Quarterly Activities Report for the period ended 30 June 2023

27 July 2023

Highlights

- **Expected PGM_{3E}[1] metallurgical recoveries improved from 78% to 86% through successful flotation tailings leaching test work**
- **Flotation reagent optimisation test work reduced reagent consumption whilst maintaining PGM_{3E} recoveries with a concentrate grade of >280g/t PGM_{3E}[1]**
- **Chromite concentrate from flotation tails represents a potentially high value by-product with chromite prices increasing by 50% over the past 12 months**
- **Mapping and sampling confirmed the prospectivity of the BC1 and Panton West prospects, followed by initial scout drilling throughout the quarter**
- **Secured Exploration Incentive Scheme ("EIS") co-funding support from the Western Australian state government of A$147,000 for drilling at Panton West**
- **The Company remains well funded to complete its Scoping Study and follow up exploration activities across Panton, BC1 and Panton West**

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 2023 ("**Quarter**").

Future Metals is the 100% owner of the Panton PGM-Ni Project ("**Panton Project**" or "**Project**"), located 60km north of the town of Halls Creek in the eastern Kimberley region of Western Australia, a tier one mining jurisdiction.

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

The Panton Project hosts an independent JORC Code (2012) Mineral Resource Estimate ("**MRE**"), as announced on 21 June 2022, of **129Mt @ 1.20g/t PGM_{3E}[1], 0.19% Ni**, 0.04% Cu and 154ppm Co (1.66g/t PdEq) at a cut-off grade of 0.90g/t PdEq for contained metal of **5.0Moz PGM_{3E}[1], 239kt Ni,** 48kt Cu and 20kt Co **(6.9Moz PdEq)**.

The MRE includes a **high-grade reef of 25Mt @ 3.57g/t PGM_{3E}[1], 0.24% Ni**, 0.07% Cu and 192ppm Co (3.86g/t PdEq) for contained metal of **2.9Moz PGM_{3E}[1], 60kt Ni**, 18kt Cu and 5kt Co **(3.2Moz PdEq)**.

PGM-Ni mineralisation occurs within a layered, differentiated mafic-ultramafic intrusion referred to as the Panton intrusive which is a 10km long and 3km wide, south-west plunging synclinal intrusion. PGM mineralisation is hosted within a series of stratiform chromite reefs as well as a surrounding zone of mineralised dunite within the ultramafic package. The Panton intrusive is also highly prospective for Ni-Cu-PGM sulphide mineralisation from multiple magmatic events.

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

Mr Jardee Kininmonth, Managing Director of Future Metals, commented on the Quarter:

"Through the June quarter we continued to optimise the flowsheet at Panton, creating a step-change in PGM recoveries, de-risking the flowsheet and improving project economics through leaching of flotation tails, and optimising the flotation regime. Following these improvements, we can now expect to recover approximately 86% of the PGMs from Panton's ore feed and expect to consistently achieve very high concentrate grades of >280g/t PGM_{3E}[1].

With its high grade Resource, recoveries and concentrate grades, Panton compares very favourably to analogous operations in the primary PGM producing jurisdiction of South Africa.

Additionally, we progressed a number of prospective nickel sulphide targets outside of the high-grade PGM reef where scout drilling and follow up exploration activities continue."

Figure One | Panton PGM Project's Location

Operational Activities

Exploration Discussion

Ongoing exploration target generation identified a potential embayment feature on the Panton North tenement (which is subject to a farm-in agreement with Octava Minerals Ltd where the Company has the right to earn a 70% interest) (see Figure Two).

Embayment features can act as 'sulphide traps', providing a confined localised volume in which sulphide rich magma can settle. This untested embayment feature was identified along the northwest intrusion contact in multiple datasets, including magnetics and short wave infra-red imagery.

A geological review of this embayment area suggested a thickening of the Panton Sill. Field reconnaissance in the area confirmed an altered ultramafic product (magnesite) was present in the area which also cross cuts the dunite on the northern contact. Where the magnesite cross cuts the dunite, brecciated veins are present with fragments of ultramafic and sediment. Rock chip samples (see announcement *'Drilling to Commence at Nickel Sulphide Targets'* on 4 May 2023) further mapped out the prospective embayment area and were coincident with historical anomalous stream sediment samples (see announcement *'Large Ni-Cu-(PGE) Sulphide Zone Identified at Panton'* on 2 February 2023).

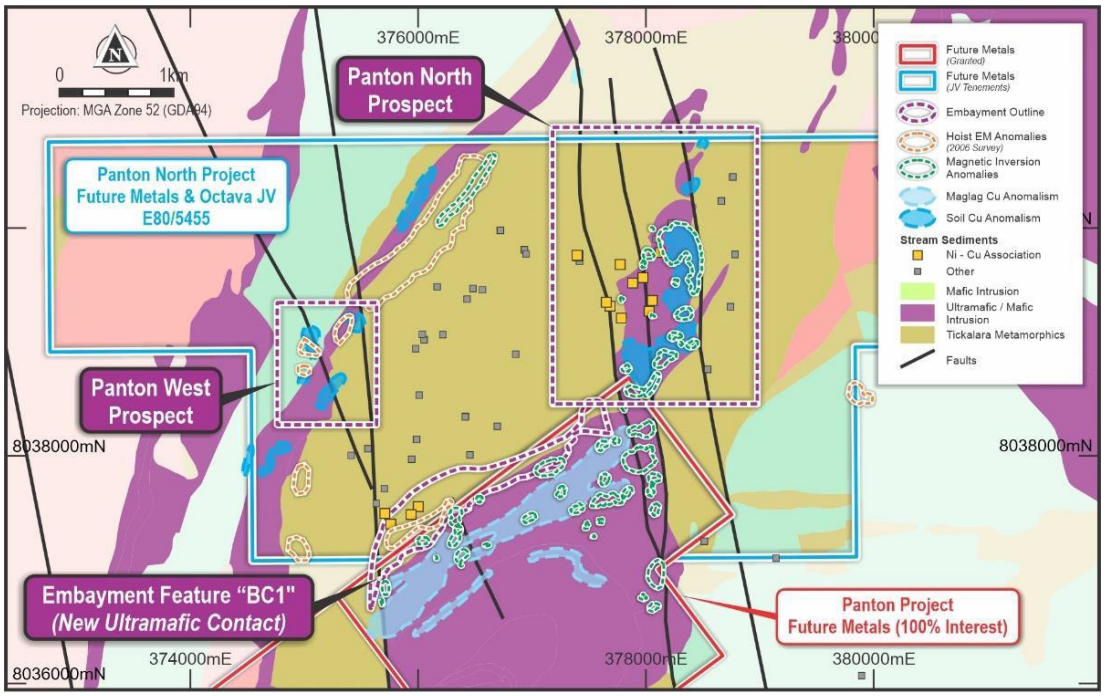

Figure Two | Panton and Panton North Exploration Target Areas

Target generation, ground investigation and surface sampling

Geological mapping and sampling was completed along the northern contact of the Panton Sill, including BC1, as well as the Panton West area. The northern contact of the Panton Sill historically has been erroneously mapped; due to topographic constraints and historical tenure boundaries limiting the extent of exploration.

New mapping of the contact confirmed the BC1 embayment feature as well as a smaller, thickened portion to the east, near Panton North. Within this extended basal contact area, averaged pXRF analysis indicated a Ni-Cu anomalous association in the central and eastern portion of the contact with the BC1 area showing a more Ni-S anomalous association. An iron-rich gossan, on the north central most contact of the weathered ultramafic with metasediments, returned averaged X-Ray Fluorescence ("**pXRF**") readings of 0.22% Co, 0.08% Cu, 0.08% S and 0.01% Ni. This is the same area where weathered rock chips of ultramafic returned multiple anomalous Ni-Cu samples.

At BC1, an ultramafic outcrop of pyroxenite returned pXRF averages of 0.43% Ni, 0.22% S, 0.06% Cu and 0.05% Co.

South of BC1, ground mapping around drill holes PS053 and PS407 identified gossanous material that had been shifted to create historical drilling pads, over a 50m x 40m area. Further exploration of the area has identified weathered sulphides in two ultramafic rock chips with average pXRF values of 1.95% Ni, 0.26% Cu, 0.09% Co, 0.01% S 135m to the northwest of PS053 (BD23-056, see Photo One) and 4.28% Ni, 0.13% Cu, 0.11% Co, 0.01% S that is 70m to the northwest of PS053 all positioned along strike of a northwest fault (BD23-055). BD23-055 was collected from rock which had been disturbed from historical clearing. This is the same structure that is interpreted to host the magmatic sulphide mineralisation in hole PS053. To assist in target generation in key areas, the Company is currently planning a further detailed mapping and rock chip sampling programme to commence in Q3 CY2024.

Photo One | Mineralised dunite, 70m from hole PS053 drill collar (BD23-056)

Drilling

During the Quarter, a c.2,000m RC scout drilling programme commenced at the Panton North Project, starting at the BC1 Prospect (see Figure Two).

This first pass RC drilling programme was designed to test the BC1 and Panton West Prospects for Ni-Cu-PGM mineralisation. The prospectivity of these targets is supported by detailed analysis performed on information across EM, magnetics, gravity, stream sediments, soil samples, rock chip samples, and validation in the field.

Photo Two | Drilling underway at the BC1 Prospect

The BC1 Prospect drilling was designed to test the newly interpreted basal contact for the Panton Sill, which is supported by EM and magnetic anomalies. Drilling at the Panton West Prospect targeting discrete magnetic features coincident with historical EM anomalism at depth, with these features located on the contact of a gravity high interpreted to be an ultramafic intrusion under cover. Neither of these targets have been previously drilled.

The Company was successful in securing EIS co-funding of A$147,000 from the Western Australian State Government to co-fund drilling at the Panton West Prospect.

Initial scout drilling at BC1 and Panton West has been completed with assay results expected to be announced in due course.

Metallurgical Testwork and Scoping Study Activities

Processing and Project Delivery Strategy

The Company continues to methodically de-risk the development of Panton and enhance project economics through ongoing metallurgical testwork and optimisation.

A series of improvements are being incorporated into the Scoping Study further demonstrating the viability of the Panton Project as a low capital, high-grade and high recovery operation producing PGMs, nickel and chromite concentrate.

The Scoping Study is evaluating multiple pathways (see Figure Three) for progressing Panton, assessing both concentrate production for sale into the smelting market, and downstream integration to produce high payability, low emission upgraded metal products for direct sale to end users.

These de-risking factors include:

- **Ore sorting testwork**

  Demonstrating the ability to separate high-grade PGM reef with a 97% recovery from the surrounding low grade bulk mineralisation and waste. Enabling the use of more conventional mining methods to extract the high-grade ore and ensure a high-grade feed for the mill, thereby reducing capital and operating costs.

- **Flotation test work**

  Demonstrating the ability to consistently achieve flotation PGM_{3E}[1] recoveries averaging 78% at a very high average concentrate grade of >280g/t PGM_{3E}[1] utilising conventional crushing, grinding and flotation techniques on high-grade PGM_{3E}[1] reef ore.

- **Flotation tails leaching test work**

  Leaching of flotation tails improved overall PGM_{3E}[1] recoveries to 93.1% Pd, 76.8% Pt and 94.2% Au (~86% PGM_{3E}[1]), requiring no additional grinding, at atmospheric pressure and ambient temperature.

- **Magnetic Separation**

  Test work demonstrating the ability to produce a saleable chromite concentrate from flotation tailings using magnetic separation.

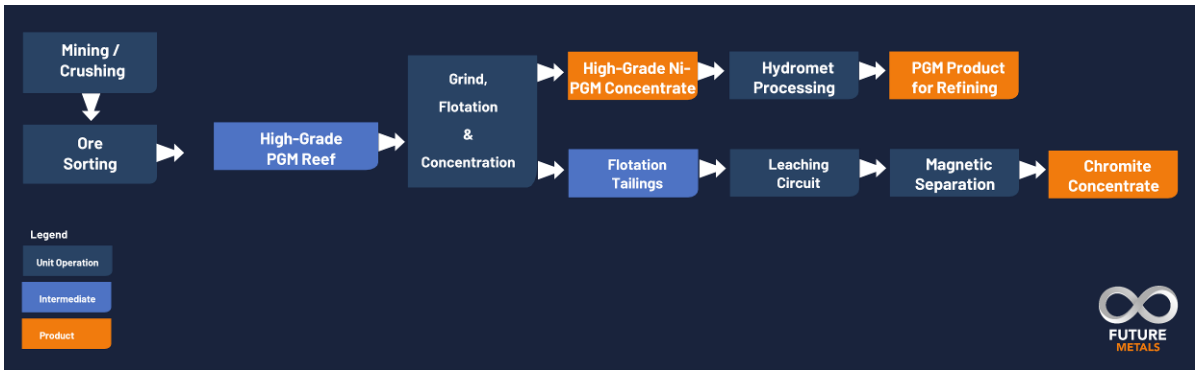

Figure Three | High-Level Flowsheet

Improved PGM Recoveries Through Leaching of Flotation Tails

The Company demonstrated that cyanide leaching of flotation tails at an ambient temperature and atmospheric pressure can achieve recoveries of 83.5% Pd and 92% Au as shown in Table 1.

The positive leaching results not only potentially improve project economics, but also substantially de-risk the flow sheet by providing an additional method of metal recovery following flotation, thereby providing protection from any periods of fluctuating flotation performance.

Table 1 | Flotation Tailings Leaching Recoveries

	Pt (g/t)	Pd (g/t)	Au (g/t)
Head Grade	0.94	1.25	0.16
Recovery (%)	0.3	83.5	91.6

Applying previously reported concentrate flotation recoveries in combination with this successful flotation tailings leaching test work provides an **overall net recovery of 86% PGM_{3E}[1]** as show below in Table 2.

Table 2 | Panton Net Recovery

		Pt	Pd	Au	Pt, Pd & Au
Head grade[1]	**g/t**	**4.35**	**5.20**	**0.44**	**9.99**
Ore sorting mass recovery[1]	**%**	**87.3**	**87.3**	**87.3**	**87.3**
Ore sorting metal Recovery[2]	**%**	**96.7**	**96.7**	**96.7**	**96.7**
Head grade post ore sorting	**g/t**	**4.82**	**5.76**	**0.49**	**11.07**
Flotation recovery[3]	**%**	**79.4**	**77.2**	**69.3**	**77.8**
Flotation recovered grade	**g/t**	**3.83**	**4.45**	**0.34**	**8.61**
Tails grade	**g/t**	**0.99**	**1.31**	**0.15**	**2.46**
Tails recovery[4]	**%**	**0.26**	**83.5**	**91.6**	**50.3**
Tails recovered grade	**g/t**	**0.00**	**1.10**	**0.14**	**1.24**
Net recovery	**%**	**76.8**	**93.1**	**94.2**	**86.0**

1: As set out under Table 2: Optimisation and Variability Flotation Test Programme – Concentrate Grades, Future Metals Announcement 'Mining and Processing Breakthrough' on 13 February 2023

2: As set out under Table 1: Bulk Ore Sorting Test Results, Future Metals Announcement 'Mining and Processing Breakthrough' on 13 February 2023

3: As set out under Table 2: Bulk Ore Sorting Test Results, Future Metals Announcement 'Mining and Processing Breakthrough' on 13 February 2023

4: Refer to Table 1 of this announcement

Flotation Reagent Optimisation

The Company has continued to optimise its flotation test work subsequent to demonstrating the ability to consistently achieve a high-grade concentrate at high recoveries.

As part of this work, the Company demonstrated the ability to achieve strong results with **79.4% PGM_{3E}[1] recovery at a concentrate grade of 309g/t PGM_{3E}[1]** without the need for nitrogen sparging, thereby reducing the capital and operating costs and simplifying the flow sheet.

A summary of the results from this reagent optimisation testwork is shown in Table 3 below.

Table 3 | Summary of Reagent Optimisation Results

Test No.	Concentrate Grade									Head Grade			
	Mass Pull	Pt		Pd		Au		PGM_{3E}[1]		Pt	Pd	Au	PGM_{3E}[1]
	%	g/t	Rec	g/t	Rec	g/t	Rec	g/t	Rec	g/t			
FT022	2.64	140	82.4	155	77.5	14.1	73.3	**309**	**79.4**	4.47	5.29	0.51	10.3

Chromite Concentrate as a Valuable By-Product

Test work has demonstrated the ability to produce a saleable chromite concentrate from flotation tailings through a magnetic separation circuit.

Chromite concentrate is a high-value bulk product primarily used for the production of ferrochrome, a non-substitutable input into the production of stainless steel. The major suppliers of chromite concentrate include South Africa, Turkey, Zimbabwe & Albania. Given its importance to the steel industry and the limited deposits in Western jurisdictions it is listed as a critical mineral in the United States, Australia, Japan and India.

The Company has commenced further optimisation test work and will assess the inclusion of a chromite concentrate circuit as part of the Project's flow sheet in the Scoping Study. Chromite concentrate has the potential to be a valuable by-product and reduce tailings at site.

June 2023 Quarter Activities

Ongoing Exploration Activities

The Company is progressing its nickel sulphide exploration model including completing scout drilling of two priority targets being BC1 and Panton West. The Company will provide an update on planned forward activities once assays are received and interpreted through Q3 CY2023.

Scoping Study Progress

The Company continues to methodically de-risk the development of Panton and enhance project economics through ongoing metallurgical test work and optimisation. This series of improvements to the Scoping Study, targeted for completion in Q4 2023, will serve to demonstrate a credible path towards developing a future low capital, high grade PGM-Ni operation.

Corporate

In accordance with the terms of the Company's Performance Rights Plan, 800,000 of Jardee Kininmonth's Performance Rights vested, having achieved 12 months continuous service with the Company. Refer to the Company's announcement dated 31 January 2022 for further details of these Performance Rights.

Financial commentary

The Quarterly Cashflow Report (Appendix 5B) for the period ending 30 June 2023 provides an overview of the Company's financial activities.

The Quarterly Cashflow Report (Appendix 5B) follows this Quarterly Activities Report.

The Company held approximately A$2.7 million in cash at the end of the Quarter.

Exploration and project development expenditure during the Quarter amounted to approximately A$439k. During the Quarter, the Company paid down its stamp duty liability in respect of the acquisition of Panton. This was initially assessed to be A$895k however it was reduced to A$447k. Payments for administration and corporate costs amounted to approximately A$273k. This included payments to related parties and their associates of A$122k, comprising Director fees and remuneration (including superannuation).

Statement of commitments

The Quarter is covered by the Statement of Commitments outlined in the Company's ASX Prospectus dated 18 May 2021. A summary of expenditure to date is outlined in the table below.

	Proposed Use of Funds 13 June 2021 to 13 June 2023 **$**	**Actual** (13 June 2021 to 30 June 2023) **$**
Exploration & development expenditure		
Panton Option consideration	3,000,000	3,000,000
Estimated duty liability	1,755,495	1,007,530
Drilling of extensions	2,000,000	5,971,169
Metallurgical testwork	500,000	429,471
Process design, mining and development studies	1,000,000	742,357
Other technical studies	500,000	-
Assessment of complementary assets or projects	500,000	-
SUB-TOTAL	**9,255,495**	**11,150,527**
Estimated cash expenses of the Australian Offers	1,077,834	1,164,174
Estimated cash costs for readmission to AIM	1,124,334	910,800
Administration costs	2,000,000	4,422,721
Working Capital	768,200	85,964
TOTAL	**14,225,863**	**17,734,186**

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

- 28 April 2023 | Quarterly Activities / Appendix 5B Cash Flow Report
- 4 May 2023 | Drilling to Commence at Nickel Sulphide Targets
- 24 May 2023 | RC Drilling Commences at Panton Ni-Cu-PGM Targets
- 7 June 2023 | Restricted Securities to be Released from Escrow
- 8 June 2023 | Investor Webinar
- 13 June 2023 | Corporate Presentation
- 22 June 2023 | Application for quotation of securities - FME
- 22 June 2023 | Notification regarding unquoted securities - FME
- 27 June 2023 | Notification of cessation of securities - FME
- 10 July 2023 | Change of Directors Interest Notice x3
- 10 July 2023 | Notification regarding unquoted securities - FME
- 11 July 2023 | Step Change in PGM Recovery - Improved to 86%

For further information, please contact:

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Panmure Gordon (UK) Limited (UK Broker)	+44 (0)207 886 2500
John Prior/Hugh Rich/Rauf Munir	
FlowComms (UK IR/PR)	+44 (0) 789 167 7441
Sasha Sethi	

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.

Competent Person's Statement

The information in this announcement that relates to Exploration Results is based on, and fairly represents, information compiled by Ms Barbara Duggan, who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Ms Duggan is the Company's Principal Geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity she is undertaking to qualify as a competent person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Ms Duggan consents to the inclusion in this announcement of the matters based upon her information in the form and context in which it appears.

The information in this announcement that relates to Mineral Resources is based on, and fairly represents, information compiled by Mr Brian Wolfe, who is a Member of the Australian Institute of Geoscientists. Mr Wolfe is an external consultant to the Company and is a full time employee of International Resource Solutions Pty Ltd, a specialist geoscience consultancy. Mr Wolfe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Mr Wolfe consents to the inclusion in this announcement of the matters based upon his information in the form and context in which it appears.

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

Notes to Editors:

About the Panton PGM-Ni Project

The 100% owned Panton PGM-Ni Project is located 60kms north of the town of Halls Creek in the eastern Kimberly region of Western Australia, a tier one mining jurisdiction. The project is located on three granted mining licences and situated just 1km off the Great North Highway which accesses the Port of Wyndham (refer to Figure Four).

The Project hosts an independent JORC Code (2012) MRE of 129Mt @ 1.20g/t PGM_{3E}, 0.19% Ni, 0.04% Cu and 154ppm Co (1.66g/t PdEq[2]) at a cut-off grade of 0.90g/t PdEq for contained metal of 5.0Moz PGM_{3E}[1], 239kt Ni, 48kt Cu and 20kt Co (6.9Moz PdEq). The MRE includes a high-grade reef of 25Mt @ 3.57g/t PGM_{3E}[1], 0.24% Ni, 0.07% Cu and 192ppm Co (3.86g/t PdEq) for contained metal of 2.9Moz PGM_{3E}[1], 60kt Ni, 18kt Cu and 5kt Co (3.2Moz PdEq) (refer to the Company's announcement of 21 June 2022 for further details).

PGM-Ni mineralisation occurs within a layered, differentiated mafic-ultramafic intrusion referred to as the Panton intrusive which is a 10km long and 3km wide, south-west plunging synclinal intrusion. PGM mineralisation is hosted within a series of stratiform chromite reefs as well as a surrounding zone of mineralised dunite within the ultramafic package.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement referenced above.

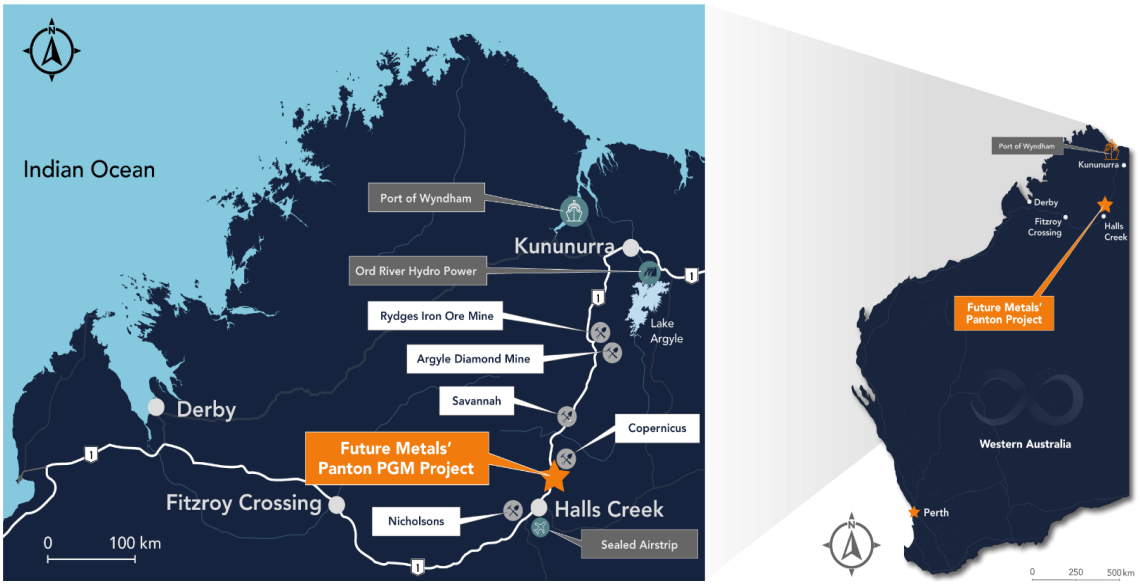

Figure Four | Panton PGM Project's Location

About Platinum Group Metals (PGMs)

PGMs are a group of six precious metals being Platinum (Pt), palladium (Pd), iridium (Ir), osmium (Os), rhodium (Rh), and ruthenium (Ru). Exceptionally rare, they have similar physical and chemical properties and tend to occur, in varying proportions, together in the same geological deposit. The usefulness of PGMs is determined by their unique and specific shared chemical and physical properties.

PGMs have many desirable properties and as such have a wide variety of applications. Most notably, they are used as auto-catalysts (pollution control devices for ICE vehicles), but are also used in jewellery, electronics, hydrogen production / purification and in hydrogen fuel cells. The unique properties of PGMs help convert harmful exhaust pollutant emissions to harmless compounds, improving air quality and thereby enhancing health and wellbeing.

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
No changes during the Quarter				

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	Copernicus North	Western Australia	E80/5459	-	-

^ In January 2023, the Company executed a farm-in and joint venture agreement with Octava Minerals Ltd over two tenements, one of which adjoins the Panton Project to the north. Future Metals may earn up to 70% in the two tenements. 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 2023

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	8 BL	-
Copernicus North	Western Australia	E80/5459	2 BL	-

Appendix Two | Panton Mineral Resource Estimate (JORC Code 2012)[2]

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

Notes

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

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

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

[2] Metal equivalents were calculated according to the follow formulae:

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

Appendix 5B

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

Name of entity

Future Metals NL

ABN	Quarter ended ("current quarter")
99 124 734 961	30 June 2023

Consolidated statement of cash flows *(refer Note 1)*		**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	(439)	(4,630)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(273)	(2,134)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	17	99
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	(44)	151
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(739)**	**(6,514)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements (stamp duty)	(447)	(447)
	(c) property, plant and equipment	-	(42)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows *(refer Note 1)*		**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		
2.6	**Net cash from / (used in) investing activities**	**(447)**	**(489)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	6,845
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	-	(467)
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**	**-**	**6,378**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,892	3,331
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(739)	(6,514)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(447)	(489)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	6,378

Consolidated statement of cash flows *(refer Note 1)*		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	2	2
4.6	**Cash and cash equivalents at end of period**	**2,708**	**2,708**

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	1,799	995
5.2	Call deposits	909	2,897
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)**	**2,708**	**3,892**

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	122
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

- Payment of Directors' Fees and Remuneration

7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
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)	(739)
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)	(739)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,708
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,708
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	3.66

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.

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

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.

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: 27 July 2023

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.