

FUTURE METALS NL ACN 124 734 961

OPTIONS PROSPECTUS

For the offer of up to 159,691,684 New Options at an issue price of \$0.00025 per New Option, to raise up to \$39,923 (**Offer**).

The Offer is fully underwritten by CPS Capital Group Pty Ltd (**Underwriter**). Refer to Section 6.4 for the terms of the underwriting.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the New Options being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The New Options offered by this Prospectus should be considered highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 31 July 2024 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The New Options offered by this Prospectus should be considered as highly speculative.

Applications for New Options offered pursuant to this Prospectus can only be made by an original Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue anticipated in these statements. These risk factors are set out in Sections 1.2 and 5.

Overseas shareholders

The Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The Offer are not being extended and New Options will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

For further information on overseas Shareholders please refer to Section 2.12.

of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for New Options under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects',

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of its Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an

or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or

initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of New Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website www.future-metals.com.au.

By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.future-metals.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus, or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 9480 2500 during office hours or by emailing the Company at info@FMEOSmetals.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that

the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of New Options issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and

corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for New Options, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary on +61 8 9480 2500.

CORPORATE DIRECTORY

Directors

Patrick Walta
Executive Chairman

Justin Tremain
Non-Executive Director

John Carr
Non-Executive Director

Sam Rodda
Non-Executive Director

Company Secretary

Tom O'Rourke

Registered Office

Level 3, 1060
Hay Street
West Perth WA 6005

Telephone: +61 8 9480 0414

Email: info@future-metals.com.au

Website: www.future-metals.com.au

Auditor*

BDO Audit Pty Ltd
Level 9
Mia Yellagonga Tower 2
5 Spring Street
PERTH WA 6000

Share Registry*

Computershare Investor Services Pty Ltd
Level 17
221 St Georges Terrace
PERTH WA 6000

UK Depositary with regard to Depositary Interests*

Computershare Investor Services PLC
The Pavilions Bridgwater Road Bristol
BS99 6ZZ UNITED KINGDOM

Underwriter

CPS Capital Group Pty Ltd
Level 41
108 St Georges Terrace
PERTH WA 6000

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

1. KEY OFFER INFORMATION

1.1 Timetable

Action	Date*
Record Date for Offer (5:00pm AWST)	11 June 2024
General Meeting of Shareholders	25 June 2024
Lodgement of Prospectus with ASIC and ASX	31 July 2024
Opening Date	31 July 2024
Closing Date (5:00pm AWST)	14 August 2024
Shortfall notice deadline date	16 August 2024
Underwriter subscribes for shortfall	23 August 2024
Issue of New Options under the Offer	26 August 2024
Expected date of Official Quotation of New Options under the Offer	27 August 2024

* The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the New Options are expected to be quoted on ASX may vary with any change in the Closing Date.

1.2 Key statistics of the Offer

Options

	Full Subscription (\$39,923)
Offer Price per New Option	\$0.00025
Options currently on issue	55,851,643
Options issued under the Offer	159,691,684
Gross proceeds of the Offer	\$39,923
Options on issue Post-Offer	215,543,327

Notes:

1. Based on Full Subscription of \$39,923, being the fully underwritten amount under the Offer.
2. Refer to Section 4.2 for the terms of the New Options.

1.3 Key Risk Factors

Prospective investors should be aware that subscribing for New Options involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the New Options may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

2. DETAILS OF THE OFFER

2.1 Offer

As announced by the Company on 3 May 2024, the Company's FMEO class expired on 11 June 2024 (**FMEO Options**).

The Company is proposing to issue up to 159,691,684 Options, exercisable at \$0.06 on or before that date which is three years from the date of issue (**New Options**) at an issue price of \$0.00025 per New Option to raise up to \$39,923.

The Company obtained Shareholder approval to issue the New Options pursuant to Listing Rule 7.1 at its general meeting held on 25 June 2024 (**General Meeting**).

The New Options will be offered to all Australian and New Zealand resident holders of the FMEO Options (**Eligible FMEO Optionholders**), on the basis of one (1) New Option for every one (1) FMEO Option held at 5:00pm (AWST) on 11 June 2024 (**Record Date**) being the expiry date of the FMEO Options.

The offer of the New Options (**Offer**) is made under this Prospectus.

The maximum number of New Options to be issued under the Offer is 159,691,684 being the number of FMEO Options held by Eligible FMEO Optionholders on the Record Date. Only Eligible FMEO Optionholders may participate in the Offer.

All New Options under the Offer are being offered on the terms set out in Section 4.2 and any Shares issued upon the exercise of New Options will rank equally to the Shares currently on issue as at the date of this Prospectus. The Company intends to apply for Official Quotation for all New Options issued under the Offer as a secondary class of security on the Australian Securities Exchange (**ASX**).

The Company is also proposing to issue an aggregate of 1,833,333 New Options to Directors, subject to Shareholder approval at the Company's Annual General Meeting for the financial year ended 30 June 2024, to be held in November 2024.

2.2 Underwriting

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with CPS Capital Group Pty Ltd (**CPS** or **Underwriter**), pursuant to which the Underwriter has agreed to fully underwrite the Offer.

Pursuant to the Underwriting Agreement, the Underwriter will receive an underwriting fee equivalent to 6% of the gross amount raised under the Offer.

CPS is also engaged by the Company to provide consultancy services, which are invoiced on a monthly basis of \$6,000 plus GST, for a minimum 12 month term.

Further terms of the underwriting are set out in Section 6.4.

2.3 Effect on Control

As the Securities offered under this Prospectus do not contain voting rights, the offering of the New Options under the Offer will not change the voting power in the Company. In order to acquire voting rights, holders of New Options will need to exercise their New Options received in accordance with their terms.

2.4 Minimum subscription

There is no minimum subscription for the Offer.

2.5 Oversubscriptions

No oversubscriptions will be accepted by the Company.

2.6 Applications

Applications for New Options can only be made by Eligible FMEO Optionholders at the direction of the Company and must be made no later than 5.00pm (AWST) on the Closing Date using the appropriate Application Form accompanying this Prospectus and by following the instructions on the application form. The Company reserves the right to close the Offer early.

2.7 Implications of Completing an Application Form

By completing an Application Form, Applicants will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of this Prospectus.

2.8 ASX Listing

Application for Official Quotation of the New Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If the New Options are not admitted to Official Quotation by ASX before the expiration of three months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Options under the Offer. The fact that ASX may grant Official Quotation to the New Options is not to be taken in any way as an indication of the merits of the Company or the New Options now offered for subscription.

2.9 No AIM Admission

The New Options shall not be admitted to trading on AIM.

2.10 Issue of New Options

All New Options offered by this Prospectus will be issued in accordance with the ASX Listing Rules and timetable set out in Section 1 of this Prospectus.

2.11 Defects in Applications

If an Application Form is not completed correctly, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final. The Directors reserve the right to reject any application or to allocate any Applicant fewer New Options than the number applied for.

2.12 Overseas shareholders

The Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The Offer will not be extended and New Options will not be issued to Shareholders with a registered address outside of Australia and New Zealand.

(a) New Zealand

The New Options are not being offered or sold to the public within New Zealand other than to existing Shareholders who are Eligible FMEO Optionholders with registered addresses in New Zealand to whom the

offer of New Options is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021* (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

(b) United Kingdom

This document does not constitute an offer to the public within the meaning of sections 85 and 102B of the UK Financial Services and Markets Act 2000 as amended (**FSMA**), the UK Companies Act 2006 or otherwise. Accordingly, this document does not constitute a prospectus in the United Kingdom within the meaning of section 85 of FSMA and had not been drawn up in accordance with the UK Prospectus Rules or approved or filed with the UK Financial Conduct Authority.

(c) Nominees and custodians

Nominees and custodians may not submit an Application Form on behalf of any Eligible FMEO Optionholder resident outside Australia or New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

2.13 Enquiries

Any questions concerning the Offer should be directed to Thomas O'Rourke, Company Secretary, on +61 8 9480 0414.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the Offer

The purpose of the offer of New Options under this Prospectus is to enable the holders of the expired FMEO Options to continue participating in the ongoing development of the Company. The Company confirms that all New Options offered under this Prospectus are being issued with disclosure under this Prospectus (which is a disclosure document under Part 6D.2 of the Corporations Act).

Under the Offer, an amount of approximately \$39,923 (before expenses) will be raised. The funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 6.8 for further details relating to the estimated expenses of the Offer. In addition, if all New Options issued under this Prospectus are exercised into Shares, the Company will receive \$9,585,443.

3.2 Effect of the Offer

The principal effect of the Offer, assuming all New Options are issued, will be to:

- (a) increase the number of Options on issue from 55,851,643 Options as at the date of this Prospectus to 215,543,327 Options; and
- (b) to remove any trading restrictions attaching to the New Options and to enable the on-sale of any Shares issued on exercise of the New Options issued under this Prospectus.

3.3 Financial effect of the Offer

After expenses of the Offer of approximately \$51,074, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$39,923) will be met from the Company's existing cash reserves.

As such, the Offer will have an effect on the Company's financial position, being receipt of funds of \$39,923 less costs of making the Offer of approximately \$51,074.

Capital will however be raised if the New Options are exercised, which will affect the Company's balance sheet. The Company is unable to specify with any certainty the extent of any change to the balance sheet, given that there is no certainty if or when any of the New Options will be exercised.

3.4 Effect of the Offer on capital structure

The effect of the Offer on the capital structure of the Company, assuming all New Options are issued, is set out below.

Shares ¹	Number
Shares currently on issue	575,040,495
Shares offered pursuant to the Offer	Nil
Total Shares on completion of the Offer	575,040,495

Options	Number
Options currently on issue ²	55,851,643
New Options offered pursuant to the Offer ³	159,691,684

Options	Number
Total Options on completion of the Offer	215,543,327

Notes:

- The rights attaching to the Shares are summarised in Section 4.1 of this Prospectus.
- Comprising:
 - 7,000,000 Options exercisable at \$0.18 each on or before 3 November 2024; and
 - 48,851,643 Options exercisable at \$0.10 each on or before 3 July 2027.
- New Options to be issued under the Offer on the terms of which are set out at Section 4.2, each exercisable at \$0.06 on or before that date which is three years from the date of issue, on the basis of one (1) New Option for every one (1) FMEO Option held at 5:00pm (AWST) on the Record Date.

Performance Rights	Number
Performance Rights currently on issue	41,649,999
Performance Rights offered pursuant to the Offer	Nil
Total Performance Rights on completion of the Offer	41,649,999

The capital structure on a fully diluted basis as at the date of this Prospectus is 672,542,137 and on completion of the Offer (assuming all New Options offered under this Prospectus are issued and exercised into Shares) would be 832,233,821 Shares.

3.5 Substantial Shareholders

As at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Computershare Clearing Pty Ltd <CCNL DI A/C> ¹	87,841,000	15.28

Notes:

- This entity's interest in the Company's Shares represents the Depository Interests held by the Depository Interest Holders, in proportion to the total number of Shares on issue.

4. RIGHTS ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Securityholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Members are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Members may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Members or classes of Members:

- (i) each Member entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Member or a proxy, attorney or representative of a Member has one vote; and
- (iii) on a poll, every person present who is a Member or a proxy, attorney or representative of a Member shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Member's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Members and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Members entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Members any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be

applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Members in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Members or different classes of Members.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Member is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Member liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Members vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Members present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.2 Terms of the New Options

(a) **Entitlement**

Each New Option entitles the holder to subscribe for one Share upon exercise of the New Options.

(b) **Exercise Price**

Subject to paragraph(j), the amount payable upon exercise of each New Option will be \$0.06 (**Exercise Price**).

(c) **Expiry Date**

Each New Option will expire at 5:00 pm (WST) on the date that is three years from the date of issue (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

The New Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 10,000 must be exercised on each occasion.

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by lodging with the Company, before the Expiry Date:

- (i) a written notice of exercise of New Options specifying the number of New Options being exercised (**Notice of Exercise**); and
- (ii) a cheque or electronic funds transfer for the Exercise Price for the number of New Options being exercised.

A Notice of Exercise is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days of receipt of the Notice of Exercise accompanied by the Exercise Price (and subject to the Company obtaining any necessary prior approvals from Shareholders), the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If a notice delivered under (ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Securityholders during the currency of the New Options without exercising the New Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 4 Business Days after the issue is announced.

This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(k) **Change in exercise price**

A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Options can be exercised.

(l) **Transferability**

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

5. RISK FACTORS

5.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Risks specific to the Company

(a) Going concern risk

In the Company's annual report for the financial year ended 30 June 2023, lodged with ASX on 29 September 2023, the Notes to the Consolidated Financial Statements contained a note in relation to going concern.

The note draws attention to Note 2(a) of the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

As set out in the Company's half yearly report for the half year ended 31 December 2023, the Company's Directors have assessed the Company's cash flow requirements for the 12-month period from the date of the approval of the financial statements and its impact on the Company and believe there will be sufficient funds to meet the Company's working capital requirements.

(b) **Exploration and Operating Risk**

The tenements in which the Company has an interest (**Tenements**) are still subject to exploration. Mineral exploration and development are high-risk undertakings and there can be no assurance that future exploration of the Tenements, or any other mineral licences that may be acquired in the future will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will depend upon:

- (i) the Company's ability to maintain title to the Tenements;
- (ii) the Company being able to delineate economically mineable resources and reserves;
- (iii) positive movements in the price of platinum group metals and exchange rate fluctuations;
- (iv) the Company obtaining all consents and approvals (including environmental approvals) necessary to conduct its exploration activities; and
- (v) the successful management of development operations.

In the event that Company's exploration programs prove to be unsuccessful, this could lead to a diminution in the value of the Tenements, a reduction in the cash reserves of the Company and possible relinquishment of Tenements.

Until the Company is able to realise value from its Tenements, it is likely to incur ongoing operating losses.

(c) **Metallurgy**

Whilst a significant amount of metallurgical test work has been completed on the Project further test work is required to confirm metallurgical performance across variable composites.

(d) **Resources and Reserves**

There is a Mineral Resource Estimate in respect of the Company's Panton PGM Project. There are currently no Reserve estimates in respect of any of the Tenements. Reserve and Resource estimates are expressions of judgement based on knowledge, experience and industry practice.

Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature Resource and Reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.

(e) **Commodity Price Volatility and Exchange Rate Risk**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for platinum group metals, technological advancements, forward selling activities and other macroeconomic factors (such as inflation, interest rates, currency exchange rates and global and regional demand for, and supply of platinum group metals).

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(f) **Environmental Risks**

The operations and proposed activities of the Company in Australia are subject to State and Federal laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

There is also a risk that environmental laws and regulations may become more onerous, making the Company's operations more expensive.

(g) **Title Risks and Native Title**

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. Additionally, tenements are subject to periodic renewal. There is no guarantee that current or future tenements and/or applications for tenements or renewal of tenements will be approved.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. The existing Mining Leases constituting the Panton PGM Project were granted prior to the enactment of the *Native Title Act 1993* (Cth), however, on further renewal of those leases (not due until 2028) it is

expected that the renewal will need to comply with the future act provisions of the Native Title Act 1993 (Cth). In respect of any other tenements that the Company may acquire, if native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

(h) **Exploration Costs**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(i) **Mine Development**

Possible future development of mining operations at the Tenements is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production on any of the Tenements, its operations may be disrupted by a number of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the Projects.

The risks associated with the development of a mine will be considered in full, should the Tenements reach that stage.

(j) **Information Accuracy Risk**

The Company has acquired mining information in relation to its Tenements compiled by previous explorers. Any inaccuracies in that information could adversely affect the Company's ability to implement its planned exploration program.

(k) **Climate**

There are a number of climate related factors that may affect the operations and proposed activities of the Company, including, the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market challenges related to climate change mitigation. The Company may be impacted by

changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences.

Climate change may also cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

5.3 General risks

(a) Additional requirements for capital

The Directors consider the Company has sufficient funds to meet the immediate objectives of the Company. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operational plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. If such events occur, additional funding will be required.

The Company may seek to raise further funds through equity or debt financing, joint ventures, or other means. Failure to obtain sufficient financing for the Company's activities may result in delay and indefinite postponement of their activities and the proposed exploration and development strategy. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Company and might involve substantial dilution to Securityholders.

(b) Reliance on key personnel

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

(c) Economic and financial market risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of Securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(d) **Force majeure**

The Company, now or in the future, may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(e) **Trading price of Shares**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to, general economic conditions including the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(f) **Government Policy Changes**

Adverse changes in government policy or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in the jurisdictions where the Company's assets are or will be located may

change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

(g) **Litigation risk**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. The Company may also be involved in disputes with third parties in the future which may result in litigation. Should any such claim or dispute be determined not in the Company's favour, this may impact adversely on the Company's operations, financial performance and financial position.

(h) **Insurance**

The Company intends to obtain insurance for its operations in accordance with industry practice. However, the Company's insurance may not be of a nature or level to provide adequate insurance against all possible risks to the Company. The occurrence of an event that is not fully covered by insurance could have a material adverse effect on the Company.

Insurance of all risks associated with mineral exploration or production is not always available, and where available, the costs of such insurance may be prohibitive.

5.4 Speculative investment

The risk factors described above, and other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Securities offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Securities.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.2 Continuous Disclosure Obligations

As set out in the Important Notices Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act and as such, is subject to regular reporting and disclosure obligations. This Prospectus is a "transaction specific prospectus" which, in general terms, is only required to contain information relating to the effect of the issue of securities on the Company and the rights attaching to the securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the

lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
19 July 2024	Response to ASX Price and Volume Query
4 July 2024	Change of Auditor
4 July 2024	Notification of cessation of securities - FME
4 July 2024	Notification regarding unquoted securities - FME
3 July 2024	Change of Director's Interest Notice x4
3 July 2024	Notification of cessation of securities - FME
3 July 2024	Notification regarding unquoted securities - FME
3 July 2024	Cleansing Notice
2 July 2024	Change of Company Address
2 July 2024	Application for quotation of securities - FME
25 June 2024	Results of General Meeting
14 June 2024	Notification of cessation of securities - FME
12 June 2024	Application for quotation of securities - FME
24 May 2024	Notice of General Meeting/Proxy Form
24 May 2024	Letter to Shareholders
22 May 2024	Cleansing Notice
22 May 2024	Release of Securities from Voluntary Escrow
21 May 2024	Application for quotation of securities - FME
14 May 2024	FME Receives EIS Grant to Drill Eileen Bore Mineralisation
10 May 2024	Notification of Expiry of Quoted Options
3 May 2024	Proposed Options Entitlement Offer
29 April 2024	Quarterly Activities/Appendix 5B Cash Flow Report
10 April 2024	Initial Director's Interest Notice
2 April 2024	Final Director's Interest Notice
27 March 2024	Board & Management Changes
26 March 2024	Initial Director's Interest Notice
22 March 2024	Board Changes
15 March 2024	Half Yearly Report and Accounts
6 March 2024	Cleansing Notice
1 March 2024	Change of Director's Interest Notice
1 March 2024	Application for quotation of securities - FME
1 March 2024	Application for quotation of securities - FME
28 February 2024	Proposed issue of securities - FME
15 February 2024	Investor Presentation RIU Explorers Conference February 2024
13 February 2024	Multiple Drill Targets Identified Along 18km Corridor
9 February 2024	Change of Director's Interest Notice

Date	Description of Announcement
8 February 2024	Application for quotation of securities - FME
8 February 2024	Future Metals Successfully Raises A\$3.3M
8 February 2024	Supplementary Prospectus
31 January 2024	Quarterly Activities/Appendix 5B Cash Flow Report
17 January 2024	Company Update
15 January 2024	Update - Proposed issue of securities - FME
15 January 2024	Entitlement Issue - Extension of Closing Date
9 January 2024	Restricted Securities to be Released from Escrow
5 January 2024	Letter to Shareholders and Despatch to Eligible Shareholders
29 December 2023	Entitlement Issue Details for Depository Interest Holders
18 December 2023	Update - Proposed issue of securities - FME
15 December 2023	Entitlement Issue Prospectus
15 December 2023	Proposed issue of securities - FME
15 December 2023	Proposed issue of securities - FME
15 December 2023	Underwritten Non-Renounceable Entitlement Issue
14 December 2023	Application for quotation of securities - FME
13 December 2023	Trading Halt
7 December 2023	Investor Webinar
7 December 2023	Panton Project - Scoping Study Presentation
7 December 2023	Panton PGM-Ni-Chromite Project Scoping Study
5 December 2023	Trading Halt
28 November 2023	Cleansing Notice
27 November 2023	Application for quotation of securities - FME
23 November 2023	Change of Director's Interest Notice
23 November 2023	Application for quotation of securities - FME
22 November 2023	Initial Director's Interest Notice
22 November 2023	Notification regarding unquoted securities - FME
20 November 2023	Final Director's Interest Notice 2x
20 November 2023	Results of Meeting
17 November 2023	Update - Proposed issue of securities - FME
17 November 2023	Acquisition of Osprey
15 November 2023	Board Changes and AGM Resolutions Updates
6 November 2023	Variation to Option Agreement
31 October 2023	Quarterly Activities/Appendix 5B Cash Flow Report
26 October 2023	Resource Upgrade Defines Pantons Impressive Grade & Scale
19 October 2023	Letter to Shareholders
19 October 2023	Notice of Annual General Meeting/Proxy Form

Date	Description of Announcement
9 October 2023	Proposed issue of securities - FME
9 October 2023	Executive Chair Appointment and Board Changes
6 October 2023	Notice of AGM and Closing Date for Director Nominations
5 October 2023	Proposed issue of securities - FME
5 October 2023	FME Doubles Strategic Exploration Position Near Panton
29 September 2023	Appendix 4G and Corporate Governance Statement

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours. The announcements are also available through the Company's website at www.future-metals.com.au.

6.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX. The highest, lowest and last market sale prices of the Shares on ASX during the three months preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	0.029	30 April 2024
Lowest	0.019	26 & 28 June 2024 and 2,3,5,8,15 and 16 July 2024
Last practicable date preceding the date of lodgement of this Prospectus	0.022	25 July 2024

Whilst it is intended that the New Options will be quoted, there is no current market or trading history for the New Options. It is not possible to predict what value the New Options or Shares will be following the Offer and the Directors do not make any representations as to such matters.

6.4 Underwriting Agreement

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with CPS Capital Group Pty Ltd (**CPS** or **Underwriter**), pursuant to which the Underwriter has agreed to fully underwrite the Offer, being up to 159,691,684 New Options (the **Underwritten Options**).

The Underwriter and the Company may appoint sub-underwriters to sub-underwrite the Offer.

The material terms and conditions of the Underwriting Agreement are summarised below:

Fees	The Company has agreed to pay the Underwriter an underwriting fee of 6% of the gross amount raised under the Offer.
Termination Events	CPS may terminate its obligations under the Underwriting Agreement if: (a) (Indices fall) : any of the following indexes closes on any 2 consecutive trading days before the shortfall

notice deadline date 10% or more below its respective level as at the close of business on the Business Day prior to the execution date (ASX, Dow Jones, S&P 500, Nasdaq, Russell 2000, FTSE, Nikkei or Shanghai SE Comp);

- (b) **(Share Price)**: the price of ASX:FME falls below AUD\$0.017 per share on any 5 consecutive trading days before the shortfall notice deadline date;
- (c) **(Restriction on issue)**: the Company is prevented from issuing the New Options within the time required by the Second Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (d) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt. 6.10 of the Corporations Act, which in CPS' reasonable opinion has a material adverse effect; or
- (e) **(Termination Events)**: subject to in the reasonable opinion of CPS reached in good faith, it has or is likely to have, or those events together have, or could reasonably be expected to have, a material adverse effect or could give rise to a material liability of CPS under the Corporations Act, upon the occurrence of any of the following events:
 - (i) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Second Underwriting Agreement involving one or more of Egypt, Australia, New Zealand, Indonesia, Japan, Russia, Iran, Israel, the United Kingdom, the United States of America, India, Pakistan, the People's Republic of China, or any member of the European Union, other than hostilities involving Libya, Afghanistan, Iraq, Syria, Israel or Lebanon, and CPS (on reasonable grounds) that the outbreak or escalation is likely to result in any of the indexes stipulated in paragraph (a) falling by the percentage contemplated by paragraph (a);
 - (ii) **(Default)**: default or breach by the Company under the Second Underwriting Agreement of any terms, condition, covenant or undertaking which is incapable of remedy or is not remedied by the date valid applications are required to be lodged;
 - (iii) **(Adverse change)**: an event occurs which gives rise to a Material Adverse Effect in relation to the Company's assets, liabilities, financial position, trading results, profits,

	forecasts, losses, prospects, business or operations of the Company;
(iv)	(Event of Insolvency) : an event of insolvency occurs in respect of the Company;
(v)	(Judgment against a Relevant Company) : a judgment in an amount exceeding \$50,000 is obtained against the Company and is not set aside or satisfied within 7 days;
(vi)	(Litigation) : litigation, arbitration, administrative or industrial proceedings are after the date of the Second Underwriting Agreement is commenced against the Company of a material nature;
(vii)	(Board and senior management composition) : there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the New Options without the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed);
(viii)	(Force Majeure) : a force majeure affecting the Company's business or any obligation under the Second Underwriting Agreement lasting in excess of 7 days occurs; or
(i)	(Market Conditions) : a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

6.5 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security Holdings

Directors are not required under the Company's Constitution to hold any Securities to be eligible to act as a director. The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus and following completion of the Offer are set out in the tables below:

Date of this Prospectus

Director	Shares	Options	Performance Rights
Patrick Walta	1,666,667	Nil	25,000,000
Justin Tremain	5,333,333	Nil	3,500,000
John Carr	1,666,667	Nil	3,500,000
Sam Rodda	333,333	Nil	3,500,000

Completion of the Offer

Director	Shares	Options¹	Performance Rights
Patrick Walta	1,666,667	Nil	25,000,000
Justin Tremain	5,333,333	Nil	3,500,000
John Carr	1,666,667	Nil	3,500,000
Sam Rodda	333,333	Nil	3,500,000

Notes:

1. The Company is proposing to issue an aggregate of 1,833,333 New Options to Directors, subject to Shareholder approval at the Company's Annual General Meeting for the financial year ended 30 June 2024, to be held in November 2024.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Securityholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration paid to the Directors as disclosed in the Company's 2023 Annual Report and proposed remuneration for the current financial year.

Director	Proposed remuneration for the FY ending 30 June 2025 (\$)	Remuneration for the FY ended 30 June 2024 (\$)	Remuneration for the FY ended 30 June 2023 (\$)
Patrick Walta	418,387 ¹	741,517 ²	Nil ³
Justin Tremain	47,398 ⁴	56,610	79,560 ⁵
John Carr	47,398 ⁶	9,000	Nil ⁷
Sam Rodda	47,398 ⁸	9,000	Nil ⁹

Notes:

1. Comprising \$360,000 in salary, \$41,400 in superannuation and an estimated \$16,987 in share-based payments.
2. Comprising \$224,000 in salary, \$24,640 in superannuation and an estimated \$492,877 in share-based payments.
3. Appointed on 17 November 2023.
4. Comprising \$36,000 in director's fees in salary and an estimated \$11,398 in share-based payments.
5. Comprising \$72,000 in director's fees and \$7,560 in post-employment benefits.
6. Appointed on 22 March 2024.
7. Comprising \$36,000 in director's fees in salary and an estimated \$11,398 in share-based payments.
8. Comprising \$36,000 in director's fees in salary and an estimated \$11,398 in share-based payments.
9. Appointed on 27 March 2023.

6.6 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$153,109.38 (excluding GST and disbursements) for legal services provided to the Company.

CPS Capital Group Pty Ltd has acted as Underwriter to the Offer. The Company will pay the Underwriter the fees set out in Section 2.2. During the 24 months preceding lodgement of this Prospectus with the ASIC, the Underwriter been paid fees totalling \$216,998.88 (excluding GST) for services provided to the Company.

6.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus, Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

CPS Capital Group Pty Ltd has given its written consent to being named as the Underwriter to the Offer in this Prospectus. The Underwriter (including its related

entities) is not a Securityholder of the Company and currently has no relevant interest in any of the Company's securities.

6.8 Estimated Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$51,074 (excluding GST) and are expected to be applied towards the items set out in the table below:

Item	Amount
ASIC fees	\$3,206
ASX fees	\$25,473
Legal fees	\$15,000
Underwriting fee	\$2,395
Miscellaneous (including printing and distribution)	\$5,000
Total	\$51,074

7. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented, and as at the date of this Prospectus has not withdrawn his consent, to the lodgement of this Prospectus with the ASIC.

8. GLOSSARY

\$ means an Australian dollar.

£ means Pound Stirling.

AIM means the AIM market of the London Stock Exchange plc.

AIM Rules means the AIM Rules for Companies, published by the London Stock Exchange.

General Meeting means the upcoming general meeting to be held on 17 May 2024.

Applicant means an investor that applies for New Options pursuant to the Offer.

Application Form means the application form attached to or accompanying this Prospectus.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

AWST means Australian Western Standard Time as observed in Perth, Western Australia.

Board means the board of Directors as constituted from time to time.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable in the Section 1 (unless extended or closed earlier).

Company means Future Metals NL (ACN 124 734 961).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Depository Interest Holder means a holder of Depository Interests.

Depository Interest means the depository interests issued by Computershare Investor Services PLC representing Shares which may be traded through CREST in dematerialised form.

Eligible FMEO Optionholders has the meaning given in Section 2.1 and includes all Australian and New Zealand based holders of the Company's expired FMEO Class of Options.

GMT means Greenwich mean time.

New Option means an Option issued on the terms set out in Section 4.2.

Offer means the offer of New Options pursuant to this Prospectus and as set out in Section 2.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Opening Date means the opening date of the Offer as set out in the indicative timetable in Section 1.

Option means an option to acquire a Share, including where the context requires, a New Option.

Optionholder means a holder of an Option, including where the context requires, a New Option.

Offer means the offer of New Options to Eligible FMEO Optionholders under this Prospectus.

Performance Right means a right to acquire a Share.

Prospectus means this prospectus.

Section means a section of this Prospectus.

Securities means Shares and/or Option as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

UK Depository means Computershare Investor Services PLC.