

ASX Announcement

31 October 2022

ASX: FXG

Felix Gold Limited
35 645 790 281

Level 1, 371 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 30 SEPTEMBER 2022

- **Felix Gold has undertaken extensive exploration on its Treasure Creek, NE Fairbanks and MHT projects in the Fairbanks Gold Mining District Alaska.**
- **Total drilling of 16,704m in 183 RC drill holes and 1,080m in 4 diamond core holes has been completed.**
- **The NW Array Prospect at our Treasure Creek Project has delivered multiple thick, near surface intercepts including 22TCRC008 89.9m @ 1.2 g/t au, 22TCRC005 33.5m @ 1.63 g/t Au, and 22TCRC071 38.12m @ 1.1 g/t Au.**
- **The NW Array prospect has the potential to add to our existing JORC Inferred Resources 364Koz gold (refer ASX release Prospectus 28 January 2022)**
- **Work is now focussed on receipt of the remaining assays and assessment of the results together with planning or exploration and drilling program for 2023.**

Felix Gold Limited (ASX: FXG) (**Felix** or the **Company**) provides a summary of its operational and corporate activities for the quarter ended 30 September 2022.

Background

In January 2022, Felix Gold completed an IPO on the ASX with an ambition to build multi-million-ounce gold resources. Felix Gold has key landholdings in a world class gold province surrounded by infrastructure and Kinross's Fort Knox Tier 1 gold mine (see Figure 1 – Key Land Holdings in World-Class Province). Fort Knox is searching for more ore supply, and this provides alternative development pathways for Felix Gold from our own standalone operation to supply of ore to Fort Knox.

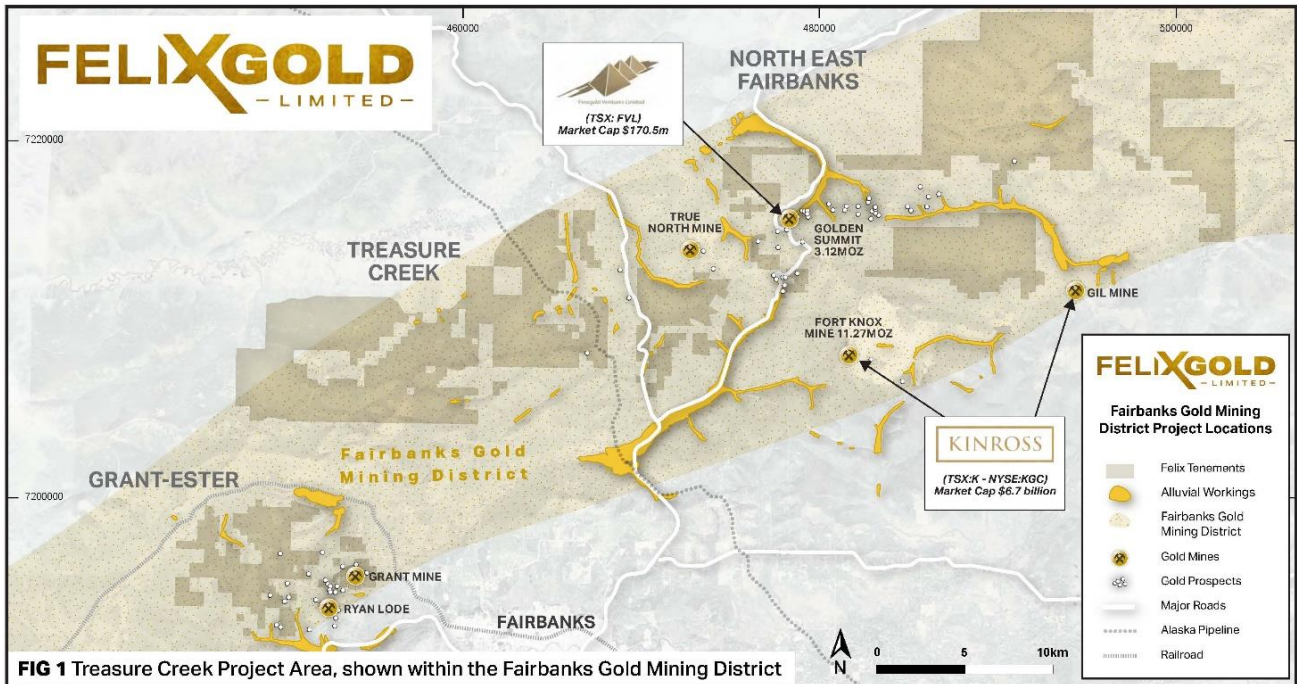


Figure 1 – Key Land Holdings in World-Class Province

Operations

Exploration activities

The Treasure Creek Project, NE Fairbanks and MHT Projects were secured by Felix based on sparse drilling that showed strong indications for a potential large-scale gold system, including multi-kilometre soil anomalies that were relatively untested. Felix’s initial drilling program commenced in late April 2022. This was an extensive Reverse Circulation (RC) drilling program testing the near-surface extent of potential shallow gold mineralisation across multiple defined target areas. The key objective of this program was to identify one or more key areas for infill, and potential resource definition, drilling in 2023. The RC drill program focused on shallow (up to 150m) testing of large-scale, high grade (+100 ppb Au) soil geochemical anomalies.

By the end of September 2022, 16,704m of RC drilling had been completed across 183 holes. This represents average daily drill metres of 150m, well above the targeted 100m per day.

Three main prospects in the Treasure Creek Project area were targeted– NW Array, Scrafford Shear and Eastgate. The program also included 5 traverse lines of reconnaissance drilling across earlier stage target zones (See Figure 2 – Treasure Creek Exploration Overview)

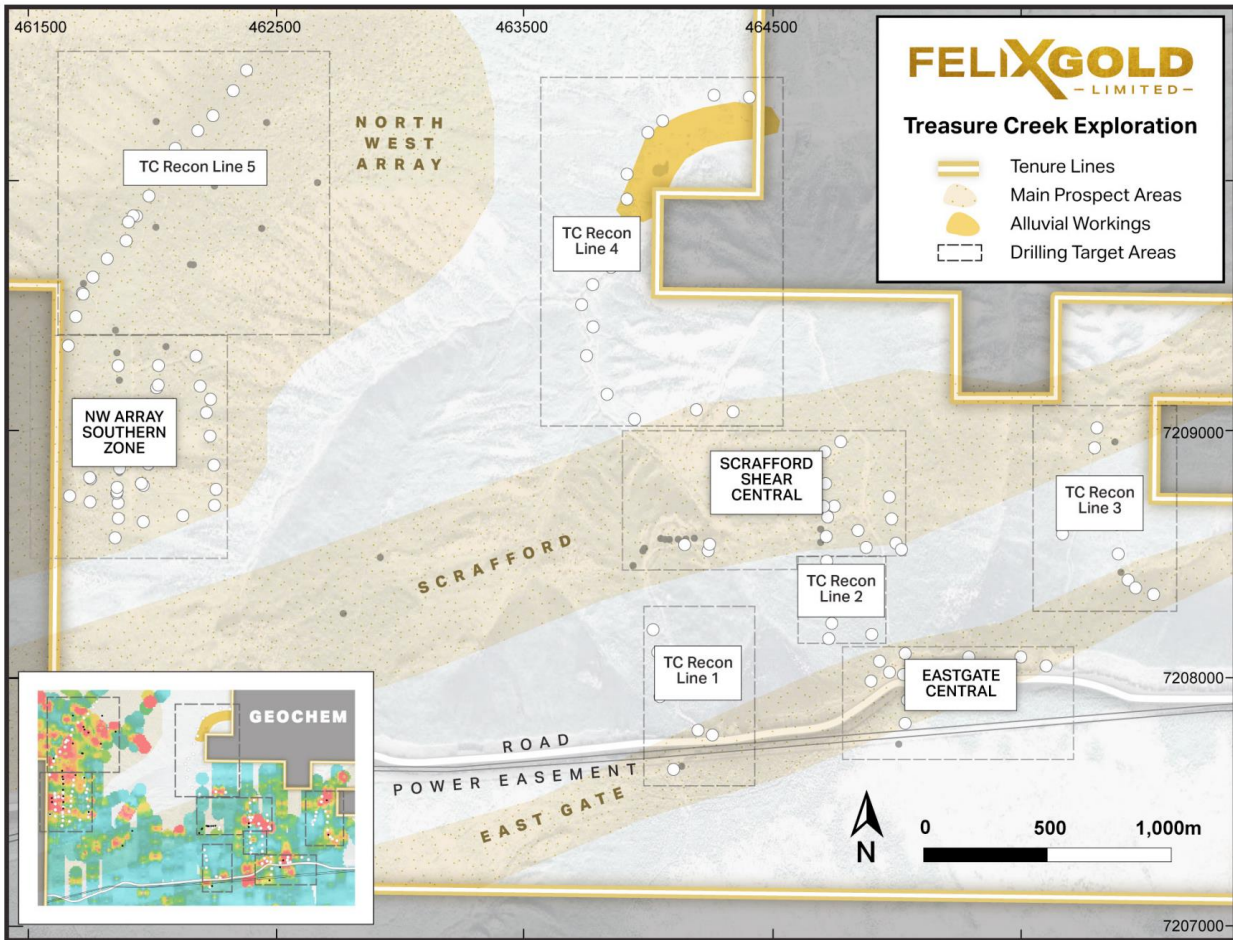


Figure 2 – Treasure Creek Exploration Overview

Results from our NW Array prospect at Treasure Creek have delivered multiple thick near surface gold intercepts as shown in Table 1 – NW Array Significant Drill Intercepts.

Drill Hole ID	From	To	Thickness Meters	Grade g/t	Announcement Reference
22TCRC002	24.4	53.3	29.0	1.53	Multiple Thick Near Surface at Treasure Creek 1 August 2022
22TCR005	1.5	35.1	33.5	1.63	
includes	12.2	13.7	1.5	19.70	
22TCRC006	1.5	30.5	29.0	0.69	
22TCRC007	36.6	62.5	25.9	0.43	
22TCRC008	1.5	24.4	22.8	0.35	
and	32.0	121.9	89.9	1.20	
includes	42.0	102.0	60.0	1.60	
22TCRC071	1.5	39.6	38.1	1.09	400m Traverse of Thick Gold Mineralisation Open 5 October 2022
includes	6.1	13.7	7.6	4.13	
22TCRC073	1.5	42.7	41.1	0.37	
22TCRC075	16.8	51.8	35.1	1.81	
includes	35.1	36.6	1.5	27.20	
22TCRC076	42.7	61.0	18.3	1.02	
includes	45.7	47.2	1.5	7.42	Significant Expansion of NW Array Gold Zone 18 October 2022
22TCRC078	1.5	32.0	30.5	0.40	
and	45.7	135.6	89.9	0.97	
includes	59.4	100.6	41.1	1.72	
22TCRC083	51.8	89.9	38.1	0.75	Prospectus 28 January 2022
includes	51.8	76.2	24.4	1.08	
83513	3.1	49.1	46.0	0.72	
83511	11.6	66.9	55.3	0.59	
83517	58.2	74.4	16.2	1.39	

Figure 3 – NW Array Significant Intercepts

Felix Gold is in the process of receiving the outstanding assay results from this season's field works, assessing and planning for our next exploration and drilling program. Our specific focus is on the resource potential of the NW Array prospect and expansion drilling at other mineralised zones identified within Treasure Creek, NE Fairbanks and MHT.

Corporate

Balance sheet

At quarter end, Felix held A\$3.24 million cash and zero debt (excluding typical trade creditors).

Appendix 5B disclosures

The Company's accompanying Appendix 5B (Quarterly Cashflow Report) includes an amount in item 6.1 which constitutes executive (A\$52k) and non-executive directors' (A\$33k) fees paid during the quarter, totalling A\$85k.

During the period, the Company spent A\$3.46 million on exploration activities in Alaska. The Company also spent A\$221k on administration costs including executive and non-executive directors' fees.

Post IPO disclosures

Pursuant to ASX Listing Rule 5.3.4, the Company provides a comparison of actual expenditure since admission to the Official List of ASX up until 30 September 2022 against estimated expenditure in the Use of Funds statement in the Prospectus.

Expenditure	Prospectus (A\$M)	Expenditure since admission (A\$M)
Mineral Exploration – Treasure Creek	\$3,300,000	\$5,591,217
Mineral Exploration – NE Fairbanks	\$2,010,000	\$935,799
Mineral Exploration – Grant-Ester	\$1,000,000	\$341,734
Mineral Exploration – Liberty Bell	\$4,040,000	\$508,370
Administration and Working Capital	\$2,000,000	\$789,389
Costs of the Offer	\$750,000	\$652,120
TOTAL	\$13,100,000	\$8,818,629

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 extracted from the following ASX Announcements:

- 28 January 2022 – Prospectus
- 01 August 2022 – Multiple Thick, Near Surface intercepts at Treasure Creek
- 13 September 2022 – Treasure Creek Exploration Update
- 05 October 2022 – 400m Traverse of Thick Gold Mineralisation Open

A copy of such announcements is available to view on the Felix Gold Limited website www.felixgold.com.au. The reports were issued in accordance with the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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

MHT Project

MHT Project comprises Alaskan State Mining claims of 6,203 acres located only 20km north of major mining and logistics hub, Fairbanks City. The claims are held by the Mental Health Trust. Felix Gold has secured 100% lease of the claims.

MHT	Felix Rights	Total Acres	Total Hectares	Total SQ KM
MHP Project	100% Lease	6,203	2512	25.12
MHT Project		6,203	2512	25.12

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 strong advantage for Felix with its existing infrastructure, low-cost power, skilled workforce and long history of gold production. It allows us to work year-round and delivers genuine potential development pathways for our assets.

Our key projects are located along the main Fairbanks gold trend and contains multiple 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")

30 SEPTEMBER 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	(85)	(85)
(e) administration and corporate costs	(136)	(136)
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	(221)	(221)

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

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	(2)	(2)
(d) exploration & evaluation	(3,459)	(3,459)
(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	(3,461)	(3,461)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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	-	-

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	6,925	6,925
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(221)	(221)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,461)	(3,461)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,243	3,243

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	138	717
5.2 Call deposits	3,105	6,208
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)	3,243	6,925

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	85
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>	

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
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)	(221)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(3,459)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(3,680)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,243
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	3,243
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.88
<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: The Company continues to assess its expenditure with the objective of future expenditure being dependent on available cash resources. The 2022 field season has now been completed and operating cash expenditure will be substantially reduced over the winter months.	

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

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:

The Company has not taken any formal steps to raise further cash to fund its operations at this time. The Company does however continue to assess its budgetary and ongoing funding requirements and intends to seek additional equity funding at an appropriate time and/or reduce its expenditure. The Company is confident of its ability to raise additional equity funding, however, it acknowledges that the success of such an approach will be dependent on market considerations at that time.

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:

The Company expects that it will be able to continue its operations and to meet its business objectives based on the Company's intention to seek additional equity funding and or reduce its expenditure as outlined above.

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: 31 October 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.