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FELIX GOLD LIMITED

ABN: 35 645 790 281

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

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Cautionary Statements

Forward-looking statements

This document may contain certain forward-looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement.

The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward-looking statements will be or are likely to be fulfilled. Felix Gold Limited undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this document (subject to securities exchange disclosure requirements).

The information in this document does not take into account the objectives, financial situation or particular needs of any person or organisation. Nothing contained in this document constitutes investment, legal, tax or other advice.

Competent Person Statement

All exploration results and Mineral Resources referred to in this Half Year Report have previously been announced to the market by the Company in accordance with the requirements of Chapter 5 of the ASX Listing Rules and the JORC Code 2012, including as to the requirements for a statement from a Competent Person and the relevant announcements have been referred to in the body of the Half Year Report. The Company confirms that it is not aware of any new information or data that materially affects that information. In respect of the Mineral Resources, all material assumptions and technical parameters continue to apply and have not materially changed.

Directors' Report

Directors

Ronnie Beavor, Non-Executive Chairman
Kylie Prendergast, Managing Director
Andrew Browne, Non-Executive Director
Joseph Webb, Non-Executive Director

Company Secretary

Craig McPherson

Head Office and Registered Office

Felix Gold Limited
Level 15 344 Queen St
Brisbane QLD 4000
Tel: +61 7 3054 7108

Auditors

PKF Brisbane Audit
Level 6, 10 Eagle Street
Brisbane QLD 4000

Share Registry

Automic Pty Ltd.
Level 5 126 Phillip Street
Sydney, NSW 2000
Australia

Stock Exchange Listing

Australian Stock Exchange – ASX: FXG

Directors' Report

The Directors of Felix Gold Limited (the **Company**) present their Interim Financial Report of the Group, being the Company and its Controlled Entities, for the half-year ended 31 December 2021.

DIRECTORS

The names of the Directors who held office of the Company during the whole of the financial half-year and up to the date of this report, unless otherwise stated are:

Ronnie Beevor, Non-Executive Chairman
 Kylie Prendergast, Managing Director
 Andrew Browne, Non-Executive Director (appointed 1 September 2021)
 Joseph Webb, Non-Executive Director

COMPANY SECRETARY

Craig McPherson

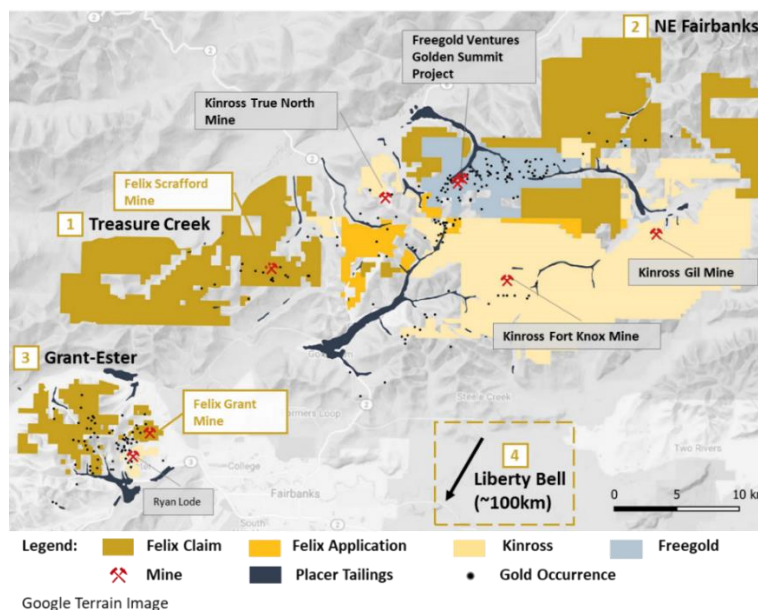
PRINCIPAL ACTIVITIES

The principal activity of the Group is the exploration for gold mineralisation in the Tintina Gold Province of Alaska.

REVIEW OF OPERATIONS

Felix Gold Limited was established in late 2020 to identify and acquire large scale gold exploration prospects in the world-class Tintina Gold Belt of Alaska. The decision to acquire this tenure was the result of a single-minded focus on seeking large-scale orebody opportunities in established, well-endowed mining districts globally.

Felix Gold Limited initially secured significant land packages in three major prospects around Fairbanks - Treasure Creek, Ester Dome and Liberty Bell. Since then, Felix Gold Limited has substantially expanded its tenure and now has over 39,000 hectares secured or under application. Felix Gold Limited's land holdings have seen over 2 million ounces of historic gold production, some from hard rock sources, but most from alluvial mining in creeks draining from our tenements. Included in our tenement package is the Grant Mine, where we now have an independently estimated JORC-compliant Inferred Mineral Resource of 364,000 ounces gold.



Directors' Report

CORPORATE

Subsequent to the end of the reporting period, the Company completed an initial public offering on the Australian Stock Exchange through the issue of 40,000,000 shares at \$0.25 per share to raise \$10,000,000 (before costs of the offer).

FINANCIAL REVIEW

At the end of the reporting period the Group had \$2,327,005 (30 June 2021: \$5,074,883) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure carried forward was \$4,386,176 (30 June 2021: \$1,987,456). The Group had net assets of \$6,555,557 (30 June 2021: \$7,161,147).

The loss after tax for the half-year ended 31 December 2021 was \$1,049,871 (31 December 2020: \$634,376).


No dividends have been paid, and the directors do not recommend the payment of a dividend for the half-year ended 31 December 2021.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration is included on page 6 of the interim financial report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporation Act 2001.

Signed on behalf of the Directors.



Kylie Prendergast
Managing Director
Dated this 14 March 2022

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
FELIX GOLD LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2021, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Felix Gold Limited and the entities it controlled during the half year.



PKF BRISBANE AUDIT



CAMERON BRADLEY
PARTNER

14 MARCH 2022
BRISBANE

PKF Brisbane Audit ABN 33 873 151 348

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2021

	Note	For the half-year ended 31-Dec-21 \$	For the period ended 31-Dec-20 \$
Other income		-	-
Administration expenses		(285,962)	(37,504)
Board fees		(150,167)	-
Depreciation expense		(4,565)	-
Legal fees		(206,908)	(74,398)
Consulting fees		(87,117)	(97,922)
Employee benefits expense		(144,445)	-
Exploration expenses		-	(424,552)
Share based payments		(170,707)	-
Loss before tax		(1,049,871)	(634,376)
Income tax benefit/(expense)		-	-
Net loss for the period from operations		(1,049,871)	(634,376)
Other comprehensive income		-	-
Total comprehensive loss for the period		(1,049,871)	(634,376)
Basic loss per share (cents)		0.86	2.72
Diluted loss per share (cents)		0.86	2.72

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Financial Position

As at 31 December 2021

	Note	31-Dec-21 \$	30-Jun-21 \$
ASSETS			
Current Assets			
Cash and cash equivalents	2	2,327,005	5,074,883
Trade and other receivables	3	53,848	179,187
Total Current Assets		2,380,853	5,254,070
Non-Current Assets			
Exploration and evaluation assets	4	4,386,176	1,987,456
Plant & Equipment		48,845	-
Total Non-Current Assets		4,435,021	1,987,456
Total Assets		6,815,874	7,241,526
LIABILITIES			
Current Liabilities			
Trade and other payables	5	260,317	80,379
Total Current Liabilities		260,317	80,379
Total Liabilities		260,317	80,379
Net Assets		6,555,557	7,161,147
EQUITY			
Contributed equity	6	7,887,102	7,749,852
Reserves		667,070	360,039
Accumulated losses		(1,998,615)	(948,744)
Total Equity		6,555,557	7,161,147

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Changes in Equity For the Half-Year Ended 31 December 2021

	Contributed Equity	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2021	7,749,852	360,039	(948,744)	7,161,147
Loss for the half-year	-	-	(1,049,871)	(1,049,871)
Other comprehensive income	-	77,537	-	77,537
Total comprehensive loss for the half-year	-	77,537	(1,049,871)	(972,334)
Equity issues	166,500	-	-	166,500
Share based payments	-	229,494	-	229,494
Equity issue expenses	(29,250)	-	-	(29,250)
Balance at 31 December 2021	7,887,102	667,070	(1,998,615)	6,555,557
Balance at 11 November 2020	-	-	-	-
Loss for the period	-	-	(634,376)	(634,376)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(634,376)	(634,376)
Equity issues	7,100	-	-	7,100
Share based payments	-	-	-	-
Equity issue expenses	-	-	-	-
Balance at 31 December 2020	7,100	-	(634,376)	(627,276)

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Cash Flows For the Half-Year Ended 31 December 2021

	Note	For the half-year ended 31-Dec-21 \$	For the period ended 31-Dec-20 \$
Cash flows from operating activities			
Payments to suppliers and employees		(814,222)	(10)
Net cash used in operating activities		(814,222)	(10)
Cash flows from investing activities			
Payments for plant and equipment		(53,410)	-
Payment for exploration and evaluation assets		(1,927,496)	-
Net cash used in investing activities		(1,980,906)	-
Cash flows from financing activities			
Proceeds from equity issues		76,500	7,000
Payment for costs of equity issues		(29,250)	-
Proceeds from share subscriptions in advance		-	1,449,375
Net cash provided from financing activities		47,250	1,456,375
Net increase/(decrease) in cash held		(2,747,878)	1,456,365
Cash and cash equivalents at beginning of the period		5,074,883	-
Cash and cash equivalents at end of the period	2	2,327,005	1,456,365

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The financial statements are for the Group consisting of Felix Gold Limited and its Controlled Entities. Felix Gold Limited is a listed public company, incorporated and domiciled in Australia. The financial statements have been prepared on an accruals basis and are based on historical cost, modified by the measurement at fair value of selected non-current assets, financial assets and liabilities. The financial report was authorised for issue on 14 March 2022 by the directors of the Company.

This interim financial report does not include all notes of the type normally included in the Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report of Felix Gold Limited (the "Company") as at 30 June 2021.

The Company was incorporated on 11 November 2020. Therefore, the previous comparative financial period for the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of Cash Flows, and relevant accompanying notes, is from 11 November 2020 to 31 December 2020.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New and Amended Standards and Interpretations for Future Periods

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are necessary for the current reporting period.

Going Concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

For the half-year ended 31 December 2021 the Group generated a consolidated loss of \$1,049,871 and incurred operating cash outflows of \$814,222 and investing cash outflows of \$1,980,906. The Group has \$2,327,005 in cash and cash reserves.

Subsequent to the end of the reporting period, the Company completed an initial public offering on the Australian Stock Exchange through the issue of 40,000,000 shares at \$0.25 per share to raise \$10,000,000 (before costs of the offer).

The Group's ability to continue to adopt the going concern assumption will depend upon the Group being able to manage its liquidity requirement and by taking some or all of the following actions:

1. raising additional capital;
2. successful exploration and subsequent exploitation of the Group's tenements; and
3. reducing its working capital expenditure.

After taking into account the current financial position of the Group, the directors have a reasonable expectation that the Group will have adequate resources to fund its future operational requirements and for these reasons they continue to adopt the going concern basis in preparing the financial report.

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

NOTE 2: CASH AND CASH EQUIVALENTS

	31-Dec-21	30-Jun-21
	\$	\$
Cash at bank		
Deposits at call	2,327,005	5,074,883
	2,327,005	5,074,883

NOTE 3: RECEIVABLES

	31-Dec-21	30-Jun-21
	\$	\$
Current:		
Other receivables	-	144,769
GST Receivable	53,848	34,418
	53,848	179,187

NOTE 4: EXPLORATION AND EVALUATION ASSETS

	31-Dec-21	30-Jun-21
	\$	\$
Exploration and evaluation expenditure carried forward in respect of areas of interest are:		
Exploration and evaluation phase - at cost	4,386,176	1,987,456
	4,386,176	1,987,456
Movement in exploration and evaluation assets:		
Exploration and evaluation phase – at cost:		
Opening balance - at cost	1,987,456	-
Capitalised exploration expenditure	2,398,720	1,987,456
Total exploration and evaluation phase – at cost:	4,386,176	1,987,456
Carrying amount at the end of the period	4,386,176	1,987,456

Notes to the Financial Statements

NOTE 5: TRADE AND OTHER PAYABLES

	31-Dec-21	30-Jun-21
	\$	\$
Trade payables and accrued expenses	242,689	46,545
Short term employee benefits	17,628	25,822
	260,317	72,367

NOTE 6: CONTRIBUTED EQUITY

Ordinary shares

	31-Dec-21		30-Jun-21	
	No. of Shares	\$	No. of Shares	\$
Balance at beginning of period	120,792,956	7,749,852	-	-
Share issues:				
Share issue – 11 November 2020	-	-	100	100
Share issue – 15 December 2020	-	-	69,999,997	7,000
Share issue – 12 January 2021	-	-	10,371,725	1,348,324
Share issue – 9 February 2021	-	-	6,774,229	880,650
Share issue – 7 May 2021	-	-	16,666,667	3,000,000
Share issue – 21 May 2021	-	-	16,980,238	3,056,443
Share issue – 17 July 2021	500,000	90,000	-	-
Share issue – 15 October 2021	425,000	76,500	-	-
Share issue transaction costs	-	(29,250)	-	(542,665)
Balance at end of period	121,717,956	7,887,102	120,792,956	7,749,852

Ordinary shareholders are entitled to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amount paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll. Ordinary shares have no par value.

	31-Dec-21	30-Jun-21
	Number	Number
Unlisted options		
Balance at beginning of period	8,495,786	-
Options granted	2,550,000	8,495,786
Balance at end of period	11,045,786	8,495,786

Notes to the Financial Statements

NOTE 7: OPERATING SEGMENTS

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on geographic basis, that is, the location of the respective areas of interest (tenements) in Alaska. Operating segments are determined on the basis of financial information reported to the board of directors which is at the Group level. The Group does not have any products or services that it derives revenue from. The Group's exploration and development activities in Alaska is the Group's sole focus.

Accordingly, management currently identifies the Group as having only one reportable segment, being the exploration of mineral projects in Alaska. There have been no changes in the reporting segments during the half-year. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

NOTE 8: EVENTS AFTER THE END OF THE REPORTING PERIOD

On 28 January 2022, the Company completed an initial public offering and listed on the Australian Stock Exchange. As part of the listing the Company issued the following securities:

- 40,000,000 fully paid ordinary shares at \$0.25 per share to raise \$10,000,000 (before the costs of the offer)
- 9,957,157 fully paid ordinary shares issued to Millrock as consideration for the assignment of option agreements over the Projects
- 1.25 million broker options with a \$0.30 exercise price, an expiry 3 years from date of issue (being 25 January 2022) and 1.25 million broker options with a \$0.40 exercise price and an expiry 3 years from date of issue (being 25 January 2022).

There are no other matters or circumstances that have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the Group in future financial periods.

Directors' Declaration

The Directors of the Group declare that:

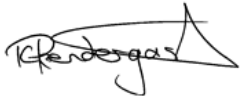
The financial statements and notes are in accordance with the Corporations Act 2001 and:

- (a) comply with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Group's financial position as at 31 December 2021 and of the performance for the period ended 31 December 2021.

In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Kylie Prendergast
Managing Director
Dated: 14 March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FELIX GOLD LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Felix Gold Limited (“the company”), which comprises the condensed consolidated statement of financial position as at 31 December 2021, and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors’ declaration of the consolidated entity, comprising the company and the entities it controlled at the half-year’s end or from time to time during the financial half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Felix Gold Limited is not in accordance with the *Corporations Act 2001* including:-

- (a) giving a true and fair view of the consolidated entity’s financial position as at 31 December 2021, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor’s Responsibilities for the Review of the Financial Report section of our report. We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independence

In conducting our review, we have complied with the auditor independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the company a written Auditor’s Independence Declaration.

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Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Regulations 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

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

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



PKF BRISBANE AUDIT



CAMERON BRADLEY
PARTNER

14 MARCH 2022
BRISBANE

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