Critical Resources Limited

Annual Report

For the Year Ended 31 December 2023

ABN 12 145 184 667

www.criticalresrouces.com.au

2023 HIGHLIGHTS

24,427

Meters of drilling completed at the Mavis Lake Lithium Project

324%

Increase in Project Area following Gullwing/Tot acquisition

100%

Health, safety and environment record, with zero reportable incidents

8,000,000

@ 1.07% Li_2O Maiden MRE defined at Mavis Lake, 840k Maiden MRE defined at Halls Peak

$10.2M

Raised and invested into resource definition and continued resource growth

AIP

Signed with Wabigoon Lake Ojibway Nation, baseline environmental studies initiated

CORPORATE INFORMATION

DIRECTORS

Mr Robert Martin	Non-Executive Chairman
Mr Alex Cheeseman	Managing Director
Mr Nigel Broomham	Non-Executive Director
Mr John Markovic	Non-Executive Director

COMPANY SECRETARY
Mr Harry Spindler

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Critical Resources Limited shares are listed on the Australian Securities Exchange (ASX)

ASX Code	CRR
ACN	145 184 667
ABN	12 145 184 667

In this report, the following definitions apply:

"Board" means the Board of Directors of Critical Resources Limited

"Critical" or the **"Company"** means Critical Resources Limited ABN 12 145184667

"Group" means Critical Resources Limited and its controlled entities

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Directors' Report

The directors of Critical Resources Limited (**'Critical'** or the **'Company'**) (ASX: CRR) submit the financial report of the Company and its controlled entities (the **'Group'**) for the year ended 31 December 2023.

DIRECTORS

The names and particulars of directors who are in office at the date of this report:

Mr Robert Martin	Non-Executive Chairman
Mr Alex Cheeseman	Managing Director
Mr John Markovic	Non-Executive Director
Mr Nigel Broomham	Non-Executive Director (appointed 6 October 2023)

The names and particulars of directors who are not in office at the date of this report but who held office during the financial year:

Mr Michael Leu	Non-Executive Director (resigned 27 March 2023)

Directors have held office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARY

Mr Harry Spindler

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was mineral exploration and development across a range of projects but with particular emphasis on the Company's flagship Mavis Lake Lithium Project in Ontario, Canada. There were no significant changes in the nature of the Group's principal activity during the financial year.

RESULTS

The result for the year ended 31 December 2023 attributable to members of the Company was a net loss after tax of $5,982,982 (2022; $2,293,261). As at 31 December 2023, the Group had cash and cash equivalents of $5,496,159 (2022; $8,573,127) and net assets of $26,810,183 (2022; $24,543,597).

DIVIDENDS

No amounts have been paid or declared by way of dividend during or since the end of the financial year.

REVIEW OF OPERATIONS

Corporate

The following events summaries the major corporate activities during the year:

On 27 July 2023, the Company completed a capital raising of AUD$10.2 million before costs, with AUD$7.9 million raised utilising the "flow through shares" provision under Canadian tax law, through the issue of 129,161,955 fully-paid ordinary shares at AUD$0.0609 per share. The Flow-Through Shares were issued at a 14.9% premium to the last closing price of Critical Resources shares prior to the offer. Concurrently, an institutional placement of AUD$2.3 million was completed through the further issue of 51,111,111 fully-paid ordinary shares at AUD$0.045 per share.

During the period, Non-Executive Director, Mr Michael Leu resigned his position in March 2023. Mr Nigel Broomham was appointed as a Non-Executive Director in October 2023.

Lithium Project Acquisitions

In January 2023, the Company completed the acquisition of a 100% interest in the Gullwing and Tot Property, which lies adjacent to the Company's Mavis Lake Property. The Gullwing and Tot Property was acquired from TSX-V listed Power Metals Corp ('Power Metals').

Concurrently, the Company staked an additional 416 individual claims to 'link' the Mavis Lake Property with the Gullwing and Tot Property, forming a new/combined Mavis Lake Project Area covering approximately 22,984 hectares.

The key transaction terms with Power Metals were:
- An AUD$0.66 million (CAD$0.6 million) cash payment to the Sellers (completed);
- The issue of AUD$0.66 million (CAD$0.6 million) worth of shares in Critical Resources to the Sellers (or their nominees) of deemed value (issued 30 December 2022) (completed); and
- Agreement to grant a 1% Gross Margin Royalty for mineral production within the mining claims acquired by the Company.

Environment, Social and Governance and Sustainability

The Company continued its practice of routine internal reporting on ESG and Health and Safety matters throughout the year. No environmental incidents nor health and safety incidents were reported/recorded. A major focus of the Company was delivering on ESG initiatives centred on both regional and First Nation communities' engagement.

The Company continued to actively support local industry initiatives including participation and sponsorship of 'Women in Mining in Northwestern Ontario' and participation in Thunder Bay's annual Mining Day event.

Following the Company's first town hall meeting in Dryden (October 2023), the Company initiated the formation of a Citizens Committee, bringing together various community user groups and interested parties in and around the Mavis Lake Project Area. The Citizens Committee terms of reference are available on the Company website, with the overarching purpose of the Citizens Committee being to provide a forum for open and transparent communication between the Company and Committee members.

Separate to the Citizens Committee, the Company continued its active dialogue and engagement with First Nations communities throughout the year. Applicable (as defined by the Ministry of Northern Development and Mines) First Nations communities are consulted and engaged prior to exploration drill pads being permitted. The Company also executed an Agreement in Principle (AIP) with Wabigoon Lake Ojibway Nation (WLON) in June 2023. The AIP defines how Critical Resources and WLON will work together and collaborate to allow continued exploration and project development work by the Company at Mavis Lake. It also ensures that all activities are undertaken in a respectful manner that acknowledges WLON's connection to the land and waters in the Mavis Lake area.

Operations

A brief overview of each of the existing projects and the work conducted during the course of the year and up to the date of this report is provided below:

LITHIUM PROJECTS – CANADA

Mavis Lake Lithium Project, Ontario

Having commenced the inaugural drilling program at the Mavis Lake Lithium Project in early 2022, Critical Resources spent most of the 2023 calendar year focused on continued exploration and resource growth drilling in and around the Mavis Lake Main Zone. With a view that the Mavis Lake Project would deliver a resource base sufficient to justify a future mining operation, the Company also commenced a series of workstreams essential to developing the project and setting Mavis Lake on a pathway to be a future mining operation, supplying lithium raw materials to the North American Electric Vehicle and clean energy market.

Exploration. The Company completed 24,427 meters of drilling in 2023, principally between the months January to April and June to November. Drilling in the first part of the year was focused on testing pegmatite outcrops adjacent the Main Zone, with multiple high-grade intercepts resulting in the discovery and delineation of additional spodumene-bearing pegmatites located ~300m south and south-east of the Main Zone.

A deliberate decision was made at the end of March to commit all results from 2022 and 2023 (up to 31 March 2023) to a Maiden Mineral Resource Estimate (MRE). This process was initiated in order to have a clear value proposition and resource base as the foundation of the Company's growth strategy.

In May 2023, the Company announced a Maiden Inferred MRE of 8.0 million tonnes grading 1.07% Li2O. At the time of the MRE announcement, the Company already had additional, compelling assay data to inform a future MRE-upgrade and advised its intention to target year-on-year resource growth at Mavis Lake.

The re-commencement of drilling in late June delivered immediate success from standout drill-hole MF23-207, which intersected 74.4m @ 1.18% Li_2O. Subsequent drilling continued to delineate a large, thick, continuous structure, starting from surface and extending over 1.25km in strike.

Drilling also encountered a deeper pegmatite structure with intersects ranging from 13m to 20m thick with high-grade mineralisation of up to 1.44% Li_2O (drill hole MF23-226). A total of 16,753 meters drilled from April to November will be included into the next resource upgrade.

Beyond Main Zone drilling, exploration efforts also commenced on the Northern Prospects. With its large, prominent spodumene bearing outcrops, the Northern Prospect area represents an excellent opportunity to rapidly build on the Mavis Lake Resource base.

Exploration centred on drill target development away from the primary outcrop targets. Multiple techniques were deployed including mobile metal ion (MMI) soils, low-altitude, high-resolution airborne magnetometry and a LiDAR survey. At the end of the year, results were still pending but the Company expects to receive the results in the first quarter of CY2024 and will utilise the results to refine future drill targets for testing later in CY2024.

Project Development. Critical Resources has maintained a strategy of progressing project development work in parallel with resource growth. Key project development work streams undertaken throughout the year were centred on metallurgical test work, scoping study/preliminary economic assessment study inputs and permitting/baseline data collection.

Metallurgical test work programs were initiated towards the end of 2022, with results received in early 2023. The scope of the test work program was designed to support Scoping Study level studies. The first tranche of test work was designed as a basic mineralogical characterisation and coarse fraction Heavy Liquid Separation (HLS) test work program focused HLS and magnetic separation.

The second tranche of test work was expanded to incorporate concentration test work on both the HLS middlings and fines components. From this, a global grade and recovery balance was developed. Exceptional grades were achieved with concentrates ranging from 5.99% Li_2O to 6.02% Li_2O and global lithia recoveries ranging from 77.6% to 87.3%. Late in the year, the Company commissioned an ore-sorting amenability test work program, with initial results expected in the first half of CY2024.

Study works were initiated early in the year, aimed at defining the process and non-process infrastructure requirements for the project, as well as the preliminary estimated capital and operating costs for the future operation.

Scoping-level studies address specific project development, delivery and operating considerations including (but not limited to) permitting and approvals, mine planning, beneficiation flowsheet, risk management, sustainability measures and product logistics. Importantly, the studies will provide initial indications of the Project valuation matrix, opportunities for optimisation and the forward-work plan required to bring Mavis Lake into production.

Baseline environmental studies are a critical work-stream as they underpin the permitting requirements for a future mining operation. During the year, a series of baseline data capture programs were completed in the Mavis Lake Area of Focus ("AOF"), which is an area approximately 3km by 3km centred on the location of the current Mineral Resource Estimate.

The AOF encompasses an area beyond the expected footprint of a future mining operation and was designed to ensure that studies and assessments capture and consider both primary and secondary order impacts of any future mining and processing activity.

Table 1: Mavis Lake JORC Code 2012 Mineral Resource Estimate

JORC Classification	Li_2O cut-off grade (%)	Tonnage (Mt)	Li_2O (%)	SG (calc)
Inferred	0.3	8.0	1.07	2.80
Total	**Inferred**	**8.0**	**1.07**	

Graphic Lake Lithium Project, Canada

With the Company focusing its resources at Mavis Lake, no fieldwork or desktop work was undertaken at the Graphic Lake Project during the reporting period. The Graphic Lake claims remain in good standing due to previous expenditure. Exploration activities will likely be planned for CY2025.

Plaid and Whiteloon Lake Project, Canada

With the Company focusing its resources at Mavis Lake, no fieldwork was undertaken at either the Plaid or Whiteloon Projects during the reporting period.

Subsequent to year-end, desktop work and assessment was carried out over the prospectivity of the project area. An independent review, along with internal assessment concluded that there was no prospectivity for lithium mineralisation across the project area, driven principally by the underlying geological setting of the project not being conducive for the formation of LCT pegmatites.

Accordingly, the Company relinquished the project claims during February 2024.

OTHER PROJECTS

Halls Peak Project, Australia

Throughout the period, work efforts for the Halls Peak Project centred on resource estimation and rehabilitation.

The Halls Peak Project (Exploration Licence (EL) 4474) is located approximately 45km south-east of Armidale, New South Wales in the New England Fold Belt, an area well known for its mineral endowment and historical production. Halls Peak hosts a large polymetallic mineral system.

Drilling campaigns within EL4474 have confirmed multiple stacked lodes of base (zinc, lead and copper) and precious metals (silver and gold) mineralisation.

The Halls Peak massive sulphide deposits were discovered in 1896 with near surface mining extracting high-grade zinc, lead, copper and silver. Drilling completed by the Company yielded excellent, high-grade intersections of zinc, lead, copper and silver.

Halls Peak is considered to have potential to contain world-class deposits similar to those already being mined in northern Australia. The project area comprises multiple historic mines and prospects including Gibsons, Sunnyside, Firefly, Faints, Khans Creek, Keys and Mickey Mouse.

The vast majority of the lateral and vertical extent of the mineralisation system has never been drill tested. SEDEX Zinc-Lead-Copper-Silver deposits are interpreted by the Company to be the dominant mineralisation style discovered at Halls Peak.

During the period, the Company engaged an independent Resource Geologist to review all available drilling data and prepare a JORC Code 2012 compliant Mineral Resource Estimate (MRE) for the Halls Peak Project. A maiden Inferred MRE of 840,000t grading 3.7% zinc, 1.5% lead, 0.4% copper, 30ppm silver and 0.1ppm gold has been defined and was announced by the Company in June 2023. Modelling work that underpinned the MRE identified that the mineralisation remains open along strike to the east/north-east and west/south-west, highlighting immediate potential to increase the MRE with follow-up drilling.

An Exploration Target was prepared and announced in accordance with the JORC Code 2012. The Exploration Target of 500,000 to 1,000,000 tonnes at similar grades to the Maiden MRE (2.7-3.7% zinc, 1.1-1.5% lead, 0.34-0.44% copper, 27-33ppm silver and 0.08-0.12ppm gold) was defined, based on modelling and interpretation of the current Resource. The Company notes that the potential quantity and grade of the Exploration Target is conceptual in nature, there is currently insufficient exploration completed to estimate a mineral resource of this size, and it is uncertain whether further exploration will result in the estimation of an increased JORC Code 2012 MRE.

During the period, field works were limited to site inspections and rehabilitation efforts necessary to comply with the Exploration Licences approved by the NSW resource regulator. Rehabilitation works were completed to the required standard and security bonds held by the Regulator were subsequently returned to the Company.

Table 2: Halls Peak JORC Code 2012 Mineral Resource Estimate

JORC Classification	Zn cut-off grade (%)	Tonnage (Mt)	Zn (%)	Pb (%)	Cu (%)	Ag ppm	Au ppm	SG (calc)
Inferred	2.0	0.84	3.7	1.5	0.44	30	0.1	2.80
Total	**Inferred**	**0.84**	**3.7**	**1.5**	**0.44**	**30**	**0.1**	

Sohar Copper Project - Oman

During the reporting period, efforts were focused on divesting the Sohar Copper Project. Extensive due diligence was undertaken by various parties however, no binding agreement was reached.

Given the Company's focus on its lithium assets, as well as the jurisdictional complexities and limited bona fide interest received in acquiring the Sohar Copper Project, the Company fully impaired the Project to $nil during H1 2023 and has deemed the asset as non-core.

Subsequent to the end of the period, the Company was advised by the Ministry of Energy and Minerals, Sultanate of Oman, that the exploration licences over Block 4 and Block 5 had expired and would not be renewed as they had reached the end of their stated renewal period. The Company engaged the Ministry both via its regional management and its in-country partners, who subsequently reaffirmed the Ministry's position. While the Company retains its shareholdings and associated asset interests in Al Fairuz Mining LLC and Al Thuraya Mining LLC, the Company is currently engaged in discussions with the in-country partners and other company shareholders regarding the future of these business entities and associated assets.

Project Generation

While its principal focus remains expanding the Resource base at Mavis Lake and advancing the project towards development, the Company continues to assess additional exploration and early-stage project opportunities that may bolster the Mavis Lake Lithium Project. Key requirements are that any project offers potential operating synergies with the envisaged future mining operation at Mavis Lake, specifically similar metallurgical and mineralogy properties and common/shared logistics corridors.

Business Risks

The Group, as an exploration company, faces inherent risks in its activities which may materially affect its operations. Key risks identified which the Group are exposed to include:

Future capital requirements

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities.

In order to successfully develop the Projects and for production to commence, the Company will require further financing in the future, in addition to amounts raised to date. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in the Claims being subject to forfeiture, and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Securities in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

Exploration and development risk

Mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration of the Projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource.

Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited due to various issues including lack of ongoing funding, land tenure, land use, adverse government policy, geological conditions, proximity to existing infrastructure and ability to build required additional infrastructure, taxes, royalties, commodity prices or other technical difficulties.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, fires (including forest fires), power failures, labour disputes, native title process, changing government regulations and many other factors beyond the control of the Company. The availability of insurance for such hazards and risks is extremely limited or uneconomical at this time.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its Projects and obtaining all required approvals for its activities. In the event that exploration programs are unsuccessful this could lead to a diminution in the value of its Projects, a reduction in the cash reserves of the Company and possible relinquishment of part or all of its Projects.

Minerals and currency price volatility

The Group's future prospects will be influenced by the prices obtained for the commodities produced and targeted in the Group's development and exploration programs.

The Group's ability to proceed with the development of its Projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of lithium. Consequently, any future earnings are likely to be closely related to the price of base metals and the terms of any off-take agreements that the Company enters into. The world market for minerals is subject to many variables and may fluctuate markedly. Further, lithium mineral products are not exchange traded commodities. The Group will require contracts for sale of these mineral commodities. There is no guarantee the Company will secure contracts on terms favourable to the Company.

Commodity prices fluctuate and are impacted by factors including the relationship between global supply and demand for minerals, forward selling by producers, costs of production, geopolitical factors (including trade tensions), hostilities and general global economic conditions. Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand factors. Lithium mineral product prices will depend on available markets at acceptable prices and distribution and other costs. The market prices for lithium mineral products have been volatile and are influenced by numerous factors and events beyond the control of the Group. For example, if industries reduce their demand for end-products utilising lithium mineral products, the resulting change in demand for lithium mineral products could have an adverse effect on the Group's business.

Mineral prices are also affected by macroeconomic factors such as general global economic conditions and expectations regarding inflation and interest rates. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. Minerals are principally sold throughout the world in US dollars. The Company's cost base will be payable in various currencies including Australian dollars and US dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between the Australian dollar and the US dollar could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board to mitigate such risks.

Sovereign Risk

The Group's Projects located in Canada and Oman are subject to the risks associated in operating in a foreign country. These risks include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, labour relations as well as government control over natural resources or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

Any future material adverse changes in government policies or legislation in foreign jurisdictions in which the Company has projects that affect foreign ownership, exploration, development or activities of companies involved in exploration and production, may affect the viability and profitability of the Company.

Tenure and land access risk

Land access is critical for exploration and/or exploitation to succeed. It requires both access to the mineral rights and access to the surface rights. Minerals rights may be negotiated and acquired. In all cases the acquisition of prospective exploration and mining claims is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Company may not be successful in acquiring or obtaining the necessary mining claims and access to surface rights required to conduct exploration or evaluation activities outside of the mineral Claims.

As the Company's rights in the Claims may be obtained by grant by regulatory authorities or be subject to contracts with third parties, any third party may terminate or rescind the relevant agreement whether lawfully or not and, accordingly, the Company may lose its rights to exclusive use of, and access to any, or all, of the Claims. Third parties may also default on their obligations under the contracts which may lead to termination of the contracts. Additionally, the Company may not be able to access the Claims due to natural disasters or adverse weather conditions, political unrest, hostilities or failure to obtain the relevant approvals and consents.

Once a Mining Claim has been registered, a licencee is permitted to enter onto provincial Crown and private lands that are open for exploration covered by Mining Claim(s) and conduct preliminary exploratory and assessment work on the subject lands.

The Company considers that the existing Permits granted on the Group's Canadian Claims are sufficient to facilitate the exploration programme contemplated, however, Permits must be renewed from time to time.

Currently, the Group has exploration licences required to explore its projects. Renewal of titles is made by way of application to the relevant department in Canada, Australia and Oman. There is no guarantee a renewal will be automatically granted other than in accordance with the applicable provincial mining legislation. Jurisdiction and sovereign risk is dependant on the project location and varies between each project. In addition, the relevant department may impose conditions on any renewal, including relinquishment of ground.

Licenses, permits and approvals

Many of the mineral and explorations rights and interests to be held by the Company are subject to the need for ongoing or new government approvals, licences and permits. These requirements, including work permits and environmental approvals, will change as the Company's operations develop. Delays in obtaining, or the inability to obtain, required authorisations may significantly impact on the Company's operations.

Environmental

The operations and proposed activities of the Group are subject to Provincial and Federal laws and regulations concerning the environment. The current or future operations of the Company, including exploration and development activities and commencement of production on the Projects, require permits from various governmental authorities. Such operations are governed by laws and regulations that govern prospecting, mining, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety, and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production as a result of needing to comply with applicable laws, regulations and permits. There can be no assurance that all permits that the Company requires for future, exploration, development, construction and operation of mining facilities and the conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on the operations of the Company.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Group from being able to develop potentially economically viable mineral deposits. Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability. Government authorities may, from time to time, review the environmental bonds that are placed on permits. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company. Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations. There is also a risk that the Group's operations and financial position may be adversely affected by the actions of environmental groups or any other group or person opposed in general to the Group's activities and, in particular, the proposed exploration and mining by the Company within the Province of Ontario, Canada and New South Wales, Australia.

First Nations risk

Certain of the Projects may now or in the future be the subject of First Nations land claims. The legal nature of First Nations land claims is a matter of considerable complexity. The impact of any such claim on the Company's material interest in the Projects and/or potential ownership interest in the Projects in the future, cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of First Nations rights in the areas in which the Projects are located, by way of negotiated settlements or judicial pronouncements, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with and seek the approval of holders of First Nations interests in order to facilitate exploration and development work on the Company's mineral properties, there is no assurance that the Company will be able to establish practical working relationships with the First Nations in the area which would allow it to ultimately develop the Company's mineral properties.

Resource Estimation risk

Whilst the Company has identified a resource and intends to further undertake exploration activities with the aim of upgrading the confidence level of the resource at its existing Projects, no assurance can be provided that this can be economically extracted. The calculation and interpretation of resource estimates are by their nature expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly through additional fieldwork or when new information or techniques become available. This may result in alterations to development and mining plans, which may in turn adversely affect the Company's operations. The Company has disclosed exploration targets. Exploration targets are conceptual in nature and are used where there has been insufficient exploration to estimate a mineral resource. Investors are cautioned that it is uncertain whether further exploration will result in the estimation of a mineral resource on the exploration targets.

Metallurgy risk

Metal and/or mineral recoveries are dependent upon the metallurgical process that is required to liberate economic minerals and produce a saleable product and by nature contain elements of significant risk such as: i. identifying a metallurgical process through test work to produce a saleable metal and/or concentrate; ii. developing an economic process route to produce a metal and/or concentrate; and iii. changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

Occupational health and safety

Exploration and production activities may expose the Group's staff and contractors to potentially dangerous working environments. Occupational health and safety legislation and regulations differ in each jurisdiction. If any of the Company's employees or contractors suffers injury or death, compensation payments or fines may be payable and such circumstances could result in the loss of a licence or permit required to carry on the business. Such an incident may also have an adverse effect on the Company's business and reputation.

Reliance on Key personnel

The Group is reliant on a number of key personnel and consultants, including members of the Board and its experienced management team. The loss of one or more of these key contributors could have an adverse impact on the business of the Group. It may be particularly difficult for the Group to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Group, compared with other industry participants.

Taxation

In all places where the Company has operations, in addition to the normal level of income tax imposed on all industries, The Company may be required to pay government royalties, indirect taxes, goods and services tax and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

Climate change

The impacts of climate change may affect the Company's operations and the markets in which the Company may sell its products through regulatory changes aimed at reducing the impact of, or addressing climate change, including reducing or limiting carbon emissions, technological advances and other market or economic responses (including increased capital and operating costs, including increased costs of inputs and raw materials). Climate change may also result in more extreme weather events and physical impacts on the Company due to the energy intensive nature of the Company's proposed operations, and the Company's reliance on either fossil fuels or favourable weather events for generating energy for its proposed mining and processing activities.

General risks

The Company is subject various general risks, including (among others): A. economic risk; B. market conditions risk; C. force majeure risk; D. government and legal risk; E. litigation risk; F. insurance risk; G. taxation risk; H. unforeseen expenditure risk; and I. climate change risk.

Disclaimer

Forward looking statements

This report may contain certain forward looking statements and projections. Such forward looking statements/projections are estimates This report 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.

Competent Person statement

The information in this report that relates to Mineral Resource Estimate for Mavis Lake project is based on information compiled by and fairly represents Mr Urbisinov a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Urbisinov is a full-time employee of AMC Consultants Pty Ltd. Mr Urbisinov 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". Mr Urbisinov consents to the inclusion in this Announcement of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resource Estimate for Halls Peak is based on information compiled by and fairly represents Mr Arnold van der Heyden a Competent Person and Chartered Professional (Geology) of the AusIMM. Mr van der Heyden is a full-time employee of H&S Consultants Pty Ltd. Mr van der Heyden 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". Mr van der Heyden consents to the inclusion in this Announcement of the matters based on his information in the form and context in which it appears.

The Company's Mineral Resources Estimates has been compiled and is reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). Company's governance and internal controls for reporting its Mineral Resources Estimate is in compliance with 2012 JORC Code and ASX Listing Rules. The Competent Person is suitably qualified and experienced as defined by 2012 JORC Code.

Critical Resources confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Compliance statement

This report contains information on the Mavis Lake Lithium Project, Canada extracted from ASX market announcements dated 23 January 2023, 9 February 2023, 16 February 2023, 27 February 2023, 14 March 2023, 27 March 2023, 3 April 2023, 18 April 2023, 5 May 2023, 27 June 2023, 17 July 2023, 24 July 2023 21 August 2023, 11 September 2023, 19 September 2023 19 October 2023, 2 November 2023, 15 November 2023, 28 November 2023 13 February 2024 and 18 March 2024, reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX market announcements. This report contains information on the Halls Peak Project, Australia extracted from ASX market announcements dated 30 June 2023 and reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX market announcement.

INFORMATION ON DIRECTORS

Robert Martin	**Non-Executive Chairman**
Qualifications	Not applicable
Experience	Mr Martin is a successful businessman and accomplished company director with over 25 years' experience across a broad range of sectors including, mining and mining services, manufacturing and capital markets. Mr. Martin has a profound insight into corporate strategy, capital operation, management integration and business structures and efficiencies. Recently Mr Martin previously operated a highly successful mining services business with offices in multiple jurisdictions globally. Mr Martin now runs a family office in Western Australia with a focus on investing and supporting emerging private and public businesses. Mr Martin currently holds positions in publicly listed companies: Non-Executive Director of Parkd Limited (ASX: PKD), Non-Executive Chairman for Battery Age Minerals Limited (ASX: BM8), Non-Executive Chairman of Equinox Resources Limited (ASX: EQN), Executive Chairman of Pioneer Lithium Limited (ASX: PLN), Non-Executive Chairman of Infini Resources Limited (ASX: I88)and as Non-Executive Director of TSX-V listed Volt Carbon Technologies (TSX-V: VCT).
Special Responsibilities	Nil
Current Directorships of other ASX Listed Companies	Parkd Limited, Battery Age Minerals Limited, Equinox Resources Limited, Pioneer Lithium Limited, Infini Resources Limited
Former Directorships of other ASX Listed Companies in the Last Three Years	Suvo Strategic Minerals Limited

Alex Cheeseman	**Managing Director**
Qualifications	Master's degree in Capability Development and Acquisition, Bachelor of Science (Physics), Advanced Diploma (Administration), and Diploma of Government Services (Complex Procurement).
Experience	Mr Cheeseman is an executive leader and company director with over 20 years' experience in leadership and management across a range of industries. Having held a broad range of project and operational roles, the last 10 years has been focussed on the resources sector, specifically project development, commercial optimisation and marketing. Mr Cheeseman has extensive lithium industry experience having been intimately involved with project delivery, commissioning and ramp-up to commercial production and marketing of the former Altura Pilgangoora operations. He has further project generation, capital markets, corporate development and lithium exploration expertise (both hard rock and brine) derived from his time as the CEO of Morella Corporation (ASX:1MC). Me Cheeseman is also a Non-Executive Director of privately owned Green Lithium Refining Limited – a project development company seeking to build the first lithium refinery in the UK.
Special Responsibilities	Nil
Current Directorships of other ASX Listed Companies	Nil
Former Directorships of other ASX Listed Companies in the Last Three Years	Nil

John Markovic	Non-Executive Director (appointed 12 August 2022)
Qualifications	Not applicable
Experience	Mr Markovic is a successful private property developer and investor with over 30 years' of experience. Mr Markovic is currently the Managing Director for a number of private companies, including JGM Property Investments Pty Ltd, who have ownership of substantial industrial and commercial property portfolios in New South Wales. Throughout his career, Mr Markovic has been involved in numerous entrepreneurial technology and property start-ups as an early-stage investor and advisor.
Special Responsibilities	Nil
Current Directorships of other ASX Listed Companies	Nil
Former Directorships of other ASX Listed Companies in the Last Three Years	Nil

Nigel Broomham	Non-Executive Director (appointed 6 October 2023)
Qualifications	Bachelor of Science (Hons), Geology and Resource Economics from the University of Western Australia and is a member of AusIMM and the Australian Institute of Geoscientists
Experience	Mr Broomham is a geologist with over 12 years industry experience, including over 10 years in the battery metals sector, specifically in lithium and manganese. He is currently the Chief Executive Officer of ASX listed lithium explorer, Battery Age Minerals Ltd (ASX: BM8). Prior to joining Battery Age Minerals, Mr Broomham held leadership roles with ASX-50 lithium producer Pilbara Minerals (ASX: PLS) in exploration, resource development and mining production.
Special Responsibilities	Nil
Current Directorships of other ASX Listed Companies	Pioneer Lithium Limited
Former Directorships of other ASX Listed Companies in the Last Three Years	Nil

Michael Leu	Non-Executive Director (resigned 27 March 2023)
Qualifications	Bachelor of Science (Hons 1, Geology), MAIG, MAusIMM
Experience	Mr Leu has over 40 years geological experience and has held managerial roles including Chief Geologist, CEO and Managing Director of ASX Listed exploration companies. His skills include strategic planning, execution and mining across a range of mineral commodities.
Special Responsibilities	Nil
Current Directorships of other ASX Listed Companies	Nil
Former Directorships of other ASX Listed Companies in the Last Three Years	Nil

DIRECTOR HOLDINGS

Directors holdings as at date of this report are:

Directors	Shares	Options	Performance Rights
Robert Martin	12,668,390	-	-
Alex Cheeseman	3,355,000	-	13,000,000
John Markovic	86,959,476	4,597,701	-
Nigel Broomham	-	-	-

MEETINGS OF DIRECTORS

The number of Directors' Meetings and the number of meetings attended by each of the Directors of the Company during the year were:

	Directors Meetings	
Directors	Held whilst in office	Attended
Robert Martin	9	9
Alex Cheeseman	9	9
John Markovic	9	9
Nigel Broomham	1	1
Michael Leu	3	3

REMUNERATION REPORT - AUDITED

This remuneration report outlines the remuneration arrangements of the Group for the year ended 31 December 2023 in accordance with the requirements of Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by Section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for Key Management Personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent.

For the purposes of this report, the term "executive" includes the Managing Director (MD), executive directors (where applicable) and senior executives of the Group.

The Group sets remuneration that is market competitive and complementary to the reward strategy of the Group, without the use of independent remuneration consultants.

A. Remuneration Governance

The Board of Directors is responsible for the remuneration practices of the Group.
The Board of Directors has determined that a separate Remuneration Committee is not necessary at this time due to the size of the Group and the scale and nature of its operations.

B. Remuneration Policy

The remuneration policy of the Group has been designed to align Director and executive objectives with shareholder and business objectives by providing a fixed remuneration component which is assessed on an annual basis in line with market rates and offering specific incentives, from time to time, that are based on share price and key performance areas affecting the Group's financial results.

The Board of Directors of Critical believes the remuneration policy is appropriate and effective in its ability to attract, retain and motivate suitably qualified and experienced Directors and executives to run and manage the Group, as well as create goal congruence between the Directors, executives and the Company's shareholders.

C. Remuneration Arrangements

All executives receive a base salary or allowance (which is based on factors such as length of service and experience). Executive and Non-Executive remuneration may also incorporate a component of performance based remuneration.

The Board reviews executive packages annually by reference to the economic entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

Non-Executive directors are remunerated at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to Non-Executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive directors is subject to approval by shareholders at the Annual General Meeting (currently $300,000).

The Board of Directors may exercise discretion in relation to approving incentives, bonuses and options.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed. Options are independently valued by corporate advisers using the Black-Scholes method and performance rights using the barrier up-and-in trinomial pricing model.

D. Performance Based Remuneration

The Company believes that linking the remuneration of Directors and executives with performance will be effective in increasing shareholder wealth.

From time to time, the Board of Directors may establish performance targets and a bonus system for the purposes of providing directors and executives with short-term and long-term performance incentives. Such incentives are offered to increase goal congruence between shareholders and directors and executives.

E. Performance Summary

The tables below set out summary information about Company's earnings and movements in shareholder wealth for the five years to 31 December 2023:

	2023	2022	2021	2020	2019
	$'000	$'000	$'000	$'000	$'000
Other Income	2,795	794	-	205	285
Loss before tax	(3,705)	(2,293)	(1,660)	(807)	(4,537)
Share price at start of year	$0.043	$0.040	$0.022	$0.014	$0.015
Share price at end of year	$0.021	$0.043	$0.040	$0.022	$0.014
Dividend	-	-	-	-	-
Cash and cash equivalents	5,496	8,573	4,768	1,846	9
Basic (loss) per share	($0.36)	($0.16)	($0.16)	($0.12)	($0.094)
Diluted /(loss) per share	($0.36)	($0.16)	($0.16)	($0.12)	($0.094)

F. No Hedging Contracts

The Company does not permit executives to enter into contracts to hedge their exposure to options or performance rights to shares granted as part of their remuneration package.

G. Securities Trading Policy

The Board has in place a Securities Trading Policy to ensure that:

- any dealings in securities by the Directors, employees and contractors comply with legal and regulatory obligations (including the prohibition against insider trading); and
- the Company maintains market confidence in the integrity of dealings in its securities.

H. Details of Remuneration

Compensation of key management personnel for the year ended 31 December 2023

2023	Short-Term Benefits	Post Employment	Share-Based Payments		
	Salary & Fees $	Super-annuation $	Equity Settled Rights $	Total $	Share based payment % of Total
Directors					
Robert Martin - Non-Executive Chairman	97,667	-	-	97,667	-
Alex Cheeseman – Managing Director	360,000	32,250	148,254	540,504	27%
John Markovic - Non-Executive Director	48,000	-	-	48,000	-
Nigel Broomham - Non-Executive Director (i)	11,355	-	-	11,355	-
Michael Leu - Non-Executive Director (ii)	14,550	-	-	14,550	-
Total remuneration directors 2022	**531,572**	**32,250**	**148,254**	**712,076**	**27%**
Specified Executives					
Milan Bogunovic – CFO (iii)	54,996	5,470	-	60,467	-
Harry Spindler – Company Secretary & CFO	69,924	3,732	18,968	92,623	20%
Total remuneration specified executives 2023	**124,920**	**9,202**	**18,968**	**153,090**	**20%**
Total key management personnel 2023	**656,492**	**41,452**	**167,222**	**865,166**	**19%**

(i) Appointed 6 October 2023.
(ii) Resigned 27 March 2023.
(iii) Resigned 28 April 2023.

Compensation of key management personnel for the year ended 31 December 2022

2022	Short-Term Benefits	Post Employment	Share-Based Payments		
	Salary & Fees $	Super-annuation $	Equity Settled Rights $	Total $	Share based payment % of Total
Directors					
Robert Martin - Non-Executive Chairman	72,000	-	149,984	221,984	68%
Alex Cheeseman – Managing Director (i)	125,853	6,583	195,118	327,554	60%
Michael Leu - Non-Executive Director (vi)	149,700	-	149,984	299,684	50%
John Markovic - Non-Executive Director (ii)	18,640	-	-	18,640	-
Alexander Biggs – Managing Director (iii)	230,762	17,666	(33,610)	214,818	(16%)
Jihad Malaeb – Non-Executive Director (iv)	38,000	-	149,984	187,984	80%
Total remuneration directors 2022	**634,955**	**24,249**	**611,460**	**1,270,664**	**48%**
Specified Executives					
Milan Bogunovic – CFO (v)	132,718	13,733	-	146,451	-
Total remuneration specified executives 2022	**132,718**	**13,733**	**-**	**146,451**	**-**
Total key management personnel 2022	**767,673**	**37,982**	**611,460**	**1,417,115**	**43%**

(i) Appointed 6 January 2022 as Non-Executive Director and 10 October 2022 as Managing Director.
(ii) Appointed 12 August 2022 as Non-Executive Director.
(iii) Resigned 15 July 2022.
(iv) Resigned 12 August 2022.
(v) Appointed 1 March 2022.
(vi) Non-Executive Director fee of $48,000 per annum, with balance relating to his consulting services.

Compensation options granted to key management personnel

No options were issued to key management personnel during 2023.

Compensation performance rights granted to key management personnel

Performance Rights issued to key management personnel during 2023 are disclosed in the Performance Rights table below. For further details on performance rights refer to Note 25.

Performance Rights held by Directors and key management personnel during the year ended 31 December 2023

2023	Year Granted	Balance at the beginning of the year	Issued during the year	Vested	Forfeited	Balance at 31 Dec 2023
Directors						
Robert Martin		-	-	-	-	-
Alex Cheeseman	2022	4,000,000*	14,000,000*	-	(5,000,000)	13,000,000
John Markovic	-	-	-	-	-	-
Nigel Broomham	-	-	-	-	-	-
Michael Leu		-	-	-	-	-
Specified Executives						
Milan Bogunovic	-	-	-	-	-	-
Harry Spindler	2023	-	1,500,000	-	-	1,500,000
Total		**4,000,000**	**15,500,000**	**-**	**(5,000,000)**	**14,500,000**

During the financial year ended 31 December 2023, the Company granted 1,500,000 performance rights (PR's) to KMP, nil PR's were converted, and 5,000,000 PR's lapsed.

* As approved by shareholders on 15 December 2022, the Company granted and accounted for 14 million performance rights and agreed to the cancellation of 4 million existing performance rights during the period ended 31 December 2022, and subsequently issued in January 2023.

The fair value of the services received in return for Performance Rights granted are measured by reference to the fair value of the PRs granted. In determining the fair value of Performance Rights granted during the period ended 31 December 2023, the Company has applied a barrier up-and-in Trinomial pricing model. Details on the inputs used in the valuation model can be found in Note 25.

KMP Performance Rights

During the financial period ended 31 December 2023, the Company issued 1,500,000 PRs to KMP as detailed below:

No of PR's	*Grant date*	*Grant date share price*	*Estimated vesting date*	*Expected volatility*	*Risk free rate*	*Fair value per PR*	*Perform-ance hurdle*
300,000	08/02/23	$0.056	31/12/25	100%	3.26%	$0.047	(f)
500,000	08/02/23	$0.056	31/12/25	100%	3.26%	$0.043	(g)
700,000	08/02/23	$0.056	31/12/25	100%	3.26%	$0.037	(h)

Performance Hurdles

(f) Absolute shareholder return: 300,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company achieving a market capitalisation of greater than $150,000,000 for 30 consecutive trading days.

(g) Absolute shareholder return: 500,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company achieving a market capitalisation of greater than $200,000,000 for 30 consecutive trading days.

(h) Absolute shareholder return: 700,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company achieving a market capitalisation of greater than $300,000,000 for 30 consecutive trading days.

Option Holdings of Directors and Key Management Personnel as at 31 December 2023

The numbers of options over ordinary shares in the company granted under the executive short term incentive scheme that were held during the financial year by each director and the key management personnel of the Group, including their personally related parties, are set out below.

2023	Balance at beginning	Acquired	Exercised	Forfeited on resignation	Holding on Resignation/ appointment	Balance at 31 Dec 2023	Exercisable
Directors							
Robert Martin	-	-	-	-	-	-	-
Alex Cheeseman	-	-		-	-	-	-
John Markovic	4,597,701	-		-	-	4,597,701	4,597,701
Nigel Broomham	-	-	-	-	-	-	-
Michael Leu	402,298	-	-	-	402,298	-	402,298
Specified Executives					-		
Milan Bogunovic	229,885	-		-	229,885	-	229,885
Harry Spindler	-	-	-	-	-	-	-
Total	**5,229,884**	**-**	**-**	**-**	**632,183**	**4,597,701**	**5,229,884**

Shareholdings of Directors and Key Management Personnel as at 31 December 2023

2023	Balance at Beginning	Acquired	Acquired on vesting of performance rights	Disposed	Holding on Resignation/ Appointment	Balance at 31 Dec 2023
Directors						
Robert Martin	11,968,390	700,000	-	-	-	12,668,390
Alex Cheeseman	2,000,000	700,000	-	-	-	2,700,000
John Markovic	86,959,476	-	-	-	-	86,959,476
Nigel Broomham	-	-	-	-	-	-
Michael Leu	7,206,897		-	-	7,206,897	-
Specified Executives	-					-
Milan Bogunovic	689,655	-	-	-	689,655	-
Harry Spindler	-	155,833	-	-	75,053	230,886
Total	**108,824,418**	**1,555,833**	**-**	**-**	**7,971,605**	**102,558,752**

All equity transactions with key management have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

I. Service Agreements

Robert Martin - Chairman
The key terms of Mr Martin's service contract are:

- Non-Executive Chair fee of $100,000 per annum.
- No notice period.
- No termination benefit entitlement.

Alex Cheeseman – Managing Director
The key terms of Mr Cheeseman's service contract are:

- $300,000 plus superannuation per annum.
- 3 month's notice period.
- Fee of $60,000 per annum from commencement as Managing Director.
- Performance shares; For further details on performance shares refer to Note 25.

John Markovic – Non-Executive Director
The key terms of Mr Markovic's service contract are:

- Non-Executive Director fee of $48,000 per annum.
- No notice period.
- No termination benefit entitlement.

Nigel Broomham – Non-Executive Director
The key terms of Mr Broomham's service contract are:

- Non-Executive Director fee of $48,000 per annum.
- No notice period.
- No termination benefit entitlement.

Harry Spindler – Company Secretary & CFO
The key terms of Mr Spindler's service contract are:

- $210,000 plus superannuation per annum.
- 3 month's notice period.

Michael Leu – Non-Executive Director (resigned 27 March 2023)
The key terms of Mr Leu's service contract were:

- Non-Executive Director fee of $48,000 per annum.
- No notice period.
- No termination benefit entitlement.

Milan Bogunovic – Chief Financial Officer (resigned 28 April 2023)
The key terms of Mr Bogunovic's service contract were:

- $160,000 plus superannuation per annum.
- 3 month's notice period.

J. Other transactions with key management personnel

The following transactions occurred with Director related parties:

Mr Michael Leu was paid $2,550 net of GST in relation to his consulting services in the current year (2022: $101,700).

Voting and comments made at the Company's 2023 Annual General Meeting (AGM)
At the 2023 AGM, 99.7% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

End of audited remuneration report

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group proposes to continue its exploration activities across its various mineral industry interests. Other than the information disclosed in this report, further information in relation to likely developments and the impact on the operations of the Group has not been included because the directors believe it would be likely to result in unreasonable prejudice to the Group.

SHARES UNDER OPTION

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Class	Date options granted	Expiry Date	Exercise Price	No. of options
Options	5 January 2022	3 December 2024	$0.04	47,352,226

No option holder has any right under the options to participate in any other share issue of the company or any other entity.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

Other than operational results as detailed in the review of operations and below, there are no significant matters subsequent to year end which significantly affected the operations of the Group.

Subsequent to the end of the period, the Company was advised by the Ministry of Energy and Minerals, Sultanate of Oman, that the exploration licences over Block 4 and Block 5 had expired and would not be renewed as they had reached the end of their stated renewal period. The Company engaged the Ministry via both its regional management and its in-country partners, who subsequently reaffirmed the Ministry's position. Whilst the Company retains its shareholdings and associated asset interests in Al Fairuz Mining LLC and Al Thuraya Mining LLC, the Company is currently engaged in discussions with the in-country partners/other company shareholders regarding the future of these business entities and associated assets.

Subsequent to the year-end, desk-top work and assessment was carried out over the prospectivity of the Plaid Whitenoon project area, independent review, along with internal assessment deemed there no prospectivity for lithium mineralisation across the project area, driven principally by the underlying geological setting of the project not being conducive for the formation of LCT pegmatites. Accordingly the Company relinquished the project claims during February 2024.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

ENVIRONMENTAL REGULATIONS

The Group is subject to significant environmental regulation in respect of its exploration activities as follows:

- The Company's operations in the State of New South Wales involve exploration activities. These operations are governed by the *Environment Planning and Assessment Act 1979*.
- The Company's operations in Canada are governed by environmental regulations under the Canadian laws.
- The Company operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of the shareholders, employees and suppliers.
- The Company aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation. The Directors are mindful of the regulatory regime in relation to the impact of the Company's activities on the environment.
- To the best of the directors' knowledge, the Group has adequate systems in place to ensure compliance with the requirements of all environmental legislation described above and are not aware of any breach of those requirements during the financial year and up to the date of the Directors' Report.

INDEMNIFYING OFFICERS OR AUDITOR

The Group has agreed to indemnify all the directors and executive officers for any costs or expenses that may be incurred in defending civil and criminal proceedings that may be brought against them in their capacity as directors and officers for which they may be held personally liable. A confidentiality clause in the insurance contract prohibits disclosure of the amount of the premium and the nature of insured liabilities. The Company has not entered into any agreement to indemnify BDO Audit (WA) Pty Ltd against any claims by third parties arising from their report on the annual financial report.

AUDITOR

Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed (if any) did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Details of the amounts paid or payable to the auditor BDO Audit (WA) Pty Ltd and related entities for audit services provided during the year are set out in Note 7 to the financial Statements. There were no non-assurance services provided during the year.

CORPORATE GOVERNANCE STATEMENT

Critical Resources Limited and its controlled entities (the Group) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders. The Directors are responsible to the shareholders for the performance of the Group in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed. ASX Listing Rule 4.10.3 requires listed companies to disclose the extent to which they have complied with the ASX Best Practice Recommendations of the ASX Corporate Governance Council in the reporting period. The Company has disclosed this information on its website at www.criticalresources.com.au/about/#corporate-governance.The Corporate Governance Statement is current as at 31 December 2023, and has been approved by Directors. The Company website at www.criticalresources.com.au contains a corporate governance section that includes copies of the Company's corporate governance charters and policies.

AUDITOR

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001. There are no officers of the company who are former partners of BDO Audit (WA) Pty Ltd.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 23 for the year ended 31 December 2023. This report is made in accordance with a resolution of directors.

Mr Robert Martin
Non-Executive Chairman
Perth, Western Australia
27 March 2024

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DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF CRITICAL RESOURCES LIMITED

As lead auditor of Critical Resources Limited for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Critical Resources Limited and the entities it controlled during the period.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth

27 March 2024

Annual Financial Report

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 $	2022 $
Continuing Operations			
Interest income		42,893	45,171
Other income	5	2,795,374	793,855
Administrative expenses	6	(974,274)	(985,134)
Consulting and staff costs	6	(1,664,260)	(1,464,110)
Impairment of assets	11	(3,482,055)	-
Depreciation		(70,410)	(1,479)
Share-based payments	25	(333,993)	(674,608)
Finance costs	6	(18,638)	(6,956)
Loss before income tax expense		**(3,705,362)**	**(2,293,261)**
Income tax expense	8	(2,277,620)	-
Loss for the year		**(5,982,982)**	**(2,293,261)**
Other comprehensive income			
Revaluation and foreign exchange (decreases) on financial assets		(54,538)	(321,918)
Exchange difference on translating foreign operations		100,889	116,840
Total other comprehensive loss for the year, net of tax		**(5,936,631)**	**(2,498,339)**
Net loss for the year is attributed to:			
Loss attributable to owners		(4,486,759)	(2,248,142)
Non-controlling interests		(1,496,223)	(45,119)
Net loss for the year		**(5,982,982)**	**(2,293,261)**
Total comprehensive loss for the year is attributed to:			
Loss attributable to owners		(4,478,410)	(2,500,680)
Non-controlling interests		(1,458,222)	2,343
Total comprehensive loss for the year		**(5,936,631)**	**(2,498,339)**
Loss per share			
Basic and diluted loss per share (cents per share)	20	**(0.36)**	**(0.16)**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	2023 $	2022 $
ASSETS			
Current assets			
Cash and cash equivalents	9	5,496,159	8,573,127
Trade and other receivables		235,711	233,758
Other assets	10	119,005	799,403
Total current assets		**5,850,875**	**9,606,288**
Non-current assets			
Plant and equipment		26,755	16,858
Exploration and evaluation assets	11	27,748,157	19,565,051
Right-of-use assets		283,329	141,872
Financial assets	12	775,050	814,570
Total non-current assets		**28,833,291**	**20,538,351**
Total assets		**34,684,166**	**30,144,639**
LIABILITIES			
Current liabilities			
Trade and other payables	13	2,345,445	1,680,217
Financial liabilities		11,888	16,502
Flow-through shares premium liability	14	1,466,005	2,207,704
Lease liabilities		95,534	48,823
Provisions	15	1,542,531	1,550,024
Total current liabilities		**5,461,403**	**5,503,270**
Non-current liabilities			
Lease liabilities		194,048	97,772
Deferred tax liabilities	8	2,218,532	-
Total non-current liabilities		**2,412,580**	**97,772**
Total liabilities		**7,873,983**	**5,601,042**
Net assets		**26,810,183**	**24,543,597**
Equity			
Issued capital	16	78,519,643	70,629,920
Reserves	17	1,209,767	887,924
Accumulated losses		(52,030,521)	(47,543,763)
Non-Controlling interest	18	(888,706)	569,516
Total equity		**26,810,183**	**24,543,597**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 $	2022 $
Cash flows from operating activities			
Interest received		42,893	45,171
Payments to suppliers and employees		(2,277,294)	(2,343,538)
Interest paid		-	-
Net cash flows used in operating activities	21	**(2,234,401)**	**(2,298,367)**
Cash flows from investing activities			
Acquisition of subsidiary – cash held		-	9,471
Payments for acquisitions		(2,184,159)	(1,693,121)
Payments for financial assets		-	(1,087,488)
Payments for exploration and evaluation		(8,392,731)	(9,317,050)
Payments for plant, property and equipment		(18,014)	(16,790)
Net cash flows used in investing activities		**(10,594,905)**	**(12,104,978)**
Cash flows from financing activities			
Proceeds from issue of shares – exercise of options		176,891	451,451
Proceeds from issue of shares – placement		2,300,000	12,500,000
Proceeds from issue of shares – flow-through		7,865,963	6,672,011
Share issue costs		(519,956)	(1,353,354)
Payments for borrowings		(4,614)	(38,770)
Payments of lease liabilities		(60,000)	(18,000)
Net cash flows from financing activities		**9,758,284**	**18,213,338**
Net increase/(decrease) in cash and cash equivalents		(3,071,022)	3,809,993
Cash and cash equivalents at beginning of year		8,573,127	4,768,404
Effects of exchange rate changes on cash and cash equivalents		(5,946)	(5,270)
Cash and cash equivalents at year end	9	**5,496,159**	**8,573,127**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Issued Capital $	Reserves $	Accumulated Losses $	Non-Controlling Interest $	Total Equity $
Balance at 1 January 2022	**46,825,287**	**645,978**	**(45,475,743)**	**567,173**	**2,562,695**
Loss for the year	-	-	(2,248,142)	(45,119)	(2,293,261)
Other comprehensive income/(loss) for the year	-	(252,540)	-	47,462	(205,078)
Total comprehensive loss for the year	-	(252,540)	(2,248,142)	2,343	(2,498,339)
Transactions with owners in their capacity as owners					
Options issued	-	27,542	-	-	27,542
Performance rights	-	647,066	-	-	647,066
Reserve transfer	-	(180,122)	180,122	-	-
Share issue costs	(1,113,354)	-	-	-	(1,113,354)
Shares issued – exercise of options	451,451	-	-	-	451,451
Shares issued – acquisitions	3,750,705	-	-	-	3,750,705
Shares issued – Placement	16,500,000	-	-	-	16,500,000
Shares issued – Flow-through	4,215,831	-	-	-	4,215,831
Balance at 31 December 2022	**70,629,920**	**887,924**	**(47,543,763)**	**569,516**	**24,543,597**
Balance at 1 January 2023	**70,629,920**	**887,924**	**(47,543,763)**	**569,516**	**24,543,597**
Loss for the year	-	-	(4,486,759)	(1,496,223)	(5,982,982)
Other comprehensive income/(loss) for the year	-	8,349	-	38,002	46,351
Total comprehensive loss for the year	-	8,349	(4,486,759)	(1,458,222)	(5,936,631)
Transactions with owners in their capacity as owners					
Options issued	-	106,540	-	-	106,540
Performance rights	-	206,954	-	-	206,954
Share issue costs	(519,956)	-	-	-	(519,956)
Shares issued – exercise of options	176,891	-	-	-	176,891
Shares issued – acquisitions	100,000	-	-	-	100,000
Share issue - incentive	20,500				20,500
Shares issued – Placement	2,300,000	-	-	-	2,300,000
Shares issued – Flow-through	5,812,288	-	-	-	5,812,288
Balance at 31 December 2023	**78,519,643**	**1,209,767**	**(52,030,521)**	**(888,706)**	**26,810,183**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards ("AASBs") (including Australian Accounting Interpretations), as adopted by the Australian Accounting Standards Board ("AASB"), other authoritative pronouncements of the AASB and the Corporations Act 2001. Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of Critical Resources Limited complies with International Financial Reporting Standards as issued by the International Accounting Standards Board. Comparative information is reclassified where appropriate to enhance comparability.

The functional and presentation currency of the Company is Australian dollars. Critical Resources Limited is a company limited by shares, incorporated and domiciled in Australia.

(i) Historical cost convention

These financial statements have been prepared on an accruals basis and are based on the historical cost convention except where noted in these accounting policies.

(ii) Going concern

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Group's assets and the discharge of its liabilities in the normal course of business.

As at 31 December 2023 the Group held cash and cash equivalents of $5,496,159 (31 December 2022: $8,573,127), a working capital surplus of $3,398,007 (excl provisions and flow-through premiums) (31 December 2022: $4,102,916), with a net loss after tax for the year ended 31 December 2023 of $5,982,982 (31 December 2022: $2,293,261), and net cash outflows from operating activities of $2,234,401 (31 December 2022: $2,298,367). The Company is committed to incurring on or before 31 December 2024 qualifying Canadian exploration expenses as defined under the Income Act, Canada ("Qualifying CEE") in the amount equal to the gross proceeds raised in connection with the flow-through share placement.

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

The Group may need to seek additional funding in the coming year to meet its operating expenditure and planned exploration expenditure for the next twelve months from the date of signing these financial statements. The directors are confident of being able to reduce expenditures if required and/or obtain additional funding through raising of additional share capital, proceeds from exercise of options or sale of assets.

Should this not occur, or not occur on a sufficiently timely basis, there is a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Critical Resources Limited (the parent entity) as at reporting date and the results of all subsidiaries for the year then ended. Critical Resources Limited and its subsidiaries together are referred to in this financial report as the Group.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The financial performance of those activities is included only for the period of the year that they were controlled.

Intercompany transactions, balances and unrealised gains on transactions between consolidated entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

(c) Share-based Payment Transactions for the acquisition of goods and services

Share-based payment arrangements in which the Group receives goods or services as in exchange for its own equity instruments are accounted for as equity-settled share-based payment transactions. The Group measures the value of equity instruments granted at the fair value of the goods and services received, unless that fair value cannot be measured reliably.

If the fair value of the goods or services cannot be measured reliably, the transaction is measured by reference to the fair value of the instruments granted.

(d) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities measured at amortised cost. Financial liabilities in the former category include contingent consideration payable on business combinations, financial liabilities in the latter category include trade payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Fair value is determined based on the value of the entity's equity instruments when the related business combination takes place.

Subsequent measurement

The measurement of financial liabilities depends on the classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are subsequently measured, at each reporting date, at the fair value of the amount estimated to settle the liability. The increase or decrease in the value of the liability, other than the movements in the value of the liability which arise through part settlement of the liability is recognised in the profit or loss.

Financial liabilities at amortised cost

Trade and other payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the entity. Trade accounts payable are normally settled within 60 days.

(e) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments. Reporting to management by segments is on this basis.

(f) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer. Revenue is recognised for the major business activities as follows:

Interest Revenue

Interest revenue is recognised as it accrues taking into account the effective yield on the financial asset.

Other Income

Income from other sources is recognised when proceeds or the fee in respect of other products or service provided is receivable. All revenue is stated net of the amount of goods and services tax (GST).

(g) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

The Company and its wholly owned entities are part of a tax-consolidated group under Australian taxation law. Critical Resources Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

The amounts receivable/payable under tax funding arrangements are due upon notification by the entity which is issued soon after the end of each financial year. Interim funding notices may also be issued by the head entity to its wholly owned subsidiary. These amounts are recognised as current intercompany receivables or payables.

(h) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- receivables and payables are stated with the amount of GST included; and
- the net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis except for the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(i) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting period. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(j) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand and in at call deposits with banks or financial institutions, investment in money market instruments maturing within less than two months, net of bank overdrafts.

(k) Financial assets

Classification
The Group classifies its financial assets in the following measurement categories:

- those measured subsequently at fair value (either through OCI, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments: Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

These include trade and other receivables and financial assets at amortised cost

- Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains or losses. Impairment losses are presented as separate line items in the statement of profit or loss.

- FVPL:

Assets that do not meet the criteria for amortised cost are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments: The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

The Group assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Exploration and evaluation assets

Costs incurred in the exploration for, and evaluation of, tenements for suitable resources are carried forward as assets provided that one of the following conditions is met:

- the exploration and evaluation expenditures are expected to be recovered through successful development and exploitation of the area of interest, or alternatively by its sale; or
- the exploration and evaluation activities in the area have not, at the end of the reporting period, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and activity and significant operations in the area of interest are continuing.

Each area of interest is assessed for impairment to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Impairment testing is carried out in accordance with Note 1(j).

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mine development properties.

The Board has determined to apply this policy to an area of interest on a case by case basis.

Area of Interest	**Accounting Policy**
Australia	Capitalisation at cost
Canada	Capitalisation at cost

(n) Contributed equity

Ordinary shares are classified as equity.

(o) Share based payments

Ownership-based remuneration is provided to employees via an employee share option plan.
Share-based compensation is recognised as an expense in respect of the services received, measured on a fair value basis.

The fair value of the options at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the Group revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

The fair value of the performance right at grant date is independently determined using a barrier up-and-in trinomial pricing model that takes into account the vesting price, the term of the performance right, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the performance right, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the performance right.

The fair value of the performance rights granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of performance rights that are expected to become exercisable. At each reporting date, the Group revises its estimate of the number of performance rights that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options and performance rights, the balance of the share-based payments reserve relating to those options is transferred to share capital.

(p) Earnings per share (EPS)

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to members, adjusted for costs of servicing equity (other than dividends), the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(q) Parent Entity Financial Information

The financial information for the parent entity, Critical Resources Limited, has been prepared on the same basis.

(r) Accounting policy choice for non-controlling entities

The Group recognises non-controlling interest in an acquired entity either at a fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The decision is made on an acquisition-by-acquisition basis.

(s) Foreign currency translation

Functional and presentation currency
The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances
Foreign currency transactions are translated into functional currency using average exchange rates for the period, or where possible, the exchange rates prevailing at the date of the transaction. Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the year-end exchange rate.

Group companies
The functional currency of the overseas subsidiaries is either US dollars, Canadian dollars, Euros or Omani Rial. The Board of Directors assesses the appropriate functional currency of these entities on an ongoing basis.

(t) Right of use assets and lease liabilities

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(u) Trade and other receivables

Trade and other receivables are stated at fair value and subsequently measured at amortised cost, less expected credit losses.

(v) Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(w) Flow-through share premium liability

The flow-through premium liability balance is related to the share placement of flow-through shares as defined under the Income Act of Canada. The Company incurs qualifying Canadian exploration expenses as defined under the Income Act, Canada ("Qualifying CEE") in the amount of in an amount equal to the gross proceeds raised in connection with the flow-through share placement. Pursuant to the terms of the flow through share agreements, the tax deductions associated with the exploration expenditures are renounced to the subscribers. The difference between the value ascribed to flow through shares issued and the value that would have been received for shares with no tax attributes is initially recognised as a liability. When the expenditures are incurred, the liability is reduced and other income is recognised in the statement of profit or loss and other comprehensive income.

(x) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The consolidated entity did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and judgements may differ from the related actual results and may have a significant effect on the carrying amount of assets and liabilities within the next financial year and on the amounts recognised in the financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of exploration and evaluation assets

Exploration and evaluation expenditure is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in or relating to, the area of interest are continuing. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploration, then the relevant capitalised amount will be written off through the profit and loss statement. The carrying amount of exploration and evaluation is disclosed in Note 11.

(b) Share-based payment transactions

The Group measures the cost of equity-settled transactions with directors and others by reference to the fair value of the equity instruments at the date at which they are granted. In respect of non-market based vesting conditions, this incorporates associated estimated probability of occurrence of each tranche. Estimates and judgements in relation to share-based payment transactions are disclosed in Note 23 and Note 25.

Project Acquisitions

The acquisition of the Group's Canadian assets includes in circumstances the payment of deferred consideration attributable to the transaction(s). The acquisition of these subsidiaries that do not constitute a business as defined by AASB 3 Business Combinations are accounted for as an acquisition of an asset. In making these assessments, judgement is applied with regards to whether inputs, processes and outputs are associated with these acquisitions. Estimates and judgements in relation to deferred consideration transactions and their probability of the respective performance milestone are disclosed in Note 15..

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

(c) Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary difference only I the consolidated entity considers it probable that future taxable amounts will be available to utilise those temporary differences and losses. At 31 December 2023 deferred tax assets have not be recognised because their realisation is not deemed probable.

3. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

The consolidated entity's principal financial instruments comprise cash and cash equivalents. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the consolidated entity. The consolidated entity also has other financial instruments such as other receivables and creditors which arise directly from its operations. For the year under review, it has been the consolidated entity's policy not to trade financial instruments. The main risks arising from the consolidated entity's financial instruments are interest rate risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

Consolidated	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest	Non-Interest Bearing	Total
2023	%	$	$	$	$
Financial assets					
Cash and cash equivalents	5.1%	2,250,882	-	3,245,277	5,496,159
Trade and other receivables	0.0%	-	-	235,710	235,710
Financial assets	0.0%	-	-	775,050	775,050
		2,250,882	-	**4,256,037**	**6,506,920**
Financial liabilities					
Trade and other payables	0.0%	-	-	2,345,445	2,345,445
Provisions	0.0%	-	-	1,542,531	1,542,531
Lease labilities	0.0%	-	-	289,582	289,582
Financial liabilities	6%	-	11,889	-	11,889
		-	**11,889**	**4,177,558**	**4,189,447**
2022	%	$	$	$	$
Financial assets					
Cash and cash equivalents	0.7%	884,058	-	7,689,069	8,573,127
Trade and other receivables	0.0%	-	-	233,758	233,758
Financial assets	0.0%	-	-	814,570	814,570
		884,058	-	**8,737,397**	**9,621,455**
	%	$	$	$	$
Financial liabilities					
Trade and other payables	0.0%	-	-	1,680,217	1,680,217
Provisions	0.0%	-	-	1,550,024	1,550,024
Lease labilities	0.0%	-	-	146,595	146,595
Financial liabilities	3.9%	-	16,502	-	16,502
		-	**16,502**	**3,376,836**	**3,393,338**

The maturity date for cash included in the above tables is less than one year from the reporting date.

Sensitivity Analysis

The Group's main interest rate risk arises from cash and cash equivalents with various variable interest rates. At 31 December 2023 and 31 December 2022, the Group's exposure to interest rates risk is considered insignificant.

(b) Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors or counterparties to derivative contracts fail to settle their obligations owing to the Group. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. All cash is held with financial institutions with a credit rating of -AA or above.

The maximum exposure to credit risk at reporting date is as follows:

	2023	2022
	$	$
Cash and cash equivalents	5,496,159	8,573,127
Trade and other receivables	235,710	233,758
Financial assets	775,050	814,570
Balance at the end of the year	**6,506,920**	**9,621,455**

(c) Foreign currency risk

The group is exposed to fluctuations in foreign currencies arising from exploration commitments in currencies other than the Group's presentational currency (Australian dollars).

The group operates internationally and is exposed to foreign currency exchange risk from currency exposure to the US Dollars (USD), Canadian Dollar (CAD), Omani Rial (OMR). The Group has not yet formalized a foreign currency risk management policy, however it monitors its foreign currency expenditure in light of exchange rate movements and retains the right to withdraw from foreign currency commitments.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2023	2022	2023	2022
	$	$	$	$
Currency				
US dollars	20,102	20,236	8,416	-
	$	$	$	$
Euro	-	-	24,832	10,179
Canadian dollars	6,070,205	8,230,451	1,751,179	370,754
Omani Rial	218,312	236,503	181,191	193,449

(d) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments that is, borrowing repayments. The Group manages liquidity risk continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of underlying business, the Group aims at ensuring flexibility in its liquidity profile by maintaining the ability to undertake capital raisings. The current trade and other payables are due and payable within 60 days.

Maturity Analysis of Financial Liabilities	Carrying Amount	< 6 Months	6-12 Months	1-3 Years	Contractual Cash Flows
	$	$	$	$	$
Balance at 31 December 2023					
Financial Liabilities interest bearing					
Financial liabilities	11,889	11,889	-	-	11,889
Financial Liabilities non-interest bearing					
Trade and other payables	2,345,445	2,345,445	-	-	2,345,445
Provisions	1,542,531	42,531	1,500,000	-	1,542,531
Lease liabilities	289,582	47,767	47,767	194,048	289,582
Total financial liabilities	**4,189,446**	**2,447,631**	**1,547,767**	**194,048**	**4,189,446**
Balance at 31 December 2022					
Financial Liabilities interest bearing					
Financial liabilities	16,502	16,502	-	-	16,502
Financial Liabilities non-interest bearing					
Trade and other payables	1,680,217	1,680,217	-	-	1,680,217
Provisions	1,550,024	1,550,024	-	-	1,550,024
Lease liabilities	146,595	146,595	-	-	146,595
Total financial liabilities	**3,393,338**	**3,393,338**	**-**	**-**	**3,393,338**

(e) Capital risk management

The Group considers its capital to comprise its ordinary share capital and reserves. In managing its capital, the Group's primary objective is to maintain liquidity. These objectives dictate any adjustments to capital structure. Rather than set policies, advice is taken from professional advisors as to how to achieve these objectives. There has been no change in either these objectives, or what is considered capital in the year.

(f) Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

4. SEGMENT INFORMATION

The consolidated entity has identified its operating segments based on geographical location, with the consolidated entity having operated in three locations: Australia, the Sultanate of Oman, and Canada. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The following table presents the result, selected segment performance information and statement of financial position information for the Group's reportable segments for the year ended 31 December 2023.

2023	Exploration Australia	Exploration Sultanate of Oman	Exploration Canada	Corporate	Total
	$	$	$	$	$
Segment performance					
Interest income	-	-	-	2,947	2,947
Other income	-	-	2,795,374	-	2,795,374
Finance costs	-	-	-	(18,468)	(18,468)
Depreciation	-	-	(1,664)	(68,746)	(70,410)
Impairment	-	(3,467,869)	-	-	(3,467,869)
Segment result	**(416)**	**(3,535,047)**	**2,745,983**	**(5,193,503)**	**(5,982,982)**
Segment assets					
Cash	-	238,393	4,209,968	1,047,798	5,496,159
Trade and other receivables	-	21	13,329	222,361	235,711
Other assets	-	5,484	56,707	56,814	119,005
Plant and equipment	-	-	5,044	21,711	26,755
Exploration and evaluation assets	4,191,728	-	23,556,429	-	27,748,157
Right-of-use assets	-	-	-	283,329	283,329
Financial assets	-	-	-	775,050	775,050
Total segment assets	**4,191,728**	**243,898**	**27,841,477**	**2,407,063**	**34,684,166**
Segment liabilities					
Trade payables	706	157,784	786,795	1,400,159	2,345,445
Flow-through shares premium liability	-	-	1,466,005	-	1,466,005
Lease liabilities	-	-	-	289,582	289,582
Financial liabilities	-	-	-	11,889	11,889
Provisions	-	23,407	38	1,519,086	1,542,531
Deferred tax liabilities	-	-	-	2,218,532	2,218,532
Total segment liabilities	**706**	**181,191**	**2,252,838**	**5,439,248**	**7,873,983**

The following table presents the result, selected segment performance information and statement of financial position information for the Group's reportable segments for the year ended 31 December 2022.

2022	Exploration Australia	Exploration Sultanate of Oman	Exploration Canada	Corporate	Total
	$	$	$	$	$
Segment performance					
Interest income	-	-	-	45,171	45,171
Other income	-	-	248,476	545,379	793,855
Finance costs	-	-	-	(6,956)	(6,956)
Depreciation	-	-	(643)	(836)	(1,479)
Segment result	**(2,072)**	**(113,381)**	**167,561**	**(2,345,369)**	**(2,293,261)**

2022	Exploration Australia	Exploration Sultanate of Oman	Exploration Canada	Corporate	Total
	$	$	$	$	$
Segment assets					
Cash	-	255,572	7,278,827	1,038,728	8,573,127
Trade and other receivables	-	1,168	137,054	95,536	233,758
Other assets	-	9,000	3,400	787,003	799,403
Plant and equipment	-	-	5,748	11,110	16,858
Exploration and evaluation assets	4,056,799	3,055,372	12,452,880	-	19,565,051
Right-of-use assets	-	-	-	141,872	141,872
Financial assets	-	-	-	814,570	814,570
Total segment assets	**4,056,799**	**3,321,112**	**19,877,909**	**2,888,819**	**30,144,639**
Segment liabilities					
Trade payables	706	149,875	1,132,348	397,288	1,680,217
Flow-through shares premium liability	-	-	2,207,704	-	2,207,704
Lease liabilities	-	-	-	146,595	146,595
Financial liabilities	-	-	-	16,502	16,502
Provisions	-	43,573	1,117	1,505,334	1,550,024
Total segment liabilities	**706**	**193,448**	**3,341,169**	**2,065,719**	**5,601,042**

5. OTHER INCOME

	2023	2022
	$	$
Other income		
Flow-through premium recovery[1]	2,795,374	248,476
Sundry income	-	17,490
Other income[2]	-	527,889
Total other income	**2,795,374**	**793,855**

[1]The Company had incurred qualifying Canadian exploration expenses as defined under the Income Act, Canada ("Qualifying CEE") and accordingly, recognised flow-through premium recoveries during the year ended 31 December 2023.

[2]The Company has completed the termination of mineral interests in relation to its projects in the Democratic Republic of Congo (DRC) and Malawi and any associate liabilities.

6. EXPENSES

Loss/(profit) before income tax includes the following specific expenses:	2023	2022
	$	$
a) Administration expenses		
Compliance costs	225,127	230,746
Other administration costs	483,267	535,493
Marketing	209,002	171,033
Insurance	56,878	47,862
Total administration expenses	**974,273**	**985,134**
b) Consulting and staff costs		
Directors fees and related on-costs	563,822	735,030
Consulting and professional fees	1,100,438	729,080
Total consulting and staff costs	**1,664,260**	**1,464,110**
c) Finance costs		
Interest and fees	18,638	6,956
Total finance costs	**18,638**	**6,956**

7. REMUNERATION OF AUDITORS

	2023	2022
Auditing or reviewing the financial statements:	$	$
Auditing and reviewing financial reports	104,695	91,964

8. INCOME TAX

	2023	2022
	$	$
a) The components of tax expense comprise:		
Current tax expense	-	-
Deferred tax expense	2,218,532	-
b) Numerical reconciliation between aggregate tax expense recognised in the income statement and the tax expense calculated in the statutory income tax return		
Accounting loss before tax	(3,705,362)	(2,293,261)
Prima facie tax benefit on loss before income tax @ 25% (2022: 25%)	(926,340)	(573,315)
Permanent differences	312,445	(10,807)
Timing differences not brought to account	8,446,198	7,824,693)
Tax losses not brought to account	(7,841,834)	(7,240,570)
Recognition of deferred tax liability on capitalised exploration expenditure	2,218,532	-
Aggregate income tax expense	**2,218,532**	**-**

c) Unrecognised deferred tax assets and liabilities		
Deferred tax assets and liabilities that have not been recognised in respect of the following items:		
Provisions and accruals	-	-
Capital raising costs recognised directly in equity	-	-
Deferred tax liability in respect of exploration activities not recognised to the extent of unrecognised deferred tax asset	-	-
Revenue loss	4,792,893	4,171,388
Capital loss	3,653,305	3,653,305
	8,446,198	**7,824,693**

The deferred tax asset on the unused cumulative 2023 tax loss of $18,926,258 (2022: $15,909,187) has not been recognised as a deferred tax asset as the future recovery of these losses is subject to the Group satisfying the requirements imposed by the regulatory authorities. The benefit of deferred tax assets not brought to account will only be brought to account if the conditions for deductibility imposed by tax legislation continue to be complied with and no changes in tax legislation adversely affect the Group in realising the benefit. The tax losses do not expire under current legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the company can utilise these benefits.

9. CASH AND CASH EQUIVALENTS

	2023	2022
	$	$
Cash at bank[1]	5,496,159	8,573,127
Cash and cash equivalents	**5,496,159**	**8,573,127**

[1] Restricted cash: Restricted cash includes bank guarantees for Environmental Authority of $133,378 (2022: $135,420) and **$**125,496 (2022: $125,496) bank guarantees for Department of Regional NSW.

10. OTHER ASSETS

CURRENT	2023	2022
	$	$
Acquisition costs[1]	-	596,630
Deposits	54,361	3,400
Prepayments	64,644	199,373
Total current trade and other receivables	**119,005**	**799,403**

[1] Acquisition Gullwing Tot - Canada
In December 2022 the Company announced a binding purchase and sale agreement with TSX-V listed Power Metals Corp to acquire a 100% interest in the Gullwing Tot property which is adjacent to Mavis Lake. Prior to 31 December 2022, the Company incurred project due diligence and other transaction related costs, and issued shares in Critical Resources to the Sellers (or their nominees). On 5 January 2023, the mining claims were transferred to the Company completing the acquisition. Refer to Note 19 for further information.

11. EXPLORATION & EVALUATION

	2023	2022
	$	$
Balance as at 1 January	19,565,051	2,769,008
Capitalised exploration expenditure – New South Wales, Australia	132,412	3,464,068
Capitalised exploration expenditure – Oman	410,650	731,327
Capitalised exploration expenditure - Canada acquisitions	1,245,950	5,184,233
Capitalised exploration expenditure – Deferred consideration	1,500,000	1,500,000
Capitalised exploration expenditure – Canada	8,336,507	5,768,646
Impairment provision - Oman	(3,467,869)	-
Impairment provision - Other	(14,186)	-
Foreign exchange adjustment	39,642	147,769
Balance as at end of year	**27,748,157**	**19,565,051**

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the consolidated entity's rights to tenure of the areas of interest;
- the results of future exploration;
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale; and
- no significant changes in laws and regulations that greatly impact the company's ability to maintain tenure.

The Group's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to indigenous people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

The Company's assessment of the carrying amount for the Group's exploration and development expenditures was made after considering prevailing market conditions together with previous expenditures, exploration success and work carried out on the Company's projects with focus on high value opportunities ahead, and in line with accounting treatments and purposes, included an impairment provision for the Company's interests in the same.

Subsequent to the end of the period, the Company was advised by the Ministry of Energy and Minerals, Sultanate of Oman, that the exploration licences over Block 4 and Block 5 had expired and would not be renewed as they had reached the end of their stated renewal period. The Company engaged the Ministry via both its regional management and its in-country partners, who subsequently reaffirmed the Ministry's position. Whilst the Company retains its shareholdings and associated asset interests in Al Fairuz Mining LLC and Al Thuraya Mining LLC, the Company is currently engaged in discussions with the in-country partners/other company shareholders regarding the future of these business entities and associated assets.

12. FINANCIAL ASSETS

NON-CURRENT	2023	2022
	$	$
Financial assets at fair value through other comprehensive income[1]	711,032	765,570
Other financial assets	64,018	49,000
Total non-current financial assets	**775,050**	**814,570**

[1]Financial assets at fair value through other comprehensive income
In March 2022, the Company completed a CAD$1 Million (AUD$1,087,488) investment into Volt Carbon Technologies ("Volt") (TSXV: VCT), a battery technology company focussed on high-performance, solid-state lithium-ion battery development, and scalable air classification technologies for natural graphite beneficiation. The Company has been issued 8,000,000 Common Units in Volt. Each Common Unit consists of one common share in the capital of Volt (each a "Share") at a price of C$0.125 per Share and one half of one (0.5) common share purchase warrant ("Warrant"). The issued warrants have an exercise price of C$0.25 per warrant and, expired on 28 February 2024.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Fair value hierarchy

The following asset, is measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date, with exception of warrants being: Level 3: Unobservable inputs that are support by little or no market activity.

Financial assets at fair value through other comprehensive income	**2023**
	$
Listed ordinary shares	711,032
Warrants	-
Total financial assets at fair value through other comprehensive income	**711,032**

Reconciliation:
Reconciliation of the fair values at the beginning and end of the current year are set out below:

	Shares	**Warrants**	**Total**
Opening fair value as at 1 January 2023	695,578	69,992	**765,570**
Revaluation increments/(decrements)	-	(69,992)	(69,992)
Foreign exchange increments/(decrements)	15,454	-	15,454
Closing fair value as at 31 December 2023	711,032	-	**711,032**

13. TRADE AND OTHER PAYABLES

	2023	**2022**
	$	**$**
Trade payables	1,974,294	1,438,505
Employee related payables	64,032	41,856
Other payables and accruals	307,119	199,856
Total trade and other payables	**2,345,445**	**1,680,217**

14. FLOW-THROUGH SHARE PREMIUM LIABILITY

CURRENT	2023	2022
	$	$
Flow-through share premium liability[1]	1,466,005	2,207,704
Total flow-through share premium liability	**1,466,005**	**2,207,704**

[1] Flow-through share premium liability

The flow-through premium liability balance is related to the share placement of flow-through shares as defined under the Income Act of Canada, that Company completed in the current year. The reported amount is the remaining balance of the premium from issuing the flow-through shares. The Company is committed to incurring on or before 31 December 2024 qualifying Canadian exploration expenses as defined under the Income Act, Canada ("Qualifying CEE") in the amount equal to the gross proceeds raised in connection with the flow-through share placement. None of the Qualifying CEE will be available to the Company for future deduction from taxable income.

Reconciliation:
Reconciliation of the fair values at the beginning and end of the current year are set out below:

	2023	2022
	$	$
Opening fair value as at 1 January	2,207,704	-
Flow-through share premium liability	2,053,675	2,456,180
Reduction through exploration expenditures	(2,795,374)	(248,476)
Closing fair value as at 31 December	**1,466,005**	**2,207,704**

15. PROVISIONS

CURRENT	2023	2022
	$	$
Deferred consideration[1]	1,500,000	1,500,000
Annual leave	42,531	50,024
Total current provisions	**1,542,531**	**1,550,024**

[1] Mavis Lake Lithium Project – Canada
In January 2022, the Company completed the acquisition a 100% interest in the Mavis Lake Lithium Project which included deferred consideration payments subject to the satisfaction of two milestones relating to the definition of a JORC compliance resource. Milestone 1 was completed in May 2023, the Company subsequently completed the payment of the Milestone 1 Deferred Consideration for this project including a cash payment of $1.5 million to the project vendors together with the issue of 2,322,341 fully paid ordinary shares in consideration of the Mavis Lake Facilitator Milestone 1 Shares as approved by shareholders on 15 December 2021. Milestone 2, includes the payment of $1.5 million cash to the Sellers; and $100,000 of fully paid ordinary shares (up to a maximum of 4,000,000 Shares) in the Company to the Facilitator (calculated with reference to the 15 day VWAP of the Company's shares immediately prior to the satisfaction of the Milestone) ("M2 Facilitator Shares"); upon definition of a JORC Compliant Resource of not less than 10 million tonnes containing not less than 100,000t of Li_2O using a cut-off grade of not less than 0.40% Li_2O. Deferred consideration attributable to Milestone 2 has been deemed probable at balance date.

16. ISSUED CAPITAL

a) Issued and paid up capital	2023	2022
	$	$
Ordinary shares fully paid	78,519,643	70,629,920
	Number of Shares	Number of Shares
Ordinary shares fully paid	1,777,850,279	1,590,332,619

b) Movement in shares on issue	**Number of Shares**	**$**
Balance at 1 January 2021	**1,093,345,302**	**46,825,287**
Share issue – placement January	137,931,034	4,000,000
Share issue – placement February	147,058,824	12,500,000
Share issue – asset acquisitions	89,144,299	3,750,705
Share issue – exercise of options $0.04	9,202,533	368,101
Share issue – exercise of options $0.025	3,334,000	83,350
Share issue – conversion of performance rights	26,000,000	-
Share issue – flow-through[1]	84,316,627	6,672,011
Share issue – flow-through premium[1]	-	(2,456,180)
Capital raising costs	-	(1,113,354)
Balance at 31 December 2022	**1,590,332,619**	**70,629,920**
Balance at 1 January 2023	**1,590,332,619**	**70,629,920**
Share issue – placement	51,111,111	2,300,000
Share issue – incentives	500,000	20,500
Share issue – asset acquisitions	2,322,341	100,000
Share issue – exercise of options	4,422,253	176,891
Share issue – flow-through[1]	129,161,955	7,865,963
Share issue – flow-through premium[1]	-	(2,053,675)
Capital raising costs	-	(519,956)
Balance at 31 December 2023	**1,777,850,279**	**78,519,643**

[1]Flow-through shares
In August 2023 the Company completed a placement of CAD$7.1 million (AUD$7.9 million), before costs, via the issue of 129,161,955 fully paid ordinary shares at an issue price of CAD$0.0545 (AUD$0.0609) 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 were issued at a 15% premium to market pursuant to the Canadian flow-through shares regimes.

In December 2022 the Company completed a placement of CAD$6.1 million (AUD$6.7 million), before costs, via 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 were issued at a 45% premium to market pursuant to the Canadian flow-through shares regimes.

17. RESERVES

	2023	2022
	$	$
a) Share based payments reserve		
Balance at 1 January	1,230,498	555,890
Transfer to accumulated losses	-	-
Share based payment	313,494	674,608
Balance at 31 December	**1,543,992**	**1,230,498**
b) Foreign currency translation reserve		
Balance at 1 January	(20,656)	90,088
Transfer to accumulated losses	-	(180,122)
Translation of foreign denominated subsidiaries	62,887	69,378
Balance at 31 December	**42,231**	**(20,656)**
c) Financial assets at fair value through OCI		
Balance at 1 January	(321,918)	-
Revaluation and foreign exchange increments	(54,538)	(321,918)
Balance at 31 December	**(376,456)**	**(321,918)**

18. NON-CONTROLLING INTEREST

	2023	2022
	$	$
Balance as at 1 January	569,516	567,173
Other comprehensive income/(loss) attributed to Non-Controlling Interests	(1,458,222)	2,343
Balance as at end of year	**(888,706)**	**569,516**

19. ASSET ACQUISITIONS

The acquisitions completed during the period were not accounted for as a business combination as the assets acquired did not meet the definition of a business as per AASB 3 Business Combinations at the date of the acquisition. Namely, the assets do not constitute an integrated set of activities, and assets that are capable of providing goods to customers, generating investment income, or generating other income from ordinary activities at the time of the acquisitions.

For asset acquisitions settled via share-based payment arrangements, the Group measures the cost of the asset at the fair value of the asset acquired, or if this cannot be determined, at the fair value of the equity instruments. Consideration settled via issue of shares has been accounted under AASB 2 Share-based Payment. In measuring the fair value of the exploration project acquired, management considers generally accepted technical valuation methodologies and comparable transactions in determining fair value. Given the nature of the assets acquired, the fair value of the assets were unable to be determined and the transactions were recorded at the fair value of the equity instruments granted at acquisition date. Deferred consideration attributable to the transactions has been deemed to be not probable hence recognised at nil at acquisition date.

Gullwing- Tots Lake Project, Canada

In January 2023, the Company completed the acquisition of the Gullwing-Tots Lake Project in Canada in consideration for:

- a cash payment of CAD$600,000 to the Sellers;
- the issue of CAD$600,000 fully paid ordinary shares in the Company to the sellers of deemed value (issued 30 December 2022); and
- granting the Seller a 1% Gross Margin Royalty for mineral production within the mining claims acquired by the Company

Details of the acquisition are as follows:

	2023
	$
Purchase consideration	
Share issue – consideration	537,257
Cash consideration and transactions costs paid	708,692
Total purchase consideration	**1,245,950**
Assets acquired	
Exploration and evaluation	1,245,950
Total assets acquired	**1,245,950**

20. EARNINGS PER SHARE

	2023	2022
	$	$
Basic and diluted loss per share (cents per share)	(0.36)	(0.16)
a) Loss used in calculating loss per share		
Net loss attributable to ordinary equity holders of the parent for basic earnings	(5,982,982)	(2,293,261)
b) Weighted average number of shares	**No.**	**No.**
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	1,668,978,840	1,037,794,618
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	1,668,978,840	1,037,794,618

21. CASH FLOW INFORMATION

	2023	2022
	$	$
Net loss after tax	(5,982,982)	(2,293,261)
Non-cash items:		
Depreciation and amortisation	70,410	1,479
Impairment of exploration & evaluation	3,482,055	-
Flow-through premium recovery	(2,795,374)	(248,476)
Deferred tax liability	2,277,620	-
Sundry income	-	(17,490)
Other income	19,295	(527,889)
Share-based payments	333,993	674,608
Change in operating assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(10,889)	(373,033)
Increase/(Decrease) in trade and other creditors	371,471	485,695
Net cash flows used in operating activities	**(2,234,401)**	**(2,298,367)**

22. SUBSIDIARIES AND NON-CONTROLLING ENTITIES

(a) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b).

Name of Entity	Class of Shares	Equity Holding		Country of Incorporation
		2023 (%)	2022 (%)	
SOC1 Pty Ltd	Ordinary	100	100	Australia
Hudson SPC Pty Ltd	Ordinary	100	100	Australia
SUGEC Resources Limited	Ordinary	59.5	59.5	Australia
Savannah BV	Ordinary	100	100	Netherlands
Gentor Resources Ltd	Ordinary	100	100	British Virgin Islands
Al Fairuz Mining Co. LLC	Ordinary	65	65	Sultanate of Oman
Sohar Mining Co. LLC	Ordinary	70	70	Sultanate of Oman
Al Thuraya Mining Co LLC	Ordinary	51	51	Sultanate of Oman

23. RELATED PARTY INFORMATION

(a) Parent entity

The ultimate parent entity within the Group is Critical Resources Limited.

Critical Resources Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX).

(b) Subsidiaries

Interests in subsidiaries are disclosed in Note 22.

(c) Key Management Personnel

Key management personnel compensation information is as follows:

	2023	2022
Summary remuneration	**$**	**$**
Short term employee benefits	656,492	767,673
Post-employment benefits	41,452	37,982
Share based payments	167,222	611,460
Total remuneration	**865,166**	**1,417,115**

Details of remuneration disclosures are provided within the audited remuneration report.

(d) Other transactions with key management personnel

The following transactions occurred with Director related parties:

Mr Michael Leu was paid $2,550 net of GST in relation to his consulting services in the current year (2022: $101,700).

(e) Employee Share Option Plan

The company has adopted an Employee Securities Incentive Plan (**ESIP**) for its employees. A person is an employee of the company if that person is a Director (Executive Director or Non-Executive Director), full or part time employee, casual employee or contractor to the extent permitted by the Class Order or a perspective participant.

The purpose of the ESIP is to encourage employees to share in the ownership of the Company and to promote the long-term success of the Company as a goal shared by all employees.

The Company believes it is important to provide incentives to employees in the form of options and performance rights which provide the opportunity to participate in the share capital of the Company. The company expects to apply the proceeds of exercise of the Options to working capital needs, asset or business acquisitions and general corporate purposes. All options to be issued must be consistent with any applicable Listing Rules and having regard to regulatory constraints under the *Corporations Act 2001*, ASIC policy or any other law applicable to Critical Resources Limited.

(f) Options and Performance rights

Refer to Note 25 for details of options and performance rights respectively, issued to the Company's key management personnel.

24. COMMITMENTS

The Company is committed to incurring on or before 31 December 2024 qualifying Canadian exploration expenses as defined under the Income Act, Canada ("Qualifying CEE") in the amount equal to the gross proceeds raised in connection with the flow-through share placement.

There are no other commitments that have significantly affected, or may significantly affect the consolidated entity's operations.

25. SHARE BASED PAYMENTS

	2023	2022
Share based payments expense	**$**	**$**
Options	106,541	27,542
Performance Rights	206,954	647,066
Incentive Shares	20,500	-
	333.993	**674,608**

Movement and valuation of Options

During 2023, the Company issued 3,000,000 options with an exercise price of AUD$0.064 and expiry date 3 February 2026 in consideration for corporate consulting services. The fair value of these options has been fully expensed in the current period.

In determining the fair value of Option's granted during 2023, the Company has applied a Black Scholes pricing model, used a dividend yield of nil, with other inputs in relation Options being:

No issued	*Grant date*	*Grant date share price*	*Expiry date*	*Expected volatility*	*Risk free rate*	*Fair value per option $*
3,000,000	03/02/23	$0.058	03/02/26	100%	3.03%	0.0355

Movement and valuation of performance rights

The movement in performance rights during 2023 are as follows:

	2023		2022	
	No.	**Weighted average grant date fair value $**	**No.**	**Weighted average grant date fair value $**
Outstanding at the beginning of the period	4,000,000	0.0756	34,000,000	0.0235
Issued during the period	24,400,000*	0.0371	6,000,000	0.0764
Cancelled/Lapsed during the period	(8,000,000)*	0.0593	(10,000,000)	0.0220
Exercised during the period	-	-	(26,000,000)	0.0283
Outstanding at the end of the period	**20,400,000**	**0.0380**	**4,000,000**	**0.0756**
Exercisable at the end of the period	-	-	-	-

* As approved by shareholders on 15 December 2022, the Company granted and accounted for 14 million performance rights and agreed to the cancellation of 4 million existing performance rights during the period ended 31 December 2022, and subsequently issued in January 2023.

In March and November 2023, the Company granted and issued 6,000,000 and 4,400,000 performance rights, respectively. In June and September 2023, 3,000,000 and 1,000,000 performance rights lapsed in accordance with their terms and conditions, respectively.

Details of performance rights granted and associated performance hurdles at the end of the period are detailed below:

(a) Operational: 1,500,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company announcing a JORC Resource (inferred or greater) of 10Mt with a minimum 1.0% Li_2O on or before June 2024.

(b) Operational: 1,500,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company announcing a JORC Resource (inferred or greater) of 20Mt with a minimum 1.0% Li_2O on or before June 2024.

(c) Operational: 1,000,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company successfully announcing a scoping study on the Mavis Lake Project on the ASX Market Announcements Platform on or before 30 September 2023. These performance rights lapsed during 2023.

(d) Operational: 1,000,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company successfully announcing a Preliminary Feasibility Study for the Mavis Lake Project on the ASX Market on or before June 2024.

(e) Operational: 1,000,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company announcing a Bankable Feasibility Study on the ASX Market Announcements Platform or making Final Investment Decision on the Mavis Lake Lithium Project on or before June 2025.

(f) Absolute shareholder return: 2,850,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company achieving a market capitalisation of greater than $150,000,000 for 30 consecutive trading days.

(g) Absolute shareholder return: 3,500,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company achieving a market capitalisation of greater than $200,000,000 for 30 consecutive trading days.

(h) Absolute shareholder return: 5,050,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company achieving a market capitalisation of greater than $300,000,000 for 30 consecutive trading days.

(i) Operational: 2,000,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company entering into and successfully announcing on the ASX Market Announcements Platform a binding and definitive strategic partnership agreement with a bankable strategic industry partner (operating in one or more of the following fields: chemical conversion; total aggregate contract value (including in kind commitments or cash total aggregate contract value (including in kind commitments or cash commitments) of not less than $5,000,000 on or before 10 October 2025;

(j) Operational: 2,000,000 Performance Rights (which convert on a 1:1 basis into Shares in the Company) upon the Company securing a mutually binding (take or pay) Offtake Agreement with a bankable counterparty for at least 30% of a Phase 1 production plan on or before 10 October 2025.

Performance Rights Valuation

The fair value of the services received in return for PRs granted are measured by reference to the fair value of the PRs granted. The fair value of the services is recognised as an expense on a straight-line basis over the vesting period and is determined by multiplying the fair value per PR by the number of PRs expected to vest.

The probability of achieving market performance conditions is incorporated into the determination of the fair value per PR. No adjustment is made to the expense for PRs that fail to meet the market condition. The number of PRs expected to vest based on achievement of operational conditions, are adjusted over the vesting period in determining the expense to be recognised in the consolidated income statement. In order to convert PRs, the holders are required to be continually engaged with the Group at the time of achieving the performance hurdles.

In determining the fair value of PRs granted during the period ended 31 December 2023, the Company has applied a barrier up-and-in Trinomial pricing model used an exercise price of nil and a dividend yield of nil. The following other inputs were used in the valuation model:

No of PR's	Grant date	Grant date share price	Expiry date	Estimated vesting date	Expected volatility	Risk free rate	Fair value per PR	Performance hurdle
1,600,000	08/02/23	$0.056	31/03/26	31/12/25	100%	3.26%	$0.047	(f)
2,000,000	08/02/23	$0.056	31/03/26	31/12/25	100%	3.26%	$0.043	(g)
2,400,000	08/02/23	$0.056	31/03/26	31/12/25	100%	3.26%	$0.037	(h)
750,000	09/06/23	$0.041	31/03/26	31/12/25	100%	3.26%	$0.047	(f)
750,000	09/06/23	$0.041	31/03/26	31/12/25	100%	3.26%	$0.043	(g)
500,000	09/06/23	$0.041	31/03/26	31/12/25	100%	3.26%	$0.037	(h)
500,000	26/10/23	$0.027	31/03/26	31/12/25	90%	4.40%	$0.014	(f)
750,000	26/10/23	$0.027	31/03/26	31/12/25	90%	4.40%	$0.011	(g)
1,150,000	26/10/23	$0.027	31/03/26	31/12/25	90%	4.40%	$0.007	(h)

Movement and valuation of incentive shares
During 2023, the Company issued 3,000,000 incentive shares to non KMP. The fair value of these shares has been fully expensed in the current period. The fair value of the services received in return for incentive shares granted are measured by reference to the fair value of the shares granted, as quoted on the ASX at the grant date ($0.041/share).

26. EVENTS SUBSEQUENT TO REPORTING DATE

Other than operational results as detailed in the review of operations and below, there are no other significant matters subsequent to year end which significantly affected the operations of the Group.

Subsequent to the end of the period, the Company was advised by the Ministry of Energy and Minerals, Sultanate of Oman, that the exploration licences over Block 4 and Block 5 had expired and would not be renewed as they had reached the end of their stated renewal period. The Company engaged the Ministry via both its regional management and its in-country partners, who subsequently reaffirmed the Ministry's position. Whilst the Company retains its shareholdings and associated asset interests in Al Fairuz Mining LLC and Al Thuraya Mining LLC, the Company is currently engaged in discussions with the in-country partners/other company shareholders regarding the future of these business entities and associated assets.

Subsequent to the year-end, desk-top work and assessment was carried out over the prospectivity of the Plaid Whitenoon project area, independent review, along with internal assessment deemed there no prospectivity for lithium mineralisation across the project area, driven principally by the underlying geological setting of the project not being conducive for the formation of LCT pegmatites. Accordingly the Company relinquished the project claims during February 2024.

27. CONTINGENT ASSETS AND LIABILITIES

From time to time the Company may be party to claims from suppliers and service providers arising from operations in the ordinary course of business. As at the date of this report there are no claims or contingent liabilities that are expected to materially impact, either individually or in aggregate the company's financial position or results from operations, other than as set out below.

Copper Projects, Oman
$3.5 million loan indirectly owing to Savannah Plc, to be paid upon the achievement of mine development and production milestones on Block 5, and a 1.0% NSR royalty on company's respective proportion of metal sales from Block 4 and Block 5.

Gullwing- Tot Lake Project, Canada
In January 2023 the Company completed the acquisition of Gullwing-Tot Lake Project in Canada. As part of the consideration for this acquisition, the Company agreed to granting the Seller a 1% Gross Margin Royalty for mineral production within the mining claims acquired by the Company.

Graphic Lake Lithium Project, Canada
In February 2022 the Company completed the acquisition of Graphic Lake Lithium Project in Ontario, Canada. As part of the consideration for this acquisition, the Company agreed to granting the seller a 1.5% Net Smelter Royalty ("NSR") from mineral production within the mining claims acquired by the Company, capped at C$500,000 with the option to purchase at any time for C$500,000.

28. PARENT ENTITY DISCLOSURES

	2023	2022
	$	$
Assets		
Current assets	1,356,704	2,038,745
Non-current assets	27,844,911	20,538,351
Total assets	29,201,615	22,577,096
Liabilities		
Current liabilities	5,248,130	4,929,347
Non-current liabilities	2,412,580	97,772
Total liabilities	7,660,710	5,027,119
Net assets	21,540,905	17,549,977
Equity		
Issued capital	74,444,143	66,554,420
Reserves	1,167,536	908,580
Accumulated loss	(54,070,773)	(49,913,023)
Total equity	**21,540,905**	**17,549,977**
Loss of parent entity	(4,157,750)	(6,349,483)
Total comprehensive loss of the parent entity	**(4,157,750)**	**(6,349,483)**

Critical Resources Limited has not entered into any deed of cross guarantee with its wholly-owned subsidiaries during the year ended 31 December 2023 (2022: Nil).

In the Directors' opinion:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements and:
   (a) comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
   (b) give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the year ended on that date; and
   (c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
2. The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.
3. This declaration is in accordance with a resolution of the Board of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

Signed in accordance with the resolution of the Directors.

Mr Robert Martin
Non-Executive Chairman
Perth, Western Australia
27 March 2024

Independent Auditor’s Report

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INDEPENDENT AUDITOR'S REPORT

To the members of Critical Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Critical Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1(a)(ii) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

BDO

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Accounting for Exploration and Evaluation Assets

Key audit matter	*How the matter was addressed in our audit*
At 31 December 2023, we note that the carrying value of the Exploration and Evaluation Asset is significant to the financial statements, as disclosed in note 11. As a result, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount. Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources. In particular: • Whether the conditions for capitalisation are satisfied; • Determination that the acquisitions did not meet the definition of a business combination in accordance with AASB 3 and therefore constituted an asset acquisition; • Which elements of exploration and evaluation expenditures qualify for recognition; and • Whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment.	Our procedures included, but were not limited to: • Reviewing executed transaction documents to understand the key terms and conditions of the acquisition; • Evaluating management's determination of whether the transaction constituted a business or asset acquisition and reviewing the valuation of consideration transferred; • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and directors' minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Verifying, on a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of Critical Resources Limited, for the year ended 31 December 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

Glyn O'Brien

Director

Perth, 27 March 2024

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ASX Additional Information

Additional information required by the ASX and not shown elsewhere in this report is as follows:

Shareholding as at 15 March 2024
Total fully paid ordinary shares on issue **1,777,850,279**

Substantial Holders as at 15 March 2024
Mr Sufian Ahmad – 6.16%
There are no other shareholders who have lodged notice advising substantial shareholding under the Corporations Act 2001.

Distribution of Equity Securities as at 15 March 2024
Quoted Equity Securities (Shares)

Range	Total Holders	Units	% of Issued Capital
1 - 1,000	138	18,977	0.00
1,001 - 5,000	302	903,377	0.05
5,001 - 10,000	718	5,786,475	0.33
10,001 - 100,000	3,121	134,276,432	7.55
100,001 Over	1,726	1,636,865,018	92.07
Total	**6,005**	**1,777,850,279**	**100.00**

Unquoted Equity Securities (Options)

Range	Total Holders	Units	% of Options
1 - 1,000	-	-	0.00
1,001 - 5,000	-	-	0.00
5,001 - 10,000	-	-	0.00
10,001 - 100,000	2	114,138	0.24
100,001 Over	50	47,238,088	99.76
Total	**52**	**47,352,226**	**100.00**

Unmarketable Parcels as at 15 March 2024

	Minimum Parcel size	Holders	Units
Minimum $ 500.00 parcel at $ 0.016 per unit	31,250	2,630	35,242,363

Twenty Largest Shareholders as at 15 March 2024

The names of the twenty largest holders of quotes equity securities aggregated are listed below:

Rank	Name	Units	% of Issued Capital
1	MR BILAL AHMAD	67,500,000	3.80
2	JGM PROPERTY INVESTMENTS PTY LTD	60,014,476	3.38
3	MR SUFIAN AHMAD <SIXTY TWO CAPITAL A/C>	54,600,000	3.07
4	MR JIHAD MALAEB <AYOUB MALAEB A/C>	49,167,667	2.77
5	MR SUFIAN AHMAD	38,000,000	2.14
6	DDPEVCIC (WA) PTY LTD <DOMINIC FAMILY A/C>	33,706,429	1.90
7	CITICORP NOMINEES PTY LIMITED	33,060,129	1.86
8	MR GARETH JOHN EDWARDS	32,000,000	1.80
9	KOBALA INVESTMENTS PTY LTD <FERNANDO EDWARD FAMILY A/C>	23,000,000	1.29
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	20,992,626	1.18
11	SCKLD INVESTMENTS PTY LTD <SCKLD HOLDINGS>	20,000,000	1.12
12	BACK PADDOCK MANAGEMENT PTY LTD <LITTLE WHELAN FAMILY A/C>	17,299,100	0.97
13	BAB SUPER FUND PTY LTD <BAB SUPER FUND A/C>	14,875,000	0.84
14	MARKOVIC FAMILY NO 2 PTY LTD	14,195,000	0.80
15	MR DEAN BRETT BLANKFIELD	12,099,983	0.68
16	MR JIHAD MALAEB	12,077,677	0.68
17	HAWKSBURN CAPITAL PTE LTD <METHUSELAH STRATEGIC FND A/C>	10,218,536	0.57
18	JLM CORPORATION PTY LTD	10,000,000	0.56
19	SUTFOL PTY LIMITED <SUTFOL A/C>	10,000,000	0.56
20	SJM WATSON PTY LTD	9,391,000	0.53
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		**542,197,626**	**30.50**
Total Remaining Holders Balance		**1,235,653,656**	**69.50**

Unquoted Securities as at 15 March 2024

Class	Exercise Price	Expiry Date	No. of Securities	No. of Holders	Name (where holder holds more than 20%)	% held
Unlisted Options	$0.04	3/12/2024	47,352,226	52	MR SUFIAN AHMAD <SIXTY TWO CAPITAL A/C>	31.68
Performance Rights	$0.00	Ref Note 25	20,150,000	7	Kanimbla Solutions Pty Ltd <Kanimbla Investments> Alex Cheeseman's wife, Cassandra Cheeseman is a Director of Kanimbla Solutions Pty Ltd	64.5%

Voting Rights

There are no restrictions on voting rights. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof. Option holders have no voting rights until the options are exercised.

Share Buy-backs

There is no current on-market buy-back scheme.

Tenement Schedule

Through its subsidiaries, Critical Resource Ltd holds the tenement interests as described below

Claim Number	Project / Location	Anniversary Date	Indirect Interest
101034, 101215-101218, 101616-101619, 101758, 102759, 103512, 107330-107331, 107432, 107452-107454, 109871, 110434, 110703, 116242-116243, 116376, 116481, 116833, 117689-117690, 121130, 122424, 123068, 124332, 126738, 128065, 128770, 129509, 130111, 130299-130330, 135026, 135728, 138331, 138446, 139468-139470, 139609-139610, 140299, 141103, 141801, 143041, 143046-143047, 144330, 144441, 145544-145546, 145568, 145570-145572, 151583-151585, 151642,157160-157161, 158448, 158546, 158921, 160267, 160902, 166897, 167079-167080, 167677, 168187-168188, 168229, 168328-168329, 170252, 174132-174134, 174153, 176105, 176198, 179416-179418, 179741-179743, 180192, 108489, 181000, 181037, 182187, 183051-183052, 186194, 187649, 188359, 189624, 190960-190961, 191576, 192111-192112, 192114-192115, 192814, 195537, 196153-196154, 196277 – 196278, 197591, 198244-198246, 199857, 201802, 203140-203142, 203594, 203763, 204202, 204223-204224, 205589, 205676, 207864, 209134-209136, 210239, 210345-210347, 210372-210374, 210439, 211060-211061, 212294-212295, 214215, 215413, 215824, 216365-216366, 217064, 218430, 227456-227457, 228108, 228777-228778, 229375, 229402-229404, 230161-230162, 231619-231620, 233613-233614, 233867, 234258 ,234948, 235582, 239067, 240149, 240258, 240281, 240947, 246549, 247620, 248263-248968, 253509-253510, 254970, 256451-256452, 256960, 257849, 257852, 259169, 259285, 262170, 262949, 264260, 264285, 266452, 267141, 268289, 270261, 270910, 271534, 271591, 272225-272226, 273079, 273609, 274526, 275823-275825, 278758, 280340, 281841, 282015, 282234-282235, 283653-283655, 284320-284321, 285690-285691, 286761-286763, 287377, 287379, 287408, 289910, 290059-290060, 290357, 290972, 291666-291667, 292149, 295414-295418, 296097, 296098, 302230, 303032, 303733-303734, 305020-305022, 306990, 307466-307467, 308112, 308122, 308140-308141, 310379-313380, 312334, 314170-314171, 314748, 314826-314827, 316293-316294, 316884, 325843, 326459, 329628-329631, 329632, 330228, 330271, 330895, 335072, 335696, 336398-336399, 340670, 340962, 341294-341295, 341823, 341947-341948, 342579, 343250, 630666-630911, 703383-703516, LEA-108830 – LEA-108835, 76805-765816, 766092-766191, 766195-766294, 766540-766589, 766636-766685, 766745-766794, 766848-766898	Mavis Lake Ontario Canada	08/09/24, 06/12/24, 08/12/24, 15/01/25, 30/01/25, 16/05/25, 18/08/25, 09/04/26, 21/04/26, 22/04/26, 20/09/26, 20/09/27	100%
586093, 586180-586181, 659224-659243,662346, 667824, 686985 – 687004, 702287-702311, 702357-702389, 721093 - 721102	Graphic Lake Ontario Canada	28/04/26, 29/07/26, 01/06/25, 01/06/26 11/06/25, 24/11/25, 24/11/24, 20/01/26, 20/01/25	100%
EL 4474, EL 9428 – EL9430	Halls Peak NSW Australia	13/01/25, 30/06/28	100%
EL 7679	Halls Peak NSW Australia	11/01/25	59.5%
Block 5*	Oman	14/07/24	65%
Block 4*	Oman	18/06/23	

* It is noted that in accordance with their terms and conditions, the Company has submitted the required annual extension applications with respect to the Oman exploration licences for Block 4 & 5. Subsequent to 31 December 2023, the Company was advised by the Ministry of Energy and Minerals, Sultanate of Oman, that the exploration licences over Block 4 & 5 would not be renewed.

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