

30 April 2021

ANTILLES GOLD QUARTERLY REPORT & APPENDIX 5B MARCH 2021

LA DEMAJAGUA GOLD PROJECT, CUBA

Antilles Gold Limited holds a 49% interest in Cuban joint venture company, Minera La Victoria SA ('MLV') which was registered in August 2020, with Cuban Government mining company, GeoMinera SA, as its partner with a 51% shareholding.

MLV intends to initially develop an open pit mine and subsequently an underground operation based on the La Demajagua gold/silver deposit on the Isle of Youth in south west Cuba to produce high grade sulphide gold concentrate.

MLV's mining concession at La Demajagua incorporates the historic Delita gold mine and has been the subject of over 50,000m of drilling and associated metallurgical test work by Canadian exploration companies.

During the Quarter, MLV commenced a Bankable Feasibility Study ('BFS') for the stage one open pit mine which includes a 15,000m drilling program in 2021 and a 10,000m program in 2022, with the aim of completing the BFS in time for a development decision in Q4 2022.

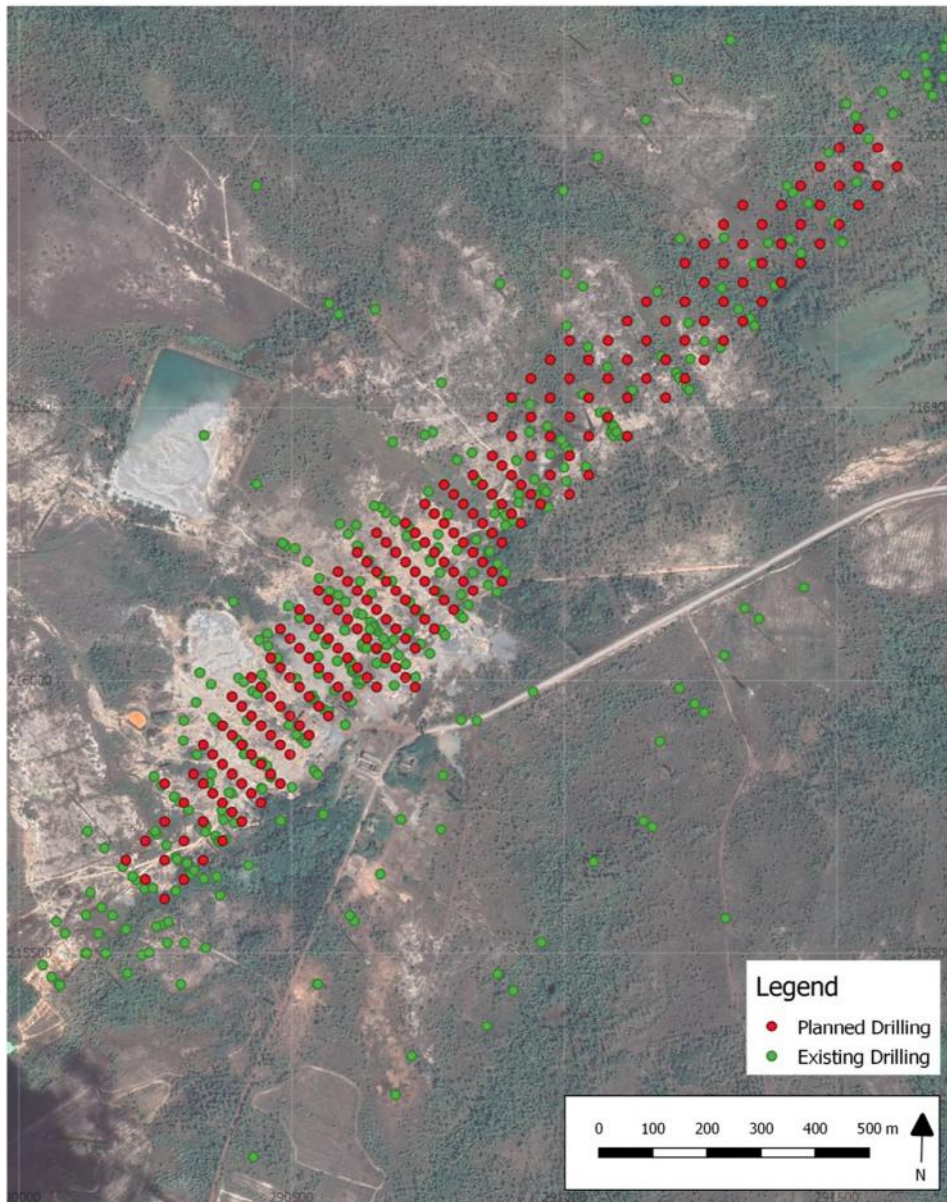
A single diamond drilling rig completed 21 cored holes for 2,747m in the second half of the Quarter. A second rig commenced operations on 20 April 2021, and a third rig is expected on site in June 2021. Assay results from a Canadian laboratory will commence in Q2 2021.

Initial JORC Resources for the La Demajagua deposit are expected to be established in Q4 2021.

Exploration Target

Perth based mining consultants, Cube Consulting, has estimated the La Demajagua Exploration Target to be the following (above 1.0 g/t Au cut-off grade);

Range	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



Over 200 planned drill hole locations – La Demajagua



Drilling – La Demajagua



Core Tray – La Demajagua

During the Quarter, negotiations commenced for the appointment of Australian consultants to prepare the BFS, and for turnkey design and construction proposals for the crushing and milling circuit, flotation circuit, and a 10Mw power station. These proposals are expected to be received in Q2 2021.

GOLDEN HILLS & FLORENCIA SULPHIDE PROJECTS, CUBA

Late in the Quarter, Antilles Gold agreed with GeoMinera to enter into an International Economic Assessment ("IEA") (Exploration Licence) to explore and evaluate the potential of the Golden Hills sulphide gold deposits, located 80km south east of the city of Camaguey.

The Golden Hills Project is aimed at mining a large, interconnected VMS deposit underlying three oxide gold deposits that have been mined by GeoMinera, and are largely depleted.

Both the oxide deposits and the underlying massive sulphide structure were explored by MacDonald Mines from Canada between 1994 and 1998, which completed ground and airborne geophysical surveys, mapping, geochemical surveys, and trenching, in addition to 199 cored drill holes to an average depth of 80m. The database generated by this work was well archived.

Antilles Gold is attracted to the project as it could be a viable producer of large volumes of refractory concentrate that would add to the planned production from the La Demajagua mine.

The exploration program will be supervised by a Vancouver based geological consultant who has had significant experience in Cuba and was responsible for many aspects of MacDonald Mines' exploration and evaluation of the Golden Hills property in the 1990's.

The extensive geological data for the property provided by GeoMinera will assist in preparing an efficient and cost-effective program for the initial exploration.

The Golden Hills sulphide deposits have been classified as high-sulphidation type deposits. The mineralized system hosts several Au and Cu enriched sulphide bodies. Wide intersections of blind, massive, semi-massive and disseminated sulphide mineralization with Au and Cu occur within the area, and according to the Company's consultant geologist have excellent potential to define large Au and Cu sulphide resources.

The opportunity at Golden Hills has subsequently been expanded to cover three known low-sulphidation type deposits in the same region, including Florencia, with previous drilling indicating significant gold grades.

Negotiations are continuing on the terms of the IEA and the work program for exploration and evaluation which, if encouraging, would be expected to lead to a 49:51 joint venture with GeoMinera aimed at developing a mine or mines to produce sulphide gold concentrates.

Details of the work to be undertaken in 2022 and 2023 for the conduct of the exploration program and a Preliminary Feasibility Study ("PFS"), and its associated costings, will be released to the ASX once agreed with GeoMinera.

Further details will be notified on formalisation of the IEA around the end of 2021.



Mined oxide deposits at Golden Hills underlaid by an outcropping interconnected sulphide deposit

PROCESSING FACILITY, CUBA

Antilles Gold intends to evaluate the possibility of constructing a 100,000 tpa Albion/CIL process plant in Cuba, with concentrate feed potentially supplied from mines at La Demajagua and Golden Hills, as an alternative to selling concentrate at a lower value.

If a plant is developed it could also operate as a processing hub for regional concentrates, and the second generation design would incorporate design modifications that were required at the Company's previous Albion/CIL project at Las Lagunas in the Dominican Republic, and subsequently incorporated in the plant installed by the Albion patent holder, Glencore Technology, in Armenia. The Armenian plant recovers 95% to 97% of gold from a clean arsenopyrite concentrate similar to that which is expected to be produced at La Demajagua.

Fully depreciated plant and equipment from the Las Lagunas tailings retreatment project, including a sophisticated and well maintained oxygen plant and an ultrafine grinding mill with 200,000 tpa capacity, could be incorporated in any new plant.

The Company has commenced negotiations with an Australian engineering group for them to provide a turnkey design and construction proposal to build such a plant, with the proposal expected in Q4 2021. This will allow Antilles Gold to determine if this development option is worth pursuing.



Las Lagunas Oxygen Plant

ARBITRATION

On 15 January 2021, an Antilles Gold subsidiary, EnviroGold (Las Lagunas) Limited, submitted its formal Claims against the Dominican Republic Government for approximately US\$20 million plus costs, to the World Bank's International Centre for Settlement of Investment Disputes ("ICSID") in Washington DC.

The Claims arose, primarily, from the Government failing to meet contractual obligations in relation to the Las Lagunas sulphide gold tailings retreatment project which was completed in December 2019.

The Government's lawyers responded on 15 April 2021 arguing that ICSID was not the appropriate authority to settle the disputes, despite this being contractually agreed with the Government.

The Tribunal already appointed to rule on the Claims will firstly have to confirm ICSID as the appropriate jurisdiction, and this matter is not scheduled to be heard until December 2021.

The Company intends to pursue its Claims, with the Directors and experienced legal counsel confident of their validity. Resolution of the Claims by the ICSID Tribunal is unlikely before mid-2023.

ACTIVITIES PLANNED FOR JUNE QUARTER 2021

MINERA LA VICTORIA SA – CUBA

- Continue drilling program at La Demajagua
- Negotiation of turnkey proposals for the design and construction of the concentrator, power station, and mining camp

ENVIROGOLD (LAS LAGUNAS) LIMITED – DOMINICAN REPUBLIC

- Continue current Arbitration proceedings
- Maintain stored plant & equipment

[Attached Appendix 5B is in USD.](#)

This announcement has been authorised for release by the Board of Antilles Gold Limited

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END

Appendix 5B

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

Name of entity

ANTILLES GOLD LIMITED

ABN

48 008 031 034

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (3 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	53	53
1.2 Payments for		
(a) exploration & evaluation	(334)	(334)
(b) development	-	-
(c) production	-	-
(d) staff costs	(49)	(49)
(e) administration and corporate costs	(221)	(221)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
(a) Plant closure and storage costs – Las Lagunas project	(343)	(343)
(b) Arbitration with Dominican Government	(61)	(61)
1.9 Net cash from / (used in) operating activities	(955)	(955)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (3 months) \$US'000
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	36	36
2.6 Net cash from / (used in) investing activities	36	36

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	3,876	3,876
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(955)	(955)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	36	36
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

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

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 months) \$US'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,957	2,957

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	2,957	3,876
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,957	3,876

6.	Payments to related parties of the entity and their associates	Current quarter \$US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	101
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

7. Financing facilities	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$US'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(955)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(955)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,957
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,957
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	3
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	

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

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2021

Authorised by: By the Board- Antilles Gold Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.