

ASX Announcement

28 April 2022

ASX: FXG

Felix Gold Limited
35 645 790 281

Level 15, 344 Queen St,
Brisbane, Queensland 4000

T +61 (0) 7 3054 7108
E contact@felixgold.com.au

www.felixgold.com

QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDED 31 MARCH 2022

- **Successful completion of IPO and listing on the ASX.**
- **Drill program commenced in world-class Fairbanks Gold Mining District in late April.**
- **Testing multi-kilometre, high-grade (+100 ppb Au) gold soil geochemical anomalies with historical intercepts that remain untested at depth and open in multiple directions.**
- **Progressing targeted acquisition of MHT tenure in central Fairbanks District.**
- **Joe Webb appointed as Interim Managing Director and CEO.**

Felix Gold Limited (ASX:FXG) (**Felix** or the **Company**) provides a summary of its operational and corporate activities for the quarter ended 31 March 2022.

Operations

Subsequent to its ASX listing in January, Felix advanced all necessary preparatory and logistical activities towards commencing its maiden drill program across its flagship Fairbanks District tenure. Drilling commenced at the Treasure Creek Project in late April, located only 20km north of major mining and logistics hub, Fairbanks City.

The initial program is focused on several prospect areas across the Company's Fairbanks Gold Mining District claims and is planned for approximately 7,000 drilling metres. Key initial target zones coincide with areas delivering strong evidence of potential large-scale gold systems including extensive gold soil anomalism, coincident geophysical anomalies and significant previous drill intercepts.

The initial drill program is focussed on shallow Reverse Circulation (RC) drilling to test multi-kilometre, high-grade (+100 ppb Au) gold soil geochemical anomalies with historical intercepts that remain untested at depth and open in multiple directions. Select deeper holes (up to 200m vertical depth) are also planned to follow up prospects containing historical drill intercepts with coincident geophysics and gold soil anomalies.

Drilling activities have commenced at the NW Array prospect. The rig is then planned to move to the drilling of the Scrafford-Eastgate prospect. Dual-shift rig operations are set to deliver rapid program progress and an accelerated results pipeline over the coming months.

Felix plans to drill approximately 10,000 - 15,000 metres across its Fairbanks tenure through 2022, testing multiple target zones over its project areas.

The Company is also progressing the acquisition of the MHT ground shown in Figure 1 (located immediately east of Treasure Creek and referenced as “Felix Application”). Conclusion of this process is expected during the current quarter.

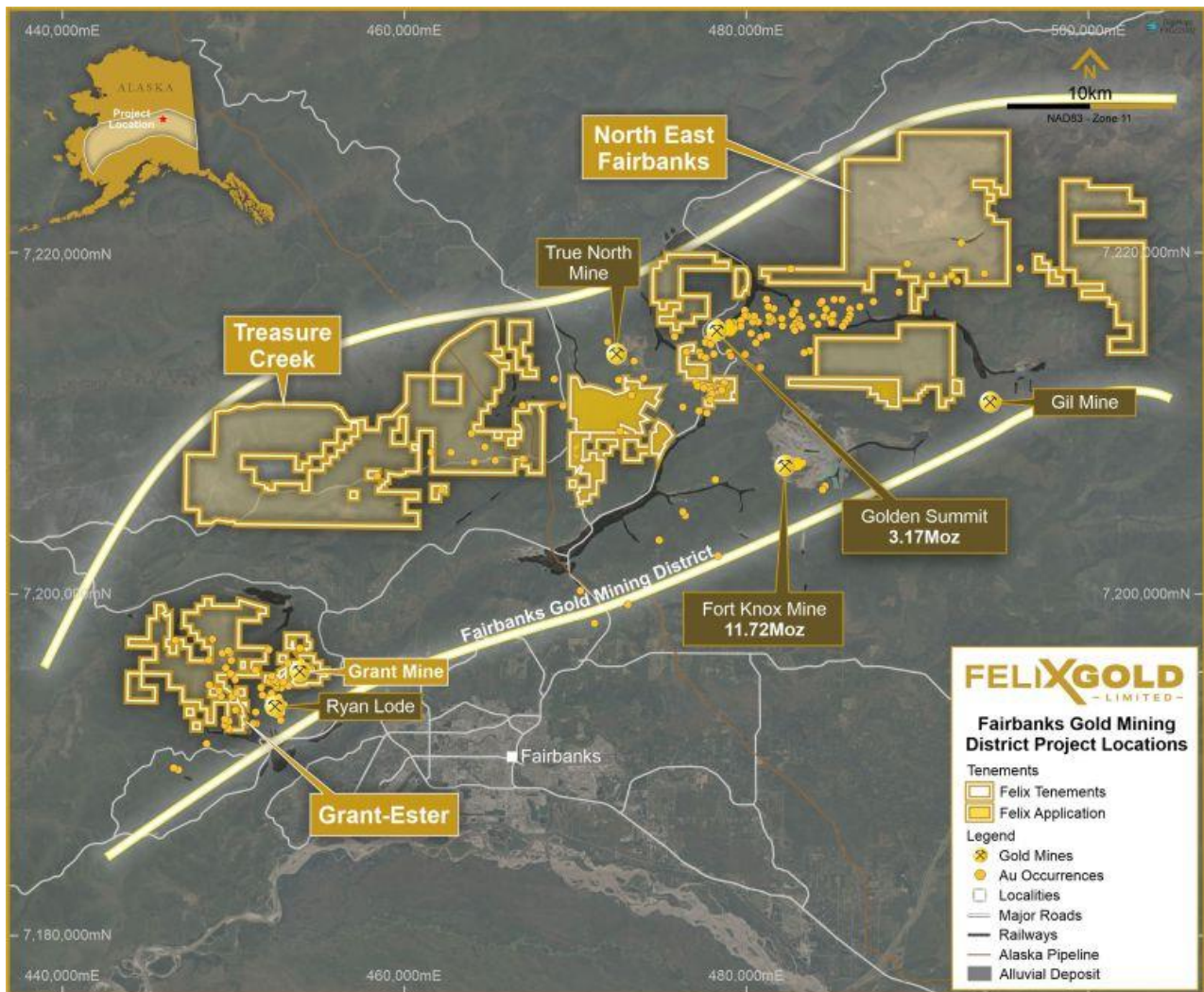


Figure 1: Fairbanks Gold Mining District Project Locations – MHT ground located centrally, shaded in darker yellow and labelled “Felix Application”

CORPORATE

During the quarter, Felix completed its Initial Public Offering and was admitted to the Official List of the ASX on Friday 28 January 2022. The securities of the Company (ASX: FXG) commenced quotation on Monday 31 January 2022. Felix raised A\$10 million (before costs of the offer) pursuant to the Initial Public Offering under its prospectus dated 26 November 2021 through the issue of 40,000,000 shares at an issue price of A\$0.25 per share.

During the quarter, the Company advised that Dr Kylie Prendergast had resigned as Managing Director and Chief Executive Officer (CEO). Mr Joe Webb was appointed as Interim Managing Director and CEO. Mr Webb was the founding Managing Director and CEO of Felix Gold and, preceding his appointment, a Non-Executive Director of the Company. He was responsible for Felix’s key project acquisitions, land consolidation activities and establishment of operations in the Fairbanks Gold Mining District.

Appendix 5B disclosures

The Company's accompanying Appendix 5B (Quarterly Cashflow Report) includes an amount in item 6.1 which constitutes executive and non-executive directors' fees paid during the quarter of A\$145,000.

During the period, the Company spent A\$682,000 on exploration activities in Alaska. The Company also spent A\$423,000 on administration costs, including costs related to the initial listing the ASX and executive and non-executive directors' fees.

This ASX release was approved for release by:

Joe Webb

Managing Director and CEO

Felix Gold Limited

joe.webb@felixgold.com.au

Forward-Looking Statements

Various statements in this release constitute statements relating to intentions, future acts and events. Such statements are generally classified as "forward-looking statements" and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ materially from what is presented or implicitly portrayed herein. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates" and similar expressions are intended to identify forward-looking statements. Felix cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements and references to what events have transpired for other entities, which reflect the view of Felix only as of the date of this release. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Various statements in this release may also be based on the circumstances of other entities. Felix gives no assurance that the anticipated results, performance or achievements expressed or implied in those statements will be achieved. This release details some important factors and risks that could cause the Felix's actual results to differ from the forward-looking statements and circumstances of other entities in this release.

Previous Disclosure – 2012 JORC Code

The information in this release that relates to Exploration Results, Mineral Resources and Exploration Targets for Felix's Fairbanks Gold Projects was released in the Company's prospectus (see FXG ASX release dated 28 January 2022, *Prospectus*). Felix confirms that it is not aware of any new information or data that materially affects the information in that release and that the material assumptions and technical parameters underpinning these estimates continue to apply and have not materially changed.

Additional ASX Listing Rule Information

Felix provides the following additional information in accordance with ASX Listing Rule 5.3.3.

Mining tenements held at the end of the quarter and their location

As disclosed below by project area.

Mining tenements acquired during the quarter and their location

Not applicable.

Mining tenements disposed of during the quarter and their location

Not applicable.

Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter

As disclosed below by project area.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter

Not applicable.

Treasure Creek Project

The Treasure Creek Project area consists of 236 Alaska State Mining Claims that cover 11,573 hectares. The Treasure Creek Project is a consolidation of mining claims held by Oro Grande Mining Claims LLC, Goldstone Resources LLC, Wally Trudeau, and Millrock Alaska LLC. Felix has acquired the mining claims or the exclusive rights to explore and an option to purchase the mining claims detailed below:

TREASURE CREEK	Felix Rights	Number of Mineral Claims	Total Acres	Total Hectares	Total SQ KM
Goldstone Resources	Exclusive right to explore and option to purchase	22	3,174	1,285.47	12.8547
Wally Trudeau	Exclusive right to explore and option to purchase	5	200	81	0.81
Oro Grande	Exclusive right to explore and option to purchase	11	3,196	1,294.38	12.9438
Millrock Treasure Creek	Mining claims assigned to Felix.	198	22,006	8,912.43	89.1243
TOTAL TREASURE CREEK		236	28,576	11,573.28	115.7328

Grant-Ester Project

The Grant-Ester Project is comprised of 154 Alaska State mining claims that total 3,397 hectares. The Grant-Ester Project consists of mining claims held by Range Minerals Corporation, Roger Burggraf, Dobbs and Millrock Alaska LLC. Felix has acquired the mining claims, or the exclusive rights to explore and an option to purchase the mining claims as detailed below:

GRANT-ESTER	Felix Rights	Number of Mineral Claims	Total Acres	Total Hectares	Total SQ KM
Range Minerals	Exclusive right to explore and option to purchase	61	3,110	1,259.55	12.5955
Millrock Ester Dome	Mining claims assigned to Felix	59	4,549	1,842.345	18.42345
Burggraf	Exclusive right to explore and option to purchase	32	709	287.145	2.87145
Dobbs State	Exclusive right to explore and option to purchase	2	20	8.1	0.081
TOTAL GRANT-ESTER		154	8,388	3397.14	33.9714

NE Fairbanks Project

The NE Fairbanks Project is comprised of 326 Alaska State mining claims that total 14,637 hectares located approximately 25km to the Northeast of the city of Fairbanks. The NE Fairbanks Project consists of mining claims held by DG Resources Management (Us) Ltd, Fairbanks Exploration Inc. and Millrock Alaska LLC. Felix has acquired the mining claims, or the exclusive rights to explore and an option to purchase the mining claims as detailed below:

NE FAIRBANKS	Felix Rights	Number of Mineral Claims	Total Acres	Total Hectares	Total SQ KM
Fairbanks Exploration	Exclusive right to explore and option to purchase	83	10,332	4,184.46	41.8446
DG Resources	Exclusive right to explore and option to purchase	141	14,038	5,685.39	56.8539
Millrock NE Fairbanks	Mining claims assigned to Felix	102	11,773	4,768.065	47.68065
TOTAL NE FAIRBANKS		326	36,143	14,637.915	146.37915

Liberty Bell Project

The Liberty Bell Project is comprised of 209 Alaska State mining claims that total 9,623 hectares located approximately 115km to the south west of the city of Fairbanks. The Liberty Bell Project consists of mining claims held by Boot Hill Gold Inc., James Roland and Millrock Alaska LLC. Felix has acquired the mining claims or the exclusive rights to explore and an option to purchase the mining claims as detailed below:

LIBERTY BELL	Felix Rights	Number of Mineral Claims	Total Acres	Total Hectares	Total SQ KM
Boot Hill	Exclusive right to explore and option to purchase	26	2,720	1,101.6	11.016
Roland	Exclusive right to explore and option to purchase	10	400	162	1.62
Millrock	Mining claims assigned to Felix	173	20,640	8,359.2	83.592
TOTAL LIBERTY BELL		209	23,760	9,623	96.23

About Felix

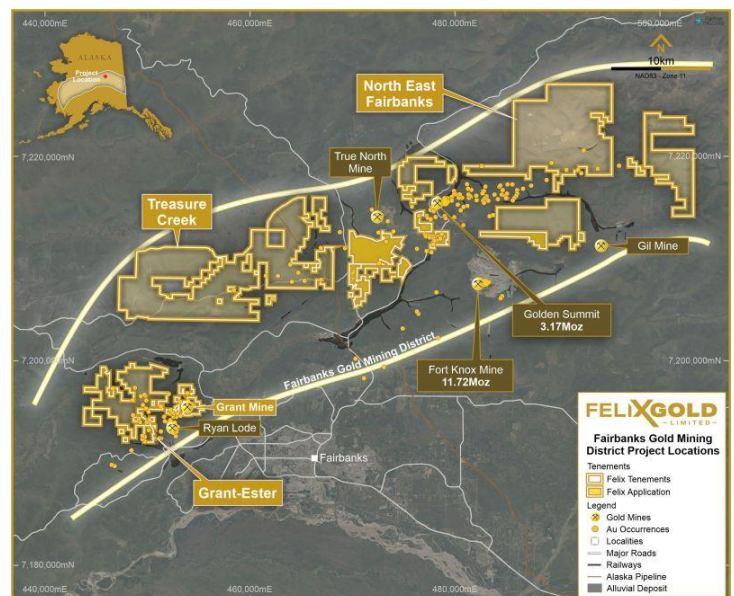
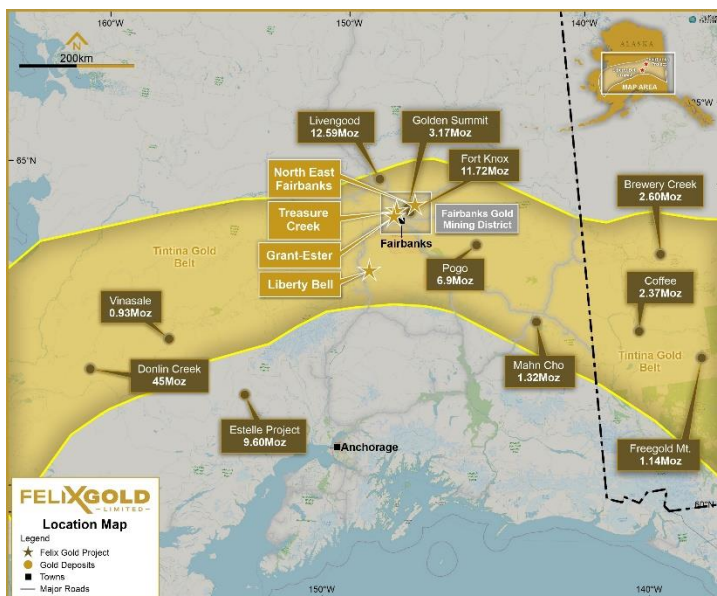
Felix Gold Limited (ASX: FXG) is an ASX-listed gold discovery business operating in the highly endowed Tintina Gold Province of Alaska in the United States.

Our flagship asset is a substantial landholding in the world-class Fairbanks Gold District, where historical gold production exceeds 16 Moz. In Fairbanks, our tenements sit within one of the largest gold production centres in the entire Tintina belt and lie in close proximity to both Kinross Gold's Tier 1 gold mine, Fort Knox, and the rapidly growing Freegold Ventures' discovery, Golden Summit. We hold four key projects across over 392 km² of tenure in the heart of this premier gold production district.

Felix's key projects are located only 20 minutes from our operational base in the central mining services hub of Fairbanks City, Alaska. This base is a huge advantage for Felix with its existing infrastructure, low-cost power, skilled workforce and long history of gold production. It allows us to explore year-round and delivers genuine potential development pathways for our assets.

Our key projects are located along the main Fairbanks gold trend and contain dozens of identified prospects, extensive alluvial gold production, large gold-in-soil anomalies and historical drill intercepts which remain wide open and mimic other major deposits in the district. We have multiple walk-up drill targets with evidence of large-scale gold potential. We also possess an existing Mineral Resource at Grant-Ester with significant upside opportunity.

Felix's value proposition is simple: we are striving to be the premier gold exploration business in the Tintina Province through the aggressive pursuit and realisation of Tier 1 gold discoveries.



Appendix 5B

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

Name of entity

FELIX GOLD LIMITED

ABN

35 645 790 281

Quarter ended ("current quarter")

31 MARCH 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(145)	(145)
	(e) administration and corporate costs	(278)	(278)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(423)	(423)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(8)	(8)
	(d) exploration & evaluation	(682)	(682)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	(690)	(690)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	10,000	10,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(565)	(565)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	9,435	9,435

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,326	2,326
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(423)	(423)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(690)	(690)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	9,435	9,435
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	10,648	10,648

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	47	-
5.2	Call deposits	10,601	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	10,648	-

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	145
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(423)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(682)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,105)
8.4 Cash and cash equivalents at quarter end (item 4.6)	10,648
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	10,648
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	9.64
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
Not Applicable	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
Not Applicable	

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

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Not Applicable

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2022.....

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.