

11 November 2021

Due Diligence Satisfied for Mavis Lake Lithium Project

Critical Resources Limited (ASX:CRR) (“**Critical Resources**” or the “**Company**”), advises that it has successfully satisfied its due diligence for the Mavis Lake lithium project in Ontario, Canada (“**the Project**”).

Highlights

- **Due diligence satisfied with no fatal flaws identified**
- **Allows for forward planning of work programs to expedite exploration drilling**
- **Airborne magnetics, radiometric and VLF electromagnetic survey completed**
- **Aggressive exploration campaign planned at Mavis Lake to define a JORC compliant Resource**
- **Metallurgical test work planned to test for battery grade Li_2CO_3 of 99.5% purity**
- **Tesla recently announced the opening of a battery gear manufacturing plant in Ontario, Canada. This demonstrates the significance of Ontario as one of the world’s leading lithium provinces**
- **Final approval from the Investment Review Branch of Canada (“IRB”) for acquisition pending**

The Company is pleased to announce that due diligence has been satisfied for the Mavis Lake lithium project in Ontario, Canada. A binding terms sheet to acquire the Project was signed on 22 October 2021 (see *ASX announcement dated 25 October 2021*) and the Company has since been actively completing due diligence in the areas of geology, metallurgy, tenure, taxation, environmental and legal. The approach to due diligence is intended to identify fatal flaws in the project: no fatal flaws have been identified.

Forward works will be completed based on findings from the due diligence process which will inform an appropriate exploration strategy moving forward. An airborne magnetics, radiometric

and VLF electromagnetic survey was completed on the 8 November 2021 (see *ASX announcement dated 28 October 2021*) which will provide tenement wide survey data that will potentially provide exploration targets and assist in strategic planning.

Critical Resources Chief Executive Officer Alex Biggs said “Satisfaction of the due diligence for Mavis Lake is a big step forward for the Company. We have always believed in the quality of the Project but it is important that we approach our work diligently to ensure risk is mitigated. We are awaiting final approval from the IRB which is required to allow us to finalise the transaction with the vendors. We are excited to get on the ground in Canada and start our exploration works and begin discovering what Mavis Lake has to offer.”

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 Li_2O intercepts including 55.25m at 1.04% Li_2O from 80.75m in drill hole MF18-53 and 26.30m at 1.70% Li_2O from 111.9m inc. 7.70m at 2.97% Li_2O from 130.5m in drill hole MF17-491, presenting significant exploration potential.

Project location and prospect location are shown in Figure 1 and Figure 2 respectively.

Figure 1 – Mavis Lake project location

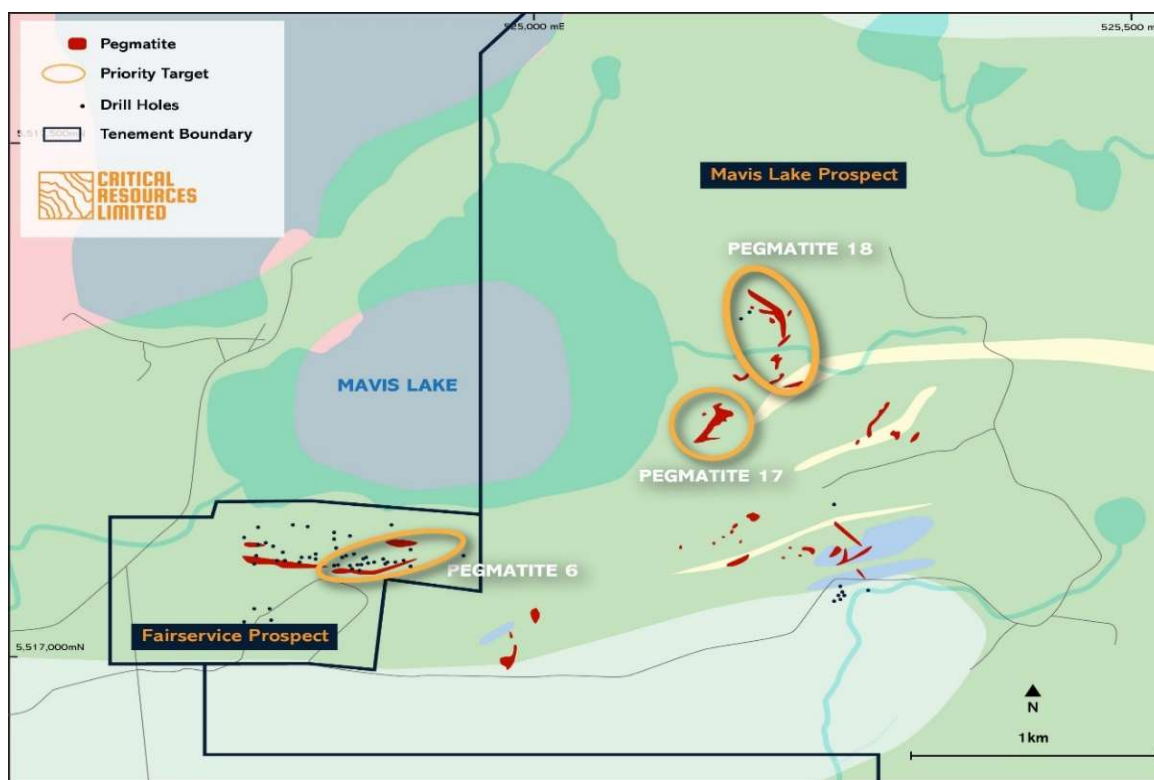


¹The reported intersections reported are down hole measurements and are not necessarily true width.

Critical Resources Announcement

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

Figure 2: Location of Mavis Lake prospects



Airborne Magnetic-Radiometric-VLF Survey Completed

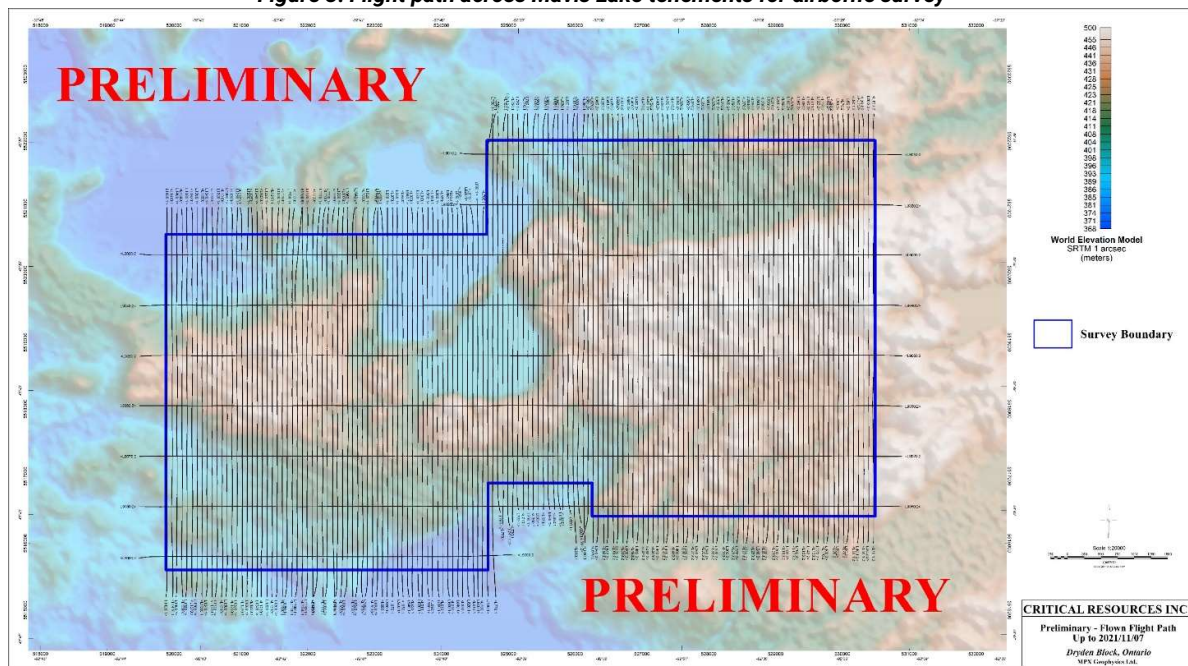
The survey was completed on 8 November. Processing of data has begun with a final model expected within the next few weeks.

The purpose of the airborne survey is to gain detailed magnetic, radiometric and VLF electromagnetic data over the entire tenement package. The survey was completed via light aircraft, specifically a PA31 Piper Navajo.

At present only detailed magnetic data exists over about 25% of the tenement and there is no useful radiometric data. All data sets will be used to build a detailed geological interpretation over the entire tenement package. The radiometric data over known pegmatite occurrences will be assessed to see if a useful potassium radiometric signature is present to allow discrimination of pegmatite occurrences within the background mafic rocks. If this is the case, more detailed ground radiometric surveys will be considered over prospective areas going forward that will allow for the identification of pegmatite occurrences.

Final preliminary flight path and location map for Mavis Lake are shown in Figure 3.

Figure 3: Flight path across Mavis Lake tenements for airborne survey



Forward Exploration Works

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 development of a JORC compliant Resource model in the future.

Figure 4 shows core taken from drill hole MF18-53 including internal waste returning 55.25m at 1.04% Li₂O from 80.75m.

Figure 4: Drill hole MF18-53 including internal waste returning 55.25m at 1.04% Li₂O from 80.75m



Metallurgical Testing – Battery Grade Concentrate Determination

If appropriate mass of existing core is available then metallurgical test work will be promptly planned in order to test for battery grade Li₂CO₃ of 99.5% purity. This will be an ongoing part of future drill campaigns, ensuring that appropriate volume of core is produced to allow for metallurgical testing in order to prove a concentrate which is of battery grade quality.

Drill Program Design

Based on the activities outlined above, a preliminary drill program of ~5,000m is being designed with drilling permits to be lodged as soon as possible.

Permitting

Enquiries regarding permitting and approvals have already commenced, with a view to beginning drilling as soon as possible. There are no weather restrictions as to when drilling can begin, and it is the Company's intention to begin exploration diamond drilling as quickly as possible post transaction completion.

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 Company strategy is to define a JORC compliant Resource which satisfies the milestones as agreed in the binding terms sheet of 5.0 million tonnes and 10.0 million tonnes (ASX Announcement 25 October 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 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 occurring in Ontario currently. 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.

Investment Review Branch ("IRB") of Canada Approval

Purchase of Canadian assets by foreign companies must receive approval under the Investment Act of Canada and the IRB. Applications were submitted on 5 November 2021 with the relevant authorities in Canada. The Company will update the market in due course.

Cautionary Statement

Critical Resources is optimistic about concluding the Mavis Lake Lithium transaction, however as at the date of this announcement there cannot be any assurance that the conditions precedent with respect to the transaction will be completed to the satisfaction of each party (ASX Announcement 25 October 2021). Accordingly, investors are cautioned against making investment decisions based on this announcement.

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

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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.

ABOUT CRITICAL RESOURCES LIMITED

Critical Resources is a base metals 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 and also of its Copper assets in Oman.