



ANTILLES
GOLD LIMITED

ABN: 48 008 031 034 ASX CODE: AAU

Financial Report

for the half-year ended

30 June 2024

HALF-YEAR FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 30 JUNE 2024

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CORPORATE INFORMATION

ABN 48 008 031 034

DIRECTORS

Brian Johnson *Executive Chairman*

James Tyers *Executive Director*

Ugo Cario *Non-Executive Director*

Angela Pankhurst *Non-Executive Director*

COMPANY SECRETARY

Tracey Aitkin

REGISTERED OFFICE

55 Kirkham Road
Bowral NSW 2576
AUSTRALIA

PRINCIPAL PLACE OF BUSINESS

55 Kirkham Road
Bowral NSW 2576
AUSTRALIA
Phone: +61 2 4861 1740

SHARE REGISTER

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000
Phone: 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia)

AUDITOR

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

SOLICITORS

Corrs Chambers Westgarth
Level 17, 8 Chifley
8-12 Chifley Square
Sydney NSW 2000

BANKERS

National Australia Bank
Level 2, 1 Bolger Street
Campbelltown NSW 2560

SECURITIES EXCHANGE LISTING

Antilles Gold Limited shares are listed on the Australian Securities Exchange.
Securities Exchange
Code: AAU – Fully paid ordinary shares
Code: AAUUSR – US control register
Code: AAUOC - Listed options exp 30/06/2025 @\$0.10
OTCQB Code: ANTMF

DIRECTORS' REPORT

The directors present their report, together with the financial statements, of the consolidated entity (referred to hereafter as the 'Group') consisting of Antilles Gold Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2024.

DIRECTORS

The names of the company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for the entire period.

Brian Johnson	Chairman
James Tyers	Executive Director
Ugo Cario	Non-Executive Director
Angela Pankhurst	Non-Executive Director

PRINCIPAL ACTIVITIES & REVIEW OF OPERATIONS

- Completion of 12,000m drilling program on Nueva Sabana gold-copper oxide deposit.
- Establishment of MRE and Scoping Study for Nueva Sabana mine.
- Metallurgical testwork for oxidisation of gold-arsenopyrite concentrates from proposed La Demajagua mine.
- Continuing Definitive Feasibility Study for La Demajagua mine.
- Maintenance of oxygen plant and other surplus equipment stored in the Dominican Republic.
- Finalisation of arbitration hearings on contractual claims against the Dominican Republic Government.

OPERATING RESULTS

Revenue for the period was US\$60,370 [2023: US\$9,363]. All revenue during the current period was generated from the sale of scrap materials and minor plant items, and from interest received from banks.

Net cash outflows from operations were US\$887,016 [2023: US\$1,740,392].

Earnings before interest, depreciation and amortisation (EBITDA) for the half year were (US\$1,820,205) [2023: (US\$1,762,813)]. The consolidated net loss for the period was US\$2,360,598 [2023: US\$2,322,552].

The net assets of the Group at balance date were US\$12,721,226 [31 December 2023: US\$13,603,714].

Cash and cash equivalents as at the balance date were US\$395,097 [31 December 2023: US\$1,279,415].

External borrowings (undiscounted principal) as at the balance date were:

	30 Jun 2024	30 Jun 2023	
	US\$	US\$	
Moonstar Investments Pty Ltd	139,371	562,636	Unsecured loan
Patras Capital Pte Ltd	68,360	-	Convertible loan note

DIRECTORS' REPORT (CONTINUED)

Corporate Activities

On 1 March 2024, the Company announced it had entered into an Agreement with Patras Capital Pte Ltd ("Patras") to provide up to three A\$1.0 million Convertible Loan Notes to the Company over a period of three months. Proceeds from the first tranche were received in March 2024, and the proceeds from the second tranche were received in April 2024. The third loan note was at the Company's option, and was not drawn down by the Company. Patras converted a total of 137,000,000 AAU shares between March and May 2024 to repay all but A\$102,000 of the facility. This amount was repaid by the Company in July 2024. See note 17 for further details.

On 17 June 2024, the Company lodged a prospectus with ASX and ASIC pursuant to which the Company undertook a non-renounceable entitlement offer of 1 new share for every 1 share held by those shareholders registered at the record date at an issue price of \$0.004 per share together with one free new option for every two shares applied for and issued. The entitlement offer closed on 9 July 2024, and eligible shareholders could apply for any shortfall in excess of their entitlement. The maximum entitlement shares available under the rights issue was 996,534,993, of which 464,892,732 were taken up. Applications for quotation of securities were released on 16 July 2024 for the issue of 464,892,732 ordinary fully paid shares, and on 17 July 2024 for the issue of 232,446,377 listed options expiring on 31 December 2026 with an exercise price of A\$0.01. A total of A\$1.86 million was raised before costs.

REVIEW OF OPERATIONS

MINING PROJECTS BY JOINT VENTURE COMPANY, MINERA LA VICTORIA SA

Nueva Sabana Gold-Copper Mine (Stage One)

The Nueva Sabana open pit mine is planned to be developed in the near term on the gold-copper oxide deposit overlaying the El Pilar porphyry copper deposit in central Cuba, to produce gold, and copper-gold concentrates for export.

- The deposit has a small 3g/t gold cap, with an underlying copper-gold zone, followed by a copper zone which is open at 150m, and could transition into the El Pilar porphyry copper deposit off-set to the south
- The concession also covers the Gaspar and Camilo porphyry intrusives, and numerous shallow gold targets identified by artisanal mining
- The Initial Mineral Resource Estimate ("MRE") to a depth of ~150m from surface was established by Mining Associates Pty Ltd, and reported to ASX on 6 March 2024 based on 24,000m of historic drilling, and 12,000m by MLV
- A 2,000m in-fill drilling program aimed at increasing the Indicated Resources was completed in July 2024 at locations advised by the consultants
- A Scoping Study for the project was completed and reported to ASX on 7 May 2024 based on the first stage of the pit being limited to 100m depth, with a 4 year life at a mining rate of 500,000tpa of ore
- With additional exploration, and a greater mining depth the project life, and NPV could be increased
- The MRE established ~35M lb of 0.8% copper in Inferred Resources within 50m of the planned 100m mining depth which is a positive indication of the prospect for an increased mine life
- MLV's geological consultants have advised that the copper zone at Nueva Sabana is expected to be extended both laterally, and vertically with additional exploration
- Metallurgical testwork has indicated the mine will initially produce a 70.7g/t gold concentrate, followed by a blended copper-gold concentrate with an average grade of 27.4% Cu and 25g/t Au

DIRECTORS' REPORT (CONTINUED)

- Negotiations on concentrate off-take and project financing are proceeding with the expectation of construction commencement in late 2024

La Demajagua Gold Mine (Stage One)

The La Demajagua gold-silver-antimony deposit is planned to be developed initially as an open pit mine to produce gold doré, and a gold-silver-antimony concentrate, and is expected to be followed by underground operations.

- 900ha concession is located on Isle of Youth, 60nm from mainland, 35km from port via sealed roads, and connected to water, electricity, and fiber optic cable
- Mineral Resource Estimate (“MRE”) 905,000 oz Au Eq for open pit reported to ASX on 7 July 2023
- Mining of ~815,000 tpa ore to produce two concentrates from open pit for 9 year LoM – ~50,000tpa of gold-arsenopyrite concentrate (32g/t Au, and 27% As), and ~5,600tpa of gold-silver-antimony concentrate (49g/t Au, 2,000g/t Ag, and 46% Sb)
- The Scoping Study for this element of the project reported to ASX on 30 March 2023 indicated Project Development Costs of US\$100M, LoM Sales of US\$880M (at US\$1,800/oz Au, US\$22/oz Ag, and US\$13,000/t Sb), LoM Surplus Cash of US\$356M, and an NPV8 of US\$196M
- The project was subsequently expanded to include a 50,000tpa two-stage fluidized-bed roaster, a CIL circuit, and an antimony recovery circuit to process the gold arsenopyrite concentrate and produce a higher valued gold doré, and to increase the antimony quantities
- Chinese engineering group, BGRIMM Technology Group, is undertaking metallurgical test work before confirming estimated capital and operating costs for the processing facility, and subsequently presenting a turnkey proposal for its supply
- Based on preliminary advise on capital and operating costs, the LoM Surplus Cash, and the NPV8 for La Demajagua Stage One should increase
- A revised Scoping Study for the expanded La Demajagua project is expected to be finalized in late 2024 with the aim of having the project development-ready in Q3 2025

COPPER EXPLORATION BY JOINT VENTURE COMPANY, MINERA LA VICTORIA SA

El Pilar

Two concessions totalling 17,750ha at El Pilar in central Cuba are held by the Cuban joint venture.

A ground magnetic and Induced Polarization survey conducted in 2023 identified three large adjacent porphyry intrusives – El Pilar, Gaspar, and Camilo.

An initial 10 hole drilling program has been completed on the El Pilar porphyry system with highly encouraging results.

Intersections of fingers of early high temperature porphyry, and evidence of chalcopyrite and chalcocite mineralization, and stockwork veining in drill cores indicated the presence of a porphyry system at depth.

Sierra Maestra

Two concessions (La Christina and Vega Grande) totalling 52,600ha within the Sierra Maestra copper belt in south east Cuba, were transferred from an Exploration Agreement to the joint venture in Q2 2024.

The concession boundaries were nominated by Antilles Gold after a prospecting program in 2023 involving the Company’s highly experienced, and successful Exploration Director, Dr Christian Grainger.

These concessions show potential for large porphyry systems, and high prospectivity for copper-gold-molybdenum deposits.

Prospecting identified a footprint size and clustering of surficial mineralization indicative of a potentially large, mineralized zone.

DIRECTORS' REPORT (CONTINUED)

An examination of historic underground tunneling and artisanal workings from the 1950's exposed significant zones of secondary copper and gold mineralization in the upper weathered parts of the system, and the potential for a number of discoveries.

CHANGE IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

SUBSEQUENT EVENTS & FUTURE ACTIVITIES

Non-renounceable entitlement issue

On 15 July 2024 the Company announced that it received applications for a total of 464,892,732 entitlement shares and shortfall shares from its non-renounceable rights issue to raise A\$1.86 million, pursuant to the prospectus lodged with ASX and ASIC on 17 June 2024. The Company issued 464,892,732 new fully paid ordinary shares on 16 July 2024, and 232,446,377 new options exercisable at \$0.01 each on or before 31 December 2026, on 17 July 2024.

Settlement of dispute with holder of convertible loan note

On 30 July 2024 the Company announced that a dispute with the holder of a convertible loan note has been resolved by way of a formal Settlement Deed, in which the Company agreed to pay A\$102,000 to the noteholder to settle all matters, and to fully extinguish the debt.

Sale of major plant items commenced

The sale of major plant items being stored in the Dominican Republic commenced following the lifting of the illegal garnishment of assets by the Government, after being directed to do so in the recent Arbitration Award. During July 2024, an oxygen plant was sold for US\$500,000.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the auditor independence requirements of the *Corporations Act 2001*, the directors have received and are satisfied with the "Auditor's Independence Declaration" provided by the company's external auditors HLB Mann Judd. The Auditor's Independence Declaration has been attached immediately after the Directors' Report.

Signed in accordance with a resolution of the directors made pursuant to s.306(3)(a) of the *Corporations Act 2001*.



Brian Johnson
Executive Chairman
13 September 2024

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Antilles Gold Limited for the half-year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
13 September 2024



N G Neill
Partner

hl**b.com.au**

HLB Mann Judd ABN 22 193 232 714

A Western Australian Partnership

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 30 JUNE 2024

	Note	30 Jun 2024 US\$	30 Jun 2023 US\$
Revenue	3	60,370	9,393
Project closure care and maintenance costs		(127,410)	(121,448)
Employee benefits – non-direct	4	(72,513)	(85,013)
Insurance costs		(10,643)	(9,637)
Legal and professional costs	5	(244,275)	(918,657)
Depreciation and amortisation expense	10,11	(35,917)	(34,105)
Finance costs	6	(504,476)	(525,634)
Project evaluation costs		(167,734)	(175,024)
Foreign exchange gain / (loss)		7,907	(13,040)
Share-based payments	24	(53,217)	(98,210)
Other expenses	7	(255,863)	(336,338)
Change in fair value of investments		(30,264)	(14,839)
Fair value adjustment on revaluation of joint venture	13	(926,563)	-
Loss before income tax expense		(2,360,598)	(2,322,552)
Income tax benefit / (expense)		-	-
Loss for the period		(2,360,598)	(2,322,552)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation movement		(13,365)	13,934
Equity-accounted investees – share of other comprehensive income / (loss)	13	(152,435)	180,469
Total other comprehensive (loss) / income net of tax for the half-year		(165,800)	194,403
Total comprehensive loss for the half-year		(2,526,398)	(2,128,149)
		Cents	Cents
Basic loss per share (cents per share)	21	(0.27)	(0.45)
Diluted loss per share (cents per share)	21	(0.27)	(0.45)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	30 Jun 2024 US\$	31 Dec 2023 US\$
CURRENT ASSETS			
Cash and cash equivalents	8	395,097	1,279,415
Prepayments and deposits	9	274,394	247,117
Other current assets		-	93,995
TOTAL CURRENT ASSETS		669,491	1,620,527
NON – CURRENT ASSETS			
Property, plant and equipment	10	88,496	106,395
Right-of-use assets	11	27,139	46,153
Deferred exploration and evaluation expenditure	12	4,011,859	3,223,147
Investment in joint venture	13	14,876,413	24,044,415
Investments in shares	14	53,802	84,913
TOTAL NON – CURRENT ASSETS		19,057,709	27,505,023
TOTAL ASSETS		19,727,200	29,125,550
CURRENT LIABILITIES			
Trade and other payables	15	1,132,213	1,205,737
Provisions	16	494,313	481,491
Borrowings	17	207,731	374,616
Lease liabilities	11	24,696	29,823
Joint venture future contributions payable	13	5,142,729	3,859,923
TOTAL CURRENT LIABILITIES		7,001,682	5,951,590
NON – CURRENT LIABILITIES			
Lease liabilities	11	4,292	17,209
Joint venture future contributions payable	13	-	9,553,037
TOTAL NON – CURRENT LIABILITIES		4,292	9,570,246
TOTAL LIABILITIES		7,005,974	15,521,836
NET ASSETS		12,721,226	13,603,714
EQUITY			
Contributed equity	18	97,910,854	96,305,161
Reserves	19	(850,039)	(722,456)
Accumulated losses		(84,339,589)	(81,978,991)
TOTAL EQUITY		12,721,226	13,603,714

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 30 JUNE 2024

	Ordinary Shares \$US	Equity Reserve \$US	Options Reserve \$US	Options Premium Reserve \$US	Performance Rights Reserve \$US	Foreign Currency Translation Reserve US\$	Share of Joint Venture's Other Comprehensive Income \$US	Accumulated Losses \$US	Total \$US
Balance as at 1 January 2023	90,663,071	(11,773,880)	4,145,296	-	1,429,842	3,703,731	868,390	(77,839,047)	11,197,403
Loss for the period	-	-	-	-	-	-	-	(2,322,552)	(2,322,552)
Other comprehensive income	-	-	-	-	-	13,934	180,469	-	194,403
Total comprehensive income / (loss) for the period	-	-	-	-	-	13,934	180,469	(2,322,552)	(2,128,149)
Transactions with owners in their capacity as owners									
Shares issued	2,250,896	-	-	-	-	-	-	-	2,250,896
Options issued	-	-	-	129,831	-	-	-	-	129,831
Transaction costs on share issue	(258,743)	-	-	-	-	-	-	-	(258,743)
Share-based payments	29,894	-	14,591	-	78,588	-	-	-	123,073
Balance as at 30 June 2023	92,685,118	(11,773,880)	4,159,887	129,831	1,508,430	3,717,665	1,048,859	(80,161,599)	11,314,311
Balance as at 1 January 2024	96,305,161	(11,773,880)	4,233,442	129,831	1,572,072	3,753,140	1,362,939	(81,978,991)	13,603,714
Loss for the period	-	-	-	-	-	-	-	(2,360,598)	(2,360,598)
Other comprehensive loss	-	-	-	-	-	(13,365)	(152,435)	-	(165,800)
Total comprehensive loss for the period	-	-	-	-	-	(13,365)	(152,435)	(2,360,598)	(2,526,398)
Transactions with owners in their capacity as owners									
Shares issued	1,248,579	-	-	-	-	-	-	-	1,248,579
Shares to be issued	462,302	-	-	-	-	-	-	-	462,302
Transaction costs on share issue	(120,188)	-	-	-	-	-	-	-	(120,188)
Share-based payments	15,000	-	-	-	38,217	-	-	-	53,217
Balance as at 30 June 2024	97,910,854	(11,773,880)	4,233,442	129,831	1,610,289	3,739,775	1,210,504	(84,339,589)	12,721,226

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 30 JUNE 2024

	30 Jun 2024	30 Jun 2023
	US\$	US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from metal and scrap sales	53,905	-
Payments to suppliers and employees	(604,638)	(1,559,018)
Payments for project evaluation activities	(192,700)	(164,067)
Interest received	3,689	9,393
Interest paid	(147,272)	(26,700)
NET CASH USED IN OPERATING ACTIVITIES	(887,016)	(1,740,392)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(1,909)
Payments for joint venture project development	(506,098)	(1,023,022)
Payments for exploration and evaluation assets	(900,914)	(877,423)
NET CASH USED IN INVESTING ACTIVITIES	(1,407,012)	(1,902,354)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	462,302	2,250,896
Proceeds from issue of options	-	129,831
Proceeds from issue of convertible debt securities	1,315,390	-
Proceeds from swap deposit	46,529	-
Payments related to issues of equity securities or convertible debt securities	(147,343)	(210,607)
Repayment of borrowings	(226,501)	(99,842)
Lease payments	(17,047)	(18,201)
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,433,330	2,052,077
NET DECREASE IN CASH HELD	(860,698)	(1,590,669)
Cash at the beginning of the financial period	1,279,415	2,756,749
FX movement in opening balances	(23,620)	(1,963)
CASH AT THE END OF FINANCIAL PERIOD	395,097	1,164,117

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2024

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Reporting Entity

Antilles Gold Limited (the “Company”) is a public company, listed on the Australian Securities Exchange, incorporated and domiciled in Australia. The address of the Company’s registered office is 55 Kirkham Road, Bowral, NSW, 2576. This half-year financial report covers the consolidated financial statements of the Company and its subsidiaries (together referred to as the “Group” or “consolidated entity”) as at 30 June 2024. The half-year financial report is presented in US dollars, which is the Group’s functional and presentational currency.

(b) Basis of preparation

These general purpose financial statements for the half-year ended 30 June 2024 have been prepared in accordance with the requirements of AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 134 *Interim Financial Reporting*.

The half-year financial statements do not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements.

It is recommended that the half-year financial statements be read in conjunction with the annual report for the year ended 31 December 2023 and considered together with any public announcements made by Antilles Gold Limited during the half-year ended 30 June 2024 in accordance with the continuous disclosure obligations of the *ASX Listing Rules*.

(c) New Accounting Standards and Interpretations not yet mandatory or early adopted

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture; AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128; AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections; and AASB 2021-7(a-c) Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (applicable to annual reporting periods beginning on or after 1 January 2025):

When effective, these amendments will clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in *AASB 3 Business Combinations* (whether housed in a subsidiary or not). *AASB 2017-5* defers the mandatory effective date of amendments to *AASB 10 Consolidated Financial Statements* and *AASB 128 Investments in Associates and Joint Ventures* that were originally made in *AASB 2014-10* so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2022 instead of 1 January 2018. *AASB 2021-7(a-c)* further defers the mandatory effective date to periods beginning on or after 1 January 2025. The directors anticipate that the adoption of *AASB 2014-10* may have an impact on the Group’s financial statements but the impact is not able to be quantified.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2024

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability. (applicable to annual reporting periods beginning on or after 1 January 2025):

AASB 2023-5 amends AASB 121 The Effects of Changes in Foreign Exchange Rates to clarify:

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

New disclosures are required to help users assess the impact of using an estimated exchange rate on the financial statements. The directors anticipate that the adoption of AASB 2023-5 may have an impact on the Group's financial statements but the impact is not able to be quantified.

AASB 18 Presentation and Disclosure in Financial Statements (applicable to annual reporting periods beginning on or after 1 January 2027):

AASB 18 Presentation and Disclosure in Financial Statements aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information. The standard will change how companies present their results on the face of the income statement and disclose information in the notes to the financial statements. Certain 'non-GAAP' measures – management performance measures (MPMs) – will now form part of the audited financial statements. There will be three new categories of income and expenses, two defined income statement subtotals and one single note on management-defined performance measures. The directors anticipate that the adoption of AASB 18 Presentation will have an impact on the Group's financial statements but the impact is not able to be quantified.

(d) Going concern

The Group made a loss of US\$2,360,598 for the half-year ended 30 June 2024 [2023: US\$2,322,552]. Net cash outflows from operating and investing activities paid for the six months ending 30 June 2024 were US\$2,294,028 [2023: US\$3,642,746]. As at 30 June 2024, the Group's current liabilities exceeded its current assets by US\$6,332,191 [2023: US\$5,093,386].

A subsidiary, Antilles Gold Inc, entered into an Agreement with a subsidiary of Cuban Government owned mining company, GeoMinera S.A., for the joint venture company, Minera La Victoria S.A., to develop the La Demajagua gold-silver-antimony deposit in Cuba. Minera La Victoria was registered in August 2020, and at the time, the Group was committed to provide a total of US\$25.9 million of equity capital to Minera La Victoria across two stages of development.

A resolution was passed by the shareholders of Minera La Victoria in June 2024, whereby the amount of equity capital required to be subscribed by both partners was reduced to US\$15.0 million each, to develop the La Demajagua gold-silver-antimony deposit, and the Nueva Sabana gold-copper oxide deposit. At 30 June 2024 the Company has contributed US\$9.5 million toward the La Demajagua project, and US\$4.0 million for the Nueva Sabana project which will be recognised as a capital contribution to the joint venture after the completion of a positive pre-feasibility study, expected before the end of 2024 (refer to note 12). The amount remaining to be paid by the Company is US\$1.5 million, which is scheduled to be paid by 31 December 2024.

The Directors are confident of obtaining the necessary funds for the project in Cuba through the issue of equity and/or borrowings, to be able to pay its debts as and when they fall due.

Having reviewed the business outlook and cash flow forecasts and taking into account the above matters, the Directors are of the opinion that the use of the going concern basis of accounting is appropriate. Notwithstanding this, the above conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2024

2. SEGMENT REPORTING

The Company has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segment is identified by management as those segments for which project – discrete financial information about this operating segment is reported to the executive management team on at least a quarterly basis. Management has identified the Las Lagunas project, and the Cuban projects as the group's main operating segments. Other segment information comprises a variety of projects that do not meet the definition of an operating segment on a quantitative basis.

The following tables present revenue and profit information for business segments for the half year ended 30 June 2024 and 30 June 2023, and assets and liabilities information for the half year ended 30 June 2024 and full year ended 31 December 2023:

Information about reportable segments

	Las Lagunas Project		Cuban Projects		Others		Consolidated	
	30 Jun 2024 US\$	30 Jun 2023 US\$						
External revenue	56,681	-	-	-	-	-	56,681	-
Inter segment revenue	-	-	-	-	-	-	-	-
Interest revenue	1	1	-	-	3,688	9,392	3,689	9,393
Interest expense	(79)	(107)	(320,182)	(498,934)	(184,215)	(26,593)	(504,476)	(525,634)
Depreciation and amortisation	(6,002)	(5,955)	(17,817)	(17,720)	(12,098)	(10,430)	(35,917)	(34,105)
Reportable segment profit/(loss) before income tax	(141,536)	(236,652)	(1,439,341)	(778,103)	(779,721)	(1,307,797)	(2,360,598)	(2,322,552)
Other material non-cash items								
Foreign exchange gain/(loss)	392	210	8,963	13,422	(1,448)	(26,672)	7,907	(13,040)
Interest on deferred settlement of contributions	-	-	(320,182)	(498,934)	-	-	(320,182)	(498,934)
Fair value adjustment on revaluation of joint venture	-	-	(926,563)	-	-	-	(926,563)	-
Share-based payments	-	-	(15,000)	(15,000)	(38,217)	(83,210)	(53,217)	(98,210)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2024

2. SEGMENT REPORTING (CONTINUED)

	Las Lagunas Project		Cuban Projects		Others		Consolidated	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Segment assets	2,408,893	2,313,470	19,208,724	27,816,069	46,682,361	46,597,061	68,299,978	76,726,600
Capital expenditure	-	14,405	788,712	2,586,732	-	24,630	788,712	2,625,767
Segment liabilities	2,589,121	2,351,854	5,328,169	13,666,595	44,684,578	45,457,868	52,601,868	61,476,317

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2024

2. SEGMENT REPORTING (CONTINUED)

	30 Jun 2024 US\$	30 Jun 2023 US\$
Revenue		
Total revenue for reportable segments	56,681	-
Consolidated revenue	56,681	-

	30 Jun 2024 US\$	31 Dec 2023 US\$
Assets		
Total assets for reportable segments	68,299,978	76,726,600
Elimination of investments in subsidiaries	(33,554,160)	(32,223,845)
Elimination of intercompany loans and interest	(45,595,894)	(45,954,481)
Elimination of provision for intercompany loans	30,577,276	30,577,276
Consolidated total assets	19,727,200	29,125,550

	30 Jun 2024 US\$	31 Dec 2023 US\$
Liabilities		
Total liabilities for reportable segments	52,601,868	61,476,317
Elimination of intercompany loans and interest	(45,595,894)	(45,954,481)
Consolidated total liabilities	7,005,974	15,521,836

Geographical Information

Geographical non-current assets	30 Jun 2024 US\$	31 Dec 2023 US\$
Dominican Republic	-	6,002
Cuba	18,976,768	27,373,875
Australia	80,941	125,146
	19,057,709	27,505,023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2024

3. REVENUE

	30 Jun 2024 US\$	30 Jun 2023 US\$
Revenue from continuing operations		
<i>Sales revenue</i>		
Sales of minor plant items	41,555	-
Sales of scrap materials	15,126	-
	56,681	-
<i>Other revenue</i>		
Interest received	3,689	9,363
	60,370	9,363

4. EMPLOYEE BENEFITS – NON-DIRECT

	30 Jun 2024 US\$	30 Jun 2023 US\$
Loss before tax includes, amongst others, the following:		
Employee costs – salaries	56,827	68,610
Employee costs – superannuation	5,849	5,392
Employee costs – other	9,837	11,011
	72,513	85,013

5. LEGAL AND PROFESSIONAL COSTS

	30 Jun 2024 US\$	30 Jun 2023 US\$
Arbitration with Dominican Government	104,609	762,647
Legal fees for other disputes with Dominican Government	63,088	94,586
Legal fees - general	40,505	3,576
Audit and tax agent fees	36,073	38,434
Consulting fees	-	19,414
	244,275	918,657

6. FINANCE COSTS

		30 Jun 2024 US\$	30 Jun 2023 US\$
Interest on loan borrowings		14,020	25,972
Interest on deferred settlement of contributions	(i)	320,182	498,934
Borrowing costs on convertible note facility	(ii)	169,088	-
Lease interest		1,186	728
		504,476	525,634

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2024

6. FINANCE COSTS (CONTINUED)

- (i) Joint venture future contributions payable, as described in note 13, are initially recognised at the fair value of the future contributions using a discounted cash flow method. The liability is subsequently measured at amortised cost using the effective interest method. The value of interest on deferred settlement of contributions represents a non-cash finance charge which is generated for valuation purposes only.
- (ii) Borrowing costs on convertible note facility, as described in note 17(ii), consists of implementation fees totalling US\$39,462 for two convertible notes, plus the amount of discount to principal amount which has been amortised during the period of US\$129,626. The unamortised balance of US\$1,913 of discount to principal is recognised as prepaid borrowing costs (refer to note 9).

7. OTHER EXPENSES

	30 Jun 2024 US\$	30 Jun 2023 US\$
Loss before tax includes, amongst others, the following:		
Management fees	80,065	135,892
Non-executive directors fees	86,098	57,788
Investor relations costs	26,910	50,049
ASX, ASIC and share registry fees	37,985	35,002
Administration costs	24,805	57,607
	255,863	336,338

8. CASH AND CASH EQUIVALENTS

For the purpose of the half-year statement of cash flows, cash and cash equivalents are comprised of the following:

	30 Jun 2024 US\$	31 Dec 2023 US\$
Cash at bank and on hand	375,088	1,258,982
Cash on deposit	20,009	20,433
	395,097	1,279,415

9. PREPAYMENTS & DEPOSITS

	30 Jun 2024 US\$	31 Dec 2023 US\$
Prepayments and bonds	57,183	76,950
Prepaid future capital contributions	43,046	60,704
Prepaid exploration and evaluation expenditure	172,252	109,463
Prepaid borrowing costs	1,913	-
	274,394	247,117

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2024

10. PROPERTY, PLANT & EQUIPMENT

30 June 2024	Mine Buildings and Plant US\$	Plant and Equipment US\$	Total US\$
Cost			
Balance 1 January 2024	67,512,011	10,016,256	77,528,267
Additions	-	-	-
Balance 30 June 2024	67,512,011	10,016,256	77,528,267
Accumulated Depreciation			
Balance 1 January 2024	(47,653,680)	(9,909,861)	(57,563,541)
Depreciation expense	-	(17,899)	(17,899)
Balance 30 June 2024	(47,653,680)	(9,927,760)	(57,581,440)
Impairment			
Balance 1 January 2024	(19,858,331)	-	(19,858,331)
Balance 30 June 2024	(19,858,331)	-	(19,858,331)
Carrying Value 30 June 2024	-	88,496	88,496
<hr/>			
31 December 2023	Mine Buildings and Plant US\$	Plant & Equipment US\$	Total US\$
Cost			
Balance 1 January 2023	67,512,011	10,014,347	77,526,358
Additions	-	1,909	1,909
Balance 31 December 2023	67,512,011	10,016,256	77,528,267
Accumulated Depreciation			
Balance 1 January 2023	(47,653,680)	(9,872,508)	(57,526,188)
Depreciation expense	-	(37,353)	(37,353)
Balance 31 December 2023	(47,653,680)	(9,909,861)	(57,563,541)
Impairment			
Balance 1 January 2023	(19,858,331)	-	(19,858,331)
Balance 31 December 2023	(19,858,331)	-	(19,858,331)
Carrying Value 31 December 2023	-	106,395	106,395

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2024

11. LEASE ASSETS AND LIABILITIES

During the half year ended 30 June 2024 the Group leased office premises and office equipment in Bowral (Australia) and office premises in Santo Domingo (Dominican Republic). Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

	Office Premises US\$	Office Equipment US\$	Total US\$
June 2024			
Balance at 1 January 2024	44,057	2,096	46,153
Depreciation charge for the half year	(17,613)	(405)	(18,018)
Foreign currency adjustment	(947)	(49)	(996)
Balance at 30 June 2024	25,497	1,642	27,139
December 2023			
Balance at 1 January 2023	40,863	2,932	43,795
Additions	39,035	-	39,035
Depreciation charge for the full year	(33,976)	(817)	(34,793)
Foreign currency adjustment	(1,865)	(19)	(1,884)
Balance at 31 December 2023	44,057	2,096	46,153

Lease liabilities

	30 Jun 2024 US\$	31 Dec 2023 US\$
Maturity analysis – contractual undiscounted cash flows		
Less than one year	25,759	31,807
One to five years	4,327	17,572
Total undiscounted lease liabilities	30,086	49,379
Lease liabilities included in the statement of financial position	28,988	47,032
Current	24,696	29,823
Non-current	4,292	17,209

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2024

11. LEASE ASSETS AND LIABILITIES (CONTINUED)

Amounts recognised in profit or loss

	30 Jun 2024 US\$	30 Jun 2023 US\$
Interest on lease liabilities	1,186	728

Amounts recognised in the statement of cash flows

	30 Jun 2024 US\$	30 Jun 2023 US\$
Total cash outflow for leases	17,047	18,201

12. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	30 Jun 2024 US\$	31 Dec 2023 US\$
El Pilar Concessions (Cuba)		
Balance at the beginning of the year	1,342,758	679,078
Current period costs	171,611	704,434
Impairment write off	-	(40,754)
Closing balance	1,514,369	1,342,758
Nueva Sabana project (Cuba)		
Balance at the beginning of the year	1,880,389	-
Current year costs	610,190	1,880,389
Closing balance	2,490,579	1,880,389
Sierra Maestra concessions (Cuba)		
Balance at the beginning of the year	-	-
Current year costs	6,911	-
Closing balance	6,911	-
Total deferred exploration and evaluation expenditure	4,011,859	3,223,147

The costs which have been capitalised in deferred exploration and evaluation expenditure relate to the exploration of gold oxide and porphyry copper deposits in Cuba, including the Nueva Sabana gold oxide project, and the El Pilar copper-gold porphyry system. This concession was originally held in an Exploration Agreement with Cuban Government owned mining company, GeoMinera SA until its transfer to the Minera La Victoria joint venture in April 2024. The expenditure will be recognised as a capital contribution to the joint venture after the completion of a positive pre-feasibility study for the Nueva Sabana project, which is expected before the end of 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2024

13. JOINT VENTURE – INVESTMENT AND COMMITMENTS

In August 2020 the Group acquired a 49% interest in Cuban registered, Minera La Victoria S.A. ("MLV"), a joint venture formed with Gold Caribbean Mining SA ("GCM"), a subsidiary of Cuban Government owned mining company, GeoMinera SA ("GMSA"), to develop the La Demajagua gold / silver mine on the Isle of Youth in SW Cuba. The Group's interest in MLV is accounted for using the equity method in the consolidated financial statements.

Under the terms of the joint venture agreement, GCM paid for its 51% shareholding by providing the mining licence and historical data and information for the La Demajagua gold/silver deposit, with a fair value of US\$27,000,000. The Group was required to pay for its 49% shareholding by making capital contributions of US\$25,941,176 to fund the two stages of the mine development.

In June 2024 resolutions were passed by the shareholders of MLV to expand the corporate purpose of the joint venture from a single project to a multi-project enterprise, to equalise the two joint venture partners shareholdings to 50% each, and to reduce the amount of equity capital required to be subscribed by both partners to US\$15,000,000 each.

The joint venture future contributions payable is initially recognised at the fair value of the future contributions, and subsequently measured at amortised cost using the effective interest method.

The carrying amount of the investment in the joint venture, and the liabilities for future capital contributions have been adjusted as a result of the resolutions passed in June 2024, as follows:

Adjustment to investment in a joint venture

Additional 1% share acquired by the Group	462,887
Reduction of Group's share of net assets, initial investment	6,956,908
Reduction of fair value net of cost on formation of joint venture (P&L)	<u>2,058,659</u>
	<u>9,478,454</u>

Adjustment to future capital contributions

Reduction of Group's share of net assets, initial investment	6,956,908
Reversal of interest on deferred settlement of contributions (P&L)	<u>1,132,096</u>
	<u>8,089,004</u>

Fair value adjustment through Profit & Loss

Reduction of fair value net of cost on formation of joint venture	2,058,659
Reversal of interest on deferred settlement of contributions	<u>(1,132,096)</u>
	<u>926,563</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2024

13. JOINT VENTURE – INVESTMENT AND COMMITMENTS (CONTINUED)

As a result of the resolutions passed in June 2024, the net assets of the joint venture at formation date have been revalued as follows:

<u>Net assets of joint venture at formation date</u>	30 Jun 2024 US\$	31 Dec 2023 US\$
Intangible assets	15,000,000	27,000,000
Cash	100,000	100,000
Other receivables - future capital contributions	12,231,818	19,188,726
	27,331,818	46,288,726
Group's share of net assets of joint venture at formation date – 50% (2023: 49%)	13,665,909	22,681,476

The carrying amount of the investment in the joint venture and the liabilities for future capital contributions at balance are shown in the following tables:

<u>Investment in a joint venture</u>	30 Jun 2024 US\$	31 Dec 2023 US\$
Group's share of net assets, initial investment – 49%	22,681,476	22,681,476
Additional 1% share acquired by the Group	462,887	-
Adjustment to carrying value as a result of reduction of share capital	(9,478,454)	-
Group's share of net assets of joint venture at formation date	13,665,909	22,681,476
Group's share of other comprehensive income – 50% (2023: 49%)	(i) 1,210,504	1,362,939
Group's carrying amount of the investment	14,876,413	24,044,415

(i) Movements in share of other comprehensive income:

	30 Jun 2024 US\$	31 Dec 2023 US\$
Carrying amount at the start of the year	1,362,939	868,390
Share of other comprehensive income for the period	(152,435)	494,549
Carrying amount at the end of the period	1,210,504	1,362,939

<u>Future capital contributions</u>	30 Jun 2024 US\$	31 Dec 2023 US\$
Future contributions payable - beginning balance	13,412,960	14,238,783
Adjustment to carrying value as a result of reduction of share capital	(8,089,004)	-
Contributions paid during the period	(501,409)	(1,823,690)
Interest on deferred settlement of contributions	320,182	997,867
	5,142,729	13,412,960
Future contributions payable – current	5,142,729	3,859,923
Future contributions payable – non-current	-	9,553,037
	5,142,729	13,412,960

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2024

13. JOINT VENTURE – INVESTMENT AND COMMITMENTS (CONTINUED)

Summarised financial information of the joint venture, based on its IFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

Summarised statement of financial position of Minera La Victoria S.A:

	30 Jun 2024 US\$	31 Dec 2023 US\$
Current assets	119,543	231,283
Non-current assets	29,845,110	49,322,786
Current liabilities	(211,828)	(483,835)
Equity	29,752,825	49,070,234
Group's share in equity - 50% (2023: 49%)	14,876,413	24,044,415
Group's carrying amount of the investment	14,876,413	24,044,415

A small profit recorded in the joint venture, generated as a result of currency exchange revaluations, is not reported by the Company as the amount is considered trivial.

14. INVESTMENTS IN SHARES

		30 Jun 2024 US\$	31 Dec 2023 US\$
Shares Black Dragon Gold Corp – fair value through profit or loss	Level 1	53,802	84,913
		53,802	84,913

15. TRADE & OTHER PAYABLES (CURRENT)

	30 Jun 2024 US\$	31 Dec 2023 US\$
Trade Creditors - Current		
Other corporations	970,169	1,076,783
Director related entities	29,077	43,189
Accruals	132,967	85,765
	1,132,213	1,205,737

16. PROVISIONS (CURRENT)

		30 Jun 2024 US\$	31 Dec 2023 US\$
Employee benefits (expected to be settled within 12 months)		206,829	194,007
Government share of cash flow from Las Lagunas project (PUN)	(i)	287,484	287,484
		494,313	481,491

- (i) The PUN provision represents the Group's estimate of the net amount payable in relation to the 2020 cash flows from the Las Lagunas project, which was subject to arbitration proceedings as set out in note 20(iii). Negotiations with the Dominican Government on this matter are ongoing at balance date. There is no provision required for the current period as the Las Lagunas project has generated negative cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2024

16. PROVISIONS (CURRENT) (CONTINUED)

Movements of employee benefits provision:

Carrying amount at the start of the year	194,007	164,031
Amounts paid during the period	(9,587)	-
Provisions recognised during the period	22,409	29,976
Carrying amount at the end of the period	206,829	194,007

17. BORROWINGS (CURRENT)

		30 Jun 2024 US\$	31 Dec 2023 US\$
Unsecured shareholders loan	(i)	139,371	374,616
Convertible loan note facility	(ii)	68,360	-
		207,731	374,616

(i) The agreement for an unsecured loan with conversion rights which was entered into in December 2022 between the Company and Moonstar Investments Pty Ltd, a trustee company associated with the Executive Chairman, Mr Brian Johnson, was subsequently cancelled on 28 March 2023. A new agreement for an unsecured A\$1,000,000 loan was entered into on the following basis:

- Repayment on demand of all or part at 3 days notice from the Lender
- Interest rate – 8.0%pa paid monthly

(ii) On 1 March 2024 Patras Capital Pte Ltd (“Noteholder”) entered into a Convertible Note Deed (“CND”) with the Company to provide up to three A\$1,000,000 convertible loan notes over three months. Proceeds from the first tranche were received on 8 March 2024, and the proceeds from the second tranche were received on 29 April 2024. The third loan note was at the Company’s option, and was not drawn down by the Company. The basic terms of each loan note are as follows:

- Maturity – 2 years from commencement
- Interest rate – NIL
- Discount to principal amount – A\$100,000 per loan note (in lieu of interest)
- Conversion – the note holder may convert all or part of any outstanding amount of the loan note at a conversion price equal to:
 - i. A\$0.04 per share; or
 - ii. a 10% discount to the numeric average of the lowest 5 daily VWAP’s in the 15 trading days prior to conversion
- Security – 40,000,000 AAU shares on the issue of the loan note which can be applied to any conversion with agreement from the Company (“security shares”). Security shares may be topped up by agreement between the parties.

In May 2024, a dispute arose between the Company and the Noteholder as to the money owing under the second loan note. On a number of occasions between March and May 2024, the Noteholder dealt with security shares in a way that the Company considered to be in breach of the CND and which involved the Noteholder attempting to retrospectively issue conversion notices for shares at a lower price.

As a consequence, the Company halted conversions under the CND, and calculated the amount owing under the second loan note to be A\$102,000 had conversion notices been properly issued prior to the sale of security shares, rather than retrospectively. The Noteholder claimed that A\$499,602 was owing under the second loan note based on the conversion prices nominated in its retrospectively issued conversion notices.

In July 2024 it was ultimately agreed that the Company would pay A\$102,000 to the Noteholder to settle all matters. The settlement has satisfied all obligations of the Company and the Noteholder under the CND, and the debt has been fully extinguished.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2024

17. BORROWINGS (CURRENT) (CONTINUED)

	30 Jun 2024 US\$	31 Dec 2023 US\$
Movements of unsecured related party loans:		
Carrying amount at the start of the year	374,616	-
Transferred from borrowings (non-current) ⁽ⁱ⁾	-	677,500
Interest expenses accrued	14,020	44,906
Amounts paid during the period	(240,521)	(333,871)
Foreign currency adjustments	(8,744)	(13,919)
Carrying amount at the end of the period	139,371	374,616
Movements of convertible loan note facility:		
Carrying amount at the start of the year	-	-
Funds drawn down from convertible loan note facility	1,315,390	-
Borrowing costs accrued (iii)	171,001	-
Amounts paid during the period	(171,001)	-
Amounts converted to equity during the period	(1,248,579)	-
Foreign currency adjustments	1,549	-
Carrying amount at the end of the period	68,360	-

(iii) Refer to note 6(ii) for further details.

18. CONTRIBUTED EQUITY

	30 Jun 2024 US\$	31 Dec 2023 US\$
(A) Paid Up Capital		
Ordinary shares fully paid	97,910,851	96,305,158
Non-redeemable preference shares	3	3
	97,910,854	96,305,161

	30 Jun 2024		31 Dec 2023	
	No. of Shares	US\$	No. of Shares	US\$
(B) Movements in ordinary shares on issue				
Beginning of the financial period	858,384,493	96,305,158	490,310,633	90,663,068
Share placements	-	-	359,122,798	6,117,232
Shares to be issued	173,640,555	462,302	-	-
Options exercised	-	-	38,658	3,332
Performance rights exercised	-	-	2,466,666	-
Share-based payments	1,150,500	15,000	6,445,738	110,270
Convertible loan note conversions	137,000,000	1,248,579	-	-
Capital raising costs	-	(120,188)	-	(588,744)
Balance	1,170,175,548	97,910,851	858,384,493	96,305,158

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2024

18. CONTRIBUTED EQUITY (CONTINUED)

(C) Options

Movements in options	Listed Options	Unlisted Options	Total	Weighted Average Exercise Price	Range of Exercise Price (A\$)	Weighted Average Days to Maturity
Balance at the beginning of the year	550,176,761	-	550,176,761	0.10	0.10	547
Balance at end of period	550,176,761	-	550,176,761	0.10	0.10	365

All listed options were exercisable at the end of the reporting period.

19. RESERVES

	30 Jun 2024 US\$	31 Dec 2023 US\$
Foreign currency translation reserve	3,739,775	3,753,140
Option reserve	4,233,442	4,233,442
Option premium reserve	129,831	129,831
Performance rights reserve (i)	1,610,289	1,572,072
Equity reserve	(11,773,880)	(11,773,880)
Share of joint venture's other comprehensive income (ii)	1,210,504	1,362,939
	(850,039)	(722,456)

(i) Refer to note 24 for further details.

(ii) Refer to note 13 for further details.

20. LITIGATION AND CONTINGENT LIABILITIES

Status as at 30 June 2024 follows:

EnviroGold (Las Lagunas) Limited ("EVGLL") v Grúas Liriano

EVGLL filed a lawsuit in the Dominican Republic for damages against crane operator, Grúas Liriano, for damage caused to one of its dredges. On 14 October 2020, EVGLL was awarded damages of DOP 40.0 million (approximately US\$680,000) however Grúas Liriano appealed this decision. On 31 January 2024, the First Hall of the Supreme Court of Justice dismissed the appeal filed by Grúas Liriano. The Supreme Court's verdict reaffirms the trial court's directive for Grúas Liriano to compensate EVGLL with DOP 40.0 million in damages, effectively closing the case. A counterclaim by Grúas Liriano was dismissed. EVGLL's lawyers are in the process of identifying Grúas Liriano's assets in preparation for executing garnishment orders as necessary to enforce the judgment.

Disputes with Dominican Government

The Company's rights and obligations in relation to the Las Lagunas Project are governed by the "Special Contract" it signed with the Dominican Government in 2004. As outlined below, a number of contractual disputes with the Government were submitted for arbitration under the rules of the World Bank's International Centre for Settlement of Investment Disputes (ICSID) in Washington DC. The arbitration was completed in June 2023, with a decision by the arbitration tribunal handed down on 24 April 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2024

20. LITIGATION AND CONTINGENT LIABILITIES (CONTINUED)

i. Contractual Claims

Tailings Dam Site

The Company submitted a formal Claim to the Dominican Government for costs relating to its failure, at the commencement of the project, to provide a suitable site for constructing a dam for depositing reprocessed tailings from the Las Lagunas process plant. The provision of the dam site was an obligation of the Government under the Special Contract.

The inability of EVGLL to construct a new storage dam resulted in the reprocessed tailings having to be deposited back into the same storage facility from which they were mined, and also prohibited blending of the feed to the flotation circuit which resulted in additional direct costs and inefficiencies in the operation of the plant.

The total Claim for costs of US\$15,474,306, prepared by independent consultants, was submitted for arbitration.

The arbitration tribunal rejected this claim in its entirety, and found that though the Government failed to meet its contractual obligations to provide a site, EVGLL voluntarily chose to deposit reprocessed tailings back into the Las Lagunas storage facility.

Additional Claims

The following additional claims were submitted to the Government and included in the arbitration proceedings:

- A. US\$5,305,000 for costs of overheads, storage, maintenance and security of surplus plant and equipment and their reduction in value due to deterioration while remaining on site for over three years as a result of the Government prohibiting their sale and removal from site.

The arbitration tribunal found that despite the Government wrongfully prohibiting the sale of assets, EVGLL provided “insufficient evidence” to support the claim for the US\$3,433,000 assessed reduction in value of assets, but awarded US\$1,450,404 for related overheads and storage costs.

- B. US\$354,745 for recovery of amount overpaid in relation to royalties.

The arbitration tribunal found in favour of EVGLL for this claim.

- C. US\$883,000 for recovery of legal costs incurred for defending tax assessments by the Government despite the Special Contract specifically waiving all taxes.

The arbitration tribunal awarded EVGLL US\$835,325 for partial recovery of its legal costs

- D. US\$3,015,000 for the cost of conducting the arbitration.

The arbitration tribunal awarded costs in favour of EVGLL of US\$626,579, and against EVGLL of US\$2,123,701

ii. Taxation Matters

Despite very clear documentation in the Special Contract that EVGLL will benefit from an “exemption from any type of tax, fee, duty, national or municipal”, the Dominican Government has repeatedly submitted assessments to EVGLL for ‘asset tax’ and ‘income tax’, which have had to be defended in the Courts.

As advised to the ASX on 17 December 2019 the Supreme Court of the Dominican Republic ruled in favour of EVGLL’s interpretation of the Special Contract. A second decision from the Dominican Supreme Court acknowledging EVGLL’s tax exemption was handed down on 28 July 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2024

20. LITIGATION AND CONTINGENT LIABILITIES (CONTINUED)

The Government challenged the Supreme Court decision in the Constitutional Court. The Constitutional Court subsequently upheld the previous ruling of the Supreme Court and there is no provision for any further appeal against this decision.

In December 2020, EVGLL received a Garnishee Notice from the Government's taxation department which prevented the sale or export of surplus equipment stored at Las Lagunas, based on a declaration that taxes were owed by EVGLL. EVGLL's legal counsel advised EVGLL that the Notice was knowingly and illegally issued based on the Supreme Court's earlier decision that taxation was not applicable to the project.

Resolution of this dispute was included as a subject matter for arbitration, including a claim for the legal fees incurred by EVGLL in defending its position.

The arbitration tribunal found that EVGLL was not liable to pay taxation and awarded US\$835,325 for recovery of its legal costs in defending improper tax assessments.

iii. Share of Cash Flow (PUN)

EVGLL also disputed the Government's interpretation of the Special Contract that its share of cash flow after recovery of the project investment ("PUN") and royalties payable to the Government are taxes and as such interest and penalties should apply under the Tax Code for any late payments even in the event of delays in payments occasioned by disagreement and resolution of applicable amounts. The Dominican Government did not agree with the amount of PUN paid by EVGLL for 2018 and 2019, and assessed an additional amount of PUN and claimed penalties and interest, all of which were disputed by EVGLL. As a consequence, this matter was added to the arbitration proceedings for resolution.

The arbitration tribunal found that PUN and royalties were not taxes, but that the Tax Code should apply when assessing project cash flows. The Tribunal also found that the sale of gold by EVGLL to Swiss refining company MKS Pamp, classified MKS as an associate of EVGLL under the Tax Code and allowed the Government to apply theoretical sales revenues for the assessment of cash flows, rather than the lower amounts actually received. As a consequence, the Government is seeking to increase

PUN payments made by EVGLL, and negotiations are continuing with the Government's nominee to reach agreement on any revision to the amounts paid by EVGLL.

The net effect of the tribunal's award after adjustment for interest is that EVGLL is owed approximately US\$2,600,000 by the Government, less any agreed amount owing by EVGLL for PUN. Negotiations on the amount owing by EVGLL for PUN have not yet been finalised, and as such amount will be offset against the tribunal's award, no receivable has been booked for the award.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2024

21. EARNINGS PER SHARE

	30 Jun 2024 US\$	30 Jun 2023 US\$
Numerator used for basic and diluted EPS:		
Loss after tax attributable to the owners of Antilles Gold Limited	(2,360,598)	(2,322,552)
<hr/>		
	Number of shares	
Weighted average number of ordinary shares outstanding during the half year used in calculating the basic EPS	874,221,292	518,786,293
Weighted average number of ordinary shares outstanding during the half year used in calculating the diluted EPS	874,221,292	518,786,293

22. FINANCIAL INSTRUMENTS

The Group has a number of financial instruments which are not measured at fair value in the Statement of Financial Position. For all of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable is either close to current market rates or the instruments are short-term in nature.

The Group has US\$53,802 of investments measured at fair value through profit or loss. Fair value is ascertained via Level 1 inputs, being quoted prices in active markets.

23. EVENTS SUBSEQUENT TO REPORTING DATE

Non-renounceable entitlement issue

On 15 July 2024 the Company announced that it received applications for a total of 464,892,732 entitlement shares and shortfall shares from its non-renounceable rights issue to raise A\$1.86 million, pursuant to the prospectus lodged with ASX and ASIC on 17 June 2024. The Company issued 464,892,732 new fully paid ordinary shares on 16 July 2024, and 232,446,377 new options exercisable at \$0.01 each on or before 31 December 2026, on 17 July 2024.

Settlement of dispute with holder of convertible loan note

On 30 July 2024 the Company announced that a dispute with the holder of a convertible loan note has been resolved by way of a formal Settlement Deed, in which the Company agreed to pay A\$102,000 to the noteholder to settle all matters, and to fully extinguish the debt.

Sale of major plant items commenced

The sale of major plant items being stored in the Dominican Republic commenced following the lifting of the illegal garnishment of assets by the Government, after being directed to do so in the recent Arbitration Award. During July 2024, an oxygen plant was sold for US\$500,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE HALF-YEAR ENDED 30 JUNE 2024

24. SHARE-BASED PAYMENTS

Employee Performance Rights Plan

No performance rights vested and converted during the period. Set out below is a summary of performance rights on issue during the period:

Financial year of grant	Financial year of vesting date	Balance at start of year	Granted	Vested and converted	Forfeited	Balance at end of period	Fair Value
		Number	Number	Number	Number	Number	US\$
31 Dec 2022	31 Dec 2024	2,466,666	-	-	(333,333)	2,133,333	63,315
31 Dec 2022	31 Dec 2025	5,066,668	-	-	(333,334)	4,733,334	132,186
		7,533,334	-	-	(666,667)	6,866,667	195,501

The fair value at grant date is determined using the market price of shares of the Company as at the close of trading on the date the rights are granted. There are no performance conditions or KPI's associated with any of these outstanding rights. Unless an employee terminates their employment with the Company all rights will vest and convert to shares on the relevant vesting dates. An expense of US\$38,217 (2023: \$78,588) has been recognised during the period for rights granted under the Performance Rights Plan.

Other share-based payments

Share-based payment to consultant for board advisory services in Cuban joint venture.

1,150,500 ordinary fully paid shares were issued at A\$0.02 each (total US\$15,000) on 28 March 2024, for payment to a consultant for services rendered in relation to the Group's joint venture activities in Cuba.

DIRECTORS' DECLARATION

FOR THE HALF-YEAR ENDED 30 JUNE 2024

In accordance with a resolution for the directors of Antilles Gold Limited, the Directors of the Company declare that:

- a. the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position as at 30 June 2024 and the performance of the half year ending on that date of the consolidated entity; and
 - (ii) Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional requirements; and
- b. in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to S303(5)(a) of the *Corporations Act 2001*.

On behalf of the Board,


Brian Johnson

Executive Chairman

13 September 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Antilles Gold Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Antilles Gold Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Antilles Gold Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(d) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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HLB Mann Judd ABN 22 193 232 714

A Western Australian Partnership

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hbw.com.au

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
13 September 2024



N G Neill
Partner