

# ANTILLES GOLD LIMITED

ABN: 48 008 031 034 ASX CODE: AAU

## **2022 ANNUAL REPORT**

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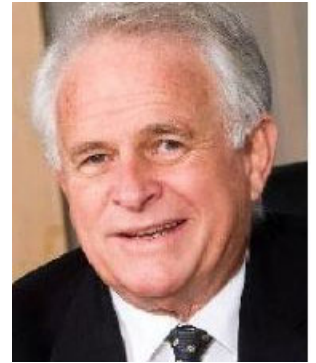
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# CORPORATE DIRECTORY

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<b>Directors</b>	Brian Johnson <i>Chairman &amp; Chief Executive Officer</i> James Tyers <i>Executive Director</i> Ugo Cario <i>Non-executive Director</i> Angela Pankhurst <i>Non-executive Director</i>
<b>Company Secretary</b>	Pamela Bardsley
<b>Registered office</b>	55 Kirkham Road Bowral NSW 2576 Australia
<b>Principal place of business</b>	55 Kirkham Road Bowral NSW 2576 Australia  Email: <a href="mailto:admin@antillesgold.net">admin@antillesgold.net</a> Phone: +61 2 4861 1740
<b>Share register</b>	Automic Level 5, 126 Phillip Street Sydney NSW 2000 Phone: 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia)
<b>Auditor</b>	HLB Mann Judd (WA Partnership) Level 4 130 Stirling Street Perth WA 6000 Australia
<b>Solicitors</b>	AGH Law Level 1 50 Kings Park Road West Perth WA 6005 Australia
<b>Bankers</b>	National Australia Bank Level 2 1 Bolger Street Campbelltown NSW 2560
<b>Securities exchange listing</b>	Antilles Gold Limited shares are listed on the Australian Securities Exchange Code: AAU – Fully paid ordinary shares Code: AAUUSR – US control register Code: AAUOB - Listed options exp 30/04/23 @\$0.13 OTCQB - Code: ANTMF Frankfurt Stock Exchange – Code: PTJ
<b>Website address</b>	<a href="http://www.antillesgold.net">www.antillesgold.net</a>

## *Chairman's Letter*



Dear Shareholder

During the reporting period to 31 December 2022 and since, the Company has better defined its relationship with the Cuban Government's mining company, GeoMinera SA, as well as the mutual objectives.

This has resulted in agreement being reached at Ministerial level to increase Antilles Gold's shareholding in the existing joint venture company, Minera La Victoria SA ("MLV"), from 49% to 50% to better reflect the partnership arrangements.

Additionally, MLV will focus on developing a series of relatively small gold mines based on previously explored deposits in order to generate a solid long term cash flow, with some of the surplus cash flow to be remitted to the shareholders as dividends, and the balance applied to supporting a second joint venture to be established to explore major copper prospects.

The second joint venture will hold the large El Pilar copper-gold porphyry system, and potentially a significant copper belt identified by historic aeromagnetic surveys, and recent prospecting by Antilles Gold under its Exploration Agreement with GeoMinera.

Consideration is being given to increasing the level of foreign ownership in the second joint venture so that Antilles Gold could ultimately sell down part of its holding to one of the many major mining companies searching for undeveloped world-class copper deposits.

MLV currently holds the La Demajagua gold, silver, and antimony sulphide deposit on the Isle of Youth in south west Cuba where the DFS for the first stage open pit mine is nearing completion, and has reached agreement to acquire a concession covering the El Pilar gold-copper oxide deposit in central Cuba at a nominal cost. MLV is also negotiating to acquire an additional high grade oxide gold deposit in the same region, and all three of these projects could potentially be developed in the near term.

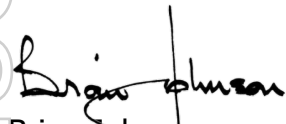
Progress during 2022 was not as fast as had been expected due in part to COVID restrictions in Cuba in the first half, and to serious delays in receipt of assays, and metallurgical test work data in the second.

The DFS and permitting for the La Demajagua project should now be completed in mid-2023 and the focus for the next six months will be on finalising off-take agreements for the gold-arsenopyrite concentrate, and the silver-antimony concentrate expected to be produced, and on project financing.

Apart from having the La Demajagua project “development ready” in Q3 2023, activities during the current Period will include the preliminary drilling in Q2 2023 of one or two of the porphyry deposits within a cluster at El Pilar delineated by a recently completed geophysical survey.

If drilling results replicate the 1.23% copper grade over the 134m length of the single cored hole drilled by the Company into the outer zone of one of the deposits, the value of Antilles Gold’s assets in Cuba should increase substantially, and lead to major copper exploration programs in 2024, and 2025.

I thank Shareholders for their participation in the Company, and their continuing support while we pursue growth in its value.



Brian Johnson  
Executive Chairman  
31 March 2023

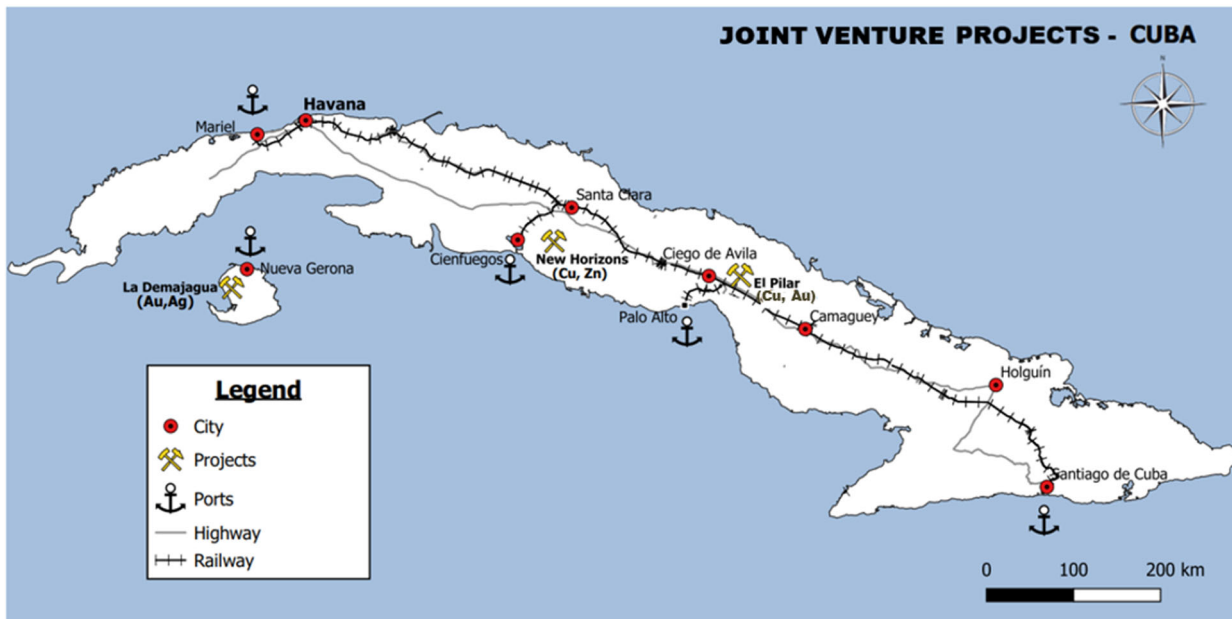
## CURRENT PROJECTS

### DEVELOPMENTS

- **La Demajagua Open Pit Mine** (sulphide ore)
  - gold, arsenopyrite concentrate
  - silver, antimony concentrate
  - (potentially followed by underground mining operations)
- **El Pilar Open Pit Mine** (oxide ore)
  - gold concentrate
  - copper concentrate

### EXPLORATION

- **El Pilar copper-gold porphyry system**



Project Locations, Cuba

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## **LA DEMAJAGUA GOLD, SILVER, ANTIMONY MINE**

### **Project Description**

The La Demajagua gold-silver-antimony deposit on the Isle of Youth in south west Cuba was discovered around 1900, and mined underground from 1947 to 1950, and again from 1980 to 1985 as the Delita gold mine.

The property has been the subject of 50,000m of historic drilling, metallurgical test work, and various studies by Canadian mining companies, but the combination of high arsenic levels in the Delita concentrate, and low gold prices prevented commercial development.

These two issues have been overtaken by increasing international trading in arsenopyrite concentrates, and the gold price being at historically high levels.

The joint venture mining company, Minera La Victoria SA (“MLV”), plans to establish and operate an open pit mine for nine years that could be followed by underground operations.

The open pit operation is expected to produce approximately 53,000 tpa of gold-arsenopyrite concentrate, and 5,900 tpa of silver-antimony concentrate with estimated total annual sales of approximately US\$100 million at current metal prices after allowance for discounts required by buyers. (refer Scoping Study results advised to ASX on 30 March 2023).

The concentrates are expected to be sold to an international trading company, and a Chinese antimony smelter.

### **Project Location**

The La Demajagua mine site is located 35km by paved road from the port city of Nueva Gerona on the Isle of Youth in south west Cuba, and is connected to high tension power, potable water, and fibre optic cable.

### **Drilling Program**

The 8,000m balance of a diamond drilling program was completed during the reporting period by an experienced contractor, Cubanex, which is co-owned by GeoMinera and Canadian drilling company, Heath & Sherwood International.

Metallurgical test work was also carried out in 2022 by SGS Laboratories and Blue Coast Research in Canada, with concentrate grades, and samples now available for marketing purposes.

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## Mineral Resource Estimate

The Mineral Resource Estimate for the proposed La Demajagua open pit mine has been established by mining consultants, Cube Consulting, based on selected data from the historic drilling, and assays received from 29,000m of cored drill holes that were undertaken by MLV.

The Mineral Resource Estimates for gold and silver were advised to the ASX on 30 March 2023.

The Mineral Resource Estimate for antimony will be established after receipt of Sb assays.



Drilling at La Demajagua

### **MINERAL RESOURCE STATEMENT FOR LA DEMAJAGUA PROJECT WITHIN PIT SHELL at 0.8g/t Au cut-off**

Resource Category	Tonnes (Mt)	Au Grade (g/t)	Contained Au (oz)	Ag Grade (g/t)	Contained Ag (oz)
Indicated	5.32	2.87	490,000	32.1	5,490,000
Inferred	2.1	2.0	130,000	17	1,132,000
<b>Total*</b>	<b>7.4</b>	<b>2.63</b>	<b>620,000</b>	<b>27.9</b>	<b>6,620,000</b>



## **Capital Contributions**

Antilles Gold Inc, a wholly owned subsidiary of Antilles Gold Limited, is providing US\$13.5 million of capital to the joint venture company, Minera La Victoria SA, between October 2020 and December 2023 for a 50% shareholding in the company, and the stage one open pit mine (previously US\$13.0 million for 49%).

GeoMinera has transferred its ownership of the 900ha La Demajagua Mining Concession to Minera La Victoria for its subsidiary's shareholding.

## **Definitive Feasibility Study**

During the reporting period, Minera La Victoria progressed a Scoping Study, and the Definitive Feasibility Study ("DFS"), for the planned open pit mine with completion of the DFS expected in mid-2023. The DFS is being co-ordinated by engineering group, BBA, from its offices near Toronto, and could improve on the results of the recently finalised Scoping Study if the mining rate is increased and mine life is reduced from 9 years to around 7 years for the mine.

The Scoping Study results (advised to ASX on 30 March 2023), are based on geological modelling of both selected historic drilling results, and recent drilling data, metallurgical test work to date, and firm quotations from Chinese suppliers for a high quality mining fleet, and turnkey submissions for the design and construction of crushing, grinding, and flotation circuits, and a 10Mw power station, which together make up around half of the project development costs.

The Study estimated the total capital costs for the project including pre-development activities, mine construction, project management, administration, and financing costs during construction, to be US\$86 million. Antilles Gold's US\$13.5 million of equity will be applied to these costs, with the balance expected to be provided by a combination of supplier credit, advances from concentrate buyers, and project loans to the joint venture company.

Based on mining 815,000 tpa of ore for nine years, and an average annual production of 59,000 dmt of concentrate, operating costs are estimated to be approximately US\$760 per dmt, including concentrate shipping costs, royalties, and other Government charges.

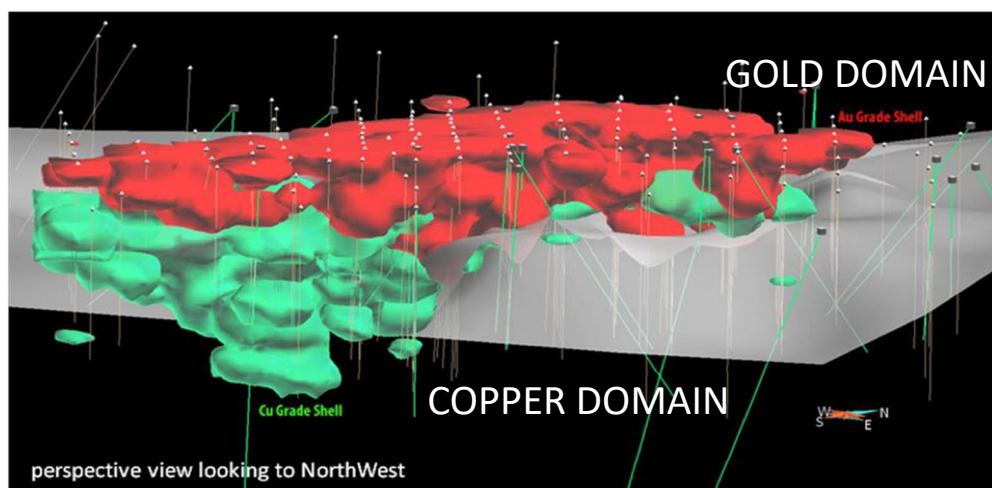
The indicated aggregate sales price for the La Demajagua concentrate is expected to be approximately US\$1,655 per dmt at current metal prices after discounts to the buyers, with annual after-tax profits expected to average around US\$38 million, based on a 9 year mine life.

# EL PILAR OXIDE DEPOSIT

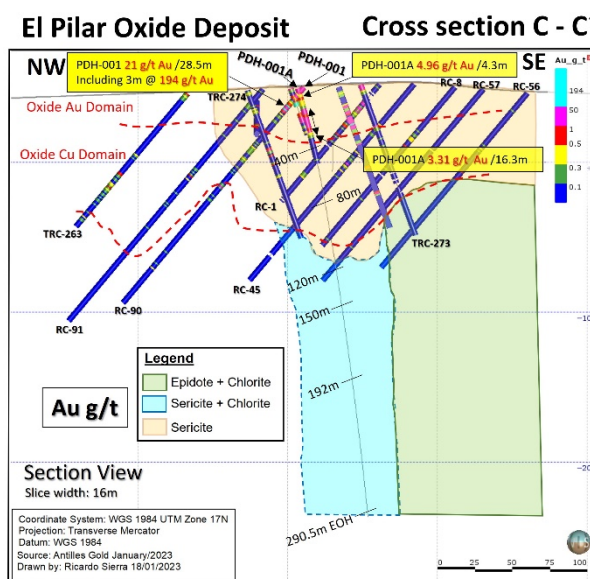
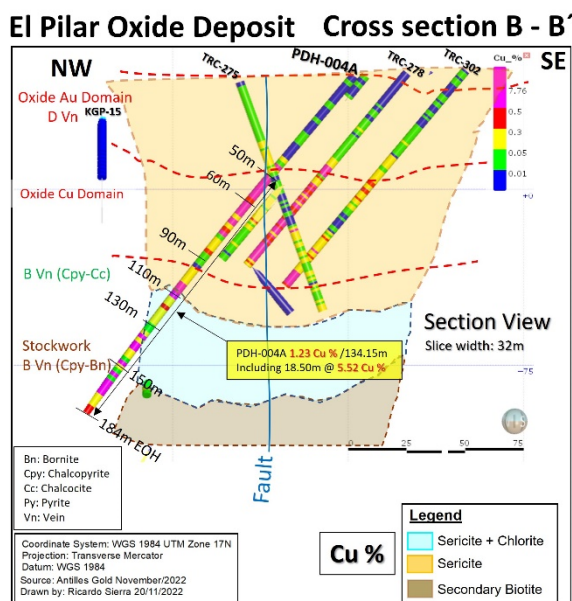
The gold and copper oxide domains which reach a depth of approximately 100m at El Pilar in central Cuba, are the phyllic cap to large underlying copper-gold porphyry deposits.

The results from 24,000m of historic drilling, and 1,800m undertaken by the Company during the reporting period are most encouraging, and justify an additional 7,000m program which is planned to commence in April 2023. Metallurgical test work has indicated a +80% recovery of gold in a concentrate.

The additional drilling will form part of a DFS to be undertaken in 2023 for a small low cost mine and concentrator that would initially produce a gold concentrate, and subsequently a copper-gold concentrate for export to China.

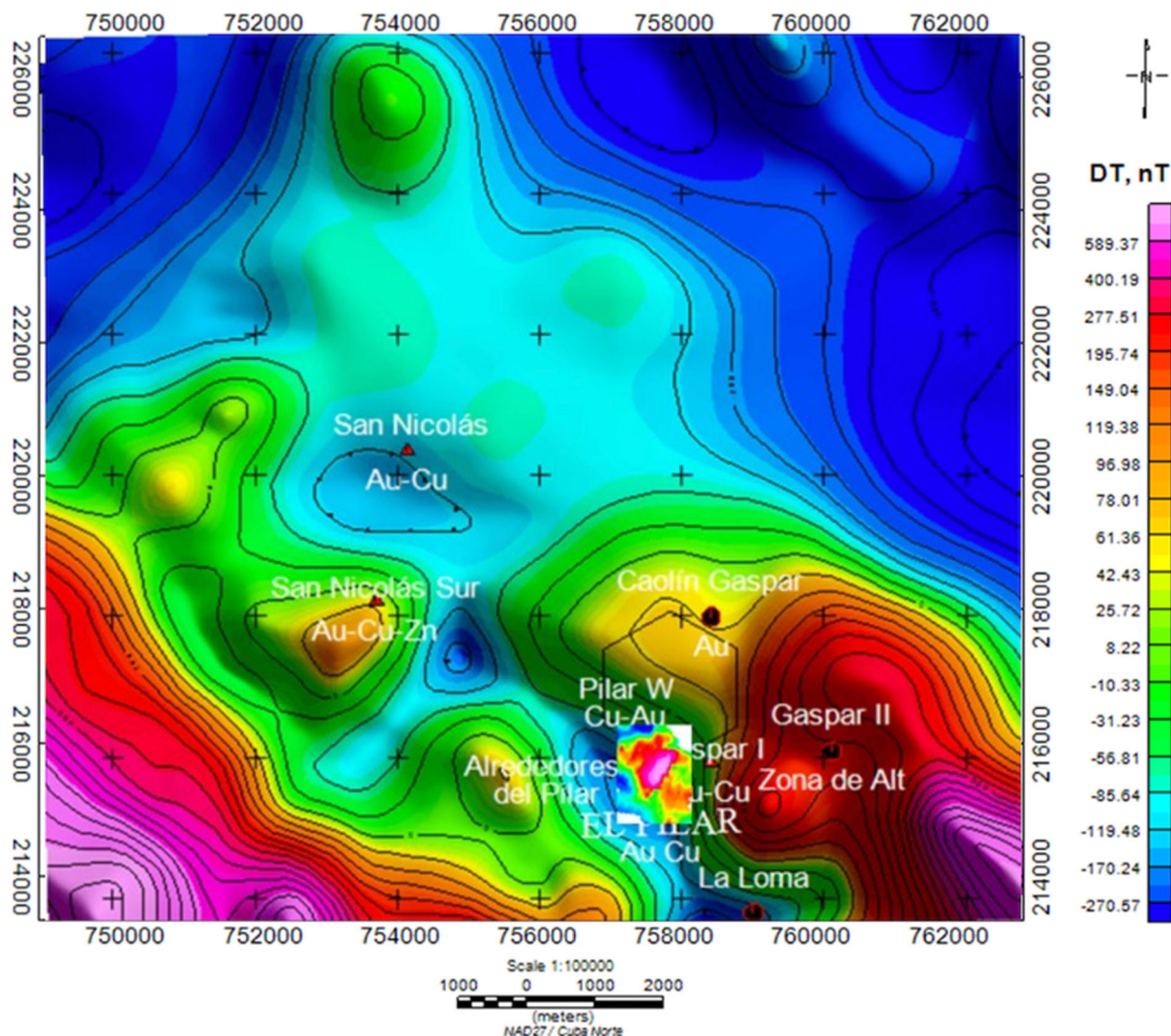


3D view of the previous drilling at El Pilar with the modelling of the Au and the underlying Cu ore bodies. The field of view of the image is about 500 m.



## EL PILAR PORPHYRY SYSTEM

A cluster of copper-gold porphyry deposits within the 17,800ha El Pilar concession, which is to be transferred to a new joint venture with GeoMinera, were originally explored by Canadian mining companies in the 1990's.



**Aeromagnetic Survey El Pilar Porphyry System**

Mapping, soil sampling, aeromagnetics, and 24,000m of shallow drilling was carried out on the overlying oxide deposit, and identified the exposures as being a large leached porphyry system.

Prospecting over the system by Antilles Gold during the reporting period indicated 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, and that the surface exposures of the deposits are leached phyllic caps to a cluster of copper-gold porphyry cores.

The three main deposits - El Pilar, Gaspar, and San Nicholas are individual porphyry intrusions and indicate the potential for multiple porphyry copper-gold discoveries.

All three deposits have undergone shallow drilling confirming the existence of copper-gold mineralization in weathered saprolite near surface.

The surficial hydrothermal alteration evident at El Pilar represents a classic porphyry phyllic cap and the dimensions of the phyllic alteration (upper part of in-situ porphyry systems), and a geophysical survey undertaken by Antilles Gold in February-March 2023, has indicated the porphyry intrusions have large dimensions, and a depth potentially greater than 1,000m.

The Company's Exploration Director considers the project is to be an advanced exploration prospect with multiple copper-gold porphyry targets with the potential for a major open pit mining operation.

A drilling program will commence at El Pilar following interpretation of the recently completed ground magnetic and IP surveys.

# DIRECTORS' REPORT

## FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their Report together with the financial statements on the consolidated entity being Antilles Gold Limited ("the Company") and the entities it controlled ("the Consolidated Group") for the year ended 31 December 2022.

### DIRECTORS

The following persons were Directors of the Company during the financial year and up to the date of this Report. Directors were in office for the entire period unless otherwise stated.

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

### PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Group during the year were:

- Expenditure of approximately US\$3.8 million on predevelopment activities for the La Demajagua open pit gold/silver mine in Cuba, including:
  - 8,000m of drilling
  - geological modelling
  - resource modelling
  - metallurgical test work
  - design for infrastructure, concentrator, and power station
  - advancement of permitting
  - progress on Scoping Study and Definitive Feasibility Study
- Continuation of arbitration proceedings for claims totalling approximately A\$45 million against the Dominican Republic Government.

### REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Sales of scrap materials and fully depreciated minor plant items for the Las Lagunas gold/silver project were US\$184,730 (2021: US\$313,832).

The net cash outflow from operations for the Group was US\$2,199,560 (2021: US\$2,702,724).

The consolidated loss before interest, depreciation, amortisation, impairment and government profit share for the year was US\$2,570,266 (2021: US\$2,451,222). The consolidated net loss for the year was US\$7,747,366 (2021: US\$3,834,419).

The net assets of the Consolidated Group were US\$11,197,403 (2021: US\$12,732,575).

Cash and cash equivalents as at the reporting date were US\$2,756,749 (2021: US\$3,337,398).

Arbitration and legal expenses during the year were approximately US\$912,000 (2021: US\$670,000).

Ongoing Group overheads have been maintained at approximately US\$1.1 million per year.

#### Corporate Activities

##### Share Placements

On 29 March 2022, the Company announced its intention to issue 50.0 million fully paid new shares at A\$0.065 each with one free option attaching to each two new shares issued. The new options may be exercised at A\$0.13 each on or before 30 April 2023. Applications for quotation of securities were released on 7 April 2022 for the issue of 44,784,614 ordinary fully paid shares and 23,392,307 listed options, including 1,000,000 issued to the Lead Manager, and on 21 April 2022 for the issue of 4,615,386 ordinary fully paid shares and 2,307,693 listed options. A total of A\$3.2 million (US\$2.4 million) was raised before costs.

## **DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2022

### **REVIEW OF OPERATIONS AND FINANCIAL RESULTS (CONTINUED)**

On 1 August 2022, the Company announced its intention to issue 61.0 million fully paid new shares at A\$0.05 each with one free option attaching to each three new shares issued. The new options may be exercised at A\$0.13 each on or before 30 April 2023. Applications for quotation of securities were released on 11 August 2022 for the issue of 49,139,520 ordinary fully paid shares and 15,713,174 listed options, on 18 August 2022 for the issue of 9,200,800 ordinary fully paid shares and 3,066,932 listed options, and on 13 October 2022 for the issue of 2,000,000 ordinary fully paid shares and 1,333,334 listed options. A total of A\$3.0 million (US\$2.1 million) was raised before costs.

On 6 December 2022, the Company announced its intention to issue 64.0 million fully paid new shares at A\$0.033 each. Applications for quotation of securities were released on 13 December 2022 for the issue of 9,230,304 ordinary fully paid shares, on 20 December 2022 for the issue of 41,296,062 ordinary fully paid shares, and on 5 January 2023 for the issue of 21,000,000 ordinary fully paid shares. A total of A\$2.36 million (US\$1.6 million) was raised before costs.

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

Significant changes in the state of affairs of the Consolidated Group during the financial year were as detailed above and in the Review of Projects.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Consolidated Group that occurred during the financial year under review not otherwise disclosed in this Report or in the consolidated accounts.

### **DIVIDENDS**

No dividends were paid during the year and no recommendation is made as to dividends (2021: Nil).

### **MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

- At a meeting with the Cuban Minister for Energy and Mines on 9 February 2023 it was agreed that Antilles Gold Inc's shareholding in the joint venture company, Minera La Victoria S.A., would be increased from 49% to 50%. Formalities to give effect to this change are progressing.
- At the same meeting it was agreed that Minera La Victoria could develop the previously explored El Pilar gold-copper oxide deposit in central Cuba.
- It was subsequently agreed with the relevant authorities that the El Pilar oxide deposit would be transferred to Minera La Victoria for US\$1.5 million, and that Antilles Gold Inc will contribute the same amount to the joint venture company as its 50% equity in this project.
- On 28 March 2023 a Resolution was passed by the Company to cancel the A\$1,000,000 Unsecured Loan with Conversion Rights Agreement which was entered into between the Company and Moonstar Investments Pty Ltd ("Moonstar") on 31 December 2022. This decision was reached following advice to the Company's legal counsel that the ASX would not provide a waiver of listing Rule 10.13.5 (ie. the requirement to issue conversion shares within one month of approval). As a consequence, every time Moonstar wished to convert part or all of the loan, shareholder approval would be required, and if granted would only have validity for one month. This arrangement is not satisfactory for Moonstar and not in keeping with the terms agreed, therefore Moonstar considered the Loan Agreement is no longer valid and sought to have the agreement cancelled.

### **LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS**

Likely or planned developments and the expected results of operations are detailed in the Review of Projects section of this Annual Report on pages 5 to 11.

### **ENVIRONMENTAL REGULATION AND PERFORMANCE**

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The Company (through a subsidiary) entered into a contract with the Dominican Government in 2005 which specifies the environmental regulations applicable to the Las Lagunas gold tailings project. There have been no known breaches of any environmental regulations during the year under review and up until the date of this Report.

#### INFORMATION ON DIRECTORS

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**Mr Brian Johnson. Executive Chairman**

B.Eng Civil (UWA) MIEAust  
Appointed 4 October 2005.

*Experience and expertise*

Mr Johnson is a graduate in civil engineering from the University of Western Australia and a Member of the Institute of Engineers, Australia with extensive experience in the construction and mining industries in Australia, South East Asia and North America. He was instrumental in establishing successful companies, Portman Limited and Mount Gibson Iron Limited in the iron ore industry, and South Blackwater Coal Limited and Austral Coal Limited in the coal sector. He has previously been a director of two listed gold producers, and of companies with stock exchange listings in London, New York, Vancouver, and Australia.

*Other current directorships of listed entities*

None

*Former listed company directorships in last 3 years*

None

*Interests in shares and options*

87,304,383 shares

3,000,000 options

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**Mr James Tyers Executive Director**

BAppSci (Mineral Exploration & Mine Geology) WA School of Mines, MBA (UWA) MAusIMM  
Appointed 24 November 2004.

*Experience and expertise*

Mr Tyers is a member of the AusIMM and has over 30 years' experience in the mining industry involving senior management roles in gold and iron ore operations. He was Alternate Manager for the Palm Springs Gold Mine in the Kimberley region of Western Australia, and Manager for the Cornishman Project, a joint venture between Troy Resources Limited and Sons of Gwalia Limited. Mr Tyers also spent three years developing and operating iron ore projects in the mid-west of Western Australia.

Mr Tyers was responsible for the development of the Las Lagunas Project, is Project Director for Minera La Victoria SA and is responsible for the evaluation and development of future projects.

*Other current directorships of listed entities*

None

*Former listed company directorships in last 3 years*

None

*Interests in shares, performance rights and options*

2,866,892 shares

753,356 options

4,000,000 performance rights

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## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### INFORMATION ON DIRECTORS (CONTINUED)

**Mr Ugo Cario Non-Executive Director.**

*B.Com (University of Wollongong), CPA*

*Appointed 25 March 2011.*

*Experience and expertise*

Mr Cario has over 30 years' of experience in the Australian mining industry. He was a Director and Chief Executive Officer of Rocklands Richfield Limited for four years, and Managing Director of Austral Coal Limited for eight years. Prior to Austral Coal, Mr Cario held a number of senior positions with the Conzinc Rio Tinto Australia Group. He is also a former Director of the Port Kembla Coal Terminal, the New South Wales Joint Coal Board, and Interim Chairman of the New South Wales Minerals Council in 2004.

*Other current directorships of listed entities*

None

*Former listed company directorships in last 3 years*

None

*Interests in shares and options*

262,403 shares

38,462 options

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**Ms Angela Pankhurst Non-Executive Director and Audit Committee Chairperson.**

*B.Bus (Curtin University), MAICD*

*Appointed 5 April 2012.*

*Experience and expertise*

Ms Pankhurst has over 20 years' experience as an executive and non-executive director primarily in the mining industry. She has been a senior executive for companies with projects in Kazakhstan, Nigeria, Vietnam, South Africa and Australia, including CFO then Finance Director for Antilles Gold until March 2009. She was Managing Director of Central Asia Resources Limited during the development of its first gold mine and processing facility.

*Other current directorships of listed entities*

Consolidated Zinc Limited

*Former listed company directorships in last 3 years*

None

*Interests in shares and options*

339,073 shares

33,906 options

### COMPANY SECRETARY

**Ms Pamela Bardsley.** Dip. Law (SAB), LLM (UTS), AGIA, ACIS

*Appointed Company Secretary 8 February 2022.*

*Experience and expertise*

Ms Bardsley is a Chartered Secretary with over 30 years' experience in general commerce, banking and finance. She also has over 20 years of experience in company secretary roles and was re-appointed Company Secretary of Antilles Gold Limited on 8 February 2022, having previously held the position between 14 December 2009 and 5 April 2019.



## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### MEETINGS OF DIRECTORS

The numbers of meetings Directors were eligible to attend during the reporting period and the number of meetings attended by each Director was as follows:

	Full Board		Audit Committee	
	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended
Brian Johnson	4	4	2	2
James Tyers	4	4	*	*
Ugo Cario	4	4	2	2
Angela Pankhurst	4	3	2	2

\* Not a member of the Audit Committee

### UNISSUED SHARES UNDER OPTIONS

Unissued ordinary shares of the Company under option at the date of this Report are:

Grant date	Expiry date	Exercise price (A\$)	Number under option
1 June 2021	30 April 2023	0.13	32,244,771
26 November 2021	30 April 2023	0.13	29,806,434
7 April 2022	30 April 2023	0.13	23,392,307
19 April 2022	30 April 2023	0.13	2,307,693
27 May 2022	30 April 2023	0.13	2,500,000
5 August 2022	30 April 2023	0.13	15,713,174
18 August 2022	30 April 2023	0.13	3,066,932
13 October 2022	30 April 2023	0.13	1,333,334
13 October 2022	30 April 2023	0.13	2,500,000
<b>Total listed options</b>			<b>112,864,645</b>

During 2021 the Company issued 32,248,243 listed options, free attaching to ordinary shares issued under a renounceable rights issue on a 1 for 2 basis and a further 29,806,434 listed options, free attaching to ordinary shares issued under a share placement announced to the ASX on 12 October 2021. 3,472 listed options were exercised during 2021.

In April 2022 the Company issued 25,700,000 listed options, free attaching to ordinary shares issued under a share placement on a 1 for 2 basis, including 1,000,000 for lead manager services.

On 27 May 2022 the Company issued 2,500,000 listed options to a finance broker in part payment of fees for services rendered.

Between 5 August 2022 and 13 October 2022 the Company issued a further 20,113,440 listed options, free attaching to ordinary shares issued under the share placement announced to the ASX on 1 August 2022 on a 1 for 3 basis.

On 13 October 2022 the Company issued 2,500,000 listed options for Consulting fees in lieu of cash payments.

These options do not entitle the holders to participate in any share issue of the Company or any other body corporate.

During the reporting period, there were no ordinary shares issued as a result of the exercise of listed options.

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### UNISSUED SHARES UNDER PERFORMANCE RIGHTS

The number of performance rights on issue in the Company at the date of this report is as follows. All of these performance rights are unlisted and over the ordinary shares of the Company.

Grant date	Vesting date	Exercise price (A\$)	Number under performance rights
5 July 2022	1 December 2023	-	1,666,666
5 July 2022	1 December 2024	-	1,666,666
5 July 2022	1 December 2025	-	2,666,668
15 November 2022	31 March 2024	-	800,000
15 November 2022	31 March 2025	-	800,000
15 November 2022	31 March 2026	-	2,400,000
<b>Total performance rights</b>			<b>10,000,000</b>

### SHARES ISSUED ON VESTING OF PERFORMANCE RIGHTS

During or since the end of the financial year, there were no shares issued as a result of the exercise of performance rights.

### CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Antilles Gold Limited support the principles of good corporate governance. The Company's Corporate Governance Statement has been released as a separate document and is located on our website at <http://www.antillesgold.net/governance&policies.html>.

### REMUNERATION REPORT (AUDITED)

This Remuneration Report, which has been audited, outlines the director and executive arrangements of the Company and the Consolidated Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report Key Management Personnel of the Consolidated Group are defined as those persons having authority and responsibility for planning, directing and controlling major activities of the Company and the Consolidated Group, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

The remuneration report is set out below under the following main headings:

- A. Remuneration philosophy
- B. Key management personnel
- C. Service agreements
- D. Details of remuneration
- E. Share-based compensation
- F. Additional information

#### **A. Remuneration philosophy**

The performance of the Company and Consolidated Group depends on the quality of its Directors and executives. To prosper, the Company must attract, motivate and retain highly skilled management personnel.

# DIRECTORS' REPORT (CONTINUED)

## FOR THE YEAR ENDED 31 DECEMBER 2022

### REMUNERATION REPORT (AUDITED) (CONTINUED)

To achieve this, the Company and Consolidated Group continue to develop and refine its remuneration policy to ensure that it:

- provides competitive rewards to attract high calibre executives; and
- links executive rewards to shareholder value.

The framework may provide a mix of fixed and variable pay, and a blend of short and long term incentives.

#### *Non-executive Director remuneration*

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive Directors' fees and payments are reviewed annually by the Board. Non-executive Directors' fees are determined within an aggregate Director's fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at A\$250,000 for all non-executive Directors.

#### *Executive Director remuneration*

The current base remuneration was last reviewed with effect from 1 July 2015 for the Executive Chairman and Executive Director. Details of their respective remuneration packages are set out in Section C. Service agreements, and Section D. Details of remuneration.

The Company is continuing to develop its executive reward framework to ensure reward for performance is competitive and appropriate for the results delivered. The framework aims to align executive reward with achievement of strategic objectives and the creation of value for shareholders. The current framework has four available components: base pay and benefits; performance-related bonuses; long term incentives through participation in the Performance Rights Plan; and other remuneration such as superannuation. The combination of these comprises the executive's total remuneration.

#### *Consolidated entity performance and link to remuneration*

Remuneration for certain individuals can be directly linked to performance of the Consolidated Group. A portion of bonus and incentive payments may be dependent on defined earnings per share targets being met. The remaining portion of the bonus and incentive payments is at the discretion of the Board. Refer to section F of the remuneration report for details of the last four years earnings and total shareholders return.

#### *Use of remuneration consultants*

During the financial year ended 31 December 2022, the Consolidated Group did not engage any remuneration consultants.

#### **B. Key Management Personnel**

For the purposes of this report Key Management Personnel (or "KMP") of the Consolidated Group are defined as those persons having authority and responsibility for planning, directing and controlling major activities of the Company and the Consolidated Group, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Name	Position	Employment period - 2022	Employment period - 2021
Brian Johnson	Executive Chairman	Full year	Full year
James Tyers	Executive Director	Full year	Full year
Ugo Cario	Non-executive Director	Full year	Full year
Angela Pankhurst	Non-executive Director	Full year	Full year

**REMUNERATION REPORT (AUDITED) (CONTINUED)**

**C. Service agreements**

Remuneration and other terms of employment for the Directors and the other KMP are formalised in service agreements. The major provisions of these agreements, including termination provisions are set out below:

Brian Johnson – Executive Chairman

- Agreement dated 1 July 2015 for a term of three years from 1 July 2015 to 30 June 2018. The term was extended to 31 December 2019 by amendment to the Agreement on 14 March 2017. On 30 August 2019 the Agreement was extended for a further period of one year, to 31 December 2020. On 2 September 2021 the Agreement was again extended for a further period of two years, to 31 December 2022 and on 31 December 2022 the Agreement was extended for a further 12 months to 31 December 2023;
- Management fees under current agreement as follows:
  - A\$480,000 per annum from 1 July 2015 to 30 June 2016;
  - A\$510,000 per annum from 1 July 2016 to 30 June 2017;
  - A\$540,000 per annum from 1 July 2017 to 30 June 2018 (extended to 31 December 2023);
- Eligible to participate in the Company's Performance Rights Plan;
- Termination notice required is three months by the employee, three months by the Company; and
- If the Company terminates the agreement, the Company is required to pay on termination the amount that would have been payable during the following 12 months, had there been no termination.

James Tyers – Executive Director

- Agreement dated 1 July 2015 for a three year period from 1 July 2015 to 30 June 2018. The term was extended to 31 December 2019 by amendment to the Agreement on 10 May 2018. On 30 August 2019 the Agreement was extended for a further period of one year, to 31 December 2020 and on 2 September 2021 the Agreement was again extended for a further period of two years, to 31 December 2022. On 27 December 2022 the term of the agreement was extended for a further period of two years, to 31 December 2024. All other terms and conditions remain unchanged;
- Remuneration as follows:
  - A\$360,000 per annum to 30 June 2016
  - A\$375,000 per annum to 30 June 2017
  - A\$390,000 per annum to 30 June 2018 (extended to 31 December 2024);
- The remuneration is to be reviewed annually in December. Each review will have regard to the employee's individual performance as measured against any KPI's set for the employee by the Board of Directors, and the financial performance of the Consolidated Group;
- Bonus payment to be considered by the Board of Directors annually in December;
- Eligible to participate in the Company's Performance Rights Plan;
- Termination notice required is three months by the employee, three months by the Company; and
- No termination benefits are payable unless the Company terminates the agreement without cause or the employee is made redundant, then the Company is required to payout one year's salary.

**D. Details of remuneration**

Details of the remuneration of the Directors and the other KMP of the Consolidated Group are set out in the following tables:

**DIRECTORS' REPORT (CONTINUED)**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**REMUNERATION REPORT (AUDITED) (CONTINUED)**

Year ended December 2022	Short Term	Post- employment			Remuneration consisting of share-based payments	Remuneration that is performance based
Name	Cash salary and fees US\$	Superannuation US\$	Performance Rights <sup>(1)</sup> US\$	Total US\$	%	%
<b>Executive Directors</b>						
Brian Johnson	374,021	-	-	374,021	-	-
James Tyers <sup>(2)</sup>	328,037	19,480	5,438	352,955	1.5	-
<b>Non-executive Directors</b>						
Ugo Cario	34,628	-	-	34,628	-	-
Angela Pankhurst	34,625	-	-	34,625	-	-
<b>Total</b>	<b>771,311</b>	<b>19,480</b>	<b>5,438</b>	<b>796,229</b>	<b>0.7</b>	<b>-</b>

(1) The value shown in the table above for share-based payments reflects the fair value of the share-based payment recognised as an expense for each person during the year.

(2) Cash salary and fees value includes unused annual and long service leave cashed out of US\$77,445 gross. The net amount received was US\$44,918 and this amount was applied directly to the purchase of 2,000,000 shares in the Company, in addition to the amount of US\$23,894 which was paid in cash to the Company by Mr Tyers.

Year ended December 2021	Short Term	Post- employment			Remuneration consisting of share-based payments	Remuneration that is performance based
Name	Cash salary and fees US\$	Superannuation US\$	Performance Rights US\$	Total US\$	%	%
<b>Executive Directors</b>						
Brian Johnson	503,138	-	-	503,138	-	-
James Tyers	273,687	19,226	-	292,913	-	-
<b>Non-executive Directors</b>						
Ugo Cario	37,404	-	-	37,404	-	-
Angela Pankhurst	45,977	-	-	45,977	-	-
<b>Total</b>	<b>860,206</b>	<b>19,226</b>	<b>-</b>	<b>879,432</b>	<b>-</b>	<b>-</b>

*Other transactions with Key Management Personnel*

During the year Mr Johnson was reimbursed for out of pocket expenses in relation to the business use of his private motor vehicle (US\$13,456).

In December 2022, the Company was provided with an unsecured A\$1,000,000 loan from Moonstar Investments Pty Ltd, a related party of Mr Johnson, on the following basis:

- maturity date – 31 March 2024
- early repayment at 3 days notice
- redraw available at 3 days notice
- interest rate – 8.0%pa paid monthly
- conversion rights to AAU shares up to A\$1,000,000, subject to any conversion not resulting in the shareholder exceeding a cap of 20% total holding in the Company, at \$0.05 prior to 31 March 2023, at \$0.07 between 1 April 2023 and 30 June 2023, at a 15% discount to the 15 day VWAP prior to conversion between 1 July 2023 and 31 March 2024, with a floor price of \$0.05.

The agreement for the unsecured loan with conversion rights was subsequently cancelled on 28 March 2023, as disclosed in the Matters Subsequent to the End of the Financial Year section of this Directors' Report and in Note 34 of the notes accompanying the financial statements.

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**DIRECTORS' REPORT (CONTINUED)**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**REMUNERATION REPORT (AUDITED) (CONTINUED)**

Amounts payable to KMP as at the date of this report, including GST where applicable, are set out in the following table:

	2022 US\$	2021 US\$
<b>Current Payables:</b>		
Brian Johnson – Management fees	134,740	71,833
Brian Johnson – Expense reimbursement	4,546	2,209
Ugo Cario – Non-executive Directors' fees	5,671	6,047
Angela Pankhurst – Non-executive Directors' fees	6,238	6,651
Angela Pankhurst – Consulting fees	-	479
James Tyers – Directors' fees accrued	20,015	21,438
	171,210	108,657

*Shareholdings of Key Management Personnel*

The number of shares in the parent entity held during the financial year by each Director and other members of KMP of the Consolidated Group, including their personally related parties, is set out below:

2022	Held at 1 Jan 2022	Additions	Disposals	Held at 31 Dec 2022
<i>Ordinary shares</i>				
Brian Johnson	79,168,333	4,819,399	-	83,987,732
James Tyers	866,892	2,000,000	-	2,866,892
Ugo Cario	262,403	-	-	262,403
Angela Pankhurst	339,073	-	-	339,073
<i>Listed options</i>				
Brian Johnson	3,000,000	-	-	3,000,000
James Tyers	86,689	666,667	-	753,356
Ugo Cario	38,462	-	-	38,462
Angela Pankhurst	33,906	-	-	33,906

2021	Held at 1 Jan 2021	Additions	Disposals	Held at 31 Dec 2021
<i>Ordinary shares</i>				
Brian Johnson	69,122,054	10,046,279	-	79,168,333
James Tyers	693,514	173,378	-	866,892
Ugo Cario	185,479	76,924	-	262,403
Angela Pankhurst	271,259	67,814	-	339,073
<i>Listed options</i>				
Brian Johnson	-	3,000,000	-	3,000,000
James Tyers	-	86,689	-	86,689
Ugo Cario	-	38,462	-	38,462
Angela Pankhurst	-	33,906	-	33,906

*Performance rights of Key Management Personnel*

The number of performance rights over shares in the parent entity held during the financial year by each director and other members of key management personnel of the Consolidated Group, including their personally related parties, is set out below:

**DIRECTORS' REPORT (CONTINUED)**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**REMUNERATION REPORT (AUDITED) (CONTINUED)**

2022	Held at 31 Dec 2021	Granted as remuneration	Exercised	Held at 31 Dec 2022
<i>Performance rights</i>				
James Tyers	-	4,000,000	-	4,000,000

All equity transactions with Key Management Personnel have been entered into under terms and conditions no more favourable than those the Consolidated Group would have adopted if dealing at arm's length.

**E. Share-based compensation**

*Employee performance rights plan*

The establishment of the employee performance rights plan was approved by shareholders at the 2010 Annual General Meeting, re-approved at the 2016 Annual General Meeting, and revised and re-approved again at the Company's General Meeting held on 11 October 2022. Under the plan, the Board may from time to time invite a full time employee or executive director of the Company or any wholly owned subsidiary or controlled entity of the Company whom the Board decides in its absolute discretion is eligible to be invited to receive a grant of rights in the plan, to participate in the plan and grant the eligible employee a right to acquire fully paid ordinary shares in the Company on conversion of the right as part of the eligible employee's remuneration.

Rights vest in three tranches, generally on 31 December of each year, over a three year period following approval by the Board. The number of rights granted to an employee is determined at the discretion of the Board and is generally based on a formula taking into account an employee's base salary, level within the Company and the Company's share price at the time of grant. Rights are granted to employees at no cost but may include non-market-based performance conditions. Rights automatically convert to shares on the vesting dates provided all vesting conditions have been met, however rights may be deferred after notification by the participant to the Board of Directors and that request has been approved.

*Performance rights holdings granted as remuneration*

Set out below is a summary of the unvested rights granted as compensation under the employee performance rights plan to key management personnel of the Consolidated Entity. There are no performance conditions or KPI's associated with any of these outstanding rights. The Board has exercised its discretion in allocating the performance rights to each employee on the basis of their base salary and level within the company. Unless an employee terminates their employment with the Company all rights will vest and convert to shares on the relevant vesting dates.

Name	Number of rights granted	Grant date	Vesting date	Fair value per right at grant date (US\$)	Fair value of rights granted <sup>1</sup> (US\$)	% Vested	% Forfeited	% Carried forward
James Tyers	800,000	15 Nov 2022	31 Mar 2024	0.0204	16,332	-	-	100
	800,000	15 Nov 2022	31 Mar 2025	0.0204	16,332	-	-	100
	2,400,000	15 Nov 2022	31 Mar 2026	0.0204	48,996	-	-	100

<sup>1</sup> The fair value of rights granted is determined using the market price of shares of the Company as at the close of trading on the date the rights are granted.

*Performance rights exercised during the period*

There were no performance rights exercised under the employee performance rights plan by Key Management Personnel of the Consolidated Group during the reporting period.

**F. Additional information**

*Remuneration, Company Performance and Shareholder Wealth*

The development of remuneration policies and structures are considered in relation to the effect on company performance and shareholder wealth. They are designed by the Board to align Director and executive behaviours with improving Company performance and, ultimately, shareholder wealth. The table below sets out the Company's

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### REMUNERATION REPORT (AUDITED) (CONTINUED)

share price, earnings per share and dividends at the end of the current year and each of the previous four financial years.

Financial year ended	Closing share price (USD)	Earnings per share (USD)	Dividends
31 December 2022	0.0204	(0.021)	-
31 December 2021	0.080	(0.016)	-
31 December 2020	0.060	0.019	-
31 December 2019	0.042	0.025	-
31 December 2018 *restated	0.023	(0.066)	-

*This concludes the Remuneration Report, which has been audited.*

#### 2021 Annual General Meeting

The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

### INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the Directors of the Company for costs incurred in their capacity as a Director for which they may be held personally liable, except where there is a lack of good faith.

In February 2019, the contract to insure the Directors of the Company against liability to the extent permitted by the Corporations Act 2001, expired. The Company was unable to renew the policy with its insurer due to the Company's activities in Cuba, and was unable to find an alternate provider to provide similar cover at a reasonable cost, so has not insured its Directors since then.

### INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

### NON-AUDIT SERVICES

No non-audit services were provided by the auditor during the financial year.

Should the auditor be engaged to provide non-audit services, the Directors satisfy themselves that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 via the following process:

- all non-audit services are reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.



**DIRECTORS' REPORT (CONTINUED)**  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**NON-AUDIT SERVICES (CONTINUED)**

**Officers of the company who are former audit partners of HLB Mann Judd**

There are no officers of the Company who are former audit partners of HLB Mann Judd.

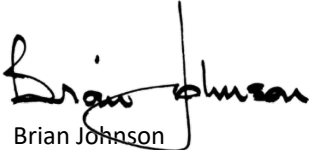
**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 25.

**AUDITOR**

HLB Mann Judd continues in office in accordance with section 327 of the Corporations Act 2001.

This Report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.



Brian Johnson  
Executive Chairman  
31 March 2023

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the consolidated financial report of Antilles Gold Limited for the year ended 31 December 2022, 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 audit; and
- b) any applicable code of professional conduct in relation to the audit.



**Perth, Western Australia**  
**31 March 2023**

**M R Ohm**  
**Partner**

**hlb.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

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# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 US\$	2021 US\$
Revenue	4	6,901	518
Other income	5	184,730	313,832
Project closure care and maintenance costs		(348,153)	(249,889)
Employee benefits – other than direct	6	(179,229)	(150,282)
Insurance costs		(19,549)	(31,608)
Occupancy costs		(3,214)	(38,221)
Legal and professional costs		(1,038,597)	(911,477)
Exploration and evaluation activities		(263,687)	(307,401)
Depreciation and amortisation expense	14, 15, 16	(402,569)	(383,896)
Finance costs	7	(1,000,052)	(999,301)
Impairment of assets	8, 16	(3,774,479)	-
Foreign exchange gain / (loss)		49,360	(145,191)
Fair value loss on investments		(46,287)	(193,413)
Other expenses		(763,586)	(738,090)
Share-based payments	33	(148,955)	-
<b>Loss before income tax expense</b>		<b>(7,747,366)</b>	<b>(3,834,419)</b>
Income tax expense	10	-	-
<b>Loss after income tax</b>		<b>(7,747,366)</b>	<b>(3,834,419)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation movement		(236,526)	(76,970)
Equity-accounted investees – share of other comprehensive income		470,596	397,794
<b>Total other comprehensive income net of tax for the year</b>		<b>234,070</b>	<b>320,824</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(7,513,296)</b>	<b>(3,513,595)</b>
Attributable to:			
Owners of the Parent Entity		(7,513,296)	(3,513,595)
<b>Total comprehensive income/(loss) for the year</b>		<b>(7,513,296)</b>	<b>(3,513,595)</b>

## Earnings per share for the year attributable to the members of Antilles Gold Ltd

Basic loss per share (cents per share)	32	(2.10)	(1.60)
Diluted loss per share (cents per share)	32	(2.10)	(1.60)

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

AT 31 DECEMBER 2022

	Note	2022 US\$	2021 US\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	11	2,756,749	3,337,398
Prepayments and deposits	12	265,038	399,080
<b>TOTAL CURRENT ASSETS</b>		<b>3,021,787</b>	<b>3,736,478</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	14	141,839	1,717
Right-of-use assets	15	43,795	83,003
Intangible assets	16	-	4,135,235
Deferred exploration and evaluation expenditure	17	679,078	-
Investment in a joint venture	18	23,549,866	23,079,270
Investments in shares	19	102,302	159,630
<b>TOTAL NON-CURRENT ASSETS</b>		<b>24,516,880</b>	<b>27,458,855</b>
<b>TOTAL ASSETS</b>		<b>27,538,667</b>	<b>31,195,333</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	21	927,804	847,744
Provisions	22	451,515	497,172
Lease liabilities	15	28,175	34,935
Joint venture future contributions payable	18	5,417,530	8,990,550
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,825,024</b>	<b>10,370,401</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	23	677,500	-
Lease liabilities	15	17,487	48,367
Joint venture future contributions payable	18	8,821,253	8,043,990
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>9,516,240</b>	<b>8,092,357</b>
<b>TOTAL LIABILITIES</b>		<b>16,341,264</b>	<b>18,462,758</b>
<b>NET ASSETS</b>		<b>11,197,403</b>	<b>12,732,575</b>
<b>EQUITY</b>			
Contributed equity	24	90,663,071	84,786,290
Reserves	25	(1,626,621)	(1,962,034)
Accumulated losses		(77,839,047)	(70,091,681)
<b>TOTAL EQUITY</b>		<b>11,197,403</b>	<b>12,732,575</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Ordinary Shares US\$	Equity Reserve US\$	Options Reserve US\$	Performance Rights Reserve US\$	Foreign Currency Translation Reserve US\$	Share of Joint Venture's Other Comprehensive Income Reserve US\$	Accumulated Losses US\$	Total US\$
<b>Balance as at 1 January 2021</b>	<b>79,590,223</b>	<b>(11,773,880)</b>	<b>3,920,449</b>	<b>1,386,963</b>	<b>4,017,227</b>	-	<b>(66,257,262)</b>	<b>10,883,720</b>
Loss for the year	-	-	-	-	-	-	(3,834,419)	(3,834,419)
Other comprehensive income	-	-	-	-	(76,970)	397,794	-	320,824
<b>Total comprehensive income for the year</b>	-	-	-	-	(76,970)	397,794	(3,834,419)	(3,513,595)
<b>Transactions with owners in their capacity as owners:</b>								
Shares Issued	5,754,501	-	-	-	-	-	-	5,754,501
Transaction costs on share issue	(633,081)	-	-	-	-	-	-	(633,081)
Share-based payments	74,647	-	166,383	-	-	-	-	241,030
<b>Balance as at 31 December 2021</b>	<b>84,786,290</b>	<b>(11,773,880)</b>	<b>4,086,832</b>	<b>1,386,963</b>	<b>3,940,257</b>	<b>397,794</b>	<b>(70,091,681)</b>	<b>12,732,575</b>

	Ordinary Shares US\$	Equity Reserve US\$	Options Reserve US\$	Performance Rights Reserve US\$	Foreign Currency Translation Reserve US\$	Share of Joint Venture's Other Comprehensive Income Reserve US\$	Accumulated Losses US\$	Total US\$
<b>Balance as at 1 January 2022</b>	<b>84,786,290</b>	<b>(11,773,880)</b>	<b>4,086,832</b>	<b>1,386,963</b>	<b>3,940,257</b>	<b>397,794</b>	<b>(70,091,681)</b>	<b>12,732,575</b>
Loss for the year	-	-	-	-	-	-	(7,747,366)	(7,747,366)
Other comprehensive income	-	-	-	-	(236,526)	470,596	-	234,070
<b>Total comprehensive income for the year</b>	-	-	-	-	(236,526)	470,596	(7,747,366)	(7,513,296)
<b>Transactions with owners in their capacity as owners:</b>								
Shares issued	6,096,386	-	-	-	-	-	-	6,096,386
Shares to be issued	69,439	-	-	-	-	-	-	69,439
Transaction costs on share issue	(354,419)	-	-	-	-	-	-	(354,419)
Share-based payments	65,375	-	58,464	42,879	-	-	-	166,718
<b>Balance as at 31 December 2022</b>	<b>90,663,071</b>	<b>(11,773,880)</b>	<b>4,145,296</b>	<b>1,429,842</b>	<b>3,703,731</b>	<b>868,390</b>	<b>(77,839,047)</b>	<b>11,197,403</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 US\$	2021 US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		191,531	141,972
Payments to suppliers and employees		(2,179,853)	(2,536,382)
Payments for projects, exploration and evaluation activities		(215,955)	(307,401)
Interest received		6,901	518
Interest paid		(2,184)	(1,431)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	31	<b>(2,199,560)</b>	<b>(2,702,724)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	14	(146,464)	-
Payments for exploration and evaluation activities	17	(679,078)	-
Payments for joint venture capital contributions	18	(3,793,625)	(3,212,074)
Receipts from discontinued investments		-	36,225
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(4,619,167)</b>	<b>(3,175,849)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	24	6,165,825	5,754,501
Payment of share issue costs		(336,656)	(392,051)
Proceeds from borrowings	23	677,500	-
Lease payments	15	(33,904)	(22,178)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		<b>6,472,765</b>	<b>5,340,272</b>
<b>NET DECREASE IN CASH HELD</b>		<b>(345,962)</b>	<b>(538,301)</b>
Cash at the beginning of the financial year		3,337,398	3,875,699
FX movement in opening balances		(234,687)	-
<b>CASH AT THE END OF FINANCIAL YEAR</b>		<b>2,756,749</b>	<b>3,337,398</b>

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

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2022

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes financial statements for the Consolidated Group consisting of Antilles Gold Limited and its subsidiaries for the year ended 31 December 2022.

#### (a) Reporting Entity

Antilles Gold Limited (the "Company") is a company limited by shares, incorporated and domiciled in Australia and is a for-profit entity. The address of the Company's registered office is 55 Kirkham Road, Bowral, NSW, Australia. The consolidated financial statements of the Company as at and for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group" or "Consolidated Group" and individually as "Group Entities"). The financial report is presented in US dollars, which is the Consolidated Group's functional and presentational currency.

The financial statements were approved by the Board of Directors on 30 March 2023. The Directors have the power to amend and reissue the financial statements.

#### (b) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001, as appropriate for for-profit oriented entities.

##### (i) Statement of Compliance

These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

##### (ii) Parent Disclosures

The Group has applied amendments to the Corporations Act (2001) that remove the requirement for the Group to lodge parent entity financial statements. Parent entity financial statements have been replaced by the specific parent entity disclosures in Note 35.

##### (iii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial instruments.

##### (iv) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

#### (c) Changes in significant accounting policies

The accounting policies applied in these financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2021. A number of new standards and amendments, summarised below, are effective from 1 January 2022 but they do not have a material effect on the Group's financial statements:

- AASB 2021-3 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021*
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For Profit and Not-for-Profit Tier 2 Entities*

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 31 DECEMBER 2022

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- AASB 2021-1 Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities
- AASB 2022-2 Amendments to Australian Accounting Standards – Extending Transition Relief under AASB 1
- AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose
- AASB 2022-4 Amendments to Australian Accounting Standards – Disclosures in Special Purpose Financial Statements of Certain For-Profit Private Sector Entities
- AASB 2022-3 Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

#### (d) 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 17 Insurance Contracts; AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts; and AASB 2022-1 Amendments to Australian Accounting Standards – Initial application of AASB 17 and AASB 9 – Comparative Information. **Effective Date: 1 January 2023**  
AASB 17 supersedes AASB 4 Insurance Contracts and similarly applies to insurance contracts. The classification of insurance contracts is similar to AASB 4 however unbundling rule changes may mean some contract components now need to be measured under AASB 17. The new standard contains a lower level of aggregation/smaller portfolios, changes to contract boundaries and valuation approaches, the application of Contractual Service Margins to policies valued under certain methodologies, changes in treatment to reinsurance and an ability to use OCI for changes in asset values. The amendments add a new transition option to AASB 17 to alleviate operational complexities and one-time accounting mismatches in comparative information between insurance contract liabilities and related financial assets on the initial application of AASB 17. It allows presentation of comparative information about financial assets to be presented in a manner that is more consistent with AASB 9 Financial Instruments. The directors anticipate that the adoption of AASB 17 will not have an impact on the Group's financial statements.
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates. **Effective Date: 1 January 2023**  
AASB 2021-2 amendments provide a definition of and clarifications on accounting estimates and clarify the concept of materiality in the context of disclosure of accounting policies. The directors anticipate that the adoption of AASB 2021-2 will not have an impact on the Group's financial statements.
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction. **Effective Date: 1 January 2023**  
The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences and clarify that the exemption does not apply to transactions such as leases and decommissioning obligations. The directors anticipate that the adoption of AASB 2021-5 will not have an impact on the Group's financial statements.
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current; AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date; and AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants. **Effective Date: 1 January 2024**  
AASB 2020-1 amends AASB 101 Presentation of Financial Statements to require a liability to be classified as current when companies do not have a substantive right to defer settlement at the end of the reporting period. AASB 2020-6 defers the mandatory effective date of amendments that were originally made in AASB 2020-1 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022. AASB 2022-6 specified that only covenants with which an entity must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

AASB 2022-6 further defers the mandatory effective date of amendments that were originally made in AASB 2020-1 and AASB 2020-6 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2024 instead of 1 January 2023. The directors anticipate that the adoption of AASB 2020-1 may have an impact on the Group's financial statements but the impact is not able to be quantified.

- **AASB 2022-5 Amendments to Australian Accounting standards – Lease Liability in a Sale and Leaseback. Effective Date: 1 January 2024**

The amendments introduce a new accounting model for how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. It confirms the following:

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

The directors anticipate that the adoption of AASB 2022-5 will not have an impact on the Group's financial statements.

- **AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture; 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. Effective Date: 1 January 2025**

The amendments require the full gain or loss to be recognised when the assets transferred meet the definition of a 'business' under 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.

- **AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial assets of Not-for-Profit Public Sector Entities (NFP)(PS). Effective Date: 1 January 2024**

AASB 2022-10 amends AASB 13 Fair Value Measurement to modify the application of AASB 13 in relation to non-financial assets of NFP public sector entities not held primarily for their ability to generate net cash inflows. The directors anticipate that the adoption of AASB 2022-10 will not have an impact on the Group's financial statements.

**(e) Foreign currency translation**

*(i) Functional and presentation currency*

All items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in United States dollars, unless otherwise stated, which is Antilles Gold Limited's functional and presentation currency.

*(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 31 DECEMBER 2022

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (iii) Companies in the Consolidated Group

The results and financial position of all the companies in the Consolidated Group (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentational currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the day of that Statement of Financial Position;
- income and expenses for each Statement of Profit or Loss and Other Comprehensive Income are translated at an average exchange rate (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in the foreign exchange reserve in the Statement of Profit or Loss and Other Comprehensive Income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments are taken to foreign exchange reserve in equity. When a foreign operation is sold or borrowings repaid a proportionate share of such exchange differences are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

#### (f) Going concern

The Consolidated Group incurred a loss of US\$7,747,366 (2021: US\$3,834,419) and had net cash outflows from operations and investing activities of US\$6,818,727 (2021: US\$5,878,573). As at 31 December 2022, the Consolidated Group's current liabilities exceeded its current assets by US\$3,803,237 (2021: US\$6,633,923).

The Las Lagunas Gold Tailings Project in the Dominican Republic finished production in December 2019. The Company's rights and obligations in relation to the Las Lagunas Project are governed by the "Special Contract" entered into with the Dominican Government. As outlined in Note 29, a number of disputes with the Government have been submitted for arbitration under the rules of the World Bank's International Centre for Settlement of Investment Disputes (ICSID) in Washington DC.

The Group has 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 mine. Minera La Victoria was registered in August 2020. The Group has committed to provide a total of US\$25.9 million of equity capital to Minera La Victoria across two stages of development. The first stage, totalling US\$13.0 million, is payable between Q4 2020 and Q4 2023 to progress feasibility studies and pay for infrastructure for the La Demajagua open pit gold/silver mine. At 31 December 2022 the amount remaining to be paid for stage 1 is US\$5.75 million, which is scheduled to be paid between Q1 2023 and Q4 2023.

The Directors are confident of obtaining the necessary funds for the project in Cuba through the issue of equity and/or borrowings and of a favourable outcome from the arbitration process, 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, in the event of the Company being unsuccessful in raising additional equity and/or securing debt financing, 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 YEAR ENDED 31 DECEMBER 2022

### 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Impairment of non-financial assets*

The Consolidated Group tests impairment of non-financial assets (other than goodwill and other indefinite life intangible assets) at each reporting date by evaluating conditions specific to the Consolidated Group and to the particular asset that may lead to impairment or reversal of previously recorded impairment expense, in accordance with the accounting policies stated in Notes 8 and 16. During the year ended 31 December 2022, the Consolidated Group wrote off in full its development cost intangible asset, recording an impairment expense of \$3,774,479, as during the period, management assessed that the Albion process will not be suitable for use at the La Demajagua project.

#### *Deferred tax assets*

The Consolidated Group has made a judgement to not recognise carried forward tax losses (revenue and capital losses) in the accounts as there is uncertainty that future profits will be available against which the losses can be utilised. Refer to Note 10 for further information.

#### *Estimates on share-based payment expenses*

As discussed in Note 33, expenses are recorded by the Group for share-based payments. The fair value of listed options granted is determined using the market value of the listed options on their grant date. For unlisted options, the fair value is determined using the Black Scholes option valuation methodology which takes into account the underlying share at grant date, the term of the option, the risk-free interest rate and share price volatility. Expected volatility is estimated by considering historic average share price volatility. The risk-free interest rate is based on government bonds.

The fair value of performance rights with non-market based vesting conditions is determined using the market price of shares of the Company as at the close of trading on the date the rights are granted.

#### *Amortisation of development costs*

The intangible asset for development costs is amortised based on its expected useful life. Refer to Note 16 for further information.

#### *Provision for Government share of excess cash flow (PUN)*

Under the terms of the Special Contract between EnviroGold (Las Lagunas) Limited ("EVGLL") and the Dominican Republic Government ("DR Government"), EVGLL is required to make payments (known as PUN payments) to the DR Government at the rate of 25% of the excess cash generated by the Las Lagunas gold tailings project once the cumulative cash flow from operations exceeds the initial capital investment in the project. The provision represents the estimated PUN payment at balance date.

#### *Joint venture future contributions payable*

The joint venture future contributions payable are the net present value of the deferred joint venture capital contributions at an 8% discount rate. Interest is charged to the Statement of Profit or Loss and Other Comprehensive Income to unwind the liability back to the undiscounted amount payable.

#### *Unsecured loan with conversion rights*

The Company entered into an agreement for an unsecured loan with conversion rights, with a face value of A\$1,000,000 on 31 December 2022. The convertible rights have a mechanism for the holder to convert the loan into shares in the Company ("conversion right") in three tranches. The face value of the financial liability is deemed to be the value of the conversion right (the derivative liability) and residual debt liability component. The debt liability component is amortised at each reporting period using the effective interest method. The derivative liability component is revalued at each reporting date over the life of the agreement.

**2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)**

The Black Scholes option pricing model is used to determine the value of the conversion rights, taking into account the underlying share price at grant date, the term of the conversion right, the risk-free interest rate and share price volatility. The Black Scholes option pricing model assumes the option holder will exercise at expiry, ie. the right will be converted on maturity. Expected volatility is estimated by considering historic average share price volatility over one, two and three year trading periods. The risk-free interest rate is based on the yields of Commonwealth bonds using a two year bond rate for the conversion rights on the valuation date.

A Monte Carlo simulation is used to predict the possible future share prices of the Company to determine the conversion price for tranche 3 conversion rights. This approach simulates share price movements using assumptions of lognormally distributed prices for 500,000 simulations, assesses whether, at any point in time the vesting conditions for each conversion right has been achieved, averages the payoff values over the range of resultant outcomes, and then discounts the expected payoff at the risk-free rate to get an estimate of the value of the conversion rights.

The Group obtained an independent valuation to determine the fair value of the financial liability.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

## 3. 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 by 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, its Albion/CIL plant design 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 table presents revenue and profit information for business segments for the years ended 31 December 2022 and 31 December 2021.

### Information about reportable segments

	Las Lagunas Project		Albion/CIL Plant Design		Cuban Project		Others		Consolidated	
	2022 US\$	2021 US\$	2022 US\$	2021 US\$	2022 US\$	2021 US\$	2022 US\$	2021 US\$	2022 US\$	2021 US\$
External revenue	184,730	112,316	-	-	-	-	-	-	184,730	112,316
Inter-segment revenue	-	-	-	-	-	-	-	201,516	-	201,516
Interest revenue	4	14	-	-	-	-	6,897	504	6,901	518
Interest expense	(297)	(329)	-	-	(997,868)	(997,870)	(1,887)	(1,102)	(1,000,052)	(999,301)
Depreciation and amortisation	(11,411)	(7,833)	(360,756)	(360,755)	(3,136)	-	(27,266)	(15,308)	(402,569)	(383,896)
Other income	-	-	-	-	-	-	-	-	-	-
Reportable segment profit / (loss) before income tax	(588,330)	(544,064)	(4,135,235)	(360,755)	(1,409,726)	(1,424,700)	(1,614,075)	(1,504,900)	(7,747,366)	(3,834,419)
<b>Other material non-cash items:</b>										
Foreign exchange gain / (loss)	(5,057)	(8,342)	-	-	35,720	(6,859)	18,697	(129,990)	49,360	(145,191)
Interest on deferred settlement of contributions	-	-	-	-	(997,868)	(997,870)	-	-	(997,868)	(997,870)
Share-based payments	-	-	-	-	(15,367)	-	(133,588)	(241,030)	(148,955)	(241,030)
Impairment loss	-	-	(3,774,479)	-	-	-	-	-	(3,774,479)	-
Segment assets	2,201,005	2,109,624	-	4,135,235	24,594,247	23,638,862	39,179,739	33,117,799	65,974,991	63,001,520
Capital expenditure	-	-	-	-	822,400	-	3,142	-	825,542	-
Segment liabilities	1,730,801	1,049,816	-	-	14,373,342	17,338,832	40,057,986	32,100,349	56,162,129	50,488,997

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2022

### 3. SEGMENT REPORTING (CONTINUED)

#### Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

	2022 US\$	2021 US\$
<b>Revenues</b>		
Total revenue for reportable segments	184,730	313,832
Consolidated revenue	184,730	313,832

	2022 US\$	2021 US\$
<b>Assets</b>		
Total assets for reportable segments	65,974,991	63,001,520
Elimination of investments in subsidiaries	(27,202,260)	(22,320,044)
Elimination of intercompany loans and interest	(39,820,865)	(32,026,239)
Elimination of provision for intercompany loans	28,586,801	21,931,565
Elimination of head office expenses charged to Las Lagunas project	-	608,531
Consolidated total assets	27,538,667	31,195,333

	2022 US\$	2021 US\$
<b>Liabilities</b>		
Total liabilities for reportable segments	56,162,129	50,488,997
Elimination of intercompany loans and interest	(39,820,865)	(32,026,239)
Consolidated total liabilities	16,341,264	18,462,758

#### Geographical information

<b>Geographical non-current assets</b>	2022 US\$	2021 US\$
Dominican Republic	4,754	16,167
Cuba	24,369,130	23,079,270
Australia	142,996	4,363,418
	24,516,880	27,458,855

#### Accounting Policies

##### Segment reporting

The Consolidated Group applies AASB 8 *Operating Segments* and determines its operating segments to be based on its projects as this is how the business is organised and reported internally. Operating segments are subject to risks and returns that are different to those of segments operating in other economic environments.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 31 DECEMBER 2022

### 4. REVENUE

	2022 US\$	2021 US\$
<b>Revenue from continuing operations</b>		
<i>Other revenue</i>		
Interest received	6,901	518
	<b>6,901</b>	<b>518</b>

#### Accounting Policies

##### Revenue recognition

###### *Interest revenue*

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset, and when there is control of the right to receive the interest payment.

### 5. OTHER INCOME

	2022 US\$	2021 US\$
Gain on sale of scrap	7,866	33,137
Gain on sales of fully depreciated assets	176,864	280,695
	<b>184,730</b>	<b>313,832</b>

#### Accounting Policies

##### Revenue recognition

###### *Sales of scrap and fully depreciated assets*

Revenue is recognised when the customer obtains control of the product and selling price can be determined with reasonable accuracy. Sales revenue represents gross proceeds recoverable from the customer.

Under AASB 15, each sale is a separate customer contract whereby revenue is recognised at a point in time upon delivery to the customer. The full risk of the material passes to the customer when the customer takes delivery.

### 6. PROFIT / (LOSS) BEFORE TAX

Profit / (Loss) includes:

	2022 US\$	2021 US\$
Employee costs - salaries	156,938	140,340
Employee costs – superannuation	10,569	12,332
Employee costs – other	11,722	(2,390)
	<b>179,229</b>	<b>150,282</b>

#### Accounting Policies

##### Employee benefits

###### (i) *Wages, salaries, annual and sick leave*

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Consolidated Group expects to pay as at reporting date including related on-costs, such as, workers compensation insurance and payroll tax.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 31 DECEMBER 2022

### 6. PROFIT / (LOSS) BEFORE TAX (CONTINUED)

#### (ii) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as a personnel expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income when they are due.

### 7. FINANCE COSTS

		2022 US\$	2021 US\$
Lease interest		2,184	1,431
Interest on deferred settlement of contributions	(i)	997,868	997,870
		<b>1,000,052</b>	<b>999,301</b>

(i) Joint venture future contributions payable, as described in Note 18, 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.

### 8. IMPAIRMENT OF ASSETS

		2022 US\$	2021 US\$
Albion/CIL processing plant design costs	16	3,774,479	-
		<b>3,774,479</b>	<b>-</b>

#### Accounting Policies

##### Impairment of assets

The carrying amounts of the Consolidated Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

Intangible assets that have an indefinite useful life or are not yet available for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in the circumstances indicate that they might be impaired.

The recoverable amount is estimated each year at the same time. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

##### Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 31 DECEMBER 2022

### 8. IMPAIRMENT OF ASSETS (CONTINUED)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

#### *Impairment reversals*

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. If such an indication exists, the Consolidated Group estimates the recoverable amount of the asset. An impairment loss is reversed if the recoverable amount is in excess of its carrying value. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

### 9. GOVERNMENT SHARE OF CASH FLOW (PUN)

	2022 US\$	2021 US\$
Net cumulative cash flow subject to PUN	(162,527)	(266,105)
PUN Payment @ 25%	-	-
	-	-

### 10. INCOME TAX

Numerical reconciliation of income tax expense to prima facie tax payable

	2022 US\$	2021 US\$
(Loss) / profit before income tax	(7,747,366)	(3,834,419)
Tax at the Australian tax rate of 30% (2021 - 30%)	(2,324,210)	(1,150,326)
Tax effect of Dominican Republic profits exempt from tax <sup>(i)</sup>	176,499	163,219
Non-deductible expenses	1,182,359	-
Tax losses not brought to account	965,352	987,107
Income tax expense	-	-

(i) Subsidiary company, EnviroGold (Las Lagunas) Limited ("EVGLL") and the Dominican Republic Government are parties to a Special Contract which exempts EVGLL from income tax in return for the Government receiving a 25% share of excess cash flows (PUN), as defined by the Special Contract. Refer to Notes 9 and 22 for further details.

### Accounting Policies

#### Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

## 10. INCOME TAX (CONTINUED)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributed to amounts recognised directly in equity are also recognised directly in equity.

### *Tax consolidation legislation*

Antilles Gold Limited and its wholly-owned Australian subsidiary, Antilles Gold Technologies Pty Ltd, implemented the tax consolidation legislation from 14 November 2005. Antilles Gold Limited is the head entity in the tax consolidated group. On adoption of the tax consolidation legislation, the entities in the tax consolidated group did not enter into a tax sharing agreement.

## 11. CASH AND CASH EQUIVALENTS

	2022 US\$	2021 US\$
Cash at bank and on hand	2,736,334	3,315,630
Cash on deposit	20,415	21,768
	<b>2,756,749</b>	<b>3,337,398</b>

### Accounting Policies

#### Cash and cash equivalents

Cash on hand and in banks and short-term deposits are stated at nominal value.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of any outstanding bank overdrafts. For sensitivity on cash amounts refer to Note 26 on interest rate risk and foreign exchange sensitivity.

## 12. PREPAYMENTS AND DEPOSITS (CURRENT)

	2022 US\$	2021 US\$
Prepayments and bonds	70,267	40,999
Prepaid future capital contributions	173,829	358,081
Prepaid exploration and evaluation expenditure	20,942	-
	<b>265,038</b>	<b>399,080</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**13. SUBSIDIARIES**

Name	Country of Incorporation	Percentage of equity interest held by the Consolidated Group	
		2022 %	2021 %
Antilles Gold Technologies Pty Ltd	Australia	100	100
EnviroGold (Las Lagunas) Limited <sup>(1)</sup>	Vanuatu	100	100
Antilles Gold Inc <sup>(1)</sup>	Cayman Islands	100	100
PanTerra Mining Finance Inc.	BVI	100	100
PanTerra Gold Inc.	BVI	100	100
PanTerra Gold Investments Inc. <sup>(2)</sup>	BVI	100	100
PanTerra Gold (Dominicana) S.A. <sup>50% (2) &amp; 50% (3)</sup>	Dominican Republic	100	100

<sup>(1)</sup> Investment held by Antilles Gold Technologies Pty Ltd

<sup>(2)</sup> Investment held by PanTerra Gold Inc. (BVI)

<sup>(3)</sup> Investment held by PanTerra Gold Investments Inc. (BVI)

**Accounting Policies**

**Principles of consolidation**

*(i) Subsidiaries*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Antilles Gold Limited ("Company" or "Antilles Gold") as at the 31 December 2022 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Consolidated Group has control. The Consolidated Group controls an entity when the Consolidated Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Consolidated Group. Losses incurred by the Consolidated Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**13. SUBSIDIARIES (CONTINUED)**

(ii) *Acquisition of additional shares in a subsidiary*

Changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners).

Transactions with non-controlling interests that increase or decrease the Group's ownership interest in a subsidiary, but which do not result in a change of control, are accounted for as transactions with equity owners of the Group. An adjustment is made between the carrying amount of the Group's controlling interest and the carrying amount of the non-controlling interests to reflect their relative values in the subsidiary. Any difference between the amount of the adjustment to the non-controlling interest and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Antilles Gold Limited.

**14. PROPERTY, PLANT & EQUIPMENT**

2022	Mine Buildings and Plant US\$	Plant & Equipment US\$	Total US\$
<b>Cost</b>			
Balance 31 December 2021	67,512,011	9,867,883	77,379,894
Additions	-	146,464	146,464
Balance 31 December 2022	<b>67,512,011</b>	<b>10,014,347</b>	<b>77,526,358</b>
<b>Accumulated Depreciation</b>			
Balance 31 December 2021	(47,653,680)	(9,866,166)	(57,519,846)
Depreciation expense	-	(6,342)	(6,342)
Balance 31 December 2022	<b>(47,653,680)</b>	<b>(9,872,508)</b>	<b>(57,526,188)</b>
<b>Impairment</b>			
Balance 31 December 2021	(19,858,331)	-	(19,858,331)
Balance 31 December 2022	<b>(19,858,331)</b>	-	<b>(19,858,331)</b>
<b>Carrying Value 31 December 2022</b>	<b>-</b>	<b>141,839</b>	<b>141,839</b>
<hr/>			
2021	Mine Buildings and Plant US\$	Plant & Equipment US\$	Total US\$
<b>Cost</b>			
Balance 31 December 2020	67,512,011	9,867,883	77,379,894
Additions	-	-	-
Balance 31 December 2021	<b>67,512,011</b>	<b>9,867,883</b>	<b>77,379,894</b>
<b>Accumulated Depreciation</b>			
Balance 31 December 2020	(47,653,680)	(9,863,069)	(57,516,749)
Depreciation expense	-	(3,097)	(3,097)
Balance 31 December 2021	<b>(47,653,680)</b>	<b>(9,866,166)</b>	<b>(57,519,846)</b>
<b>Impairment</b>			
Balance 31 December 2020	(19,858,331)	-	(19,858,331)
Impairment	-	-	-
Balance 31 December 2021	<b>(19,858,331)</b>	-	<b>(19,858,331)</b>
<b>Carrying Value 31 December 2021</b>	<b>-</b>	<b>1,717</b>	<b>1,717</b>

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

## 14. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

### Accounting Policies

#### Property, plant and equipment

All classes of property, plant and equipment are initially measured at cost and are assessed at each reporting date to ensure that the carrying value is not in excess of its recoverable amount. Depreciation is provided on all property, plant and equipment using either the straight-line method or the units of production method to write-off the net cost amount of each item of property, plant and equipment over its expected useful life to the Consolidated Group.

Assets within operations where the useful life is not dependent on the quantities of gold and silver produced are generally depreciated on a straight-line basis over the estimated useful lives of the assets as follows:

Mine buildings and plant	2 – 7 years
Leasehold Improvements	2 – 7 years
Plant and Equipment	2 – 7 years

#### Units of production method

Where the useful life of an asset is directly linked to the extraction of gold and silver, the asset is depreciated using the units of production method. The units of production method is an amortised charge proportional to the depletion of the estimated proven and probable reserves. The cost of construction of the process plant and mine buildings is depreciated using the units of production method.

The mining operation at the Las Lagunas gold tailings project came to an end in December 2019 and as a consequence the mine buildings and process plant were fully depreciated at the end of that year.

## 15. LEASE ASSETS AND LIABILITIES

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 lease assets

	Office Premises US\$	Office Equipment US\$	Total US\$
<b>2022</b>			
Balance at 1 January 2022	78,984	4,019	83,003
Additions	-	-	-
Depreciation charge for the year	(34,619)	(852)	(35,471)
Foreign currency adjustment	(3,502)	(235)	(3,737)
<b>Balance at 31 December 2022</b>	<b>40,863</b>	<b>2,932</b>	<b>43,795</b>
<b>2021</b>			
Balance at 1 January 2021	13,701	-	13,701
Additions	100,384	4,620	105,004
Depreciation charge for the year	(19,819)	(225)	(20,044)
Foreign currency adjustment	(15,282)	(376)	(15,658)
<b>Balance at 31 December 2021</b>	<b>78,984</b>	<b>4,019</b>	<b>83,003</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**15. LEASE ASSETS AND LIABILITIES (CONTINUED)**

Lease liabilities	2022 US\$	2021 US\$
<b>Maturity analysis – contractual undiscounted cash flows</b>		
Less than one year	29,261	37,203
One to five years	17,853	49,913
More than five years	-	-
<b>Total undiscounted lease liabilities</b>	<b>47,114</b>	<b>87,116</b>
<b>Lease liabilities included in the statement of financial position</b>		
Current	28,175	34,935
Non-current	17,487	48,367
<b>Amounts recognised in profit or loss</b>		
	<b>2022 US\$</b>	<b>2021 US\$</b>
Interest on lease liabilities	2,184	1,431
Expenses relating to short-term leases	-	20,211
<b>Amounts recognised in the statement of cash flows</b>		
	<b>2022 US\$</b>	<b>2021 US\$</b>
Total cash outflow for leases	33,904	22,178

**16. INTANGIBLE ASSETS**

	2022 US\$	2021 US\$
<b>Development costs</b>		
<b>Albion/CIL processing plant design costs</b>		
Balance at the beginning of the year	4,135,235	4,495,990
Amortisation expense	(360,756)	(360,755)
Impairment loss	(3,774,479)	-
<b>Total intangible assets</b>	<b>-</b>	<b>4,135,235</b>

**Accounting Policies**

**Intangibles**

*Development assets*

When the technical and commercial feasibility of an undeveloped mining project has been demonstrated the project enters its development phase. The cost of the project assets are transferred from exploration and evaluation expenditure and reclassified into development phase and include past exploration and evaluation costs, development drilling, feasibility studies and other subsurface expenditure. Once commercial operation commences capitalised development costs are amortised in proportion to the amount of the resource that has been depleted during the relevant period.

Amortisation of mine development is computed by the units of production basis over the estimated proved and probable reserves. Proved and probable mineral reserves reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known mineral deposits. These reserves are amortised from

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**16. INTANGIBLE ASSETS (CONTINUED)**

the date on which production commenced. The amortisation is calculated on the basis of volume of material mined from recoverable proven and probable reserves on a monthly basis and is included in the depreciation and amortisation expense line in the Statement of Profit or Loss and Other Comprehensive Income.

During the half year ended 30 June 2018 the directors re-assessed the useful life and value of the intangible assets established for development of the Las Lagunas project in the Dominican Republic. Prior to this date the development intangible assets were fully attributable to this project and had been amortised over the life of the project on a depletion of resource basis. However, on the basis of the engineering design and associated drawings having ongoing application and value when reviewing new prospects, or developing new projects, the directors formed the opinion that the development intangible asset will be used again with only minor modifications. The directors therefore re-assessed the useful life of the development intangible asset to be 15 years from June 2018, and the asset was identified as "Albion/CIL processing plant design costs".

The amortised written down value of the Albion/CIL processing plant design costs asset as at 30 June 2018, being the date of the change of accounting estimate, was US\$5,398,993. This carried forward value is amortised on a straight line basis over the re-assessed useful life of 15 years.

*Impairment*

The intangible asset, "Albion/CIL processing plant design costs" was originally established for development of the Las Lagunas project in the Dominican Republic and that project came to an end in December 2019. The asset is not currently in use for any projects of the Group, therefore the Directors have determined that this represents an impairment indicator.

The Group had negotiated to utilise the Albion process in the joint venture with the Cuban Government's mining company, GeoMinera SA, to develop the La Demajagua gold mine. Under the terms of the Joint Venture Agreement, the Group were to charge the JV Company a fee for the transfer of technology equal to 1.5% of the JV's sales proceeds from gold and silver. The cash-generating unit (CGU) has been determined as being the Albion/CIL processing plant design costs and the recoverable amount of the CGU was determined based on a value in use calculation using cash flow projections based on a Preliminary Economic Assessment (PEA) for stage one of the project. However, after extensive testwork to determine the suitability of the Albion process for the oxidation and recovery of gold and silver from the concentrate to be produced at La Demajagua was completed during the year, the results determined that the Albion process is not suitable for use at La Demajagua, either technically or economically. As the Company does not have any other potential projects where the technology could be utilised, an impairment charge was required and the balance of the intangible asset "Albion/CIL processing plant design costs" has been written down to zero.

**17. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE**

	2022	2021
	US\$	US\$
Balance at the beginning of the year	-	-
Current year costs	679,078	-
Closing balance	679,078	-
<b>Total deferred exploration and evaluation expenditure</b>	<b>679,078</b>	<b>-</b>

**Accounting Policies**

*Deferred exploration and evaluation costs*

The expenditure which was capitalised in deferred exploration and evaluation expenditure during the reporting period related to the Cuban exploration programs on major copper targets, including the El Pilar copper-gold porphyry system, and the New Horizons polymetallic mineral belt. Both of these concessions are held in an Exploration Agreement with Cuban Government owned mining company, GeoMinera SA, but will be transferred to joint ventures after a review of their potential by Antilles Gold.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

## 17. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE (CONTINUED)

Deferred exploration and evaluation expenditure for each area of interest is carried forward where rights to the tenure of the area of interest are current and costs are expected to be recouped through revenue derived from the area of interest or sale of that area of interest, or exploration and evaluation activities have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest are continuing. Deferred exploration and evaluation expenditure for an area of interest which does not satisfy the above policy is not carried forward as an asset and is written off in the statement of profit or loss and other comprehensive income.

Exploration and evaluation expenditure incurred is accumulated separately for each identifiable area of interest. Such expenditure comprises net direct costs, and an appropriate portion of related overhead expenditure, but does not include general overheads or administration expenditure not having a specific nexus with a particular area of interest. Accumulated costs in relation to an abandoned area are written off to the statement of profit or loss and other comprehensive income in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

The recoupment of costs carried forward in relation to areas in the exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

## 18. JOINT VENTURE – INVESTMENT AND COMMITMENTS

In August 2020 the Group acquired a 49% interest in 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, GMC is required to pay for its 51% shareholding by providing the mining licence and historical data and information, with a fair value of US\$27,000,000. The Group is required to pay for its 49% shareholding by making capital contributions of US\$25,941,176 to fund the development of the mine. The Group's contributions are required to be made across two stages of development, with the first stage to be paid for progressively over a two and a quarter year period, commencing in Q4 of 2020 and ending in Q4 of 2022. The first stage of development was delayed by one year following disruptions to the drilling program and definitive feasibility studies, as a result of the worldwide Covid19 pandemic during 2020 and 2021. The second stage is to be paid for over a one year period between Q3 of 2026 and Q2 of 2027, however, should the pre-feasibility study results be non-acceptable, the Group shall be released from its obligation to pay the second stage equity contributions destined for the development of the underground mine.

### Accounting Policies

A joint venture is an arrangement where the parties have joint control of the arrangement and have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Joint ventures are accounted for using the equity method.

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

<b><u>Net assets of joint venture at formation date</u></b>	<b>US\$</b>
Intangible assets	27,000,000
Cash	100,000
Other receivables - future capital contributions	19,188,726
	<b><u>46,288,726</u></b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**18. JOINT VENTURE – INVESTMENT AND COMMITMENTS (CONTINUED)**

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

<b>Investment in a joint venture</b>	<b>2022 US\$</b>	<b>2021 US\$</b>
Group's share of net assets at formation date – 49%	22,681,476	22,681,476
Group's share of other comprehensive income – 49%	868,390	397,794
<b>Group's carrying amount of the investment</b>	<b>23,549,866</b>	<b>23,079,270</b>

**Movements of Group's share of other comprehensive income:**

Carrying amount at the start of the year	397,794	-
Other comprehensive income during the year	470,596	397,794
Carrying amount at the end of the year	<b>868,390</b>	<b>397,794</b>

<b>Future capital contributions</b>	<b>2022 US\$</b>	<b>2021 US\$</b>
Future contributions payable – beginning balance	17,034,540	19,099,970
Contributions paid during the year	(3,793,625)	(3,063,300)
Interest on deferred settlement of contributions	997,868	997,870
	<b>14,238,783</b>	<b>17,034,540</b>

<b>Future capital contributions</b>	<b>2022 US\$</b>	<b>2021 US\$</b>
Future contributions payable – current	5,417,530	8,990,550
Future contributions payable – non-current	8,821,253	8,043,990
	<b>14,238,783</b>	<b>17,034,540</b>

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:**

	<b>2022 US\$</b>	<b>2021 US\$</b>
Current assets	124,873	118,383
Non-current assets	48,324,830	47,881,450
Current liabilities	(388,753)	(899,281)
<b>Equity</b>	<b>48,060,950</b>	<b>47,100,552</b>
Group's share in equity - 49%	23,549,866	23,079,270
<b>Group's carrying amount of the investment</b>	<b>23,549,866</b>	<b>23,079,270</b>

A small loss 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.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**19. INVESTMENTS IN SHARES**

	2022 US\$	2021 US\$
Shares Black Dragon Gold Corp	102,302	159,630
	<b>102,302</b>	<b>159,630</b>

The Group subscribed for 11,000,000 shares in TSX Listed Black Dragon Gold Corp (“BDG”) to assist in funding exploration of a Spanish gold prospect of interest to the company. In May 2018 BDG completed a consolidation of its issued and outstanding common shares on the basis of three (3) pre-consolidation common shares, options and warrants to one (1) post consolidation common share, option or warrant. BDG was listed on the ASX on 29 August 2018 (ASX: BDG) and de-listed from the TSX on 28 February 2019. The 3,666,666 post consolidation shares are shown at fair value through profit or loss. Unlisted warrants attached to the shares have been valued and determined to be immaterial.

**Accounting Policies**

Investments in shares are initially recognised at cost and subsequently carried at fair value. Fair value is determined at each reporting date, based on the prevailing market price of the shares. Changes in fair values are recognised in profit or loss.

**20. FAIR VALUE MEASUREMENT**

*Fair value hierarchy*

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability.

<b>Consolidated – 2022</b>	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
<b>Assets</b>				
Listed equity investments	102,302	-	-	102,302
<b>Total assets</b>	<b>102,302</b>	<b>-</b>	<b>-</b>	<b>102,302</b>

<b>Liabilities</b>				
Derivative liability	-	125,628	-	125,628
<b>Total liabilities</b>	<b>-</b>	<b>125,628</b>	<b>-</b>	<b>125,628</b>

<b>Consolidated – 2021</b>	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
<b>Assets</b>				
Listed equity investments	159,630	-	-	159,630
<b>Total assets</b>	<b>159,630</b>	<b>-</b>	<b>-</b>	<b>159,630</b>

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**21. TRADE & OTHER PAYABLES**

	Note	2022 US\$	2021 US\$
Current			
Trade creditors			
Other corporations		663,305	727,246
Director related entities	30	151,195	87,219
Accruals		113,304	33,279
		<b>927,804</b>	<b>847,744</b>

**Accounting Policies**

**Trade and other payables**

Trade and other payables are recognised for amounts to be paid in the future for goods and services received. Trade accounts payable are normally settled within 60 days.

**22. PROVISIONS (CURRENT)**

	2022 US\$	2021 US\$
Employee benefits (expected to be settled within 12 months)	164,031	209,688
Government share of cash flow (PUN)	287,484	287,484
	<b>451,515</b>	<b>497,172</b>

**Movements of employee benefits provision:**

Carrying amount at the start of the year	209,688	281,370
Amounts paid during the year	(45,657)	(71,682)
Carrying amount at the end of the year	<b>164,031</b>	<b>209,688</b>

**Accounting Policies**

**Provisions**

A provision is recognised when there is a legal, equitable or constructive obligation as a result of past transactions or other past events and it is probable that a future sacrifice of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain.

If the effect is material, a provision is determined by discounting the expected future cash flows (adjusted for expected future risks) required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks that are specific to the liability most closely matching the expected future payments. The unwinding of the discount is treated as part of the expense related to the particular provision.

*Government share of excess cash flow (PUN)*

Under the terms of the Special Contract between EnviroGold (Las Lagunas) Limited ("EVGLL") and the Dominican Republic Government ("DR Government"), EVGLL is required to make payments (known as PUN payments) to the DR Government at the rate of 25% of the excess cash generated by the Las Lagunas gold tailings project once the cumulative cash flow from operations, for the first time exceeds the initial capital investment in the project. This first occurred during 2018, therefore an annual provision representing the estimated PUN payment is calculated and recognised at balance date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**23. BORROWINGS (NON-CURRENT)**

<i>Unsecured loan with conversion rights</i>	2022 US\$	2021 US\$
Financial liability at amortised cost	551,872	-
Derivative liability at fair value through profit or loss	125,628	-
	<b>677,500</b>	<b>-</b>
Financial liability at amortised cost		
Opening balance	-	-
Proceeds from borrowings	677,500	-
Fair value of embedded derivative at inception	(125,628)	-
Closing balance	<b>551,872</b>	<b>-</b>
Derivative liability at fair value through profit or loss		
Opening balance	-	-
Fair value of embedded derivative at inception	125,628	-
Closing balance	<b>125,628</b>	<b>-</b>

*Shareholder loan / conversion rights agreement*

On 31 December 2022, Moonstar Investments Pty Ltd, a trustee company associated with the Executive Chairman, Mr Brian Johnson, provided the company with an unsecured A\$1,000,000 loan on the following basis:

- maturity date – 31 March 2024
- early repayment at 3 days notice
- redraw available at 3 days notice
- interest rate – 8.0%pa paid monthly
- conversion rights to AAU shares up to A\$1,000,000, subject to the noteholder not exceeding a cap of 20% total holding in the Company:
  - between 1 January 2023 and 31 March 2023 at A\$0.05 each;
  - between 1 April 2023 and 30 June 2023 at A\$0.07 each; and
  - between 1 July 2023 and 31 March 2024 at a 15% discount to the 15 day VWAP applicable 7 days prior to 31 March 2024, with a floor price of \$0.05

The agreement for the unsecured loan with conversion rights was subsequently cancelled on 28 March 2023, as disclosed in Note 34.

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Financial liabilities that are designated as at fair value are subsequently remeasured to their fair value at each reporting date.

Conversion rights are accounted for as follows:

- Contracts that exhibit the characteristics of equity ie they pass the ‘fixed for fixed test’ are accounted as equity.
- Contracts that exhibit characteristics of a liability are recognised as a liability in the statement of financial position, net of transaction costs.
- Compound contracts– the embedded derivative is separated from the host contract. The derivative is initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The host contract is accounted for at amortised cost with the effective interest being the difference between the face value of the contract less the embedded derivative and the coupon interest rate. If the contract contains one or more embedded derivatives, the Group may designate the entire contract as at fair value through profit or loss.

*Derivative financial instruments*

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date.

The Group obtained an independent valuation of the fair value of the embedded derivative contained in its loan agreement. The estimate of fair value is a level 2 on the fair value hierarchy.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**24. CONTRIBUTED EQUITY**

	2022 US\$	2021 US\$
<b>Issued and paid up capital</b>		
Ordinary shares fully paid	90,663,068	84,786,287
Preference shares fully paid	3	3
	<b>90,663,071</b>	<b>84,786,290</b>
<b>Movements in ordinary shares on issue</b>		
	2022	
	Number	US\$
Balance 31 December 2021	304,004,961	84,786,287
Share placements	181,266,686	6,096,386
Share-based payments	2,038,986	65,375
Shares to be issued (i)	3,000,000	69,439
Capital raising costs	-	(354,419)
<b>Balance 31 December 2022</b>	<b>490,310,633</b>	<b>90,663,068</b>

(i) The amount of US\$69,439 (A\$99,000) disclosed as "Shares to be issued" was received by the Company on 21 December 2022 from Moonstar Investments Pty Ltd, a trustee company associated with the Executive Chairman, Mr Brian Johnson. The issue of 3,000,000 shares is subject to shareholder approval, which is expected to be received at a General Meeting of Shareholders to be held on 24 April, 2023.

	2021	
	Number	US\$
Balance 31 December 2020	195,141,649	79,590,220
Rights issue allotments to shareholders	55,766,201	2,811,289
Rights issue allotments for lead manager costs	1,480,738	74,647
Share placements	51,612,901	2,942,880
Options exercised	3,472	332
Capital raising costs	-	(633,081)
<b>Balance 31 December 2021</b>	<b>304,004,961</b>	<b>84,786,287</b>

*Terms and conditions of contributed equity*

Ordinary shares have no par value. Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote either in person or by proxy, at a meeting of the Company.

The five non-redeemable preference shares were issued to Balmoral Corporation Pty Limited following approval by the members of an ultimately failed merger proposal. The dividend on these shares is 5% per annum and is cumulative.

**Options issued**

	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	62,051,205	-	62,051,205	0.13	0.13	485
Options issued	50,813,440	-	50,813,440			
Options exercised	-	-	-			
<b>Balance at end of year</b>	<b>112,864,645</b>	<b>-</b>	<b>112,864,645</b>	<b>0.13</b>	<b>0.13</b>	<b>120</b>

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 31 DECEMBER 2022

### 24. CONTRIBUTED EQUITY (CONTINUED)

#### Listed options

In April 2022, the Company issued 25,700,000 listed options to participants in a new share placement in which every participating shareholder received one free attaching option for every two shares issued. Of the 25,700,000 options issued, 1,000,000 were for Lead Manager services.

In May 2022, the Company issued 2,500,000 listed options to an investor relations consultant in part payment of fees for services rendered (refer Note 33).

Between August 2022 and October 2022, the Company issued 20,113,440 listed options to participants in a new share placement in which every participating shareholder received one free attaching option for every three shares issued.

In October 2022, the Company issued 2,500,000 listed options to an investor relations consultant in part payment of fees for services rendered (refer Note 33).

All options issued during 2022 are exercisable at A\$0.13 each on or before 30 April 2023.

### Accounting Policies

#### Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

### 25. RESERVES

	2022 US\$	2021 US\$
Equity reserve	(11,773,880)	(11,773,880)
Option reserve	4,145,296	4,086,832
Performance rights reserve	1,429,842	1,386,963
Foreign currency translation reserve	3,703,731	3,940,257
Share of joint venture's other comprehensive income reserve	868,390	397,794
	<b>(1,626,621)</b>	<b>(1,962,034)</b>

#### Equity reserve

The Equity reserve of \$11,773,880 is a consequence of the Consolidated Group acquiring 30% of the shares in EnviroGold (Las Lagunas) from Grimston World Inc. on 3 December 2010. The increase in ownership from 70% to 100% was accounted for as an equity transaction.

#### Option reserve

The option reserve records the following items:

- i) Directors and employees options granted and recognised as expenses;
- ii) Options granted to Macquarie Bank Limited under the terms of its funding agreement with the Consolidated Group;
- iii) Proceeds received by Antilles Gold Limited from a non-renounceable rights issue in January 2010;
- iv) Options granted under the terms of Shareholder Loan agreements;
- v) Options granted to CAMIF under the terms of its Option Subscription agreement with the Company;
- vi) Options granted to Lead Managers for services provided in the renounceable rights issue in May 2021 and share placements in October 2021.
- vii) Options granted to Lead Managers for services provided in share placements in April 2022.
- viii) Options granted to consultants in part payment of fees for services rendered in May 2022 and October 2022.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 31 DECEMBER 2022

### 25. RESERVES (CONTINUED)

#### *Performance rights reserve*

The performance rights reserve is used to recognise the fair value of performance rights issued to employees.

#### *Foreign currency translation reserve*

Exchange differences arising on translation of the Australian Parent Entity (Antilles Gold Limited) and Australian Subsidiary (Antilles Gold Technologies Pty Ltd) are taken to the foreign currency translation reserve, as described in Note 1 (e).

### 26. FINANCIAL INSTRUMENTS

The Consolidated Group is focused on the development of projects which will allow for extraction of gold and silver from refractory ore with the current focus on projects in Cuba. As such, the Consolidated Group is exposed to market risk (foreign exchange), credit risk, interest rate risk and liquidity risk.

The Consolidated Group does not enter into or trade financial instruments, including derivative financial instruments for speculative purposes. The use of financial instruments and the overall risk management strategy of the Consolidated Group are governed by the Board of Directors and is primarily focused on ensuring that the Consolidated Group is able to finance its business plans.

#### **Market risk**

##### *Foreign exchange risk*

The major foreign exchange exposure of the Consolidated Group is to the Australian Dollar, with the corporate overheads and administration costs incurred in Australian Dollars, and to the Canadian Dollar and the Euro with the establishment of bank accounts for the payment of costs associated with the joint venture in Cuba.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and using sensitivity analysis and cash flow forecasting.

The carrying amount of the Consolidated Group's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

	Assets		Liabilities	
	2022 US\$	2021 US\$	2022 US\$	2021 US\$
Australian Dollars	1,627,022	3,160,361	1,031,066	373,276
Canadian Dollars	30,105	138,263	50,458	12,880
Euro	7,074	82,161	11,368	42,526
Dominican Pesos	8,145	1,619	7,598	17,026
Vanuatu Vatu	742	786	-	-
Pound Sterling	-	-	280,446	67,383
	1,673,088	3,383,190	1,380,936	513,091

##### *Foreign exchange sensitivity*

The Consolidated Group had net assets denominated in foreign currencies of US\$292,152 (assets US\$1,673,088 less liabilities US\$1,380,936) as at 31 December 2022 (2021: US\$2,870,099 (assets US\$3,383,190 less liabilities US\$513,091)).

The following table sets out the estimated impact on the Consolidated Group's post-tax loss as a result of fluctuations in the exchange rates for the major foreign currency exposures with all other variables held constant:

2022	AUD	CAD	EUR	DOP	GBP	TOTAL
<b>USD Weakened %</b>	-9%	-4%	-9%	-4%	-11%	
Increase in post-tax loss for the year (USD)	57,011	(574)	(402)	5	(30,561)	25,479
<b>USD Strengthened %</b>	11%	6%	9%	5%	14%	
Decrease in post-tax loss for the year (USD)	(65,756)	841	401	(7)	37,991	(26,530)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**26. FINANCIAL INSTRUMENTS (CONTINUED)**

2021	AUD	CAD	EUR	DOP	GBP	TOTAL
<b>USD Weakened %</b>	-6%	-4%	-4%	-1%	-3%	
Increase in post-tax loss for the year (USD)	163,174	(5,380)	1,884	(260)	(2,188)	157,230
<b>USD Strengthened %</b>	7%	3%	5%	3%	4%	
Decrease in post-tax loss for the year (USD)	(191,244)	4,042	(2,400)	420	2,746	(186,436)

The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months and the spot rate at each reporting date.

**Interest rate risk**

The main exposure of the Consolidated Group to interest rate risk arises from the interest received on cash surpluses invested with banks.

*Interest rate sensitivity*

Based on the financial asset instruments held at 31 December 2022, had the AUD cash on deposit interest rate increased/decreased by 2.16% during the year (2021: 0.345%), with all other variables held constant, the Consolidated Group's post-tax loss for the year would have been US\$26,671 higher/lower (2021: US\$5,671 higher/lower), mainly as a result of cash and cash equivalents.

The percentage change is based on the expected volatility of interest rates taking into consideration movements over the last 12 months.

**Credit risk**

The Consolidated Group is exposed to credit risk if a counterparty to a financial instrument fails to meet its contractual obligation. Such a risk arises principally in relation to trade receivables, receivables due from related parties in regards to the parent and cash deposits with banks or other financial institutions.

Credit risk is managed on a Consolidated Group basis. Credit risk arises from trade receivables, cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

The Group believes that no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and Notes to the Financial Statements. There are no material amounts of collateral held as security at 31 December 2022. Credit risk is reviewed regularly. The maximum credit risk exposure relating to financial assets is represented by their respective carrying values as at the Statement of Financial Position date.

All financial assets held at the date of the Statement of Financial Position in respect of the Consolidated Group and the Parent were neither past due nor impaired.

**Liquidity risk**

Vigilant liquidity risk management requires the Consolidated Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Consolidated Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**26. FINANCIAL INSTRUMENTS (CONTINUED)**

*Remaining contractual maturities*

The following tables detail the Consolidated Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the Statement of Financial Position.

	Weighted average interest rate %	1 year or less US\$	Between 1 and 2 years US\$	Between 2 and 5 years US\$	Over 5 years US\$	Remaining contractual maturities US\$
<b>2022</b>						
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade & other payables	-	927,804	-	-	-	927,804
<i>Interest bearing</i>						
Joint venture contributions payable	8%	5,758,598	-	12,970,588	-	18,729,186
Lease liabilities	3.69%	29,260	16,335	1,519	-	47,114
Financial liability at amortised cost	8%	-	551,872	-	-	551,872
Total non-derivatives		6,715,662	568,207	12,972,107	-	20,255,976
<b>Derivatives</b>						
Derivative liability at FVTPL		-	125,628	-	-	125,628
		-	125,628	-	-	125,628
		6,715,662	693,835	12,972,107	-	20,381,604

	Weighted average interest rate %	1 year or less US\$	Between 1 and 2 years US\$	Between 2 and 5 years US\$	Over 5 years US\$	Remaining contractual maturities US\$
<b>2021</b>						
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade & other payables	-	847,744	-	-	-	847,744
<i>Interest bearing</i>						
Joint venture contributions payable	8%	9,552,223	-	6,000,000	6,970,588	22,522,811
Lease liabilities	3.57%	37,203	30,877	19,036	-	87,116
Total non-derivatives		10,437,170	30,877	6,019,036	6,970,588	23,457,671

*Fair value estimation*

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. Techniques such as estimated discounted cash flows, are used to determine fair value of the financial instruments. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Consolidated Group for similar financial instruments.

The Consolidated Group has a number of financial instruments which are not measured at fair value in the Statement of Financial Position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature. No significant differences were identified for any of the financial instruments at 31 December 2022.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

## 26. FINANCIAL INSTRUMENTS (CONTINUED)

### Capital risk management

The Consolidated Group's and parent entity's objectives when managing capital is to safeguard their ability to continue as a going concern, maximise returns for shareholders and to reduce the cost of capital. To ensure that all financial obligations are met when required, the Consolidated Group maintains a rolling cash forecast for the Consolidated Group as part of its capital risk management strategy. The Consolidated Group monitors capital using financial and non-financial indicators.

The Consolidated Group's capital structure is as follows:

	2022 US\$	2021 US\$
Capital employed	90,663,071	84,786,290
Cash and cash equivalents	2,756,749	3,337,398
Total equity - funds	93,419,820	88,123,688

## 27. KEY MANAGEMENT PERSONNEL

### Compensation of Key Management Personnel

The aggregate compensation made to Directors and other members of Key Management Personnel of the Consolidated Group is set out below:

	2022 US\$	2021 US\$
Short-term employee benefits	771,311	860,206
Post-employment benefits	19,480	19,226
Share-based payment	5,438	-
	<b>796,229</b>	<b>879,432</b>

### Related party transactions

Related party transactions are set out in Note 30.

## 28. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by HLB Mann Judd (WA) and HLB Republica Dominicana:

	2022 US\$	2021 US\$
<i>Audit services – HLB Mann Judd (WA)</i>		
Audit or review of the financial report	64,313	62,348
	<b>64,313</b>	<b>62,348</b>
<b>Total Services – HLB Mann Judd (WA)</b>	<b>64,313</b>	<b>62,348</b>
<i>Audit services – HLB Republica Dominicana</i>		
Audit or review of the financial report	13,991	24,790
	<b>13,991</b>	<b>24,790</b>
<i>Other services – HLB Republica Dominicana</i>		
Translation of the financial statements	1,537	3,240
	<b>1,537</b>	<b>3,240</b>
<b>Total Services – HLB Republica Dominicana</b>	<b>15,528</b>	<b>28,030</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 31 DECEMBER 2022

### 29. LITIGATION AND CONTINGENCIES

#### EnviroGold (Las Lagunas) Limited (“EVGLL”) v Gruas Liriano

EVGLL filed a lawsuit in the Dominican Republic for damages against crane operator, Gruas Liriano, for damage caused to one of its dredges. On 14 October 2020, EVGLL was awarded damages of US\$680,000 however Gruas Liriano appealed this decision, which has not yet been heard. A counterclaim by Gruas Liriano was dismissed.

#### 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 disputes with the Government have been submitted for arbitration under the rules of the World Bank’s International Centre for Settlement of Investment Disputes (ICSID) in Washington DC. The proceedings are expected achieve an outcome in mid 2023.

#### *i. Tailings Dam Site*

The Company has 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 Albion/CIL 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 Claim, which has been rejected by the Government, was prepared by independent consultants and has been submitted for arbitration at the World Bank’s International Centre for Settlement of Investment Disputes (“ICSID”).

The Claim for costs to 31 December 2020 amounted to US\$18,680,000. Approximately US\$115,000 of additional costs were incurred to 31 December 2021 and has been added to the Claim.

#### *ii. Taxation Matters*

Despite unequivocal 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.

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 appeal against this decision.

Recovery of legal fees related to resolution of this matter have been added as a subject matter in the Claims currently being arbitrated.

In December 2020, EVGLL received a Garnishee Notice from the Government’s taxation department which prevents 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 has 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. Legal proceedings have been ongoing to have the notice rescinded. EVGLL has also claimed for an independently assessed amount of US\$3.4 million for the deterioration in value of the stored plant and equipment that cannot be sold as a consequence of the garnishment.

EVGLL also disputes the Governments’ 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 decision handed down by the Constitutional Court in February 2022 has confirmed EVGLL’s position, acknowledging the legal nature of both the PUN and the RNF as being royalties derived from the Special Contract and not taxes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 31 DECEMBER 2022

### 29. LITIGATION AND CONTINGENCIES (CONTINUED)

EVGLL has sought declaratory relief with regards to this matter in the application for arbitration and has also sought to recover approximately US\$800,000 of legal costs incurred defending its position against tax assessments, and US\$350,000 levied as penalties and interest for late payments of royalties in 2015 and 2016.

#### iii. *Share of Cash Flow (PUN)*

The Dominican Government does not agree with the amount of PUN paid by EVGLL for 2018 and 2019, nor the amount calculated for 2020, which remains unpaid at balance date. As a consequence, this matter has been added to the matters to be arbitrated.

iv. The total amount of all Claims being considered by ICSID, including legal fees and interest, is approximately US\$30 million.

v. The Tribunal at ICSID conducting the arbitration has indicated it will rule on the Claims in June 2023. The London based law firm representing EVGLL have expressed their confidence in a successful outcome for the Company.

### 30. RELATED PARTY TRANSACTIONS

#### *Parent entity*

Antilles Gold Limited is the parent entity.

The balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

#### *Subsidiaries*

Interests in subsidiaries are set out in Note 13.

#### *Key Management Personnel*

Disclosures relating to Directors and specified executives are set out in Note 27 and the Directors' Report.

#### *Transactions with related parties*

Payments were made during the year to Tristar Holdings Pty Ltd ("THPL") for reimbursement of expenditures totalling US\$13,456 incurred by THPL on behalf of Antilles Gold and for management fees charged by Brian Johnson. Mr Johnson is a director and his wife is a director and shareholder of THPL. Services provided by THPL were on the same basis as that provided to other entities.

Fees were charged during the year by Cario Family Trust ("CFT") for directors fees of Ugo Cario. Mr Cario and his wife are the trustees of CFT. Services provided by CFT were on the same basis as that provided to other entities.

Fees were charged during the year by Western Ventures Consulting Pty Ltd ("WVCPL") for directors fees of Angela Pankhurst. Mrs Pankhurst is a shareholder and director of WVCPL. Services provided by WVCPL were on the same basis as that provided to other entities.

There were no loans to Directors or KMP during the period.

In December 2022, the Company was provided with an unsecured A\$1,000,000 loan from Moonstar Investments Pty Ltd ("MIPL") on the following basis:

- maturity date – 31 March 2024
- early repayment at 3 days notice
- redraw available at 3 days notice
- interest rate – 8.0%pa paid monthly
- conversion rights to AAU shares up to A\$1,000,000, subject to any conversion not resulting in the shareholder exceeding a cap of 20% total holding in the Company, at \$0.05 prior to 31 March 2023, at \$0.07 between 1 April 2023 and 30 June 2023, at a 15% discount to the 15 day VWAP prior to conversion between 1 July 2023 and 31 March 2024, with a floor price of \$0.05.

The agreement for the unsecured loan with conversion rights was subsequently cancelled on 28 March 2023, as disclosed in Note 34. Mr Johnson is a director and his wife is a director and shareholder of MIPL.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**30. RELATED PARTY TRANSACTIONS (CONTINUED)**

Transactions which occurred with related parties during the year are shown in the table below:

	2022 US\$	2021 US\$
<b>Charges for services provided by:</b>		
Tristar Holdings – Management fees	374,021	503,138
Cario Family Trust – Directors fees	34,628	37,404
Western Ventures Consulting – Directors fees	34,625	37,428
Western Ventures Consulting – Consulting fees	-	8,549
	443,274	586,519

At the end of the reporting period the following invoiced amounts (including GST) were outstanding:

	2022 US\$	2021 US\$
<b>Current Payables:</b>		
Tristar Holdings	139,286	74,042
Cario Family Trust	5,671	6,047
Western Ventures Consulting	6,238	7,130
	151,195	87,219

At the end of the reporting period the following unpaid amounts were accrued for:

	2022 US\$	2021 US\$
<b>Current Accruals:</b>		
James Tyers director fees	20,015	21,438
	20,015	21,438

**31. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES:**

	2022 US\$	2021 US\$
(Loss) / Profit after income tax	(7,747,366)	(3,834,419)
Add/(Less) Non-cash Items		
Depreciation and amortisation	402,569	383,896
Unrealised foreign exchange (gain) / loss	9,203	(62,623)
Site restoration allowance movement	-	(219,555)
Share-based payments	148,955	-
Interest on deferred settlement of joint venture contributions	997,868	997,870
Impairment losses written off	3,774,479	-
Fair value movement	46,287	193,413
Profit on plant & equipment transferred to joint venture	-	(209,307)
Changes in operating assets and liabilities		
Decrease in receivables	-	47,187
(Increase) / decrease in other assets	(29,269)	10,790
Increase / (decrease) in payables	197,714	(9,976)
<b>Net cash flows used in operating activities</b>	(2,199,560)	(2,702,724)

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**32. EARNINGS / (LOSS) PER SHARE (“EPS”)**

	2022 US\$	2021 US\$
Numerator used for basic and diluted EPS:		
Loss after tax attributable to the owners of Antilles Gold Limited	(7,747,366)	(3,834,419)
	<b>Number of Shares</b>	<b>Number of Shares</b>
Weighted average number of ordinary shares outstanding during the year used in calculating the basic EPS.	369,755,375	239,877,494
Weighted average of diluted holdings used in calculating the diluted EPS	369,755,375	239,877,494

**Accounting Policies**

**Earnings per share**

Basic earnings per share (“EPS”) is calculated by dividing the net profit / (loss) attributable to members of the parent entity for the reporting period, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus issue.

**33. SHARE-BASED PAYMENTS**

*Employee Performance Rights Plan*

Approval was obtained from shareholders at the 2010 Annual General Meeting for the establishment of the Employee Performance Rights Plan. The Plan was re-approved by shareholders at the 2016 Annual General Meeting, and revised and re-approved again at the Company’s General Meeting held on 11 October 2022. The object of the plan is to:

- provide participants with an incentive plan which recognises ongoing contribution to the achievement by the Company of long term strategic goals;
- establish an employee incentive scheme within the meaning of the Tax Act and an employee share scheme within the meaning of Class Order 03/184 issued by the Australian Securities and Investments Commission;
- align the interests of participants with security holders through the sharing of a personal interest in the future growth and development of the Company as represented in the price of its securities; and
- provide a means of attracting and retaining skilled and experienced employees.

Under the plan, eligible employees of the Company (and its subsidiaries) are provided with performance rights over the Company’s ordinary shares. These performance rights will vest and convert into shares, subject to the fulfilment of certain conditions which are determined by the Board.

An employee’s eligibility to participate in the plan is subject to the discretion of the Board of Directors of the Company. The Board may from time to time invite an eligible employee to participate in the plan and grant rights to an eligible employee, as part of their remuneration.

No performance rights vested and converted during the year. Set out below is a summary of performance rights granted during the year:

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**33. SHARE-BASED PAYMENTS (CONTINUED)**

Financial year of grant	Financial year of vesting date	Balance at start of year	Granted	Vested and converted	Forfeited	Balance at end of year	Fair Value
		Number	Number	Number	Number	Number	US\$
31 Dec 2022	31 Dec 2023	-	1,666,666	-	-	1,666,666	48,788
	31 Dec 2024	-	2,466,666	-	-	2,466,666	65,120
	31 Dec 2025	-	3,466,668	-	-	3,466,668	85,535
	31 Dec 2026	-	2,400,000	-	-	2,400,000	48,996
		-	10,000,000	-	-	10,000,000	248,439

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 \$42,879 (2021: Nil) has been recognised during the year for rights granted under the Performance Rights Plan.

*Listed Options*

The key inputs used in the fair valuation of listed options issued during the year are shown in the following table:

Grant Date	Options issued	Exercise price	Exercise date	Option price at grant date	Fair Value US\$
7/04/2022	1,000,000	A\$0.13	30/04/2023	A\$0.01776	17,763
27/05/2022	2,500,000	A\$0.13	30/04/2023	A\$0.01377	34,425
13/10/2022	2,500,000	A\$0.13	30/04/2023	A\$0.004	6,276
	6,000,000				58,464

An expense of US\$40,701 (2021: Nil) was recognised in profit or loss during the year, and US\$17,763 as cost of capital raising (2021: US\$166,383).

*Other share-based payments*

*Share-based payment to consultant for exploration and evaluation activities in Cuba*

445,440 ordinary fully paid shares were issued at A\$0.05 each (total US\$15,367) on 30 August 2022, for payment to a consultant for services rendered in relation to Group's exploration and evaluation activities in Cuba.

*Share-based payments to investor relations consultants*

On 13 October 2022 the Company issued 1,593,546 ordinary fully paid shares at A\$0.05 each to three consultants engaged by the Company for the provision of investor relations and general consultancy services. An expense of US\$50,008 has been recognised during the year for these share-based payments.

**34. SUBSEQUENT EVENTS**

- At a meeting with the Cuban Minister for Energy and Mines on 9 February 2023 it was agreed that Antilles Gold Inc's shareholding in the joint venture company, Minera La Victoria S.A., would be increased from 49% to 50%. Formalities to give effect to this change are progressing.
- At the same meeting it was agreed that Minera La Victoria could develop the previously explored El Pilar gold-copper oxide deposit in central Cuba.

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 31 DECEMBER 2022

### 34. SUBSEQUENT EVENTS (CONTINUED)

- It was subsequently agreed with the relevant authorities that the El Pilar oxide deposit would be transferred to Minera La Victoria for US\$1.5 million, and that Antilles Gold Inc will contribute the same amount to the joint venture company as its 50% equity in this project.
- On 28 March 2023 a Resolution was passed by the Company to cancel the A\$1,000,000 Unsecured Loan with Conversion Rights Agreement which was entered into between the Company and Moonstar Investments Pty Ltd on 31 December 2022. This decision was reached following advice to the Company's legal counsel that the ASX would not provide a waiver of listing Rule 10.13.5 (ie. the requirement to issue conversion shares within one month of approval). As a consequence, every time Moonstar wished to convert part or all of the loan, shareholder approval would be required, and if granted would only have validity for one month. This arrangement is not satisfactory for Moonstar and not in keeping with the terms agreed, therefore Moonstar considered the Loan Agreement is no longer valid and sought to have the agreement cancelled.

### 35. PARENT ENTITY DISCLOSURES

As at and throughout the financial year 31 December 2022, the parent entity of the Group was Antilles Gold Limited.

Result of parent entity	2022 US\$	2021 US\$
Loss for the period	(1,013,461)	(6,463,452)
Other comprehensive income / (loss)	(207,654)	(76,970)
<b>Total comprehensive loss</b>	<b>(1,221,115)</b>	<b>(6,540,422)</b>
<b>Financial position of parent entity at year end</b>		
Current assets	1,542,150	3,040,387
Non-current assets	10,100,426	5,257,647
<b>Total assets</b>	<b>11,642,576</b>	<b>8,298,034</b>
Current liabilities	418,178	413,966
Non-current liabilities	694,987	2,111,668
<b>Total liabilities</b>	<b>1,113,165</b>	<b>2,525,634</b>
<b>Total equity of the parent entity comprising of:</b>		
Share capital	90,663,071	84,786,290
Foreign currency translation reserve	5,927,753	6,135,404
Option reserve	4,145,296	4,086,832
Performance rights reserve	1,429,842	1,386,964
Accumulated losses	(91,636,551)	(90,623,090)
<b>Total equity</b>	<b>10,529,411</b>	<b>5,772,400</b>

#### *Guarantees entered into by the parent entity in relation to debts of its subsidiaries*

The parent entity had not entered into any guarantees in relation to debts of its subsidiaries as at 31 December 2022 and 31 December 2021.

#### *Contingent liabilities*

The parent entity had no contingent liabilities as at 31 December 2022 and 31 December 2021.

#### *Capital commitments – Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2022 and 31 December 2021.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 35. PARENT ENTITY DISCLOSURES (CONTINUED)

#### *Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the Consolidated Group, as disclosed in Note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity;
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.

The parent entity has reviewed the carrying value of its assets. A provision has been made against intercompany loans and investments in subsidiaries totalling US\$29,112,032, based on the fair market value of the Las Lagunas project and the La Demajagua project.

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# DIRECTORS' DECLARATION

## FOR THE YEAR ENDED 31 DECEMBER 2022

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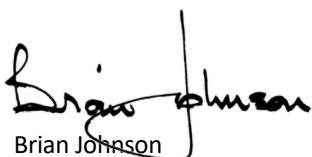
In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Group's financial position as at 31 December 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Brian Johnson  
Executive Chairman  
31 March 2023

## INDEPENDENT AUDITOR'S REPORT

To the members of Antilles Gold Limited

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of Antilles Gold Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2022, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Material uncertainty related to going concern*

We draw attention to Note 1(f) 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 opinion is not modified in respect of this matter.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern*, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
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<p><b>Investment in the Minera La Victoria SA Joint Venture and future capital contributions</b></p> <p>Note 18</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>- Reviewing the joint venture agreement to understand the key terms of the agreement;</li> <li>- Establishing that joint control existed and considering the type of joint arrangement in existence;</li> <li>- Ensuring that the joint venture was correctly accounted for under relevant accounting standards;</li> <li>- Considering the appropriateness of the discount rate used to determine the net present value of the future capital contributions;</li> <li>- Verification of assets and liabilities in the joint venture at balance date;</li> <li>- Considering the existence of any impairment indicators in relation to the joint venture and its underlying assets;</li> <li>- Reviewing the mathematical accuracy of the net present value of the future contributions;</li> <li>- Testing a sample of joint venture contributions made during the year; and</li> <li>- Assessing the appropriateness of the disclosures included in the relevant notes to the financial report.</li> </ul>
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The Group has a 49% interest in Minera La Victoria S.A., a joint venture with Gold Caribbean Mining SA. Under the terms of the joint venture agreement, the Group was required to make capital contributions of US\$25.9m.

At 31 December 2022, the carrying amount of the Group's investment in the joint venture was US\$23.5m and the net present value of the future capital commitments was US\$14.2m. The Group recognised US\$0.47m within other comprehensive income being its share of the joint venture's other comprehensive income.

The accounting for the joint venture is considered a key audit matter as it is material to the users of the financial statements, the accounting was complex, and it involved the most communication with management.

*Information other than the financial report and auditor's report thereon*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the directors for the financial report*

The directors of the Company are responsible for the preparation of the 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 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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In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

*Auditor's responsibilities for the audit of the financial report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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**Report on the Remuneration Report**

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the year ended 31 December 2022.

In our opinion, the Remuneration Report of Antilles Gold Limited for the year ended 31 December 2022 complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards

*HLB Mann Judd*

**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**31 March 2023**

**M R Ohm**  
**Partner**

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# ASX ADDITIONAL INFORMATION

## FOR THE YEAR ENDED 31 DECEMBER 2022

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this Report is set out below. The information is current as at 29 March 2023 unless stated otherwise.

### DISTRIBUTION OF EQUITY SECURITIES

The number of equitable security holders by size of holding as at 29 March 2023 is:

Holding	Ordinary Shares		Listed Options	
	Number of Holders	Number of Ordinary Shares	Number of Holders	Number of Listed Options
1 - 1,000	78	20,933	28	11,079
1,001 - 5,000	68	170,769	51	156,750
5,001 - 10,000	124	995,572	27	196,687
10,001 - 100,000	760	30,506,442	134	6,391,941
100,001 and over	429	455,616,920	157	106,108,172
<b>Number of holders</b>	<b>1,459</b>	<b>487,310,636</b>	<b>397</b>	<b>112,864,629</b>

#### *Unquoted equity securities*

As at 29 March 2023, there is one holder of five non-redeemable preference shares.

### VOTING RIGHTS

#### *Ordinary shares*

On a show of hands, every ordinary shareholder present in person, or by proxy, attorney or representative is entitled to one vote, and upon a poll each share shall have one vote.

#### *Non-redeemable preference shares*

One vote for each share, but limited to matters affecting the rights of such shares.

#### *Options (Listed and Unlisted)*

No voting rights.

#### *Performance Rights*

No voting rights.

### UNMARKETABLE PARCELS

As at 31 December 2022, the number of shareholders holding less than a marketable parcel of ordinary shares was 457 (3,721,739 ordinary shares).

### ON-MARKET BUY BACK

There is no on-market buy-back currently in place.

## ASX ADDITIONAL INFORMATION (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### SUBSTANTIAL SHAREHOLDERS

The names of Substantial Shareholders listed on the Company's register are:

Substantial Shareholder	Number of Shares	Percentage of total Shares issued
MOONSTAR INVESTMENTS PTY LTD <THE PEMBERLEY A/C>	57,060,000	11.71
HAWTHORNE PTY LTD <BGJ SUPER FUND A/C>	25,000,000	5.13

### TWENTY LARGEST SHAREHOLDERS

	Listed Ordinary Shares	
	Number of Shares	Percentage of total Shares issued
MOONSTAR INVESTMENTS PTY LTD <THE PEMBERLEY A/C>	57,060,000	11.71
HAWTHORNE PTY LTD <BGJ SUPER FUND A/C>	25,000,000	5.13
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	15,571,994	3.20
CITICORP NOMINEES PTY LIMITED	12,377,850	2.54
BNP PARIBAS NOMS PTY LTD <DRP>	11,141,612	2.29
MR ERLE EDWINSON	8,506,476	1.75
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	8,164,140	1.68
MR GARRET WILLIAM LOGAN <GARRET & WENDY LOGAN FT A/C>	8,000,000	1.64
MERCURY CONNECTION INTERNATIONAL CO LIMITED	6,600,000	1.35
MR YUNG WING HO & MRS KATHERINE KAM LING HO <VIC & KATHY SUPER FUND A/C>	6,524,740	1.34
MR ERLE RYAN EDWINSON	6,400,000	1.31
ARMCO BARRIERS PTY LTD	6,000,000	1.23
VECTOR NOMINEES PTY LTD <THE VECTOR SUPER FUND A/C>	5,972,557	1.23
MF MEDICAL PTY LTD	5,931,282	1.22
METAL TIGER PLC	5,012,500	1.03
ESSELMONT PTY LIMITED <ESSELMONT A/C>	5,000,000	1.03
DEUTSCHE ROHSTOFF AG	4,900,000	1.01
TRISTAR HOLDINGS PTY LTD	4,244,383	0.87
BRYAN WELCH PTY LTD <BRYAN WELCH S/F A/C>	4,200,000	0.86
MR ANDREW GOTTI	4,000,000	0.82
MATANO TRADING PTY LTD	4,000,000	0.82
MR GURLAL SINGH	4,000,000	0.82
<b>Total</b>	<b>218,607,534</b>	<b>44.85%</b>