

29 December 2022

Due Diligence Completed for Gullwing-Tot Lakes Acquisition

Highlights

- Critical Resources to acquire 100% of the Gullwing-Tot Lakes property from TSX-V listed Power Metals Corp (TSX-V:PWM)
- Gullwing-Tot Lakes property covers ~7,518 hectares, located approximately 5.5km northeast of the Mavis Lake 'Main Zone' where the Company has been successfully drilling since April 2022
- The Gullwing-Tot Lakes property is considered to be highly prospective for lithium mineralisation, with historical exploration identifying multiple spodumene-bearing pegmatites over the project area, with rock-chip samples returning grades up to 6.78% Li_2O^1
- The acquisition, underpinned by continued positive drilling results, strongly align with the Company's development focus for the Mavis Lake Lithium Project

Overview

Critical Resources Limited (**ASX:CRR**) ("Critical Resources" or "the Company") is pleased to advise that it has satisfied the Condition Precedent for the binding Purchase and Sale Agreement with TSX-V listed Power Metals Corp (TSX-V:PWM) ("Power Metals") to acquire Power Metals' Gullwing-Tot Lakes property.

Property Details

The Gullwing-Tot Lakes property, along with the Mavis Lake Lithium Project and recently staked ground, will form an enlarged contiguous project area of approximately 30 km long and 9.5 km wide, with a total area of 22,984 hectares ("Mavis Lake Project Area"). The Mavis Lake Project Area can be seen in Figure 1, the entire Mavis Lake Project area lies within the prospective Sioux Lookout Domain in the Wabigoon Subprovince. Figure 1 also identifies the two pegmatites that were subjects of historical exploration efforts by Power Metals.

¹ Refer ASX announcement 20 December 2022.

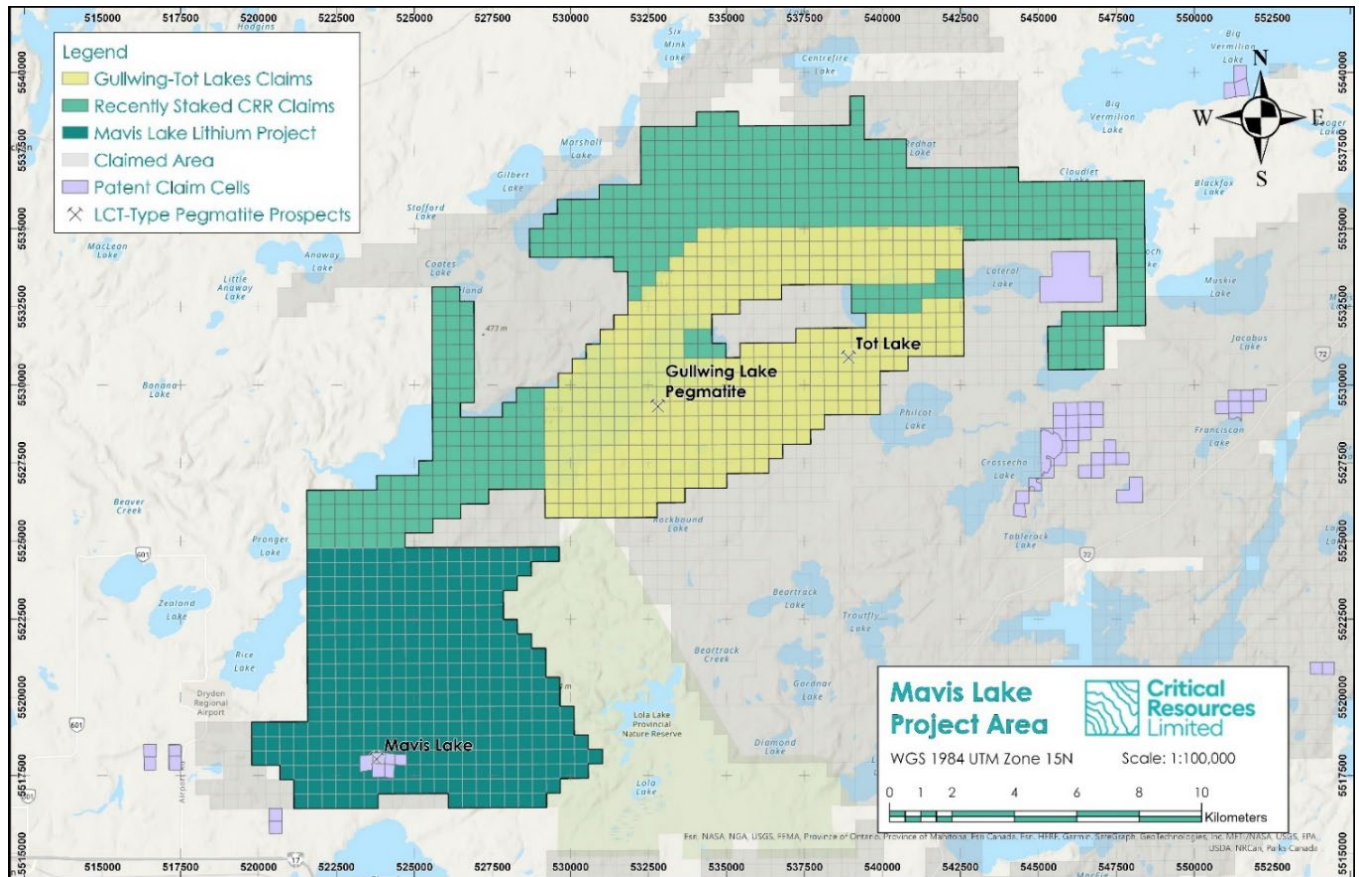


Figure 1 – New (increased) Mavis Lake Project Area

Gullwing-Tot Lakes is located in Drope and Webb townships, 30km northeast of Dryden, Ontario, and approximately 5.5km northeast of the Mavis Lake 'Main Zone' where the Company has been successfully drilling for lithium since April 2022.

Historical exploration completed by Power Metals centered on two outcropping pegmatites (Gullwing Lake and Tot Lake), delivering results up to 6.78% Li₂O, historical exploration has also discovered high-grade results for tantalum and cesium. For full exploration results refer to Critical Resources' ASX Announcement - released 20 December 2022.

With its location, the Gullwing-Tot Lakes property, like Mavis Lake, has excellent and immediate access to national level road and rail infrastructure, hydro-power and support services from the town of Dryden.

Purchase and Sale Key Terms

The Purchase and Sale Agreement executed between the Company and Power Metals on 16 December 2022 is binding on both parties. The agreement was subject to completion of due diligence requirements to the satisfaction of the Company ("Condition Precedent"), which has now been completed.



The Company will now administer the cash and share payment requirements to acquire a 100% interest in the mining claims, being:

- A cash payment of CAD\$600,000 (~AUD\$656,000) made to Power Metals (or nominee); and
- Issue of CAD\$600,000 (~AUD\$656,000) of deemed value¹ in the Company's securities to Power Metals (or nominee).

The Company will also grant Power Metals a 1% Gross Margin Royalty for mineral production within the mining claims acquired by the Company.

Future Works

It is anticipated that exploration efforts will commence in the Canadian summer, focused principally on mapping and geochemical field work to develop and refine future drilling targets. Initial efforts will center on the Gullwing and Tot Lakes pegmatites.

The Company will leverage its existing exploration team and contractors supporting Mavis Lake in order to complete efforts at the Gullwing Tot Lakes property.

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

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ABOUT CRITICAL RESOURCES LIMITED

Critical Resources is advancing and developing critical metals projects for a decarbonised future.

The Company's primary objective is the rapid development of its flagship Mavis Lake Lithium Project, located in Ontario, Canada. Mavis Lake is an advanced exploration project with near-term development potential. Importantly, Critical has an exciting opportunity for further regional growth through exploration at its Graphic Lake, Plaid and Whiteloon prospects, along with expanding its Canadian portfolio through potential increased land holdings and merger and acquisitions.

The Company's other projects include the Halls Peak Project in NSW, Australia, a high-quality base metals project with significant scale potential and the Block 4 and Block 5 copper project, located in Oman.

¹ Deemed value to be calculated using a 15 trading day VWAP prior to the (but excluding) the date of the execution of the sale agreement between the Company and Power Metals being AUD\$0.0525 per share.



COMPLIANCE STATEMENT

This announcement contains information on the Gullwing-Tot Lakes Project extracted from ASX market announcements dated 20 December 2022 and reported by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012 JORC Code) and available for viewing at criticalresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in any original ASX market announcement.

FORWARD LOOKING STATEMENTS

This announcement may contain certain forward-looking statements and projections. Such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon. Forward looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved. Critical Resources Limited does not make any representations and provides no warranties concerning the accuracy of the projections and disclaims any obligation to update or revise any forward looking statements/projects based on new information, future events or otherwise except to the extent required by applicable laws. While the information contained in this report has been prepared in good faith, neither Critical Resources Limited or any of its directors, officers, agents, employees or advisors give any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement.