



and its Controlled Entities

ABN 12 145 184 667

Half Year Financial Report

30 JUNE 2024

CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES

CORPORATE INFORMATION

DIRECTORS

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

COMPANY SECRETARY

Mr Harry Spindler

REGISTERED AND PRINCIPAL OFFICE

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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 12 145 184 667

"Group" means Critical Resources Limited and its controlled entities

CRITICAL RESOURCES LIMITED AND CONTROLLED ENTITIES

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DIRECTORS' REPORT FOR THE HALF YEAR ENDED 30 JUNE 2024

The directors of Critical Resources Limited, ("Critical Resources", "CRR" or "the Company") submit the financial report of the Company and its controlled entities ("the Group") for the half year ended 30 June 2024.

DIRECTORS

The names and details of the Directors of Critical Resources in office during the half year and until the date of this report are set out below. Each director was in office for the entire period unless stated otherwise.

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

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

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

Mr Alex Cheeseman	Managing Director (resigned 7 June 2024)
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COMPANY SECRETARY

Mr Harry Spindler

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial period 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.

FINANCIAL RESULTS

The loss for the Group for the six months ended 30 June 2024 amounted to \$1,091,219 (30 June 2023: loss of \$3,416,862). As of 30 June 2024, the Group had cash and cash equivalents of \$2,256,750 (31 December 2023: \$5,496,159) and net assets of \$25,012,978 (31 December 2023: \$26,810,183).

REVIEW OF OPERATIONS

Critical Resources is an ASX listed company focused on the advancement and development of critical metals projects.

LITHIUM PROJECTS – CANADA

Mavis Lake Lithium Project, Ontario

Following on from the Company's outstanding exploration programs completed in 2023 and announcement of its maiden mineral resource estimate in 2023, Critical Resources remained focused on the continued exploration and development of its primary asset in Ontario Canada, the Mavis Lake Project ("Mavis Lake").

Located in immediate proximity to utilities, services and transport infrastructure essential to support a future mining operation, Mavis Lake is well positioned to become a long-term supplier of lithium products to North America's rapidly growing battery minerals and electric vehicle sector.

Exploration Target During the half year, the Company released a JORC Code 2012 compliant Exploration Target ("the Target") for the Mavis Lake Lithium Project. The estimated range of potential mineralisation is: 18 - 29 million tonnes at 0.8 - 1.2% Li₂O* (see Table 1 below) (excludes current Mineral Resource Estimate of 8Mt@1.07% Li₂O).

This new Target is based upon the exploration potential of the Mavis Lake Main Zone (where the current MRE is located), along with the precinct's Northern Prospects, focused on the Gullwing and Tot pegmatites.

The Target, aimed at achieving a significant Resource base in North-western Ontario, excludes the current 8.0Mt @ 1.07% Li₂O Inferred Mineral Resource Estimate (MRE).

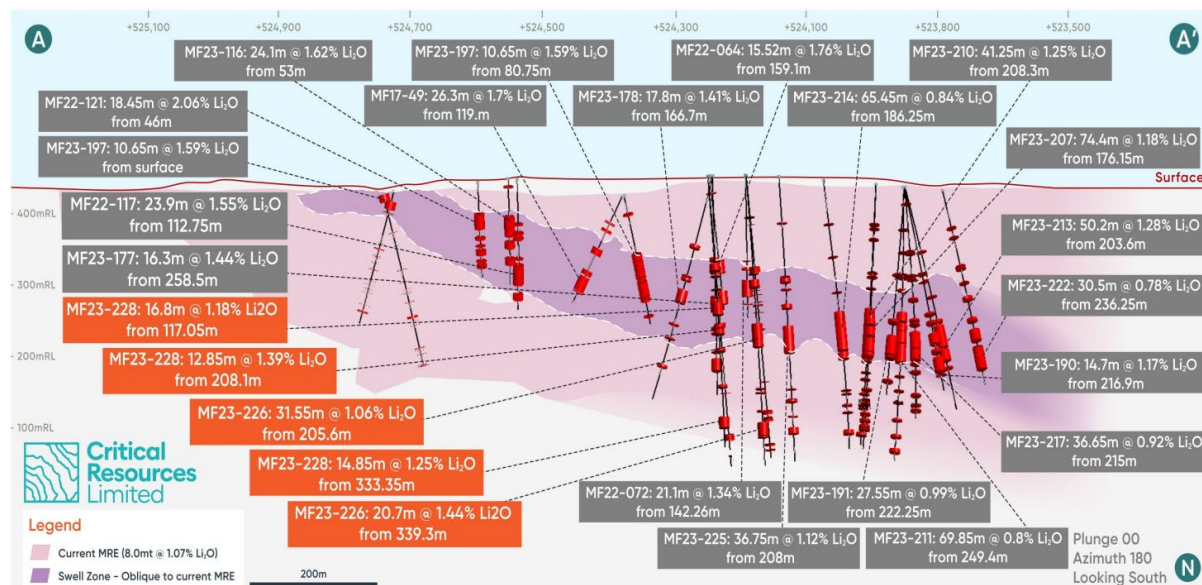
Table 1 provides a summary of the Exploration Target including tonnage and grade ranges of each key Prospect ready to be drill tested.

Prospect	Tonnes Range (Mt)		Li ₂ O Range (%)	
	Minimum	Maximum	Minimum	Maximum
Main Zone Extension Exploration Target	8	14	1	1.2
Gullwing Exploration Target	7	10	0.3	1.2
Tot Exploration Target	3	5	0.8	1.2
Project Exploration Target	18	29	0.8	1.2

The Mavis Lake Project Area is a single contiguous claim area, covering a massive ~23,000 hectares. The Project Area has known spodumene-bearing pegmatites throughout its entirety, many of which are yet to be drill tested.

Geological modelling and wireframing of the pegmatites included in the exploration model derived from inferred resource shapes, outcropping pegmatites including structural measurements and detailed geological interpretations.

Outstanding new results, which sit outside the current Mineral Resource Estimate (MRE), such as drillhole MF23-230 which returned an intercept of 18.35m @ 1.46% Li₂O from 160.65m down-hole, demonstrate the potential to expand the Mavis Lake Resource. An additional significant intercept in drill-hole MF23-226, which returned 20.7m @ 1.44% Li₂O from 339.3m down-hole, and drill-hole MF23-228, which intercepted 14.85m @ 1.25% Li₂O from 333.25m down-hole, have confirmed the discovery of a lower pegmatite stack. These results, together with previously released assays, have delineated a thick, very high-grade mineralised 'Lower Zone' at depth as shown in Figure 1. The entirety of this Lower Zone sits outside the current MRE and presents an opportunity to add high-grade tonnage to a future Resource upgrade as well as an exciting exploration target which remains open both down-dip and also trends to surface.



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DIRECTORS' REPORT FOR THE HALF YEAR ENDED 30 JUNE 2024

The shallow intercepts recorded in drill-holes MF23-237, MF23-238 and MF23-242, such as MF23-238's 11m @ 1.13% Li₂O from 5.6m down-hole, have confirmed the Company's interpretation of the pegmatite trends surrounding the Main Zone.

UAV-Borne Magnetic and MMI Soil Programs Identifies New Drill Targets In addition to the positive exploration results reported from drilling completed in late CY2023, highly encouraging results were returned from a comprehensive Mobile Metal Ion (MMI) soil geochemistry program and UAV-borne magnetic survey completed late last year, which focused on the Northern Prospects and particularly the high-grade Tot pegmatite, located in the northern part of the Mavis Lake Lithium Project area.

The MMI soil geochemistry program was designed to provide early-stage planning for secondary drill targets, trending from the known high-grade outcrops with known, thick overburden surrounding the outcrop. The program was completed over an expansive area of 7km by 1.25km, with 1,356 soil samples collected. The MMI soil sampling was conducted on a line spacing of 100m. Sample spacing varied, starting from 25m, progressing to 50m and finally extending to 100m, radiating outward from the Tot Pegmatite prospect.

The MMI soil analysis results highlight strong anomalies in lithium, caesium and rubidium, extending in both a north-north-west and south-south-east orientation from the exposed Tot outcrop. These anomalies collectively contribute to the delineation of significant anomalies including a prominent lithium anomaly extending over a geochemical strike length of 1.25km, indicating the possible extension of mineralisation well beyond the visible surface exposure of the Tot pegmatite. The aeromagnetic survey has delineated linear magnetic lows in the Northern Prospects, indicating potential extensions of known spodumene-bearing pegmatites like Gullwing and Tot, as well as newly identified trends suggestive of proximal pegmatite emplacement zones correlated with geochemical surface samples, notably MMI soils.

High-resolution magnetic data collected by UAV survey late last year has identified prospective new drill targets along the highly promising 8km, East-West trend between the spodumene-bearing Gullwing and Tot Pegmatites within the Northern Prospects of the Mavis Lake project.

The survey has identified multiple North-South linear trends exhibiting magnetic lows, analogous to the trends observed in the Gullwing and Tot pegmatites. These magnetic anomalies are interpreted as either being the extension of known pegmatites, the presence of additional pegmatites, or previously undiscovered significant structural features.

Prospective structures have been identified within areas that contain anomalies with elevated levels of lithium, caesium, and rubidium.

Building on previous exploration results, incorporating historical rock-chip and channel sampling data, litho-geochemical sampling and the multiple Li, Cs, Rb Mobile Metal Ion (MMI) results across the Northern Prospects, the Company is increasingly confident that significant LCT-Type mineralisation is associated with the magnetic low structures identified from the airborne magnetic survey.

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 30 JUNE 2024

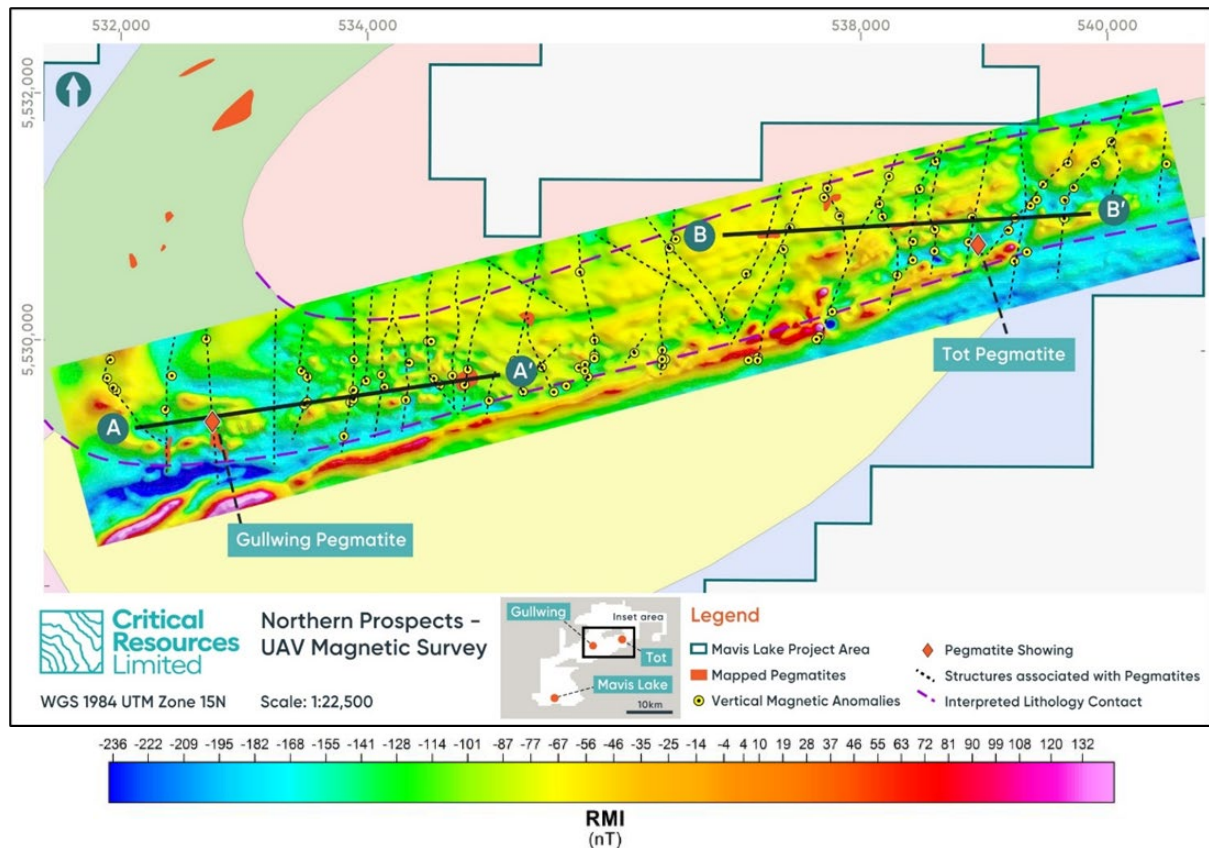


Figure 2: The residual magnetic intensity (RMI) of the Northern Prospects identifying numerous North-South magnetic breaks (depicted by dashed black lines) assessed as being caused by possible LCT pegmatite occurrences.

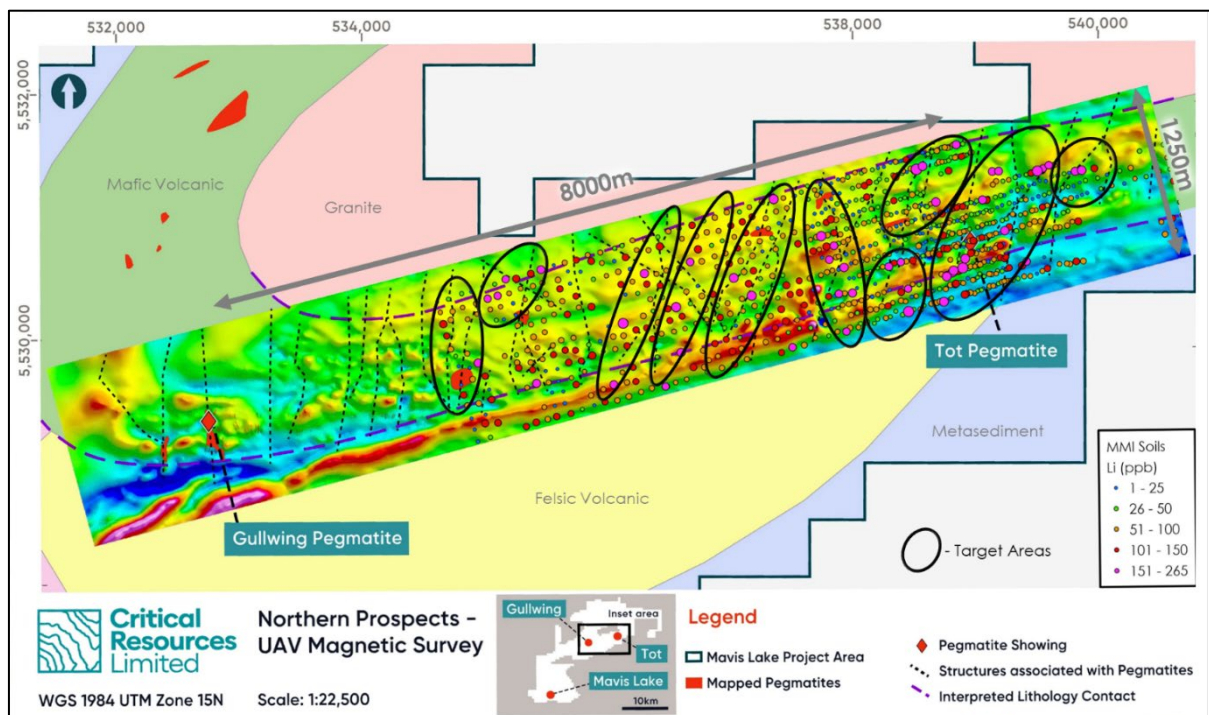


Figure 3: Priority targets identified through overlaying MMI soil survey lithium results with the Aero-magnetic survey results – illustrating geochemical relationships with magnetic low structures.

Prospecting Summer Program The recommencement of the prospecting programs during the summer months successfully resulted in the discovery of 31 new LCT pegmatites to the east of the Main Zone, including multiple spodumene-bearing pegmatites were discovered during the period.

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 30 JUNE 2024

Following the commencement of a field work program comprising prospecting, mapping and sampling in May, a total of 83 grab samples were collected to assess lithium mineralisation from spodumene, as well as fractionation and concentrations of Lithium, Rubidium, Caesium and Tantalum. Key results are shown in Table 2 and Figure 4.

Results from this program were received subsequent to the half year end. Highlights include:

- High-grade lithium results ranging from 2.07% to 5.12% Li₂O in grab samples across the ~100-metre extensions of spodumene-bearing Pegmatites 7 and 24.
- Up to 1.17% Li₂O at the ~250-metre extension of spodumene-bearing Pegmatite 20.
- Up to 2.76% Li₂O in grab samples from Pegmatite 19.

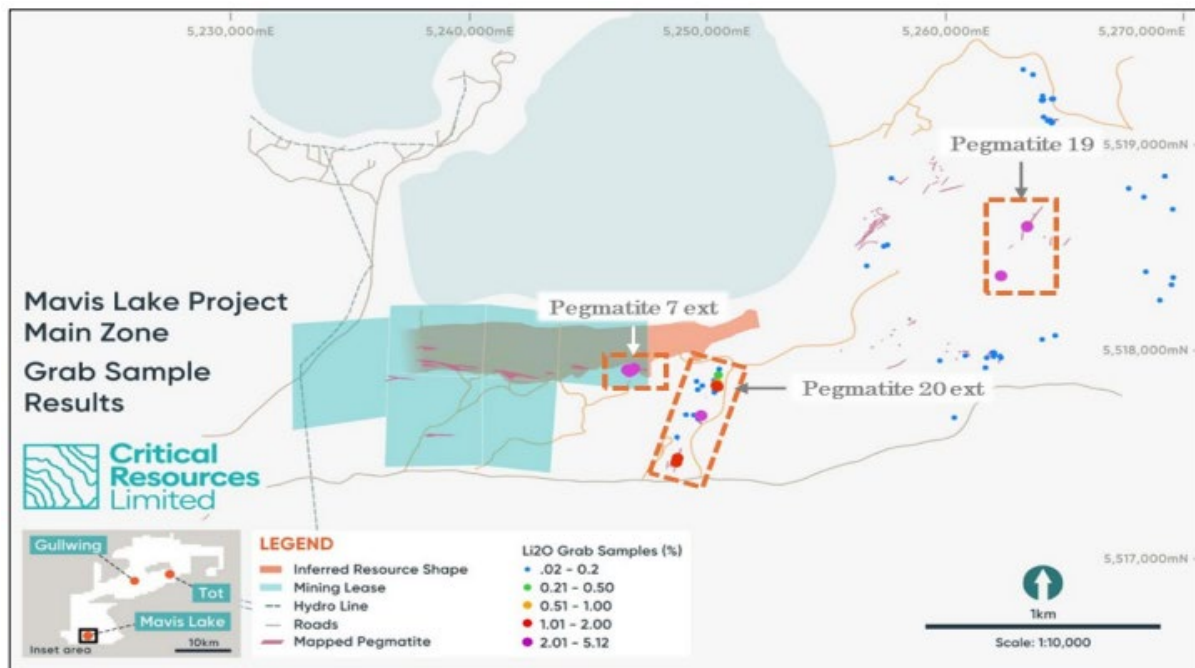


Figure 4 – Plan map showing locations of grab samples and discovery reference areas.

Table 2: Significant Assay Results from the May 2024 Summer Prospecting Program

Sample ID	Easting	Northing	Li (ppm)	Li ₂ O (%)	Cs (ppm)	Rb (ppm)	Ta (ppm)	Pegmatite	Type
846868	524679	5517902	23800	5.12	254	738	52.4	Pegmatite 7ext	Outcrop
846831	524661	5517907	19800	4.26	81.9	486	14.4	Pegmatite 7ext	Outcrop
846751	526343	5518601	12800	2.76	658	5000	200	Pegmatite 19	Outcrop
846832	524690	5517914	12800	2.76	61.4	830	186	Pegmatite 7ext	Outcrop
846782	524972	5517685	10200	2.20	101	1930	60.2	Pegmatite 20	Outcrop
846803	526233	5518362	10000	2.15	370	3070	168	Pegmatite 19	Float
846787	524670	5517898	9610	2.07	204	538	50.1	Pegmatite 7ext	Outcrop
846788	524873	5517479	8800	1.89	175	2240	89.2	Pegmatite 20	Outcrop
846834	524868	5517459	7370	1.59	189	2780	96.9	Pegmatite 20	Outcrop
846829	525037	5517830	5420	1.17	15.1	53.4	2.4	Pegmatite 20ext	Outcrop
846817	525041	5517825	5290	1.14	24.8	105	5.2	Pegmatite 20ext	Outcrop

Mechanical Stripping Program Commences at Tot Pegmatite Prospect Following on from the success of the summer field work activities completed during the half year, the Company post 30 June, commenced a mechanical stripping and channelling program at the Tot pegmatite in support of future resource interpretations.

DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 30 JUNE 2024

This program successfully extended known footprint of the Tot Pegmatite to a strike length of approximately 50 meters, with an average width of 8 meters demonstrating substantial high-grade spodumene mineralisation throughout. Although the pegmatite's strike is anticipated to continue further, its surface expression is covered by thick glacial lacustrine clay overburden, which has halted further exposure along strike by the excavator. The Tot Pegmatite's strike aligns with the previously reported ~1.25 km MMI survey Lithium anomaly (refer above).

Six channels were cut perpendicular to strike, for a total of 56 meters, and 56 samples were collected, with high-grade lithium oxide assay results of up to 3.79% Li2O over 1m. Highlights of significant mineralisation are shown below:

Table 3: Highlights from Tot Channel Intercepts

Hole ID	From (m)	To (m)	Down Hole Interval (m)	Li2O (%)	True Width (m)
CH002	3	10	7	1.21	7.0
CH003	1	7	6	1.57	6.0
including	3	6	3	2.80	3.0
CH004	2	5	3	1.16	3.0
CH006	2	8	6	1.33	6.0

Highly Encouraging Ore Sorting Testwork Results Metallurgical test work programs were continued during the half year, with outstanding results reported in early May and early July 2024.

The Company has been working closely with Saskatchewan Research Council (SRC) and STARK Resources to complete mineralogy and ore sorting investigations to assess the amenability of Mavis Lake ore to pre-concentration by ore sorting.

A 150kg sample was chosen to focus on the range of lithologies evident at Mavis Lake. Excellent results have shown that Mavis Lake ore is highly amenable to both waste rock separation and pre-concentration using ore sorting technologies, warranting further test work.

X-Ray Transmission (XRT) ore sorting amenability test work was completed by SRC on all Mavis Lake lithologies which were crushed and screened to +10mm -25mm sizing. The first stage of test work was a static scan of crushed ore to capture the ore response to XRT scanning.

A second stage dynamic XRT sorting trial was successful in separating waste rock from pegmatite - 98% of waste rock reported to rejects, while 99% of spodumene was recovered to sorter product.

Test work results show a clear distinction in the XRT response of the waste rock compared to pegmatite, indicating high amenability of Mavis Lake ore to pre-concentration by XRT ore sorting. Waste ore sorting can be integrated into the Mavis Lake flowsheet to upgrade mined ore in the coarse, dry phase, reducing feed contaminants and increasing spodumene concentrate production.



Figure 5 - Dynamic XRT ore sorting results showing separation of pegmatites (left) from waste rock (right).

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 30 JUNE 2024

Table 4 - Dynamic XRT Sorting Trial - Mineral Balance

Stream	Mass		Distribution (%)							
	kg	%	Spodumene	Quartz	Albite	Muscovite	Biotite	Orthoclase	Holmquistite	Hornblende
XRT Product	20.3	71	99.3	68.2	95.7	93.7	22.6	79.4	1.2	2.0
XRT Waste	8.2	29	0.7	31.8	4.3	6.3	77.4	20.6	98.8	98.0
Feed (calc.)	28.5	100	100	100	100	100	100	100	100	100

UV-laser based spodumene ore sorting exploits the unique response of spodumene to UV light and is the only sorting technology that targets spodumene directly. A static, stage one amenability study was completed by Stark Resources on all Mavis Lake lithologies, which were crushed and screened to +10mm -25mm sizing.

The UV sorter clearly identified spodumene within all pegmatites, indicating high amenability of Mavis Lake ore to pre-concentration by UV-laser based sorting.

A second stage dynamic UV sorting trial on a 28kg composite sample incorporated all Mavis Lake lithologies and comprised 25% waste rock to reflect worst case dilution from full scale mining.

The trial successfully produced a high-grade spodumene ore concentrate, lithia grade increased by a factor of 2.5, from 0.65% Li₂O in the feed to 1.63% Li₂O in the ore concentrate. Furthermore 96% of Fe₂O₃ was rejected. The lithia content of the waste rejects was low at 0.28% Li₂O.



Figure 6 - Dynamic UV ore sorting trial results showing spodumene ore concentrate with its characteristic UV response (top) and waste minerals with no response (bottom).

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 30 JUNE 2024

Table 5 - Dynamic UV Sorting Trial – Lithia and Iron Balance

Stream	Mass		Grade		Distribution	
			Li ₂ O	Fe ₂ O ₃	Li ₂ O	Fe ₂ O ₃
	kg	%	%	%	%	%
UV Product	7.8	28	1.63	0.59	69	4
UV Waste	20.4	72	0.28	6.12	31	96
Feed (calc.)	28.2	100	0.65	4.59	100	100

The results show the promising potential of UV-laser based spodumene direct sorting to produce coarse spodumene ore concentrates from mined ore.

This provides opportunities to reduce the capital cost, operating cost and total impact (footprint and energy intensity) of hard rock lithium processing operations through increasing spodumene concentrate production and reducing tailings volume.

Critical Resources has developed a comprehensive metallurgical test work program to support the development of the Mavis Lake Project.

Encompassing the full beneficiation flowsheet, the program is being conducted in three phases. SRC has been engaged to complete the Phase 1 scope, with over 1,600kg of drilled core delivered during the period to the SRC facility in Saskatoon, which was completed subsequent to the period end.

A total of 1,650kg of drill core was submitted to Saskatchewan Research Council (SRC) for feasibility level testing. The sample suite of drill core represents 11 pegmatite intercepts totalling 196m across four HQ drill holes, from a range of spatial locations within the current mineral resource estimate (MRE) at Mavis Lake.

The sample suite included ore from depths ranging from 52.7m – 249.3m below surface. The sample suite also comprised waste rock intended to be representative of typical dilution expected from conventional mining methods

The samples were separated into two lithology composites. The Standard Pegmatite composite consists of pegmatites more than 0.5m from the host rock contact zone. These pegmatite samples comprised zero (0) waste rock dilution and are generally coarser grained. This is the predominant pegmatite mineralogy at Mavis Lake.

The Contact Zone Pegmatite composite consists of pegmatites within 0.5m of the host rock contact zone. These pegmatite samples are generally finer grained and more altered. The Contact Zone Pegmatite composite also comprised ~40% waste rock to reflect worst case mining dilution.

Although Contact Zone pegmatites are a minority within the Mavis Lake deposit, their distinct mineralogy and increased likelihood of mining dilution warrant in depth metallurgical investigation. Ore sorting has become increasingly adopted in hard rock lithium mining to effectively pre-treat contact zone pegmatites. Ore sorting is employed to reject waste rock and mining dilution from ROM feed, pre-concentrating the ore prior to downstream processing. This has the advantage of increasing feed grades to the processing plant, de-bottlenecking dense medium separation (DMS) and flotation circuits, increasing spodumene production and improving concentrate quality.

The phase I bulk testwork results was successful in showing that ore sorting achieved 40% mass rejection to waste, removing 100% of iron bearing waste minerals ferrohornblende and holmquistite.

Spodumene recovery to sorter product was 100%. Lithia grades increased by 30%, from 1.00% Li₂O in sorter feed to 1.30% Li₂O in sorter product. Iron was effectively reduced from 7.52% Fe₂O₃ in sorter feed to 0.49% Fe₂O₃ in sorter product.

The bulk ore sorting testwork results confirm the findings of amenability studies completed earlier. Mavis Lake ore is highly amenable to preconcentration by XRT sorting in the coarse, dry phase of the flowsheet.

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 30 JUNE 2024

The ability to reject mining dilution prior to processing helps unlock the full potential of the Mavis Lake resource. By removing iron bearing minerals early in the beneficiation flowsheet, the performance of both dense medium separation (DMS) and flotation processes can be optimised. This facilitates higher plant throughput rates, increased spodumene recoveries and an improved spodumene concentrate quality.

Studies During the half year, multiple workstreams continued to advance permitting as well as the technical and financial aspects of the Company's study efforts. Logistics planning and engagement with potential service providers has advanced export logistics concepts. With multiple export ports accessible from existing Road and Rail networks, the Company will advance a number of potential export options in formal studies. Optionality will allow for detailed cost/benefit analysis and inform pricing strategies and considerations for future negotiations with potential customers.

Graphic Lake, Plaid and Whiteloon Lake Lithium Projects

With the Company focusing its working capital on the Mavis Lake project, no fieldwork was undertaken at either the Graphic Lake, Plaid or Whiteloon Projects during the period. Desktop work and assessment was carried out to evaluate the prospectivity of the Plaid and Whiteloon Lake project. An independent review, supported by internal assessment, concluded that there was no prospectivity for lithium mineralisation across the Plaid and Whiteloon project area, driven principally by the underlying geological setting not being conducive for the formation of LCT pegmatites. The Company relinquished the Plaid and Whiteloon project claims in February 2024.

Vermillion Bay Project

During the period, the Company through its subsidiary group staked additional land in Canada comprising of 50 claim cells of ~1,000 hectares near the towns of Vermillion Bay, Dryden and the city of Kenora. The Project is located proximal to nearby projects such as Beyond Lithium's Victory Project and Pioneer Lithium's Benham projects.

The Vermillion Bay Project is also located only ~70km east of Critical Resources' Mavis Lake Project Area. The project is overall under explored and yields potential for future spodumene-bearing pegmatite discoveries.

The Vermillion Bay Project is located on the boundary between the Winnipeg River and Wabigoon subprovinces in the Medicine Lake area. This area was first explored in 1949 by E. Sobiski, who identified it as a beryl-beryllium prospect. Later, in 1976, Pryslak delineated the Medicine Lake Pluton. This pluton, approximately 0.5 by 1.5 km in size, is recognized as a fertile pluton based on analysis of highly fractionated potassium feldspar samples conducted by Breaks and Tindle in 1997. According to Ontario Geological Survey mapping, the main geological formations in the area encompass metasediments and metavolcanics, with granitic intrusions in the vicinity of the two defined projects.

The Vermillion Bay Project area is located ~50 km east of Kenora and ~60 km west of Dryden with nearby infrastructures including Pacific Railway (CP Rail) and network along the within the claim boundaries of the Project, access via Trans-Canada Highway and Highway 17 that connect to Kenora and Thunder Bay 20-minute commute time from the nearest town of Vermillion Bay, and Power line along Highway 17.

The Company considers this to be a Greenfield exploration opportunity.

OTHER PROJECTS

Halls Peak Base Metals Project – Australia (NSW)

During the period, all field work was constrained to rehabilitation and environmental inspections post the 2022 drilling program. With the Company focusing its working capital on the Mavis Lake Project, only desktop activities were completed.

Subsequent to the period end, further targeted desktop works at the Hillgrove South Prospect ("the Prospect") at the Company's Halls Peak Project ("Project"), located in NSW, Australia. This initiative will focus on the Hall Peak tenements staked in 2021, strategically located ~6km southeast of Larvotto Resources Ltd's ("LRV") Hillgrove deposit, which currently hosts a total resource of 7.264Mt @ 1.3% Sb for 93kt of contained antimony (refer LRV announcement 5 Aug 2024). Given recent discoveries and the global shift in antimony supply dynamics, the Company is moving to review the Halls Peak project for additional critical mineral discoveries.

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 30 JUNE 2024

In light of recent developments in the global antimony market, particularly China's announced export restrictions, the strategic importance of identifying new antimony sources has never been greater. China accounted for 48% of global mined output of antimony which is used in military applications as well as batteries and photovoltaic equipment.

Copper Project – Oman (Sohar)

The Company was advised by the Ministry of Energy and Minerals, Sultanate of Oman, (Ministry) 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 submitted applications for the extension of the Block 5 mining licences (Mining Licences). The Company has received a letter from the Ministry advising that the Mining Licences have been extended for a further 12 months and requiring the Company to provide additional reports with respect to the mining licenses. The Company indirectly retains a majority shareholding and associated asset interests in Al Fairuz Mining (AFM) LLC and Al Thuraya Mining (ATM) LLC, the Company will engage in discussions with the in-country management regarding the future of the projects.

ESG and Sustainability

During the period, the Company continued its regular engagement with First Nations Communities through deliberate meetings and engagements at both the annual PDAC conference as well as subsequent management visits to the Mavis Lake Project. The Company also engaged with local communities and the Dryden Citizens Committee Meeting.

Additionally, the Company initiated a number of project introduction meetings to Ontario Government departments that have been involved with the permitting process for the Mavis Lake Project. Specifically, the Company met with and provided project updates to operational members of the Ministry of Natural Resources and Forestry in Dryden, and the Ministry of Transport in Thunder Bay.

Corporate

In June, Managing Director Mr Alex Cheeseman tendered his resignation.

In August 2024, the Company announced a capital raising of \$1.2 million before costs via the issue of 200 million ordinary shares at an offer price of \$0.006 per share ("New Shares"), together with a 1-for-2 free attaching option exercisable at \$0.015 each and three years expiry ("New Options") ("the Placement")

Compliance Statement

This report contains information regarding the Mavis Lake Mineral Resource Estimate extracted from ASX market announcement dated 5 May 2023 and reported in accordance with the 2012 JORC Code and available for viewing at criticalresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in any original announcement and that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed.

This report contains information on the Mavis Lake Lithium Project extracted from ASX market announcements dated 25 October 2021, 21 July 2022, 25 October 2022, 31 October 2022, 20 December 2022, 27 March 2023, 16 June 2023, 27 June 2023, 17 July 2023, 24 July 2023, 21 August 2023, 13 September 2023, 19 September 2023, 19 October 2023 24 October 2023, 15 November 2023, 13 February 2024, 18 March 2024, 17 April 2024, 2 May 2024, 22 May 2024, 29 May 2024, 2 July 2024, 8 July 2024 and 22 August 2024 reported in accordance with the 2012 JORC Code and available for viewing at www.criticalresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in any original ASX market announcement.

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 and, in the case of estimates of Mineral Resources (as that term is defined in the JORC Code) that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 30 JUNE 2024

Forward looking statements

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.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

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

On 14 August 2024, the Company announced the receipt of firm commitments for a \$1.2 million capital raising (before costs) via the issue of 200 million ordinary shares at an offer price of \$0.006 per share, together with a 1-for-2 free attaching option exercisable at \$0.015 each and three years expiry.

Subsequent to the period end, the Company received further exceptional exploration results at its Mavis Lake project including:

- high grade Li_2O results of up to 3.79% from its recently completed channel program at the Tot pegmatite at the Northern Prospects, including 7m at 1.21% Li_2O (CH002); 6m at 1.57% Li_2O with the highest grading sample yielding an impressive 3.79% Li_2O over 1m (Sample ID: 341781) (CH003); and 6m at 1.33% Li_2O (CH006).
- High-grade lithium results ranging from 2.07% to 5.12% Li_2O in grab samples across the ~100-metre extensions of spodumene-bearing Pegmatites 7 and 24.
- Up to 1.17% Li_2O at the ~250-metre extension of spodumene-bearing Pegmatite 20.
- Up to 2.76% Li_2O in grab samples from Pegmatite 19

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the half year.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 13 for the half year ended 30 June 2024.

This report is made in accordance with a resolution of directors.



Mr Robert Martin
Non-Executive Chairman
Perth, Western Australia
12 September 2024



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Australia

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

As lead auditor for the review of Critical Resources Limited for the half-year ended 30 June 2024, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink, appearing to read 'Glyn O'Brien', is written over a light blue horizontal line.

Glyn O'Brien

Director

BDO Audit Pty Ltd

Perth

12 September 2024

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2024**

		30 Jun 2024	30 Jun 2023
	Notes	\$	\$
Interest income		53,669	1,011
Other income	3	175,047	1,450,183
Administrative expenses		(316,565)	(569,784)
Consulting and staff costs		(806,337)	(772,593)
Exploration expensed		(119,293)	-
Impairment of assets	5	-	(3,242,099)
Depreciation		(58,812)	(3,333)
Share based payments	13	156,524	(273,590)
Foreign Exchange Gain		14,775	-
Finance costs		(17,302)	(6,657)
Loss before income tax expense		(918,294)	(3,416,862)
Income tax expense		(172,925)	-
Loss for the period		(1,091,219)	(3,416,862)
Other comprehensive income/(loss)			
<i>Items that may be reclassified to profit or loss</i>			
Exchange difference on translating foreign operations		(101,271)	129,617
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation and exchange (decrease) in financial assets		(448,191)	(6,036)
Other comprehensive income for period, net of tax		(549,462)	123,581
Total other comprehensive (loss) for the period, net of tax		(1,640,681)	(3,293,281)
Net profit/(loss) for the period attributable to:			
Owners		(1,036,411)	(2,030,028)
Non-controlling interests		(54,808)	(1,386,834)
Net profit/(loss) for the period		(1,091,219)	(3,416,862)
Total comprehensive (loss) for the period attributed to:			
Owners		(1,567,462)	(1,902,777)
Non-controlling interests		(73,219)	(1,390,504)
Total comprehensive income/(loss) for the period		(1,640,681)	(3,293,281)
Loss per share			
Basic and diluted loss per share (cents per share)		(0.06)	(0.21)

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 30 JUNE 2024

		30 Jun 2024	31 Dec 2023
	Notes	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	4	2,256,750	5,496,159
Trade and other receivables		35,219	235,711
Other assets		74,542	119,005
Total current assets		2,366,511	5,850,875
Non-current assets			
Plant and equipment		24,028	26,755
Exploration and evaluation assets	5	28,281,907	27,748,157
Right-of-use assets		230,205	283,329
Financial assets	6	326,859	775,050
Total non-current assets		28,862,999	28,833,291
Total assets		31,229,510	34,684,166
LIABILITIES			
Current liabilities			
Trade and other payables	7	695,312	2,345,445
Financial liabilities		39,897	11,888
Flow-through share premium liability	8	1,297,469	1,466,005
Lease liabilities		103,035	95,534
Provisions	9	1,548,590	1,542,531
Total current liabilities		3,684,303	5,461,403
Non-current liabilities			
Lease liabilities		140,772	194,048
Deferred tax liabilities		2,391,457	2,218,532
Total non-current liabilities		2,532,229	2,412,580
Total liabilities		6,216,532	7,873,983
Net assets		25,012,978	26,810,183
Equity			
Issued capital	10	78,547,143	78,519,643
Reserves	11	494,692	1,209,767
Accumulated losses		(53,066,933)	(52,030,521)
Non-Controlling interest		(961,924)	(888,706)
Total equity		25,012,978	26,810,183

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2024

		30 Jun 2024	30 Jun 2023
	Notes	\$	\$
Cash flows from operating activities			
Interest received		50,593	1,011
Payments to suppliers and employees		(1,380,970)	(686,169)
Taxes Paid		(59,088)	-
Net cash flows used in operating activities		(1,389,465)	(685,158)
Cash flows from investing activities			
Payments for acquisitions	13	-	(658,308)
Payments for exploration and evaluation		(1,848,639)	(5,389,602)
Purchase of plant and equipment		3,497	(4,668)
Net cash flows used in investing activities		(1,845,142)	(6,052,578)
Cash flows from financing activities			
Proceeds from issue of shares – exercise of options		-	176,890
(Payments)/receipt for insurance funding		28,008	(16,502)
Payments for lease liabilities		(70,000)	(30,000)
Net cash flows from/(used in) financing activities		(41,992)	130,388
Net (decrease) in cash and cash equivalents		(3,276,599)	(6,607,348)
Cash and cash equivalents at beginning of period		5,496,159	8,573,127
Effects of exchange rate changes on cash and cash equivalents		37,190	35,215
Cash and cash equivalents at end of period		2,256,750	2,000,994

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2024**

	Issued Capital	Reserves	Accumulated Losses	Non-Controlling Interest	Total Equity
	\$	\$	\$		\$
Balance at 1 January 2024	78,519,643	1,209,767	(52,030,521)	(888,706)	26,810,183
Loss for the period	-	-	(1,036,411)	(54,808)	(1,091,219)
Other comprehensive income/(loss) for the period	-	(531,051)	-	(18,410)	(549,462)
Total comprehensive income/(loss) for the period	-	(531,051)	(1,036,411)	(73,218)	(1,640,681)
Transactions with owners in their capacity as owners					
Performance rights	-	(184,024)	-	-	(184,024)
Shares issued	27,500	-	-	-	27,500
Balance at 30 June 2024	78,547,143	494,692	(53,066,933)	(961,924)	25,012,978
Balance at 1 January 2023	70,629,920	887,924	(47,543,763)	569,516	24,543,597
Loss for the period	-	-	(2,030,028)	(1,386,834)	(3,416,862)
Other comprehensive income/(loss) for the period	-	127,251	-	(3,670)	123,581
Total comprehensive income/(loss) for the period	-	127,251	(2,030,028)	(1,390,504)	(3,293,281)
Transactions with owners in their capacity as owners					
Options issued	-	106,541	-	-	106,541
Performance rights	-	167,049	-	-	167,049
Shares issued – exercise of options	176,891	-	-	-	176,891
Balance at 30 June 2023	70,806,811	1,288,765	(49,573,791)	(820,988)	21,700,797

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2024

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

These consolidated general purpose financial statements for the interim half year reporting period ended 30 June 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These consolidated general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

(b) 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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(c) 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 30 June 2024 the Group held cash and cash equivalents of \$2,256,750 (31 December 2023: \$5,496,159), a working capital surplus of \$1,528,267 (excl provisions and flow-through premiums) (31 December 2023: \$3,398,007), with a net loss after tax for the half year ended 30 June 2024 of \$1,091,219 (30 June 2023: \$3,416,862), and net cash outflows from operating activities of \$1,389,465 (30 June 2023: \$685,158). 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. On 14 August 2024, the Company announced it has received firm commitments for a \$1.2 million capital raising which is to be finalised in late September 2024.

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.

(d) Critical accounting estimates and judgements

The preparation of financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparation the interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the annual consolidated financial statements as at and for the year ended 31 December 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2024

2. 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 at 30 June 2024 and statement of financial position at 31 December 2023 information for the Group's reportable segments for the half year ended 30 June 2024.

2024	Exploration Australia	Exploration Sultanate of Oman	Exploration Canada	Corporate	Total
	\$	\$	\$	\$	\$
Segment performance					
Interest income	-	-	48,191	5,478	53,669
Other income	-	6,510	168,537	-	175,047
Finance costs	-	-	-	(17,302)	(17,302)
Depreciation	-	-	(931)	(57,881)	(58,812)
Administrative expenses	(1,339)	(1,612)	(14,894)	(283,944)	(301,789)
Consulting and staff costs	-	(14,169)	(17,579)	(774,590)	(806,338)
Tax expenses	-	-	-	(172,925)	(172,925)
Share based Payments	-	-	-	156,524	156,524
Exploration Expenditure not capitalised	-	(119,293)	-	-	(119,293)
Segment result	(1,339)	(128,564)	183,288	(1,144,604)	(1,091,219)
Segment assets					
Cash, trade and other receivables	-	244,776	1,908,873	103,101	2,256,750
Trade and other receivables	-	21	3,771	31,427	35,219
Other assets	-	4,234	10,796	59,512	74,542
Plant and equipment	-	-	4,061	19,967	24,028
Right-of-use assets	-	-	-	230,205	230,205
Financial assets	-	-	-	326,859	326,859
Exploration and evaluation assets	4,208,123	-	24,073,784	-	28,281,907
Total segment assets	4,208,123	249,031	26,001,285	771,071	31,229,510
Segment liabilities					
Trade payables	(706)	(161,332)	(250,945)	(282,329)	(695,312)
Lease liabilities	-	-	-	(243,807)	(243,807)
Financial liabilities	-	-	-	(39,897)	(39,897)
Provisions	-	(25,289)	(1,504,966)	(18,335)	(1,548,590)
Deferred tax liabilities	-	-	-	(2,391,457)	(2,391,457)
Flow-through shares premium liability	-	-	(1,297,469)	-	(1,297,469)
Total segment liabilities	(706)	(186,621)	(3,053,380)	(2,975,825)	(6,216,532)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2024

The following table presents the result, selected segment performance information at 30 June 2023 and statement of financial position information at 31 December 2022 for the Group's reportable segments for the half year ended 30 June 2023.

2023	Exploration Australia	Exploration Sultanate of Oman	Exploration Canada	Corporate	Total
	\$	\$	\$	\$	\$
Segment performance					
Interest income	-	-	-	1,011	1,011
Other income	-	-	1,450,183	-	1,450,183
Finance costs	-	-	-	(6,657)	(6,657)
Depreciation	-	-	(763)	(2,570)	(3,333)
Administrative expenses	(416)	(11,411)	(40,712)	(517,245)	(569,784)
Consulting and staff costs	-	(20,720)	(13,980)	(737,893)	(772,593)
Share based payments	-	-	-	(273,590)	(273,590)
Impairment of assets	-	(3,242,099)	-	-	(3,242,099)
Segment result	(416)	(3,274,230)	1,394,728	(1,536,944)	(3,416,862)
Segment assets					
Cash, trade and other receivables	-	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
Right-of-use assets	-	-	-	283,329	283,329
Financial assets	-	-	-	775,050	775,050
Exploration and evaluation assets	4,191,728	-	25,556,429	-	27,748,157
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)
Lease liabilities	-	-	-	(289,582)	(289,582)
Provisions	-	(23,407)	(1,500,038)	(19,086)	(1,542,531)
Financial liabilities	-	-	-	(11,889)	(11,889)
Flow-through shares premium liability	-	-	(1,466,005)	-	(1,466,005)
Deferred tax liabilities	-	-	-	(2,218,532)	(2,218,532)
Total segment liabilities	(706)	(181,191)	(3,752,838)	(3,939,248)	(7,873,983)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2024

3. OTHER INCOME

	30 Jun 2024	30 Jun 2023
	\$	\$
Flow-through premium recovery ¹	168,536	1,450,183
Sundry income	6,511	-
Total other income	175,047	1,450,183

¹The Company has incurred qualifying Canadian exploration expenses as defined under the Income Act, Canada ("Qualifying CEE") and accordingly, recognised flow-through premium recoveries during the half year ended 30 June 2024.

4. CASH AND CASH EQUIVALENTS

	30 Jun 2024	31 Dec 2023
	\$	\$
Cash at bank ¹	2,256,750	5,496,159
Cash and cash equivalents	2,256,750	5,496,159

¹ Restricted cash: Restricted cash includes bank guarantees for Environmental Authority of \$136,259 (2023: \$133,378) and \$32,399 (2023: \$125,496) bank guarantees for Department of Regional NSW.

5. EXPLORATION & EVALUATION

	30 Jun 2024	31 Dec 2023
	\$	\$
Balance as at 1 January	27,748,157	19,565,051
Capitalised exploration expenditure – New South Wales, Australia	16,395	132,412
Capitalised exploration expenditure – Oman	-	410,650
Capitalised exploration expenditure - Canada acquisitions	-	1,245,950
Capitalised exploration expenditure – Deferred consideration	-	1,500,000
Capitalised exploration expenditure – Canada	586,067	8,336,507
Impairment provision - Oman	-	(3,467,869)
Impairment provision - Other	-	(14,186)
Foreign exchange adjustment	(68,712)	39,642
Balance as at end of period	28,281,907	27,748,157

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 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. The company has not impaired any of its exploration assets during the half year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2024

During 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.

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. 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.

6. FINANCIAL ASSETS

NON-CURRENT	30 Jun 2024	31 Dec 2023
	\$	\$
Financial assets at fair value through other comprehensive income ¹	262,841	711,032
Other financial assets	64,018	64,018
Total non-current financial assets	326,859	775,050

¹Financial 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

Listed ordinary shares

Total financial assets at fair value through other comprehensive income

30 Jun 2024

\$

262,841

262,841

Reconciliation:

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

Opening fair value as at 1 January 2024

Revaluation increments/(decrements)

Foreign exchange increments/(decrements)

Closing fair value as at 30 June 2024

Shares

711,032

(444,395)

(3,796)

262,841

7. TRADE AND OTHER PAYABLES

	30 Jun 2024	31 Dec 2023
	\$	\$
Trade payables	550,796	1,974,294
Employee related payables	-	64,032
Other payables and accruals	144,516	307,119
Total trade and other payables	695,312	2,345,445

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2024

8. FLOW-THROUGH SHARE PREMIUM LIABILITY

CURRENT	30 Jun 2024	31 Dec 2023
	\$	\$
Flow-through share premium liability ¹	1,297,469	1,466,005
Total flow-through share premium liability	1,297,469	1,466,005

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 prior 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. Refer to Note 11 for further details on funds raised via flow-through.

Reconciliation:

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

	30 Jun 2024	31 Dec 2023
	\$	\$
Opening fair value as at 1 January	1,466,005	2,207,704
Flow-through share premium liability	-	2,053,675
Reduction through exploration expenditures	(168,536)	(2,795,374)
Closing fair value as at period end	1,297,469	1,466,005

9. PROVISIONS

CURRENT	30 Jun 2024	31 Dec 2023
	\$	\$
Deferred consideration ¹	1,500,000	1,500,000
Annual leave	48,590	42,531
Total current provisions	1,548,590	1,542,531

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 Li₂O using a cut-off grade of not less than 0.40% Li₂O. Deferred consideration attributable to Milestone 2 has been deemed probable at balance date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024

10. EARNINGS PER SHARE

	30 Jun 2024	30 Jun 2023
	\$	\$
Basic and diluted loss per share (cents per share)	(0.06)	(0.21)
a) Loss used in calculating loss per share		
Net loss attributable to ordinary equity holders of the parent for basic earnings	(1,091,219)	(3,416,862)
b) Weighted average number of shares	No.	No.
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	1,778,221,158	1,593,321,284

11. ISSUED CAPITAL

a) Issued and paid up capital	30 June 2024	31 Dec 2023
	\$	\$
Ordinary shares fully paid	78,547,143	78,519,643
	Number of Shares	Number of Shares
Ordinary shares fully paid	1,780,350,279	1,777,850,279
b) Movement in shares on issue	Number of Shares	\$
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	129,161,955	7,865,963
Share issue – flow-through premium	-	(2,053,675)
Capital raising costs	-	(519,956)
Balance at 31 December 2023	1,777,850,279	78,519,643
Balance at 1 January 2024	1,777,850,279	78,519,643
Share issue – incentives	2,500,000	27,500
Balance at 30 June 2024	1,780,350,279	78,547,143

12. RESERVES

	30 Jun 2024	31 Dec 2023
	\$	\$
a) Share based payments reserve		
Opening balance	1,543,992	1,230,498
Share based payment	(184,024)	313,494
Closing Balance	1,359,968	1,543,992
b) Foreign currency translation reserve		
Opening balance	42,231	(20,656)
Transfer to accumulated losses	-	-
Translation of foreign denominated subsidiaries	(82,860)	62,887
Closing Balance	(40,629)	42,231

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2024

	30 Jun 2024	31 Dec 2023
	\$	\$
c) Financial assets at fair value through OCI		
Opening balance	(376,456)	(321,918)
Revaluation and foreign exchange increments	(448,191)	(54,538)
Closing Balance	(824,647)	(376,456)

13. SHARE BASED PAYMENTS

	30 Jun 2024	30 Jun 2023
	\$	\$
Share based payments expense		
Options	-	106,541
Performance Rights	(184,024)	167,049
Incentive Shares	27,500	-
Total Share based payments expense	(156,524)	273,590

Movement and valuation of performance rights

The movement in performance rights during the six months ended 30 June 2024 are as follows:

	Half year ended 30 Jun 2023		Half year ended 30 Jun 2023	
	No.	Weighted average grant date fair value \$	No.	Weighted average grant date fair value \$
Outstanding at the beginning of the period	20,400,000	0.0380	4,000,000	0.0756
Issued during the period	-	-	20,000,000*	0.0409
Cancelled/Forfeited during the period	(15,750,000)	0.0391	(7,000,000)*	0.0613
Exercised during the period	-	-	-	-
Outstanding at the end of the period	4,650,000	0.0301	17,000,000	0.0406
Exercisable at the end of the period	-	-	-	-

During the six months ended 30 June 2024, nil performance rights were issued or exercised, 15,750,000 performance rights forfeited on employee resignations pursuant to the terms and conditions of the Company's Incentive Plan.

* 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.

Movement and valuation of incentive shares

During the six months ended 30 June 2024, the Company issued 2,500,000 incentive shares to KMP, as approved by shareholders on 30 May 2024. 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 (\$0.011/share).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2024

14. 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 the period end which significantly affected the operations of the Group.

On 14 August 2024, the Company announced the receipt of firm commitments for a \$1.2 million capital raising (before costs) via the issue of 200 million ordinary shares at an offer price of \$0.006 per share, together with a 1-for-2 free attaching option exercisable at \$0.015 each and three years expiry.

Subsequent to the period end, the Company received further exceptional exploration results at its Mavis Lake project including:

- high grade Li_2O results of up to 3.79% from its recently completed channel program at the Tot pegmatite at the Northern Prospects, including 7m at 1.21% Li_2O (CH002); 6m at 1.57% Li_2O with the highest grading sample yielding an impressive 3.79% Li_2O over 1m (Sample ID: 341781) (CH003); and 6m at 1.33% Li_2O (CH006).
- High-grade lithium results ranging from 2.07% to 5.12% Li_2O in grab samples across the ~100-metre extensions of spodumene-bearing Pegmatites 7 and 24.
- Up to 1.17% Li_2O at the ~250-metre extension of spodumene-bearing Pegmatite 20.
- Up to 2.76% Li_2O in grab samples from Pegmatite 19

15. CONTINGENT 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. Since 31 December 2023, there has been no material change in 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:

Lithium Projects, Canada

As part of the consideration for this acquisition of the Company's Canadian Lithium Projects, the Company agreed to the issue of a 1.5% Net Smelter Royalty ("NSR") capped at C\$500,000, with the option for the Company to purchase at any time for C\$500,000 with respect to its Graphic Lake Project, a 5% net profits royalty on the fairservice mining leases, with the option for the Company to purchase back the royalty at any time for C\$1,000,000, and a 1% Gross Margin Royalty for mineral production from the gullwing tot lakes mining claims with respect to its Mavis Lake Project.

Copper Projects, Oman

The Company and its wholly owned subsidiary Gentor Resources Limited (Gentor) is party to a \$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 (Savannah Deed). Subsequent to the end of the period, Gentor received a notice of default from Savannah Resources Plc in respect of Gentor's alleged default under the Savannah Deed as noted above. Gentor disputes that an event of default has occurred and intends to vigorously defend any proceedings that may be brought by Savannah Resources Plc.

DIRECTORS' DECLARATION FOR THE HALF YEAR ENDED 30 JUNE 2024

In the directors' opinion:

- (a) The attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 '*Interim Financial Reporting*', the *Corporations Regulations 2001* and other mandatory professional reporting requirements.
- (b) The attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial half year ended on that date; and
- (c) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Mr Robert Martin
Non-Executive Chairman

Perth, Western Australia
12 September 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Critical Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Critical Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, 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 half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 1 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 conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

The image shows a handwritten signature in black ink. Above the signature, the letters 'BDO' are handwritten in a simple, blocky style.

Glyn O'Brien

Director

Perth, 12 September 2024