

Quarterly Activities Report for the period ending 31 March 2024

29 April 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 31 March 2024 (the “**Quarter**”).

Highlights

- **Multiple magmatic sulphide drill targets identified along the ~18km Alice Downs Corridor within Future Metals’ exploration acreage and ~12km NE of its Panton PGM Project**
- **Drilling planned within the Alice Downs Corridor for commencement in the forthcoming dry season, targeting new copper discoveries and extensions of known near-surface mineralisation**
- **3D modelling at the Eileen Bore target (within the Alice Downs Corridor), has demonstrated that the down-plunge of existing mineralisation remains open. Significant historic intersections include:**
 - **120m @ 0.73% Cu, 0.29% Ni & 0.86g/t PGM_{3E} from 0m (EOH¹) (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**
- **Additional targets have been identified at Palamino and Salk with ultramafic host rocks structurally analogous to the nearby Copernicus Ni-Cu Mine**
- **Progressing low expenditure activities at the Panton PGM Project (in order to preserve cash resources due to historically low PGM commodity prices) including offtake / end user discussions and additional metallurgical optimisation**
- **Strategic Board changes implemented to grow in-house expertise and aid both planned future development of the Panton PGM Project and assessment of accretive acquisition opportunities**
- **Completion of a A\$3.3m fully underwritten rights issue**

Strategic Exploration Position

Planning underway for initial exploration drill programme on the 18km Alice Downs Corridor within the Company’s tenure, with confirmed nickel-copper sulphide mineralisation targets including Eileen Bore, Palamino, and Salk (see Figure One) for commencement in the forthcoming dry season.

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 the host intrusions and are comprised of chalcopyrite, pyrrhotite, pentlandite and pyrite. The previously mined Copernicus deposit is one such example.

Most of the project area is under cover which has limited the effectiveness of historical surface sampling. There is significant potential for blind deposits with no surface anomalism. There is an existing extensive exploration dataset for parts of the tenement area, including geophysical surveys, magnetics, gravity, Versatile Time Domain Electromagnetic (“**VTEM**”) and Induced Polarisation (“**IP**”), which is concentrated at the Eileen Bore Prospect. The main focus of historical drilling has been on the near-surface mineralisation at Eileen Bore.

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, with historical drilling ineffectively testing such targets.

Eileen Bore Prospect

The Eileen Bore Prospect is an advanced exploration target with historic drilling confirming wide zones of consistent Cu-Ni-PGM mineralisation from surface along a known strike of approximately 300m.

Mineralisation remains open down plunge and at depth, with mineralisation only tested to 96m to date.

A total of 5,761m over 60 holes has been drilled at Eileen Bore. This historical drilling demonstrated a disseminated Cu-Ni-PGM magmatic sulphide body within a gabbro-pyroxenite host that extends 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. Drilling down plunge remains open with scope for significant additional mineralisation (see Figure Two).

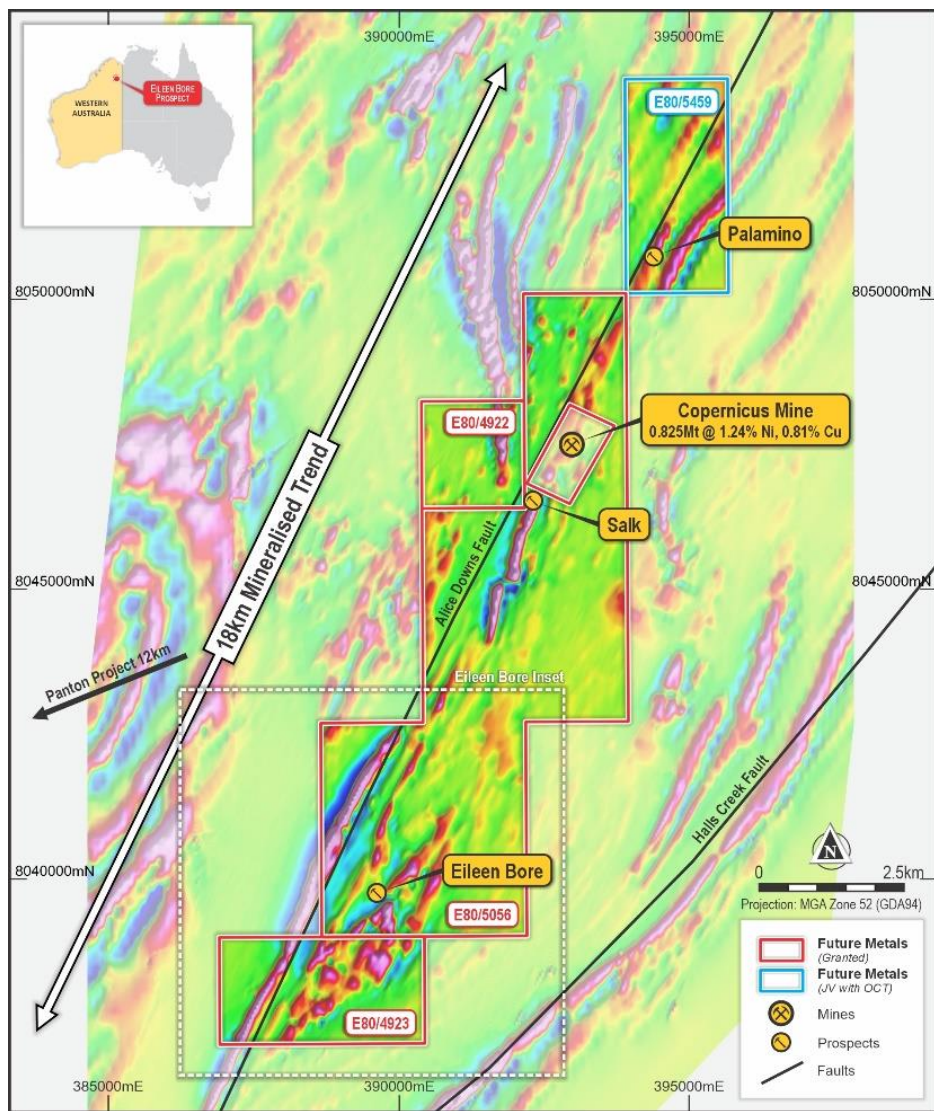


Figure One | Regional Plan showing main targets along the Alice Downs Corridor 18km strike. Note the location of the Eileen Bore inset Map expanded in Figure Three.

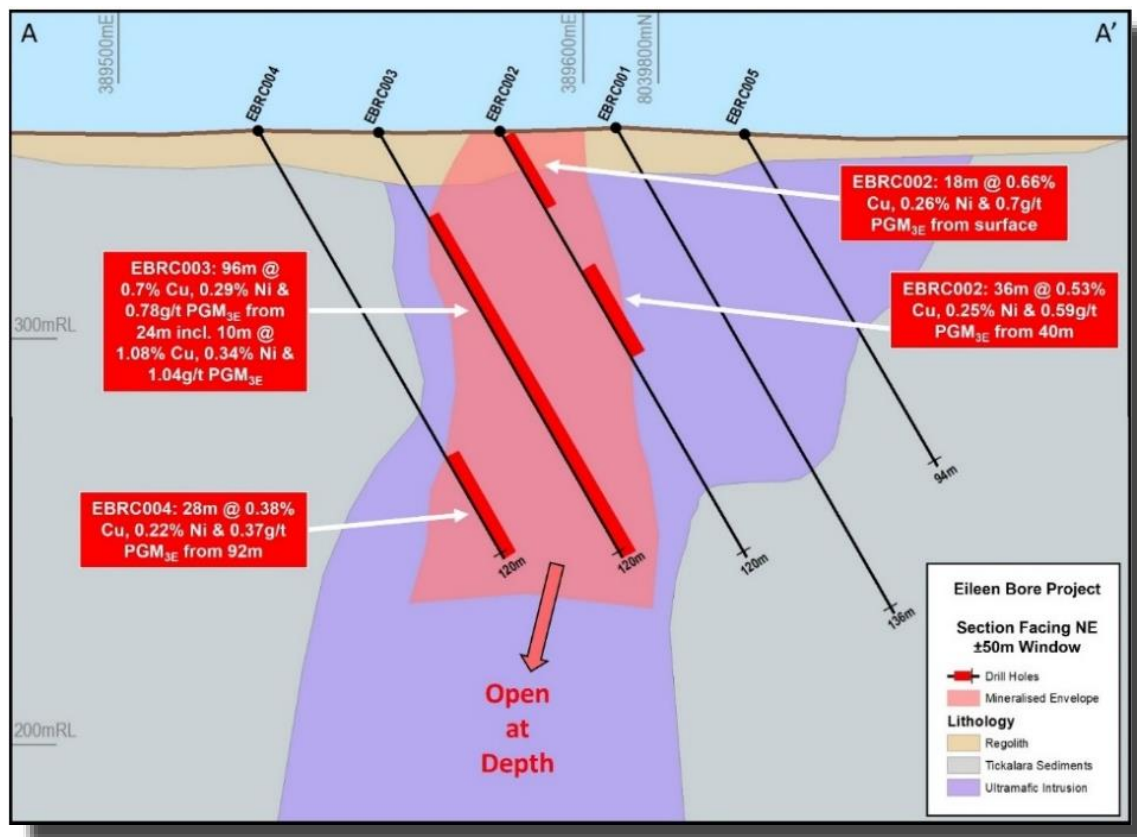


Figure Two | Cross section of drilling at Eileen Bore demonstrating that mineralisation remains open at depth.

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)

Additional compelling targets at Eileen Bore are situated to the northeast of the area that has been previously drilled, in an antiformal fold axis and to the south along the Alice Downs Fault in a synform. To the north, Drill Target 2 is based on coincident magmatic chalcopyrite-pyrrhotite mineralisation identified in peridotite rock chips by petrology and is associated with Ni-Cu, PGE and Au soil anomalism. There is no historical drill testing in the area. To the south, Drill Target 3 is associated with the same coincident soil anomalism identified at Eileen Bore and Drill Target 2, which has also not been drill tested. The targets are outlined in Figure Three below.

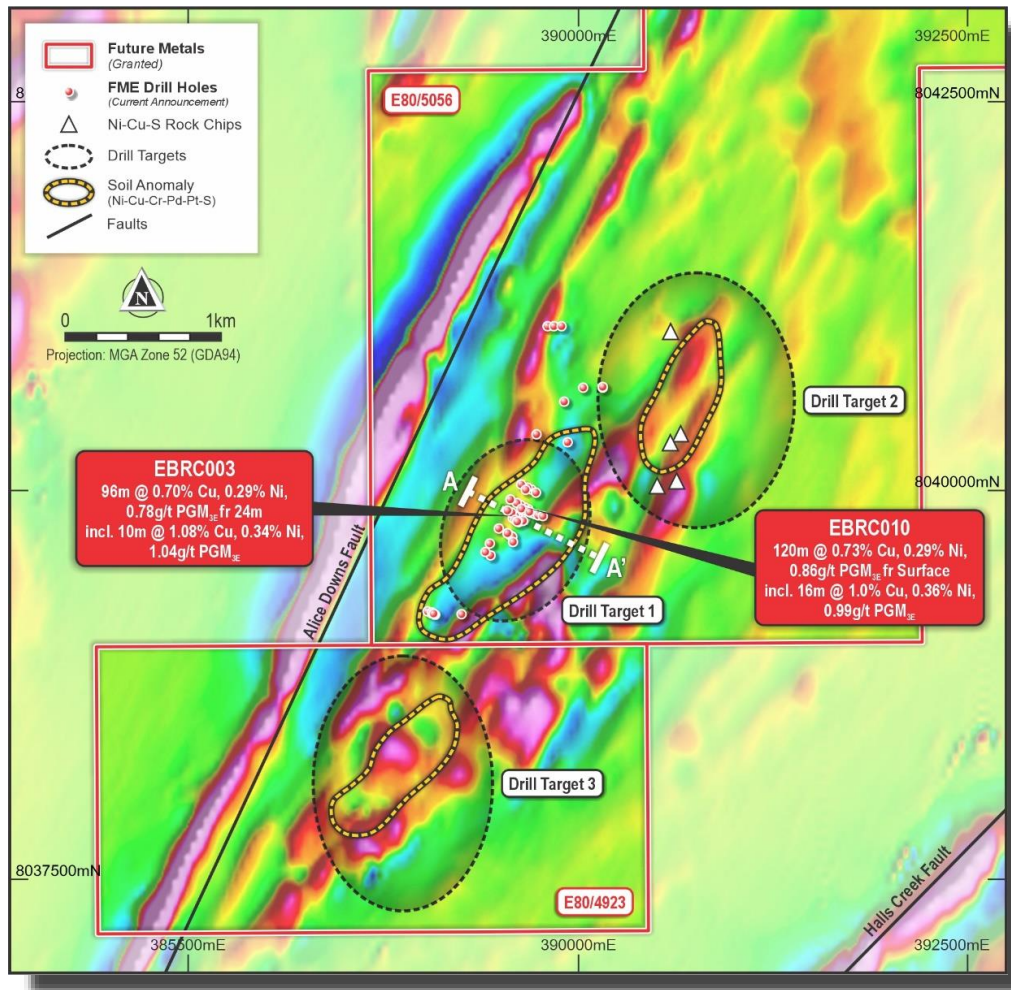


Figure Three | Eileen Bore Prospect showing three main drill areas: down plunge mineralisation from section A-A' and Drill Targets 2 and 3.

Additional Targets

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

The Palamino prospect is further along strike to the north, within the farm-in joint venture area with Octava Minerals Ltd (ASX:OCT), where Future Metals is earning a 70% interest (see Figure One). Historical drilling confirmed a thick pyroxenite body dipping to the northwest not previously mapped. Disseminated sulphides were intersected, with the best results being 5m @ 0.39% Ni and 0.32% Cu in drill hole WCR016 (ASX:OCT 13 Feb 2024).

Forward Exploration Plan

The Company is planning a drilling campaign to test the down plunge extension of Eileen Bore and confirm adjacent near-surface economic mineralisation at Drill Targets 2 and 3. This initial stage of drilling is currently intended to commence in Q3 2024. Follow-up stages will occur if initial drilling determines the potential for material economic mineralisation.

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

Panton PGM Project

Following the release of the Scoping Study over the Panton PGM Project in December 2023, Future Metals has continued to progress the development of the asset in line with the Company's strategy of ensuring that 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.

During the Quarter, the Company initiated discussions with certain offtakers and end users to assess potential future commercial relationships between the parties. In particular, Future Metals is focused on promoting Panton PGM concentrate as an alternative supply of material scale versus current production, which is 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 Quarter while maintaining a focus on limiting expenditure on material-scale test work programmes to preserve capital during the current period of low PGM commodity prices.

M&A Due Dilligence

The Company is undertaking an active programme of due diligence on resource asset acquisitions that could potentially complement the current development and exploration strategy at the Panton PGM Project and the Eileen Bore Cu-Ni-PGM mineralisation.

In particular, the Company is currently focused on assessing potential copper opportunities that could add material shareholder value through near-term development.

Corporate

Capital Raising

Future Metals successfully raised A\$3.3M (before costs) via a fully underwritten non-renounceable Entitlement Issue (the "**Entitlement Issue**"). Net proceeds from the Entitlement Issue will be used for drilling and exploration activities and to progress value enhancement workstreams for the Panton Project, following the recent completion of the Panton Scoping Study.

Strategic Board Changes

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

Mr Jardee Kininmonth resigned as Managing Director and CEO and will leave the Company following a transition period to the end of May to handover his responsibilities. Non-Executive Director, Elizabeth Henson stepped down to focus on her other business interests. Mr John Carr and Mr Sam Rodda joined the Company as Non-Executive Directors.

Jardee played a critical role in directing the Company's overall strategy and demonstrating the significant value of the Panton PGM Project. This is highlighted by the successful delivery of the upgraded JORC 2012 Mineral Resource Estimate ("**MRE**"), the subsequent delivery of the Panton Scoping Study, and significantly expanding the

Company's strategic exploration position in a highly prospective region.

John 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, John was responsible for developing 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. John 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.

Sam Rodda's appointment to the Board of Future Metals provides additional capacity and competence in the planned development of future operations at Panton. Sam has broad experience in technical and commercial roles within the mining industry. Notably, Sam was previously Managing Director of the ASX-listed PGM developer Podium Minerals Limited. Sam has also held significant operational roles at a 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.

Future Metals' Executive Chairman, Mr Patrick Walta, commented: *"The Board changes complement the Company's continued progression of Panton toward future operations. Now is the right time to appoint the team that will lead Future Metals through the final feasibility stages to be production-ready during the next PGM price upswing."*

Octava Limited Joint Venture

During the Quarter the Company issued 6,674,887 new ordinary shares to Octava Minerals Limited in accordance with the terms of its joint venture, whereby Future Metals may earn up to a 70% interest in various tenements, subject to minimum annual expenditure commitments. Please refer to the Company's announcement dated 17 January 2023 for further details.

Financial Commentary

The Quarterly Cashflow Report (Appendix 5B) for the period ending 31 March 2024 provides an overview of the Company's financial activities.

The Company held approximately A\$2.94m in cash at the end of the Quarter.

Exploration and project development expenditure during the Quarter amounted to approximately A\$345k. Payments for administration and corporate costs amounted to approximately A\$325k. This included payments to related parties and their associates of A\$167k, comprising Director fees and remuneration (including superannuation).

In addition, the Company announces that Strand Hanson Limited has assumed the role of sole broker to Future Metals with immediate effect.

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

- 2 April 2024 | Final Director's Interest Notice
- 27 March 2024 | Board and Management Changes
- 26 March 2024 | Initial Director's Interest Notice
- 22 March 2024 | Board Changes
- 15 March 2024 | Half Yearly Report and Accounts
- 6 March 2024 | Cleansing Notice
- 1 March 2024 | Change of Director's Interest Notice
- 1 March 2024 | Application for quotation of securities - FME
- 1 March 2024 | Application for quotation of securities - FME
- 28 February 2024 | Proposed issue of securities - FME
- 15 February 2024 | Investor Presentation RIU Explorers Conference February 2024
- 13 February 2024 | Multiple Drill Targets Identified Along 18km Corridor
- 9 February 2024 | Change of Director's Interest Notice
- 8 February 2024 | Application for quotation of securities – FME
- 8 February 2024 | Future Metals Successfully raises A\$3.3M
- 8 February 2024 | Supplementary Prospectus
- 31 January 2024 | Quarterly Activities and Appendix 5B Cash Flow Report
- 17 January 2024 | Company Update
- 15 January 2024 | Proposed issue of securities - FME
- 15 January 2024 | Entitlement Issue - Extension of Closing Date
- 9 January 2024 | Restricted Securities to be Released from Escrow
- 5 January 2024 | Letter to Shareholders and Despatch to Eligible Shareholders

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 the relevant 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
<i>No changes during the quarter.</i>				

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 31 March 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	Western Australia	E80/5455	8BL	-
Palamino	Western Australia	E80/5459	2BL	-
Springvale	Western Australia	E80/4753	5BL	100%
Eileen Bore	Western Australia	E80/4922	1BL	100%
Eileen Bore	Western Australia	E80/4923	2BL	100%
Sally Downs	Western Australia	E80/4951	22BL	100%
Sally Downs	Western Australia	E80/5056	10BL	100%
<i>Sally Downs</i>	<i>Western Australia</i>	<i>E80/5911</i>	<i>14BL (pending)</i>	<i>100%</i>

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")

31 March 2024

Consolidated statement of cash flows <i>(refer Note 1)</i>	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(345)	(1,448)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(325)	(1,318)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	24
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	20
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(664)	(2,722)

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	-	-

Consolidated statement of cash flows <i>(refer Note 1)</i>		Current quarter \$A'000	Year to date (9 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	3,316
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(317)	(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	2,999	2,999

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	607	2,706
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(664)	(2,722)
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)	2,999	2,999

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 (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	(8)
4.6	Cash and cash equivalents at end of period	2,942	2,942

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	2,940	590
5.2	Call deposits	2	17
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)	2,942	607

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	167
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)	(664)
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)	(664)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,942
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,942
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.43
<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 April 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.