

Future Metals NL

ABN 99 124 734 961

Annual Report - 30 June 2024

Future Metals NL
Corporate directory
30 June 2024

Directors	Patrick Walta - Chairman John Carr - Non-Executive Director Sam Rodda - Non-Executive Director Justin Tremain - Non-Executive Director
Company Secretary	Tom O'Rourke
Registered Office	Level 3, 1060 Hay Street West Perth WA 6005
Share Registry	Computershare Investor Services Pty Ltd Level 17, 221 St Georges Terrace Perth WA 6000
Auditors	BDO Audit Pty Ltd Level 9, Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000
Australian Solicitors	Steinepreis Paganin Level 14 - QV1/250 St Georges Terrace, Perth WA 6000
Nominated Advisor and Broker (UK)	Strand Hanson Limited 26 Mount Row London W1K 3SQ, UK
Stock Exchange	Australian Securities Exchange (ASX) ASX Code: FME The AIM market of the London Stock Exchange (AIM) AIM Code: FME
Website	www.future-metals.com.au

Future Metals NL

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Future Metals NL Directors' report 30 June 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Future Metals NL (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Future Metals NL is a no liability Company incorporated and domiciled in Australia.

Directors

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

Patrick Walta	Executive Chairman (appointed 17 November 2023)
Justin Tremain	Non-Executive Director
John Carr	Non-Executive Director (appointed 22 March 2024)
Sam Rodda	Non-Executive Director (appointed 27 March 2024)
Jardee Kininmonth	Managing Director (resigned 27 March 2024)
Allan Mulligan	Non-Executive Director (resigned 17 November 2023)
Elizabeth Henson	Non-Executive Director (resigned 22 March 2024)
Robert Mosig	Non-Executive Director (resigned 17 November 2023)

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 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; and
- Assess multiple regional opportunities for further enhancing the Company's strategic land position in the highly prospective East Kimberley region and abroad.

With consideration to the prolonged period of low PGM prices, during the second half of the period Future Metals focused its activities on:

- Arranging access and planning for drilling priority targets at Eileen Bore and within the Alice Downs Corridor, targeting new discoveries of Cu-Ni-PGM mineralisation in proximity to potential future operations at its Panton Project;
- Assessment of potential copper and precious metals project opportunities and/or assets within strategic proximity to the Panton PGM Project; and
- Low-cost development opportunities at the Panton PGM Project and continued prudent financial management.

Dividends

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

Review of operations

The loss for the Group after providing for income tax amounted to \$3,940,051 (30 June 2023: \$7,309,120).

The Company's net loss after taxation attributable to the members of Future Metals for the year ended 30 June 2024 was \$3,940,051 (30 June 2023: \$7,309,120).

Panton Project Overview & Resource

Future Metals owns 100% of the Panton PGM-Ni-Cr deposit ("Panton" or the "Project") in the eastern Kimberley region of Western Australia. The Project is located on three granted mining licenses 70km north of Halls Creek and 60km south of the Savannah Nickel Mine, which is currently on care and maintenance.

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 in 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.



Figure One | Panton PGM-Ni-Cr Project's Location

PGM-Ni-Cr mineralisation occurs within a layered, differentiated mafic-ultramafic intrusion referred to as the Panton intrusive which is a 9km long and 3km wide and 1.7km thick south-west plunging synclinal intrusion. PGM & Cr mineralisation is hosted within a series of stratiform chromite reefs and 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. These two components of the Resource were the focus for the Scoping Study and planned future operations.

The total MRE at Panton is 92.9Mt @ 2.0g/t PdEq² (1.5g/t PGM_{3E}¹, 0.20% Ni & 3.1% Cr₂O₃) for contained metal of 6.0Moz PdEq² (4.5Moz PGM_{3E}¹, 185kt Ni & 2.8Mt Cr₂O₃). The MRE has been reported across three separate units; the Reef, the High-Grade Dunite and the Bulk Dunite (refer to ASX announcement dated 26 October 2023 and see Table Five for full details).

The Reef component has an MRE of 10.8Mt @ 7.0g/t PdEq² (5.6g/t PGM_{3E}¹, 0.27% Ni & 14.6% Cr₂O₃) for contained metal of 2.4Moz PdEq² (2.0Moz PGM_{3E}¹, 29kt Ni & 1.6Mt Cr₂O₃).

The High-Grade Dunite component has an MRE of 26.4Mt @ 1.8g/t PdEq² (1.3g/t PGM_{3E}¹, 0.21% Ni) for contained metal of 1.5Moz PdEq² (1.1Moz PGM_{3E}¹, 54kt Ni). The High-Grade Dunite is the mineralisation which sits parallel to the reef mineralisation at the footwall and hangingwall contacts.

The combined Reef and High-Grade Dunite mineralisation has an MRE of 37.2Mt @ 3.3g/t PdEq² (2.6g/t PGM_{3E}¹, 0.22% Ni & 6.2% Cr₂O₃) for contained metal of 3.9Moz PdEq² (3.1Moz PGM_{3E}¹, 83kt Ni & 2.2Mt Cr₂O₃).

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

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

The Bulk Dunite has been reported at a 0.9g/t PdEq² cut-off for an MRE of 55.7Mt @ 1.2g/t PdEq¹ (0.8g/t PGM_{3E}, 0.18% Ni) for contained metal of 2.1Moz PdEq¹ (1.4Moz PGM_{3E}¹, 102kt Ni). A detailed table for the Panton MRE is provided in Table Five.

¹ Platinum-Group-Metals 3E refers to platinum, palladium and gold

² PdEq (Palladium Equivalent). Refer to page 9 for calculation details

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Regional Exploration Overview

A field program for an initial exploration drill programme on the 18km Alice Downs Corridor underway within the Company's tenure. The Aboriginal Heritage Survey was completed and approved by the Malarngowen Aboriginal Corporation post year end, with ground gravity surveys over the Alice Downs Corridor and Panton North areas underway as well undertaking drilling at the Eileen Bore Prospect (see Figure Two).

A review of historical third-party drilling combined with geophysical and structural interpretations has identified multiple mineralised bodies with a NW plunge proximal to the Alice Downs Fault. Historical drilling ineffectively tested such targets.

Ground Gravity

The planned ground gravity survey in the Alice Downs Corridor will provide complementary data to the existing magnetics data along the 18km mineralised corridor. The corridor has the potential to host multiple mineralised Ni-Cu bodies. The additional data will assist in targeting buried intrusive bodies and further refine the Eileen Bore geological model before drilling.

At Panton North, the additional data will be used to refine the existing geological model and depth of the Panton Intrusion. Over the past nine months, field work and data interpretation has indicated a structural complexity at Panton not previously recognised which has the potential for further mineralisation.

Drilling

The drill program at Eileen Bore aims to target extensions and determine the down-dip extent of the mineralisation in previous drilling (Drill Target 1). Drilling will also test adjacent surface mineralisation that was not previously been subject to drilling (Drill Target 2) (see Figure Three).

Alice Downs Corridor

The Alice Downs Corridor targets are located within 20km of the Company's 100% owned Panton Project in the highly prospective East Kimberley region of Western Australia. Broad zones of disseminated and net-textured copper and nickel sulphides occur within multiple host intrusions and comprise chalcopyrite, pyrrhotite, pentlandite and pyrite. The historically mined Copernicus deposit (excised) is one such example.

Historical drilling has mainly focused on the near-surface mineralisation at Eileen Bore; the down-dip extent of the historic mineralisation is planned to be tested in Q3 and Q4 of 2024.

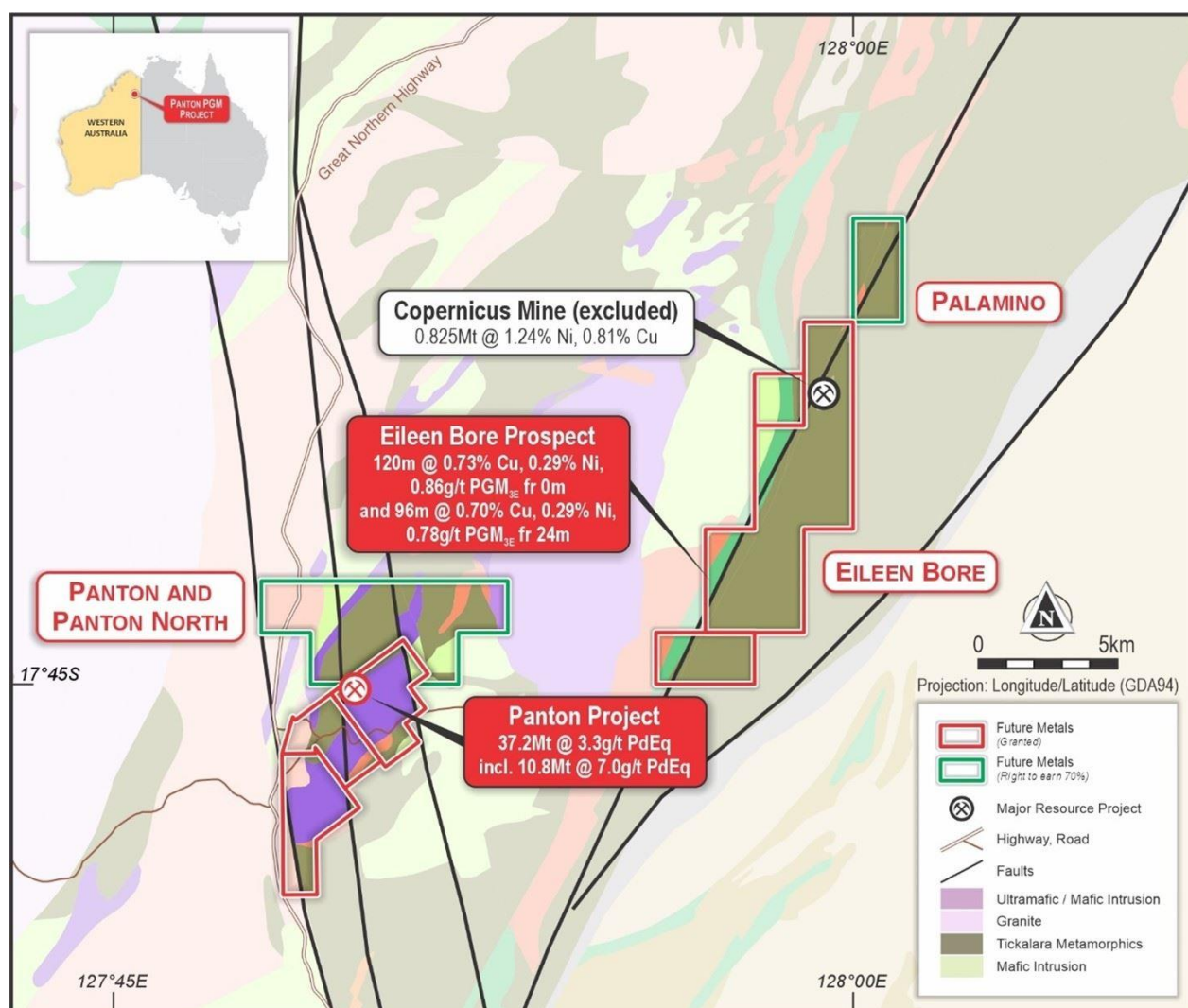


Figure Two | Future Metals East Kimberley Projects, the Panton Project & Alice Downs Corridor

Eileen Bore Prospect

The Eileen Bore Prospect is an advanced exploration target. Historical third-party drilling has confirmed wide zones of consistent Cu-Ni-PGM mineralisation from surface along a known strike of approximately 300m. Mineralisation remains open down dip and at depth, with mineralisation only tested to 96m vertically below the surface.

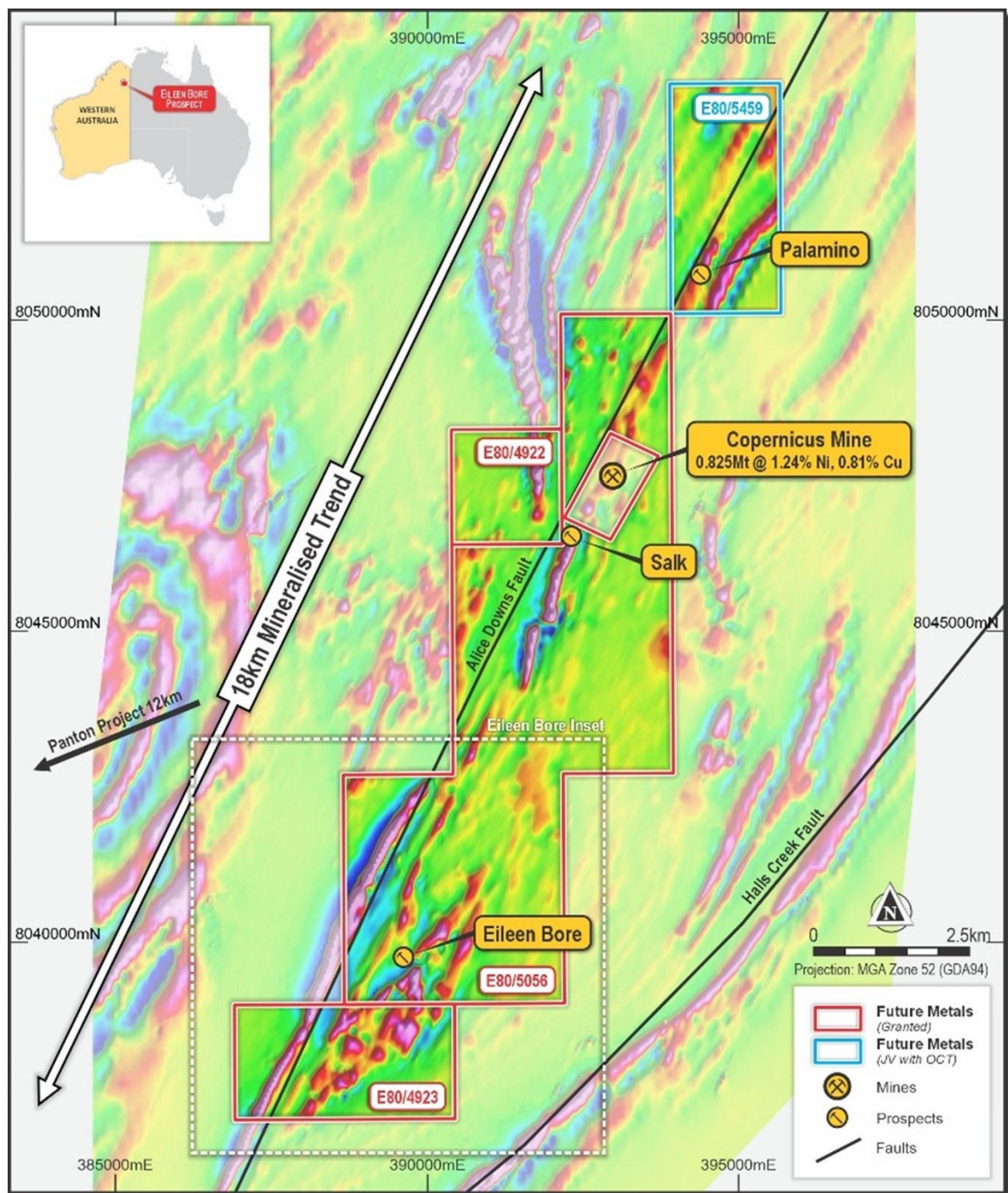
A total of 5,761m over 60 holes have previously been drilled at Eileen Bore. This historical drilling confirms a disseminated Cu-Ni-PGM magmatic sulphide body within a gabbro-pyroxenite host extending over ~300m of strike. Multiple holes have ended in mineralisation and modelling suggests that mineralisation is focused within a synformal fold axis and is dipping to the north-northwest. This interpreted orientation remains open with scope for significant additional mineralisation.

Historical drilling results include:

- 120m @ 0.73% Cu, 0.29% Ni & 0.86g/t PGM_{3E} from 0m (EOH) (EBRC 010)
 - Incl. 16m @ 1.0% Cu, 0.36% Ni & 0.99g/t PGM_{3E} from 100m
- 96m @ 0.70% Cu, 0.29% Ni & 0.78g/t PGM_{3E} from 24m (EOH) (EBRC 003)
 - Incl. 10m @ 1.08% Cu, 0.34% Ni & 1.04g/t PGM_{3E} from 56m
- 84m @ 0.54% Cu, 0.24% Ni & 0.75g/t PGM_{3E} from 36m (EOH) (EBRC 011)
- 47m @ 0.62% Cu, 0.30% Ni & 0.60g/t PGM_{3E} from 3m (AD07)
- 36m @ 0.53% Cu, 0.25% Ni & 0.59g/t PGM_{3E} 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)

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To the northeast, Drill Target 2 is based on coincident magmatic chalcopyrite-pyrrhotite mineralisation identified in peridotite rock chips and confirmed by petrology. These rock chips are associated with Ni-Cu, PGE and Au soil anomalism. There is no historic drill testing in the area. Drill Target 1 and Drill Target 2 are outlined in Figure Three.



**Figure Three | Regional Plan showing main targets along the Alice Downs Corridor's 18km strike.
Note the location of the Eileen Bore Drilling inset map for Figure Three.**

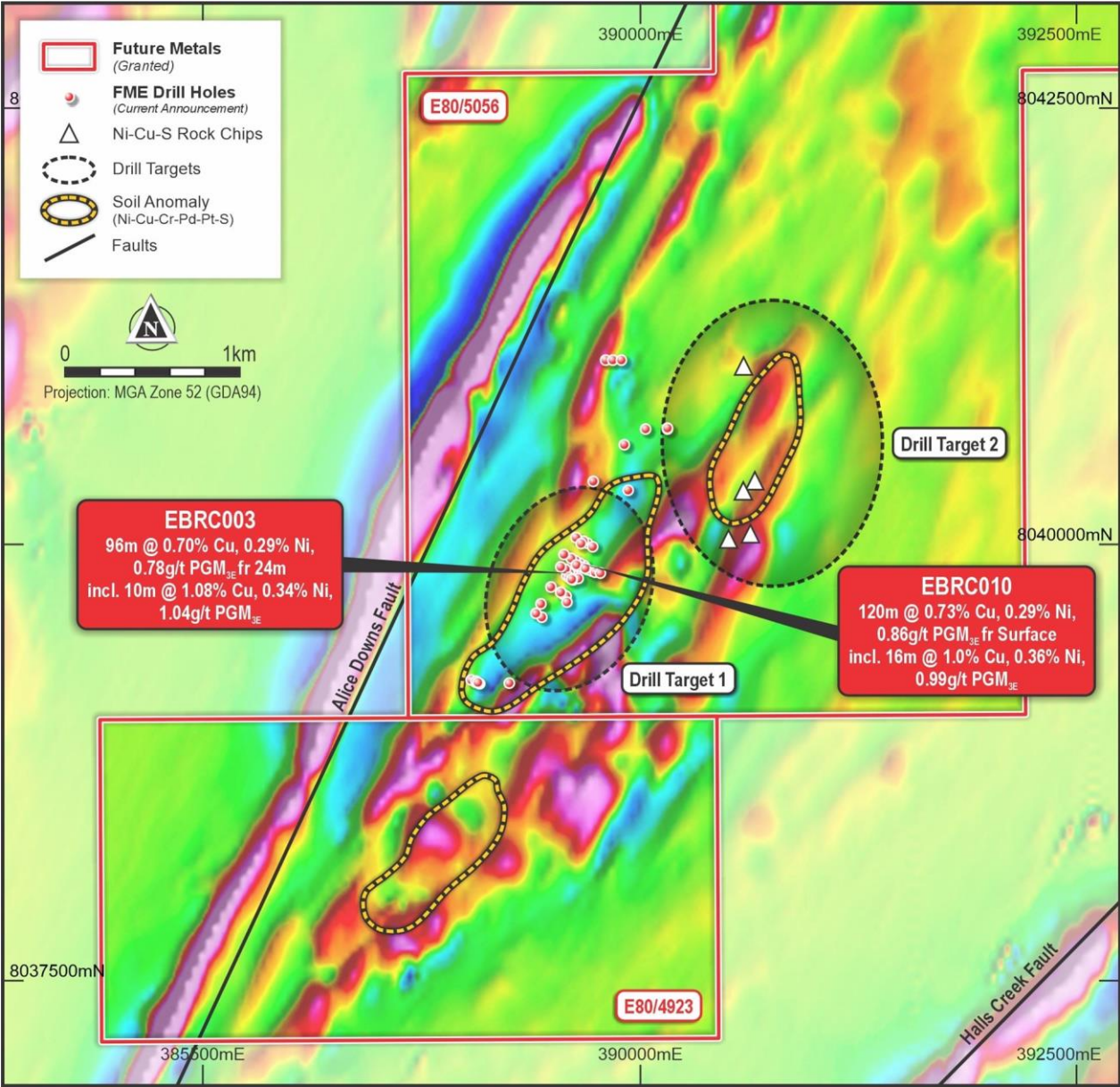


Figure Four | Eileen Bore Prospect showing drill areas: down plunge mineralisation and Drill Targets 1 and 2.

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

Category	Mass (Mt)	Grade								Contained Metal									
		Pd (g/t)	Pt (g/t)	Au (g/t)	PGM _{3E} ¹ (g/t)	Ni (%)	Cr ₂ O ₃ (%)	PdEq ² (g/t)	Cu (%)	Co (ppm)	Pd (Koz)	Pt (Koz)	Au (Koz)	PGM _{3E} ¹ (Koz)	Ni (kt)	Cr ₂ O ₃ (kt)	PdEq ² (Koz)	Cu (kt)	Co (kt)
Upper Reef																			
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
Subtotal	7.9	3.2	2.8	0.4	6.4	0.30	15.6	7.8	0.09	219	824	703	111	1,637	23	1,233	1,998	7	1.7
Lower Reef																			
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
Subtotal	2.8	1.4	1.9	0.1	3.5	0.18	11.8	4.5	0.04	208	132	174	11	316	5	337	409	1	0.6
Total Reef																			
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
Subtotal	10.8	2.8	2.5	0.4	5.6	0.27	14.6	7.0	0.08	216	956	876	122	1,954	29	1,569	2,407	8	2.3
High Grade Dunite (Underground, below 300mRL, 1.4g/t PdEq cut-off)																			
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
Subtotal	26.4	0.6	0.6	0.1	1.3	0.21	2.3	1.8	0.04	158	545	482	118	1,144	54	610	1,488	11	4.2
Reef + High Grade Dunite																			
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
Subtotal	37.2	1.3	1.1	0.2	2.6	0.22	5.9	3.3	0.05	175	1,501	1,358	239	3,098	83	2,179	3,895	19	6.5
Bulk Dunite (Near surface, above 300mRL, 0.9g/t PdEq cut-off)																			
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
Subtotal	55.7	0.4	0.3	0.1	0.8	0.18	1.2	1.2	0.03	142	657	593	164	1,414	102	666	2,094	17	7.9
Total Resource																			
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
Total	92.9	0.7	0.7	0.1	1.5	0.20	3.1	2.0	0.04	155	2,158	1,951	403	4,512	185	2,846	5,989	37	14.4

³ 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

Panton PGM Project

Following the release of the Scoping Study over the Panton PGM Project in December 2023, Future Metals continues to progress the development of the asset in line with the Company's strategy of ensuring Panton is development-ready in time for the next PGM price upswing.

The Scoping Study highlighted the potential for Panton to be one of the few significant primary PGM operations in the western world. The 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 ² (Oz pa)
1,250ktpa	117,000	134,000	1,200	161,000

The Study also highlighted robust economics, with Panton demonstrating strong financial metrics that reflect the Project's high grade and low capital intensity.

Future Metals is focused on promoting Panton PGM concentrate as an alternative supply of material scale to current production, sourced from high sovereign risk jurisdictions, including South Africa, Russia, and Zimbabwe (representing ~85% of current global production).

Future Metals also sees strong potential for further metallurgical improvements to the Panton PGM concentrate, including additional minor payable metals and further flowsheet simplification. The Company has made preliminary steps to continue progressing these initiatives during the year while maintaining a focus on limiting expenditure on material-scale test work programs to preserve capital during the current period of low PGM commodity prices.

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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% Cr₂O₃)

Metal equivalents were calculated according to the follow 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 Cr₂O₃ (%)
- 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(%)

Corporate

Strategic Board Changes

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

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.

Mr Jardee Kininmonth resigned as Managing Director and CEO. Non-Executive Director, Elizabeth Henson stepped down to focus on other business interests. Mr John Carr and Mr Sam Rodda joined the Company as Non-Executive Directors.

Subsequent to the end of the period, Mr Patrick Walta transitioned to a part time Executive Chairman role in line with the Company's focus on maintaining prudent capital management during the prolonged period of low PGM prices.

Acquisition of Osprey

The Company acquired Osprey Minerals Pty Ltd on 17 November 2023, 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 FME shares, subject to a 6-month escrow period. The Company paid deferred consideration of A\$325,000 by way of issuing 13,025,263 FME shares.

Once the Company drills 2,000m or more on the Osprey tenements, an additional A\$325,000 will be payable in cash or FME shares at the Company's sole election. The issue of shares will be priced at the 5-day VWAP at the time of the milestone being met.

Successfully Raises A\$3.3M

The Company successfully raised A\$3.3m through non-renounceable entitlement issue (Entitlement Offer). New proceeds from the Entitlement Issue will be utilised on exploration activities on the recently acquired Eileen Bore Cu-Ni-PGM Project and to progress value enhancement activities on its Panton Project, following the completion of the Panton Scoping Study.

The Entitlement Offer 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 \$0.03 per Share together with one (1) free-attaching option (exercisable for \$0.10 on or before 22 June 2024) (New Options) for every two (2) Shares applied for and issued.

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Corporate Options Entitlement Offer

The Company announced a proposed Options Offer to subscribe for 1 new option for every 1 FMEO ASX-listed option held at an issue price of 0.025 cents per new option, raising a nominal A\$40,000 (before costs). The ASX listed FMEO options expired on 11 June 2024. Each new option will be exercisable at a price of 6 cents per share and expire 3 years from their date of issue. The Company engaged CPS Capital Group Pty Ltd to act as underwriter for the full Option Offer.

Project Generation

The Company continues to actively review and undertake due diligence on resources assets which complement the development and exploration strategy of Future Metals at the Panton Project and the Eileen Bore Cu-Ni-PGM Project.

The Company is focused on assessing and undertaking due diligence on brownfield project opportunities in addition to all opportunities within a strategic proximity to the Panton Project.

Cost Rationalisation

In the second half of the period the Company implemented a program of cost reduction in discretionary corporate expenditure to reduce overheads and maintain cash during the current period of low PGM prices.

The Company will continue to assess and progress further corporate cost-cutting measures into the new financial year.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

On 2 Sept 2024 the Group issued 159,691,684 listed options with an exercise price of \$0.06 and expiry 3 years from the date of issue.

In line with the Company's focus on prudent financial management and maintaining cash during the current period of low PGM prices, the Company's Executive Chair, Mr Patrick Walta, has voluntarily nominated to transition to a part time role with a reduced salary of \$5,000 per month (from \$30,000 per month) with effect from 1 August 2024.

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

Likely developments and expected results of operations

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

Risk management

The Board of Directors (the 'Board') is responsible for ensuring that risks are identified on a timely basis and that activities are aligned with the risks identified by the Board. The Group believes that it is crucial for all Board members to be a part of this process and as such the Board has not established a separate risk management committee.

The Board has several mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the Board approval of strategic plans which includes initiatives designed to meet stakeholder needs and expectations and to manage business risk, and the implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets.

The key risks in developing projects are:

- obtaining the remaining permits and approvals necessary to develop the project as intended.
- raising the necessary project financing to implement the project development as intended;
- recruiting and/or training the required personnel in country with the necessary technical, operational, financial and/or managerial skills and experience to develop, operate and administer the Project; and

Corporate governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Future Metals NL support and have adhered to the principles of sound corporate governance.

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ASX Corporate Governance Council Recommendations

The Board has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations ("ASX Principles and Recommendations 4th Edition") where considered appropriate for Group of Future Metals' size and nature. Such policies include, but are not limited to the Board Charter, Board Committee Charters, Code of Conduct, Trading in Securities, Continuous Disclosure, Shareholder Communication and Risk Management Policies. Further details in respect to the Group's corporate governance practises and copies of Group's corporate governance policies and the Corporate Governance Statement, approved by the Board, are available of the Group's website:

www.future-metals.com.au.

Environmental regulations and performance

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

Information on directors

Name:	Patrick Walta
Title:	Executive Chairman
Date of appointment:	17 November 2023
Experience and expertise:	<p>Mr Walta is a qualified metallurgist and mineral economist with experience across both technical and commercial roles within the mining and water treatment industries. In 2017 Patrick founded New Century Resources Ltd and became Managing Director following the successful acquisition of the Century Zinc Mine in Queensland. Over the proceeding five years he led the growth of the Company through feasibility, mine restart, commissioning and steady state operations. Through this process, the Century Mine became the 13th largest zinc producer in the world. In 2023, New Century was acquired by the multinational PGM-gold producer Sibanye-Stillwater Ltd.</p> <p>Mr Walta is a graduate of Melbourne University with degrees in Chemical Engineering and Science in addition to postgraduate studies including an MBA, Masters of Science (Mineral Economics), Diploma of Project Management, and the AICD's Company Directors Course. He has also been awarded the MNN Emerging Leader of the Year Award (2018) and the Young Achiever of the Year award (2015) at the Australian Mining Prospect Awards.</p>
Other current directorships:	None
Former directorships (last 3 years):	WA Kaolin Limited, New Century Resources Limited
Interests in shares:	1,666,667
Interests in performance rights:	25,000,000

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Name: Justin Tremain
 Title: Non-Executive Director (appointed 17 November 2023, previously Executive Chairman)
 Experience and expertise: Mr Tremain is an experienced company director with extensive expertise across the mineral resources sector. His experience covers equity capital markets and promotion, resource project acquisition, exploration and resource delineation, feasibility studies and project development financing.

Mr Tremain is currently Managing Director of West African gold explorer Turaco Gold Ltd where he was appointed in December 2020. He is also Non-Executive Chairman of Caspin Resources Ltd, which listed on the ASX in November 2020. Mr Tremain was previously the Managing Director of Exore Resources Ltd, having joined in January 2018 as a 'shell company' and identified and led the acquisition of a gold exploration portfolio in Cote d'Ivoire for A\$3.5 million. Exore was acquired by Perseus Mining Ltd in September 2020 for a value of A\$80 million.

Prior to becoming involved in the management of ASX listed resource companies from early 2010, Mr Tremain had over 10 years investment banking experience in the metals and mining sector with NM Rothschild & Sons, Investec and Macquarie Bank.

Other current directorships: Turaco Gold Ltd, Caspin Resources Ltd
 Former directorships (last 3 years): Exore Resources Ltd
 Interests in shares: 5,333,333
 Interests in performance rights: 3,500,000

Name: John Carr
 Title: Non-Executive Director
 Date of appointment: 22 March 2024
 Experience and expertise: Mr Carr is an entrepreneur, executive and chemical engineer and notably was co-founder of New Century Resources, which acquired and restarted the Century Zinc Mine in Queensland, Australia.

As Chief Development Officer, he was responsible for the development of the large-scale brownfield base metal mine re-start and expansion at Century, now a top-15 global zinc producer and Australia's largest tailings reprocessing operation. Mr Carr also led the acquisition of the Mt Lyell Copper Mine from Vedanta Resources. In 2023, New Century was acquired by multinational PGM and gold producer, Sibanye Stillwater Ltd.

Other current directorships: None
 Former directorships (last 3 years): None
 Interests in shares: 1,666,667
 Interests in performance rights: 3,500,000

Name: Sam Rodda
 Title: Non-Executive Director
 Date of appointment: 27 March 2024
 Experience and expertise: Mr Rodda's appointment to the Board of Future Metals provides additional capacity and competence in the planned development of future operations at Panton. Mr Rodda has broad experience within technical and commercial roles within the mining industry. Notably, was previously Managing Director of the ASX listed PGM developer Podium Minerals Limited and has held significant operational roles at number of large underground and open pit mining operations in Australia and internationally, including at MMG limited, where he held the position of General Manager Operations and Technical Excellence. Sam has also held senior roles within WMC and BHP Billiton.

Other current directorships: None
 Former directorships (last 3 years): Podium Minerals Limited
 Interests in shares: 333,333
 Interests in performance rights: 3,500,000

Future Metals NL Directors' report 30 June 2024

Company secretary Thomas O'Rourke

Mr O'Rourke is a chartered accountant with over 12 years' experience in both private and public companies. More recently Mr O'Rourke has specialised in corporate advisory, company secretarial and financial management services for ASX listed companies. Mr O'Rourke is a member of Chartered Accountants Australia and New Zealand holding a Bachelor of Commerce from the University of Western Australia, and a Master's in Project Management from Curtin University.

Meetings of directors

The number of meetings of the Board held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full Board Meetings Eligible to Attend	Full Board Meetings Attended	Remuneration Committee Meetings Eligible to Attend	Remuneration Committee Attended	Audit and Risk Committee Meetings Eligible to Attend	Audit and Risk Committee Meeting Attended
Justin Tremain	4	4	-	-	1	1
Jardee Kininmonth	3	3	-	-	-	-
Allan Mulligan	2	2	-	-	1	1
Elizabeth Henson	3	3	-	-	1	1
Rob Mosig	2	2	-	-	-	-
Patrick Walta	2	2	-	-	-	-
John Carr	1	1	-	-	-	-
Sam Rodda	1	1	-	-	-	-

Remuneration report (audited)

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Future Metals NL for the financial year ended 30 June 2024. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001. The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

Details of Key Management Personnel:

- Patrick Walta - Executive Chairman (appointed 17 November 2023)
- Justin Tremain- Non-Executive Director
- John Carr - Non-Executive Director (appointed 22 March 2024)
- Sam Rodda - Non-Executive Director (appointed 27 March 2024)
- Jardee Kininmonth - CEO and Managing Director (resigned 27 March 2024)
- Allan Mulligan - Non-Executive Director (resigned 17 November 2023)
- Elizabeth Henson - Non-Executive Director (resigned 22 March 2024)
- Robert Mosig - Non-Executive Director (resigned 17 November 2023)

Remuneration Policy

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

As part of its Corporate Governance Policies and Procedures, the Board has adopted a formal Remuneration Committee Charter and Remuneration Policy. The Board has also elected to establish a remuneration committee which meets as deemed. The committee consists of three non-executive directors.

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, such Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board. Any Chairman's fees are determined independently to the fees of Non-Executive Directors based on comparative roles in the external market.

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Directors' report
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Level	Cash Remuneration	Short Term Incentive	Long Term Incentive
Executive Chairman	\$360,000 ¹	Nil	20,000,000 performance rights
Managing Director	\$240,000 ¹	Nil	999,999 performance rights
Non-Executive Directors	\$36,000 ¹	Nil	Nil ²

¹ Consists of salary (excluding statutory superannuation (where applicable) of 11%).

² Ability to participate in the long-term incentives through the Company's Employee Share Option Plan.

Additional fees

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

Retirement allowances for Directors

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

Remuneration Consultants

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

Details of remuneration

	Cash Salary and Fees	Short-term benefits Directors' Fees	Consulting Fees	Annual Leave	Share-based payments Equity-settled	Post-employment benefits Super-annuation	Total	Performance Related
30 June 2024	\$	\$	\$	\$	\$	\$	\$	%
<i>Directors</i>								
Patrick Walta ²	224,000	-	-	-	451,878	24,640	700,518	65%
Justin Tremain	-	51,000	-	-	8,664	5,610	65,274	13%
John Carr ²	-	9,000	-	-	8,664	-	17,664	49%
Sam Rodda ²	9,000	-	-	-	8,664	990	18,654	46%
Jardee	269,242	-	-	-	24,908	19,800	313,950	8%
Kininmonth ¹	-	10,900	-	-	-	1,090	11,990	-
Allan Mulligan ¹	-	26,032	-	-	-	-	26,032	-
Elizabeth Henson ¹	-	19,800	-	-	-	-	19,800	-
Rob Mosig ¹	-	-	-	-	-	-	-	-
	<u>502,242</u>	<u>116,732</u>	<u>-</u>	<u>-</u>	<u>502,778</u>	<u>52,130</u>	<u>1,173,882</u>	

¹ Directors resigned their position as director during the 2024 financial year.

² Directors commenced their position as non-executive director during the 2024 financial year.

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	Cash Salary and Fees	Short-term benefits Directors' Fees	Consulting Fees	Annual Leave	Share- based payments Equity- settled	Post- employment benefits Super- annuation	Total	Performance Related %
30 June 2023	\$	\$	\$	\$	\$	\$	\$	%
<i>Directors:</i>								
Justin Tremain Jardee	-	72,000	-	-	-	7,560	79,560	-
Kininmonth	240,000	-	-	11,077	228,991	25,200	505,268	45%
Allan Mulligan	-	36,000	-	-	-	-	36,000	-
Elizabeth Henson	-	64,057	409	-	84,827	-	149,293	57%
Rob Mosig	-	36,000	-	-	-	-	36,000	-
Aaron Bertolatti ¹	-	3,000	-	-	-	315	3,315	-
	<u>240,000</u>	<u>211,057</u>	<u>409</u>	<u>11,077</u>	<u>313,818</u>	<u>33,075</u>	<u>809,436</u>	

¹ Aaron Bertolatti resigned 31 July 2022.

Service agreements

Executive Services Agreement

Name:	Patrick Walta
Title:	Executive Chairman
Detail:	<p>i. Employment commencing 17 November 2023 until the agreement is validly terminated in accordance with its terms;</p> <p>ii. The Company may terminate the employment by giving 3 months written notice. The notice period increases to 6 months after 12 months continuous employment;</p> <p>iii. The Company may terminate the employment without notice if Mr. Walta commits any serious or persistent breach of any of the provisions in the agreement and the breach is not remedied within 10 days of the receipt of written notice from the Company to do so;</p> <p>iv. The Company may terminate the employment without reason by providing 6 months written notice;</p> <p>v. Mr. Walta may terminate the employment by providing 3 months written notice to the Company;</p> <p>vi. On termination of the employment, Mr. Walta is entitled to payment of any accrued annual leave entitlements;</p> <p>vii. A salary of \$360,000 (plus statutory superannuation) per year effective 17 November 2023 on a Total Employment Cost basis and to be reviewed from time to time; and</p> <p>viii. The issue of 20,000,000 Performance Rights (various vesting conditions) under the Performance Rights Plan with an expiry date of 3 years from their date of issue.</p> <p>ix. In line with the Company's focus on prudent financial management and maintaining cash during the current period of low PGM prices, the Company's Executive Chair has voluntarily nominated to transition to a part time role with a reduced salary of \$5,000 per month (from \$30,000 per month) with effect from 1 August 2024.</p>

Future Metals NL Directors' report 30 June 2024

Name: Jardee Kininmonth
 Title: Managing Director (resigned 27 March 2024)
 Details: i. Employment commencing 31 January 2022 until the agreement is validly terminated in accordance with its terms;
 ii. The Company may terminate the employment by giving 3 months written notice. The notice period increases to 6 months after 12 months continuous employment;
 iii. The Company may terminate the employment without notice if Mr. Kininmonth commits any serious or persistent breach of any of the provisions in the agreement and the breach is not remedied within 10 days of the receipt of written notice from the Company to do so;
 iv. The Company may terminate the employment without reason by providing 6 months written notice;
 v. Mr. Kininmonth may terminate the employment by providing 3 months written notice to the Company; vi. On termination of the employment, Mr. Kininmonth is entitled to payment of any accrued annual leave entitlements;
 vii. A salary of \$240,000 (plus statutory superannuation) per year effective 31 January 2022 on a Total Employment Cost basis and to be reviewed from time to time; and
 viii. The issue of 2,400,000 Performance Rights (various vesting conditions) under the Performance Rights Plan with an expiry date of 3 years from their date of issue.

Non-Executive Directors

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

Shareholdings of Key Management Personnel

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

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

	Balance at the start of the year	Granted during the period as compensation	On exercise of performance rights	Acquired ²	Other on appointment/ resignation	Balance at end of the year
2024						
<i>Directors:</i>						
Patrick Walta	-	-	-	1,666,667	-	1,666,667
Justin Tremain	-	-	5,333,333	-	-	5,333,333
John Carr ³	-	-	-	-	1,666,667	1,666,667
Sam Rodda ³	-	-	-	-	333,333	333,333
Jardee Kininmonth ¹	788,605	-	800,000	397,151	(1,985,756)	-
Allan Mulligan ¹	-	-	2,000,000	-	(2,000,000)	-
Rob Mosig ¹	-	-	1,333,333	-	(1,333,333)	-
	<u>788,605</u>	<u>-</u>	<u>9,466,666</u>	<u>2,063,818</u>	<u>(3,319,089)</u>	<u>9,000,000</u>

¹ Directors resigned their position as director during the 2024 financial year.

² Acquired shares and options at market price as part of an entitlement offer (capital raising) during the year.

³ Directors commenced their position during the 2024 financial year. Directors were existing share holders prior to becoming Directors.

Future Metals NL
Directors' report
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	Balance at the start of the year	Granted during the period as compensation	On exercise of performance rights	Acquired	Other on appointment/ resignation	Balance at end of the year
2023						
<i>Directors:</i>						
Justin Tremain	-	-	-	-	-	-
Jardee Kininmonth ¹	350,000	-	-	438,605	-	788,605
Allan Mulligan	-	-	-	-	-	-
Elizabeth Henson	-	-	-	-	-	-
Rob Mosig	-	-	-	-	-	-
Aaron Bertolatti ²	302,500	-	-	(302,500)	-	-
	<u>652,500</u>	<u>-</u>	<u>-</u>	<u>136,105</u>	<u>-</u>	<u>788,605</u>

¹ Mr Kininmonth purchased 250,000 shares in the Company through the Company's Share Purchase Plan and 188,605 shares on-market on 15 September 2022.

² Mr Bertolatti ceased being a director on 31 July 2022.

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

Option holdings of Key Management Personnel

	Balance at the start of the year	Granted during the period as compensation	On exercise of share options	Acquired ²	Expired	Other changes during the year	Balance at the end of the year
2024							
Patrick Walta	-	-	-	833,333	(833,333)	-	-
Justin Tremain	-	-	-	-	-	-	-
John Carr	-	-	-	-	(833,334)	833,334	-
Sam Rodda	-	-	-	166,667	(166,667)	-	-
Jardee Kininmonth ¹	62,868	-	-	198,575	-	(261,443)	-
Allan Mulligan	-	-	-	-	-	-	-
Elizabeth Henson	-	-	-	-	-	-	-
Rob Mosig	-	-	-	-	-	-	-
	<u>62,868</u>	<u>-</u>	<u>-</u>	<u>1,198,575</u>	<u>(1,833,334)</u>	<u>571,891</u>	<u>-</u>

¹ Director resigned his position during the 2024 financial year.

² Acquired the securities at offer price via a Prospectus.

Future Metals NL
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	Balance at the start of the year	Granted during the period as compensation	On exercise of share options	Other changes during the year	Balance at the end of the year
2023					
Justin Tremain	-	-	-	-	-
Jardee Kininmonth ¹	-	-	-	62,868	62,868
Allan Mulligan	-	-	-	-	-
Elizabeth Henson	-	-	-	-	-
Rob Mosig	-	-	-	-	-
Aaron Bertolatti ²	-	-	-	-	-
	-	-	-	62,868	62,868

¹ Mr Kininmonth acquired 62,868 options over full paid ordinary shares in the Company through the Company's Share Purchase Plan and approved by shareholders at the Company's Annual General Meeting held 8 November 2022.

² Mr Bertolatti ceased being a director on 31 July 2022.

Future Metals NL
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Performance Rights holdings of Key Management Personnel

The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

2024	Class	Balance at the start of the period	Granted during the year as compensation	Exercised during the period	Other changes during the period	Balance at the end of the period
Patrick Walta	H	-	5,000,000	-	-	5,000,000
	I	-	5,000,000	-	-	5,000,000
	J	-	2,500,000	-	-	2,500,000
	K	-	2,500,000	-	-	2,500,000
	L	-	2,500,000	-	-	2,500,000
	M	-	2,500,000	-	-	2,500,000
	V	-	5,000,000	-	-	5,000,000
Justin Tremain	A	2,666,666	-	(2,666,666)	-	-
	B	2,666,667	-	(2,666,667)	-	-
	C	2,666,667	-	-	(2,666,667) ²	-
	V	-	2,500,000	-	-	2,500,000
	W	-	500,000	-	-	500,000
	X	-	500,000	-	-	500,000
John Carr	V	-	2,500,000	-	-	2,500,000
	W	-	500,000	-	-	500,000
	X	-	500,000	-	-	500,000
Sam Rodda	V	-	2,500,000	-	-	2,500,000
	W	-	500,000	-	-	500,000
	X	-	500,000	-	-	500,000
Jardee Kininmonth ¹	E	800,000	-	-	(800,000)	-
	F	800,000	-	-	(800,000)	-
	G	800,000	-	-	(800,000)	-
	O	333,333	-	-	(333,333)	-
	P	333,333	-	-	(333,333)	-
	U	333,333	-	-	(333,333)	-
Allan Mulligan ¹	A	1,000,000	-	(1,000,000)	-	-
	B	1,000,000	-	(1,000,000)	-	-
	C	1,000,000	-	-	(1,000,000)	-
Elizabeth Henson ¹	D	2,000,000	-	-	(2,000,000)	-
Rob Mosig ¹	A	666,666	-	(666,666)	-	-
	B	666,667	-	(666,667)	-	-
	C	666,667	-	-	(666,667)	-
		<u>18,399,999</u>	<u>35,500,000</u>	<u>(11,333,333)</u>	<u>(7,066,666)</u>	<u>35,500,000</u>

¹ Directors resigned their position as director during the 2024 financial year.

² Performance Rights expired unexercised during the 2024 financial year.

**Future Metals NL
Directors' report
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2023	Class	Balance at the start of the period	Granted during the year as compensation	Exercised during the period	Other changes during the period	Balance at the end of the period
Justin Tremain	A	2,666,666	-	-	-	2,666,666
	B	2,666,667	-	-	-	2,666,667
	C	2,666,667	-	-	-	2,666,667
Jardee Kininmonth	E	800,000	-	-	-	800,000
	F	800,000	-	-	-	800,000
	G	800,000	-	-	-	800,000
	O	-	333,333	-	-	333,333
	P	-	333,333	-	-	333,333
	U	-	333,333	-	-	333,333
Allan Mulligan	A	1,000,000	-	-	-	1,000,000
	B	1,000,000	-	-	-	1,000,000
	C	1,000,000	-	-	-	1,000,000
Elizabeth Henson	D	2,000,000	-	-	-	2,000,000
Rob Mosig	A	666,666	-	-	-	666,666
	B	666,667	-	-	-	666,667
	C	666,667	-	-	-	666,667
Aaron Bertolatti ¹	A	333,333	-	-	(333,333)	-
	B	333,333	-	-	(333,333)	-
	C	333,334	-	-	(333,334)	-
		<u>18,400,000</u>	<u>999,999</u>	<u>-</u>	<u>(1,000,000)</u>	<u>18,399,999</u>

¹ Mr Bertolatti ceased being a director on 31 July 2022.

Vesting Conditions:

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- Class A: the volume-weighted average price over a period of at least 20 consecutive trading days on which trades in the Company's shares are recorded on ASX (20 Day VWAP) being at least \$0.15. This vesting condition was achieved on 20 July 2021.
- Class B: 20 Day VWAP being at least \$0.20. This vesting condition was achieved on 20 July 2021.
- Class C: 20 Day VWAP being at least \$0.25.
- Class D: 20 Day VWAP being at least \$0.30.
- Class E: Vesting upon the completion of 12 months of continuous employment with Future Metals.
- Class F: Subject to vesting of Class E and 20 Day VWAP being at least \$0.30.
- Class G: Subject to vesting of Class E and the Company announcing the completion of a Pre-Feasibility Study on the Panton PGM Project which results in the Board making a decision to undertake a Definitive Feasibility Study on the Project.
- Class O: the 20 Day VWAP being at least \$0.25 and 24 months continuous service.
- Class P: the 20 Day VWAP being at least \$0.30 and 24 months continuous service.
- Class U: 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 greater than or equal to 1.5% NiEq at the Panton Project.
- Class V: subject to the approval of shareholders, the entry into a merger and acquisition agreement; or the Company's decision to mine on the Panton PGM Project.
- Class W: 20 Day VWAP exceeding \$0.10.
- Class X: 20 Day VWAP exceeding \$0.15.
- Class H: VWAP of at least \$0.10 for 5 consecutive trading days.
- Class I: VWAP of at least at least \$0.20 for 5 consecutive trading days.
- Class J: Holder completing 12 months of continuous employment as the Executive Chairman of the Company.
- Class K: Holder completing 24 months of continuous employment as the Executive Chairman of the Company.
- Class L: 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.
- Class M: 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.

Performance Rights Affecting Remuneration

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

2024	Class	Grant Date	Grant Number	Expiry	Exercise price	Value	Value expensed	Vested	Vested %
Jardee Kininmonth	E	25/1/2022	800,000	25/2/2025	-	136,000	-	800,000	100%
	F	25/1/2022	800,000	25/2/2025	-	98,160	13,139	800,000	-
	G	25/1/2022	800,000	25/2/2025	-	136,000	11,769	800,000	-
	O	11/07/2022	333,333	15/11/2025	-	27,500	-	333,333	-
	P	11/07/2022	333,333	15/11/2025	-	24,633	-	333,333	-
	U	11/07/2022	333,333	15/11/2025	-	20,000	-	333,333	-
Elizabeth Henson	D	12/07/2021	2,000,000	6/11/2024	-	274,000	-	274,000	-
Patrick Walta	H	17/11/2023	5,000,000	21/11/2026	-	148,000	30,585	-	-
	I	17/11/2023	5,000,000	21/11/2026	-	102,000	21,079	102,000	-
	J	17/11/2023	2,500,000	21/11/2026	-	100,000	100,000	-	-
	K	17/11/2023	2,500,000	21/11/2026	-	100,000	37,260	-	-
	L	17/11/2023	2,500,000	21/11/2026	-	100,000	100,000	100,000	100%
	M	17/11/2023	2,500,000	21/11/2026	-	50,000	10,333	-	-
			25,399,999		-	1,316,293	324,165	-	-

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Directors' report

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Related Party Transactions

Transactions with key management personnel were made at arm's length at normal market prices and normal commercial terms.

There were no other transactions with key management personnel for the year ended 30 June 2024 (2023: Nil).

Loans to Directors and Executives

There were no loans to Directors and executives during the financial year ended 30 June 2024 (2023: Nil)

Voting and comments made at the Company's 2022 Annual General Meeting ("AGM")

Future Metals NL received 99.84% of "yes" votes on its remuneration report for the 2023 financial year. The Company did not receive any specific feedback at the AGM or throughout the period on its remuneration practices.

This concludes the remuneration report, which has been audited.

Shares under options and performance rights

As at the date of this report, there were 40,049,999 unissued ordinary shares in relation to performance rights, 159,691,684 unissued ordinary shares in relation to listed options and 7,000,000 unissued ordinary shares in relation to unlisted options. Details are as follows:

Type	Expiry date	Exercise price	Number under option
Listed Options	02 September 2027	\$0.060	159,691,684
Unlisted Options	03 November 2024	\$0.180	7,000,000
Performance Rights	15 November 2025	\$0.000	3,049,999
Performance Rights	22 June 2026	\$0.000	1,500,000
Performance Rights	22 June 2026	\$0.000	1,500,000
Performance Rights	17 November 2026	\$0.000	20,000,000
			<u>192,741,683</u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

65,694 ordinary shares (2023: 20,000) of Future Metals NL were issued during the year ended 30 June 2024 on the exercise of options granted.

Indemnification of Directors and Officers

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

Indemnification of the auditor

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

Indemnity and insurance of auditor

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

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

**Future Metals NL
Directors' report
30 June 2024**

Proceedings on behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

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

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

Rounding of Amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration and non-audit services

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

Non-Audit Services

The Group may decide to employ its auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group is important.

Details of amounts paid or payable to the auditor for audit and non-audit services provided are outlined in note 11 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

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

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

Auditor

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

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

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

Future Metals NL
Directors' report
30 June 2024

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Patrick Walta
Executive Chairman

30 September 2024



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Australia

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

As lead auditor of Future Metals NL for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

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

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

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

Dean Just

Director

BDO Audit Pty Ltd

Perth

30 September 2024

Future Metals NL
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 30 Jun 2024 \$	30 Jun 2023 \$
Other income			
Interest received		28,720	98,723
Other income		49,673	194,644
Expenses			
Employee and director benefits expense		(801,495)	(705,024)
Professional and consultants		(195,552)	(304,129)
ASX and AIM share registry fees		(319,012)	(438,311)
Share-based payments expense	16	(600,625)	(607,758)
Travel expenditure		(46,488)	(104,197)
Exploration expenditure		(1,458,646)	(4,857,267)
Other expense		(574,344)	(566,077)
Depreciation and amortisation		(9,687)	(21,459)
Unrealised foreign exchange gain / (loss)		(12,595)	1,735
Loss before income tax expense		(3,940,051)	(7,309,120)
Income tax expense	2	-	-
Loss after income tax expense for the year attributable to the owners of Future Metals NL	10	(3,940,051)	(7,309,120)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (loss)/profit for the year attributable to the owners of Future Metals NL		<u>(3,940,051)</u>	<u>(7,309,120)</u>
		Cents	Cents
Basic earnings per share	15	(0.91)	(1.82)
Diluted earnings per share	15	(0.91)	(1.82)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Future Metals NL
Consolidated statement of financial position
As at 30 June 2024

	Note	Consolidated 30 Jun 2024 \$	30 Jun 2023 \$
Assets			
Current assets			
Cash and cash equivalents	3	2,291,466	2,705,754
Other receivables		7,615	120,519
Total current assets		<u>2,299,081</u>	<u>2,826,273</u>
Non-current assets			
Property, plant and equipment		51,075	60,761
Deferred exploration and evaluation expenditure	4,6	17,857,710	16,609,916
Total non-current assets		<u>17,908,785</u>	<u>16,670,677</u>
Total assets		<u>20,207,866</u>	<u>19,496,950</u>
Liabilities			
Current liabilities			
Trade and other payables	7	344,223	576,018
Provisions		37,577	30,195
Total current liabilities		<u>381,800</u>	<u>606,213</u>
Total liabilities		<u>381,800</u>	<u>606,213</u>
Net assets		<u>19,826,066</u>	<u>18,890,737</u>
Equity			
Issued capital	8	40,798,846	36,524,091
Reserves	9	2,451,123	3,628,232
Accumulated losses	10	<u>(23,423,903)</u>	<u>(21,261,586)</u>
Total equity		<u>19,826,066</u>	<u>18,890,737</u>

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

Future Metals NL
Consolidated statement of changes in equity
For the year ended 30 June 2024

Consolidated	Issued capital \$	Share-based payments reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	29,689,231	3,076,807	(13,952,466)	18,813,572
Loss after income tax expense for the year	-	-	(7,309,120)	(7,309,120)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive (loss)/profit for the year	-	-	(7,309,120)	(7,309,120)
<i>Transactions with owners:</i>				
Share-based payments (note 16)	-	607,758	-	607,758
Shares issued during the year, net of transaction costs (note 8)	6,834,860	(56,333)	-	6,778,527
Balance at 30 June 2023	<u>36,524,091</u>	<u>3,628,232</u>	<u>(21,261,586)</u>	<u>18,890,737</u>

Consolidated	Issued capital \$	Share-based payments reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	36,524,091	3,628,232	(21,261,586)	18,890,737
Loss after income tax expense for the year	-	-	(3,940,051)	(3,940,051)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive (loss)/profit for the year	-	-	(3,940,051)	(3,940,051)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 16)	-	600,625	-	600,625
Shares issued during the year, net of transaction costs (note 8)	4,274,755	-	-	4,274,755
Exercise of performance rights	-	(1,777,734)	1,777,734	-
Balance at 30 June 2024	<u>40,798,846</u>	<u>2,451,123</u>	<u>(23,423,903)</u>	<u>19,826,066</u>

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

Future Metals NL
Consolidated statement of cash flows
For the year ended 30 June 2024

		Consolidated	
	Note	30 Jun 2024	30 Jun 2023
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(1,920,089)	(2,041,123)
Payment for exploration and evaluation		(1,550,074)	(4,778,135)
Interest received		28,720	98,723
Other receipts		49,673	146,924
Net cash used in operating activities	20	(3,391,770)	(6,573,611)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(41,723)
Payment for tenement acquisition stamp duty		-	(447,115)
Net cash used in investing activities		-	(488,838)
Cash flows from financing activities			
Proceeds from issue of shares	8	3,256,030	6,901,345
Transaction costs on issue of shares	8	(266,569)	(466,484)
Net cash from financing activities		2,989,461	6,434,861
Net decrease in cash and cash equivalents		(402,309)	(627,588)
Cash and cash equivalents at the beginning of the financial year		2,705,754	3,331,607
Effects of exchange rate changes on cash and cash equivalents		(11,979)	1,735
Cash and cash equivalents at the end of the financial year	3	<u>2,291,466</u>	<u>2,705,754</u>

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

Future Metals NL

Notes to the consolidated financial statements

30 June 2024

Note 1. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, 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 ('AASB') that are mandatory for the current reporting period.

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

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 Group has incurred net losses after tax of \$3,940,051 (2023: \$7,309,120) and net cash outflows from operations of \$3,391,770 (2023: \$6,573,611) for the year ended 30 June 2024. At year end, cash and cash equivalents were \$2,291,466 (2023: \$2,705,754).

For the Group to continue to carry out its exploration activities, meet its expenditure requirements and continue as a going concern it is dependent on securing additional funding. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

For the Group to be able to continue to carry out its exploration activity and to have sufficient working capital, it is dependent on the financial support from its shareholders to fund its working capital requirements and/or successfully raising capital. The Directors are satisfied they will be able to raise additional working capital as required and thus it is appropriate to prepare the financial statements on a going concern basis. In arriving at this position, the Directors have considered the following matters:

- The Directors have assessed the cash flow requirements for the 12-month period from the date of approval of the financial statements and its impact on the Group and believe there will be sufficient funds to meet the Group's working capital requirements as the Group has the ability to raise additional capital as and when required;
- In the event that funding of an amount required to meet the future budgeted operational and investing activities of the Company is unavailable, the Directors would undertake steps to scale down its operations and reduce its discretionary expenditure in order to curtail cash outflows; and
- The Group had successfully raised A\$3.3 million (before costs) via an underwritten entitlement issue which supports the Group's ability to raise capital if required.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

The 30 June 2024 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and discharge of its liabilities as and when they fall due, in the ordinary course of business.

Basis of preparation

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

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

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

Future Metals NL

Notes to the consolidated financial statements

30 June 2024

Note 1. Material accounting policy information (continued)

Historical cost convention

The financial statements have been prepared under the historical cost convention. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 19.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Future Metals NL ('Company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Future Metals NL and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. 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.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides 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.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Exploration and evaluation asset

Costs of acquiring an asset by the Group will be capitalised and any exploration and evaluation expenditure will be expensed as incurred in respect of each identifiable area of interest until such time as an asset is in development.

Farm-in arrangements

The company ('farmee') recognises its expenditure under the arrangement in respect of its own interest and that retained by the farmor, as and when the costs are incurred. The company accounts for its expenditures under a farm-in arrangement in the same way as directly incurred E&E expenditure.

Future Metals NL

Notes to the consolidated financial statements

30 June 2024

Note 1. Material accounting policy information (continued)

Parent entity information

The financial information for the parent entity, Future Metals NL, disclosed in note 22 has been prepared on the same basis as the consolidated financial statements, except as set out below:

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries and associates are accounted for at cost in the financial statements of Future Metals NL. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

Share-based payments

Equity incentives to directors, consultants and contractors

The Group provides benefits to its directors, consultants and contractors in the form of share-based payments, whereby directors, consultants and contractors render services in exchange for options to acquire shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions is measured by reference to the fair value to the Company of the equity instruments at the date at which they were granted. The fair value is determined using the BlackScholes, Hoadley's Parisian Model, Parisian barrier¹, or hybrid up and in single share price valuation models, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised as an expense, together with a corresponding increase in equity, on a straight-line basis, over the period in which the vesting and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant directors and employees become fully entitled to the options (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income reflects:

- the grant date fair value of the options.
- the current best estimate of the number of options that will ultimately vest, taking into account such factors as the likelihood of personnel turnover during the vesting period and the likelihood of nonmarket vesting conditions being met, based on best available information at balance date; and the extent to which the vesting period has expired.

The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of the modification.

If an equity-settled award is cancelled, it is treated as if it has vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Recoverability of capitalised exploration and evaluation expenditure

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Future Metals NL
Notes to the consolidated financial statements
30 June 2024

Note 1. Material accounting policy information (continued)

Share-based payment transactions

The Group measures the cost of equity-settled transactions and cash-settled share-based payments with employees and third parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value at the grant date is determined using the Black and Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted and the assumptions detailed in note 16.

Future Metals NL
Notes to the consolidated financial statements
30 June 2024

Note 2. Income tax expense

	Consolidated	Consolidated
	30 Jun 2024	30 Jun 2023
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(3,940,051)	(7,309,120)
Tax at the statutory tax rate of 30% (2023: 25%)	(1,182,015)	(1,827,280)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Other non-allowable items	228,636	235,586
Revenue losses not recognised	1,125,830	1,633,872
Other deferred tax balances not recognised	(172,451)	(42,178)
Income tax expense	-	-

	Consolidated	Consolidated
	30 Jun 2024	30 Jun 2023
	\$	\$
The components of tax expense comprise:		
Current income tax	-	-
Deferred tax	-	-
	-	-

	Consolidated	Consolidated
	30 Jun 2024	30 Jun 2023
	\$	\$
Recognised deferred tax at 30% (2023:25%)		
Deferred tax liabilities		
Exploration and evaluation expenditure	(4,796,220)	(3,996,850)
Deferred tax assets	-	-
Carry forward revenue losses	4,796,220	3,996,850
	-	-

	Consolidated	Consolidated
	30 Jun 2024	30 Jun 2023
	\$	\$
Unrecognised deferred tax assets at 30% (2023:25%)		
Carry forward revenue losses	3,655,963	2,108,444
Carry forward capital losses	156,214	130,178
Business capital expenditure	339,354	362,035
Property, plant & equipment	214,840	193,953
Provisions and accruals	22,392	4,716
Other	3,779	-
	4,392,542	2,799,326

The corporate tax rate for eligible companies is 25% providing certain turnover thresholds and other criteria are met. All other companies are taxed at 30%. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

Future Metals NL
Notes to the consolidated financial statements
30 June 2024

Note 2. Income tax expense (continued)

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

The benefit for tax losses will only be obtained if:

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

These losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

At 30 June 2024, there is no recognised or unrecognised deferred income tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries as the Group has no liability for additional taxation should such amounts be remitted.

Note 3. Cash and cash equivalents

	Consolidated	
	30 Jun 2024	30 Jun 2023
	\$	\$
Cash at bank	<u>2,291,466</u>	<u>2,705,754</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Note 4. Deferred exploration and evaluation expenditure

	Consolidated	
	30 Jun 2024	30 Jun 2023
	\$	\$
<i>Non-current assets</i>		
Deferred exploration and evaluation expenditure	<u>17,857,710</u>	<u>16,609,916</u>

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.

Acquisition of Osprey

The Company acquired Osprey Minerals Pty Ltd on 17 November 2023, 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 FME shares, subject to a 6-month escrow period. The Company was also due pay deferred consideration of A\$325,000 in FME shares or cash (at the Company's sole election) within 6-months of the acquisition. Per the agreement once the Company drills 2,000m or more on the Osprey tenements, an additional A\$325,000 will be payable in cash or FME shares at the Company's sole election. The issue of shares will be priced at the 5-day VWAP at the time of the milestone being met. On 17 May 2024 the Company issued 13,025,263 ordinary shares in lieu of \$162,500 of this deferred consideration.

Future Metals NL
Notes to the consolidated financial statements
30 June 2024

Note 4. Deferred exploration and evaluation expenditure (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration and evaluation \$
Balance at 1 July 2022	16,435,451
Estimated stamp duty payable ¹	(448,050)
Interest in Joint Operations	622,515
Balance at 30 June 2023	16,609,916
Acquisition of Osprey ²	1,247,794
Balance at 30 June 2024	<u>17,857,710</u>

¹ Estimated stamp duty payable following the acquisition of tenements M80/103, M80/104 and M80/105. During the year ended 30 June 2023 the estimated stamp duty payable was revised down to reflect the actual payment made. As at 30 June 2023 there was no outstanding balance payable for the acquisition of tenements M80/103, M80/104 and M80/105.

² 17 November 2023, Future Metals entered into an Acquisition Agreement to acquire 100% of the shares in Osprey Minerals. Osprey holds a package of tenements that are complimentary to Future Metal's activities in Paton and East Kimberley. The acquisition entailed the rights to tenure over the exploration and evaluation interests with management of these rights centralised elsewhere. The Board have assessed the terms of the acquisition and concluded that transaction is not a business acquisition. Any consideration using equity will fall within the scope of AASB 2 Share Based Payment. Fair value of the assets acquired cannot be measured reliably. Consideration using equity was valued at fair value.

	\$
Cash	25,000
18,382,352 shares in the Company on 17 Nov 23	735,294
Deferred consideration (a)	325,000
Contingent consideration (b)	162,500
Total consideration	<u>1,247,794</u>

(a) Within 6 months of the acquisition date the Company is required to either:

- Issue that number of Company's Shares 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
- Pay the vendors \$325,000.

(b) Upon completion of drilling 2,000m cumulatively on any of the tenements at Company's sole election:

- Issue that number of Future Shares 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
- Pay the vendors \$325,000.

Management have assessed a 50% probability of drilling 2,000m cumulatively on any tenements.

Future Metals NL
Notes to the consolidated financial statements
30 June 2024

Note 5. Interests in subsidiaries

	Principal place of business / Country of incorporation	Ownership interest	
		30 Jun 2024 %	30 Jun 2023 %
Vianista Pty Ltd	Australia	100%	100%
Great Northern Palladium Pty Ltd	Australia	100%	100%
Panton Sill Pty Ltd	Australia	100%	100%
Panamulet Resources Pty Ltd	Australia	100%	-
Osprey Minerals Pty Ltd	Australia	100%	-

During the financial year the Company acquired 100% of Osprey Minerals Pty Ltd which owns 100km² of highly prospective exploration tenements in the East Kimberley region of Western Australia.

Note 6. Interest in joint operation

	Consolidated	
	30 Jun 2024 \$	30 Jun 2023 \$
Upfront consideration	400,000	400,000
Deferred consideration	200,000	200,000
Stamp duty paid	22,515	22,515
	<u>622,515</u>	<u>622,515</u>

Future Metals has entered into a farm-in arrangement to earn up to 70% interest in both the Panton North and Copernicus Projects from Octava Limited (ASX:OCT). On 17 January 2023 Future Metals issued OCT a total of 3,500,000 new shares in Future Metals at a price of approximately A\$0.114 (11.4 cents) per share for total upfront consideration of A\$400,000. Future Metals was then required to make a final payment to Octava of \$200,000 in 12 months in cash or shares. On 29 February 2024, the Company issued 6,674,887 new ordinary shares to Octava Minerals Limited in accordance with the terms of the joint venture.

Note 7. Trade and other payables

	Consolidated	
	30 Jun 2024 \$	30 Jun 2023 \$
<i>Current liabilities</i>		
Trade payables	181,723	270,197
Accrued expenses	-	64,649
Deferred consideration	-	200,000
Estimated stamp duty payable - Joint Venture	-	22,515
Contingent consideration	162,500	-
Other payables	-	18,657
	<u>344,223</u>	<u>576,018</u>

The outstanding deferred consideration related to acquisition of Osprey Minerals. Refer to note 4.

Note 8. Issued capital

	Consolidated			
	30 Jun 2024 Shares	30 Jun 2023 Shares	30 Jun 2024 \$	30 Jun 2023 \$
Ordinary shares - fully paid (net of transaction costs)	<u>575,040,495</u>	<u>413,204,037</u>	<u>40,798,846</u>	<u>36,524,091</u>

Future Metals NL
Notes to the consolidated financial statements
30 June 2024

Note 8. Issued capital (continued)

Movements in spare share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	353,874,517		29,689,231
Shares issued on exercise of Performance Rights	4 August 2022	666,666	\$0.085	56,333
Shares issued via placement	25 August 2022	40,000,000	\$0.125	5,000,000
Shares issued via share purchase plan	15 September 2022	7,999,998	\$0.125	1,000,000
Shares issued on exercise of options	6 October 2022	20,000	\$0.100	2,000
Shares issued via UK Placement	10 October 2022	7,142,856	\$0.118	843,011
Shares issued as Joint Operations consideration	17 January 2023	3,500,000	\$0.114	400,000
Transaction costs on share issues				(466,484)
Balance	30 June 2023	413,204,037		36,524,091
Shares issued on exercise of Performance Rights	4 July 2023	8,666,666	\$0.000	-
Shares issued on exercise of Performance Rights	22 November 2023	1,966,666	\$0.000	-
Shares issued as consideration for Osprey acquisition	24 November 2023	18,382,352	\$0.040	735,294
Shares issued as deferred consideration - Octava farm in agreement	28 February 2024	6,674,887	\$0.030	200,000
Shares issued as deferred consideration - Osprey minerals acquisition	17 May 2024	13,025,263	\$0.025	325,000
Shares issued	15 January 2024	110,554,930	\$0.030	3,273,971
Shares issued to former managing director for good standing	25 June 2024	2,500,000	\$0.000	-
Options exercised	6 June 2024	65,694	\$0.107	7,057
Capital raising cost				(266,567)
Balance	30 June 2024	<u>575,040,495</u>		<u>40,798,846</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share options and performance rights

At 30 June 2024, the following unissued ordinary shares under options and performance rights:

Type	Expiry Date	Exercise Price	Number
Unlisted options	3 November 2024	\$0.18	7,000,000
Performance rights	22 June 2026	Nil	1,500,000
Performance rights	15 November 2025	Nil	3,049,999
Performance rights	17 November 2026	Nil	20,000,000
Performance rights	28 June 2027	Nil	15,500,000

Note 9. Reserves

	Consolidated	
	30 Jun 2024	30 Jun 2023
	\$	\$
Share-based payments reserve	<u>2,451,123</u>	<u>3,628,232</u>

Future Metals NL
Notes to the consolidated financial statements
30 June 2024

Note 9. Reserves (continued)

Share-based payments reserve

This reserve is used to record the value of equity benefits provided to directors and employees as part of their fees and remuneration, and external service providers for goods and services provided (including acquisition of tenements). Refer to note 16 for detail.

Note 10. Accumulated losses

	Consolidated	
	30 Jun 2024	30 Jun 2023
	\$	\$
Accumulated losses at the beginning of the financial year	(21,261,586)	(13,952,466)
Loss after income tax expense for the year	(3,940,051)	(7,309,120)
Transfer from share base payment reserve upon exercise of performance rights	1,777,734	-
Accumulated losses at the end of the financial year	<u>(23,423,903)</u>	<u>(21,261,586)</u>

Note 11. Remuneration of auditors

	Consolidated	
	30 Jun 2024	30 Jun 2023
	\$	\$
Auditors of the Group - BDO Audit Pty Ltd (formerly "BDO Audit (WA) Pty Ltd")		
Audit and review of financial statements	53,592	55,376
Total services provided by BDO Audit Pty Ltd (formerly "BDO Audit (WA) Pty Ltd")	<u>53,592</u>	<u>55,376</u>

Note 12. Key management personnel disclosures

Directors

The following persons were directors of Future Metals NL during the financial year:

Patrick Walta	Executive Chairman (appointed 17 November 2023)
Justin Tremain	Non-Executive Director
John Carr	Non-Executive Director (appointed 22 March 2024)
Sam Rodda	Non-Executive Director (appointed 27 March 2024)
Jardee Kininmonth	Managing Director (resigned 27 March 2024)
Allan Mulligan	Non-Executive Director (resigned 17 November 2023)
Elizabeth Henson	Non-Executive Director (resigned 22 March 2024)
Robert Mosig	Non-Executive Director (resigned 17 November 2023)

	Consolidated	
	30 Jun 2024	30 Jun 2023
	\$	\$
Directors' remuneration (base)	502,242	240,000
Directors' remuneration (fees)	116,732	211,466
Post employment benefits	52,130	44,152
Share-based payments	502,778	313,818
	<u>1,173,882</u>	<u>809,436</u>

Future Metals NL
Notes to the consolidated financial statements
30 June 2024

Note 13. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 12 and the remuneration report included in the directors' report.

There were no other transactions with key management personnel for the year ended 30 June 2024 (2023: Nil).

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 14. Financial risk management objectives and policies

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

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

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group anticipates a need to raise additional capital in the next 12 months to meet forecasted operational activities. The decision on how the Group will raise future capital will depend on market conditions existing at that time.

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

Interest Rate Risk

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

As at 30 June 2024, if interest rates had changed by 100 basis points from the year-end rates and all other variables held constant, the loss for the year would have been \$2,497 higher/lower (2023: \$3,019 higher/lower) from interest income on cash and cash equivalents, based upon the average cash on hand balance of \$2,498,610 (2023: \$3,018,680).

The Group has no short term or long term borrowings and as such there is no risk to the Group's interest payments and operational cash flows arising from liabilities.

Future Metals NL
Notes to the consolidated financial statements
30 June 2024

Note 14. Financial risk management objectives and policies (continued)

A sensitivity of 100 basis points has been used as this is considered reasonable given the current level of both short term and long-term Australian Dollar interest rates. The change in basis points is derived from a review of historical movements and management's judgement of future trends.

Commodity price risk

Even if commercial quantities of mineral deposits are discovered, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Group may affect the marketability of any minerals discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Group, including, among other things, international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The Group is particularly exposed to the risk of movement in the price of platinum group metals, nickel and cobalt.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments which are potentially subject to credit risk for the Group consist primarily of cash and amounts receivable. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand.

The Group's maximum exposure to credit risk at the reporting date is the carrying value of its cash and cash equivalents of \$2,291,466 (30 June 2023 \$2,705,754). The Group also holds no short term interest bearing deposit investments.

Note 15. (Loss)/Earnings per share

	Consolidated	
	30 Jun 2024	30 Jun 2023
	\$	\$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of Future Metals NL	<u>(3,940,051)</u>	<u>(7,309,120)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>433,962,784</u>	<u>401,386,600</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>433,962,784</u>	<u>401,386,600</u>
	Cents	Cents
Basic earnings per share	(0.91)	(1.82)
Diluted earnings per share	(0.91)	(1.82)

The group has made a loss for the year end, so the potential ordinary shares being issued from exercise of options and performance rights has been excluded due to the anti-dilutive effect.

Future Metals NL
Notes to the consolidated financial statements
30 June 2024

Note 16. Share-based payments

Performance Rights

Set out below are summary of performance rights:

	Number of rights 30 Jun 2024	Share base payment expense (\$) 30 Jun 2024	Number of rights 30 Jun 2023	Share base payment expense (\$) 30 Jun 2023
Outstanding at the beginning of the financial year	27,950,000	\$0	23,566,667	\$0
Granted	35,500,000	\$0	5,049,999	\$0
Expired	(12,766,669)	\$0	-	\$0
Exercised	(10,633,332)	\$0	(666,666)	\$0
Director and employee share-based payment expense	-	\$600,625	-	\$607,758
Outstanding at the end of the financial year	<u>40,049,999</u>	\$600,625	<u>27,950,000</u>	\$607,758

The table below summarises performance rights granted during the year ended 30 June 2024:

Tranche	Number of securities	Probability of Vesting	Spot price	Grant date	Volatility	Interest rate	Exercise price	Expiry
Tranche 1	5,000,000	n/a	\$0.040	17 Nov 2023	85%	4.01%	Nil	21 Nov 2026
Tranche 2	5,000,000	n/a	\$0.040	17 Nov 2023	85%	4.01%	Nil	21 Nov 2026
Tranche 3	2,500,000	100%	\$0.040	17 Nov 2023	85%	4.01%	Nil	21 Nov 2026
Tranche 4	2,500,000	100%	\$0.040	17 Nov 2023	85%	4.01%	Nil	21 Nov 2026
Tranche 5	2,500,000	100%	\$0.040	17 Nov 2023	85%	4.01%	Nil	21 Nov 2026
Tranche 6	2,500,000	50%	\$0.040	17 Nov 2023	85%	4.01%	Nil	21 Nov 2026
Tranche 7	12,500,000	50%	\$0.020	25 Jun 2024	88%	3.85%	Nil	28 Jun 2027
Tranche 8	1,500,000	n/a	\$0.020	25 Jun 2024	88%	3.85%	Nil	28 Jun 2027
Tranche 9	1,500,000	n/a	\$0.020	25 Jun 2024	88%	3.85%	Nil	28 Jun 2027

Future Metals NL

Notes to the consolidated financial statements

30 June 2024

Note 16. Share-based payments (continued)

Vesting condition for performance rights above summarised in the table below:

Tranche 1	Performance Rights will vest upon the Company achieving a volume weighted average price ('VWAP') of at least \$0.10 for 5 consecutive trading days.
Tranche 2	Performance Rights will vest upon the Company achieving a volume weighted average price (VWAP) of at least \$0.20 for 5 consecutive trading days.
Tranche 3	Performance Rights will vest upon the holder completing 12 months of continuous employment as the Executive Chairman of the Company.
Tranche 4	Performance Rights will vest upon the holder completing 24 months of continuous employment as the Executive Chairman of the Company.
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.
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.
Tranche 7	The Company announcing: (a) subject to the approval of Shareholders, the entry into a merger and acquisition agreement; or (b) the Company's decision to mine on the Panton PGM Project.
Tranche 8	The volume weighted average price ('VWAP') of the Company's Shares exceeding \$0.10 per Share for at least 20 consecutive trading days on which the Company's Shares have actually traded.
Tranche 9	The volume weighted average price ('VWAP') of the Company's Shares exceeding \$0.15 per Share for at least 20 consecutive trading days on which the Company's Shares have actually traded.

Unlisted Options

7,000,000 unlisted options with exercise price of \$0.18 and expiry date of 3 November 2024 was carried forward (2023: 9,380,952). There were no new unlisted options issued during the year. There were no forfeited or expired unlisted options during this financial year.

Listed Options

At 30 June 2024 there were nil listed options (2023:104,479,949). 104,479,939 listed options brought forward from the prior year. 55,277,439 listed options were issued and 65,694 were exercised and converted during the year. Remaining remaining listed options expired during the financial year.

Note 17. Commitments

Exploration expenditure 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 \$346,000.

Joint venture commitments

Future Metals has entered into a farm-in arrangement to earn up to 70% interest in both the Panton North and Copernicus Projects from Octava Limited (ASX:OCT).

To earn up to a 70% interest in the jointure Venture properties Future Metals must sole fund exploration expenditure of A\$2.0 million over 4 years, with a minimum annual cumulative expenditure of:

- By end of Year 1 A\$250,000
- By end of Year 2 A\$750,000
- By end of Year 3 A\$1,250,000
- By end of Year 4 A\$2,000,000

Future Metals NL
Notes to the consolidated financial statements
30 June 2024

Note 18. Events after the reporting period

- On 2 Sept 2024 the Group issued 159,691,684 listed options with an exercise price of \$0.06 and expiry 3 years from the date of issue.
- In line with the Company's focus on prudent financial management and maintaining cash during the current period of low PGM prices, the Company's Executive Chair, Mr Patrick Walta, has voluntarily nominated to transition to a part time role with a reduced salary of \$5,000 per month (from \$30,000 per month) with effect from 1 August 2024.

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

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 19. Parent entity information

The following details information related to the parent entity, Future Metals NL, at 30 June 2024. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	30 Jun 2024	30 Jun 2023
	\$	\$
Current assets	2,307,012	2,822,290
Total assets	16,209,905	7,632,173
Current liabilities	(334,124)	(606,213)
Total liabilities	(371,701)	(606,213)
Net assets	15,838,204	7,025,960
Issued capital	81,567,580	78,496,978
Reserves	8,643,204	8,643,204
Accumulated losses	(74,372,580)	(80,114,222)
Total Equity	15,838,204	7,025,960
Loss of the parent entity	(1,872,315)	(7,246,129)

Note 20. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 30 Jun 2024	30 Jun 2023
	\$	\$
Loss after income tax expense for the year	(3,940,051)	(7,309,120)
Adjustments for:		
Depreciation and amortisation	9,687	-
Share-based payments	600,625	607,758
Other	11,980	183,429
Movement in stamp duty payable	-	448,050
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	112,903	(42,072)
Decrease in trade and other payables	(194,296)	(461,655)
Increase in employee benefits	7,382	-
Net cash used in operating activities	<u>(3,391,770)</u>	<u>(6,573,610)</u>

Future Metals NL
Consolidated entity disclosure statement
As at 30 June 2024

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Future Metals NL	Body corporate	Australia	N/A	Australia*
Osprey Minerals Pty Ltd	Body corporate	Australia	100.00%	Australia*
Great Northern Palladium Pty Ltd	Body corporate	Australia	100.00%	Australia*
Panton Sill Pty Ltd	Body corporate	Australia	100.00%	Australia*
Panamulet Resources Pty Ltd	Body corporate	Australia	100.00%	Australia*
Vianista Pty Ltd	Body corporate	Australia	100.00%	Australia*

* The Company and its Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes required information for each entity that was part of the consolidated entity as at the end of the financial year.

Determination of Tax Residency

Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Future Metals NL
Directors' declaration
30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Patrick Walta
Executive Chairman

30 September 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Future Metals NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Future Metals NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Accounting for share-based payments

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 16, the Company has recognised a share-based payment expense in the Consolidated Statement of Profit and Loss and Other Comprehensive Income as at 30 June 2024 due to the issue of a number of equity instruments.</p> <p>Share-based payments is a key audit matter as the accounting can be complex and requires judgement and the use of assumptions regarding their recognition and measurement.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Reviewing market announcements and board minutes to consider management's assessment that all new options and performance rights granted during the year have been accounted for; • Reviewing relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements; • Considering whether the Group used an appropriate model in valuing the equity instruments; • Recalculating estimated fair value of the options and performance rights using a relevant valuation methodology, and assessed the valuations inputs; • Evaluating management's assumptions used in the calculation; • Assessing the allocation of the share-based payment expense over management's expected vesting period; and • Assessing the adequacy of the related disclosures in Note 1 and 16.

Accounting for acquisition of Osprey Minerals

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 4 to the Financial Report, during the financial year ended 30 June 2024, the Group acquired Osprey Minerals .</p> <p>The Group treated the transaction as an asset acquisition. Refer to Notes 1 and 4 to the Financial Report for a description of the accounting policy and significant judgments applied to the asset acquisition.</p> <p>Accounting for an asset acquisition is complex due to the judgment applied in determining the appropriate accounting including whether the acquisition should be classed as asset or business acquisition, estimating the fair value of assets acquired and liabilities assumed including estimating fair value of purchase consideration as disclosed in Note 4 to the Financial Report.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none">• Assessing the Groups determination that the acquisition represented an asset acquisition as well as the appropriate acquisition date;• Reviewing the relevant agreements to obtain an understanding of the contractual terms and conditions of the transaction;• Assessing managements determination of the fair value of consideration paid and agreeing to supporting documentation;• Reviewing the methodology and assumptions utilised to identify and determine the fair value of the assets acquired and liabilities assumed; and• Assessing the adequacy of the related disclosures in Note 4 to the Financial Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 23 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Future Metals NL, for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'Dean Just', is written over a faint, light grey BDO logo.

Dean Just

Director

Perth, 30 September 2024

Future Metals NL
Shareholder information
30 June 2024

The shareholder information set out below was applicable as at 27 September 2024.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Total units	Ordinary shares Number of holders	% of total shares issued
1 to 1,000	135,563	348	0.02
1,001 to 5,000	1,109,042	419	0.19
5,001 to 10,000	1,915,561	247	0.33
10,001 to 100,000	31,135,637	782	5.42
100,001 and over	540,744,692	373	94.04
Total	<u>575,040,495</u>	<u>2,169</u>	<u>100.00</u>
Holding less than a marketable parcel	<u>8,002,064</u>	<u>1,307</u>	<u>1.39</u>

Equity security holders

Twenty largest quoted equity security holders

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

Ordinary shares	Ordinary shares Number held	% of total shares issued
COMPUTERSHARE CLEARING PTY LTD <CCNL DI A/C>	84,993,388	14.78
CITICORP NOMINEES PTY LIMITED	28,037,997	4.88
DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	25,700,000	4.47
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	18,917,064	3.29
E-MERGE FZE	15,000,000	2.61
ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	14,162,576	2.46
ZERO NOMINEES PTY LTD	12,260,457	2.13
SURF COAST CAPITAL PTY LTD <MINNIE P/F A/C>	10,500,000	1.83
OCTAVA MINERALS LIMITED	10,174,887	1.77
J & J BANDY NOMINEES PTY LTD <BANDY P/F A/C>	10,000,000	1.74
CELTIC CAPITAL PTY LTD	8,584,272	1.49
MS NICOLE GALLIN + MR KYLE HAYNES <GH SUPER FUND A/C>	7,700,000	1.34
BENNELONG RESOURCE CAPITAL PTY LTD	7,499,250	1.30
CYGNUS 1 NOMINEES PTY LTD <CYGNUS A/C>	7,499,250	1.30
WHALE WATCH HOLDINGS LIMITED	6,755,165	1.17
DR CRAIG SAMBELL RUGLESS	6,000,000	1.04
NORVALE PTY LTD	5,937,173	1.03
MR GABRIEL CHIAPPINI + MRS ROSA CHIAPPINI <GRAN SASSO FAMILY A/C>	5,792,388	1.01
WESTCAP PTY LTD <PORTFOLIO A/C>	5,665,660	0.99
FLUE HOLDINGS PTY LTD	5,592,136	0.97
Total Top 20	<u>296,771,663</u>	<u>51.61</u>

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	Options over ordinary shares	
	Number held	% of total options issued
Other Holders	278,268,832	48.39

Listed Option holders

Twenty largest quoted option holders

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

	Listed Options	Options % of total options issued
Listed Options	Number held	
DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	28,000,000	17.53
PRINCETON CAPITAL (WA) PTY LTD <THE PRINCETON A/C>	8,000,018	5.01
FREYABEAR FHMN PTY LTD	8,000,000	5.01
HONEYBEE ANHM PTY LTD	8,000,000	5.01
HUNTERLAND HJDN PTY LTD	8,000,000	5.01
QUATTRO STAGIONE PTY LTD	8,000,000	5.01
THE 5TH ELEMENT MCTN PTY LTD	8,000,000	5.01
WOW ITS A LOG PTY LTD <OLLOCH FAMILY A/C>	8,000,000	5.01
CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	7,542,136	4.72
EXCHANGE MINERALS LIMITED	6,000,000	3.76
HIGHLINE CAPITAL PTY LTD	6,000,000	3.76
SURF COAST CAPITAL PTY LTD <MINNIE P/F A/C>	5,250,000	3.29
GOFFACAN PTY LTD	5,075,001	3.18
ZERO NOMINEES PTY LTD	4,650,669	2.91
J & J BANDY NOMINEES PTY LTD <BANDY P/F A/C>	2,849,588	1.78
ZESSHAM PTY LTD <ZESSHAM A/C>	2,653,387	1.66
GECKO RESOURCES PTY LTD	2,362,868	1.48
GAB SUPERANNUATION FUND PTY LTD <GAB SUPERANNUATION FUND A/C>	2,250,000	1.41
B A OPERATIONS PTY LTD	2,195,160	1.37
TRJ INVESTMENTS PTY LTD	2,195,160	1.37
	133,023,987	83.30

	Listed Options	Options % of total options issued
	Number held	
Other Holders	26,667,697	16.70

The above quoted listed options have an exercise price of \$0.06 with an expiry date of 9 February 2027.

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Security Type	Expiry Date	Exercise Price	Number of Options
Unlisted Performance Rights FMEAJ (UPR)	31 January 2025	-	1,600,000
Unlisted Performance Rights FMEAL (UPR)	15 November 2025	-	3,049,999
Unlisted Performance Rights FMEAM (UPR)	22 June 2026	-	1,500,000
Unlisted Performance Rights FMEAN (UPR)	21 November 2026	-	20,000,000
Unlisted Performance Rights FMEAO (UPR)	28 June 2027	-	15,500,000
Unlisted Option FMEAR (ULO)	3 July 2027	\$0.10	48,851,643
Unlisted Option FMEAF (ULO)	3 November 2024	\$0.18	7,000,000
			<u>97,501,642</u>

The names of the security holders with more than 20% of an unlisted class of security as at the date of this report are listed in the following table:

Holder	FMEAJ 31 Jan 2025	FMEAL 15 Nov 2025	FMEAM 22 Jun 2026	FMEAN 21 Nov 2026	FMEAO 28 Jun 2027
PATRICK CHRISTOPHER ANDREW WALTA <FJB & ASSOCIATES A/C>	400,000	-	-	20,000,000	5,000,000
MR JOHN SCOTT CARR	200,000	-	-	-	3,500,000
MR SAM THOMAS RODDA	-	600,000	-	-	3,500,000
JUSTIN ALBERT TREMAIN <J&S TREMAIN FAMILY A/C>	-	-	-	-	3,500,000
MS BARBARA MARIE DUGGAN	-	-	1,500,000	-	-
MR ANDREW IAN SHEPHERD	-	1,000,000	-	-	-
JNK 1992 PTY LTD <JNK DISCRETIONARY A/C>	-	999,999	-	-	-
JARDEE KININMONTH	1,600,000	-	-	-	-
	<u>1,600,000</u>	<u>1,999,999</u>	<u>1,500,000</u>	<u>20,000,000</u>	<u>15,500,000</u>
Other holders	-	1,050,000	-	-	-
	<u>1,600,000</u>	<u>3,049,999</u>	<u>1,500,000</u>	<u>20,000,000</u>	<u>15,500,000</u>

Holder	FMEAR \$0.10 3 Jul 2027	FMEAR \$0.18 3 Nov 2024
RICHSHAM NOMINEES PTY LTD	13,083,333	-
STRAND HANSON LIMITED	-	7,000,000
	<u>13,083,333</u>	<u>7,000,000</u>
Other holders	35,768,310	-
	<u>48,851,643</u>	<u>7,000,000</u>

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares % of total shares issued
Number held	
COMPUTERSHARE CLEARING PTY LTD <CCNL DI A/C>	84,993,388 14.78

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Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Buy-Back

There was no on-market buy back during the period.

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Other information
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Summary of Mining Tenements

As at 30 September 2024, the Company has an interest in the following projects:

Project Name	Permit Number	Percentage Interest	Status
Panton PGM-Ni Project, Western Australia	M80/103	100%	Granted
	M80/104	100%	Granted
	M80/105	100%	Granted
Panton North (OCT JV), Western Australia	E80/5455	-	Granted
Alice Downs Corridor (OCT JV), Western Australia	E80/5459	-	Granted
Alice Downs Corridor, Western Australia	E80/4922	100%	Granted
	E80/4923	100%	Granted
	E80/5056	100%	Granted