

5 June 2024

## **VARIATIONS TO CUBAN JOINT VENTURE AGREEMENT AND PROGRESS ON NUEVA SABANA MINE DEVELOPMENT**

**Antilles Gold Limited ("Antilles Gold" or the "Company") (ASX: AAU, OTCQB: ANTMF) advises that negotiations with the Company's partner in Cuba, GeoMinera, on variations to the existing joint venture agreement have been completed, and include;**

- Confirmation that Antilles Gold's subsidiary, Antilles Gold Inc, is acquiring a 50% shareholding in the joint venture company, Minera La Victoria SA ("MLV"), by subscribing for 15.0M shares at US\$1:00 per share (US\$15.0M), and recognition that US\$13.5M has been contributed, with the balance to be subscribed by 31 December 2024.
- Confirmation that GeoMinera's subsidiary, Gold Caribbean Mining SA, has been issued with 15.0M shares in MLV at US\$1:00 per share (US\$15.0M) as compensation for the transfer of previously explored concessions for the Nueva Sabana gold-copper oxide deposit and the underlying El Pilar porphyry copper deposit (US\$1.5M ), and for the open pit stage of the La Demajagua gold-silver-antimony deposit (US\$13.5M).
- Consolidation of ownership within MLV of concessions previously held in an Exploration Agreement, and acknowledging the 752ha Nueva Sabana / El Pilar concession has been transferred to MLV for near term exploitation, and the San Nicholas, La Cristina, and Vega Grand concessions totalling 59,600ha are in the process of being issued to MLV for future exploration of highly prospective copper-gold targets.
- Structuring the joint venture in a manner that will permit, with the consent of the relevant Authorities, the participation of additional shareholders in MLV, which would assist in financing mining projects and copper exploration in the future.
- Provision for future MLV share issues to be at their fair market value at the time, in lieu of the US\$1:00 par value.

It is the Company's intention to meet the final US\$1.5M share subscription to MLV by August 2024 where it will be applied to finalising pre-development activities for the Nueva Sabana gold-copper mine.

## NUEVA SABANA GOLD-COPPER MINE

- The Nueva Sabana open pit mine is planned to be developed by the joint venture in the near-term to initially produce a gold concentrate (~71g/t Au) followed by a copper-gold concentrate ( ~27% Cu and ~25g/t Au).
- The mine will basically be a copper project with gold credits. The deposit is open at depth at 150m with copper mineralisation potentially extending into the underlying El Pilar porphyry copper deposit which is off-set to the south of Nueva Sabana.
- The Initial MRE for the Nueva Sabana deposit was reported to ASX on 6 March 2024 with a 2,000m in-fill drilling program planned for June/July 2024 at locations nominated by geological consultants being aimed at increasing the level of Indicated Resources.
- The Results of a Scoping Study for the proposed mine to a depth of 100M were reported to ASX on 7 May 2024, and indicated a mine construction cost of US\$27M, and surplus cash generation of ~US\$89M over the first four years, at a gold price of US\$2,000 per oz, and a copper price of US\$4:00 per lb.
- The Scoping Study estimated concentrate sales of approximately US\$225M over four years. Both sales and profitability could increase substantially if current metal prices are maintained.
- The forecast mine construction costs should be quite accurate as over 75% of the forecast costs are derived from supplier and subcontractor quotations.
- With additional successful exploration after the mine is commissioned, and a greater mining depth, the mine life could be extended, and the projects' surplus cash increased.
- A major concentrate trading company is currently undertaking due diligence to determine if they will fund the majority of the mine construction through advances on purchases of concentrate under an 8 year off-take agreement at payables that have been established for gold and copper.
- The project is expected to be development ready in September 2024.

The joint venture recognises that Nueva Sabana is only a small mine but it will be an important first step in its objectives of establishing a cash flow as soon as possible, and progressively growing to a reasonably sized mining company through the development of the La Demajagua mine, and possibly its copper prospects.

The Chairman of Antilles Gold, Mr Brian Johnson, commented “that it was disappointing that the AAU share price and the market capitalisation of the Company had been significantly reduced following the unexpectedly poor results from the recent Arbitration Award, and more particularly the subsequent conduct of the holder of two Convertible Notes.

Shareholders may be encouraged by the fact that Antilles Gold’s 50% share of the combined NPV<sup>8</sup> established for the Nueva Sabana and La Demajagua mines in Scoping Studies published on 7 May 2024 and 30 March 2023 was \$200 million at an exchange rate of A\$1:00 = US\$0:66.

This has the potential to increase with the addition of a concentrate processing facility at the La Demajagua gold-silver-antimony project to produce a gold doré from the lower valued gold-arsenopyrite concentrate, and additional quantities of in-demand antimony.

The Company is committed to achieving growth in the value of its investments in Cuba with the finalisation of feasibility studies and financing of the gold and copper projects, and looks forward to when it might monetise these assets for the benefit of shareholders.”

END

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

For further information, please contact:

**Brian Johnson,**

Chairman,

**Antilles Gold Limited**

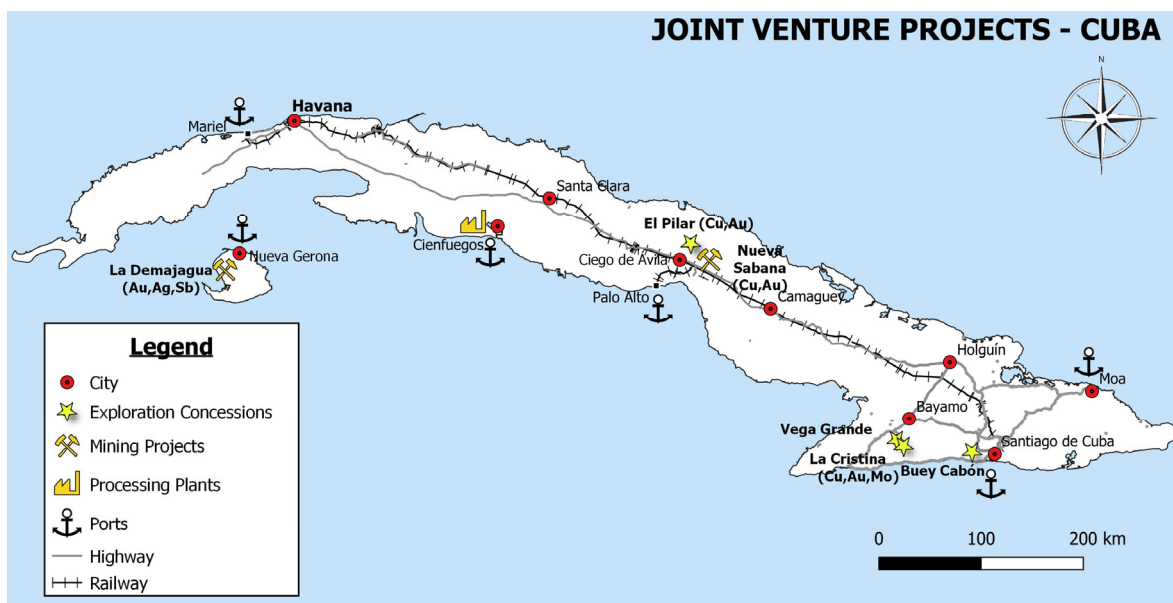
**T: +61 (02) 4861 1740**

**E: [brianjohnson@antillesgold.net](mailto: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-silver-antimony concentrates. It is planned to process the high arsenic concentrate at a plant incorporating a two-stage fluidised-bed roaster, CIL circuit and an antimony recovery circuit to produce gold doré, and maximise antimony production as it is an in-demand strategic metal.
- The joint venture partners intend to invest part of the expected surplus cash flow from the Nueva Sabana mine to fund exploration of major copper targets, including the El Pilar copper-gold porphyry system, and two 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