

29 July 2021

ANTILLES GOLD QUARTERLY REPORT & APPENDIX 5B - JUNE 2021

ANTILLES GOLD

CORPORATE OBJECTIVE

Antilles Gold's objective is to achieve organic growth in profits and value through the successive development of a series of mid-size gold mines in mineral rich Cuba.

CUBA'S MINERAL POTENTIAL

Cuba hosts a significant number of gold, copper, and nickel deposits that have been extensively explored by Canadian, Russian and Cuban mining companies, but where development opportunities have been largely overlooked for some time, however, Cuba is now emerging as a new frontier for the international mining sector.

The geology in Cuba is predominantly sulphidic and Antilles Gold's aim is to initially produce high grade gold concentrate for sale to foreign smelters, and at a later stage to review the possibility of constructing a facility to process the concentrate, and produce significantly higher value doré.

Antilles Gold is well positioned to capitalise on this prospect given its extensive experience in processing refractory concentrate.

JOINT VENTURE WITH GOVERNMENT MINING COMPANY

Antilles Gold's projects in Cuba will be carried out in a Joint Venture company, Minera La Victoria SA ("MLV"), which was registered in August 2020.

The Cuban Government's mining company, GeoMinera SA holds 51%, and Antilles Gold holds 49% of the issued shares of MLV. Though a minority shareholder, Antilles Gold has the same number of directors on the Board of MLV as GeoMinera, and all decisions must be unanimous. Any disputes that arise are to be settled by arbitration at the International Court of Commercial Arbitration ("CCI") in Paris.

Antilles Gold is entitled to nominate the Project Director, General Manager, and all senior operations management engaged by MLV.

DEVELOPMENT PROJECT

LA DEMAJAGUA GOLD/SILVER MINE

MLV's first project is expected to be the near term development of an open pit mine based on the La Demajagua gold/silver deposit on the Isle of Youth in south west Cuba.

Antilles Gold is managing a Bankable Feasibility Study ("BFS") for this development which is expected to be completed in time for a development decision in Q4 2022.

Drilling Program

A major component of the BFS will be a two stage 25,000m drilling program that will permit the establishment of initial JORC Resources for the open pit mine, and finalisation of mine planning. The program will also provide sufficient core to conduct metallurgical testwork, and provide concentrate samples for marketing purposes.

The first stage 15,000m program is nearing completion, and an additional in-fill 10,000m program will be undertaken in early 2022.

Results to date are very encouraging with many +5 g/t Au drill core intercepts (refer ASX Announcements 22 June 2021 and 20 July 2021). The results reasonably replicate those from 50,000m of historic drilling at La Demajagua by Canadian mining companies.

The Exploration Target range for the La Demajagua ore body established by Cube Consulting from historic drill data is ANNEX 1 to this report.



Drilling at La Demajagua Gold/Silver Deposit

Financial Model

The Financial Model for the La Demajagua open pit mine prepared by Antilles Gold is based on the historical drilling data and metallurgical testwork, and reflects MLV's planned mining rate of 800,000 tpa of ore, a stripping rate of 7:1 by tonnage, and production of approximately 60,000 tpa of high grade concentrate for six years.

For its 49% shareholding in MLV, Antilles Gold is contributing US\$7.0 million during 2021-22 for the conduct of the BFS including the drilling program, and for general overheads of MLV. A further US\$6.0 million will be spent on infrastructure in 2023 after mine construction commences.

GeoMinera has transferred the 900ha La Demajagua mining concession to MLV for its 51% shareholding.

Project development costs in addition to Antilles Gold's US\$13 million equity contribution are expected to be in the order of US\$63 million including US\$3.9 million of financing costs during construction, and be funded by a combination of supplier credit for plant and equipment, and project loans.

The robust results from the current financial modelling are expected to be confirmed by the BFS, which will be carried out by a suitably experienced Australian consulting group in association with specialist sub-consultants.

Results of financial modelling will be published following establishment of JORC Resources.

An underground operation is planned to follow the open pit mining for a period of 10 years, and would benefit from utilising the existing infrastructure, concentrator and power station. The relatively low investment in underground development and the resultant cash flow should significantly increase returns from the La Demajagua project.

Proposed Development Timetable – Open Pit Mine

- Completion of BFS - Q3/Q4 2022.
- Commencement of prestripping, construction of infrastructure - Q4 2022.
- Commissioning of mine – Q1 2024.
- Commencement of concentrate shipping - Q2 2024.

EXPLORATION PROJECTS

GUAIMARO SULPHIDE GOLD DEPOSITS

As part of its strategy to develop successive mid-size mines in Cuba, Antilles Gold has agreed with GeoMinera to conduct at the Company's cost, preliminary exploration of a group of five sulphide gold deposits in the Guaimaro-Jobabo region of south east Cuba which have been previously explored (mainly by McDonald Mines from Canada between 1994 and 1998). The aim is to identify potentially economic resources, sufficient to justify the development of multiple pits, with ore to be transported to a centralised plant for the production of concentrate.

Current negotiations of the terms of an International Economic Assessment ("IEA") (equivalent to an Exploration License), are expected to be finalised in Q3 2021. The documentation then needs to be approved by the Cuban Government before exploration activities can commence.

The program for 2022 will be focussed on preliminary exploration including limited drilling of the Florencia and Maclama deposits. McDonald Mines reported that their flotation test work produced concentrate with grades of between 45 g/t Au and 122 g/t Au from the Florencia deposit.

In 2023, a drilling program will be conducted on the Big Golden Hill, Little Golden Hill and Three Hills deposits. According to the Company's consultant geologist who was responsible for many aspects of MacDonald Mines' exploration of the three Golden Hills properties, *"the oxide deposits which have been substantially depleted are underlaid by a shallow, interconnected VMS deposit with excellent potential to define large Au and Cu sulphide resources"*.

These properties are all located within a 15km spread and if economically viable, the two groups will probably be developed sequentially but utilise a common flotation plant to produce concentrate.

To conduct the programmed and future exploration of these properties, Antilles Gold will establish a regional office in the Provincial capital of Camaguey under the control of its Exploration Manager, with an initial budget of US\$1.5 million per year for two years.

Additional exploration and any development of the deposits will be conducted within a Joint Venture with GeoMinera. Antilles Gold's expenditure in 2022-23 will be acknowledged and credited by the Joint Venture.

POTENTIAL COPPER/GOLD PROJECTS

GeoMinera has confirmed in a recent Letter of Intent that it will make available for Antilles Gold's review, existing geological data and past exploration results for six Mining Concessions hosting numerous copper, and copper/gold prospects.

Most of these properties have been the subject of previous exploration, and some had small scale mining operations in the past.

A review of the potential of these properties will be conducted in Q4 2021 and Q1 2022 by a Canadian consultant geologist experienced with Cuba's geology. After this review, Antilles Gold will nominate which Concessions should be incorporated in an IEA with the expectation that some of the properties could ultimately be included in a Joint Venture for possible development.



Location of Guaimaro Sulphide Gold Deposits



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

CONCENTRATE PROCESSING FACILITY

MLV intends to review the technical and commercial viability of ultimately constructing a plant, either at La Demajagua, or on the Cuban mainland, to process refractory concentrate sourced from the Joint Venture's mines, and potentially from other regional mines, to produce significantly higher value doré.

The oxidation process that would be utilised in conjunction with standard cyanide-in-leach ("CIL") technology could be either pressure oxidation ("POX"), or Glencore's patented Albion process with which the Company has had considerable experience.

The Company's 200tpd VPSA oxygen plant which is currently stored in the Dominican Republic and has been well maintained, would, if utilised in Cuba, be the major determinant in the capacity of the concentrate processing facility.

Antilles Gold has engaged Vancouver based, Dr Jinxing Ji, as its Technical Director to undertake the proposed review. Dr Ji is a highly regarded metallurgist with extensive experience in processing refractory gold ore including the management of test work, determination of flow sheets, feasibility studies, and detailed designs for the efficient flotation and oxidation of sulphide ore, aimed at maximising gold and silver recoveries.



Antilles Gold's oxygen plant for potential use in Cuba

CORPORATE DEVELOPMENT STRATEGY

Antilles Gold is now in the position, having sufficient development opportunities within its commercial arrangements with GeoMinera, to be confident that it can realise its objective of achieving steady growth for its business activities in Cuba.

These opportunities include the proposed La Demajagua gold/ silver open pit mine, the probable development of the Guaimaro sulphide gold project (2024-25), the proposed second stage underground operation at La Demajagua (2029), and the possibility of other projects that might include the construction of a concentrate processing facility to produce gold doré.

ACTIVITIES DURING JUNE QUARTER 2021

MINERA LA VICTORIA – CUBA (49%)

Drilling Program at La Demajagua

Holes drilled.	82
Metres drilled.	8,275
Holes analysed.	17

(Drilling results were advised to ASX on 22 June 2021).

- **Establishment of layout for mine, waste dump, tailings storage, concentrator, buildings, and power station.**
- **Preliminary designs for accommodation facilities, industrial buildings, and offices.**
- **Negotiations for supply of mining fleet, and turnkey offers for design and construction of crushing and milling circuits, flotation plant, and 8Mw power station.**
- **Negotiations with consultants for conduct of BFS.**
- **Negotiations with consultants for metallurgical test work.**

ENVIROGOLD (LAS LAGUNAS) LIMITED – DOMINICAN REPUBLIC (100%)

- **Continued with Arbitration proceedings for US\$20 million claim against Dominican Republic Government at World Bank’s International Centre for Settlement of Investment Disputes.**
- **Maintenance of stored plant and equipment.**

PLANNED ACTIVITIES FOR SEPTEMBER QUARTER 2021

MINERA LA VICTORIA SA – CUBA

- **Complete 15,000m drilling program at La Demajagua.**
- **Appointment of Consultants for BFS.**
- **Continuation of BFS Activities.**
- **Design of Accommodation Facilities and Industrial Buildings.**
- **Preliminary Design of Barge Loading Wharf.**
- **Complete drilling to facilitate hydrogeological and geotechnical studies.**

ENVIROGOLD (LAS LAGUNAS) LIMITED – DOMINICAN REPUBLIC

- **Continuation of Arbitration proceedings.**
- **Continuation of maintenance of stored plant and equipment.**

QUARTERLY CASHFLOW

During the Quarter, payments totalling US\$128,000 were made to directors for salaries, directors fees and superannuation.

Attached Appendix 5B is in USD.

This announcement has been authorised by the Chairman of Antilles Gold Limited.

END

ABOUT ANTILLES GOLD LIMITED:

Antilles Gold is focussed on growth through the successive development of gold projects in Cuba, and on realising the value of assets it holds in the Dominican Republic.

The Company is at the forefront of the emerging gold mining sector in Cuba and intends to participate in the development of two or three mid-size mines through a 49:51 Joint Venture with Cuban Government mining company, GeoMinera SA, with prospects for additional developments in the future.

The current projects of the Joint Venture company, Minera La Victoria SA, are the proposed near term development of the La Demajagua gold/silver mine on the Isle of Youth in south west Cuba for the production of high grade gold concentrate, and the possible development of multiple pits and a centralised concentrator based on five advanced sulphide gold deposits within the Guáimaro-Jobabo region of south east Cuba.

Refer website: www.antillesgold.net

For further information, please contact:

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Technical Memo

To: James Tyers
Company: Antilles Gold Limited
From: Antilles Gold Limited
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.

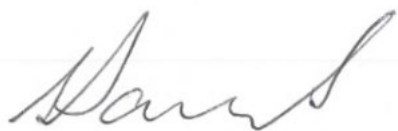
The Exploration Target, being conceptual in nature, does not consider factors related to geological complexity, possible mining method or metallurgical recovery factors. The Exploration Target was estimated to provide an assessment of the potential scale of the La Demajagua project mineralisation.

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.

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")

30 June 2021

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (6 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	51	104
1.2 Payments for		
(a) exploration & evaluation	(770)	(1,104)
(b) development	-	-
(c) production	-	-
(d) staff costs	(31)	(80)
(e) administration and corporate costs	(434)	(655)
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	(299)	(642)
(b) Arbitration with Dominican Government	(47)	(108)
1.9 Net cash from / (used in) operating activities	(1,530)	(2,485)
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	(54)	(54)
(e) investments	-	-

Appendix 5B

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 (6 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
2.6 Net cash from / (used in) investing activities	(54)	(18)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	2,790	2,790
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	(162)	(162)
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	2,628	2,628

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,957	3,876
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,530)	(2,485)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(54)	(18)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,628	2,628

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 (6 months) \$US'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,001	4,001

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	4,001	2,957
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)	4,001	2,957
	Note: Cash and cash equivalents in AUD	5,313	3,881

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	128
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)	(1,530)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	54
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,476)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,001
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,001
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: 29 July 2021

Authorised by: The Chairman of Antilles Gold Limited

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.