



Critical Resources Limited

CRITICAL RESOURCES LIMITED
ACN 145 184 667

PROSPECTUS

This Prospectus is being issued for an offer of up to 129,161,955 Shares at an issue price of C\$0.0545 (A\$0.06) per Share (**Offer**).

**THIS IS A TRANSACTION-SPECIFIC PROSPECTUS ISSUED IN ACCORDANCE WITH
SECTION 713 OF THE CORPORATIONS ACT.**

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT
SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL
ADVISER WITHOUT DELAY.**

**THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A
SPECULATIVE NATURE.**

Important information

This Prospectus is dated 31 July 2023 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 50, 108 St Georges Terrace, Perth WA 6000 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 4.6).

The Shares offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks.

This Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's principal place of business by contacting the Company. The Offer contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus within Australia or other eligible jurisdictions.

Applications for Shares under the Offer will only be accepted on an Application Form that is attached to, or provided by the Company with, a copy of this Prospectus in either paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

No action has been taken to permit the offer of Shares under this Prospectus in any jurisdiction other than Australia and Canada.

Unless permitted under securities legislation, no further trades of the Shares through an exchange, or a market, within Canada, or to a person or company in Canada is permitted before the day that is four months and one day from the date on which the Company becomes a reporting issuer in a Canadian jurisdiction.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of the securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisors whom potential investors may consult.

This Prospectus is important and should be read in its entirety before deciding to participate in the Offer. This Prospectus does not take into account the investment objectives, financial or taxation, or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 3.

This Prospectus includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in the forward looking statements.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to time are to AWST, unless otherwise indicated. All references to "\$" or "A\$" are references to Australian dollars and all references to "C\$" are references to Canadian dollars. All references to the A\$ equivalent of C\$ have been derived using an exchange rate of A\$1.00 = C\$1.11732.

Corporate directory

Directors	
Robert Martin	Non-Executive Chairman
Alex Cheeseman	Managing Director
John Markovic	Non-Executive Director
Company Secretary	
Harry Spindler	Company Secretary
Registered and Principal Office	Share Registry
Level 50, 108 St Georges Terrace Perth WA 6000	Computershare Investor Services Pty Limited Level 11, 172 St Georges Terrace Perth WA 6000
Telephone: (08) 9389 4499 Email: info@criticalresources.com.au Website: www.criticalresources.com.au/	Tel (within Aus): 1300 850 505 Tel (outside Aus): +61 (03) 9415 4000
Auditor*	Joint Lead Managers
BDO Audit (WA) Pty Ltd Level 9, Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000	Canaccord Genuity (Australia) Limited Level 42, 101 Collins Street Melbourne VIC 3000 Sixty Two Capital Pty Ltd 108 St George's Terrace Perth WA 6000
Solicitors	
Hamilton Locke Pty Ltd Central Park Building Level 48, 152 - 158 St Georges Terrace Perth WA 6000	ASX Code: CRR

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

Proposed timetable for the Offer

Event	Date*
Lodgement of Prospectus with the ASIC and ASX	31 July 2023
Opening date of the Offer	1 August 2023
Closing Date of the Offer as at 5.00pm (AWST)	3 August 2023
Issue of Shares pursuant to the Offer	3 August 2023

** These dates are indicative only and subject to change. Subject to the Corporations Act and the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice.*

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Investment overview

This Section is intended to highlight key information for potential investors. It is an overview only and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Shares.

Key Information	Further Information
Transaction specific prospectus This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.	Section 4.4
Risk factors Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 3, including (but not limited to) risks in respect of: (a) Future capital requirements The Company will require further financing in the future, in addition to amounts raised under the Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities. As an exploration entity, the Company is making a loss, meaning it is reliant on raising funds from investors or lenders in order to continue to fund its operations and to scale growth. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, the Company may be required to reduce the scope of its activities, which could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern. The Company may undertake additional offerings of Shares and of Securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.	Section 3

Key Information	Further Information
(b) Flow-through placement risk The Shares issued pursuant to this Prospectus will qualify as "flow-through shares" as defined in the <i>Income Tax Act</i> (Canada) (ITA). The term "flow-through share", as defined in the ITA, refers to an ordinary share that will be issued by the Company to an investor under a written agreement with the investor, whereby the Company agrees to incur "Canadian exploration expenses" and to renounce tax deductions associated with those expenditures to the investor. In this regard, the Company has agreed to incur qualifying expenditures in an amount equal to the gross proceeds raised in connection with the Offer by 31 December 2024, and to renounce such qualifying expenditures to the Investors effective no later than 31 December 2023. If the Company and the Investors comply with the rules under the ITA, the Investors will be entitled to deduct the amount renounced in computing income for Canadian income tax purposes and receive additional tax credits for expenditures targeting critical minerals. The right to deduct qualifying expenditures renounced in respect of flow-through shares accrues to the initial purchaser of the shares and is not transferable. The applicable tax treatment may constitute a major factor when considering an investment in flow-through shares. The tax consequences of subscribing for Shares under this Prospectus, including the considerations applicable in connection with the renunciation of qualifying expenditures to Investors, are not described in this Prospectus. Applicants are strongly urged to consult their professional tax advisor in connection with subscribing for Shares under this Prospectus. There is no guarantee that an amount equal to the total proceeds of the sale of the Shares will be expended on qualifying expenditures on or prior to 31 December 2024, or that the renunciation of such expenditures or the expected tax deductions and credits will be accepted by the Canada Revenue Agency. If the Company does not renounce to an Investor, effective on or before 31 December 2023, qualifying expenditures in an amount equal to the aggregate purchase price paid by such Investor for Shares under the Offer, or if there is a reduction in such amount renounced pursuant to the provisions of the ITA, then the Company shall indemnify the Investor for an amount equal to the amount of any tax payable or that may become payable under the ITA (and under any corresponding provincial legislation) by the Investor (or if the Investor is a partnership, the partners thereof) as a consequence of such failure or reduction; however, there is no guarantee that the Company will have the financial resources required to satisfy such indemnity. For certainty, the aforementioned indemnity shall have no force and effect to the extent that such indemnity, recourse or rights of action would otherwise cause the Shares to be "prescribed shares" within the meaning of section 6202.1 of the regulations to the ITA. (c) Future payment obligations In accordance with the terms of the Company's 100% acquisition of the Mavis Lake Lithium Project, the Company has committed to make two future payments, both of \$1,500,000, to the vendors of the Mavis Lake Lithium Project subject to the satisfaction of milestones relating to the definition of mineral resource estimates (Milestone Payments). The first milestone	

Key Information	Further Information
payment became payable upon the definition of the Company's maiden JORC mineral resource as announced on 5 May 2023. There can be no certainty that the Company will have sufficient funds to satisfy the Milestone Payments if and when they become payable. In the event that the Company doesn't have the available cash to meet the Milestone Payments and isn't able to raise sufficient funds, it may default on its payment obligations, which may give rise to a potential claim against the Company. There is no guarantee that further capital will be available on terms satisfactory to the Company, or at all, and further equity raisings will dilute the interests of existing Shareholders. (d) Exploration, development and operating risks and costs The prospects of the Company should be considered in light of the risks, opportunities, expenses and difficulties frequently encountered by companies at a similar stage of production and development. The Company's initiatives may not proceed to plan, with potential for delay in the timing of exploration and development activities. There can be no assurance that exploration and development will result in the discovery of further mineral deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. The future exploration and development activities of the Company and the future development of mining operations at the Company's Projects (or any future projects that the Company may acquire an interest in) may be affected by a range of factors, including: (i) geological, metallurgical and hydrological conditions; (ii) limitations on activities due to seasonal weather patterns; (iii) lack of availability or shortages of equipment, spare parts and consumables; (iv) access to appropriately skilled labour, competent operation and managerial employees, contractors and consultants; (v) unanticipated operational and technical difficulties, mechanical failure of operating plant and equipment, industrial and environmental accidents; (vi) industrial action, disputes or disruptions; (vii) industrial and environmental accidents; (viii) increases in costs and cost overruns; (ix) financial failure, or default by any future alliance or service provider to the Company which may require the Company to face unplanned expenditure; (x) native title process; (xi) environmental permitting and monitoring; (xii) changing government regulations; and	

Key Information	Further Information																				
(xiii) other factors beyond the control of the Company. In addition, the construction of any proposed development may exceed the expected timeframe or cost for a variety of reasons out of the Company's control. Any delays to project development could adversely affect the Company's operations and financial results and may require the Company to raise further funds to complete the project development and commence operations.																					
Offer This Prospectus is for an offer of up to 129,161,955 Shares at an issue price of C\$0.0545 (A\$0.0609) to PearTree as agent for the Investors (Offer). The Prospectus is also being issued to remove any trading restrictions on the sale of the Shares issued pursuant to the Offer.	Section 1.1																				
Effect of the Offer The Offer will result in the issued capital of the Capital increasing by 129,161,955 Shares. The Offer will not have any effect on the control of the Company. The expenses of the Offer are approximately A\$590,000. The expenses of the Offer will be paid out of the Company's current cash at bank. Therefore, the proceeds of the Offer will be approximately A\$7,865,169.	Section 2																				
Directors' interests in Securities The relevant interest of each of the Directors in Securities as at the date of this Prospectus is set out in the table below: <table><tr><th>Director</th><th>Shares</th><th>Voting power (%)</th><th>Unquoted Options</th><th>Performance Rights</th></tr><tr><td>Robert Martin</td><td>12,668,390</td><td>0.79%</td><td>Nil</td><td>Nil</td></tr><tr><td>Alex Cheeseman</td><td>2,280,000</td><td>0.14%</td><td>Nil</td><td>14,000,000</td></tr><tr><td>John Markovic</td><td>86,959,476</td><td>5.45%</td><td>4,597,701</td><td>Nil</td></tr></table> Further details of the Directors' Security holdings are in section 4.10(b). None of the Directors intend to apply for Shares pursuant to the Offer.	Director	Shares	Voting power (%)	Unquoted Options	Performance Rights	Robert Martin	12,668,390	0.79%	Nil	Nil	Alex Cheeseman	2,280,000	0.14%	Nil	14,000,000	John Markovic	86,959,476	5.45%	4,597,701	Nil	Section 4.10(b)
Director	Shares	Voting power (%)	Unquoted Options	Performance Rights																	
Robert Martin	12,668,390	0.79%	Nil	Nil																	
Alex Cheeseman	2,280,000	0.14%	Nil	14,000,000																	
John Markovic	86,959,476	5.45%	4,597,701	Nil																	
Forward looking statements This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.	Important Information and Section 3																				

Key Information	Further Information
Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management. The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law. These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 3.	

1. Details of the Offer

1.1 Background

On 27 July 2023, the Company announced that it had entered into a Subscription Agreement pursuant to which PearTree Securities Inc. (**PearTree**), as agent for certain investors (**Investors**), agreed to subscribe for an aggregate of 129,161,955 Shares at an issue price of C\$0.0545 (A\$0.0609) per Share to raise approximately C\$7,039,327 (A\$7,865,169) (before costs). The Investors will then on-sell the Shares to sophisticated and professional investors (**Placement Participants**) by way of a block trade, facilitated by the Joint Lead Managers and pursuant to a block trade agreement between PearTree and the Joint Lead Managers, at a price per Share of C\$0.0403 (A\$0.045).

1.2 The Offer

This Prospectus invites PearTree or the Investors (or other persons invited by the Company) to apply for up to 129,161,955 Shares, at an issue price of C\$0.0545 (A\$0.0609) per Share to raise approximately C\$7,039,327 (A\$7,865,169) (before associated costs) (**Offer**).

The Shares issued pursuant to this Prospectus will qualify as "flow-through shares" as defined in the ITA. If the Company and the Investors comply with the detailed rules under the ITA, the Investors will be entitled to deduct the amount renounced in computing income for Canadian income tax purposes and receive additional tax credits for expenditures targeting critical minerals. The tax benefits associated with the Shares are available only to the Investors (who are Canadian residents) and not to any other person who acquires the Shares through the on-sale or transfer of those Shares. Refer to Section 3.1(b) for the risks associated with the "flow-through shares".

The Shares issued pursuant to the Offer will rank equally with the existing Shares on issue. Refer to Section 4.1 for details of the rights and liabilities attaching to Shares. The Company is only extending the Offer to specific Applicants and the Company will only provide Application Forms to these parties.

1.3 Placement

On 27 July 2023, the Company announced that it had received firm commitments for a placement of fully paid ordinary Shares to raise approximately \$2,300,000 (before costs) by the issue of 51,111,111 Shares (**Placement Shares**) at \$0.045 per Share (**Placement**). The Placement Shares will be issued to a range of sophisticated and professional investors.

The Placement Shares are expected to be issued on or around 7 August 2023.

The Placement Shares will be issued without disclosure under Part 6D.2 of the Corporations Act. The Placement Shares will be issued utilising the Company's existing placement capacity under Listing Rule 7.1 and will rank equally with the Company's existing Shares on issue.

1.4 Purpose of the Offer

The primary purpose of this Prospectus is to make the Offer and enable the on-sale of the Shares issued pursuant to the Offer.

1.5 Opening and Closing Dates

The Company will accept Application Forms in respect of the Offer from Applicants from the Opening Date until the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the Closing Date without prior notice. If the Closing Date is varied, subsequent dates may also be varied accordingly.

1.6 Minimum subscription

There is no minimum subscription in relation to the Offer.

1.7 Oversubscriptions

The Company will not accept any oversubscriptions in relation to the Offer.

1.8 Effect of the Offer on control of the Company

The Offer will have no impact on the control of the Company as no person as a result of the Offer will increase their voting power in the Company:

- (a) from 20% or below to more than 20% of issued capital of the Company; or
- (b) from a starting point that is above 20% and below 90% of issued capital of the Company.

1.9 Not underwritten

The Offer is not underwritten.

1.10 Applications

The Company will separately advise Applicants of the application procedures for the Offer.

1.11 Application Monies held on trust

All Application Monies received for the Shares under the Offer will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

1.12 ASX quotation

Application will be made to ASX no later than seven days after the date of this Prospectus for Official Quotation of the Shares offered under this Prospectus.

If ASX does not grant Official Quotation of the Shares within three months after the date of this Prospectus (or such period as the ASX allows), no Shares will be issued.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares.

1.13 Allotment

The Directors will determine the eligible recipients of all the Shares under the Offer. The Company's decision on the number of Shares to be issued to an Applicant under the Offer will be final.

1.14 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

The Company will not issue certificates to security holders. Rather, holding statements (similar to bank statements) will be dispatched to security holders as soon as practicable after the issue of Shares under the Offer. Holding statements will be sent either by CHESS (for security holders who elect to hold Securities on the CHESS sub-register) or by the Company's share registry (for security holders who elect to hold their Securities on the issuer sponsored sub-register). The statements will set out the number of Shares issued under this Prospectus and the Holder Identification Number (for security holders who elect to hold Securities on the CHESS sub register) or Shareholder Reference Number (for security holders who elect to hold their Securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each security holder following the month in which the balance of their security holding changes, and as required by the Listing Rules and the Corporations Act.

1.15 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offer, in which case, the Company will return all Application Monies (without interest) (if any) in accordance with the Corporations Act.

1.16 Applicants outside Australia

This Prospectus and any accompanying Application Form do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Shares.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

1.17 Risks of the Offer

An investment in Shares of the Company should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company, which are explained in Section 3.

1.18 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisors and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax advisor in connection with subscribing for Shares under this Prospectus.

1.19 Major activities and financial information

A summary of the activities and financial information relating to the Company for the financial year ended 31 December 2022 is in the Annual Report which was lodged with ASX on 10 March 2023.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report are listed in Section 4.6.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that potential Applicants review these and all other announcements prior to deciding whether or not to participate in the Offer.

1.20 Privacy

The Company collects information about each Applicant for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's Shareholding in the Company.

By making an Application, each Applicant agrees that the Company may use the information provided by an Applicant for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required, the Company may not be able to accept or process your Acceptance or Application (as applicable).

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.21 Enquiries

Enquiries relating to this Prospectus should be directed to the Company by telephone on (08) 9389 4499.

2. Effect of the Offer

2.1 Effect on the Capital Structure

The effect of the Offer on the Company's capital structure, assuming the Securities are issued, is set out below.

Class	Shares	Unquoted Options ¹	Performance Rights ²
Securities on issue as at the date of this Prospectus	1,594,754,872	47,352,226	17,000,000
Shares to be issued under the Offer and Placement	180,273,066	-	-

Total Securities on issue upon completion of the Offer	1,775,027,938³	47,352,226	17,000,000
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Notes:

1. 47,352,226 Options exercisable at \$0.04 each and expiring on 3 December 2024.
2. Comprising:
 - (a) 14,000,000 Performance Rights subject to various conditions set out in the Company's Notice of General Meeting announced on the ASX on 15 November 2022; and
 - (b) 3,000,000 Performance Rights subject to vesting conditions set out in the Company's ASX announcement of 31 March 2023.
3. Assumes that:
 - (a) the Offer is fully subscribed;
 - (b) 51,111,111 Shares are issued under the Placement;
 - (c) other than as noted above, no further Shares are issued and none of the convertible Securities are exercised and converted into Shares.

The Company anticipates that a further 2,322,341 Shares will be issued shortly as deferred milestone based facilitator consideration pursuant to the:

 - (d) acquisition of the Mavis Lake Lithium Project as set out in the Company's notice of general meeting announced on the ASX on 10 November 2021; and
 - (e) satisfaction of the relevant milestone.

2.2 Effect of the Offer on the Company and use of funds

As at the date of this Prospectus, the Company has current cash of approximately A\$1.1m.

Upon completion of the Offer, the funds raised from the Offer and the Placement are intended to be used as set out below.

Use of funds	Offer		
	C\$	A\$ ¹	%
Exploration program at the Company's Canadian Mavis Lake Lithium Project ²	7,039,327	7,865,169	100.00
Total	7,039,327	7,865,169	100.00

Notes:

1. Using an exchange rate of A\$1.00 = C\$1.11732.
2. The funds raised are intended to be specifically applied towards continued resource extension drilling at the Mavis Lake Main Zone, initial drilling of the Gullwing, Tot and Little wing prospects, and survey, fieldwork and follow up drilling of mapped spodumene bearing pegmatites within the Mavis Lake Lithium Project.

The above table is a statement of current intentions as of the date of this Prospectus. Due to market conditions and/or any number of other factors (including the risk factors outlined in

Section 3) actual expenditure levels may differ significantly to the above estimates. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the way funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis. Notwithstanding the foregoing, gross proceeds of the Offer will be used only to incur Qualifying Expenditures (as defined in the Subscription Agreement).

Please refer to Section 4.13 for further details on the estimated expenses of the Offer.

2.3 **Pro-forma statement of financial position**

A pro-forma statement of financial position has been provided below to demonstrate the indicative impact of the Offer on the financial position of the Company. The Company's audited financial statements for the financial year ended 31 December 2022 has been used for the purposes of preparing the pro-forma statement of financial position and adjusted to reflect pro-forma assets and liabilities of the Company as if completion of the Offer had occurred by 31 December 2022.

The pro-forma statement of financial position is presented in an abbreviated form. It does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

	31-Dec-22 (Audit) (A\$)	Placement & Offer A\$10.2m (A\$)	31-Dec-22 (Unaudited) (A\$)
CURRENT ASSETS			
Cash and cash equivalents	8,573,127	9,575,170	18,148,297
Trade and other receivables	233,758	-	233,758
Other assets	799,403	-	799,403
TOTAL CURRENT ASSETS	9,606,288	9,575,170	19,181,458
NON-CURRENT ASSETS			
Property, plant & equipment	16,858	-	16,858
Exploration and Evaluation Asset	19,565,051	-	19,565,051
Right of Use Asset	141,872	-	141,872
Financial assets	814,570	-	814,570
TOTAL NON-CURRENT ASSETS	20,538,351	-	20,538,351
TOTAL ASSETS	30,144,639	9,575,170	39,719,809
CURRENT LIABILITIES			
Trade and other payables	1,680,217	-	1,680,217
Financial liabilities	16,502	-	16,502
Flow-through shares premium liability	2,207,704	2,060,616	4,268,320
Lease Liabilities	48,823	-	48,823
Provisions	1,550,024	-	1,550,024
TOTAL CURRENT LIABILITIES	5,503,270	2,060,616	7,563,886
NON-CURRENT LIABILITIES			
Lease Liabilities	97,772		97,772
TOTAL NON-CURRENT LIABILITIES	97,772	0	97,772
TOTAL LIABILITIES	5,601,042	2,060,616	7,661,658
NET ASSETS (LIABILITIES)	24,543,597	7,514,553	32,058,150
EQUITY			
Issued capital	70,629,920	7,514,553	78,144,473
Reserves	887,924	0	887,924
Accumulated losses	(47,543,763)	0	(47,543,763)
Non-Controlling interest	569,516	0	569,516
TOTAL EQUITY	24,543,597	7,514,553	32,058,150

Notes and assumptions:

- The pro forma statement of financial position has not been audited or reviewed and does not include any expenditure of the proceeds of the Offer.
- Offer - the issue of 129,161,955 Shares at an issue price of C\$0.0545 (A\$0.06) per Share to raise C\$7,039,327 (A\$7,865,169) before costs. Placement - the issue of 51,111,111 Shares at an issue price of A\$0.045 per Share to raise approximately A\$2,300,000 before costs. Costs of both the Placement and the Offer are approximately A\$590,000.

2. The estimated expenses of the Offer will be paid from the Company's existing cash. However, for the purpose of this pro forma statement of financial position, these expenses have been deducted from the total funds raised under the Offer.
3. Approximately A\$9,575,170 raised under the Offer and Placement (after costs).
4. Using an exchange rate of A\$1.00 = C\$1.11732.

2.4 **Market Price of Shares**

The highest and lowest closing prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those closing prices were:

Highest: \$0.055 per Share on 14 and 21 July 2023

Lowest: \$0.038 per Share on 26 and 29 June 2023

The latest available closing price of the Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was \$0.046 per Share on 28 July 2023.

3. Risk Factors

An investment in Securities offered by this Prospectus should be regarded as speculative. Activities in the Company, as in any business, are subject to risks which may impact on the Company's future performance. The Company has implemented appropriate strategies, actions, systems and safeguards for known risks, however some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which prospective investors need to be aware of in evaluating the Company's business and the risks of investing in the Company. Prospective investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

3.1 Risks specific to the Company

(a) Future capital requirements

The Company will require further financing in the future, in addition to amounts raised under the Offer.

Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

As an exploration entity, the Company is making a loss, meaning it is reliant on raising funds from investors or lenders in order to continue to fund its operations and to scale growth.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, the Company may be required to reduce the scope of its activities, which could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of Securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

(b) Flow-through placement risk

The Shares issued pursuant to this Prospectus will qualify as "flow-through shares" as defined in the ITA. The term "flow-through share", as defined in the ITA, refers to an ordinary share that will be issued by the Company to an investor under a written agreement with the investor, whereby the Company agrees to incur "Canadian exploration expenses" and to renounce tax deductions associated with those expenditures to the investor. In this regard, the Company has agreed to incur qualifying expenditures in an amount equal to the gross proceeds raised in connection with the Offer by 31 December 2024, and to renounce such qualifying expenditures to the Investors effective no later than 31 December 2023. If the Company and the Investors comply with the rules under the ITA, the Investors will be entitled to deduct the amount renounced in computing income for Canadian income tax purposes and receive

additional tax credits for expenditures targeting critical minerals. The right to deduct qualifying expenditures renounced in respect of flow-through shares accrues to the initial purchaser of the shares and is not transferable.

The applicable tax treatment may constitute a major factor when considering an investment in flow-through shares. The tax consequences of subscribing for Shares under this Prospectus, including the considerations applicable in connection with the renunciation of qualifying expenditures to Investors, are not described in this Prospectus. Applicants are strongly urged to consult their professional tax advisor in connection with subscribing for Shares under this Prospectus.

There is no guarantee that an amount equal to the total proceeds of the sale of the Shares will be expended on qualifying expenditures on or prior to 31 December 2024, or that the renunciation of such expenditures or the expected tax deductions and credits will be accepted by the Canada Revenue Agency. If the Company does not renounce to an Investor, effective on or before 31 December 2023, qualifying expenditures in an amount equal to the aggregate purchase price paid by such Investor for Shares under the Offer, or if there is a reduction in such amount renounced pursuant to the provisions of the ITA, then the Company shall indemnify the Investor for an amount equal to the amount of any tax payable or that may become payable under the ITA (and under any corresponding provincial legislation) by the Investor (or if the Investor is a partnership, the partners thereof) as a consequence of such failure or reduction; however, there is no guarantee that the Company will have the financial resources required to satisfy such indemnity. For certainty, the aforementioned indemnity shall have no force and effect to the extent that such indemnity, recourse or rights of action would otherwise cause the Shares to be "prescribed shares" within the meaning of section 6202.1 of the regulations to the ITA.

(c) **Future payment obligations**

In accordance with the terms of the Company's 100% acquisition of the Mavis Lake Lithium Project, the Company has committed to make two future payments, both of \$1,500,000, to the vendors of the Mavis Lake Lithium Project subject to the satisfaction of milestones relating to the definition of mineral resource estimates (**Milestone Payments**). The first milestone payment became payable upon the definition of the Company's maiden JORC mineral resource as announced on 5 May 2023.

There can be no certainty that the Company will have sufficient funds to satisfy the Milestone Payments if and when they become payable. In the event that the Company doesn't have the available cash to meet the Milestone Payments and isn't able to raise sufficient funds, it may default on its payment obligations, which may give rise to a potential claim against the Company. There is no guarantee that further capital will be available on terms satisfactory to the Company, or at all, and further equity raisings will dilute the interests of existing Shareholders.

3.2 **Mining industry risks**

(a) **Exploration, development and operating risks and costs**

The prospects of the Company should be considered in light of the risks, opportunities, expenses and difficulties frequently encountered by companies at a similar stage of production and development. The Company's initiatives may not proceed to plan, with potential for delay in the timing of exploration and development activities.

There can be no assurance that exploration and development will result in the discovery of further mineral deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration and development activities of the Company and the future development of mining operations at the Company's Projects (or any future projects that the Company may acquire an interest in) may be affected by a range of factors, including:

- (i) geological, metallurgical and hydrological conditions;
- (ii) limitations on activities due to seasonal weather patterns;
- (iii) lack of availability or shortages of equipment, spare parts and consumables;
- (iv) access to appropriately skilled labour, competent operation and managerial employees, contractors and consultants;
- (v) unanticipated operational and technical difficulties, mechanical failure of operating plant and equipment, industrial and environmental accidents;
- (vi) industrial action, disputes or disruptions;
- (vii) industrial and environmental accidents;
- (viii) increases in costs and cost overruns;
- (ix) financial failure, or default by any future alliance or service provider to the Company which may require the Company to face unplanned expenditure;
- (x) native title process;
- (xi) changing government regulations; and
- (xii) other factors beyond the control of the Company.

In addition, the construction of any proposed development may exceed the expected timeframe or cost for a variety of reasons out of the Company's control. Any delays to project development could adversely affect the Company's operations and financial results and may require the Company to raise further funds to complete the project development and commence operations.

(b) Tenure, access and grant of licences / permits

The Company's operations are subject to receiving and maintaining licences and permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary grants or renewals of licences / permits for the proposed operations, additional licences / permits for any possible future changes to operations, or additional permits associated with new legislation.

Prior to any development on any of its properties, subsidiaries of the Company must receive licences / permits from appropriate governmental authorities. There is no certainty that the Company will hold all licences / permits necessary to develop or continue operating at any particular property.

(c) Land access risk

Land access is critical for exploration and exploitation to succeed. It requires both access to the mineral rights and access to the surface rights.

Minerals rights may be negotiated and acquired. In all cases, the acquisition of prospective exploration and mining licences is a competitive business in which

proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Company may not be successful in acquiring or obtaining the necessary licences to conduct exploration or evaluation activities outside of the mineral tenements that it owns.

Access to land for exploration and evaluation purposes can be obtained by:

- (i) private access and compensation agreement with the landowner;
- (ii) purchase of surface rights; or
- (iii) through judicial rulings.

However, access rights to licences can be affected by many factors, including:

- (i) travel restrictions, quarantining procedures or other impediments to the free movement of personnel as a result of COVID-19;
- (ii) surface title land ownership negotiations, which are required before ground disturbing exploration activities can commence within the jurisdictions in which the Company operates;
- (iii) permitting for exploration activities, which are required in order to undertake most exploration and exploitation activities within the jurisdictions in which the Company operates; and
- (iv) natural occurrences, including inclement weather, volcanic eruptions, lahars and earthquakes.

All of these issues have the potential to delay, curtail and preclude the Company's operations. While the Company will have the potential to influence some of these access issues, and retains staff to manage those instances where negotiations are required to gain access, it is not possible for the Company to predict the extent to which the above-mentioned risks and uncertainties may adversely impact the Company's operations.

(d) Access to sufficient used and new equipment

The services provided by the Company are dependent on access to used and new mining equipment.

In the event that the Company has difficulty in securing adequate supplies of mining equipment at appropriate prices, or if the quality of the equipment is not acceptable or suitable, its ability to perform or commence new projects may be adversely affected. This difficulty may have an adverse impact on the financial performance and financial position of the Company.

(e) Resource risk

There is inherent uncertainty with mineral resource and ore reserve estimates. Regardless of JORC Code or other status, there is a risk that actual mining performance will not deliver performance in line with mineral resource and ore reserve estimates.

(f) Maintenance of equipment risk

The Company's equipment will require maintenance and replacement over time.

Future operating and financial performance could be adversely affected because maintenance and repair costs may be higher than estimated, it must be undertaken earlier than anticipated, or if there is a significant operational failure requiring unplanned maintenance expenditure. Future operating and financial performance could be adversely affected because market values of used equipment may fluctuate and are generally lower as a piece of equipment ages. In addition, the cost of the new equipment used may increase and, therefore, the Company may need to access replacement equipment. Any such cost increases could materially and adversely impact the operating and financial performance of the Company.

(g) Reliance on key personnel

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain those personnel at compensation levels consistent with its existing compensation and salary structure. The Company's future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, any inability of the Company to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

(h) Insurance and uninsured risks

The Company faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. Although insurance is maintained in line with industry practice, no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that any cover will be adequate and available to cover any or all claims.

(i) Commodity price and exchange rate risks

To the extent the Company is involved in mineral production, the revenue derived through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. The prices of lithium, zinc, lead, copper, silver, gold and other minerals, fluctuate widely and are affected by numerous factors beyond the control of the Company, for example, industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events.

Future serious price declines in the market values of lithium, zinc, lead, copper, silver, gold and other minerals, could cause the development of, and eventually the commercial production from, the Company's Projects and the Company's other properties to be rendered uneconomic. Depending on commodity prices, the Company could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, some of its properties. Even as commercial quantities of lithium, zinc, lead, copper, silver, gold and other minerals are produced, there is no assurance that a profitable market will exist for those minerals.

Further, international prices of various commodities are denominated in United States dollars. In contrast, the income and expenditure of the Company are, and will be taken into account in Australian dollars and Canadian dollars. Consequently, the Company is exposed to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar and the Canadian dollar, as determined in international markets.

In addition to adversely affecting any potential future reserve estimates of the Company and its financial condition, declining commodity prices can impact operations by requiring

a reassessment of the feasibility of a particular project. A reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

(j) **Risk of adverse publicity**

The Company's activities will involve mineral exploration and mining and regulatory approval of its activities may generate public controversy. Political and social pressures and adverse publicity could lead to delays in approval of, and increased expenses for, the Company's activities. The nature of the Company's business attracts a high level of public and media interest and, in the event of any resultant adverse publicity, the Company's reputation may be harmed.

(k) **Third party risk**

The operations of the Company will require involvement of a number of third parties, including suppliers. With respect to these third parties, and despite applying best practice in terms of precontracting due diligence, the Company is unable to completely avoid the risk of:

- (i) financial failure or default by a participant in any joint venture to which the Company may become a party; and
- (ii) insolvency, default on performance or delivery by any operators, contractors or service providers.

These contracts typically contain provisions providing for early termination of the contracts upon giving varying notice periods and paying varying termination amounts. The early termination of any of these contracts, for any reason, may mean that the Company will not realise the full value of the contract, which is likely to adversely affect the growth prospects, operating results and financial performance of the Company.

(l) **Climate change**

There are a number of climate-related factors that may affect the Company's business. Climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the ability of the Company to access and utilise its tenements and therefore the Company's ability to carry out its operations.

Changes in policy, technological innovation and consumer or investor preferences could adversely impact the Company's business strategy, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.

(m) **Occupational health and safety**

Site safety and occupational health and safety outcomes are a critical element in the reputation of the Company and its ability to retain and be awarded new contracts in the resources industry. While the Company has a strong commitment to achieving a safe performance on site and a strong record in achieving safety performance, a serious site safety incident could impact upon the reputation and financial performance of the Company.

Additionally, laws and regulations, as well as the requirements of customers, may become more complex and stringent or the subject of increasingly strict interpretation and enforcement. Failure to comply with applicable regulations or requirements may result in significant liabilities, suspended operations and increased costs. Industrial accidents may occur in relation to the performance of the Company's services. Accidents, particularly where a fatality or serious injury occurs, or a series of accidents, may have operational and financial implications for the Company, which may negatively impact the financial performance and future potential of the Company.

(n) **Management of growth**

There is a risk that management of the Company will not be able to implement the Company's growth strategy. The capacity of management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.

(o) **Technology and information systems**

The Company relies on the effective and efficient operation of information technology, software systems, communications technology and other systems and equipment for its operations, including technology and systems provided by third parties. If any of these systems, software or technologies fail to operate effectively, or new systems or significant upgrades are required, the Company could suffer interruption to its services and loss of data which could lead to financial loss and damage to its reputation.

Service interruption may be as a result of issues, including hardware, software or system failures, computer viruses, third party service failures, cyber-attacks or other cyber incidents. Further, failure of the Company's disaster recovery arrangements to operate effectively could also result in financial loss and damage to the reputation of the Company.

(p) **Unforeseen expenses**

The Company's cost estimates and financial forecasts include appropriate provisions for material risks and uncertainties and are considered fit for purpose for the activities of the Company. If risks and uncertainties prove to be greater than expected, or if unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected.

(q) **Sovereign risk**

The Company's Canadian Projects and Sohar Copper Project (Block 4 and 5) are located outside of Australia and are subject to the risks associated in operating in a foreign country. These risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

Any future material adverse changes in government policies or legislation in foreign jurisdictions in which the Company has projects that affect foreign ownership, exploration,

development or activities of companies involved in exploration and production, may affect the viability and profitability of the Company.

(r) **Environmental and social risks**

The Company's Projects are subject to laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. As with all mining projects, these Projects would be expected to have a variety of environmental impacts should development proceed.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by the Company's activities will be rehabilitated as required by the conditions attaching to the tenements.

The Company's activities in Oman face greater inherent risks relating to security, enforcement of obligations, fraud, bribery and corruption than in Australia. Sanctions for noncompliance with these laws and regulations may include administrative, civil and criminal penalties, revocation of permits, reputational issues, increased licence conditions and corrective action orders. These laws sometimes apply retroactively. In addition, a party can be liable for environmental damage without regard to that party's negligence or fault. Increased costs associated with regulatory compliance and/or with litigation could have a material and adverse effect on the Company's financial performance.

3.3 **General risks**

(a) **General economic climate**

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs. The Company's future income, asset values and share price can be affected by these factors and, in particular, by exchange rate movements.

(b) **Securities investments**

Applicants should be aware that there are risks associated with any securities investment. The prices at which the Company's Shares trade may be above or below the issue price of the Offer and may fluctuate in response to a number of factors. Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance.

(c) **Government and legal risk**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect its permits. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its permits. Any such government action may

also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(d) **Litigation risks**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. As at the date of this Prospectus, there are no material legal proceedings affecting the Company.

(e) **Force majeure**

Force majeure is a term used to refer to an event beyond the control of a party claiming that the event has occurred. Significant catastrophic events – such as war, acts of terrorism, pandemics, loss of power, cyber security breaches or global threats – or natural disasters – such as earthquakes, fire or floods or the outbreak of epidemic disease – could disrupt the Company's operations and interrupt critical functions, or otherwise harm the business. To the extent that such disruptions or uncertainties result in delays or cancellations of the deployment of the Company's products and solutions, its business, results of operations and financial condition could be harmed.

(f) **Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.

(g) **Unforeseen risk**

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operations and/or the valuation and performance of its Shares.

3.4 **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

4. Additional Information

4.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General meeting and notices

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Ranking of Shares

At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.

(c) Voting rights

Subject to any rights or restrictions, at general meetings of Shareholders or classes of shareholders:

- (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder, has one vote for every fully paid Share held and a fraction of one vote for each partly paid up Share held, equal to the proportion which the amount paid up on that Share (excluding amounts credited) is to the total amounts paid up and payable (excluding amounts credited) on that Share.

(d) Dividend rights

Subject to the Corporations Act and the Company's Constitution, the Directors may pay any interim, special or final dividends as, in their judgment, the financial position of the Company justifies.

Subject to the rights of the holders of any shares with special rights to dividends, all dividends in respect of a share must be paid in the proportion that the amount paid (not credited) on the share bears to the total amounts paid and payable (excluding amounts credited) on the share.

No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

The Directors may capitalise any profits of the Company and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled to a distribution by dividend.

(e) **Variation of rights**

If at any time the share capital is divided into different classes of shares, the rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares in that class.

(f) **Transfer of Shares**

Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien. The Company must refuse to register a transfer of Shares where the Corporations Act, Listing Rules or ASX Settlement Operating Rules or a law about stamp duty requires the Company to do so.

(g) **Future increase in capital**

The issue of any Shares is under the control of the Board of the Company as appointed from time to time. Subject to restrictions on the issue or grant of Securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing Share or class of shares), the Directors may issue Shares and other Securities as they shall, in their absolute discretion, determine.

(h) **Rights on winding up**

If the Company is wound up, the liquidator may with the sanction of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.2 **PearTree**

PearTree was engaged to facilitate the Placement pursuant to an engagement agreement dated 6 July 2023 (**PearTree Engagement Letter**). Under the PearTree Engagement Letter and a

subscription and renunciation agreement (**Share Subscription Agreement**) dated 26 July 2023, PearTree agreed to purchase the Shares under the Offer as agent for the Investors.

Pursuant to the terms of these agreements, no fees are payable to PearTree from the Company for its role with respect to the Offer.

The Share Subscription Agreement contains terms and conditions considered standard for an agreement of this nature.

4.3 **Joint Lead Managers**

The Company entered into respective lead manager mandates with Canaccord Genuity (Australia) Limited and Sixty Two Capital Pty Ltd (**Joint Lead Managers**) whereby the Joint Lead Managers will act as lead managers, brokers and joint bookrunners to the Company in connection with the Offer (**JLM Mandates**). The Joint Lead Managers will facilitate the end buyer block trade of the Shares issued pursuant to the Offer, which involves Peartree (as agent for the Investors) selling the Shares to the Placement Participants at C\$0.0403 (A\$0.045) per Share.

Under the JLM Mandates, the Company has agreed to pay the Joint Lead Managers the following fees:

- (a) a capital raising fee of 4% to Canaccord Genuity (Australia) Limited of the amount raised under the end buyer block trade and Placement;
- (b) a management fee of 2% to Canaccord Genuity (Australia) Limited of the amount raised under the end buyer block trade and Placement;
- (c) a fee of 1% to the Joint Lead Managers of the funds raised under the flow-through Offer less the amount raised under the end buyer block trade; and
- (d) a capital raising fee of 6% to Sixty Two Capital Pty Ltd of the allocated amount to investors introduced to the Offer by Sixty Two Capital Pty Ltd,

(together, the **Lead Managers Fees**).

The JLM Mandates are otherwise on terms and conditions considered standard for an agreement of this nature.

4.4 **Company is a disclosing entity**

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.6 below). Copies of all documents announced to the ASX can be found at <https://www.criticalresources.com.au/investors/>.

4.5 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4.6 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offer a copy of:

- (a) the Annual Report for the period ending 31 December 2022 lodged with ASX on 10 March 2022; and
- (b) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a), until the date of this Prospectus:

Date lodged	Subject of Announcement
31 July 2023	Quarterly Activities/Appendix 5B Cash Flow Report
27 July 2023	Proposed issue of securities
27 July 2023	CRR Raises \$10.2M to Focus on Mavis Lake Resource Growth
25 July 2023	Trading Halt
24 July 2023	Assay Results confirm 74.4m at 1.18% Li ₂ O at Mavis Lake
17 July 2023	Rock chips up to 3.2% Li ₂ O at Gullwing and Tot prospects
6 July 2023	Spectacular 74.4m Intercept at Mavis Lake
3 July 2023	Resource Extension Drilling Underway, Mavis Lake Li Project
30 June 2023	Maiden Mineral Resources Estimate for the Halls Peak Project
27 June 2023	Strong Assay Results set the path for Resource Upgrade
20 June 2023	AIP Executed with Wabigoon Lake Ojibway Nation, Mavis Lake
13 June 2023	Lithium Expert Anthony Tse Appointed as Strategic Advisor
8 June 2023	Notification of cessation of securities - CRR
18 May 2023	Exploration Commences On 8km Pegmatite Trend at Gullwing-Tot
9 May 2023	Change of Director's Interest Notice

Date lodged	Subject of Announcement
8 May 2023	121 Mining Investment Conference Presentation
5 May 2023	Adoption of New Constitution
5 May 2023	Results of Meeting
5 May 2023	8.0 Mt at 1.07% Li ₂ O Maiden Mineral Resource at Mavis Lake
4 May 2023	Critical Resources Investor Webinar
3 May 2023	Trading Halt
18 April 2023	Thick Near Surface Mineralisation Intercepted at Mavis Lake
17 April 2023	Quarterly Activities/Appendix 5B Cash Flow Report
5 April 2023	Notice of Annual General Meeting & Proxy Form
3 April 2023	Exceptional metallurgical test work results
31 March 2023	Employee Performance Incentives
31 March 2023	Notification regarding unquoted securities - CRR
31 March 2023	Notification regarding unquoted securities - CRR
28 March 2023	Change of Director's Interest Notice (x2)
28 March 2023	Final Director's Interest Notice
28 March 2023	Corporate and Board Update
27 March 2023	Further Assays Reinforce Mavis Lake as a Leading Project
22 March 2023	AGM Details
22 March 2023	Change of Director's Interest Notice
14 March 2023	27.45m Spodumene-Bearing Pegmatite Intercept at Mavis Lake
10 March 2023	Appendix 4G and Corporate Governance Statement
10 March 2023	Annual Report to Shareholders

The following documents are available for inspection throughout the period of the Offer during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and

- (c) the consents referred to in Section 4.14 and the consents provided by the Directors to the issue of this Prospectus.

4.7 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

As at the date of the Prospectus, assay results are pending from the Company's current drilling program at its Mavis Lake Lithium Project. It is unknown when the Company will receive these results. The Company will update Shareholders and the market as information becomes available in accordance with its continuous disclosure obligations.

4.8 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

4.9 Substantial Shareholders

Based on the information available as at the date of this Prospectus, those persons which together with their associates have a voting power in 5% or more of the Shares on issue are set out below.

Substantial Shareholder	Number of Shares	% Voting Power
Sufian Ahmad	105,135,000	6.59
John Markovic ¹	86,959,476	5.45

Notes:

1. John Markovic is considered to be a substantial shareholder by virtue of section 608(1) of the Corporations Act, being a relevant interest held in 2,750,000 Shares (held directly by John Markovic), 60,014,476 Shares held by JGM Property Investments Pty Ltd (of which John Markovic is a director and shareholder), 14,195,000 Shares held by Markovic Family (No.2) Pty Ltd (of which John Markovic is a director) and 10,000,000 Shares held by JLM Corporation Pty Ltd (an entity controlled by John Markovic's spouse, Julie Markovic).

4.10 Interests of Directors

(a) Information disclosed in this Prospectus

Other than as set out in this Prospectus, no Director holds or has held within the 2 years preceding lodgement of this Prospectus with ASIC, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
- (iii) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director:

- (iv) as an inducement to become, or to qualify as, a Director; or
- (v) for services provided in connection with the formation or promotion of the Company, or the Offer.

(b) **Security holding**

The relevant interests of each of the Directors in Securities of the Company as at the date of this Prospectus are set out below.

Director	Shares	Voting power (%)	Unquoted Options	Performance Rights
Robert Martin ¹	12,668,390	0.79%	Nil	Nil
Alex Cheeseman ²	2,280,000	0.14%	Nil	14,000,000
John Markovic ³	86,959,476	5.45%	4,597,701	Nil

Notes:

1. Mr Martin's Securities are held as follows:
 - (a) 8,968,390 Shares held indirectly by Pleasant Bank (WA) Pty Ltd as trustee for Martin Super Fund Acct, of which Mr Martin is director;
 - (b) 2,000,000 Shares held directly by Mr Robert Anthony Martin; and
 - (c) 1,700,000 Shares held indirectly by E Street Investments Pty Ltd, of which Mr Martin is the sole director.
2. Mr Cheeseman's Securities are held indirectly through Kanimbla Solutions Pty Ltd <Kanimbla Investments>, an entity of which Mr Cheeseman's wife (Cassandra Cheeseman) is a director.
3. Mr Markovic's Securities are held as follows:
 - (a) 2,750,000 Shares held directly;
 - (b) 60,014,476 Shares and 3,764,368 Unquoted Options (exercisable at \$0.04 each and expiring on 3 December 2024) are held indirectly through JGM Property Investments Pty Ltd, of which Mr Markovic is a director and shareholder;
 - (c) 14,195,000 Shares are held indirectly through Markovic Family (No.2) Pty Ltd, of which Mr Markovic is a director; and
 - (d) 10,000,000 Shares and 833,333 Unquoted Options (exercisable at \$0.04 each and expiring on 3 December 2024) are held indirectly through JLM Corporation Pty Ltd, an entity controlled by Mr Markovic's spouse, Julie Markovic.

(c) **Remuneration**

The Constitution of the Company provides that the Non-Executive Directors are entitled to be paid an amount of fees which does not in any year exceed in aggregate the amount last fixed by ordinary resolution. The current amount fixed to be paid to Non-Executive Directors is A\$300,000. The remuneration of the Non-Executive Directors must not be set as a commission on, or percentage of, profits or operating revenue. The Directors may determine the manner in which all or part of the above mentioned fee-pool is divided between the Non-Executive Directors, and until so determined, the above mentioned fee-pool must be divided between the Non-Executive Directors equally. The remuneration of the Non-Executive Directors is taken to accrue from day to day.

The Constitution also provides that:

- (i) the Directors shall be entitled to be paid all reasonable travelling, accommodation and other expenses properly incurred by them in connection with the business of

the Company, including attending and returning from general meetings of the Company or meetings of the Directors or of committees of the Directors; and

- (ii) if any of the Directors renders or is called on to perform extra or special services in connection with the affairs of the Company, the Company may pay such additional remuneration or provide such benefits to that Director as the Directors resolve.

The remuneration of Executive Directors is to be fixed by the Board, subject to the provisions of any contract between each of them and the Company. As at the date of this Prospectus, the Company has one executive Director: Mr Alex Cheeseman. The total annual base salary payable to Mr Cheeseman is currently \$393,000 (inclusive of superannuation and director fees). Additionally, Mr Cheeseman participates in the Company's short term incentive (STI) plan of up to 60% of total annual base salary, subject to agreed annual performance hurdles, to be paid in cash, Shares or a combination of cash and Shares (as agreed by the Company).

The table below sets out the remuneration provided to the Directors of the Company and their associated companies during the last two financial years (**FY**), inclusive of directors fees, consultancy fees, superannuation benefits and share-based payments.

Director	FY ended 31 December 2022 (A\$)	FY ended 31 December 2021 (A\$)
Robert Martin ¹	221,984	86,016
Alex Cheeseman ²	327,554	-
Michael Leu ³	299,684	81,816 ³
John Markovic ⁵	18,640	-

Notes:

1. Mr Martin was appointed as Non-Executive Chairman on 4 February 2021.
2. Mr Cheeseman was appointed as Managing Director on 10 October 2022, previously Non-Executive Director appointed on 6 January 2022.
3. Mr Leu was appointed as Non-Executive Director on 4 February 2021 and resigned on 28 March 2023.
4. Mr Markovic was appointed as a Non-Executive Director on 12 August 2022.

4.11 Related party transactions

Except as disclosed in this Prospectus, there are no related party transactions involved in the Offer.

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting, unless it is resolved by

the Board of Directors that the Director can be present at the meeting but does not vote on the matter.

4.12 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Shares offered under this Prospectus.

Hamilton Locke will be paid approximately \$25,000 (plus GST) in fees for legal services in connection with the Offer. Hamilton Locke has been paid approximately \$86,000 for other legal services to the Company and its subsidiaries over the past 24 months.

The Joint Lead Managers will be paid fees as set out in Section 4.3 for its services in connection with the Offer and the Placement.

Computershare Investor Services Pty Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to issue of the Shares under the Offer and will be paid for these services on standard industry terms and conditions.

4.13 Expenses of the Offer

The estimated expenses of the Offer are as follows (which will be paid out of the Company's existing capital):

Estimated expense	A\$ ¹
ASIC lodgement fees	3,000
ASX quotation fees	25,000
Lead Manager fees	507,000
Legal and preparation expenses	50,000
General administrative expenses	5,000
TOTAL	590,000

Note 1: these figures are rounded to the nearest A\$1,000.

4.14 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the

Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) has not authorised or caused the issue of the Prospectus or the making of the Offer;
- (b) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (c) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Hamilton Locke has given its written consent to being named as the solicitors to the Company in this Prospectus. Hamilton Locke has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

Each of the Directors have given their written consent to being named in this Prospectus in the context in which they are named. Each of the Directors have not withdrawn their consent before the lodgment of this Prospectus with ASIC.

Computershare Investor Services Pty Limited has given its written consent to being named as the share registry to the Company in this Prospectus. Computershare Investor Services Pty Limited has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

Canaccord Genuity (Australia) Limited has given its written consent to being named as a joint lead manager to the Offer in this Prospectus. Canaccord Genuity (Australia) Limited has not withdrawn its consent prior to the lodgment of this Prospectus with the ASIC.

Sixty Two Capital Pty Ltd has given its written consent to being named as a joint lead manager to the Offer in this Prospectus. Sixty Two Capital Pty Ltd has not withdrawn its consent prior to the lodgment of this Prospectus with the ASIC.

5. Directors' Statement and Consent

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



Robert Martin
Non-Executive Chairman
Critical Resources Limited
Dated: 31 July 2023

6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ or A\$	means Australian dollars.
Acceptance	means a valid acceptance of Shares under the Offer made pursuant to this Prospectus on an Application Form.
Annual Report	means the financial report lodged by the Company with ASIC in respect to the year ended 31 December 2022 includes the corporate directory, Directors' report, auditor's independence declaration, consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows, notes to the consolidated financial statements, together with an independent auditor's report for the period to 31 December 2022.
Applicant	means a person who submits an Application Form.
Application	means a valid application under the Offer made on an Application Form.
Application Form	means the application form provided by the Company with a copy of this Prospectus.
Application Monies	means the monies paid by Applicants in respect of Shares the subject of an Application.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited (ACN 008 624 691) and where the context permits the Australian Shares Exchange operated by ASX Limited.
AWST	means Australian Western Standard Time, being the time in Perth, Western Australia.
Board	means the Directors meeting as a board.
Business Day	means Monday to Friday inclusive, other than a day that ASX declares is not a business day.
C\$	means Canadian dollars.
Canadian Projects	means the Mavis Lake Lithium Project, Graphic Lake Lithium Project and Plaid and Whiteloon Lake Projects.
CHESS	means ASX Clearing House Electronic Subregistry System.
Closing Date	has the meaning given to it in the Proposed Timetable.

Company	means Critical Resources Limited (ACN 145 184 667) (ASX:CRR).
Constitution	means the constitution of the Company as at the date of this Prospectus.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Directors	mean the directors of the Company as at the date of this Prospectus.
Investors	has the meaning given in Section 1.1.
Issuer Sponsored	means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.
ITA	means the <i>Income Tax Act</i> (Canada).
JORC Code	means the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.
JLM Mandate	has the meaning given in Section 4.3.
Joint Lead Managers	means Canaccord Genuity (Australia) Limited (ACN 075 071 466) and Sixty Two Capital Pty Ltd (ACN 611 480 169), and each a Joint Lead Manager .
Listing Rules	means the listing rules of ASX.
Milestone Payment	has the meaning given in Section 3.1(c).
New Plan	means the Company's proposed new Employee Securities Incentive Plan, the subject of resolution 1 of the Notice.
Offer	has the meaning given in Section 1.2.
Opening Date	means the date on which the Offer opens.
Option	means an option to acquire a Share, subject to certain terms and conditions.
PearTree	means PearTree Securities Inc.
PearTree Engagement Letter	has the meaning given in Section 4.2.
Performance Right	means a right, subject to certain terms and conditions, to acquire a Share on the satisfaction (or waiver) of certain performance conditions.
Placement	means the Company's Share placement announced to ASX on 27 July 2023.
Placement Participants	has the meaning given in Section 1.1.

Projects	includes the Canadian Projects, Halls Peak Project (Australia) and Sohar Copper Project (Block 4 and 5) (Oman).
Prospectus	means this prospectus dated 31 July 2023.
Section	means a section of this Prospectus.
Securities	means Shares, Options and/or Performance Rights.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of Shares.
Subscription Agreement	means the subscription and renunciation agreement between the Company and PearTree dated 26 July 2023.
Timetable	means the proposed timetable for the Offer set out on page iv of this Prospectus.
Unquoted Options	means Options which are not quoted on ASX's official list.
VWAP	means volume weighted average price.