

Quarterly Activities Report for period ending 30 June 2024

29 July 2024



Future Metals NL ("**Future Metals**" or the "**Company**", ASX | AIM: FME) is pleased to announce its Quarterly Activities and Cashflow Report for the quarter ended 30 June 2024 (the "**Quarter**").

Highlights

- **During the current environment of low PGM prices, Future Metals is principally focused on:**
 - **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 PGM Project**
 - **Assessment of potential copper and precious metals project opportunities and/or assets within strategic proximity to the Panton PGM Project**
 - **Low-cost development opportunities at the Panton PGM Project and continued prudent financial management**
- **Post quarter end, environmental assessment completed at Panton and commencement of Heritage Survey over Alice Down Corridor and Panton North Area**
- **Drilling at the Eileen Bore Prospect on schedule for September quarter on receipt of heritage clearance approval**
- **\$295,000 of co-funded cash grants awarded under the WA Government Exploration Incentive Scheme ('EIS'):**
 - **\$180,000 for drilling at the Eileen Bore Prospect**
 - **\$115,000 for ground gravity at Panton North and across the Alice Downs Corridor**
- **Received shareholder approval for the planned Options Offer of new 3-year options exercisable at 6 cents per share with an issue price of 0.025 cents each**

Exploration Discussion

During the Quarter a field program for Aboriginal Heritage Surveys was planned and completed post quarter end over the Alice Downs Corridor (including the Eileen Bore Prospect) and Panton North areas. Upon approval of the survey by the Malarngowen Aboriginal Corporation, Future Metals is planning ground gravity surveys over the Alice Downs Corridor and Panton North areas as well undertaking drilling at the Eileen Bore Prospect (see Figure One). Heritage approvals are expected to be achieved within the September quarter.

Ground Gravity

The planned ground gravity survey in the Alice Downs Corridor will provide complimentary data to the existing magnetics data along the 18km mineralised corridor. The corridor has the potential to host multiple mineralised Ni-Cu bodies that are similar to the Copernicus Nickel Deposit. The additional data will assist in targeting buried intrusive bodies and further refining the Eileen Bore geological model prior to 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

Drilling at Eileen Bore will be undertaken following receipt of clearances in respect of the Aboriginal Heritage Survey from the Malarngowen Aboriginal Corporation. The drill program 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 has not previously been subject to drilling (Drill Target 2) (see Figure Three).

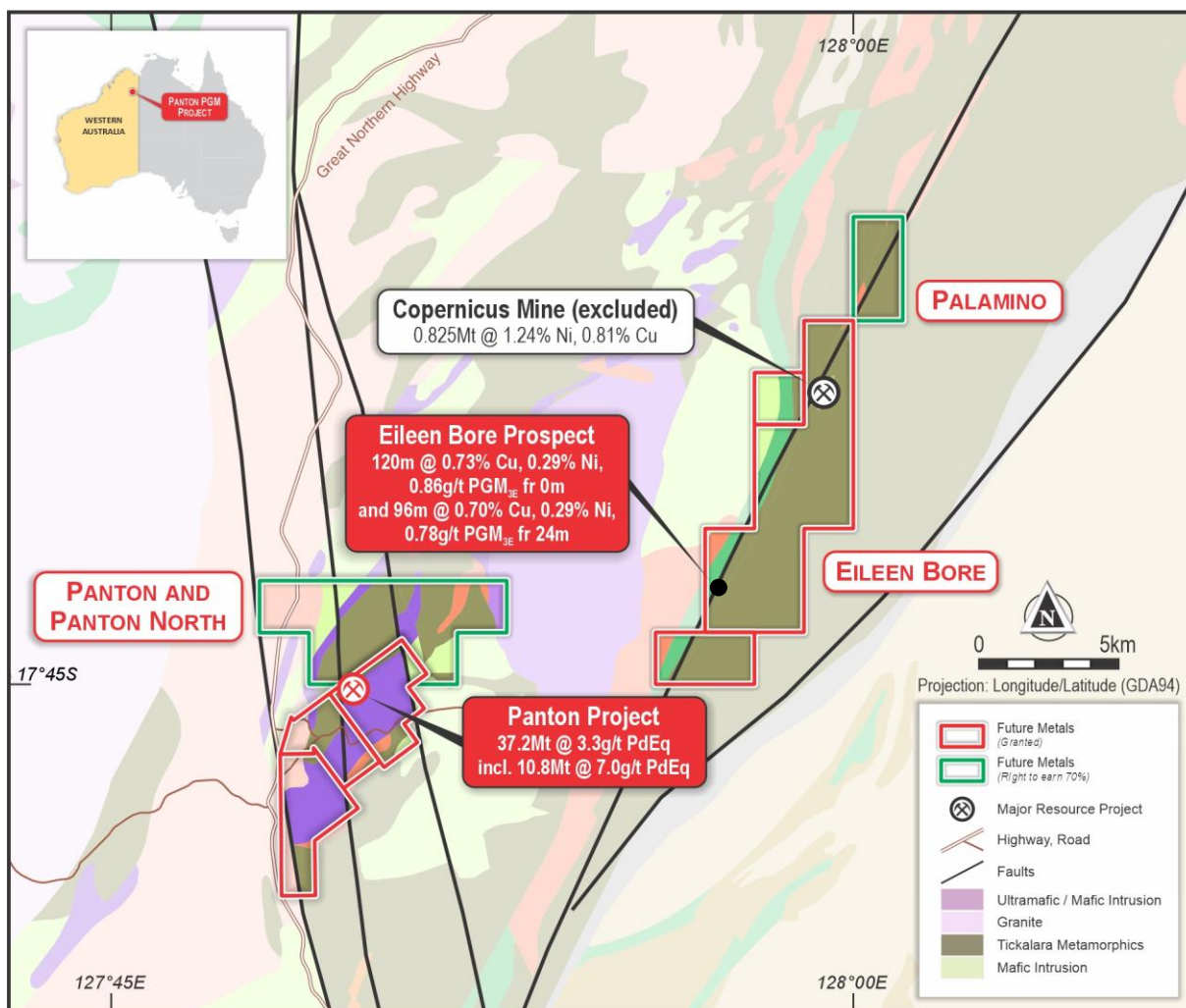


Figure One | Future Metals East Kimberley Projects, the Panton Project & Alice Downs Corridor

Alice Downs Corridor

The Alice Downs Corridor targets are located within a 20km radius 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 are comprised of chalcopyrite, pyrrhotite, pentlandite and pyrite. The historically mined Copernicus deposit is one such example.

The main focus of historical drilling has been on the near-surface mineralisation at Eileen Bore; the down-dip extent of the historic mineralisation is planned to be tested in the September quarter.

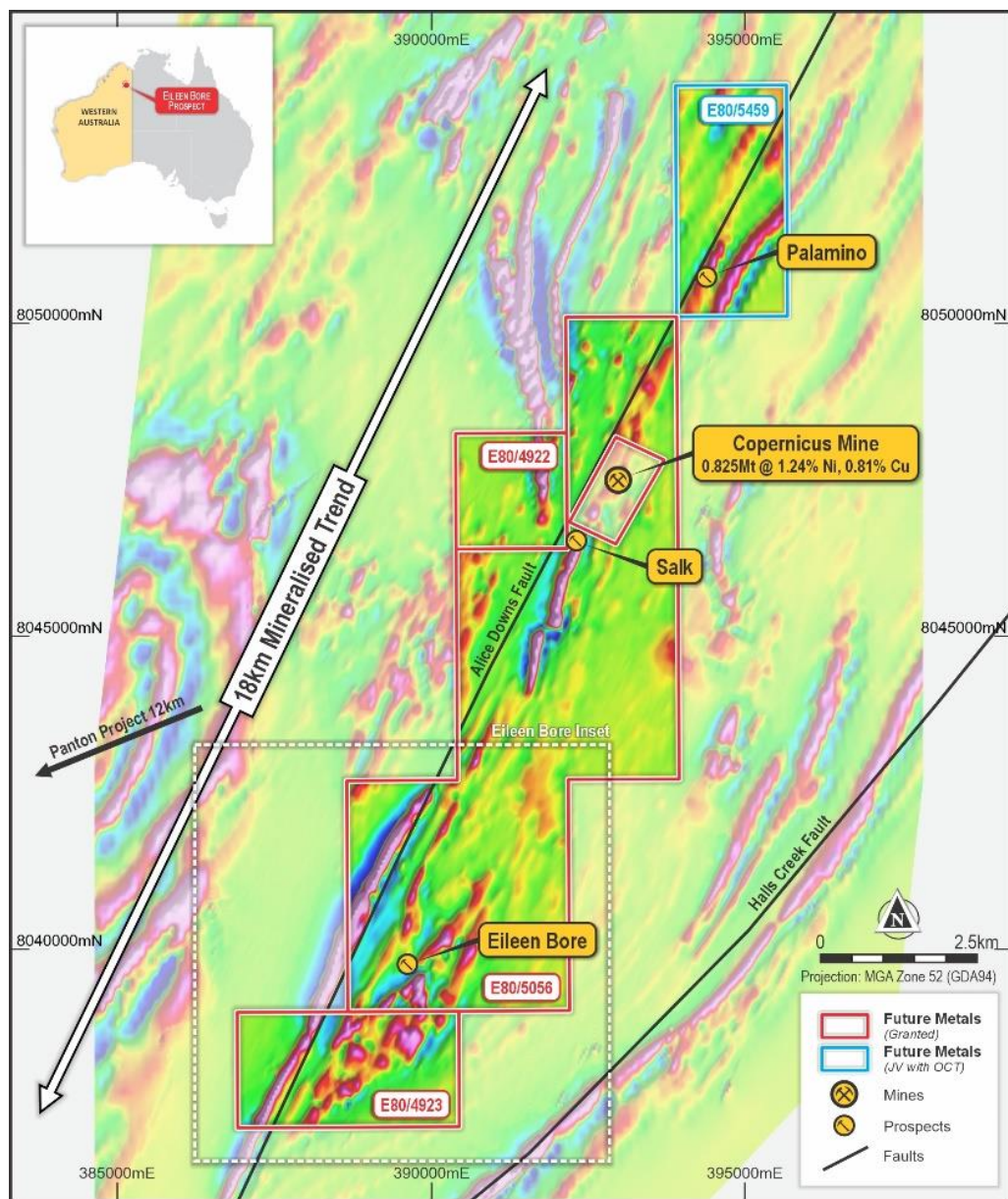


Figure Two | Regional Plan showing main targets along the Alice Downs Corridor's 18km strike.

Note the location of the Eileen Bore Drilling inset map for Figure Three.

Eileen Bore Prospect

The Eileen Bore Prospect is an advanced exploration target with historical third-party drilling confirming 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 vertical below 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 plunging 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)

To the north, Drill Target 2 is based on coincident magmatic chalcopyrite-pyrrhotite mineralisation identified in peridotite rock chips and confirmed by petrology. These rocks 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 below.

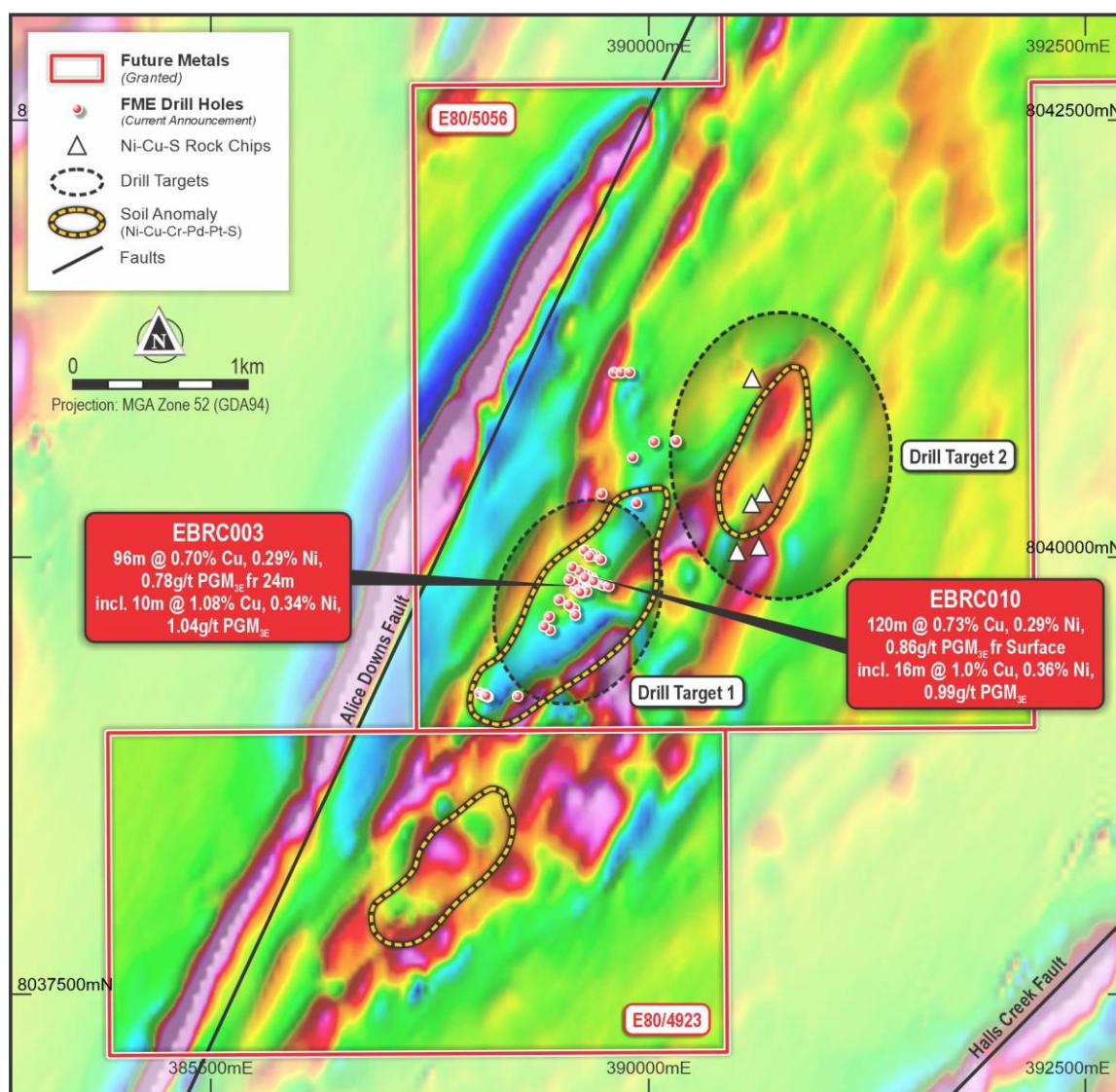


Figure Three | Eileen Bore Prospect showing drill areas: down plunge mineralisation and Drill Targets 1 and 2.

EIS Funding

The Company has been successful in two applications for co-funding under the Western Australian Government's Exploration Incentive Scheme ('EIS').

As part of the EIS Round 27 co-funded drilling program, A\$180,000 has been granted for drilling at Eileen Bore within the Alice Downs Corridor and A\$115,000 has been granted for ground gravity at Panton North and across the Alice Downs Corridor. The ground gravity is part of the Venture 1 co-funding geophysical grant (maiden year).

Project Generation

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

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

The Company will keep investors informed of any material developments in regard to new project opportunities if and when they arise, however there is no guarantee of any resulting transactions.

Corporate

Options Entitlement Offer

During the Quarter 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, being 100% of the funds to be raised under the Options Offer based on the number of FMEO options on issue at the date of the Prospectus.

The Company obtained shareholder approval for the Offer at the end of the Quarter. The Company expects to lodge a Prospectus with ASX/ASIC imminently.

Cost Rationalisation and R&D Rebate Application

During the Quarter the Company continued to progress the 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 September quarter.

The Company has also made an application with the Research and Development (R&D) Tax Incentive Program, an Australian Government initiative for provision of funding for innovation, research and development. The Australian Tax Office and the Department of Industry, Science and Resources jointly administer the R&D tax incentive program. The application is currently undergoing the review process. The R&D work completed by Future Metals to date, in particular in the unlocking of the Panton metallurgical flowsheet, represents the culmination of approximately 20 years of research, development and innovation toward the development of the project.

Financial Commentary

The Quarterly Cashflow Report (Appendix 5B) for the period ended 30 June 2024 provides an overview of the Company's financial activities.

The Company held approximately A\$2.28m in cash at the end of the Quarter.

Exploration and project development expenditure during the Quarter amounted to approximately A\$471k. Payments for administration and corporate costs amounted to approximately A\$231k. This included payments to related parties and their associates of A\$127k, comprising Director fees and remuneration (including superannuation).

For additional information please refer to the ASX/AIM announcements covered in this report:

04 JUL 2024	<u>Change of Auditor</u>	14 JUN 2024	<u>Notification of cessation of securities - FME</u>
04 JUL 2024	<u>Notification of cessation of securities - FME</u>		
04 JUL 2024	<u>Notification regarding unquoted securities - FME</u>	12 JUN 2024	<u>Application for quotation of securities - FME</u>
03 JUL 2024	<u>Change of Director's Interest Notice x4</u>	24 MAY 2024	<u>Notice of General Meeting/Proxy Form</u>
03 JUL 2024	<u>Notification of cessation of securities - FME</u>	24 MAY 2024	<u>Letter to Shareholders</u>
03 JUL 2024	<u>Notification regarding unquoted securities - FME</u>	22 MAY 2024	<u>Cleansing Notice</u>
03 JUL 2024	<u>Cleansing Notice</u>	22 MAY 2024	<u>Release of Securities from Voluntary Escrow</u>
02 JUL 2024	<u>Change of Company Address</u>	21 MAY 2024	<u>Application for quotation of securities - FME</u>
02 JUL 2024	<u>Application for quotation of securities - FME</u>	14 MAY 2024	<u>FME Receives EIS Grant to Drill Eileen Bore Mineralisation</u>
25 JUN 2024	<u>Results of General Meeting</u>	10 MAY 2024	<u>Notification of Expiry of Quoted Options</u>
		03 MAY 2024	<u>Proposed Options Entitlement Offer</u>

The above announcements are available to view on the Company's website at future-metals.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant original market announcements. The Company confirms that the information and context in which any Competent Person's findings are presented have not been materially modified from the original market announcements.

For further information, please contact:

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law pursuant to the European Union (Withdrawal) Act 2018, as amended by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019.

Appendix One | Exploration and Mining Permits

Exploration & Mining Permits changes during the Quarter

Project	Location	Tenement	Interest at beginning of Quarter	Interest at end of Quarter
Springvale	Western Australia	E80/4753	100%	0%
Sally Downs	Western Australia	E80/4951	100%	0%
Sally Downs	Western Australia	E80/5911	14 Blocks (BL) (pending)	Withdrawn

Farm-In / Farm Out Agreement changes during the Quarter

Joint Venture	Project	Location	Tenement	Interest at beginning of Quarter	Interest at end of Quarter
Octava Minerals Ltd	Panton North	Western Australia	E80/5455	-	-
Octava Minerals Ltd	Palamino	Western Australia	E80/5459	-	-

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

Interests in Mining & Exploration Permits & Joint Ventures at 30 June 2024

Project	Location	Tenement	Area	Interest at end of Quarter
Panton PGM-Ni Project	Western Australia	M80/103	8.6km ²	100%
		M80/104	5.7km ²	100%
		M80/105	8.3km ²	100%
Panton North (OCT JV)	Western Australia	E80/5455	8 BL	-
Alice Downs Corridor (OCT JV)	Western Australia	E80/5459	2 BL	-
Alice Downs Corridor	Western Australia	E80/4922	1BL	100%
Alice Downs Corridor	Western Australia	E80/4923	2BL	100%
Alice Downs Corridor	Western Australia	E80/5056	10BL	100%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Future Metals NL

ABN

99 124 734 961

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows <i>(refer Note 1)</i>	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(471)	(1,919)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(231)	(1,549)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	31
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	30	50
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(665)	(3,387)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements (stamp duty)	-	(23)
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	(25)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows <i>(refer Note 1)</i>		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (cash acquired from Osprey)	-	15
2.6	Net cash from / (used in) investing activities	-	(33)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,316
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	6	6
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(317)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	6	3,005

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,942	2,706
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(665)	(3,387)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(33)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6	3,005

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows <i>(refer Note 1)</i>		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(4)	(12)
4.6	Cash and cash equivalents at end of period	2,279	2,279

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,277	2,940
5.2	Call deposits	2	2
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,279	2,942

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	127
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		
-	Payment of Directors' Fees and Remuneration	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(665)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(665)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,297
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,297
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.45
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2024

Authorised by: the Board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.