

23 December 2020

IMPROVED FISCAL CONDITIONS FOR ANTILLES GOLD'S CUBAN PROJECT

Antilles Gold Limited (the Company, ASX Code: AAU) would like to draw the attention of its shareholders to an announcement by the President of Cuba on 11 December 2020 on the unification of Cuba's dual monetary system which will come into effect on 1 January 2021.

The unification is expected to lead to substantially increased salaries being paid to Cuban staff by the Government agency from where they are recruited, without the Company's project incurring additional costs.

Antilles Gold, is the Manager and a 49% shareholder for the development of the La Demajagua gold/silver mine in Cuba.

A 25,000m drilling program will commence next month to establish JORC resources and add to existing data on the La Demajagua ore body from 50,000m of historic drilling by Canadian mining companies.

Mining Services Company, Cube Consulting, have estimated the Exploration Target Range for the La Demajagua mineral deposit (refer attached Technical Memo and Competent Persons Statement for further detail).

LA DEMAJAGUA EXPLORATION TARGET RANGE (above 1.0g/t Au cut off grade)

	Tonnes	Grade (Au g/t)	oz Au	Grade (Ag g/t)	oz Ag
Lower	16,000,000	2.3	1,200,000	17	8,700,000
Upper	20,000,000	2.7	1,700,000	23	14,800,000

Feasibility studies for the stage one open pit La Demajagua mine should be completed by Q3 2022 and will be based on the mining of 800,000tpa of ore and production of approximately 60,000tpa of high grade concentrate (45g/t to 50g/t Au and 350g/t to 400g/t Ag) for 6 years.

Based on the historic drilling data, the mine is likely to support a stage two underground operation for an additional 10 years at a mining rate of 500,000tpa.

Commissioning of the open pit mine is planned for Q4 2023 with the concentrate likely to be sold to a combination of Chinese or Russian smelters, and an international concentrate trader.

In addition to the planned production and sale of concentrate, Antilles Gold will also study the prospect of establishing a 100,000tpa Albion/CIL plant to act as a hub for processing refractory concentrates produced within the region, including that from the La Demajagua mine.

The plant could be built at La Demajagua or at Antilles Gold's site at Las Lagunas in the Dominican Republic.

In any event, the Company would probably reduce its level of participation in such plant in favour of an international concentrate trader which could source suitable feed for the processing facility. Whether this development concept is worth pursuing should be able to be determined by Q3, 2021 following metallurgical test work on new drill core.

Project and macro-economic conditions could improve further for Antilles Gold and other foreign investors if, as anticipated, the incoming Biden Administration in the US continues the normalisation of US relations with Cuba that were initiated by President Obama in 2016, but subsequently stalled under the Trump Administration.

Normalisation could lead to substantially improving the availability of project finance to the emerging Cuban mining sector and minimise the requirement for Antilles Gold to raise funds to lend to the project, in addition to its US\$13 million equity contribution over the next two years.

END

This announcement has been authorised for release by the Board of Antilles Gold Limited. For further information:

Brian Johnson
Executive Chairman
+61 2 4861 1740

Technical Memo

To: James Tyers
Company: Antilles Gold Limited
From: Daniel Saunders
Date: 4 November 2020
Project: La Demajagua
Subject: Exploration Target



Introduction

Cube Consulting Pty Ltd (Cube) were engaged by Antilles Gold Limited (AAU) to prepare an Exploration Target for the La Demajagua project located on the Isle of Youth in south west Cuba.

Exploration Target

Cube have defined an Exploration Target of approximately 16 to 20 million tonnes at a grade ranging between 2.3 and 2.7 g/t gold and 17 to 23 g/t silver across the La Demajagua project (Table 1).

The potential quantity and grade of the Exploration Target is conceptual in nature and therefore is an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target has been prepared and reported in accordance with the 2012 edition of the JORC Code.

Table 1: La Demajagua Exploration Target (above 1.0 g/t Au)

Range	Tonnes	Gold		Silver	
		Grade (g/t)	Contained Metal (koz)	Grade (g/t)	Contained Metal (koz)
Lower	16,000,000	2.3	1,200	17	8,700
Upper	20,000,000	2.7	1,700	23	14,800

The Exploration Target is based on the current geological understanding of the mineralisation geometry and regional geology. This is provided by an extensive historic drill hole database of approximately 50,000 metres.

The Exploration Target, being conceptual in nature, does not consider factors related to geological complexity, possible mining method or metallurgical recovery factors. The Exploration Target was estimated to provide an assessment of the potential scale of the La Demajagua project mineralisation.

The reported Exploration Target is defined by:

- Three-dimensional interpretation of the historical drilling to generate a mineralisation wireframe.
- Generation of a block model with grades interpolated within the mineralisation wireframe using ordinary kriging with parameters defined by spatial analysis and estimation neighbourhood assessments.

Top-cuts were applied to composite data prior to estimation for both the gold and silver assays and ranged between 6 and 20 g/t gold and 200 to 250 g/t silver. Exploration Target grade ranges are based on a lower cut-off of 1 g/t gold.

Yours sincerely,



Daniel Saunders

Senior Consultant Geologist

Competent Persons Statement

The information in this report that relates to Exploration Targets is based on information compiled by Mr Daniel Saunders, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Saunders is a full-time employee of Cube Consulting Pty Ltd, acting as independent consultants to Antilles Gold Limited. Mr Saunders has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Saunders consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.