

9 January 2024

TEST WORK PROCEEDING FOR CONCENTRATE PROCESSING FACILITY AT LA DEMAJAGUA GOLD-ANTIMONY-SILVER MINE, CUBA

Antilles Gold Limited (“Antilles Gold” or the “Company”) (ASX Code: AAU, OTCQB: ANTMF) advises that test work has commenced to progress the proposal to produce doré from the gold concentrate produced by the La Demajagua mine. Doré production will significantly lower the project risk compared to the alternative of selling the concentrate with a high arsenic content into a restricted market, with the added benefit of increased project profitability.

The concentrate processing facility to be added to the La Demajagua project will also increase the level of production of gold-antimony-silver concentrate which will contribute to the improved project economics.

- The BGRIMM Technology Group has commenced the metallurgical test work necessary for the design of a two-stage fluidized-bed roaster, antimony leach circuit, and CIL circuit for the La Demajagua project.
- BGRIMM Technology, which is a leading Chinese engineering group experienced in the design and construction of roasters for the oxidation of refractory gold concentrates, will present a turnkey offer for the supply of the concentrate processing facility on completion of the test work, and preliminary engineering design.
- The flow sheet for the facility which is being developed between the Company’s highly experienced Technical Director, Dr Jinxing Ji, and BGRIMM Technology is aimed at leaching approximately 4,000tpa of antimony precipitate from the gold arsenopyrite concentrate that will be produced by the mine’s flotation circuit.
- The reduction of the antimony content in the gold-arsenopyrite concentrate will also improve gold recoveries in the CIL circuit after its oxidation through roasting.
- It is intended to blend the antimony precipitate with the expected production of 5,500tpa of gold-antimony-silver concentrate established by test work for the La Demajagua Scoping Study reported to ASX on 30 March 2023.

- **Based on a theoretical analysis this should result in a blended concentrate with the following estimated tonnage and composition. The analysis will be confirmed by current test work.**
 - **~9,500tpa of blended concentrate grading 28.8g/t Au, 47.8% Sb, 1,188g/t Ag, and 10.8% Pb.**
 - **Based on indicated payables for contained metals advised by the preferred buyer of this concentrate, the 9 year LoM sales proceeds would be around 40% higher than the forecast gold-antimony-silver concentrate sales included in the Scoping Study results, at the same metal prices of US\$1,800/oz Au, US\$13,000/t Sb, US\$22/oz Ag, and US\$2,000/t Pb.**
- **In addition to the positive economic impact of the increased antimony quantity, the production of gold doré will increase project revenue by eliminating the 25% to 30% discount on contained gold value when selling gold-arsenopyrite concentrate, and also an estimated US\$50M of shipping costs over the LoM, both of which were reflected in the Scoping Study results.**
 - **Based on industry norms of 93% gold recovery, and 88% silver recovery in the CIL circuit the LoM sales proceeds from the doré would potentially be ~US\$300M higher than for the gold arsenopyrite concentrate sales forecast in the Scoping Study at US\$1,800/oz Au, and US\$22/oz Ag**
- **The additional capital cost for the concentrate processing facility is expected to be in the order of US\$50M for a 50,000tpa roaster and a 75,000tpa CIL circuit that could process 50,000tpa of gold arsenopyrite concentrate, and 25,000tpa of oxide ore which can be mined separately from the La Demajagua sulphide ore.**
- **Total development costs for the project are estimated to be approximately US\$150M with the addition of the concentrate processing facility, which includes the US\$27M cost of acquisition of the mining concession and pre-development costs.**
- **Improved project economics resulting from the potential increase in product sales could be significant based on the advised additional capital and operating costs for the inclusion of the concentrate processing facility.**

- **A revised Scoping Study for the expanded project will indicate the updated project parameters and profits, and be published soon after receiving BGRIMM’s turnkey proposal for the processing facility.**
- **The revised Scoping Study will also review the comparative economics of sourcing additional iron for the stabilisation of arsenic in tailings that is available at a low cost from hematite fines stockpiled during nickel smelting operations in Cuba, or alternatively, purchasing gold pyrite concentrate from within the region which would increase gold doré production but also increase the capital and operating costs of the processing facility.**
- **The results of BGRIMM’s test work will also be incorporated in an application to vary the existing environmental approval for the La Demajagua mine in the expectation that the variation for the expanded project, and the DFS should be completed in around September 2024, with the project being development-ready soon after.**
- **The La Demajagua project is being developed in a 50:50 joint venture between Antilles Gold and Cuban mining company, GeoMinera SA. The joint venture has initiated preliminary discussions with several mining groups showing interest in investing in Cuba, and taking up a shareholding in the joint venture to participate in the development of La Demajagua, and the Nueva Sabana mine in central Cuba, and additional projects in the future.**
- **If this occurs, Antilles Gold’s shareholding in the joint venture will be reduced, but the potential return on its investment of ~A\$25M would still be outstanding.**

Mr Brian Johnson, Chairman of Antilles Gold commented, “though it is disappointing to see commencement of construction of the La Demajagua project pushed back to late 2024, the benefits of potentially increased profits, and project NPV, and its de-risking by producing gold metal rather than a gold concentrate with high arsenic content, justified taking the time to complete the additional test work, engineering, and revised financial modelling for the concentrate processing facility to be added to the mine.

In the interim, planning for the relatively small Nueva Sabana gold-copper mine is progressing on all fronts including permitting and financing with the aim of commencing the 10 month construction period in June 2024, and establishing a strong cash flow by mid 2025.”

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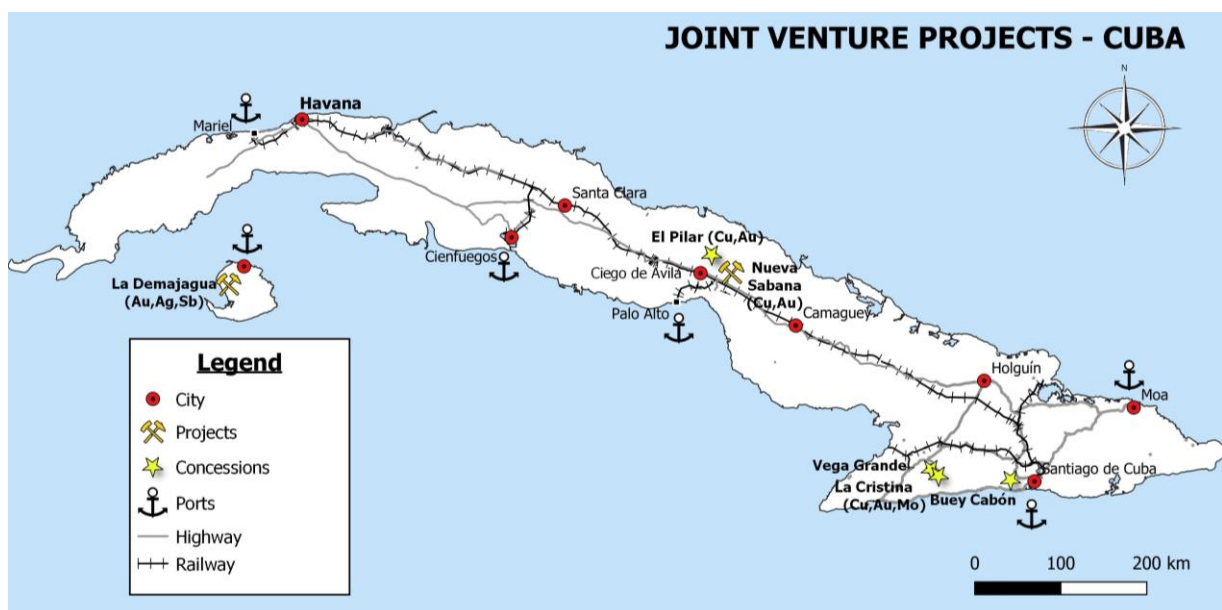
This announcement has been authorised by the Board of Antilles Gold Limited.
For further information, please contact:

Brian Johnson,
Chairman,
Antilles Gold Limited
T: +61 (02) 4861 1740
E: brianjohnson@antillesgold.net

ABOUT ANTILLES GOLD LIMITED:

Antilles Gold's strategy is to participate in the successive development of previously explored gold, silver, and copper deposits in mineral rich Cuba.

- The Company is at the forefront of the emerging mining sector in Cuba and expects to be involved in the development of several projects through its joint venture with the Cuban Government's mining company, GeoMinera SA.
- The first project expected to be developed by the 50:50 joint venture company, Minera La Victoria SA, is the proposed Nueva Sabana mine based on the El Pilar gold-copper oxide deposit which overlays a large copper-gold porphyry system in central Cuba.



- The second project is expected to be the development of the La Demajagua open pit mine on the Isle of Youth in south-west Cuba to produce gold arsenopyrite, and gold antimony concentrates. It is planned to process the high arsenic concentrate at a plant incorporating a 200tpd two stage fluid bed roaster, and a 275tpd CIL circuit to produce gold doré.
- The joint venture partners intend to invest part of the expected surplus cash flow from early mine developments to fund exploration of major copper targets, including the El Pilar copper-gold porphyry system, and three highly prospective properties within the Sierra Maestra copper belt in south east Cuba.

- Antilles Gold is comfortable operating under the applicable law on Foreign Investment in Cuba, and the realistic Mining and Environmental regulations, and has been granted a generous fiscal regime by the Government which is supportive of its objectives.
- The existing joint venture agreement includes the requirement for all funds to be held in a foreign Bank account with the only transfers to Cuba being for local expenses, which will obviate country credit risk for foreign lenders and suppliers.



Drilling - El Pilar