

28 October 2021

Airborne Survey Work to Start Immediately at Mavis Lake Lithium Project

Critical Resources Limited (ASX:CRR) (“**Critical Resources**” or the “**Company**”), advises that it has engaged a contractor to complete an airborne magnetics, radiometric and VLF electromagnetic survey at the Mavis Lake lithium project in Ontario, Canada (“**the Project**”).

Highlights

- **Provides a big picture view of total tenement package from a geophysical perspective**
- **Identify new pegmatite targets elsewhere on lease outside of the already known Fairservice and Pegmatite 18 prospects**
- **Assist in planning of drill program to identify and rank prospective targets**
- **Survey will inform and integrate with other exploration and data collection strategies**
- **First step in aggressive exploration campaign at Mavis Lake towards defining a JORC compliant Resource**
- **Geophysical survey works to be completed prior to first snowfall in Ontario to ensure usefulness of data collected**

The Company is excited to announce initial works at the Mavis Lake lithium project in Ontario, Canada. A binding terms sheet to acquire the Project was signed on 22 October 2021. The Company has paid a non-refundable exclusivity fee of A\$200,000, which provides exclusivity until 4 January 2022, during which the Company will undertake due diligence on the Project. If the Company is satisfied with its due diligence and subject to satisfaction of certain conditions precedent, the Company may exercise its option to acquire the Project (see ASX announcement dated 25 October 2021).

The planned works consist of an airborne magnetic-radiometric-VLF survey that will provide a tenement wide dataset. This data can be utilised to identify potential targets for planned future drill programs as well as form an important part of due diligence. This is a unique opportunity as contractor MPX Geophysics (“MPX”) is working in the vicinity resulting in minimal mobilisation costs. It is also the last chance to fly a survey before winter snows hinder the effectiveness of radiometric measurements. This supports the Company’s strategy to start immediately adding value to the project with the goal of defining a JORC compliant lithium Resource.

Critical Resources Chief Executive Officer Alex Biggs said “The opportunity to complete an airborne geophysics survey at Mavis Lake is crucial to our strategy of accelerating our effective data collection to inform high quality drill targets. We are excited to be in the process of acquiring such a high-quality asset in the lithium sector and are committed to finalising the acquisition before commencing a significant drill program. We believe that the planned works at Mavis Lake along with our upcoming drill program at Halls Peak represent a significant period of upcoming growth for the company.”

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.

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

Figure 1 – Mavis Lake project location

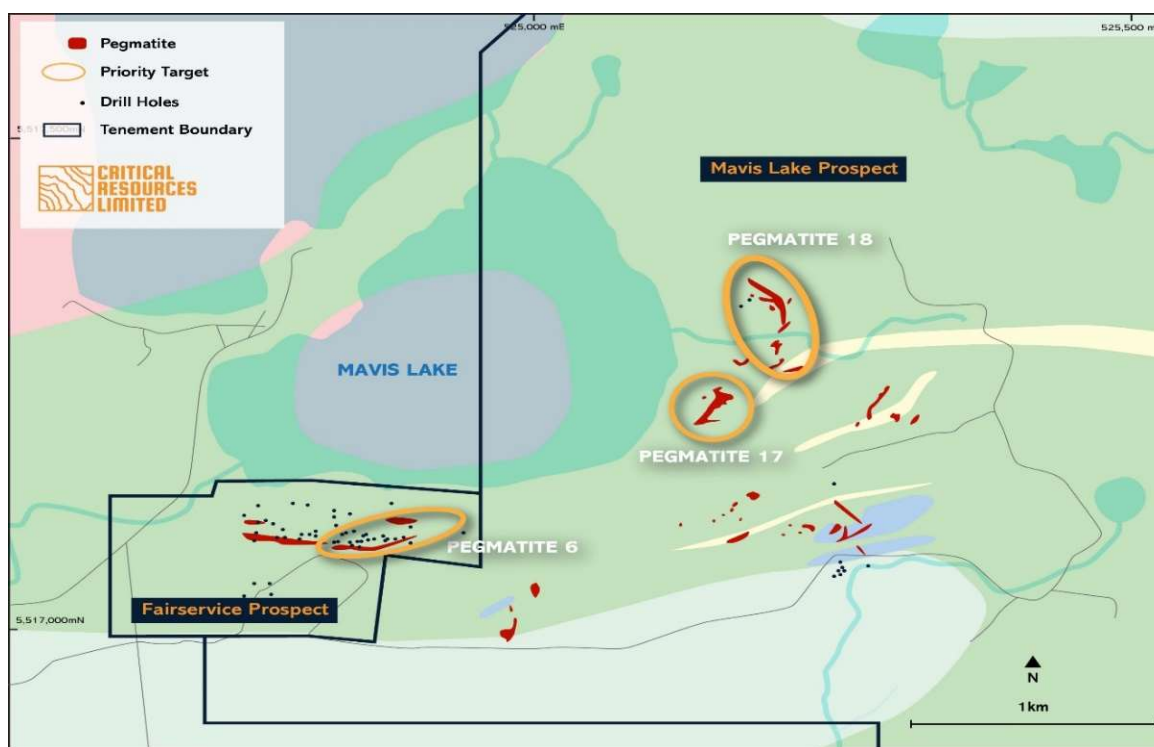


¹The reported intersections are down hole measurements and are not necessarily true width.

Critical Resources Announcement

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

Figure 2: Location of Mavis Lake prospects



Airborne Magnetic-Radiometric-VLF Survey

Purpose

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

At present only detailed magnetic data exists over approximately 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 assess whether 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.

Time

The survey is planned to commence within the next 2-weeks and will take approximately 1 week to complete, assuming no inclement weather. Preliminary results are expected quite soon after completion with final results expected before Christmas. Preliminary interpretation of the information will commence as soon as it is received.

Proposed flight path and location map for Mavis Lake are shown in Figure 3 and Figure 4.

Figure 3: Proposed flight path across Mavis Lake tenements

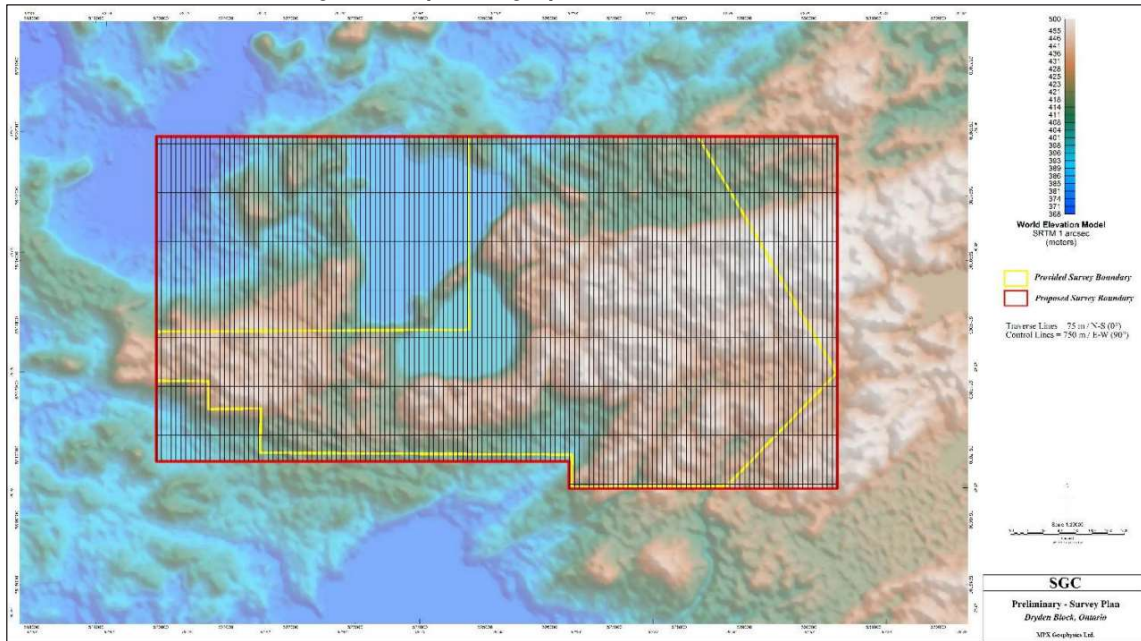


Figure 4: Area location map provided by Google Earth



Outputs

Detailed data in located xyz gridded format will be produced for the following:

- Magnetic Field: Total Magnetic Intensity (TMI), Reduced to Pole TMI, First Vertical Derivative, Horizontal Gradient
- Radiometric data: Total Count, Potassium, Uranium, Thorium
- VLF EM: Amplitude, Ellipticity
- Digital terrain model (DTM) calculated from the GPS and radar altimeter data

These data sets will be processed to produce GIS raster and vector information for the various parameters to allow optimal interpretation.

Data Usage Moving Forwards

The data provided in this survey will be the best base line data available covering the entire project and allow decisions to be made about the best use of geophysical methods going forward. It will be used for continuous progressive interpretation and identification of new drill targets.

Cautionary Statement

Critical Resources is optimistic about concluding this 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.