

ANTILLES GOLD QUARTERLY REPORT & APPENDIX 5B – SEPTEMBER 2022

ANTILLES GOLD

During the quarter Antilles Gold advanced its strategy for the near-term development of a series of mid-sized mines in mineral rich Cuba to produce gold, silver, antimony, copper, and zinc concentrates.

Antilles Gold is uniquely positioned to participate in these opportunities through its joint venture with a subsidiary of the Government's mining company, GeoMinera SA.

JOINT VENTURE

A joint venture company, Minera La Victoria SA ("MLV") was registered in August 2020 with a subsidiary of GeoMinera holding 51% of the shares, and subsidiary of Antilles Gold Limited holding 49%.

GeoMinera transferred its 900ha Mining Concession covering the La Demajagua gold-silver deposit with 50,000m of historic drilling results, to MLV for US\$13.5 million of its shares.

AGI is contributing US\$13.0 million equity for its 49% shareholding in MLV, of which US\$8.0 million has been invested to date. An additional US\$1.0 million will be spent on completing the Definitive Feasibility Study ("DFS") for the proposed La Demajagua open pit mine, in March 2023, and a further US\$4.0 million on mine infrastructure after project financing has been arranged.

The 51:49 relationship reflects ownership levels in the joint venture but not control as both participants have equal votes at Board Meetings and Shareholders Meetings.

Other features of the joint venture include;

- MLV's jointly controlled foreign Bank account will hold all proceeds from loans, or concentrate sales, with the only funds remitted to Cuba being for local expenses.
- Antilles Gold nominates all senior management.
- Income tax rate of 15% waived for 8 years.
- No import duties on plant & equipment.
- Low entry cost for near term development of previously explored mineral deposits.
- Low operating costs.
- Joint venture with GeoMinera fast-tracks permitting.

POTENTIAL NEAR TERM DEVELOPMENT PROJECTS

- An open pit gold-silver mine at La Demajagua on the Isle of Youth in south-west Cuba is planned to commence construction in Q2 2023, and be commissioned in late 2024 with estimated annual production of two saleable concentrates;
 - ~ 54,000 tpa of a gold-rich concentrate with high arsenic content where samples have demonstrated good recoveries from smelters, and an off-take agreement is being negotiated with an international trading group (indicative grades of 38.4 g/t Au, 114 g/t Ag, 6.6% Sb, and 29% As).
 - ~ 11,000 tpa of a silver-rich concentrate with relatively low arsenic content, and high antimony (Sb) content, with offtake also currently being negotiated (indicative grades of 33% Sb, 28 g/t Au, 1540 g/t Ag, and 8.8% As).
- An open pit mine could potentially be developed on the El Pilar oxide deposit in central Cuba and be commissioned in Q1 2025 to produce gold and copper concentrates, subject to its Exploration Target Range advised to ASX on 5 July 2022, and results from 24,000m of historic drilling being confirmed by a 7,000m program, which is expected to commence in January 2023.

MAJOR EXPLORATION TARGETS INCLUDED IN EXPLORATION AGREEMENT WITH GEOMINERA

Antilles Gold has formalised an Exploration Agreement with GeoMinera whereby the Company may review the potential of previously explored mineral deposits through preliminary exploration, metallurgical test work, and financial modelling, before nominating which properties should be incorporated in a joint venture for future development.

Two major concessions are included in the Exploration Agreement and others may be added.

EL PILAR: COPPER-GOLD PORPHYRY SYSTEM

- **A Group of three copper-gold porphyry-deposits (El Pilar, Gaspar and San Nicholas) within the 17,800ha El Pilar concession in central Cuba were originally explored by Canadian mining companies in the 1990's.**
- The El Pilar and San Nicholas prospects are located 4 km apart in volcanoclastic rocks that are intruded by two individual porphyry clusters.
- Mapping, soil sampling, ground magnetics, and 48,000m of shallow drilling, which was carried out by a Canadian mining company, confirmed the existence of copper-gold mineralisation but failed to identify the exposures as being a large leached porphyry system.
- Copper grades are widespread with the gold mineralization, and generally are located at the saprolite/saprock contact as the copper is leached downwards in the weathering profile above fresh rock. The surface exposures at El Pilar, Gaspar, and San Nicholas are leached phyllic caps to a cluster of copper-gold porphyry cores.

- The surficial hydrothermal alteration evident at all prospects represent a classic porphyry phyllic cap and the dimensions of the phyllic alteration (upper part of in-situ porphyry systems) at surface indicates the porphyry intrusions are of large dimensions, and the potential of the mineralized copper-gold orebodies could surpass a 500Mt open pit target.
- The Company's initial focus on exploration will be on the El Pilar porphyry deposit where a 15,000m drilling program to a vertical depth of ~300m is planned to commence in February 2023.

NEW HORIZONS' POLYMETALLIC MINERAL BELT

The New Horizons project encompasses two mining concessions totaling 31,700ha which cover an entire 40km long VMS style polymetallic mineral belt near Santa Clara in central Cuba.

The concessions host four mines, Antonio, San Fernando, Santa Rosa, and Los Cerros which previously produced copper and zinc concentrates with silver credits, and 16 additional mineralized exploration targets, some of which are gold and silver rich.

Geological data including maps, soil and stream sampling (27,000), rock samples, ground and airborne geophysical surveys, 766 cored drill holes (68,400m), 5392 assays, and historic mine plans have been made available to Antilles Gold for review.

A Canadian N1 43-101 Technical Report on the potential of re-opening the Antonio copper-zinc mine prepared by Toronto based consultants, Roscoe Postle Associates Inc ("RPA") was published on 15 June 2018, and advised to ASX on 29 April 2022.

RPA reported "the Project is at the advanced exploration stage and the considerable historical drilling and past production demonstrate that significant copper-zinc-silver-gold mineralisation is present on the property".

RPA also concluded "there is excellent potential for discovering extensions of the known deposits and new deposits on the property", and

"A long term project is envisaged where one central milling facility could be used to process feed from several deposits on the concession".

Antilles Gold will conduct an airborne geophysical survey over the concession in Q3 2023, and review existing geological data before implementing a drilling program in 2024.

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 joint venture intends to reinvest part of the surplus cash expected to be generated by the La Demajagua open pit mine, in the funding of subsequent projects, and in the active exploration of major targets.

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

ACTIVITIES DURING SEPTEMBER QUARTER 2022

CUBA

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

- Revised layout for mine, waste dump, tailings storage, concentrator, buildings, and power station.
- Designs for accommodation facilities, industrial buildings, and offices continuing.
- Negotiations for supply of mining fleet, and turnkey offers for design and construction of crushing and milling circuits, flotation plant, and 10Mw, power station continuing.
- Environmental and other permitting continuing.
- Metallurgical test work by SGS Laboratories in Canada continuing.

EL PILAR GOLD-COPPER OXIDE DEPOSIT

- Drilling Program – 6 cored holes drilled, 1,797m
- Samples prepared for assay - 350

DOMINICAN REPUBLIC

ENVIROGOLD (LAS LAGUNAS) LIMITED (100%)

- Continued Arbitration proceedings for approximately US\$40 million of contractual claims from a previous project against the Dominican Republic Government which will be heard by the appointed Tribunal at the World Bank's International Centre for Settlement of Investment Disputes ("ICSID") in Washington DC, in June 2023.
- Maintenance of stored plant & equipment.

PLANNED ACTIVITIES FOR DECEMBER QUARTER 2022

CUBA

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

- Metallurgical testwork focussed on maximising antimony content in concentrate.
- Complete Hydrogeological and Geotechnical studies.
- Complete Revised Scoping Study.
- Continue Environmental and other permitting.
- Negotiation of concentrate off-take agreements.
- Continuation of DFS Activities for La Demajagua open pit mine.

EL PILAR GOLD-COPPER OXIDE DEPOSIT

- Complete analysis of core samples from the 6 drill holes completed in September Quarter.
- Commence ground based Magnetic and IP surveys utilising international contractor.

DOMINICAN REPUBLIC

ENVIROGOLD (LAS LAGUNAS) LIMITED

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

QUARTERLY CASHFLOW

During the Quarter, payments totalling US\$120,000 were made to directors for salaries, directors fees and superannuation, as follows:

- | | |
|--|-------------|
| • Payment of 1 month previous quarter and 2 months of current quarter fees payable to the Executive Chairman | US\$107,000 |
| • Payment of fees to Non-Executive Directors | US\$18,000 |
| • Payment of salary to Executive Director (including payment of accrued leave provisions cashed out, totalling US\$77,445 gross) | US\$141,000 |

Cash on hand at 30 September 2022 was A\$2.8 million.

Attached Appendix 5B is in USD.

END

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

For further information, please contact:

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

If you have any questions on this announcement or any past Antilles Gold announcements, check out our Interactive Investor Hub. Like, comment, or ask a question on important announcements. You can find this here: <https://aau.freshamplify.com>

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 compiled 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.

ABOUT ANTILLES GOLD LIMITED:

- Antilles Gold's strategy is to participate in the successive development of previously explored gold, silver, copper, and zinc 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 a number of projects through its 49:51 mining joint venture with the Cuban Government's mining company, GeoMinera SA.
- Importantly, GeoMinera's 51% shareholding in the joint venture company reflects ownership and does not provide control of decisions at Board or Shareholder Meetings, where the two shareholders have equal votes.
- The 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, and for Antilles Gold to nominate all senior management.
- Antilles Gold is comfortable operating under the applicable law on Foreign Investment in Cuba which protects minority shareholdings, 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 near-term project of the joint venture company, Minera La Victoria SA, is the proposed development of the La Demajagua gold-silver open pit mine on the Isle of Youth in south-west Cuba which, based on geological modelling and metallurgical test work, is planned to produce approximately 65,000 tpa of concentrate, containing gold, silver, and antimony for 7 years.
- The current pipeline of additional projects with near-term development potential includes the El Pilar gold-copper oxide deposit overlying a very large copper-gold porphyry system, and the reopening of four previously producing copper-zinc mines. These properties in central Cuba will be explored initially by Antilles Gold prior to their transfer to a joint venture with GeoMinera for additional exploration and studies, and potential development to produce gold, silver, copper, and zinc concentrates.
- The joint venture partners intend to invest part of the expected profits from the La Demajagua mine to fund future mine developments, and an extensive exploration program of major targets, including the large El Pilar copper-gold porphyry system and the 40km long New Horizons VMS style polymetallic mineral belt. Both of these Concessions are held in an Exploration Agreement with GeoMinera.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ANTILLES GOLD LIMITED

ABN

48 008 031 034

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	187	213
1.2	Payments for		
	(a) exploration & evaluation	(806)	(3,698)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(125)	(200)
	(e) administration and corporate costs	(178)	(850)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	4	4
1.5	Interest and other costs of finance paid	(1)	(2)
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	(84)	(257)
	(b) Arbitration with Dominican Government	(104)	(246)
1.9	Net cash from / (used in) operating activities	(1,107)	(5,036)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(3)
	(d) exploration & evaluation	(362)	(521)
	(e) investments	-	-

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (9 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	(362)	(524)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	2,104	4,510
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	(57)	(225)
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	2,047	4,285

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,357	3,337
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,107)	(5,036)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(362)	(524)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,047	4,285

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
4.5	Effect of movement in exchange rates on cash held	(121)	(248)
4.6	Cash and cash equivalents at end of period	1,814	1,814

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	1,814	1,357
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)	1,814	1,357
	Note: Cash and cash equivalents in AUD	2,802	1,974

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	266
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
	<i>Details of the amounts shown at 6.1 are as follows:</i>	
	• <i>Payment of management fees to the Executive Chairman</i>	107
	• <i>Payment of fees to Non-Executive Directors</i>	18
	• <i>Payment of salary to Executive Director, including payment for accrued leave provisions cashed out totalling US\$77,445 gross</i>	141
	<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$US'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,107)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(362)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,469)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,814
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,814
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.23
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer: No Expenditure in Q4-2022 is expected to reduce to approximately US\$1.2 million due to the decreased level of drilling activity.</p>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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: Yes

The Company intends to raise approximately A\$3.2 million (US\$2.0 million) from a share issue during Q4 2022. Directors are confident the raise will be successful based on the level of interest being shown in the Company's activities and growth potential in Cuba.

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: Yes

Funds in hand post the capital raising are expected to exceed two quarters of forecast expenditure.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2022

Authorised by: The Chairman of Antilles Gold Limited

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.