

27 March 2023

Ms Angel He
Advisor, Listings Compliance
20 Bridge Street
Sydney NSW 2000

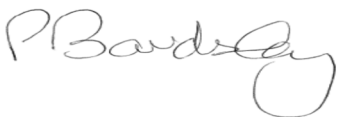
Dear Angel

AAU- APPENDIX 3Y

In response to your letter of 23 March 2023, we advise the following:

1. The Company considered that substantial dilution from prior capital raisings as an exceptional circumstance that was considered to be sufficient for the exemption under the terms of the Policy. The Chairman and his family companies have supported the Company for many years and have remained substantial shareholders despite the many setbacks faced by the Company in endeavouring to bring projects to fruition and profit. The Chairman was not in possession of any price sensitive information and given the past support and reason for the trades at this time, the exceptional circumstance exemption was applied.
2. Section 5.2 (c) allows the Chairman to deal in Company securities provided he has notified a Non-Executive Director and the Company Secretary and they have indicated that there is no impediment to him in carrying out the transaction. We concede that the wording of this section has not been linked to the power granted to the Chairman under section 5.5, however the Company believes that it may be inferred in relation to transactions carried out by the Chairman and as such was relied upon by the Non-Executive Directors. The Company undertakes to amend section 5.5 to specifically refer to the Non-Executive Directors power in circumstances where the Chairman has requested the exemption.
3. Please refer to the response in item 2 above.
4. The Company does propose to conduct a full review of the terms of its Policy and will circulate copies of any amended version to all Key Management Personnel and Directors for their information and future compliance, and will include same in its website.
5. Please refer to the response in item 4 above.
6. We confirm that AAU is complying with the Listing Rules, and in particular, Listing Rule 3.1
7. We confirm that AAU's responses to ASX's questions have been authorised and approved by myself, having authority from the Board to respond to ASX on disclosure matters.

Yours Sincerely,



Company Secretary
Antilles Gold Limited

Australia

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23 March 2023

Reference: 71085

Ms Pamela Bardsley
Company Secretary
Antilles Gold Limited
55 Kirkham Road
Bowral NSW 2576

By email only.

Dear Ms Bardsley

Antilles Gold Limited ('AAU'): Query Letter

ASX refers to the following:

- A. AAU's Appendix 3Y lodged on the ASX Market Announcements Platform on 10 March 2023, which disclosed that AAU Chairman, Brian Johnson, increased his interest in the securities of AAU during a closed period where written clearance was required (the '**Chairman Transactions**'). The Appendix 3Y further disclosed that written clearance for these trades were provided on 8 March 2023.
- B. AAU's Securities Trading Policy – Revised January 2016 and published on AAU's website (the '**Policy**'), which provides in section 5.5 (emphasis added):

"Exemption from Prohibited Period due to Financial Hardship or Exceptional Circumstances

In specific circumstances, such as financial hardship or other circumstances considered to be exceptional by the Chairman, including a court order or court enforceable undertakings in a bone fide family settlement to transfer Company securities or some other overriding legal or regulatory requirement to transfer Company securities, the Chairman may waive the requirement of a KMP or Personnel to deal in securities during the above Prohibited Periods on the condition that the KMP or Personnel can demonstrate to him that they are not in possession of any price sensitive information that is not generally available to the public. The waiver will be in writing and must specify the duration of such clearance."

- C. The Policy which discloses in section 10 that (emphasis added):

"Strict compliance with this Policy is mandatory for all persons covered under this Policy. Breaches of this Policy may damage the Company's reputation and undermine confidence in the market for Company securities. Accordingly, breaches will be taken very seriously by the Company and will be subject to disciplinary action, including possible termination of a person's employment or appointment."

- D. AAU's response to ASX's query of 16 March 2023, requesting AAU to identify which of the specific circumstances identified in the Policy applied to the Chairman Transactions, which disclosed that:

"The exemption was granted on the basis of the Chairman not being in possession of any price sensitive information that is not generally available to the public. The annual financial statements are still in the auditing phase and the Chairman has not been provided with a draft copy. The trades were effected when the opportunity arose for the Chairman's company to increase its shareholding after substantial dilution due to successive capital raisings over the past 12 months."

- E. AAU's response to ASX's query regarding who granted approval for the Chairman Transaction, which disclosed that:

"The exemption for the Appendix 3Y transactions were approved in advance of the transactions by Non-Executive Directors Ms Angela Pankhurst and Mr Ugo Cario and Executive Director, Mr James Tyers."

F. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

G. Listing Rule 12.9 which states:

*"An entity must have a *trading policy that complies with the requirements of ASX listing rule 12.12. An entity must give its *trading policy to the *market announcements office for release to the market."*

Request for information

Having regard to the above, ASX asks AAU to respond separately to each of the following questions and requests for information:

1. Please identify the specific circumstance of financial hardship or exceptional circumstances, as described in the Policy (paragraph B), that was considered to be sufficient for the exemption. If "substantial dilution" from prior capital raisings was this circumstance (paragraph D), please provide the basis for that view given the wording of the Policy.
2. ASX observes that the Policy permits the Chairman, and not any other director, to grant a waiver (paragraph B). In AAU's view, do the Non-Executive directors have the power, under section 5.5 of the Policy, to grant a valid exemption for the Chairman Transactions (paragraph E)?
3. If the answer to Question 2 is "yes", please provide the basis for that view.
4. Has AAU taken, or does it propose to take, any steps to review or improve compliance with its Policy (paragraph C)? Please provide details.
5. Please confirm whether AAU intends to update its Policy. If so, please outline the nature of those updates.
6. Please confirm that AAU is complying with the Listing Rules and, in particular, Listing Rule 3.1.
7. Please confirm that AAU's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AAU with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9.30 AM AEDT Monday, 27 March 2023**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AAU's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require AAU to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in AAU's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to AAU's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that AAU's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

Although ASX does not currently intend to release a copy of this letter, your reply and any other related correspondence between us to the market, we nonetheless reserve the right to do so under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Angel He
Adviser, Listings Compliance