



**Critical Resources Limited
and its Controlled Entities**

ABN 12 145 184 667

Annual Report

For the Year Ended 31 December 2022

CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES CORPORATE INFORMATION

DIRECTORS

Mr Robert Martin	Non-Executive Chairman
Mr Alex Cheeseman	Managing Director
Mr Michel Leu	Non-Executive Director
Mr John Markovic	Non-Executive Director

COMPANY SECRETARY

Mr Harry Spindler

REGISTERED AND PRINCIPAL OFFICE

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Perth WA 6000
Telephone (08) 9389 4499
Website www.criticalresources.com.au

POSTAL ADDRESS

PO Box 1024
West Leederville WA 6901

AUDITORS

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

SHARE REGISTER

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne, VIC 3001
Telephone 1300 850 505
(03) 9415 4000

Critical Resources Limited shares are listed on the Australian Securities Exchange (ASX)

ASX Code CRR

ACN 145 184 667

ABN 12 145 184 667

In this report, the following definitions apply:

"Board" means the Board of Directors of Critical Resources Limited

"Critical" or the **"Company"** means Critical Resources Limited ABN 12 145184667

"Group" means Critical Resources Limited and its controlled entities

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THE YEAR ENDED 31 DECEMBER 2022
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CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES FOR THE YEAR ENDED 31 DECEMBER 2022 DIRECTORS' REPORT

The directors of Critical Resources Limited ('Critical' or the 'Company') submit the financial report of the Company and its controlled entities (the 'Group') for the year ended 31 December 2022.

DIRECTORS

The names and particulars of directors who are in office at the date of this report:

Mr Robert Martin	Non-Executive Chairman (appointed 4 February 2021)
Mr Alex Cheeseman	Non-Executive Director (appointed 6 January 2022)
	Managing Director (appointed 10 October 2022)
Mr Michael Leu	Non-Executive Director (4 February 2021)
Mr John Markovic	Non-Executive Director (appointed 12 August 2022)

The names and particulars of directors who are not in office at the date of this report but who held office during the financial year:

Mr Alexander Biggs	Managing Director (resigned 15 July 2022)
Mr Jihad Malaeb	Non-Executive Director (resigned 12 August 2022)

Directors have held office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARY

Mr Harry Spindler (appointed 22 July 2022)
Mr Chris Achurch (resigned 22 July 2022)

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was mineral exploration and development across a range of projects. There were no significant changes in the nature of the Group's principal activity during the financial year.

RESULTS

The result for the year ended 31 December 2022 attributable to members of the Company was a net loss after tax of \$2,293,261 (year ended 31 December 2021 loss: \$1,660,089).

DIVIDENDS

No amounts have been paid or declared by way of dividend during or since the end of the financial year.

REVIEW OF OPERATIONS

Corporate

The following events summaries the major corporate activities during the year:

On 5 January 2022, the Company completed a capital raising of \$4.0 million before costs via the issue of 137,931,034 fully paid ordinary shares at \$0.029 per share with 45,977,011 free attaching unlisted options exercisable at \$0.04 and expiring 3 December 2024. As of 31 December 2022, 9,030,119 options had been exercised at \$0.04 per option, generating an additional \$368,101 in capital.

On 17 February 2022, the Company completed a placement to sophisticated and institutional investors raising \$12.5 million before costs via the issue of 147,058,824 fully paid ordinary shares at \$0.085 per share.

On 28 November 2022, the Company completed a placement of CAD\$6.1 million (AUD\$6.7 million) before costs, via the issue of 84,316,627 fully paid ordinary shares at an issue price of CAD\$0.0718 (AUD\$0.08) per share ("Flow-Through Shares" or "New Shares") as Canadian 'flow-through shares', which provide tax incentives to investors for expenditures that qualify as flow-through critical mineral

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mining expenditures under the Income Tax Act (Canada). The Flow-Through Shares were issued at a 45% premium to market pursuant to the Canadian flow-through shares regimes.

Lithium Project Acquisitions

In January 2022, the Company completed the acquisition of a 100% interest in the Mavis Lake Lithium Project in consideration for:

- \$1.5 million cash payment to the Sellers;
- the issue of 68,000,000 fully paid ordinary shares in the Company to the Sellers (or their nominees) at an issue price of \$0.022 per share (a deemed value of \$1.496 million) ("Consideration Shares");
- the issue \$200,000 in fully paid ordinary shares in Company to the deal Facilitator, using 15 day volume weighted average price ("VWAP") up to a maximum of 8,000,000 fully paid ordinary shares; and
- the Payment of deferred consideration upon milestones based on definition of a JORC Compliant Resource.

In February 2022, the Company completed the acquisition of a 100% interest in the Graphic Lake Lithium Project in Ontario, Canada in consideration for;

- a \$80,000 cash payment (including A\$10,000 paid as an option fee);
- the issue A\$120,000 in fully paid ordinary shares in the Company to the Seller (or their nominee) calculated at a 20-day VWAP; and
- the issue of a 1.5% Net Smelter Royalty ("NSR") capped at C\$500,000 with the option to purchase at any time for C\$500,000.

In December 2022, the Company announced a binding purchase and sale agreement with TSX-V listed Power Metals Corp to acquire a 100% interest in the Gullwing Tot Lakes property which is adjacent to Mavis Lake. On 5 January 2023, following cash and share payments, the mining claims were transferred to the Company completing the acquisition. The key transaction terms were:

- AUD\$0.66 million (CAD\$0.6 million) cash payment to the Sellers;
- the issue of AUD\$0.66 million (CAD\$0.6 million) in shares in Critical Resources to the Sellers (or their nominees) of deemed value (issued 30 December 2022); and
- agreement to a 1% Gross Margin Royalty for mineral production within the mining claims acquired by the Company.

Strategic investment in downstream industry

In March 2022, the Company completed a CAD\$1 Million (AUD\$1,087,488) investment into Volt Carbon Technologies ("Volt") (TSXV: VCT), a battery technology company focussed on high-performance, solid-state lithium-ion battery development, and scalable air classification technologies for natural graphite beneficiation.

The Company has been issued 8,000,000 Common Units in Volt. Each Common Unit consists of one common share in the capital of Volt (each a "Share") at a price of C\$0.125 per Share and one half of one (0.5) common share purchase warrant ("Warrant"). The issued warrants have an exercise price of C\$0.25 per warrant and, expire on 28 February 2024.

Environmental, Social and Governance ("ESG") and Sustainability

The Company engaged consultants and continued efforts to support the development of its ESG and Sustainability plans. Core themes that will guide the Company's efforts centre around engagement and relationships with First Nations and Communities in which the Company operates, as well as robust environmental management.

Exploration

A brief overview of each of the existing projects and the work conducted during the course of the year and up to the date of this report is as follows:

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LITHIUM PROJECTS - CANADA

Mavis Lake Lithium Project, Canada

During the year, the Company commenced its inaugural drilling program at the Mavis Lake Lithium Project in Ontario.

Drilling began in April and initially focused on tightly spaced drill pads, with 50m drill hole spacing, that were designed to test the continuity of mineralisation identified by the vendors of the project. Initial drilling delivered successful intercepts of spodumene-bearing pegmatite and the Company increased its drilling program balancing exploration style drilling with more deliberate infill/resource definition drilling.

Throughout the year, intercepts of spodumene bearing pegmatite (confirmed through both initial visual assessment and independent assay results) confirmed high-grade mineralisation at Mavis Lake and also allowed for significant extension of the known strike length of the Mavis Lake Main Zone.

Exceptional results received include:

- Drill Hole MF22-81 with 14.7m @1.09% Li₂O from 146m downhole
- Drill Hole MF22-82 with 13.2m @1.3% Li₂O from 163m downhole
- Drill hole MF22-116 with 24.1m @ 1.62% Li₂O from 53m downhole, 8.15m @ 1.70% Li₂O (including 1m @ 4.32% Li₂O) and 8.7m @ 2.18% Li₂O
- Drill hole MF22-117 with 23.9m @ 1.55% Li₂O from 112m downhole (including 3.8m @ 3.09% Li₂O)
- Drill Hole MF22-121 with 20.8m @1.92% Li₂O from 45.25m downhole
- Drill Hole MF22-123 with 6.2m @2.15% Li₂O from 50.9m downhole
- Drill hole MF22-116 with 24.1m @ 1.62% Li₂O from 53m downhole, 8.15m @ 1.70% Li₂O (including 1m @ 4.32% Li₂O) and 8.7m @ 2.18% Li₂O

In December 2022 quarter resource modelling work commenced to delineate a JORC 2012 compliant Maiden Mineral Resource Estimate ("MRE") for Mavis Lake. The Company also commenced initial metallurgical test work and baseline environmental studies to support transitioning the project from exploration to development.

Graphic Lake Lithium Project, Canada

During the year, the Company commenced a field work program at the Graphic Lake lithium project in Ontario. The program consisted of biogeochemical and lithogeochemical sampling and outcrop mapping to support the identification of prospective lithium-bearing targets for drilling. The samples were submitted to an independent laboratory at the completion of the program, the Company is awaiting the results from the sampling program.

Plaid and Whiteloon Lake Projects, Canada

During the year, the Company staked land to form the Plaid and Whiteloon Lake Projects, the total project area is approximately 5,700 Ha and is in the close proximity to a number of well-known lithium exploration projects.

HALLS PEAK PROJECT - AUSTRALIA

Gibsons and Sunnyside Prospects

Drilling began at Gibsons' on 22 November 2021, the drilling program was designed to extend known mineralisation and confirm the potential for a large scale sedex deposit with an emphasis on discovery at depth. The Company completed 20 drill holes at Gibsons prospect at the Halls Peak Project in New South Wales.

Gibsons' assay results received during the year confirmed all thirteen holes (assayed to 30 June 2022) together with three additional holes assayed subsequent, intersected significant intervals of zinc, lead, copper and silver bearing sulphide mineralisation. Notably, mineralisation at depth continued to build

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on and expand the potential of the Halls Peak System as a large mineralised system with numerous widespread high-grade zinc-lead-copper-silver deposits.

The drilling program at Halls Peak concluded in early October 2022, after the Sunnyside Prospect was drilled. With all assay results for the Project received, the Company has engaged an external consultant to commence resource modelling works to confirm the current size and scale of a potential of the Halls Peak Project.

SOHAR COPPER PROJECT (BLOCK 4 and BLOCK 5) - OMAN

During the September 2022 quarter, Block 4 and Block 5 Exploration Licences were extended to 18 June 2023 by the Ministry of Energy and Minerals, Sultanate of Oman. Exploration and evaluation work progressed during the year. With a 2012 JORC compliant resource of 0.84Mt at 3.4% Cu on Block 5, commercial discussions regarding the Sohar Project continue with a range of interested parties.

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Table 1: Mahab 4 Deposit JORC Resources

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	298,000	0.7	0.03	1	2,100	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	22,900	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	820,000	3.4	0.2	8	28,000	5,900	219,000

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PROJECT GENERATION

The Company continues to assess additional exploration projects capable of rapid value uplift to be realised with judicious exploration activity. Through the acquisition of such projects the Company aims to add further value for shareholders.

QUALIFYING STATEMENTS

Compliance Statement

This report contains information on the Mavis Lake Lithium Project, Canada extracted from ASX market announcements dated 28 April 2022, 4 May 2022, 11 May 2022, 17 May 2022, 20 May 2022, 31 May 2022, 16 June 2022, 22 June 2022, 7 July 2022, 14 July 2022, 21 July 2022, 2 August 2022, 9 August 2022, 15 August 2022, 17 August 2022, 25 August 2022, 13 September 2022, 28 September 2022, 24 October 2022, 31 October 2022, 10 November 2022, 13 December 2022 and 21 December 2022, and reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX market announcements.

This report contains information on the Halls Peak Project, Australia extracted from ASX market announcements dated 11 January 2022, 9 February 2022, 21 February 2022, 5 April 2022, 23 May 2022 and 26 May 2022 and 1 August 2022 and reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX market announcement.

Annual Mineral Resources Statement

The Company's Mineral Resources Statement has been compiled and is reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code") and Chapter 5 of the ASX Listing Rules. As at 31 December 2022, the Block 5 has a Mineral Resource Estimate as defined in Tables 1-3 above. The Company's other projects do not have a Resources estimate. Company's governance and internal controls for reporting its Mineral Resources Estimate includes annual reporting and in compliance with 2012 JORC Code and ASX Listing Rules. The Competent Person is suitably qualified and experienced as defined by 2012 JORC Code.

Critical Resources confirms that it is not aware of any new information or data that materially affects the information included in this report and that all material assumptions and technical parameters underpinning the Mineral Resource estimate in the ASX announcement "Force to Acquire High Grade Copper Projects in Oman" released on 1 September 2020 continued to apply and have not material changed.

The information in this report that relates to Mineral Resources for the Block 5 projects in Oman is based on information compiled by Mr Michael Leu, a Competent Person who is a Fellow of the Australasian Institute of Mining and Metallurgy. 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 consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward looking statements

This report may contain certain forward looking statements and projections. Such forward looking statements/projections are estimates This report 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

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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.

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INFORMATION ON DIRECTORS

Robert Martin	Non-Executive Chairman (<i>appointed 4 February 2021</i>)
Qualifications	Not applicable
Experience	<p>Mr Martin is a successful businessman and accomplished company director with over 25 years' experience across a broad range of sectors including, mining and mining services, manufacturing and capital markets. Mr. Martin has a profound insight into corporate strategy, capital operation, management integration and business structures and efficiencies. Recently Mr Martin had owned and operated large and highly successful mining services business with offices in multiple jurisdictions globally.</p> <p>After multiple years of growth on revenue, profitability and expansion the company was acquired by a prominent Perth business. Mr Martin now runs a family office in Western Australia with a focus on investing and supporting emerging private and public businesses. Mr Martin currently holds positions in publicly listed companies: Non-Executive Director of Parkd Limited (ASX: PKD), Non-Executive Chairman for Battery Age Minerals Limited (ASX: BM8), Non-Executive Chairman of Equinox Resources Limited (ASX: EQN) and as Non-Executive Director of TSX-V listed Volt Carbon Technologies (TSX-V: VCT).</p>
Special Responsibilities	Nil
Current Directorships of other ASX Listed Companies	Parkd Limited, Battery Age Minerals Limited, Equinox Resources Limited
Former Directorships of other ASX Listed Companies in the Last Three Years	Suvo Strategic Minerals Limited
Alex Cheeseman	Non-Executive Director (<i>appointed 6 January 2022</i>) Managing Director (<i>appointed 10 October 2022</i>)
Qualifications	Master's degree in Capability Development and Acquisition, Bachelor of Science (Physics), Advanced Diploma (Administration), and Diploma of Government Services (Complex Procurement).
Experience	Mr Cheeseman is an executive leader and company director with over 20 years' experience in leadership and management across a range of industries. Having held a broad range of project and operational roles, the last 10 years has been focussed on the resources sector, specifically project development, commercial optimisation and marketing. Mr Cheeseman has extensive lithium industry experience having been intimately involved with project delivery, commissioning and ramp-up to commercial production and marketing of the former Altura Pilgangoora operations.
Special Responsibilities	Nil
Current Directorships of other ASX Listed Companies	Nil

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Former Directorships of other ASX Listed Companies in the Last Three Years

Nil

Michael Leu

Non-Executive Director (*appointed 4 February 2021*)

Qualifications

Bachelor of Science (Hons 1, Geology), MAIG, MAusIMM

Experience

Mr Leu has over 40 years geological experience and has held managerial roles including Chief Geologist, CEO and Managing Director of ASX Listed exploration companies. His skills include strategic planning, execution and mining across a range of mineral commodities.

Special Responsibilities

Nil

Current Directorships of other ASX Listed Companies

Nil

Former Directorships of other ASX Listed Companies in the Last Three Years

Nil

John Markovic

Non-Executive Director (*appointed 12 August 2022*)

Qualifications

Not applicable

Experience

Mr Markovic is a successful private property developer and investor with over 30 years' of experience. Mr Markovic is currently the Managing Director for a number of private companies, including JGM Property Investments Pty Ltd, who have ownership of substantial industrial and commercial property portfolios in New South Wales. Throughout his career, Mr Markovic has been involved in numerous entrepreneurial technology and property start-ups as an early-stage investor and advisor.

Special Responsibilities

Nil

Current Directorships of other ASX Listed Companies

Nil

Former Directorships of other ASX Listed Companies in the Last Three Years

Nil

Alexander Biggs

Managing Director (*resigned 15 July 2022*)

Qualifications

BEng (Hons) Mining Engineering, HNC Mechanical Engineering, MAusIMM

Experience

Mr Biggs is a qualified Mining Engineer, with experience in a range of industries.

Special Responsibilities

Nil

Current Directorships of other ASX Listed Companies

Nil

Former Directorships of other

Nil

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ASX Listed Companies in the
Last Three Years

Jihad Malaeb	Non-Executive Director (<i>resigned 12 August 2022</i>)
Qualifications	Not applicable
Experience	Mr Malaeb is a successful businessman with 25 years' experience running businesses in the construction industry, hotel industry and managing commercial properties.
Special Responsibilities	Nil
Current Directorships of other ASX Listed Companies	R3D Resources Limited
Former Directorships of other ASX Listed Companies in the Last Three Years	Nil

DIRECTOR HOLDINGS

Directors holdings as at date of this report are:

Directors	Shares	Options	Performance Rights
Robert Martin	11,968,390	-	-
Alex Cheeseman	2,000,000	-	14,000,000
Michael Leu	7,206,897	402,298	-
John Markovic	86,959,476	4,597,701	-

MEETINGS OF DIRECTORS

The number of Directors' Meetings and the number of meetings attended by each of the Directors of the Company during the year were:

Directors	Directors Meetings	
	Held whilst in office	Attended
Robert Martin	9	9
Alex Cheeseman	9	9
Michael Leu	9	9
John Markovic	3	3
Alexander Biggs	5	5
Jihad Malaeb	6	6

REMUNERATION REPORT - AUDITED

This remuneration report outlines the remuneration arrangements of the Group for the year ended 31 December 2022 in accordance with the requirements of Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by Section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for Key Management Personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent.

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For the purposes of this report, the term "executive" includes the Managing Director (MD), executive directors (where applicable) and senior executives of the Group.

The Group sets remuneration that is market competitive and complementary to the reward strategy of the Group, without the use of independent remuneration consultants.

A. Remuneration Governance

The Board of Directors is responsible for the remuneration practices of the Group.

The Board of Directors has determined that a separate Remuneration Committee is not necessary at this time due to the size of the Group and the scale and nature of its operations.

B. Remuneration Policy

The remuneration policy of the Group has been designed to align Director and executive objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates and offering specific incentives, from time to time, that are based on share price and key performance areas affecting the Group's financial results.

The Board of Directors of Critical believes the remuneration policy is appropriate and effective in its ability to attract, retain and motivate suitably qualified and experienced Directors and executives to run and manage the Group, as well as create goal congruence between the Directors, executives and the Company's shareholders.

C. Remuneration Arrangements

All executives receive a base salary or allowance (which is based on factors such as length of service and experience). Executive and Non-Executive remuneration may also incorporate a component of performance based remuneration.

The Board reviews executive packages annually by reference to the economic entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

Non-Executive directors are remunerated at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to Non-Executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$300,000).

The Board of Directors may exercise discretion in relation to approving incentives, bonuses and options.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed. Options are independently valued by corporate advisers using the Black-Scholes method and performance rights using the barrier up-and-in trinomial pricing model.

D. Performance Based Remuneration

The Company believes that linking the remuneration of Directors and executives with performance will be effective in increasing shareholder wealth.

From time to time, the Board of Directors may establish performance targets and a bonus system for the purposes of providing directors and executives with short-term and long-term performance incentives. Such incentives are offered to increase goal congruence between shareholders and directors and executives.

E. Performance Summary

The tables below set out summary information about Company's earnings and movements in shareholder wealth for the five years to 31 December 2022:

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	2022	2021	2020	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000
Other Income	794	-	205	285	50
Comprehensive loss before and after tax	(2,293)	(1,660)	(807)	(4,537)	(10,917)
Share price at start of year	\$0.040	\$0.022	\$0.014	\$0.015	\$0.080
Share price at end of year	\$0.043	\$0.040	\$0.022	\$0.014	\$0.015
Dividend	-	-	-	-	-
Cash and cash equivalents	8,573	4,768	1,846	9	399
Basic (loss) per share	(\$0.16)	(\$0.16)	(\$0.12)	(\$0.094)	(\$0.022)
Diluted /(loss) per share	(\$0.16)	(\$0.16)	(\$0.12)	(\$0.094)	(\$0.022)

F. No Hedging Contracts

The Company does not permit executives to enter into contracts to hedge their exposure to options or performance rights to shares granted as part of their remuneration package.

G. Securities Trading Policy

The Board has in place a Securities Trading Policy to ensure that:

- any dealings in securities by the Directors, employees and contractors comply with legal and regulatory obligations (including the prohibition against insider trading); and
- the Company maintains market confidence in the integrity of dealings in its securities.

H. Details of Remuneration

Compensation of key management personnel for the year ended 31 December 2022

2022	SHORT-TERM BENEFITS			POST EMPLOYMENT	SHARE-BASED PAYMENT	TOTAL	SHARE-BASED PAYMENT
	Salary & Fees	Termination Payment	Other	Super-annuation			as a % of TOTAL
	\$	\$	\$	\$	\$	\$	
Directors							
Robert Martin - Non-Executive Chairman	72,000	-	-	-	149,984	221,984	68
Alex Cheeseman - Managing Director (i)	125,853	-	-	6,583	195,118	327,554	60
Michael Leu - Non-Executive Director (vi)	149,700	-	-	-	149,984	299,684	50
John Markovic - Non-Executive Director (ii)	18,640	-	-	-	-	18,640	-
Alexander Biggs - Managing Director (iii)	230,762	-	-	17,666	(33,610)	214,818	(16%)
Jihad Malaeb - Non-Executive Director (iv)	38,000	-	-	-	149,984	187,984	80
Total remuneration directors 2022	634,955	-	-	24,249	611,460	1,270,664	48
Specified Executives							
Milan Bogunovic - CFO (v)	132,718	-	-	13,733	-	146,451	-
Total remuneration specified executives 2022	132,718	-	-	13,733	-	146,451	-
Total key management personnel 2022	767,673	-	-	37,982	611,460	1,417,115	43

- (i) Appointed 6 January 2022 as Non-Executive Director and 10 October 2022 as Managing Director.
(ii) Appointed 12 August 2022 as Non-Executive Director.
(iii) Resigned 15 July 2022.
(iv) Resigned 12 August 2022.

CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES FOR THE YEAR ENDED 31 DECEMBER 2022 DIRECTORS' REPORT

(v) Appointed 1 March 2022.

(vi) Non-Executive Director fee of \$48,000 per annum, with balance relating to his consulting services.

Compensation of key management personnel for the year ended 31 December 2021

2021	SHORT-TERM BENEFITS			POST EMPLOY- MENT	SHARE- BASED PAYMENT	TOTAL	SHARE- BASED PAYMENT
	Salary & Fees \$	Termination Payment \$	Other \$	Super- annuation \$	\$	\$	as a % of TOTAL
Directors							
Robert Martin - Non-Executive Chairman (i)	66,000	-	-	-	20,016	86,016	23
Alexander Biggs - Managing Director (vi)	119,321	-	-	11,468	117,410	248,199	47
Jihad Malaeb - Non-Executive Director	47,000	-	-	-	20,016	67,016	30
Michael Leu - Non-Executive Director (iv)	61,800	-	-	-	20,016	81,816	24
Jeremy Whybrow - Non-Executive Director (iii)	39,750	-	-	-	-	39,750	-
Jess Oram - Non-Executive Chairman (ii)	4,145	-	-	-	-	4,145	-
David Sproule - Non-Executive Director (v)	2,727	-	-	-	-	2,727	-
Total remuneration directors 2021	340,743	-	-	11,468	177,458	529,669	34
Specified Executives							
Simon Pooley - CEO (vii)	76,849	-	-	7,125	-	83,974	-
Total remuneration specified executives 2021	76,849	-	-	7,125	-	83,974	-
Total key management personnel 2021	417,592	-	-	18,593	177,458	613,643	29

(i) Appointed 4 February 2021.

(ii) Resigned 4 February 2021.

(iii) Appointed 1 March 2021, resigned 15 November 2021. Includes \$34,000 in Non-Executive Director fees and \$5,750 for consulting services provided.

(iv) Appointed 4 February 2021. Includes \$44,000 in Non-Executive Director fees and \$17,800 for consulting services provided.

(v) Resigned 4 February 2021.

(vi) Appointed 8 June 2021 as Chief Executive Officer and on 15 November 2021 as Managing Director. Includes \$4,000 in Board fees with \$115,321 relating to salary as Chief Executive Officer and subsequently as Managing Director.

(vii) Resigned 26 February 2021.

Compensation options granted to key management personnel

Options issued to key management personnel during 2022 are disclosed in the Options table below. For further details on options refer to Note 22.

Compensation performance rights granted to key management personnel

Performance Rights shares issued to key management personnel during 2022 are disclosed in the Performance Rights table below. For further details on performance rights refer to Note 23.

Performance Rights held by Directors and key management personnel during the year ended 31 December 2022

2022	Year Granted	Balance at the beginning of the year	Granted during the year	Vested	Forfeited	Balance at 31 December 2022
Directors						
Robert Martin	2021	6,000,000	-	(6,000,000)	-	-
Alex Cheeseman (i)	2022	-	6,000,000	(2,000,000)	-	4,000,000
Michael Leu	2021	6,000,000	-	(6,000,000)	-	-

CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES FOR THE YEAR ENDED 31 DECEMBER 2022 DIRECTORS' REPORT

John Markovic	2021	-	-	-	-	-
Alexander Biggs	2021	10,000,000	-	-	(10,000,000)	-
Jihad Malaeb	2021	6,000,000	-	(6,000,000)	-	-
Specified Executives						
Milan Bogunovic (v)	-	-	-	-	-	-
Total		28,000,000	6,000,000	(20,000,000)	(10,000,000)	4,000,000

- (i) 4,000,000 performance rights granted in capacity as Non-Executive Director were cancelled on 13 January 2023. 14,000,000 performance rights granted in capacity as Managing Director were issued on 13 January 2023.

Option Holdings of Directors and Key Management Personnel as at 31 December 2022

The numbers of options over ordinary shares in the company granted under the executive short term incentive scheme that were held during the financial year by each director and the key management personnel of the Group, including their personally related parties, are set out below.

2022	Balance at beginning	Acquired	Exercised	Forfeited on resignation	Holding on Resignation/ appointment	Balance at 31 December 2022	Exercisable	Not Exercisable
Directors								
Robert Martin	-	804,597	(804,597)	-	-	-	-	-
Alex Cheeseman	-	-	-	-	-	-	-	-
Michael Leu	-	402,298	-	-	-	402,298	402,298	-
John Markovic	-	-	-	-	4,597,701	4,597,701	4,597,701	-
Alexander Biggs	7,600,000	-	-	(7,600,000)	-	-	-	-
Jihad Malaeb	2,500,500	1,724,137	-	-	4,224,637	-	-	-
Specified Executives								
Milan Bogunovic	-	229,885	-	-	229,885	229,885	229,885	-
Total	10,100,500	3,160,917	(804,597)	(7,600,000)	9,052,223	5,229,884	5,229,884	-

Shareholdings of Directors and Key Management Personnel as at 31 December 2022

2022	Balance at Beginning	Acquired	Acquired on vesting of performance rights	Disposed	Holding on Resignation/ Appointment	Balance at 31 December 2022
Directors						
Robert Martin	1,750,000	4,218,390	6,000,000	-	-	11,968,390
Alex Cheeseman	-	-	2,000,000	-	-	2,000,000
Michael Leu	-	1,206,897	6,000,000	-	-	7,206,897
John Markovic	-	-	-	-	86,959,476	86,959,476
Alexander Biggs	109,600	689,655	-	-	799,255	-
Jihad Malaeb	76,542,103	5,172,414	6,000,000	-	87,714,517	-
Specified Executives						
Milan Bogunovic	-	-	-	-	689,655	689,655
Total	78,401,703	11,287,356	20,000,000	-	176,162,903	108,824,418

All equity transactions with key management have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

I. Service Agreements

Robert Martin - Chairman

The key terms of Mr Martin's service contract are:

- Non-Executive Chair fee of \$72,000 per annum.
- No notice period.
- No termination benefit entitlement.

Alex Cheeseman – Non-Executive Director (appointed 6 January 2022) and Managing Director (appointed 10 October 2022)

The key terms of Mr Cheeseman's service contract are:

- \$300,000 plus superannuation per annum.
- 3 month's notice period.

CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES FOR THE YEAR ENDED 31 DECEMBER 2022 DIRECTORS' REPORT

- Fee of \$48,000 per annum from commencement as Non-Executive Director, replaced by fee of \$60,000 per annum from commencement as Managing Director.
- Performance shares; For further details on performance shares refer to Note 23.

Michael Leu

The key terms of Mr Leu's service contract are:

- Non-Executive Director fee of \$48,000 per annum.
- No notice period.
- No termination benefit entitlement.

John Markovic (appointed 12 August 2022)

The key terms of Mr Markovic's service contract are:

- Non-Executive Director fee of \$48,000 per annum.
- No notice period.
- No termination benefit entitlement.

Alexander Biggs – Chief Executive Officer (resigned as Managing Director 15 July 2022)

The key terms of Mr Bigg's service contract are:

- \$300,000 plus superannuation per annum.
- 1 month's notice period.
- Options; For further details on options refer to Note 22.
- Performance shares; For further details on performance shares refer to Note 23.

Jihad Malaeb – Non-Executive Director (resigned 12 August 2022)

The key terms of Mr Malaeb's service contract are:

- Non-Executive Director fee of \$48,000 per annum.
- No notice period.
- No termination benefit entitlement.

Milan Bogunovic – Chief Financial Officer (appointed 1 March 2022)

The key terms of Mr Bogunovic's service contract are:

- \$160,000 plus superannuation per annum.
- 3 month's notice period.

J. Other transactions with key management personnel

The following transactions occurred with Director related parties:

Accrued liabilities owing to Mr Alex Cheeseman were \$5,000 net of GST in relation to his services as Managing Director for the current year (2021: \$0).

Accrued liabilities owing to Mr Michael Leu were \$4,000 net of GST in relation to his services as Non-Executive Director for the current year (2021: \$0).

Mr Michael Leu was paid \$101,700 net of GST in relation to his consulting services in the current year (2021: \$17,800).

Voting and comments made at the Company's 2022 Annual General Meeting (AGM)

At the 2022 AGM, 99.7% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2021. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

End of audited remuneration report

CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES FOR THE YEAR ENDED 31 DECEMBER 2022 DIRECTORS' REPORT

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group proposes to continue its exploration activities across its various mineral industry interests. Other than the information disclosed in this report, further information in relation to likely developments and the impact on the operations of the Group has not been included because the directors believe it would be likely to result in unreasonable prejudice to the Group.

SHARES UNDER OPTION

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Class	Date options granted	Expiry Date	Exercise Price	No. of options
Options	5 January 2022	3 December 2024	\$0.04	47,352,226

No option holder has any right under the options to participate in any other share issue of the company or any other entity.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, apart from:

- On 5 January 2023, following cash and share payments, the mining claims were transferred to the Company completing the acquisition. The key transaction terms were:
 - AUD\$0.66 million (CAD\$0.6 million) cash payment to the Sellers;
 - the issue of AUD\$0.66 million (CAD\$0.6 million) in shares in Critical Resources to the Sellers (or their nominees) of deemed value (issued 30 December 2022); and
 - agreement to a 1% Gross Margin Royalty for mineral production within the mining claims acquired by the Company.
- On 13 January 2023, 4,000,000 performance rights granted to Mr Alex Cheeseman in capacity as Non-Executive Director were cancelled, and 14,000,000 performance rights granted in capacity as Managing Director were issued.
- On 28 February 2023, 4,422,253 options at \$0.04 with an expiry of 3 December 2024 were exercised, raising \$176,890 in capital.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

ENVIRONMENTAL REGULATIONS

The Group is subject to significant environmental regulation in respect of its exploration activities as follows:

- The Company's operations in the State of New South Wales involve exploration activities. These operations are governed by the *Environment Planning and Assessment Act 1979*.
- The Company's operations in Canada are governed by environmental regulations under the Canadian laws.
- The Company operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of the shareholders, employees and suppliers.
- The Company aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation. The Directors are mindful of the regulatory regime in relation to the impact of the Company's activities on the environment.
- To the best of the directors' knowledge, the Group has adequate systems in place to ensure compliance with the requirements of all environmental legislation described above and are not aware of any breach of those requirements during the financial year and up to the date of the Directors' Report.

CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES FOR THE YEAR ENDED 31 DECEMBER 2022 DIRECTORS' REPORT

INDEMNIFYING OFFICERS OR AUDITOR

The Group has agreed to indemnify all the directors and executive officers for any costs or expenses that may be incurred in defending civil and criminal proceedings that may be brought against them in their capacity as directors and officers for which they may be held personally liable. A confidentiality clause in the insurance contract prohibits disclosure of the amount of the premium and the nature of insured liabilities. The Company has not entered into any agreement to indemnify BDO Audit (WA) Pty Ltd against any claims by third parties arising from their report on the annual financial report.

AUDITOR

Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed (if any) did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Details of the amounts paid or payable to the auditor BDO Audit (WA) Pty Ltd and related entities for audit services provided during the year are set out in Note 7 to the financial Statements. There were no non-assurance services provided during the year.

CORPORATE GOVERNANCE STATEMENT

Critical Resources Limited and its controlled entities (the Group) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders. The Directors are responsible to the shareholders for the performance of the Group in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed. ASX Listing Rule 4.10.3 requires listed companies to disclose the extent to which they have complied with the ASX Best Practice Recommendations of the ASX Corporate Governance Council in the reporting period. The Company has disclosed this information on its website at www.criticalresources.com.au/about/#corporate-governance. The Corporate Governance Statement is current as at 31 December 2022, and has been approved by Directors. The Company website at www.criticalresources.com.au contains a corporate governance section that includes copies of the Company's corporate governance charters and policies.

AUDITOR

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001. There are no officers of the company who are former partners of BDO Audit (WA) Pty Ltd.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 20 for the year ended 31 December 2022. This report is made in accordance with a resolution of directors.



Mr Robert Martin
Non-Executive Chairman
Perth, Western Australia
10 March 2023

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF CRITICAL RESOURCES LIMITED

As lead auditor of Critical Resources Limited for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Critical Resources Limited and the entities it controlled during the period.



Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth,

10 March 2023

**CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 \$	2021 \$
Continuing Operations			
Interest income		45,171	4,616
Other income	5	793,855	-
Administrative expenses	6a	(985,134)	(486,538)
Consulting and staff costs	6b	(1,464,110)	(671,979)
Depreciation		(1,479)	(14,318)
Share-based payments	26	(674,608)	(186,681)
Finance costs	6c	(6,956)	(305,189)
Loss before income tax expense		(2,293,261)	(1,660,089)
Income tax expense		-	-
Loss for the year		(2,293,261)	(1,660,089)
Other comprehensive income			
Revaluation and foreign exchange (decreases) on financial assets		(321,918)	-
Exchange difference on translating foreign operations		116,840	73,457
Total other comprehensive loss for the year, net of tax		(2,498,339)	(1,586,632)
Net loss for the year is attributed to:			
Loss attributable to owners		(2,248,142)	(1,660,089)
Non-controlling interests		(45,119)	-
Net loss for the year		(2,293,261)	(1,660,089)
Total comprehensive loss for the year is attributed to:			
Loss attributable to owners		(2,500,680)	(1,662,008)
Non-controlling interests		2,343	75,376
Total comprehensive loss for the year		(2,498,339)	(1,586,632)
Loss per share			
Basic and diluted loss per share (cents per share)	24	(0.16)	(0.16)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Notes	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	8,573,127	4,768,404
Trade and other receivables	10	233,758	87,442
Other assets	11	799,403	416,429
Total current assets		9,606,288	5,272,275
Non-current assets			
Plant and equipment		16,858	1,547
Exploration and evaluation assets	12	19,565,051	2,769,008
Right-of-use assets		141,872	-
Financial assets	13	814,570	-
Total non-current assets		20,538,351	2,770,555
Total assets		30,144,639	8,042,830
LIABILITIES			
Current liabilities			
Trade and other payables	14	1,680,217	1,480,135
Financial liabilities	15	16,502	4,000,000
Flow-through shares premium liability	16	2,207,704	-
Lease liabilities		48,823	-
Provisions	17	1,550,024	-
Total current liabilities		5,503,270	5,480,135
Non-current liabilities			
Lease liabilities		97,772	-
Total non-current liabilities		97,772	-
Total liabilities		5,601,042	5,480,135
Net assets		24,543,597	2,562,695
Equity			
Issued capital	18	70,629,920	46,825,287
Reserves	19	887,924	645,978
Accumulated losses		(47,543,763)	(45,475,743)
Non-Controlling interest	20	569,516	567,173
Total equity		24,543,597	2,562,695

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 \$	2021 \$
Cash flows from operating activities			
Interest received		45,171	4,616
Payments to suppliers and employees		(2,343,538)	(1,271,840)
Interest paid		-	(6,658)
Net cash flows used in operating activities	25	(2,298,367)	(1,273,882)
Cash flows from investing activities			
Acquisition of subsidiary – cash held		9,471	-
Payments for acquisitions		(1,633,748)	-
Payments for financial assets		(1,087,488)	-
Payments for exploration and evaluation		(9,317,050)	(950,978)
Payments for plant, property and equipment		(16,790)	(2,525)
Mavis Lake acquisition		-	(399,653)
GullwingTot Lakes acquisition		(59,373)	-
Net cash flows used in investing activities		(12,104,978)	(1,353,156)
Cash flows from financing activities			
Funds held in trust		-	4,000,000
Proceeds from issue of shares – exercise of options		451,451	1,548,889
Proceeds from issue of shares – placement		12,500,000	-
Proceeds from issue of shares – flow-through		6,672,011	-
Share issue costs		(1,353,354)	-
Payments for insurance funding		(38,770)	-
Payments of lease liabilities		(18,000)	-
Net cash flows from financing activities		18,213,338	5,548,889
Net increase in cash and cash equivalents		3,809,993	2,921,851
Cash and cash equivalents at beginning of year		4,768,404	1,846,553
Effects of exchange rate changes on cash and cash equivalents		(5,270)	-
Cash and cash equivalents at year end	9	8,573,127	4,768,404

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

**CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Issued Capital	Reserves	Accumulated Losses	Non- Controlling Interest	Total Equity
	\$	\$	\$		\$
Balance at 1 January 2021	45,277,303	4,647,064	(48,372,673)	491,797	2,043,491
Loss for the year	-	-	(1,660,089)	-	(1,660,089)
Other comprehensive income/(loss) for the year	-	(1,919)	-	75,376	73,457
Total comprehensive loss for the year	-	(1,919)	(1,660,089)	75,376	(1,586,632)
Transactions with owners in their capacity as owners					
Options issued		56,258	-	-	56,258
Performance rights		130,423	-	-	130,423
Reserve transfer		(4,546,753)	4,557,019	-	10,266
Share issue costs	(600,905)	360,905	-	-	(240,000)
Shares issued – exercise of options	1,548,889	-	-	-	1,548,889
Shares issued – settlement of debt	600,000	-	-	-	600,000
Balance at 31 December 2021	46,825,287	645,978	(45,475,743)	567,173	2,562,695
Balance at 1 January 2022	46,825,287	645,978	(45,475,743)	567,173	2,562,695
Loss for the year	-	-	(2,248,142)	(45,119)	(2,293,261)
Other comprehensive income/(loss) for the year	-	(252,540)	-	47,462	(205,078)
Total comprehensive loss for the year	-	(252,540)	(2,248,142)	2,343	(2,498,339)
Transactions with owners in their capacity as owners					
Options issued	-	27,542	-	-	27,542
Performance rights	-	647,066	-	-	647,066
Reserve transfer	-	(180,122)	180,122	-	-
Share issue costs	(1,113,354)	-	-	-	(1,113,354)
Shares issued – exercise of options	451,451	-	-	-	451,451
Shares issued – acquisitions	3,750,705	-	-	-	3,750,705
Shares issued – Placement	16,500,000	-	-	-	16,500,000
Shares issued – Flow-through	4,215,831	-	-	-	4,215,831
Balance at 31 December 2022	70,629,920	887,924	(47,543,763)	569,516	24,543,597

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards ("AASBs") (including Australian Accounting Interpretations), as adopted by the Australian Accounting Standards Board ("AASB"), other authoritative pronouncements of the AASB and the Corporations Act 2001. Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of Critical Resources Limited complies with International Financial Reporting Standards as issued by the International Accounting Standards Board. Comparative information is reclassified where appropriate to enhance comparability.

The functional and presentation currency of the Company is Australian dollars. Critical Resources Limited is a company limited by shares, incorporated and domiciled in Australia.

(i) Historical cost convention

These financial statements have been prepared on an accruals basis and are based on the historical cost convention except where noted in these accounting policies.

(ii) Going concern

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Group's assets and the discharge of its liabilities in the normal course of business.

As at 31 December 2022 the Group held cash and cash equivalents of \$8,573,127 (31 December 2022: \$4,768,404), a working capital surplus of \$4,102,916 (31 December 2022: \$(207,860)), with a net loss after tax for the year ended 31 December 2022 of \$2,293,261 (31 December 2021: \$1,660,089), and net cash outflows from operating activities of \$2,298,367 (31 December 2021: \$1,273,882). The Company is committed to incurring on or before 31 December 2023 qualifying Canadian exploration expenses as defined under the Income Act, Canada ("Qualifying CEE") in the amount equal to the gross proceeds raised in connection with the flow-through share placement.

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

The Group may need to seek additional funding in the coming year to meet its operating expenditure and planned exploration expenditure for the next twelve months from the date of signing these financial statements. The directors are confident of being able to reduce expenditures if required and/or obtain additional funding through raising of additional share capital, proceeds from exercise of options or sale of assets.

Should this not occur, or not occur on a sufficiently timely basis, there is a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Critical Resources Limited (the **parent entity**) as at reporting date and the results of all subsidiaries for the year then ended. Critical Resources Limited and its subsidiaries together are referred to in this financial report as the **Group**.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential

CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The financial performance of those activities is included only for the period of the year that they were controlled.

Intercompany transactions, balances and unrealised gains on transactions between consolidated entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

(c) Share-based Payment Transactions for the acquisition of goods and services

Share-based payment arrangements in which the Group receives goods or services as in exchange for its own equity instruments are accounted for as equity-settled share-based payment transactions. The Group measures the value of equity instruments granted at the fair value of the goods and services received, unless that fair value cannot be measured reliably.

If the fair value of the goods or services cannot be measured reliably, the transaction is measured by reference to the fair value of the instruments granted.

(d) Convertible Notes

Convertible notes (with embedded derivatives), that do not contain an equity component are accounted for as a financial liability through profit or loss with a value equating to the total proceed/face value with no day one gain or loss and subsequently value will change depending on the changes in the share price/ redemption event and or accretion of the value of the discount on the note. If the convertible note is converted, the carrying amounts of the derivative and liability components are transferred to share capital as consideration for the shares issued. If the note is redeemed, any difference between the amount paid and the carrying amounts of liability is recognised in the statement of profit or loss.

(e) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost. Financial liabilities in the former category include contingent consideration payable on business combinations, financial liabilities in the latter category include trade payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Fair value is determined based on the value of the entity's equity instruments when the related business combination takes place.

Subsequent measurement

The measurement of financial liabilities depends on the classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are subsequently measured, at each reporting date, at the fair value of the amount estimated to settle the liability. The increase or decrease in the value of the liability, other than the movements in the value of the liability which arise through part settlement of the liability is recognised in the profit or loss.

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Financial liabilities at amortised cost

Trade and other payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the entity. Trade accounts payable are normally settled within 60 days.

(f) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments. Reporting to management by segments is on this basis.

(g) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer. Revenue is recognised for the major business activities as follows:

Interest Revenue

Interest revenue is recognised as it accrues taking into account the effective yield on the financial asset.

Other Income

Income from other sources is recognised when proceeds or the fee in respect of other products or service provided is receivable. All revenue is stated net of the amount of goods and services tax (GST).

(h) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

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The Company and its wholly owned entities are part of a tax-consolidated group under Australian taxation law. Critical Resources Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

The amounts receivable/payable under tax funding arrangements are due upon notification by the entity which is issued soon after the end of each financial year. Interim funding notices may also be issued by the head entity to its wholly owned subsidiary. These amounts are recognised as current intercompany receivables or payables.

(i) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- receivables and payables are stated with the amount of GST included; and
- the net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis except for the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(j) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting period. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(k) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand and in at call deposits with banks or financial institutions, investment in money market instruments maturing within less than two months, net of bank overdrafts.

(l) Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those measured subsequently at fair value (either through OCI, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will

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either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments: Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

These include trade and other receivables and financial assets at amortised cost

- Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains or losses. Impairment losses are presented as separate line items in the statement of profit or loss.

- FVPL:

Assets that do not meet the criteria for amortised cost are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments: The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Group assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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(m) Property, plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss and other Comprehensive Income during the financial period in which they are incurred.

Depreciation on plant and equipment is calculated using the straight line method, over their estimated useful lives, as follows:

- Plant and equipment 3 – 5 years (depreciation rate 20% to 33.3%)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit or Loss and Other Comprehensive Income.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Exploration and evaluation assets

Costs incurred in the exploration for, and evaluation of, tenements for suitable resources are carried forward as assets provided that one of the following conditions is met:

- the exploration and evaluation expenditures are expected to be recovered through successful development and exploitation of the area of interest, or alternatively by its sale; or
- the exploration and evaluation activities in the area have not, at the end of the reporting period, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and activity and significant operations in the area of interest are continuing.

Each area of interest is assessed for impairment to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Impairment testing is carried out in accordance with Note 1(j).

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mine development properties.

The Board has determined to apply this policy to an area of interest on a case by case basis.

Area of Interest	Accounting Policy
Australia	Capitalisation at cost
Oman	Capitalisation at cost
Canada	Capitalisation at cost

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(p) Contributed equity

Ordinary shares are classified as equity.

(q) Share based payments

Ownership-based remuneration is provided to employees via an employee share option plan. Share-based compensation is recognised as an expense in respect of the services received, measured on a fair value basis.

The fair value of the options at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the Group revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

The fair value of the performance right at grant date is independently determined using a barrier up-and-in trinomial pricing model that takes into account the vesting price, the term of the performance right, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the performance right, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the performance right.

The fair value of the performance rights granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of performance rights that are expected to become exercisable. At each reporting date, the Group revises its estimate of the number of performance rights that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options and performance rights, the balance of the share-based payments reserve relating to those options is transferred to share capital.

(r) Earnings per share (EPS)

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members, adjusted for costs of servicing equity (other than dividends), the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(s) Parent Entity Financial Information

The financial information for the parent entity, Critical Resources Limited, has been prepared on the same basis.

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(t) Accounting policy choice for non-controlling entities

The Group recognises non-controlling interest in an acquired entity either at a fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The decision is made on an acquisition-by-acquisition basis.

(u) Foreign currency translation

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using average exchange rates for the period, or where possible, the exchange rates prevailing at the date of the transaction. Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the year-end exchange rate.

Group companies

The functional currency of the overseas subsidiaries is either US dollars, Canadian dollars, Euros or Omani Rial. The Board of Directors assesses the appropriate functional currency of these entities on an ongoing basis.

(v) Right of use assets and lease liabilities

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made

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to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(w) Trade and other receivables

Trade and other receivables are stated at fair value and subsequently measured at amortised cost, less expected credit losses.

(x) Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(y) Flow-through share premium liability

The flow-through premium liability balance is related to the share placement of flow-through shares as defined under the Income Act of Canada. The Company incurs qualifying Canadian exploration expenses as defined under the Income Act, Canada ("Qualifying CEE") in the amount of in an amount equal to the gross proceeds raised in connection with the flow-through share placement. Pursuant to the terms of the flow through share agreements, the tax deductions associated with the exploration expenditures are renounced to the subscribers. The difference between the value ascribed to flow through shares issued and the value that would have been received for shares with no tax attributes is initially recognised as a liability. When the expenditures are incurred, the liability is reduced and other income is recognised in the statement of profit or loss and other comprehensive income.

(z) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The consolidated entity did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and judgements may differ from the related actual results and may have a significant effect on the carrying amount of assets and liabilities within the next financial year and on the amounts recognised in the financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of exploration and evaluation assets

Exploration and evaluation expenditure is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in or relating to, the area of interest are continuing.

(b) Share-based payment transactions

The Group measures the cost of equity-settled transactions with directors and others by reference to the fair value of the equity instruments at the date at which they are granted. In respect of non-market based vesting conditions, this incorporates associated estimated probability of occurrence of each tranche. Estimates and judgements in relation to share-based payment transactions are disclosed in Note 22 and Note 23.

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(c) *Provisions*

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

3. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

The consolidated entity's principal financial instruments comprise cash and cash equivalents. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the consolidated entity. The consolidated entity also has other financial instruments such as other receivables and creditors which arise directly from its operations. For the year under review, it has been the consolidated entity's policy not to trade financial instruments. The main risks arising from the consolidated entity's financial instruments are interest rate risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(a) *Interest Rate Risk*

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

Consolidated	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest	Non- Interest Bearing	Total
2022	%	\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	0.7%	884,058	-	7,869,069	8,573,127
Trade and other receivables	0.0%	-	-	233,758	233,758
Financial assets	0.0%	-	-	814,570	814,570
		884,058	-	8,917,397	9,621,455
Financial liabilities					
Trade and other payables	0.0%	-	-	1,680,217	1,680,217
Provisions	0.0%	-	-	1,550,024	1,550,024
Lease liabilities	0.0%	-	-	146,595	146,595
Financial liabilities	3.9%	-	16,502	-	16,502
		-	16,502	3,376,836	3,393,338
2021					
Financial assets					
Cash and cash equivalents	0.50%	4,768,404	-	-	4,768,404
		4,768,404	-	-	4,768,404
Financial liabilities					
Loan payable	10%	-	301,562	-	301,562
		-	301,562	-	301,562

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The maturity date for cash included in the above tables is less than one year from the reporting date.

Sensitivity Analysis

The Group's main interest rate risk arises from cash and cash equivalents with various variable interest rates. At 31 December 2022 and 31 December 2021, the Group's exposure to interest rates risk is considered insignificant.

(b) Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors or counterparties to derivative contracts fail to settle their obligations owing to the Group. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. All cash is held with financial institutions with a credit rating of -AA or above.

The maximum exposure to credit risk at reporting date is as follows:

	2022	2021
	\$	\$
Cash and cash equivalents	8,753,127	4,768,404
Trade and other receivables	233,758	87,442
Financial assets	814,570	-
Balance at the end of the year	9,621,455	5,272,275

(c) Foreign currency risk

The group is exposed to fluctuations in foreign currencies arising from exploration commitments in currencies other than the Group's presentational currency (Australian dollars).

The group operates internationally and is exposed to foreign currency exchange risk from currency exposure to the US Dollars (USD), Canadian Dollar (CAD), Omani Rial (OMR). The Group has not yet formalized a foreign currency risk management policy, however it monitors its foreign currency expenditure in light of exchange rate movements and retains the right to withdraw from foreign currency commitments.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2022	2021	2022	2021
Consolidated	\$	\$	\$	\$
Currency				
US dollars	20,236	18,948	-	-
Euro	-	-	10,179	14,695
Canadian dollars	8,230,451	-	370,754	
Omani Rial	236,503	238,176	193,449	185,287

(d) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments that is, borrowing repayments. The Group manages liquidity risk continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial

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assets and liabilities. Due to the dynamic nature of underlying business, the Group aims at ensuring flexibility in its liquidity profile by maintaining the ability to undertake capital raisings. The current trade and other payables are due and payable within 60 days.

Maturity Analysis of Financial Liabilities	Carrying Amount	< 6 Months	6-12 Months	1-3 Years	Contractual Cash Flows
	\$	\$	\$	\$	\$
Balance at 31 December 2022					
<i>Financial Liabilities interest bearing</i>					
Financial liabilities	16,502	16,502	-	-	16,502
<i>Financial Liabilities non-interest bearing</i>					
Trade and other payables	1,680,217	1,680,217	-	-	1,680,217
Provisions	1,550,024	1,550,024	-	-	1,550,024
Lease liabilities	146,595	146,595	-	-	146,595
Total financial liabilities	3,393,338	3,393,338	-	-	3,393,338
Balance at 31 December 2021					
<i>Financial Liabilities non-interest bearing</i>					
Current					
Trade and other payables (note 14)	826,662	826,662	-	-	826,662
Accrued payable (note 14)	122,538	122,538	-	-	122,538
Total financial liabilities	949,200	949,200	-	-	949,200

(e) *Capital risk management*

The Group considers its capital to comprise its ordinary share capital and reserves. In managing its capital, the Group's primary objective is to maintain liquidity. These objectives dictate any adjustments to capital structure. Rather than set policies, advice is taken from professional advisors as to how to achieve these objectives. There has been no change in either these objectives, or what is considered capital in the year.

(f) *Fair value of financial instruments*

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

4. SEGMENT INFORMATION

The consolidated entity has identified its operating segments based on geographical location, with the consolidated entity having operated in three locations: Australia, the Sultanate of Oman, and Canada. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Activity by segment

Exploration Australia

The Exploration Australia segment includes the following exploration projects:

- Halls Peak Base Metals Project in New South Wales

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Exploration Sultanate of Oman

The Exploration in The Sultanate of Oman segment includes the following exploration projects:

- Block 4
- Block 5

Exploration Canada

The Exploration Canada segment includes the following exploration projects:

- Mavis Lake Lithium Project;
- Graphic Lake Lithium Project; and
- Plaid and Whiteloon Lithium Projects.

Corporate

The Corporate segment includes the following:

- Corporate (Australia); and
- Corporate (Canada).

The following table presents the result, selected segment performance information and statement of financial position information for the Group's reportable segments for the year ended 31 December 2022.

2022	Exploration Australia	Exploration Sultanate of Oman	Exploration Canada	Corporate	Total
	\$	\$	\$	\$	\$
Segment performance					
Interest income	-	-	-	45,171	45,171
Other income	-	-	248,476	545,379	793,855
Finance costs	-	-	-	(6,956)	(6,956)
Depreciation	-	-	(643)	(836)	(1,479)
Segment result	(2,072)	(113,381)	167,561	(2,345,369)	(2,293,261)
Segment assets					
Cash	-	255,572	7,278,827	1,038,728	8,573,127
Trade and other receivables	-	1,168	137,054	95,536	233,758
Other assets	-	9,000	3,400	787,003	799,403
Plant and equipment	-	-	5,748	11,110	16,858
Exploration and evaluation assets	4,056,799	3,055,372	12,452,880	-	19,565,051
Right-of-use assets	-	-	-	141,872	141,872
Financial assets	-	-	-	814,570	814,570
Total segment assets	4,056,799	3,321,112	19,877,909	2,888,819	30,144,639
Segment liabilities					
Trade payables	706	149,875	1,132,348	397,288	1,680,217
Flow-through shares premium liability	-	-	2,207,704	-	2,207,704
Lease liabilities	-	-	-	146,595	146,595
Financial liabilities	-	-	-	16,502	16,502
Provisions	-	43,573	1,117	1,505,334	1,550,024
Total segment liabilities	706	193,448	3,341,169	2,065,719	5,601,042

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The following table presents the result, selected segment performance information and statement of financial position information for the Group's reportable segments for the year ended 31 December 2021.

2021	Exploration Australia \$	Sultanate of Oman \$	Exploration DRC \$	Malawi \$	Corporate \$	Total \$
Segment performance						
Interest income	-	-	-	-	4,616	4,616
Finance costs	-	-	-	-	(305,189)	(305,189)
Depreciation	-	-	-	-	(14,318)	(14,318)
Segment result	(20,706)	(950)	-	-	(1,638,433)	(1,660,089)
Segment assets						
Cash	-	257,124	-	-	4,511,280	4,768,404
Trade and other receivables	-	-	-	-	87,442	87,442
Other assets	-	12,908	-	-	403,521	416,429
Plant and equipment	-	-	-	-	1,547	1,547
Exploration and evaluation assets	592,732	2,176,276	-	-	-	2,769,008
Total segment assets	592,732	2,446,308	-	-	5,003,790	8,042,830
Segment liabilities						
Trade payables	706	185,287	-	-	1,294,142	1,480,135
Other liabilities	-	-	-	-	4,000,000	4,000,000
Total segment liabilities	706	185,287	-	-	5,294,142	5,480,135

	2022 \$	2021 \$
5. OTHER INCOME		
Other income		
Flow-through premium recovery ¹	248,476	-
Sundry income	17,490	-
Other income ²	527,889	-
Total other income	793,855	-

¹The Company had incurred qualifying Canadian exploration expenses as defined under the Income Act, Canada ("Qualifying CEE") and accordingly, recognised flow-through premium recoveries during the year ended 31 December 2022.

²The Company has completed the termination of mineral interests in relation to its projects in the Democratic Republic of Congo (DRC) and Malawi and any associate liabilities.

6. EXPENSES		
Loss/(profit) before income tax includes the following specific expenses:		
a) Administration expenses		
Compliance costs	230,746	260,425

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Other administration costs	535,493	139,784
Marketing	171,033	53,923
Insurance	47,862	32,406
Total administration expenses	985,134	486,538

b) Consulting and staff costs		
Directors fees and related on-costs	735,030	374,195
Consulting and professional fees	729,080	297,784
Total consulting and staff costs	1,464,110	671,979

c) Finance costs		
Interest and fees	6,956	5,189
Other expenses	-	300,000
Total finance costs	6,956	305,189

2022 **2021**
\$ **\$**

7. REMUNERATION OF AUDITORS

<i>Auditing or reviewing the financial statements:</i>		
BDO Audit (WA) Pty Ltd	69,205	67,938
BDO Audit (Sultanate of Oman) LLC	20,342	19,577
BDO Audit (Sultanate of Oman) LLC non-audit services	2,417	-
BDO (Netherlands) non-audit services	-	37,025
Total remuneration of auditors	91,964	124,540

8. INCOME TAX

a) The components of tax expense comprise:		
<i>Current income tax:</i>		
Income tax expense on adjustments in respect of current income tax of previous years	-	-
<i>Deferred income tax:</i>		
Relating to origination & reversal of temporary differences	-	-
Prior year tax losses no longer recognised	-	-
Adjustments in respect of deferred income tax of previous years	-	-
Income tax expense reported in the statement of comprehensive income	-	-

b) Numerical reconciliation between aggregate tax expense recognised in the income statement and the tax expense calculated in the statutory income tax return		
Accounting loss before tax	(2,293,261)	(1,660,089)

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Total accounting loss before tax	(2,293,261)	(1,660,089)
Prima facie income tax expense @ 25% (2020: 26%)	(573,315)	(415,022)
Tax effect of:		
Permanent differences	(10,807)	140,167
Timing differences not brought to account	7,824,693)	7,225,176
Tax losses not brought to account	(7,240,570)	(6,950,321)
Aggregate income tax expense	-	-

c) Unrecognised deferred tax assets and liabilities		
<i>Deferred tax assets and liabilities that have not been recognised in respect of the following items:</i>		
Provisions and accruals	-	-
Capital raising costs recognised directly in equity	-	-
Deferred tax liability in respect of exploration activities not recognised to the extent of unrecognised deferred tax asset	-	-
Revenue loss	4,171,388	3,571,871
Capital loss	3,653,305	3,653,305
	7,225,176	7,225,176

The deferred tax asset on the unused cumulative 2022 tax loss of \$15,909,187 (2020: \$14,287,486) has not been recognised as a deferred tax asset as the future recovery of these losses is subject to the Group satisfying the requirements imposed by the regulatory authorities. The benefit of deferred tax assets not brought to account will only be brought to account if the conditions for deductibility imposed by tax legislation continue to be complied with and no changes in tax legislation adversely affect the Group in realising the benefit. The tax losses do not expire under current legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the company can utilise these benefits.

	2022	2021
	\$	\$
9. CASH AND CASH EQUIVALENTS		
Cash at bank ¹	8,753,127	4,768,404
Cash and cash equivalents	8,753,127	4,768,404

¹ Restricted cash

Restricted cash includes bank guarantees for Environmental Authority of \$135,420 (2021: \$144,760) and \$125,496 (2021: \$0) bank guarantees for Department of Regional NSW.

(a) *Cash at bank and in hand*

Cash on hand is non-interest bearing. Cash at bank bears interest rates between 0.0% and 0.7% (2021: 0.0% and 0.5%). Refer to Note 3 for the Group's exposure to interest rate and credit risk.

10. TRADE AND OTHER RECEIVABLES		
CURRENT		
Receivables – GST/HST	233,758	87,442
Total current trade and other receivables	233,758	87,442

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(a) *Impaired receivables and receivables past due*

Trade and other receivables are not past due nor impaired.

(b) *Interest rate risk*

Refer to Note 3 for information about the Group's exposure to interest rate risk in relation to trade and other receivables.

(c) *Fair value and credit risk*

Current trade and other receivables

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

Non-current trade and other receivables

There were no non-current trade and other receivables.

	2022	2021
	\$	\$
11. OTHER ASSETS		
CURRENT		
Acquisition costs ¹	596,630	391,373
Deposits	3,400	-
Prepayments	199,373	25,056
Total current trade and other receivables	799,403	416,429

¹ Acquisition GullwingTot Lakes - Canada

In December 2022 the Company announced a binding purchase and sale agreement with TSX-V listed Power Metals Corp to acquire a 100% interest in the Gullwing Tot Lakes property which is adjacent to Mavis Lake. Prior to 31 December 2022, the Company incurred project due diligence and other transaction related costs, and issued shares in Critical Resources to the Sellers (or their nominees). On 5 January 2023, the mining claims were transferred to the Company completing the acquisition.

12. EXPLORATION & EVALUATION

Exploration & evaluation activities capitalised

Balance as at 1 January	2,769,008	1,398,797
Capitalised exploration expenditure – New South Wales, Australia	3,464,068	592,732
Capitalised exploration expenditure – Oman	731,327	690,359
Capitalised exploration expenditure - Canada acquisitions	5,184,233	-
Capitalised exploration expenditure – Deferred consideration	1,500,000	-
Capitalised exploration expenditure – Canada	5,768,646	-
Foreign exchange adjustment	147,769	87,120
Balance as at end of year	19,565,051	2,769,008

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the consolidated entity's rights to tenure of the areas of interest;

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- the results of future exploration;
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale; and
- no significant changes in laws and regulations that greatly impact the company's ability to maintain tenure.

The Group's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to indigenous people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

13. FINANCIAL ASSETS

	2022	2021
	\$	\$
NON-CURRENT		
Financial assets at fair value through other comprehensive income ¹	765,570	-
Other financial assets	49,000	-
Total non-current financial assets	814,750	-

¹Financial assets at fair value through other comprehensive income

In March 2022, the Company completed a CAD\$1 Million (AUD\$1,087,488) investment into Volt Carbon Technologies ("Volt") (TSXV: VCT), a battery technology company focussed on high-performance, solid-state lithium-ion battery development, and scalable air classification technologies for natural graphite beneficiation. The Company has been issued 8,000,000 Common Units in Volt. Each Common Unit consists of one common share in the capital of Volt (each a "Share") at a price of C\$0.125 per Share and one half of one (0.5) common share purchase warrant ("Warrant"). The issued warrants have an exercise price of C\$0.25 per warrant and, expire on 28 February 2024.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Fair value hierarchy

The following asset, is measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date, with exception of warrants being: Level 3: Unobservable inputs that are support by little or no market activity.

	2022
	\$
Financial assets at fair value through other comprehensive income	
Listed ordinary shares	695,578
Warrants	69,992
Total financial assets at fair value through other comprehensive income	765,570

Reconciliation:

Reconciliation of the fair values at the beginning and end of the current year are set out below:

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	Shares	Warrants	Total
Opening fair value as at 1 January 2022			-
Cash consideration paid	1,087,488	-	1,087,488
Revaluation increments/(decrements)	(391,495)	70,034	(321,461)
Foreign exchange increments/(decrements)	(415)	(42)	(457)
Closing fair value as at 31 December 2022	695,578	69,992	765,570

	2022	2021
	\$	\$
14. TRADE AND OTHER PAYABLES		
Trade payables	1,438,505	1,222,407
Employee related payables	41,856	43,257
Other payables and accruals	199,856	214,471
Total trade and other payables	1,680,217	1,480,135

15. FINANCIAL LIABILITIES		
Current		
Other financial liabilities	16,502	-
Unissued capital ¹	-	4,000,000
Total financial liabilities	16,502	4,000,000

¹Capital raising funds of \$4 million were received prior to the reporting date and were held in trust as at 31 December 2021. On 5 January 2022, 137,931,034 fully paid ordinary shares and 45,977,011 free attaching unlisted options exercisable at \$0.04 per option and expiring 3 December 2024, were issued.

16. FLOW-THROUGH SHARE PREMIUM LIABILITY

CURRENT		
Flow-through share premium liability ¹	2,207,704	-
Total flow-through share premium liability	2,207,704	-

¹ Flow-through share premium liability

The flow-through premium liability balance is related to the share placement of flow-through shares as defined under the Income Act of Canada, that Company completed in the current year. The reported amount is the remaining balance of the premium from issuing the flow-through shares. The Company is committed to incurring on or before 31 December 2023 qualifying Canadian exploration expenses as defined under the Income Act, Canada ("Qualifying CEE") in the amount equal to the gross proceeds raised in connection with the flow-through share placement. None of the Qualifying CEE will be available to the Company for future deduction from taxable income.

Reconciliation:

Reconciliation of the fair values at the beginning and end of the current year are set out below:

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Opening fair value as at 1 January 2022	-	-
Flow-through share premium liability	2,456,180	-
Reduction through exploration expenditures	(248,476)	-
Closing fair value as at 31 December 2022	2,207,704	-

17. PROVISIONS

	2022	2021
	\$	\$
CURRENT		
Deferred consideration ¹	1,500,000	-
Annual leave	50,024	-
Total current provisions	1,550,024	-

¹ Mavis Lake Lithium Project - Canada

In January 2022, the Company completed the acquisition a 100% interest in the Mavis Lake Lithium Project which included:

Deferred consideration

- Milestone 1:
 - payment of \$1.5 million cash to the Sellers; and
 - \$100,000 of fully paid ordinary shares in the Company (up to a maximum of 4,000,000 Shares) to the Facilitator (calculated with reference to the 15 day VWAP of the Company's shares immediately prior to the satisfaction of the Milestone) ("M1 Facilitator Shares"); upon definition of a JORC Compliant Resource of not less than 5 million tonnes containing not less than 50,000t of Li₂O using a cut-off grade of not less than 0.40% Li₂O.

Deferred consideration attributable to Milestone 1 has been deemed to be probable at balance date.

18. ISSUED CAPITAL

a) Issued and paid up capital		
Ordinary shares fully paid	70,629,920	46,825,287
	Number of Shares	Number of Shares
Ordinary shares fully paid	1,590,332,619	1,093,345,302
b) Movement in shares on issue	Number of Shares	\$
Balance at 1 January 2021	985,900,858	45,277,303
Share issue – exercise of options	3,000,000	60,000
Share issue – conversion of loans	30,000,000	600,000
Share issue – exercise of options	34,444,444	688,889
Share issue – exercise of options	40,000,000	800,000
Capital raising costs ²	-	(600,905)
Balance at 31 December 2021	1,093,345,302	46,825,287
Balance at 1 January 2021	1,093,345,302	46,825,287
Share issue – placement January	137,931,034	4,000,000
Share issue – placement February	147,058,824	12,500,000

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Share issue – asset acquisitions	89,144,299	3,750,705
Share issue – exercise of options \$0.04	9,202,533	368,101
Share issue – exercise of options \$0.025	3,334,000	83,350
Share issue – conversion of performance rights	26,000,000	-
Share issue – flow-through ¹	84,316,627	6,672,011
Share issue – flow-through premium ¹	-	(2,456,180)
Capital raising costs	-	(1,113,354)
Balance at 31 December 2022	1,590,332,619	70,629,920

¹Flow-through shares

On 28 November 2022 the Company completed a placement of CAD\$6.1 million (AUD\$6.7 million), before costs, via the issue of 84,316,627 fully paid ordinary shares at an issue price of CAD\$0.0718 (AUD\$0.08) per share (“Flow-Through Shares” or “New Shares”) as Canadian ‘flow-through shares’, which provide tax incentives to investors for expenditures that qualify as flow-through critical mineral mining expenditures under the Income Tax Act (Canada). The Flow-Through Shares were issued at a 45% premium to market pursuant to the Canadian flow-through shares regimes.

19. RESERVES

	2022	2021
	\$	\$
a) Share based payments reserve		
Balance at 1 January	555,890	2,013,128
Transfer to accumulated losses	-	(2,004,824)
Share based payment	674,608	547,586
Balance at 31 December	1,230,498	555,890
b) Acquisition reserve		
Balance at 1 January	-	2,541,929
Transfer to accumulated losses	-	(2,541,929)
Balance at 31 December	-	-
c) Foreign currency translation reserve		
Balance at 1 January	90,088	92,007
Transfer to accumulated losses	(180,122)	-
Translation of foreign denominated subsidiaries	69,378	(1,919)
Balance at 31 December	(20,656)	90,088
d) Financial assets at fair value through OCI		
Balance at 1 January	-	-
Revaluation and foreign exchange increments	(321,918)	-
Balance at 31 December	(321,918)	-

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	2022	2021
	\$	\$
20. NON-CONTROLLING INTEREST		
Balance as at 1 January	567,173	491,797
Other comprehensive income/(loss) attributed to Non-Controlling Interests	2,343	75,376
Balance as at end of year	569,516	567,173

21. ASSET ACQUISITIONS

The acquisitions were not accounted for as a business combination as the assets acquired did not meet the definition of a business as per AASB 3 Business Combinations at the date of the acquisition. Namely, the assets do not constitute an integrated set of activities, and assets that are capable of providing goods to customers, generating investment income, or generating other income from ordinary activities at the time of the acquisitions.

For asset acquisitions settled via share-based payment arrangements, the Group measures the cost of the asset at the fair value of the asset acquired, or if this cannot be determined, at the fair value of the equity instruments. Consideration settled via issue of shares has been accounted under AASB 2 Share-based Payment. Given the nature of the assets acquired, the fair value of the assets were unable to be determined and the transactions were recorded at the fair value of the equity instruments granted at acquisition date. Deferred consideration attributable to the transactions has been deemed to be not probable hence recognised at nil at acquisition date.

Mavis Lake Lithium Project, Canada

In October 2021, the Company signed a binding terms sheet to acquire a 100% interest in the Mavis Lake Lithium Project in Ontario, Canada. The Company paid a non-refundable exclusivity fee of \$200,000, incurred project due diligence and other transaction related costs.

In January 2022, the Company completed the acquisition in consideration for:

- a \$1.5 million cash payment to the Sellers;
- the issue of 68,000,000 fully paid ordinary shares in the Company to the Sellers (or their nominees) at an issue price of \$0.022 per share (a deemed value of 1.496 million) ("Consideration Shares");
- the issue \$200,000 in fully paid ordinary shares in the Company to the deal Facilitator, using 15 day volume weighted average price ("VWAP") up to a maximum of 8,000,000 fully paid ordinary shares;

Deferred consideration

- Milestone 1:
 - payment of \$1.5 million cash to the Sellers; and
 - \$100,000 of fully paid ordinary shares in the Company (up to a maximum of 4,000,000 Shares) to the Facilitator (calculated with reference to the 15 day VWAP of the Company's shares immediately prior to the satisfaction of the Milestone) ("M1 Facilitator Shares");
 Upon definition of a JORC Compliant Resource of not less than 5 million tonnes containing not less than 50,000t of Li₂O using a cut-off grade of not less than 0.40% Li₂O, and
- Milestone 2:
 - payment of \$1.5 million cash to the Sellers; and
 - \$100,000 of fully paid ordinary shares (up to a maximum of 4,000,000 Shares) in the Company to the Facilitator (calculated with reference to the 15 day VWAP of the Company's shares immediately prior to the satisfaction of the Milestone) ("M2 Facilitator Shares");
 upon definition of a JORC Compliant Resource of not less than 10 million tonnes containing not less than 100,000t of Li₂O using a cut-off grade of not less than 0.40% Li₂O (calculated with

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reference to the 15 day VWAP of the Company's shares immediately prior to the satisfaction of the Milestone) ("M2 Facilitator Shares").

In the event the relevant milestones are not met within 5 years from the date of the Terms Sheet, the obligation to issue the M1 and M2 Facilitator Shares will expire.

Details of the acquisition are as follows:

	2022
	\$
Purchase consideration	
Share issue – consideration	3,093,448
Cash consideration and transactions costs paid	1,887,964
Total purchase consideration	4,981,412
Assets acquired	
Cash	9,471
Exploration and evaluation	4,970,976
Other assets	965
Total assets acquired	4,981,412

Graphic Lake Lithium Project, Canada

In February 2022 the Company completed the acquisition of a 100% interest in the Graphic Lake Lithium Project in Ontario, Canada in consideration for;

- \$80,000 cash payment (including \$10,000 paid as an option fee);
- the issue A\$120,000 fully paid ordinary shares in the Company calculated at a 20-day VWAP (1,200,000 shares issued); and the issue of a 1.5% Net Smelter Royalty ("NSR") capped at C\$500,000 with the option to purchase at any time for C\$500,000.

Details of the acquisition are as follows:

	2022
	\$
Purchase consideration	
Share issue – consideration	120,000
Cash consideration and transactions costs paid	93,257
Total purchase consideration	213,257
Assets acquired	
Exploration and evaluation	213,257
Total assets acquired	213,257

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22. OPTIONS

2022 share option details as follows:

Issue Date	Expiry Date	Exercise Price	Balance at start of year	Granted during year	Exercised during year	Lapsed/ ceased during year	Consolidation Adjustment	Balance at end of year
10/11/2020	3/11/2022	2.5 cents	3,334,000	-	(3,334,000)	-	-	-
30/06/2021	30/06/2024	Various	7,600,000	-	-	(7,600,000)	-	-
5/01/2022	3/12/2024	4 cents	-	60,977,012	(9,202,533)	-	-	51,774,479
			10,934,000	60,977,012	(12,536,533)	(7,600,000)	-	51,774,479

During the previous year, the following options were issued to Mr Alexander Biggs (resigned 15 July 2022):

- Tranche A: 1,300,000 options, exercisable at \$0.05 each, with an expiry date of 30 June 2024. The options vest upon the Company's 30 day volume weighted average price of its fully paid ordinary shares being equal to or above 5 cents at any time after the date of issue. During the current period these options have vested, were not exercised as at 30 June 2022 and were cancelled on 15 July 2022.
- Tranche B: 1,300,000 options, exercisable at \$0.07 each, with an expiry date of 30 June 2024. The options vest upon the Company's 30 day volume weighted average price of its fully paid ordinary shares being equal to or above 7 cents at any time after the date of issue. During the current period these options have vested, were not exercised as at 30 June 2022 and were cancelled on 15 July 2022.
- Tranche C: 5,000,000 options, exercisable at \$0.10 each, with an expiry date of 30 June 2024. The options vest upon Mr Bigg's completing his 3 month probationary period with the Company. During the previous year these options have vested, were not exercised as at 30 June 2022 and were cancelled on 15 July 2022.

The fair value of the options of \$83,800 was recognised over the estimated vesting dates. An amount of \$24,542 has been recognised within Share based payments expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the current year, in respect of these awards.

On 5 January 2022, the Company completed a capital raising of \$4.0 million before costs via the issue of 137,931,034 fully paid ordinary shares at \$0.029 per share with 45,977,011 free attaching unlisted options exercisable at \$0.04 and expiring 3 December 2024.

23. PERFORMANCE RIGHTS

2022 performance rights details as follows:

Issue Date	Expiry Date	Balance at start of year	Granted during year	Exercised during year	Lapsed/ ceased during year	Consolidation Adjustment	Balance at end of year
30/06/2021	30/06/2024	10,000,000	-	-	(10,000,000)	-	-
30/06/2021	30/06/2026	24,000,000	-	(24,000,000)	-	-	-
13/07/2022	24/05/2027	-	6,000,000	(2,000,000)	-	-	4,000,000
		34,000,000	6,000,000	(26,000,000)	(10,000,000)	-	4,000,000

During the previous year, the following performance rights were issued to Mr Alexander Biggs (resigned 15 July 2022):

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- Tranche A: 2,500,000 performance rights, with an expiry date of 30 June 2024. The performance rights will vest upon the Company successfully announcing on the ASX Markets Announcements platform JORC 2012 compliant Mineral Resource with a minimum tonnage of 0.5 million tonnes and a minimum grade of 5% zinc (or 5% zinc equivalent) at the Company's Halls Peak project in NSW.
- Tranche B: 2,500,000 performance rights, with an expiry date of 30 June 2024. The performance rights will vest upon the Company successfully announcing on the ASX Markets Announcements platform JORC 2012 compliant Mineral Resource with a minimum tonnage of 1.0 million tonnes and a minimum grade of 5% zinc (or 5% zinc equivalent) at the Company's Halls Peak project in NSW.
- Tranche C: 5,000,000 performance rights, with an expiry date of 30 June 2024. The performance rights will vest upon the Company's 30 day volume weighted average price of its fully paid ordinary shares being equal to or above \$0.125 at any time after the date of issue.

Performance rights have not vested and were cancelled on 15 July 2022. An amount of \$(61,152) has been recognised within Share based payments expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the current year, in respect of these awards.

During the previous year, the performance rights were issued to directors and company secretary as follows:

- Tranche A: 8,000,000 performance rights, with an expiry date of 30 June 2026. The performance rights will vest upon the Company's VWAP being at least \$0.05 over 20 consecutive trading days on which the Company's shares have actually traded.
- Tranche B: 8,000,000 performance rights, with an expiry date of 30 June 2026. The performance rights will vest upon the Company's VWAP being at least \$0.075 over 20 consecutive trading days on which the Company's shares have actually traded.
- Tranche C: 8,000,000 performance rights, with an expiry date of 30 June 2026. The performance rights will vest upon the Company's VWAP being at least \$0.10 over 20 consecutive trading days on which the Company's shares have actually traded.

During the current year, remaining performance rights vested. The total fair value of the performance rights, of \$580,000, was recognised over the estimated vesting dates. An amount of \$510,729 has been recognised within Share based payments expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the current year, in respect of these awards.

During the current year, the following performance rights were granted (issued on 15 July 2022) to the Company's Non-Executive Director, Mr Alex Cheeseman:

- Tranche A: 2,000,000 performance rights, with an expiry date of 24 May 2027. The performance rights will vest upon the Company's VWAP being at least \$0.07 over 20 consecutive trading days on which the Company's shares have actually traded.
- Tranche B: 2,000,000 performance rights, with an expiry date of 24 May 2027. The performance rights will vest upon the Company's VWAP being at least \$0.09 over 20 consecutive trading days on which the Company's shares have actually traded.
- Tranche C: 2,000,000 performance rights, with an expiry date of 24 May 2027. The performance rights will vest upon the Company's VWAP being at least \$0.12 over 20 consecutive trading days on which the Company's shares have actually traded.

CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

The barrier up-and-in trinomial pricing model has been used to value the performance rights. The following inputs were used in the valuation model:

Tranche	Number of performance rights	Grant date	Grant date share price	Expiry date	Estimated vesting date	Volatility %	Risk free rate %	Fair Value	Fair value per performance right
A	2,000,000	24 May 2022	\$0.079	24 May 2027	24 May 2027	100	3.04	\$156,000	\$0.078
B	2,000,000	24 May 2022	\$0.079	24 May 2027	24 May 2027	100	3.04	\$153,200	\$0.077
C	2,000,000	24 May 2022	\$0.079	24 May 2027	24 May 2027	100	3.04	\$149,200	\$0.075

During the current year, Tranche A performance rights vested. Tranche B and C performance rights were cancelled on 13 January 2023. An amount of \$156,000 has been recognised within Share based payments expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the current year, in respect of these awards.

During the current period, the following performance rights were granted to the Company's Managing Director, Mr Alex Cheeseman:

- Tranche 1: 1,500,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company announcing a JORC Resource (inferred or greater) of 10Mt with a minimum 1.0% Li2O on or before June 2024.
- Tranche 2: 1,500,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company announcing a JORC Resource (inferred or greater) of 20Mt with a minimum 1.0% Li2O on or before June 2024.
- Tranche 3: 1,000,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company successfully announcing a scoping study on the Mavis Lake Project on the ASX Market Announcements Platform on or before 30 September 2023.
- Tranche 4: 1,000,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company successfully announcing a Preliminary Feasibility Study for the Mavis Lake Project on the ASX Market on or before June 2024.
- Tranche 5: 1,000,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company announcing a Bankable Feasibility Study on the ASX Market Announcements Platform or making Final Investment Decision on the Mavis Lake Lithium Project on or before June 2025.
- Tranche 6: 1,000,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company achieving a market capitalisation of greater than \$150,000,000 for 30 consecutive trading days.
- Tranche 7: 1,000,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company achieving a market capitalisation of greater than \$200,000,000 for 30 consecutive trading days.
- Tranche 8: 2,000,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company achieving a market capitalisation of greater than \$300,000,000 for 30 consecutive trading days.

CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

- Tranche 9: 2,000,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company entering into and successfully announcing on the ASX Market Announcements Platform a binding and definitive strategic partnership agreement with a bankable strategic industry partner (operating in one or more of the following fields: chemical conversion; total aggregate contract value (including in kind commitments or cash total aggregate contract value (including in kind commitments or cash commitments) of not less than \$5,000,000 on or before 10 October 2025;
- Tranche 10: 2,000,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company securing a mutually binding (take or pay) Offtake Agreement with a bankable counterparty for at least 30% of a Phase 1 production plan on or before 10 October 2025.

The barrier up-and-in trinomial pricing model has been used to value the Tranche 6, Tranche 7 and Tranche 8 performance rights with market based vesting conditions. The following inputs were used in the valuation model:

Tranche	Number of performance rights	Grant date	Grant date share price	Expiry date	Estimated vesting date	Volatility %	Risk free rate %	Fair Value	Fair value per performance right
6	1,000,000	15 Dec 2022	\$0.045	10 Oct 2025	10 Oct 2025	100	3.15	\$35,000	\$0.035
7	1,000,000	15 Dec 2022	\$0.045	10 Oct 2025	10 Oct 2025	100	3.15	\$31,000	\$0.031
8	2,000,000	15 Dec 2022	\$0.045	10 Oct 2025	10 Oct 2025	100	3.15	\$52,000	\$0.026

The following inputs were used in the valuation model for the balance of the performance rights. Share based payments expense amount recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the current year, in respect of the below awards incorporates associated estimated probability of occurrence of each tranche.

Tranche	Number of performance rights	Grant date	Grant date share price	Expiry date	Estimated vesting date	Fair Value	Fair value per performance right
1	1,000,000	15 Dec 2022	\$0.045	30 Jun 2024	30 Jun 2024	\$67,500	\$0.045
2	1,500,000	15 Dec 2022	\$0.045	30 Jun 2024	30 Jun 2024	\$67,500	\$0.045
3	1,000,000	15 Dec 2022	\$0.045	30 Sep 2023	30 Sep 2023	\$45,000	\$0.045
4	1,000,000	15 Dec 2022	\$0.045	30 Jun 2024	30 Jun 2024	\$45,000	\$0.045
5	1,000,000	15 Dec 2022	\$0.045	30 Jun 2025	30 Jun 2025	\$45,000	\$0.045
9	2,000,000	15 Dec 2022	\$0.045	10 Oct 2025	10 Oct 2025	\$90,000	\$0.045
10	2,000,000	15 Dec 2022	\$0.045	10 Oct 2025	10 Oct 2025	\$90,000	\$0.045

As at 31 December 2022, the performance rights have not vested. An amount of \$41,490 has been recognised within Share based payments expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the current year, in respect of these awards.

CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
24. EARNINGS PER SHARE		
Basic and diluted loss per share (cents per share)	(0.16)	(0.16)
a) Loss used in calculating loss per share		
Net loss attributable to ordinary equity holders of the parent for basic earnings	(2,293,261)	(1,660,089)
b) Weighted average number of shares	No.	No.
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	1,469,539,782	1,037,794,618
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	1,469,539,782	1,037,794,618

25. CASH FLOW INFORMATION

Net loss after tax	(2,293,261)	(1,660,089)
<i>Non-cash items:</i>		
Depreciation and amortisation	1,479	14,318
Forgiveness of debt	-	(105,979)
Flow-through premium recovery	(248,476)	-
Sundry income	(17,490)	-
Other income	(527,889)	-
Share-based payments	674,608	-
<i>Change in operating assets and liabilities:</i>		
(Increase)/Decrease in trade and other receivables	373,033	(45,226)
Increase/(Decrease) in trade and other creditors	485,695	523,094
Net cash flows used in operating activities	(2,298,367)	(1,273,882)

NON-CASH INVESTING AND FINANCING ACTIVITIES

Finance costs	-	300,000
Total	-	300,000

26. SUBSIDIARIES AND NON-CONTROLLING ENTITIES

(a) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b).

Name of Entity	Class of Shares	Equity Holding		Country of Incorporation
		2022 (%)	2021 (%)	
SOC1 Pty Ltd	Ordinary	100	100	Australia

**CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Hudson SPC Pty Ltd	Ordinary	100	100	Australia
SUGEC Resources Limited	Ordinary	59.5	59.5	Australia
Tasman Goldfields NSW Pty Ltd	Ordinary	99.5	99.5	Australia
Savannah BV	Ordinary	100	100	Netherlands
Gentor Resources Ltd	Ordinary	100	100	British Virgin Islands
Al Fairuz Mining Co. LLC	Ordinary	65	65	Sultanate of Oman
Sohar Mining Co. LLC	Ordinary	70	70	Sultanate of Oman
Al Thuraya Mining Co LLC	Ordinary	51	51	Sultanate of Oman

27. RELATED PARTY INFORMATION

(a) Parent entity

The ultimate parent entity within the Group is Critical Resources Limited.

Critical Resources Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX).

(b) Subsidiaries

Interests in subsidiaries are disclosed in Note 26.

(c) Key Management Personnel

Key management personnel compensation information is as follows:

	2022	2021
	\$	\$
Summary remuneration		
Short term employee benefits	767,673	417,592
Post-employment benefits	37,982	18,593
Share based payments	611,460	177,458
Total remuneration	1,417,115	613,643

Details of remuneration disclosures are provided within the audited remuneration report.

(d) Other transactions with key management personnel

The following transactions occurred with Director related parties:

Accrued liabilities owing to Mr Alex Cheeseman were \$5,000 net of GST in relation to his services as Managing Director for the current year (2021: \$0).

Accrued liabilities owing to Mr Michael Leu were \$4,000 net of GST in relation to his services as Non-Executive Director for the current year (2021: \$0).

Mr Michael Leu was paid \$101,700 net of GST in relation to his consulting services in the current year (2021: \$17,800).

(e) Employee Share Option Plan

The company has adopted an Employee Securities Incentive Plan (**ESIP**) for its employees. A person is an employee of the company if that person is a Director (Executive Director or Non-Executive Director), full or part time employee, casual employee or contractor to the extent permitted by the Class Order or a perspective participant.

CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

The purpose of the ESIP is to encourage employees to share in the ownership of the Company and to promote the long-term success of the Company as a goal shared by all employees.

The Company believes it is important to provide incentives to employees in the form of options and performance rights which provide the opportunity to participate in the share capital of the Company. The company expects to apply the proceeds of exercise of the Options to working capital needs, asset or business acquisitions and general corporate purposes. All options to be issued must be consistent with any applicable Listing Rules and having regard to regulatory constraints under the *Corporations Act 2001*, ASIC policy or any other law applicable to Critical Resources Limited.

(f) Options and Performance rights

Refer to Note 22 and Note 23 for details of options and performance rights respectively, issued to the Company's then Chief Executive Officer, Mr Alexander Biggs during the current year.

Refer to Note 23 for details of performance rights issued to the Company's Directors and Company Secretary during the current year. Performance rights tranches A, B and C with grant date 27 May 2021 were issued to the Company's Directors and equally split between Directors' Mr Robert Martin, Mr Jihad Malaeb, Mr Michael Leu. Performance rights tranches A, B and C with grant date 27 May 2021 were also issued to the Company Secretary.

Refer to Note 23 for details of performance rights issued to Mr Alex Cheeseman during the current year in his role as Non-Executive Director with grant date 24 May 2022 and in his role as the Managing Director with grant date 15 December 2022 respectively.

28. COMMITMENTS

The Company is committed to incurring on or before 31 December 2022 qualifying Canadian exploration expenses as defined under the Income Act, Canada ("Qualifying CEE") in the amount equal to the gross proceeds raised in connection with the flow-through share placement.

On 5 January 2023, mining claims were transferred to the Company completing the acquisition of 100% interest in Power Metals' GullwingTot Lakes mining claims. The key transaction terms were:

- AUD\$0.66 million (CAD\$0.6 million) cash payment to the Sellers;
- the issue of AUD\$0.66 million (CAD\$0.6 million) in shares in Critical Resources to the Sellers (or their nominees) of deemed value (issued 30 December 2022);
- and agreement to a 1% Gross Margin Royalty

There are no other commitments that have significantly affected, or may significantly affect the consolidated entity's operations.

29. SHARE BASED PAYMENTS

	2022	2021
	\$	\$
Share based payments expense		
Options	27,542	56,258
Performance Rights	647,066	130,423
	674,608	186,681

Share based payments expense relates to options and performance rights issued during the current year. For further details on options issued refer to Note 22. For further details on performance rights issued refer to Note 23.

CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

30. EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, apart from:

- On 5 January 2023, following cash and share payments, the mining claims were transferred to the Company completing the acquisition. The key transaction terms were:
 - AUD\$0.66 million (CAD\$0.6 million) cash payment to the Sellers;
 - the issue of AUD\$0.66 million (CAD\$0.6 million) in shares in Critical Resources to the Sellers (or their nominees) of deemed value (issued 30 December 2022); and
 - agreement to a 1% Gross Margin Royalty for mineral production within the mining claims acquired by the Company.
- On 13 January 2023, 4,000,000 performance rights granted to Mr Alex Cheeseman in capacity as Non-Executive Director were cancelled, and 14,000,000 performance rights granted in capacity as Managing Director were issued.
- On 28 February 2023, 4,422,253 options at \$0.04 with an expiry of 3 December 2024 were exercised, raising \$176,890 in capital.

31. CONTINGENT ASSETS AND LIABILITIES

As at the date of this report there are no claims or contingent liabilities that are expected to materially impact, either individually or in aggregate the company's financial position or results from operations, other than as set out below.

Copper Projects, Oman

\$3.5 million loan indirectly owing to Savannah Plc, to be paid upon the achievement of mine development and production milestones on Block 5, and a 1.0% NSR royalty on company's respective proportion of metal sales from Block 4 and Block 5.

Mavis Lake Lithium Project, Canada

Subject to the satisfaction of Milestones, the Company will be required to:

- pay and issue Deferred Consideration, Milestone 2:
 - payment of \$1.5 million cash to the Sellers; and
 - \$100,000 of fully paid ordinary shares in the Company (up to a maximum of 4,000,000 Shares) to the Facilitator (calculated with reference to the 15 day VWAP of the Company's shares immediately prior to the satisfaction of the Milestone) ("M2 Facilitator Shares");upon definition of a JORC Compliant Resource of not less than 10 million tonnes containing not less than 100,000t of Li₂O using a cut-off grade of not less than 0.40% Li₂O (calculated with reference to the 15 day VWAP of the Company's shares immediately prior to the satisfaction of the Milestone) ("M2 Facilitator Shares").

In the event the relevant milestones are not met within 5 years from the date of the Terms Sheet, the obligation to issue the M2 Facilitator Shares will expire.

Graphic Lake Lithium Project, Canada

In February 2022 the Company completed the acquisition of the 100% interest in the Graphic Lake Lithium Project in Ontario, Canada in consideration of;

- the issue of a 1.5% Net Smelter Royalty ("NSR") capped at C\$500,000 with the option to purchase at any time for C\$500,000.

**CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	\$	\$
32. PARENT ENTITY DISCLOSURES		
Assets		
Current assets	2,038,745	5,002,243
Non-current assets	20,538,351	1,546
Total assets	22,577,096	5,003,789
Liabilities		
Current liabilities	4,929,347	5,280,610
Non-current liabilities	97,772	-
Total liabilities	5,027,119	5,280,610
Net assets	17,549,977	(276,821)
Equity		
Issued capital	66,554,420	42,749,787
Option reserve	908,580	555,890
Accumulated loss	(49,913,023)	(43,582,498)
Total equity	17,549,977	(276,821)
Loss of parent entity	(6,349,483)	(1,502,150)
Total comprehensive loss of the parent entity	(6,349,483)	(1,502,150)

Critical Resources Limited has not entered into any deed of cross guarantee with its wholly-owned subsidiaries during the year ended 31 December 2022 (2021: Nil).

**CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2022**

In the Directors' opinion:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements and:
 - (a) comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
 - (b) give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the year ended on that date; and
 - (c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
2. The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.
3. This declaration is in accordance with a resolution of the Board of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

Signed in accordance with the resolutions of the Directors.



Mr Robert Martin
Non-Executive Chairman
Perth, Western Australia
10 March 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Critical Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Critical Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Critical Resources Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Accounting for Exploration and Evaluation Assets

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>At 31 December 2022, we note that the carrying value of the Exploration and Evaluation Asset is significant to the financial statements, as disclosed in note 12.</p> <p>As a result, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p>Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources. In particular:</p> <ul style="list-style-type: none"> • Whether the conditions for capitalisation are satisfied; • Determination that the acquisitions did not meet the definition of a business combination in accordance with AASB 3 and therefore constituted an asset acquisition; • Which elements of exploration and evaluation expenditures qualify for recognition; and • Whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment. 	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Reviewing executed transaction documents to understand the key terms and conditions of the acquisition; • Evaluating management’s determination of whether the transaction constituted a business or asset acquisition and reviewing the valuation of consideration transferred; • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group’s exploration budgets, ASX announcements and directors’ minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Verifying, on a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6;

- Considering whether any facts of circumstances existed to suggest impairment testing was required; and
- Assessing the adequacy of the related disclosures in note 12 and note 21 of the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 12 to 17 of the directors' report for the year ended 31 December 2022.

In our opinion, the Remuneration Report of Critical Resources Limited, for the year ended 31 December 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO


Glyn O'Brien

Director

Perth

10 March 2023

**CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES
ASX ADDITIONAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022**

Additional information required by the ASX and not shown elsewhere in this report is as follows:

A. Shareholding as at 8 March 2023

Total fully paid ordinary shares on issue **1,594,754,872**

B. Substantial Holders as at 8 March 2023

- Mr Sufian Ahmad – 6.57%
- Mr John Markovic – 5.30%

There are no other shareholders who have lodged notice advising substantial shareholding under the Corporations Act 2001.

C. Distribution of Equity Securities as at 8 March 2023

Quoted Equity Securities (Shares)

Range	Total Holders	Units	% of Issued Capital
1 - 1,000	132	16,245	0.00
1,001 - 5,000	325	1,007,398	0.06
5,001 - 10,000	859	6,941,025	0.44
10,001 - 100,000	3,487	149,167,905	9.35
100,001 Over	1,629	1,437,622,299	90.15
Total	6,432	1,594,754,872	100.00

Unquoted Equity Securities (Options)

Range	Total Holders	Units	% of Options
1 - 1,000	-	-	0.00
1,001 - 5,000	-	-	0.00
5,001 - 10,000	-	-	0.00
10,001 - 100,000	2	114,138	0.24
100,001 Over	50	47,238,088	99.76
Total	52	47,352,226	100.00

D. Unmarketable Parcels as at 8 March 2023

	Minimum Parcel size	Holders	Units
Minimum \$ 500.00 parcel at \$ 0.0460 per unit	10,870	1,394	8,781,098

E. Twenty Largest Shareholders as at 8 March 2023

The names of the twenty largest holders of quotes equity securities aggregated are listed below:

Rank	Name	Units	% of Issued Capital
1	MR BILAL AHMAD	61,875,000	3.88
2	JGM PROPERTY INVESTMENTS PTY LTD	60,014,476	3.76
3	MR SUFIAN AHMAD <SIXTY TWO CAPITAL A/C>	54,183,500	3.40
4	MR JIHAD MALAEB <AYOUB MALAEB A/C>	49,167,667	3.08
5	MR SUFIAN AHMAD	37,735,000	2.37
6	DDPEVCIC (WA) PTY LTD <DOMINIC FAMILY A/C>	33,706,429	2.11

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7	KOBALA INVESTMENTS PTY LTD <FERNANDO EDWARD FAMILY A/C>	32,468,637	2.04
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	24,503,470	1.54
9	SCKLD INVESTMENTS PTY LTD <SCKLD HOLDINGS>	20,000,000	1.25
10	CITICORP NOMINEES PTY LIMITED	19,652,524	1.23
11	CLAYTON CAPITAL PTY LTD	15,000,000	0.94
12	MARKOVIC FAMILY NO 2 PTY LTD	14,195,000	0.89
13	MS CHUNYAN NIU	13,000,000	0.82
14	POWER METALS CORP	12,494,339	0.78
15	MR DEAN BRETT BLANKFIELD	12,099,983	0.76
16	MR JIHAD MALAEB	12,077,677	0.76
17	BAB SUPER FUND PTY LTD <BAB SUPER FUND A/C>	11,005,000	0.70
18	REALZEN HOLDINGS PTY LTD <CORONA A/C>	10,751,734	0.67
19	JLM CORPORATION PTY LTD	10,000,000	0.63
20	BACK PADDOCK MANAGEMENT PTY LTD <LITTLE WHELAN FAMILY A/C>	9,700,081	0.61
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		513,775,517	32
Total Remaining Holders Balance		1,080,979,355	67.78

F. Unquoted Securities as at 8 March 2023

Class	Exercise Price	Expiry Date	No. of Securities	No. of Holders	Name (where holder holds more than 20%)	% held
Unlisted Options	\$0.04	3/12/2024	47,352,226	52	MR SUFIAN AHMAD <SIXTY TWO CAPITAL A/C>	32%
Performance Rights			14,000,000	1	Kanimbla Solutions Pty Ltd <Kanimbla Investments> Alex Cheeseman's wife, Cassandra Cheeseman is a Director of Kanimbla Solutions Pty Ltd	100%

G. Voting Rights

There are no restrictions on voting rights. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof. Option holders have no voting rights until the options are exercised.

H. Share Buy-backs

There is no current on-market buy-back scheme.

I. Tenement Schedule

Through its subsidiaries, Critical Resource Ltd disposed of, acquired and holds the tenement interests as described:

Licence No.	Project / Location	Acquired Interest during Year	Disposed interest during year	Interest at end of Year
EL 4474	Halls Peak, NSW	-	-	100%
EL 7679	Halls Peak, NSW	-	-	59.5%

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PE 13247	Kitotolo, DRC	-	70%	-
PR 12453	Kitotolo, DRC	-	70%	-
PE 13082	Kanuka, DRC	-	51%	-
PR 4100	Kanuka, DRC	-	51%	-
EPL 479	Tshimpala, Malawi	-	51%	-
EPL 483	Tshimpala, Malawi	-	51%	-
EPL 484	Tshimpala, Malawi	-	51%	-
AML 0029	Tshimpala, Malawi	-	51%	-
Block 5	Oman	-	65%	65%
Block 4	Oman	-	51%	51%
101034, 101215-101218, 101616-101619, 103512, 107330-107331, 109871, 110434, 110703, 116376, 117689-117690, 123068, 124332, 129509, 130111, 130299-130330, 135026, 135728, 138331, 138446, 139468-139470, 141103, 141801, 143041, 143046- 143047, 144330, 144441, 151583-151585, 151642,157160-157161, 158448, 158546, 160902, 166897, 167079-167080, 167677, 168187-168188, 168229, 168328-168329, 176105, 176198, 179416- 179418, 179741-179743, 180192, 108489, 181000, 181037, 182187, 186194, 187649, 188359, 189624, 190960-190961, 196153- 196154, 197591, 198244- 198246, 199857, 201802, 203140-203142, 203594, 203763, 205589, 205676, 207864, 209134-209136, 210239, 210439, 212294- 212295, 215413, 215824, 216365-216366, 228777- 228778, 230161-230162, 233613-233614, 233867, 234948, 235582, 239067, 240149, 246549, 247620, 253509-253510, 254970, 256451-256452, 256960, 257849, 257852, 259169, 259285, 264260, 266452, 267141, 270261, 271534, 271591, 272225-272226, 273079, 274526, 275823- 275825, 278758, 281841, 282015, 283653-283655, 284320-284321, 286761- 286763, 289910, 290059- 290060, 290972, 292149, 302230, 303032, 303733-	Mavis Lake, Canada	100%	-	100%

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303734, 305020-305022, 306990, 307466-307467, 310379-313380, 312334, 314170-314171, 316293- 316294, 316884, 325843, 326459, 329628-329631, 703383-703516, LEQ-108830 - LEA-108835 76580-765816, 766092- 766191, 766195-766294, 766540-766589, 766636- 766685, 766745-766794, 766848-766898				
710276-710332, 710441- 710491, 710659-710826, 710995-711044, 717564- 717591	Plaid & Whiteloon Lake, Canada	100%	-	100%
659224-659228, 659230- 659241, 686985 - 686998, 702287-702311, 702357- 702389,	Graphic Lake, Canada	100%	-	100%