

# DIRECTORS' REPORT

## Chairman's Letter

Dear Shareholders

The Board is working very hard to capitalise on a range of opportunities it has generated in Sweden in the battery metals/battery chemicals sector. Ultimately our aim is create sustainable value for the Company, in doing so increase the value of shareholders' equity and create liquidity for shareholders via a listing on a securities exchange as soon as practicable.

Originally the Company planned to be listed on a securities exchange by mid 2017 however that has been delayed to enable completion of a range of transactions involving your lithium, iron and copper-gold projects. The new timetable for a listing is anticipated for early 2018.

One of the most important factors influencing the Company's strategy is the recent decision by Northvolt AB to build Europe's largest Gigafactory in Skelleftea, Sweden approximately 10kms from your Varuträsk lithium project. This development has the potential to create a range of opportunities for Critical Metals (and others) around the production of battery metals/chemicals for use in the manufacture of rechargeable batteries in Sweden. For more information please visit [www.northvolt.com](http://www.northvolt.com). We'll keep shareholders informed as more information becomes available in relation to our involvement in the production of battery metals/chemicals for use in the production of rechargeable batteries in Sweden.

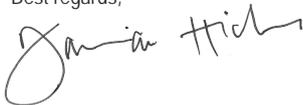
Touching briefly on our Rakkuri iron ore project located close to the largest iron mine in Europe, the Company has been approached by a third party to potentially acquire these projects. Your directors wish to conclude these discussions in the normal course of business because a sale of the iron projects to a well credentialed and funded company has the potential to create the greatest value for shareholders and see the projects developed and mined in a sustainable manner that is acceptable to stakeholders. Our Pahtohavare copper-gold project located near Kiruna in northern Sweden is being advanced by our highly credentialed Swedish joint venture partner. An exploitation concession application is expected to be lodged on this project in November 2017 which will be a milestone event. Critical Metals is free-carried on this project meaning we do not have to contribute to funding until a decision to mine has been made.

I am confident that the delay in listing will ultimately prove a benefit for all shareholders as the rechargeable battery boom starts to gather momentum in Europe.

Please continue to follow us at [www.criticalmetals.eu](http://www.criticalmetals.eu) and search for 'Critical Metals' on Twitter.

If you have any questions you are always welcome to contact me.

Best regards,



**Damian Hicks**  
Executive Director