

05 January 2022

Mavis Lake Lithium Project Acquisition Completed

Critical Resources Limited (ASX:CRR) (“Critical Resources” or the “Company”), is pleased to announce that the 100% acquisition of the Mavis Lake lithium project in Ontario, Canada (“the Project”) is complete.

Highlights

- **Final approval obtained from the Investment Review Branch of Canada (“IRB”)**
- **Shareholder approval received at CRR General Meeting held on 15 December 2021**
- **Capital raising of A\$4.0 million completed with securities being issued today**
- **Approvals allow for an aggressive exploration strategy to begin targeting battery grade Lithium**
- **Work program developed in conjunction with SRK Consulting for 2022**
- **Permitting for exploration drilling to begin immediately**

The Company is pleased to announce the 100% acquisition of the Mavis Lake lithium project in Ontario, Canada from vendors Essential Metals Limited (ASX: ESS) (“Essential Metals” or “ESS”) and International Lithium Corporation (TSXV: ILC) (“ILC”).

Critical Resources Managing Director Alex Biggs said “We are very excited to complete the acquisition of the Mavis lake lithium project. We have no doubt that the Project will add significant value to the business moving forward. Our strategy in 2022 is to begin exploration drilling as soon as possible once permitting is completed. We have multiple targets to explore with a view to achieving, over time, the milestones set out by the vendors of 5.0 million and 10.0 million tonnes.”

Key Transaction Terms

The Company is in the process of completing transaction payments as follows:

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

The Company is also committed to the following milestone payments:

- A\$1.50 million in cash following the definition of a Mineral Resource Estimate (as defined in the JORC Code 2012) for the Project with a volume of not less than 5.0 million tonnes

containing not less than 50,000 tonnes of Li₂O using a cut-off grade of not less than 0.4% Li₂O (split 50/50 between ESS and ILC)

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

Mavis Lake Project Description

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

^{1,2}Previous drill programs have yielded high-grade Li₂O intercepts including 55.25m at 1.04% Li₂O from 80.75m in drill hole MF18-53 and 26.30m at 1.70% Li₂O from 111.9m inc. 7.70m at 2.97% Li₂O from 130.5m in drill hole MF17-491, presenting significant exploration potential. A future work program has been determined and is discussed in detail in the CRR ASX announcement, dated 13 December 2021.

Project location and prospect location are shown in Figure 1 and Figure 2 respectively with Figure 3 showing an example of pegmatite intercepts from drill hole MF17-40.

Figure 1 – Mavis Lake project location



¹The reported intersections are down hole measurements and are not necessarily true width.

Critical Resources Announcement

²25 October 2021 – Canadian High Grade Lithium Asset Binding Terms Sheet Signed

Figure 2: Location of Mavis Lake prospects

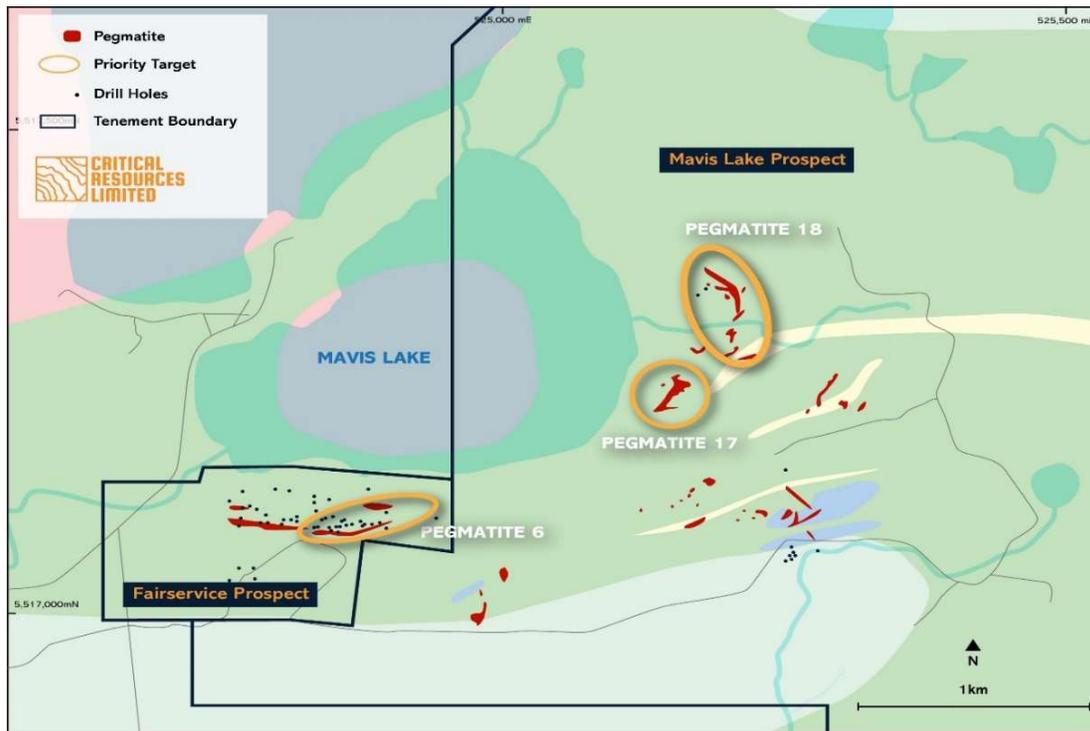
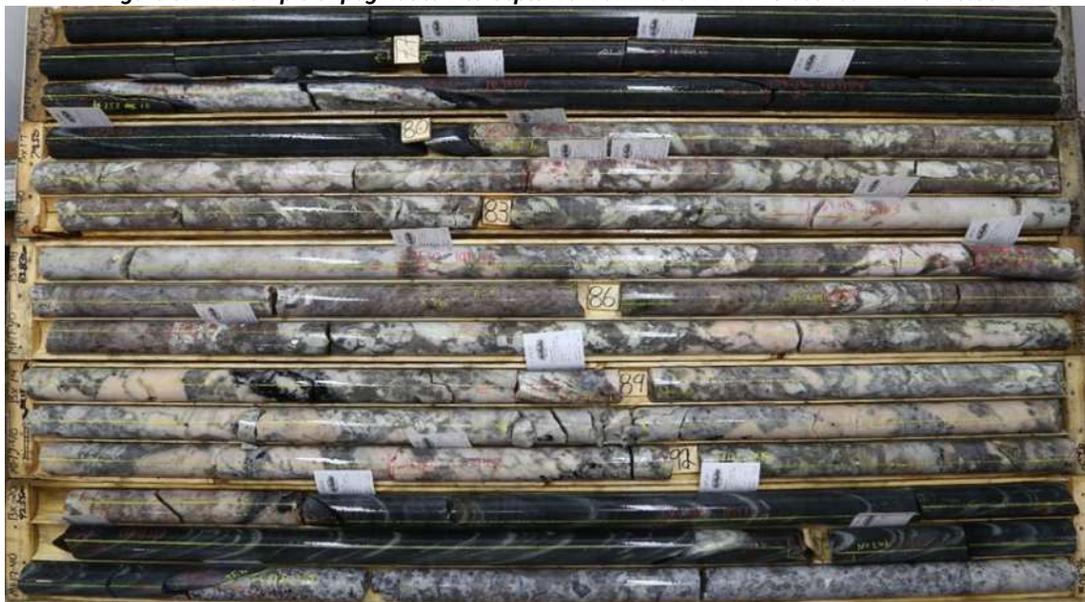


Figure 3: An example of pegmatite intercepts from drill hole MF17-40 between 74.95-96.80m



Forward Work Program

The Company plans an aggressive approach to exploration at Mavis Lake with a view to delineating a JORC compliant Resource. Planned activities are as laid out below.

Interpretation of Airborne Survey Data

Interpretation of the recently completed airborne survey will potentially allow identification of new targets and help define the strategy for the next drill program.

Surface Mapping and Sampling

Surface mapping and sampling of outcropping pegmatites will assist in identifying targets in collaboration with the airborne survey data. Further surface exploration of the lease outside of the known Fairservice and Pegmatite 18 prospects is expected to yield further target areas.

Core Logging

Core from previous drilling campaigns is stored locally close to the Mavis Lake site. It is planned that during the winter months core logging may prove appropriate to assist in gaining an understanding of orientation of the lithium bearing pegmatites as well as reviewing continuity of mineralisation to assist in the development of a JORC compliant Resource model in the future.

Metallurgical Testing – Battery Grade Concentrate Determination

If appropriate mass of existing core is available then metallurgical test work is planned to test for battery grade Li_2CO_3 of 99.5% purity. A review of existing core has been completed as part of the SRK site visit with selected samples taken for verification assaying. A future core logging and photographing program will be implemented on existing core samples which are stored near the Mavis Lake site.

Exploration Strategies

A number of strategies will be employed across the Project area including density sampling, gravity survey, ground magnetic surveys, surface mapping, structural data interpretation, lithological mapping and geochemical sampling.

Drill Program Design

Based on the activities outlined above a preliminary drill program of 5,000m or greater has been designed with drilling permits ready to be lodged. A secondary 5,000m drill program will be designed based on drilling results and data interpretation from the various exploration strategies that will be employed.

Permitting

Enquiries regarding permitting and approvals is well underway, with a view to beginning drilling in the short term. There are no weather restrictions as to when drilling can begin, and it is the Company's intention to commence exploration diamond drilling as soon as possible, now that the acquisition has been completed.

Exploration Drilling and Resource Delineation

The Company plans to complete diamond drilling across the Mavis Lake tenements, initially focused on the Fairservice and Pegmatite 18 prospects. As more targets are identified both across the tenements and at depth further drilling will be deployed. The strategy is to define a JORC compliant Resource which satisfies the milestones as agreed in the binding agreement of 5.0 million tonnes and 10.0 million tonnes respectively.

The Lithium Industry in Ontario – Tesla Battery Gear Manufacturing Plant Opens

Tesla has recently announced the opening of a battery gear manufacturing plant in Markham, Ontario demonstrating the significance of Ontario as one of the world's leading lithium provinces. The facility will be the first branded Tesla Canada manufacturing facility in Canada.

A significant amount of activity in the lithium exploration sector is currently occurring in Ontario. Due to the quality of lithium assets in the region, the current buoyant lithium market and the intent of North American manufacturers to source lithium for battery manufacturing from the province, it is an excellent time to be gaining a foothold in Ontario.

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

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ABOUT CRITICAL RESOURCES LIMITED

Critical Resources is a base metals and lithium exploration and development focused company headquartered in Perth, Western Australia and is listed on the Australian Securities Exchange (ASX:CRR). The Company has recently been undergoing a structured process of change at the Director and Executive level. These changes mark the commencement of a renewed focus by the Company on providing shareholder value through the exploration, development and advancement of the Company's long held NSW assets, its newly acquired Lithium assets in Canada and also of its Copper assets in Oman.

FORWARD LOOKING STATEMENTS

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

NO NEW INFORMATION

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