28 November 2022

$6.7m in Funding for Mavis Lake 2023 Drill Program secured at a significant Premium

Highlights

- AUD$6.7m to be raised utilising the "flow-through shares" provisions under Canadian tax law, the flow-through shares will be placed at AUD$0.08 per share which represents a 45% premium to Critical Resources' last close price
- The flow-through shares will be immediately on sold through a block trade agreement to select institutional and sophisticated investors
- Applications for the block trade book build were scaled back, demonstrating the increasing interest in the Company's Ontario based lithium projects as it approaches the release of its Maiden Mineral Resource Estimate in Q1 2023
- Capital raise funds will be used to advance the Mavis Lake drilling program, which is ongoing since April 2022, with over 42 spodumene bearing pegmatite drill hole assays pending
- Use of the flow-through provisions will enable the Company to minimise issued capital dilution

Critical Resources Limited (**ASX:CRR**) ("Critical Resources" or "the Company") is pleased to advise that it received firm commitments for a capital raise utilising the flow-through shares provision allowed under Canadian Tax Law ("Placement"). Applications for the block trade book build were significantly scaled back.

Critical Resources' Managing Director Alex Cheeseman said:

"This capital raise fully funds Critical Resource's Canadian drilling plans for 2023, where we intend to drill out ~20,000m at Mavis Lake. We are focusing our efforts on advancing the Mavis Lake project, where we have seen exceptional results since the maiden drilling program began in April this year.

With the Maiden JORC 2012 compliant resource expected in Q1 2023, and with the Company now fully funded for the 2023 Mavis Lake drilling program, we can confidently accelerate our

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program through the introduction of additional drill rigs and continue to advance our studies in parallel."

Placement Details

The offer has been facilitated by Canadian flow-through share dealer, PearTree Securities Inc ("PearTree"), pursuant to a subscription and renunciation agreement with the Company, and a block trade agreement being facilitated by Canaccord Genuity (Australia) Limited who is acting as Joint Lead Manager along with Sixty Two Capital Pty Ltd ("the Joint Lead Managers") for the transaction. PearTree will not receive any fees or commissions from the Company for its role in the Placement.

Funds raised from the Placement will be specifically applied as follows:

- Continued drilling at and around the main zone of Mavis Lake; and
- Survey, fieldwork and follow up drilling of mapped, spodumene bearing pegmatites within the Mavis Lake project area.

The Company has received firm commitments to undertake the Placement to raise CAD$6,053,934 (AUD$6,745,330), before costs, through the issue of 84,316,627 fully paid ordinary shares at an issue price of CAD$0.0718 (AUD$0.08) per share ("Flow-Through Shares" or "New Shares") as Canadian 'flow-through shares', which provide tax incentives to investors for expenditures that qualify as flow-through critical mineral mining expenditures under the Income Tax Act (Canada). The Flow-Through Shares will be issued at a premium to market pursuant to the Canadian flow-through shares regime. The term 'flow-through share' is a defined term in the Income Tax Act (Canada) and is not a special type of share under corporate law.

Pursuant to a block trade agreement between PearTree and the Joint Lead Managers, the Joint Lead Managers will facilitate the secondary sale of the Flow-Through Shares acquired by PearTree clients under the Flow-Through Share Placement to sophisticated and professional investors by way of a block trade at AUD$0.05 per New share. The Flow-Through Shares will cease to be flow-through shares on completion of the Flow-Through Share Placement and end-buyers taking Flow-Through Shares in the block trade will not take the Flow-Through Shares as flow-through shares.

A cleansing prospectus under section 713 of the Corporations Act 2001 (Cth) will be issued in connection with the Placement to facilitate secondary trading of the New Shares subject of the Placement.

The tax benefits associated with the Flow-Through Shares are available only to the investors (who are Canadian residents) and not to any other person who acquires the Flow-Through Shares through the on-sale or transfer of those Flow-Through Shares.

The New Shares will be issued under the Company's existing placement capacity under ASX Listing Rule 7.1A. Settlement of the Placement is expected to occur on 1 December 2022 and the New Shares will rank equally with the Company's existing shares on issue.

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

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ABOUT CRITICAL RESOURCES LIMITED

Critical Resources is advancing and developing critical metals projects for a decarbonised future.

The Company's primary objective is the rapid development of its flagship Mavis Lake Lithium Project, located in Ontario, Canada. Mavis Lake is an advanced exploration project with near-term development potential. Importantly, Critical has an exciting opportunity for further regional growth through exploration at its Graphic Lake, Plaid and Whiteloon prospects, along with expanding its Canadian portfolio through potential increased land holdings and merger and acquisitions.

The Company's other projects include the Halls Peak Project in NSW, Australia, a high-quality base metals project with significant scale potential and the Block 4 and Block 5 copper project, located in Oman.

FORWARD LOOKING STATEMENTS

This announcement may contain certain forward-looking statements and projections. Such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon. Forward looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved. Critical Resources Limited does not make any representations and provides no warranties concerning the accuracy of the projections and disclaims any obligation to update or revise any forward looking statements/projects based on new information, future events or otherwise except to the extent required by applicable laws. While the information contained in this report has been prepared in good faith, neither Critical Resources Limited or any of its directors, officers, agents, employees or advisors give any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement.

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