



Future Metals NL

Interim Financial Report 31 December 2021

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CONTENTS	PAGE
Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	9
Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Condensed Notes to the Consolidated Financial Statements	14
Directors' Declaration	22
Auditor's Independent Review Report	23
About PGM's and Schedule of Tenements	25
Important Information and Disclaimers	26

CORPORATE DIRECTORY

<p>Directors and Officers Justin Tremain – Non-Executive Chairman Aaron Bertolatti – Finance Director Allan Mulligan – Non-Executive Director Robert Mosig – Independent Non-Executive Director Elizabeth Henson – Independent Non-Executive Director Jardee Kininmonth – Chief Executive Officer</p> <p>Company Secretary Aaron Bertolatti</p> <p>Registered Office First Floor, 35 Richardson Street West Perth WA 6005</p> <p>Share Registry Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth WA 6000</p>	<p>Auditors BDO Audit (WA) Pty Ltd Level 9, Mia Yellagonga Tower 2, 5 Spring Street PERTH WA 6000</p> <p>Nominated and Financial Adviser Strand Hanson Limited 26 Mount Row, London, W1K 3SQ, UK</p> <p>Stock Exchanges Australian Securities Exchange (ASX) (Home Exchange: Perth, Western Australia) ASX Code: FME</p> <p>The AIM market of the London Stock Exchange (AIM) AIM Code: FME</p> <p>Website www.future-metals.com.au</p>
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DIRECTORS' REPORT

The Directors present their report for Future Metals NL ("Future Metals" or the "Company") and its subsidiaries (together the "Group") for the half-year ended 31 December 2021.

DIRECTORS

The persons who were directors of Future Metals during the half-year and up to the date of this report (unless stated otherwise) are:

- Justin Tremain - Non-Executive Chairman (appointed 31 January 2022), Non-Executive Director (appointed 11 June 2021)
- Aaron Bertolatti - Finance Director (appointed 4 June 2018)
- Allan Mulligan - Non-Executive Director (appointed 11 June 2021)
- Robert Mosig - Independent Non-Executive Director (appointed 11 June 2021)
- Elizabeth Henson - Independent Non-Executive Director (appointed 21 October 2021)
- Greg Bandy - Executive Chairman (appointed 1 August 2010, resigned 31 January 2022)

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of the Company during the period were to:

- Carry out exploration on the Company's 100% owned Panton PGM project in the Kimberley region of Western Australia ("Panton Project");
- Evaluate results received from drilling carried out at the Panton Project during the period;
- Progress metallurgical test work programs on drill hole samples from the Panton Project; and
- Carry out detailed review and logging of all information associated with the Panton Project from prior owners.

REVIEW OF OPERATIONS

Future Metals is an active Australian Platinum Group Metals ("PGM") focussed explorer pursuing the development of its 100% owned Panton project in the Kimberley region of Western Australia (the "Panton Project"). The Panton Project has had significant exploration and metallurgical work completed on it since 2000. It is host to a JORC Mineral Resource Estimate ("MRE") of 14.32Mt @ 5.20g/t for 2.4Moz PGM and Gold (refer to Table One). The Company's focus is to undertake sufficient drilling to allow for the remodeling of the pre-existing MRE to establish a shallow, bulk PGM and nickel resource estimate, continuing near surface and at depth, other exploration activities and progressing the understanding of metallurgy in the context of pursuing a bulk mineralization development strategy. These activities will underpin studies to determine the development path for the Panton Project.

Panton PGM Project

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

The Panton PGM Project has a JORC Mineral Resource estimate of 14.32Mt @ 4.89g/t PGM, 0.31g/t Au and 0.27% Ni.

The Panton mineralisation occurs within a layered, differentiated mafic-ultramafic intrusion referred to as the Panton intrusive which is a 10km long and 3km wide, south-west plunging synclinal intrusion. PGM mineralisation is hosted within two stratiform chromite reefs, the Upper and Middle reefs, within the ultramafic sequence.

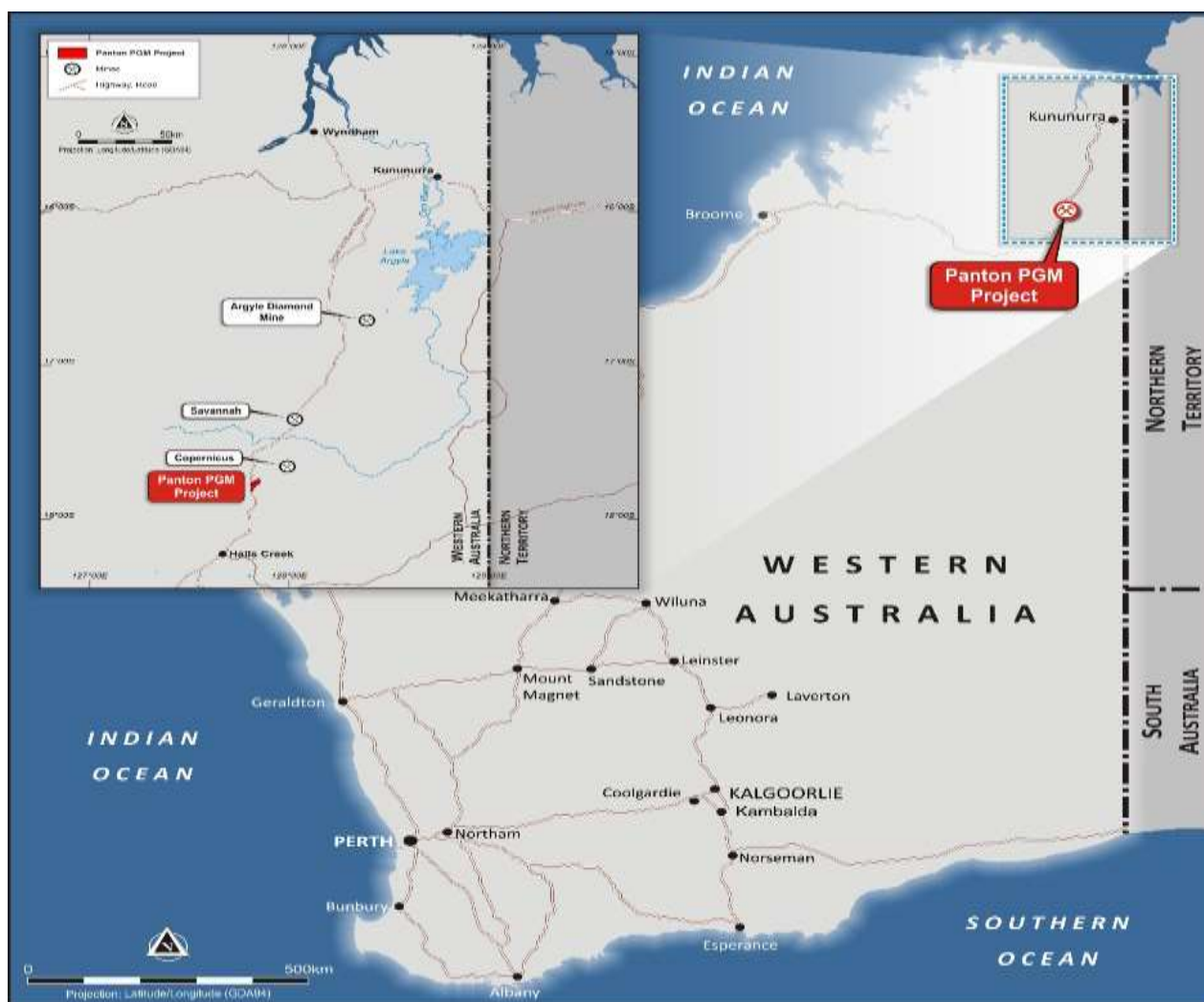


Figure One | Panton PGM Project Location

The Company completed a 6,000m drilling programme at the Panton Project during the half year to test the lateral extent of PGM and nickel mineralisation at the Panton deposit. This followed an extensive review of the historical drill hole assay data and determined that significant mineralisation potential existed outside the +2 g/t PGE grade envelope used to model the existing MRE. As part of its review, the Company recognised that historically there was often no sampling of drill core outside the high-grade chromitite reef and/or drilling did not extend beyond the upper and middle chromitite reefs through to the lower chromitite reefs. Following these findings, the Company modified its initial drilling programme to test the lateral extent of the near-surface mineralisation at Panton. The Company completed 19 new exploration holes, and recovered diamond drill core from 33 holes drilled historically by Platinum Australia Limited, for a total of 52 holes cut and sampled for assaying, to support an updated MRE. Additionally, the Company completed eight metallurgical holes to provide samples to be used for flotation and physical separation test work programmes. Results obtained to date from the historical review, metallurgical drilling and exploration drilling are set out below.

Historical drill results reported at 0.5g/t PGM3E cut-off grade (maximum 4m dilution) include:

- 74m @ 1.32g/t PGM(3E) & 0.20% Ni (1.71g/t PdEq) from 111m (PS264)
- 45.5m @ 1.38g/t PGM(3E) & 0.22% Ni (1.81g/t PdEq) from 80.5m (PS177)
- 45.5m @ 1.07g/t PGM(3E) & 0.17% Ni (1.46g/t PdEq) from 51m (PS080)
- 33m @ 3.11g/t PGM(3E) & 0.23% Ni (3.36g/t PdEq) from 69m (PS050-D1)

DIRECTORS' REPORT

- 43.5m @ 1.22g/t PGM(3E) & 0.21% Ni (1.60g/t PdEq) from 115.4m (PS136)
- 40.02m @ 1.42g/t PGM(3E) & 0.20% Ni (1.82g/t PdEq) from 48m (PS075)
- 28.5m @ 2.62g/t PGM(3E) & 0.21% Ni (2.93g/t PdEq) from 21m (PS069)
- 46m @ 1.15g/t PGM(3E) & 0.16% Ni (1.49g/t PdEq) from 18.5m (PS175)
- 26.1m @ 2.56g/t PGM(3E) & 0.21% Ni (2.87g/t PdEq) from 14.5m (PS067)
- 41.5m @ 1.23g/t PGM(3E) & 0.18% Ni (1.61g/t PdEq) from 29.5m (PS209)
- 35.85m @ 1.55g/t PGM(3E) & 0.22% Ni (1.81g/t PdEq) from 138.5m (PS028)
- 35m @ 1.21g/t PGM(3E) & 0.16% Ni (1.50g/t PdEq) from 22m (PS109)
- 26m @ 2.13g/t PGM(3E) & 0.21% Ni (2.49g/t PdEq) from 19m (PS068)
- 20.05m @ 1.76g/t PGM(3E) & 0.18% Ni (2.09g/t PdEq) from 1.8m (PS081)
- 25m @ 2.05g/t PGM(3E) & 0.20% Ni (2.39g/t PdEq) from 26m (PS060)
- 37.5m @ 1.58g/t PGM(3E) & 0.20% Ni (1.96g/t PdEq) from 43m (PS107)
- 35.5m @ 1.19g/t PGM(3E) & 0.20% Ni (1.61g/t PdEq) from 38m (PS106)
- 26m @ 1.15g/t PGM(3E) & 0.17% Ni (1.50g/t PdEq) from 46m (PS086)
- 43.55m @ 1.20g/t PGM(3E) & 0.20% Ni (1.60g/t PdEq) from 146.45m (PS084)
- 45m @ 0.87g/t PGM(3E) & 0.17% Ni (1.29g/t PdEq) from 30m (PS079)

Assay results for the eight metallurgical holes drilled by the Company included:

- 20.8m @ 5.34g/t PGM (3E) from 89.3m (PS388)
 - including 10.1m @ 9.00g/t PGM (3E) from 92.5m
- 14.8m @ 3.88g/t PGM (3E) from 38.4m (PS384)
 - including 7.8m @ 6.46g/t PGM (3E) from 39.4m
- 11m @ 3.94g/t PGM (3E) from 100m (PS389)
 - including 4.35m @ 5.72g/t PGM (3E) from 103m
- 8m @ 1.98g/t PGM (3E) from 25m (PS382)
 - including 2m @ 4.86g/t PGM (3E) from 25.5m
- 8.4m @ 4.89g/t PGM(3E) (4.90g/t PdEq) from 32.6m (PS383)
- 12.6m @ 2.58g/t PGM(3E) (2.81g/t PdEq) from 54.4m (PS385)
 - including 4.6m @ 5.42g/t PGM(3E) (5.34g/t PdEq) from 54.4m
- 13m @ 1.03g/t PGM(3E) (1.30g/t PdEq) from 43m (PS386)

Subsequent to 31 December 2021, and as announced on 17 February 2022, assay results were returned for 3 of the 19 exploration holes drilled in the half year to 31 December 2021 which included:

- 18.27m @ 1.95g/t PdEq (1.58 g/t PGM3E & 0.20% Ni) from 74m (PS394)
- 16m @ 1.56g/t PdEq (1.17 g/t PGM3E & 0.19% Ni) from 23m (PS395)
- 2.6m @ 2.80g/t PdEq (2.46 g/t PGM3E & 0.23% Ni) from 8m (PS393)
- 19.2m @ 1.50g/t PdEq (1.09 g/t PGM3E & 0.19% Ni) from 34m (PS393)
- 30m @ 1.19g/t PdEq (0.72 g/t PGM3E & 0.21% Ni) from 89m (PS393)

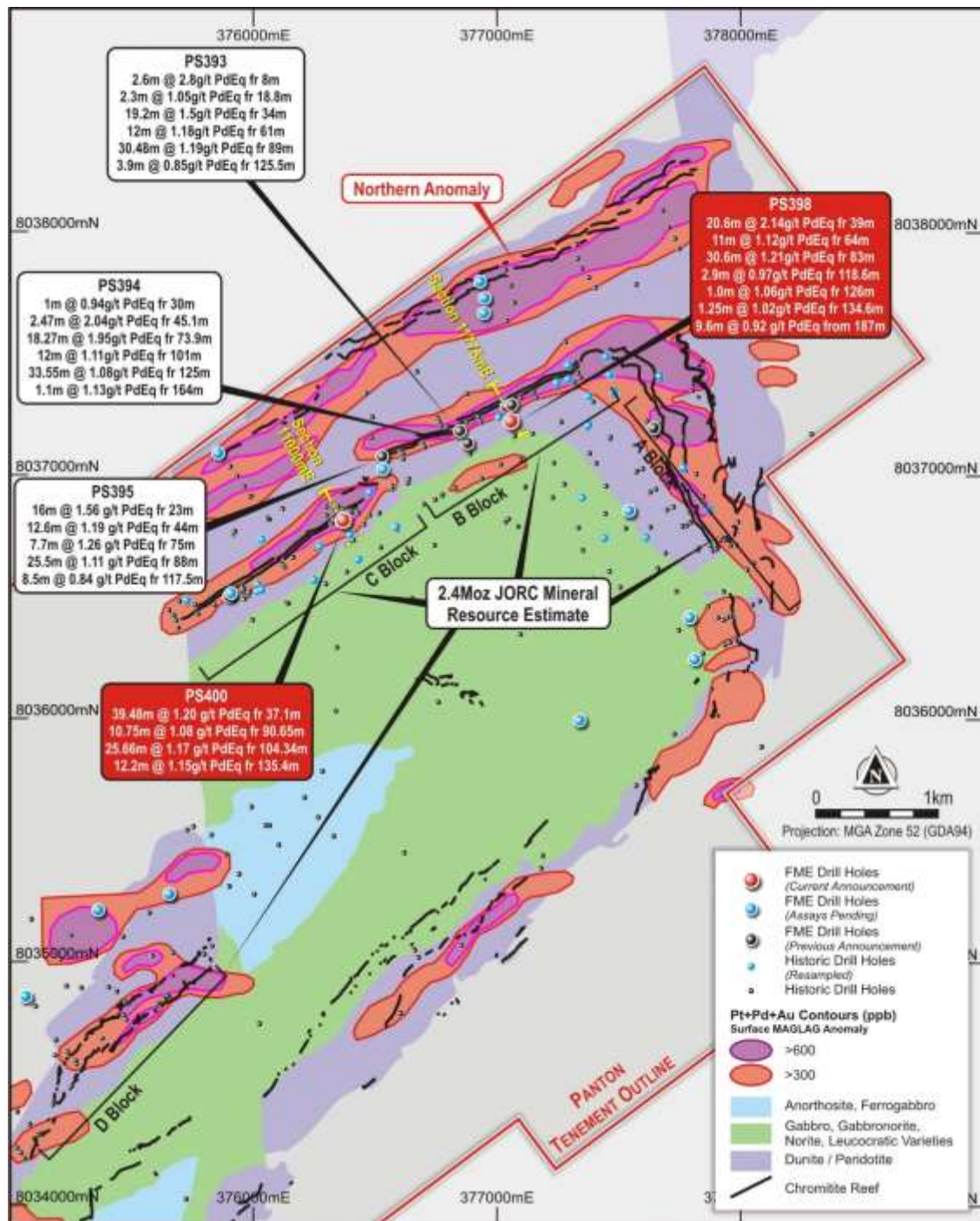


Figure Two | Panton Drill Hole Plan

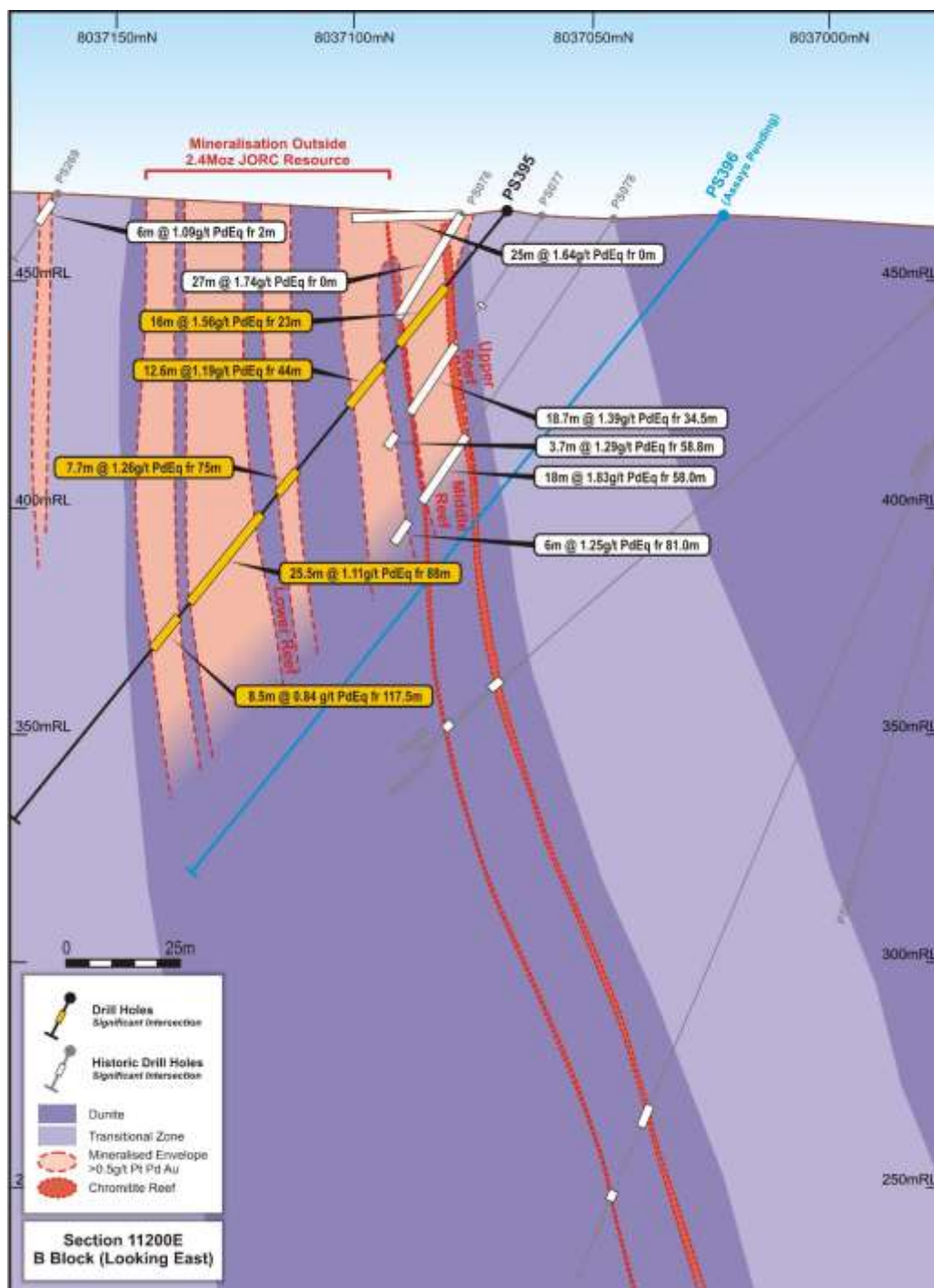


Figure Three | Future Metals' Exploration Drilling (PS393 and PS394) - Panton Cross Section

Subsequent to 31 December 2021, and as announced on 8 March 2022, assay results were received for a further two resource definition holes as follows:

- Drill hole PS400 returned an unconstrained bulk intersection of 140.8m @ 1.07g/t PdEq₃ from 28m down hole including a broad zone of sulphide mineralisation and intercepts (at a 0.5g/t PGM(3E) cut-off, maximum 4m internal dilution) of:
 - 39.48m @ 1.20 g/t PdEq₃ (0.81 g/t PGM3E2 & 0.17% Ni) from 37.1m
 - 25.66m @ 1.17 g/t PdEq₃ (0.74 g/t PGM3E2 & 0.19% Ni) from 104.34m
 - 12.2m @ 1.15g/t PdEq₃ (0.66 g/t PGM3E2 & 0.18% Ni) from 135.4m
- Drill hole PS398 also returned broad widths of shallow PGM and nickel mineralisation, including:

DIRECTORS' REPORT

- 20.6m @ 2.14g/t PdEq3 (1.79 g/t PGM3E2 & 0.20% Ni) from 39m
- 11m @ 1.12 g/t PdEq3 (0.72 g/t PGM3E2 & 0.15% Ni) from 64m
- 30.6m @ 1.21 g/t PdEq3 (0.75 g/t PGM3E2 & 0.21% Ni) from 83m

Metallurgical Review and Test Work Programme

During the half year period, the Company's metallurgy consultant, Dr Evan Kirby of Metallurgical Management Services Pty Ltd ("MMS"), completed a review of historical work undertaken at Panton by Platinum Australia Limited and Panoramic Resources Limited, to inform the planning of a new test work programme. Under the recommendation and guidance of Dr Kirby, in conjunction with the Company, high-grade and low-grade composite samples were formed from samples from the eight metallurgical drill holes which are to be utilised by ALS Laboratories for the new metallurgical test work programme. The focus of the new test work programme is to understand how lower grade material will perform under previously successful flotation conditions and optimise such conditions to improve selectivity and recovery.

Mineral Resources

The Panton PGM Project has a JORC Resource estimate of 14.32Mt @ 5.20g/t for 2.4Moz PGM + Gold (refer Table One).

	Tonnage (Mt)	Grade					Contained	
		PGM	Au	Ni	Cu	Co	PGM	Ni
		(g/t)	(g/t)	(%)	(%)	(ppm)	('000oz)	(t)
Top Reef								
Measured	4.40	5.58	0.42	0.28	0.08	209	850	12,214
Indicated	4.13	6.26	0.38	0.31	0.09	232	880	12,745
Inferred	1.56	4.72	0.38	0.36	0.13	233	260	5,619
	10.09	5.73	0.40	0.30	0.09	222	1,990	30,579
Middle Reef								
Measured	2.13	2.76	0.10	0.18	0.03	186	200	3,783
Indicated	1.50	3.17	0.10	0.19	0.04	199	160	2,858
Inferred	0.60	2.58	0.10	0.19	0.05	195	50	1,161
	4.23	2.90	0.10	0.19	0.04	193	410	7,840
Total	14.32	4.89	0.31	0.27	0.08	214	2,400	38,492

Table One | Panton JORC 2012 Mineral Resource Estimate

Corporate

Re-Admission to AIM and Key Appointments

The Company's Re-Admission to trading on AIM, a market operated by London Stock Exchange plc ("AIM") occurred on 21 October 2021. In conjunction with Re-Admission, the Company appointed a highly credentialed UK-based director to augment the Company's existing Board of Directors, Ms Elizabeth Henson. Ms Henson was formerly a senior international private tax partner of PricewaterhouseCoopers ("PwC") in London, having founded and led PwC's International Wealth business. Future Metals also engaged WH Ireland Limited ("WH Ireland") as its UK Broker from Re-Admission. WH Ireland are assisting with broking services, research, market making and investor relations in the UK.

DIRECTORS' REPORT

Adviser Options

On 3 November 2021, the Company issued its nominated adviser, Strand Hanson Limited, 7,000,000 options, exercisable at a share price of A\$0.18 and expiring on 3 November 2024.

Performance Rights

In accordance with the terms of the Company's Performance Rights Plan and as approved by shareholders at the Company's general meeting held on 4 June 2021, 7,333,331 Class A Performance Rights, 7,333,334 Class B Performance Rights and 7,333,335 Class C Performance Rights were issued on 13 June 2021.

7,333,331 Class A Performance Rights and 7,333,334 Class B Performance Rights subsequently vested having met the applicable vesting criteria. The Class C Performance Rights will vest when the Volume Weighted Average Price over a period of 20 consecutive trading days on which trades in the Company's shares are recorded on ASX is at least A\$0.25.

On 7 December 2021, Non-Executive Director Elizabeth Henson was issued a total of 2,000,000 Performance Rights. Such Performance Rights are to be voluntarily escrowed until 22 June 2023 and will expire on or before 5:00 p.m. (WST) of 11 June 2024. The Performance Rights will vest upon:

- a) the Volume Weighted Average Price over a period of 20 consecutive trading days on which trades in the Company's shares are recorded on ASX (20-day VWAP) being at least A\$0.30; and
- b) Ms Henson remaining a Non-Executive Director for a continuous period of 12 months.

No Performance Rights were converted or cancelled during the half-year ended 31 December 2021.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 15 January 2022, 840,001 unlisted options over fully paid ordinary shares exercisable at A\$0.357 lapsed unexercised.

On 31 January 2022, Mr Justin Tremain assumed the role of Non-Executive Chair following the resignation of Mr Greg Bandy who retired from the Board after more than 10 years of service.

On 31 January 2022, the Company announced the appointments of Mr Jardee Kininmonth as Chief Executive Officer ("CEO") and Mr Brian Talbot as Operational & Technical Lead Adviser. Both Mr Kininmonth and Mr Talbot joined Future Metals following successful senior management positions with Galaxy Resources Limited where Mr Kininmonth was Corporate Development Manager and Mr Talbot was Head of Australian Operations.

2,666,666 Class A Performance Rights and 2,666,667 Class B Performance Rights were converted into fully paid ordinary shares on 7 February 2022.

On 7 February 2022, the Company issued a total of 3,900,000 Performance Rights to the CEO and the Operational & Technical Lead. The Performance Rights will expire at 5:00 p.m. (WST) on or before 31 January 2025. The Performance Rights will vest as follows:

- i. 1,300,000 vesting upon the completion of 12 months of continuous employment with Future Metals ("Tranche A");
- ii. Subject to the vesting of Tranche A, 1,300,000 vesting upon the 20-day volume weighted average market share price ("VWAP") exceeding A\$0.30; and
- iii. Subject to the vesting of Tranche A, 1,300,000 vesting upon the Company announcing the completion of a Pre-Feasibility Study on the Panton PGM Project that results in the Board making a decision to undertake a Definitive Feasibility Study on the Panton PGM Project.

On 7 February 2022, the Company issued a total of 1,000,000 Performance Rights to its Exploration Manager. The Performance Rights will expire at 5:00 p.m. (WST) on or before 11 June 2024. The Performance Rights will vest as follows:

- i. 333,333 following 12 months of continuous employment;
- ii. 333,333 upon delivery of an updated JORC Resource; and

DIRECTORS' REPORT

- iii. 333,334 upon the 20-day VWAP exceeding A\$0.25.

Further to the appointment of Barclay Wells Ltd to assist in the marketing of the Company and to introduce potential investors on a non-exclusive basis, the Company issued the following options on 7 February 2022:

- i. 3,000,000 exercisable at A\$0.20 per share once the 20-day VWAP exceeds A\$0.30;
- ii. 3,000,000 exercisable at A\$0.20 per share once the 20-day VWAP exceeds A\$0.40; and
- iii. 3,000,000 exercisable at A\$0.20 per share once the 20-day VWAP exceeds A\$0.50.

All of the options listed above have an expiry date of 22 June 2023.

There have been no other significant events subsequent to the end of the half-year period to the date of this report which significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report.

This Independence Declaration is set out on page 10 and forms part of this Directors' report for the half-year ended 31 December 2021.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

Signed on behalf of the Board in accordance with a resolution of the Directors.



Justin Tremain
Non-Executive Chairman

Perth, Western Australia
8 March 2022

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

As lead auditor for the review of Future Metals NL for the half-year ended 31 December 2021, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Dean Just

Partner

BDO Audit (WA) Pty Ltd

8 March 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the half-year ended 31 December 2021

		31-Dec-21	12-Nov-20 to 31-Dec-20
	Note	\$	\$
Continuing Operations			
Interest received		3,246	261
Employee and director benefits expense		(180,109)	-
Professional and Consultants		(272,562)	-
ASX, AIM and share registry fees	3, 10 (c)	(1,776,014)	-
Travel expenditure		(5,803)	-
Share based payment expense	10 (b)	(53,299)	-
Amortisation/depreciation expense		(34,104)	-
Unrealised Foreign exchange gain/(loss)		1,813	-
Realised Foreign exchange gain/(loss)		(446)	-
Other expenses		(120,304)	(11)
(Loss)/profit before income tax		(2,437,582)	250
Income tax expense		-	-
(Loss)/profit after Income Tax		(2,437,582)	250
Other comprehensive loss			
Items that may be reclassified to profit or loss			
Other comprehensive income/(loss)		-	-
Other comprehensive income/(loss) for the period net of tax		-	-
Total comprehensive (loss)/income for the period		(2,437,582)	250
(Loss)/profit for the period attributable to:			
Members of the parent entity		(2,437,582)	250
Non-controlling interests		-	-
		(2,437,582)	250
Total comprehensive (loss)/income for the period attributable to:			
Members of the parent entity		(2,437,582)	250
Non-controlling interests		-	-
		(2,437,582)	250
(Loss)/profit per share			
Basic and diluted (loss)/profit per share (cents)		(0.70)	0.003

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 31 December 2021

	Note	31-Dec-21 \$	30-Jun-21 \$
Current Assets			
Cash and cash equivalents		5,601,570	9,555,684
Trade and other receivables		125,515	175,840
Other assets		20,975	-
Total Current Assets		5,748,060	9,731,524
Non-Current Assets			
Right of Use Assets		53,421	83,101
Deferred Exploration & Evaluation Expenditure	4	19,148,468	17,020,143
Property, Plant and Equipment		39,817	-
Total Non-Current Assets		19,241,706	17,103,244
Total Assets		24,989,766	26,834,768
Current Liabilities			
Trade and other payables	5	1,793,854	2,029,502
Lease Liabilities		49,076	72,404
Total Current Liabilities		1,842,930	2,101,906
Non-Current Liabilities			
Lease Liabilities		-	12,421
Total Non-Current Liabilities		-	12,421
Total Liabilities		1,842,930	2,114,327
Net Assets		23,146,836	24,720,441
Equity			
Issued capital	6	29,238,564	29,238,564
Reserves	7	2,653,310	1,789,333
Accumulated losses	8	(8,745,038)	(6,307,456)
Total Equity		23,146,836	24,720,441

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the half-year ended 31 December 2021

	Issued capital	Accumulated losses	Share based payments reserve	Total attributable to owners of the parent entity	Non-controlling interest	Total
	\$	\$	\$	\$	\$	\$
Balance at 12 November 2020	-	-	-	-	-	-
Total comprehensive loss for the period						
Loss for the year	-	250	-	250	-	250
Other Comprehensive income/(loss)	-	-	-	-	-	-
Total comprehensive income for the period	-	250	-	250	-	250
Transactions with owners in their capacity as owners						
Non-controlling interest recognised on acquisition	-	-	-	-	3,000,000	3,000,000
Shares issued during the period	12,500,025	-	-	12,500,025	-	12,500,275
Balance at 31 December 2020	12,500,025	250	-	12,500,275	3,000,000	15,500,275
Balance at 1 July 2021	29,238,564	(6,307,456)	1,789,333	24,720,441	-	24,720,441
Total comprehensive loss for the period						
Loss for the period	-	(2,437,582)	-	(2,437,582)	-	(2,437,582)
Other Comprehensive loss	-	-	-	-	-	-
Total comprehensive loss for the period	-	(2,437,582)	-	(2,437,582)	-	(2,437,582)
Transactions with owners in their capacity as owners						
Share based payment (note 10 (a))	-	-	863,977	863,977	-	863,977
Balance at 31 December 2021	29,238,564	(8,745,038)	2,653,310	23,146,836	-	23,146,836

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

for the half-year ended 31 December 2021

	31-Dec-21	12-Nov-20 to 31-Dec-20
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(1,798,447)	(11)
Interest received	3,246	261
Net cash (used in)/provided by operating activities	(1,795,201)	250
Cash flows from investing activities		
Payments for exploration and evaluation	(2,114,672)	-
Acquisition of property, plant and equipment	(44,241)	-
Net cash used in investing activities	(2,158,913)	-
Cash flows from financing activities		
Proceeds from issue of shares	-	700,025
Net cash provided by financing activities	-	700,025
Net (decrease)/increase in cash and cash equivalents	(3,954,114)	700,275
Cash and cash equivalents at beginning of period	9,555,684	-
Cash and cash equivalents at the end of the period	5,601,570	700,275

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Condensed Notes to the Consolidated Financial Statements for the half-year ended 31 December 2021

1. Corporate Information

The financial report of Future Metals NL ("Future Metals" or the "Company") for the half-year ended 31 December 2021 was authorised for issue in accordance with a resolution of the Directors made on 8 March 2022. The nature of the operations and the principal activities of the Company are described in the Directors' Report on page four of this report.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

These general purpose financial statements for the half-year reporting period ended 31 December 2021 have been prepared in accordance with applicable accounting standards including AASB 134 "Interim Financial Reporting" and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with IAS 34 "Interim Financial Reporting".

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2021 and public announcements made by Future Metals NL during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The half-year report has been prepared on an accruals basis and is based on historical costs. For the purpose of preparing the half-year financial report the half-year has been treated as a discrete reporting period.

Reverse acquisition

On 11 June 2021, Future Metals issued 175,000,000 shares and 87,500,000 unlisted options to acquire 100% of Great Northern Palladium Pty Ltd ("GNP"). The transaction between Future Metals and GNP was treated as a reverse acquisition. As such, the assets and liabilities of the legal subsidiary (the accounting acquirer), being GNP, are measured at their pre-combination carrying amounts. GNP was incorporated on 12 November 2020 and hence the reporting period comparatives are from incorporation to 31 December 2020.

The impact of the reverse acquisition on the comparatives of the primary statements is as follows:

- The consolidated statement of profit or loss and other comprehensive income comparative:
 - for the period to 31 December 2020 comprises approximately 2 months of GNP (incorporation to 31 December 2020); and
- The consolidated statement of financial position comparative:
 - as at 30 June 2021 represents both Future Metals and GNP as at that date; and
- The consolidated statement of changes in equity comparative:
 - for the period ended 31 December 2020 comprises GNP's opening equity position at 12 November 2020, its loss for the period and transactions with equity holders for approximately 2 months.
- The consolidated statement of cash flows comparative:
 - for the period ended 31 December 2020 comprises:
 - the cash balance of GNP as at 12 November 2020;
 - the cash transactions for approximately 2 months of GNP only; and
 - the cash balances of GNP at 31 December 2020.

Going concern

The financial statements have been approved by the Directors on a going concern basis. In determining the appropriateness of the basis of preparation, the Directors have considered the impact of the COVID-19 pandemic on the position of the Group at 31 December 2021 and its operations in future periods.

Condensed Notes to the Consolidated Financial Statements for the half-year ended 31 December 2021

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Future Metals. Future Metals and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity. Subsidiaries are all those entities (including special structured entities) over which the Group controls. 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. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction proves 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. Subsidiaries are accounted for in the parent entity financial statements at cost.

(c) Compliance Statement

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS). The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The impact on the financial performance and position of the Company from the adoption of the new or amended Accounting Standards and Interpretations was not material. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

	31-Dec-2021 \$	31-Dec-2020 \$
3. Expenses		
ASX and AIM and share registry fees		
AIM listing fees	893,059	-
Corporate management London	835,953 ¹	-
Other	47,002	-
	1,776,014	-

¹ Includes the value of 7,000,000 options issued to the Company's nominated adviser, Strand Hanson Limited as part consideration for services provided in relation to the Company's Re-Admission to AIM. Refer note 10 (c).

	31-Dec-2021 \$	30-Jun-2021 \$
4. Deferred Exploration & Evaluation Expenditure		
Opening balance	17,020,143	-
Acquisition of exploration tenements	-	15,000,000
Estimated stamp duty payable	-	1,653,580
Exploration and evaluation expenditure incurred during the period	2,128,325	366,563
Closing balance	19,148,468	17,020,143

The ultimate recoupment of any costs carried forward for exploration expenditure is dependent on the successful development and commercial exploitation or sale of the respective lease areas.

Condensed Notes to the Consolidated Financial Statements for the half-year ended 31 December 2021

	31-Dec-2021	30-Jun-2021
	\$	\$
5. Trade and other payables		
Trade payables	98,712	156,046
Other payables	8,933	6,247
Estimated stamp duty payable	1,653,580	1,653,580
Accruals	32,629	213,629
	1,793,854	2,029,502

Trade creditors and other creditors are non-interest bearing and generally payable on 30-day terms. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

6. Issued Capital

(a) Issued and paid up capital

Issued and fully paid	29,238,564	29,238,564
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(b) Movements in ordinary shares in issue

	31-Dec-2021		30-Jun-2021	
	Number of shares	\$	Number of shares	\$
Opening Balance	348,541,184	29,238,564	-	-
Shares issued by Great Northern Palladium (GNP)	-	-	17,500,000	13,500,026
Elimination of shares in GNP	-	-	(17,500,000)	-
Existing issued capital of Future Metals	-	-	525,292,776	-
Future Metals share consolidation on a 14:100 basis	-	-	(451,751,592)	-
Shares issued to acquire Great Northern Palladium	-	-	175,000,000	7,354,099
Shares issued via public offer	-	-	100,000,000	10,000,000
Transaction costs on share issue	-	-	-	(1,615,561)
Closing Balance	348,541,184	29,238,564	348,541,184	29,238,564

	31-Dec-2021	30-Jun-2021
	\$	\$
7. Reserves		
Share based payments reserve		
Opening balance	1,789,333	-
Movements during the period	863,977	1,789,333
Closing balance	2,653,310	1,789,333

The share based payments reserve is used to record the value of equity benefits provided to Directors and executives as part of their remuneration and non-employees for their goods and services and to record the premium paid on the issue of unlisted options. Refer to note 10 for further details of the securities issued during the period ended 31 December 2021.

8. Accumulated losses

Movements in accumulated losses were as follows:		
Opening balance	(6,307,456)	-
Loss for the period	(2,437,582)	(6,307,456)
Closing balance	(8,745,038)	(6,307,456)

Condensed Notes to the Consolidated Financial Statements for the half-year ended 31 December 2021

9. Subsidiaries

The consolidated financial statements include the financial statements of Future Metals NL and the subsidiaries listed in the following table:

Name of Entity	Country of Incorporation	Equity Holding
Future Metals NL	Australia	
Vianista Pty Ltd	Australia	100%
Great Northern Palladium Pty Ltd	Australia	100%
Panton Sill Pty Ltd	Australia	100%

	31-Dec-2021	30-Jun-2021
	\$	\$

10. Share-based payments

(a) Recognised share-based payment transactions

Share-based payment transactions during the half-year were as follows:

Director share based payments (note 10 (b))	53,299	1,789,333
Supplier share based payments (note 10 (c))	810,678	-
Movement in share option reserve	863,977	1,789,333

Share-based payment transactions have been recognised within the consolidated statement of profit or loss and other comprehensive income as follows:

Share-based payment expense	53,299	1,789,333
ASX and AIM and share registry fees	810,678	-
	863,977	1,789,333

(b) Director share based payments

The fair value at grant date of performance rights granted during the prior reporting period was determined using a hybrid up-and-in single share price barrier model that takes into account the exercise price, the term of the performance right, the share price at grant date, the expected price volatility of the underlying share and the risk-free interest rate for the term of the performance right.

The table below summarises performance rights granted during the half-year ended 31 December 2021:

Grant date	Expiry date	Exercise price	Balance at start of the period	Granted during the period	Exercised during the period	Expired during the period	Balance at end of the period	Exercisable at end of the period
26-11-2021	11-06-2024	-	-	2,000,000	-	-	2,000,000	- ¹

¹ Each Performance Right is exercisable into one (1) fully paid ordinary share upon and from the date of satisfaction of the relevant vesting condition until the expiry date of 11 June 2024.

Vesting Conditions:

The Performance Rights will vest upon:

- the Volume Weighted Average Price over a period of 20 consecutive trading days on which trades in the Company's shares are recorded on ASX (20 day VWAP) being at least A\$0.30; and
- Ms Henson remaining a Non-Executive Director for a continuous period of 12 months.

The expense recognised in respect of the above performance rights was \$53,299 which represents the fair value of the performance rights. The value per performance right issued was \$0.137.

Condensed Notes to the Consolidated Financial Statements for the half-year ended 31 December 2021

The up and in trinomial model inputs, not included in the table above, for performance rights granted during the half-year ended 31 December 2021 included:

- a) performance rights issued for nil consideration;
- b) expected life of the performance rights is 2.5 years;
- c) share price at grant date of \$0.17;
- d) expected volatility of 100%;
- e) share price barrier of A\$0.30;
- f) expected dividend yield of nil; and
- g) a risk-free interest rate of 0.925%.

There were no Director share based payments during the half year ended 31 December 2020.

(c) Supplier share based payments

During the half-year ended 31 December 2021, the Company issued options to a financial adviser for services rendered during the period. These options have been valued using the Black-Scholes option pricing model.

Grant date	Expiry date	Exercise price	Balance at start of the period	Granted during the period	Exercised during the period	Expired during the period	Balance at end of the period	Exercisable at end of the period
15-10-2021	03-11-2024	\$0.18	-	7,000,000	-	-	7,000,000	7,000,000

The expense recognised in respect of the above options granted during the period was \$810,678. The value per option issued was \$0.116.

The model inputs, not included in the table above, for options granted during the half-year ended 31 December 2021 included:

- a) options were granted for no consideration;
- b) expected life of the options is 3.1 years;
- c) share price at grant date was \$0.185;
- d) expected volatility of 100%;
- e) expected dividend yield of nil; and
- f) a risk-free interest rate of 0.51%.

There were no Supplier share based payments during the half year ended 31 December 2020.

11. Commitments

In order to maintain an interest in the exploration tenements in which the Group is involved, the Group is committed to meet the conditions under which the tenements were granted. The timing and amount of exploration expenditure commitments and obligations of the Group are subject to the minimum expenditure commitments required as per the Mining Act, as amended, and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest.

These obligations are not provided for in the financial report and are payable. The annual minimum expenditure commitment on the Group's tenements is A\$226,000.

12. Dividends

No dividends have been paid or provided for during the half- year.

13. Contingent assets and liabilities

There are two historical royalty holders pursuant to agreements entered into by former owners of the Panton PGM Project unrelated to Future Metals or GNP. A 0.5% net smelter return royalty is payable to Elemental Royalties Australia Pty Ltd in respect of any future production of chrome, cobalt, copper, gold, iridium, palladium, platinum, nickel, rhodium and ruthenium and a 2% net smelter return royalty is payable to Maverix Metals (Australia) Pty Ltd on any PGMs produced from the mining licences.

Condensed Notes to the Consolidated Financial Statements for the half-year ended 31 December 2021

14. Events Occurring after the Reporting Period

On 15 January 2022, 840,001 unlisted options over fully paid ordinary shares exercisable at A\$0.357 lapsed unexercised.

On 31 January 2022, Mr Justin Tremain assumed the role of Non-Executive Chair following the resignation of Mr Greg Bandy who retired from the Board after more than 10 years of service.

On 31 January 2022, the Company announced the appointments of Mr Jardee Kininmonth as Chief Executive Officer ("CEO") and Mr Brian Talbot as Operational & Technical Lead Adviser. Both Mr Kininmonth and Mr Talbot joined Future Metals following successful senior management positions with Galaxy Resources Limited where Mr Kininmonth was Corporate Development Manager and Mr Talbot was Head of Australian Operations.

2,666,666 Class A Performance Rights and 2,666,667 Class B Performance Rights were converted into fully paid ordinary shares on 7 February 2022.

On 7 February 2022, the Company issued a total of 3,900,000 Performance Rights to the CEO and the Operational & Technical Lead. The Performance Rights will expire at 5:00 p.m. (WST) on or before 31 January 2025. The Performance Rights will vest as follows:

- iv. 1,300,000 vesting upon the completion of 12 months of continuous employment with Future Metals ("Tranche A");
- v. Subject to the vesting of Tranche A, 1,300,000 vesting upon the 20-day volume weighted average market share price ('VWAP') exceeding A\$0.30; and
- vi. Subject to the vesting of Tranche A, 1,300,000 vesting upon the Company announcing the completion of a Pre-Feasibility Study on the Panton PGM Project that results in the Board making a decision to undertake a Definitive Feasibility Study on the Panton PGM Project.

On 7 February 2022, the Company issued a total of 1,000,000 Performance Rights to its Exploration Manager. The Performance Rights will expire at 5:00 p.m. (WST) on or before 11 June 2024. The Performance Rights will vest as follows:

- iv. 333,333 following 12 months of continuous employment;
- v. 333,333 upon delivery of an updated JORC Resource; and
- vi. 333,334 upon the 20-day VWAP exceeding A\$0.25.

Further to the appointment of Barclay Wells Ltd to assist in the marketing of the Company and to introduce potential investors on a non-exclusive basis, the Company issued the following options on 7 February 2022:

- iv. 3,000,000 exercisable at A\$0.20 per share once the 20-day VWAP exceeds A\$0.30;
- v. 3,000,000 exercisable at A\$0.20 per share once the 20-day VWAP exceeds A\$0.40; and
- vi. 3,000,000 exercisable at A\$0.20 per share once the 20-day VWAP exceeds A\$0.50.

All of the options listed above have an expiry date of 22 June 2023.

There have been no other significant events subsequent to the end of the half-year period to the date of this report which significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

15. Profit / (Loss) per Share

Basic profit/(loss) per share amount is calculated by dividing net loss for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. The following reflects the profit/(loss) and share data used in the total operations basic and diluted earnings per share computations:

Condensed Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2021

	31-Dec-2021	31-Dec-2020
	\$	\$
Profit/(loss) used in calculating basic and dilutive EPS	(2,437,582)	250
		Number of Shares
Weighted average number of ordinary shares used in calculating basic profit/(loss) per share:	348,540,989	8,469,388

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements. As the Company is loss making, there is no diluted EPS calculated.

16. Related Party Disclosures

Allotment of Securities

On 7 December 2021, Non-Executive Director Elizabeth Henson was issued a total of 2,000,000 Performance Rights. The Performance Rights are to be voluntarily escrowed until 22 June 2023 and will expire at 5:00 p.m. (WST) on or before 11 June 2024. The Performance Rights will vest upon:

- the Volume Weighted Average Price over a period of 20 consecutive trading days on which trades in the Company's shares are recorded on ASX (20 day VWAP) being at least A\$0.30; and
- Ms Henson remaining a Non-Executive Director for a continuous period of 12 months.

Transactions with key management personnel were made at arm's length at normal market prices and on normal commercial terms. There were no other transactions with key management personnel for the period to 31 December 2021.

17. Segment Information

The Group has identified its operating segments based on the internal reports that are reported to the Executive Director (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The Board as a whole will regularly review the identified segment in order to allocate resources to the segment and assess its performance. The Group operates predominately in one industry, being the exploration of PGM. The main geographic area that the entity operates in is Australia.

In accordance with a resolution of the Directors of Future Metals NL, I state that:

1. In the opinion of the Directors:

- a) the financial statements and condensed notes of Future Metals NL for the half-year ended 31 December 2021 are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the period ended on that date; and
 - ii. complying with Accounting Standards AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001; and
- b) the financial statements and condensed notes also comply with International Financial Reporting Standards as disclosed in note 2.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Justin Tremain
Non-Executive Chairman

Perth, Western Australia
8 March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Future Metals NL,

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Future Metals NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd



Dean Just
Partner

Perth, 8 March 2022

About Platinum Group Metals (PGMs)

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

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

Schedule of Tenements

Project	Location	Tenement No.	Area	Interest
Panton PGM Project	Western Australia	M80/103	8.6km ²	100%
	Western Australia	M80/104	5.7km ²	100%
	Western Australia	M80/105	8.3km ²	100%

Competent Person's Statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information compiled by Mr Shane Hibbird, who is a Member of the Australasian Institute of Geoscientists. Mr Hibbird is a consultant of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Mr Hibbird consents to the inclusion in this report of the matters based upon his information in the form and context in which it appears.

References may have been made in this report to certain past ASX announcements, including references regarding exploration results. For full details, refer to the referenced ASX announcement on the said date. The Company confirms that it is not aware of any new information or data that materially affects the information included in these earlier market announcements.

The information in this report which relates to Mineral Resources was stated in the Company's ASX Prospectus dated 18 May 2021. The Company confirms that is not aware of any new information or data that materially affects the information included in the ASX Prospectus relating to Mineral Resources, and that all material assumptions and technical parameters underpinning the Resource Estimate continue to apply and have not materially changed.

The information in this report that relates to Metallurgical Results is based on, and fairly represents, information compiled by Dr Evan Kirby, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy. Dr Kirby is a full-time employee of Metallurgical Management Services (MMS) a specialist metallurgical consultancy and an independent consultant of the Company. Dr Kirby has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Dr Kirby consents to the inclusion in this report of the matters based upon his information in the form and context in which it appears.