

AUSTRALIAN
RESEARCH
INDEPENDENT INVESTMENT RESEARCH

Felix Gold Limited

May 2022

WHO IS IIR?

Independent Investment Research, "IIR", is an independent investment research house based in Australia and the United States. IIR specialises in the analysis of high quality commissioned research for Brokers, Family Offices and Fund Managers. IIR distributes its research in Asia, United States and the Americas. IIR does not participate in any corporate or capital raising activity and therefore it does not have any inherent bias that may result from research that is linked to any corporate/ capital raising activity.

IIR was established in 2004 under Aegis Equities Research Group of companies to provide investment research to a select group of retail and wholesale clients. Since March 2010, IIR (the Aegis Equities business was sold to Morningstar) has operated independently from Aegis by former Aegis senior executives/shareholders to provide clients with unparalleled research that covers listed and unlisted managed investments, listed companies, structured products, and IPOs.

IIR takes great pride in the quality and independence of our analysis, underpinned by high caliber staff and a transparent, proven and rigorous research methodology.

INDEPENDENCE OF RESEARCH ANALYSTS

Research analysts are not directly supervised by personnel from other areas of the Firm whose interests or functions may conflict with those of the research analysts. The evaluation and appraisal of research analysts for purposes of career advancement, remuneration and promotion is structured so that non-research personnel do not exert inappropriate influence over analysts.

Supervision and reporting lines: Analysts who publish research reports are supervised by, and report to, Research Management. Research analysts do not report to, and are not supervised by, any sales personnel nor do they have dealings with Sales personnel

Evaluation and remuneration: The remuneration of research analysts is determined on the basis of a number of factors, including quality, accuracy and value of research, productivity, experience, individual reputation, and evaluations by investor clients.

INDEPENDENCE – ACTIVITIES OF ANALYSTS

IIR restricts research analysts from performing roles that could prejudice, or appear to prejudice, the independence of their research.

Pitches: Research analysts are not permitted to participate in sales pitches for corporate mandates on behalf of a Broker and are not permitted to prepare or review materials for those pitches. Pitch materials by investor clients may not contain the promise of research coverage by IIR.

No promotion of issuers' transactions: Research analysts may not be involved in promotional or marketing activities of an issuer of a relevant investment that would reasonably be construed as representing the issuer. For this reason, analysts are not permitted to attend "road show" presentations by issuers that are corporate clients of the Firm relating to offerings of securities or any other investment banking transaction from that our clients may undertake from time to time. Analysts may, however, observe road shows remotely, without asking questions, by video link or telephone in order to help ensure that they have access to the same information as their investor clients.

Widely-attended conferences: Analysts are permitted to attend and speak at widely-attended conferences at which our firm has been invited to present our views. These widely-attended conferences may include investor presentations by corporate clients of the Firm.

Other permitted activities: Analysts may be consulted by Firm sales personnel on matters such as market and industry trends, conditions and developments and the structuring, pricing and expected market reception of securities offerings or other market operations. Analysts may also carry out preliminary due diligence and vetting of issuers that may be prospective research clients of ours.

INDUCEMENTS AND INAPPROPRIATE INFLUENCES

IIR prohibits research analysts from soliciting or receiving any inducement in respect of their publication of research and restricts certain communications between research analysts and personnel from other business areas within the Firm including management, which might be perceived to result in inappropriate influence on analysts' views.

Remuneration and other benefits: IIR procedures prohibit analysts from accepting any remuneration or other benefit from an issuer or any other party in respect of the publication of research and from offering or accepting any inducement (including the selective disclosure by an issuer of material information not generally available) for the publication of favourable research. These restrictions do not preclude the acceptance of reasonable hospitality in accordance with the Firm's general policies on entertainment, gifts and corporate hospitality.

DISCLAIMER

This publication has been prepared by Independent Investment Research (Aust) Pty Limited trading as Independent Investment Research ("IIR") (ABN 11 152 172 079), an corporate authorised representative of Australian Financial Services Licensee (AFSL no. 410381). IIR has been commissioned to prepare this independent research report (the "Report") and will receive fees for its preparation. Each company specified in the Report (the "Participants") has provided IIR with information about its current activities. While the information contained in this publication has been prepared with all reasonable care from sources that IIR believes are reliable, no responsibility or liability is accepted by IIR for any errors, omissions or misstatements however caused. In the event that updated or additional information is issued by the "Participants", subsequent to this publication, IIR is under no obligation to provide further research unless commissioned to do so. Any opinions, forecasts or recommendations reflects the judgment and assumptions of IIR as at the date of publication and may change without notice. IIR and each Participant in the Report, their officers, agents and employees exclude all liability whatsoever, in negligence or otherwise, for any loss or damage relating to this document to the full extent permitted by law. This publication is not and should not be construed as, an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. Any opinion contained in the Report is unsolicited general information only. Neither IIR nor the Participants are aware that any recipient intends to rely on this Report or of the manner in which a recipient intends to use it. In preparing our information, it is not possible to take into consideration the investment objectives, financial situation or particular needs of any individual recipient. Investors should obtain individual financial advice from their investment advisor to determine whether opinions or recommendations (if any) contained in this publication are appropriate to their investment objectives, financial situation or particular needs before acting on such opinions or recommendations. This report is intended for the residents of Australia. It is not intended for any person(s) who is resident of any other country. This document does not constitute an offer of services in jurisdictions where IIR or its affiliates do not have the necessary licenses. IIR and/or the Participant, their officers, employees or its related bodies corporate may, from time to time hold positions in any securities included in this Report and may buy or sell such securities or engage in other transactions involving such securities. IIR and the Participant, their directors and associates declare that from time to time they may hold interests in and/or earn brokerage, fees or other benefits from the securities mentioned in this publication.

IIR, its officers, employees and its related bodies corporate have not and will not receive, whether directly or indirectly, any commission, fee, benefit or advantage, whether pecuniary or otherwise in connection with making any statements and/or recommendation (if any), contained in this Report. IIR discloses that from time to time it or its officers, employees and related bodies corporate may have an interest in the securities, directly or indirectly, which are the subject of these statements and/or recommendations (if any) and may buy or sell securities in the companies mentioned in this publication; may affect transactions which may not be consistent with the statements and/or recommendations (if any) in this publication; may have directorships in the companies mentioned in this publication; and/or may perform paid services for the companies that are the subject of such statements and/or recommendations (if any).

However, under no circumstances has IIR been influenced, either directly or indirectly, in making any statements and/or recommendations (if any) contained in this Report. The information contained in this publication must be read in conjunction with the Legal Notice that can be located at <http://www.independentresearch.com.au/Public/Disclaimer.aspx>.

THIS IS A COMMISSIONED RESEARCH REPORT.

The research process includes the following protocols to ensure independence is maintained at all times:

- 1) The research process has complete editorial independence from the company and this is included in the contract with the company;
- 2) Our analyst has independence from the firm's management, as in, management/ sales team cannot influence the research in any way;
- 3) Our research does not provide a recommendation, in that, we do not provide a "Buy, Sell or Hold" on any stocks. This is left to the Adviser who knows their client and the individual portfolio of the client.
- 4) Our research process for valuation is usually more conservative than what is adopted in Broking firms in general sense. Our firm has a conservative bias on assumptions provided by management as compared to Broking firms.
- 5) All research mandates are settled upfront so as to remove any influence on ultimate report conclusion;
- 6) All staff are not allowed to trade in any stock or accept stock options before, during and after (for a period of 6 weeks) the research process.

For more information regarding our services please refer to our website www.independentresearch.com.au.



Investment Profile

Share Price (A\$/sh) as at 27 April 2022	0.14
Issue Capital:	
Ordinary Shares (M)	171.7
Options (M)	13.5
Performance Shares	
Fully Diluted (M)	205.2
Market Capitalisation (A\$M)	24.0
12 month L/H (A\$/sh)	0.13-0.22

Board and Management

Directors:

Ronnie Beevor Non-Executive Chairman

Joe Webb Managing Director

Andy Browne Non-Executive Director

Management:

David G Larimer – VP Exploration

Craig McPherson – Company Secretary & CFO

Major Shareholders 24 January 2022

Mine Discovery Fund	20.5%
Directors and Management	7.1%
Millrock Resources Inc	5.8%

Share Price Performance



INTRODUCTORY HEADING

Felix Gold Limited is an ASX listed exploration company focussed on the Tintina gold province in Alaska USA. The company was listed on 28 January 2022 and has commenced its 2022 exploration drilling program in April 2022. This report used metric tonnes throughout (one metric tonne = 1.1025 short tons).

KEY POINTS

Strategic 392km² tenure in a district that has an endowment of over 20Moz - The larger deposits include Kinross's Fort Knox with an endowment to date of 16Moz, and Freegold's Golden Summit Resource of over 2.9Moz and rising.

Drilling started on 27 April 2022 – First assays due by the end of June . This drilling is targeting the Treasure Creek area, specifically the North West Array and Scrafford-Eastgate.

Treasure Creek has major discovery potential - Multiple historical drill intercepts ended in mineralisation and know mineralised structures have not been closed off. Large scale gold in soil anomalies suggest large mineral systems, and existing drilling indicates the mineralisation starts close to surface and extends to depth (ie over 200m).

Two other target areas contain Resources or Exploration Targets – the Grant -Ester claims have an existing JORC 2012 Resource comprising surface and underground components of 4.8Mt at 1.95g/t containing 364Koz gold based on historical drilling with historical recoveries from conventional CIL processing of over 95%. Liberty Bell has an Exploration Target of 1.2Mt to 1.83Mt grading between 2.3g/t and 2.66g/t.

Multiple potential pathways to production exist - including feeding Kinross's 30Mtpa Fort Knox operation. On Kinross's last published mine plan of 2018, the 10Mtpa mill was to cease processing in 2020 and mining to heap leach was to cease in 2028. The mill is still operating and in 2020 Kinross has purchased 70% of a Resource that will supply 1mt for 4.5 years, showing that it is prepared to do deals friendly to junior explorers if the numbers stack up.

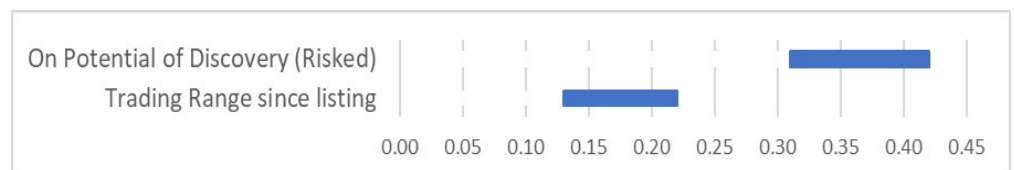
Cash on hand of A\$12M sufficient to fund a strong 2-3 year exploration program

Risks – The company faces the usual risks for a gold explorer. Discovery is uncertain, the gold price is volatile, as is market sentiment towards exploration juniors, and there are permitting and project delivery risks.

Valuation

Our base case valuation range for Felix Gold is A\$0.31-0.42 per share. The major asset of an exploration company is its value as an option on the possibility of exploration success. Our approach has been to flesh out the potential value of such an option.

We believe around A\$9M of the current A\$12M cash on hand will be spent on exploration. The finding costs of its peer group is between A\$4/oz and A\$6/oz of Resource, and its peers that have projects at the evaluation stage are valued by the current market at A\$40-130/oz. Applying these factors generates an unrisksed valuation range of A\$60M to A\$293M, which after risk adjustment reduce to A\$54-72M or A\$0.31-0.42/sh. The low end of the range is assessed as relatively low risk, given the company's existing Resource base.



The investment opinion in this report is current as at the date of publication. Investors and advisers should be aware that over time the circumstances of the issuer and/or product may change which may affect our investment opinion.

OVERVIEW

Felix is an Australian based, Alaskan focused, gold exploration company with a tenement (in Alaska “claims”) portfolio that has been assembled by the incubator Mine Discovery Fund Ltd. Felix has been listed to raise cash to fund the more expensive and more potentially value adding drilling stage of exploration. Much of the preliminary exploration surveying and target generation has been completed by Mine Discovery Fund Ltd, leaving Felix able to start drilling as this research goes to press.

Value creation framework for explorers

To create value by gold exploration for shareholders a company needs the following:

- ◆ A claims portfolio in a geology that is highly prospective for gold.
- ◆ Exploration targets within that portfolio ready for drilling. Without drilling, there is virtually no chance of demonstrating the existence of a discovery.
- ◆ Cash to fund drilling so that drilling actually takes place
- ◆ A discovery which converts to a commercial success.

Risk minimisation by data acquisition prior to the more expensive drilling phase

Felix claims portfolio is highly prospective, with limited recent drilling but substantial historical exploration and drilling and more recent geochemical and geophysical surveys by Felix and originator, Mine Development Fund. There is strong reason to believe that the upcoming drilling program will intersect gold mineralisation.

Fort Knox is a natural market for any discovery, including low grade

A technical success doesn't necessarily translate into a commercial or market success. Value creation requires that there is a pathway to market that makes economic sense.

Gold project development in a location like North America is technically within the reach of a junior like Felix, and funding of a moderately sized high grade project is likely to be within Felix' capacity also.

If Felix discovers a large low grade deposit, where the up front capital cost may be sufficiently large to challenge a junior, the management have identified that within 20Km there is the Fort Knox operation of Kinross which treats over 30Mtpa and will need to be mining additional ore from sources other than Fort Knox/Gil by 2026 to 2028, and which will need to start the approval and mine development process much sooner ie in 2022 to 2024. In the December 2021 quarter, Fort Knox processed 2.1Mt at 0.73g/t through the CIL plant and added 8.2Mt at 0.15g/t to the heap leach pad.

WHERE FELIX IS POSITIONED

Four project areas with multiple targets

Felix listed with four project areas, Treasure Creek, North East Fairbanks, Grant Ester and Liberty Bell, and has applied for additional claims. Drilling has commenced on 27 April 2022 at **Treasure Creek** to build on the mineralised intersections from historical drilling.

North East Fairbanks has existing drill targets which will be drilled in 2022, with additional likely to be generated by geochemical and geophysical work in 2022.

Grant-Ester has existing drill permits for some of the extensions to the Grant Mine and is seeking additional permits to drill test the extent at depth of the known Resource of 4.8Mt at 1.95g/t for 364Koz gold.

Liberty Bell is further from Fairbanks and needs target generation studies before drilling would be considered. It has an Exploration Target of 1.2 Mt to 1.83 Mt grading between 2.3 g/t Au and 2.66 g/t Au for 93,500 ounces to 156,700 ounces.

Table 1 shows the exploration plan at January 2022. Start of drilling has slipped a quarter.

Table 1 Exploration program from the January 2022 prospectus – there has been slippage in the start of drilling

		2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1-Q4
Treasure Creek	Geochemistry	Soil program results		Soil/auger program			Infill soil/auger sampling
	Trenching			Eastgate, Wildcat, Line 18, NW Array			Trenches
	Geophysics	IP Survey: gradient array (NW Array) and IP (Scrafford-Eastgate)			Ground geophysics		Ground geophysics
	Targeting	Drill target generation					Target generation
	Drilling		RC: m TBD (Eastgate, Wildcat, Line 18, NW Array); Drillcore: Eastgate-Scrafford			Drilling: TBD	RC/Core: m TBD
	Study					Metallurgy	TBD
NE Fairbanks	Geochemistry	Soil program results		Extend and infill with soil/auger			Infill sampling
	Trenching			Trenches: Ground truthing (multiple prospects)			Trenches
	Geophysics				Ground geophysics		Ground geophysics
	Targeting	Drill target generation					Target generation
	Drilling			RAB/RC/Core: m TBD		Drilling: TBD	RC/Core: m TBD
Grant-Ester	Targeting		Drill targeting: high grade plunge zones and resource extension.				Target generation
	Drilling					Core ~500 m	Core: m TBD
	Study					Metallurgical study	TBD
Liberty Bell	Geochemistry			Infill soil sampling			Infill sampling
	Trenching			Trenches: Ground truthing (multiple prospects)			Trenches
	Geophysics		Review existing				Ground geophysics
	Targeting	Drill target generation					Target generation
	Drilling			RAB/RC under gravels; RC/Core: m TBD			RC/Core: m TBD

Source: Felix prospectus 28 January 2022 Table 1.4

Treasure Creek the immediate focus of drilling

Treasure Creek has the highest density of recent soil geochemistry and geophysics. The existing drilling has a similar tenor to Fort Knox suggesting a bulk tonnage target grading 0.4-0.8g/t at open pit depths.

2022 Treasure Creek drilling program to generate assay reports by mid-2022

Targets are well developed and the initial drilling will generate news flow by mid year. As with exploration the world over, the turnaround time on assays from drilling is of the order of two months, so Felix will probably conduct an initial drilling program in May/June, and a second program starting September, which will be guided by the assay results of the first campaign.

News flow will be seasonal but the location allows drilling in winter

Because Felix' claims are located close to the major Alaskan population centre of Fairbanks, drilling could proceed in both winter and summer, if necessary, so while the summer is likely to see the most activity, if the company gets sufficient encouragement from the summer program, the news flow could be maintained through the winter.

VALUATION

Figure 1 Valuation range:



Source: ASX, IIR estimates refer Table 3

VALUATION BASED ON EXPLORATION SPEND

Felix has current drilling targets and A\$12 million in cash. After deducting A\$1.5M corporate overheads and option payments required to maintain options on claims of US\$1M (A\$1.5M), we expect A\$9M will be applied to actual exploration over the next two or three years.

If Felix spends the A\$9M and achieves a discovery cost of between A\$4/oz and A\$6/oz it will generate a Resource of 1.5-2.25Moz.

The peers are priced at Enterprise Values of A\$44-131/oz All Resource (US\$31-97/oz - Table 4). Table 2 has rounded these values down to A\$40/oz, A\$80/oz and A\$130/oz.

Table 2 Basis of valuation

	Low	Mid	High
Exploration Spend	9	9	9
Finding Cost A\$/oz (refer Table 5 and related text)	6	5	4
Resource Generated Moz	1.50	1.80	2.25
Valuation EVA\$/oz (Refer Table 4 and related text)	40	80	130
Estimated Unrisked Enterprise Value A\$M	60	144	293
Unrisked Valuation A\$/sh on 171.7M shares	0.35	0.84	1.70
Risk Factor	90%	50%	20%
Risked Valuation A\$M	54.0	72.0	58.5
Risked Valuation A\$/sh on 171.7M shares	0.31	0.42	0.34

Source: IIR estimates

Given the Felix share price is trading at around A\$0.14/sh, with cash backing at A\$12M or A\$0.7/sh, it would appear the market is pricing in around a 20% chance of the low scenario. Alternatively, in two years' time, with the cash gone, the discoveries would have to carry all the value of the company. From that perspective, the market is pricing in a 40% chance of discovering 1.5Moz over two years.

We see the 1.5Moz target as very achievable because Grant-Esther and Liberty Bell probably contain at least 0.5Moz based on historical drilling, hence the 90% risk weighting.

If a discovery hole or set of holes is announced, the market is likely to reassess the risk of discovery and re-rate Felix as if it has Resources, even though no Resource estimate is published. At that stage, the share price would be factoring in the close to a zero risking and would be focussed on the potential size of the discovery. As examples of this re-rating, this report includes share price charts of Freegold (Figure 4) and Contango (Figure 5). Both companies added the equivalent of over A\$120M to their market capitalisation in a couple of months post a discovery announcement.

Table 3 Valuation Summary

	Low	High
Trading Range since listing	0.13	0.22
On Potential of Discovery (Risky)	0.33	0.46

Source: ASX, IIR estimates

RISKS

- ◆ The gold price could move up or down and depending on the direction of movement, could influence the valuation of gold mining and exploration companies.
- ◆ The Australian Dollar exchange rate could change, influencing the value of translating gold assets in the USA back into the Australian market.
- ◆ The Equity Market sentiment towards speculative exploration companies could change, impacting both share valuations and the availability of capital required to continue funding exploration. This could improve or get worse than the environment at time of writing.
- ◆ Exploration is risky, as discussed above.
- ◆ Ongoing exploration and any future mine development requires permitting by both Alaskan State and US Federal Governments, and local communities. Felix must maintain its licence to operate in good standing, and even if it does so, could face opposition to new approvals.

PEER GROUP ANALYSIS

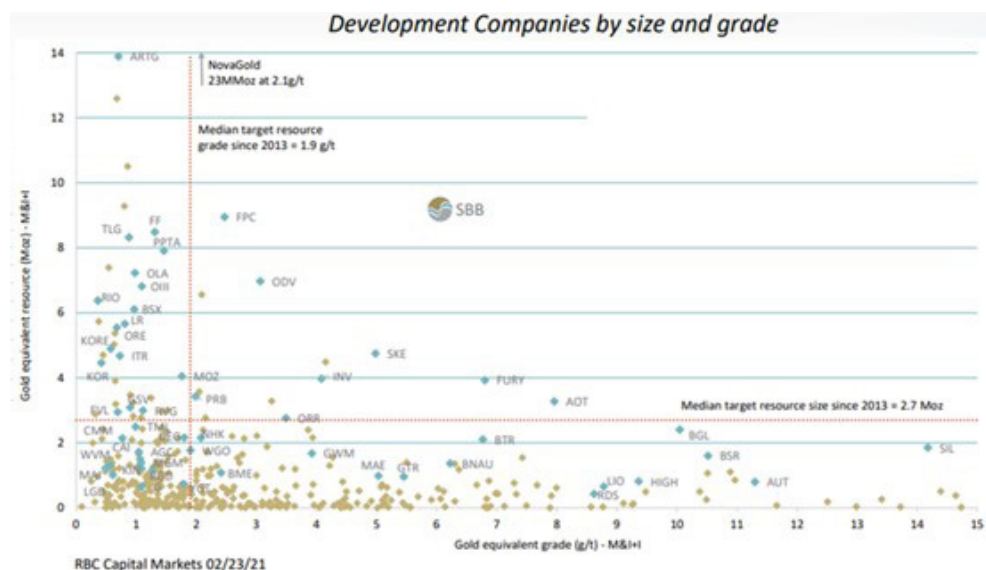
SELECTION OF PEERS

There are a lot more peers that could be used, as highlighted in the figure below. The large sample highlights that finding a gold deposit with professional tenement acquisition and application of exploration techniques is a common occurrence, particularly deposits less than both median grade (1.9g/t) and median size in ounces (2.7Moz).

What delivers a real commercial success is above median size or grade or preferably both, and that is statistically far less common.

The peer companies chosen in this section are almost entirely listed companies with projects in Alaska, and with two exceptions are all gold focussed. We have preferred the Alaskan focus to provide the closest possible peers for comparison. The non-gold peers have been included because they are Australian listed Alaskan explorers.

Figure 2 North American companies with gold projects in North America-Median Resource 2.7Moz & Grade 1.9g/t



Source: Sabina Gold & Silver Corporation presentation March 2022 - Swiss Mining Institute Conference

The sample is in two groups, those with a project Scoping Study, Preliminary Feasibility Study (PFS), or Feasibility Study (DFS), and those without, even if those without have Resources.

As indicated in the Valuation section, valuing exploration companies prior to a commercial discovery is very difficult. The value of the visible assets such as tenements is less relevant than the option value of the potential for a company changing discovery.

Felix has yet to generate a project with some kind of economic evaluation, so it cannot be compared directly to the companies in Table 4 below, but that table serves to illustrate what varying degrees of success can look like, which helps investors to assess the size of the potential prize.

The Treasure Creek area contains two targets that have the potential according to Felix of being shallow (ie open pit-able) bulk tonnage targets similar in tenor to Fort Knox. While discovery of higher grade is always possible, that means the best comparisons relevant to the next twelve months of drilling activity would be Nova Minerals (Estelle Project), International Tower Hill (Livengood), Artemis (Blackwater), and Freegold (Golden Summit).

COMPARISON WITH PEERS WITH PROJECTS AT THE ECONOMIC EVALUATION STAGE

Table 4 focusses on two key valuation metrics, Revenue Value per tonne and Enterprise Value per ounce of Resource, and it looks at both All Resources and just Measured and Indicated as the divisor.

The Revenue Value is the total contained gold in the Resource multiplied by US\$1850/oz (A\$2600/oz) gold price and divided by the Resource tonnage. The gold price chosen is an approximation of the current spot price, and the Resource can be Measured and Indicated or could include Inferred (ie All Resources). In this treatment, Reserves are included within Resources.

Revenue Value does not generate a project or company value because it excludes the capital and operating cost of extraction, and the royalties and taxes that the project must pay. It is a measure of project quality, not project value.

The lower the Revenue Value, the lower the operating costs have to be for viability. The higher the revenue value per tonne, the more economic the deposit is likely to be, noting that underground operating costs are often higher than open pit operating costs.

In Table 4, Revenue Value ranges from US\$19.9/t to US\$359.7/t. There is a concentration around US\$35.4-41/t and the three stocks involved (THM, ARTG, and FVL) also happen to have deposits with grades similar to the kind of target Felix is drilling for.

Market appears to pay US\$31-97/oz (A\$44-136/oz) on Measured and Indicated Resources

The Enterprise Value per ounce of All Resources ranges from US\$5.7/oz to US\$97.1/oz, a range too wide to be useful. Part of the difference is explained by the higher Revenue Value per tonne of NovaGold's and Sabina's projects. At the other end of the scale, Nova Minerals Revenue Value per tonne of US\$19.9/t is well below the others.

Nova has provided a grade tonnage curve for Estelle, and if the Resource at a 0.35g/t cutoff is used, the All Resource reduces to 3Moz, the revenue value rises to US\$43.8/t and the valuation to A\$18.2/t, which is better than THM but still half that of ARTG and FLV.

Our interpretation is that the market is sceptical of NVA's low grade high tonnage approach on management for now, and is pricing the company below the value of the Resource accordingly. THM has had a large Resource for many years (ie since 2014) and appears to be stalled. The project is 84 miles (135Km) from Fort Knox and the economics of haulage do not stack up, so it is not a takeover target for Kinross, and the market has lost interest.

ARTG has a deposit that is similar in size in both tonnes and ounces to THM, but is progressing the project quickly, with funding largely in place, and has the market's attention. Freegold is 10 miles (16Km) from Fort Knox and well within trucking distance, so the market hasn't given up on a deal yet, although may be wondering why the Resource is unchanged since 2016.

If we look at the remaining four peers, there is Freegold at US\$31/oz (A\$44/oz), Artemis and Sabina at US\$58/oz (A\$82/oz) and NovaGold at US\$97/oz (A\$137/oz), and these are the valuation metrics that have been taken forward to the Valuation (Table 2).

Table 4 Key financial and resource metrics for selected peer companies

Code	NVA:ASX	THM:NYSE	ARTG:V	FVL:TSX	NG:TSX	SBB:TSX
Company	Nova Minerals 0.15g/t cut	Int'l Tower Hill Mines	Artemis Gold	Freegold Ventures	NovaGold Resources	Sabina Gold & Silver
Location	Alaska	Alaska	BC Canada	Alaska	Alaska	Alaska
Project	Scoping	PFS	DFS	PFS	DFS	DFS
Currency	Gold	Gold	Gold	Gold	Gold	Gold
Shares on Issue M	180.2	195.3	6.7	337.8	333.2	527.0
Share Price US\$/sh	0.53	0.93	120.10	0.33	6.72	1.00
Market Cap US\$M	95.3	181.6	802.2	110.7	2237.6	526.1
Cash (3/22) US\$M	5.7	7.8	113.4	18.9	169.1	19.9
Debt (3/22) US\$M	0.0	0.0	1.0	0.0	116.1	30.7
Enterprise Value US\$M	89.6	173.9	689.9	91.8	2184.6	536.8
Other assets US\$M	35.0					
Net Enterprise Val. US\$M	54.6	173.9	689.9	91.8	2184.6	536.8
FX:USD Assumed	0.71	1.00	0.78	0.78	0.78	0.78
At Gold Price US\$/oz	1850	1850	1850	1850	1850	1850
Mine Type	Open Pit	Open Pit	Open Pit	Open Pit	Open Pit	OP/UG
Interest	100%	100%	100%	100%	50%	100%
All Resources Mt	892.0	721.0	613.7	133.0	316.8	47.2
Resources Gold Moz	9.6	13.80	11.92	2.95	22.50	9.19
EV US\$/oz Resource	5.7	12.6	57.9	31.1	97.1	58.4
Revenue Value US\$/t	19.9	35.4	35.9	41.0	131.4	359.7
EV A\$/oz Resource	8.0	17.7	81.5	43.9	136.8	82.3
M&I Resources Mt	286.0	705.0	596.8	61.5	270.7	33.5
Resources Gold Moz	3.0	13.60	11.67	1.36	19.50	6.32
EV US\$/oz Resource	18.2	12.8	59.1	67.3	112.0	84.9
Revenue Value US\$/t	19.4	35.7	36.2	41.0	133.3	349.6
EV A\$/oz M&I Resource	25.6	18.0	83.2	94.8	157.8	119.6

Source: Yahoo Finance for share prices at 27 April 2022, issued shares, cash and debt to 31 March 2022, Latest company presentations for Resource data

Should the investor look at Measured and Indicated or All Resources?

For mature projects, Measured & Indicated is probably better. Where Resource addition has slowed, the Inferred that has not converted to date probably will not convert in future. For projects still adding Resources rapidly, Inferred Resource is an interim stage on the way to Indicated, and using All Resources is generally a fairer comparison.

However, because Felix is early in its life as an explorer, the market will probably be looking at Inferred Resources only if there is a discovery, so we are using the All Resources metrics for now.

Finding Costs US\$3-4/oz (A\$4-6/oz)

The cost incurred by almost all of the peers is between US\$3-4/oz (A\$4-6/oz) with FVL and SBB as outliers. SBB has 50% of its Resource underground which is more expensive exploration, and FVL appears to be unusually expensive. For the valuation in Table 2, we have chosen a range of A\$4-6/oz finding cost.

Table 5 Median cost of finding gold by selected peers around US\$3-4/oz (A\$4-6/oz) including Inferred Resources

Code	NVA:ASX	THM:NYSE	ARTG:V	FVL:TSX	SBB:TSX	HIGH:V
Company	Nova Minerals 0.15g/t cut	Int'l Tower Hill Mines	Artemis Gold	Freegold Ventures	Sabina Gold & Silver	HighGold Mining
Measured & Indicated Moz	3.0	13.6	11.7	1.4	6.3	0.3
All Resources Moz	9.6	13.8	11.9	2.9	9.2	0.9
Date of Resource	Dec-21	Oct-21	Sep-20	May-16	Dec-20	Apr-20
Spend to above date US\$M	30.4	55.4	43.2	27.6	69.8	2.6
Finding Cost US\$/oz	3.2	4.0	3.6	9.4	32.0	2.9
Finding Cost A\$/oz	4.5	5.7	5.1	13.2	45.1	4.1

Sources: Resources per Table 6, Spending from accounts close to effective date of the Resource

COMPARISON WITH PEERS WITHOUT PROJECTS AT THE ECONOMIC EVALUATION STAGE

The set of peers in the table below may or may not have reported Resources, but do not have published project evaluations. Felix has JORC 2012 Resources at Grant, and Liberty Bell has historical holes sufficient to allow the reporting of an Exploration Target. The critical issue is that the Resources reported by the companies in Table 6 to date have not as yet developed sufficiently in either size or grade to support economic evaluation.

Table 6 Peers without a project at the economic evaluation stage

Code	WRM:ASX	FXG:ASX	PXX:ASX	RML:ASX	DAF:ASX
Company	White Rock Minerals	Felix Gold	Polar X	Resolution Minerals	Discovery Alaska
Location	Alaska	Alaska	Alaska	Alaska	Alaska
Project Stage	Drilling Hits	Drilling + , Resources	Resources	Drilling	Tenements
Commodity	Gold	Gold	Copper	Gold	Gold
Shares on Issue M	157.7	171.7	839.1	665.4	222.2
Share Price A\$/sh	0.200	0.140	0.019	0.015	0.040
Market Cap A\$M	31.5	24.0	15.9	10.0	8.9
Cash (3/22) A\$M	7.2	12.0	3.8	2.8	2.0
Debt (3/22) A\$M	0.4	0.0	0.0	0.0	0.0
Enterprise Value A\$M	24.7	12.0	12.2	7.2	6.9
Value of other assets A\$M					
Net Enterprise Value A\$M	24.7	12.0	12.2	7.2	6.9
Project ownership	100%	100%	80-100%	42-60%	100%
Alaska Claims km2	836	392	243	660	199
Other claims, assets	Yes	No	No	Yes	No
EV A\$/km2	29578	30700	31684	25961	34701

Source: Yahoo Finance for share prices at 27 April 2022, issued shares, cash and debt to 31 March 2022, Latest relevant company releases for tenement area and ownership data

The only available basis of numerical comparison is on area of tenement holdings, and somewhat surprisingly, they all report similar valuations at A\$25,961/km² to A\$34,701/km², a variance of +/-15%, and this ignores the other assets owned by White Rock.

We do not set much store on this basis of valuation. It is easily manipulated by the addition of unprospective tenements just to bulk up the numbers. However, on the basis that all the companies are professional businesses with a disciplined approach to tenement acquisition, these numbers suggest that the current Felix share price is close to the average of its peers (Felix A\$30,700/ km², average A\$30,520/km²) and as such is unlikely to see a material fall in relative valuation.

Because we regard this analysis as very low quality as a basis of valuation, we have not included it in the valuation section, but it is included here to allow the readers to assess for themselves.

A major distinction for Felix is that its tenements are 25-50km from a major Alaskan city on sealed roads, while the others are all much more remote.

COMMERCIALISING A DISCOVERY – THE IMPORTANCE OF KINROSS GOLD CORPORATION

Kinross operates the Fort Knox gold mine that is within trucking distance of the Felix claims that are in the region of Faribanks (ie everything except Liberty Bell). Kinross last published its 43-101 mine plan for Fort Knox in 2018, and that plan indicated that the operation would run out of ore by 2027.

The Fort Knox operation has two processing streams:

- ◆ Processing higher grade ore (ie 0.7g/t) through a 10Mtpa conventional Carbon in Leach plant to produce bullion.
- ◆ Lower grade (0.2g/t) goes to heap leach, with some 20-30Mtpa of ore being heaped each year, also producing bullion.

Since the 2018 mine plan, Kinross has acquired a 70% interest in Peak Gold which owns 100% of the Manh Choh deposit (Indicated and Inferred Resource of 9.2Mt at 4.1g/t containing 1.2Moz gold in an open pit), and a revised Fort Knox mining and processing plan including Manh Choh is planned to release by December 2022.

The deposit is located 386km (240 miles) from Fort Knox, mostly on sealed Alaskan roads.

Kinross' preliminary estimates for the Peak Gold project (on a 100% basis), using a US\$1,200 per ounce gold price, include:

- ◆ A mine life of 4.5 years, commencing in 2024;
- ◆ Total life of mine production of 1 million recovered Au eq. oz. at an average mining grade of approximately 6 g/t; (which implies life of mine production of 5.8Mt or 1.3Mtpa producing 220Kozpa).
- ◆ All-in sustaining costs in the range of US\$750 per Au equivalent ounce.
- ◆ Initial project capital expenditures of US\$110 million.

Source: <https://www.kinross.com/news-and-investors/news-releases/press-release-details/2020/Kinross-to-acquire-70-interest-in-the-high-quality-Peak-Gold-project-in-Alaska/default.aspx>

Table 7 Fort Knox Life of Mine Plan 2018. Note that ore is still being sent to the Mill at time of writing (8.1Mt in 2021)

	Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Mined from Pit Mt	603.7	71.3	78.8	64.5	58.1	77.5	70.8	67.4	43.1	45.6	26.6	0.0
Waste Mt	327.0	40.9	58.9	38.9	28.9	46.4	48.9	39.6	14.6	6.7	3.2	0.0
Ore to Stock Mt	5.0	2.7	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ore to Mill Mt	26.5	10.7	9.0	6.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mine to Leach Mt	245.1	17.0	8.6	18.8	29.2	31.0	21.9	27.8	28.5	39.0	23.4	0.0
Stock to Mill Mt	4.7	2.5	1.6	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Stock to Leach	5.9	3.4	0.3	1.2	0.9	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Mill Feed Mt	31.2	13.2	10.6	7.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Leach Feed Mt	251.0	20.4	8.9	19.9	30.1	31.0	21.9	27.8	28.5	39.0	23.6	0.0
Contained Au (koz)	3374	366	290	359	362	260	202	394	374	431	336	0
Saleable Au (koz)	2674	312	284	263	274	206	159	215	240	242	240	147

Source: Kinross Gold Fort Knox 43-101 report lodged on SEDAR dated 11 June 2018

Manh Choh will not fill the mill, but will provide the ounces to cover costs and maintain profitability, and allow the mill throughput to be infilled with material that would have gone to the Heap Leach. However, the economics would improve further if a close-to-hand source of better grade was available as mill infill.

The situation of Fort Knox offers the following potential commercialisation opportunities to Felix:

- ◆ Sale of 100% of discovery or sale of Felix to Kinross.
- ◆ Sale of a majority stake in a discovery (say 70%) to Kinross
- ◆ Felix processes low grade at mine using a heap leach route and sends higher grade to Fort Knox for processing. There are a number of ways this could be structured, ranging from paying Kinross a tolling fee to process Felix ore, to Kinross paying cash up front to own the high grade, and paying the relevant mining costs.

These options are in addition to the option where Felix builds its own processing plant and operates completely independently of Fort Knox.

Kinross has a history of acquiring deposits to maintain and supplement Fort Knox production:

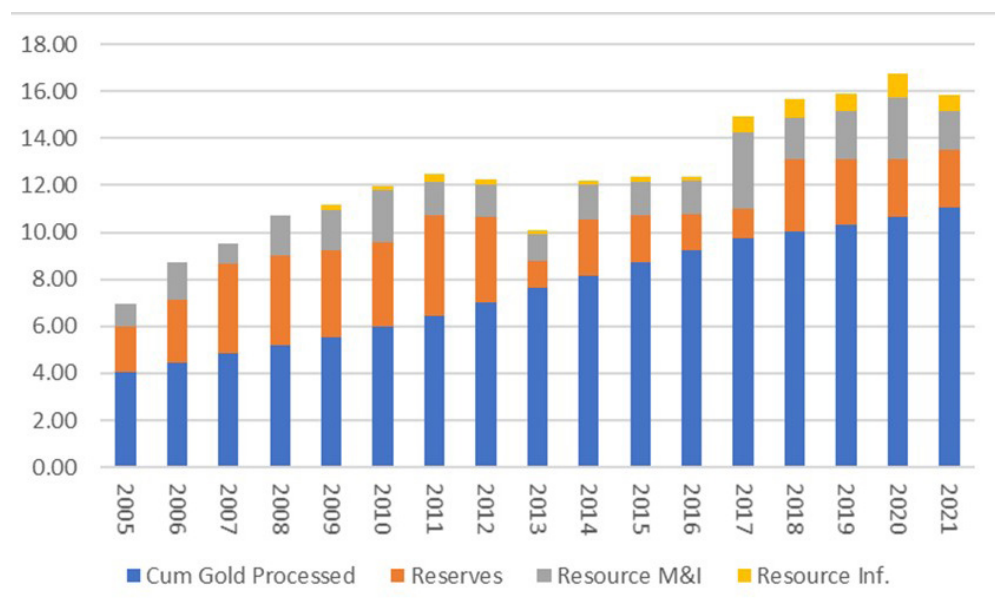
- ◆ Acquisition of True North in about 2000 adding a Resource of 16.5Mt at 2.45g/t for 1.3Moz gold.
- ◆ Acquisition of the 20% of Gil Joint Venture from minority partner Teryl for a 1% NSR with US\$4M paid in advance in April 2012. Kinross and Teryl Resources were in an 80%/20% JV from 1992 to November 2011 and spent around C\$10M on the property (Teryl SEDAR filing 30 January 2012). Kinross finally developed the deposit in 2020 to 2021 and planned to produce 160Koz/yr for two years only, ie to 2023. (<https://kinrossworld.kinross.com/en/kinross-to-develop-gil-sourdough-deposits-near-fort-knox/>).
- ◆ Acquisition of 70% of Peak Gold LLC discussed above.

The figure below highlights the lack organic growth in total endowment at Fort Knox since 2017, which means it is not replacing the gold that it mines. Figure 3 shows the cumulative production to date (in gold contained in ore processed via milling/CIL or via heap leach). To this are added the year end Reserves, Measured and Indicated Resources (excluding Reserves) and Inferred Resources to give a running total over time of the deposit endowment.

Apart from the step up with the addition of the Gilmore extension in 2018, the endowment has been flat, typical of a mine heading for end of life.

By the end of 2022, the Manh Choh's 1.2Moz will be added to the mine plan, but even then, on what the operation has in combined Resources, it will need to be adding additional feed sources by 2025 to avoid closure by 2028-2030. The long lead time is required because of the scale of the additional tonnage required, when considering the permitting and scale of construction.

Figure 3 Fort Knox mineral endowment over time (step up in 2017 was the addition of the Gilmore extension to the Fort Knox open pit)



Source: Kinross annual reports

CASE STUDIES

The following case studies provide an insight into how the market might react to a discovery by Felix, and also how Kinross might react.

- ◆ Freegold is of relevance because it discovered a low grade deposit very similar in grade to Fort Knox and located 16km (10 miles) away. However, Freegold has not yet succeeded in commercialising the deposit.
- ◆ Freegold has recently (2020) announced some exciting intersections which have prompted a significant re-rating in the share price, discussed below.
- ◆ Kinross' purchase of 70% of Peak Gold (Manh Choh) in 2020 provides an example of the kind of transaction it is prepared to do and the price it is prepared to pay.
- ◆ The 30% minority holder of Peak Gold is Contango Ore Inc and its share price has rallied significantly post the announcement of the Kinross purchase, providing an example of how the market responds to a sound commercialisation outcome, even if it leaves a company with a minority position and exposure to less ounces.

Freegold Ventures Incorporated – Its May 2020 discovery added C\$105-187M

Freegold Ventures Inc discovery of Golden Summit has been the driving factor behind both of the large share price re-ratings we see in the figure above in 2010 and 2020.

- ◆ Freegold's market capitalisation rose from C\$1.6M to C\$51.1M between December 2009 and December 2012, the period of the initial Golden Summit drill out. Gold prices were around US\$1700/oz in this period. The fall from 2013 coincided with the gold price slide to US\$1200/oz. A Resource of 130Mt at 0.69g/t for 2.95Moz was announced in 2016.
- ◆ The second re-rating was on the reporting of 188m at 3.69g/t on 6 May 2020. It caused the share price to rise from C\$0.08/sh to C\$0.54/sh on 189M issued shares, increasing the market capitalisation by C\$187M. This was a step out hole well outside the existing Golden Summit Resource envelope, and was at much higher grade than the 2016 Resource. The company followed the re-rating with a share issue, and the followup grades reported are generally lower, but the company is maintaining a post issue enterprise value of over C\$150M, an increase of C\$105M net of the issue.

Figure 4 Freegold share price in Canadian Dollars per share



Source: Yahoo Finance

Discovery announcement 6 May 2020

"Hole GSDL2001 was drilled to a depth of 548 metres and intersected 188 metres grading 3.69 grams per tonne (g/t). Significantly, the last 20 metres graded 9.87g/t Au, indicating the system is open to depth. GSDL2002, drilled 150 metres to the east of GSDL 2001, was drilled to a depth of 165 metres and had just intersected the projected CVS returning 2.4g/t over 9m before drilling activities were suspended due to COVID 19." (Source: <https://www.freegoldventures.com/news/2020/freegold-intersects-188-metres-grading-3.69-g-t-gold-at-golden-summit-including-2-metres-of-169.5-g-t-gold/>)

The market appears to place a great deal of significance on the initially reported discovery hole, and Freegold was re-rated very rapidly on both occasions, which means the potential investor in Felix can adopt one of two strategies:

- ◆ Watch the Felix news flow very closely and be prepared to buy aggressively on drilling success.
- ◆ Buy Felix now when the market is not excited, and wait for potential but not guaranteed success.

Peak Gold LLC/Manh Choh

Kinross pays US\$124/oz for Manh Choh ounces

Table 8 Kinross purchased 70% of Manh Choh in two separate transactions

Seller	Interest	Paid US\$M	Paid for 100% US\$M	Paid US\$/oz Resource
Royal Gold	40%	49.2	123	103
Contango	30%	44.5	148	124

Source: Kinross release 30 September 2020

The Manh Choh Resource is 9.2Mt at 4.1g/t for 1.2Moz gold. Kinross purchased two parcels of stock from separate sellers. The transaction was a complicated one involving changes to silver royalty payment obligations and a transfer of shares. Given the complexity, we believe the price paid for the Contango 30% stake (US\$124/oz) represents the best insight into what Kinross paid per Resource ounce.

Contango share price does well post transaction

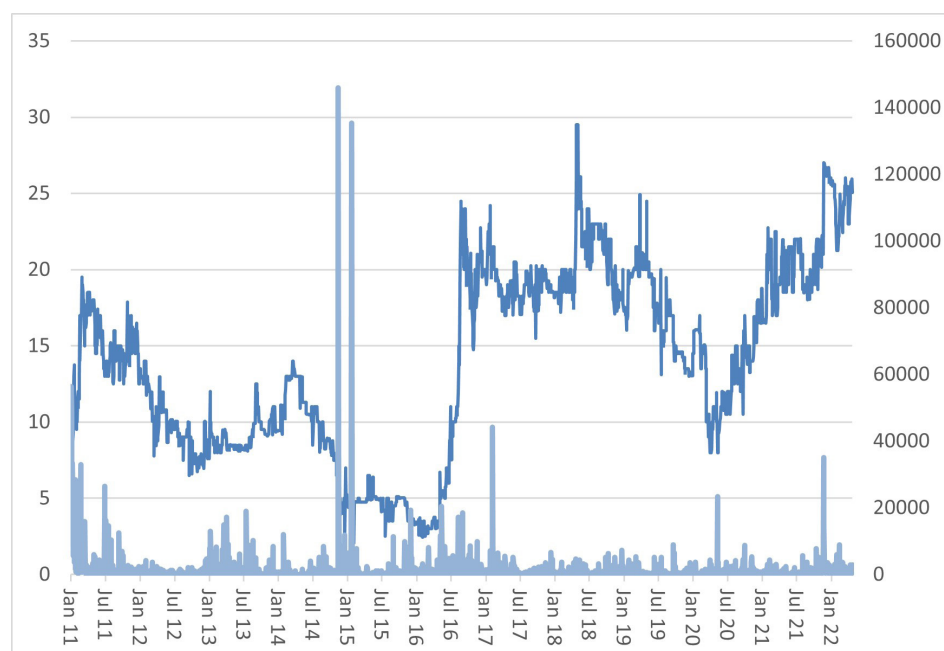
The Contango share price fell into 2020, with the price lows due to the COVID 19 induced selloff as low as A\$10/sh. The sale of its 30% of the project was when the share price had recovered to around US\$15/sh, and since then, the share price has appreciated to US\$23/sh before the Ukraine War and US\$26/sh after the start of the war.

While Contango has sold half its holding in the project, it has shortened the time and risk for permitting, substantially cut the required pre-production capex from US\$294M to US\$110M on a 100% basis, and its own funding load from US\$176M to US\$33M, with the sale generating US\$32.4M cash on its balance sheet.

This is an excellent example of a transaction that reduces development risk and call on shareholders and creates a clear pathway to value creation. The market has rewarded the company by adding around US\$68M to its market capitalisation.

The market capitalisation at 26 April 2022 of Contango is US\$168M with US\$21.9M cash on hand and US\$6.3M debt giving an Enterprise Value of US\$152M and valuing the Manh Choh project at around US\$508M on a 100% basis, or US\$423/oz Resource.

Figure 5 Contango Ore share price in US Dollars per share (currently owns 30% of Manh Choh)



.....

Source: Yahoo Finance

The 2016 drilling news flow added US\$84 to Contango which owned 60% of Manh Choh at that time, implying a US\$140M increase in the project value

We do not have access to the daily news flow of Contango to see what specific announcement triggered the re-rating in May 2016, but it coincides with the investment of US\$10M of Royal Gold's funds in the first drilling of North Peak in the Phase 1 2016 drilling campaign.

The following comment from the State of Alaska Annual Report 2016 by the Alaskan Department of Geological and Geophysical Survey included the following commentary:

"With a budget of (C)\$11 million aimed at expanding the gold-and copper-rich skarn deposits at Tetlin, Peak Gold (the joint venture vehicle of Contango 60% and Royal 40%) conducted Alaska's largest exploration program for 2016. Peak Gold completed a three-phase drilling program: 19 core holes drilled in Phase I, 62 holes in Phase II, and 37 holes in Phase III, for a total of 67,322 feet (20520m). The 2016 drilling traced a roughly 6,500-foot-long arc of contiguous, high-grade skarn mineralization, which is about three times the footprint of the Peak deposit described in Contango's 2014 initial resource. One hole drilled in the 2016 expansion area cut three gold-rich intercepts, including 127.6 feet (38.9m) averaging 1.506 ounces of gold per ton (51.5g/tonne) from a depth of 47.6 feet (14.5m), which was the best intercept at Tetlin in terms of high grades over broad widths. The North Peak area remains open to expansion to the northwest and southeast, as the last holes drilled were still in gold-bearing skarn."

The 2016 re-rating the Contango share price from US\$3/sh to US\$20/sh added US\$84M in market capitalisation for their 60% interest, implying a revaluation of the project of US\$140M at a time when the gold price was around US\$1200/oz.

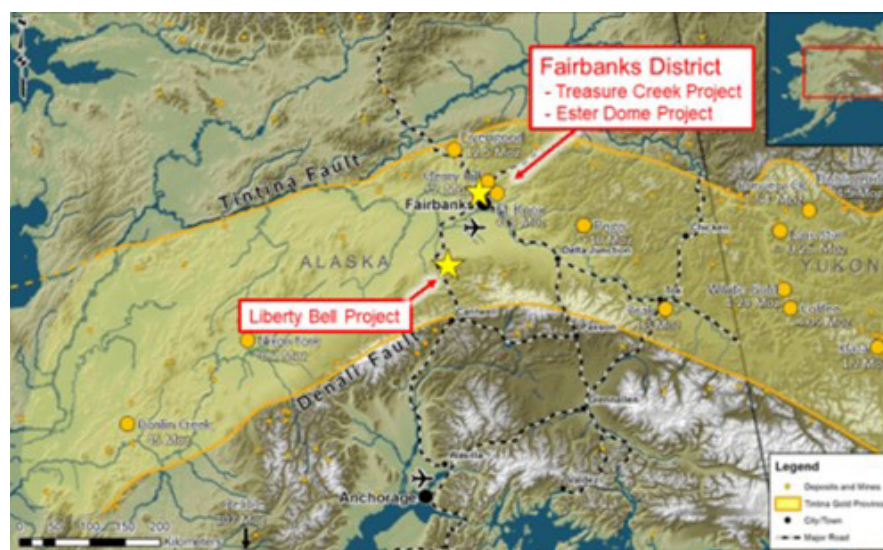
.....

PROJECTS REVIEW

LOCATION

Felix Gold's claims are located around the city of Fairbanks, Alaska, close to major sealed highways and not far from the Trans Alaska oil pipeline. Exploration staff and in the future, project construction and operating crews can commute daily from Fairbanks. The 30Mtpa 16Moz Fort Knox mine is less than 50km (30 miles) from Felix' Fairbanks claims.

Figure 6 Tintina gold province with major gold deposits shown as gold circles and Felix projects as stars



Source: Millrock news release 21 January 2021 <https://www.millrockresources.com/news/millrock-forms-strategic-alliance-with-felix-gold-and-vends-three-projects-fairbanks-gold-district-alaska>

TENURE

Of the 925 claims in Felix' portfolio, it has ownership of 784 (85%) and options over 141. The cost to convert all the currently optioned claims is US\$10.92M, of which, A\$0.28M was paid in 2021, and US\$0.08M in March 2022. Felix can walk away at any time, but if it wants to keep these options in good standing, it must meet the instalment payments detailed in Table 9.

Table 9 Installment payments required to keep optioned claims in good standing

Vendors and option start date	Felix Instalment Payment Schedule US\$M						Option Exercise Payment US\$M
Time from signing	Signing	1 Year	2 Year	3 Year	4 Year	5 Year	
Mining Claims							
Millrock							see text below
Goldstone/Oro Grande	0.05	0.10	0.20	0.30	0.20		2.25
Wally Trudeau							
Range Minerals	0.02	0.03	0.06	0.09	0.15	0.15	0.50
Burggraf (Grant Mine)	0.10	0.15	0.15	0.20	0.20	0.40	2.00
Boot Hill Gold 15 Mar 21	0.08	0.10	0.13				0.60
Roland 20 Jun 2921	0.03	0.03	0.03	0.05	0.05	0.18	0.57
DG Resources Jun 21							5.00
Mining Leases							
Fairbanks Exp. I Jun 21		0.04	0.05	0.06	0.07	0.08	
Total	0.28	0.45	0.62	0.70	0.67	0.81	10.92

Source: FXG prospectus 28 January 2022

Additional payments to mineral property vendors

Millrock will receive instalment payments of US\$50,000 rising by US\$50,000/year triggered by specific events (undisclosed).

DG Resources is to receive shares and warrants at 15 months and 30 months after signing (see table below).

There are also private royalties attaching to various claims detailed in the table below.

Table 10 Private royalties and upcoming payments of shares.

Vendor	Royalty and other payment arrangements
Millrock	Treasure Creek 2.0% NSR, Ester Dome 1.5% NSR, Liberty Bell 2.0% NSR less instalments paid
Goldstone/Oro Grande	On resource reported over 1Moz US\$2/oz, On decision to mine US\$2/oz in increase in Resource
Wally Trudeau	US\$1/oz Proven Reserve
Range Minerals	1.5% NSR + 2% NSR on gold and 1% NSR on other, which can be terminated by paying US\$2.5M
Roland	2% NSR which can be purchased for US\$0.8M
DG Resources	2.5M shares and 2.75M warrants over 30 months, 2% NSR 50% of which can be purchased for US\$2.0M
Fairbanks Exploration Inc	1%-2.5% NSR gold price related, 1% NSR on non gold minerals, 10% interest in any development, all of which can be purchased at NPV

Source: FXG prospectus

STRATEGIC AGREEMENT WITH MILLROCK

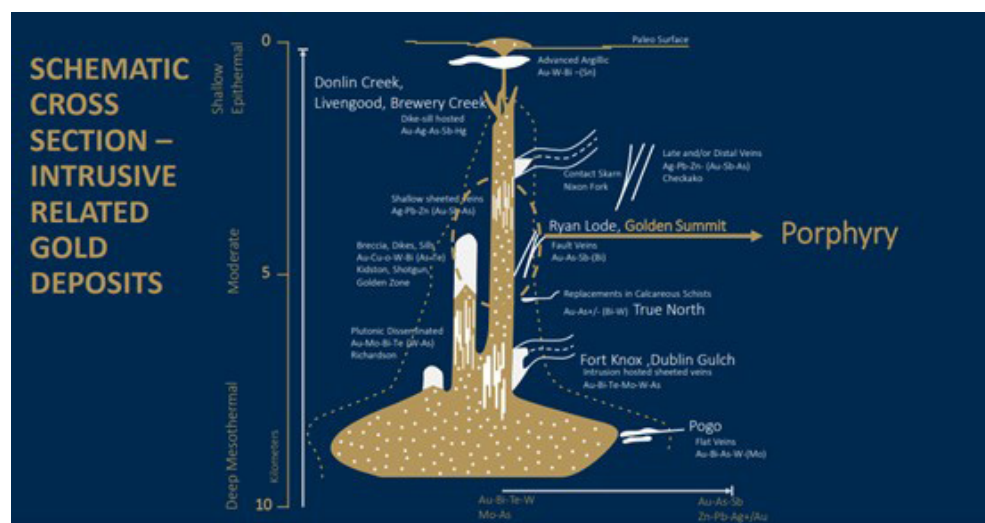
Millrock's and Felix' technical teams will work together under a Strategic Alliance agreement to generate further projects in the Fairbanks Gold District. Felix Gold will contribute a minimum of US\$250,000 annually for this work and future property acquisitions.

Any mineral rights acquired in the future under this strategic alliance will be subject to a 1.0% NSR production royalty in favour of Millrock.

Felix Gold is engaging Millrock through a Services Agreement to provide staff, infrastructure, and equipment. This provides Felix with a pool of people and assets to assist in the execution of its exploration plans and we view that as a sound strategy from Felix' point of view.

GEOLOGICAL OVERVIEW

Figure 7 Conceptual Intrusive Related Gold Deposit model showing the various known Alaskan gold deposits



Source: Freegold corporate presentation 3 February 2022

Intrusive Related Gold Deposits (IRGD) are a family of gold deposits related to granitic intrusions at depth with mineralising fluids feeding up through fault structures and other crustal weaknesses. Gold deposits form where pressure changes and local crustal rock chemistry trigger deposition of gold bearing fluids.

Deposition can occur in many environments, and each environment carries its own geochemical and structural (ie geophysical) signatures. For example, the gold grade at Fort Knox and in the 2016 Golden Summit Resource appear to be very similar, but they are interpreted as being formed at different zones of the intrusion, with Fort Knox forming much closer to the originating granite/granodiorite.

Within any deposit, there is potential for more than one style of deposition mechanism. For example a low grade porphyry could be adjacent to a higher grade skarn or vein fracture system.

Gold and gold-antimony mineralisation in the Fairbanks District is generally classified as the "reduced intrusion related gold system" or "RIRGS" deposit type. RIRGS systems as defined by Hart in 2007 include a wide range of gold-rich mineral deposit styles that are considered to have had a direct genetic link with a cooling felsic intrusions during their formation.

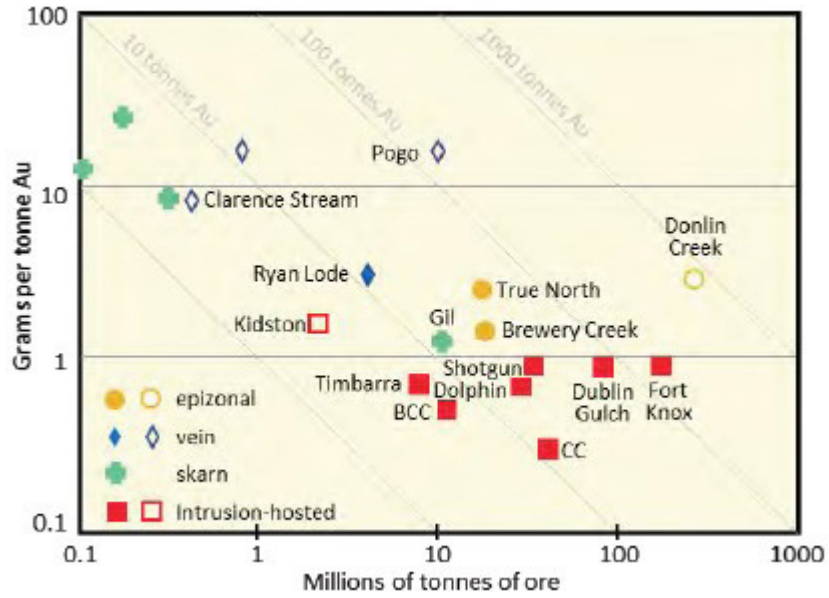
Associated deposit styles are varied, such as skarns, veins, disseminations, stockworks, replacements, and breccias. Different styles and metal associations of deposits are zoned around a central, reduced (ilmenite-series) felsic to intermediate intrusion with host lithology and structural setting providing secondary controls.

Distinguishing characteristics of RIRGS can be summarised as follows:

- ◆ Related to intermediate to felsic composition causative intrusion near the ilmenite-magnetite series boundary (reduced oxidation state)
- ◆ Gold is associated with elevated Bi ± W ± As ± Mo ± Te ± Sb and low base metal concentrations
- ◆ Usually low sulphide content (less than 5%) with arsenopyrite, pyrrhotite, pyrite but no magnetite or ilmenite
- ◆ Restricted areal extent and weak hydrothermal alteration
- ◆ Mineralisation related to carbonic hydrothermal fluids
- ◆ Zonation of deposit chemistry and style around causative intrusion
- ◆ Tectonic setting in continental crust well inboard of convergent plate boundary
- ◆ Location in magmatic provinces that include tin ± tungsten ± molybdenum mineralisation

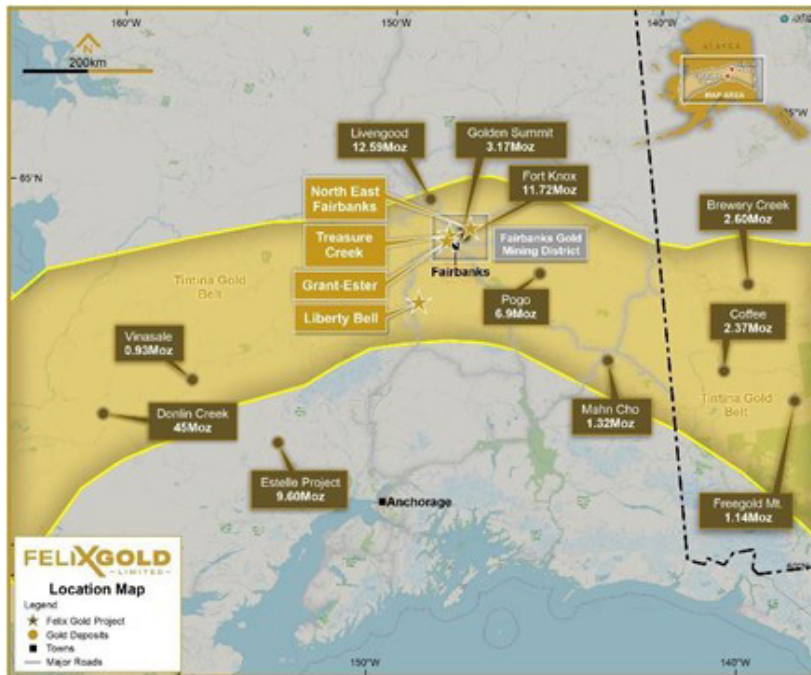
It should be noted that several of the characteristics of RIRGS listed above are shared with orogenic gold deposits and classification is reliant on linking mineralisation to a causative intrusion. Figure 8 shows a grade-tonnage plot for various deposits classified as RIRGS, including most of the major gold mines in the Fairbanks District and the wider Tintina Gold Province that extends southeast into the Canadian Yukon region.

Figure 8 Grade and tonnage of deposits considered to be RIRGS in origin (BCC Brewer Ck, CC Clear Ck)



Source: FXG prospectus 28 January 2022 p129

Figure 9 Major deposits in the Tintina gold Belt



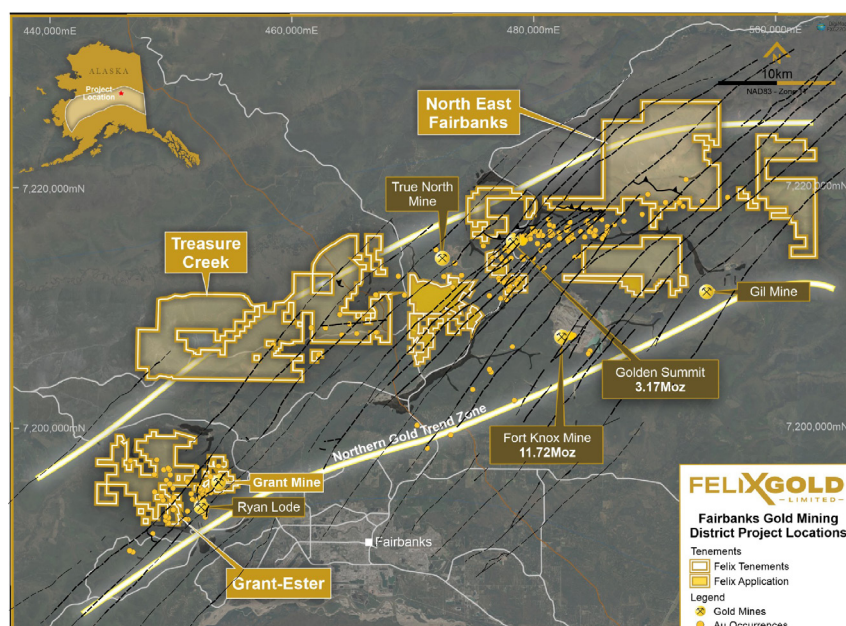
Source: FXG release 27 April 2022

Felix’ Fairbanks claims lie on major fault structures that host known deposits

The Fairbanks areas are located in a region of north-east south-west oriented faulting (Figure below), with Treasure Creek and Grant-Ester on the same fault trend as Freegold’s 2.95Moz, Golden Summit Project and Kinross’s now mined out True North mine.

The North East Fairbanks claims are on the same fault structures as Fort Knox.

Figure 10 Felix claims near Fairbanks and major north-east to south-west fault structures and known granites



Source: FXG website

TREASURE CREEK

Planned Activity

The initial program at Treasure Creek (FXG release 17 March 2022, 27 April 2022) has commenced and is planned to encompass up to 180 drillholes for approximately 5,000 - 8,000 drilling metres, out of a company wide 10,000-15,000m drilling program.

This is principally focussed on shallow RC drilling to test large-scale, highgrade (+100 ppb Au) soil geochemical anomalies at multiple prospects (see Figure 12).

Selected deeper holes (up to 200m vertical depth) are also planned to follow up prospects containing historical drill intercepts with coincident geophysics and soil anomalies, including:

- ◆ **NW Array:** A large 2km gold-in-soil anomaly with past shallow drilling containing bulk tonnage gold intercepts (sparse historical drillholes tested 50-140m depth). The area remains untested to depth and open in multiple directions. This will be the first target drill tested, focussed on the main gold zone identified by historical drilling. In this zone the gold is typically quartz hosted but fine and hard to detect visually.
- ◆ **Scrafford-Eastgate:** A 2021 IP geophysical features show strong correlation with gold-in-soil anomalies. Very sparse historical drilling and located in headwaters of placer gold area.
- ◆ **Line 18:** Historical trench and soil anomalism with no known historical drilling.
- ◆ **Wildcat:** Further area of anomalous gold-in-soil, located at the conjunction of the Scrafford Shear and Eastgate ENE structural trends. No known historical trenches or drilling and located in headwaters of placer gold area.

On other areas at Treasure Creek the company will undertake soil sampling with a power auger to penetrate topsoil, trenches and geophysics as required to refine prospects and drill targets.

Location and Tenure

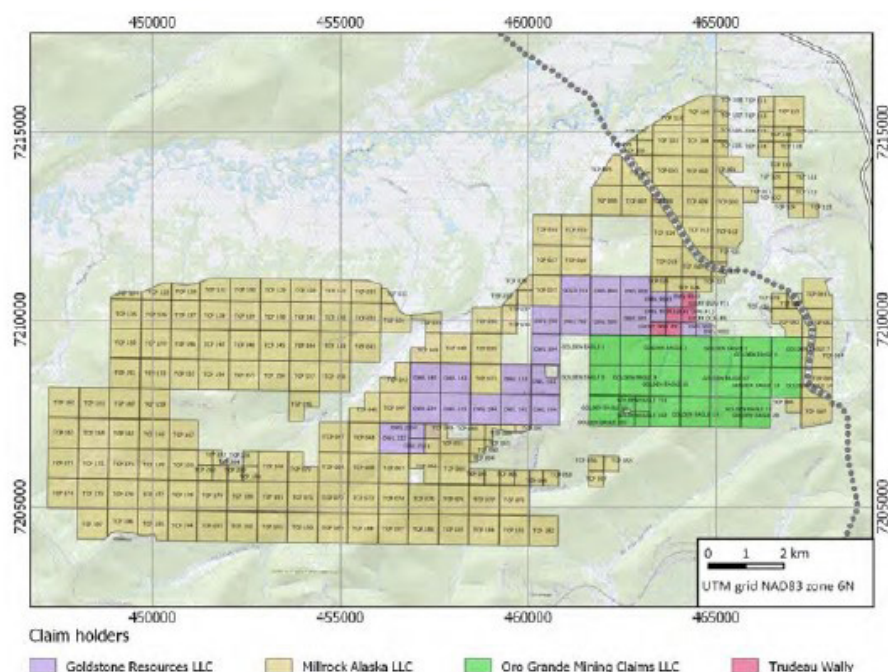
The Treasure Creek project is located approximately 20 kilometers west of the Fort Knox Mine. Geological conditions at Treasure Creek are similar to those at Fort Knox, and there are numerous prospects with interesting drill intersections reported by prior workers.

Treasure Creek Project: consists of 11,573 hectares, where immediate drill targets are defined. New exploration geophysics and geochemistry and historical soil geochemistry, shallow drill holes and trenches have highlighted broad areas of low to moderate grade gold mineralisation at surface believed to be indicative of a significant mineralising system.

Table 11 Treasure Creek Tenure detail

Claim holder /Vendor	Tenure	Number of claims	Total km2	Acres
Goldstone Resources	Option	22	12.85	3,174
Wally Tradeu	Option	5	0.81	200
Oro Grande	Option	11	12.94	3,196
Millrock Treasure Creek	Assigned	198	89.12	22,006
TOTAL		236	115.73	28,576

Source: FXG prospectus 28 January 2022 p86

Figure 11 Felix' mining claims in the Treasure Creek area showing individual vendors

Source: FXG Prospectus 28 January 2022 p86

Geology

Treasure Creek has multiple broad kilometre- scale gold-in-soil anomalies with sparse shallow historical drilling with significant gold intercepts.

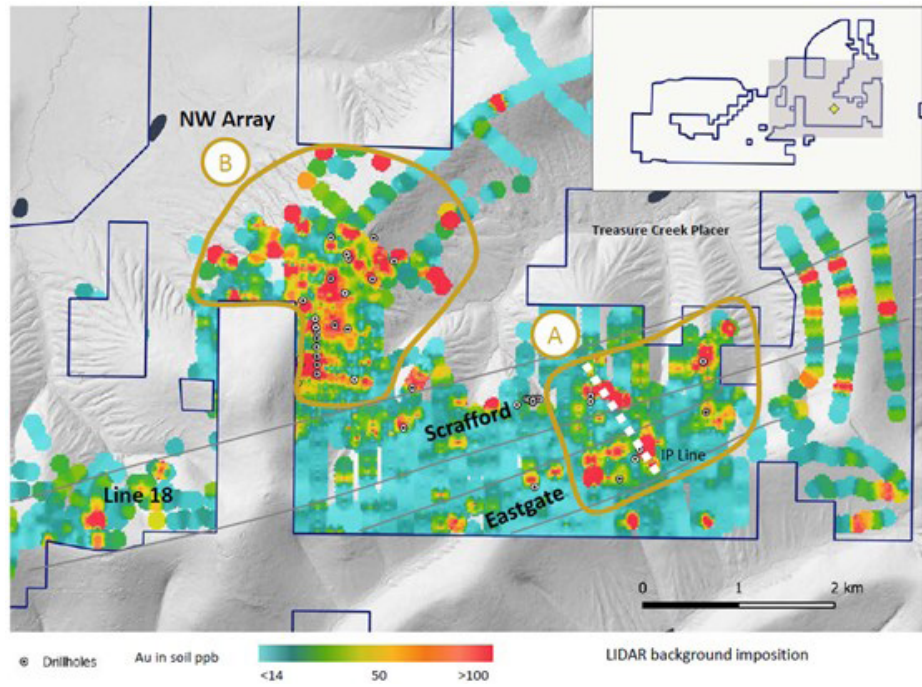
The historical drilling has not effectively tested the geochemical gold highs identified by Felix in 2021.

The near surface gold in soil footprint identified at NW Array of +2km of +50ppb Au is considered analogous in scale and tenor to those found at other large gold deposits in the Tintina Belt.

Historical drilling has identified potentially large scale silicified gold-bearing zones, potentially analogous to Golden Summit. Drillholes 83546 and 83547 intersected broad silicified gold-bearing zones at 80 m depth (see Figure 13 and Table 12).

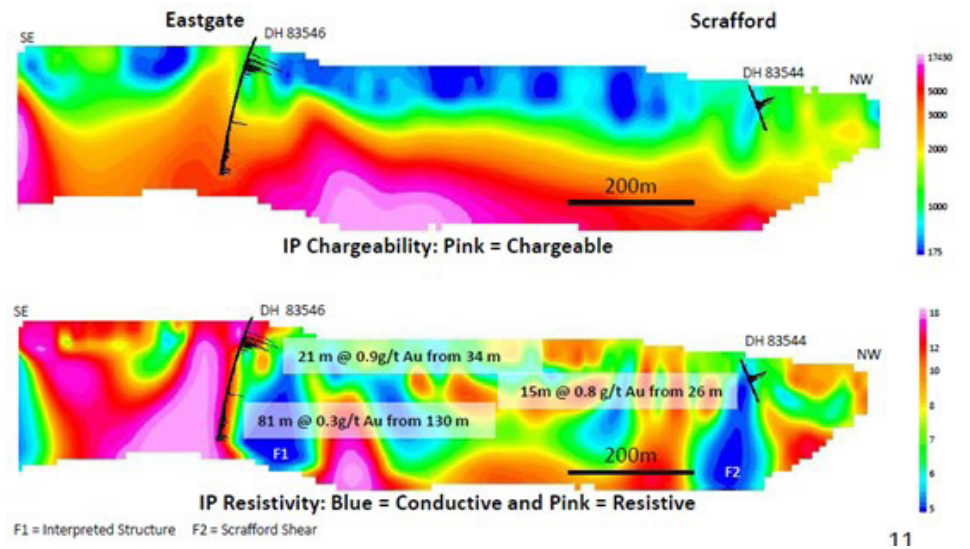
However, the historical drilling does not appear to have tested the geochemical anomalies, and drilling below 100m chasing deeper structures has been very limited.

Figure 12 Gold in soil geochemistry over the North West Array and Eastgate Scrafford targets



Source: FXG presentarion 31 January 2022

Figure 13 Induced Polarisation section (line A in figure above) and some historical drill intercepts



Source: FXG presentarion 31 January 2022

Table 12 Historical drilling intercepts

Drill Hole	Type	Intersection	Prospect	Company	Year
83513	DD	45.72m @ 0.72g/t Au from 3.05m	NW Array	ACNC	1991
83514	DD	1.5m @ 1.89g/t Au from 4.57m and 8.2m @ 0.65g/t Au from 23.16m	NW Array	ACNC	1991
83515	DD	3.3m @ 2.21 g/t from 60.66m and 1.5m @ 2.70g/t Au from 72.54m	NW Array	ACNC	1991
83517	DD	16.2m @ 1.39g/t Au from 58.22m	NW Array	ACNC	1991
83519	DD	17.4m @ 0.36g/t Au from 6.71m and 6.8m @ 0.61g/t Au from 87.84m	NW Array	ACNC	1991
83520	DD	9.75m @ 0.66g/t Au from 85.04m	NW Array	ACNC	1991
83539	DD	1.2m @ 2.33 g/t from 24.84m and 7.62m @ 0.97g/t Au from 86.87m	NW Array	ACNC	1993
83540	DD	25m @ 0.26g/t Au from 19.81 and 4.8m @ 1.37g/t Au from 67.73m	NW Array	ACNC	1993
83541	DD	5.3m @ 0.81g/t Au from 95.71m	NW Array	ACNC	1993
83550	RC	1.52m @ 1.02g/t Au from 24.38m and	NW Array (east)	ACNC	1993
OD3	RC	16m @ 0.85g/t Au from 9.14m	NW Array/North Ridge	Cyprus/ Amax	1996
OD4	RC	10.67m @ 0.77g/t Au from surface	NW Array/North Ridge	Cyprus/ Amax	1996
OD8	RC	15.24m @ 0.65g/t Au from 13.72m	NW Array/North Ridge	Cyprus/ Amax	1997
OD9	RC	1.5m @ 1.23g/t Au from 7.62m and 4.57m @ 0.66g/t Au from 27.43m	NW Array/North Ridge	Cyprus/ Amax	1997
OD10	RC	12m @ 0.35g/t Au from 36.58m	NW Array/North Ridge	Cyprus/ Amax	1997
OD11	RC	9.1m @ 0.36g/t Au from 39.62m	NW Array/North Ridge	Cyprus/ Amax	1997
76RT03	RC	9.45m @ 0.80g/t Au from 45.11 (to EOH)	Scrafford Shear	Aalenian	1976
76RT04	RC	11.89m @ 1.98g/t Au from 45.11 (to EOH)	Scrafford Shear	Aalenian	1976
76RT05	RC	10.97m @ 0.30g/t Au from 39.62	Scrafford Shear	Aalenian	1976
83543	RC	30.48m @ 0.24g/t from 82.3m	Scrafford Shear	ACNC	1993
83518	DD	7.16m @ 3.00g/t Au from 46.02m 4.57m @ 0.48g/t Au from 62.48m	Scrafford Shear	ACNC	1991
83544	RC	15.24m @ 0.77g/t Au from 25.91m	Scrafford Shear (east)	ACNC	1993
80188	RC	21.3m @ 0.31g/t Au from 100.58m	Scrafford Shear (west)	ACNC	1993
83549	RC	4.57m @ 2.26g/t Au from 19.81m	Redline (Scrafford West)	ACNC	1993
83546	RC	20.48m @ 0.9g/t Au from 33.53m and 80.77m @ 0.3g/t Au from 129.54m	Eastgate	ACNC	1993
80187	RC	3.0m @ 1.93g/t Au from 38.1m and 3.0m @ 1.86g/t Au from 141.73m	Eastgate	ACNC	1993
83547	RC	22.9m @ 0.3g/t Au from 156.97m	Eastgate (south)	ACNC	1993

Source: FXG prospectus p102

GRANTS MINE - ESTER DOME

Planned Activity

The proposed exploration program for the Grant-Ester Project will involve follow-up drilling of identified high-grade gold zones in the Grant Mine Resource.

Proposed drillholes are intended to increase confidence in high grade zones of gold mineralisation that is interpreted to be controlled by the intersection of a conjugate structural set with some post mineralisation reactivation.

Following drilling of the first one or two holes, Felix intend to collect samples for metallurgical testwork for confirmation of free-milling nature, recovery and hardness and evaluate the structural interpretation.

At the date of this report, hole locations were yet to be finalised due to access negotiations.

Location and Tenure

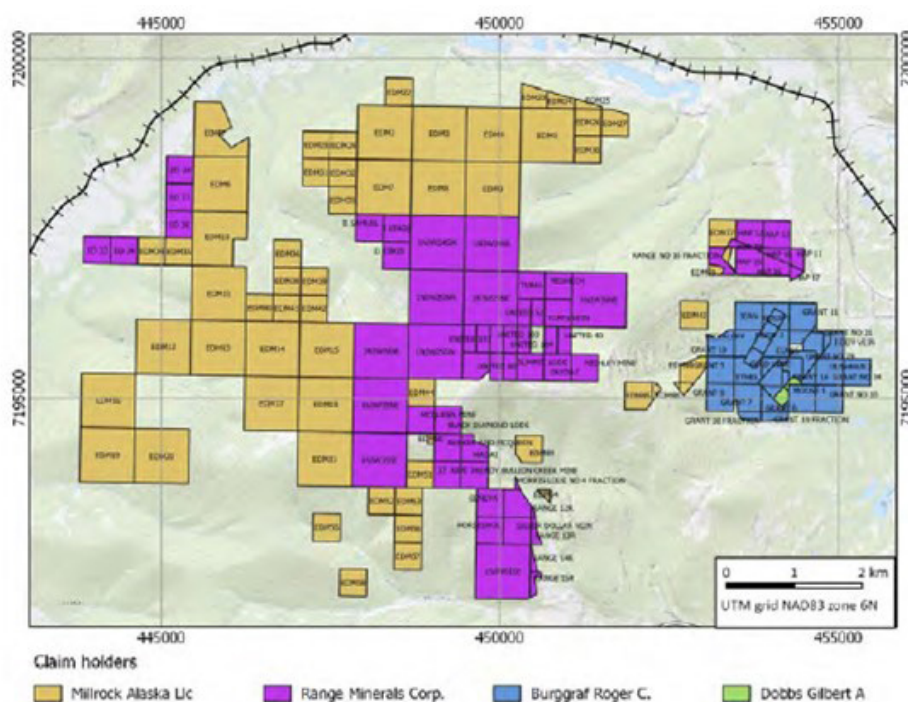
The Grants Mine - Ester Dome project is located on the western bounds of the City of Fairbanks. Alluvial gold has been produced on the flanks of Ester Dome (a prominent topographic high) for over a century and continues to this day. DGGs reports that at least three million ounces of gold have been produced.

Table 13 Grants Mine – Ester Dome tenure detail

Claim holder/Vendor	Tenure	Number of claims	Total km2	Acres
Burggraf	Option	32	2.87	709
Dobbs State	Option	2	0.08	20
Range Minerals	Option	61	12.60	3,110
Millrock Ester Dome	Assigned	59	18.42	4,549
TOTAL		154	33.97	8,388

Source: FXG Prospectus 28 January 2022 p88

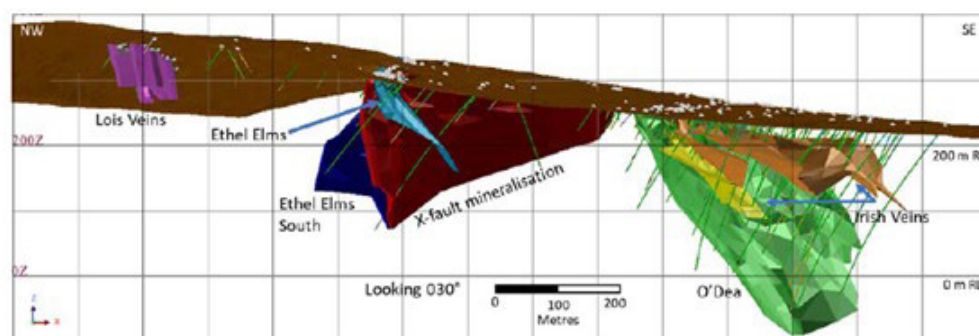
Figure 14 Felix' mining claims in the Treasure Creek area showing individual vendors



Source: FXG Prospectus 28 January 2022 p88

Geology

Figure 15 Section looking NE showing 3D model of Grants Mine veins



Existing Resource of 5.8Mt at an average 1.95g/t for 364Koz contained gold

Felix has calculated a JORC 2012 Inferred Resource assuming open pit mining down to 125 m below the surface at cut-off grades of above 0.3g/t and underground mining below 125 m at above 2 g/t cut-off. At Ethel-Elms, 125 m below the surface is approximately 200 m RL and at O'Dea 125 m below the surface corresponds with 125 m RL.

The grade tonnage relationship is shown in the table below.

Table 14 Inferred Resource for O'Dea and Ethel-Elms depos

Open Pit	K tonnes	Grade (Au g/t)	Metal (Au Koz)
> 0.3	5,125	1.39	228
> 0.5	4,580	1.5	221
> 1.0	2,574	2.11	175
> 1.5	1,422	2.83	130
> 2.0	811	3.68	96
> 2.5	518	4.51	75
> 3.0	330	5.52	59
Underground	K tonnes	Grade (Au g/t)	Metal (Au Koz)
> 1.0	1,155	4.26	158
> 1.5	851	5.32	146
> 2.0	682	6.21	136
> 2.5	570	6.99	128
> 3.0	468	7.91	119

Source: FXG prospectus 28 January 2022 p158

NORTH EAST FAIRBANKS

Planned Activity

The proposed exploration program for the NE Fairbanks Project will involve trenches and in 2022, shallow drill testing to follow up broad gold-in-soil anomalies from wide-spaced ridge and spur samples, provide targeting information for a major drilling program in 2023.

Location and Tenure

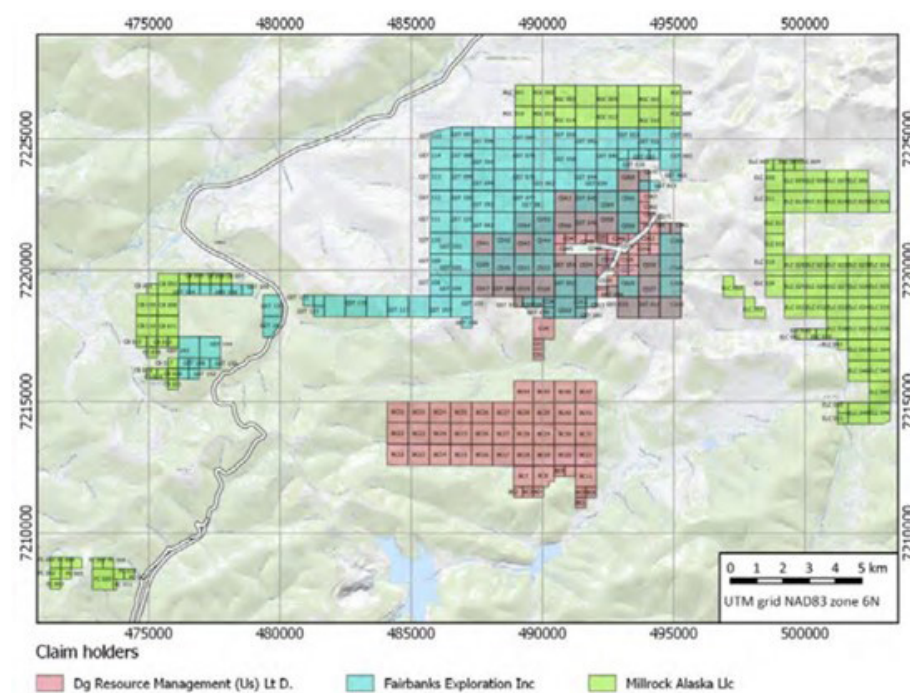
The NE Fairbanks Project is comprised of 326 Alaska State mining claims that total 14,638 hectares located approximately 25km to the Northeast of the city of Fairbanks. The NE Fairbanks Project consists of mining claims held by DG Resources Management (US) Ltd, Fairbanks Exploration Inc. and Millrock Alaska LLC. Felix has acquired the mining claims, or the exclusive rights to explore and an option to purchase the mining claims as detailed in Table 15.

Table 15 North East Fairbanks tenure detail

Claim holder/Vendor	Tenure	Number of claims	Total km2	Acres
Fairbanks Exploration	Option	83	41.84	10,332
DG Resources	Option	141	56.85	14,038
Millrock NE Fairbanks	Assigned	102	47.68	11,773
TOTAL		326	146.38	36,143

Source: FXG prospectus 28 January 2022 p87

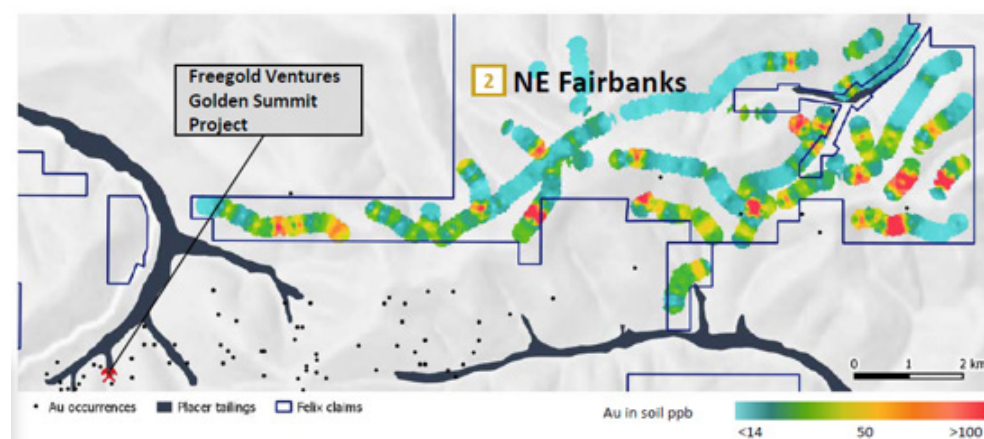
Figure 16 Felix' mining claims in the Treasure Creek area showing individual vendors



Source: FXG prospectus 28 January 2022 p87

Geology

Figure 17 Geochemical gold anomalies identified from the limited surveying done to date

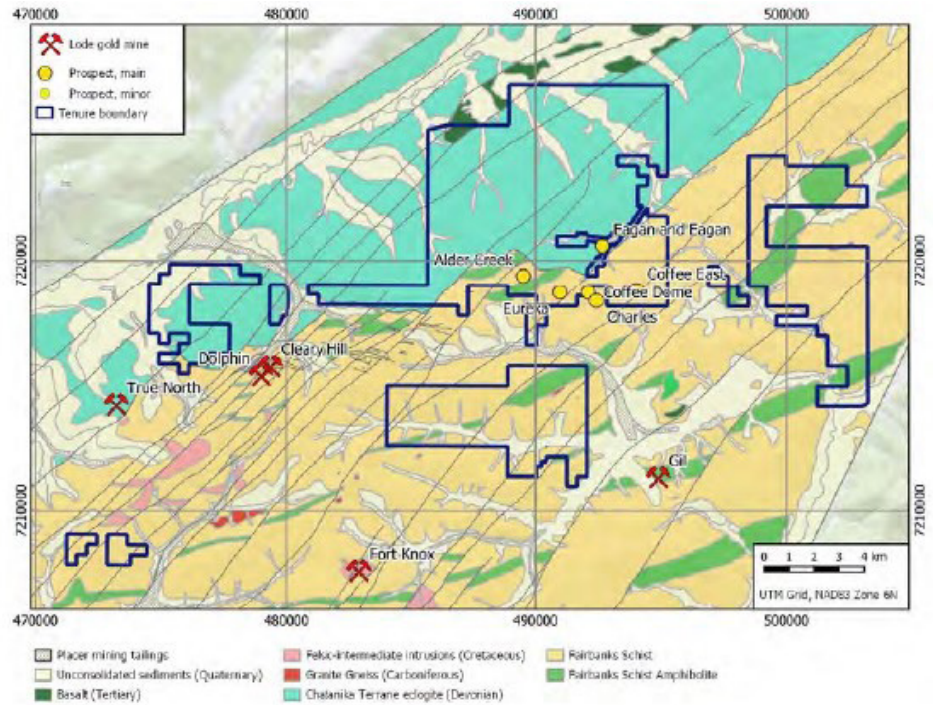


Source: FXG presentarion 31 January 2022

Northeast claims are underlain by metasedimentary rocks of the Fairbanks Schist and the high-pressure metasedimentary and metabasaltic rocks of the Chatanika Eclogite. No outcropping Cretaceous age intrusions are shown on available government mapping. Details of the geology in the specific areas covered by Felix’s claims are lacking due to the paucity of exploration work and generally poor outcrop. As in Felix’s other Fairbanks project areas the structural grain is dominated by north-east trending faults overprinting earlier gently dipping foliation in schists.

Felix has conducted some geochemical surveys shown in the figure above, with encouraging initial results which the company plans to build on this northern summer.

Figure 18 North East Fairbanks claims showing north-east south-west trending fault structures



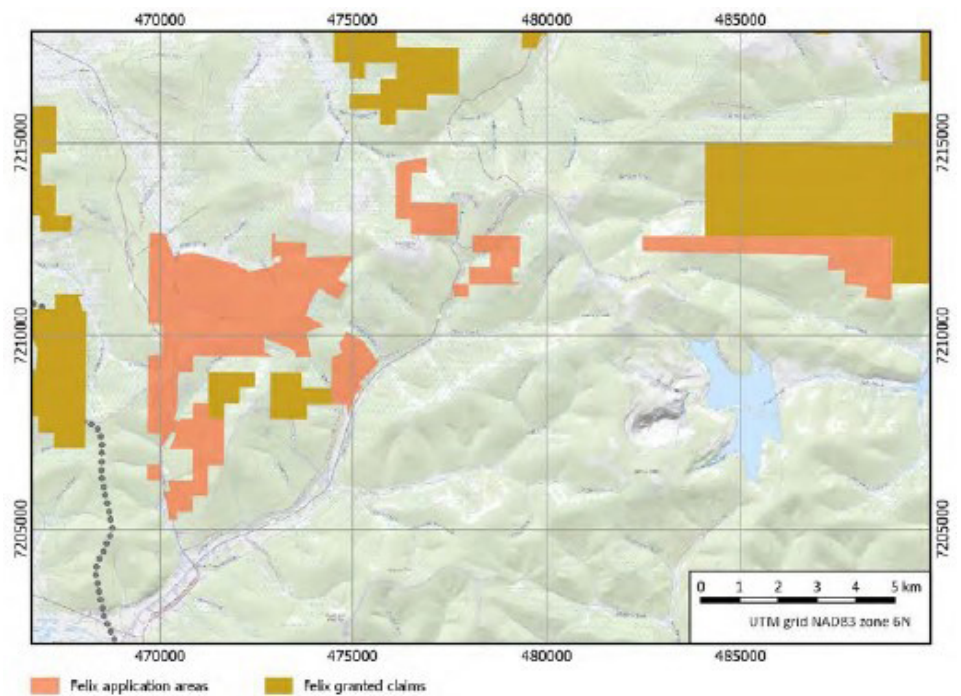
Source: FXG prospectus 28 January 2022 p117

APPLICATION TO EXPLORE MENTAL HEALTH TRUST LANDS

Felix has applied for mining claims from the Alaska Mental Health Trust Authority Land Office. Areas at Fox, Pedro Dome and Cleary are comprised of State mining claims covering 25 km² all with Alaska Division of Lands designations.

These applications are located between the company’s Treasure Creek and North East Fairbanks claims.

Figure 19 Felix’ applications in the Treasure Creek area showing individual vendors



Source: FXG prospectus 28 January 2022 p89

LIBERTY BELL

Planned Activity

The proposed exploration program for the Liberty Bell Project will involve shallow drill testing of the bedrock in gravel covered areas and follow up of known historical geochemical anomalies. Liberty Bell gold-in-soil anomalies are developed over a 12x5km intrusion with overlying gravel cover. No soil geochemical response occurs in gravel covered parts.

At Liberty Bell the Company believes that results >50 ppb gold-in-soil to be significant and that the historical drill and soil coverage has not effectively tested areas that are covered by gravels which are up to 50m thick.

The Company intends to prioritise a program of shallow RAB style drill test to the bedrock in gravel covered areas and also undertake follow-up of known historical geochemical anomalies with trenches or drill testing.

Location and Tenure

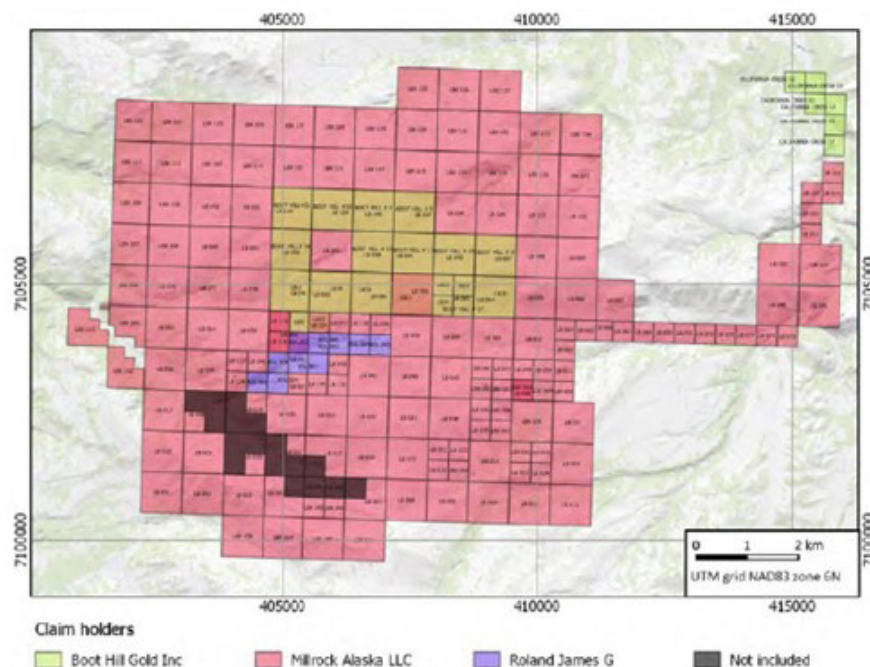
The Liberty Bell project is located approximately 115 kilometers southwest of Fairbanks, and consists of land of 9,623 hectares that is a site of a historical gold mine within a larger poorly explored area of anomalous gold-in-soil and gold in rock samples.

Table 16 Liberty Bell Tenure detail

Claim holder name	Tenure	Number of claims	Total km2	Acres
LB Millrock	Assigned	173	83.59	20,640
Boot Hill Gold Inc	Option	26	11.02	2,720
James Roland	Option	10	1.62	400
TOTAL		209	96.23	23,760

Source: FXG prospectus 28 January 2022 p198

Figure 20 Felix' mining claims in the Liberty Bell area showing individual vendors



Source: FXG prospectus 29 January 2022 p197

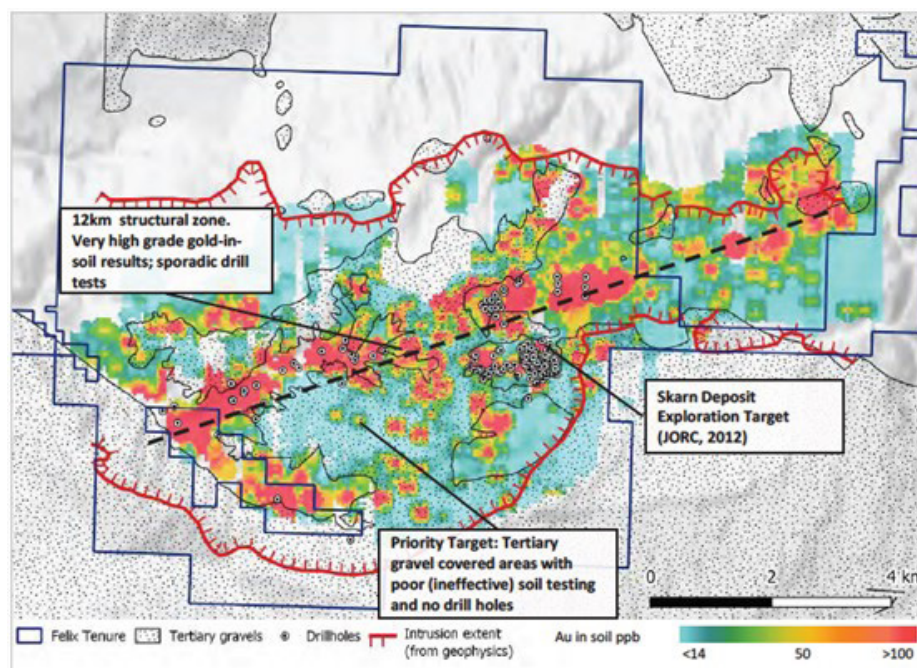
Geology

Intrusion-related gold deposits are targeted. Extensive soil anomalies are present in areas of shallow gravel overburden.

There is a large amount of Tertiary gravel cover on the project area which is likely to mask some of the geochemical dispersion from mineralisation within the basement rocks. There are however some areas of patchy gold anomalism over areas mapped as Tertiary gravels. These may represent areas of shallow cover or small windows of basement.

Despite issues with the data, historic work highlights several coherent gold in soil anomalies over basement, as well as patchy gold in soil anomalies over the Tertiary gravels. There is a strong ENE-WSW and SE-NW control on gold anomalism.

Figure 21 Gold in soils with drill collars shown as black dots with white surrounds



Source: FXG prospectus 28 January 2022 p

With reference to the existing drilling, the sampling and assaying is likely to have been selective, and so the existing drilling may not have fully evaluated the targets.

Not all holes were sampled at the time of drilling, and much of the drilling was selectively sampled. It is likely that atypical mineralisation styles or zones of low sulphide may not have been sampled. Only 190 of the 229 holes were assayed at least in part for Au. Of these holes 152 were also assayed (at least in part) for As, 67 for Ag, 48 for Cu, 31 for Zn and 27 for Pb. Around 20 of these holes were assayed for a broader suite including W, Sb, Mo, and Bi amongst others. Intrusion related gold systems generally display a zoned metal distribution with Bi, Te, W, Mo, As, Sn, Sb, Ag Pb and Zn usually associated with Au mineralisation and are considered useful pathfinders

Gold mineralisation in the project area is present in several forms including:

- ◆ replacement-style mineralization (Liberty Bell Mine),
- ◆ gold-bearing quartz veins, stockworks, and shears (examples from the district include Pogo), and
- ◆ intrusion-hosted gold (examples from the district include Fort Knox, Donlin Creek).

Gold is associated with but not directly correlated with anomalous As, Bi, Te, Sb, and Cu values.

Replacement-style mineralisation is stratiform, with the development of semi-massive sulphides (up to 40%) along contacts in the upper schist with historic drill intercepts of up to 49 m 2.7 g/t Au returned. Mineralisation is present along foliation or as discordant fractures within the contact schist. Drilling between 1974 and 1997 at Liberty Bell defined mineralisation as being lenticular in cross-section but irregular in plan.

Mineralisation is also present as stockworks and veins in the hangingwall phyllite and the graphitic phyllites of the footwall and dacite crystal tuff. Pb-isotope ratios for the mineralisation are a good match for the Cretaceous (and younger) intrusives found elsewhere in the district, and together with the complex alteration are suggestive of an epigenetic replacement style deposit (skarn) rather than the VMS style of mineralisation.

Table 17 Historical drilling at Liberty Bell

Hole Id	Prospect	From (m)	To (m)	Width* (m)	Grade* (g/t Au)
DDH-2	Liberty Bell	21.64	39.62	17.98	9.5
DDH-13	Liberty Bell	32	53.95	21.95	10.53
DDH-17	Liberty Bell	22.86	33.53	10.67	0.86
DDH-18	Liberty Bell	44.04	60.96	16.92	3.46
DDH-19	Liberty Bell	34.75	49.07	14.33	2.13
DDH-22	Liberty Bell	37.19	48.46	11.28	2.71
DDH-183	Liberty Bell	91.44	108.2	16.76	1.51
DDH-190	Liberty Bell	37.49	56.69	19.2	4.22
DDH-192	Liberty Bell	36.88	61.87	24.99	8.57
DDH-194	Liberty Bell	47.85	58.52	10.67	3.77
RDH-35	Liberty Bell	3.05	19.81	16.76	9.15
RDH-36	Liberty Bell	25.91	45.72	19.81	1.89
RDH-39	Liberty Bell	30.48	47.24	16.76	2.43
RDH-64	Liberty Bell	12.19	22.86	10.67	4.66
RDH-86	Liberty Bell	38.1	51.82	13.72	16.83
RDH-87	Liberty Bell	33.53	47.24	13.72	1.75
RDH-140	Liberty Bell	41.15	54.86	13.72	5.49
RDH-142	Liberty Bell	59.44	73.15	13.72	1.68
RDH-153	Liberty Bell	68.58	117.35	48.77	2.95
RDH-153	Liberty Bell	68.58	89.92	21.34	4.42
RDH-154	Liberty Bell	92.96	103.63	10.67	2.91
RDH-155	Liberty Bell	45.72	65.53	19.81	4.63
RDH-155	Liberty Bell	91.44	108.51	17.07	1.23
RDH-160	Liberty Bell	22.86	33.53	10.67	1.95
09LBNG-213C	Stockwork Zone	97.9	110	12.1	0.55
RDH-179	Stockwork Zone	13.72	21.33	7.6	0.79
RDH-52	Silica Knob	9.14	15.24	6.1	1
RDH0-72	½ Ounce Hill	16.76	25.9	9.1	0.52
RDH-180	Breccia Hill	32	39.6	7.6	0.85
09LBNG-204C	Breccia Hill	111.25	115.52	4.28	1.65
10LBNG-221C	Eva Creek North/ Old Lace	159.11	162.16	3.05	2.21
10LBNG-221C	Eva Creek North/ Old Lace	184.4	197.21	12.8	0.5

Source: FXG prospectus 28 January 2022 p212

The existing drilling sufficient to generate an JORC 2012 Exploration Target

An Exploration Target (JORC, 2012) for the gold skarn deposit is from 1.2 Mt to 1.83 Mt grading between 2.3 g/t Au and 2.66 g/t Au for 93,500 ounces to 156,700 ounces of gold.

CAPITAL STRUCTURE

Issued Capital

Since listing, 0.5M options have come out of escrow, and by 30 June 2022, a total of 7.068M shares and 3.496M options will be out of escrow. The bulk of the escrowed shares and options will not be listed until 2024 or 2025. If all options were exercised, the company would raise an additional A\$4.289M cash.

The Future Issues in the table below relate to the acquisition of mining claims from DG Resources Inc. These will only be issued if Felix proceeds with the purchase of claims in the NE Fairbanks project area. The "warrants" are shown separately. The initial tranche of warrants was issued as A\$0.30/sh options exercisable by 6 June 2024, but the strike price of the issuance in 18 months and 30 months is unknown.

Table 18 Issued capital structure including contingent issuance to DG Resources for claims acquisition

Capital Structure	At IPO	Cash Raised A\$M	Future Issues M	Total M
Issued and Quoted M	76.098			
Escrowed to 7 May 2022	4.667			
Escrowed to 18 May 2022	1.902			
Escrowed to 17 June 2022	0.500			
Escrowed to 31 Jan 2024	88.509			
Total Issued	171.675		2.000	173.675
Options				
Escrowed to 9 April 2022				
Exercise A\$0.30/sh by 9 Oct 2024	0.500	0.150		
Escrowed to 8 June 2022				
Exercise A\$0.225/sh by 31 Dec 2024	1.048	0.314		
Escrowed to 8 June 2022				
Exercise A\$0.27/sh by 31 Dec 2024	1.048	0.314		
Escrowed to 8 June 2022				
Exercise A\$0.30/sh by 8 June 2024	0.900	0.270		
Escrowed to 31 January 2024				
Exercise A\$0.30/sh by 9 Oct 2024	5.000	1.500		
Exercise A\$0.30/sh by 24 Jan 2025	1.250	0.375		
Exercise A\$0.40/sh by 24 Jan 2025	1.250	0.500		
Exercise A\$0.30/sh by 24 March 2025	1.000	0.300		
Exercise A\$0.40/sh by 24 March 2025	1.000	0.400		
Escrowed to 17 July 2024				
Exercise A\$0.30/sh by 6 June 2024	0.550	0.165		
Total Options Issued	13.546	4.289		13.546
Warrants			2.200	2.200
Fully Diluted	185.221		4.200	189.421

Source: FXG Admission release 28 January 2021

Major Shareholders

Table 19 Major Shareholders

24-Jan-22	Issued M	Share
Mine Discovery Fund Pty Ltd	35.153	20.48%
Millrock Resources Inc	9.957	5.80%
A Browne	6.786	3.95%
J Webb	4.662	2.72%
Total top 20 shareholders	104.488	60.86%
Total	171.675	100.00%

Source: Top 20 shareholder release by FXG on 28 February 2022

Andrew Browne and Joseph Webb own 16.99% and 15.51% respectively of Mine Discovery Fund which owns 20.48%. The directors directly hold 7.1% of the issued shares, and 36.9% of issued options.

BOARD AND MANAGEMENT

Ronnie Beevor - Non-Executive Chairman

Ronald (Ronnie) Beevor has over 40 years' experience in investment banking and the natural resources industry. Ronnie was Head of Investment Banking at Rothschild Australia between 1997 and 2002 and has had extensive experience as a company Director, having held the position of Chair or Non-Executive Director for a number of mining companies, both in Australia and internationally.

He was previously Chair of AIM listed EMED Mining and is currently Chair of Bannerman Energy. Ronnie has also held directorships at Riversdale Resources, Talison Lithium, Ampella Mining and Oxiana.

Mr Beevor holds a degree in Philosophy, Politics and Economics (Honours) from Oxford University and qualified as a chartered accountant in London.

Joseph Webb - Managing Director

Joseph (Joe) Webb has over 20 years' executive management experience in the resources and manufacturing industries both in Australia and overseas, with the last 10+ years in CEO and Managing Director roles. Joe has worked in commercial roles in Rio Tinto and as Director of Development for Mineralogy Pty Ltd (and other related entities).

Joe is a Director of Mine Discovery Fund, a funding platform for discovery focussed exploration drilling with a Commodity focus on copper, gold and zinc. The Fund is a major shareholder of Felix. Joe brings commercial experience with a clear focus on the strategy, people, and processes to maximise the potential of Felix Gold.

Joe holds a Bachelor of Business, majoring in Management, Marketing and International Business.

Andy Browne - Non-Executive Director

Andrew (Andy) Browne has over 50 years' global experience in the mineral resources sector across a broad industry spectrum including: mineral exploration, project generation, evaluations and assessments, from early-stage reconnaissance to advanced programs, ore reserve compilation, and stakeholder negotiations.

Andy has specialist experience in uranium, having discovered the greenfields giant Arrow uranium deposit with his team at NexGen Energy Ltd, in Saskatchewan, Canada. His discovery record also includes a number of deposits of precious and base metals (gold and copper-zinc) as well as heavy and industrial minerals.

Mr Brown is a Geoscientist holding a Bachelor of Science (Honours) in Geology from the University of New England, and is a Fellow of the AusIMM (CPGeo), a Life Member of the CIM, and member of GSAust, GSAm, and SEG.

David G. Larimer - VP Exploration

David Larimer brings over 20 years' experience in executing exploration programs. He has been Chief Exploration and Mine Geologist for the Pogo Gold Mine, Principal Geologist Exploration for Teck Resources Vancouver Head Office, and Mineral Resources Manager of the Carlin Complex for Nevada Gold Mines.

Dave brings his extensive expertise in leadership, operations, and strategic management from his prior service as an US Army Infantry Officer.

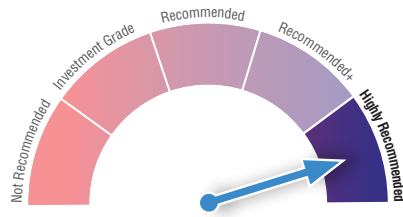
Craig McPherson - Company Secretary and Chief Financial Officer

Craig has over 20 years of commercial and financial management experience including an extensive period within the mining and resources sector in Australia and Overseas.

Craig has held various executive roles with ASX and TSX listed companies within the resources sector over the past 15 years as Chief Financial Officer, Director and Company Secretary. These roles aided in the development of a comprehensive understanding of business and provided exposure to management and oversight of significant corporate transactions (M&A), acquisitions and divestments, financing initiatives, and stock exchange listings.

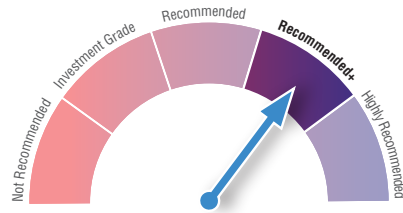
Craig graduated with a Bachelor of Commerce degree from the University of Queensland and is a member of the Institute of Chartered Accountants in Australia.

LMI Ratings	SCORE
Highly Recommended	83 and above



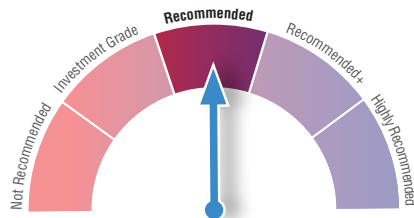
This is the highest rating provided by IIR, indicating this is a best of breed product that has exceeded the requirements of our review process across a number of key evaluation parameters and achieved exceptionally high scores in a number of categories. The product provides a highly attractive risk/return trade-off. The Fund is likely effectively to apply industry best practice to manage endogenous risk factors, and, to the extent that it can, exogenous risk factors.

Recommended +	79–83
----------------------	--------------



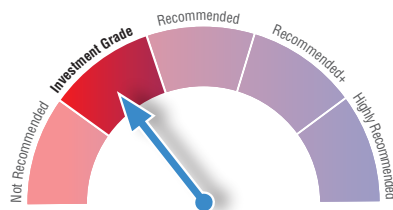
This rating indicates that IIR believes this is a superior grade product that has exceeded the requirements of our review process across a number of key evaluation parameters and achieved high scores in a number of categories. In addition, the product rates highly on one or two attributes in our key criteria. It has an above-average risk/return trade-off and should be able consistently to generate above average risk-adjusted returns in line with stated investment objectives. The Fund should be in a position effectively to manage endogenous risk factors, and, to the extent that it can, exogenous risk factors. This should result in returns that reflect the expected level of risk.

Recommended	70–79
--------------------	--------------



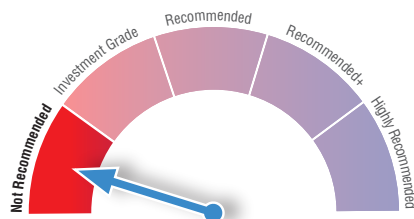
This rating indicates that IIR believes this is an above-average grade product that has exceeded the minimum requirements of our review process across a number of key evaluation parameters. It has an above-average risk/return trade-off and should be able to consistently generate above-average risk adjusted returns in line with stated investment objectives.

Investment Grade	60-70
-------------------------	--------------



This rating indicates that IIR believes this is an average grade product that has exceeded the minimum requirements of our review process across a number of key evaluation parameters. It has an average risk/return trade-off and should be able to consistently generate average risk adjusted returns in line with stated investment objectives.

Not Recommended	<60
------------------------	---------------

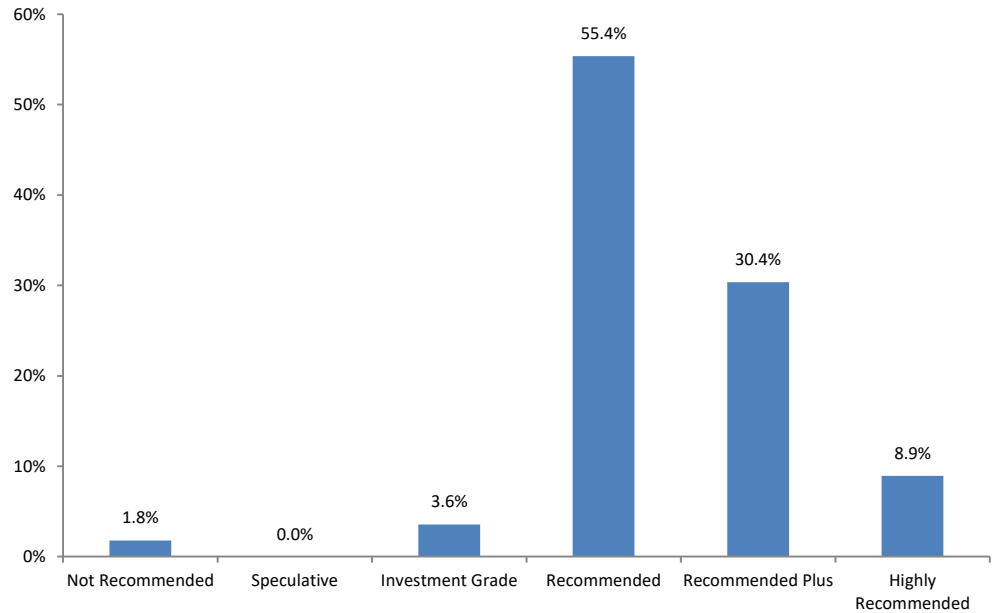


This rating indicates that IIR believes that despite the product's merits and attributes, it has failed to meet the minimum aggregate requirements of our review process across a number of key evaluation parameters. While this is a product below the minimum rating to be considered Investment Grade, this does not mean the product is without merit. Funds in this category are considered to be susceptible to high risks that are not reflected by the projected return. Performance volatility, particularly on the down-side, is likely.

APPENDIX B – MANAGED INVESTMENTS COVERAGE

The below graphic details the spread of ratings for managed investments rated by Independent Investment Research (IIR). The managed investments represented below include listed and unlisted managed funds, fund of funds, exchange traded funds and model portfolios.

SPREAD OF MANAGED INVESTMENT RATINGS



DISCLAIMER

(a) Disclaimer

The information, reports, financial models, forecasts, strategies, audio broadcasts and other media (referred to as "Content" throughout this Legal Notice), provided on this web site has been prepared and issued by Altavista Research Pty Ltd trading as Independent Investment Research "IIR," Independent Investment Research Holdings Pty Ltd (ACN 155 226 074), as authorised to publish research under an Australian Financial Securities Licence (AFSL No 420170) which allows Independent Investment Research to offer financial service advice to retail and wholesale clients. Users of this web site should not act on any Content without first seeking professional advice. Whilst the Content contained on this web site has been prepared with all reasonable care from sources which we believe are reliable, no responsibility or liability is accepted by Independent Investment Research, for any errors or omissions or misstatements however caused. Any opinions, forecasts or recommendations reflect our judgement and assumptions at the date of publication or broadcast and may change without notice. Content on this web site is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. We are not aware that any user intends to rely on the Content provided or of the manner in which a user intends to use it. In preparing our Content it is not possible to take into consideration the investment objectives, financial situation or particular needs of any individual user.

Access by any user to this website does not create a client relationship between Independent Investment Research and the user. Users seeking to invest must obtain individual financial advice to determine whether recommendations are appropriate to their investment objectives, personal financial situation or particular needs, before acting on any recommendations. Any Content is not for public circulation or reproduction, whether in whole or in part and is not to be disclosed to any person other than the intended user, without the prior written consent of Independent Investment Research.

(b) Disclosure of Interest

General

Independent Investment Research, its officers, employees, consultants and its related bodies corporate have not and will not receive, whether directly or indirectly: any commission; fee; benefit; or advantage, whether pecuniary or otherwise, in connection with making any recommendation contained on this web site. Independent Investment Research, discloses that from time to time, it or its officers, employees and its related bodies corporate: may have an interest in the securities, directly or indirectly, which are the subject of these recommendations; may buy or sell securities in the companies mentioned in the Content; may effect transactions which may not be consistent with the recommendations in the Content; may have directorships in the companies mentioned in the Content; and/or perform paid services for the companies that are the subject of such recommendations.

However, under no circumstances, has Independent Investment Research been influenced, either directly or indirectly, in making any recommendations contained on this web site.

Corporate Research

Independent Investment Research has or may have, received a fee either directly by a company itself or by a third party, to provide coverage and/or corporate research (the "Fee"). Where a Fee has been received, Independent Investment Research does not publish:

Buy / Hold / Sell recommendations for the security or managed investment schemes.

(c) Copyright Protection

All Content at this web site is protected by copyright. Apart from any use permitted under the Copyright Act (Cth) 1968, you must not copy, frame, modify, transmit or distribute the material at this web site, without seeking the prior written consent of the copyright owner. Content on this web site is owned by the business Independent Investment Research. Users are prohibited from copying, distributing, transmitting, displaying, publishing, selling, licensing, creating derivative works or using any content on the web site for commercial or public purposes

Copyright 2010 Independent Investment Research. All rights reserved.

(d) Trade Marks

The trade marks and logos displayed on this web site belong to Independent Investment Research or other parties. Such trade marks include registered trade marks and trade marks pending registration. Users are prohibited from using any of these trade marks, without seeking the prior written consent of IIR or such third party, which may own the trade mark content on this web site.

(e) Limitation of Liability

To the fullest extent permitted by the law, Independent Investment Research and any of its officers, employees, agents, consultants or related bodies corporate disclaim any liability, whether based in contract, tort, strict liability or otherwise, for any direct, indirect, incidental, consequential or special damages arising out of or in any way connected with the use of any Content made available on this web site by any person or entity.

(f) No Warranties

Independent Investment Research does not make any claims, promises, guarantees, representations or warranties regarding the accuracy, completeness or fitness for purpose of the Content made available on this web site. All information on this web site is provided to you on an as is basis, without warranty of any kind either express or implied. To the extent that research can be provided by third parties, Independent Investment Research makes no warranty or representation as to the accuracy or completeness of such information displayed on this site, and accepts no liability for errors or omissions arising from such third party information. To the fullest extent permitted by law, under no circumstances will Independent Investment Research be liable for any loss or damage caused by users reliance upon information obtained through this web site. It is the responsibility of the user to evaluate the accuracy, completeness or usefulness of any information, opinion, general advice or other content made available through this web site. Furthermore, Independent Investment Research does not warrant or represent that this web site is error free or free from viruses or defects. A user must do all that is necessary (including using virus checking software) to satisfy itself that accessing this website will not adversely affect its system.

For further information, please contact IIR at: client.services@independentresearch.com.au



Independent Investment Research (Aust.) Pty Limited

SYDNEY OFFICE

Level 1, 350 George Street
Sydney NSW 2000
Phone: +61 2 8001 6693
Main Fax: +61 2 8072 2170
ABN 11 152 172 079

MELBOURNE OFFICE

Level 7, 20–22 Albert Road
South Melbourne VIC 3205
Phone: +61 3 8678 1766
Main Fax: +61 3 8678 1826

HONG KONG OFFICE

1303 COFCO Tower
262 Gloucester Road
Causeway Bay, Hong Kong

DENVER OFFICE

200 Quebec Street
300-111, Denver Colorado USA
Phone: +1 161 412 444 724

MAILING ADDRESS

PO Box H297 Australia Square
NSW 1215