ASX Announcement

29 April 2022



ANTILLES GOLD QUARTERLY REPORT & APPENDIX 5B - 31 MARCH 2022

ANTILLES GOLD

DEVELOPMENT OPPORTUNITIES

Antilles Gold is uniquely positioned to access a number of gold and copper/gold development opportunities in mineral rich Cuba through its joint venture with a subsidiary of the Government's mining company, GeoMinera SA.

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 by the international mining sector for over 20 years. However, Cuba is now emerging as a new frontier for mining investment.

JOINT VENTURE

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.

MLV's shares are held by a subsidiary of GeoMinera (51%), and Antilles Gold Limited's Cayman Islands registered subsidiary, Antilles Gold Inc ("AGI") (49%). Though a minority shareholder, AGI 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.

AGI is contributing US\$13.0 million equity for its 49% shareholding in MLV, of which US\$5.0 million has already been invested. A further US\$3.0 million will be spent during 2022 to complete the Definitive Feasibility Study ("DFS") for MLV's first project, the development of the La Demajagua gold/silver open pit mine on the Isle of Youth in south west Cuba, and for general overheads of MLV. A further US\$5.0 million will be spent on mine infrastructure in early 2023.

GeoMinera transferred the 900ha La Demajagua Mining Concession with 50,000m of historic drilling data to MLV for its 51% shareholding.

MLV has been granted an attractive fiscal regime by the Cuban Government, including a waiver for 8 years of the 15% corporate tax rate.

Antilles Gold has nominated the Project Director, General Manager, and Construction Manager for the La Demajagua project and is entitled to appoint all senior operations management engaged by MLV.

The geology in Cuba is predominantly sulphidic and the joint venture's aim is to produce a high grade gold/silver concentrate at La Demajagua, for sale to an international trading company, or foreign smelters.

DEVELOPMENT PROJECT

LA DEMAJAGUA GOLD/SILVER OPEN PIT MINE

Antilles Gold is managing the DFS for the project which is expected to be completed in November 2022.

Drilling Program & Resources

The Maiden Mineral Resource Estimate set out below for the proposed open pit mine was released to the ASX on 28 January 2022, and was calculated by Cube Consulting from historic drilling, and assays received to date from around 50% of the cored drill holes that will ultimately be undertaken across the defined 2,000m strike length of the La Demajagua deposit.

MINERAL RESOURCE STATEMENT FOR LA DEMAJAGUA PROJECT WITHIN PRELIMINARY PIT SHELL at 0.8g/t Au cut off

Resource Category	Tonnes (Mt)	Au Grade (g/t)	Contained Au (koz)	Ag Grade (g/t)	Contained Ag (koz)
Indicated	4.67	3.27	490	40.50	6,080
Inferred	3.1	2.4	230	35.6	3,490
Total	7.7	2.9	720	38.6	9,570

Note - Figures do not add up due to rounding

The Mineral Resource Estimate will be updated in June 2022 when additional assays are received from drill holes that have already been completed, and will be finalised after all results have been received following completion of the drilling program for the DFS in May 2022.



Drilling at La Demajagua Gold/Silver Deposit

Metallurgical Test Work

- Initial test work has been conducted on an ore sample grading 3.76g/t Au, 36g/t Ag, 2.75% As, and 2.24% S.
- Flotation of a bulk concentrate from this sample indicated grades of 37.5g/t Au, 500g/t Ag, 21.1% AS, and 23.0% S in the concentrate.

It is important to maximise the gold grade in the milled ore feed to the flotation plant to achieve the highest possible grade of gold contained in the concentrate, and minimise shipping costs to buyers. Optimisation will benefit from selective mining and blending of ore to maximize the gold to sulphur ratio of the feed, which will increase the flotation efficiency.

The final phase of test work is expected to be completed in September 2022.

Financial Model

The Mineral Resource Statement and metallurgical test work results support a Financial Model for the La Demajagua open pit mine prepared by Antilles Gold which assumed a mining rate of 140,000 tpa of oxide ore and 815,000 tpa of sulphide ore, a stripping ratio of 7:1, and the production of 70,000 tpa gold and silver concentrate, containing approximately 100,000 oz Au equivalent, for six years.

Project development costs in addition to Antilles Gold's US\$13 million equity contribution are expected to be in the order of US\$62 million including 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 earlier financial modelling were confirmed by a recent Scoping Study, the results of which were advised to the ASX on 24 February 2022, and are expected to be replicated by the DFS which will be carried out by a Canadian consulting group, in association with specialist sub-consultants.

An underground operation is planned to follow the open pit mining for a minimum period of 10 years and will 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 27,000m drilling program May 2022
- Completion of metallurgical test work September 2022
- Completion of DFS November 2022.
- Commencement of construction of mine infrastructure Q1 2023.
- Commencement of pre-stripping Q2 2023.
- Commissioning of mine Q1 2024.
- Commencement of Concentrate Shipping Q2 2024.

EXPLORATION PROJECTS

LOS LLANOS PROJECT

As part of its strategy to develop successive mid-sized mines in Cuba, Antilles Gold has agreed with GeoMinera to conduct at the Company's cost, preliminary exploration on three advanced exploration targets with potential for major open pit mine development.

An International Economic Assessment ("IEA") (equivalent to a 'global' Exploration Agreement), for these properties which are known collectively as the Los Llanos Project, was signed in February 2022 and will allow exploration to commence in June or July 2022.

CIEGO DE AVILA COPPER-GOLD PORPYRY SYSTEM

The 17,800ha Ciego de Avila Concession in central Cuba hosts three previously explored substantial coppergold porphyry deposits (El Pilar, Gaspar, and San Nicholas).

Copper grades are widespread with the gold mineralisation, with surface exposures of leached phyllic caps overlying the cluster of porphyry deposits.

The property has been assessed as having the potential for a major open pit mine development.

NEW HORIZONS EXTENSIVE POLYMETALLIC MINERAL BELT

The 31,700ha New Horizons Concession in central Cuba encompasses an entire +40km long VMS style polymetallic mineral belt which hosts four small mines (Antonio, San Fernando, Santa Rosa, and Los Cerros) with previous production of Cu and Zn concentrates with Au and Ag credits.

Geological data made available to Antilles Gold includes maps, soil and stream samples (27,000), rock samples, ground and airborne geophysical surveys, 766 cored holes (68,400m), 5,392 core assays, and historic mine plans.

A Canadian N1 43-101 Technical Report published by Toronto based consultants, Roscoe, Postle Associates ("RPA") on 15 June 2018 reported a small but encouraging Mineral Resource Estimate of Inferred Resources for the Antonio deposit as follows:

MINERAL RESOURCE ESTIMATE – JUNE 15, 2018

Deposit Name	Resource Classification	Mining Potential	NSR Cut- Off	Tonnage (Mt)	Copper Grade (%)	Contained Copper (Mlb Cu)	Zinc Grade (%)	Contained Zinc (Mlb Zn)	Silver Grade (g/t Ag)	Contained Silver (<u>Moz</u> Ag)
Antonio	Inferred	Open Pit	US\$25/t	2.25	1.58	78.38	2.51	124.49	16.5	1.19
		Underground	US\$70/t	0.91	1.49	29.77	2.30	45.99	9.7	0.28
N		Antonio Total		3.16	1.55	108.14	2.45	170.48	14.5	1.48

^{1.} CIM (2014) definitions were followed for Mineral Resources.

The ASX's requirement to provide information related to the Foreign Mineral Estimate and the Competent Person was advised to ASX on 29 April 2022.

GOLDEN HILLS

The Golden Hills sulphide deposit was explored by MacDonald Mines between 1994 and 1998 when they conducted ground and airborne geophysical surveys, mapping, geochemical surveys, trenching, and 199 cored drill holes to an average depth of 80m. The database generated by this work was well archived and available for Antilles Gold.

A cluster of three oxide deposits at Golden Hills that have already been mined are underlaid by a potentially large, interconnected volcanogenic massive sulphide ("VMS") deposit. The mineralisation discovered to date lies in a 1.5km long by 1.0km wide west-northwest oriented zone, and within a lens shaped body 7.0km long and 2.0km in true thickness that has been interpreted to be a section through a volcanic edifice, with the property having the potential to produce large volumes of copper concentrate with gold credits.

CORPORATE DEVELOPMENT STRATEGY

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

The objective is for MLV to reinvest part of the estimated US\$325 million surplus cash expected to be generated over six years by the La Demajagua open pit mine after debt service, in the funding of subsequent projects.

This should achieve organic growth in the profitability and value of Antilles Gold's investment in MLV while minimising or eliminating additional equity contributions by Antilles Gold to MLV in the foreseeable future.

ACTIVITIES DURING MARCH QUARTER 2022

CUBA

MINERA LA VICTORIA (49%) – PROPOSED LA DEMAJAGUA OPEN PIT GOLD-SILVER MINE

Drilling Program at La Demajagua

Holes drilled: 50 Metres drilled: 6,172 Samples for assay: 2,736

Results for drilling undertaken during the March Quarter were released to the ASX on 12 April 2022.

- Finalisation of layout for mine, waste dump, tailings storage, concentrator, buildings, and power station.
- 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.
- Metallurgical test work by SGS Laboratories.
- Establishment of Preliminary Pit Shell.
- Completion of Scoping Study

DOMINICAN REPUBLIC

ENVIROGOLD (LAS LAGUNAS) LIMITED (100%)

- Continued Arbitration proceedings for A\$40 million claim against Dominican Republic Government at World Bank's International Centre for Settlement of Investment Disputes ("ICSID") in Washington DC.
- Maintenance of stored plant

PLANNED ACTIVITIES FOR JUNE QUARTER 2022

CUBA

MINERA LA VICTORIA SA (49%) – PROPOSED LA DEMAJAGUA OPEN PIT GOLD-SILVER MINE

- Complete drilling program at La Demajagua.
- Continue metallurgical testwork of La Demajagua ore.
- Complete Hydrogeological and Geotechnical studies.
- Continuation of DFS Activities for open pit mine.

DOMINICAN REPUBLIC

ENVIROGOLD (LAS LAGUNAS) LIMITED

- Continue Arbitration proceedings.
- Continue maintenance of store plant and equipment.

QUARTERLY CASHFLOW

During the Quarter, payments totalling US\$231,000 were made to directors for salaries, directors fees and superannuation, as follows:

 Payment of 1 month of deferred management fees payable to the Executive Chairman for December 2021 and 3 months of current quarter fees

US\$146,000

Payment of fees to Non-Executive Directors

US\$26,000

Payment of salary to Executive Director

US\$59,000

Cash on hand at 31 March 2022 was A\$4.9 million.

Attached Appendix 5B is in USD.

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

END

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is based on information reviewed by Mr. Dale Schultz, a Competent Person who is a member of the Association of Professional Engineers and Geoscientists of Saskatchewan ("APEGS"), which is accepted for the purpose of reporting in accordance with ASX listing rules. Mr. Schultz is a Consultant to the Company and 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. Schultz consents to the inclusion of the Exploration Results based on the information and in the form and context in which it appears.

The information in this document that relates to Mineral Resources is based on information complied by Mr Daniel Saunders, a Competent Person who is a Member of 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 Inc. Mr Saunders has sufficient experience relevant to the style of mineralization and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person as defined in 2012 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Saunders consents to the inclusion in this document 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	Quarter ended ("current quarter")			
48 008 031 034	31 March 2022			

Con	solidated 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	1	1
1.2	Payments for		
	(a) exploration & evaluation	(1,470)	(1,470)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(26)	(26)
	(e) administration and corporate costs	(234)	(234)
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	(81)	(81)
	(b) Arbitration with Dominican Government	(74)	(74)
1.9	Net cash from / (used in) operating activities	(1,884)	(1,884)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(3)	(3)
	(d) exploration & evaluation	(73)	(73)
	(e) investments	-	-

ASX Listing Rules Appendix 5B (17/07/20)

Cons	solidated 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)	-	-
2.6	Net cash from / (used in) investing activities	(76)	(76)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,406	2,406
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	(107)	(107)
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	2,299	2,299

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,337	3,337
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,884)	(1,884)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(76)	(76)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,299	2,299

Cons	solidated 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	10	10
4.6	Cash and cash equivalents at end of period	3,686	3,686

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	3,686	3,337
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)	3,686	3,337
Note:	Cash and cash equivalents in AUD	4,909	4,599

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	231
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
	Details of the amounts shown at 6.1 are as follows:	
	 Payment of 1 month of deferred management fees payable to the Executive Chairman for December 2021 and 3 months of current quarter fees 	146
	Payment of fees to Non-Executive Directors	26
	Payment of salary to Executive Director	59

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.

7.	Financing facilities Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000		
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)	(1,884)	
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(73)	
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,957)	
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,686	
8.5	Unused finance facilities available at quarter end (item 7.5)	-	
8.6	Total available funding (item 8.4 + item 8.5)	3,686	
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	2	
	Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3	R answeritem 8.7 as "N/Δ"	

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.

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?

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:			

Answer:

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

- 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 April 2022

Authorised by: The Chairman of Antilles Gold Limited

Notes

- 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.
- 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".
- 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.