

QUARTERLY ACTIVITIES & CASHFLOW REPORT MARCH 2024

HIGHLIGHTS:

MPOSA DEPOSIT

DRILLING CONTINUES ON MPOSA DEPOSIT

- **First samples from the sonic drill program were despatched from Malawi and arrived at the ALS laboratory in Johannesburg for assay preparation. Once preparation is completed, samples will be transport to ALS Perth for analysis.¹**
- **Preliminary exploration of new target area Namasalima along with initial community consultation in preparation for drilling.**
- **Chilwa appointed South African based company, Light Deep Earth (LDE), to commence metallurgical testwork on samples from the sonic drill program, taken from the Mposa deposit.²**
- **Testwork is overseen by leading mineral sands consultants TZMI, which previously completed metallurgical work on the Lake Chilwa project during the 2015 Scoping Study for the former owner.**
- **The focus of the testwork is to confirm and improve upon the previous studies with respect to increasing recoveries and optimising a flowsheet through to the production of individual mineral sands products.**
- **After the reporting period, the Company held a constructive community engagement meeting with Government personnel and key representatives from local villages around the city of Zomba, Malawi.³**

CORPORATE

- **Existing Mota Engil agreement extended for an additional two years.⁴**
- **The agreement includes the provision of accommodation and office facilities in Malawi, technical and administrative support staff, 4wd and support vehicles and other infrastructure, including a large storage shed which will be utilised for storing samples.**
- **The company has a strong cash position of \$4.8m at the end of the March Quarter.**

¹ CHW Announcement 28 February 2024 – First Samples from Mposa Sonic Drill Program Dispatched for Assay

² CHW Announcement 14 March 2024 – Chilwa to Commence Metallurgical Testwork on Mposa Sonic Drill Samples

³ CHW Announcement 10 April 2024 – Chilwa Conducts Informative Community Meetings at Zomba

⁴ CHW Announcement 29 January 2024 – Mota Engil Agreement



QUARTERLY ACTIVITIES & CASHFLOW REPORT MARCH 2024

OVERVIEW

Chilwa Minerals Limited (ASX: CHW) (**Chilwa** or the **Company**) is pleased to present its Quarterly Activities Report for the period ended 31 March 2024 (**March Quarter**). During the quarter, the Company continued exploration activities at its Mposa Deposit, situated within the wider Chilwa Heavy Minerals Sands Project (“**Project**”), located in Malawi, Africa.

CHILWA PROJECT

MPOSA DEPOSIT

The Mposa Deposit accounts for **19.4 Mt of HMS at 4.3%**, containing **0.83 Mt THM** at a 1% THM cut-off grade, which is 30% of the total Chilwa Project Mineral Resource of **61.6 Mt of Heavy Mineral Sands (HMS) at 3.9% containing 2.4Mt THM** at 1% cut off grade over ten known deposit areas.⁵

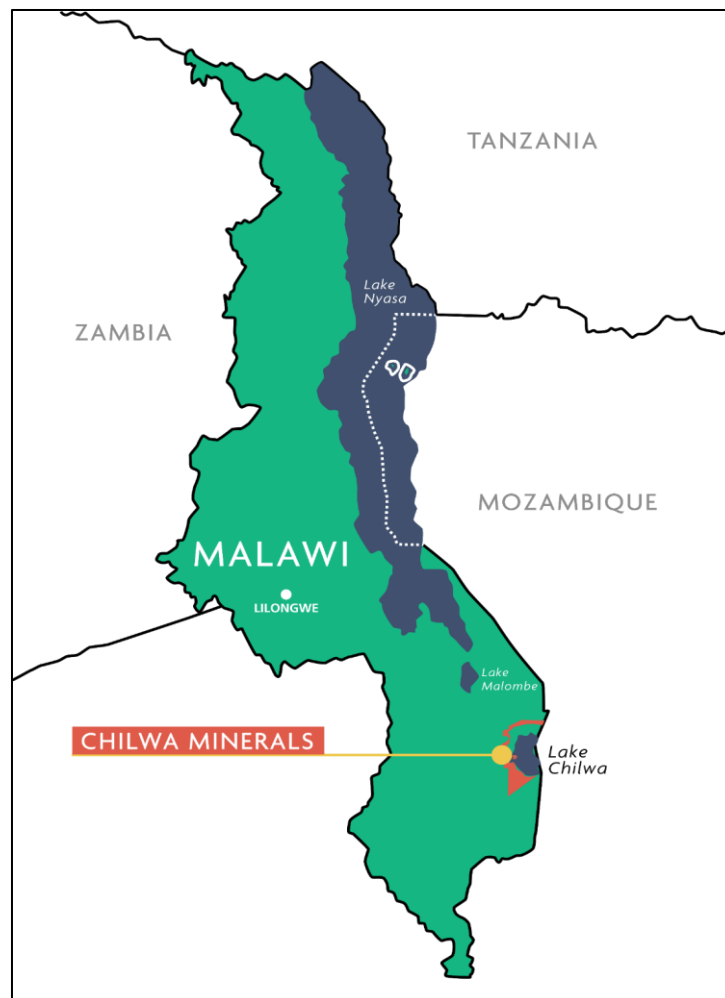


Figure 1 – Chilwa Minerals Mposa Project Location

⁵ CHW Announcement 5 April 2023 – Prospectus

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MPOSA DRILLING PROGRAM

During the reporting period, the Company successfully drilled 1,534 metres completing 145 BHs (Figure 2). Taking the total drilling at Mposa area to 2,078 metres

During drilling, recoveries have improved further during this period especially within the granular material (sands) achieving on average 95% and above, and in some cases 100%.

The drilling continues to target central Mposa validating historical data with the deepest BH's ranging between 15.00 -16.45m. Moving away from the central zone the drilling will look to progress with twinning to the North-East and South/South East historical extremities.

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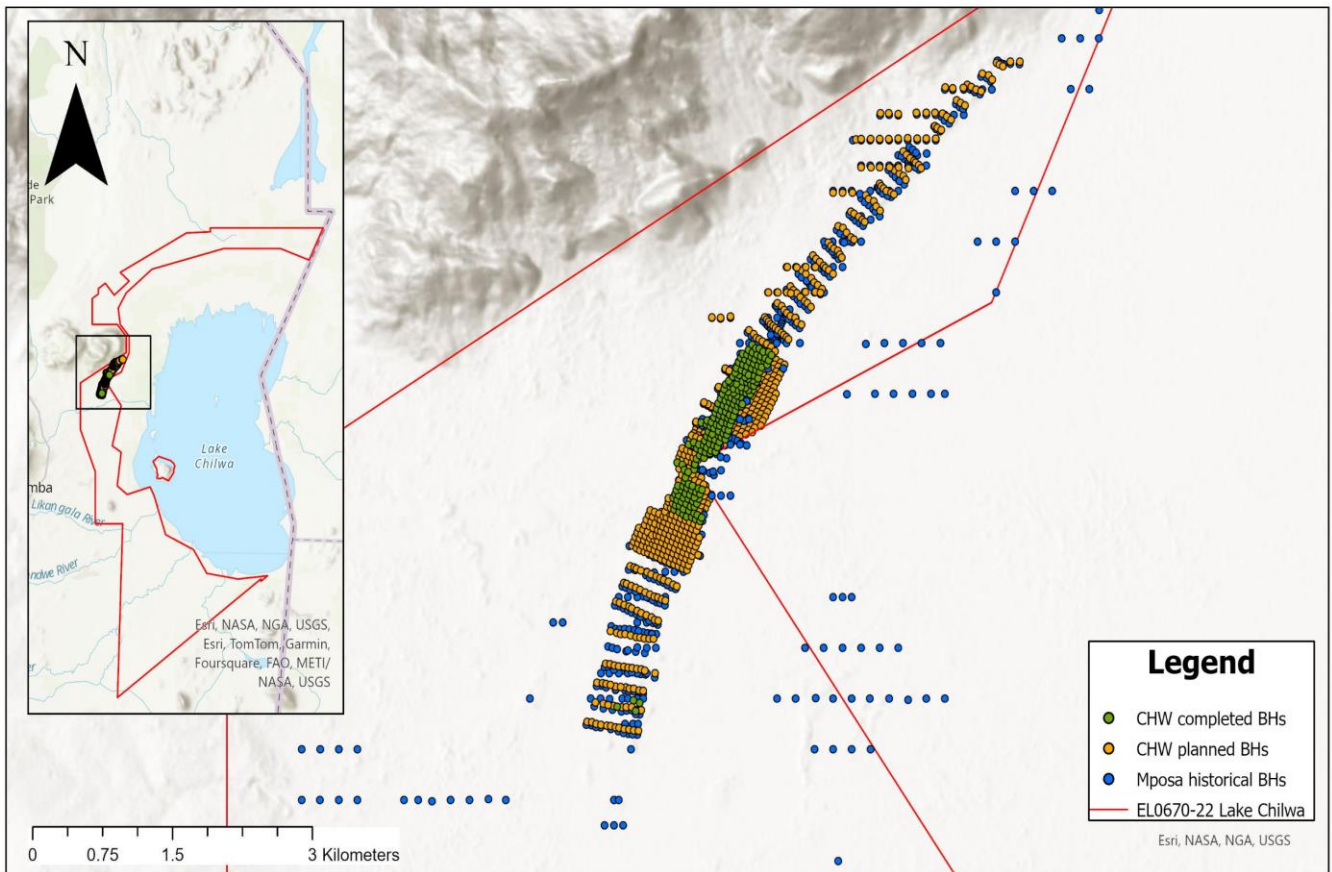


Figure 2 – Map displaying Lake Chilwa and EL0670_22 (top left). Central map displaying CHW planned, completed and historical BHs

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Initial reconnaissance of Namaslima commenced with testing of termite mounds for early mineralisation indication. The company also commenced community consultation with stakeholders in preparation for mobilisation of the drill rig.



Figure 3 Project Geologist Will Horne at a typical termite mound in the Namaslima region

The company dispatched the first batch of samples from the sonic drill program currently in progress at the Mposa Deposit. The samples were sent to ALS in Johannesburg where they were dried and split and sent to ALS Perth for assays testing. The first samples are from circa 145 holes for approximately 886 samples. A second batch was also dispatched from Malawi and has arrived at ALS Johannesburg for similar processing.

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Figure 4: Samples packaged awaiting loading at Chilwa Minerals base in Zomba.



Figure 5: Samples being loaded onto truck for dispatch.

METALLURGICAL TESTWORK

During the March Quarter, the Company appointed Light Deep Earth Laboratory to commence metallurgical testwork, which will also be overseen by leading Perth based Mineral Sands Consultants, TZMI, which previously completed work on the 2015 Lake Chilwa Scoping Study for the former owners of the project.

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The focus of the metallurgical testwork is to confirm previous results as well as identify optimisation improvements. Rather than stopping at the production of a mineral sands concentrate, the testwork will assess the potential to produce individual mineral sands products.

The Company anticipates that the testing will take approximately three months to complete with results approximately one month after this date.

COMMUNITY MEETINGS

Subsequent to the reporting period, Chilwa completed constructive community engagement meetings with key representatives from local villages around the city of Zomba, Malawi.

The purpose of the meeting was to provide an update to local community representatives regarding the Company's Lake Chilwa Project and provide a platform for questions to be raised around the future plans for the Project. The Company is pleased to report that the meeting was extremely positive with no significant issues raised by the Director of Mines or local representatives.

The Company will look to maintain dialogue with local communities as the Project continues to advance through early exploration stages and into development.



Figure 6: Chilwa Minerals Managing Director, Cadell Buss with local representatives and the Director of Mines, Mr Samuel Sakhuta

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Figure 7: Chilwa Minerals Managing Director, Cadell Buss, with local representatives and Director of Mines, Mr Samuel Sakhuta

JUNE QUARTER NEWSFLOW

The company is in the process of assessing contractors who can conduct the airborne geophysics and will make an announcement once details are finalised.

The first batch of assays have arrived at ALS Perth and results are expected in approximately 3 weeks' time. The second batch of samples is due to arrive in Perth in the June quarter. The company is constantly reviewing this logistic process, with the aim of improving the delivery turnaround of assay samples from Malawi through to Perth.

The Diamond rig is being mobilised to Malawi and the Company is assessing the optimal location to start drilling within the Mposa region for the deeper clay configuration.

CORPORATE

SERVICE AGREEMENT WITH MOTA ENGIL EXTENDED AND ENHANCED

The Company announced that it has reached an agreement with Mota Engil Engenharia Construção Africa S.A. which is part of Chilwa's major shareholder, the Mota Engil Group (**Mota Engil**), for the further provision of technical and associated services in Malawi (**Agreement**).

The new Agreement replaces an existing agreement that expired on 31 December 2023 (refer to section 7.3 of the Prospectus dated 5 April 2023 and Supplementary Prospectus dated 26 June 2023 (together, the **Prospectus**)).

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The Company is extremely pleased with the support already shown by Mota Engil, which has a long and successful track record of operating in Malawi. The services provided are expected to cost the Company significantly less than if sourced through third party suppliers.

The Agreement includes the provision of accommodation and office facilities in Malawi, technical and administrative support staff, 4WD and support vehicles and other infrastructure, including a large storage shed which will be utilised for storing samples.



Figure 8: Proposed Storage shed to be utilised by Chilwa Minerals



Figure 9: Entrance to Zalewa Camp

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RELATED PARTY PAYMENTS

In accordance with Listing Rule 5.3.5, Table 1 provides a description and explanation of the payments made to related parties of the Company and their associates, which is included in the Appendix 5B for the Quarter.

Table 1 – Related Party Payments

Related Parties	Description	Amount (AUD\$)
Directors	Fees and salary (including superannuation)	185,366
Total		185,366

USE OF FUNDS

Table 2 below shows the comparison between the estimated Use of Funds stated in the Prospectus and the actual expenditure since the Company's date of admission to the official list of ASX in accordance with ASX Listing Rule 5.3.4.

Table 2 – Use of Funds

Category	Prospectus (AUD\$)	Actual (AUD\$)	Variance (AUD\$)
Exploration of the Project	4,500,000	1,279,117	3,220,883
Working Capital (including corporate overheads)	2,679,360	1,437,681	1,241,679
Managing Director's Bonus	140,074	140,074	-
Cost of the transaction	838,546	790,898	47,648
Total	8,157,980	3,647,770	4,510,210

The Company is proceeding with the business objectives as set out in the Prospectus. As the Company was only admitted to the official list of ASX in July 2023, variances in the use of funds arise as a result of the timing of payments and the short time between admission and the end of the Quarter.

During the Quarter, the Company made payments of \$443,000 for exploration activities on the Project. There were no funds spent on mining production and development activities for the Quarter.

LICENCE SCHEDULE

The schedule below discloses the exploration tenements held by the Company at the end of the Quarter. No licences were acquired, sold or cancelled during the Quarter.

Location	Tenement Number	Interest Beginning of Quarter	Interest end of Quarter
Lake Chilwa, Malawi	EL0670/22	100%	100%
Lake Chilwa, Malawi	EL0671/22	100%	100%

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AUTHORISATION STATEMENT

This update has been authorised to be given to ASX by the Board of Chilwa Minerals Limited.

For further information contact:

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-ENDS-

JORC 2012 INFERRED MINERAL RESOURCE ESTIMATE

A Mineral Resource Estimate for the Project has been classified and reported in accordance with the JORC Code (2012). The Mineral Resource Estimate has been classified as Inferred, at a 1.0 % THM cut-off is estimated to contain 2.4 Mt of THM, and is allocated across the Project deposits in Table A below.

Table A Inferred Mineral Resources at 1.0% THM as at 31st July 2022

Deposit	Volume (million m3)	Tonnes (million t)	Dry Density (t/m3)	Gangue (%)	Ilmenite (%)	Slimes (%)	THM (%)	Zircon (%)
Bimbi	1.5	2.6	1.7	0.7	4.3	15.3	5.3	0.3
Northeast Bimbi	3.6	6.1	1.7	0.3	2.2	15.9	2.7	0.1
Mposa (Main)	11.7	19.4	1.7	0.7	3.2	11.7	4.3	0.4
Mposa (North)	0.6	1.0	1.7	0.3	1.4	8.3	1.9	0.2
Mpyupyu (dune)	2.0	3.5	1.7	1.2	5.7	15.3	7.1	0.2
Mpyupyu (flat)	9.5	16.4	1.7	0.5	2.9	15.4	3.6	0.2
Nkotamo	0.1	0.2	1.5	1.1	3.0	28.3	4.2	0.2
Halala	6.0	8.9	1.5	0.9	2.6	9.8	3.7	0.2
Beacon	0.4	0.6	1.5	0.6	1.8	17.7	2.5	0.1
Namanja West	2.0	2.9	1.5	0.8	2.3	14.7	3.3	0.2
Total	37.5	61.6	1.6	0.7	3.0	13.3	3.9	0.3

- Estimates of the Mineral Resource were prepared by AMC Consultants (UK) Limited (AMC).
- In situ, dry metric tonnes have been reported using varying densities and slime cut-off per deposit.
- Material below 30% slimes for Halala, 20% slimes for Bimbi, Northeast Bimbi and Mpyupyu (dune and flat) and 25% slimes for Mposa Main and Mposa North. All other deposits are a stated using 30% slimes cut-off.
- Tonnages and grades have been rounded to reflect the relative uncertainty of the estimates and resultant confidence levels used to classify the estimates. As such, columns may not total.
- Estimates of the Mineral Resource have been constrained by ultimate pit shells to demonstrate Reasonable Prospects for Eventual Economic Extraction
- Estimates are classified as Inferred according to JORC Code.

**QUARTERLY ACTIVITIES & CASHFLOW REPORT
MARCH 2024****Compliance Statement**

The information in this announcement that relates to Mineral Resource estimates and exploration results which were prepared and first disclosed under JORC Code 2012. The information was extracted from the Company's previous AX announcements as follows:

- Project Mineral Resource estimate: 3 July 2023 'Prospectus' (dated 5 April 2023);
- Footwall exploration results: 14 November 2023 'Significantly Deeper Footwall identified at Mposa'.

All of the above announcements are available to view on the Company's website <https://www.chilwaminerals.com.au/>. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements, and, in the case of reporting of Ore Reserves and Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward Looking Statements and Important Notice

This announcement may contain some references to forecasts, estimates, assumptions and other forward-looking statements. Although Chilwa believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved where matter lay beyond the control of Chilwa and its Officers. Forward looking statements may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed herein

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Appendix 5B

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

Name of entity

Chilwa Minerals Limited

ABN

43 656 965 589

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(443)	(1,189)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(155)	(721)
	(e) administration and corporate costs	(171)	(944)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	50	160
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes refunded/(paid)	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(719)	(2,694)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(4)	(72)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(4)	(72)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(447)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Principal elements of lease payments)	-	-
3.10	Net cash from / (used in) financing activities	-	(447)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,532	8,022
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(719)	(2,694)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(72)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(447)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,809	4,809

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,809	5,532
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,809	5,532

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	185
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(719)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(719)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,809
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,809
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	6.7
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

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

Date: 22 April 2024

Authorised by: Cadell Buss, Managing Director
(Name of body or officer authorising release – see note 4)

Notes

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