



**FUTURE**  
**METALS**

# Interim Financial Report

31 December 2023

ABN 99 124 734 961

[future-metals.com.au](http://future-metals.com.au)

<b>CONTENTS</b>	<b>PAGE</b>
Corporate Directory	2
Directors' Report	3
Auditor's Independence Declaration	14
Consolidated Statement of Profit or Loss and Other Comprehensive Income	15
Consolidated Statement of Financial Position	16
Consolidated Statement of Changes in Equity	17
Consolidated Statement of Cash Flows	18
Condensed Notes to the Consolidated Financial Statements	19
Directors' Declaration	26
Auditor's Independent Review Report	27
About PGM's and Schedule of Tenements	29
Important Information and Disclaimers	30

**CORPORATE DIRECTORY**

<p><b>Directors and Officers</b>            Patrick Walta - Executive Chairman            Jardee Kininmonth - Managing Director &amp; Chief Executive Officer            Justin Tremain - Non-Executive Director            Elizabeth Henson - Non-Executive Director</p> <p><b>Company Secretary</b>            Tom O'Rourke</p> <p><b>Registered Office</b>            Level 1, 33 Richardson Street            West Perth WA 6005</p> <p><b>Share Registry</b>            Computershare Investor Services Pty Ltd            Level 17, 221 St Georges Terrace            Perth WA 6000</p>	<p><b>Auditors</b>            BDO Audit (WA) Pty Ltd            Level 9, Mia Yellagonga Tower 2            5 Spring Street            Perth WA 6000</p> <p><b>Nominated and Financial Adviser</b>            Strand Hanson Limited            26 Mount Row, London, W1K 3SQ, UK</p> <p><b>Stock Exchanges</b>            Australian Securities Exchange (ASX)            (Home Exchange: Perth, Western Australia)            ASX Code: <b>FME</b></p> <p>The AIM market of the London Stock Exchange (AIM)            AIM Code: <b>FME</b></p> <p><b>Website</b>  <a href="http://www.future-metals.com.au">www.future-metals.com.au</a></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 2023.

## **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:

- Patrick Walta - Executive Chairman (appointed 17 November 2023)
- Jardee Kininmonth - Managing Director and Chief Executive Officer
- Justin Tremain - Non-Executive Director
- Elizabeth Henson - Non-Executive Director
- Allan Mulligan - Non-Executive Director (resigned 17 November 2023)
- Robert Mosig - Non-Executive Director (resigned 17 November 2023)

## **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-Ni-Cr project in the Kimberley region of Western Australia ("**Panton**" or the "**Project**");
- Define drill targets along ~18km of highly prospective strike ('Alice Downs Corridor') within the Company's 100% owned exploration package, located ~12km north-east of Panton. Targets include Eileen Bore, Palamino and Salk, none of which have been effectively drill tested; and
- Assess multiple regional opportunities for further enhancing the Company's strategic land position in the highly prospective East Kimberley region and abroad.

## **REVIEW OF OPERATIONS**

Future Metals owns 100% of Panton located in the eastern Kimberley region of Western Australia, a tier one mining jurisdiction. The Project is located on three granted mining licenses 70km north of Halls Creek and 60km south of the operating Savannah Nickel Mine owned by Panoramic Resources Ltd.

The Project is well situated for future planned operations, with good access to roads, a deep-water port at Wyndham, sealed airstrips and local populations at the nearby towns of Halls Creek and Kununurra. The Project is located within the traditional lands of the Malarngowem, and the tenure sits within the Alice Downs Pastoral Station.

PGM-Ni-Cr mineralisation occurs within a layered, differentiated mafic-ultramafic intrusion referred to as the Panton intrusive which is a 9km long, 3km wide and 1.7km thick south-west plunging synclinal intrusion. PGM & Cr mineralisation is hosted within a series of stratiform chromite reefs as well as a surrounding zone of mineralised dunite within the ultramafic package.

Panton is the highest grade PGM deposit in Australia, with mineralisation defined across three components within a JORC (2012) Mineral Resource Estimate ("**MRE**"); the Reef, the High Grade Dunite and the Bulk Dunite. The High Grade Dunite is at the contact and runs parallel to the Reef throughout the entire deposit. The Company's Scoping Study, complete and announced on 7 December 2023 (the "**Scoping Study**") was based solely on the Reef and High Grade Dunite components of the MRE such that the near-surface Bulk Dunite mineralisation represents significant potential upside for future expansion.

Future Metals' plans to produce both a high-grade PGM concentrate, and a chromite concentrate from the Panton deposit. These concentrates will be trucked via sealed public roads to Wyndham for export to customers globally.

The total MRE at Panton is 92.9Mt @ 1.5g/t PGM<sub>3E</sub><sup>1</sup>, 0.20% Ni, 3.1% Cr<sub>2</sub>O<sub>3</sub> (2.0g/t PdEq<sup>2</sup>) for contained metal of 4.5Moz PGM<sub>3E</sub><sup>1</sup>, 185kt Ni and 2.8Mt Cr<sub>2</sub>O<sub>3</sub>, (6.0Moz PdEq<sup>2</sup>). The MRE has been reported across three separate units; the Reef,

the High-Grade Dunite and the Bulk Dunite (Please refer to the Company's ASX announcement dated 26 October 2023 and Table Five for full details).

**Table One | Panton Total Mineral Resource Estimate**

Mass (Mt)		PGM <sub>3E</sub> <sup>1</sup> (g/t)	Ni (%)	Cr <sub>2</sub> O <sub>3</sub> (%)	PdEq <sup>2</sup> (g/t)
92.9	Grade	1.5	0.20	3.1	2.0
		(Moz)	(kt)	(Mt)	(Moz)
	Contained Metal	4.5	185	2.8	6.0

The Reef component has an MRE of 10.8Mt @ 5.6g/t PGM<sub>3E</sub><sup>1</sup>, 0.27% Ni, 14.6% Cr<sub>2</sub>O<sub>3</sub> (7.0g/t PdEq<sup>2</sup>) for contained metal of 2.0Moz PGM<sub>3E</sub><sup>1</sup>, 29kt Ni, 1.6Mt Cr<sub>2</sub>O<sub>3</sub> (2.4Moz PdEq<sup>2</sup>).

**Table Two | Panton Mineral Resource Estimate - High Grade Reef**

Mass (Mt)		PGM <sub>3E</sub> <sup>1</sup> (g/t)	Ni (%)	Cr <sub>2</sub> O <sub>3</sub> (%)	PdEq <sup>2</sup> (g/t)
10.8	Grade	5.6	0.27	14.6	7.0
		(Moz)	(kt)	(Mt)	(Moz)
	Contained Metal	2.0	29	1.6	2.4

The High-Grade Dunite component has an MRE of 26.4Mt @ 1.3g/t PGM<sub>3E</sub><sup>1</sup>, 0.21% Ni (1.8g/t PdEq<sup>2</sup>) for contained metal of 1.1Moz PGM<sub>3E</sub><sup>1</sup> and 54kt Ni (1.5Moz PdEq<sup>2</sup>). The High-Grade Dunite is the mineralisation which sits parallel to the reef mineralisation at the footwall and hangingwall contacts.

**Table Three | Panton Mineral Resource Estimate - High Grade Dunite (1.4g/t PdEq cut-off)**

Mass (Mt)		PGM <sub>3E</sub> <sup>1</sup> (g/t)	Ni (%)	PdEq <sup>2</sup> (g/t)
26.4	Grade	1.3	0.21	1.8
		(Moz)	(kt)	(Moz)
	Contained Metal	1.1	54	1.5

The combined Reef and High-Grade Dunite mineralisation has an MRE of 37.2Mt @ 2.6g/t PGM<sub>3E</sub><sup>1</sup>, 0.22% Ni, 6.2% Cr<sub>2</sub>O<sub>3</sub> (3.3g/t PdEq<sup>2</sup>) for contained metal of 3.1Moz PGM<sub>3E</sub><sup>1</sup>, 83kt Ni, 2.2Mt Cr<sub>2</sub>O<sub>3</sub> (3.9Moz PdEq<sup>2</sup>).

**Table Four | Panton Mineral Resource Estimate - Reef & High-Grade Dunite**

Mass (Mt)		PGM <sub>3E</sub> <sup>1</sup> (g/t)	Ni (%)	Cr <sub>2</sub> O <sub>3</sub> (%)	PdEq <sup>2</sup> (g/t)
37.2	Grade	2.6	0.22	6.2	3.3
		(Moz)	(kt)	(Mt)	(Moz)
	Contained Metal	3.1	83	2.2	3.9

The Bulk Dunite has been reported at a 0.9g/t PdEq<sup>2</sup> cut-off for an MRE of 55.7Mt @ 0.8g/t PGM<sub>3E</sub><sup>1</sup>, 0.18% Ni (1.2g/t PdEq<sup>2</sup>) for contained metal of 1.4Moz PGM<sub>3E</sub><sup>1</sup>, 102kt Ni (2.1Moz PdEq<sup>2</sup>). A detailed table for the Panton MRE is provided in Table Five.

<sup>1</sup> Platinum-Group-Metals 3E refers to platinum, palladium and gold  
<sup>2</sup> PdEq (Palladium Equivalent). Refer to page 8 for calculation details

Table Five | Panton Mineral Resource Estimate (JORC Code 2022)

Category	Mass (Mt)	Grade									Contained Metal								
		Pd (g/t)	Pt (g/t)	Au (g/t)	PGM <sub>3E</sub> <sup>1</sup> (g/t)	Ni (%)	Cr <sub>2</sub> O <sub>3</sub> (%)	PdEq <sup>2</sup> (g/t)	Cu (%)	Co (ppm)	Pd (Koz)	Pt (Koz)	Au (Koz)	PGM <sub>3E</sub> <sup>1</sup> (Koz)	Ni (kt)	Cr <sub>2</sub> O <sub>3</sub> (kt)	PdEq <sup>2</sup> (Koz)	Cu (kt)	Co (kt)
<b>Upper Reef</b>																			
Indicated	3.0	3.3	2.8	0.5	6.5	0.29	15.5	7.9	0.08	217	318	272	46	635	9	472	771	2	0.7
Inferred	4.9	3.2	2.7	0.4	6.4	0.30	15.6	7.8	0.10	221	506	431	65	1,003	15	761	1,227	5	1.1
<b>Subtotal</b>	<b>7.9</b>	<b>3.2</b>	<b>2.8</b>	<b>0.4</b>	<b>6.4</b>	<b>0.30</b>	<b>15.6</b>	<b>7.8</b>	<b>0.09</b>	<b>219</b>	<b>824</b>	<b>703</b>	<b>111</b>	<b>1,637</b>	<b>23</b>	<b>1,233</b>	<b>1,998</b>	<b>7</b>	<b>1.7</b>
<b>Lower Reef</b>																			
Indicated	1.4	1.3	1.7	0.1	3.1	0.17	10.7	4.1	0.04	200	59	79	6	143	2	151	186	1	0.3
Inferred	1.4	1.6	2.1	0.1	3.8	0.19	13.0	4.9	0.05	215	73	95	5	173	3	185	223	1	0.3
<b>Subtotal</b>	<b>2.8</b>	<b>1.4</b>	<b>1.9</b>	<b>0.1</b>	<b>3.5</b>	<b>0.18</b>	<b>11.8</b>	<b>4.5</b>	<b>0.04</b>	<b>208</b>	<b>132</b>	<b>174</b>	<b>11</b>	<b>316</b>	<b>5</b>	<b>337</b>	<b>409</b>	<b>1</b>	<b>0.6</b>
<b>Total Reef</b>																			
Indicated	4.5	2.6	2.4	0.4	5.4	0.25	14.0	6.7	0.07	211	377	350	51	778	11	623	957	3	0.9
Inferred	6.3	2.9	2.6	0.3	5.8	0.28	15.0	7.2	0.09	220	579	526	70	1,175	17	946	1,450	5	1.4
<b>Subtotal</b>	<b>10.8</b>	<b>2.8</b>	<b>2.5</b>	<b>0.4</b>	<b>5.6</b>	<b>0.27</b>	<b>14.6</b>	<b>7.0</b>	<b>0.08</b>	<b>216</b>	<b>956</b>	<b>876</b>	<b>122</b>	<b>1,954</b>	<b>29</b>	<b>1,569</b>	<b>2,407</b>	<b>8</b>	<b>2.3</b>
<b>High Grade Dunite (Underground, below 300mRL, 1.4g/t PdEq cut-off)</b>																			
Indicated	5.9	0.6	0.6	0.2	1.4	0.20	2.2	1.7	0.04	151	120	109	30	259	12	132	334	2	0.9
Inferred	20.5	0.6	0.6	0.1	1.3	0.21	2.3	1.8	0.04	160	425	373	87	885	43	478	1,154	9	3.3
<b>Subtotal</b>	<b>26.4</b>	<b>0.6</b>	<b>0.6</b>	<b>0.1</b>	<b>1.3</b>	<b>0.21</b>	<b>2.3</b>	<b>1.8</b>	<b>0.04</b>	<b>158</b>	<b>545</b>	<b>482</b>	<b>118</b>	<b>1,144</b>	<b>54</b>	<b>610</b>	<b>1,488</b>	<b>11</b>	<b>4.2</b>
<b>Reef + High Grade Dunite</b>																			
Indicated	10.4	1.5	1.4	0.2	3.1	0.22	7.3	3.9	0.05	177	497	459	81	1,037	23	755	1,291	5	1.8
Inferred	26.8	1.2	1.0	0.2	2.4	0.22	5.3	3.0	0.05	174	1,004	899	158	2,061	60	1,424	2,604	14	4.7
<b>Subtotal</b>	<b>37.2</b>	<b>1.3</b>	<b>1.1</b>	<b>0.2</b>	<b>2.6</b>	<b>0.22</b>	<b>5.9</b>	<b>3.3</b>	<b>0.05</b>	<b>175</b>	<b>1,501</b>	<b>1,358</b>	<b>239</b>	<b>3,098</b>	<b>83</b>	<b>2,179</b>	<b>3,895</b>	<b>19</b>	<b>6.5</b>
<b>Bulk Dunite (Near surface, above 300mRL, 0.9g/t PdEq cut-off)</b>																			
Indicated	30.3	0.4	0.4	0.1	0.9	0.18	1.1	1.3	0.03	144	384	363	103	850	56	337	1,220	9	4.4
Inferred	25.3	0.3	0.3	0.1	0.7	0.18	1.3	1.1	0.03	140	273	230	61	564	46	329	873	8	3.5
<b>Subtotal</b>	<b>55.7</b>	<b>0.4</b>	<b>0.3</b>	<b>0.1</b>	<b>0.8</b>	<b>0.18</b>	<b>1.2</b>	<b>1.2</b>	<b>0.03</b>	<b>142</b>	<b>657</b>	<b>593</b>	<b>164</b>	<b>1,414</b>	<b>102</b>	<b>666</b>	<b>2,094</b>	<b>17</b>	<b>7.9</b>
<b>Total Resource</b>																			
Indicated	40.7	0.7	0.6	0.1	1.4	0.19	2.7	1.9	0.04	153	881	822	184	1,887	79	1,092	2,511	15	6.2
Inferred	52.1	0.8	0.7	0.1	1.6	0.20	3.4	2.1	0.04	157	1,277	1,129	219	2,625	106	1,753	3,478	22	8.2
<b>Total</b>	<b>92.9</b>	<b>0.7</b>	<b>0.7</b>	<b>0.1</b>	<b>1.5</b>	<b>0.20</b>	<b>3.1</b>	<b>2.0</b>	<b>0.04</b>	<b>155</b>	<b>2,158</b>	<b>1,951</b>	<b>403</b>	<b>4,512</b>	<b>185</b>	<b>2,846</b>	<b>5,989</b>	<b>37</b>	<b>14.4</b>

Note: <sup>3</sup> No cut-off grade has been applied to reef mineralisation and a cut-off of 0.9g/t PdEq has been applied to the Bulk Dunite mineralisation and 1.4g/t PdEq cut-off to the High-Grade Dunite mineralisation

### Scoping Study Highlights

- Completed the Panton Scoping Study leveraging off ~A\$50m of investment at Panton to date, including previous feasibility studies, ~45,000m of drilling, decline access to orebody & comprehensive bulk metallurgical testwork
- The Scoping Study demonstrated the potential for Panton to be one of few long life, globally significant PGM operations in the western world
- Robust project economics, low capital intensity versus industry benchmarks and strong leverage to PGM price appreciation, with:
  - 1.5Moz PdEq<sup>2</sup> mining inventory from 9.8Mt @ 3.60g/t PGM<sub>3E</sub><sup>1</sup>, 0.25% Ni, 12.6% Cr<sub>2</sub>O<sub>3</sub> (4.77g/t PdEq<sup>2</sup>) for 1.1Moz PGM<sub>3E</sub><sup>1</sup>, 25kt Ni, 1.1Mt Cr<sub>2</sub>O<sub>3</sub> concentrate
  - Initial ~9-year mine life (study's mine plan covers 26% of the current defined Reef & High Grade Dunite material and 10% of the overall MRE)
  - PGM production averaging 117,000oz pa from high grade feed of 3.60g/t PGM<sub>3E</sub><sup>1</sup>
  - PdEq<sup>2</sup> production averaging 161,000oz pa (incl. nickel and chromite by-products)
  - Low All-in Sustaining Costs (AISC), averaging US\$789/oz (projected to be in the 2<sup>nd</sup> quartile), providing resilience throughout the metal price cycle
- **Scoping Study demonstrates the potential for Panton to be one of the few significant primary PGM operations in the western world.** The Scoping Study supports a high-grade, **initial 9-year operation** processing both Reef and High-Grade Dunite material through a conventional crush, grind and flotation flow sheet, producing:

Avg. Production	PGM (Oz pa)	Chromite Conc. (Tpa)	Nickel (Tpa)	PdEq <sup>2</sup> (Oz pa)
1,250ktpa	117,000	134,000	1,200	161,000

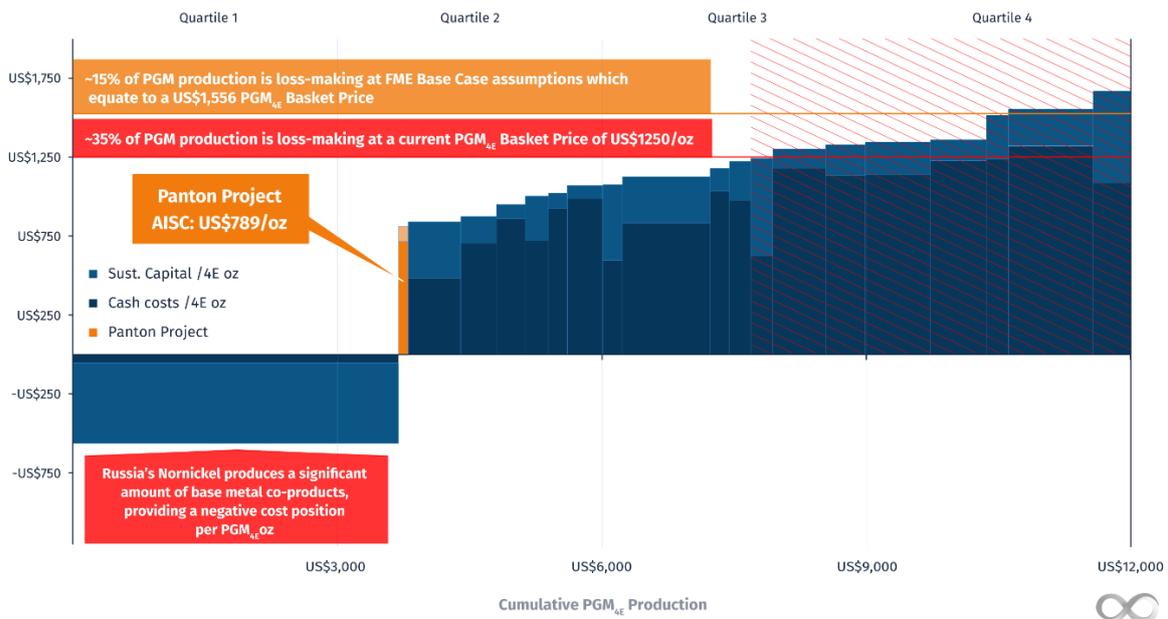
- **Robust economics** with Panton demonstrating strong financial metrics that reflect the **high-grade and low capital intensity** of the Project.

Valuation (1,250kt)	Pre-Production Capex (A\$m)	NPV <sub>8%</sub> (A\$m) (pre / post tax)	IRR (%) (pre / post tax)				
Base Case	267	250 / 153	26% / 21%				
PGM 5yr Avg Case		477 / 311	39% / 31%				
Prices	PGM Basket				By-product credits		
	Platinum (US\$/oz)	Palladium (US\$/oz)	Gold (US\$/oz)	Rhodium* (US\$/oz)	Basket Price (US\$/oz)	Nickel (US\$/t)	Chromite (US\$/t)
Base Case	1,285	1,400	2,000	4,450	1,556	20,000	282
PGM 5yr Avg Case	1,040	2,115	1,870	12,450	2,200	20,000	282

\*Note: Rh not included in Panton Scoping Study economic evaluation. Included for comparison to South African PGM Basket Price only

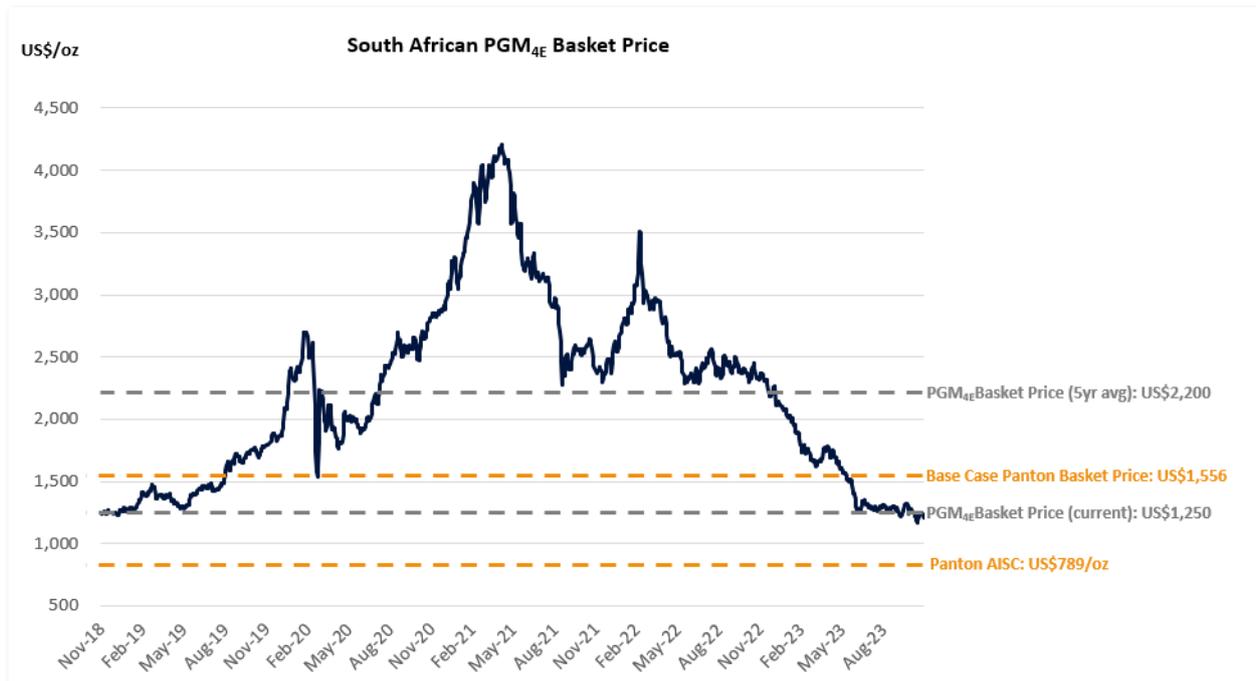
- **Panton Base Case long term PGM pricing aligns with the ~85<sup>th</sup> percentile of the cost curve** (see Figure One), with the current South African PGM<sub>4E</sub> basket price at an unsustainable ~65% percentile (i.e. ~35% of current global operations losing money), near all-time lows
- **Panton's estimated AISC of US\$789/oz (projected 2<sup>nd</sup> quartile)** provides the opportunity for the planned future operations to generate robust operating margins in all phases of the PGM price cycle (see Figures One & Two).
- **Scoping Study includes just 26% of Reef & High Grade Dunite material** – mine life extension and valuation uplift to be targeted via progressive uplift in Resource categorisation
  - Average annual operating **free cash flow of A\$72m – clear value-add from mine life extensions**
- **Panton has the opportunity to achieve an accelerated pathway to production, driven by:**
  - Project's location on granted Mining Leases
  - >A\$50m invested in the Project to date including an established portal and decline, comprehensive metallurgical test work, >45,000m of drilling & prior environmental studies
  - Strong relationships with local stakeholders including the Traditional Owners
- **Panton is optimally located, with good access to established infrastructure:**
  - East Kimberley region of Western Australia, a top-tier mining and investment jurisdiction
  - ~1km from a sealed highway utilised by other mining operations
  - ~70km from a sealed airstrip for employee and contractor transportation
  - 300km from deep-water port at Wyndham, with easy access into key potential markets

**Global PGM producer net total cash costs plus SIB per 4E oz, CY2022 US\$/4E oz**



**Figure One | PGM Industry's Cost Curve and Panton Project's positioning.** Source SFA (Oxford)

\* Further details for the industry cost curve analysis are shown under the PGM Industry Cost Curve Position section of this report.



**Figure Two | South African PGM<sup>4E</sup> Basket Price.** Source: Bloomberg & Company estimates.

\*The PGM<sup>4E</sup> basket price is calculated based on the weightings of Pt, Pd, Au and Rh production for the South African PGM industry. All other metals production is considered a by-product and credited towards an operations' cost base

▪ **Significant upside potential for Panton over and above the Scoping Study outcomes from:**

- Panton orebody is open at depth and interpreted to have improving thicknesses and grades; further drilling may support mine life extensions
- Inclusion of other payable metals including rhodium, iridium, copper and cobalt
- Resource delineation and inclusion of processing feed from nearby projects such as the Eileen Bore Project or other discoveries within Future Metals' 176km<sup>2</sup> exploration acreage
- Pricing upside associated with 'Western premiums' for scarce and critical resources located in Australia supporting supply chain development outside of China, Russia and South Africa
- Expansion potential from the significant near-surface Bulk Dunite mineralisation which is not included within the Scoping Study



**Figure Three | Panton PGM-Ni-Cr Project's Location**

## **Project's Positioning**

The Scoping Study highlighted the Project as being a potentially globally significant producer of PGMs and chromite. Panton also represents one of the only near-term development PGM projects outside of Russia and South Africa. Additionally, the Scoping Study demonstrated that Panton has a lower capital intensity than other similar PGM projects in the study phase, given its higher PGM grade.

## **PGM Market Dynamics**

The supply of primary PGM production is currently dominated by South African and Russian operations. Such operations supply >80% of PGM<sub>4E</sub> (Pd, Pt, Au & Rh) production (based on actual 2022 figures). Both of these countries are subject to material investment and operating risks:

- Russia is currently subject to international sanctions which has deterred Western investment into its mining industry, complicated the sourcing of new and sustaining mining equipment for existing operations and caused Western customers to seek alternative sources for metals such as PGMs.
- South Africa produced over 71% of primary platinum supply and 37% of primary palladium supply in 2022. Many of the operations in South Africa have operated for several decades, leading to deep mines and aging infrastructure which ultimately increases operating costs and sustaining capital. These issues are amplified by the chronic power availability issues in the country.
- South African deposits are also relatively high in rhodium, with the recent profitability of many operations being driven by very strong rhodium prices, which has subsequently declined (2021: Rh price ~US\$29,000/oz vs 2023: Rh price ~US\$4,450/oz). This price decline, coupled with significant cost base inflation has the potential to lead to mine closures in the near to medium term.

## **PGM Industry Cost Curve Position**

The Scoping Study demonstrated that the proposed operation has the potential to be a low-cost producer of PGMs, with strong resilience for future operations throughout the PGM price cycle.

Figure One shows that at the current PGM<sub>4E</sub> basket price of ~US\$1,250/oz approximately 35% of existing PGM production is loss-making. This creates potential for a significant amount of supply to cease in the near to medium term unless prices increase.

Panton's cash costs net of by-product credits and AISC of US\$678/oz and US\$789/oz respectively demonstrate that if the Project was currently producing it would be towards the middle of the 2<sup>nd</sup> quartile of PGM production, thereby ensuring resilient margins in a depressed price environment and making for an economically robust project capable of withstanding sustained downturns in PGM prices.

Further details on the calculation methodology for the Company's stated cash costs, AISC and PGM industry cost curve are set out in Chapter 10 of the Scoping Study as released to the market on 7 December 2023.

## Study Stage PGM Projects ex-South Africa and Russia

Table Six compares Panton's study-stage PGM project with two similar projects located outside of South Africa and Russia. In contrast to other developers, Panton stands out due to its higher PGM grade and significantly lower capital requirements in contrast to the other developers.

Table Six | PGM Project Comparisons (ex-South Africa & Russia)

Project	Owner	Location	Upfront Pre-Production Capital (A\$m)	PGM <sub>3E</sub> <sup>1</sup> Grade (g/t)	Life of Mine (Years)	PGM <sub>3E</sub> <sup>1</sup> Production (Koz, LOM Avg)	Co-Product Production (LOM Avg)
Panton	Future Metals	Western Australia	267	3.60	8.5	117	1kt nickel 134kt chromite concentrate
Gonneville (15Mt)	Chalice Mining	Western Australia	1,600	0.95	19	280	9kt nickel 10kt copper 0.8kt cobalt
Marathon	Generation Mining	Ontario, Canada	1,243 <sup>4</sup>	0.90	12.5	216	9kt copper 248koz silver

\* Refer to the Company's announcement on 7 December 2023 for source details.

<sup>4</sup> Pre-production capital estimate of C\$1,110. AUD:CAD exchange rate of 0.89 applied

## Upside Opportunities

The Scoping Study underpinned a compelling investment case for progressing the Project, and the Company sees significant further upside opportunities as set out below:

- **Improved geological confidence in existing Resource:** The Scoping Study only included 26% of the Reef and High Grade Dunite MRE due to reporting constraints in including Inferred resources. Average annual free cash flows of A\$72m in the Scoping Study demonstrate the significant upside in increasing mine life through the inclusion of existing Resources.
- **Resource growth:** The Panton orebody is open at depth and interpreted to have improving thicknesses and grades; further drilling may support mine life extensions beyond the currently modelled life of mine.
- **Additional payable metals:** The Panton deposit contains metals either not included in the MRE or not assumed to be payable. Additional work in the PFS stage may support the inclusion of other payable metals including rhodium, iridium, copper and cobalt.
- **Expansion potential:** The SScoping study does not include the near-surface Bulk Dunite mineralisation. This component of the MRE comprises 55.7Mt @ 1.2g/t PdEq<sup>2</sup>, and future metallurgical studies may support a significantly expanded operation.
- **Regional discoveries:** The Company has recently expanded its exploration position around the Panton Project. Additional nearby discoveries will potentially further enhance the Project's economics through shared surface and processing infrastructure. Future Metals' Eileen Bore Project is located ~15km to the east of Panton and historic drilling indicates the potential to quickly establish a resource estimate, progress metallurgical understanding and include it in the overall project development plan.
- **Western price premiums:** Pricing upside associated with being one of the few western PGM & chromite projects outside of China, Russia and South Africa. The Company will establish the Project's competitiveness on a carbon intensity basis during the planned PFS, however given the grade, and intended power source the Company is currently of the view that the Project will be substantially less carbon intensive than many existing projects.

Note: MRE PdEq calculation details provided in Appendix One of the Scoping Study (please refer to the Company announcement on 7 December 2023).

### **Palladium Metal Equivalents**

Metal recoveries used in the palladium equivalent ("PdEq") calculations are shown below:

- Reef: Palladium 80%, Platinum 80%, Gold 70%, Nickel 45% and Chromite 70%
- Dunite: Palladium 75%, Platinum 75%, Gold 85% and Nickel 40%

Assumed metal prices used are also shown below:

- Palladium US\$1,500/oz, Platinum US\$1,250/oz, Gold US\$1,750/oz, Nickel US\$20,000/t and US\$175/t for chromite concentrate (40-42% Cr<sub>2</sub>O<sub>3</sub>)

Metal equivalents were calculated according to the following formulae:

- Reef: PdEq (Palladium Equivalent g/t) = Pd(g/t) + 0.833 x Pt(g/t) + 1.02083 x Au(g/t) + 2.33276 x Ni(%) + 0.07560 x Cr<sub>2</sub>O<sub>3</sub> (%)

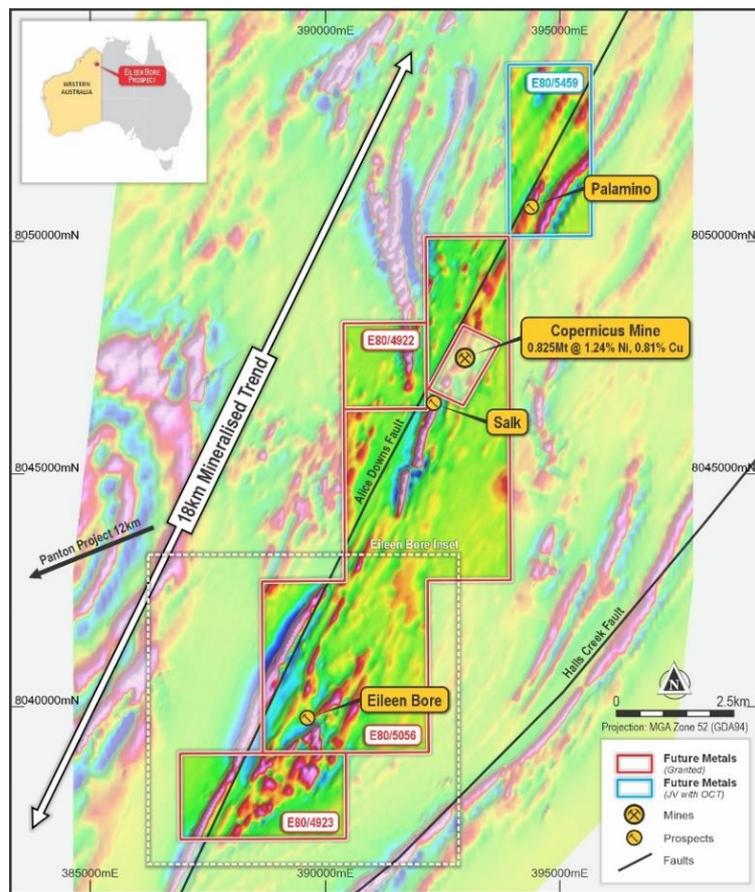
Dunite: PdEq (Palladium Equivalent g/t) = Pd(g/t) + 0.833 x Pt(g/t) + 1.322 x Au(g/t) + 2.2118 x Ni(%)

### Strategic Exploration Position - Alice Downs Corridor

On 5 October 2023, an option agreement was entered into to acquire 100% of Osprey Minerals Pty Ltd ("**Osprey**") which owns ~100km<sup>2</sup> of highly prospective exploration tenements ("**Osprey Projects**") in the East Kimberley region of Western Australia. The Osprey Projects are located within a 20km radius of the Company's 100% owned Panton Project and made up of the Eileen Bore, Sally Downs and Springvale Projects, collectively referred to as the Alice Downs Corridor (see Figure Four).

The Alice Downs Corridor is characterised by a series of differentiated pyroxenite, and gabbroic intrusions emplaced along a structural corridor, the Alice Downs Fault, which represents a major north-northeast trending splay off the deep-seated, mantle tapping, Halls Creek Fault.

Broad zones of disseminated and net-textured copper and nickel sulphides occur within the host intrusions and are comprised of chalcopyrite, pyrrhotite, pentlandite and pyrite. The previously mined Copernicus deposit is one such example. Additionally, targets along the 18km Alice Downs Corridor, with confirmed nickel-copper sulphide mineralisation, include Eileen Bore, Palamino and Salk on the Company's tenure.



**Figure Four | Regional Plan showing main targets along the Alice Downs Corridor 18km strike. Note the location of the Eileen Bore inset Map for Figure Six.**

A majority of the project area is under cover which has limited the effectiveness of historical surface sampling. There is significant potential for blind deposits with no surface anomalism. There is an extensive exploration dataset for parts of the tenement area including geophysical surveys; magnetics, gravity, Versatile Time Domain Electromagnetic ("VTEM") and Induced Polarisation ("IP") which concentrated at the Eileen Bore Prospect. The main focus of historic drilling within the Company's tenure has been on the near surface mineralisation at Eileen Bore.

Review of historical drilling combined with geophysical and structural interpretations has identified multiple mineralised bodies that have a NW plunge proximal to the Alice Downs Fault, with historic drilling ineffectively testing these targets.

## Eileen Bore Prospect

The Eileen Bore Prospect is an advanced exploration target with drilling confirming wide zones of consistent Cu-Ni-PGM mineralisation from surface along a known strike of approximately 300m. Mineralisation remains open down plunge and at depth, with mineralisation only tested to 96m.

A total of 60 holes have been drilled at Eileen Bore for 5,761m. This historical drilling demonstrated a disseminated Cu-Ni-PGM magmatic sulphide body within a gabbro-pyroxenite host which extends over ~300m of strike. There are multiple holes which have ended in mineralisation and modelling suggests mineralisation is focused within a synformal fold axis and is plunging to the north-northwest. Drilling down plunge remains open with scope for significant additional mineralisation (see Figure Five).

Drilling results include:

- 120m @ 0.73% Cu, 0.29% Ni & 0.86g/t PGM<sub>3E</sub> from 0m (EOH) (EBRC 010)
  - Incl. 16m @ 1.0% Cu, 0.36% Ni & 0.99g/t PGM<sub>3E</sub> from 100m
- 96m @ 0.70% Cu, 0.29% Ni & 0.78g/t PGM<sub>3E</sub> from 24m (EOH) (EBRC 003)
  - Incl. 10m @ 1.08% Cu, 0.34% Ni & 1.04g/t PGM<sub>3E</sub> from 56m
- 84m @ 0.54% Cu, 0.24% Ni & 0.75g/t PGM<sub>3E</sub> from 36m (EOH) (EBRC 011)
- 47m @ 0.62% Cu, 0.30% Ni & 0.60g/t PGM<sub>3E</sub> from 3m (AD07)
- 36m @ 0.53% Cu, 0.25% Ni & 0.59g/t PGM<sub>3E</sub> from 40m (EBRC 002)
- 64m @ 0.77% Cu, & 0.30% Ni from 32m (EOH) (EP09)
- 52m @ 0.74% Cu, & 0.29% Ni from 10m (EP08)

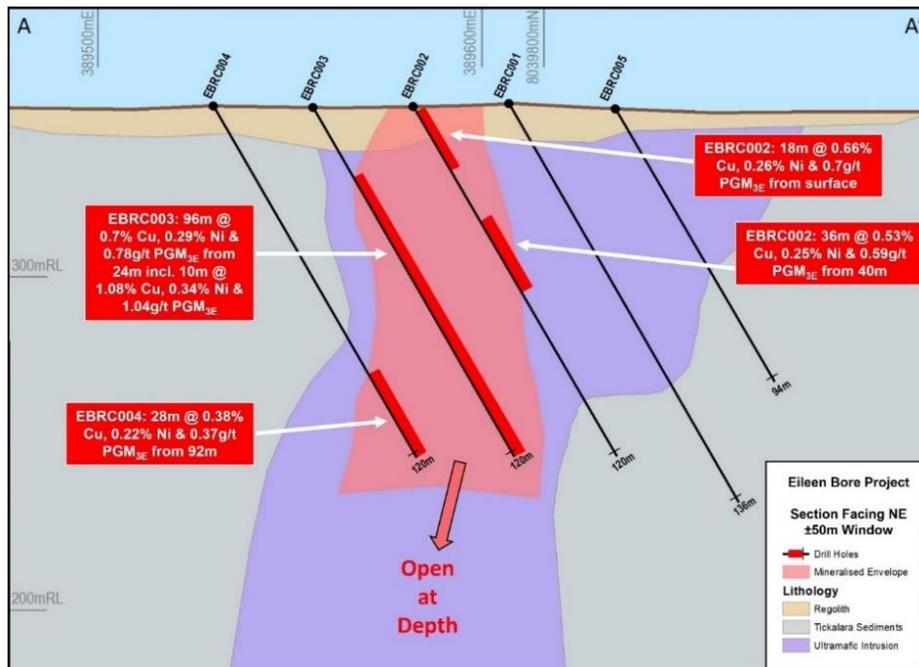
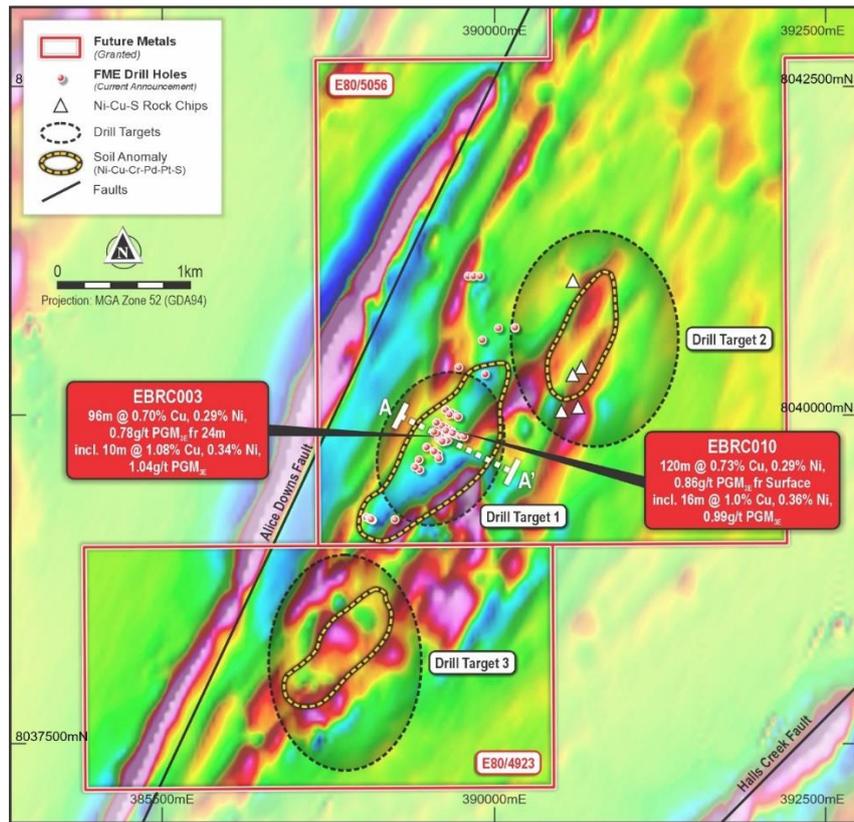


Figure Five | Cross section of drilling at Eileen Bore demonstrating mineralisation open at depth.

In addition, compelling targets at Eileen Bore are to the north of the area which has been previously drilled, in an antiformal fold axis and to the south along the Alice Downs Fault in a synform. Drill Target 2 to the north is based on coincident magmatic chalcopyrite-pyrrhotite mineralisation identified in peridotite rock chips by petrology and is associated with Ni-Cu, PGE and Au soil anomalism. There is no historic drill testing in the area.

To the south, Drill Target 3 is associated with the same coincident soil anomalism identified at Eileen Bore and Drill Target 2, which has also not been drill tested. Targets are outlined in Figure Six.



**Figure Six | Eileen Bore Prospect showing 3 main drill areas: down plunge mineralisation from section A-A' and Drill Targets 2 and 3.**

### Additional Targets

The Salk prospect is situated along strike to the north of Eileen Bore within the same 100% owned exploration tenement. Historic drilling at Salk identified nickel-copper mineralisation in an ultramafic that is interpreted to be in a fault offset position from the Copernicus Mine. Results included 17m @ 0.31% Ni, 0.18% Cu from 36m (including 2m @ 0.68% Ni and 0.31% Cu). The current structural interpretation suggests mineralisation plunges to the northwest and drilling at Salk has only been to the south.

Further along strike to the north, within the farm in and joint venture with Octava Minerals Ltd (ASX:OCT) where FME is earning a 70% interest, is the Palamino prospect (see Figure Four). Historic drilling confirmed a thick pyroxenite body dipping to the northwest that was not previously mapped. Disseminated sulphides were intersected with the best result being 5m @ 0.39% Ni and 0.32% Cu in hole WCR016.

### Forward Exploration Plan

Preparation for a drilling campaign to test the down plunge extension of Eileen Bore and confirm adjacent near-surface economic mineralisation at Drill Targets 2 and 3 is underway. This initial stage of drilling is planned to commence in Q2 2024. Follow up stages will occur if initial drilling determines the potential for a material amount of economic mineralisation.

In addition, field mapping and sampling will be undertaken along the Alice Springs Corridor, with a particular focus on Palamino and Salk to confirm the current geological model and refine these drill targets.

The Company continues to assess opportunities for further enhancing the Company's strategic land position in the highly prospective East Kimberley region. The Company sees a strong opportunity for development of a potential 'hub and spoke' strategy utilising Panton and Eileen Bore as potential feed sources for a central processing hub.

## Corporate

### Successful fundraise of A\$3.3m

The Company successfully raised A\$3.3m (before costs) through an underwritten non-renounceable entitlement issue (the "**Entitlement Offer**"), details of which were announced on 15 December 2023. The net proceeds from the Entitlement Issue will be utilised for drilling and other exploration activities on the recently acquired Eileen Bore Cu-Ni-PGM Project and to progress value enhancement activities on the Company's Panton Project, following the recent completion of the Panton Scoping Study.

The Entitlement Issue provided eligible shareholders the ability to acquire one (1) fully paid ordinary share ("**New Shares**") for every four (4) shares held by those shareholders registered at the Record Date at an issue price of A\$0.03 per share together with one (1) free-attaching option (exercisable for A\$0.10 per share on or before 22 June 2024) ("**New Options**") for every two (2) Shares applied for and issued.

### Personnel changes

The Company announced certain strategic Board changes in line with the continued development of the Panton PGM Project and overall growth of the Company.

Experienced board executive Mr Patrick Walta was appointed as Executive Chairman. Patrick is a qualified metallurgist and mineral economist with experience across both technical and commercial roles within the mining and water treatment industries.

Mr Justin Tremain stepped down from the position of Non-Executive Chair, remaining on the Board as the Senior Independent Non-Executive Director. Non-Executive Directors Allan Mulligan and Rob Mosig retired from the Board to focus on their other business interests.

### Acquisition of Osprey

The Company acquired Osprey Minerals Pty Ltd on 17 November 2023 further to exercise of its option, thereby significantly increasing its strategic exploration position in the East Kimberley. As part of the acquisition, the Company issued upfront consideration of 18,382,352 new ordinary shares, subject to a 6-month escrow period. The Company will also pay deferred consideration of A\$325,000 in new ordinary shares or cash (at the Company's sole election) 6-months from the date of the acquisition. Once the Company drills 2,000m or more on the Osprey tenements, an additional A\$325,000 will be payable in cash or new ordinary shares at the Company's sole election. Any such of shares issued will be priced at the 5-day VWAP at the time of the relevant milestone being met.

## **SIGNIFICANT EVENTS AFTER THE REPORTING DATE**

On 8 February 2024, the Company announced the results of the aforementioned Entitlement Issue which raised A\$3.3m (approximately £1.7m) before costs. The net proceeds from the Entitlement Issue will be utilised for drilling and other exploration activities on the Company's recently acquired Eileen Bore Cu-Ni-PGM Project and to progress value enhancement activities on the Company's Panton Project, following the recent completion of the Panton Scoping Study.

As part of the Octava Joint Venture Agreement, Future Metals was required to make a final payment to Octava of A\$200,000 in cash or shares, at Future Metals sole election. Accordingly, on 29 February 2024, the Company issued 6,674,887 new ordinary shares to Octava Minerals Limited as deferred consideration for the Octava Joint Venture. Subject to the Company meeting the minimum annual cumulative expenditure, as set out in the Company's announcement of 17 January 2023, Future Metals will earn a 70% interest in both the Panton North and Copernicus Projects.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs 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 their review of the half-year financial report.

This Independence Declaration is set out on page 14 and forms part of this Directors' report for the half-year ended 31 December 2023.

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.



**Patrick Walta**  
**Executive Chairman**

Melbourne, Victoria  
15 March 2024

## 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 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the 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**

**Director**

**BDO Audit (WA) Pty Ltd**

Perth

15 March 2024

**Consolidated Statement of Profit or Loss and Other Comprehensive Income  
for the half-year ended 31 December 2023**



		31-Dec-23	31-Dec-22
	Note	\$	\$
<b>Continuing Operations</b>			
Interest received		17,874	53,360
Government grants		19,686	-
Employee and director benefits expense		(372,777)	(297,309)
Professional and Consultants		(119,552)	(148,769)
ASX, AIM and share registry fees	3	(162,755)	(236,077)
Travel expenditure		(25,406)	(69,593)
Exploration expenditure		(963,123)	(3,202,381)
Share based payment expense	10	(137,172)	(517,195)
Amortisation/depreciation expense		-	(8,333)
Unrealised Foreign exchange (loss)		(12,595)	(1,044)
Other expenses		(341,646)	(341,363)
<b>Loss before income tax</b>		<b>(2,097,466)</b>	<b>(4,768,704)</b>
Income tax expense		-	-
<b>(Loss)/after Income Tax</b>		<b>(2,097,466)</b>	<b>(4,768,704)</b>
<b>Other comprehensive loss</b>			
<b>Items that may be reclassified to profit or loss</b>			
Other comprehensive income/(loss)		-	-
<b>Other comprehensive income/(loss) for the period net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>		<b>(2,097,466)</b>	<b>(4,768,704)</b>
<b>(Loss)/profit for the period attributable to:</b>			
Members of the parent entity		(2,097,466)	(4,768,704)
Non-controlling interests		-	-
		<b>(2,097,466)</b>	<b>(4,768,704)</b>
<b>Total comprehensive (loss)/income for the period attributable to:</b>			
Members of the parent entity		(2,097,466)	(4,768,704)
Non-controlling interests		-	-
		<b>(2,097,466)</b>	<b>(4,768,704)</b>
<b>(Loss)/profit per share</b>			
Basic and diluted (loss)/profit per share (cents)		(0.49)	(1.22)

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

		31-Dec-23	30-Jun-23
	Note	\$	\$
<b>Current Assets</b>			
Cash and cash equivalents		606,452	2,705,754
Trade and other receivables		76,808	120,519
<b>Total Current Assets</b>		<b>683,260</b>	<b>2,826,273</b>
<b>Non-Current Assets</b>			
Deferred Exploration & Evaluation Expenditure	4	17,857,710	16,609,916
Property, Plant and Equipment		69,324	60,761
<b>Total Non-Current Assets</b>		<b>17,927,034</b>	<b>16,670,677</b>
<b>Total Assets</b>		<b>18,610,294</b>	<b>19,496,950</b>
<b>Current Liabilities</b>			
Trade and other payables	5	426,863	576,019
Leave provision		30,194	30,194
Deferred consideration	4(c)	325,000	-
<b>Total Current Liabilities</b>		<b>782,057</b>	<b>606,213</b>
<b>Non-Current Liabilities</b>			
Contingent consideration	4(d)	162,500	-
<b>Total Non-Current Liabilities</b>		<b>162,500</b>	<b>-</b>
<b>Total Liabilities</b>		<b>944,557</b>	<b>606,213</b>
<b>Net Assets</b>		<b>17,665,737</b>	<b>18,890,737</b>
<b>Equity</b>			
Issued capital	6	37,259,385	36,524,091
Reserves	7	1,988,070	3,628,232
Accumulated losses	8	(21,581,718)	(21,261,586)
<b>Total Equity</b>		<b>17,665,737</b>	<b>18,890,737</b>

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 2023**



	Issued capital	Accumulated losses	Share based payments reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	29,689,231	(13,115,644)	3,076,807	19,650,394
Change in accounting policy <sup>(i)</sup>	-	(836,822)	-	(836,822)
<b>Balance at 1 July 2022 restated</b>	<b>29,689,231</b>	<b>(13,952,466)</b>	<b>3,076,807</b>	<b>18,813,572</b>
<b>Total comprehensive loss for the period</b>				
Loss for the period	-	(4,768,704)	-	(4,768,704)
Other Comprehensive loss	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	<b>(4,768,704)</b>	-	<b>(4,768,704)</b>
<b>Transactions with owners in their capacity as owners</b>				
Shares issued during the period	6,901,344	-	(56,333)	6,845,011
Cost of issue	(466,484)	-	-	(466,484)
Share based payment (note 10 (a))	-	-	517,195	517,195
<b>Balance at 31 December 2022</b>	<b>36,124,091</b>	<b>(18,721,170)</b>	<b>3,537,669</b>	<b>20,940,590</b>
<b>Balance at 1 July 2023</b>	36,524,091	(21,261,586)	3,628,232	18,890,737
<b>Total comprehensive loss for the period</b>				
Loss for the period	-	(2,097,466)	-	(2,097,466)
Other Comprehensive loss	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	<b>(2,097,466)</b>	-	<b>(2,097,466)</b>
<b>Transactions with owners in their capacity as owners</b>				
Shares issued during the period	735,294	-	-	735,294
Exercise of performance rights	-	1,777,334	(1,777,334)	-
Share based payment (note 10 (a))	-	-	137,172	137,172
<b>Balance at 31 December 2023</b>	<b>37,259,385</b>	<b>(21,581,718)</b>	<b>1,988,070</b>	<b>17,665,737</b>

<sup>(i)</sup> Please refer to prior period financial statements 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.

	31-Dec-23	31-Dec-22
	\$	\$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(978,581)	(1,186,415)
Payments for exploration and evaluation	(1,109,502)	(2,739,325)
Interest received	17,874	53,360
Grants received	17,065	-
<b>Net cash used in operating activities</b>	<b>(2,053,144)</b>	<b>(3,872,380)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(8,563)	(41,723)
Payment for exploration and evaluation	(25,000)	-
<b>Net cash used in investing activities</b>	<b>(33,563)</b>	<b>(41,723)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	6,845,012
Share issue costs	-	(466,485)
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>6,378,527</b>
Net (decrease)/increase in cash and cash equivalents	(2,086,707)	2,464,424
Cash and cash equivalents at beginning of period	2,705,754	3,331,607
Effects on exchange rate changes on cash and cash equivalents	(12,595)	-
<b>Cash and cash equivalents at the end of the period</b>	<b>606,452</b>	<b>5,796,031</b>

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 2023 was authorised for issue in accordance with a resolution of the Directors made on 15 March 2024. 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 2023 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 2023 and public announcements made by Future Metals during the half-year reporting period to 31 December 2023 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

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

The Directors have assessed the group's cash flow requirements for the 12-month period from the date of the approval of the financial statements and its impact on the Company and believe there will be sufficient funds to meet the Company's working capital requirements. On 15 December 2023, the Company announced an underwritten non-renounceable entitlement issue to raise gross proceeds of approximately A\$3.3 million. The funds raised will be used for drilling and other exploration activities at the Company's Eileen Bore Project and to progress the Pre-Feasibility Study for the Panton Project. The Entitlement Issue to eligible shareholders was completed on 8 February 2024, with the underwritten element settled on 26 February 2024.

### 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.

### (b) 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.

### 3. Expenses

	31-Dec-2023	31-Dec-2022
	\$	\$
<b>ASX and AIM and share registry fees</b>		
AIM fees	565	-
Corporate management London	95,363	124,248
Other	66,827	111,829
	<b>162,755</b>	<b>236,077</b>

### 4. Deferred Exploration & Evaluation Expenditure

	31-Dec-2023	30-Jun-2023
	\$	\$
Opening balance	16,609,916	16,435,451
Estimated stamp duty payable	-	(448,050)
Interest in joint operation	-	622,515
Acquisition of Osprey (b)	1,247,794	-
Closing balance	<b>17,857,710</b>	<b>16,609,916</b>

- a) 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.
- b) On 17 November 2023, Future Metals entered into an Acquisition Agreement to acquire 100% of the shares in Osprey Minerals Pty Ltd. Osprey hold a package of tenements that are complimentary to Future Metal's activities in Panton and East Kimberley. The Board assessed the terms of the acquisition and concluded that the transaction is not a business acquisition. Any consideration using equity will fall within the scope of AASB 2 Share Based Payment.  
Consideration for the acquisition consists of:

Cash	A\$25,000
18,382,352 shares in the Company on 17 Nov 23	A\$735,294
Deferred consideration (c)	A\$325,000
Contingent consideration (d)	A\$162,500
<b>Total consideration</b>	<b>A\$1,247,794</b>
- c) Within 6 months of the acquisition date the Company is required to either:
  - o Issue that number of new ordinary shares in the Company equal to the value of \$325,000 at a deemed issue price equal to the 5 day volume weighted average price of Future shares on the day prior to the issue date; or
  - o Pay the vendors A\$325,000

- Upon completion of drilling 2,000m cumulatively on any of the tenements at Company's sole election;
- Issue that number of new ordinary shares equal to the value of A\$325,000 at a deemed issue price equal to the 5 day volume weighted average price of the Company's shares on the day prior to the issue date; or
  - Pay the vendors A\$325,000
- Management have assessed a 50% probability of drilling 2,000m cumulatively on any tenements.

## 5. Trade and other payables

	31-Dec-2023	30-Jun-2023
	\$	\$
Trade payables	139,811	270,197
Other payables	62,532	18,658
Estimated stamp duty payable	-	22,515
Deferred consideration (a)	200,000	200,000
Accruals	24,520	64,649
	<b>426,863</b>	<b>576,019</b>

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.

- (a) Future Metals is required to make a final payment to Octava Limited of \$200,000 in cash or shares (at the Company's sole discretion).

## 6. Issued Capital

	31-Dec-2023	30-Jun-2023
	\$	\$

### (a) Issued and paid-up capital

Issued and fully paid	<b>37,259,385</b>	<b>36,524,091</b>
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### (b) Movements in ordinary shares in issue

#### June 2023

	Number of shares	\$
Opening Balance	353,874,517	29,689,231
Shares issued on exercise of Performance Rights	666,666	56,333
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
Shares issued as Joint Operations consideration	3,500,000	400,000
Transaction costs on share issues	-	(466,484)
Closing Balance	<b>413,204,037</b>	<b>36,524,091</b>

#### December 2023

	Number of shares	\$
Opening Balance	413,204,037	36,524,091
Shares issued on exercise of Performance Rights	10,633,332	-
Shares issued as consideration for Osprey acquisition	18,382,352	735,294
Closing Balance	<b>442,219,721</b>	<b>37,259,385</b>

## 7. Reserves

	31-Dec-2023	30-Jun-2023
	\$	\$
<b>Share based payments reserve</b>		
Opening balance	3,628,232	3,076,807
Movements during the period	137,172	551,425
Exercise of performance rights	(1,777,334)	-
Closing balance	<b>1,988,070</b>	<b>3,628,232</b>

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 10 for further details of the securities issued during the reporting period ended 31 December 2023.

## 8. Accumulated losses

	31-Dec-2023	30-Jun-2023
	\$	\$
Movements in accumulated losses were as follows:		
Opening balance	(21,261,586)	(13,952,466)
Loss for the period	(2,097,466)	(7,309,120)
Exercise of performance rights	1,777,334	-
Closing balance	<b>(21,581,718)</b>	<b>(21,261,586)</b>

## 9. 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
<b>Future Metals NL</b>	Australia	
Vianista Pty Ltd	Australia	100%
Great Northern Palladium Pty Ltd (" <b>GNP</b> ")	Australia	100%
Panton Sill Pty Ltd	Australia	100%
Panamulet Resources Pty Ltd	Australia	100%
Osprey Minerals Pty Limited	Australia	100%

## 10. Share-based payments

### (a) Recognised share-based payment transactions

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

	31-Dec-2023	31-Dec-2022
	\$	\$
Director share-based payments (note 10 (b))	70,088	298,537
Supplier share-based payments (note 10 (c))	-	-
Employee share-based payments (note 10 (d))	67,084	218,658
<b>Movement in share option reserve</b>	<b>137,172</b>	<b>517,195</b>

### (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 17 November 2023, the Company's Chairman, Patrick Walta was granted a total of 20,000,000 Performance Rights, subject to certain vesting criteria. The Performance Rights were issued on 21 November 2023 and will expire 21 November 2026.

The table below summarises Performance Rights granted to Directors during the half-year ended 31 December 2023:

Grant date	Expiry date	Exercise price	Option entitlement	Expiry date	Number of securities issued	Balance at end of the period
17-11-2023	21-11-2026	-	One share	21 Nov 26	20,000,000	20,000,000

Vesting Conditions:

Vesting Condition	Securities
Tranche 1- Performance Rights will vest upon the Company achieving a volume weighted average share price ('VWAP') of at least \$0.10 for 5 consecutive trading days.	5,000,000
Tranche 2- Performance Rights will vest upon the Company achieving a volume weighted average share price (VWAP) of at least \$0.20 for 5 consecutive trading days.	5,000,000
Tranche 3- Performance Rights will vest upon the holder completing 12 months of continuous employment as the Executive Chairman of the Company.	2,500,000
Tranche 4- Performance Rights will vest upon the holder completing 24 months of continuous employment as the Executive Chairman of the Company.	2,500,000
Tranche 5 - Performance Rights will vest upon the completion of a Scoping Study announced to the ASX that supports a Board decision to proceed with a pre-feasibility study or definitive feasibility study.	2,500,000
Tranche 6 - Performance rights will vest upon the Company securing either: (i) a strategic partner for the Panton PGM Project (at asset or Company level); (ii) a >10% individual cornerstone shareholder in the Company; or (iii) >20% institutional ownership in the Company.	2,500,000

Tranche 1 and Tranche 2 of the Performance Rights were valued using a combination of Hoadley's Barrier1 Model and Hoadley's Parisian Model (the combination of the two models to be referred to as the 'Parisian Barrier1 Model'), with key inputs as follows;

- a) expected life of the performance rights is 3 years;
- b) share price at grant date of A\$0.04;
- c) expected volatility of 85%;
- d) share price barrier of A\$0.1159 for Tranche 1 and \$0.2317 for Tranche 2;
- e) expected dividend yield of nil; and
- f) a risk-free interest rate of 4.01%.

**(c) Supplier share-based payments**

There were no supplier share based payments during the half year ended 31 December 2023.

**(d) Employee share-based payments**

During the half-year ended 31 December 2023, the Company did not issue any new performance rights to employees. The expense recognised relates to performance rights granted in previous periods.

**11. 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\$466,000.

**12. Dividends**

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

**13. 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.

**14. Events Occurring after the Reporting Period**

On 8 February 2024, the Company announced the results of an Entitlement Issue which raised A\$3.3m (approximately £1.7m) before costs. The net proceeds from the Entitlement Issue will be utilised for drilling and other exploration activities on the Company's recently acquired Eileen Bore Cu-Ni-PGM Project and to progress value enhancement activities on the Company's Panton Project, following the recent completion of the Panton Scoping Study.

As part of the Octava Joint Venture Agreement, Future Metals was required to make a final payment to Octava of A\$200,000 in cash or shares, at Future Metals' sole election. Accordingly, on 29 February 2024, the Company issued 6,674,887 new ordinary shares to Octava Minerals Limited as deferred consideration for the Octava Joint Venture. Subject to the Company meeting the minimum annual cumulative expenditure, as set out in the Company's announcement of 17 January 2023, Future Metals will earn a 70% interest in both the Panton North and Copernicus Projects.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**15. Related Party Disclosures**

Allotment of Securities

On 21 November 2023, the Company's Chairman Patrick Walta, was issued a total of 20,000,000 Performance Rights. Please refer to note 10(b) for details of these rights.

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 2023.

## 16. Segment Information

The Group has identified its operating segments based on the internal reports that are reported to the Executive Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The Board as a whole will regularly review the identified segments in order to allocate resources to the segments and assess their 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 2023 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 2023 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



**Patrick Walta**  
**Executive Chairman**

Melbourne, Victoria  
15 March 2024

## 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 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the 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 2023 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 2023 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 a faint, light blue BDO logo.

**Dean Just**

**Director**

Perth, 15 March 2024

**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 2023**

Project	Location	Tenement No.	Area	Interest
<b>Panton PGM-Ni Project</b>	Western Australia	M80/103	8.6km <sup>2</sup>	100%
	Western Australia	M80/104	5.7km <sup>2</sup>	100%
	Western Australia	M80/105	8.3km <sup>2</sup>	100%
<b>Elen Bore</b>	Western Australia	E80/4922	3.3km <sup>2</sup>	100%
	Western Australia	E80/4933	6.6km <sup>2</sup>	100%
	Western Australia	E80/5056	33km <sup>2</sup>	100%
<b>Sally Downs</b>	Western Australia	E80/4951	72.6 km <sup>2</sup>	100%
	<i>Western Australia</i>	<i>E80/5911 (pending)</i>	<i>46.2 km<sup>2</sup></i>	<i>100%</i>
<b>Springvale</b>	Western Australia	E80/4753	16.5 km <sup>2</sup>	100%

Joint Venture *	Location	Tenement No.	Interest at 31 December 2023
<b>Octava Minerals Ltd Panton North</b>	Western Australia	E80/5455	-
<b>Octava Minerals Ltd Copernicus North</b>	Western Australia	E80/5459	-

\*Future Metals may earn up to 70% in the two tenements listed above. Details of the transaction can be found in the announcement 'Farm-In Agreement Over East Kimberley Ni-Cu-PGE Prospects' released on 17 January 2023.

### 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 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.