



**Future Battery  
Minerals Ltd**

**ASX:FBM**

**ACN 148 966 545**

**2023**

# **Annual Report**

For the year ended  
30 June 2023



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## Corporate

## Directory

This financial report includes the consolidated financial statements and notes of Future Battery Minerals Limited and its controlled entities ('the Group'). The Group's functional and presentation currency is AUD (\$).

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Director's report. The Director's report is not part of the financial report.

### Directors

Mr Michael Edwards – Executive Chairman

Mr Robin Cox – Technical Director

Mr Trevor Eton – Non-Executive Director

Mr Paul Brown – Non-Executive Director

### Joint Company Secretary

Mr Matthew Worner

Ms Silfia Morton

### Chief Financial Officer

Ms Silfia Morton

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### Share Registry

Automatic Registry Services

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Perth WA 6000

Telephone: +1300 288 664

### Auditors

BDO Audit (WA) Pty Ltd  
Level 9, Mia Yellagonga Tower 2  
5 Spring Street, Perth WA 6000

### Bankers

National Australia Bank  
100 St Georges Terrace, Perth WA 6000

### Solicitors

Thomson Geer  
Level 27, Exchange Tower,  
2 The Esplanade, Perth WA 6000

### Stock Exchange

Australian Securities Exchange Limited  
Level 40, Central Park  
152-158 St George's Terrace, Perth WA 6000  
ASX Code: FBM

# Chairman's Letter

## Dear Shareholders,

I am pleased to address you as Chairman of Future Battery Minerals Limited (ASX: FBM) and provide an overview of the transformative year we experienced in 2023.

This year has witnessed a transformative period for Future Battery Minerals Limited, as we embarked on a journey of rebranding and adopted the name Future Battery Minerals Limited (ASX: FBM). Simultaneously, we sharpened our focus by directing our exploration efforts towards the critical mineral of lithium. These strategic moves laid the foundation for the exciting developments we have seen unfold.

The highlight of the financial year was the exciting discovery of lithium (Li) deposits at both the Kangaroo Hills Lithium Project (KHLP) and the 80% owned Nevada Lithium Project (NLP). Furthermore, we also divested our Nepean Nickel Project, a strategic manoeuvre that strengthened our financial position with a total cash consideration of \$10 million. This sale of the Nepean tenements has helped provide us with the means to expedite exploration activities at KHLP and NLP, underlining our commitment to the lithium sector.

At the Kangaroo Hills Lithium Project, we made significant advances with the completion of two drill programmes, and a third reverse circulation (RC) and diamond drilling (DD) program commenced after the reporting period. The outcomes of these programs have been promising, with significant results such as 29 meters (m) @ 1.36% Li<sub>2</sub>O from 38m (KHRC011) and 27m @ 1.32% Li<sub>2</sub>O from 64m (KHRC017). Moreover, our continuous target generative work identified seven new high-priority lithium-caesium-tantalum (LCT) pegmatite targets, covering a total strike length of 3kms, presenting exciting prospects for future drilling targets.

Likewise, our efforts at the Nevada Lithium Project have produced exceptional results. The completion of the Phase 1 and Phase 2 drill programs confirmed the presence of an extensive lithium claystone deposit. Significant intercepts

include 179.8m @ 766ppm Li from 39.6m (WF23-015), including 19.8m @ 1,010ppm from 80.8m, and 170.7m @ 764ppm Li from 67.1m to the end of the hole (WF23-014), including 27.4m @ 1,030ppm Li from 112.8m.

Significant advancements have also been made at the Saints Nickel Project, with an updated Mineral Resource Estimate (MRE) paving the way for the release of a Scoping Study in April 2023. This study has confirmed the project's economic viability, characterised by simple infrastructure requirements and a clear path for mine development.

From a corporate standpoint, we underwent a Board transition during the financial year. Aidan Platel stepped down from his role as Managing Director and Chief Executive Officer, and Robin Cox was appointed as the Technical Director, while Paul Brown joined the Board as a Non-Executive Director.

As we reflect on the past year's achievements, it is evident that our aggressive and systematic exploration program has positioned Future Battery Minerals Limited for success in the coming year and beyond. We are committed to our mission of supplying critical lithium minerals to meet the growing demand of the rapidly advancing Electric Vehicle (EV) Battery market.

Finally, I would like to extend my gratitude to my fellow board members for their contribution over the past year, our dedicated team, supportive shareholders, and partners who have contributed to our journey of transformation and growth. We look forward to a prosperous year ahead and remain committed to creating long-term value for our shareholders.



**Michael Edwards,**  
Executive Chairman

Dated this 27th September 2023





The highlight of the financial year was **the exciting discovery of lithium (Li) deposits** at both the Kangaroo Hills Lithium Project (KHLP) and the 80% owned Nevada Lithium Project (NLP)."

**Michael Edwards,**  
Executive Chairman



# Review of Operations

## Kangaroo Hills Lithium Project (KHLP) – 100%

The Kangaroo Hills Lithium Project (KHLP) is a recent and exciting hard rock lithium discovery located in the Goldfields of Western Australia (WA) only 17kms south of the township of Coolgardie. Spodumene mineralisation within lithium-caesium-tantalum (LCT) pegmatites was discovered during regional exploration drilling of the Nepean Nickel Project in late 2022.

### Phase 1 Drilling

In January 2023, FBM commenced a 3,440m reverse circulation (RC) drilling programme, focusing on three high priority lithium-caesium-tantalum (LCT) pegmatite targets identified from surface geochemistry and previous drill hole intercept NPRC084 (**6m @ 1.38% Li<sub>2</sub>O from 198m**).<sup>1</sup> A total of 14 shallow holes were drilled, with depths ranging between 150-270m.<sup>2</sup> Pegmatite lithologies were identified visually in 12 of the holes (Figure 2). FBM announced initial assay results for four drill holes from the Phase 1 RC programme in March 2023, with significant results including:<sup>3</sup>

- 29m @ 1.36% Li<sub>2</sub>O from 38m (KHRC011);
- 7m @ 1.00% Li<sub>2</sub>O from 198m (KHRC002);
- 2m @ 1.68% Li<sub>2</sub>O from 1m (KHRC001); and
- 5m @ 0.51% Li<sub>2</sub>O from 42m (KHRC004).

Importantly, drill hole KHRC011 was added late to the drill programme after in-field observations led the geology team to believe there was potential for a shallow pegmatite present further east of the planned drill holes. The thickness of the intercept exceeded expectations and at present the mineralised pegmatite remains open to the east, north and south.

### Phase 2 Drilling

In April 2023, the Company commenced its Phase 2 drilling programme at KHLP<sup>4</sup>, with the primary objective of testing for potential extensions along strike of significant intercept KHRC11, which returned 29m @ 1.36%Li<sub>2</sub>O from 38m. The programme consisted of 2,500m of RC drilling and 500m of diamond drilling (DD).

Assay results from the Phase 2 RC drill programme further supported the significance of the initial March 2023 discovery. A series of vertical holes testing the fresh mineralised pegmatite confirmed the shallow thick high-grade mineralisation which remains open to north and north-west. Significant results included:<sup>5 6</sup>

- 27m @ 1.32% Li<sub>2</sub>O from 64m (KHRC017), including: 4m @ 2.5% Li<sub>2</sub>O from 80m
- 23m @ 1.03% Li<sub>2</sub>O from 53m (KHRC031);
- 19m @ 1.03% Li<sub>2</sub>O from 42m (KHRC015);
- 16m @ 1.09% Li<sub>2</sub>O from 11m (KHRC022);
- 13m @ 1.23% Li<sub>2</sub>O from 41m (KHRC030); and
- 12m @ 1.02% Li<sub>2</sub>O from 8m (KHRC021).

1. ASX Announcement 24 November 2022 – High-grade lithium Discovery at Nepean

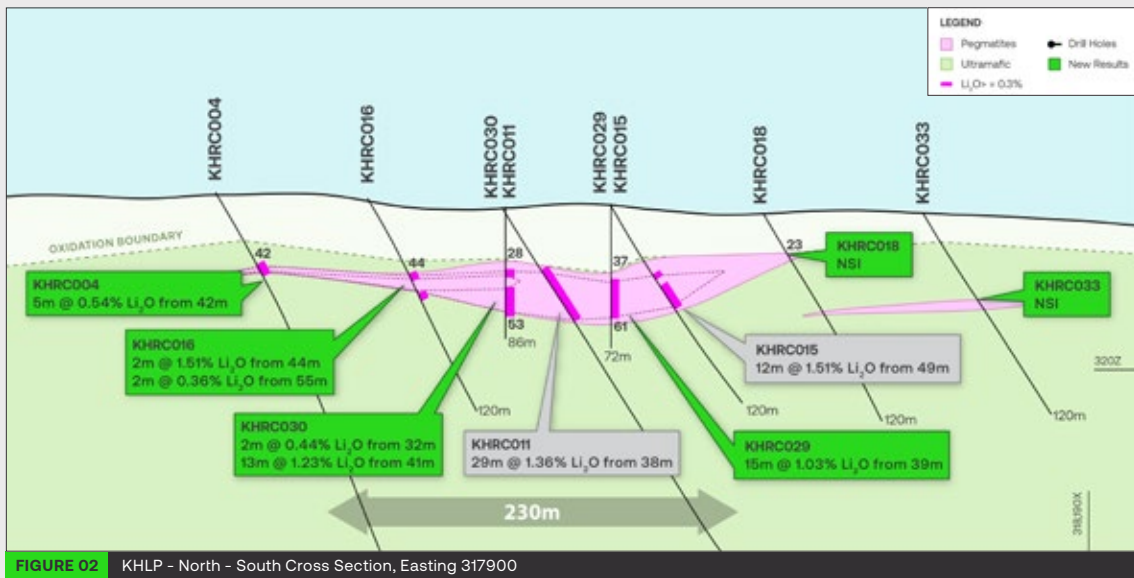
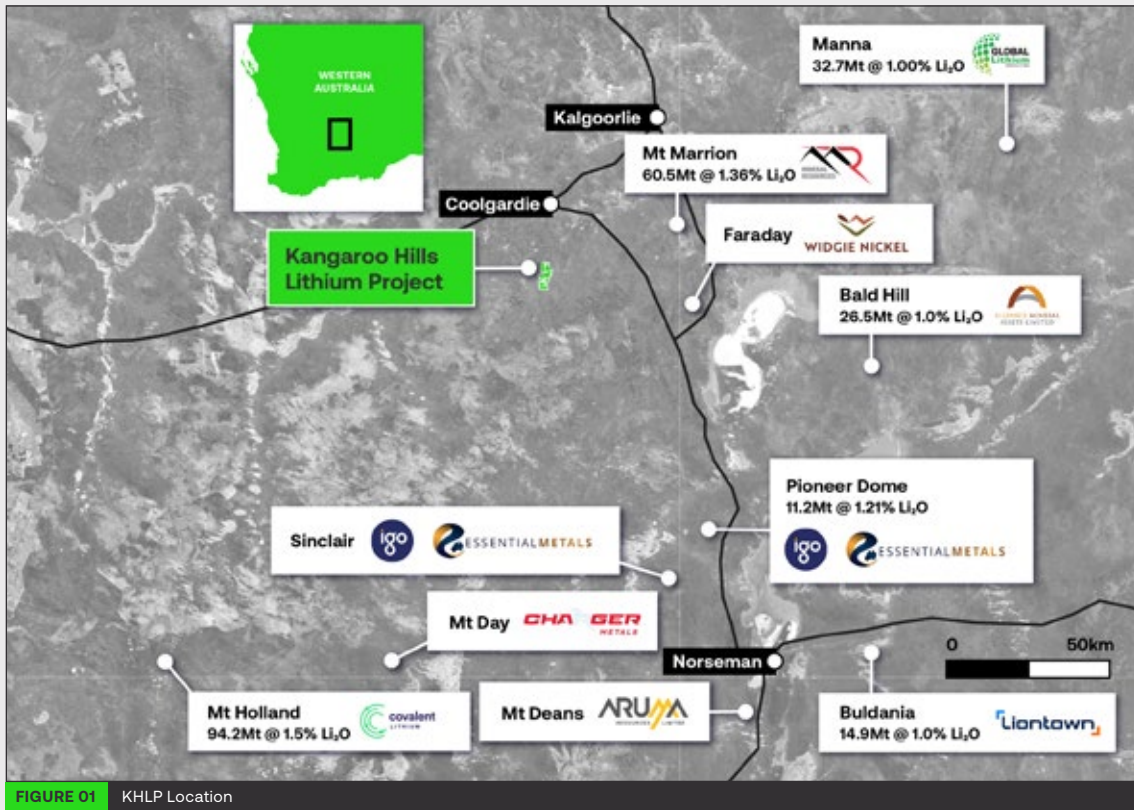
2. ASX Announcement 21 February 2023 – Exploration Update: Kangaroo Hill Lithium Project

3. ASX Announcement 20 March 2023 – LCT-Pegmatite Discovery Confirmed at Kangaroo Hill

4. ASX Announcement 20 April 2023 – Exploration Update: Kangaroo Hills Lithium Project

5. ASX Announcement 3 May 2023 – Multiple Thick Grade Assay Results Extend Lithium Discovery

6. ASX Announcement 22 June 2023 – More High-Grade Lithium Assays, New Pegmatite Uncovered





After the completion of the Phase 2 RC drill programme, the DD programme was undertaken to infill the RC drill holes and to provide core sample of the Li pegmatite. Drilling consisted of five (5) shallow holes for 313 metres, infilling the high-grade intercepts from the RC drilling component. These five shallow holes all intercepted the target pegmatite.

The diamond core samples have been utilised for early-stage metallurgical and mineralogical test work and assessment to provide much needed structural information. After the reporting period, assay results were received, with significant intercepts including:<sup>7</sup>

- 23m @ 1.19% Li<sub>2</sub>O from 44m (KHDD001);
- 10m @ 1.30% Li<sub>2</sub>O from 25m (KHDD002); and
- 5.9m @ 1.15% Li<sub>2</sub>O from 0m (KHDD004).

### Phase 3 Drilling

Subsequent to the reporting period, the Company commenced the Phase 3 RC and DD drill programme, which consisted of 5,000m of RC infilling at the Big Red Prospect (Big Red) and testing the regional targets Rocky, Eastern Grey, Wallaroo and Pademelon<sup>8</sup>. As the Programme of Work (POW) and permits are received, the drill programme will be expanded on the remaining target areas, which include the areas of Big Red North, Western Grey and Quokka. Diamond drilling (DD) is to be undertaken within the Big Red discovery zone to investigate structural constraints of the pegmatite and to provide high quality samples for detailed geological analysis.

The Phase 3 drilling programme initially planned for 5,000m of RC targeting the Big Red Prospect (Big Red) and regional prospects Rocky, Eastern Grey, Wallaroo and Pademelon. Drilling at the Rocky Prospect aimed to further test the outcropping pegmatites and the previous intercept of 5m @ 1.12% Li<sub>2</sub>O from 104m in KHRC0037. Holes completed to date have intercepted multiple new pegmatites within close proximity to Big Red, which have been interpreted as a larger stacked system and which remains open in all directions.

Multiple intercepts have visible spodumene within the pegmatites and are currently awaiting assay results. Currently, the pegmatites show a semi-parallel structure to Big Red, which is characterised by a gentle -20 degree northerly dip. The spodumene pegmatites intercepted exhibit a maximum thickness of 10m (down hole width). However, there is strong potential to intercept thickened zones with similar widths to Big Red (29m @ 1.36% Li<sub>2</sub>O from 38m KHRC0112) given the pinch and swell nature of the KHLP pegmatites. Importantly, the pegmatites at Rocky remain open in all directions and the Rocky Prospect has the potential to significantly add to the scale and tonnage of lithium mineralisation as exploration drilling at KHLP continues.

Following the completion of the Phase 2 drill programme, the Company further identified seven large scale targets, with a combined total strike length of over 3kms.<sup>9</sup> These new targets have been identified from the Company's on-going target generative field and geophysical work. These targets consist of the Big Red Prospect (Big Red), which hosts the identified thick high-grade spodumene bearing pegmatites, Western Grey, Eastern Grey, Rocky, Quokka, Wallaroo and Pademelon prospects (Figure 6) which have all been identified as high priority drill targets with the potential to host further LCT pegmatites as either flat lying sheets similar to the Big Red Prospect pegmatite or swarms.

Following a geophysical review, a resistivity anomaly was identified within the Big Red Prospect, which further indicates a potential strike up to 1km in a north-northwest direction, extending from the current drilling area (Figure 5). The resistivity has been derived from the IP Survey completed in early 2022. The Survey was originally planned and designed to detect chargeable anomalies, potentially representing the presence of nickel sulphides. The resistivity is also measured with the IP. The resistivity is thought to detect a change in the country rock lithologies and potentially differentiate the pegmatite unit from the surrounding Mafic-Ultra Mafic greenstone units.

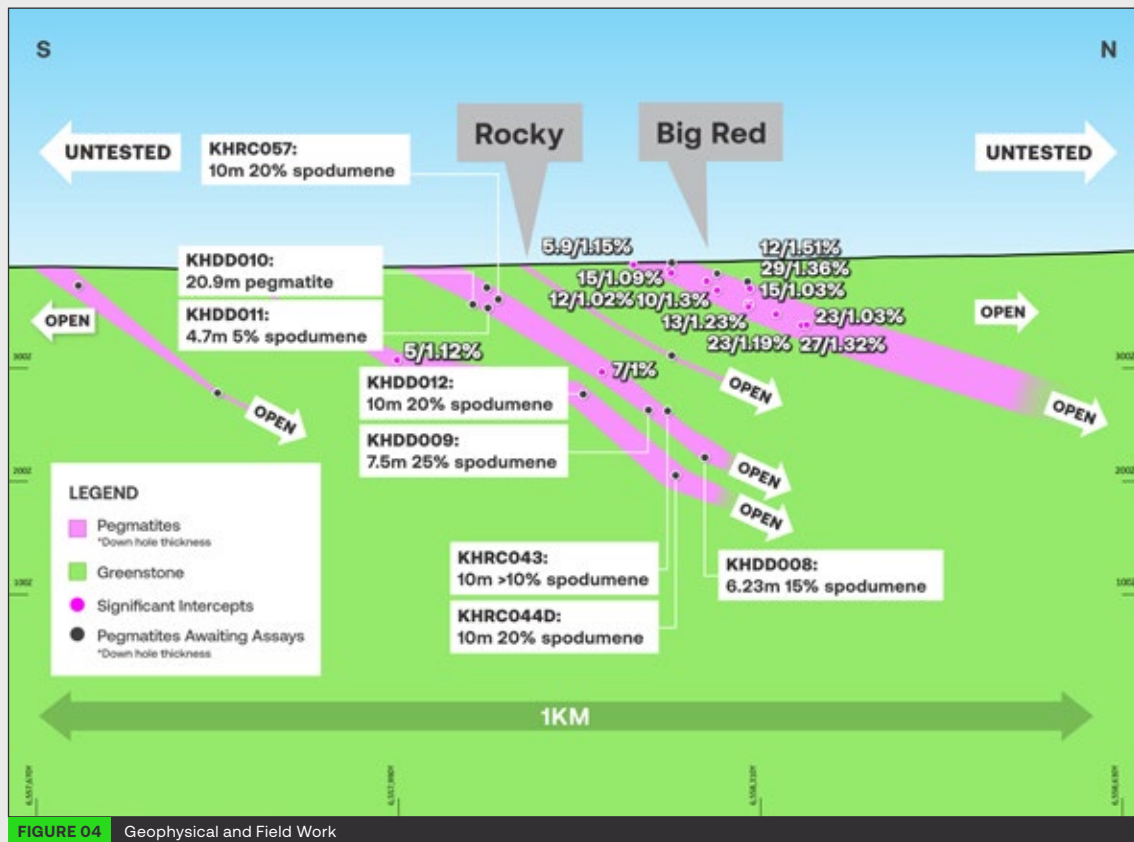
7. ASX Announcement 18 July 2023 – Further High-Grade Lithium Results at Kangaroo Hills

8. ASX Announcement 4 July 2023 – Drilling Underway at Kangaroo Hills Lithium Project

9. ASX Announcement 8 June 2023 – 7 New Large Scale LCT Pegmatite Lithium Targets Identified



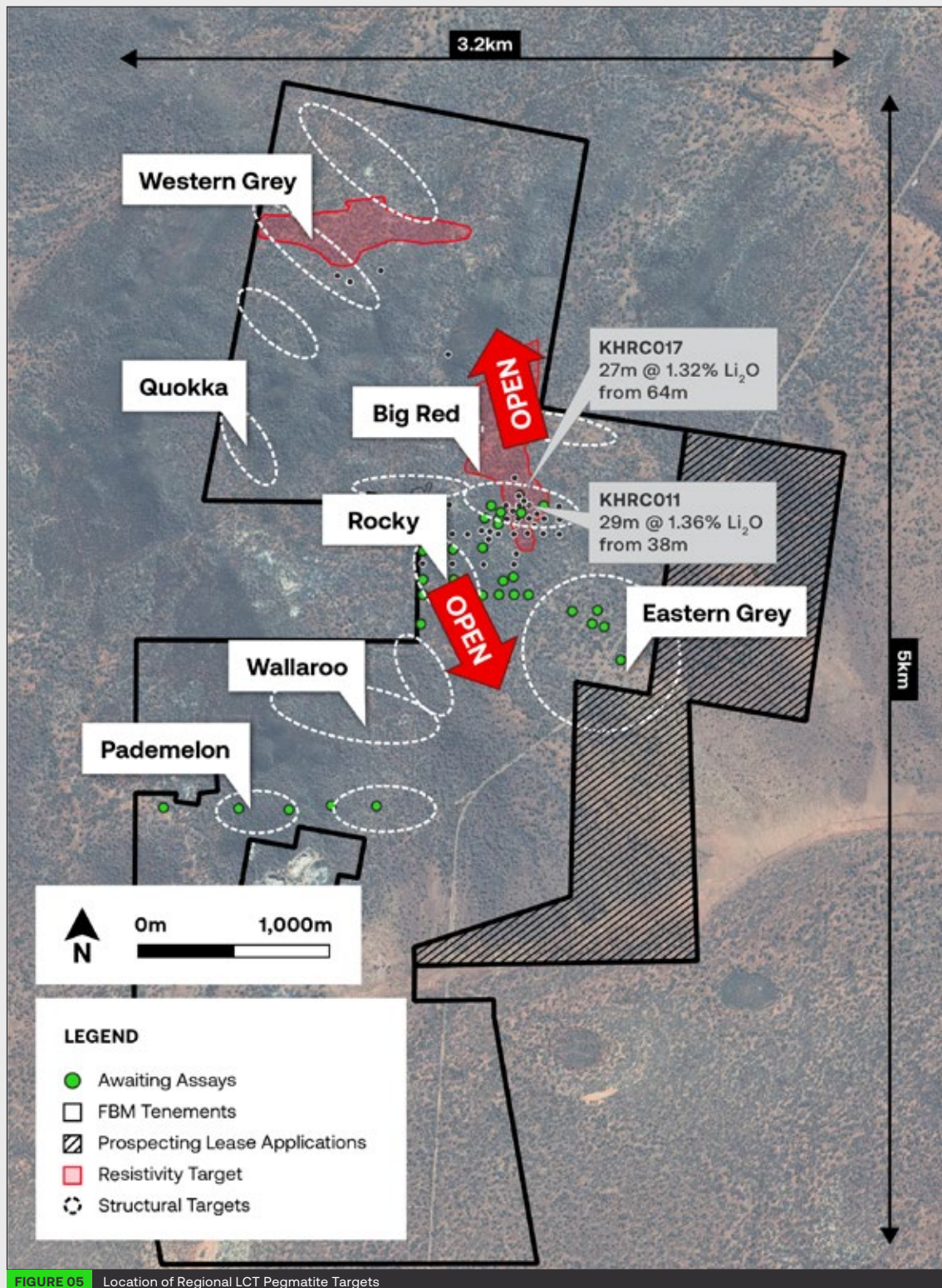




it is evident that our aggressive and systematic exploration program has positioned Future Battery Minerals Limited for success in the coming year and beyond.

Michael Edwards, Executive Chairman









**At the Kangaroo Hills Lithium Project, we made significant advances with the completion of two drill programmes."**

**Michael Edwards**, Executive Chairman





### Metallurgical Test Work

Following the initial discovery in March 2023 of a spodumene bearing pegmatite, FBM commenced early-stage metallurgical test work during the reporting period, to better understand the characteristics and processing requirements of the mineralised pegmatite, as well as its recovery potential.<sup>1</sup> Minsol Engineering Pty Ltd (Minsol) was appointed as the lead metallurgical and engineering consultant at the Kangaroo Hills Lithium Project (KHLP) in Western Australia.

The early-stage test work is being conducted on KHLP diamond core samples, which intercepted, in March 2023, the spodumene dominant pegmatite identified in drill hole KHDD001. The full test work schedule will be finalised after mineralogical scanning is complete. The test work will consist initially of the following methods:

- Non-destructive core scanning;
- Sample characterisation and mineralogical assessments;
- Stage crush and screening for coarse and fine mineral processing;
- Heavy liquid separation (HLS) of the coarse (+850um) fractions to determine amenability to froth Dense Media Separation (DMS);
- Preliminary grain size and liberation assessments; and
- Sighter flotation tests to determine amenability to froth flotation.

Metallurgy and mineralogy will form an important part of the Company's ongoing technical studies into Li mineralisation at the KHLP.



10. ASX Announcement 19 May 2023 – Metallurgical Test Work to Commence at Kangaroo Hills

## Nevada Lithium Project, USA – 80%

The Company acquired an 80% interest in the Nevada Lithium Project (NLP) located in Nevada, USA in June 2022. The NLP consists of five key prospects, Traction, San Antone, Heller, Lone Mountain Prospect and Western Flats, comprising >90km<sup>2</sup> of ground that is considered highly prospective for larger sedimentary-hosted lithium deposits.

The region is home to several large sedimentary-hosted lithium deposits, including Ioneer Resources' (ASX: INR), Rhyolite Ridge and American Lithium Corporation's (TSX.V: LI) (US OTC: LIACF) (Frankfurt: 5LA1) TLC Lithium Project. Albemarle Corporation's (NYSE: ALB) Silver Peak Lithium Mine, currently the only producing lithium mine in North America, lies approximately 45kms to the west of the NLP.

### Phase 1 Drilling

The Phase 1 stratigraphic RC drilling programme at the San Antone East and Western Flats prospects commenced in late January 2023, consisting of 15 RC drill holes, with four holes drilled at San Antone East and 11 holes drilled at Western Flats for a total of 2,900m drilled, which were completed in March 2023.<sup>10</sup> The hole depths ranged between 152–245m vertical. The host claystone lithologies are believed to be of the Tertiary aged Siebert formation, which were intercepted in ten out of the 15 holes drilled. High-grade lithium claystone was intercepted at Western Flats and San Antone East, with stand-out results including:<sup>11</sup>

- 109.7m @ 766ppm Li from 135.6m depth (WF23-011);
- including: 29m @ 1,010ppm Li from a depth of 210.3m
- 44.2m @ 570ppm Li from 169.2m (WF23-006); and
- 35.1m @ 463ppm Li from 106.7m (WF23-001).

WF23-011 was the last hole drilled in the programme located at the southern end of Western Flats and near to the Lone Mountain claim group lease boundary. The hole produced a thick intercept mineralisation of over 100m and also exhibited a significant high-grade component (29m @ 1,010ppm Li from 210.3m). The intercept remains open to the south and west, where there is sufficient potential for further Li mineralisation to be found.

### Phase 2 Drilling

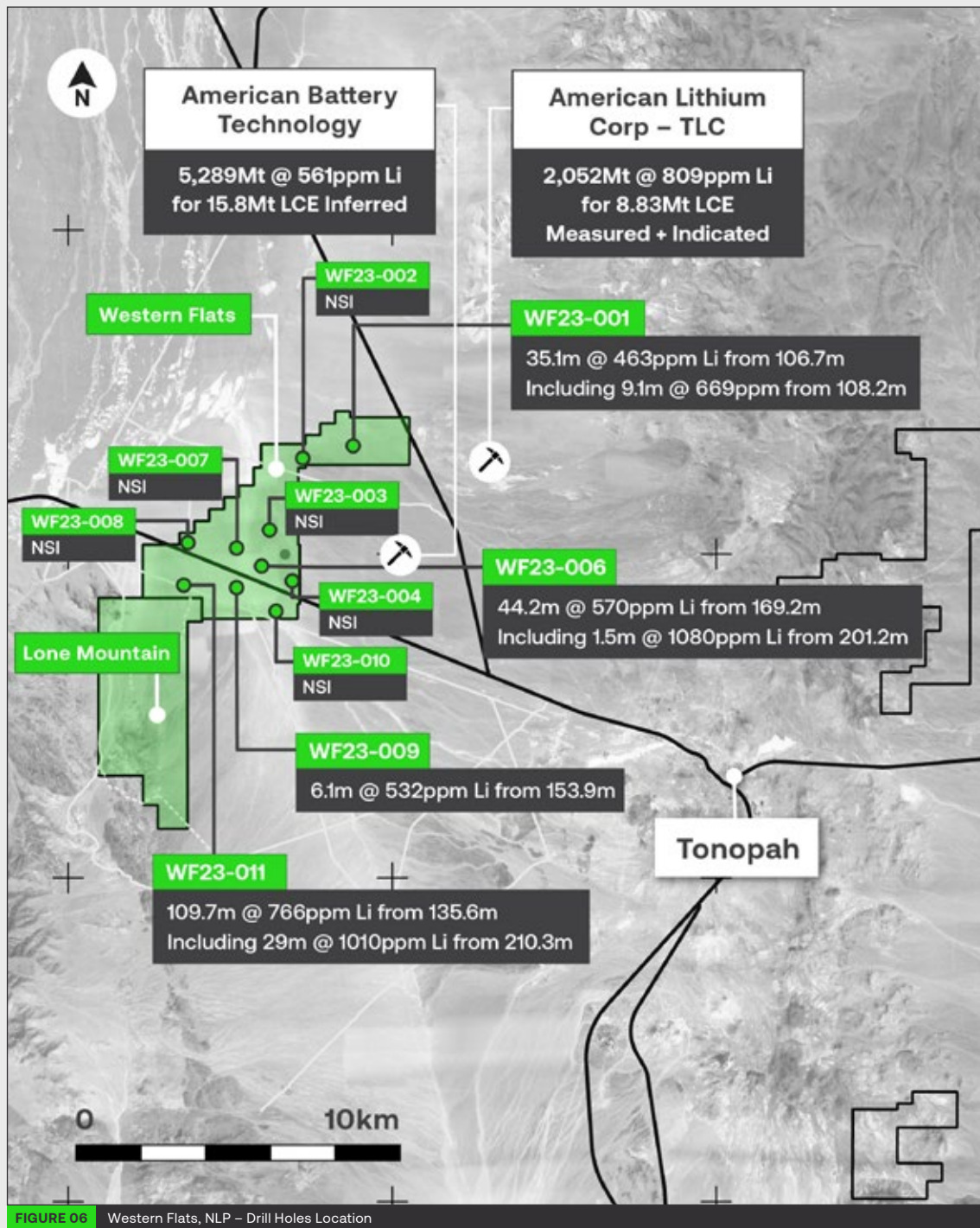
The Phase 2 drilling started in June 2023, with the aim to test strike continuation of mineralisation in drill hole WF23-011 at the Western Flats Prospect. The significant intercept of 109.7m @ 766ppm Li from a 135m downhole depth, importantly hosted a high-grade portion of 29m @ 1,010ppm Li. Subsequent to the reporting period, the Company announced exceptional assay results from the Lone Mountain Prospect, with significant intercepts including:<sup>12</sup>

- 179.8m @ 766ppm Li from 39.6m (WF23-015) Including 19.8m @ 1,010ppm from 80.8m
- 170.7m @ 764ppm Li from 67.1m to end of hole (WF23-014) Including 27.4m 1,030ppm Li from 112.8m
- 44.2m @ 542ppm Li from 114.3m (WF23-013) and
- 22.9m @ 652ppm Li from 163.1m (WF23-013)

10. ASX Announcement 7 March 2023 – Exploration Update: Nevada Lithium Project

11. ASX Announcement 13 April 2023 – High Grade Lithium Claystone Discovered in Nevada

12. ASX Announcement 4 August 2023 – Large Scale Lithium Discovery Confirmed in Nevada





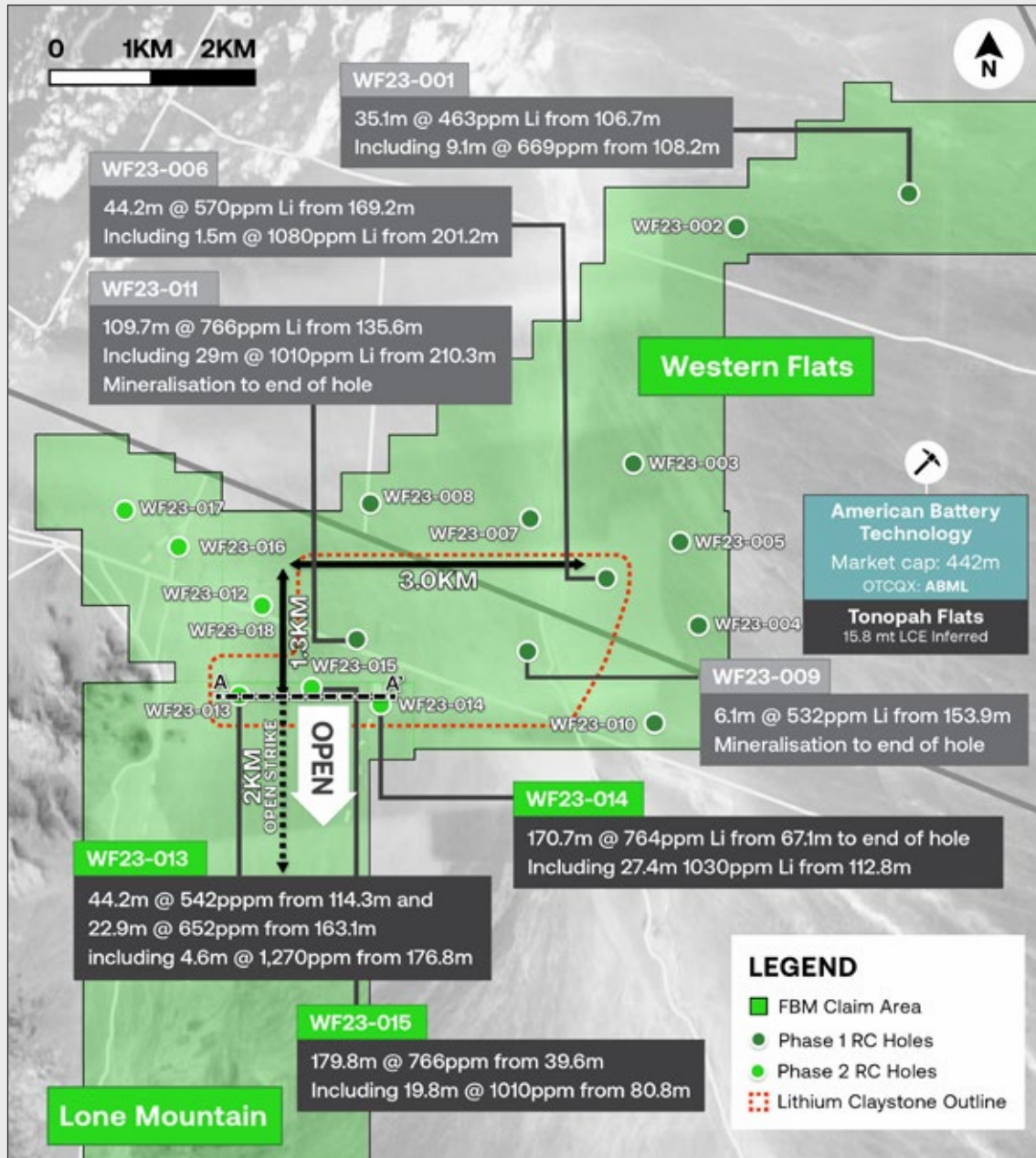


FIGURE 07 NLP - Drill Hole Locations at Western Flats and Lone Mountain



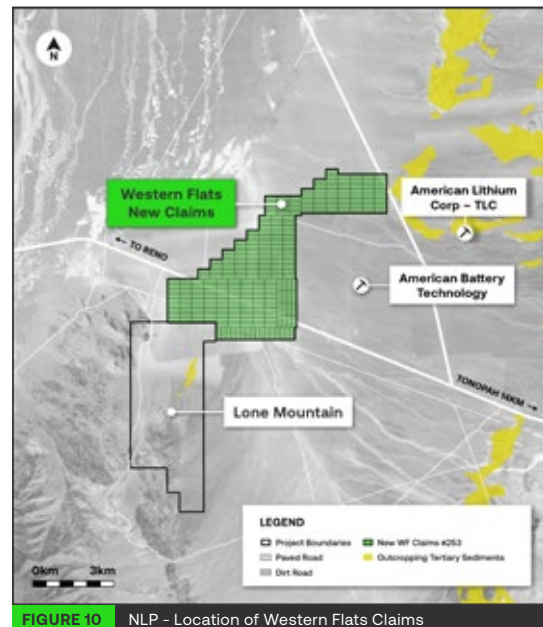
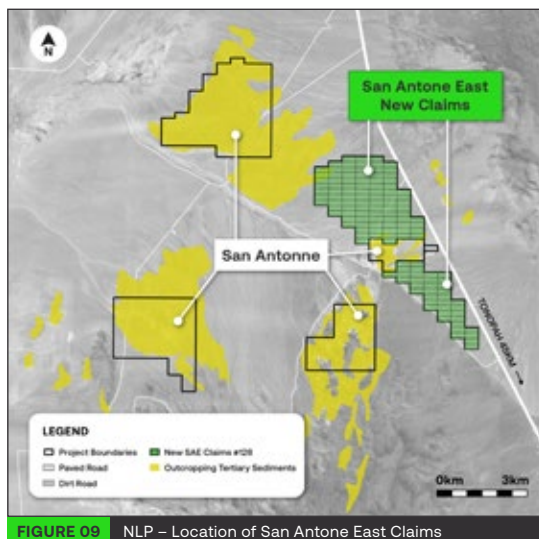
FIGURE 08 Schematic Cross Section 4218530N- RC drill hole's WF23-013-WF23-015



## New Claims

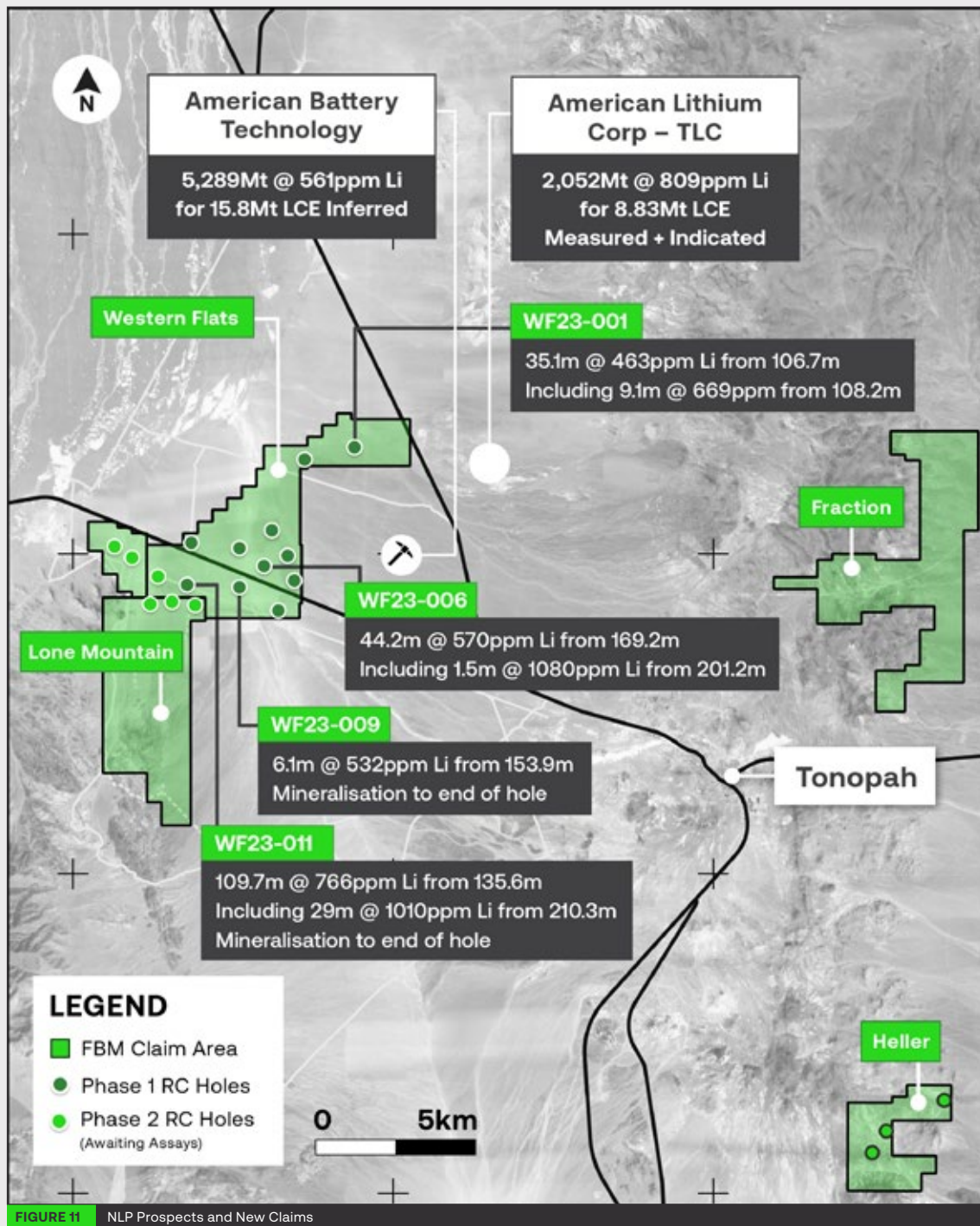
During the reporting period, FBM staked new claims at the NLP, increasing the Company's footprint by 50%. The two strategic land parcels have recently been proven to host multiple lithium bearing claystone units.<sup>13</sup> The first parcel of land surrounds the San Antone East claim area (Figure 10). This area has now been expanded with an additional 128 contiguous claims. A second large land parcel to the north of Lone Mountain was also identified as being prospective given the recent drilling success of American Battery Technology Company (OTC Markets code: ABTC) where two phases of drilling have identified lithium (Li) bearing claystone with peak Li concentrations of 1,940ppm. A total of 253 contiguous claims were staked over the vacant area which is now known as Western Flats (Figure 11).

In May 2023, the Company expanded its project area via the addition of 36 new claims located contiguous to Western Flats and Lone Mountain. Located on the western margin of the two prospect areas, the additional ground has increased FBM's footprint in this highly prospective area of the NLP, increasing the opportunity to find additional mineralisation.<sup>14</sup>



13. ASX Announcement 12 January 2023 – Strategic Claim Staking Increases Footprint at NLP

14. ASX Announcement 23 May 2023 – Phase 2 Drilling to Commence at Nevada Lithium Project



## Saints Nickel Project – 100%

The Saints Nickel Project (Saints) is located in the Tier 1 nickel mining jurisdiction of the Norseman-Wiluna Greenstone Belt, Western Australia. The Project comprises of two mining leases covering an area of approximately 20km<sup>2</sup> of prospective Archaean greenstone belt geology within the Eastern Goldfields province of the Yilgarn Craton. The Saints Nickel Project is located within the same rock sequence as the renowned Scotia nickel mine, which is situated 15km to the south of Saints. The Scotia mine, which ceased operation in July 1977, produced 30,800 tonnes of nickel with a nickel content of 2.2%.

### Mineral Resource Estimate (MRE)

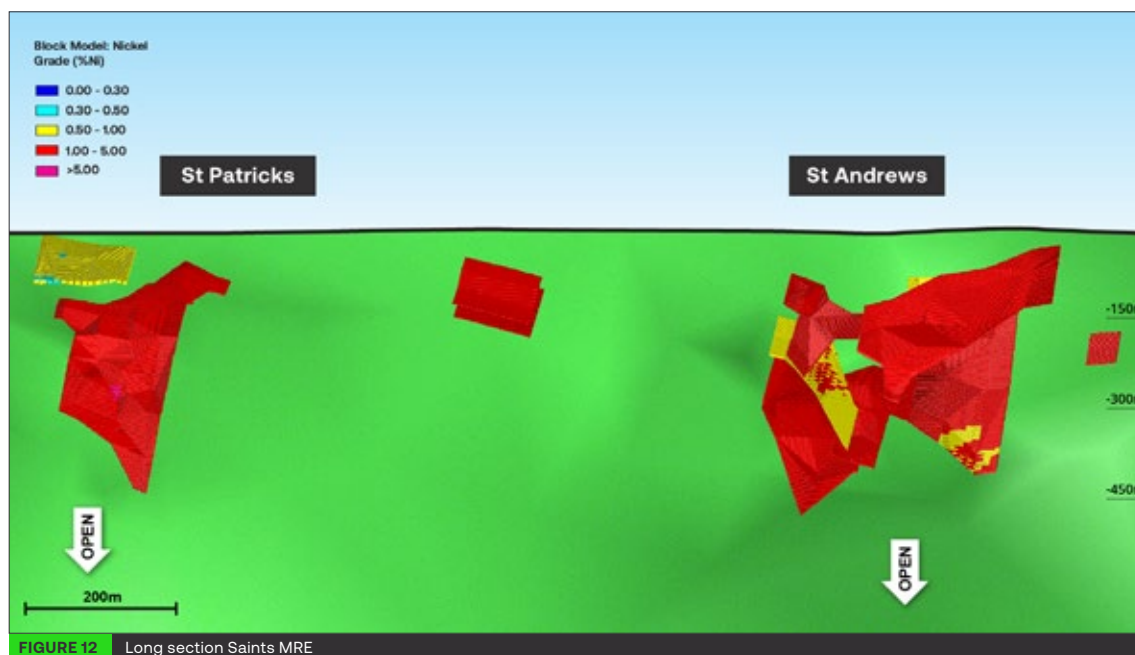
In August 2022, the Company successfully completed an updated JORC 2012 Mineral Resource Estimate (MRE) for the Saints Nickel Project for 911kt @ 2.3% Ni for 20,995t of contained nickel metal.<sup>15</sup>

The updated Saints MRE was based on infill diamond drilling completed earlier this year and significantly increases the confidence level of the Resource, with two-thirds of the contained nickel metal being upgraded to the Indicated Resources category.

Table 1: Saints MRE (1% Ni Cut-off Grade) – August 2022

Indicated Mineral Resource							
	Tonnage Kt	Ni %	Cu %	Co %	Ni t	Cu t	Co t
Traditional	1	3.0	0.21	0.09	33	2	1
Fresh	552	2.5	0.19	0.08	13,530	1,055	432
<b>Total</b>	<b>553</b>	<b>2.5</b>	<b>0.19</b>	<b>0.08</b>	<b>13,563</b>	<b>1,058</b>	<b>433</b>
Inferred Mineral Resource							
	Tonnage Kt	Ni %	Cu %	Co %	Ni t	Cu t	Co t
Traditional	15	1.9	0.14	0.05	284	21	7
Fresh	343	2.1	0.14	0.06	7,147	492	191
<b>Total</b>	<b>358</b>	<b>2.1</b>	<b>0.14</b>	<b>0.06</b>	<b>7,432</b>	<b>513</b>	<b>198</b>
Total Mineral Resource							
	Tonnage Kt	Ni %	Cu %	Co %	Ni t	Cu t	Co t
Traditional	16	2.0	0.15	0.05	317	23	8
Fresh	895	2.3	0.17	0.07	20,677	1,547	623
<b>Total</b>	<b>911</b>	<b>2.3</b>	<b>0.17</b>	<b>0.07</b>	<b>20,995</b>	<b>1,570</b>	<b>631</b>

15. ASX Announcement 10 August 2022 – Saints Nickel Project – Resource Update



## Scoping Study

In April 2023, the Company released the Saints Scoping Study, which demonstrated potentially strong financial metrics for the Saints Nickel Project based on a relatively low pre-production capital cost of A\$8.6M. Based on the key assumptions of the Base Case scenario, the project payback is modelled to occur within only 12 months of development from a 5-year Life of Mine (LOM).<sup>16</sup>

The Scoping Study describes a decline accessing the Resource that is subsequently mined underground via conventional short lift open stoping. The mined rock is then trucked to surface, and then trucked on public roads to a third-party concentrator. The Company considers the Saints Nickel Project to be technically low risk given the simple mine plan drawing from the majority Indicated Resource and the high processing metal recoveries.

The Scoping Study also outlines the initial baseline environmental works that have been carried out to date to progress the Saints Nickel Project along its approval pathway.

Metric Description	
Nickel Price (LOM avg)	US\$24,160
Copper Price (LOM avg)	US\$8,300
Cobalt Price (LOM avg)	US\$37,460
FX US:AUD (LOM avg)	US\$0.682
Met Recovery Ni	85%
Met Recovery Cu	95%
Met Recovery Co	85%
Payability Ni	75%
Payability Cu	50%
Payability Co	25%
Royalty (Vendor & State)	6
Pre-tax NPV (@ 8%)	\$55.7M
Internal Rate of Return (IRR)	362
Capex (including Sustaining)	10.68M
OPEX	8.30

16. ASX Announcement 11 April 2023 – Saints Nickel Project Delivers Positive Scoping Study



## Nepean Nickel Project – 80%

### Sale of Nepean

During the reporting period, the Company successfully completed the sale of the Nepean Nickel Project to Rocktivity Nepean Pty Ltd for a total cash consideration of \$10 million. The Nepean Nickel Project consist of tenements M15/709, M15/1809 and P15/5750 (Sale Tenements), and, importantly, the Sale Tenements do not include the Kangaroo Hills Lithium Project (KHLP).<sup>17</sup>

An initial cash consideration of \$2.7 million (FBM: \$2.16 million) was received upon completion in June 2023, in addition to the \$100,000 deposit received on signing, with the remaining deferred consideration of \$7.2 million (FBM – 100%) payable as follows:

- \$2.7 million payable 12 months from Completion of the Transaction (June 2024);
- \$2.5 million payable 18 months from Completion of the Transaction (Dec 2024); and
- \$2 million payable 24 months from Completion of the Transaction (June 2025).

## Leinster Nickel Project – 100%

The Leinster Nickel Project is located approximately 40kms southeast of the township of Leinster and approximately 60kms north-northwest of Leonora in Western Australia. The project area is situated between the Goldfields Highway and the Leonora-Agnew Road and is close to the Eastern Goldfields Gas Pipeline. No significant work was completed at the Leinster Nickel Project during the reporting period.

## Arden REE-Copper-Zinc Project – 90%

Located some 3.5 hours' drive north from Adelaide, the 90% owned Arden Project boasts a large relatively unexplored area of 1,664km<sup>2</sup> highly-prospective for sedimentary-exhalative (SEDEX) mineralisation. Results from initial exploration at Ragless Range, Kanyaka and Radford Creek targets have unearthed promising prospects for large scale copper and zinc deposits.

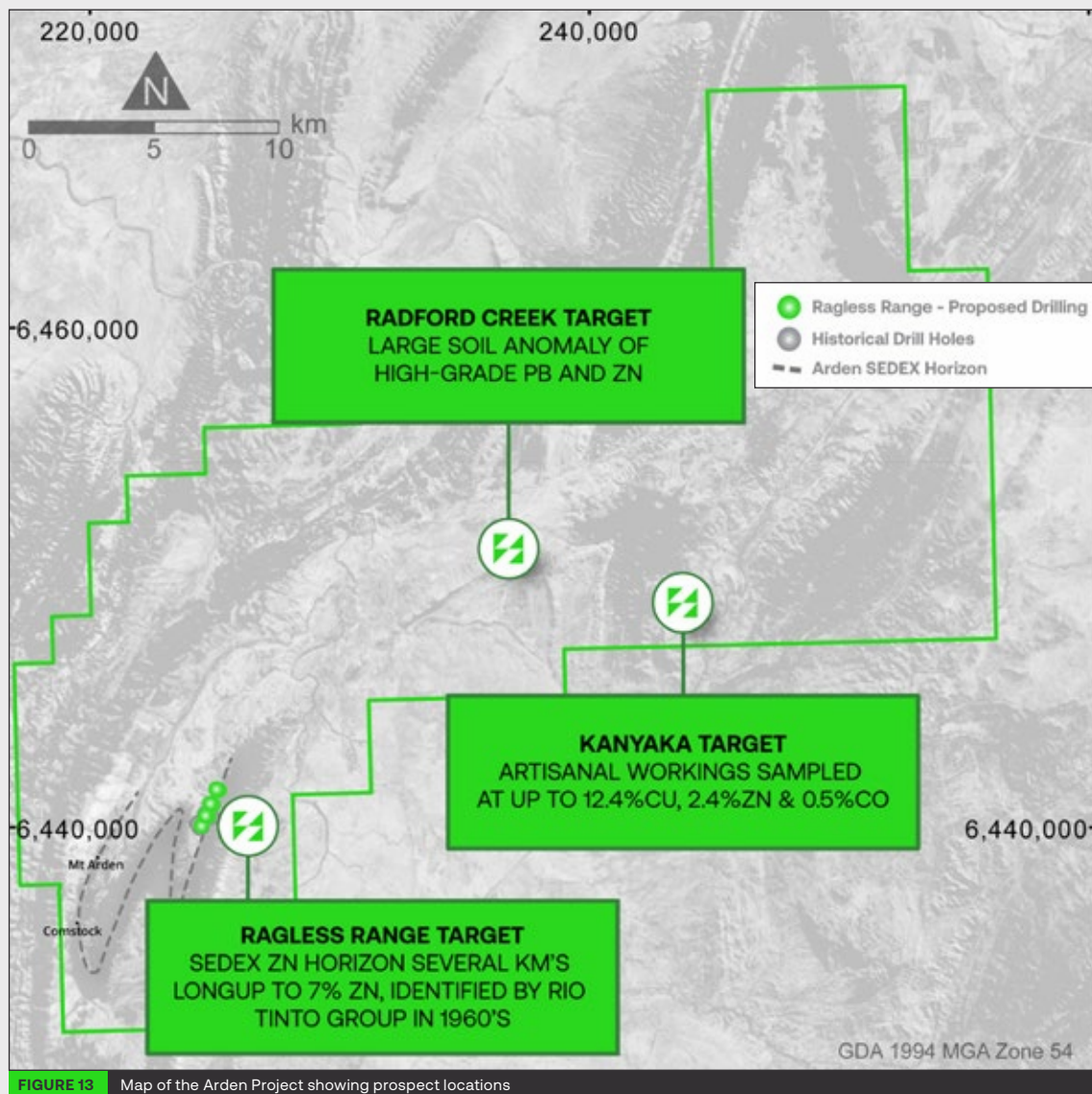
The project is located in the base-metal mining region of South Australia, which is host to numerous large base-metal deposits including the Beltana zinc deposit, the Angas zinc deposit and the Kanmantoo copper deposit.

### Rare Earth Elements (REE) Exploration

The Company completed desktop studies of the Arden Project utilising high-resolution airborne magnetics flown in 2018, all historic surface geochemistry data and the mapped geology to identify two priority areas for potential Rare Earth Elements (REE) mineralisation, the Hawker REE Prospect and the Kanyaka Copper-REE Prospect.

At both prospects, the interpreted airborne magnetics shows potential for covered mafic diapirs and diapiro brecciation, which are considered to be an important source and potential host rock of REE mineralisation, respectively. Assays from rock-chip samples taken in 2018 from historic trenches and shallow workings identified anomalous REE mineralisation at the Kanyaka Copper-REE Prospect, with values up to 1330.59ppm, 556.54ppm and 388.99ppm Total Rare Earth Oxides (TREO).

17. ASX Announcement 9 May 2023 – Sale of Nepean Nickel Project for \$10m in Cash



### Rock Chip Sampling

During the reporting period, the Company commenced field exploration to investigate the REE potential at the Arden Project, with mapping, rock-chip sampling and the first phase of soil-sampling completed over priority areas identified as being highly prospective for REE mineralisation.

Assays were received for nine rock-chip samples collected during the August 2022 field work. The results are highly encouraging, with anomalous TREO results up to 362ppm, confirming the REE prospectivity at the Hawker and Kanyaka prospect areas. Furthermore, the results have identified a third area that is prospective for REE mineralisation called Mt Arden, with results up to 588ppm TREO and up to 8% Cu from samples of brecciated rock at surface.<sup>18</sup>

18. ASX Announcement 19 October 2022 – Rock-Chip Results Confirm Copper and Rare Earths Potential at Arden

## Bonaventura Project – 100%

The Bonaventura Project comprises a large exploration package of 415km<sup>2</sup> in the northern part of Kangaroo Island and covers highly prospective geology and historic mines along 55km of strike of the regional scale Cygnet-Snelling Fault. Bonaventura has four zinc – copper targets, Dewrang, Vinco, Grainger and Kohinoor. No significant work was completed at the Bonaventura Project during the reporting period.

## Torrens East Copper Project – 100%

Future Battery Minerals's Torrens East Copper Project comprises two exploration tenements covering a combined area of 1,622km<sup>2</sup> and is considered highly-prospective for IOCG (iron oxide copper-gold) mineralisation. No significant work was completed at the Torrens East Copper Project during the reporting period.

## Corporate

### Board and Management Changes

Mr Aidan Platel resigned from his position of Managing Director and Chief Executive Officer of the Company to pursue other opportunities, effective from 3 January 2023.<sup>19</sup> Mr Robin Cox was appointed to the FBM Board as Technical Director of the Company, effective from 1 January 2023.<sup>20</sup>

Ms Silfia Morton was appointed as a Joint-Company Secretary, replacing Mr Cameron O'Brien, effective from 1 December 2022.

On 15 March 2023, the Company announced that Mr Michael Edwards, Executive Chairman, is now undertaking his role on a full-time basis.

The Company appointed mining engineer, Mr Paul Brown, as a Non-Executive Director of the Company, effective from 1 July 2023.<sup>21</sup>

### Company Name Change

Following shareholder approval at a General Meeting held on 3 February 2023 and the completion of filing with ASIC, the change of Company name from Auroch Minerals Limited to Future Battery Minerals Limited was completed during the reporting period. The ASX also completed the change of ASX ticker code from AOU to FBM.<sup>22</sup>

19. ASX Announcement 3 November 2022 – Executive Management Changes

20. ASX Announcement 23 December 2022 – Technical Director Appointment

21. ASX Announcement 26 June 2023 – Appointment of Non-Executive Director

22. ASX Announcement 27 March 2023 – Change of Company Name

For personal use only

**Directors'**

**Report**



## Directors' Report

For the year ending 30 June 2023

Your Directors present the following report on Future Battery Minerals Limited and its controlled entities (referred to hereafter as "the Group") for the financial year ended 30 June 2023.

### Directors

The persons who were Directors of Future Battery Minerals Limited during the reporting period and up to the date of this report are:

NAME	Position	APPOINTMENT/RESIGNATION DATE
Mr Michael Edwards	Executive Chairman	Appointed 31 August 2020
Mr Aidan Platel	CEO & Managing Director	Appointed 4 September 2019 and resigned on 3 January 2023
Mr Robin Cox	Technical Director	Appointed 1 January 2023
Mr Trevor Eton	Non-Executive Director	Appointed 10 February 2021
Mr Paul Brown	Non-Executive Director	Appointed 1 July 2023

### Joint Company Secretary

Mr Matthew Worner (appointed 10 March 2022)

Mr Cameron O'Brien (appointed 10 March 2022 and resigned on 1 December 2022)

Ms Silfia Morton (appointed 1 December 2022)

### Chief Financial Officer (CFO)

Ms Silfia Morton (appointed 22 May 2022)

### Principal Activities

The principal activities of the Group during the year consisted of mineral exploration for lithium, nickel, zinc, copper, and base and precious metals. FBM's key assets are the Kangaroo Hill Lithium (100%), Saints Nickel, Leinster Nickel projects in the Eastern Goldfields of Western Australia (WA) (100%), the Arden REE-Zinc-Copper (90%), Bonaventura Base and precious metal (100%), and Torrens East Copper (100%) projects in South Australia (SA), and the Nevada Lithium Project in Nevada, USA (80%).

There were no significant changes in the nature of the activities of the Group during the year.

### Dividends

There were no dividends paid or recommended during the financial year ended 30 June 2023 (2022: Nil).

### Operating Results and Financial Position

The net assets of the consolidated Group have decreased to \$24,143,879 (2022: \$25,641,408) as at 30 June 2023. The Group's working capital, being current asset less current liabilities was \$1,937,135 at 30 June 2023 (2022: \$3,554,700).

The Consolidated Statement of Profit or Loss and other Comprehensive Income shows a net loss from continuing operations attributable to owners of \$2,406,354 for the financial year ended 30 June 2023 (2022: \$5,349,157 loss).

The Company successfully completed a Placement raising a total of \$2,650,000 (before costs) from the issue of 55,208,334 new shares at an issue price of \$0.048 per share (Placement) on 5 December 2022.

Subsequent to the financial year end, the Company also successfully raised \$7,580,042 (before costs) via a Placement of 75,800,424 new shares over two tranches at \$0.10 per share to institutional and sophisticated investors, including Hancock Prospecting Pty Ltd as a cornerstone investor.

### Significant Change in State of Affairs

There were no significant changes in the state of affairs of the Group during the year.

## Directors' Report

For the year ending 30 June 2023

### Matters Subsequent to Reporting Date

Date	Details
26 June 2023	The Company announced the appointment of Mr Paul Brown as Non-Executive Director effective from 1 July 2023.
7 August 2023	<p>The Company announced the acquisition of the remaining 20% interest in Kangaroo Hills Lithium Project from Goldfellas Pty Ltd, a wholly owned subsidiary of Lodestar Minerals Ltd. The transaction was completed on 11 August 2023, and as required under the Acquisition Agreement, the Company has made the following considerations to Lodestar on completion:</p> <ul style="list-style-type: none"> <li>• \$250,000 in cash;</li> <li>• Issued 27,505,429 fully paid ordinary shares in the Company (Consideration Shares); and</li> <li>• Issued 27,505,429 Performance Rights which will vest and convert into fully paid ordinary shares upon the Company delineating and announcing a Mineral Resource (JORC Code compliant) of at least 10mt at 1.0% Li2O at the Kangaroo Hills Lithium Project (Consideration Performance Rights).</li> </ul> <p>The remaining cash consideration of \$125,000 is payable 3 months from Completion, and \$125,000 is payable 6 months from Completion.</p>
11 September 2023	<p>The Company announced the appointment of Mr. Nicholas Rathjen as Chief Executive Officer (CEO) and Managing Director, effective from 6 December 2023.</p> <p><b>Key Terms of Executive Service Agreement (ESA) – Mr Nicholas Rathjen</b></p> <p><b>Base Salary</b> The Company will pay an annual base salary of \$300,000 per annum plus superannuation.</p> <p><b>Termination Notice</b> Either the Company or the Executive may terminate the employment by giving the other 6 months' written notice. The Company may immediately terminate the ESA for cause.</p> <p><b>Security Based Incentives</b> The Executive shall be entitled to participate in the Employee Incentive Plan via the issue, subject to shareholder approval, 19.5 million of Performance Rights with various performance milestones.</p>
15 September 2023	The Company announced it has received firm commitments from cornerstone, institutional, sophisticated and professional investors to raise \$7.6 million (before costs) under a Placement of fully paid ordinary shares (Placement) over two tranches at an issue price of \$0.10 per share. Hancock Prospecting Pty Ltd (Hancock) has agreed to participate in the Placement as a cornerstone investor, committing to invest \$2.65 million across the two tranches.
21 September 2023	The Company confirmed that the first tranche of capital raising for \$5.2 million via a Placement of 51,950,424 fully paid ordinary shares in the Company at \$0.10 per Share has been completed. In addition, the Company also issued 2,605,000 fully paid ordinary shares on the conversion of 2,605,000 performance rights.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future years.

## Directors' Report

For the year ending 30 June 2023

### Material Business Risks

The Company considers the following to be the key material business risks:

#### *Risk of exploration failure*

Exploration activities are inherently risky, and the Board is unable to guarantee the success of the Company's exploration projects. In the opinion of the Directors, any further disclosure of information regarding likely developments in the operations of the Group and the expected results of these operations in subsequent financial years may prejudice the interests of the Company and accordingly, further information has not been disclosed.

#### *Additional requirement for capital*

The Company's current capital is sufficient, at the issue date of this report, to meet its current planned exploration activities. Future activity that is unable to be planned for has the potential to draw down available capital. While unplanned activity will be considered and align with shareholders requirements, it could require additional funding to be obtained. Funding via additional equity will dilute shareholdings, and if debt financing is a viable option, it would likely be subject to restrictions. Depending on the activity undertaken, the Company may need to reduce the scope of its exploration programmes to ensure sufficient capital is maintained. There is no guarantee that suitable, additional funding will be able to be secured by the Company.

#### *Environmental*

With the Group's tenure residing within Western Australia, South Australia, and Nevada, USA, the Company is subject to the state and federal laws and regulations concerning the environment. Mechanised exploration will impact the local environment along with any advanced development and production activities. In undertaking exploration activities, the Company intends to comply with all environmental laws.

Inherent risks when completing exploration activities include, but are not limited to, land disturbance and the disposal of waste products. An incident involving incorrect disposal of waste products could result in delays to exploration, additional costs to remediate the location and any legislative penalties.

The Company has procedures implemented to minimise the occurrence of environmental impacts and any subsequent penalties; however the nature of the activity does involve environmental risks.

#### *Heritage*

With the Group's tenure residing within Western Australia and South Australia, the Company is subject to the state and federal laws and regulations concerning Native Title and Heritage rights and interests. The Company is required to ensure that tenure has been adequately surveyed and considered before commencing any activity that would disturb the natural environment and its surroundings.

The Company complies with required legislation regarding Native Title and Heritage requirements, and where suitable, engages a third party to ensure that all requirements are met.

While all care is taken to ensure rights and interests are maintained, there is a level of risk inherent in the exploration activity that is unable to be fully mitigated.

### Likely developments and expected results of operations

In the opinion of the Directors, disclosure of any further information on likely developments in operations and expected results would be prejudicial to the interests of the Group, the consolidated entity and shareholders.

### Environmental Regulations

In the normal course of business, the Group has minimal Scope 1 greenhouse gas (GHG) emissions given the Group is primarily conducting intermittent exploration activities through drilling contractors. As at the date of this report, there are no material environmental regulations or requirements that the Group is subject to. The Company is not required to report under the Energy Efficiency Opportunity Act 2006 or the National Greenhouse and Energy Efficiency Act 2007.

# Directors' Report

For the year ending 30 June 2023

## Information on Directors

The names of the directors of Future Battery Minerals Limited who held office during the financial year and at the date of this report are:

### Mr Michael Edwards

#### Executive Chairman

##### Qualifications

BBus (Economics & Finance), BSc in Geology

##### Appointed

Executive Chairman since 1 February 2022

##### Experience

Mr Edwards is a Geologist and Economist with over 20 years' experience in senior management in both the private and public sector. He spent three years with Barclays Australia in their Corporate Finance department and then eight years as an Exploration and Mine Geologist with companies including Gold Mines of Australia, Eagle Mining and International Mineral Resources. Since 2010, Mr Edwards has been consulting to numerous companies conducting project evaluations and deal structuring across a wide range of commodities and countries. Mr Edwards has a Bachelor of Business (Economics and Finance) from Curtin University of Technology, and a Bachelor of Science (Geology) from the University of Western Australia.

##### Interest in Shares, Options, and Performance Rights

1,040,000 Ordinary shares,  
7,450,000 Performance rights, and  
500,000 Unlisted incentive Options exercisable at \$0.50 on or before 10 August 2026.

##### Other current directorships:

Greenstone Resources Ltd (ASX: GSR)  
DE.Mem Limited (ASX: DEM)  
Metal Hawk Ltd (ASX: MHK)

##### Former directorships held in past three years

Barra Resources Limited (ASX: BAR)  
Firefly Resources Limited (ASX: FFR)  
Norwood Systems Limited (ASX: NOR)  
Digital Wine Ventures Limited (ASX: DW8)

### Mr Robin Cox

#### Technical Director

##### Qualifications

BSc in Geology, AUSIMM

##### Appointed

Technical Director since 1 January 2023

##### Experience

Mr Cox is an exploration geologist with over 12 years' experience in the management of green fields and brown fields exploration. Mr Cox has held various project and senior positions across a number of ASX listed companies and his passion for mineral exploration has resulted in multi commodity experience, including nickel, lithium, gold and uranium in various mineralisation styles and models. Mr Cox holds a BSc majoring in Economic Geology and is a member of the Australian Institute of Mining and Metallurgy (AusIMM).

As Technical Director, Mr Cox will have oversight and be responsible for managing the Company's exploration activities at the Company's 80% owned Nevada Lithium Project in Nevada (US), the Saints Nickel Project (100%), the Leinster Nickel Project (100%), the Kangaroo Hills Lithium Project (100%) in Western Australia, and the Arden (90%), Bonaventura (100%) and Torrens East (100%) REE-Zinc-Copper Projects in South Australia.

##### Interest in Shares, Options, and Performance Rights

1,151,839 Ordinary shares,  
5,225,000 Performance rights, and  
500,000 Unlisted incentive Options exercisable at \$0.50 on or before 10 August 2026.

##### Other current directorships

Nil

##### Former directorships held in past three years

Nil



## Directors' Report

For the year ending 30 June 2023

### Mr Aidan Platel

#### CEO & Managing Director

##### Qualifications

BSc in Geology (Hons), MBA

##### Appointment & Resignation

Managing Director since 4 September 2019, and resigned on 3 January 2023

##### Experience

Mr Platel is a Geologist with over 25 years' experience in the minerals industry, in both mining and exploration roles across a wide range of commodities. Recently, Mr Platel has worked as an independent strategic consultant focusing on project evaluation, prior to which he spent 12 years in South America in mining and exploration. He has a proven track record of exploration success having discovered and developed several major deposits including the world-class Santa Rita Nickel deposit (>1Mt contained Ni metal). Mr Platel has a Bachelor of Science with Honours in Geology from the University of Western Australia, and a Master of Business Administration with Distinction from the Curtin Graduate School of Business. He is a Graduate Member of the Australian Institute of Company Directors (AICD) and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM).

##### Interest in Shares, Options, and Performance Rights

4,870,000 Ordinary fully paid shares

##### Other current directorships

Olympio Metals Limited (ASX: OLY)

Charger Metals NL (ASX: CHR)

##### Former directorships held in past three years

Wildcat Resources Limited (ASX: WC8)

### Mr Trevor Eton

#### Non-Executive Director

##### Qualifications

BA Hons (Economics), Post Grad Dip Mgt, AFAIM

##### Appointed

Non-Executive Director since 1 February 2021

##### Experience

Mr Eton is a well-respected finance executive with over 35 years' extensive experience in corporate finance within the minerals industry. His previous full-time role was as CFO and Company Secretary of sulphide nickel producer, Panoramic Resources Limited (ASX: PAN) (Panoramic) from 2003 to 2020 in which he was instrumental in the financing, construction and development of the Savannah Nickel Project and the acquisition and subsequent development of the Lanfranchi Nickel Project, which saw the company reach a market capitalisation exceeding \$1 billion in 2007. Prior to Panoramic, he held corporate finance roles with various other resource companies, including diversified metal producers, MPI Mines Limited (MPI) and Australian Consolidated Minerals Limited (ACM). Trevor is currently Non-Executive Director and Audit Committee Chairman of Sunrise Energy Metals Limited (ASX: SRL), the owner of the Sunrise Nickel Project near Parkes in central New South Wales.

Trevor holds a Bachelor of Arts (Hons.) degree with a major in Economics from the Victoria University of Wellington (VUW), New Zealand, a Post Graduate Diploma in Management from the Melbourne Business School and is an Associate Fellow of the Australian Institute of Management (AFAIM).

##### Interest in Shares, Options, and Performance Rights

422,092 Ordinary fully paid shares

2,450,000 Performance rights, and

500,000 Unlisted incentive Options exercisable at \$0.50 on or before 10 August 2026.

##### Other current directorships

Sunrise Energy Metals Ltd (ASX: SRL)

##### Former directorships held in past three years

Nil

## Directors' Report

For the year ending 30 June 2023

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### Mr Paul Brown

#### Non-Executive Director

##### *Qualifications*

M.Eng

##### *Appointed*

Non-Executive Director since 1 July 2023

##### *Experience*

Paul has over 20 years of mining experience, excelled in multiple disciplines including general management, operational management, technical leadership, project/studies management, business improvement, mineral resource evaluation, and mine planning. He has contributed significantly to the growth and success of various organisations within the mining industry, including senior operational roles with renowned companies such as Leighton Holdings, HWE Mining, and Fortescue Metals Group (FMG). Prior to joining FBM, Paul held senior executive positions at Mineral Resources Limited (MinRes) (ASX:MIN), where he showcased his leadership abilities as Chief Executive – Commodities. He also held the position of Chief Executive – Lithium at MinRes, demonstrating his deep knowledge and experience in the lithium sector. Paul is currently Non-Executive Director of Jindalee Resources Limited (ASX: JRL). Paul holds a Masters in Mine Engineering (M.Eng) from Federation University in Victoria and possesses mechanical trade qualifications.

##### *Interest in Shares and Options*

Nil

##### *Other current directorships*

Jindalee Resources Limited (ASX: JRL)

Hastings Technology Metals (ASX: HAS)

##### *Former directorships held in past three years*

Nil

## Directors' Report

For the year ending 30 June 2023

### DIRECTOR MEETINGS

The number of directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the directors of the Company during the reporting period are:

	Number of Director Meetings Eligible to Attend	Number of Director Meetings Directors' Attended
<b>Director</b>		
Mr Michael Edwards	10	10
Mr Aidan Platel	5	5
Mr Trevor Eton	10	10
Mr Robin Cox	4	4

### JOINT COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER (CFO)

Mr Matthew Worner was appointed as Joint Company Secretary on 10 March 2022. Mr Worner is a former lawyer with 20 years' experience in corporate governance and company secretarial functions, with experience spanning initial public offerings, capital raisings, ASX Listing Rules and Corporation Act issues. Mr Worner has held management, company secretarial, and board positions with various ASX and AIM listed companies in the resources sector. Mr Worner holds a Bachelor of Laws and a Bachelor of Business from the University of Notre Dame, Australia.

Ms Silfia Morton was appointed as Joint Company Secretary on 1 December 2022 and Chief Financial Officer (CFO) on 22 May 2022. Ms Morton is a Chartered Accountant with a Masters Degree in Commerce, specialises in financial management, financial reporting services and risk compliance and management. She has served as CFO and company secretary for a number of ASX listed and unlisted public companies. Prior to her current role, she has previously spent twelve years as senior audit manager at one of the leading international Audit, Tax & Advisory firms where she was focused on engagements across the mining, technology and manufacturing sectors. Her experience includes expertise in matters of corporate governance and compliance support, as well as managing and executing corporate transactions including assets acquisitions and disposal, capital raisings, IPOs, and ASX listings.



## Directors' Report

For the year ending 30 June 2023

### Shares under options and performance rights

Unissued ordinary shares of Future Battery Minerals Resources Limited under option and performance rights at the date of this report are as follows:

Security Code	Date Granted	Expiry Date	Exercise Price	Number Under Option	Number Under Performance Rights
FBMPR1 - Performance Rights	8 Nov 2019	5 years	\$0.00	-	1,250,000
FBMOPT8 - Unlisted Options	15 Oct 2020	3 years	\$0.12	2,000,000	-
FBMPRH - Class H Performance Rights	16 Dec 2021	5 years	\$0.00	-	1,728,333
FBMPRI - Class I Performance Rights	16 Dec 2021	5 years	\$0.00	-	1,728,334
FBMOPT9 - Unlisted Options	16 Dec 2021	5 years	\$0.50	1,250,000	-
FBMPRK - Class K Performance Rights	16 Dec 2021	5 years	\$0.00	-	480,000
FBMPERR4 - Performance Rights	8 June 2022	3 years	\$0.00	-	7,200,000
FBMPERR5 - Performance Rights	3 Feb 2023	4 years	\$0.00	-	7,000,000
FBMOPT10 - Unlisted Options	3 Feb 2023	5 years	\$0.11	2,000,000	-
FBMOPT11 - Unlisted Broker Options	22 Feb 2023	2 years	\$0.072	3,000,000	-
FBMPR2 - Performance Rights	19 April 2023	4 years	\$0.00	-	1,000,000
FBMPR3 - Performance Rights	19 April 2023	4 years	\$0.00	-	700,000
FBMPRL - Performance Rights	30 May 2023	4 years	\$0.00	-	2,600,000
FBMPRM - Performance Rights	30 May 2023	4 years	\$0.00	-	2,600,000
FBMPRN - Performance Rights	30 May 2023	4 years	\$0.00	-	3,800,000
			<b>TOTAL</b>	<b>8,250,000</b>	<b>30,086,667</b>

### Securities granted during the year

Options granted during the year as share based payments are as follows:

Item	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date
1	Employees Incentive Options	3 Feb 2023	2,000,000	\$0.11	5 years from issue date	3 Feb 2028
2	Broker Options	13 Dec 2022	3,000,000	\$0.078	3 years from issue date	22 Feb 2025

## Directors' Report

For the year ending 30 June 2023

Performance rights granted to directors during the year as share based payments are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date
1	FBMPERR5 - Performance Rights	3 Feb 2023	2,000,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	12 months from issue date
2	FBMPERR5 - Performance Rights	3 Feb 2023	2,000,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	2 years from issue date
3	FBMPERR5 - Performance Rights	3 Feb 2023	3,000,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	3 years from issue date
1	FBMPRL - Performance Rights	29 May 2023	2,600,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	12 months from issue date
2	FBMPRM - Performance Rights	29 May 2023	2,600,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	2 years from issue date
3	FBMPRN - Performance Rights	29 May 2023	3,800,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	3 years from issue date

Refer to note 19 for performance conditions related to this performance right.

Performance rights granted to consultants during the year as share based payment are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date
1	FBMPER2 - Performance Rights	13 Apr 2023	300,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	12 months from issue date
2	FBMPER2 - Performance Rights	13 Apr 2023	300,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	2 years from issue date
3	FBMPER2 - Performance Rights	13 Apr 2023	400,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	3 years from issue date

Refer to note 19 for performance conditions related to this performance right.

## Directors' Report

For the year ending 30 June 2023

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date
1	FBMPER3 - Performance Rights	17 Apr 2023	150,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	12 months from issue date
2	FBMPER3 - Performance Rights	17 Apr 2023	300,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	2 years from issue date
3	FBMPER3 - Performance Rights	17 Apr 2023	250,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	3 years from issue date

### Indemnity and insurance of officers

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001, every Officer of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer, auditor or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. During the period, the Group paid \$31,369 in premiums for Directors and Officers Liability Insurance.

### Proceedings on behalf of the group

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

### Non-audit services

The Company may decide to employ its auditors on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company is important. During the financial period the following fees were paid or payable for non-audit services provided by the auditor:

	2023 \$	2022 \$
BDO Corporate Tax (WA) Pty Ltd, tax compliance	38,136	18,250
BDO Corporate Finance (WA) Pty Ltd	13,130	4,000
BDO Reward (WA) Pty Ltd, remuneration consultant	-	12,950
	<b>51,266</b>	<b>35,200</b>

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

### Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on the page following this Directors' Report.



# Directors' Report

For the year ending 30 June 2023

## REMUNERATION REPORT - Audited

The remuneration report outlines the remuneration arrangements which were in place during the year, and remain in place as at the date of this report, for the Directors and key management personnel of Future Battery Minerals Limited.

The information provided in this remuneration has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The remuneration report is set out under the following main headings:

- A. Remuneration policy
- B. Details of remuneration
- C. Service agreements
- D. Share-based compensation
- E. Equity instruments held by key management personnel
- F. Loans to key management personnel
- G. Other transactions with key management personnel
- H. Additional information

### A. Remuneration Policy

The remuneration policy of FBM has been designed to align director and management objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific long-term incentives, based on key performance areas affecting the Group's financial results. Key performance areas of the Group include cash flow, share price, and exploration results. The Board of Directors (the Board) of FBM believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best management and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

### Remuneration Governance

The remuneration policy of FBM has been designed to align director and management objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific long-term incentives, based on key performance areas affecting the Group's financial results. Key performance areas of the Group include cash flow, share price, and exploration results. The Board of Directors (the Board) of FBM believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best management and directors to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

### Company performance, shareholder wealth and director and executive remuneration

The table below set out summary information about the Group's earnings and movement in shareholder wealth for the year to 30 June 2023:

	30 June 2023 \$
Revenue and other income	560,255
Net profit/(loss) before tax	(2,406,354)
Net profit/(loss) after tax	(2,406,354)

No dividends have been paid for the year to 30 June 2023.

	30 June 2023 \$
Share price at 30 June 2023	0.12
Share price at 30 June 2022	0.055
Basic and diluted earnings/(loss) per share (cents)	(0.60)

# Directors' Report

For the year ending 30 June 2023

## REMUNERATION REPORT – Audited (continued)

### A. Principles used to determine the nature and amount of remuneration (continued)

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Group is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the Board. All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and the ability to receive options and performance-based incentives. The remuneration committee, composed of the full Board, reviews executive packages annually by reference to the Group's performance, executive performance, and comparable information from industry sectors and other listed companies in similar industries.

#### Short term incentives

No benefits other than remuneration disclosed in the remuneration report are paid to Directors or management except as incurred in normal operations of the business.

#### Long term incentives

Executives are also entitled to participate in the employee share and option arrangements.

All remuneration paid to Directors and executives is valued at the cost to the Group and expensed. Options and performance rights (if applicable) given to Directors and Key Management Personnel are valued using an appropriate option pricing, and/or trinomial with multiple barriers valuation methodology.

The payment of bonuses, options and other incentive payments are reviewed by the Board as part of the review of executive remuneration. All bonuses, options and incentives must be linked to predetermined performance criteria. The Board can exercise its discretion in relation to approving incentives, bonuses and options. Any changes must be justified by reference to measurable performance criteria. During the period, performance-based incentives were granted to Directors as detailed in the report and Note 24.

#### Retirement allowances for directors

The employees of the Group receive a superannuation guarantee contribution required by the government, which was 10.5% for the reporting period and increased to 11% for the 2024 financial year, and do not receive any other retirement benefits.

#### 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.

#### Executive pay

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the company to attract and retain key talent;
- aligned to the company's strategic and business objectives and the creation of shareholder value;
- transparent; and
- acceptable to shareholders.

The executive remuneration framework has three components:

- base pay and benefits, including superannuation;
- short-term performance incentives; and
- long-term incentives through participation in the Future Battery Minerals Employee Incentive Plan.

## Directors' Report

For the year ending 30 June 2023

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### REMUNERATION REPORT – Audited (continued)

#### A. Principles used to determine the nature and amount of remuneration (continued)

##### Non-Executive pay

The Board policy is to remunerate Non-Executive Directors at the lower end of market rates for comparable companies for time, commitment, and responsibilities. The board determines payments to the non-executive Directors and reviews their remuneration annually based on market practice, duties, and accountability. Independent external advice is sought when required. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Group. The maximum aggregate amount of fees that can be paid to Non-Executive Directors was approved by shareholders at a General Meeting held on 11 February 2011. The maximum amount of fees payable to non-executive directors is \$250,000 per annum.

The Board expects that the remuneration structure implemented will result in the Company being able to attract and retain the best executives to run the Company. It will also provide executives with the necessary incentives to work to grow long-term shareholder value.

##### Benefits

No benefits other than noted above are paid to Directors or management except as incurred in normal operations of the business.

##### Remuneration of consultants

The Company did not engage any remuneration consultants during the period.

The Company will engage independent remuneration consultants should it look to make any changes to director fee levels to ensure they are in line with market conditions and any decisions are made free from undue influence from members of the Company's KMP's.



## Directors' Report

For the year ending 30 June 2023

### REMUNERATION REPORT – Audited (continued)

#### B. Details of remuneration

##### Amounts of remuneration

Details of the remuneration of the directors and the key management personnel of the Group are found below:

Key Management Personnel	Role	Date or Appointment and Resignation
Michael Edwards	Non-Executive Director Executive Chairman	Appointed on 31 August 2020 Appointed on 1 February 2022
Aidan Platel	CEO and Managing Director	Appointed on 4 September 2019 and resigned on 3 January 2023
Robin Cox	Technical Director	Appointed on 1 January 2023
Trevor Eton	Non-Executive Director	Appointed on 10 February 2021

##### Key management personnel of the Group

30 June 2023 Directors	Short-term benefits Cash salary & fees	Post employment benefits Superannuation Pensions	Share-based payments				Equity Based %
	\$	\$	Performance rights \$	Options \$	TOTAL \$	Perf. Based %	
<b>Non-Executive Directors</b>							
Trevor Eton <sup>1</sup>	37,633	-	(2,073)	13,216	<b>48,776</b>	25%	25%
Paul Brown <sup>2</sup>	-	-	-	-	-	-	-
<b>Executive Directors</b>							
Aidan Platel <sup>3</sup>	222,604	18,410	(37,693)	(35,483)	<b>167,838</b>	-	-
Michael Edwards	168,000	-	(2,073)	13,216	<b>179,143</b>	6%	6%
Robin Cox <sup>4</sup>	120,000	12,600	162,410	5,137	<b>300,147</b>	56%	56%
<b>Total</b>	<b>548,237</b>	<b>31,010</b>	<b>120,571</b>	<b>(3,914)</b>	<b>695,904</b>		

1. Included in the above was consulting fees of \$1,633 which were based on commercial terms.
2. Paul Brown appointed as Non-Executive Director on 1 July 2023.
3. Aidan Platel resigned on 3 January 2023 and included in his cash salary and fees is his termination benefit of \$43,333.
4. Robin Cox was appointed as Technical Director on 1 January 2023.

## Directors' Report

For the year ending 30 June 2023

### REMUNERATION REPORT – Audited (continued)

	Short-term benefits	Post employment benefits	Share-based payments				
30 June 2022	Cash salary & fees	Superannuation Pensions	Performance rights	Options	TOTAL	Perf. Based	Equity Based
Directors	\$	\$	\$	\$	\$	%	%
<b>Non-Executive Directors</b>							
Edward Mason <sup>1</sup>	48,979	-	4,659	3,063	56,701	10%	14%
Trevor Eton <sup>2</sup>	38,769	-	74,203	7,097	120,069	62%	69%
<b>Executive Directors</b>							
Aidan Platel	260,000	26,000	50,797	51,549	388,346	13%	26%
Michael Edwards <sup>3</sup>	71,000	-	152,631	7,097	230,728	66%	69%
<b>Management</b>							
Rebecca Moylan <sup>4</sup>	158,118	14,961	-	4,476	177,555	-	3%
<b>Total</b>	<b>576,866</b>	<b>40,961</b>	<b>282,290</b>	<b>73,282</b>	<b>973,399</b>		

- Edward Mason resigned on 1 February 2022, and included in the above was consulting fees of \$27,979 which were based on commercial terms.
- Included in the above was consulting fees of \$2,769 which were based on commercial terms.
- Michael Edwards was appointed as Executive Chairman on 1 February 2022.
- Rebecca Moylan employment ceased on 15 May 2022.

### C. Service agreements

#### Executive Services Agreement

The Group has entered into an executive services agreement with Mr Aidan Platel in respect of his employment as Managing Director, Michael Edwards as Executive Chairman, and Mr. Robin Cox as Technical Director of the Company (Executive Services Agreement).

Name	Base salary excluding superannuation	Termination benefit
Aidan Platel (Managing Director) <sup>1</sup>	\$260,000	Two months' notice in writing to Mr Platel and paying a further two months' salary in addition to the notice period.
Michael Edwards (Executive Chairman) <sup>2</sup>	\$120,000 \$264,000 <sup>2</sup>	Two months' notice in writing to Mr Edwards.
Robin Cox (Technical Director)	\$240,000	Three months' notice in writing to Mr Cox and paying a further three months' salary in addition to the notice period.

- Mr Aidan Platel resigned on 3 January 2023.
- Mr Michael Edwards' remuneration changed on 15 March 2023 to reflect his role on a full-time basis. His base salary is inclusive of statutory superannuation.

## Directors' Report

For the year ending 30 June 2023

### REMUNERATION REPORT – Audited (continued)

#### 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 Appointment Letter summarises the Board's policies and terms, including compensation, relevant to the director, and among other things:

- the terms of the directors appointment, including governance, compliance with the Company's Constitution, committee appointments, and re-election;
- the directors duties, including disclosure obligations, exercising powers, use of office, attendance at meetings and commitment levels;
- the fees payable, in line with shareholder approval, any other terms, timing of payments and entitlements to reimbursements;
- insurance and indemnity;
- disclosure obligations; and
- confidentiality.

The following fees (inclusive of superannuation) applied during the year:

Name	Base salary
<b>Non-Executive</b>	
Trevor Eton <sup>1</sup>	\$36,000
Paul Brown <sup>2</sup>	-

1. Mr Eton is also entitled for additional consulting services fees at a rate of \$1,400 a day with a prior written approval from the Chairman. Mr Eton director fees was increased to \$60,000 from 1 July 2023 onwards plus superannuation.

2. Mr Brown was appointed as Non-Executive Director on 1 July 2023 and his base salary is \$60,000 per annum plus superannuation, and he is also entitled for additional consulting services fees at a rate of \$1,400 a day with a prior written approval from the Chairman.

In accordance with the Constitution, a Shareholder resolution has been passed providing that the Company may pay to the Non-Executive Directors a maximum total amount of remuneration of \$250,000 (plus superannuation entitlements) per annum.

## Directors' Report

For the year ending 30 June 2023

### REMUNERATION REPORT – Audited (continued)

#### D. Share-based compensation

The Future Battery Minerals Limited Employee Share Plan (the “Plan”) had been used to reward Directors and employees for their performance and to align their remuneration with the creation of shareholder wealth. Approved by Shareholders on 4 April 2013 and refreshed by shareholders on 23 November 2017. The Plan has been superseded by the adoption of FBM Employee Securities Incentive Plan (“ESIP”). On 16 December 2020, the Company sought Shareholder approval for the ESIP. The ESIP was subsequently superseded by Employee Incentive Plan (EIP) and approved by Shareholder on 3 February 2023. The EIP has been designed to provide long-term incentives to deliver long-term shareholder returns. Participation in the Plan and EIP is at the discretion of the Board and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

#### Performance Rights

The following Performance Rights were granted to directors and consultants as share based payment during the year:

TRANCHE	CLASS OF SECURITIES	GRANT DATE	NUMBER OF SECURITIES	EXERCISE PRICE	EXPIRY DATE	VESTING DATE	DISPOSAL RESTRICTION
1	FBMPERR5 performance rights	3 Feb 2023	2,000,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	3 Feb 2024	N/A
2	FBMPERR5 performance rights	3 Feb 2023	2,000,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	3 Feb 2025	N/A
3	FBMPERR5 performance rights	3 Feb 2023	3,000,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	3 Feb 2026	N/A
1	FBMPRL performance rights	30 May 2023	2,600,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	30 May 2024	N/A
2	FBMPRM performance rights	30 May 2023	2,600,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	30 May 2025	N/A
3	FBMPRN performance rights	30 May 2023	3,800,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	30 May 2026	N/A
1	FBMPER2 performance rights	13 Apr 2023	300,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	1 Dec 2023	N/A
2	FBMPER2 performance rights	13 Apr 2023	300,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	13 Apr 2025	N/A
3	FBMPER2 performance rights	13 Apr 2023	400,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	13 Apr 2026	N/A



## Directors' Report

For the year ending 30 June 2023

### REMUNERATION REPORT – Audited (continued)

TRANCHE	CLASS OF SECURITIES	GRANT DATE	NUMBER OF SECURITIES	EXERCISE PRICE	EXPIRY DATE	VESTING DATE	DISPOSAL RESTRICTION
1	FBMPER3 performance rights	17 Apr 2023	150,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	18 Aug 2023	N/A
2	FBMPER3 performance rights	17 Apr 2023	300,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	17 Apr 2025	N/A
3	FBMPER3 performance rights	17 Apr 2023	250,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	18 Aug 2025	N/A

1. Refer to Note 17 for details of these performance rights.

The performance conditions for the Performance Rights are set out below:

Class	Tranche	Performance Milestones
FBMPERR5	1	Performance Rights will vest upon the earlier of the Company announcing: 1. a new drill intersection of 10m (approximate true width with RC drilling) at 1,000ppm Li2O at the Nevada Lithium Project; or 2. the Nepean Lithium exploration achieving a result of at least 10m at 1.0% Li2O.
FBMPERR5	2	Performance Rights will vest upon the Thirty Day VWAP exceeding A\$0.20 per Share and Continuous Service.
FBMPERR5	3	Performance Rights will vest upon the Thirty Day VWAP exceeding A\$0.35 per Share and Continuous Service.
FBMPRL	1	Performance Rights will vest upon continuous service of 12 months from the issue date.
FBMPRM	2	Performance Rights will vest upon the Thirty Day VWAP exceeding A\$0.20 per Share and Continuous Service.
FBMPRN	3	Performance Rights will vest upon the Thirty Day VWAP exceeding A\$0.35 per Share and Continuous Service.
FBMPER2	1	Performance Rights will vest upon continuous service of 12 months from the commencement date.
FBMPER2	2	Performance Rights will vest upon the Thirty Day VWAP exceeding A\$0.20 per Share and Continuous Service.
FBMPER2	3	Performance Rights will vest upon the Thirty Day VWAP exceeding A\$0.35 per Share and Continuous Service.
FBMPER3	1	Performance Rights will vest upon continuous service of 12 months from the commencement date.
FBMPER3	2	Performance Rights will vest upon successful true width intersection of 10m @ 1000ppm Li, on any North American based FBM projects.
FBMPER3	3	Performance Rights will vest upon continuous service of 24 months from the commencement date.

## Directors' Report

For the year ending 30 June 2023

### REMUNERATION REPORT – Audited (continued)

Management have valued FBMPERR5 Performance Rights Tranche 1, FBMPRL Performance Rights Tranche 1, FBMPERR2 Performance Rights Tranche 1, and FBMPERR3 Performance Rights Tranche 1, Tranche 2 and Tranche 3 based on the share price at the grant date. A 100% probability of achieving the vesting condition has been applied to the expense in the current reporting period.

The remaining Performance Rights were valued using an Up-and-In Trinomial Model with the following inputs:

Tranche	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Right (\$)	Total Fair Value (\$)
FBMPERR5 – Tranche 2	NIL	3 Feb 2023	92%	3.5%	4 years from grant date	\$0.062	\$0.38	\$76,800
FBMPERR5 – Tranche 3	NIL	3 Feb 2023	92%	3.5%	4 years from grant date	\$0.062	\$0.25	\$75,900
FBMPRM	NIL	30 May 2023	92%	3.5%	4 years from grant date	\$0.11	\$0.076	\$196,820
FBMPRN	NIL	3 Feb 2023	92%	3.37%	4 years from grant date	\$0.11	\$0.07	\$265,620
FBMPER2 – Tranche 2	NIL	30 May 2023	92%	3.5%	4 years from grant date	\$0.049	\$0.023	\$6,960
FBMPER2 – Tranche 3	NIL	3 Feb 2023	92%	3.37%	4 years from grant date	\$0.049	\$0.033	\$13,200

### Options

The following options were granted to consultant as share based payment during the year:

TRANCHE	CLASS OF SECURITIES	GRANT DATE	NUMBER OF SECURITIES	EXERCISE PRICE	EXPIRY DATE	VESTING DATE	DISPOSAL RESTRICTION
1	Employees Incentive Options	3 Feb 2023	2,000,000	\$0.11	5 years from grant date	3 Feb 2028	N/A

Management have valued the options using a Black-Scholes Model with the following inputs:

Tranche	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Right (\$)	Total Fair Value (\$)
1	NIL	14 Jan 2023	92%	3.88%	5 years from grant date	\$0.0575	\$0.359	\$71,754

## Directors' Report

For the year ending 30 June 2023

### REMUNERATION REPORT – Audited (continued)

#### E. Equity instruments held by key management personnel

##### Shareholdings

The numbers of shares in the Group held during the period by each director of Future Battery Minerals Resources Limited and other key management personnel of the Group, including their personally related parties are set out below. There were no shares granted during the reporting period as compensation.

2023 Name	Balance at the start of the year	Movement during the year	Balance at appointment/ (resignation date)	Balance at the end of the year
<b>Directors</b>				
Aidan Platel <sup>1</sup>	2,940,000	1,930,000	(4,870,000)	-
Michael Edwards	400,000	640,000	-	1,040,000
Trevor Eton	182,092	240,000	-	422,092
Robin Cox <sup>2</sup>	-	-	1,151,839 <sup>2</sup>	1,151,839
Paul Brown <sup>3</sup>	-	-	-	-
<b>Total</b>	<b>3,522,092</b>	<b>2,810,000</b>	<b>(3,718,161)</b>	<b>2,613,931</b>

1. Aidan Platel resigned on 3 January 2023.

2. Robin Cox was appointed as Technical Director on 1 January 2023.

3. Paul Brown appointed as Non-Executive Director on 1 July 2023.

##### Option holdings

The number of options over ordinary shares in the Group held during the year by each director of Future Battery Minerals Resources Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2023 Name	Balance at the start of the year	Granted as compensation	Other changes during the year	Balance at appointment /(resignation date)	Balance at end of the year	Vested and exercisable	Un-vested
<b>Directors</b>							
Aidan Platel <sup>1</sup>	9,250,000	-	(2,500,000)	(6,750,000)	-	6,750,000	-
Michael Edwards	500,000	-	-	-	500,000	500,000	-
Trevor Eton	500,000	-	-	-	500,000	500,000	-
Robin Cox <sup>2</sup>	-	-	-	250,000	250,000	250,000	-
Paul Brown <sup>3</sup>	-	-	-	-	-	-	-
<b>Total</b>	<b>10,250,000</b>	<b>-</b>	<b>(2,500,000)</b>	<b>(6,500,000)</b>	<b>1,250,000</b>	<b>8,000,000</b>	

1. Aidan Platel resigned on 3 January 2023.

2. Robin Cox was appointed as Technical Director on 1 January 2023.

3. Paul Brown appointed as Non-Executive Director on 1 July 2023.

## Directors' Report

For the year ending 30 June 2023

### REMUNERATION REPORT – Audited (continued)

#### Performance Rights

The number of performance rights over ordinary shares in the Group held during the year by each director of Future Battery Minerals Resources Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2023 Name	Balance at the start of the year	Granted as compensation	Other changes during the year	Balance at appointment/ (resignation date)	Balance at end of the year	Vested and exercisable	Un-vested
<b>Directors</b>							
Aidan Platel <sup>1</sup>	5,180,000	-	(5,180,000)	-	-	-	-
Michael Edwards	7,750,000	7,000,000	(6,850,000)	-	7,900,000	240,000	7,660,000
Trevor Eton	1,350,000	2,000,000	(450,000)	-	2,900,000	240,000	2,660,000
Robin Cox <sup>2</sup>	-	7,000,000	-	575,000	7,575,000	2,125,000	5,450,000
Paul Brown <sup>3</sup>	-	-	-	-	-	-	-
<b>Total</b>	<b>14,280,000</b>	<b>16,000,000</b>	<b>(12,480,000)</b>	<b>575,000</b>	<b>18,375,000</b>	<b>2,605,000</b>	<b>15,770,000</b>

1. Aidan Platel resigned on 3 January 2023.

2. Robin Cox was appointed as Technical Director on 1 January 2023.

3. Paul Brown appointed as Non-Executive Director on 1 July 2023.

#### F. Other transactions with key management personnel

Trevor Eton is a director of Energy Select Pty Ltd. During the year ended 30 June 2023, the Company was providing corporate advisory services to Future Battery Minerals Limited. Payments to Energy Select Pty Ltd during the relevant period total \$1,633 (2022: \$2,769). The amounts owed to Payments to Energy Select Pty Ltd as at 30 June 2023 was \$3,000 (2021: \$nil).

Robin Cox is a director of Zephyr Professional Pty Ltd. During the year ended 30 June 2023, the Company providing labor services to Future Battery Minerals Limited. Payments to Zephyr Professional Pty Ltd during the relevant period total \$458,292. The amounts owed to Payments to Zephyr Professional Pty Ltd as at 30 June 2023 was \$122,408.

#### G. Additional information

##### Voting and comments made at the Company Annual General Meeting

The Company received 98.13% of “yes” votes on its remuneration report for the 2022 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

This is the end of the Remuneration Report, which has been audited.

This report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of Directors.



**Michael Edwards**

Executive Chairman

27 September 2023

Perth, Western Australia



## Auditor's Independence Declaration



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### DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF FUTURE BATTERY MINERALS LIMITED

As lead auditor of Future Battery Minerals Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Future Battery Minerals Limited and the entities it controlled during the period.

A handwritten signature in dark ink, appearing to read 'J Prue', is written over a light grey horizontal line.

Jarrad Prue  
Director

BDO Audit (WA) Pty Ltd  
Perth  
27 September 2023

1

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### INDEPENDENT AUDITORS REVIEW

To the members of Future Battery Minerals Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Future Battery Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies 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 2023 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.

#### 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.

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### Carrying Value of Exploration & Evaluation Expenditure

Key audit matter	How the matter was addressed in our audit
<p>The Carrying Value of the Capitalised Exploration and Evaluation asset as at 30 June 2023 is disclosed in Note 10 of the Financial Report.</p> <p>As the carrying value of the Exploration and Evaluation Asset represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount. As a result, the asset was required to be assessed for impairment indicators in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>.</p> <p>As disclosed in Note 10 of the Financial Report, impairment charges are recognised on the Exploration and Evaluation Asset as at 30 June 2023. Given the quantum of this impairment charge and the judgement exercised by the Group in determining the recoverable amount of the relevant projects, we considered this area to be significant for our audit.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date;</li> <li>• Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes;</li> <li>• Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;</li> <li>• Considering whether there are any other facts or circumstances existing to suggest impairment testing was required;</li> <li>• Evaluating management's basis for the impairment charge, including verifying the mathematical accuracy of the charge and the allocation across the relevant projects; and</li> <li>• Assessing the adequacy of the related disclosures in Note 10 to the Financial Report.</li> </ul>



### Disposal of Nepean Nickel Project

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 10, the Group disposed of its 80% owned Nepean Nickel Project during the year, consisting of tenements M15/709, M15/1809 and P15/5750.</p> <p>Due to the nature and significance of the transaction this was considered a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Reviewing the sale agreement to understand the key terms and conditions;</li> <li>• Evaluating management's calculations for the gain on disposal;</li> <li>• Considering the recoverability of the deferred consideration receivable;</li> <li>• Considering the potential income tax implications related to the disposal; and</li> <li>• Assessing the adequacy of the related disclosures in Note 2 and Note 10 of the Financial Report.</li> </ul>

### 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 2023, 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 the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material 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 (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](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 33 to 43 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Future Battery Minerals Limited, for the year ended 30 June 2023, 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 (WA) Pty Ltd

BDO  
A handwritten signature in dark ink, appearing to read 'J Prue', is written over the BDO logo.

Jarrad Prue

Director

Perth, 27 September 2023

## Consolidated statement of profit or loss and other comprehensive income

For the year ending 30 June 2023

	Note	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
<b>Revenue from continuing operations</b>			
Other Income	2	540,913	1,603
Interest Revenue	2	19,342	3,282
<b>Less Expenses:</b>			
Accounting Fees		(27,800)	(29,476)
Audit Fees		(48,205)	(65,889)
Advertising and marketing	3	(112,088)	(178,631)
Consulting Fees		(204,331)	(75,814)
Directors' expense		(224,307)	(199,222)
Employee benefits expense		(107,729)	(421,525)
Corporate and regulatory fees		(95,325)	(95,077)
Exploration expenditure	10	-	(632,391)
Impairment expense	10	(963,252)	(2,550,680)
Legal costs		(392,685)	(316,088)
Rent		(20,895)	(17,743)
Share based payment expense	19	(193,289)	(439,816)
Travel and accommodation		(14,317)	(27,964)
Finance costs		(12,145)	(12,999)
Other expenses		(550,240)	(290,727)
<b>Profit/(Loss) before income tax</b>		<b>(2,406,354)</b>	<b>(5,349,157)</b>
Income tax expense	4	-	-
<b>Profit/(Loss) after income tax for the year</b>		<b>(2,406,354)</b>	<b>(5,349,157)</b>
Other Comprehensive Income		40,700	-
<b>Total comprehensive profit/(loss) for the year</b>		<b>(2,365,654)</b>	<b>(5,349,157)</b>
<b>Loss for the period attributable to:</b>			
Owners of the parents		(2,406,354)	(5,349,157)
Non-Controlling interest		-	-
<b>Profit/(Loss) for the year</b>		<b>(2,406,354)</b>	<b>(5,349,157)</b>
<b>Total comprehensive profit/(loss) is attributable to:</b>			
Owners of Future Battery Minerals Resources Limited		(2,365,654)	(5,349,157)
Non-controlling interests		-	-
		<b>(2,365,654)</b>	<b>(5,349,157)</b>
Basic/diluted loss per share (cents per share) from continuing operations	5	(0.60)	(1.60)

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

# Consolidated Statement of Financial Position

As at 30 June 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	3,039,181	4,458,921
Trade and other receivables	7	154,438	116,627
<b>Total current assets</b>		<b>3,193,619</b>	<b>4,575,548</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	176,691	167,450
Right of use assets	9	37,539	101,800
Mineral exploration and evaluation expenditure	10	16,581,317	21,814,560
Bond receivables		119,347	118,626
Other receivable	7	6,685,537	-
<b>Total Non-current assets</b>		<b>23,600,431</b>	<b>22,202,436</b>
<b>TOTAL ASSETS</b>		<b>26,794,050</b>	<b>26,777,984</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables and other payables	11	1,197,334	937,261
Lease liability	12	59,150	83,587
<b>Total current liabilities</b>		<b>1,256,484</b>	<b>1,020,848</b>
<b>Non-current liabilities</b>			
Lease liability	12	56,580	115,730
Other payable	11	1,337,107	-
<b>Total Non-current liabilities</b>		<b>1,393,687</b>	<b>115,730</b>
<b>TOTAL LIABILITIES</b>		<b>2,650,171</b>	<b>1,136,578</b>
<b>NET ASSETS</b>		<b>24,143,879</b>	<b>25,641,408</b>
<b>EQUITY</b>			
Contributed equity	13	39,644,297	36,920,122
Reserves	14	2,359,065	2,358,251
Non-controlling interest		483,132	2,299,296
Accumulated losses	15	(18,342,615)	(15,936,261)
<b>TOTAL EQUITY</b>		<b>24,143,879</b>	<b>25,641,408</b>

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

## Consolidated Statement of Changes in Equity

For the year ending 30 June 2023

	Issued Capital \$	Accumulated Losses \$	Option and Performance Rights Reserve \$	FX Reserve \$	Non- Controlling Interest \$	Total \$
<b>Balance at 1 July 2022</b>	<b>36,920,122</b>	<b>(15,936,261)</b>	<b>2,358,251</b>	<b>-</b>	<b>2,299,296</b>	<b>25,641,408</b>
Loss for the year	-	(2,406,354)	-	-	-	<b>(2,406,354)</b>
Other comprehensive income	-	-	-	40,700	-	40,700
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(2,406,354)</b>	<b>-</b>	<b>40,700</b>	<b>-</b>	<b>(2,365,654)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Issue of shares, net of costs (note 13)	2,467,000	-	-	-	-	2,467,000
Issue of options	-	-	24,000	-	-	24,000
Conversion of performance rights	257,175	-	(257,175)	-	-	-
Share based payments (note 14(i))	-	-	193,289	-	-	193,289
Non-controlling share of Nepean sale	-	-	-	-	(1,954,926)	(1,954,926)
Non-controlling interest contributions	-	-	-	-	138,762	138,762
<b>Balance at 30 June 2023</b>	<b>39,644,297</b>	<b>(18,342,615)</b>	<b>2,318,365</b>	<b>40,700</b>	<b>483,132</b>	<b>24,143,879</b>

	Issued Capital \$	Accumulated Losses \$	Option and Performance Rights Reserve \$	Non- Controlling Interest \$	Total \$
<b>Balance at 1 July 2021</b>	<b>25,916,064</b>	<b>(10,587,104)</b>	<b>1,820,544</b>	<b>1,281,828</b>	<b>18,431,332</b>
Loss for the year	-	(5,349,157)	-	-	<b>(5,349,157)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(5,349,157)</b>	<b>-</b>	<b>-</b>	<b>(5,349,157)</b>
<b>Transactions with owners, recorded directly in equity</b>					
Issue of shares, net of costs (note 12)	10,295,549	-	-	-	<b>10,295,549</b>
Conversion of performance rights	132,509	-	(132,509)	-	-
Share based payments (note 13)	576,000	-	670,216	-	<b>1,246,216</b>
Non-controlling interests on acquisition of subsidiary	-	-	-	201,537	<b>201,537</b>
Non-controlling interest contributions	-	-	-	815,931	<b>815,931</b>
<b>Balance at 30 June 2022</b>	<b>36,920,122</b>	<b>(15,936,261)</b>	<b>2,358,251</b>	<b>2,299,296</b>	<b>25,641,408</b>

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



## Consolidated Statement of Cash Flows

For the year ending 30 June 2023

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(1,244,416)	(1,521,084)
Payments for exploration expenditure		(332,046)	(632,391)
Interest received		19,342	3,282
GST (paid)/received		(45,983)	1,603
<b>Net cash outflow from operating activities</b>	6	<b>(1,603,104)</b>	<b>(2,148,590)</b>
<b>Cash flows from investing activities</b>			
Payments for exploration expenditure		(4,567,755)	(7,495,803)
Payment for purchase of property, plant, and equipment		(59,234)	(1,452)
Proceed from sale of Nepean tenements	10	2,800,000	-
Proceed from JV partner		138,760	-
<b>Net cash outflow from investing activities</b>		<b>(1,688,229)</b>	<b>(7,497,255)</b>
<b>Cash flows from financing activities</b>			
Proceed from share issue		2,650,001	10,866,394
Payment for capital raising costs		(159,000)	(570,844)
(Payment to)/receipt from non-controlling interest		(514,926)	815,932
Repayment of lease liability		(104,483)	(81,172)
<b>Net cash inflow from financing activities</b>		<b>1,871,592</b>	<b>11,030,310</b>
Net increase/(decrease) in cash and cash equivalents		(1,419,740)	1,384,465
Cash and cash equivalents at beginning of the financial period		4,458,921	3,074,456
<b>Cash and cash equivalents at end of the period</b>	6	<b>3,039,181</b>	<b>4,458,921</b>

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

# Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

## 1. Summary of significant accounting policies

### (a) Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001. The Company is a for-profit entity for the purpose of preparing these financial statements.

#### *Compliance with IFRS*

The financial statements of the company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### *Historical cost convention*

These financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

### (b) New and amended standards adopted by the entity

The consolidated entity 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.

### (c) Principles of Consolidation

#### *Subsidiaries*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Future Battery Minerals Limited as at 30 June 2023 and the results of all subsidiaries for the year then ended. Future Battery Minerals Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities (including structured 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 Group companies 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.

#### *Joint arrangements*

Under AASB 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

#### *Joint operations*

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses.

#### *Joint ventures*

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position.

# Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

## 1. Summary of significant accounting policies (continued)

### *Non-controlling interest*

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity.

### (d) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's values in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at re-valued amount (in which case the impairment loss is treated as a revaluation decrease).

As assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had the impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at the re-valued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

### (e) Share Based Payment Transactions

Under AASB 2 Share Based Payments, the Group must recognise the fair value of shares, options, and performance rights granted to directors, employees and consultants as remuneration as an expense on a pro-rata basis over the vesting period in the Statement of Profit or Loss and Other Comprehensive Income with a corresponding adjustment to equity.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. No revision to original estimates is made in respect of options issued with market based conditions.

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The cost of these equity-settled transactions with employees (including directors) is measured by reference to fair value at the date they are granted. The fair value is determined using an appropriate option pricing model.

In relation to the valuation of the share-based payments, these are valued using an appropriate option valuation method. Once a valuation is obtained management use an assessment as to the probability of meeting non-market based conditions. Market conditions are vested over the period in which management assess it will take for these conditions to be satisfied.

# Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

## 1. Summary of significant accounting policies (continued)

### (f) Segment Reporting

Operating segments are reported in a manner that is consistent with the internal reporting to the chief operating decision maker ("CODM"), which has been identified by the Group as the Managing Director and other members of the Board of directors.

### (g) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximately their fair value due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

### (h) Income Tax and Other Taxes

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities. Adjustments to current income tax are made to take into account any change in tax rates between the Company and its subsidiaries.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Future Battery Minerals Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the financial statements.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in their comprehensive income or directly in equity, respectively.

# Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

For the year ended 30 June 2023

## 1. Summary of significant accounting policies (continued)

### (i) Exploration and Evaluation Expenditure

The Group's policy with respect to exploration and evaluation expenditure is to use the area of interest method. Under this method exploration and evaluation expenditure is carried forward on the following basis:

- Each area of interest is considered separately when deciding whether, and to what extent, to carry forward or write off exploration and evaluation costs; and
- Exploration and evaluation expenditure related to an area of interest is carried forward provided that rights to tenure of the area of interest are current and that one of the following conditions is met:
- such evaluation costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale; or
- exploration and/or evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing.

Exploration and evaluation costs accumulated in respect of each particular area of interest include only net direct expenditure.

### (j) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, cash in bank accounts, money market investments readily convertible to cash within two working days, and bank bills but net of outstanding bank overdrafts.

### (k) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

#### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

#### *Impairment of financial assets*

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's



# Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

## 1. Summary of significant accounting policies (continued)

lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

### (l) Earnings Per Share

#### (i) Basic Earnings Per Share

Basic earnings per share is determined by dividing the operating loss attributable to the equity holder of the Company after income tax by the weighted average number of ordinary shares outstanding during the financial year.

#### (ii) Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will arise from the exercise of options outstanding during the year.

### (m) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

Interest income is recognised as it accrues using the effective interest method.

### (n) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

### (o) Trade and Other Payables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

### (p) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivable and payable are stated with the amount of GST included.

The amount of GST recoverable from the taxation authority is included as part of the receivables in the Statement of Financial Position. The amount of GST payable to the taxation authority is included as part of the payables in the Statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

# Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

## 1. Summary of significant accounting policies (continued)

### (q) Contributed Equity

Issued and paid-up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

No dividends were paid or proposed during the year.

### (r) Foreign currency translation

#### *Functional and presentation currency*

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

#### *Group companies*

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position.
- income and expenses for each Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange difference is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

#### *Transactions and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities at the reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in profit or loss in the period in which they arise.

### (s) Parent entity information

The financial information for the parent entity, disclosed in Note 26 has been prepared on the same basis as the consolidated financial statements.

### (t) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries are accounted for at cost in the financial statements. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

# Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

## 1. Summary of significant accounting policies (continued)

### (u) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

### (v) Right-of-use-assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

### (w) Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial report, a number of Standards and Interpretations including those Standards and Interpretations issued by the IASB/IFRIC, where an Australian equivalent has not been made by the AASB, were in issue but not yet effective for which the Entity has considered it unlikely for there to be a material impact on the financial statements.

### (x) Critical Accounting Estimates and Judgements

In preparing these financial statements, the Group has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

#### a) *Significant accounting judgements*

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

##### *Capitalisation of exploration and evaluation expenditure*

The Group has capitalised exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the Areas of Interest concerned or on the basis that it is not yet possible to assess whether it will be recouped. Refer to note 10 for further details.

#### b) *Significant accounting estimates and assumptions*

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

##### *Impairment of capitalised exploration and evaluation expenditure*

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group 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.

## Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

### Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model or Trinomial model. Should the assumptions used in these calculations differ, the amounts recognised could significantly change. Details of estimates used can be found in Note 19.

### Asset Acquisition

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset. Assets acquired during the period were exploration expenditure.

## 2. Revenue and other income

	2023 \$	2022 \$
Interest received	19,342	3,282
Other income(i)	540,913	1,603
<b>Total revenue and other income</b>	<b>560,255</b>	<b>4,885</b>

- (i) Other income is related to the gain on the disposal of the Nepean Nickel Project, sold to Rocktivity Nepean Pty Ltd on 15 June 2023. Refer to Note 10 for further details.

## 3. Material profit and loss items for the year

Profit/(Loss) for the year includes the following items:

	2023 \$	2022 \$
Consultants and advisory fees	204,331	75,814
Advertising and marketing	112,088	178,631
Share registry costs	56,254	27,893
Depreciation	98,750	114,184
<b>Total expenses</b>	<b>471,423</b>	<b>396,522</b>

## Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

### 4. Income tax

	2023 \$	2022 \$
<b>(a) Income tax expense</b>		
Current tax expense	-	-
Deferred tax expense	-	-
	-	-
<b>(b) Reconciliation of income tax expense to prima facie tax payable:</b>		
Loss before income tax	(2,406,354)	(5,349,157)
Prima facie income tax at 30% (2022: 30%)	(721,906)	(1,604,747)
Tax effect of amounts not deductible in calculating taxable income	151,040	332,850
Tax effect of amounts incurred/derived prior to demerger	-	-
Difference in tax rate of foreign jurisdiction subsidiaries	5,689	-
Derecognition of deferred tax asset	565,177	1,271,897
Income tax expense/(benefit)	-	-
<b>(c) Movement in deferred tax balances not recognised:</b>		
Losses	8,428,414	8,376,843
Other temporary differences	(3,383,985)	(4,022,887)
	5,044,429	4,353,956

The benefit for tax losses will only be obtained if:

- (i) the Group 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;
- (ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and
- (iii) there are no changes in tax legislation in Australia which will adversely affect the Group in realising the benefit from the deductions for the losses.

At 30 June 2023, 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 subsidiary as the Group has no liability for additional taxation should such amounts be remitted.

### 5. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

Basic and diluted profit/(loss) per share	2023	2022
Loss used to calculate basic and diluted profit/(loss) per share	(2,406,354)	(5,349,157)
Basic and diluted profit/(loss) per share from continuing operations (cents per share)	(0.60)	(1.60)
	2023	2022
<b>Weighted average number of ordinary shares</b>	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	402,055,581	333,604,055
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	402,055,581	333,604,055



## Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

### 6. Cash and cash equivalents

	2023 \$	2022 \$
<b>Current</b>		
Cash at bank and in hand	3,039,181	4,363,306
Restricted cash	-	95,615
<b>Total cash and cash equivalent</b>	<b>3,039,181</b>	<b>4,458,921</b>

Cash at bank and in hand earns interest at both floating rates based on daily bank rates.

Refer to Note 17 on financial instruments for details on the Company's exposure to risk in respect of its cash balance.

#### Financial Guarantees

The Group has provided no financial guarantees.

#### Operating cash flow reconciliation

	2023 \$	2022 \$
<b>Reconciliation of operating cash flows to net profit/(loss)</b>		
Profit/(loss) for the year	(2,406,354)	(5,349,157)
Share based payments	193,288	439,815
Depreciation and amortisation expenses	114,254	92,539
Impairment expense	963,252	2,550,680
Finance costs	20,895	10,812
Gain on disposal of exploration asset	(540,913)	-
Decrease in trade and other receivables	(37,811)	(2,716)
Increase in trade and other payables	90,285	109,437
<b>Cash flow used in the operating activities</b>	<b>(1,603,104)</b>	<b>(2,148,590)</b>

#### Non-cash investing activities

No non-cash investing activities were recorded during the year.

#### Non-cash financing activities

Amortisation expense is related to the right of use assets and it is a non-cash financing activity recorded during the year.

### 7. Trade and other receivables

	2023 \$	2022 \$
<b>Current</b>		
Prepayments	7,977	16,149
Other receivables	146,461	100,478
	<b>154,438</b>	<b>116,627</b>
<b>Non-current</b>		
Other receivable <sup>1</sup>	6,685,537	-
	<b>6,685,537</b>	<b>-</b>

#### Past due but not impaired

The Group did not have any receivables that were past due as at 30 June 2023. The Group did not consider a credit risk on the aggregate balances as at 30 June 2023. For more information, please refer to Note 17 Financial Instruments, Risk Management Objectives and Policies.

<sup>1</sup> Other receivable is related to the consideration receivable from the sale of Nepean Nickel Project (NNP). Refer to note 10 for further details in relation to the sale of NNP.

## Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

### 8. Property Plant and Equipment

	2023 \$	2022 \$
Office Equipment	17,320	21,174
Less Accumulated Depreciation on Office Equipment	(7,698)	(5,109)
Vehicles	137,919	137,919
Less Accumulated Depreciation on Vehicles	(59,525)	(25,045)
Plant and Equipment	111,827	50,472
Less Accumulated Depreciation on Plant and Equipment	(29,476)	(19,196)
Furniture and Fixtures	8,147	8,147
Less Accumulated Depreciation on Furniture and Fixtures	(1,823)	(912)
	<b>176,691</b>	<b>167,450</b>

### 9. Right of Use Assets

	2023 \$	2022 \$
Cost	148,086	188,456
Additions	-	2,562
<b>Balance at the end of the year</b>	<b>148,086</b>	<b>191,018</b>
Opening Accumulated Depreciation	(89,218)	(13,952)
Amortisation expense	(21,329)	(75,266)
<b>Balance at the end of the year</b>	<b>37,539</b>	<b>101,800</b>

The Company leases its corporate office at Suite 10, 38-40 Colin St West Perth. The lease expires on 31 May 2024. The Company has a Lease at 17-19 Vivian St Boulder WA 6432. The lease expires on 1 January 2024. The leases are recognised in accordance with the AASB 16: Leases which the Company adopted on 1 July 2019. Refer to note 1(u) for further details.

### 10. Exploration and Evaluation Expenditure

	2023 \$	2022 \$
Balance at beginning of the year	21,814,560	16,648,280
Exploration expenditure incurred	4,777,526	6,709,279
Exploration incurred from acquisition – refer below (i)	-	1,007,681
Impairment expense – refer to below (ii)	(963,252)	(2,550,680)
Disposal of exploration assets (iii)	(9,047,517)	-
Balance at the end of the year	<b>16,581,317</b>	<b>21,814,560</b>

The balance carried forward represents projects in the exploration and evaluation phase. Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas.

- (i) In the prior year, the Company completed the acquisition of 80% interest in Nevada Lithium Corp Pty Ltd, which holds the Nevada Lithium Project (NLP) through its 100% owned subsidiary Nevada Li Corp, Nevada, USA based company. The acquisition of this company occurred on 8 June 2022, which was the day the consideration was issued. The acquisition has been treated as an asset acquisition via the issue of equity under AASB 2 Share Based Payments ("AASB 2").

## Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

The below outlines the consideration and identifiable assets and liabilities acquired:

	\$
<b>Consideration:</b>	
7,200,000 Ordinary Shares	576,000
7,200,000 Performance rights <sup>(1)</sup>	230,400
<b>Total Consideration</b>	<b>806,400</b>
<b>Assets and Liabilities acquired:</b>	
Exploration Assets	1,007,681
Cash	256
Non-Controlling Interest (20%)	(201,537)
<b>Total</b>	<b>806,400</b>

The performance rights have a non-market milestone of Future Battery Minerals to announce a new drilling intersection of 25m @ 1,000 ppm Li commencing within 100m (vertical) from the surface of the Lithium Projects. The performance rights have a three year expiry from the date of issue. As the mineral claims staked were still at an early stage of exploration and an exploration program is still being developed and finalised, management has taken the view that a 40% probability of these performance rights will be converted into shares is appropriate.

The Company also reimbursed the Vendors for expenditures incurred in respect to the Nevada Lithium Project and provided a loan facility to Nevada Lithium Corp Pty Ltd with all drawdowns to be utilised for the registration of permits, licenses and/or claims, and approved exploration activities in respect to the project. The loan facility was forgiven by the Company on the completion of the acquisition. A total amount of \$632,391 was recognised in the income statement in relation to these expenditures.

- (ii) The Company has assessed each area interest for impairment in accordance with AASB 6 *Exploration for and Evaluation of Minerals Resources*. Based on the Company's assessment, an impairment expense of \$963,252 was recognised in the income statement in relation to tenements surrendered in the during year.
- (iii) The Company completed the sale of the 80% owned Nepean Nickel Project (NNP) to Rocktivity Nepean Pty Ltd on 15 June 2023. The NNP tenements comprise of M15/709, M15/1809 and P15/5750.

A cash consideration of \$2.7 million (FBM: \$2.16 million) was received upon completion in addition to the \$100,000 deposit received on signing, with the remaining deferred consideration of \$7.2 million payable as follows:

- \$2.7 million payable 12 months from Completion of the Transaction (June 2024);
- \$2.5 million payable 18 months from Completion of the Transaction (December 2024); and
- \$2 million payable 24 months from Completion of the Transaction (June 2025).

	\$
<b>Consideration:</b>	
Cash	2,700,000
Other Receivable (fair value of consideration receivable from Rocktivity)	6,685,537
<b>Total Consideration</b>	<b>9,385,537</b>
Add: Elimination of Non-Controlling Interest (20%) related to the sale of Nepean Nickel Project.	1,954,926
Less:	
Carrying value of Nepean Nickel Project (NNP)	(9,047,517)
Cash paid to Non-Controlling Interest (20%)	(514,926)
Other Payable (fair value of consideration payable to Non-Controlling Interest (20%)) <sup>1</sup>	(1,337,107)
<b>Total gain on sale of Nepean Nickel Project</b>	<b>440,913</b>

<sup>1</sup>Subsequent to 30 June 2023, the Company acquired the remaining 20% interest held by LSR. Consequently, the Company will retain 100% of the deferred considerations. Refer to note 21 for further details payable over the 24 months from Completion.

# Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

## 11. Trade and other payables

	2023 \$	2022 \$
<b>Current</b>		
Trade payables	1,084,012	733,363
Accruals	113,322	203,898
	<b>1,197,334</b>	<b>937,261</b>
<b>Non-Current</b>		
Other payables <sup>1</sup>	1,337,107	-
	<b>1,337,107</b>	<b>-</b>

All current liabilities are expected to be settled within 12 months as they are generally due on 30–60-day terms.

The Group's exposure to credit risk is discussed in Note 17.

<sup>1</sup> Other payable is related to Non-Controlling Interest 20% portion on the consideration receivable from the sale of Nepean Nickel Project (NNP). Refer to note 10 for further details in relation to the sale of NNP.

## 12. Lease Liability

	2023 \$	2022 \$
Current	59,150	83,587
Non-Current	56,580	115,730
<b>Total lease liability</b>	<b>115,730</b>	<b>199,317</b>

## 13. Contributed Equity

### (a) Issued and fully paid

	30 June 2023		30 June 2022	
	\$	No.	\$	No.
Ordinary shares	39,644,297	427,845,133	36,920,122	369,451,799
	<b>39,644,297</b>	<b>427,845,133</b>	<b>36,920,122</b>	<b>369,451,799</b>

### (b) Movement reconciliation

Ordinary Shares	No. of Shares	\$
Opening Balance at 1 July 2021	281,587,871	25,916,064
12 Jul 2021 - Exercising of \$0.10 options	8,797,310	879,731
6 Aug 2021 - Exercising of \$0.10 options	2,450,218	245,022
25 Aug 2021 – Conversion of performance rights	400,000	33,600
25 Aug 2021 - Exercising of \$0.10 options	1,742,482	174,248
17 Sep 2021 - Exercising of \$0.10 options	1,872,700	187,270
14 Oct 2021 - Exercising of \$0.10 options	2,602,414	260,241
8 Nov 2021 - Exercising of \$0.10 options	2,667,581	266,758
8 Nov 2021 – Issue of Placement Shares	50,000,000	8,000,000
1 Dec 2021 - Exercising of \$0.10 options	1,259,301	125,930
9 Dec 2021 – Underwriting of options	7,271,922	727,192
10 Dec 2021 – Conversion of performance rights	400,000	26,000
2 Mar 2022 - Conversion of performance rights	250,000	16,250
8 Jun 2022 – Issue of Vendors Shares	7,200,000	576,000
8 Jun 2022 – Conversion of performance rights	950,000	56,659
Share issue costs	-	(570,845)
<b>Closing Balance at 30 June 2022</b>	<b>369,451,799</b>	<b>36,920,122</b>

# Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

## 13. Contributed Equity (con't)

Ordinary Shares	No. of Shares	\$
Opening Balance at 1 July 2022	369,451,799	36,920,122
15 July 2022 - Conversion of performance rights	250,000	16,250
19 Aug 2022 - Conversion of performance rights	1,410,000	134,200
13 Dec 2022 - Placement	55,208,334	2,650,000
21 Dec 2022 - Conversion of performance rights	1,525,000	106,726
Share issue costs	-	(183,000)
<b>Closing Balance at 30 June 2023</b>	<b>427,845,133</b>	<b>39,644,297</b>

### (c) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

### (d) Capital Risk Management

The Group's objective when managing working capital is to safeguard the ability to continue as a going concern, so that it can continue to provide returns for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the return of capital to shareholders, issue new shares or sell assets to reduce debt. The Group defines capital as cash and cash equivalents plus equity.

The Board of Directors monitors capital on an ad-hoc basis. No formal targets are in place for return on capital, or gearing ratios, as the Group has not derived any income from their mineral exploration and currently has no debt facilities in place.

## 14. Reserves

### (a) Reserve Balances

	2023 \$	2022 \$
Option reserve	1,214,473	1,206,025
Performance Rights reserve	1,103,892	1,152,226
FX reserve	40,700	-
<b>Total</b>	<b>2,359,065</b>	<b>2,358,251</b>

### (b) Movement reconciliation

#### Performance Rights

	\$
Balance at the beginning of the year – 1 July 2021	614,522
Performance rights converted into shares during the year (refer to Note 13)	(132,509)
Share based payments expense (Note (i))	439,815
Vendors' performance rights (Note 10)	230,400
<b>Balance at the end of the year – 30 June 2022</b>	<b>1,152,228</b>
Balance at the beginning of the year – 1 July 2022	1,152,228
Share based payments expense (Note (i))	208,840
Performance rights converted into shares during the year (refer to Note 13)	(257,176)
<b>Balance at the end of the year – 30 June 2023</b>	<b>1,103,892</b>



## Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

### Options

	\$
Balance at the beginning of the year – 1 July 2021	1,206,022
Movement during the year	-
<b>Balance at the end of the year – 30 June 2022</b>	<b>1,206,022</b>
Balance at the beginning of the year – 1 July 2022	1,206,022
Grant of brokers options	39,657
Options lapsed and cancelled	(31,206)
<b>Balance at the end of the year – 30 June 2023</b>	<b>1,214,473</b>

### Nature and purpose of reserves

#### (i) Share-based payments reserve

The Share-Based Payments Reserve is used to recognise:

- The fair value of options issued to employees and consultants but not exercised.
- The fair value of shares issues to employees

#### (ii) Option reserve

The Share Option Reserve contains amounts received on the issue of options over unissued capital of the Company.

## 15. Accumulated Losses

	2023 \$	2022 \$
Accumulated Losses at the beginning of the period	(15,936,261)	(10,587,104)
Net loss attributable to members of the Group	(2,406,354)	(5,349,157)
<b>Accumulated losses at the end of the financial year</b>	<b>(18,342,615)</b>	<b>(15,936,261)</b>

## 16. Remuneration of Auditors

### Amounts received or due and receivable by the auditors for:

	2023 \$	2022 \$
<b>Audit services:</b>		
BDO Audit (WA) Pty Ltd Audit and review of financial reports under the Corporations Act 2001	42,163	56,745
<b>Non-audit services:</b>		
BDO Corporate Tax (WA) Pty Ltd, tax compliance	38,136	18,250
BDO Corporate Finance (WA) Pty Ltd	13,130	4,000
BDO Reward (WA) Pty Ltd, remuneration consultant	-	12,950
	<b>93,429</b>	<b>91,945</b>

## 17. Financial Risk Management

### Overview

The Group has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

## Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

### 17. Financial Risk Management (con't)

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

#### (a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and for the Group arises principally from cash and cash equivalents and receivables.

All cash balances are held with recognised institutions limiting the exposure to credit risk. There are no formal credit approval processes in place.

#### Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum exposure. The Group's maximum exposure to credit risk at the reporting date was:

	2023 \$	2022 \$
Cash and cash equivalents	3,039,181	4,458,921
Receivables	154,438	116,627
Other receivables	6,685,537	-
<b>Total</b>	<b>9,879,156</b>	<b>4,575,548</b>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about default rates.

The company has recognised a fair value of \$6,685,537 in other receivables, which is related to the consideration expected from Rocktivity Nepean Pty Ltd for the sale of the Nepean Nickel Project (refer to note 10). Management has evaluated the credit risk associated with this receivable by assessing Rocktivity's capacity to meet its payment obligations when they become due and payable. Buyer warranties, including a mining mortgage related to the transaction, have been established to mitigate risk. In the event that Rocktivity is unable to fulfill its payment obligation on the due date, an impairment loss will be reflected in the profit and loss statement.

Financial assets that are neither past due and not impaired are as follows:

	2023 \$	2022 \$
<b>Cash and cash equivalents</b>		
AA rating	3,039,181	4,458,921
<b>Total</b>	<b>3,039,181</b>	<b>4,458,921</b>

#### (b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows. 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.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Group has no access to credit standby facilities or arrangements for further funding or borrowings in place.

The financial liabilities the Group had at reporting date were trade payables incurred in the normal course of the business. These were non-interest bearing and were due within the normal 30-60 days terms of creditor payments.

## Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

### Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 months \$	6-12 months \$	1-2 years \$	2-5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying amount (assets)/ liabilities \$
<b>As at 30 June 2023</b>							
Trade and other payables	1,197,334	-	-	-	-	1,197,334	1,197,334
Lease Liabilities	59,150	59,150	56,580,	-	-	174,880	174,880

	Less than 6 months \$	6-12 months \$	1-2 years \$	2-5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying amount (assets)/ liabilities \$
<b>As at 30 June 2022</b>							
Trade and other payables	937,261	-	-	-	-	937,261	937,261
Lease Liabilities	41,793	41,793	115,730	-	-	199,316	199,316

### (c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### (i) Currency risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group did not have any formal policies in place regarding currency risk during the year as it was not considered significant. This will be monitored as appropriate going forward and introduced as necessary.

The groups exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollar, was Nil.

#### Sensitivity Analysis

	2023		2022	
	Foreign exchange risk		Foreign exchange risk	
	+ 1%	- 1%	+ 1%	-1%
Cash and cash equivalents	10	(10)	3	(3)
	10	(10)	3	(3)

#### ii) Cashflow and interest rate risk

The Group's only interest rate risk arises from cash and cash equivalents held. Term deposits and current accounts held with variable interest rates expose the Group to cash flow interest rate risk. The Group does not consider this risk to be material and has therefore not undertaken any further analysis of risk exposure for 2023.

## Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

### (c) Fair values

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The Fair value of financial instruments that are not traded in an active market (for example investments in unlisted subsidiaries) is determined using valuation techniques. The carrying value less impairment of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

The carrying amounts are estimated to approximate fair values of financial assets and financial liabilities as follows:

	2023 \$	2022 \$
<b>Financial Assets</b>		
Cash and cash equivalents	3,039,181	4,458,921
Receivables	154,438	116,627
Other receivables	6,685,537	-
<b>Total</b>	<b>9,879,156</b>	<b>4,575,548</b>
	2023 \$	2022 \$
<b>Financial Liabilities</b>		
Trade and other payables	1,197,334	937,261
<b>Total</b>	<b>1,197,334</b>	<b>937,261</b>

### **Cash/financial liabilities and loans**

The carrying amount is fair value due to the liquid nature of these assets.

### **Receivables/payables**

Due to the short-term nature of these financial rights and obligations, their carrying amounts are estimated to represent their fair values.

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Due to their short-term nature, the carrying amount of the current receivables and current payables is assumed to approximate their fair value. Refer to note 19 for further details.

## 18. Segment Information

### *Identification of reportable operating segments*

The Group is organised into one operating segment, being exploration in Australia and USA. This is based on the internal reports that are being reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM) in assessing performance and in determining the allocation of resources. As a result, the operating segment information is as disclosed in the statements and notes to the financial statements throughout the report.

### *Geographical information*

Non-current assets are mostly based in Australia, with some exploration assets are based in Nevada, USA.

# Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

## 19. Share Based Payment Transactions

Share based payments during the year ended 30 June 2023 are summarised below:

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

	2023 \$	2022 \$
Expense arising from equity share-based payment transactions	193,289	439,816
<b>Total</b>	<b>193,289</b>	<b>439,816</b>

### (b) Securities granted during the year

The following Performance Rights were granted to directors and consultants as share based payment during the year:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date	Disposal Restriction
1	FBMPERR5 performance rights	3 Feb 2023	2,000,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	3 Feb 2024	N/A
2	FBMPERR5 performance rights	3 Feb 2023	2,000,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	3 Feb 2025	N/A
3	FBMPERR5 performance rights	3 Feb 2023	3,000,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	3 Feb 2026	N/A
1	FBMPRL performance rights	30 May 2023	2,600,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	30 May 2024	N/A
2	FBMPRM performance rights	30 May 2023	2,600,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	30 May 2025	N/A
3	FBMPRN performance rights	30 May 2023	3,800,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	30 May 2026	N/A
1	FBMPER2 performance rights	13 Apr 2023	300,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	1 Dec 2023	N/A
2	FBMPER2 performance rights	13 Apr 2023	300,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	13 Apr 2025	N/A
3	FBMPER2 performance rights	13 Apr 2023	400,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	13 Apr 2026	N/A
1	FBMPER3 performance rights	17 Apr 2023	150,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	18 Aug 2023	N/A
2	FBMPER3 performance rights	17 Apr 2023	300,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	17 Apr 2025	N/A
3	FBMPER3 performance rights	17 Apr 2023	250,000	Nil – convert to ordinary shares on achievement of performance conditions	4 years from grant date	18 Aug 2025	N/A



## Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

### 19. Share Based Payment Transactions (con't)

Management have valued FBMPERR5 Performance Rights Tranche 1, FBMPRL Performance Rights Tranche 1, FBMPERR2 Performance Rights Tranche 1, and FBMPERR3 Performance Rights Tranche 1, Tranche 2 and Tranche 3 based on the share price at the grant date. A 100% probability of achieving the non-market vesting condition has been applied to the expense in the current reporting period.

The remaining Performance Rights were valued using an Up-and-In Trinomial Model with the following inputs:

Tranche	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Right (\$)	Total Fair Value (\$)
FBMPERR5 – Tranche 2	NIL	3 Feb 2023	92%	3.5%	4 years from grant date	\$0.062	\$0.38	\$76,800
FBMPERR5 – Tranche 3	NIL	3 Feb 2023	92%	3.5%	4 years from grant date	\$0.062	\$0.25	\$75,900
FBMPRM	NIL	30 May 2023	92%	3.5%	4 years from grant date	\$0.11	\$0.076	\$196,820
FBMPRN	NIL	30 May 2023	92%	3.37%	4 years from grant date	\$0.11	\$0.07	\$265,620
FBMPER2 – Tranche 2	NIL	13 April 2023	92%	3.5%	4 years from grant date	\$0.094	\$0.023	\$21,900
FBMPER2 – Tranche 3	NIL	13 April 2023	92%	3.37%	4 years from grant date	\$0.0494	\$0.033	\$20,800

The following options were granted to consultant and lead manager as share based payment during the year:

ITEM	CLASS OF SECURITIES	GRANT DATE	NUMBER OF SECURITIES	EXERCISE PRICE	EXPIRY DATE	VESTING DATE	DISPOSAL RESTRICTION
1	Employees Incentive Options	3 Feb 2023	2,000,000	\$0.11	5 years from grant date	3 Feb 2028	N/A
2	Broker Options	13 Dec 2022	3,000,000	\$0.078	3 years from issue date	22 Feb 2025	N/A

Management have valued the options using a Black-Scholes Model with the following inputs:

Item	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Option (\$)	Total Fair Value (\$)
1	NIL	14 Jan 2023	92%	3.88%	5 years from grant date	\$0.0575	\$0.359	\$71,754
2	NIL	13 Dec 2022	100%	3.24%	3 years from issue date	\$0.052	\$0.008	24,000

## Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

### 20. Dividends

There were no dividends paid or declared by the Group during the year (2022: Nil)

### 21. Events Occurring After Reporting Date

Date	Details
26 June 2023	The Company announced the appointment of Mr Paul Brown as Non-Executive Director effective from 1 July 2023.
7 August 2023	<p>The Company announced the acquisition of the remaining 20% interest in the Kangaroo Hills Lithium Project from Goldfellas Pty Ltd, a wholly owned subsidiary of Lodestar Minerals Ltd. The transaction was completed on 11 August 2023, and as required under the Acquisition Agreement, the Company has made the following considerations to Lodestar on completion:</p> <ul style="list-style-type: none"><li>• \$250,000 in cash;</li><li>• Issued 27,505,429 fully paid ordinary shares in the Company (Consideration Shares); and</li><li>• Issued 27,505,429 Performance Rights which will vest and convert into fully paid ordinary shares upon the Company delineating and announcing a Mineral Resource (JORC Code compliant) of at least 10mt at 1.0% Li2O at the Kangaroo Hills Lithium Project (Consideration Performance Rights).</li></ul> <p>The remaining cash consideration of \$125,000 is payable 3 months from Completion, and \$125,000 is payable 6 months from Completion.</p>
11 September 2023	<p>The Company announced the appointment of Mr. Nicholas Rathjen as Chief Executive Officer (CEO) and Managing Director, effective from 6 December 2023.</p> <p><b>Key Terms of Executive Service Agreement (ESA):</b></p> <p><b>Base Salary</b> The Company will pay an annual base salary of \$300,000 per annum plus superannuation.</p> <p><b>Termination Notice</b> Either the Company or the Executive may terminate the employment by giving the other 6 months' written notice. The Company may immediately terminate the ESA for cause.</p> <p><b>Security Based Incentives</b> The Executive shall be entitled to participate in the Employee Incentive Plan via the issue, subject to shareholder approval, 19.5 million of Performance Rights with various performance milestones.</p>
15 September 2023	The Company announced it has received firm commitments from cornerstone, institutional, sophisticated and professional investors to raise \$7.6 million (before costs) under a Placement of fully paid ordinary shares (Placement) over two tranches at an issue price of \$0.10 per share. Hancock Prospecting Pty Ltd (Hancock) has agreed to participate in the Placement as a cornerstone investor, committing to invest \$2.65 million across the two tranches.
21 September 2023	The Company confirmed that the first tranche of capital raising for \$5.2 million via a Placement of 51,950,424 fully paid ordinary shares in the Company at \$0.10 per Share has been completed. In addition, the Company also issued 2,605,000 fully paid ordinary shares on the conversion of 2,605,000 performance rights.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future years.

## Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

### 22. Commitments and Contingencies

#### (a) Exploration Expenditure

In order to maintain mining tenements, the Company is committed to meet the prescribed conditions under which tenements were granted. These commitments may be met in the normal course of operations by future capital raisings and/or farm-out and under certain circumstances are subject to the possibility of adjustment to the amount and timing of such obligations or by tenement relinquishment.

	2023 \$	2022 \$
Exploration expenditure commitments		
Not later than 12 months	1,698,259	1,879,335
Between 12 months and 5 years	4,320,496	5,815,903
Greater than 5 years	1,770,742	3,694,065
<b>Total</b>	<b>7,789,497</b>	<b>11,389,302</b>

#### (b) Contingent Liabilities

The Group had no material contingent asset or liabilities at 30 June 2023.

### 23. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name of entity	Country of Incorporation	Equity holding 2023	Equity holding 2022
Future Battery Minerals Exploration Pty Ltd <sup>1</sup>	Australia	100%	100%
Future Battery Minerals Europe Pty Ltd <sup>1</sup>	Australia	100%	100%
Zinc Mining Pty Ltd	Australia	100%	100%
Altia Resources Pty Ltd	Australia	100%	100%
Minotaur Gold Solutions Ltd	Australia	100%	100%
SA Cobalt Pty Ltd	Australia	100%	100%
Eastern Coolgardie Goldfields Pty Ltd	Australia	80%	80%
Calderas Minerals Ltd	Australia	100%	100%
Nevada Lithium Corp Pty Ltd	Australia	80%	80%
Nevada Li Corp	USA	80%	80%
Red Rob Minerals Pty Ltd <sup>2</sup>	Australia	100%	-
Red Rob Minerals Corp <sup>2</sup>	USA	100%	-

<sup>1</sup> Dormant subsidiary

<sup>2</sup> Newly incorporated subsidiary in November 2022

# Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

## 24. Related Party Transactions

### (a) Parent entities

The parent entity within the Group is Future Battery Minerals Limited. The ultimate parent entity and ultimate controlling party is Future Battery Minerals Limited (incorporated in Australia) which at 30 June 2023 owns 80% - 100% of the issued ordinary shares of the above subsidiaries.

### (b) Subsidiaries

Interest in subsidiaries are set put in note 23.

### (c) Key management personnel compensation

	2023 \$	2022 \$
Short-term employee benefits	548,237	576,866
Post-employment long term benefits	31,010	40,961
Share based payments	116,657	355,572
<b>Total</b>	<b>695,904</b>	<b>973,399</b>

### (d) Other transactions from Key Management Personnel

Trevor Eton is a director of Energy Select Pty Ltd. During the period ended 30 June 2023, the Company was providing corporate advisory services to Future Battery Minerals Limited. Payments to Energy Select Pty Ltd during the relevant period total \$1,633 (2021: \$2,769). The amounts owed to Payments to Energy Select Pty Ltd as at 30 June 2023 was \$3,000 (2022: \$3,000).

Robin Cox is a director of Zephyr Professional Pty Ltd. During the year ended 30 June 2023, the Company provided labor services to Future Battery Minerals Limited. Payments to Zephyr Professional Pty Ltd during the relevant period total to \$458,292. The amounts owed to Payments to Zephyr Professional Pty Ltd as at 30 June 2023 was \$122,408.

### Issue of Incentive Options and Performance Rights

The following securities were issued to key management personnel during the year:

EXECUTIVE AND NON-EXECUTIVE NAME	CLASS OF SECURITIES	GRANT DATE	NO OF EQUITY	SHARE BASED PAYMENTS \$
<b>Robin Cox</b>	Tranche 1 - Performance Rights	3-Feb-23	2,000,000	124,000
	Tranche 2 - Performance Rights	3-Feb-23	2,000,000	15,423
	Tranche 3 - Performance Rights	3-Feb-23	3,000,000	10,171
<b>Mike Edwards</b>	Tranche 1 - Performance Rights	30-May-23	2,000,000	18,634
	Tranche 2 - Performance Rights	30-May-23	2,000,000	6,421
	Tranche 3 - Performance Rights	30-May-23	3,000,000	5,931
<b>Trevor Eton</b>	Tranche 1 - Performance Rights	30-May-23	600,000	5,590
	Tranche 2 - Performance Rights	30-May-23	600,000	1,926
	Tranche 3 - Performance Rights	30-May-23	800,000	1,582
<b>TOTAL</b>			<b>16,000,000</b>	<b>189,678</b>

1. Refer to Note 19 for further details in regards to incentive options and performance rights issued during the period.

## Notes to the Consolidated Financial Statements

For the year ending 30 June 2023

### 25. Parent entity information

The following details information related to the parent entity, Future Battery Minerals Resources Limited, as at 30 June 2023. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2023 \$	2022 \$
Current assets	894,221	3,811,893
Non-current assets	21,442,911	18,439,773
<b>Total assets</b>	<b>22,337,132</b>	<b>22,251,666</b>
Current liabilities	818,846	1,012,855
Non-current liabilities	56,580	115,730
<b>Total liabilities</b>	<b>875,426</b>	<b>1,128,585</b>
Contributed equity	39,644,297	36,920,122
Reserves	2,318,367	2,358,253
Accumulated losses	(20,500,958)	(18,155,293)
<b>Total equity</b>	<b>21,461,706</b>	<b>21,123,082</b>
Loss after income tax	(2,345,665)	(2,063,267)
Other comprehensive income/ (loss) for the period	-	-
<b>Total comprehensive loss for the period</b>	<b>(2,345,665)</b>	<b>(2,063,267)</b>

#### Guarantees

The Company has not entered into any guarantees in relation to the debts of any of its subsidiaries.

## Director's Declaration

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The directors of the Company declare that:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001, and:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Group.
  - (iii) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and
- (b) In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- (c) The Directors have been given the declarations by the Chief Financial Officer as required by section 295A, of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:

**Michael Edwards**  
Executive Chairman

27 September 2023  
Perth, Western Australia



## Corporate Governance Statement

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### Corporate Governance Statement

In fulfilling its obligations and responsibilities to its various stakeholders, the Board is a strong advocate of corporate governance. This statement outlines the principal corporate governance procedures of Future Battery Minerals Limited (“**Company**” or “**Group**”). The Board of Directors (“**Board**”) supports a system of corporate governance to ensure that the management of Future Battery Minerals Limited is conducted to maximise shareholder wealth in a proper and ethical manner.

### 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 Battery Minerals Limited 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 2023 Corporate Governance Statement, approved by the Board, are available of the Group’s website:

<https://www.FutureBatteryMinerals.com/corporate-governance/>

## ASX Additional Information

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

### 1. Shareholdings

The issued capital of the Company as at 6 September 2023 is 455,350,562 (including issued capital on escrow). All issued ordinary fully paid shares carry one vote per share.

#### Ordinary Shares

Shares Range	Holders	Units	%
1-1,000	78	11,541	0.00%
1,001-5,000	809	2,852,991	0.63%
5,001-10,000	764	6,303,199	1.38%
10,001-100,000	2,136	83,176,734	18.27%
100,001 and above	616	363,006,097	79.72%
<b>Total</b>	<b>4,403</b>	<b>455,350,562</b>	<b>100.00%</b>

#### Unmarketable parcels

The number of shareholdings held less than marketable parcels is 701.

### 2. Top 20 Shareholders as at 6 September 2023

Position	Holder Name	Holding	% IC
1	LODESTAR MINERALS LIMITED	18,336,953	4.03%
2	6466 INVESTMENTS PTY LTD	12,580,892	2.76%
3	LODESTAR MINERALS LIMITED	9,168,476	2.01%
4	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	8,458,133	1.86%
5	RAINMAKER HOLDINGS (WA) PTY LTD <THE MACRI INVESTMENT A/C>	7,328,336	1.61%
6	ELVIEN PTY LTD <SUNSET SUPER A/C>	7,000,000	1.54%
7	CITICORP NOMINEES PTY LIMITED	6,868,874	1.51%
8	6466 INVESTMENTS PTY LTD	5,813,981	1.28%
9	CLUNE PTY LTD <COMPANY A/C>	5,775,000	1.27%
10	RFN SUPER PTY LTD <RFN SMSF A/C>	5,000,000	1.10%
11	AXAMS INVESTMENTS PTY LTD <WHITEHEAD FAMILY A/C>	4,800,000	1.05%
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,798,746	1.05%
13	INDULU PTY LTD <INDULU A/C>	4,600,000	1.01%
14	MR GERALD TRIGWELL & MRS ROSALIE TRIGWELL <TRIGWELL SUPER FUND A/C>	4,500,000	0.99%
15	YELO RESOURCES PTY LTD	4,000,000	0.88%
16	BNP PARIBAS NOMS PTY LTD <DRP>	3,867,812	0.85%
17	BROWN BRICKS PTY LTD <HM A/C>	3,645,834	0.80%
18	MR THOMAS MILENTIS	3,500,000	0.77%
19	BROWN BRICKS PTY LTD <HM A/C>	3,434,787	0.75%
20	BRU BOY PTY LTD <BRU BOY INVESTMENT A/C>	3,200,000	0.70%
20	MIMO STRATEGIES PTY LTD <MIMO A/C>	3,200,000	0.70%
	<b>Totals</b>	<b>129,877,824</b>	<b>28.52%</b>

### 3. Voting Rights

The voting rights attached to each class of equity security are as follows:

#### Ordinary Shares

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands. The company is listed on the Australian Securities Exchange under the code "FBM".

## ASX Additional Information

### 4. Substantial Shareholders as at 6 September 2023

Holder Name	Holding	% IC
Lodestar Minerals Limited	27,505,429	6.04%

### 5. Unquoted securities

Code	Other Securities On Issue	Number
FBMOPT8	Unl Options @ \$0.12 Exp 15/10/2023	2,000,000
FBMOPT9	Unl Options @ \$0.50 Exp 10/08/2026	1,250,000
FBMOPT10	Unl Options @ \$0.11 Exp 03/02/2028	2,000,000
FBMOPT11	Unl Broker Opt @ \$0.072 Exp 22/02/2025	3,000,000
FBMPR1	Performance Rights	1,250,000
FBMPR5	Performance Rights Exp 11/08/2028	27,505,429
FBMPR2	Performance Rights Exp 19/04/27	1,000,000
FBMPR3	Performance Rights Exp 19/04/27	700,000
FBMPERR4	Performance Rights Expiry 08 June 2025	7,200,000
FBMPRF	Class F Performance Rights	605,000
FBMPRI	Class I Performance Rights	645,000
FBMPRK	Class K Performance Rights	480,000
FBMPRL	Class L Performance Rights Exp 30/05/27	2,600,000
FBMPRM	Class M Performance Rights Exp 30/05/27	2,600,000
FBMPERR5	Performance Rights Expiry 3 Feb 2027	7,000,000
FBMPRN	Class N Performance Rights Exp 30/05/27	3,800,000

### 6. Unquoted securities holders with greater than 20% of an individual class

#### Performance Rights

Holders	FBMPR1 - Performance Rights	FBMPRF - CLASS F Performance Rights	FBMPRI - CLASS I Performance Rights	FBMPRK - CLASS K Performance Rights	FBMPERR5 - Performance Rights Exp 3 Feb 2027	FBMPR2 - Performance Rights Exp 19 Apr 2027
Bronte Jess Cox	-	125,000	225,000	-	7,000,000	-
Jane Eton	-	240,000	210,000	240,000	-	-
Shadwick Nominees Pty Ltd	-	240,000	210,000	240,000	-	-
Silfia Morton						1,000,000
Ryan Gaffney	250,000	-	-	-	-	-
David Lenigas	1,000,000	-	-	-	-	-
<b>Total number of holders</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>1</b>
<b>Total holdings over 20%</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>1</b>
<b>Other holder</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>1</b>

## ASX Additional Information

### Performance Rights (continued)

Holders	FBMPR3 - Performance Rights Exp 19 Apr 2027	FBMPRL - Class L Performance Rights Exp 30/05/27	FBMPRM - Class M Performance Rights Exp 30/05/27	FBMPRN - Class N Performance Rights Exp 30/05/27	FBMPR5 - Performance Rights Exp 11/08/2028	FBMPERR4 - Performance Rights Expiry 08 June 2025
Silfia Morton	-	-	-	-	-	-
Robert Mitchel Anderson	700,000	-	-	-	-	-
Jane Eton	-	600,000	600,000	800,000	-	-
Shadwick Nominees Pty Ltd	-	2,000,000	2,000,000	3,000,000	-	-
Lodestar Minerals Limited	-	-	-	-	27,505,429	-
Cratonix Pty Ltd	-	-	-	-	-	720,000
Krakouer Capital Pty Ltd	-	-	-	-	-	2,880,000
Nedeel Llc	-	-	-	-	-	3,600,000
<b>Total number of holders</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>3</b>
<b>Total holdings over 20%</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>
<b>Other holder</b>	-	-	-	-	-	<b>1</b>
<b>TOTAL</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>3</b>

### Options

Holders	FBMOPT8 - Unl Options @ \$0.12 Exp 15/10/2023	FBMOPT9 - Unl Options @ \$0.50 Exp 10/08/2026	FBMOPT10 - Unl Options @ \$0.11 Exp 03/02/2028	FBMOPT11 - Unl Broker Opt @ \$0.072 Exp 22/02/2025
RFN Super Pty Ltd	2,000,000	-	-	-
Bronte Jess Cox	-	250,000	-	-
Jane Eton	-	500,000	-	-
Shadwick Nominees Pty Ltd	-	500,000	-	-
Cherie Leeden	-	-	2,000,000	-
CG Nominees (Australia) Pty	-	-	-	3,000,000
<b>Total number of holders</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>1</b>
<b>Total holdings over 20%</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>1</b>
<b>Other holder</b>	-	-	-	-
<b>TOTAL</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>1</b>

## ASX Additional Information

### 7. Restricted securities subject to escrow period

The following ordinary shares are subject to escrow:

Holders	Number of Securities	Escrow Period
Lodestar Minerals Limited	9,168,476	Escrowed Shares Until 11/02/2024
Lodestar Minerals Limited	9,168,477	Escrowed Shares Until 11/08/2024

### 8. On-market buyback

There is currently no on-market buyback program for any of Future Battery Minerals Limited's listed securities.

### 9. Mining Tenement Held

#### Interest in Mining Tenements in Australia

Tenement	Tenement ID	Status	Interest
Arden	EL 5821	Granted	90%
Arden North	EL 6217	Granted	100%
Bonaventura	EL 5973	Granted	100%
Bonaventura Extension	EL 6252	Granted	100%
Torrens East Copper Project	ELA 00159	Pending	-
Torrens East Copper Project	EL 6331	Granted	100%
Saints	M29/245	Granted	100%
Saints	M29/246	Granted	100%
Leinster (the Horn)	E36/899	Granted	100%
Leinster (the Horn)	E36/1030	Granted	100%
Leinster (Sinclair North)	E36/895	Granted	100%
Nepean	M15/709	Granted	-
Nepean	M15/1809	Granted	-
Nepean	P15/5750	Granted	-
KHLP	P15/5738	Granted	80%
KHLP	P15/5740	Granted	80%
KHLP	P15/5741	Granted	80%
KHLP	P15/5742	Granted	80%
KHLP	P15/5743	Granted	80%
KHLP	P15/5749	Granted	80%
KHLP	P15/5963	Granted	80%
KHLP	P15/5965	Granted	80%
KHLP	M15/1887	Pending	-
KHLP	M15/1890	Pending	-
KHLP	E15/1828	Pending	-
KHLP	P15/6681	Pending	-
KHLP	P15/6796	Pending	-
West Musgraves	E69/4100	Pending	-
West Musgraves	E69/4101	Pending	-
Saints	L29/0162	Pending	-
Saints	L29/0163	Pending	-
Saints	L29/0164	Pending	-
Saints	L29/0165	Pending	-

## ASX Additional Information

### Interest in Mining Tenements in Nevada, USA

Project	Claim ID	Status	Interest
Traction Prospect	FracE 1 to FracE 181 FracE 205 to 244	Registered	80%
Heller Prospect	Heller 1 to Heller 15 Heller 25 to Heller 39 Heller 52 to Heller 66 Heller 89 to Heller 98 Heller 116 to 127 Heller 147 to Heller 155 Heller 173 Heller 178	Registered	80%
Lone Mountain Prospect	Lone 1 to 215	Registered	80%
San Antone Prospect	SA 1 to SA 34 SA 39 to 55 SA 60 to 77 SA 90 to SA 106 SA 115 to 131 SA 256 to SA 266 SA 281 to SA 291 SA 296 to SA 306 SA 316 to SA 326 SA 336 to SA 349 SA 359 to SA 375 SA 400 to SA 405 SA 412 to SA 417 SA 425 to SA 436 SA 444 to SA 455 SA 463 to SA 474 SA 486 to SA 494 SA 496 to SA 499 SA 501 to SA 504	Registered	80%
San Antone East Prospect	SAE 1 to SAE 128	Registered	100%
Western Flats Prospect	RR1 to RR253	Registered	100%
	SS 1 to SS 36	Registered	100%





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