



Future Metals NL

(formerly Red Emperor Resources NL)

Annual Report

30 June 2021

ABN 99 124 734 961

future-metals.com.au



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CORPORATE DIRECTORY

<p>Directors Greg Bandy - Executive Chairman Aaron Bertolatti - Finance Director Allan Mulligan - Non-Executive Technical Director Justin Tremain - Non-Executive Director Robert Mosig - Independent Non-Executive Director</p> <p>Company Secretary Aaron Bertolatti</p> <p>Registered Office First Floor, 35 Richardson Street West Perth WA 6005</p> <p>Share Registry Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth WA 6000</p> <p>Auditors BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008</p>	<p>Australian Solicitors Edwards Mac Scovell Level 7, 140 St Georges Terrace Perth WA 6000</p> <p>Financial Adviser Strand Hanson Limited 26 Mount Row London W1K 3SQ, UK</p> <p>Stock Exchange Australian Securities Exchange (ASX) (Home Exchange: Perth, Western Australia) ASX Code: FME</p> <p>Website www.future-metals.com.au</p>
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The Directors present their report for Future Metals NL ("Future Metals" or "the Company") and its subsidiaries (together "the Group") for the period ended 30 June 2021.

DIRECTORS

The names, qualifications and experience of the Company's Directors in office during the period and at the date of this report are set out below. The Directors were in office for the entire period unless otherwise stated.

Gregory (Greg) John Bandy - appointed 1 August 2010

Executive Chairman

Greg Bandy has over 20 years' experience in retail, corporate and capital markets, both in Australia and overseas. Greg worked as a Senior Client Advisor at Montagu Stockbrokers and Patersons Securities for over 10 years before moving to the corporate sector. As a former Director of Empire Beer Group Limited, he oversaw the acquisition of Car Parking Technologies (now Smart Parking Limited (ASX: SPZ)) before stepping down as Executive Director. Greg is also the former Managing Director of Fin Resources Limited (ASX: FIN).

Aaron Dean Bertolatti - appointed 4 June 2018

Finance Director & Company Secretary

Aaron Bertolatti is a qualified Chartered Accountant and Company Secretary with over 15 years' experience in the mining industry and accounting profession. He has significant experience in the administration of ASX listed companies, corporate governance and corporate finance. He was previously Australian Chief Financial Officer of Highfield Resources Limited (ASX: HFR) and acts as Company Secretary for listed ASX companies: Fin Resources Limited, Odin Metals Limited, American Pacific Borate Limited. Aaron is also a Director and Company Secretary of Megado Gold Ltd.

Allan Ewald Mulligan - appointed 11 June 2021

Non-Executive Technical Director

Allan Mulligan is a mining engineer with over 35 years' management and production experience in mining operations, mine start-up and construction that culminated in management roles in large scale platinum and gold mines. Allan has specialised in technical assessment and production economics, feasibility studies, project design and costing of underground mines and prospects. He has worked extensively in exploration, mine development and operations across Africa and Australia. Allan's experience includes 14 years with Lonmin Plc in a variety of senior and technical mine management roles. He previously served as a representative of Lonmin Plc on the Board of Platinum Australia Limited.

Justin Albert Tremain - appointed 11 June 2021

Non-Executive Director

Justin Tremain is an experienced company director with extensive expertise across the mineral resources sector. His experience covers equity capital markets and promotion, resource project acquisition, exploration and resource delineation, feasibility studies and project development financing. Justin is currently Managing Director of West African gold explorer Turaco Gold Ltd where he was appointed in December 2020. He is also Non-Executive Director of Caspin Resources Ltd, which listed on the ASX in November 2020. Prior to becoming involved in the management of ASX listed resource companies from early 2010, Justin had over 10 years investment banking experience in the metals and mining sector with NM Rothschild & Sons, Investec and Macquarie Bank. Justin was previously the Managing Director of Exore Resources Ltd, having joined in January 2018 as a 'shell company' and identified and led the acquisition of a gold exploration portfolio in Cote d'Ivoire for A\$3.5 million. Exore was acquired by Perseus Mining Ltd in September 2020 for a value of A\$80 million.

Robert (Rob) Walter Mosig - appointed 11 June 2021

Independent Non-Executive Director

Rob Mosig is a geologist with over 30 years' experience in platinum group metals, gold and diamond exploration. His experience includes exploration using geology, geochemistry, geophysics and drilling; ore resource drilling and calculation; metallurgical and engineering evaluation and environmental and economic evaluations; mining and processing. He was the founding Director of both ASX listed Helix Resources Limited and Platina Resources Limited and is currently the CEO of Caeneus Minerals Limited.

Jason Bontempo - appointed 24 January 2011, resigned 11 June 2021
Non-Executive Director

Jason Bontempo has 23 years' experience in public company management, corporate advisory, investment banking and public company accounting, qualifying as a chartered accountant with Ernst & Young. He has worked primarily serving on the board and the executive management of minerals and resources public companies focusing on advancing and developing mineral resource assets and business development.

DIRECTORSHIPS OF OTHER LISTED COMPANIES

Directorships of other listed companies held by the current Directors in the 3 years immediately before the end of the financial period are as follows:

Director	Company	Period of Directorship
Aaron Bertolatti	Odin Metals Ltd Megado Gold Ltd	Director from October 2017 to April 2020 Director since March 2019
Allan Mulligan	Walkabout Resources Ltd	Director since August 2012
Justin Tremain	Turaco Gold Ltd Caspin Resources Ltd Exore Resources Ltd Carnaby Resources Ltd Odin Metals Ltd Fin Resources Ltd Emerald Resources NL	Director since December 2020 Director since October 2020 Director from February 2018 to September 2020 Director from February 2016 to March 2020 Director from October 2017 to June 2020 Director from May 2018 to June 2020 Director from September 2016 to October 2018

INTERESTS IN THE SECURITIES OF THE COMPANY

As at the date of this report, the interests of the Directors in the securities of Future Metals NL are:

Director	Ordinary Shares	Performance Rights ¹		
		Class A	Class B	Class C
Greg Bandy	140,000	2,666,666	2,666,667	2,666,667
Aaron Bertolatti	302,500	333,333	333,333	333,334
Allan Mulligan	-	1,000,000	1,000,000	1,000,000
Justin Tremain	-	2,666,666	2,666,667	2,666,667
Rob Mosig	-	666,666	666,667	666,667

¹ Each Performance Right is exercisable into one (1) fully paid ordinary share upon and from the date of satisfaction of the relevant vesting condition until their expiry date of 11 June 2024.

Vesting Conditions:

- i. Class A: the volume-weighted average price over a period of at least 20 consecutive trading days on which trades in the Company's shares are recorded on ASX (20 Day VWAP) being at least \$0.15. This vesting condition was achieved on 20 July 2021.
- ii. Class B: 20 Day VWAP being at least \$0.20. This vesting condition was achieved on 20 July 2021.
- iii. Class C: 20 Day VWAP being at least \$0.25

RESULTS OF OPERATIONS

The Company's net loss after taxation attributable to the members of Future Metals for the period to 30 June 2021 was \$6,307,456.

DIVIDENDS

No dividend was paid or declared by the Company during the period and up to the date of this report.

CORPORATE STRUCTURE

Future Metals NL is a company limited by shares, which is incorporated and domiciled in Australia.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

On 22 June 2021, the Company was relisted on the ASX following re-compliance with Chapters 1 and 2 of the ASX Listing Rules. As part of the readmission process, the Company successfully completed a \$10.0 million gross equity raising via the issue of 100m shares at \$0.10 per share and the acquisition of 100% of the Panton PGM Project in Western Australia via the issue of 17.5m new ordinary shares and 87.5m options exercisable at \$0.10 on or before 11 June 2024, and payment of an option fee in cash of \$3 million.

More precisely, on 17 June 2021 the Company announced that it had completed the acquisition of the entire issued share capital of Great Northern Palladium Pty Ltd ('GNP'), the holder of 80% of the issued capital of Panton Sill Pty Ltd ('Panton Sill'). GNP had also exercised its option to acquire the remaining 20% of the issued capital of Panton Sill in return for the payment of \$3.0 million to Panoramic Resources Ltd ('Panoramic Resources'). Accordingly, on 16 June 2021 Panton Sill became a wholly owned subsidiary of Future Metals. Panton Sill is the registered holder of a 100% interest in the three granted mining leases that cover the Panton PGM Project.

REVIEW OF OPERATIONS

Panton PGM Project

The Panton PGM Project is located 60 kilometres north of Halls Creek and just 1 kilometre off the Great Northern Highway, in the East Kimberley Region of Western Australia (refer to Figure One). The Great Northern Highway provides direct access to the Port of Wyndham. The Panton PGM Project is held under three granted Mining Leases (M80/103, M80/104 and M80/105) covering a total area of approximately 23km².



Figure One | Panton PGM Project's Location

Past exploration and drilling, predominantly undertaken by Platinum Australia Ltd ('Platinum Australia') in the early 2000s, resulted in the delineation of a Mineral Resource Estimate ('MRE') for the Panton deposit undertaken by Cube Consulting Pty Ltd ('Cube') in April 2003. In August 2015, Cube reviewed and re-reported its 2003 MRE model to report the MRE in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves 2012 ('JORC 2012').

The Panton PGM Project has a JORC Resource of 14.32Mt @ 5.20g/t for 2.4Moz PGM + Gold (refer to Table One).

	Tonnage (Mt)	Grade					Contained	
		PGM	Au	Ni	Cu	Co	PGM	Ni
		(g/t)	(g/t)	(%)	(%)	(ppm)	('000oz)	(t)
Top Reef								
Measured	4.40	5.58	0.42	0.28	0.08	209	850	12,214
Indicated	4.13	6.26	0.38	0.31	0.09	232	880	12,745
Inferred	1.56	4.72	0.38	0.36	0.13	233	260	5,619
	10.09	5.73	0.40	0.30	0.09	222	1,990	30,579
Middle Reef								
Measured	2.13	2.76	0.10	0.18	0.03	186	200	3,783
Indicated	1.50	3.17	0.10	0.19	0.04	199	160	2,858
Inferred	0.60	2.58	0.10	0.19	0.05	195	50	1,161
	4.23	2.90	0.10	0.19	0.04	193	410	7,840
Total	14.32	4.89	0.31	0.27	0.08	214	2,400	38,492

Table One | Panton JORC 2012 Mineral Resource Estimate (rounded)

The focus of the JORC 2012 MRE was on two of the chromite layers known as the Top (101) and Middle (201) Reefs, domained into the A, B, C and D blocks (refer to Figures Two and Three). The MRE was based on previous drilling at the project comprising historical diamond drilling (30 holes for 9,524 metres completed prior to 2001), reverse circulation (RC) (29 holes for 2,366 metres) and diamond drilling (166 holes for 34,410 metres) completed by Platinum Australia. The MRE also included surface trenching and underground channel samples (1,391 metres) conducted by Platinum Australia between 2001 and 2003 in an exploration decline which accessed the upper chromite reef.

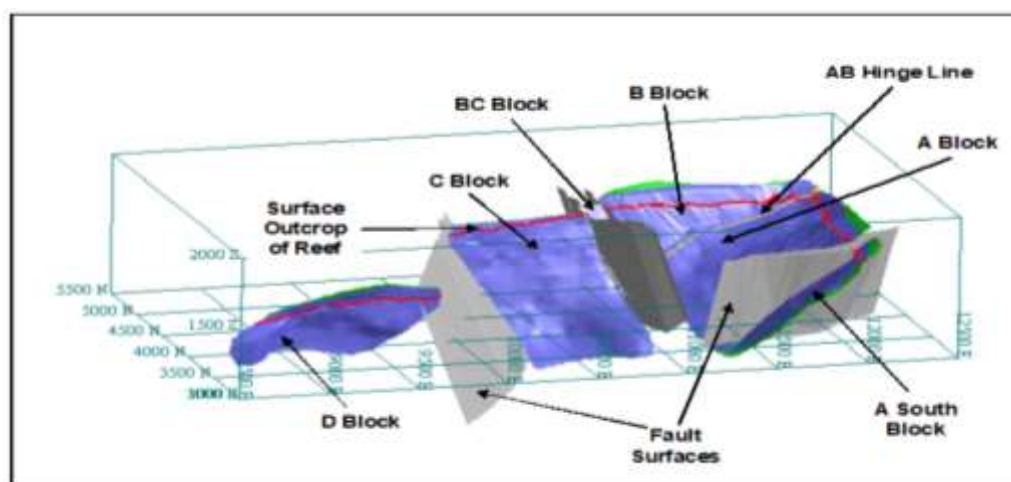


Figure Two | Panton PGM Project Mineral Resource Wireframes

The Panton mineralisation occurs within a layered, differentiated mafic-ultramafic intrusion referred to as the Panton intrusive. PGM mineralisation is hosted within two stratiform chromite reefs, the Top and Middle reefs, within the ultramafic sequence. The Panton Sill is a 20km² layered mafic intrusive and shares geological features with the world class Cr-PGM-Ni mafic intrusive hosted deposits of the Bushveld Igneous Complex in South Africa and the Sudbury Complex in Canada.

The Panton Complex has been folded into a syncline such that the shallowest chromite reefs occur around the outer edges and become deeper towards the centre of the complex (refer to Figure Three). The syncline axis is interpreted to plunge towards the southwest. In addition to folding, the Panton Complex has been subject to several stages of faulting, many of which offset the chromite reefs including a major north-south oriented fault that offsets the C zone to the south which is now known as the D zone (refer to Figure Three).

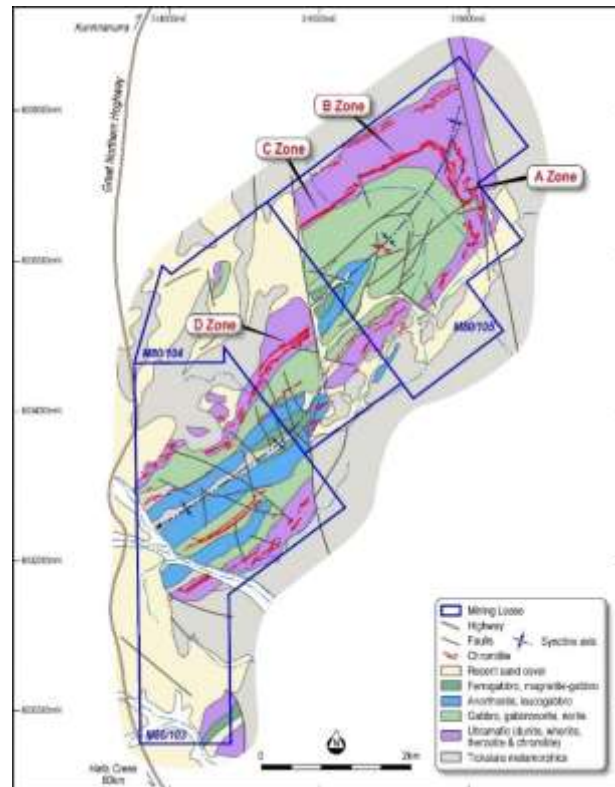


Figure Three | Panton PGM Project's Geology

Independent Review of Metallurgical Test Work (Refer to ASX announcement dated 7 July 2021)

During June 2021, the Company appointed Dr Evan Kirby of Metallurgical Management Services Pty Ltd ('MMS') to undertake a review of historical flotation test work conducted on the Panton ore by Platinum Australia and Panoramic Resources. MMS has extensive experience within the PGM industry and has provided metallurgical services to several PGM producers in South Africa and the USA.

A series of test work campaigns was carried out in 2015 by ALS Laboratories on behalf of Panoramic Resources to investigate the potential to produce a high-grade PGM concentrate at a >80% 3PGM recovery.

MMS concluded:

"The 2015 test work achieved a technical breakthrough and the results demonstrated that high performance flotation on the Panton ore was possible. It was shown that a combination of fine grinding, conditioning with sodium dithionite as a reducing agent, and use of nitrogen gas for flotation were essential to the process."

Significantly improved flotation results were achieved following the test work campaigns utilising a primary grind of P₈₀ 38 micron with sodium dithionite used as a reducing agent, and with a rapid 14 minutes of flotation time. Test 1279 returned the following flotation results:

PGM Concentrate				
Head Grade (3PGE)	Concentrate Mass Pull	Flotation Recovery (3PGE)	Concentrate Grade (3PGE)	Flotation Time
8.22g/t	2.46%	81.4%	271.7g/t	14 min

Table Two | Test 1279 Flotation Results

Drilling Programme

In August 2021, the Company commenced a +10,000m diamond core drilling programme at the Panton PGM Project. The drilling programme is designed to:

- Test continuity and depth extensions to the MRE;
- Strike extensions to the MRE;
- Parallel zones of outcropping chromitite reef supported with highly anomalous PGM soil geochemistry; and
- Provide samples for further metallurgical test work including confirmation of the metallurgical results above and optimisation test work.

Initial assays are expected to be reported from late October 2021 onwards.

Corporate

Consolidation of Capital

The Company completed a consolidation of its share capital on the basis of every 100 fully paid ordinary shares being consolidated into 14 Shares on 11 June 2021.

Change of Name

On 11 June 2021, the Company announced a formal change in its name to Future Metals NL. This was further to approval from shareholders for the name change at the Company's General Meeting held on 4 June 2021.

Performance Rights

In accordance with the terms of the Company's Performance Rights Plan and as approved by shareholders at the Company's General Meeting held on 4 June 2021, 7,333,331 Class A Performance Rights, 7,333,334 Class B Performance Rights and 7,333,335 Class C Performance Rights were issued on 11 June 2021.

Board and Management Changes

As part of its re-compliance with Chapters 1 and 2 of the ASX Listing Rules and the acquisition of the holding company for the Panton PGM Project, the Company appointed Mr Justin Tremain, Mr Allan Mulligan and Mr Rob Mosig as Directors. In addition, Mr Mick McMullen was appointed as an Advisor to the Board and Mr Shane Hibbird was appointed as Exploration Manager.

AIM Quotation

The Board considered it to be in the best interests of the Company and its shareholders to seek cancellation of the admission to trading of the Company's ordinary shares on AIM in order to facilitate and ensure the timely implementation of the acquisition of the Panton PGM Project and associated fundraising in Australia on the ASX on the commercial terms and timeframe agreed with the major shareholders of GNP. Accordingly, the Company's admission to trading on AIM was cancelled on 19 May 2021. Following completion of the acquisition of the Panton PGM Project and the associated equity raising and re-listing on the ASX, the Company is now working through the requisite process to obtain re-admission to trading on AIM in order to restore the enlarged entity's dual listing, which is currently expected to be completed during October 2021.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the financial period, other than as set out in this report.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 20 July 2021, the Company advised that, in accordance with the terms of the Company's Performance Rights Plan and the issue of Performance Rights approved by shareholders at the Company's General Meeting held on 4 June 2021, 7,333,331 Class A Performance Rights and 7,333,334 Class B Performance Rights had vested having met the applicable vesting criteria.

There have been no other significant events after the end of the financial period to the date of this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors have excluded from this report any further information on the likely developments in the operations of the Company and the expected results of those operations in future financial years, as the Directors believe that it would be speculative and prejudicial to the interests of the Company.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Group operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of its shareholders, employees and suppliers. The Group aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation. The Group is, to the best of its knowledge, at all times in full environmental compliance with the conditions of its licences.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Company has made an agreement indemnifying all the Directors and officers of the Company against all losses or liabilities incurred by each Director or officer in their capacity as Directors or officers of the Company to the extent permitted by the Corporations Act 2001. The indemnification specifically excludes wilful acts of negligence.

INDEMNIFICATION OF THE AUDITOR

The Company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial period, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

SHARE OPTIONS AND PERFORMANCE RIGHTS

As at the date of this report, there were 88,340,001 unissued ordinary shares under options and 22,000,000 unissued ordinary shares under performance rights. Details are as follows:

Number	Type	Exercise Price	Expiry Date
840,001	Unlisted options	\$0.357	15 January 2022
87,500,000	Unlisted options	\$0.10	11 June 2024
22,000,000	Performance Rights	-	11 June 2024

No option holder or performance rights holder has any right to participate in any other share issue of the Company or any other entity. 26,000,000 options expired unexercised during the financial period. No options were exercised during or since the period ended 30 June 2021. No performance rights expired during the financial period. No performance rights were converted during or since the period ended 30 June 2021.

DIRECTORS' MEETINGS

During the financial period, in addition to regular Board discussions, the Directors met regularly to discuss all matters associated with investment strategy, review of opportunities, and other Company matters on an informal basis. Circular resolutions were passed as necessary to execute formal Board decisions.

Director	Meetings Eligible to Attend	Meetings Attended
Greg Bandy	2	2
Aaron Bertolatti	2	2
Allan Mulligan ¹	-	-
Justin Tremain ¹	-	-
Rob Mosig ¹	-	-
Jason Bontempo ²	2	2

¹ Allan Mulligan, Justin Tremain and Rob Mosig were appointed to the Board on 11 June 2021.

² Jason Bontempo resigned on 11 June 2021.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the Court to bring proceedings on behalf of the Company or 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 any part of those proceedings. The Company was not a party to any such proceedings during the period.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Future Metals NL support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that Future Metals complies to the extent possible with those guidelines, which are of importance to the commercial operation of a junior listed resources company.

The Company has established a set of corporate governance policies and procedures which can be found, along with the Company's Corporate Governance Statement, on Future Metals' website at:

www.future-metals.com.au.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of Future Metals with an Independence Declaration in relation to the audit of the financial report. A copy of that declaration is included within this annual report.

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided are outlined in note 13 to the financial statements. Non-audit services during the period included the preparation of an Independent Limited Assurance Report. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

Officers of the Company who are former partners of BDO Audit (WA) Pty Ltd

There are no officers of the Company who are former partners of BDO Audit (WA) Pty Ltd.

Auditor

BDO Audit (WA) Pty Ltd continue in office in accordance with section 327 of the Corporations Act 2001.

AUDITED REMUNERATION REPORT

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Future Metals NL for the financial period ended 30 June 2021. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001. The remuneration report details the remuneration arrangements for 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 Group.

Details of Key Management Personnel

- Greg Bandy – Executive Chairman (appointed 1 August 2010)
- Aaron Bertolatti – Finance Director (appointed 4 June 2018)
- Allan Mulligan – Non-Executive Technical Director (appointed 11 June 2021)
- Justin Tremain – Non-Executive Director (appointed 11 June 2021)
- Robert Mosig – Independent Non-Executive Director (appointed 11 June 2021)
- Jason Bontempo – Non-Executive Director (resigned 11 June 2021)

Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a yearly basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The expected outcome of this remuneration structure is to retain and motivate Directors.

As part of its Corporate Governance Policies and Procedures, the Board has adopted a formal Remuneration Committee Charter and Remuneration Policy. The Board has elected not to establish a remuneration committee based on the size of the organisation and has instead agreed to meet as deemed necessary and allocate the appropriate time at its board meetings. Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, such Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board. Any Chairman's fees are determined independently to the fees of Non-Executive Directors based on comparative roles in the external market.

Level	FY2021		
	Cash Remuneration	Short Term Incentive	Long Term Incentive
Executive Chairman	\$180,000	Nil	8.0m performance rights
Finance Director	\$60,000	Nil	1.0m performance rights
Non-Executive Directors	\$36,000 ¹	Nil	2.0m to 8.0m performance rights

¹ Non-Executive Directors, Justin Tremain and Allan Mulligan are also engaged by the Company as consultants at a rate of \$1,000 (plus GST) per day as and when required by the Board for Mr Tremain and \$7,000 (plus GST) per month based on an average of 2 days per week for Mr Mulligan.

Additional fees

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out-of-pocket expenses incurred as a result of their directorship or any special duties.

Retirement allowances for Directors

Superannuation contributions required under the Australian Superannuation Guarantee Legislation continue to be made and are deducted from the Directors' overall fee entitlements where applicable.

Remuneration Consultants

Remuneration consultants have not been used in determining the remuneration paid.

Details of Remuneration

Details of the nature and amount of each element of the remuneration of each Director of the Group for the period ended 30 June 2021 are as follows:

2021	Short term			Share Based Payments	Post-Employment Benefits	Total	Performance related %
	Base Salary \$	Directors' Fees \$	Consulting Fees \$				
Directors							
Greg Bandy	180,000	-	-	650,667	17,100	847,767	76.8
Aaron Bertolatti	-	-	60,000	81,333	-	141,333	57.5
Allan Mulligan ¹	-	1,500	3,500	244,000	150	249,150	97.9
Justin Tremain ¹	-	-	10,000	650,667	-	660,667	98.5
Rob Mosig ¹	-	1,500	-	162,667	150	164,317	99.0
Jason Bontempo ²	-	30,000	-	-	2,850	32,850	-
	180,000	33,000	73,500	1,789,334	20,250	2,096,084	85.4

¹ Allan Mulligan, Justin Tremain and Rob Mosig were appointed on 11 June 2021.

² Jason Bontempo resigned on 11 June 2021.

The fees paid to the Directors' related entities were for the provision of consulting services of the particular individual concerned to the Group:

- BR Corporation Pty Ltd, an entity associated with Jason Bontempo.
- 1918 Consulting Pty Ltd, an entity associated with Aaron Bertolatti.
- Elev 8 Resources Pty Ltd, an entity associated with Allan Mulligan.

There were no other executive officers of the Company during the financial period ended 30 June 2021.

Details of the nature and amount of each element of the remuneration of each Director of the Group for the year ended 30 June 2020 are as follows:

2020	Short term			Share Based Payments \$	Post-Employment Benefits \$	Total \$	Performance related %
	Base Salary \$	Directors' Fees \$	Consulting Fees \$				
Directors							
Greg Bandy	180,000	-	-	-	17,100	197,100	-
Jason Bontempo	-	30,000	-	-	2,850	32,850	-
Aaron Bertolatti	-	-	60,000	-	-	60,000	-
Officers							
Gracjan Lambert ¹	19,846	-	-	-	1,885	21,731	-
	199,846	30,000	60,000	-	21,835	311,681	-

¹ Gracjan Lambert resigned on 12 August 2019.

Shareholdings of Key Management Personnel

The number of shares in the Company held during the financial period by each Director, including their personally related parties, is set out below. There were no shares granted during the reporting period as compensation.

	Balance at the start of the period	Granted during the period as compensation	On exercise of share options	Other changes during the period	Balance at the end of the period
Directors					
Greg Bandy	1,000,000	-	-	(860,000) ¹	140,000
Aaron Bertolatti	375,000	-	-	(72,500) ^{1,2}	302,500
Allan Mulligan	-	-	-	-	-
Justin Tremain	-	-	-	-	-
Rob Mosig	-	-	-	-	-
Jason Bontempo	-	-	-	-	-
	1,375,000	-	-	(932,500)	442,500

¹ The Company's securities were consolidated on a 14:100 basis on 11 June 2021.

² Mr Bertolatti purchased 250,000 shares in the public offer on 11 June 2021.

All equity transactions with key management personnel other than arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

Option holdings of Key Management Personnel

The numbers of options over ordinary shares in the Company held during the financial period by each Director of Future Metals NL, including their personally related parties, are set out below:

	Balance at the start of the period	Granted during the period as compensation	Exercised during the period	Other changes during the period ¹	Balance at the end of the period	Exercisable	Un-exercisable
Directors							
Greg Bandy	6,000,000	-	-	(6,000,000)	-	-	-
Aaron Bertolatti	2,000,000	-	-	(2,000,000)	-	-	-
Allan Mulligan	-	-	-	-	-	-	-
Justin Tremain	-	-	-	-	-	-	-
Rob Mosig	-	-	-	-	-	-	-
Jason Bontempo	2,000,000	-	-	(2,000,000)	-	-	-
	10,000,000	-	-	(10,000,000)	-	-	-

¹ Unlisted options, exercisable at \$0.04, expired unexercised on 31 December 2021.

Performance Rights holdings of Key Management Personnel

The numbers of performance rights over ordinary shares in the Company held during the financial period by each Director of Future Metals NL, including their personally related parties, are set out below:

	Balance at the start of the period	Granted during the year as compensation	Exercised during the period	Other changes during the period	Balance at the end of the period
Directors					
Greg Bandy	-	8,000,000	-	-	8,000,000
Aaron Bertolatti	-	1,000,000	-	-	1,000,000
Allan Mulligan	-	3,000,000	-	-	3,000,000
Justin Tremain	-	8,000,000	-	-	8,000,000
Rob Mosig	-	2,000,000	-	-	2,000,000
Jason Bontempo	-	-	-	-	-
	-	22,000,000	-	-	22,000,000

Each Performance Right is exercisable into one (1) fully paid ordinary share upon and from the date of satisfaction of the relevant vesting condition until the expiry date of 11 June 2024.

Vesting Conditions:

- Class A: the volume-weighted average price over a period of at least 20 consecutive trading days on which trades in the Company's shares are recorded on ASX (20 Day VWAP) being at least \$0.15. This vesting condition was achieved on 20 July 2021.
- Class B: 20 Day VWAP being at least \$0.20. This vesting condition was achieved on 20 July 2021.
- Class C: 20 Day VWAP being at least \$0.25.

Performance Rights Affecting Remuneration

The terms and conditions of Performance Rights affecting remuneration in the current or future reporting years are as follows:

	Grant Date	Grant Number	Expiry date/last exercise date	Exercise price per performance rights	Value of performance rights at grant date ¹	Number of performance rights vested	Vested %
Greg Bandy	11-06-2021	8,000,000	11-06-2024	-	650,667	-	-
Aaron Bertolatti	11-06-2021	1,000,000	11-06-2024	-	81,333	-	-
Allan Mulligan	11-06-2021	3,000,000	11-06-2024	-	244,000	-	-
Justin Tremain	11-06-2021	8,000,000	11-06-2024	-	650,667	-	-
Rob Mosig	11-06-2021	2,000,000	11-06-2024	-	162,667	-	-
		22,000,000		-	1,789,334	-	-

¹The value at grant date has been calculated in accordance with AASB 2 Share-based payments.

Vesting Conditions:

- Class A: the volume-weighted average price over a period of at least 20 consecutive trading days on which trades in the Company's shares are recorded on ASX (20 Day VWAP) being at least \$0.15. This vesting condition was achieved on 20 July 2021.
- Class B: 20 Day VWAP being at least \$0.20. This vesting condition was achieved on 20 July 2021.
- Class C: 20 Day VWAP being at least \$0.25.

Service Agreements

Executive Services Agreement - Greg Bandy

The Company has a service agreement with Greg Bandy. The key terms are summarised as follows:

- i. Employment commencing 1 December 2013 until the agreement is validly terminated in accordance with its terms;
- ii. The Company may terminate the employment by giving 12 months written notice if Mr. Bandy becomes incapacitated by illness or injury or becomes of unsound mind;
- iii. The Company may terminate the employment by giving 1 month written notice if Mr. Bandy commits any serious or persistent breach of any of the provisions in the agreement and the breach is not remedied within 21 days of the receipt of written notice from the Company to do so;
- iv. The Company may terminate the employment without reason by providing 12 months written notice;
- v. Mr. Bandy may terminate the employment by providing 6 months written notice to the Company;
- vi. On termination of the employment, Mr. Bandy is entitled to payment of any accrued annual leave entitlements; and
- vii. A salary of \$180,000 per year effective 28 November 2013 on a Total Employment Cost basis and to be reviewed annually.

Executive's Service Agreement - Aaron Bertolatti

The Company has a service agreement with 1918 Consulting Pty Ltd, an entity controlled by Aaron Bertolatti, on the following terms and conditions:

- i. Fee: \$5,000 (plus GST) per month.
- ii. Services: CFO/Company secretarial services.
- iii. Term: The agreement continues until validly terminated in accordance with its terms.
- iv. Termination and notice: The Company must give 3 months' notice to terminate this agreement other than for cause. 1918 Consulting Pty Ltd must give 3 months' notice to terminate the agreement.

Non-Executive Directors

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board's policies and terms, including compensation, relevant to the Director. The engagements will continue until validly terminated in accordance with their terms, including where the Director is not re-elected by Shareholders at a meeting where they are required to seek re-election.

Other transactions with key management personnel

Edwards Mac Scovell, a law firm of which Greg Bandy's spouse is a partner, received professional service fees of \$246,566 during the period ended 30 June 2021. \$163,000 was outstanding at the period end.

Loans to Directors and Executives

There were no loans to Directors and executives during the financial period ended 30 June 2021.

Voting and comments made at the Company's 2020 Annual General Meeting ("AGM")

Future Metals NL received 96.6% of "yes" votes on its remuneration report for the 2020 financial year. The Company did not receive any specific feedback at the AGM or throughout the period on its remuneration practices.

END OF AUDITED REMUNERATION REPORT

Signed on behalf of the Board in accordance with a resolution of the Directors.



Greg Bandy
Executive Chairman

Perth, Western Australia
29 September 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the period ended 30 June 2021

	Note	30-Jun-21 \$
Continuing Operations		
Interest received		820
Employee and Director benefits expense		(20,812)
Professional and Consultants		(142,686)
ASX and AIM and share registry fees		(33,660)
Travel expenditure		(12,063)
Listing expense	12	(4,064,281)
Share based payment expense	18	(1,789,333)
Amortisation/depreciation expense		(5,936)
Unrealised Foreign exchange gain/(loss)		2,229
Other expenses		(241,734)
Loss before income tax		(6,307,456)
Income tax expense	3	-
Loss after income tax		(6,307,456)
Other comprehensive loss		
Items that may be reclassified to profit or loss		
Other comprehensive income/(loss)		-
Other comprehensive income/(loss) for the period net of tax		-
Total comprehensive loss for the period		(6,307,456)
Loss per share for the period attributable to the members of Future Metals NL		
Basic and diluted loss per share (cents)	17	(4.10)

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 2021

	Note	30-Jun-21 \$
Current Assets		
Cash and cash equivalents	4	9,555,684
Trade and other receivables	5	175,840
Total Current Assets		9,731,524
Non-Current Assets		
Right of Use Assets	6 (a)	83,101
Deferred Exploration & Evaluation Expenditure	7	17,020,143
Total Non-Current Assets		17,103,244
Total Assets		26,834,768
Current Liabilities		
Trade and other payables	8	2,029,502
Lease Liabilities	6 (b)	72,404
Total Current Liabilities		2,101,906
Non-Current Liabilities		
Lease Liabilities	6 (b)	12,421
Total Non-Current Liabilities		12,421
Total Liabilities		2,114,327
Net Assets		24,720,441
Equity		
Issued capital	9	29,238,564
Reserves	10	1,789,333
Accumulated losses	11	(6,307,456)
Total Equity		24,720,441

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the period ended 30 June 2021

	Issued capital \$	Accumulated losses \$	Share based payments reserve \$	Total \$
Balance at 12 November 2020	-	-	-	-
Total comprehensive loss for the period				
Loss for the period	-	(6,307,456)	-	(6,307,456)
Other Comprehensive loss	-	-	-	-
Total comprehensive loss for the period	-	(6,307,456)	-	(6,307,456)
Transactions with owners in their capacity as owners				
Shares issued during the period	30,854,125	-	-	30,854,125
Cost of issue	(1,615,561)	-	-	(1,615,561)
Share based payment (note 18)	-	-	1,789,333	1,789,333
Balance at 30 June 2021	29,238,564	(6,307,456)	1,789,333	24,720,441

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

for the period ended 30 June 2021

	Note	30-Jun-21 \$
Cash flows from operating activities		
Payments to suppliers and employees		(518,124)
Interest received		820
Net cash used in operating activities	4	(517,304)
Cash flows from investing activities		
Payments for exploration and evaluation	7	(15,366,563)
Proceeds from acquisition of Future Metals NL		3,555,086
Net cash used in investing activities		(11,811,477)
Cash flows from financing activities		
Proceeds from issue of shares		23,500,026
Payments for share issue costs		(1,615,561)
Net cash provided by financing activities		21,884,465
Net increase in cash and cash equivalents		9,555,684
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at the end of the period	4	9,555,684

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. Corporate Information

The financial report of Future Metals NL ("Future Metals" or "the Company") for the period ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 29 September 2021. The nature of the operations and the principal activities of the Company are described in the Directors' Report.

2. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

(a) Basis of Preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Future Metals NL is a for-profit entity for the purpose of preparing the financial statements. Future Metals NL is a listed public company, incorporated and domiciled in Australia. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions.

The financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated. The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Reverse acquisition

On 11 June 2021, Future Metals issued 175,000,000 shares and 87,500,000 unlisted options to acquire 100% of Great Northern Palladium Pty Ltd ("GNP"). The transaction between Future Metals and GNP is treated as a reverse acquisition. As such, the assets and liabilities of the legal subsidiary (the accounting acquirer), being GNP, are measured at their pre-combination carrying amounts. Accordingly, the consolidated financial statements of Future Metals have been prepared as a continuation of the financial statements of GNP from 11 June 2021. GNP was incorporated on 12 November 2020 and hence the reporting period is from incorporation to 30 June 2021. As this is the first financial report, no comparatives have been included.

The impact of the reverse acquisition on each of the primary statements is as follows:

- The consolidated statement of profit or loss and other comprehensive income:
 - for the period to 30 June 2021 comprises approximately 8 months of GNP (incorporation to 30 June 2021) and the period from 11 June 2021 to 30 June 2021 of Future Metals; and
- The consolidated statement of financial position:
 - as at 30 June 2021 represents both Future Metals and GNP as at that date; and
- The consolidated statement of changes in equity:
 - for the period ended 30 June 2021 comprises GNP's opening equity position at 12 November 2020, its loss for the period and transactions with equity holders for approximately 8 months. It also comprises Future Metals's transactions within equity from 11 June 2021 to 30 June 2021 and the equity value of GNP and Future Metals at 30 June 2021. The number of shares on issue at the period end represent those of Future Metals only.
- The consolidated statement of cash flows:
 - For the period ended 30 June 2021 comprises:
 - the cash balance of GNP as at 12 November 2020;
 - the cash transactions for approximately 8 months (8 months of GNP and the period from 11 June 2021 to 30 June 2021 of Future Metals); and
 - the cash balances of GNP and Future Metals at 30 June 2021.

Going concern

The financial statements have been approved by the Directors on a going concern basis. In determining the appropriateness of the basis of preparation, the Directors have considered the impact of the COVID-19 pandemic on the position of the Group at 30 June 2021 and its operations in future periods.

(b) Principles of consolidationSubsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Future Metals NL as at 30 June 2021 and the results of all subsidiaries for the period then ended. Future Metals NL and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity. Subsidiaries are all those entities (including special structured entities) over which the Group controls. 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 acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction proves 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. Subsidiaries are accounted for in the parent entity financial statements at cost.

(c) Income Tax

The income tax expense (revenue) for the period comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the reporting date.

Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in the deferred tax asset and deferred tax liability balances during the period as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(d) Exploration and Evaluation Expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the area of interest method which is based on the successful efforts method of accounting for mineral exploration and evaluation expenditure. This approach is strongly linked to the Group's mineral resources determination and reporting process and is considered to most fairly reflect the results of the Group's exploration and evaluation activity because only assets with demonstrable value are carried on the statement of financial position.

Accumulated costs in relation to an abandoned area are written off in full against loss in the period in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(e) 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 Company has elected not to recognise a right of use asset and corresponding lease liability for short term leases with terms of twelve months or less and leases of low value assets. Lease payments on these assets are expensed to the profit or loss as incurred.

(f) 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.

(g) Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current. A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(h) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(i) Earnings/(loss) per share
i. Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(j) Cash and Cash Equivalents

For the statement of cash flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in rate and bank overdrafts.

(k) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income. 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.

(l) Foreign currency translation
Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Future Metals NL's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity when they are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss on translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(m) Parent entity information

The financial information for the parent entity, Future Metals NL, disclosed in note 23 has been prepared on the same basis as the consolidated financial statements.

(n) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days of recognition.

(o) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as an interest expense.

(p) Revenue Recognition

Interest income is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting. All revenue is stated net of the amount of goods and services tax (GST).

(q) Financial instruments
Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transaction costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- the contractual cash flow characteristics of the financial assets; and
- the entities' business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss. All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(r) Critical accounting estimates and judgments

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 will, by definition, seldom equal the related actual results.

Asset acquisition not constituting a Business

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

In determining when an acquisition is determined to be an asset acquisition and not a business, significant judgement is required to assess whether the assets acquired constitute a business in accordance with AASB 3. Under AASB 3 a business is an integrated set of activities and assets that is capable of being conducted or managed for the purpose of providing a return, and consists of inputs and processes, which when applied to those inputs has the ability to create outputs.

Recoverability of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Share-based payment transactions

The Group measures the cost of equity-settled transactions and cash-settled share-based payments with employees and third parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value at the grant date is determined using the Black and Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted and the assumptions detailed in note 18.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(s) New or amended Accounting Standards and Interpretations adopted

The Group 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. The following Accounting Standards and Interpretations are most relevant to the Group:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Group has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

2021
\$

3. Income Tax
(a) Income tax expense

Major component of tax expense for the period:

Current tax	-
Deferred tax	-
	-

(b) Numerical reconciliation between aggregate tax expense recognised in the Statement of Profit or Loss and Other Comprehensive Income and tax expense calculated per the statutory income tax rate

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable tax rate is as follows:

Loss from continuing operations before income tax expense	(6,307,456)
Tax at the Australian rate of 30%	(1,892,237)
Tax effect of amounts not deductible in calculating taxable income:	
Income and expenditure that is either not assessable or deductible in determining taxable profit	1,832,244
Current period tax losses not recognised	206,643
Movement in unrecognised temporary differences	(146,650)
Income tax expense	-

(c) Deferred tax Liabilities

Timing differences	(2,220,353)
Off set of deferred tax assets	2,220,353
Net deferred tax liabilities	-

2021
\$

(d) Deferred tax assets arising on timing

Tax revenue losses	3,601,592
Tax capital losses	156,214
Deductable temporary differences	162,902
	3,920,708
Off set of deferred tax liabilities	(2,220,353)
Net deferred tax assets not brought to account	1,700,355

No deferred tax assets have been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

The benefit for tax losses will only be obtained if:

- the Company derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; and
- the Company continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and
- no changes in tax legislation in Australia adversely affect the Company in realising the benefit from the deductions for the losses.

At 30 June 2021, there is no recognised or unrecognised deferred income tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries as the Group has no liability for additional taxation should such amounts be remitted.

2021
\$

4. Cash and Cash Equivalents
Reconciliation of cash

Cash comprises of:

Cash at bank

9,555,684
Reconciliation of operating loss after tax to net cash flow from operations

Loss after tax	(6,307,456)
<i>Non-cash items</i>	
Other	63
Share based payments	1,789,333
Listing expense	4,064,281
<i>Change in assets and liabilities</i>	
(Increase)/decrease in trade, other receivables and other assets	(124,649)
Increase/(decrease) in trade and other payables	61,124
Net cash flow used in operating activities	(517,304)

5. Trade and other receivables

GST receivable	155,301
Trade and other receivables	20,539
	175,840

Debtors, other receivables and GST receivable are non-interest bearing and generally receivable on 30-day terms. They are neither past due nor impaired. The amount is fully collectible. Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

2021
\$

6. a) Right of Use Assets

Opening balance	-
Additions - office lease	142,462
Accumulated amortisation	(59,361)
Closing balance	83,101

b) Lease Liabilities

Opening balance	-
Additional liability recognised for new lease	142,462
Repayment	(62,500)
Interest	4,863
Closing balance	84,825
Current	72,404
Non- Current	12,421
	84,825

7. Deferred Exploration & Evaluation Expenditure

Opening balance	-
Acquisition of exploration tenements ¹	15,000,000
Estimated stamp duty payable ²	1,653,580
Exploration and evaluation expenditure incurred during the period	366,563
Closing balance	17,020,143

¹ On 6 December 2020, Great Northern Palladium Pty Ltd executed a Share Sale and Purchase Agreement with Panoramic Resources Limited to acquire the legal and beneficial interest in the issued capital of Panton Sill Pty Ltd ("Panton Sill"). Panton Sill is the sole legal and beneficial owner of Tenements M80/103, M80/104 and M80/105 in Western Australia.

² Estimated stamp duty payable following the acquisition of tenements M80/103, M80/104 and M80/105.

The ultimate recoupment of any costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective lease areas. The ultimate recoupment of costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective lease areas.

8. Trade and other payables

Trade payables	156,046
Other payables	6,247
Estimated stamp duty payable (refer to note 7)	1,653,580
Accruals	213,629
	2,029,502

Trade creditors and other creditors are non-interest bearing and generally payable on 30-day terms. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

2021
\$

9. Issued Capital
(a) Issued and paid up capital

Issued and fully paid

29,238,564
(b) Movements in ordinary shares on issue

	2021	
	Number of shares	\$
Opening Balance	-	-
Shares issued by Great Northern Palladium	17,500,000	13,500,026
Elimination of shares in Great Northern Palladium	(17,500,000)	-
Existing issued capital of Future Metals	525,292,776	-
Future Metals share consolidation on a 14:100 basis	(451,751,592)	-
Shares issued to acquire Great Northern Palladium (note 12)	175,000,000	7,354,099
Shares issued via public offer	100,000,000	10,000,000
Transaction costs on share issue	-	(1,615,561)
Closing Balance	348,541,184	29,238,564

(c) Ordinary shares

The Company does not have authorised capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Company.

(d) Capital risk management

The Company's capital comprises share capital and reserves less accumulated losses amounting to net equity of \$24,720,441 at 30 June 2021. The Company manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. The Company was ungeared at period end and not subject to any externally imposed capital requirements. Refer to note 16 for further information on the Company's financial risk management policies.

(e) Share Options

As at the date of this report, there were 88,340,001 unissued ordinary shares under options and 22,000,000 unissued ordinary shares under performance rights. Details are as follows:

Number	Type	Exercise Price	Expiry Date
840,001	Unlisted options	\$0.357	15 January 2022
87,500,000	Unlisted options	\$0.10	11 June 2024
22,000,000	Performance Rights	-	11 June 2024

No option holder or performance rights holder has any right to participate in any other share issue of the Company or any other entity. 26,000,000 options expired unexercised during the financial period. No options were exercised during or since the period ended 30 June 2021. No performance rights expired during the financial period. No performance rights were converted during or since the period ended 30 June 2021.

2021
\$

10. Reserves
Share based payments reserve

Opening balance

Movements during the period

Closing balance

 -
1,789,333
1,789,333

Notes to the Consolidated Financial Statements for the period to 30 June 2021

The share based payments reserve is used to record the value of equity benefits provided to Directors and executives as part of their remuneration and non-employees for their goods and services and to record the premium paid on the issue of unlisted options. Refer to note 18 for further details of the securities issued during the period ended 30 June 2021.

2021
\$

11. Accumulated losses

Movements in accumulated losses were as follows:

Opening balance	-
Loss for the period	(6,307,456)
Closing balance	(6,307,456)

12. Asset Acquisition

On 11 June 2021, Future Metals issued 175,000,000 shares and 87,500,000 unlisted options to acquire 100% of Great Northern Palladium Pty Ltd ("GNP"). The transaction between Future Metals and GNP is treated as a reverse acquisition. Details of the net assets acquired, purchase consideration and listing expense are as follows:

Net assets acquired:

Cash and cash equivalents of Future Metals NL prior to the acquisition	3,555,086
Trade and other receivables	51,191
Right of use assets	89,038
Trade and other payables	(314,799)
Lease liabilities	(90,698)

Adjusted net assets of Future Metals acquired

Fair value of consideration	7,354,099
Less total net assets acquired on acquisition	(3,289,818)

Amount recognised as ASX listing expense upon acquisition

4,064,281

13. Auditor's Remuneration

The auditor of Future Metals NL is BDO Audit (WA) Pty Ltd

Amounts received or due and receivable for:

- an audit or review of the financial report	40,500
Other services:	
- Preparation of Independent Limited Assurance Report	15,000
	55,500

14. Key Management Personnel Disclosures

(a) Remuneration of Key Management Personnel

Details of the nature and amount of each element of the emolument of each Director and Executive of the Company for the financial period are as follows:

Short term employee benefits	286,500
Long term employee benefits	20,250
Share based payments	1,789,334
Total remuneration	2,096,084¹

¹ Remuneration of Key Management Personnel includes all entities within the Group during the reporting period.

(b) Other transactions with key management personnel

Edwards Mac Scovell, a law firm of which Greg Bandy's spouse is a partner, received professional service fees of \$246,566 during the period ended 30 June 2021. \$163,000 was outstanding at the period end.

Transactions with key management personnel were made at arm's length at normal market prices and normal commercial terms. There were no other transactions with key management personnel for the period ended 30 June 2021.

(c) Loans to/from related parties

There were no amounts or loans made or outstanding to the Directors of Future Metals and other key management personnel of the Group, including their personally related parties.

15. Related party disclosures
(a) Key management personnel

For Director related party transactions please refer to Note 14 "Key management personnel disclosures".

(b) Subsidiaries

The consolidated financial statements include the financial statements of Future Metals NL and the subsidiaries listed in the following table:

Name of Entity	Country of Incorporation	Equity Holding
Future Metals NL	Australia	
Vianista Pty Ltd	Australia	100%
Great Northern Palladium Pty Ltd	Australia	100%
Panton Sill Pty Ltd	Australia	100%

16. Financial Risk Management

The Group's activities expose it to a variety of financial risks including interest rate risk, price risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments; however the Group uses different methods to measure different types of risk to which it is exposed.

These methods include sensitivity analysis in the case of interest rate and other price risks and aging analysis for credit risk. Risk management is carried out by the Board of Directors with assistance from suitably qualified external and internal advisors. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Group.

(a) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As at the reporting date the Group had sufficient cash reserves to meet its requirements. The Group therefore had no credit standby facilities or arrangements for further funding in place.

The financial liabilities of the Group at the reporting date were trade payables incurred in the normal course of business. These were non-interest bearing and were due within the normal 30-60 days terms of creditor payments. The Group does not consider this to be material to the Group and have therefore not undertaken any further analysis of risk exposure.

(b) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. The Company's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash. The Company manages the risk by investing in short term deposits.

Interest rate sensitivity

The following table demonstrates the sensitivity of the Company's Statement of Profit or Loss and Other Comprehensive Income to a reasonably possible change in interest rates, with all other variables constant.

Change in Basis Points	Effect on Post Tax Loss (\$) Increase/(Decrease)	Effect on Equity including retained earnings (\$) Increase/(Decrease)
Increase 75 basis points	71,668	71,668
Decrease 75 basis points	(71,668)	(71,668)

Notes to the Consolidated Financial Statements for the period to 30 June 2021

A sensitivity of 75 basis points has been used as this is considered reasonable given the current level of both short term and long-term Australian Dollar interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends.

(c) Credit Risk Exposures

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis. The Group does not have any significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk without taking account of the fair value of any collateral or other security obtained.

	2021 \$
Cash and cash equivalents AA-	9,555,684

(d) Capital Risk Management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's capital includes ordinary share capital, partly paid shares and financial liabilities, supported by financial assets.

The Group's capital includes mainly ordinary share capital and financial liabilities supported by financial assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The net working capital position of the Company at 30 June 2021 was \$7,629,618. The Group currently has \$9,555,684 of cash and cash equivalents and no debt.

17. Loss per Share

Basic loss per share amount is calculated by dividing net loss for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. The following reflects the loss and share data used in the total operations basic and diluted earnings per share computations:

	2021 \$
Loss used in calculating basic and dilutive EPS	(6,307,456)
	Number of Shares
Weighted average number of ordinary shares used in calculating basic loss per share:	153,962,327

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements. As the Company is loss making, there is no diluted EPS calculated.

18. Share based payments

Employee and Director share based payments

The fair value at grant date of performance rights granted during the prior reporting period was determined using a hybrid up-and-in single share price barrier model that takes into account the exercise price, the term of the performance right, the share price at grant date, the expected price volatility of the underlying share and the risk-free interest rate for the term of the performance right. The table below summarises performance rights granted during the period ended 30 June 2021:

Grant date	Expiry date	Exercise price	Balance at start of the period	Granted during the period	Exercised during the period	Expired during the period	Balance at end of the period	Exercisable at end of the period
11-06-2021	11-06-2024	-	-	22,000,000	-	-	22,000,000	- ¹
			-	22,000,000	-	-	22,000,000	-

¹ Each Performance Right is exercisable into one (1) fully paid ordinary share upon and from the date of satisfaction of the relevant vesting condition until the expiry date of 11 June 2024.

Vesting Conditions:

- Class A: the volume-weighted average price over a period of at least 20 consecutive trading days on which trades in the Company's shares are recorded on ASX (20 Day VWAP) being at least \$0.15. This vesting condition was achieved on 20 July 2021.
- Class B: 20 Day VWAP being at least \$0.20. This vesting condition was achieved on 20 July 2021.
- Class C: 20 Day VWAP being at least \$0.25.

The expense recognised in respect of the above performance rights was \$1,789,333 which represents the fair value of the performance rights. The value per performance right for each Class was as follows:

- Class A - \$0.088
- Class B - \$0.081
- Class C - \$0.075

The model inputs, not included in the table above, for performance rights granted during the period ended 30 June 2021 included:

- performance rights were issued for nil consideration;
- expected lives of the performance rights was 3 years;
- share price at grant date of \$0.10;
- expected volatility of 100%;
- share price barrier ranging from \$0.15 to \$0.25;
- expected dividend yield of nil; and
- a risk-free interest rate of 0.10%.

19. Commitments

In order to maintain an interest in the exploration tenements in which the Group is involved, the Group is committed to meet the conditions under which the tenements were granted. The timing and amount of exploration expenditure commitments and obligations of the Group are subject to the minimum expenditure commitments required as per the Mining Act, as amended, and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest.

These obligations are not provided for in the financial report and are payable. The annual minimum expenditure commitment on the Group's tenements is \$226,000.

20. Dividends

No dividend was paid or declared by the Company in the period ended 30 June 2021 or the period since the end of the financial period and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend for the financial period ended 30 June 2021.

21. Contingent assets and liabilities

There are two historical royalty holders pursuant to agreements entered into by former owners of the Panton PGM Project unrelated to Future Metals or GNP. A 0.5% net smelter return royalty is payable to Elemental Royalties Australia Pty Ltd in respect of any future production of chrome, cobalt, copper, gold, iridium, palladium, platinum, nickel, rhodium and ruthenium and a 2% net smelter return royalty is payable to Maverix Metals (Australia) Pty Ltd on any PGMs produced from the mining licences.

There are no known contingent assets or liabilities as at 30 June 2021.

22. Events Occurring after the Reporting Period

On 20 July 2021, the Company advised that, in accordance with the terms of the Company's Performance Rights Plan and the issues of Performance Rights approved by shareholders at the Company's General Meeting held on 4 June 2021, 7,333,331 Class A Performance Rights and 7,333,334 Class B Performance Rights had vested having met the applicable vesting criteria.

There have been no other significant events after the end of the financial period to the date of this report.

23. Parent Entity Information

The following details information related to the parent entity, Future Metals NL, at 30 June 2021. The information presented here has been prepared using consistent accounting policies as presented in Note 2.

	2021 \$
Current assets	9,687,912
Total assets	13,666,277
Current liabilities	(1,233,691)
Total liabilities	(1,246,112)
Net assets	12,420,165
Issued capital	71,211,451
Reserves	6,804,304
Accumulated losses	(65,595,590)
	12,420,165
Loss of the parent entity	(2,058,986)
Other comprehensive income for the period	-
Total comprehensive loss of the parent entity	(2,058,986)

In accordance with a resolution of the Directors of Future Metals NL, I state that:

1. In the opinion of the Directors:

- a) the financial statements and notes of Future Metals NL for the period ended 30 June 2021 are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the Company's consolidated financial position as at 30 June 2021 and of its performance for the period ended on that date; and
 - ii. complying with Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(a).

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. This declaration has been made after receiving the declarations required to be made by the Directors in accordance with sections of 295A of the Corporations Act 2001 for the financial period ended 30 June 2021.

On behalf of the Board



Greg Bandy
Executive Chairman

Perth, Western Australia
29 September 2021

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF FUTURE METALS NL

As lead auditor of Future Metals NL for the period ended 30 June 2021, 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 Future Metals NL and the entities it controlled during the period.



Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 29 September 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Future Metals NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Future Metals NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, 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 period then ended, and notes to the financial report, including a summary of significant accounting policies 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 30 June 2021 and of its financial performance for the period 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.

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.

Reverse asset acquisition accounting

Key audit matter	How the matter was addressed in our audit
<p>During the reporting period, Future Metals NL acquired 100% of the shares of Great Northern Palladium Pty Ltd as disclosed within Note 2(a) and 12.</p> <p>There is a significant level of judgement involved in determining whether the acquisition meets the definition of a business combination or an asset acquisition in accordance with the accounting standards.</p> <p>Judgement is also involved in determining whether the acquisition constitutes a reverse acquisition.</p> <p>As a result, we have determined that this is a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the transaction, including an assessment of the accounting acquirer and whether the transaction constituted a business combination or asset acquisition; • Reviewing management's assessment of the accounting for the reverse acquisition as an asset acquisition; • Reviewing the valuation of the consideration transferred, being shares and options; • Reviewing the assets and liabilities acquired and agreeing material balances to supporting documentation; • Reviewing the accounting treatment applied with reference to AASB 2 Share Based Payment; and • Assessing the adequacy of the related disclosure in Note 2(a) and 12

Carrying value of deferred exploration and evaluation expenditure

Key audit matter	How the matter was addressed in our audit
<p>At 30 June 2021 the Group held a significant asset being capitalised exploration and evaluation expenditure as disclosed in Note 2(d) and 7.</p> <p>As the carrying value of these exploration and evaluation assets represent a significant asset of the Group, 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.</p> <p>Judgement is applied in determining whether there are any indications of impairment of exploration expenditure in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining a schedule of the exploration and evaluation expenditure held by the Company and assessing whether the rights to tenure of the Panton Sill Project remained current at reporting date; • Considering the status of the ongoing exploration programmes at the Panton Sill Project by holding discussions with management, and reviewing the Company's exploration budgets, ASX announcements and director's minutes; • Considering whether the Panton Sill Project has reached a stage where a reasonable assessment of the economically recoverable reserves exist; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 2(d) and 7.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the period ended 30 June 2021, 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 pages 9 to 14 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Future Metals NL, for the year ended 30 June 2021, 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

A handwritten signature in black ink, appearing to read 'Dean Just', written over a faint, stylized 'BDO' watermark.

Dean Just

Director

Perth, 29 September 2021

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 15 September 2021.

Distribution of Share Holders

	Ordinary Shares		
	Number of Holders	Number of Shares	%
1 - 1,000	272	107,673	0.03
1,001 - 5,000	413	1,106,927	0.32
5,001 - 10,000	168	1,276,607	0.37
10,001 - 100,000	689	28,463,840	8.17
100,001 - and over	318	317,586,137	91.11
TOTAL	1,860	348,541,184	100.00

There were 459 holders of ordinary shares holding less than a marketable parcel.

Top Twenty Share Holders

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

Name	Number of shares	%
DUBAI 2020 LIMITED	15,000,000	4.30
SURF COAST CAPITAL PTY LTD <MINNIE P/F A/C>	13,740,000	3.94
BENNELONG RESOURCE CAPITAL PTY LTD	7,500,000	2.15
CYGNUS 1 NOMINEES PTY LTD <CYGNUS A/C>	7,500,000	2.15
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	7,025,200	2.02
EXCHANGE MINERALS LIMITED	6,280,000	1.80
BATH RESOURCES PTY LTD	6,249,375	1.79
CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	6,000,000	1.72
HARLIN PTY LTD <DOUGLAS SUPERANNUATION A/C>	5,909,874	1.70
BARCLAY WELLS LTD <NOMINEE A/C>	5,850,000	1.68
HSBC CUSTODY NOMINEES (UK) LIMITED	5,539,171	1.59
ZERO NOMINEES PTY LTD	5,500,000	1.58
DR SALIM CASSIM	5,400,000	1.55
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED	5,037,614	1.45
AEE GOLD AG	5,000,000	1.43
GOLDFIRE ENTERPRISES PTY LTD	5,000,000	1.43
BARCLAYS DIRECT INVESTING NOMINEES LIMITED	4,950,334	1.42
GAB SUPERANNUATION FUND PTY LTD <GAB SUPERANNUATION FUND A/C>	4,700,000	1.35
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED	4,536,527	1.30
DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	4,500,000	1.29
METECH SUPER PTY LTD <METECH NO 2 SUPER FUND A/C>	4,500,000	1.29
Total: Top 20 holders	135,718,095	38.93
Total: Remaining Holders	212,823,089	61.07

Substantial Shareholders (>5%)

There are no substantial shareholders

Unquoted Securities

Number	Class	Holders with more than 20%
22,000,000	Performance rights over ordinary shares on or before 11 June 2024	- Justin Tremain <J&S Tremain Family A/C> 8,000,000 performance rights - Gregory J Bandy 8,000,000 performance rights
87,500,000	Options over ordinary shares exercisable at \$0.10 each, on or before 11 June 2024	N/A
840,001	Options over ordinary shares exercisable at \$0.357 each, on or before 15 January 2022	- Brandon Hill Capital Limited 237,504 options - ACN 161 604 315 PTY LTD 266,497 options - Max Capital Pty Ltd 336,000 options

Restricted Securities subject to escrow period

The following securities will be restricted pursuant to the ASX Listing Rules for the periods outlined below.

Security	Restriction Period
Shares	
49,996,000 Shares	24 months from the date of reinstatement to quotation on ASX, being 22 June 2023
Vendor Options	
39,625,000 Vendor Options	12 months from the date of issue, being 11 June 2021
47,875,000 Vendor Options	24 months from the date of reinstatement to quotation on ASX, being 22 June 2023
Performance Rights	
22,000,000 Performance Rights	24 months from the date of reinstatement to quotation on ASX, being 22 June 2023

On-Market Buy Back

There is no current on-market buy back.

Voting Rights

All ordinary shares carry one vote per share without restriction. Options have no voting rights.

Use of Proceeds

In accordance with listing rule 4.10.19, the Company confirms that it has used cash and assets in a form readily convertible to cash in a way consistent with its business objectives during the financial period ended 30 June 2021.

About Panton PGM Project

The Company's 100% owned Panton PGM project is located 60 kilometres north of the town of Halls Creek in the East Kimberly region of Western Australia, a tier one mining jurisdiction. The Project is located on three granted mining licences and situated just 1 kilometre off the Great Northern Highway which accesses the Port of Wyndham (refer to Figure Two).

The Project has a JORC Mineral Resource estimate of 14.32Mt @ 4.89g/t PGM, 0.31g/t Au, 0.27% Ni (refer to Table One).

The Panton mineralisation occurs within a layered, differentiated mafic-ultramafic intrusion referred to as the Panton intrusive which is a 10km long and 3km wide, south-west plunging synclinal intrusion. PGM mineralisation is hosted within two stratiform chromite reefs, the Top and Middle reefs, within the ultramafic sequence.



Figure Two | Panton PGM Project Location

About Platinum Group Metals (PGMs)

PGMs are a group of six precious metals being Platinum (Pt), palladium (Pd), iridium (Ir), osmium (Os), rhodium (Rh), and ruthenium (Ru). Exceptionally rare, they have similar physical and chemical properties and tend to occur, in varying proportions, together in the same geological deposit. The usefulness of PGMs is determined by their unique and specific shared chemical and physical properties.

PGMs have many desirable properties and as such have a wide variety of applications. Most notably, they are used as auto-catalysts (pollution control devices for vehicles), but are also used in jewellery, electronics, hydrogen production / purification and in hydrogen fuel cells. The unique properties of PGMs help convert harmful exhaust pollutant emissions to harmless compounds, improving air quality and thereby enhancing health and wellbeing.

Schedule of Tenements

Project	Location	Tenement No	Area	Interest
Panton PGM Project	Western Australia	M80/103	8.6km ²	100%
	Western Australia	M80/104	5.7km ²	100%
	Western Australia	M80/105	8.3km ²	100%

Competent Person's Statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information compiled by Mr Shane Hibbird, who is a Member of the Australasian Institute of Geoscientists. Mr Hibbird is a consultant of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Mr Hibbird consents to the inclusion in this report of the matters based upon his information in the form and context in which it appears.

References may have been made in this report to certain past ASX announcements, including references regarding exploration results. For full details, refer to the referenced ASX announcement on the said date. The Company confirms that it is not aware of any new information or data that materially affects the information included in these earlier market announcements.

The information in this report which relates to Mineral Resources was stated in the Company's Prospectus dated 18 May 2021. The Company confirms that is not aware of any new information or data that materially affects the information included in the Prospectus relating to Mineral Resources, and that all material assumptions and technical parameters underpinning the Resource Estimate continue to apply and have not materially changed.

The information in this report that relates to Metallurgical Results is based on, and fairly represents, information compiled by Dr Evan Kirby, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy. Dr Kirby is a full-time employee of Metallurgical Management Services (MMS) a specialist metallurgical consultancy and an independent consultant of the Company. Dr Kirby has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Dr Kirby consents to the inclusion in this report of the matters based upon his information in the form and context in which it appears.