11 April 2023

ASX ANNOUNCEMENT

SAINTS NICKEL PROJECT DELIVERS POSITIVE SCOPING STUDY

Scoping Study Highlights

- **Positive Scoping Study confirms potential viability of the 100% owned Saints Nickel Project, located in the Tier 1 nickel mining jurisdiction of the Norseman-Wiluna Greenstone Belt in Western Australia**
- **Simple infrastructure and mine development requirements support a simple toll treatment operation within close proximity of several third-party concentrators operating in the Leinster-Kalgoorlie-Kambalda region**
- **Twin box cut and decline developments centred on the St Patricks and St Andrews deposits, respectively.**
- **Metallurgical testwork completed with saleable concentrate produced comprising grades of 10-14% Ni with excellent recoveries of 80–87% for nickel, 95% for copper and 84–92% for cobalt**
- **Baseline environmental studies well advanced to facilitate the permitting process for potential development**
- **Future Battery Minerals (FBM) to commence a follow up Pre-Feasibility Study (PFS) with the aim of realising an economic return from its flagship nickel sulphide project.**

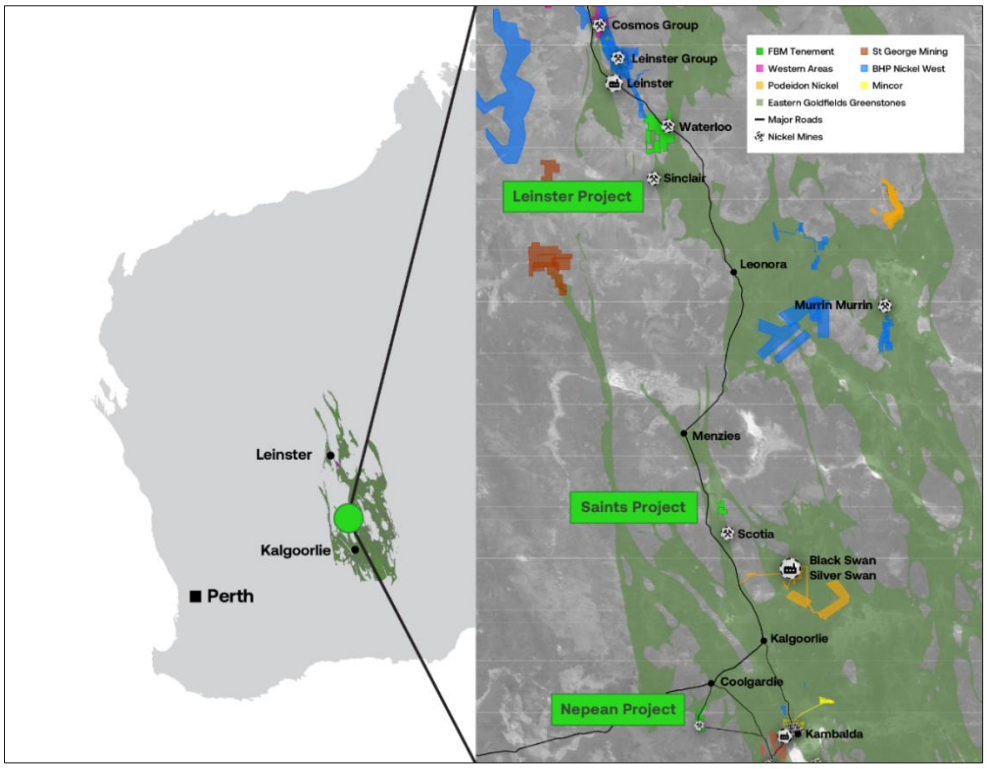

Figure 1 - Location of FBM's Nickel Projects in WA

CAUTIONARY STATEMENT

*The Scoping Study (**Scoping Study** or **Study**) referred to in this announcement has been undertaken to internally determine the next phase of work programmes at the Saints Nickel Project. The Scoping Study is a preliminary technical and economic study of the potential viability of this project based on low level technical and economic assessments (+/- 30% accuracy) that are not sufficient to support the estimation of Ore Reserves or to provide any assurance of an economic development case. A simple mining and trucking operation has been examined within this Scoping Study. Further exploration and evaluation work and appropriate studies are required before Future Battery Minerals Limited (**FBM**; the **Company**) is able to estimate any ore reserves or to provide any assurance of an economic development case.*

Approximately 70% of the resources in the Life of Mine (LOM) production is in the Indicated Mineral Resources category and 30% of the resources is in the Inferred Mineral Resources category. The Company has concluded it has reasonable grounds for disclosing a Production Target, given that the Scoping Study assumes that 70% of mineral resources production comes from the Indicated Resources category. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of further Measured or Indicated Mineral Resources or that the Production Target or preliminary economic assessment will be realised.

The Company confirms that the Saints Nickel Project is financially viable when excluding the Inferred Resources in the production schedule.

The Scoping Study is based on the material assumptions outlined below in this announcement. While the Company considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Scoping Study will be achieved.

To achieve the potential mine development outcomes indicated in the Scoping Study, funding in the order of A$10–12 million (M) will likely be required. Investors should note that there is no certainty that the Company will be able to raise funding when needed, however the Company has concluded it has a reasonable basis for providing the forward looking statements included in this announcement and believes that it has a "reasonable basis" to expect it will be able to fund the development of the Saints Nickel Project via a potential mix of debt and equity.

It is also possible that such funding may only be available on terms that may be dilutive to, or otherwise affect the value of the Company's existing shares. It is also possible that the Company could pursue other "value realisation" strategies to provide alternative funding options or value realisation that may include project finance, sale, partial sale or other commercial paths.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the Scoping Study.

Executive Chairman Mike Edwards commented:

"We are extremely pleased with the positive Scoping Study results and see this as a significant step forward in de-risking the Saints Nickel Project. When the Company commenced the Study, the aim was to understand the economics of the existing Resource and the potential to commercialise and fund further exploration from the base of underground development. The free cash flows generated by a simple and short-term underground mining operation of the existing high-grade Resource now provides the Company with the confidence to undertake a Pre-Feasibility Study (PFS) and to continue exploration work. However, the Project provides substantial upside if current nickel prices persist or if exploration successfully discovers further resources at depth to potentially extend the life of mine."

EXECUTIVE SUMMARY

The Scoping Study has demonstrated potentially strong financial metrics for the Saints Nickel Project based on a relatively low pre-production capital cost of A$8.6M. Based on the key Base Case scenario assumptions as described in the 'Financial Results' section, Appendix 1 and 2 and Table 2 below, project payback is modelled to occur within only 12 months of development from a 5-year Life of Mine (LOM).

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

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

The Scoping Study was completed to an overall +/-30% accuracy using the key parameters and forecast assumptions set out in Table 1 and as further outlined in the Material Assumptions section in Appendix 1 at the end of this document.

Table 1 - Key Base Case Saints Scoping Study Financial Metrics

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

DETAILED SUMMARY

Background

The Saints Nickel Project (Saints) (Future Battery Minerals 100%) is located approximately 65km northwest of Kalgoorlie and 7km east of the Goldfields Highway. The tenement package comprises two mining leases covering an area of approximately 20km^2 of prospective Archaean greenstone belt geology within the Eastern Goldfields province of the Yilgarn Craton. The Saints Nickel Project sits in the same sequence of rocks that host the historical Scotia nickel mine, 15km to the south. Scotia produced 30,800 tonnes of contained nickel at 2.2% nickel before closing in July 1977.

Geological Description

The Saints tenements encompass a portion of the Archaean Norseman-Wiluna Greenstone Belt of the Kalgoorlie Terrane – Boorara Domain within the Eastern Yilgarn Craton of Western Australia. The tenements are located on the western limb of the Scotia-Kanowna Anticline within the Bardoc Tectonic Zone, which occurs along the western margin of the Scotia-Kanowna Batholith. The stratigraphy is upright and dips steeply to the west, consisting of mafic, ultramafic and metasedimentary/meta-volcaniclastic/felsic volcanic units.

The Saints Nickel Project contains three known occurrences of nickel sulphide mineralisation: Saint Andrews, Saint Patricks and the Western Contact. These deposits are regarded as Archaean Kambalda style, komatiite-hosted, massive nickel sulphide mineralisation. Saints occurs within the Menzies-Bardoc tectonic zone in ultramafic units equivalent to the Highway Ultramafics. The main sulphide species recognised in all three prospects are pyrrhotite, pentlandite, chalcopyrite and pyrite, with violarite in the transitional to weathered zones. High grade nickel mineralisation occurs as massive or matrix sulphides in the main modelled resource zones with disseminated or cloud sulphides occurring in the hanging wall position proximal to mineralisation in some areas. Mineralisation widths range from one to two metres up to six metres (true width).

Mineral Resources

The Mineral Resource Estimate (MRE) underpinning this Study was announced to the ASX on 10 August 2022 and totals 911kt @ 2.3% Ni, 0.17% Cu and 0.07% Co which equates to 20,995 tonnes contained nickel (Ni), 1,570 tonnes contained copper (Cu) and 631 tonnes of contained Cobalt (Co). The Resource includes both Indicated and Inferred classifications, with Indicated Resources accounting for approximately 65% of the global Resource (Table 2). A cut-off grade of 1.0% Ni has been utilised for the MRE (Table 3). The Mineral Resources have been prepared by a Competent Person as named in that announcement.

There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of further Measured or Indicated Mineral Resources or that the Production Target or preliminary economic assessment will be realised.

Table 2 - Saints Mineral Resource Estimate (1% Ni Cut-off Grade) - August 2022

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

Note: Rounding may cause some computational discrepancies

Table 3 - Saints Mineral Resource Estimate (August 2022) at Varying Cut-off Grades

Cut-off Grade % Ni	Tonnage t	Ni %	Cu %	Co %	Ni Tonnes	Cu Tonnes	Co Tonnes
0.30	3,770,347	1.08	0.06	0.03	40,679	2,380	1,169
0.40	3,749,792	1.08	0.06	0.03	40,601	2,376	1,165
0.50	3,702,967	1.09	0.06	0.03	40,380	2,369	1,158
0.60	3,087,682	1.19	0.07	0.03	36,870	2,210	1,054
0.70	2,198,371	1.42	0.09	0.04	31,131	1,945	891
0.80	1,274,824	1.90	0.14	0.06	24,197	1,727	707
0.90	1,020,686	2.16	0.16	0.06	22,036	1,625	655
1.00	**911,277**	**2.30**	**0.17**	**0.07**	**20,995**	**1,570**	**631**
1.25	771,668	2.52	0.19	0.08	19,483	1,496	596
1.50	692,817	2.66	0.21	0.08	18,407	1,445	564
2.00	578,476	2.82	0.22	0.08	16,334	1,274	484
2.50	326,443	3.27	0.25	0.09	10,686	806	292

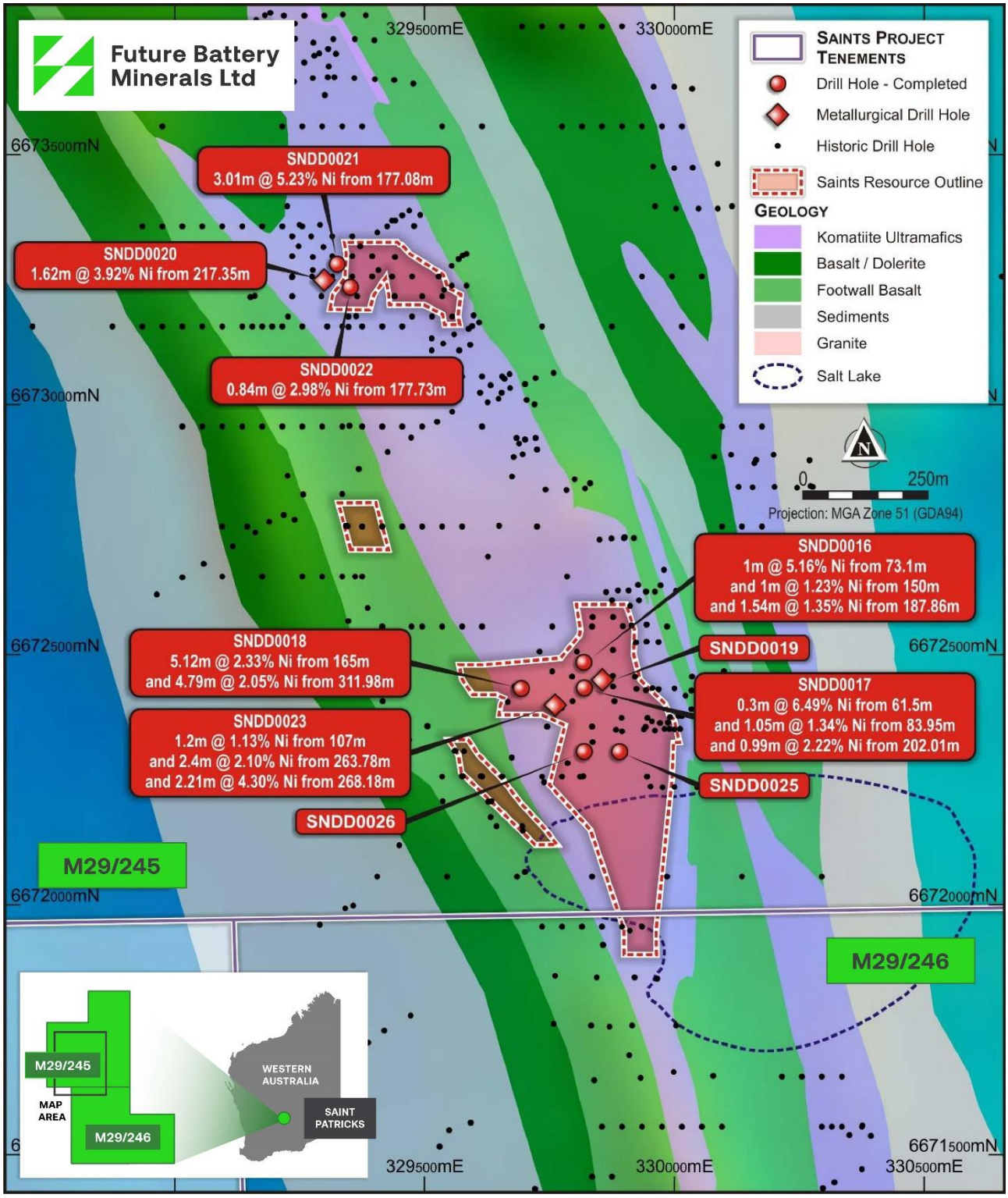

Figure 2 - Plan view of Saints Nickel Project (with latest infill drilling leading to updated MRE)

Mining Method

The approach of the mining strategy development for Saints has been derived from several key drivers including:

- Current corporate structure of Future Battery Minerals Limited;
- Size of the defined Resource;
- General thicknesses of the identified lodes;
- Modelled grades within the lodes;
- Preliminary desktop geotechnical assessment; and
- Saints Nickel Project location and associated infrastructure and services in the region.

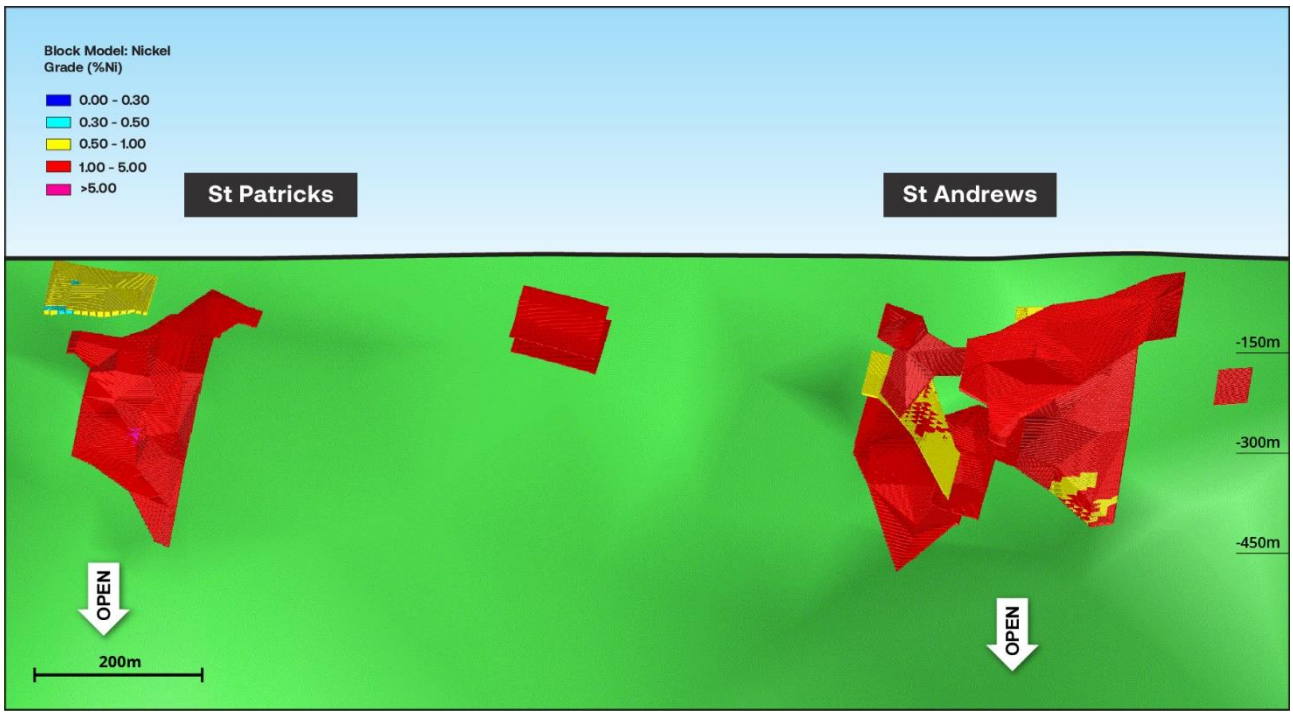

Figure 3 - Long section Saints MRE

No detailed mining method comparison studies were completed at this stage of study, based on the geotechnical analysis and mineral resource geometry, the following methods would be most applicable for development of study metrics.

1. Cut & Fill; and
2. Short Lift open stoping – Long hole benching

The following mining description in this announcement contains certain references to “Ore”. Any reference to "Ore" in this announcement is used only in relation to the mining method and does not indicate an Ore classification of the Saints Mineral Resource estimate as defined by the 2012 JORC Code.

Due to the narrow width and spread of the Saints Mineral Resource, access waste development is a key cost driver and will require twin boom jumbo sized equipment. Lode geometry will necessitate short sublevels or at least limited mining bench heights.

Cut and fill could utilise one set of equipment for both waste development and ore stope break or at least use a twin boom jumbo for waste development and a single boom narrow vein jumbo for ore break, only requiring jumbo operators. It can be selective if split ore and waste firings are adopted (resuing), but is high cost and low break productivity due to the requirements for backfill and additional ground support.

Short lift open stoping would be applicable (such as at Mt Mclure, Coolgardie Gold style) in the stope limits defined as it would be lower cost and more productive due to larger break rates and less ground support. The issue with this option is that it requires specialist equipment for drilling and charging of the long holes as well as remote bogging.

A potential outcome is a combination of both of these methods in conjunction with selective mining of the mineral resource and waste within the cut and fill cycle to create a highly selective short vertical lift mining method.

This extraction method will utilise nominal 20m sub-levels.

Potential trade-offs are the amount of jumbo break versus amount of long hole break against total clean material recovered. The other trade-off is additional equipment required for the up-hole stoping option over a 10m height. Although it is possible that remote bogging equipment may be needed for all options, it will be a necessity for the up-hole benching option.

By selecting a full long hole system over a stoping height of 15 meters from back to floor, removing any need for back fill as required in cut and fill, would allow a simple mining cycle that is common practice in the region. Additional fleet and personnel are required over that needed for the cut and fill only option, however that is off-set by having the full mining fleet onsite at all times that allows all development, production and ancillary rising to be completed.

For the completion of this Scoping Study, the long hole mining method without cut and fill has been selected.

Capital Development and Access

With the stope limits defined a primary development design was completed to access the Patricks and Andrews stopes. The design used two separate box cuts as initial attempts found that one central box cut did not fit with the stope locations. Total volume of the box cut excavations amounts to 314,300 m3 down to a target level of 335m.

Due to the expected “Good” to “Very Good” ground conditions and narrow stope widths, having a decline in the ultramafic and in selected stope hanging walls is not a major design flaw. A footwall basalt location would be preferred but not a requirement.

It should be noted that the slope angles of the boxcut were not determined from any geotechnical analysis but rather used conservative angles obtained from the mining consultants database of similar projects. The main purpose of the boxcut design is as an indicator for position and to provide a volume estimate used in the cost calculation in financial model.

The box cuts have been placed as to allow potential recovery of oxide mineral resource during excavation but no resource in the pits have been modelled.

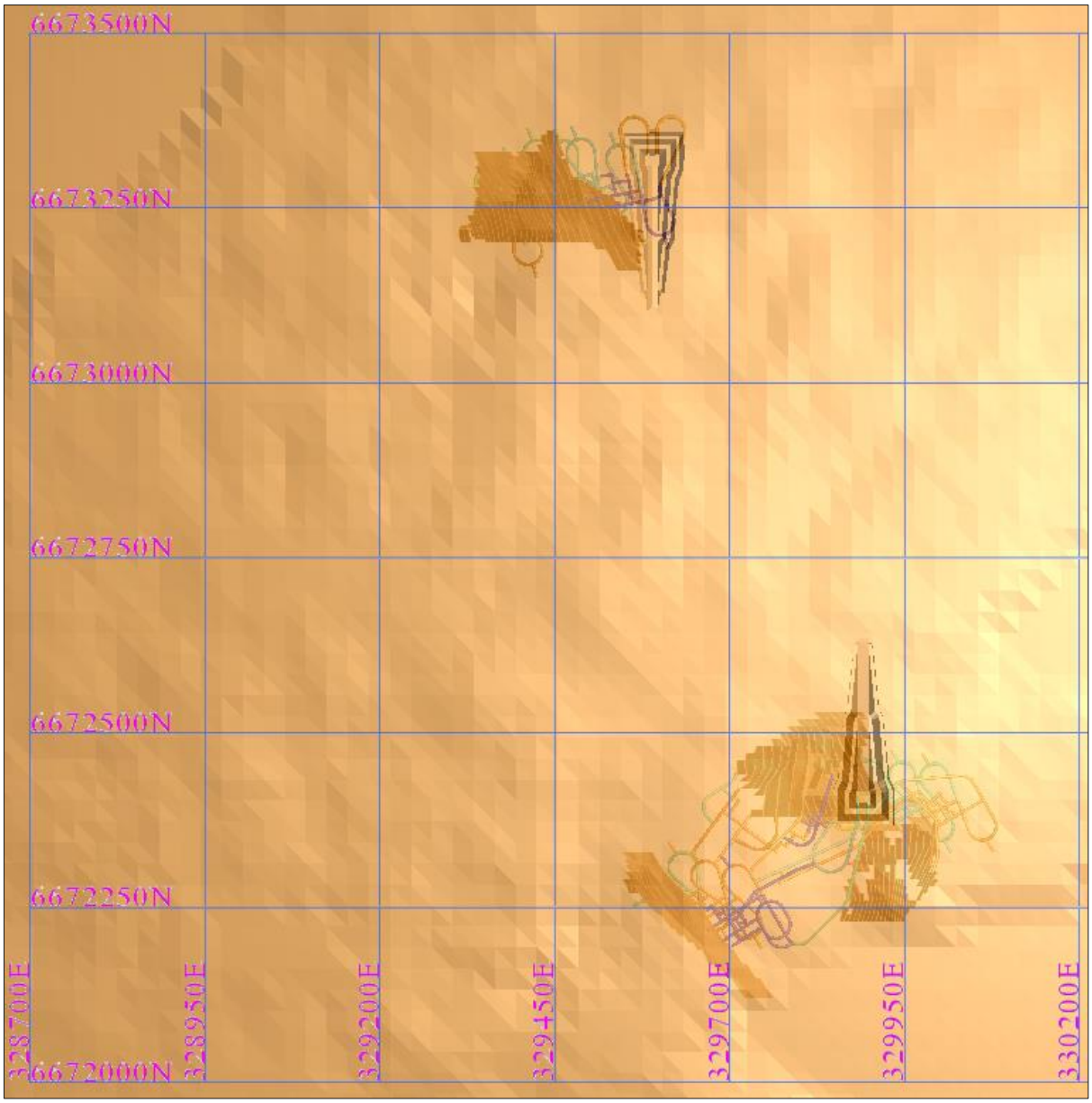

Figure 4 - Boxcut Location

A general principal of a 1 in 7 gradient decline on a 5 m wide x 5.5 m high cross section using 20 m centre line radius corner was used to access the stopes on a design 20 m sub-level basis.

Level accesses were designed for all lodes and associated ventilation. Emergency egress and stockpile development were designed.

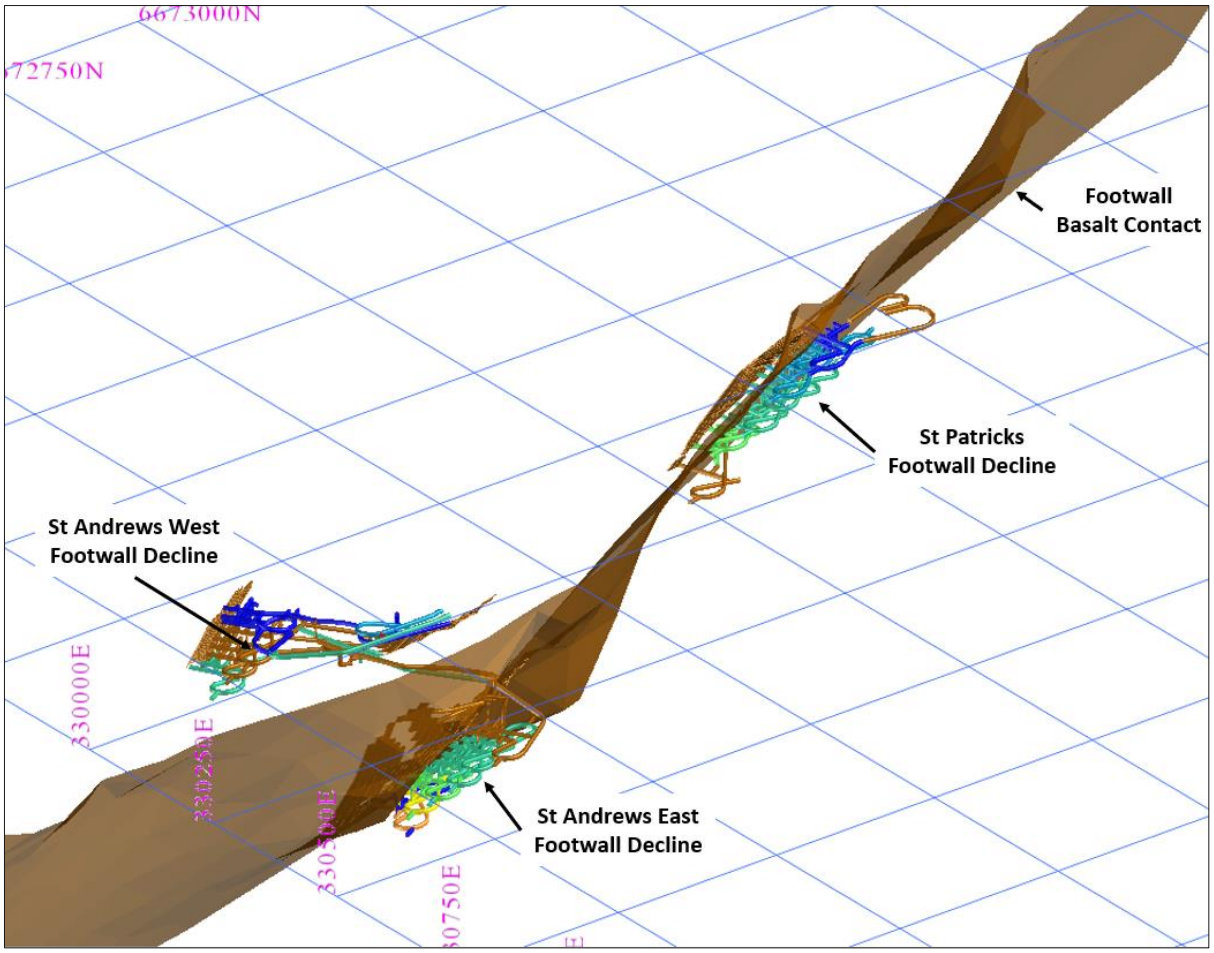

Figure 5 - Primary Declines Locations – Schematic View

The development principal is a figure eight decline design to maximise potential drill platforms and overlap level access drives to facilitate vent and emergency egress connections. Plunge and dip of the Mineral Resource make the design non-uniform resulting in a less that optimum design outcome for the level access development.

Revised development designs focussed on reducing the amount of waste break required to access the mineral resource. The revisions saw the level access development waste break fall by 27% over initial designs but lateral regional development (St Andrews West to East connection drives) and lateral access development increased to access the increased scoping limits.

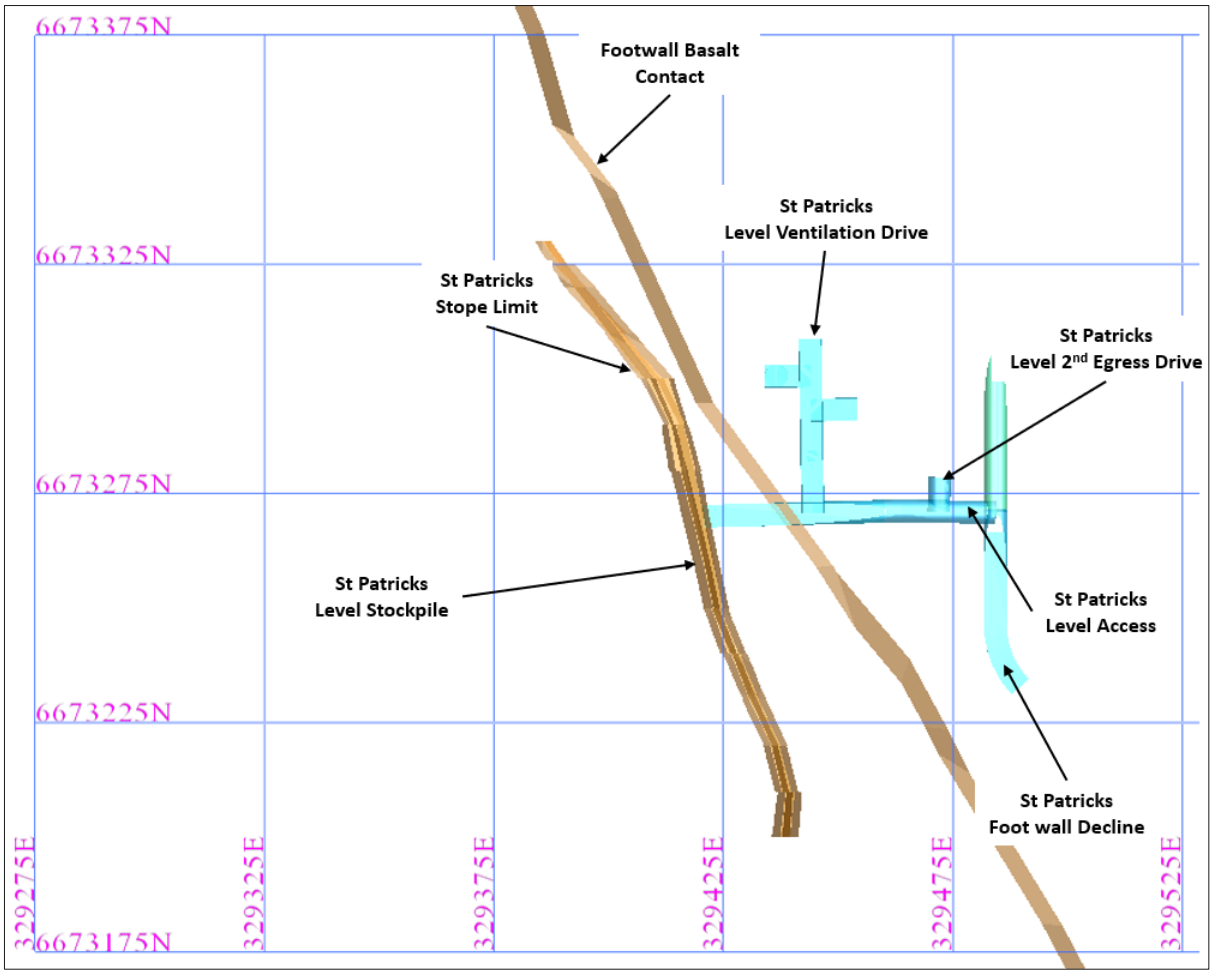

Figure 6 - St Patricks Sample Level Layout

St Andrews is comparatively more complicated due to multiple lodes in the area requiring an upper layout accessing two hanging wall lodes in the ultramafic unit and a lower decline accessing a foot wall lode from the basalt. Lode separation distances prevent the use of a single decline to access all lodes.

The design for the St Andrews upper decline has optimisation potential by changing the decline position to allow for the ramp to change its position and orientation to reduce the waste cross cut distances between the two lodes. Waste break reductions of up to 40% could be possible with an improved decline position.

Further drilling may define stope extensions and the position of the decline is meant to allow for drill platforms for extensional drilling.

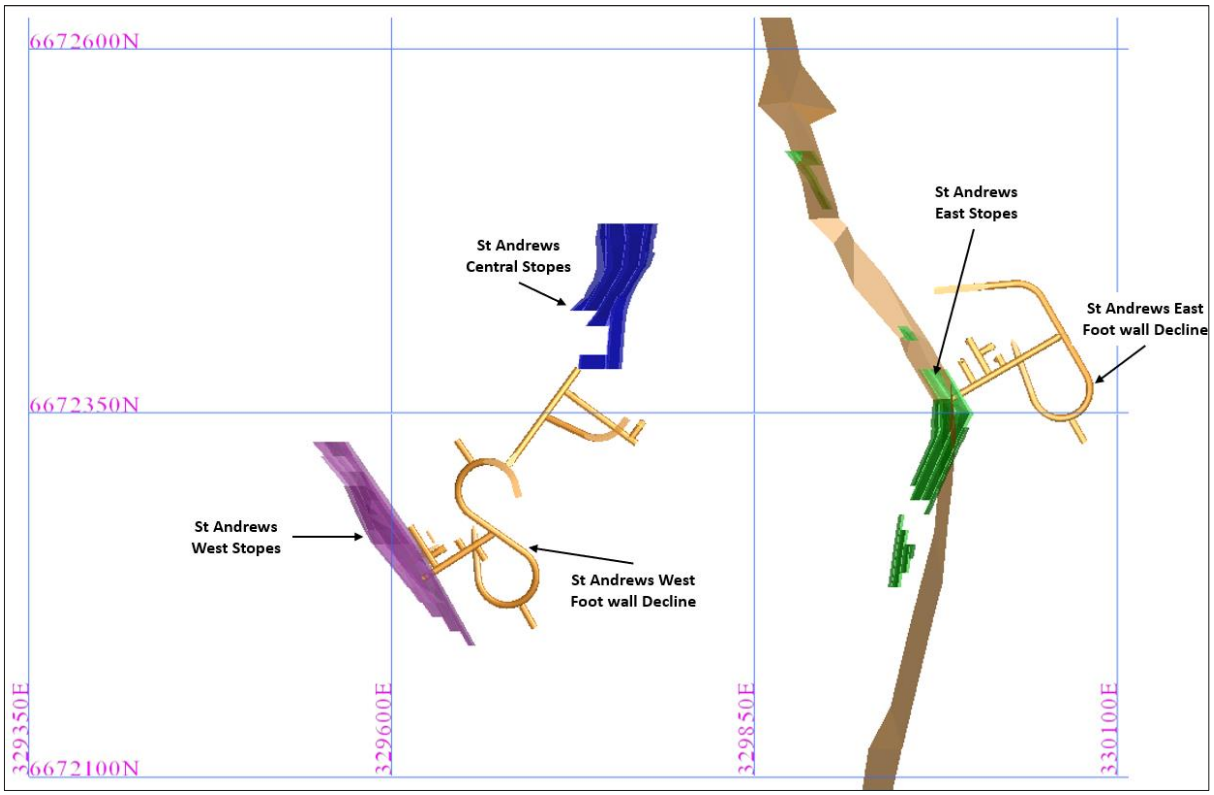

Figure 7 - St Andrews Sample Level Layout

Presently the mining schedule proposes to exploit resources from both the Indicated and Inferred resources category. Notably the majority of the higher risk Inferred resources do not feature until late in the mine schedule, as shown below in Figure 8.

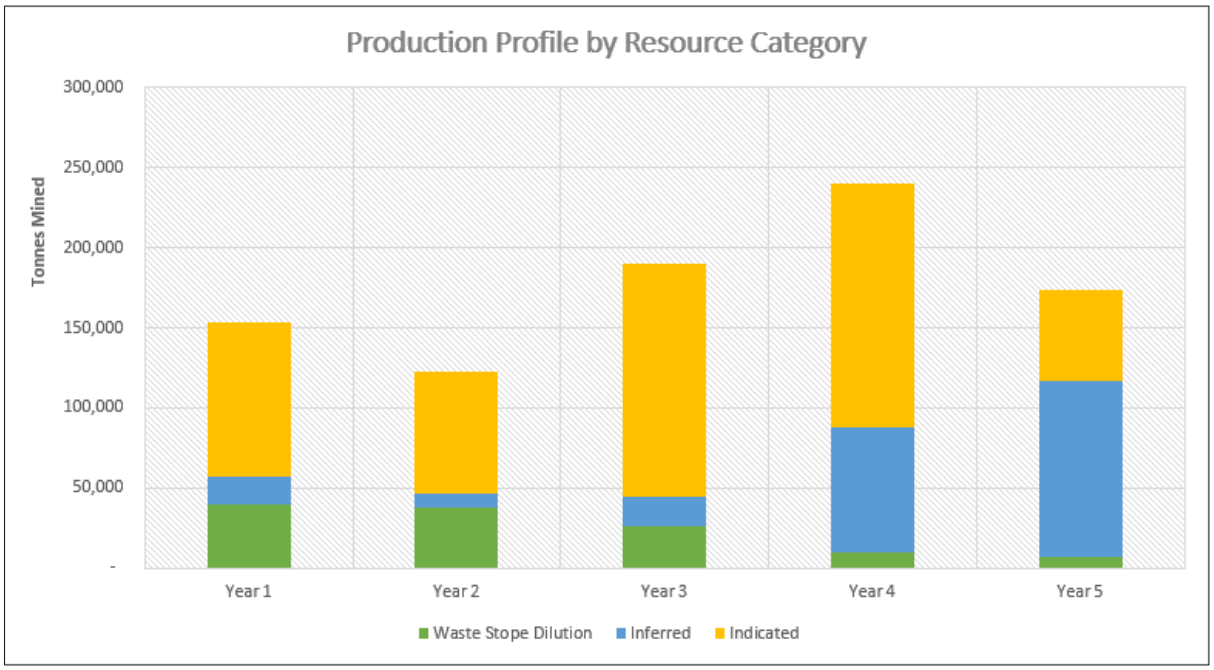

Figure 8 - Production Profile by Resource Category

Operating Structure

The size of the Resource and the geometry of the lodes suits a selective mining approach to the Saints Nickel Project. The likely production rate also suggest that it will best suit a small crew/infrastructure approach.

With the proximity of the Saints Nickel Project to Kalgoorlie and Menzies, the need for a site camp is unlikely but a drive in/drive out (DIDO) operation may have an impact on productivity efficiencies. The capital cost for a new camp would likely be cost prohibitive with the size of the resource defined and so DIDO on a continuous 3 panel roster has been opted for this study. The adoption of the continuous roster will maximise fleet use while the adoption of DIDO will impact shift hours negatively if the commute is done inside the shift time.

The basis of design is as owner operator but the Saints Nickel Project could easily suit a tribute style arrangement with a smaller contractor that is skilled in narrow vein works as this would enable some level of equipment flexibility and has the advantage of leveraging from their existing skills both mechanically, operationally and business systems.

Infrastructure, Fleet & Equipment

The basic fleet for the Saints Nickel Project would be shared across all work areas. The portals are only 800m apart, so a central surface facility would provide all necessary offices, power, workshop and support for the two portal work areas.

It is expected that fleet costs will vary greatly depending on age, method of procurement (hire, lease or buy outright) and on if the operation is contract or owner operator.

The final decision on mining method will also greatly impact on the final equipment list.

For this Study, the option of a single boom combo drill rig for the mining break has been selected to allow for greater flexibility and a charge unit capable of charging up holes has been included.

Personnel Crew Structure

The labour structure is based on a multi-skilled experienced crew working a drive-in drive-out roster. Initially, the option of a 5 or 6-day two panel crew system was considered as the most suitable given that the Saints Nickel Project was likely to be toll treat and staying small would be more cost effective.

On reviewing the mining method and looking at the physical schedule in more detail, the adoption of a three panel continuous roster (two on one off) provided a significant increase in potential development and production rate. This in conjunction with the increased potential mining limit defined through the use of Mine Stope Optimisation (MSO) software has allowed increased metal tonnes to be mined over a shorter time period than initial schedules.

Increased crew numbers push the monthly labour costs higher, but that is offset through a significant reduction in mine life even though the design recovers more tonnes of metal.

Metallurgical Test work

Future Battery Minerals engaged Strategic Metallurgy Pty Ltd to undertake a metallurgical testwork program to assess the flotation response of nickel sulphide mineralisation from the Saints deposit. The primary objective of this testwork program was to:

1. Characterise the properties of nickel sulphide mineralisation;
2. Assess preliminary comminution parameters on a single sample; and
3. Assess the metallurgical response to sulphide flotation; in particular, a Kambalda style flowsheet.

The testwork program was focussed on establishing nickel recovery via flotation to a concentrate preferably containing 13% nickel.

Saints nickel sulphide mineralisation is generally soft, has a low MgO and non-sulfide nickel content, and a high iron sulfide to nickel ratio. No mineralogy was conducted on Saints material during this program. A short program of single stage cleaner flotation testwork was completed on two samples. The testwork primarily focussed on MgO rejection with guar. Both samples responded well to recovery by flotation.

Rougher nickel recovery was high, exceeding 90% for both samples. The concentrate had a high Fe:MgO content and was susceptible to nickel recovery loss through over depression with guar.

The final concentrate nickel grade of Saints concentrates through rejection of iron sulfides was able to generate high nickel grades (13-20%Ni).

Environmental Approvals Progression

Baseline Environmental Surveys have been carried out across the Saints tenements in order to ensure all environmental approvals can be submitted such that they do not impact the Saints Nickel Project critical path.

Phoenix Environmental Sciences Pty Ltd (Phoenix) was commissioned in September 2021 by Future Battery Minerals to conduct a desktop Flora and Vegetation Study assessment of the Saints Nickel Project area.

The desktop assessment has determined that it is unlikely any listed significant vegetation is likely to occur within the Study area. The Study area does not contain or intersect with any PEC or ESA, with the closest being 10 km SW and 16 km N of the Study area, respectively. The presence of a record of a Priority flora, Alyxia tetanifolia (P3) within the Study area indicates that, as for previous surveys (Phoenix 2021a, b), some vegetation types in the Study area may be considered locally significant as role as a refuge for significant flora.

Phoenix was also commissioned by FBM in September 2021 to undertake a desktop review, and a vertebrate and short-range endemic fauna survey for the two main Saints Nickel Project mining tenements (M29/245 and M29/246), and a proposed haul road corridor (collectively referred to this report as ‘the study area’). The Study area covers approximately 2046.5 ha, and the survey work included targeted searches for conservation significant vertebrates, short-range endemic (SRE) fauna, and broad scale fauna habitat mapping. Surveys were conducted in late spring, 9-15 November 2021, and late summer, 21-22 February 2022.

A search of relevant databases, combined with information from reports of other surveys in the region, were used to determine the conservation significant fauna potentially occurring in the Study area. The identified regional fauna assemblage included a total of 289 vertebrate species; 28 of

these are listed as conservation significant, and none have previously been recorded within the study area. No Environmentally Sensitive Areas, Threatened Ecological Communities or Priority Ecological Communities occur within the study area. Based on desktop and field survey data, including substrate, topography, as well as composition and structure of vegetation, nine habitat types were described and mapped in the study area. Salt lakes and shrublands are the dominant habitat types in the north, and low stony ridges and eucalypts restricted to the southern part of the Study area. Portions of the southern (haul road) part of the study area were mapped as Cleared due to a Shine Resources' haul road, laydown area and spoil heap in M29/428.

During the field fauna surveys, 79 vertebrate species were recorded within or just outside the Study area, comprising 19 reptiles, 46 birds, and 14 mammals, of which four were introduced species. This assemblage represents approximately 27% of those potentially occurring in the region based on the desktop research. Two conservation significant vertebrate species were recorded: Malleefowl (*Leipoa ocellata*, Vulnerable) and Peregrine Falcon (*Falco peregrinus*, Other Specially Protected). These species were recorded in affiliation with various habitats containing a mosaic of Casuarina, Mulga, Mallee, Triodia and Samphire, as well evidence found across salt lake playas. No Malleefowl were directly sighted and no nest mounds were identified, but secondary evidence, including foraging evidence, scats and fresh tracks at multiple locations, indicates the presence of several resident Malleefowl. Four species recorded in the fauna survey had not been identified in the desktop review: the widespread but uncommon, Black-breasted Buzzard (*Hamirostra melanosternon*), and three arid-zone species, for which these records are range extensions: Blue-tailed Finesnout Skink (*Ctenotus calurus;* south-western), Goldfields Ring-tailed Dragon (*Ctenophorus infans;* southern), and Hill's Sheath-tail Bat (*Taphozous hilli,* south-western).

Significant species considered to possibly occur as residents include the south-western subpopulation of Woma Python (*Aspidites ramsayi*, Priority 1), and Central Long-eared Bat (*Nyctophilus major tor*, Priority 3). Several listed Threatened, Migratory or Priority bird species are potential or likely occasional visitors to the Study area, depending on weather events with sufficient rainfall either locally or in their distant core habitats. A total of 76 SRE or significant invertebrate taxa from ten invertebrate fauna groups were recorded from the desktop review search area. Of these, eight were confirmed SREs, 65 were potential SREs, two were P1 species (*Jalmenus aridus*, *Branchinella simplex*) and one was a Critically Endangered species (*Ogyris subterrestris petrina*). Six specimens representing two species of one SRE group (mygalomorph spiders) were collected during the field surveys. Both species are known but undescribed widespread species. No significant invertebrate species were recorded during the fauna surveys, and none are expected to occur in the Study area.

In addition, Phoenix was commissioned in September 2021 by FBM to undertake a subterranean fauna desktop review of the Saints Nickel Project to inform whether troglofauna and/or stygofauna may be a significant factor for the Saints Nickel Project. Searches of relevant databases and reports identified no records of troglobitic or stygobitic taxa within 100 km of the Study area.

The Study area overlies an alluvial palaeochannel aquifer (98% of study area) and a fractured rock aquifer (2% of study area). This would generally be considered suitable habitat for stygofauna; however, ground water salinity mapping of the study area indicates 81% of the study area is hypersaline (>150,000 mg/L TDS), and the remaining 19% is saline (30,000 to 150,000 mg/L TDS). This is consistent with the general trend in the region where palaeodrainages, represented by extensive playas, are relictual of past flows and have succumbed to intense salinisation. Salinity has proven to be a limiting factor for stygofauna in previous subterranean fauna surveys and stygofauna diversity tends to be higher in freshwater aquifers, with the diversity generally decreasing as salinity increases.

The geology of the Study area is primarily comprised of sand (aeolian, lacustrine sediment) and Lacustrine sediment, which are characterised by finer particulates of silt and gypsum that are unlikely to create the pores required for troglofauna habitat. The lack of records returned as part of the desktop review are a result of limited survey effort throughout the region. This is due to the habitat in the region being considered unsuitable for subterranean fauna as a result of geology and groundwater salinity.

Based on the desktop review, it is considered unlikely that the Study area hosts significant subterranean fauna values, and, as such, no further subterranean fauna surveys are recommended.

Pre-Production Capital

Pre-production (Up-Front) capital expenditure (CAPEX) is recognised prior to processing of first material scheduled late in Year 1 of the Saints Nickel Project. Capital items were included from applicable projects in the mining consultants database and the assumed existing level of infrastructure. Table 4 below outlines these costs:

Table 4 - Pre-production (Up-Front) Capital Expenditure

Description	A$
Site Establishment	500,000
Box Cut	1,588,586
Vent	2,000,000
Mining Fleet	850,000
Software/IT/Comms	250,000
Site Access Road	1,500,000
Study/Development Costs	2,000,000
Total Pre-production CAPEX	**8,688,586**

Site Establishment includes costs for setup of roads and drainage, surface infrastructure (including offices and workshops) and rock dumps. The box cut cost was calculated from the designed volume, Underground development includes decline, level development and vertical development required to establish access to the mineral resource.

Sustaining Capital

A yearly estimate of A$500,000 per year of operation has been estimated for Sustaining Capital.

Operating Costs

The operating costs (OPEX) used in the Saints Base Case Financial Model have been derived from benchmark values of projects of similar size in the Leinster-Kalgoorlie-Kambalda region along with past operational experience and current cost trends.

The final monthly total cost was bench marked against a similar project in the region operating under a similar structure.

The Study costs are higher per month due to the larger break rates and multiple work areas, but do compare well to those operations monthly expenditure.

Fleet costs are split into fixed and variable costs with the monthly hire costs as fixed and fuel, Ground Engaging Tools (GET), Tyres and maintenance covered by the activity variable costs.

Labour costs are treated as fixed cost with rates reflective of the current Western Australian hard rock market for multi-skilled operators.

Estimates for offsite costs have been made from bench marking other local nickel producers.

Base Case Model Sensitivity Analysis

Key production, net revenue and cost assumptions used in the Base Case Model were flexed to determine and rate their impact on Pre-Tax Cash Flows and resulting Net Present Value $(NPV)_8$ of the Saints Nickel Project.

The resulting economic outcomes for each input change (up to +/-30%) are given below:

Table 5 – Base Case Model Sensitivity Analysis

Pre-Tax NPV_8	Base Unit	Base Variable	-30%	-20%	-10%	0%	10%	20%	30%
Production Recovery	880,109	t	6	23	39	56	72	89	105
Nickel Price	35,425	A$/t	-23	4	30	56	82	108	134
Nickel Grade (diluted)	1.75%	%	-23	4	30	56	82	108	134
Operating Costs	8.30	A$/lb Ni Eq	117	97	76	56	35	15	-6
Up-Front Capital	8.69	A$M	58	57	57	56	55	54	53

As shown in Figure 9 below, nickel price and nickel grade have the greatest impact on economic return, followed by operating costs (OPEX).

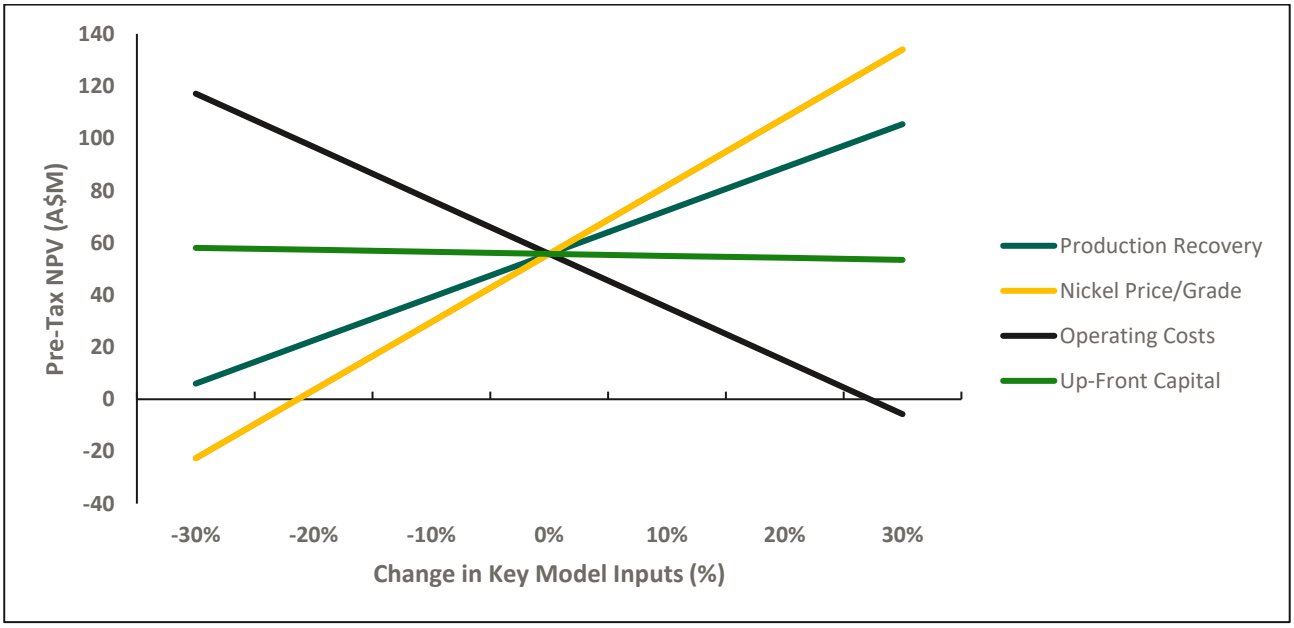

Figure 9 – Base Case Sensitivity Analysis Distribution

Alternative Economic Scenarios

Alternative economic scenarios considered were a 'Spot Price Case', being the flat nickel, copper, cobalt prices and US$:A$ foreign exchange (FX) rate as at the LME close on 5 April 2023, and an 'Upside Case' which assumed a flat US$33,069/t nickel price, US$11,023/t copper price, US$50,000/t cobalt price and flat US$:A$ FX rate of US$0.70. All other material assumptions and

inputs of the Saints Base Case Financial Model were retained in these two scenarios. Both scenarios resulted in positive economic outcomes as presented in Appendix 2.

Financial Results

Based on the selected economic input assumptions presented in this document, **the Base Case Saints Scoping Study Financial Model results in a robust, profitable 5-year LOM project with a pre-tax NPV of AUD $55.7M using a 8% discount rate**.

Nickel, copper and cobalt revenue payability assumptions have all been based on benchmarking from recent ASX public announcements from BHP Nickel West and other local nickel producers. However, the resulting economic outcomes in the Base Case Saints Financial Model can only be validated were an off-take agreement executed and toll treatment pricing agreed. The local off take agreements used in determining the net revenue outcomes in the financial models are highly project specific and treated as confidential. Moreover, the rationale on the commodity pricing inputs used by the Company in the Base Case, Spot Price Case and Upside Case scenarios are explained in the notes to the tables shown in Appendix 2 (Saints Nickel Project Financial Model Economic Inputs).

The economic outcomes are highly sensitive to the nickel price and nickel grade (diluted and recovered) and operating costs. The sensitivity to nickel grade was expected and was the reason for the selective mining approach for the Saints Mineral Resource and on waste development mining (resuing). Lower productivity could potentially be offset by the discovery of additional mineral resources containing significantly higher grades.

This focus on grade and production also flags a potential for ore sorting technologies to be evaluated. If low grade material can be sorted to get a significant grade uplift, then the opportunity to look at this option to increase the recoverable mineral resource could have a significant impact on the economics of the Saints Nickel Project.

Funding

To achieve the potential mine development outcomes indicated in the Scoping Study, funding in the order of A$10-12 million will be required. There is no certainty that FBM will be able to raise that amount of funding when required. It is also possible that such funding may only be available on terms that may be dilutive to, or otherwise affect the value of the Company's existing shares. It is also possible that the FBM could pursue other value realisation strategies that may include project finance, sale, partial sale of the Saints Nickel Project or other commercial paths. These strategies may materially reduce FBM's proportionate ownership of the Saints Nickel Project.

It is anticipated that required funding will be sourced through a combination of cash from existing balances, equity from existing shareholders, new equity investment and/or debt through suitable providers.

Next Steps - Future Economic Valuation Work

Future economic valuation work is proposed by the Company to progress the development of the Saints Nickel Project.

Completion of a Pre-Feasibility Study (PFS) and subsequent Definitive Feasibility Study (DFS) will be necessary to further define the Saints Nickel Project development requirements and to support a potential mix of debt and equity funding options.

Further optimisation work on mine design will also be carried out to reduce both CAPEX and OPEX costs.

OPEX and CAPEX costs are based on similar sized operations in the Leinster-Kalgoorlie-Kambalda region, but these costs will be validated in further studies by developing detailed zero-based costs estimates or by engaging with a suitable sized contractor to provide the cost inputs for the PFS and DFS.

Proposed studies into the potential of ore sorting technologies to be utilised at the Saints Nickel Project and their significance to cash flows and economic profitability are to be considered. With significant waste dilution in the minimum mining width shapes as well as significant 0.75 to 1% material inside the developed envelope, ore sorting could provide a boost to the Saints Nickel Project's economic profitability. This opportunity will be further investigated in subsequent studies.

The Company's cash balance was approximately A$4.2 million as at 31 December 2022 (Refer to FBM's 31 December 2022 Appendix 5B Quarterly Cash Flow Statement).

This announcement has been authorised by the Board of Directors of the Company.

-END-

For further information visit www.futurebatteryminerals.com or contact:

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Competent Persons Statement

This announcement contains estimates of Future Battery Minerals Limited's (FBM), Mineral Resources. This information in this announcement that relates to FBM's Mineral Resources has been extracted from FBM's previous ASX announcements, including the 10 August 2022 'Saints Nickel Project – Resource Update'.

A copy of these announcements are available at www.asx.com.au. FBM confirms that it is not aware of any new information or data that materially affects the information included in these announcements and, in relation to the estimates of Mineral Resources, confirms that all material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed. The Competent Persons for the announcements were Mr Shaun Searle and Mr Robin Cox. FBM confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the announcements.

The information in this announcement that relates to the Company's Exploration Results has been extracted from the Company's previous ASX announcement, including the 7 July 2022 'Saints Nickel Project Update'. A copy of this announcement is available at www.asx.com.au. The Competent Persons for the announcement was Mr Robin Cox and Mr Nick Vines. FBM confirms that it is not aware of any new information or data that materially affects the information included in the announcement and that the form and context in which the Competent Person's findings are presented have not been materially modified from the announcement.

The information in this report that relates to Exploration Results is based on and fairly represents information compiled by Mr Robin Cox BSc (E.Geol), a Competent Person, who is a Member of the Australian Institute of Mining & Metallurgy. Mr Cox is the Company's Chief Geologist and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cox consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

The information in this release that relates to Mineral Resources is based on information compiled by Mr Shaun Searle who is a Member of the Australasian Institute of Geoscientists. Mr Searle is an employee of Ashmore Advisory Pty Ltd and independent consultant to Future Battery Minerals Limited. Mr Searle has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Searle consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

International Financial Reporting Standards

This announcement contains certain financial measures relating to the Saints Nickel Project Scoping Study that are not recognised under International Financial Reporting Standards (IFRS). These metrics include (but are not limited to) Net Present Value (NPV). Although the Company believes these measures provide useful information about the financial forecasts derived from the Scoping Study, they should not be considered in isolation or as a substitute for measures of performance or cash flow prepared in accordance with IFRS. As these measures are not based on IFRS, they do not have standardised definitions and the way the Company calculates these measures may not be comparable to similarly titled measures used by other companies. Consequently, undue reliance should not be placed on these measures.

Forward-Looking Statements

Some statements in this announcement regarding estimates or future events are forward-looking statements. They include indications of, and guidance on, future matters. Forward-looking statements include, but are not limited to, statements preceded by words such as "planned", "expected", "projected", "estimated", "may", "scheduled", intends", "anticipates", "believes", "potential", "could", "likely", "nominal", "conceptual", "propose", "will", "forecast", "estimate", and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, anticipated future activities at the Saints Nickel Project, production targets and financial forecasts. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. Forward-looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market industry trends, which are based on interpretations of current market conditions. You are cautioned not to place undue reliance on forward-looking statements.

Forward-looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward-looking statements may be affected by a range of variables, risks and uncertainties that could cause actual results to differ from estimated results and may cause Future Battery Minerals actual performance and financial results and other events in future periods to materially differ from any projections of future performance, results or events expressed or implied by such forward-looking statements. Refer to Appendix 1 of this announcement for a list of the key assumptions underpinning the production targets and financial forecasts included in this announcement in relation to the Saints Nickel Project. There are risks that those assumptions may be incorrect, which would also cause the production targets and/or financial forecasts to consequently be inaccurate. The estimated mineral resources underpinning the production target in this announcement have been prepared by a competent person in accordance with the requirements of the JORC Code.

Appendix 1 – Material Assumptions

Material Assumption	Commentary
Study Status	The Scoping Study (Study), including capital estimates, mining and offtake (payability) prices, was completed to an accuracy of +/- 30% and was undertaken based only on underground mining from existing resources. The metallurgical testwork carried out to date indicates the nickel, copper and cobalt can be satisfactorily recovered from the Saints Mineral Resource using conventional crushing grinding and flotation to concentrate. The test work is considered sufficient to determine that the Saints Mineral Resource represents a deposit with potential for economic extraction.
Mineral Resources used in the study	The Study uses the Saints 2022 Mineral Resource Estimate (MRE) announced to the ASX on 10 August 2022. The total Resource was estimated at 0.911 Mt @ 2.3% Ni, 0.17% Cu, 0.07% Co. 61% of the Saints 2022 Mineral Resource is in the Indicated category.
Base Case Nickel Revenue Assumptions	Base Case Nickel Price and US$:A$ FX Assumptions are as follows: • Nickel Price: A/t $35,425 (LOM average); • Nickel Grade (diluted and recovered): 1.75% (LOM average); • Exchange Rate: US$0.67 (Yr 1–Yr 3), US$0.70 (Yr 4-Yr 5); • Metallurgical Recovery: 85%; and • Nickel Payability: 75% Refer Appendix 2 for further details
Mining Factors/Assumptions	Scheduled Production Rates are as follows: • Jumbo: 240m/mth assuming 1 in operation • Production: 600 to 750 t/d • Longhole Drilling: 150m/d assuming 1 drill in operation • Dilution = 10% on top of design internal waste on stopes • Recovery = 90% allowing for pillars Other constraints on schedule are as follows: • Stoping on a level cannot commence until primary ventilation and secondary egress for that level has been established. Except in the case where a sill pilar exists; and • Stoping on a level cannot commence until production activities on the level below have been completed to a point where it is safe to do so.

Material Assumption	Commentary
Metallurgical Factors	The Study uses metallurgical results including those announced to the ASX by FBM on 7 July 2022 and 10 August 2022. These results include the following: • Nickel rougher recovery of up to 92.6% using conventional flotation techniques; • Nickel cleaner recovery of between 80.5-87.7% in open circuit flotation test work; • Nickel concentrate grades as high as 20%Ni can be achieved; and • A final nickel concentrate grade of between 10-13% Ni. The metallurgical process is a conventional nickel sulphide flotation technique involving crushing, grinding and flotation to produce a bulk nickel, copper and cobalt concentrate. The metallurgical recovery is based on test work conducted on core samples that are assumed to represent the mined ore. No metallurgical domaining has been applied. Nickel recovery of 85% has been assumed for resource and financial modelling, which sits within open circuit flotation test work results.
Marketing & Processing Assumptions	Nickel Payability, surface haulage and downstream costs have been assumed based on a 'generic' toll treatment agreement as follows: • 75% Ni Payability. Consensus ranges from 70-80% (from Mining consultant data); • Surface haulage A$10/t ore hauled; and • Processing/penalties/general and administration costs A$61/t ore milled. Note: There is no toll treating or offtake agreement in place as at the date of release of this Study.

<table>
<tr><th>Material Assumption</th><th>Commentary</th></tr>
<tr><td>Capital Costs</td><td>Capital items were included from applicable projects in the Mining consultant database and the assumed existing level of infrastructure.

<table>
<tr><th>Mining Capital Items</th><th>A$ Value (M)</th></tr>
<tr><td>Site Establishment[1]</td><td>0.50</td></tr>
<tr><td>Box cut Excavation and Work[2]</td><td>1.59</td></tr>
<tr><td>Ventilation</td><td>2.00</td></tr>
<tr><td>Mining Fleet</td><td>0.80</td></tr>
<tr><td>Software/IT Comms</td><td>0.25</td></tr>
<tr><td>Site Access Road[3]</td><td>1.50</td></tr>
<tr><td>Study /Development Costs</td><td>2.00</td></tr>
<tr><td>Total</td><td>$8.69M</td></tr>
</table>

[1]Site establishment includes costs for setup of roads and drainage, surface infrastructure (including offices and workshops) and rock dumps.

[2]The boxcut cost was calculated from the designed volume and contracted mining rates.

[3]Site infrastructure costs include temporary offices, hired power supply generators and temporary workshops.</td></tr>
<tr><td>Economic Assumptions</td><td>A discount rate of 8% has been used for NPV financial modelling purposes. This number was selected as a generic cost of capital and is considered as a sensible discount rate for funding a project within Western Australia. The Study economic outcome has been flexed for the key financial inputs. This is shown in Figure 9 in the ‘Base Case Model Sensitivity Analysis’ section of the document.</td></tr>
<tr><td>Infrastructure</td><td>Infrastructure on site would include but is not limited to roads, drainage, office, workshops and rock dumps.</td></tr>
<tr><td>Geotechnical Assumptions</td><td>The Study is based on very limited geotechnical data. The mining method and modifying factors applied have simply been extrapolated analysis of core photography and from mines with a similar geology</td></tr>
<tr><td>Cut-Off Parameters</td><td>Cut-off grades were determined based on mining costs from the Mining consultant database and processing and revenue assumptions determined in discussions with the Company.</td></tr>
<tr><td>Environmental</td><td>It is assumed for the purpose of this Study that there are no anticipated significant environmental impediments for the project</td></tr>
<tr><td>Community & Social</td><td>It is assumed for the purpose of this Study that there are no anticipated significant community or social impediments for the project.</td></tr>
</table>

Material Assumption	Commentary
Legal and Permitting	The Project is located on a granted mining tenement with no known native title factors which would impede development or affect economics. It is assumed for the purpose of this Study that there are no significant permitting impediments anticipated for the project.
Schedule	The next stage of project development commences with a number of options studied that will be fed into a Feasibility Study. When that is completed a timeframe for development and production will be finalized and communicated.
Audits & Review	There are no other known anticipated legal impediments for the project. The Study was reviewed internally by Company personnel and the FBM Board.

Appendix 2 – Saints Nickel Project Financial Model Economic Inputs

Base Case	Year 1	Year 2	Year 3	Year 4	Year 5	LOM avg
US$Ni ($/t)	24,540	25,580	26,590	22,040	22,040	24,160
US$Cu ($/t)	8,735	8,690	8,640	7,720	7,720	8,300
US$Co ($/t)	35,500	35,900	35,900	40,000	40,000	37,460
US$:A$ FX	0.67	0.67	0.67	0.70	0.70	0.682
A$Ni ($/t)	36,625	38,180	39,690	31,485	31,485	35,425
Forward Curves[1]				Management Forecast[2]		
Pre-tax NPV_8: A$55.7M						

Note: Rounding may cause some computational discrepancies

1. Metal price forward curves for 2023, 2034 and 2025 taken from LME website on close of 10 March 2023 inputted as Year 1, Year 2 and Year 3 respectively. US$:A$ FX forward curve inputted from an external source based on close of 10 March 2023.
2. Management conservative estimates for Years 4 and 5 are US$22,040/t (US$10.00/lb) nickel price, US$7,720/t (US$3.50/lb) copper price, US$31,485/t (US$14.28/lb) cobalt price and US$:A$ 0.70 based on expected pricing to support projected demand for these critical metals over the medium term.

Spot Price Case[1]	Year 1	Year 2	Year 3	Year 4	Year 5
US$Ni ($/t)	22,495	22,495	22,495	22,495	22,495
US$Cu ($/t)	8,785	8,785	8,785	8,785	8,785
US$Co ($/t)	36,155	36,155	36,155	36,155	36,155
US$:A$ FX	0.67	0.67	0.67	0.67	0.67
Pre-tax NPV_8: A$40.2M					

1. LME Cash (Spot) Closing Prices on 5 April 2023.

Upside Case[1]	Year 1	Year 2	Year 3	Year 4	Year 5
US$Ni ($/t)	33,069	33,069	33,069	33,069	33,069
US$Cu ($/t)	11,023	11,023	11,023	11,023	11,023
US$Co ($/t)	50,000	50,000	50,000	50,000	50,000
US$:A$ FX	0.70	0.70	0.70	0.70	0.70
Pre-tax NPV_8: A$142.3M					

1. Upside Case pricing have been considered based on the current positive outlook for critical metals over the medium term.