

18 January 2022

## **Acquisition of Graphic Lake Lithium Project in Ontario Canada**

Critical Resources Limited (ASX:CRR) (“**Critical Resources**” or the “**Company**”), is pleased to advise that subject to Canadian Investment Review Board Approval (IRB), it has acquired the Graphic Lake lithium project (“**the Project**”) in Ontario Canada. The Project is located ~180km from the Company’s newly acquired Mavis Lake Lithium project.

### **Highlights**

- **Acquisition strengthens the Company’s Lithium exploration footprint in Canada**
- **Underexplored project in a proven lithium province**
- **Early-indication of potential Lithium-Caesium-Tantalum (LCT) pegmatite system**
- **LCT pegmatites account for 25% of the world’s lithium production and the majority of tantalum caesium production**
- **Thirteen samples currently at the lab pending assay results. Results are expected imminently**
- **Work program underway to identify drill targets**
- **Permitting for exploration activities to begin immediately**

The Company is pleased to announce its acquisition of the Graphic Lake lithium project in Ontario, Canada. The Project is located ~180km from the Company’s recently acquired Mavis Lake project and is considered as prospective for both lithium and rare earth elements (“**REE**”). There are natural synergies between Mavis Lake and Graphic Lake that demonstrate the Company’s intent to cement its position in the Canadian lithium sector.

Critical Resources Managing Director Alex Biggs said: “The Graphic Lake lithium project in Ontario Canada represents an excellent early-stage exploration opportunity that is synergistic with our newly acquired Mavis Lake project. The Company is committed to making quality acquisitions and expanding its access to lithium raw materials to provide the Company’s shareholders with exposure across a range of battery and critical minerals. An early-stage project such as Graphic Lake allows us to add significant value from the ground floor, in a commodity that we anticipate will be in high demand for the foreseeable future.”

## Key Transaction Terms

The key transaction terms are as follows:

- A\$80,000 cash payment (A\$10,000 paid as an option fee),
- A\$120,000 fully paid ordinary shares in Critical Resources Limited (calculated at a 20-day VWAP), and
- 1.5% Net Smelter Royalty (“NSR”) capped at C\$500,000 with the option to purchase at any time for C\$500,000

## Project Overview

The Graphic Lake Project is 55km south-east of Kenora, Ontario. The Project is dissected by the Trans-Canadian Highway, providing key links to larger cities such as Thunder Bay, Ontario to the southwest and Winnipeg, Manitoba, to the west. The region is a well-established lithium province with multiple projects across the region as shown in Figure 1.

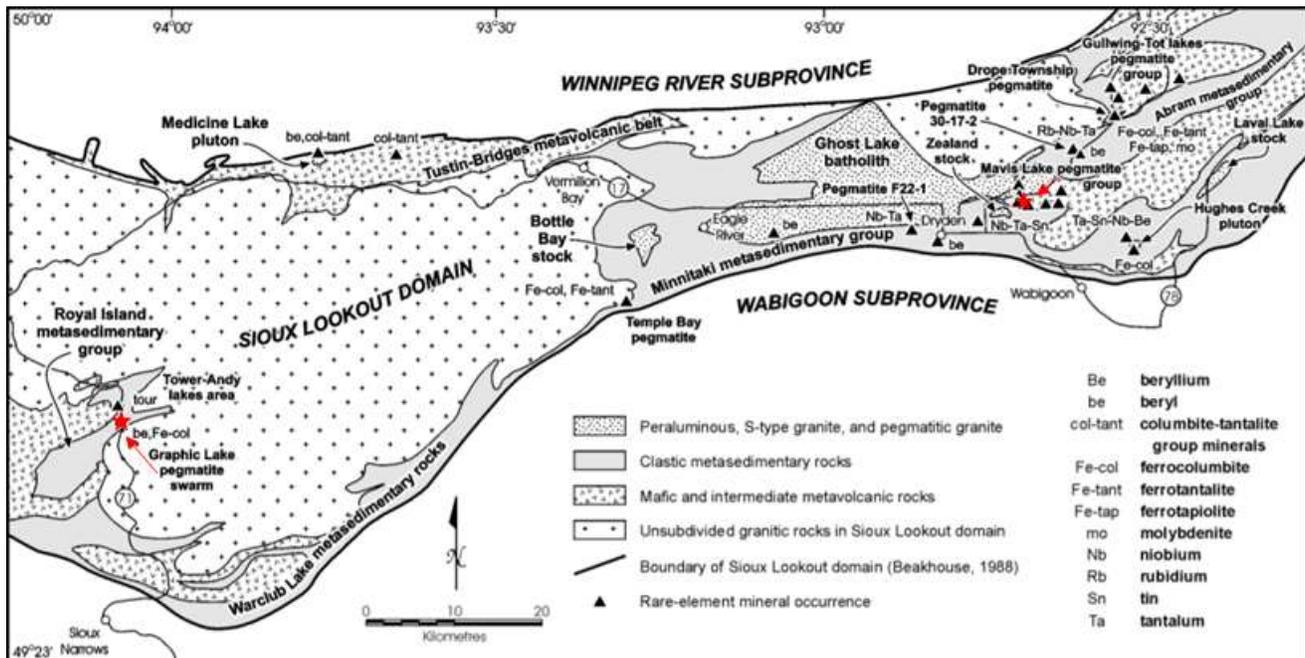
**Figure 1: Graphic Lake project location**



The Project is situated in the Sioux Lookout Domain of the Wabigoon Terrane in north-west Ontario. The claim's comprise a pegmatite swarm trending NE/SW with a width of 300m and estimated strike of 5.5km. These pegmatites are observed to follow the foliation of the Royal Island group metasedimentary host rocks.

Regional geology is shown in Figure 2.

Figure 2: Graphic Lake regional geology



### Previous Works

The majority of previous works completed at Graphic Lake has been conducted by government bodies including the Ontario Department of Mines and the Ontario Geological Survey. There is evidence that the area was staked and explored in 1980 but there is no information available.

2003 represents the first documented prospecting program on the property. Ten samples were gathered, of which seven returned anomalous values of elements including beryllium, caesium, lithium, rubidium, tin and tantalum. Further grassroots prospecting was completed in 2021. From this campaign, there are currently thirteen samples at the lab awaiting assays.

### Forward Work Program

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

### Surface Mapping and Sampling

Surface mapping and sampling of outcrops will assist in identifying drill targets in conjunction with the planned airborne survey data. Further surface mapping of the lease may find new pegmatites not previously documented.

### Airborne Survey

An airborne survey is to be completed as soon as possible to help identify targets for a drill program.

### Channel Sampling

Channel sampling is to be conducted on areas of interest previously identified by outcrop mapping and sampling. This sampling may require the stripping of outcrops, as a precaution. The permitting for this has already begun.

### **Drill Program Design**

Based on the activities outlined above, it is expected a preliminary drill program of 2,500m or greater will be designed with drilling permits ready to be submitted. A secondary drill program of 5,000m will be designed based on the preliminary results and data interpretation from previously outlined exploration activities.

### **Permitting**

Enquiries regarding permitting and approvals is well underway with a view to begin exploration activities as soon as possible.

### **Exploration Drilling and Resource Delineation**

The Company plans to complete a diamond drilling program once drill targets are defined across the Graphic Lake tenements. The strategy is to develop synergies with the Company's 100% owned Mavis Lake Project.

### **Mavis Lake Project Description**

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

Previous drill programs have yielded high-grade  $\text{Li}_2\text{O}$  intercepts including 55.25m at 1.04%  $\text{Li}_2\text{O}$  from 80.75m in drill hole MF18-53 and 26.30m at 1.70%  $\text{Li}_2\text{O}$  from 111.9m inc. 7.70m at 2.97%  $\text{Li}_2\text{O}$  from 130.5m in drill hole MF17-491, presenting significant exploration potential (ASX Announcement 25 October 2021). A future work program has been determined and is discussed in detail in ASX announcement 13 Dec 2021.

### **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 significant opportunity for Ontario to become one of the world's leading lithium provinces. The facility will be the first branded Tesla Canada manufacturing facility in Canada.

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

### **Tenement Details**

Details of the tenements which cover the Project area are set out below, at Schedule 1. Each of the sellers own a 50% legal and beneficial interest in the Tenements (the tenements that make up the Graphic Lake Project are 100% owned by the sellers).

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

-End-

## Schedule 1 – Tenements

No.	Claim Number	Mining Claim Type	Holder and Relevant Interest
1.	686985	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
2.	686986	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
3.	686987	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
4.	686988	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
5.	686989	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
6.	686990	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
7.	659238	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
8.	659239	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
9.	659240	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
10.	659241	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
11.	659230	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
12.	659231	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
13.	659232	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
14.	659233	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
15.	659234	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
16.	659235	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK

<b>No.</b>	<b>Claim Number</b>	<b>Mining Claim Type</b>	<b>Holder and Relevant Interest</b>
17.	659236	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
18.	659237	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
19.	659224	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
20.	659225	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
21.	659226	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
22.	659227	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
23.	659228	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
24.	686991	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
25.	686992	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
26.	686993	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
27.	686994	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
28.	686995	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
29.	686996	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
30.	686997	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
31.	686998	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
32.	686999	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
33.	687000	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
34.	687001	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK

<b>No.</b>	<b>Claim Number</b>	<b>Mining Claim Type</b>	<b>Holder and Relevant Interest</b>
35.	687002	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
36.	687003	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
37.	687004	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
38.	586093	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
39.	586180	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
40.	586181	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
41.	659229	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
42.	659242	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
43.	659243	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
44.	662346	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK
45.	667824	Single Cell Mining Claim	(50%) DAVID PAUL CLEMENT (50%) TROY ALBERT GALLIK

## **ABOUT CRITICAL RESOURCES LIMITED**

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

## **FORWARD LOOKING STATEMENTS**

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

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

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

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

## **NO NEW INFORMATION**

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