ASX Announcement

ANTILLES GOLD LIMITED

ABN: 48 008 031 034 ASX CODE: AAU

30 March 2021

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ANTILLES GOLD TO ESTABLISH SECOND PROJECT IN CUBA

Antilles Gold Limited (ASX: AAU) to evaluate the potential of the Golden Hills sulphide deposit in Cuba to produce gold concentrate

Highlights:

- **Development of Golden Hills sulphides would provide Antilles Gold with pathway to future growth in prospective Cuban gold mining sector**
- **Cuban Government encouraging new foreign investment in mining projects**
- **Recent unification of dual currency has improved economics of La Demajagua mine development**

Antilles Gold has agreed with Cuban Government owned mining company, GeoMinera SA, that it will submit a proposal to conduct a limited exploration program and prepare a Preliminary Economic Assessment ('PEA') to Canadian NI 43-101 standard for the development of the Golden Hills sulphide deposit.

The proposal, once approved by GeoMinera, will be incorporated in a formal International Economic Association ('IEA') between the two parties, which is the equivalent of an Exploration License.

The IEA will commit Antilles Gold, at its cost, to preparing the PEA, and if as expected the results are attractive, Antilles Gold and GeoMinera will then negotiate the terms of a joint venture for the development of an open pit mine to produce gold concentrate.

The structure of the 49:51 joint venture should be similar to that formalised in August 2020 by Antilles Gold and GeoMinera for the development of the La Demajagua gold/silver mine on the Isle of the Youth in South West Cuba. This project is progressing through the pre-development stage and expected to move to development in Q4 2022.

Normal tenure for an IEA is 5 years but the PEA could be completed within 18 months of signing. It is in the interest of both Antilles Gold and GeoMinera to have any new mine at Golden Hills developed as soon as possible after La Demajagua.

The Golden Hills project is aimed at mining a large, interconnected VMS deposit underlying three oxide gold deposits that have been mined by GeoMinera, and are largely depleted.

Both the oxide deposits and the underlying massive sulphide structure were explored by MacDonald Mines from Canada between 1994 and 1998 which completed ground and airborne geophysical surveys, mapping, geochemical surveys, and trenching, in addition to 199 cored drill holes to an average depth of 80m. The database generated by this work was well archived.

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Antilles Gold is attracted to the project as it is likely to be a viable producer of large volumes of refractory concentrate that could add to the planned production from the La Demajagua mine.

Details of the work to be undertaken in 2022 and 2023 for the conduct of the exploration program and the PEA and its costing, will be released to the ASX once approved by GeoMinera.

The proposal for the IEA will have input from a Vancouver based geological consultant who has had significant experience in Cuba and was responsible for many aspects of MacDonald Mines' exploration and evaluation of the Golden Hills property in the 1990's.



Mined oxide deposits at Golden Hills underlaid by an outcropping interconnected sulphide deposit

The extensive geological data for the property provided by GeoMinera will assist in preparing an efficient and cost-effective program to complete the exploration and the PEA for the project.

The project is located 560km east of Havana and 80km south east of the city of Camaguey, which is serviced by airline connections to Toronto, Miami, and Havana.

The area is characterised by gently rolling hills utilised for agriculture or covered by scrub. Elevations range from 50m to 150m above sea level. The climate is sub-tropical with rainfall of around 1200mm between May and October.

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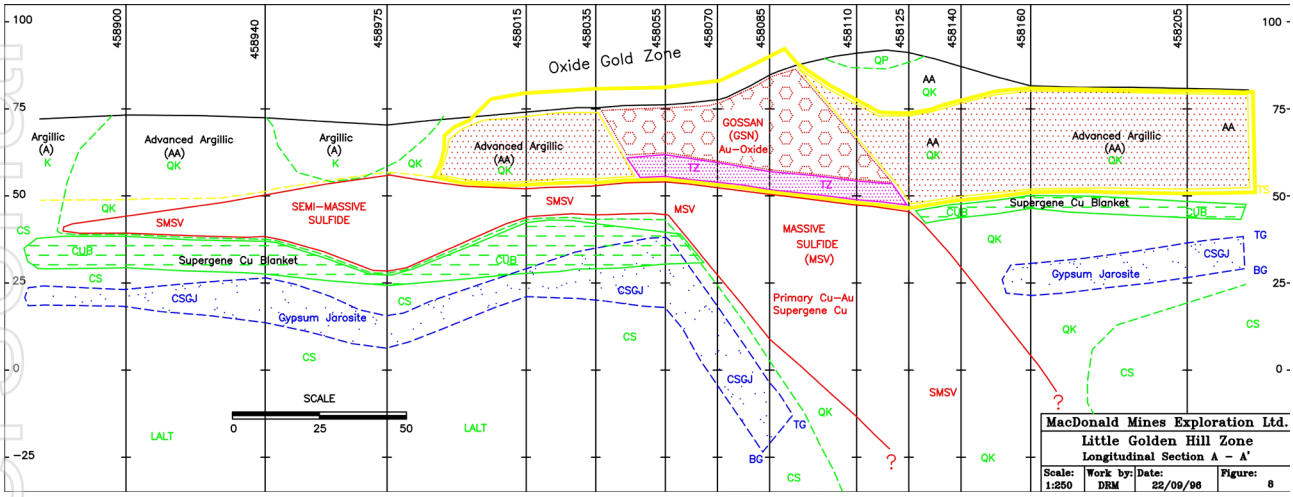
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Local Geology, Mineralization, and Deposit type

The Golden Hill Au-Cu deposits are hosted in Cretaceous volcaniclastic rocks, that dip moderately to the west-northwest. These rocks outline a lens shaped body 7.0 km long and about 2.0 km in true thickness that is interpreted to be a section through a volcanic edifice. The mineralization is spatially and probably genetically related to a 2.0 km2 intrusive body that is centred 1.5 km south of Big Golden Hill. The mineralization, discovered to date, lies within a 1.0 km wide by 1.5 km long west-northwest oriented zone located on the northwest side of the intrusive.

Hypogene Au-Cu mineralization occurs in semi-massive to commonly massive bodies consisting of pyrite with lesser enargite. The sulphide bodies are enveloped by zones of advanced argillic and argillic alteration. Where the Au-Cu rich sulphide bodies came to surface, the weathering process has destroyed the sulphides and replaced them with gossan, underlain by an iron-poor weathered residue. This residue, as well as parts of the overlying gossan, underwent gold enrichment and the complete removal of copper.

Three near surface, gold-enriched oxide zones identified at Big Golden Hill, Little Golden Hill, and Three Hills have already been mined. Sulphide mineralization containing gold and copper underlies the depleted oxide deposits at a shallow depth and appears to be interconnected. Copper minerals include enargite and chalcocite.



Interpreted Longitudinal Section through Little Golden Hill.

The Golden Hills Au-Cu deposits have been classified as high-sulphidation type deposits. The mineralized system hosts several Au and Cu enriched sulphide bodies. Wide intersections of blind, massive, semi-massive and disseminated sulphide mineralization with Au and Cu occur within the area, and the potential to define large Au and Cu sulphide resources is excellent.

The style and distribution of the mineralization and alteration has many similarities to large high-sulphidation gold systems around the world including Pueblo Viejo in the Dominican Republic, El Indio in Chile, and Lepanto in the Philippines. The giant Pueblo Viejo gold-silver deposit is located 600 km east in the same package of volcanic rocks.

The development of the Golden Hills sulphides would provide Antilles Gold with a pathway to future growth in the Cuban gold mining sector with the real possibility of a 49% shareholding in the commissioning of two mines within the next three to five years.

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The Board of Antilles Gold sees the timing of the Company's entry into Cuba to be fortuitous with the Government encouraging new foreign investment in mining projects, the recent unification of the dual currency system, which has already benefited the economics for the La Demajagua mine, and the anticipated removal of US sanctions following President Biden's election and stated intention to normalise US-Cuban relations.

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

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About Antilles Gold

Antilles Gold is focussed on projects in mineral rich Cuba and on realising the value of assets in the Dominican Republic, with both countries lying in the Greater Antilles Islands of the Caribbean.

Antilles Gold is at the forefront of the emerging mining sector in Cuba and plans to undertake the sequential development of two gold mining projects, with prospects for additional developments in the future.

La Demajagua Project - joint venture with Government mining company, GeoMinera SA, to develop mine for production of high-grade gold concentrate.

Golden Hills Project - large sulphide deposit is advanced exploration prospect with potential to develop mine for production of gold concentrate.

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