



FUTURE
METALS

Interim Financial Report

31 December 2022

ABN 99 124 734 961

future-metals.com.au

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CORPORATE DIRECTORY

<p>Directors and Officers Justin Tremain - Non-Executive Chairman Jardee Kininmonth - Managing Director & Chief Executive Officer Allan Mulligan - Non-Executive Director Robert Mosig - Non-Executive Director Elizabeth Henson - Non-Executive Director Aaron Bertolatti - Finance Director (resigned 31 July 2022)</p> <p>Company Secretary Tom O'Rourke</p> <p>Registered Office Level 1, 33 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 Level 9, Mia Yellagonga Tower 2, 5 Spring Street Perth WA 6000</p> <p>Nominated and Financial Adviser Strand Hanson Limited 26 Mount Row, London, W1K 3SQ, UK</p> <p>Stock Exchanges Australian Securities Exchange (ASX) (Home Exchange: Perth, Western Australia) ASX Code: FME</p> <p>The AIM market of the London Stock Exchange (AIM) AIM 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 half-year ended 31 December 2022.

DIRECTORS

The persons who were directors of Future Metals during the half-year and up to the date of this report (unless stated otherwise) were:

- Justin Tremain – Non-Executive Chairman
- Jardee Kininmonth – Managing Director and Chief Executive Officer
- Allan Mulligan – Non-Executive Director
- Robert Mosig – Non-Executive Director
- Elizabeth Henson – Non-Executive Director
- Aaron Bertolatti – Finance Director (resigned 31 July 2022)

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of the Company during the period were to:

- Undertake development studies and exploration on the Company's 100% owned Panton PGM project in the Kimberley region of Western Australia ("**Panton Project**");
- Evaluate results received from drilling carried out at the Panton Project during the period;
- Progress metallurgical test work programmes on drill hole samples from the Panton Project; and
- Carry out detailed review and logging of all information associated with the Panton Project obtained from prior owners.

REVIEW OF OPERATIONS

Future Metals is an active Australian Platinum Group Metals ("**PGM**") focused company pursuing the development of its 100% owned Panton Project in the Kimberley region of Western Australia, a tier one mining jurisdiction. The Panton Project has had significant drilling and metallurgical work completed on it since 2000. It is host to a JORC Mineral Resource Estimate ("**MRE**") of **6.9Moz PdEq¹ at a grade of 1.66g/t PdEq¹**, including a **high-grade reef of 3.2Moz PdEq¹ at 3.86g/t PdEq¹** (refer Table One).

Since acquiring the project in June 2021, the Company has undertaken additional drilling and completed substantial new metallurgical test work, and is currently progressing a scoping study underpinned by the high grade PGM reef seeking to deliver a future low-capital and high-grade operation. The scoping study is examining two pathways: a concentrate-only scenario where a bulk Ni-PGM concentrate is produced via flotation and sold into the non-ferrous smelting market, and a downstream integrated scenario where a concentrate is processed further using hydrometallurgical methods to produce upgraded PGM and base metals products. In parallel to the study activities on the existing MRE, the Company has developed and proved its Ni-Cu-PGM sulphide exploration model through a significant review of historical data, new geophysical surveys, and exploration drilling. These activities to date have been successful in demonstrating that the Panton Project is not only host to a significant PGM deposit, but also has the potential to host a significant Ni-Cu-PGM sulphide deposit.

Panton Project

The Panton Project is situated on three granted mining licences located just 1km off the Great North Highway which accesses the Port of Wyndham (see Figure One).

The independent JORC Code (2012) MRE for the Panton Project, as announced on 21 June 2022, is set out in Table One.

PGM-Ni mineralisation occurs within a layered, differentiated mafic-ultramafic intrusion referred to as the "**Panton Intrusive**" which is a 12km long and 3km wide, south-west plunging synclinal intrusion. PGM mineralisation is hosted within a series of stratiform chromite reefs as well as a surrounding zone of mineralised dunite within the ultramafic package. The Panton Intrusive is also highly prospective for Ni-Cu-PGM sulphide mineralisation from multiple magmatic events.

Table One | Panton Mineral Resource Estimate (JORC Code 2012)²

Resource	Category	Mass (Mt)	Grade							Contained Metal								
			Pd (g/t)	Pt (g/t)	Au (g/t)	PGM _{3E} (g/t)	Ni (%)	Cu (%)	Co (ppm)	PdEq ² (g/t)	Pd (Koz)	Pt (Koz)	Au (Koz)	PGM _{3E} (Koz)	Ni (kt)	Cu (kt)	Co (kt)	PdEq ² (Koz)
Reef	Indicated	7.9	1.99	1.87	0.31	4.16	0.24	0.07	190	4.39	508	476	78	1,062	19.1	5.2	1.5	1,120
	Inferred	17.6	1.59	1.49	0.22	3.30	0.23	0.07	193	3.63	895	842	123	1,859	41.1	13.1	3.4	2,046
	Subtotal	25.4	1.71	1.61	0.24	3.57	0.24	0.07	192	3.86	1,403	1,318	201	2,922	60.3	18.2	4.9	3,166
Dunite	Inferred	103.4	0.31	0.25	0.07	0.62	0.17	0.03	145	1.12	1,020	825	225	2,069	179.6	30.2	15.0	3,712
	Subtotal	103.4	0.31	0.25	0.07	0.62	0.17	0.03	145	1.12	1,020	825	225	2,069	179.6	30.2	15.0	3,712
All	Indicated	7.9	1.99	1.87	0.31	4.16	0.24	0.07	190	4.39	508	476	78	1,062	19.1	5.2	1.5	1,120
	Inferred	121	0.49	0.43	0.09	1.01	0.18	0.04	152	1.48	1,915	1,667	347	3,929	219.7	43.2	18.4	5,758
	Total	129	0.58	0.52	0.10	1.20	0.19	0.04	154	1.66	2,423	2,143	425	4,991	238.8	48.4	19.9	6,879

Notes:

¹ Please refer to the paragraph below for palladium equivalent (PdEq) calculation.

² No cut-off grade has been applied to reef mineralisation and a cut-off of 0.9g/t PdEq has been applied to the dunite mineralisation.

¹ PGM_{3E} = Palladium (Pd) + Platinum (Pt) + Gold (Au)

² Metal equivalents were calculated according to the follow formulae:

- Reef: PdEq (Palladium Equivalent g/t) = Pd(g/t) + 0.76471 x Pt(g/t) + 0.875 x Au(g/t) + 1.90394 x Ni(%) + 1.38936 x Cu(%) + 8.23 x Co(%)
- Dunite: PdEq (Palladium Equivalent g/t) = Pd(g/t) + 0.76471 x Pt(g/t) + 0.933 x Au(g/t) + 2.03087 x Ni(%) + 1.481990 x Cu(%) + 8.80 x Co(%)



Figure One | Pantan PGM Project Location

Operational Activities

3D Geophysical Modelling and Targeting

Ground gravity surveying, on a nominal 50m x 50m grid, was completed at the end of September 2022, covering the entire Pantan Intrusion within the Pantan mining licenses for an approximate area of 23km². The survey provided a very high-quality gravity data set. The purpose of the gravity survey was to build a 3D interpreted geophysical model of the Pantan Intrusion structure, in conjunction with existing magnetic data. This model was then used to validate the geological model for the Pantan Project and importantly, help define additional drill targets.

The resultant geophysical model confirmed the Company's hypothesis that the Pantan Intrusion has a keel-like geometry (see Figures Two and Three). This is important as the inferred keel position is the most favourable site for significant magmatic Ni-Cu-PGM sulphide-rich mineralisation which had not been previously drill tested. Both the gravity and magnetic models, which are based on completely independent data sets, were consistent with this keel-like architecture.

Gravity modelling also identified a large anomaly to the south, positioned near surface and extending down to approximately 2km in depth, with multiple shoot-like bedrock electromagnetic ("EM") conductors identified in proximity to this anomaly which may represent an important new target for the Pantan Project (see Figure Six: Target 5-1 and Target 5-3).

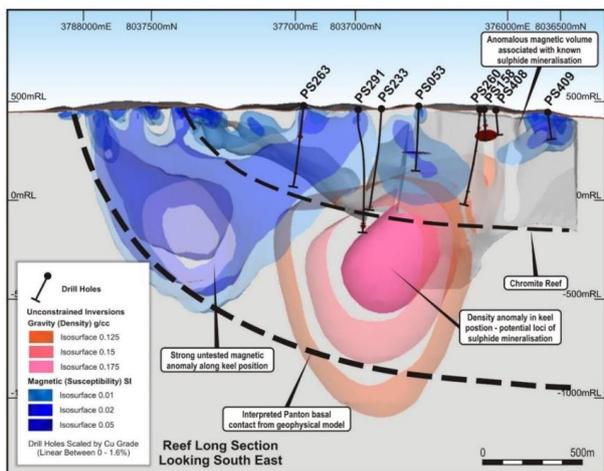


Figure Two | Reef Long Section showing magnetic and gravity anomalies along the Keel Zone encasing and underlying the chromite reef

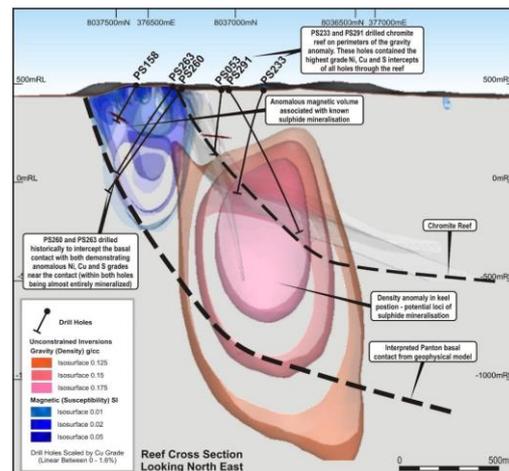


Figure Three | Reef Cross Section showing magnetic and gravity anomalies along the Keel Zone

Drilling Results Interpretation

Drilling was undertaken during the half-year to 31 December 2022 to test targets identified from historical drilling, EM surveys, and gravity and magnetics inversion modelling. The completed drilling successfully demonstrated a distinct and broad Ni-Cu sulphide enriched zone within the Panton Intrusive separate to the high-grade reef and the surrounding bulk mineralisation in the 6.9Moz PdEq¹ MRE.

A total of eight diamond drill holes (PS407-PS414) for approximately 3,275m were completed, testing for the occurrence of magmatic Ni-Cu-PGM sulphide mineralisation. As at the date of this report, the Company had received assay results for seven drill holes (PS407-PS413) with all assay results demonstrating a distinct and broad Ni-Cu sulphide enriched zone within the Panton Intrusive separate to the high-grade reef and the surrounding bulk mineralisation in the MRE.

These broad zones demonstrate the potential for the Panton Intrusion to host multiple styles of mineralisation in addition to the existing PGM resource, including a high-grade Ni-Cu deposit analogous to the nearby Savannah Ni-Cu deposit mined by Panoramic Resources Ltd.



Figure Four | Disseminated sulphide bearing core from hole PS412

Significant Embayment feature 'sulphide trap'

Drill holes PS408-PS410 were drilled adjacent to a potentially significant embayment feature the Company has identified. Embayment features can act as 'sulphide traps', providing a confined localised volume in which sulphide rich magma can settle. This untested embayment feature has been identified along the northwest intrusion contact in multiple datasets, including magnetics and short wave infra-red imagery. A desktop review of the surface expression of this embayment area further indicates that it has been subject to increased weathering which in turn can be an indicator of gossanous material, potentially related to sulphide mineralisation. Historic stream sediments have identified two highly anomalous coincident nickel-copper values on the margin of the interpreted embayment feature ("**BC1**"). The BC1 target represents a strike of approximately 1,000m.

BC1 (refer Figure Five) sits across the tenement boundary between Future Metals' 100% owned Panton mining lease (M80/105) and the Panton North tenement (E80/5455) which is subject to a farm-in and joint venture agreement between the Company and Octava Minerals Limited ("**Octava**") whereby Future Metals can earn up to a 70% interest.

The Company plans to complete ground mapping over the BC1 area during H1 2023 in order to determine the optimal drilling strategy to test the target once the wet season ends.

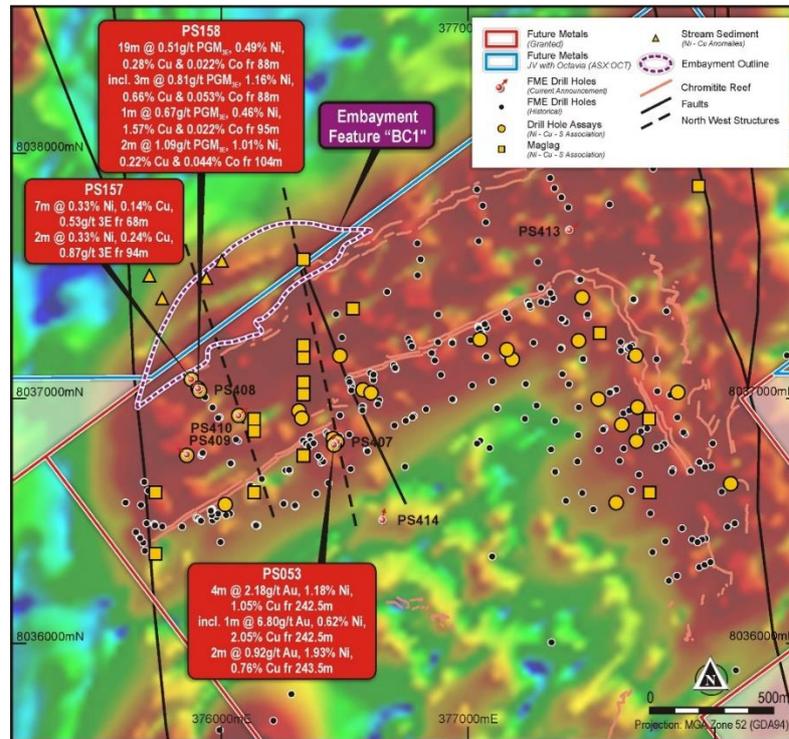


Figure Five | Embayment Feature and Ni-Cu-S anomalism in drilling, maglag and stream sediments
Note the stream sediment Ni-Cu anomalism on the contact

Drill hole PS413 targeted a large magnetic anomaly north-east of drill holes PS408-PS410, which is an interpreted up-plunge portion of the keel position towards surface. Similar to the drilling of holes PS408-PS410, assay results demonstrated highly anomalous sulphide mineralisation over significant intervals. Drill hole PS413 was terminated in the basal contact, which was intersected earlier than expected. This drill hole provided valuable information for building up the structural model of the Panton intrusion at depth.

Drill holes PS411 and PS412 drilled EM conductors in the south of the Panton Project area which were broadly coincident with a large gravity anomaly. Analytical results from both holes demonstrate a strong Ni-Cu-S association, however results were below the minimum reporting thresholds. Both drill holes were proximate to a high-strain shear zone and the sulphide mineralisation is interpreted by the Company to possibly represent structural-hydrothermal remobilisation from an underlying magmatic source. Further review and analysis of the results in the context of magmatic sulphide exploration is underway to determine if further drill testing is warranted.

While the majority of these intersections are not 'ore grade', they do demonstrate a distinctive sulphide population that is anomalous relative to historical drilling along strike in the Lower Zone, which was targeting the same stratigraphic units. Anomalous intersections include:

- 83m @ 0.49 g/t PGM_{3E}, 0.25% Ni, 136ppm Co, 0.04% Cu, 0.24% S from 53m^(PS408)
- 1m @ 0.60 g/t PGM_{3E}, 0.27% Ni, 0.23% Cu, 141ppm Co, 0.42% S from 84m^(PS408)
- 6m @ 0.07 g/t PGM_{3E}, 0.21% Ni, 0.12% Cu, 171ppm Co, 0.55% S from 57m^(PS409)
- 10m @ 0.48 g/t PGM_{3E}, 0.20% Ni, 0.03% Cu, 131ppm Co, 0.62% S from 198m^(PS409)
- 19m @ 0.23 g/t PGM_{3E}, 0.26% Ni, 158ppm Co, 0.09% Cu, 0.34% S from 240m^(PS410)
- 5m @ 0.15 g/t PGM_{3E}, 0.21% Ni, 153ppm Co, 0.08% Cu, 0.48% S from 343m^(PS410)
- 11m @ 0.03 g/t PGM_{3E}, 0.11% Ni, 1,149ppm Co, 0.10% Cu, 0.59% S from 146m^(PS410)
- 1m @ 0.97 g/t PGM_{3E}, 0.25% Ni, 0.30% Cu, 161ppm Co, 0.49% S from 314m^(PS410)
- 53m @ 0.12 g/t PGM_{3E}, 0.18% Ni, 158ppm Co, 0.10% Cu, 0.44% S from 32m^(PS413)

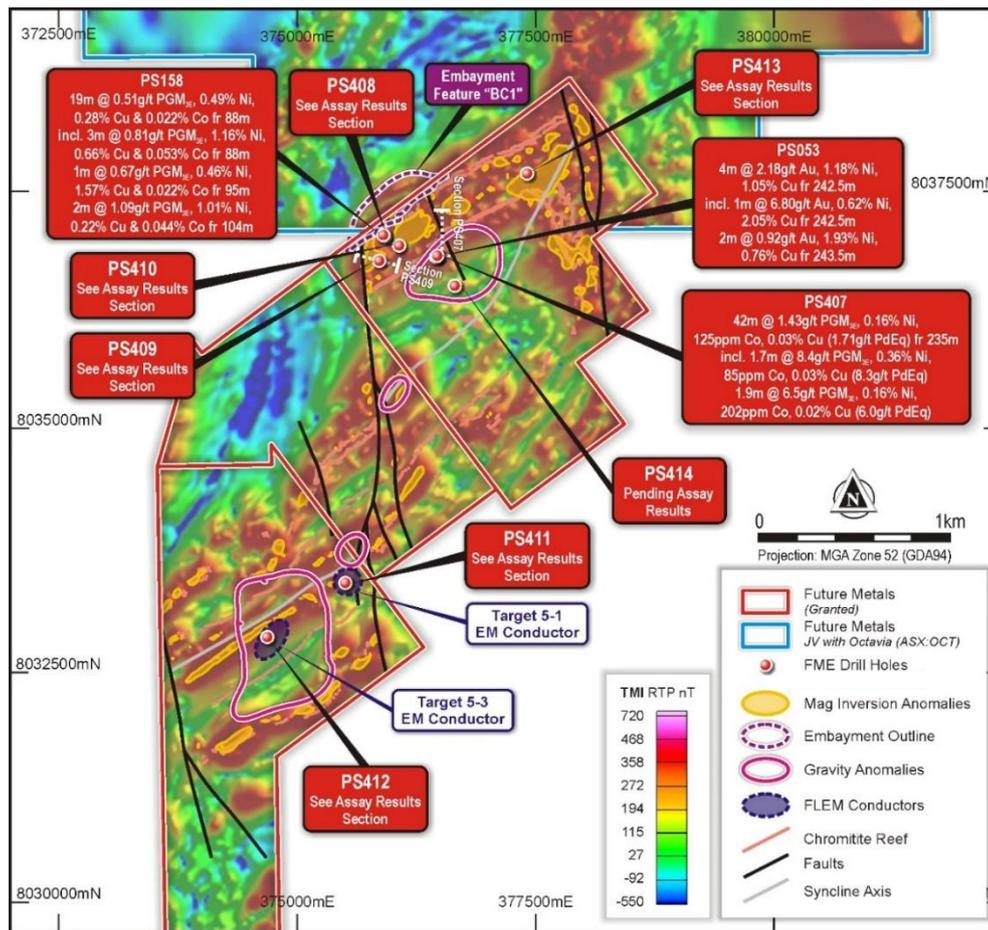


Figure Six | Plan view showing drill holes completed / pending results

Government EIS Grant for deeper drilling

The Company commenced drilling of a deep hole in December 2022 through the northern gravity anomaly, underneath the chromite reef and into the interpreted basal contact or feeder conduit position. This deeper drill hole was completed in January 2023 and is co-funded under the Western Australian State Government's EIS Scheme, which will reimburse the Company for up to A\$220,000 of drilling costs, including mobilisation and demobilisation. Results from this hole were outstanding at the time of this report.

Metallurgical Testwork and Scoping Study Activities

The results of bulk ore sorting and flotation optimisation and repeatability test work were announced on 13 February 2023. The results demonstrated a significant de-risking for the potential future mining and processing of the high-grade reef component of the Panton Project MRE and provided a credible path towards developing a low capital, high margin PGM-Ni operation. The Company is currently progressing a scoping study which will evaluate multiple development scenarios, including the production and sale of a bulk Ni-PGM concentrate and a scenario where the concentrate is further processed using hydrometallurgical technology to produce upgraded PGM and base metals products.



Figure Seven | Project Delivery Strategy

Pre-concentration via Ore Sorting

Options to de-risk and improve the development economics for the Panton Project have been investigated through innovation and recent technological improvements. One such pathway involves the rejection of waste early in the comminution process via ore sorting.

Ore sorting technology has been used in the PGM and chromite mining industry for over ten years. The technology classifies and separates individual rocks by their physical and chemical properties. By removing gangue and low-grade ore, the size of the crushing, milling and flotation equipment can be optimised. Reducing the process plant throughput rate while increasing grade provides direct savings in terms of capital and operating costs. Ore sorting also reduces the impact of dilution allowing for the use of conventional mining equipment, further driving down operating costs. Reductions in mining and process operating costs allows the mining cut-off grade to be optimised and the viable mining inventory to be potentially increased.

Sighter and bulk test work has been completed with Steinert Sorting Solutions ("**Steinert**"). The sighter test work involved a three-stage separation process applied to a mixed feed of chromitite, magnesite and dunite. Greater than 95% chromitite recovery was achieved during the first pass, using an x-ray transmission ("**XRT**") 3D-laser combination sort programme, due to the chromitite being substantially higher in atomic density. 100% of the magnesite was recovered during the second pass, using both an XRT-3D combination (due to the lower atomic density of magnesite) and laser brightness (due to the high colour contrast between magnesite and the other materials).

Following the success of the sighter test work, a bulk test was also completed. The bulk test work involved compositing separate chromitite and dunite samples to replicate the expected feed mix from a mine stope. The chromitite and dunite were crushed and screened into three size fractions; +25mm, +10mm, and -10mm. Each of these size fractions were assayed prior to preparation of two composites; -75mm to +25mm and -25mm to +10mm, which were processed using the same XRT 3D-laser combination sort programme used in the sighter test work. The fine -10 mm fraction is considered to be below the capability of the ore sorting units and was not tested.

The bulk ore sort test work validated the sighter test work on multiple size fractions, demonstrating 96.7% recovery of high-grade ore and rejection of low-grade and waste, increasing the PGM grade of the potential mill feed by 10.7% and reducing the throughput volume by 12.7%. This represents a very positive result early on in the test work process.

Table Two | Bulk Ore Sorting Test Results

Ore Sorting Products	Weight (%)	Pt		Pd		Au		Pt, Pd & Au	
		g/t	Recovery (%)	g/t	Recovery (%)	g/t	Recovery (%)	g/t	Recovery (%)
Calculated Head Grade (Ore Sorter Feed)		3.49		4.00		0.38		7.87	
Total Ore Sorter Accepts	87.3	3.88	96.9	4.44	96.8	0.40	92.5	8.72	96.7
Total Ore Sorter Rejects	12.7	0.85	3.09	1.00	3.18	0.22	7.5	1.86	3.4

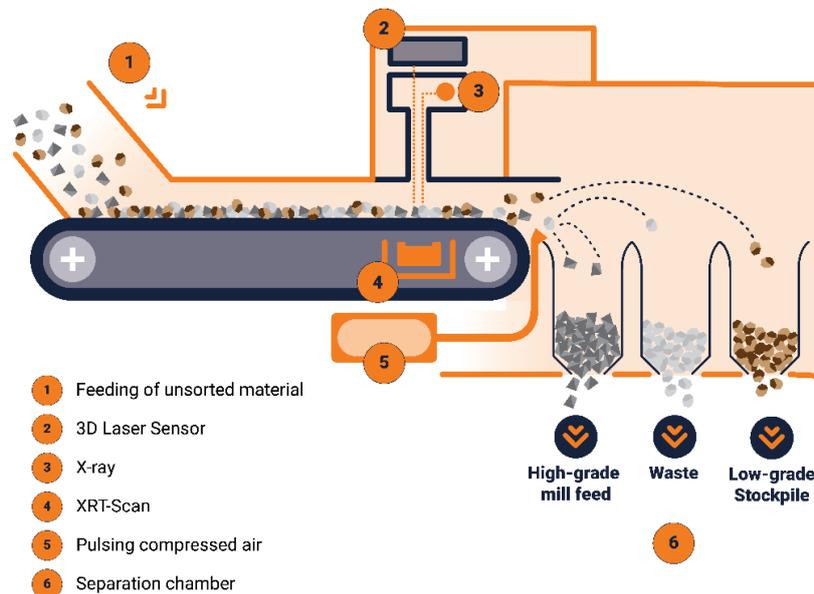
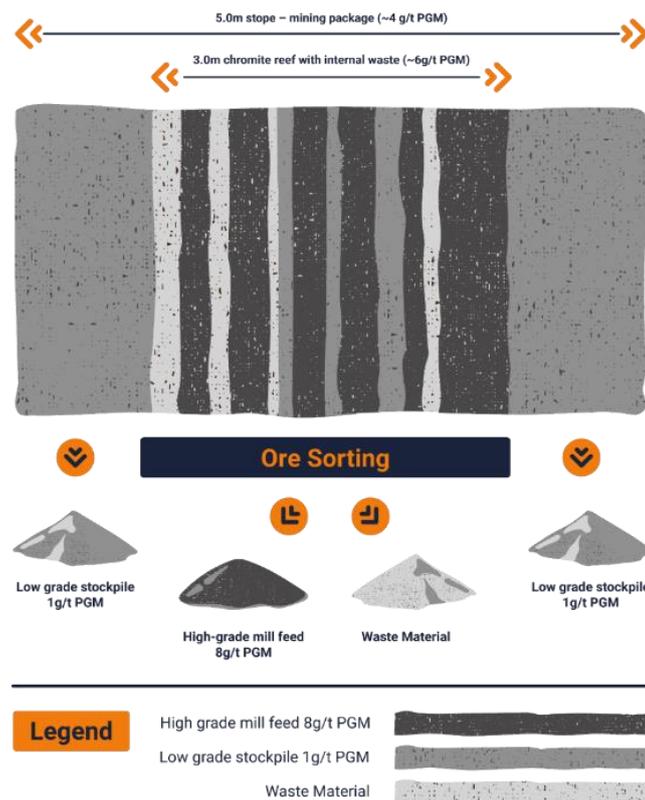


Figure Eight | Steinert KSS XT CLI Ore Sorter



*Dimensions and grades are for illustrative purposes only

Figure Nine | Ore Sorting Schema

Flotation Test Work Results

As previously noted in the Company's announcement on 7 July 2021 'Above 80% PGM Recovery to High Grade PGM Concentrate', flotation test work carried out in 2015 on Panton chromitite ore achieved a technical breakthrough for the Panton Project. It was shown that a combination of fine grinding (P_{80} 38 μ m), conditioning with sodium dithionite as a reducing agent, and use of nitrogen gas improved flotation results significantly. The best result achieved (test HL1279) was 81.4% recovery (PGM_{3E}) at a 2.5% mass pull for a 272 g/t PGM_{3E} concentrate grade with a rapid 14 minutes of flotation time. Whilst the 2015 test work achieved dramatic improvements in the flotation performance, repeatability of HL1279 was not established and there was minimal follow up optimisation work.

As detailed in the Company's announcement on 21 June 2022 'Independent Resource Estimate of 6.9Moz PdEq', the Company undertook further flotation test work in early 2022 on both low-grade composites (~2.3g/t PGM_{3E}) and high-grade composites (~7.6g/t PGM_{3E}), using a single stage rougher-scavenger test. Results yielded PGM_{3E} recoveries of up to 68% and 71% respectively (with higher Pd recovery relative to the Pt recovery) with concentrate grades of ~130g/t PGM_{3E} for the high-grade composite and up to 17g/t PGM_{3E} for the low-grade composite.

Following this initial test work, the Company embarked on a systematic programme of optimisation and variability test work with Independent Metallurgical Operations Pty Ltd.

Flotation results from this latest programme of optimisation and variability test work yielded positive results on the high-grade chromitite samples with **PGM_{3E} recoveries of 75.7% to 81.4% with concentrate grades from 167 g/t to 387 g/t PGM_{3E} with an average of 286g/t PGM_{3E}** . These results were achieved over six consecutive tests, demonstrating strong repeatability of the flotation regime. A key factor to these consistent results is controlling potential through the flotation cycle and ensuring a reducing environment is maintained. Other physical parameters

have also been optimised such as froth collection rates, number of flotation stages and flotation retention time. Table Four details these latest flotation results.

Table Four | Optimisation and Variability Flotation Test Programme - Concentrate Grades

Test No.	Concentrate Grade								Head Grade				
	Mass Pull	Pt		Pd		Au		Pt, Pd & Au		Pt	Pd	Au	Pt, Pd & Au
		%	g/t	Rec	g/t	Rec	g/t	Rec	g/t	Rec	g/t		
FT014	2.46	136	77.7	154	74.9	11	65.3	301	75.7	4.31	5.06	0.42	9.79
FT015	2.90	121	80.3	139	78.1	11	68.9	271	78.6	4.38	5.18	0.45	10.01
FT016	1.85	175	78.9	197	75.9	15	68.3	387	76.9	4.09	4.79	0.41	9.29
FT017	2.36	136	78.8	154	75.7	12	67.9	302	76.7	4.08	4.78	0.43	9.29
FT018	3.34	127	82.3	151	81.2	11	74.6	289	81.4	5.13	6.21	0.50	11.84
FT019	4.51	71	78.3	89	77.2	7	70.9	167	77.4	4.11	5.19	0.43	9.73
Average	2.90	128	79.4	147	77.2	11	69.3	286	77.8	4.35	5.20	0.44	9.99

The Company considers the head grade of the flotation tests to be within an acceptable range of potential mill feed grade when factoring in mined grade of the Upper Reef following upgrading through ore sorting.

Table Five sets out the range of achieved recoveries, concentrate grades and head grades for by-products in the flotation tests on chromitite ore samples:

Table Five | By-product Recoveries*

Panton	Ni (%)	Cu (%)	Co* (%)	Rh (g/t)	Ir (g/t)	Os (g/t)
Head Grade	0.27 - 0.28	0.04	0.03	0.09 - 0.10	0.09 - 0.11	0.12 - 0.13
Recovery (%)	37 - 45	56 - 62	8 - 9	38 - 44	50 - 55	29 - 34
Concentrate Grade	3.8 - 5.5	0.9 - 1.3	0.06 - 0.07	1.4 - 2.0	1.9 - 2.6	1.4 - 2.1

*Only FT017 was assayed for Co

Ongoing Test Work

Results received up to the date of this report indicate that a very high grade PGM_{3E} concentrate is achievable from Panton chromitite ore feed. As a consistent baseline flotation regime has been established, there is significant potential for further optimisation through the study process. This includes introducing a cleaner circuit, concentrate regrind, and further exploratory testing of reagents to improve recoveries, including the recoveries of base metals in feed. The Company will continue to test for further improvements, as well as testing the variability of flotation response from samples throughout the Panton orebody.

Panton's future concentrate will likely be marketed as a bulk Ni-PGM_{3E} concentrate. Additional optimisation, planning and marketing work is required in relation to the chrome content of the concentrate, given it is a deleterious element. However, the high PGM_{3E} grade of the concentrate is expected make the potential Panton Ni-PGM_{3E} concentrate attractive to smelters despite the chrome content. Mine planning and blending strategies will also be utilised to ensure a consistent, valuable Ni-PGM_{3E} concentrate is produced.

Test work has demonstrated that a metallurgical grade chromite concentrate can be produced from the Panton flotation tails (from chromitite ore) through Wet High Intensity Magnetic Separation ("WHIMS"). Chromite concentrate represents a potentially valuable co-product, which is typically sold into the ferrochrome industry, as input into stainless steel.

The Company plans to continue optimisation and marketing work and assess the inclusion of a WHIMS circuit in the forthcoming Scoping Study.

Downstream Processing - Hydrometallurgy

A study is underway to assess the potential to further process the high-grade concentrate utilising a hydrometallurgical process to produce upgraded metal products. The potential benefits of hydrometallurgical processing include improved payabilities, reduced logistics costs and significantly less sensitivity to many elements deleterious to smelters, such as chrome. Such benefits have resultant benefits for mine planning and mine inventory.

Lifzone Ltd has been engaged as a technology partner to further explore the amenability of utilising their hydrometallurgical technology for further upgrading of the Panton concentrate. The Lifzone hydromet process replaces the smelting process, extracting contained metals in concentrate through hydrometallurgical processes to produce a suite of metals products suitable for potential direct sale to refiners. Hydrometallurgical processing has a range of benefits relative to smelting including³ :

- 65-80% lower capital costs
- 35-50% lower operating costs
- 50-85% lower electricity consumption
- Up to 80% lower CO₂ emissions and no SO₂ emissions
- Fewer constraints on concentrate quality than smelting

The Company's view is that a low emission upgraded PGM product from Australia would be highly sought after by potential customers in the hydrogen and automotive industries, who are sensitive to accumulated emissions through the supply chain, as well as other ESG considerations.

Panton's high grade PGM_{3E} concentrate would allow for a small, low-capital process plant employing Lifzone's hydromet technology, which would potentially significantly enhance the economics of the Panton Project.

Scoping Study

The Company is pleased with the progress made to date, with ore sorting and flotation test work significantly de-risking the future development of Panton. The ore sorting results have a material impact on mine design and enable a reduction in the size of milling and flotation equipment, tailings storage, electricity requirements and water consumption which will therefore reduce estimated capital and operating costs. Following positive pre-scoping assessment and prior test work of Lifzone's hydromet process, the Company is also assessing the potential of downstream integration as part of its Scoping Study. Additionally, the Company now has an improved geological model for Panton which will be used to inform an updated JORC Mineral Resource estimate to be incorporated into the Scoping Study. Lastly, the Company continues to progress potential processing pathways for its significant low-grade Resource and will also incorporate this into its study activities once a metallurgical solution is in place.

Accordingly, the Company expects an updated Scoping Study, incorporating these improvements, to be completed in H2 2023.

³ Kell hydrometallurgical extraction of precious and base metals from flotation concentrates – Piloting, engineering and implementation advances. June 2019. K Liddell, M Adams, L Smith

Corporate

Farm-In and Joint Venture Agreement

The Company executed a farm-in and joint venture agreement with Octava Minerals Ltd over a 70% interest in two tenements, one of which adjoins the Panton Project to the north. Full details of this transaction were set out in the announcement entitled '*Farm-In Agreement Over East Kimberley Ni-Cu-PGE Prospects*' released by the Company on 17 January 2023.

A\$6m raised from Placement and Share Purchase Plan

An equity placement of 40.0 million new fully paid ordinary shares in the capital of the Company at a price of A\$0.125 per share to raise A\$5.0 million (before expenses) ("**Placement**") was completed in August 2022.

In conjunction with the Placement, Future Metals offered eligible shareholders the opportunity to participate in a Share Purchase Plan ("**SPP**") on the same terms as the Placement which raised an additional A\$1.0m (before expenses).

UK Placement

In early October 2022, the Company completed a Placement of £500,000 (A\$843,012, at the time of completion) with a number of High-Net-Worth Investors in the United Kingdom (the "**UK Placement**").

The terms were materially the same as the abovementioned A\$5.0 million Placement and A\$1.0 million SPP previously completed.

The rationale behind the UK Placement was to increase the liquidity of the Company's ordinary shares on AIM and help improve the Company's market presence in the UK, where there has long been an active interest in PGM companies.

The Company engaged with a UK-based investor relations firm Flowcomms Limited, to further assist in raising the profile of the Company in the UK market.

Appointment of Corporate Broker

In late 2022, the Company announced the appointment of Panmure Gordon (UK) Limited as Corporate Broker and Joint Financial Adviser, replacing WH Ireland Limited. This appointment forms part of the Company's strategy to increase its profile with institutional investors in the UK and European markets.

Personnel changes

Finance Director Aaron Bertolatti stepped down from the Board with effect from 31 July 2022 following the orderly transition of his responsibilities to Chief Financial Officer and Company Secretary, Tom O'Rourke.

The Company was also pleased to report that it had retained the services of Ni-Cu-PGE expert, Dr Jon Hronsky, as the Company's Senior Exploration Advisor and further strengthened its geology team with the addition of Barbara Duggan, an experienced Ni sulphide exploration geologist.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 17 January 2023, the Company entered into a Farm-in and Joint Venture Agreement with Octava Minerals Limited ("**Octava**") with respect to the right to earn a 70% interest in its wholly owned Panton North and Copernicus North Ni-Cu-PGE projects in the East Kimberly region of Western Australia.

Future Metals issued 3.5 million new ordinary shares to Octava, voluntarily escrowed for 12 months, as upfront consideration. The Company is also, *inter alia*, required to make a final payment to Octava of A\$200,000 in 12 months from completion in cash or shares (at Future Metals' sole election).

There have been no other significant events subsequent to the end of the half-year period to the date of this report which significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report.

This Independence Declaration is set out on page 16 and forms part of this Directors' report for the half-year ended 31 December 2022.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

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



Jardee Kininmonth
Managing Director

Perth, Western Australia
15 March 2023

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

As lead auditor for the review of Future Metals NL for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Future Metals NL and the entities it controlled during the period.



Dean Just

Partner

BDO Audit (WA) Pty Ltd

15 March 2023

		31-Dec-22	Restated ⁽ⁱ⁾ 31-Dec-21
	Note	\$	\$
Continuing Operations			
Interest received		53,360	3,246
Employee and director benefits expense		(297,309)	(180,109)
Professional and Consultants		(148,769)	(272,562)
ASX, AIM and share registry fees	3, 11(c)	(236,077)	(1,776,014)
Travel expenditure		(69,593)	(5,803)
Exploration expenditure		(3,202,381)	(2,128,325)
Share based payment expense	11	(517,195)	(53,299)
Amortisation/depreciation expense		(8,333)	(34,104)
Unrealised Foreign exchange gain/(loss)		(1,044)	1,813
Realised Foreign exchange gain/(loss)		-	(446)
Other expenses		(341,363)	(120,304)
(Loss)/profit before income tax		(4,768,704)	(4,565,907)
Income tax expense		-	-
(Loss)/profit after Income Tax		(4,768,704)	(4,565,907)
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)/income for the period		(4,768,704)	(4,565,907)
(Loss)/profit for the period attributable to:			
Members of the parent entity		(4,768,704)	(4,565,907)
Non-controlling interests		-	-
		(4,768,704)	(4,565,907)
Total comprehensive (loss)/income for the period attributable to:			
Members of the parent entity		(4,768,704)	(4,565,907)
Non-controlling interests		-	-
		(4,768,704)	(4,565,907)
(Loss)/profit per share			
Basic and diluted (loss)/profit per share (cents)		(1.22)	(1.31)

⁽ⁱ⁾ Please refer to note 2(c) and note 9 for details regarding the restatement as a result of a change in accounting policy.

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

		31-Dec-22	Restated ⁽ⁱ⁾ 30-Jun-22	Restated ⁽ⁱ⁾ 30-Jun-21
	Note	\$	\$	\$
Current Assets				
Cash and cash equivalents		5,796,031	3,331,607	9,555,684
Trade and other receivables		252,717	78,447	175,840
Total Current Assets		6,048,748	3,410,054	9,731,524
Non-Current Assets				
Deferred Exploration & Evaluation Expenditure	4	15,987,401	16,435,451	16,653,580
Property, Plant and Equipment		69,324	35,935	-
Right of Use Assets		-	-	83,101
Total Non-Current Assets		16,056,725	16,471,386	16,736,681
Total Assets		22,105,473	19,881,440	26,468,205
Current Liabilities				
Trade and other payables	5	1,164,883	1,067,868	2,029,502
Lease Liabilities		-	-	72,404
Total Current Liabilities		1,164,883	1,067,868	2,101,906
Non-Current Liabilities				
Lease Liabilities		-	-	12,421
Total Non-Current Liabilities		-	-	12,421
Total Liabilities		1,164,883	1,067,868	2,114,327
Net Assets		20,940,590	18,813,572	24,353,878
Equity				
Issued capital	6	36,124,091	29,689,231	29,238,564
Reserves	7	3,537,669	3,076,807	1,789,333
Accumulated losses	8	(18,721,170)	(13,952,466)	(6,674,019)
Total Equity		20,940,590	18,813,572	24,353,878

⁽ⁱ⁾ Please refer to note 2(c) and note 9 for details regarding the restatement as a result of a change in accounting policy.

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

**Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2022**



	Issued capital	Accumulated losses	Share based payments reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2021	29,238,564	(6,307,456)	1,789,333	24,720,441
Change in accounting policy ⁽ⁱ⁾	-	(366,563)	-	(366,563)
Balance at 1 July 2021 restated	29,238,564	(6,674,019)	1,789,333	24,353,878
Total comprehensive loss for the period				
Loss for the period	-	(2,437,582)	-	(2,437,582)
Impact of change in accounting policy ⁽ⁱ⁾	-	(2,128,325)	-	(2,128,325)
Other Comprehensive loss	-	-	-	-
Total comprehensive loss for the period	-	(4,565,907)	-	(4,565,907)
Transactions with owners in their capacity as owners				
Share based payment expense	-	-	863,977	863,977
Balance at 31 December 2021 restated	29,238,564	(11,239,926)	2,653,310	20,651,948
Balance at 1 July 2022	29,689,231	(13,115,644)	3,076,807	19,650,394
Change in accounting policy ⁽ⁱ⁾	-	(836,822)	-	(836,822)
Balance at 1 July 2022 restated	29,689,231	(13,952,466)	3,076,807	18,813,572
Total comprehensive loss for the period				
Loss for the period	-	(4,768,704)	-	(4,768,704)
Other Comprehensive loss	-	-	-	-
Total comprehensive loss for the period	-	(4,768,704)	-	(4,768,704)
Transactions with owners in their capacity as owners				
Shares issued during the period	6,901,344	-	(56,333)	6,845,011
Cost of issue	(466,484)	-	-	(466,484)
Share based payment (note 11 (a))	-	-	517,195	517,195
Balance at 31 December 2022	36,124,091	(18,721,170)	3,537,669	20,940,590

⁽ⁱ⁾ Please refer to note 2(c) and note 9 for details regarding the restatement as a result of a change in accounting policy

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

**Consolidated Statement of Cash Flows
for the half-year ended 31 December 2022**



	31-Dec-22	Restated ⁽ⁱ⁾ 31-Dec-21
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(1,186,415)	(1,798,447)
Payments for exploration and evaluation	(2,739,325)	(2,114,672)
Interest received	53,360	3,246
Net cash (used in)/provided by operating activities	(3,872,380)	(3,909,873)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(41,723)	(44,241)
Net cash used in investing activities	(41,723)	(44,241)
Cash flows from financing activities		
Proceeds from issue of shares	6,845,012	-
Share issue costs	(466,485)	-
Net cash provided by financing activities	6,378,527	-
Net (decrease)/increase in cash and cash equivalents	2,464,424	(3,954,114)
Cash and cash equivalents at beginning of period	3,331,607	9,555,684
Cash and cash equivalents at the end of the period	5,796,031	5,601,570

⁽ⁱ⁾ Please refer to note 2(c) and note 9 for details regarding the restatement as a result of a change in accounting policy.

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 half-year ended 31 December 2022 was authorised for issue in accordance with a resolution of the Directors made on 15 March 2023. The nature of the operations and the principal activities of the Company are described in the Directors' Report on page three of this report.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

These general purpose financial statements for the half-year reporting period ended 31 December 2022 have been prepared in accordance with applicable accounting standards including AASB 134 "Interim Financial Reporting" and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with IAS 34 "Interim Financial Reporting".

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2022 and public announcements made by Future Metals during the half-year reporting period to 31 December 2022 and to the date of this report in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The half-year report has been prepared on an accruals basis and is based on historical costs. For the purpose of preparing the half-year financial report the half-year has been treated as a discrete reporting period.

Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Future Metals. Future Metals 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 has control. 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) Changes to the Group's Accounting Policy

Exploration and Evaluation Asset

The financial report has been prepared on the basis of retrospective application of a voluntary change in accounting policy in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The Group previously capitalised accumulated exploration and evaluation expenditure and carried such expenditure forward to the extent that they were expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

The result of this accounting change in accounting policy is the costs of acquiring an asset by the Group will be capitalised and any exploration and evaluation expenditure will now be expensed as incurred in respect of each identifiable area of interest until such time as an asset is in development.

The Board has determined that this change in accounting policy will result in more relevant and no less reliable information as the policy is more transparent and less subjective. Recognition criteria for exploration and evaluation assets are inherently uncertain and expensing as incurred results in a more transparent Consolidated Statement of Financial Position and Consolidated Statement of Profit or Loss and Other Comprehensive Income. Furthermore, the change in accounting policy aids in accountability of line management's expenditures and the newly adopted policy is consistent with industry practice.

The impact of the adoption of this accounting policy change has been summarised in Note 9.

(d) Compliance Statement

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS). The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

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 that are mandatory for the current reporting period. The impact on the financial performance and position of the Company from the adoption of the new or amended Accounting Standards and Interpretations was not material. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

	31-Dec-2022	31-Dec-2021
	\$	\$

3. Expenses

ASX and AIM and share registry fees

AIM admission/quotation fees	-	893,059
Corporate management London	124,248	835,953 ¹
Other	111,829	47,002
	236,077	1,776,014

¹ Includes the value of 7,000,000 options issued to the Company's nominated adviser, Strand Hanson Limited as part consideration for services provided in relation to the Company's Re-Admission to AIM. Please refer note 11(c).

	31-Dec-2022	Restated ⁽ⁱ⁾
	\$	30-Jun-2022
	\$	\$

4. Deferred Exploration & Evaluation Expenditure

Opening balance	16,435,451	16,653,580
Reduction in stamp duty	(448,050)	(218,129)
Closing balance	15,987,401	16,435,451

⁽ⁱ⁾ Please refer to note 2(c) and note 9 for details regarding the restatement as a result of a change in accounting policy.

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.

	31-Dec-2022	30-Jun-2022
	\$	\$

5. Trade and other payables

Trade payables	684,283	149,818
Other payables	7,119	22,885
Estimated stamp duty payable	447,115	895,165
Accruals	26,366	-
	1,164,883	1,067,868

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.

6. Issued Capital

(a) Issued and paid-up capital

Issued and fully paid	36,124,091	29,689,231
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(b) Movements in ordinary shares in issue

	31-Dec-2022		30-Jun-2022	
	Number of shares	\$	Number of shares	\$
Opening Balance	353,874,517	29,689,231	348,541,184	29,238,564
Shares issued on exercise of Performance Rights	666,666	56,333	5,333,333	450,667
Shares issued via Placement	40,000,000	5,000,000	-	-
Shares issued via Share Purchase Plan	7,999,998	1,000,000	-	-
Shares issued on exercise of options	20,000	2,000	-	-
Shares issued via UK Placement	7,142,856	843,011	-	-
Transaction costs on share issues	-	(466,484)	-	-
Closing Balance	409,704,037	36,124,091	353,874,517	29,689,231

	31-Dec-2022	30-Jun-2022
	\$	\$

7. Reserves

Share based payments reserve

Opening balance	3,076,807	1,789,333
Movements during the period	460,862	1,287,474
Closing balance	3,537,669	3,076,807

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. Please refer to note 11 for further details of the securities issued during the reporting period ended 31 December 2022.

	31-Dec-2022 \$	Restated ⁽ⁱ⁾ 30-Jun-2022 \$
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8. Accumulated losses

Movements in accumulated losses were as follows:

Opening balance ⁽ⁱ⁾ (restated)	(13,952,466)	(6,674,019)
Loss for the period	(4,768,704)	(7,278,447)
Closing balance	(18,721,170)	(13,952,466)

⁽ⁱ⁾ Please refer to note 2(c) and note 9 for details regarding the restatement as a result of a change in accounting policy

9. Change in accounting policy - Exploration and evaluation expenditure

The following table summarises the adjustments made to the Consolidated Statement of Profit or Loss and Other Comprehensive Income, to the Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows on implementation of the new accounting policy.

	Exploration Expenditure \$	Retained Earnings \$
Opening Balance (12 November 2020)	15,000,000	-
Estimated stamp duty	1,653,580	-
Exploration and evaluation expenditure	366,563	-
Impact of the change in accounting policy during 2021	(366,563)	(366,563)
Loss for the period	-	(6,307,456)
Restated balances at 30 June 2021	16,653,580	(6,674,019)
Restated opening balance 1 July 2021	16,653,580	(6,674,019)
Exploration and evaluation expenditure	2,965,147	-
Reduction in stamp duty estimate	(218,129)	-
Impact of the change in accounting policy during 2022	(2,965,147)	(2,965,147)
Loss for the period	-	(4,313,300)
Restated balances at 30 June 2022	16,435,451	(13,952,466)

In the half-year ended 31 December 2022, the Group changed its accounting treatment of exploration and evaluation expenditure in accordance with AASB 6: Exploration for and Evaluation of Mineral Resources. Previously, the Group capitalised accumulated exploration and evaluation expenditure and carried it forward to the extent that such expenditures were expected to be recouped through future successful development. The result of this accounting change means the Group will capitalise costs associated with acquiring an asset and expense exploration and evaluation expenditure as incurred in respect of each identifiable area of interest until such time as an asset is in development.

The effect on the Consolidated Statement of Profit or Loss and Other Comprehensive Income was as follows:

	For the half-year ended 31 Dec 2021 \$
Increase in loss for the period	(2,128,325)

The table below summarises the impact on the earnings per share for the comparative period:

	For the half-year ended 31 Dec 2021 \$
Previously reported - basic and diluted earnings per share	(0.70)
Restated - basic and diluted earnings per share	(1.31)

The effect on the Consolidated Statement of Cash Flows was as follows:

	For the half-year ended 31 Dec 2021 \$
Increase in payment for exploration and evaluation expenditure under operating activities	(2,114,692)
Restated balances at 31 December 2021	(3,913,139)

10. Subsidiaries

The consolidated financial statements include the financial statements of Future Metals 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 (" GNP ")	Australia	100%
Panton Sill Pty Ltd	Australia	100%

11. Share-based payments

(a) Recognised share-based payment transactions

Share-based payment transactions during the half-year were as follows:

	31-Dec-2022 \$	31-Dec-2021 \$
Director share-based payments (note 11 (b))	298,537	53,299
Supplier share-based payments (note 11 (c))	-	810,678
Employee share-based payments (note 11 (d))	218,658	-
Movement in share option reserve	517,195	863,977

Share-based payment transactions have been recognised within the consolidated statement of profit or loss and other comprehensive income as follows:

	31-Dec-2022 \$	31-Dec-2021 \$
Share-based payment expense	517,195	53,299
ASX and AIM and share registry fees	-	810,678
	517,195	863,977

(b) 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.

On 7 November 2022, the Company's Managing Director, Jardee Kininmonth was granted a total of 999,999 Performance Rights, subject to certain vesting criteria. The Performance Rights were issued on 15 November 2022 and will expire at 5.00 p.m. (WST) on 15 November 2025.

The table below summarises performance rights granted to Directors during the half-year ended 31 December 2022:

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
7-11-2022	15-11-2025	-	-	999,999	-	-	999,999	- ¹

¹ Each Performance Right is exercisable, subject to certain vesting criteria, for nil consideration into one (1) fully paid ordinary share upon and from the date of satisfaction of the relevant vesting condition until the expiry date of 15 November 2025.

Vesting Conditions:

The Performance Rights will vest as follows:

- 333,333 following the Volume Weighted Average Price over a period of 20 consecutive trading days on which trades in the Company's shares are recorded on ASX (20 day VWAP) being at least A\$0.25 and 24 months of continuous employment.
- 333,333 following the Volume Weighted Average Price over a period of 20 consecutive trading days on which trades in the Company's shares are recorded on ASX (20 day VWAP) being at least A\$0.30 and 24 months of continuous employment.
- 333,333 following a 'sulphide discovery hole', being a JORC compliant report being published by the Company detailing a drill hole which has been drilled by the Company intersecting at least 10 metres true width of greater than or equal to 1.5% NiEq at the Panton Project. The Board will ultimately have discretion in determining whether a discovery hole has been drilled.

The expense recognised in respect of the above performance rights was A\$27,108 which represents the fair value of the performance rights. A further A\$271,429 expense for share-based payments to Directors was recognised which relates to performance rights granted in previous periods.

The table below summarises performance rights granted to Directors during the half-year ended 31 December 2021, issued to Ms Henson:

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
26-11-2021	11-06-2024	-	-	2,000,000	-	-	2,000,000	- ¹

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:

The Performance Rights will vest as follows:

- the Volume Weighted Average Price over a period of 20 consecutive trading days on which trades in the Company's shares are recorded on ASX (20 day VWAP) has been at least A\$0.30; and
- Ms Henson remaining a Non-Executive Director for a continuous period of 12 months.

The expense recognised in respect of the above performance rights issued in the prior period was A\$53,299 which represents the fair value of the performance rights. The value per performance right issued was A\$0.137.

The up-and-in trinomial model inputs, not included in the table above, for performance rights granted during the half-year ended 31 December 2021 included:

- performance rights issued for nil consideration;
- expected life of the performance rights is 2.5 years;
- share price at grant date of A\$0.17;
- expected volatility of 100%;
- share price barrier of A\$0.30;
- expected dividend yield of nil; and
- a risk-free interest rate of 0.925%.

(c) Supplier share-based payments

There were no Supplier share based payments during the half year ended 31 December 2022.

During the half-year ended 31 December 2021, the Company issued options to a financial adviser for services rendered during the period. These options have been valued using the Black-Scholes option pricing model.

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
15-10-2021	03-11-2024	\$0.18	-	7,000,000	-	-	7,000,000	7,000,000

¹ Each Performance Right is exercisable, subject to certain vesting criteria, for nil consideration into one (1) fully paid ordinary share upon and from the date of satisfaction of the relevant vesting condition until the expiry date of 15 November 2025.

The expense recognised in respect of the above options granted during the period was A\$810,678. The value per option issued was A\$0.116.

The model inputs, not included in the table above, for options granted during the half-year ended 31 December 2021 included:

- options were granted for no consideration;
- expected life of the options is 3.1 years;
- share price at grant date was A\$0.185;
- expected volatility of 100%;
- expected dividend yield of nil; and
- a risk-free interest rate of 0.51%.

(d) Employee share-based payments

During the half-year ended 31 December 2022, the Company issued performance rights to key employees to incentive performance and align the interests of employees to those of shareholders. The hybrid up-and-in single share price barrier model was used to value to performance rights which takes into account the exercise price, the term of the performance right, the share price at grant date, the expected volatility of the underlying share price and the risk-free interest rate for the term of the performance right.

The table below summarises performance rights granted to employees during the half-year ended 31 December 2022:

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
15-11-2022	15-11-2025	-	-	2,550,000	-	-	2,550,000	- ¹

The expense recognised in respect of the above performance rights granted during the period was A\$94,055. A further A\$124,603 expense for share-based payments to employees was recognised which relates to performance rights granted in previous periods.

The model inputs, not included in the table above, for performance rights granted during the half-year ended 31 December 2022 included:

- performance rights were granted for no consideration;
- expected life of the performance rights is 3 years;
- share price at grant date was A\$0.12;
- expected volatility of 72%;
- expected dividend yield of nil; and
- a risk-free interest rate of 3.66%.

There were no employee share-based payments during the half year ended 31 December 2021.

12. 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 A\$226,000.

13. Dividends

No dividends have been paid or provided for during the half-year.

14. 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.

15. Events Occurring after the Reporting Period

On 17 January 2023, the Company entered into a Farm-in and Joint Venture Agreement with Octava in respect of the right to earn a 70% interest in its wholly owned Panton North and Copernicus North Ni-Cu-(PGE) projects in the East Kimberly region of Western Australia.

Future Metals issued 3.5 million new ordinary shares to Octava, voluntarily escrowed for 12 months, as upfront consideration. The Company is also, *inter alia*, required to make a final payment to Octava of A\$200,000 in 12 months from completion in cash or shares (at Future Metals' sole election).

There have been no other significant events subsequent to the end of the half-year period to the date of this report which significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

16. Related Party Disclosures

Allotment of Securities

On 15 November 2022, the Company's Managing Director Jardee Kininmonth, was issued a total of 999,999 Performance Rights. The Performance Rights will expire at 5.00 p.m. (WST) on 15 November 2025. The Performance Rights will vest as follows:

- i. 333,333 following the Volume Weighted Average Price over a period of 20 consecutive trading days on which trades in the Company's shares are recorded on ASX (20 day VWAP) being at least A\$0.25 and 24 months of continuous employment.
- ii. 333,333 following the Volume Weighted Average Price over a period of 20 consecutive trading days on which trades in the Company's shares are recorded on ASX (20 day VWAP) being at least A\$0.30 and 24 months of continuous employment.
- iii. 333,333 following a 'sulphide discovery hole', being a JORC compliant report being published by the Company detailing a drill hole which has been drilled by the Company intersecting at least 10 metres true width of greater than or equal to 1.5% NiEq at the Panton Project. The Board will ultimately have discretion in determining whether a discovery hole has been drilled.

Transactions with key management personnel were made at arm's length at normal market prices and on normal commercial terms. There were no other transactions with key management personnel for the period to 31 December 2022.

17. Segment Information

The Group has identified its operating segments based on the internal reports that are reported to the Executive Director (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The Board as a whole will regularly review the identified segment in order to allocate resources to the segment and assess its performance. The Group operates predominately in one industry, being the exploration of PGM. The main geographic area in which the entity operates is Australia.

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 condensed notes of Future Metals NL for the half-year ended 31 December 2022 are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the period ended on that date; and
 - ii. complying with Accounting Standards AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001; and
 - b) the financial statements and condensed notes also comply with International Financial Reporting Standards as disclosed in note 2.
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.

On behalf of the Board



Jardee Kininmonth
Managing Director

Perth, Western Australia
15 March 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Future Metals NL,

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Future Metals NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibility of the directors for the financial report

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



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Dean Just', written over the printed name.

Dean Just

Partner

Perth, 15 March 2023

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 ICE 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 at 31 December 2022

Project	Location	Tenement No.	Area	Interest
Panton PGM-Ni 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 Ms Barbara Duggan, who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Ms Duggan is the Company's Principal Geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity she 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). Ms Duggan consents to the inclusion in this report of the matters based upon her information in the form and context in which it appears.

The information in this report that relates to metallurgical test work managed by Independent Metallurgical Operations Pty Ltd ("IMO") is based on, and fairly represents, information and supporting documentation reviewed by Mr Peter Adamini, BSc (Mineral Science and Chemistry), who is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Adamini is a full-time employee of IMO, who has been engaged by Future Metals NL to provide metallurgical consulting services. Mr Adamini has approved and consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on, and fairly represents, information compiled by Mr Brian Wolfe, who is a Member of the Australian Institute of Geoscientists. Mr Wolfe is an external consultant to the Company and is a full-time employee of International Resource Solutions Pty Ltd, a specialist geoscience consultancy. Mr Wolfe 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 Wolfe 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/AIM announcements, including references regarding exploration results. For full details, please refer to the referenced ASX/AIM 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.