

03 June 2022

Critical Resources Initiates Field Program at Graphic Lake

Critical Resources Limited (ASX:CRR) ("Critical Resources" or the "Company"), is pleased to advise that it has commenced a 4-week long field program consisting of biogeochemical and lithogeochemical sampling and outcrop mapping at its 100% owned Graphic Lake Lithium Project in Ontario, Canada.

Highlights

Biogeochemical Survey

- **Sampling of black spruce throughout the property to identify lithium mineralisation trends along known pegmatite locations**
- **Proposed greater than 1000 black spruce samples, with tight sample spacing of 50m with 200m line spacing sample grid**

Lithogeochemical Sampling

- **Systematic bedrock sampling to identify lithium mineralisation of pegmatite occurrences**
- **Sampling of host rock to identify regional metasomatism trends**

Outcrop Mapping

- **Geological mapping at every exposed outcrop to enable construction of a regional geological map**
- **Identify structural trends and orientations of pegmatites**

The Company is pleased to announce the start of the Summer season field program at its 100% owned Graphic Lake Lithium project in Ontario, Canada.

Figure 1: Large pegmatite outcrop exposure on the Graphic Lake Lithium Project



Critical Resources Managing Director Alex Biggs said: "It's now a great opportunity for us to begin works at our Graphic Lake project, while at the same time continuing our drilling at Mavis Lake. The significant presence of outcropping pegmatites is a fantastic guide for us to further our exploration and begin defining drill targets along the 5.5km strike of known pegmatite occurrences. Graphic Lake is a great opportunity to potentially discover significant lithium bearing mineralisation which will be hugely complimentary to our Mavis Lake project. Our continued exploration success is seen as a key catalyst to the company developing a lithium hub in Ontario, Canada".

Work Program

The work program at Graphic Lake will consist of the following field activities. Figure 2 outlines the biogeochemical locations and pegmatite outcrops which will be a focus of the program.

Biogeochemical Survey

A 200m line spacing by 50m sample spacing grid of the black spruce samples is designed to test anomalous lithium values in the rugged terrain. The purpose of the black spruce sampling is to identify and delineate lithium mineralisation trends within the property. From the results, we can narrow in on areas of lithium abundance.

Lithogeochemical Sampling

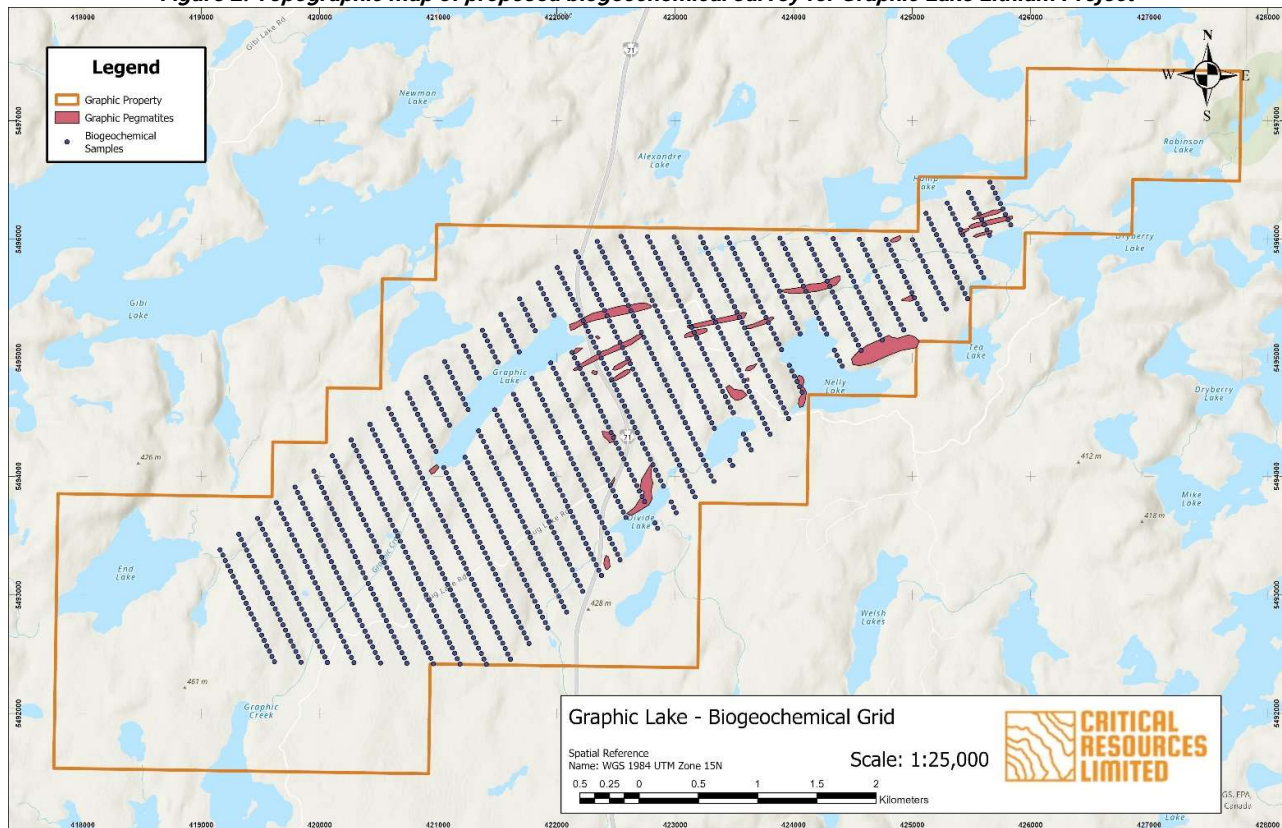
Every exposed pegmatite will be sampled as well as the metasedimentary host rock to identify lithium mineralisation. Lithogeochemical samples will provide evidence of in-situ lithium mineralisation.

Outcrop Mapping

Every exposed outcrop will be mapped to create an active regional geology model. Outcrops of interest will have detailed mapping performed to provide geological insight on prospective areas within the Graphic Lake property.

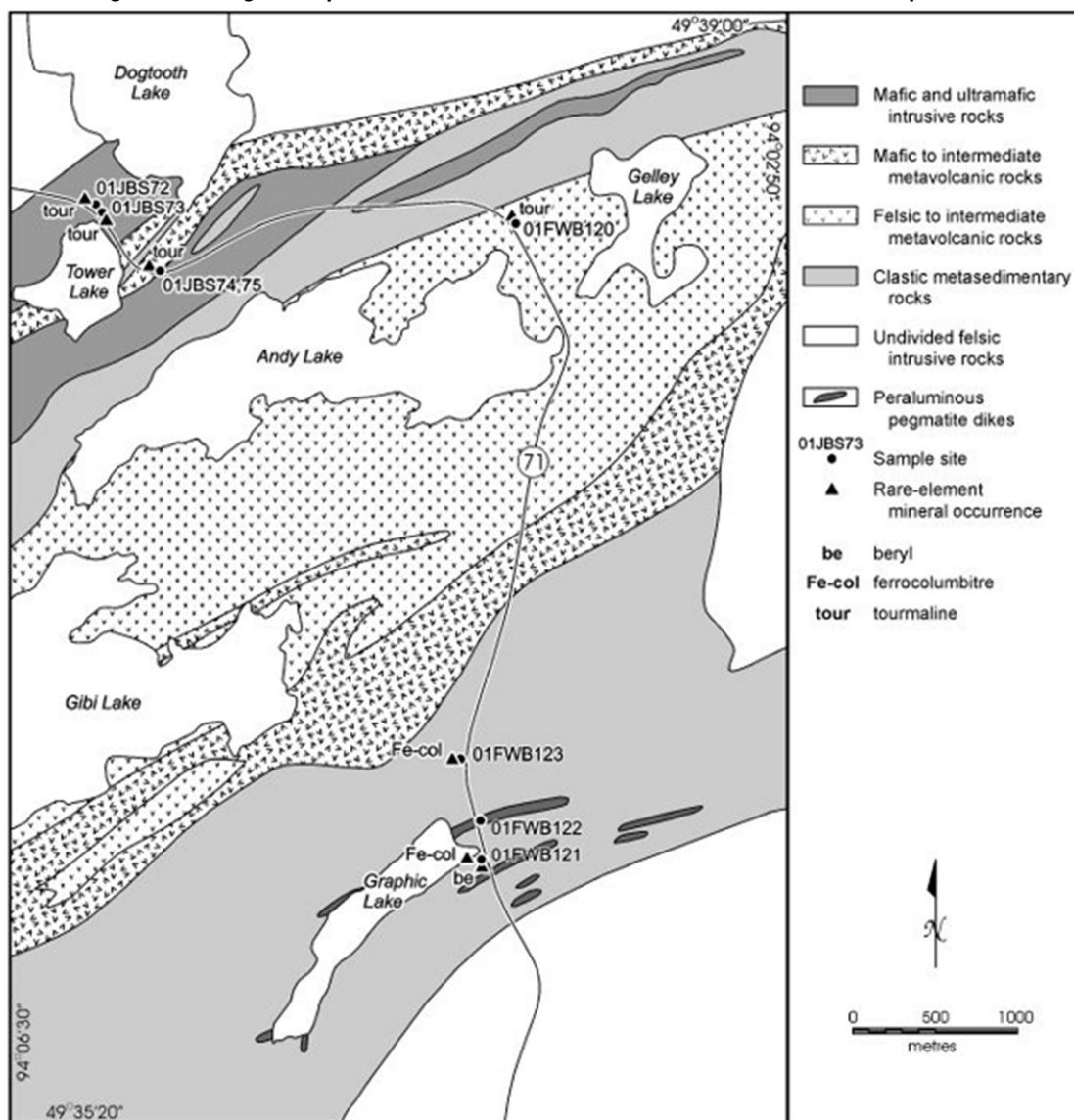
The combination of the preliminary grassroots work will be used to support the identification of prospective lithium-bearing targets for drilling. Geophysical surveys are planned to be flown over the Graphic Lake property to provide more confidence on these lithium targets.

Figure 2: Topographic map of proposed biogeochemical survey for Graphic Lake Lithium Project



Graphic Lake consists of 2,300 hectares that host a highly fractionated pegmatite system with a breadth of at least 300m and is mapped to 5.5km in strike. Surface expressions Pegmatites range from 20cm to 8m in width and are dominantly controlled by the regional fabric of the metasedimentary host rock. Regional lithium metasomatism in the metasedimentary host rock is observed throughout the property.

Figure 5: Geological map and location of known rare-element mineralization in Graphic Lake



The Lithium Industry in Ontario

Canadian Government's C\$3.8 Billion Critical Minerals Strategy

Recently announced strategy by the Canadian government to boost domestic production of lithium, copper and other strategic minerals to help propel the country's efforts to become a key part of the global electric vehicle supply chain. The spending, announced during Canada's federal budget unveiling on 7 April 22, promises grants for mineral surveying, processing, and recycling, as well as tax credits for the development of new mines and subsidies for infrastructure.

Ontario's First-Ever Critical Mineral Strategy

In March of 2022 the government of Ontario announced their first-ever critical minerals strategy. The strategy aims to secure Ontario's position as a global leader of responsibly sourced critical minerals. To achieve this, collaboration is dependent between government, industry, Indigenous peoples, communities, and other stakeholders. Working together, this strategy will build a stronger, more resilient economy and revitalise local communities. The strategy is comprised of six pillars, or areas of government action, which will solidify Ontario's position as a global leader of responsibly sourced critical minerals. The pillars are; Enhancing geoscience

information and supporting critical minerals exploration, Growing Domestic processing and creating resilient supply chains, Improving Ontario's regulatory framework, Investing in innovation, research, and development, Building economic development opportunities with Indigenous partners, and Growing labour supply and developing a skilled labour force.

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.

Thunder Bay Regional Lithium Refinery

Avalon Advanced Materials Inc (TSX:AVL) has recently announced the agreement of a binding letter of intent to develop a regional battery supply chain in Ontario and elsewhere. The first step of this development will be establishing a lithium refinery in Thunder Bay, Ontario, approximately 350km from the Mavis Lake Lithium Project. The plant aims for a production capacity of 20,000 tonnes per annum of lithium hydroxide and/or lithium carbonate. Sources of lithium concentrate will initially be from Avalon's Separation Rapids Lithium Project while other projects begin production.

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

-End-

EXPLORATION WORK – COMPETENT PERSONS STATEMENT

The information in this ASX Announcement that relates to Exploration Results is based on information compiled by Troy Gallik (P. Geo), a Competent Person who is a Member of the Association of Professional Geoscientists of Ontario. Troy Gallik is a full-time employee of Critical Resources Ltd. Troy Gallik has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Troy Gallik consents to the inclusion in this ASX Announcement of the matters based on his information in the form and context in which it appears.

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 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.