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FELIX GOLD LIMITED

ABN: 35 645 790 281

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

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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.

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Corporate Information

Directors

Ronnie Beavor, Non-Executive Chairman
Joseph Webb, Executive Director
Andrew Browne, Non-Executive Director
Mark Strizek, Non-Executive Director

Company Secretary

Craig McPherson

Head Office and Registered Office

Felix Gold Limited
Level 1, 371 Queen St
Brisbane QLD 4000
Tel: +61 7 3054 7108

Auditors

PKF Brisbane Audit
Level 2, 66 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

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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 2023.

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
Joseph Webb, Executive Director
Andrew Browne, Non-Executive Director
Mark Strizek, Non-Executive Director (appointed 6 October 2023)
Anthony Reilly, Managing Director (resigned 6 October 2023)

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

In January 2022, Felix Gold launched its IPO on the ASX with a vision to establish a premier gold company in the renowned Tintina Gold Belt, renowned for its vast gold resources. Anchored in the prolific Fairbanks Gold Mining District, home to Kinross's Fort Knox, a Tier 1 Gold Mine, Felix Gold strategically focuses on projects within its expansive gold-rich land package that promise standalone economic viability or serve as valuable feed to existing mills.

One of our primary commercial endeavours, the NW Array project, presents a near-surface bulk tonnage opportunity. Advancing swiftly, we are currently conducting metallurgical test studies, with plans to transition to a maiden resource upon favourable results. Subsequently, we aim to initiate commercial negotiations with potential corporate partners to propel its development.

Furthermore, with permitting recently secured, Felix Gold directs its attention to test the high-grade underground potential of the Grant Mine. This brownfields resource expansion opportunity boasts a rich mining heritage. Discovered in 1926 with small scale mining on and off up to 1942. Exploration re-started in the late 1970s with mining throughout the 1980s before tailing off in the 1990s.

The gold at Grant Mine is free milling and a simple gravity and cyanide vat leach flowsheet was used between 1985 to 1989 with gold recoveries of up to 98% achieved. Mining was primarily via underground methods with some small-scale open pit mining in the late 1980's. Gold production from 1926 to closure of the mill at the end of the 1980's is estimated to have been 18,300oz of gold at a grade of 5.3 g/t with over 60% of these ounces coming from 80s underground mining down to around 300ft (~91m).

Gold is hosted in four separate known veins which remain open at depth and along strike. Exploration drilling targeting these gold bearing structing includes bonanza gold grade intercepts with a project best of 208.25 g/t Au over 0.31m within 6.07m @ 17.20 g/t Au from 188.21m (84D6). Other significant drill intercepts include 18.29m @ 11.22 g/t Au from 10.67m, 6.07m @ 17.20 g/t Au from 188.21m, 4.57m @ 19.69 g/t Au from 59.44m, 6.28m @ 14.00 g/t Au from 179.53m. The exploration database includes

Directors' Report

377 holes drilled for 30,245m and Felix notes that over 75% of the holes are less than < 80m vertical depth with the deepest hole (346.56m) only covers 310m vertical depth.

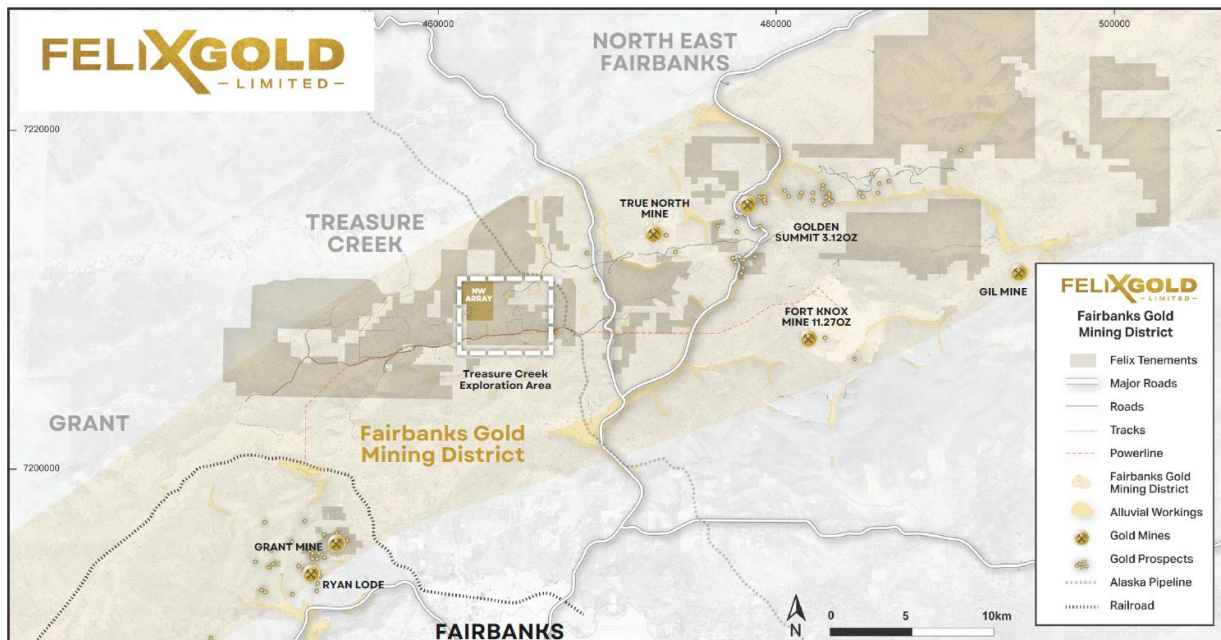
The current focus is on exploration drilling at Grant Mine targeting growth of gold resources which were estimated on 30 June 2021 and stand at 5.8Mt @ 1.95 g/t gold for 364 Koz gold (Inferred Mineral Resources classified using JORC 2012). Within this Inferred Resource there is an underground estimate of 136Koz gold at 6.2 g/t Au below a depth of 125m below surface.

In addition to our gold assets, Felix Gold holds tenure over the Scrafford Shear Antimony Mine, historically one of Alaska's leading antimony mines with mining grades up to 58% Sb. Recognizing the strategic importance of securing a domestic supply chain of antimony for the US Government, we are actively engaging in discussions with governmental bodies and strategic partners to evaluate the potential restart of this historic mine.

Felix Gold's objective is to unlock value in the Tintina Gold Belt, leveraging our strategic assets and commitment to sustainable development to drive long-term success.

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Felix Gold within Fairbanks Gold District



Cautionary Statement: Felix Gold is an early stage exploration company and no direct comparisons can be made with advanced exploration or production companies which are included for information only.

Summary of Exploration activities Treasure Creek Project

At the end of December 2023, all fire assays for gold have been returned and reported for the RC drill program. This program included 16,704 m of drilling across 183 holes. Of the 123 RC holes drilled in the Treasure Creek Project area, a remarkable 111 holes returned with "significant intercepts of gold". These results have been assessed and show the three main prospects in the Treasure Creek Project area targets that represent large scale footprint of a Gold and Antimony bearing hydrothermal systems. The best RC drill results from the Treasure Creek 2022 program are highlighted in Figure 2. Of these, the highest priorities for substantial potential gold deposit delineation are NW Array, Scrafford Shear and East Gate.

Geological evaluation of the Scrafford Shears from current drilling updates the current structural model from a single shear to multiple (up to 4) "duplexed" thrust shears. This structural interpretation

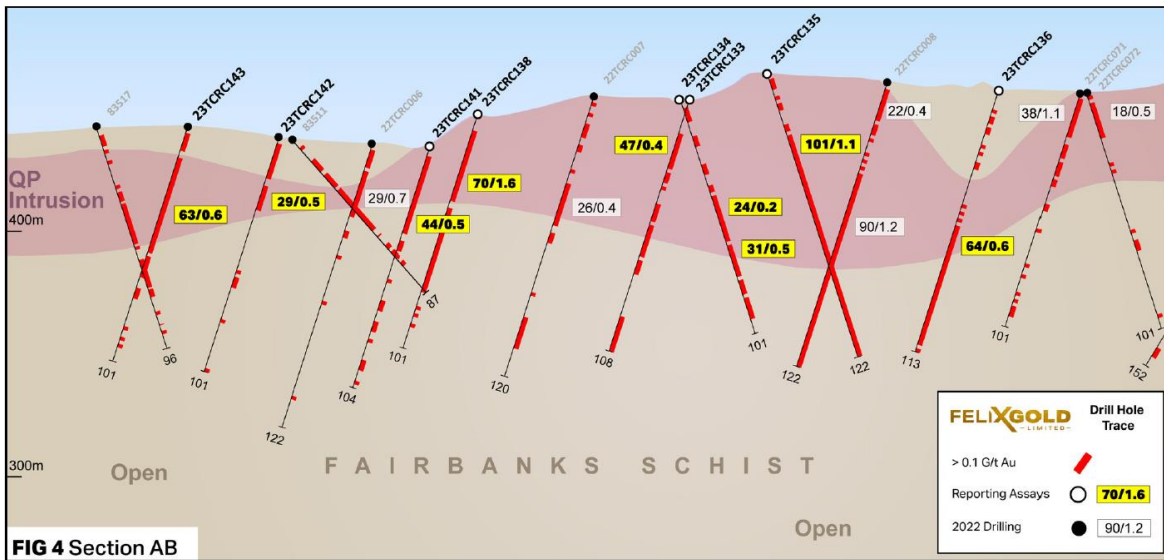
Directors' Report

demonstrates that the Scrafford Shears hold the potential for +15 Km equivalent strike zone of gold mineralisation.

Treasure Creek is known to host substantial gold-antimony mineralisation and as evidenced by the historic Scrafford Mine, which was a significant antimony mine in Alaska with grades up to 58% Sb. Local, high-grade antimony mineralisation is encountered in historic trenches along the Scrafford trend. Antimony mineralisation, visually identified as Stibnite (Sb₂S₃), occurs in the RC chips and diamond core from the 2022 drill programs. Antimony is a strategic mineral and is listed as a "critical mineral" to the U.S. economy and national security by the U.S. Department of Interior. As such, Felix Gold commissioned an Independent Geologist report to investigate antimony and other "strategic mineral" potential on all the Felix Gold project areas. This report will aid Felix in exploring and finding antimony potential in parallel with its gold-based programs.

Gold mineralisation

Geology and Mineralisation types



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Directors' Report

	From (m)	To (m)	Down Hole Thickness (m)	Grade (Au g/t)	Target Area	Announcement Reference
22TCRC002	24.4	53.3	29.0	1.5	NWA S. Zone	Multiple Thick Near Surface Mineralisation at Treasure Creek (01 August 2022)
22TCRC005	1.5	35.1	33.5	1.6	NWA S. Zone	
22TCRC006	1.5	30.5	29.0	0.7	NWA S. Zone	
22TCRC007	36.6	62.5	25.9	0.4	NWA S. Zone	
22TCRC008	32.0	121.9	89.9	1.2	NWA S. Zone	
22TCRC071	1.5	39.6	38.1	1.1	NWA S. Zone	400m Traverse of Thick Gold Mineralisation Open (05 October 2022)
22TCRC073	1.5	42.7	41.1	0.4	NWA S. Zone	
22TCRC075	16.8	51.8	35.1	1.8	NWA S. Zone	
22TCRC076	42.7	61.0	18.3	1.0	NWA S. Zone	Significant Expansion of NW Array Gold Zone (18 October 2022)
Includes	45.7	47.2	1.5	7.4	NWA S. Zone	
22TCRC078	1.5	32.0	30.5	0.4	NWA S. Zone	
And	45.7	135.6	89.9	1.0	NWA S. Zone	
22TCRC083	51.8	89.9	38.1	0.8	NWA S. Zone	Scrafford Shear Potential Grows and High-Grade Antimony Initiatives Commenced (09 December 2022)
22TCRC039	114.3	146.3	32.0	0.5	Scrafford	
And	150.9	169.2	18.3	0.6	Scrafford	
22TCRC036	50.3	57.9	7.6	6.5	Recon Line 2	Further New Gold Zone Identified at Treasure Creek (01 November 2022)
22TCRC047	74.7	100.6	25.9	1.0	Recon Line 4	Near-surface Gold Zones Extended into Northern Treasure Creek (01 December 2022)
22TCRC105	22.9	25.9	3.0	12.8	Recon Line 4	
22TCRC098	15.2	30.5	15.2	0.9	Recon Line 5	
22TCRC022	62.5	68.6	6.1	3.2	East Gate	Shallow Gold Mineralisation Expanded at East Gate (28 September 2022)
22TCRC113	13.7	19.8	6.1	3.7	East Gate	
22TCRC122	79.2	120.4	41.1	0.3	East Gate	
And	129.5	182.9	53.3	0.5	East Gate	
22TCRC057	73.2	85.3	12.2	2.7	Recon Line 1	Multiple New Gold Zones Discovered (23 September 2022)
Includes	73.2	76.2	3.1	9.9	Recon Line 1	

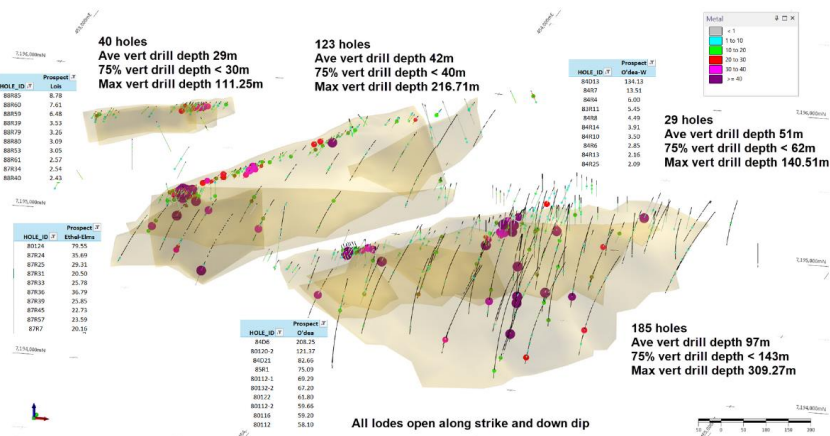
Table 1 – Top RC Drill Intercepts from Treasure Creek

Gold mineralisation

High grade Grant Mine Resource base set to grow

High-Grade Exploration: Historic drilling intersected high-grade gold zones, with best intercepts including:

- 18.29m @ 11.22 g/t Au from 10.67m
- 6.07m @ 17.20 g/t Au from 188.21m
- 4.57m @ 19.69 g/t Au from 59.44m
- 6.28m @ 14.00 g/t Au from 179.53m
- 6.09m @ 13.26 g/t Au from 64.01m
- 6.09m @ 12.78 g/t Au from 256.95m
- 7.62m @ 9.07 g/t Au from 27.43m
- 12.19m @ 3.80 g/t Au from 48.77m
- 4.57m @ 9.47 g/t Au from 67.06m
- 3.66m @ 10.85 g/t Au from 202.69m
- 8.08m @ 4.56 g/t Au from 94.03m
- 2.28m @ 15.34 g/t Au from 182.76m
- 4.57m @ 7.13 g/t Au from 25.91m
- 3.87m @ 7.98 g/t Au from 184.86m
- 7.62m @ 3.96 g/t Au from 56.39m
- 11.58m @ 2.46 g/t Au from 57.91m



3D view showing Grant Mine veins

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Directors' Report

CORPORATE

On 25 September 2023, the Company announced that it had completed a Share Purchase Plan (SPP) which raised a total of \$592,000. 7,400,000 new fully paid ordinary shares were issued at \$0.08 per share.

On 20 December 2023, the Group announced that it had secured an AUD \$1.2 million loan from significant shareholder, MDF Global Ltd (MDF), to be applied to progressing the company's Alaskan projects and commercialisation opportunities. At 31 December 2023 the Group had drawn \$350,000 of the \$1,200,000 facility and has drawn down a further \$170,000 subsequent to year end.

FINANCIAL REVIEW

At the end of the reporting period the Group had \$234,179 (30 June 2023: \$1,258,410) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure carried forward was \$18,444,803 (30 June 2023: \$17,400,734). The Group had net assets of \$18,244,022 (30 June 2023: \$18,706,864).

The loss after tax for the half-year ended 31 December 2023 was \$581,663 (31 December 2022: \$749,199).

No dividends have been paid, and the directors do not recommend the payment of a dividend for the half-year ended 31 December 2023.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration is included on page 9 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.



Joseph Webb
Executive Director
Dated this 15 March 2024

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**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 2023, 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

15 MARCH 2024
BRISBANE

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2023

	Note	For the half-year ended 31-Dec-23 \$	For the half-year ended 31-Dec-22 \$
Other income		-	-
Administration expenses		(339,760)	(328,543)
Board fees		(194,201)	(193,841)
Depreciation expense		(5,385)	(5,385)
Legal fees		(25,831)	(48,984)
Consulting fees		-	(33,571)
Share based payments		(16,486)	(138,875)
Loss before tax		(581,663)	(749,199)
Income tax benefit/(expense)		-	-
Net loss for the period from operations		(581,663)	(749,199)
Other comprehensive income		(394,893)	(33,175)
Total comprehensive loss for the period		(976,556)	(782,374)
Basic loss per share (cents)		0.29	0.44
Diluted loss per share (cents)		0.29	0.44

The accompanying notes form part of these financial statements.

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Condensed Consolidated Statement of Financial Position

As at 31 December 2023

	Note	31-Dec-23 \$	30-Jun-23 \$
ASSETS			
Current Assets			
Cash and cash equivalents	2	234,179	1,258,410
Trade and other receivables	3	41,968	105,464
Total Current Assets		276,147	1,363,874
Non-Current Assets			
Exploration and evaluation assets	4	18,444,803	17,400,734
Plant & Equipment		62,453	75,807
Total Non-Current Assets		18,507,256	17,476,541
Total Assets		18,783,403	18,840,415
LIABILITIES			
Current Liabilities			
Trade and other payables	5	189,381	133,551
Borrowings	5	350,000	-
Total Current Liabilities		539,381	133,551
Total Liabilities		539,381	133,551
Net Assets		18,244,022	18,706,864
EQUITY			
Contributed equity	6	22,603,264	22,106,036
Reserves		1,549,547	1,927,954
Accumulated losses		(5,908,789)	(5,327,126)
Total Equity		18,244,022	18,706,864

The accompanying notes form part of these financial statements.

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Condensed Consolidated Statement of Changes in Equity For the Half-Year Ended 31 December 2023

	Contributed Equity	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2023	22,106,036	1,927,954	(5,327,126)	18,706,864
Loss for the half-year	-	-	(581,663)	(581,663)
Other comprehensive income	-	(394,893)	-	(394,893)
Total comprehensive loss for the half-year	-	(394,893)	(581,663)	(976,556)
Equity issues	592,000	-	-	592,000
Share based payments	-	16,486	-	16,486
Equity issue expenses	(94,772)	-	-	(94,772)
Balance at 31 December 2023	22,603,264	1,549,547	(5,908,789)	18,244,022
Balance at 1 July 2022	19,549,360	1,353,085	(3,103,527)	17,798,918
Loss for the half-year	-	-	(749,199)	(749,199)
Other comprehensive income	-	(33,175)	-	(33,175)
Total comprehensive loss for the half-year	-	(33,175)	(749,199)	(782,374)
Equity issues	-	-	-	-
Share based payments	-	138,875	-	138,875
Equity issue expenses	-	-	-	-
Balance at 31 December 2022	19,549,360	1,458,785	(3,852,726)	17,155,419

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Cash Flows For the Half-Year Ended 31 December 2023

	Note	For the half-year ended 31-Dec-23 \$	For the half-year ended 31-Dec-22 \$
Cash flows from operating activities			
Payments to suppliers and employees		(485,737)	(514,928)
Net cash used in operating activities		(485,737)	(514,928)
Cash flows from investing activities			
Payments for plant and equipment		-	(2,356)
Payment for exploration and evaluation assets		(1,385,722)	(5,105,985)
Net cash used in investing activities		(1,385,722)	(5,108,341)
Cash flows from financing activities			
Loan Received		350,000	-
Proceeds from equity issues		592,000	-
Payment for costs of equity issues		(94,772)	-
Net cash provided from financing activities		847,228	-
Net increase/(decrease) in cash held		(1,024,231)	(5,623,269)
Cash and cash equivalents at beginning of the period		1,258,410	6,926,189
Cash and cash equivalents at end of the period	2	234,179	1,302,920

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 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 15 March 2024 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 2023.

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

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss. Refer to Note 5 for additional information.

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 2023 the Group generated a consolidated loss of \$581,663 and incurred operating cash outflows of \$485,737 and investing cash outflows of \$1,385,722. The Group had \$234,179 in cash and cash reserves and undrawn loan facilities of \$850,000 at 31 December 2023.

In the short to medium term, the Group has the ability to seek to raise funds from shareholders or other investors and proposes to raise such funds as and when required. If such funding is not

Notes to the Financial Statements

achieved, the Group plans to reduce expenditure significantly, which may result in an impairment loss on the book value of exploration and evaluation expenditure recorded at reporting date.

These conditions give rise to a material uncertainty that may cast doubt upon the Group's ability to continue as a going concern. The ongoing operation of the Group is dependent upon:

- The Group raising additional funding from shareholders or other parties; and/or
- The Group reducing expenditure in line with available funding

In the longer term, the development of economically recoverable mineral deposits found on the Group's existing or future exploration properties depends on the ability of the Group to obtain financing through equity financing, debt financing or other means. If the Group's exploration programs are ultimately successful, additional funds will be required to develop the Group properties and to place them into commercial production. The ability of the Group to arrange such funding in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Group.

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Notes to the Financial Statements

NOTE 2: CASH AND CASH EQUIVALENTS

	31-Dec-23	30-Jun-23
	\$	\$
Cash at bank		
Deposits at call	234,179	1,258,410
	234,179	1,258,410

NOTE 3: TRADE AND OTHER RECEIVABLES

	31-Dec-23	30-Jun-23
	\$	\$
Current:		
GST Receivable	15,366	37,623
Other	26,602	67,841
	41,968	105,464

NOTE 4: EXPLORATION AND EVALUATION ASSETS

	31-Dec-23	30-Jun-23
	\$	\$
Exploration and evaluation expenditure carried forward in respect of areas of interest are:		
Exploration and evaluation phase - at cost	18,444,803	17,400,734
	18,444,803	17,400,734
Movement in exploration and evaluation assets:		
Exploration and evaluation phase – at cost:		
Opening balance - at cost	17,400,734	11,351,077
Capitalised exploration expenditure	934,288	6,447,099
Impairment	-	(686,980)
Effect of foreign exchange movements	109,781	289,538
Total exploration and evaluation phase – at cost:	18,444,803	17,400,734
Carrying amount at the end of the period	18,444,803	17,400,734

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Notes to the Financial Statements

NOTE 5: CURRENT LIABILITIES

	31-Dec-23	30-Jun-23
	\$	\$
Trade payables and accrued expenses	172,992	116,750
Employee Liabilities	16,389	16,802
	189,381	133,552
Loan payable	350,000	-

On 20 December 2023, the Group announced that it had secured an AUD \$1.2 million loan from significant shareholder, MDF Global Ltd (MDF), to be applied to progressing the company's Alaskan projects and commercialisation opportunities. At 31 December 2023 the Group had drawn \$350,000 of the \$1,200,000 facility.

The loan is unsecured, attracts an interest rate of 6% per annum and is repayable by 31 December 2025. Subject to receiving Shareholder approval by 31 July 2024, the Group may repay any amounts owing to MDF by issuing convertible notes (having a face value of AUD\$0.08 per convertible note), together with one (1) attaching option for every two (2) convertible notes issued, to MDF. Where Shareholder approval is not obtained by 31 July 2024, all amounts owing to MDF will be repayable by Felix on or before the date that is 3 months after MDF provides written notice requiring such repayment. Felix may, at any time before the Maturity Date, convert any convertible notes issued to MDF into shares in Felix (Shares), which shall secure repayment to MDF for the amount of the face value.

NOTE 6: CONTRIBUTED EQUITY

Ordinary shares

	31-Dec-23		30-Jun-23	
	No. of Shares	\$	No. of Shares	\$
Balance at beginning of period	199,815,000	22,106,036	171,675,113	19,549,360
Share issues:				
Share Placement – 24 April 2023	-	-	26,640,000	26,640,000
Share Placement – 20 June 2023	-	-	1,500,000	150,000
Share Placement – 01 October 2023	7,400,000	592,000	-	-
Transaction costs associated with share issues	-	(94,772)	-	(257,324)
Balance at end of period	207,215,000	22,603,264	199,815,000	22,106,036

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.

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Notes to the Financial Statements

NOTE 6: CONTRIBUTED EQUITY (Cont).

	31-Dec-23 Number	30-Jun-23 Number
Unlisted options		
Balance at beginning of period	11,545,786	11,545,786
Options granted	2,000,000	-
Options lapsed	-	-
Balance at end of period	13,545,786	11,545,786

	31-Dec-23 Number	30-Jun-23 Number
Listed options		
Balance at beginning of period	16,190,000	-
Options granted	-	16,190,000
Options lapsed	-	-
Balance at end of period	16,190,000	16,190,000

	31-Dec-23 Number	30-Jun-23 Number
Performance rights		
Balance at beginning of period	6,500,000	-
Rights granted	-	6,500,000
Rights lapsed	(6,500,000)	-
Balance at end of period	-	6,500,000

NOTE 7. SHARE BASED PAYMENTS

Director and Employee Share-based Payments

Options

Felix Gold Limited has established an employee share option program that entitles directors, key management personnel and senior employees to purchase shares in the Company. Each option is exercisable to acquire one common share of the Company.

In the 2021 and 2023 year, grants were offered to these groups of employees. In accordance with these programs, options are exercisable at the exercise price determined at the date of grant.

The terms and conditions of the employee share option grants made under the employee share option program and in existence at 31 December 2023 were as follows.

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Notes to the Financial Statements

NOTE 7 SHARE-BASED PAYMENTS (Continued)

Grant date	Entitlement	Number of instruments	Vesting conditions	Contractual life
09.04.2021	Senior Employees	500,000	24 months from grant	09.10.2024 - 36 months
09.04.2021	Directors	5,000,000	24 months from grant	09.10.2024 - 36 months
07.12.2023	Directors	500,000	Vest immediately	Expire 06.04.2027
07.12.2023	Directors	1,000,000	Vest at a share price \$0.25 (based on a 10 day VWAP)	Expire 06.04.2027
07.12.2023	Directors	500,000	Vest 06.10.24	Expire 06.04.2027
Total employee share options		<u>7,500,000</u>		

All employee share options are exercisable at any time after the vesting date and before the expiry date to acquire one fully paid ordinary share.

The fair value of employee share options is measured at grant date and recognised as an expense over the period during which the key management personnel and senior employees become unconditionally entitled to the options. The fair value of the options granted is measured using Black-Scholes formulas, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of options that vest.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

The fair value of employee share options has been calculated with the following inputs:

Grant date	Fair value at grant date	Share price	Exercise price	Expected volatility	Option life years	Expected dividends	Risk-free interest rate
09.04.2021	\$0.101	\$0.18	\$0.30	100%	3.5	-	0.30%
07.12.2023	\$0.0258	\$0.049	\$0.12	105%	3.33	-	4.22%
07.12.2023	\$0.0052	\$0.049	\$0.12	105%	3.33	-	4.22%
07.12.2023	\$0.0237	\$0.049	\$0.15	105%	3.33	-	4.22%

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Notes to the Financial Statements

NOTE 8: 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 9: EVENTS AFTER THE END OF THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Group drew down a further \$170,000 loan from significant shareholder, MDF Global Ltd (MDF). At the date of this report the Group had drawn \$520,000 of the \$1,200,000 facility (Refer Notes 1 and 5).

Other than as noted above, there are no 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.

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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 2023 and of the performance for the period ended 31 December 2023.

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



Joseph Webb
Executive Director
Dated: 15 March 2024

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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 2023, 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 2023, 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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 2023 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

15 MARCH 2024
BRISBANE

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