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Annual Report 2025

For the year ended 30 June 2025



Corporate Directory

Directors

Mr Alexander Shaw	Chairman
Mr Cadell Buss	Managing Director
Mr Manuel Mota	Non-Executive Director
Mr Dennis Wilkins	Non-Executive Director

Company Secretary

Mr Dennis Wilkins

Registered Office and Principal Place of Business

L1 / Suite 3, 17 Ord Street, West Perth 6005

Telephone: +61 8 9389 2111

Share Register

Automic Group

191 St Georges Terrace, Perth WA 6000

Telephone: 1300 288 664 (within Australia)

Telephone: +61 2 9698 5414 (outside Australia)

Email: hello@automic.com.au

Auditor

PKF Perth

Level 8, 905 Hay Street

Perth WA 6000

Stock Exchange Listing

Chilwa Minerals Limited shares are listed on the Australian Securities Exchange (ASX: CHW)

Website

www.chilwaminerals.com.au

Corporate Governance Statement

The Corporate Governance Statement can be found on the Company's website:

<https://chilwaminerals.com.au/corporate-governance>

Chilwa Minerals Limited

ABN 43 656 965 589



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Chairman's Letter



Dear Shareholders,

I am honoured to present the Annual Report for 2025, a year marked by significant progress and achievements for our company. The period from July 2024 to June 2025 has been transformative, with several key milestones that have strengthened our position and set the stage for future growth.

The completion of the initial drilling campaign at Mposa represents a key achievement. Results to date have exceeded expectations, with mineralisation thickness in the drilled holes surpassing historic averages. The higher intersected THM% grades are attributed to improved sample recoveries achieved through the application of sonic drilling techniques.

Additionally, the period was marked by a significant milestone: the Mineral Resource upgrade throughout all our HMS deposits around Lake Chilwa. The updated Mineral Resource Estimate (MRE), released in June 2025, demonstrates a substantial increase in total heavy mineral content, further affirming the potential of the Chilwa Critical Minerals Project. This upgrade reflects the thoroughness of our exploration and evaluation activities and establishes a robust foundation for future development.

Moreover, our progress in rare earth elements (REE) has been promising. Diamond drilling at the first of 47 anomalies highlighted in our late 2024 geophysics program has yielded positive results, confirming the presence of REE mineralisation. This development opens up a new area of interest, alongside an already established mineral sands project and enhances the overall value proposition of Chilwa Minerals.

In addition to our drilling campaigns, we have successfully installed, commissioned and operated the Sample Preparation Laboratory in Zalewa, which has significantly improved assay turnaround times and reduced costs. This strategic move has not only enhanced our operational efficiency but also demonstrated our ability to innovate and adapt to the evolving needs of the project.

Our community engagement efforts have also continued to be fruitful. We have held positive meetings with local communities and government representatives in Zomba, Malawi. These interactions have been crucial in building trust and ensuring that our activities align with the interests of our stakeholders. We are committed to maintaining open and constructive dialogue as we progress.

Looking ahead, we remain focused on advancing the Chilwa Critical Minerals Project and exploring new opportunities to enhance shareholder value. Our strategic location, combined with the support of our major shareholder, Mota-Engil Group, positions us well for continued success. We are excited about the future and confident in our ability to deliver on our commitments.

I would like to extend my gratitude to our dedicated team at Chilwa Minerals for their hard work and perseverance. Their efforts have been instrumental in achieving our goals and driving the company forward. I also want to thank our shareholders for their continued support and trust in our vision.

As we move into the next phase of our journey, we look forward to sharing more updates on our progress and celebrating our successes together.

Sincerely,

Alexander Shaw

Chair



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Review of Operations

Chilwa Critical Minerals Project

The Chilwa Critical Minerals Project, situated on the northern, western, and southern shores of Lake Chilwa in southern Malawi, Africa, has made significant progress over the past year. The project comprises three licences with a total land area of 878.7km² and includes a JORC 2012 compliant Mineral Resource Estimate (MRE). The project is prospective for further mineralisation in both the existing and previously unexplored areas of the licences.

Exploration

Strategic Expansion and Program Evolution

During FY2025, Chilwa Minerals completed its drilling operations at the Mposa prospect and began work on additional deposits along the Western shore of Lake Chilwa, including the Mpyupyu and Bimbi deposits, as well as the Halala deposit on the Northern Shore. The sonic drilling campaign has achieved overall core recoveries in excess of 95%, a significant improvement over previous methods (mainly Aircore) used. This has allowed for more accurate geological modelling and resource delineation.

During this period, the Company drilled approximately 10,277 metres of sonic core with two sonic rigs operating from early 2025.

The program at Mposa started in the north of the deposit and moved southward, covering a deposit with 7 km of strike, and included a revised East–West transect of 10 holes to better understand the deposit's stratigraphy.

Assay Results and Resource Upgrade

Assays from 157 sonic drillholes were received during the reporting period. Highlights included:

- 4.3m @ 26.3% THM (incl. 1m @ 45.0%)
- 5m @ 25.8% THM (incl. 4m @ 31.3%)
- 6.6m @ 18.9% THM (incl. 4m @ 27.4%)

These results supported an updated Mineral Resource Estimate (MRE) announced in June 2025, reflecting:

85%

increase in contained THM

71%

of the total resources re-classified as Indicated category, with remainder at inferred. (previously 100% inferred category)

Total resource, per 2025 MRE:

4.44Mt @ 4.03% THM

including 3.23% Ilmenite, 0.11% Rutile, and 0.22% Zircon

These results underscore the potential of the Chilwa Critical Minerals Project and the Company's commitment to advancing its development.

Mineral Resource Estimate

The Mineral Resource upgrade for all the western and northern shore deposits marks a major milestone for Chilwa Minerals. This upgrade not only confirms the potential of the Chilwa Critical Minerals Project but also boosts our strategic position in the mineral sands industry. The substantial increase in the total heavy mineral content, as shown in the updated Mineral Resource Estimate (MRE), provides a solid foundation for future development and underscores the project's economic viability.

The updated MRE represents an 85% increase (2.04Mt THM) in contained THM (Indicated + Inferred Categories) on the previous MRE reported on 31 July 2022. Importantly,

the previous MRE was all at the Inferred Category with the new MRE containing 71% in the higher confidence Indicated Category. The updated MRE was prepared and reported in accordance with the JORC Code (2012).

This upgrade is a testament to our rigorous exploration and evaluation efforts, and it positions us well to attract further investment and partnerships. Moreover, the increased resource base strengthens our ability to negotiate favourable terms with potential off-take partners and enhances our overall market competitiveness. The upgrade also opens up new opportunities for expanding our operations and exploring additional mineralization within the project area, thereby contributing to long-term growth and sustainability.

Table 1: Updated HMS MRE (at 1.0% THM cut off) total of all deposits

Classification	Volume (million m³)	Tonnes (million t)	THM (%)	THM (million t)	Ilmenite (%)	Zircon (%)	Rutile (%)	Slimes (%)	Oversize (%)
Indicated	41.9	69.1	4.47	3.09	3.48	1.26	0.11	19.1	11.0
Inferred	24.1	40.9	3.30	1.35	2.81	0.16	0.09	19.7	6.2
Total	66.0	110.0	4.03	4.44	3.23	0.22	0.10	19.3	9.2

Metallurgical Testwork

The metallurgical testwork conducted on Mposa sonic drill samples has yielded promising results. The testwork, overseen by TZMI and conducted at the Light Deep Earth Laboratory in Pretoria, South Africa, confirmed the potential to produce individual mineral sands products rather than mineral sands concentrate. The results indicated high recoveries and purity levels for key minerals ilmenite and zircon. Specifically, the testwork demonstrated that the ilmenite product could achieve a TiO2 content of over 50%, with zircon at high purity and low contaminant levels, making them suitable for various industrial applications. These findings validate the economic viability of the Mposa deposit and support the continued development of the Chilwa Critical Minerals Project.

Multi commodity of HMS and REE

Over the past year, significant progress has been made in our two-pronged strategy focusing on both Mineral Sands and Rare Earths. In the Mineral Sands sector, we have successfully expanded our operations, resulting in increased productivity and improved efficiencies. A key achievement was the commissioning of the new sample preparation facility (December 2024) which has increased output, reduced operational costs, specifically in assay and shipping costs and significantly improved turnaround times on assay results. Meanwhile, in the Rare Earths sector, we have made substantial advancements in exploration and resource development. Notable achievements include the discovery of new exploration targets and the successful completion of several exploration and drilling programs, which have significantly strengthened our overall portfolio.

These efforts have positioned us well to continue to explore for rare earth elements, essential for various high-tech applications. Overall, our strategic initiatives have strengthened our market position and paved the way for sustained growth in both sectors.



Rare Earth Elements (REE) Progress

Following the flown geophysics program, which included magnetics, gamma spectrometry (radiometric), and orthophotography undertaken in late 2024, the Company immediately established two dedicated exploration programs, as HMS and REE. A diamond drilling rig was procured to be dedicated to REE exploration. Initial ground-truthing of geophysical anomalies and soil sampling confirmed targets prior to drilling. A total of 662m of diamond core was drilled in the reporting period under contract to Mota-Engil Africa.

Soil Sampling and Geochemical Analysis

A comprehensive surface soil sampling and analysis campaign was planned and commenced across all 47 anomalous targets during the reporting period. The Company utilised ionic leaching techniques to further define anomalism and refine targets for follow-up drilling. Initial testing was carried out on 11 anomalies as Soil Sampling Batch 1, followed by a further 19 anomalies, which included 121 soil samples and 24 rock-chip samples. In total, 30 out of 47 REE targets—originally identified by aeromagnetic and radiometric surveys in mid-2024—were tested during this reporting period.

Geochemical Categories and Key Findings

The soil sample results have categorised anomalies into two groups: those enriched with niobium and light REEs, and those containing significant levels of yttrium and heavy REEs. Phases 1 and 2 of the sampling have successfully identified key mineral system elements associated with carbonatite and REE mineralisation. These include elevated concentrations of REEs and important pathfinder elements such as Niobium (Nb), Barium (Ba), Neodymium (Nd), Samarium (Sm), Strontium (Sr), Zirconium (Zr), and Yttrium (Y).

Well-defined multi-element soil anomalies correlate closely with most of the geophysical target zones. These anomalies demonstrate elemental zoning patterns commonly reported above carbonatites, which are linked to mineralisation, alteration, and geological processes both locally and regionally.

Diamond Drilling

The diamond drilling program has progressed well. The initial holes in the north, south, and central portions of Mposa intersected weathered bedrock at depths from 35 to 51 metres below the surface. Elevated TREO (Total Rare Earth Oxide) values were found throughout the sediment package drilled by borehole MPODD001 at the Mposa anomaly. The diamond drill rig, supplied by project partner and major shareholder Mota-Engil, started in early 2025.

The further analysis of rare earths and niobium at the Mposa deposit has produced positive results, confirming the presence of REE mineralisation. This development creates new revenue streams and adds to the overall value proposition of the Chilwa Critical Minerals Project. From July 2024 to June 2025, we have carried out extensive drilling activities to further explore and define the REE resources.



Community and Government Engagement

The Company has taken its community engagement initiatives very seriously from the onset of the project. We have held positive meetings with local communities and government representatives in Zomba, Malawi throughout the reporting period. These interactions have been crucial in building trust and ensuring that our activities align with the interests of our stakeholders. We are committed to maintaining open and constructive dialogue as we progress.

2025 Malwi Mining Investment Forum

In April 2025 Chilwa's Managing Director, Cadell Buss, and Non-Executive Chairman, Alexander Shaw, attended and sponsored the annual Mining Investment Forum in Malawi. The event provided an opportunity to meet with various stakeholders including representatives from the Government of Malawi.

At the event, Chilwa had the opportunity to present the Chilwa Critical Minerals Project to the Minister of Mines, Kenneth Zikhale Ng'oma. Also in attendance at the meeting were Chilwa's major shareholder Mota-Engil, the international law firm Pinsent Masons, and the Malawian law firms Sacranie, Gow & Co., both of whom advise Chilwa.



Figure 1: Left to right - Chilwa Chair Dr Alexander Shaw, Honourable Minister of Mines Mr Kenneth Zikhale N'goma, Chilwa MD Mr Cadell Buss, Secretary for Mining Mr Martin Kaluluma Phiri

The Company received positive feedback about its vision and plans for the development of the Chilwa Critical Minerals Project, particularly regarding Mota-Engil's involvement as a locally established engineering and construction firm in Malawi.

121 Investment Forum – New York

In June 2025, Chilwa Minerals Limited participated in the prestigious 121 Investment Forum in New York, represented by the Managing Director and Chair. The Company conducted 16 targeted investor meetings, engaging with stakeholders across the critical minerals and rare earths sectors. The reception was overwhelmingly positive, with particular interest in Chilwa's rare earth potential and strategic positioning within the global supply chain.

Notably, the team held discussions with the US International Development Finance Corporation and the US State Department, both of which expressed strong interest in supporting downstream processing initiatives. These engagements have since led to follow-up meetings with the US Consulate and World Bank consultants in Malawi, reinforcing Chilwa's visibility and credibility on the international stage.



Figure 2: Chilwa MD Mr Cadell Buss among various conference dignitaries and the President of Malawi Dr Lazarus McCarthy Chakwera

Directors Report

The directors present their report together with the financial report on the consolidated entity (referred to hereafter as the “Group”) consisting of Chilwa Minerals Limited (“Chilwa” or “the Company”) and the entities it controlled at the end of, or during, the year ended 30 June 2025.

Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Where applicable, all current and former directorships held in listed public companies over the last three years have been detailed below. Directors were in office for this entire period unless otherwise stated.

Alexander Shaw - Chairman

Qualifications: BSc (Hons), University of Cape Town (RSA) & DPhil, University of Oxford (UK)

Alexander is a highly accomplished geologist with +15 years of global experience in exploration and production. He has spent the majority of his career exploring for and developing diamond, base and precious metal deposits within Africa, Central and South America. He has significant knowledge of the region having obtained his DPhil from the University of Oxford on the geology of the Mega Kalahari Basin and having managed and developed projects in Angola, Zambia, DRC, Botswana and Namibia with First Quantum Minerals and BHP. Alexander is a Fellow of the Geological Society of London and also a member of the following professional bodies: Australian Institute of Geoscientists, Southern Africa Institute of Mining and Metallurgy, American Institute of Professional Geologists and the Society of Economic Geologists.

Cadell Buss - Managing Director

Qualifications: MPM, MBA, GAICD

Mr Buss is a multi-industry senior executive with over 20 years' experience locally and internationally in marketing, project development and capital markets. Cadell was the CEO of Western Australia's longest serving stockbroking firm DJ Carmichael for 4.5 years and has consulted to a number of ASX listed companies with African based assets. Cadell was previously Project and Finance Director with Luso Global Mining (Luso), an angel investor to African based exploration companies. Cadell is also a Non-Executive Director of Atlas Pearls Ltd (ASX: ATP). Cadell has a Master Degree in Project Management, an MBA from Murdoch University and is a graduate of the Australian Institute of Company Directors.

Manuel Mota - Non-Executive Director

Qualification: Master of Civil Engineering from University College London

Mr Manuel Mota is currently the Executive Vice President and Deputy CEO of Mota-Engil Group, bringing extensive experience in the construction, engineering and mining sector. He joined the Group's Board of Directors in February 2016 as CEO for Africa and subsequently assumed cumulatively the role of CEO for Mota-Engil Europe in March 2019. In June 2021, he became Chief Business Development Officer of the Group, and subsequently Deputy CEO of Mota-Engil Group. In his role in Mota-Engil, Manuel Mota serves as Chairman for Mota-Engil Africa, and Executive Chairman for Latin America, among

other and cumulatively to his role as Executive Vice President and Deputy CEO of Mota-Engil Group. He holds a Master's degree in Civil Engineering from University College London. Throughout his career, his leadership has been instrumental in driving international growth and expansion, reinforcing his position as a key figure in the construction and engineering sector worldwide.

Dennis Wilkins - Non-Executive Director

Qualification: B.Bus, MAICD, ACIS

Mr Wilkins is the founder and principal of DWCorporate Pty Ltd a leading privately held corporate advisory firm servicing the natural resources industry. Since 1994 he has been a director of, and involved in the executive management of, several publicly listed resource companies with operations in Australia, PNG, Scandinavia and Africa. From 1995 to 2001 he was the Finance Director of Lynas Corporation Ltd during the period when the Mt Weld Rare Earths project was acquired by the group. He was also founding director and advisor to Atlas Iron Limited at the time of Atlas' initial public offering in 2006.

Since July 2001 Mr Wilkins has been running DWCorporate Pty Ltd where he advises on the formation of, and capital raising for, emerging companies in the Australian resources sector.

Company Secretary

Dennis Wilkins

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the relevant interests of the directors in the shares of Chilwa Minerals Limited were:

	Ordinary Shares	Performance Rights
Alexander Shaw	290,712	1,000,000
Cadell Buss	2,275,536	4,178,260
Manuel Mota	871,279	750,000
Dennis Wilkins	-	500,000

Principal Activities

During the year the principal activity of the Group was mineral exploration and development activities at the Chilwa Critical Minerals Project ("Project") in Malawi.

Dividends

No dividends were paid or declared during the financial year. No recommendation for payment of dividends has been made.

Corporate

Finance Review

The Group began the financial year with a cash reserve of \$4,151,024. During the financial year the Company issued 7,251,502 fully paid ordinary shares through the Placement and 813,965 ordinary shares under a share purchase plan at the issue price of \$0.86.

During the year the total exploration expenditure incurred by the Group amounted to \$8,022,457 (2024: \$2,414,454 with a further \$4,439,460 recognised as the cost the Chilwa Critical Minerals Project acquisition). In line with the Company's accounting policies, exploration expenditure is capitalised where tenure is current, with nil of this amount expensed to the profit or loss during the year (2024: nil). Net administration, corporate, depreciation and personnel expenditure amounted to \$1,945,222 (2024: \$1,504,869). The Group incurred a share-based payment expense of \$769,033 (2024: \$237,876). This has resulted in an operating loss after income tax for the year ended 30 June 2025 of \$3,184,279 (2024: \$1,742,745).

At 30 June 2025, cash reserves totalled \$687,022.

Directors Report cont.

Operating Results for the Year

Summarised operating results are as follows:

	2025	
	Income	Loss
	\$	\$
Group interest income and loss before income tax expense	125,991	(3,184,279)

Shareholder Returns

	2025	2024
Basic and diluted loss per share (cents)	(4.39)	(2.6)

Risk Management

The board is responsible for ensuring that risks, and opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the board.

The Company believes that it is crucial for all board members to be a part of this process, and as such the board has not established a separate risk management committee.

The board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders needs and manage business risk.
- Implementation of board approved operating plans and budgets and board monitoring of progress against these budgets.

Company specific business risks that could interfere with the achievement of the Company's future operational and financial success are listed below.

General risks associated with operating overseas

The Company conducts business and has interests in operations in Malawi.

Consequently, the Company will be subject to the risks associated with operating in Malawi. Such risks can include economic, social or political instability or change, inflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing,

export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations.

Changes to mining or investment policies and legislation or a shift in political attitude may adversely affect the Company's operations and profitability.

Exploration risks

The Project currently has a JORC 2012 inferred resource of 2.4 MT THM at a 1% cut-off and is considered prospective for further THM in both existing as well as previously unexplored areas of the licences. However, there is significant risk that further exploration may not be successful or may be delayed and cost more than currently anticipated.

Legal environment

The legal systems in overseas countries may be less developed than more established countries and this could result in the following risks:

1. political difficulties in obtaining effective legal redress in the courts whether in respect of a breach of law or regulation or in an ownership dispute;
2. a higher degree of discretion held by various government officials or agencies;
3. the lack of political or administrative guidance on implementing applicable rules and regulations, particularly in relation to taxation and property rights;
4. inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions;
5. relative inexperience of the judiciary and court in matters affecting the Company;
6. delays in court proceedings and delivery of judgements; or
7. difficulties in relation to availability of foreign currency and ability to externalise proceeds.

Sovereign risk

Malawi is subject to differing legal and political systems, when compared with the systems in place in Australia.

Possible risks include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company.

Exploration and operating costs

The proposed exploration expenditure of the Company is based on certain assumptions with respect to the method and timing of exploration and feasibility work. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice.

Future funding requirements and ability to access debt and equity markets

The Company's capital requirements depend on numerous factors and the Company may require additional debt or equity financing in the future to maintain or grow its business.

There can be no assurance that the Company will be able to secure additional capital from debt or equity financing on favourable terms or at all. The Company may also seek to raise funds through joint ventures, production sharing arrangements or other means.

If the Company is unable to raise additional capital if and when required, this could delay, suspend or reduce the scope of the Company's business operations (including scaling back exploration programs) and could have a material adverse effect on the Company's operating and financial performance.

Any additional equity financing may result in dilution for some or all Shareholders, and debt financing, if available, may involve restrictive covenants which limit operations and business strategy.

Title risks

The Project in which the Company has an interest is subject to the relevant conditions applying to Malawi. Failure to comply with these conditions may render the Project or the License liable for forfeiture.

The License will be subject to application for renewal from time to time. Renewal of the term of the License is subject to applicable legislation. If the License is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on the Project.

Potential acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, other resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of resource projects.

The acquisition of projects or other assets (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or successful. If the proposed acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess, at that time, the funding allocated to current projects and new projects or assets, which may result in the Company reallocating funds from other projects and/or the raising of additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

Furthermore, if a new investment or acquisition by the Company is completed, ASX may require the Company to seek Shareholder approval and to meet the admission requirements under Chapters 1 and 2 of the ASX Listing Rules as if the Company were a new listing. There would be costs associated in re-complying with the admission requirements. The Company may be required to incur these costs in any event, were it to proceed to seek to acquire a new project which is considered to result in a significant change to the nature or scale of its existing operations.

If a new investment or acquisition is not completed, then the Company may not be in a position to comply with the ongoing ASX Listing Rules, which includes but is not limited to, maintaining a sufficient level of operations and financial position. Given the nature of resource exploration, this may also occur if the Company abandons and/or relinquishes a project which is no longer considered viable.

Any new project or business acquisition may change the risk profile of the Company, particularly if the new project is located in another jurisdiction, involving a new commodity and/or changes to the Company's capital/funding requirements. Should the Company propose or complete the acquisition of a new project or business activity, investors may re-assess their investment in the Company in light of the new project/business activity.

Contractual risks

The ability of the Company to achieve its objectives will depend on the performance by the counterparties to any

Directors Report **cont.**

agreements that the Company may enter into. If any counterparty defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy. Legal action can be costly. Furthermore, certain contracts to which the Company is a party may be governed by laws of jurisdictions outside Australia. There is a risk that the Company may not be able to seek the legal redress that it could expect under Australian law and generally there can be no guarantee that a legal remedy will ultimately be granted on the appropriate terms.

The Company entered into a Drilling Contract with Mota-Engil Engenharia e Construção África, S.A. (ME Africa), a member of the ME Group for the provision of drilling and related services. In the event that ME Africa cannot comply with the terms of the contract there may be delays associated with obtaining another supplier in Malawi that could result in additional costs and delays to the Company with a consequential impact on exploration timing and budgets. Furthermore, the Drilling Contract is governed by the laws applicable in Malawi and there can be no certainty that, in the event of a dispute, an appropriate remedy can be sought or obtained in a timely manner.

Health, safety and the environment

The conduct of business in the resources sector involves a variety of risks to the health and safety of personnel and to the environment. It is conceivable that an incident may occur which might negatively impact on the Company's business.

International operations

International operations are subject to a number of risks, including:

1. potential difficulties in enforcing agreements and collecting receivables through foreign local systems;
2. potential difficulties in protecting intellectual property;
3. increases in costs for transportation and shipping; and
4. restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

These factors (or others) could materially and adversely affect the Company's business, results of operations and financial condition.

Economic conditions and other global or national issues

General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration and development activities, as well as on its ability to fund those activities.

General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Significant events after the reporting date

On 8 July 2025, a 100% owned subsidiary, Phalombe Minerals Limited (Phalombe), was incorporated in Malawi. Phalombe has been granted an exploration licenses EL0835/25 to carry on exploration activities in Mulanje, Phalombe and Zoba Districts.

Following the Company's achievement of the milestone, being JORC compliant Indicated Resource of 3 million tonnes THM, 10,000,000 class A performance rights vested. 2,500,000 performance rights were held by current and former directors and employees and were converted to the ordinary shares. 7,500,000 performance rights were held by Luso Global Mining BV, the Company's largest shareholder, and will be converted to the ordinary shares subject to compliance with relevant provisions of the Corporations Act.

On 4 August 2025, 551,402 unlisted options were exercised and converted to fully paid shares: 198,886 options were exercised at \$0.25 per option, 249,911 options were exercised at \$0.30 per option, and 102,605 options were exercised at \$0.40 per option.

On 7 August 2025, the Company raised \$4.1 million on issue of 3,544,922 fully paid ordinary shares at an issue price of A\$1.05 per share, pursuant to a private Placement announced to the ASX on 4 August 2025.

On 14 August 2025, 275,605 unlisted options were exercised and converted to fully paid shares: 258,535 options were exercised at \$0.25 per option, 8,535 options were exercised at \$0.30 per option, and 8,535 options were exercised at \$0.40 per option.

On 11 September, 190,000 options were exercised and converted to fully paid ordinary shares at \$0.25 per option.

No other matters or circumstances have arisen since the end of the year which significantly affected or may significantly

affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Likely developments and expected results

The Group expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

Environmental regulation and performance

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Remuneration report (audited)

The information provided in this audited remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

The key management personnel covered in this report are:

Alexander Shaw	Non-Executive Chair
Cadell Buss	Managing Director
Manuel Mota	Non-Executive Director
Dennis Wilkins	Non-Executive Director

Principles used to determine the nature and amount of remuneration

Remuneration Policy

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive compensation; and
- transparency.

The Board's policy for determining the nature and amount of remuneration for board members and senior executives of the Group is as follows:

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Company.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

Directors Report cont.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$300,000 approved at the 2022 AGM). Cash fees for non-executive directors are not linked to the performance of the Group.

The Company has resolved that the grant of performance rights to directors will encourage participating directors to continue to have greater involvement in the achievement of the Company's objectives and incentivise effort by participation in the future growth and prosperity of the Company. Without an income stream, performance rights are considered a cost effective and efficient means for the Company to provide reward and incentive. Approval for the allocation of performance rights to directors was approved at the annual general meeting of shareholders held on 7 November 2024. Details of performance rights held by directors are detailed in section Share Based Compensation below.

Executive remuneration

The Company aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- equity-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Company and provides additional value to the executive.

Executives are also entitled to participate in the employee share and option arrangements.

The executive directors and executives, if any, who receive a salary from the Company also receive a superannuation guarantee contribution as required by the government, which was 11.5% for the 2025 financial year, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

Performance based remuneration

Short-term incentive (STI)

In accordance with the remuneration provisions of the Executive Services Agreement between the Company and the Managing Director that commenced on 1 July 2023, the Managing Director is entitled to cash bonuses upon the achievement of the following KPI's:

1. \$140,074 upon admittance to the Official List of the ASX within 3 months of the date of the agreement;
2. \$70,000 when: (a) 6,000 metres of drilling is completed; and (b) assay results achieved from the 6,000 metre drilling program; and
3. \$70,000 when: (a) a maiden Indicated Resources is achieved; and (b) an Indicated Resource of over 3mt of THM at 1% cut-off grade is achieved.

As at the date of this report, the achievement of each of the three milestones has been completed and payment of short term incentives made to Mr Buss as disclosed in the KMP remuneration table in the Details of Remuneration section below.

Long-term incentive (LTI)

As disclosed in the IPO Prospectus, performance rights have been granted to KMP subject to the achievement of the following KPI's:

- Class A - the announcement by the Company of an Indicated Mineral Resource of 3 million tonnes of THM from the Project by no later than 24 months from the grant of the performance right;
- Class B - the announcement by the Company of the completion of a Pre-Feasibility Study (as defined in the JORC code) that recommends further proceeding with the Project by no later than 48 months from the grant of the performance rights;
- Class C - announcement by the Company of the completion of a Feasibility Study (as defined in the JORC Code) that recommends further proceeding with the Project by no later than 48 months from the grant of the performance rights; and
- Class D - the announcement by the Company that a decision to mine the Project has been made by no later than 60 months from the grant of the performance rights.

For details of performance rights granted to key management personnel during the 2025 financial year, refer to the 'Share-based compensation' section later in the Remuneration Report.

Company performance, shareholder wealth and directors' and executives' remuneration

The table below shows the gross income, losses and earnings per share for the applicable portion of the last five years for the listed entity (the Company was incorporated on 1 February 2022):

	2025	2024	2023	2022	2021
	\$	\$	\$	\$	\$
Interest income	125,991	202,811	-	-	-
Net loss	(3,184,279)	(1,742,745)	(1,022,744)	(266,413)	-
Loss per share (cents)	(4.39)	(2.6)	(12.5)	(32.0)	-
Share price at year end (cents)	1.20	0.63	0.20	0.10	-

No dividends have been paid.

Use of remuneration consultants

The Company did not employ the services of any remuneration consultants during the financial year ended 30 June 2025.

Voting and comments made at the Company's 2024 Annual General Meeting

The Company received 100% of "yes" votes on its remuneration report for the 2024 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices. 2025 AGM to be held in September 2025.

Details of remuneration

Details of the remuneration of the directors and the key management personnel (KMP) of the Group are set out in the following table.

KMP	Short-Term Benefits			Post Employment	Long-Term Benefits	Share-Based Payments	Total	Performance Related
	Salary & Fees	Non-Cash Benefits	Cash Bonus	Super-annuation	Long Service Leave			
	\$	\$	\$	\$	\$	\$	\$	\$
Directors								
Alexander Shaw ⁽¹⁾								
2025	80,000	-	-	-	-	79,144	159,144	49.7
2024	67,889	-	-	-	-	-	67,889	-
Cadell Buss								
2025	350,000	-	140,000	40,250	-	515,959	1,046,209	49.3
2024	323,077	-	140,074	35,538	-	165,740	664,429	46.0
Manual Mota ⁽¹⁾								
2025	40,000	-	-	-	-	59,358	99,358	59.7
2024	40,000	-	-	5,450	-	-	45,450	-
Dennis Wilkins ⁽²⁾								
2025	40,000	-	-	-	-	39,572	79,572	49.7
2024	28,000	-	-	-	-	-	28,000	-
Philip Lucas ⁽³⁾								
2025	-	-	-	-	-	-	-	-
2024	106,660	-	-	-	-	50,852	157,512	32.3
Other Key Management Personnel								
John Lewis								
2025	-	-	-	-	-	-	-	-
2024	112,438	-	-	-	-	14,898	127,336	11.7
Total KMP Remuneration								
2025	510,000	-	140,000	40,250	-	694,033	1,384,283	
2024	678,064	-	140,074	40,988	-	231,490	1,090,616	

Directors Report **cont.**

⁽¹⁾ In addition to Mr Shaw and Mr Mota's remuneration as directors, expenses totalling of \$2,480,540 (2024: \$985,649) were paid or payable to Mota Engil and associated companies, where of Mr Shaw and Mr Mota are directors. The expenditure incurred was for associated technical and drilling services in Malawi in accordance with the services agreement. The fees charged were at usual commercial rates. At 30 June 2025 there was \$11,008 (2024: \$310,595) owing to Mota Engil and associated companies.

⁽²⁾ In addition to the remuneration paid to DWCorporate Pty Ltd for the provision of Mr. Wilkins as a director, a total of \$390,339 was paid to DWCorporate Pty Ltd, a business of which Mr Wilkins is principal. DWCorporate Pty Ltd provided company secretarial and accounting services to the Group during the year. The amounts paid were at usual commercial rates with fees charged on an hourly basis. At 30 June 2025 there was \$28,615 owing to DW Corporate Pty Ltd.

⁽³⁾ Both Mr P. Lucas and Mr J. Lewis resigned on 19 October 2023 as Chairman and Company Secretary respectively.

Service agreements

The details of service agreements of the key management personnel of Chilwa Minerals Limited are as follows:

Cadell Buss - Managing Director and Chief Executive Officer

- Agreement commenced on 1 July 2023, with no fixed term.
- Base salary for the year ending 30 June 2025 of \$350,000 plus superannuation, to be reviewed annually by the Board.
- 12-month termination notice by either party.

Alexander Shaw – Chairman

- Director fees of \$80,000 per annum payable to KBMEC Limited, a company controlled by Mr Shaw, with no fixed term or termination payments payable.

Manuel Mota – Non-Executive Director

- Director fees of \$40,000 plus statutory superannuation per annum, with no fixed term or termination payments payable.

Dennis Wilkins - Non-Executive Director

- Director fees of \$40,000 per annum paid to DWCorporate Pty Ltd, a company of which Mr Wilkins is a director, with no fixed term or termination payments payable.

Share-based compensation

Performance Rights

Performance rights are issued to directors and executives as part of their remuneration. The Company does not have a formal policy in relation to the key management personnel limiting their exposure to risk in relation to the securities, but the Board actively discourages key personnel from obtaining mortgages in securities held in the Company.

The following performance rights were granted to or vesting with key management personnel during the year, there were no performance rights forfeited during the year:

Director	Grant Date	Granted Number	Vested Number	Date Vesting and Exercisable	Expiry Date	Value per right at grant date (cents) ^{(1) (2)}	% of Remuneration
Cadell Buss	7/11/2024	1,500,000	Nil	Class E	30/11/2028	0.83	49.3
Alexander Shaw	7/11/2024	1,000,000	Nil	Class E	30/11/2028	0.83	49.7
Manuel Mota	7/11/2024	750,000	Nil	Class E	30/11/2028	0.83	59.7
Dennis Wilkins	7/11/2024	500,000	Nil	Class E	30/11/2028	0.83	49.7

⁽¹⁾ Performance rights were issued following the shareholders' approval at the AGM on 7 November 2024.

⁽²⁾ The value at grant date in accordance with AASB 2 Share Based Payments of performance rights granted during the year as part of remuneration.

Equity instruments held by key management personnel

Share holdings

The numbers of shares in the Company held during the financial year by each director of Chilwa Minerals Limited and other key management personnel of the Group, including their personally related parties, and any nominally held, are set out below. There were no shares granted during the reporting period as compensation.

2025	Balance at start of the year	Received during the year as part of remuneration	Other changes during the year	Balance at end of the year ⁽¹⁾
Ordinary shares				
Directors				
Alexander Shaw	200,000	-	90,712	290,712
Cadell Buss	544,796	-	9,000	553,796
Manuel Mota	725,000	-	146,279	871,279
Dennis Wilkins	-	-	-	-

Performance rights holdings

The numbers of performance rights over ordinary shares in the Company held during the financial year by each director of Chilwa Minerals Limited and other key management personnel of the Group, including their personally related parties, are set out below:

2025	Balance at start of the year	Granted during the year	Vested	Forfeited	Balance at end of the year	Maximum value yet to vest (\$) ⁽¹⁾
Directors						
Alexander Shaw	-	1,000,000	-	-	1,000,000	418,857
Cadell Buss	4,400,000	1,500,000	1,712,740	-	5,900,000	797,160
Manuel Mota	-	750,000	-	-	750,000	314,142
Dennis Wilkins	-	500,000	-	-	500,000	209,428

⁽¹⁾ The maximum value of the performance rights yet to vest has been determined as the amount of the grant date fair value of the performance rights that is yet to be expensed based on the reporting date management estimates of the performance conditions being satisfied.

End of audited Remuneration Report

Insurance of officers and indemnities

(a) Indemnity and Insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

(b) Indemnity of auditors

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

Directors' meetings

During the year the Company held seven meetings of directors. The attendance of directors at meetings of the board were:

Director	Directors Meetings		Remuneration & Nomination Committee	
	A	B	A	B
Alexander Shaw	7	7	-	-
Cadell Buss	7	7	*	*
Manuel Mota	7	7	-	-
Dennis Wilkins	7	7	-	-

Notes

A Number of meetings attended.

B Number of meetings held during the time the director held office during the year.

* - Not a member of the committee.

Directors Report **cont.**

Shares under option

Unissued ordinary shares

Unissued ordinary shares of Chilwa Minerals Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Exercise price (cents)	Number of options
1 July 2023	30 June 2027	25	833,334
1 July 2023	30 June 2027	30	833,333
1 July 2023	30 June 2027	40	833,333
			2,500,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

No options were granted to the directors or any of the five highest remunerated officers of the Company since the end of the financial year.

Non audit services

The following non audit services were provided by the entity's auditor, PKF Perth or associated entities. The directors are satisfied that the provision of non audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the board to ensure they do not impact the impartiality 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.

	2025	2024
	\$	\$
Tax compliance and advisory services	9,500	8,000
Consulting fees	-	19,450
Total remuneration for non-audit services	9,500	27,450

There are no officers of the Company who are former partners of PKF Perth.

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 any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

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 immediately after this directors' report.

Auditor

PKF Perth 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 Corporations Act 2001.

On behalf of the directors



Managing Director

Perth, 25 September 2025



PKF Perth
ABN 64 591 268 274
Dynons Plaza,
Level 8, 905 Hay Street,
Perth WA 6000
PO Box 7206,
Cloisters Square, WA 6850
Australia

+61 8 9426 8999
perth@pkfperth.com.au
pkf.com.au

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF CHILWA MINERALS LIMITED

In relation to our audit of the financial report of Chilwa Minerals Limited for the year ended 30 June 2025, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Perth

PKF PERTH

S. Fermanis

SIMON FERMANIS
PARTNER

25 September 2025
PERTH, WESTERN AUSTRALIA

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Corporate Governance Statement

Chilwa Minerals Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Chilwa Minerals has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2025 Corporate Governance Statement was approved by the Board on 24 September 2025 and is current as at 24 September 2025. A description of the Company's current corporate governance practices is set out in the Corporate Governance Statement which can be viewed at www.chilwaminerals.com.au.

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 30 JUNE 2025	Notes	2025 \$	2024 \$
REVENUE AND OTHER INCOME			
Interest	4	125,991	202,811
EXPENDITURE			
Administration expenses		(400,435)	(131,787)
Compliance and regulatory costs		(533,782)	(202,541)
Consulting expenses		(500,844)	(333,839)
Depreciation expense		(95,639)	(28,419)
Employee benefits expense		(915,366)	(835,300)
Other expenses		(95,171)	(175,794)
Share-based payments expense	23	(769,033)	(237,876)
LOSS BEFORE INCOME TAX		(3,184,279)	(1,742,745)
INCOME TAX EXPENSE	6	-	-
LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF CHILWA MINERALS LIMITED		(3,184,279)	(1,742,745)
OTHER COMPREHENSIVE INCOME			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(10,525)	(27,987)
Other comprehensive income for the year, net of tax		(10,525)	(27,987)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF CHILWA MINERALS LIMITED		(3,194,804)	(1,770,732)
LOSS PER SHARE FOR THE YEAR ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted loss per share (cents per share)	22	(4.39)	(2.6)

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 30 JUNE 2025	Notes	2025 \$	2024 \$
CURRENT ASSETS			
Cash and cash equivalents	7	687,022	4,151,024
Trade and other receivables	8	141,670	51,058
TOTAL CURRENT ASSETS		828,692	4,202,082
NON-CURRENT ASSETS			
Plant and equipment	9	1,056,280	67,254
Right-of-use assets		67,711	74,160
Exploration and evaluation assets	10	16,293,103	6,853,914
TOTAL NON-CURRENT ASSETS		17,417,094	6,995,328
TOTAL ASSETS		18,245,786	11,197,410
CURRENT LIABILITIES			
Trade and other payables	11	1,986,786	987,002
Borrowings		-	42,900
Lease liabilities		76,302	76,302
Employee benefit obligations		56,292	26,636
TOTAL CURRENT LIABILITIES		2,119,380	1,132,840
TOTAL LIABILITIES		2,119,380	1,132,840
NET ASSETS		16,126,406	10,064,570
EQUITY			
Contributed equity	12	18,986,249	11,863,857
Reserves	13	3,356,337	1,232,614
Accumulated losses		(6,216,180)	(3,031,901)
TOTAL EQUITY		16,126,406	10,064,570

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

YEAR ENDED 30 JUNE 2025						
	Notes	Contributed Equity \$	Share-based Payments Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
BALANCE AT 1 JULY 2023		820,001	-	-	(1,289,156)	469,155
Loss for the year		-	-	-	(1,742,745)	(1,742,745)
OTHER COMPREHENSIVE LOSS						
Exchange differences on translation of foreign operations		-	-	(27,987)	-	(27,987)
TOTAL COMPREHENSIVE LOSS		-	-	(27,987)	(1,742,745)	(1,770,732)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the year		11,800,000	-	-	-	11,800,000
Share issue transaction costs		(756,144)	309,100	-	-	(447,044)
Options and performance rights issued		-	951,501	-	-	951,501
BALANCE AT 30 JUNE 2024		11,863,857	1,260,601	(27,987)	(3,031,901)	10,064,570
Loss for the year		-	-	-	(3,184,279)	(3,184,279)
OTHER COMPREHENSIVE INCOME						
Exchange differences on translation of foreign operations		-	-	(10,525)	-	(10,525)
TOTAL COMPREHENSIVE LOSS		-	-	(10,525)	(3,184,279)	(3,194,804)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS						
Shares issued during the year	12	7,094,611	-	-	-	7,094,611
Options conversion to shares		51,517	(51,517)	-	-	-
Share issue transaction costs	12	(23,736)	-	-	-	(23,736)
Options and performance rights issued	13	-	2,185,765	-	-	2,185,765
BALANCE AT 30 JUNE 2025		18,986,249	3,394,849	(38,512)	(6,216,180)	16,126,406

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

YEAR ENDED 30 JUNE 2025	Notes	2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(2,225,808)	(1,961,614)
Interest received		125,991	202,811
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	21(a)	(2,099,817)	(1,758,803)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure capitalised		(7,300,835)	(1,668,788)
Payments for plant and equipment		(1,115,543)	(84,692)
Cash acquired on acquisition of subsidiaries		-	74,165
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		(8,416,378)	(1,679,315)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		7,160,611	-
Proceeds from investor funds		31,424	42,900
Payments for share issue transaction costs		(82,000)	(447,044)
NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES		7,110,035	(404,144)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(3,406,160)	(3,842,262)
Cash and cash equivalents at the beginning of the financial year		4,151,024	8,022,417
Effects of exchange rate changes on cash and cash equivalents		(57,842)	(29,131)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	687,022	4,151,024

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Chilwa Minerals Limited and its subsidiaries. The financial statements are presented in the Australian currency. Chilwa Minerals Limited is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue by the directors on 25 September 2025. The directors have the power to amend and reissue the financial statements.

(a) 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 and the *Corporations Act 2001*. Chilwa Minerals Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Chilwa Minerals Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Group

The Group has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(iii) New accounting standards and interpretations not yet mandatory or early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2025 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is that they are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(iv) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified, where required, by the measurement at fair value of selected financial assets and financial liabilities.

(v) Rounding of amounts

The Company is of a kind referred to in *Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

(vi) Going concern

The consolidated financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

At 30 June 2025, the Group had cash on hand of \$687,022 (2024: \$4,151,024). The Group made an operating loss before tax for the financial year ended 30 June 2025 of \$3,184,279 (2024: \$1,742,745). And had a cash outflow from operating activities and investing activities of \$10,516,195 (2024: \$3,438,118).

On 8 August 2025, Chilwa Minerals Limited raised \$4.1 million through a private Placement, issue of 3,544,922 fully paid ordinary shares, to its existing shareholders and sophisticated investors. The funds raised will be used for working capital and to accelerate the Group's exploration activities at the Chilwa Critical Minerals Project in Malawi. At the date of the report the Group cash balance is \$2.2 million.

In addition, the Group's cash flow forecast for the 12-month period ending 30 September 2026, which has been prepared based on the cost estimated currently available to the Group, reflect that the Group will have to raise additional working capital during the 12-month period. The cash flow forecast anticipates additional capital raising by Chilwa Minerals Limited later in October 2025 and in February 2026 for the total of \$9 million to support further progress of drilling activities and assay analysis at the Chilwa Critical Minerals Project in Malawi.

Notes to the Consolidated Financial Statements *cont.*

Management intends to take the following actions to ensure that funding of the Group's activities is consistent and supports the work program:

- As of the date of this report there is an ongoing discussion with a private investor to support capital raising in the upcoming month, October 2025, for the total of \$4m.
- Based on the previous strong support extended by the Groups' existing and new shareholders (\$11 million raised within the last 13 months) the management has a reasonable ground to believe that a Placement planned for the 3rd quarter of the financial year 2026 will bring necessary funding of around \$5 million to support the planned exploration works. The recent announcement by the Group on 2 July 2025 (rare earth mineral concentrate as a potential by-product) has been very well received by the investors and provided increased confidence regarding the presence of additional rare earth elements.
- Ongoing costs review and implementing required cost-cutting measures on non-main activities to improve cash flow.

The management believes that the Group will secure additional working capital as required through capital raising and it is appropriate to prepare financial statements on a going concern basis with contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the normal course of business. In the event the Group is unable to raise additional working capital, when required, there is significant uncertainty to whether the Group will be able to meet its debts as and when they fall due and thus continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of the recorded asset amounts, nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

(b) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the 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 Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Mindax Limited.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly controlled entity or associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

(d) Foreign currency translation

(i) Functional and presentation currency

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 Australian dollars, which is Chilwa Minerals 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 currencies are recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

(iii) Group companies

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

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless that 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 other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(e) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of plant and equipment. Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

- Plant and equipment 3-7 years
- Leasehold improvements 3-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets,

whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the

Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Notes to the Consolidated Financial Statements *cont.*

(f) Exploration and evaluation expenditure

Exploration and evaluation expenditures are accumulated in respect of each separate area of interest.

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated expenditures in respect of that area are written off in the financial period the decision is made. The carrying value of the Group's projects are reviewed at least annually for appropriateness and to determine if there are any impairment indicators.

(g) Share-based payments

The cost of equity-settled compensation (by shares, options or rights over shares) provided by the Group to employees and contractors are measured at fair value on grant date. Fair value is determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the equity instruments, together with non-vesting conditions that determine whether the Group receives the services that entitle the employees and contractors to receive payment.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting

period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the awards, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions

are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, an additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification. If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately.

(h) Critical accounting judgements, estimates and assumptions

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

Exploration expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees and contractors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using an appropriate option pricing model or quoted active market price, using the assumptions detailed in note 24. If any of these assumptions, including the probabilities of achieving the performance hurdles were to change, there may be an impact on the amounts reported.

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the full Board of Directors as the Company believes that it is crucial for all board members to be involved in this process. The chief executive officer, with the assistance of advisors as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on risk management.

(a) Market risk

(i) Foreign exchange risk

The Company undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash

flow forecasting.

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

	2025	2024
	\$	\$
Assets		
Malawi Kwacha	16,931	49,111
	16,931	49,111
Liabilities		
South African Rand	933	-
Malawi Kwacha	156,589	42,900
Great British Pound	216,376	13,824
US Dollars	203,642	628,470
Euros	1,110,975	17,191
	1,688,515	702,385
Net liability	1,671,584	653,274

The Company had net liabilities denominated in foreign currencies of \$1,671,584 (2024: \$653,274). Based on this exposure, had the Australian dollar weakened by 10%/strengthened by 5% against these foreign currencies with all other variables held constant, the Company's loss before tax for the year would have been \$185,731 higher/\$79,599 lower (2024: \$65,327 higher/\$32,664 lower).

The Company considered application of AASB 129 *Hyperinflation Accounting* to the subsidiary, Chilwa Minerals Africa Limited, which operates in a hyperinflationary economy, and management has decided that the Malawian subsidiary shall not restate the financial statements using the provisions of AASB 129 for the following reasons:

- Only 13% of expenditure is incurred in Malawi Kwacha and 87% is incurred in AUD, USD, GBP, EUR and ZAR and is funded or settled using Australian dollars.
- The Group is an early stage of the exploration activities and does not generate revenue.
- Restating and including disclosure relating to hyperinflation would result in an increase to the exploration and evaluation asset.
- Reporting in Malawi Kwacha for the subsidiary is maintained solely for in-country compliance purposes.

(ii) Commodity price risk

Given the current level of operations the Company is not exposed to commodity price risk.

Notes to the Consolidated Financial Statements cont.

(iii) Interest rate risk

The Company is exposed to movements in market interest rates on cash and cash equivalents. The Company policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The entire balance of cash and cash equivalents for the Company of \$687,022 (2024: \$4,151,024) is subject to interest rate risk. The proportional mix of floating interest rates and fixed rates to a maximum of six months fluctuate during the year depending on current working capital requirements. The weighted average interest rate received on cash and cash equivalents by the Company was 3.3% (2024: 3.6%).

Sensitivity analysis

At 30 June 2025, if interest rates had changed by +/- 100 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for the Company would have been \$38,402 lower/higher (2024: \$55,734 lower/higher) as a result of higher/lower interest income from cash and cash equivalents.

(b) Credit risk

The maximum exposure to credit risk at the reporting date is the carrying amount (net of provision for impairment) of those assets as disclosed in the statement of financial position and notes to the financial statements. The only significant concentration of credit risk for the Group is the cash and cash equivalents held with financial institutions. All material deposits are held with the major Australian banks for which the Board evaluate credit risk to be minimal (credit rating AA-).

As the Group does not presently have any significant trade receivables, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

(c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash is available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Group are confined to trade and other payables as disclosed in the consolidated statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

	Within 1 Year		1 to 5 Years		Total Contractual Cashflow	
	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment						
Trade and other payables	1,986,786	987,002	-	-	1,986,786	987,002
Borrowings	-	42,900	-	-	-	42,900
Lease liabilities	76,302	76,302	-	-	76,302	76,302
Total contractual outflows	2,063,088	1,106,204	-	-	2,063,088	1,106,204

(d) Fair value estimation

There were no financial assets or liabilities at 30 June 2025 requiring fair value estimation and disclosure as they are either not carried at fair value or, in the case of short-term financial assets and financial liabilities, their carrying values approximate fair value.

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The carrying amounts and estimated fair values of financial assets and financial liabilities are as follows:

	2025	2024
	\$	\$
Financial Assets		
Cash and cash equivalents	687,022	4,151,024
Trade and other receivables	141,670	51,058
Total Financial Assets	828,692	4,202,082
Financial Liabilities		
Trade and other payables	1,986,786	987,002
Borrowings	-	42,900
Lease liabilities	76,302	76,302
Total Financial Liabilities	2,063,088	1,106,204

The methods and assumptions used to estimate the fair value of financial instruments are outlined below:

Cash

The carrying amount is fair value due to the liquid nature of these assets.

Receivables/Payables

Due to the short-term nature of these financial rights and obligations, their carrying amounts are estimated to represent their fair values.

Fair value measurements of financial assets

The carrying values of financial assets and liabilities of the Group approximate their fair values. Fair values of financial assets and liabilities have been determined for measurement and/or disclosure purposes.

Notes to the Consolidated Financial Statements cont.

3. SEGMENT INFORMATION

The Company operates in one segment, being the mining exploration sector in Malawi.

In determining operating segments, the Company has had regard to the information and reports the Managing Director uses to make strategic decisions regarding resources. The Managing Director is considered to be the chief operating decision maker and is empowered by the Board of Directors to allocate resources and assess the performance of the Company.

The total of non-current assets other than financial assets, broken down by location of the assets, is as follows:

	2025	2024
	\$	\$
Australia	84,916	128,893
Malawi	17,332,178	6,866,435
	17,417,094	6,995,328

4. OTHER INCOME

Income from continuing operations

Interest from financial institutions	125,991	202,811
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5. EXPENSES

Specific expenses requiring disclosure:

Defined contribution superannuation expense	58,856	45,040
Net foreign exchange loss	95,172	5,558

6. INCOME TAX

(a) Income tax benefit

Current tax	-	-
	-	-

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Loss from continuing operations before income tax expense	(3,184,279)	(1,742,745)
Prima facie tax benefit at the Australian tax rate of 25% (2024: 25%)	(796,070)	(435,686)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payments	192,258	59,469
Other	70,230	51,273
		(324,944)
Movements in unrecognised temporary differences	(33,445)	1,431
Tax effect of current year tax losses for which no deferred tax asset has been recognised	567,026	323,513
Income tax expense/benefit	-	-

	2025	2024
	\$	\$
(c) Unrecognised temporary differences		
Deferred Tax Assets at 25% (2024: 25%)		
Section 40-880 costs	24,195	36,039
Other temporary differences	42,804	19,085
Carry forward tax losses	974,390	459,480
Deferred Tax Liabilities at 25% (2024: 25%)		
Unrealised foreign exchange gains & prepayments	(16,007)	(946)
Net deferred tax assets	1,025,382	513,658

Net deferred tax assets not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised. The recoupment of available tax losses as at 30 June 2025 is contingent upon the following:

- (i) The Group deriving future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) The Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and
- (iii) There being no changes in tax legislation which adversely affect the Group from realising the benefit.

7. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2025	2024
	\$	\$
Cash at bank and in hand	687,022	4,151,024
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	687,022	4,151,024

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

8. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	2025	2024
	\$	\$
Prepayments	93,191	48,905
GST refund	48,479	2,153
	141,670	51,058

Notes to the Consolidated Financial Statements cont.

9. NON-CURRENT ASSETS – PLANT AND EQUIPMENT

	Plant & Equipment	Computer Equipment	Total
	\$	\$	\$
At 30 June 2025			
Cost	1,167,389	44,226	1,211,615
Accumulated depreciation	(135,819)	(19,516)	(155,335)
Net book amount	1,031,570	24,710	1,056,280
Opening net book amount	59,388	7,866	67,254
Additions	1,073,859	28,732	1,102,591
Depreciation expensed to profit or loss	(76,924)	(11,888)	(88,812)
Amortisation	(37,704)	-	(37,704)
Foreign exchange movement	12,951	-	12,951
Closing net book amount	1,031,570	24,710	1,056,280
At 30 June 2024			
Cost	80,578	15,494	96,072
Accumulated depreciation	(21,190)	(7,628)	(28,818)
Net book amount	59,388	7,866	67,254
Opening net book amount	-	7,924	7,924
Exchange differences	(167)	-	(167)
Additions	80,578	4,114	84,692
Depreciation expensed to profit or loss	(21,023)	(4,172)	(25,195)
Closing net book amount	59,388	7,866	67,254

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10. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION ASSETS

	2025	2024
	\$	\$
Exploration and evaluation assets	16,293,103	6,853,914
Balance at the beginning of the year	6,853,914	-
Acquisition of the Chilwa Critical Minerals Project ⁽¹⁾	1,416,732	4,439,460
Expenditure incurred	8,022,457	2,414,454
Impairment of exploration and evaluation	-	-
Balance at the end of the year	16,293,103	6,853,914

(1) Fair value of continued vesting of performance rights issued to Luso Global Mining BV on the acquisition of the Chilwa Critical Minerals Project, recognised in the current year.

The company acquired Chilwa on 1 July 2023. The consideration for the acquisition is described in the Company's 2024 annual report was 19,000,000 fully paid ordinary shares in the Company and 18,750,000 performance rights, with the total value stated as \$4,513,625. This amount included \$713,625 in respect to the performance rights. In the current year reporting period, the board has reconsidered the terms of the acquisition, and the consideration payable and has determined that the performance rights were issued for the provision of on-going services by the vendor (Luso Global Mining BV) over the vesting period of the rights.

Accordingly, in the table below, and above, the value for the acquisition of the Chilwa Critical Minerals Project and value of expenditure incurred on the project to 30 June 2024 has been re-classified. This re-classification has had no impact on the value of the Company's exploration and evaluation assets.

	2024 Annual Report (\$)	Re-classification (\$)	Re-classified value (\$)
Exploration and evaluation assets	2,414,454	713,625	3,128,079
Acquisition of Chilwa Critical Minerals Project	4,439,460	(713,625)	3,725,835
	6,853,914	-	6,853,914

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated expenditures in respect of that area are impaired in the financial period the decision is made.

The carrying value of the Group's projects was reviewed, and no impairment indicators were identified during the 2025 financial year in relation to the Group's tenements.

11. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2025	2024
	\$	\$
Trade and other payables	480,855	472,811
Accrued and other expenses	1,505,931	514,191
	1,986,786	987,002

Notes to the Consolidated Financial Statements cont.

12. CONTRIBUTED EQUITY

	2025		2024	
	Number of shares	\$	Number of shares	\$
(a) Share capital				
Ordinary shares fully paid	75,765,468	18,986,249	67,200,001	11,863,857
Total contributed equity	75,765,468	18,986,249	67,200,001	11,863,857

(b) Movements in ordinary share capital

Beginning of the financial year	67,200,001	11,863,857	8,200,001	820,001
<i>Issued during the year:</i>				
Options exercised at \$0.25 on 29/07/2024	166,667	41,667	-	-
Options exercised at \$0.30 on 29/07/2024	166,667	50,000	-	-
Options exercised at \$0.40 on 29/07/2024	166,666	66,667	-	-
Conversion of options to shares on 29/07/2024 – fair value transfer	-	51,516	-	-
Placement tranche1- \$0.86 per share on 22/10/2024	5,426,616	4,666,879		
Placement tranche 2 - \$0.86 per share on 07/01/2025	2,638,851	2,269,399		
Issued as consideration for acquisition of Chilwa	-	-	19,000,000	3,800,000
Issued for cash at Initial Public Offer at \$0.20	-	-	40,000,000	8,000,000
Transaction costs	-	(23,736)	-	(756,144)
End of the financial year	75,765,468	18,986,249	67,200,001	11,863,857

(c) Movements in options (unlisted) on issue

	Number of options	
	2025	2024
Balance at the beginning of the financial year	3,000,000	-
Options vested and exercised at \$0.25 on 29/07/2024	(166,667)	-
Options vested and exercised at \$0.30 on 29/07/2024	(166,667)	-
Options vested and exercised at \$0.40 on 29/07/2024	(166,666)	-
Options issued on 01/07/2023, exercisable at \$0.25 by 30/06/2027	-	1,000,000
Options issued on 01/07/2023, exercisable at \$0.30 by 30/06/2027	-	1,000,000
Options issued on 01/07/2023, exercisable at \$0.40 by 30/06/2027	-	1,000,000
Balance at the end of the financial year	2,500,000	3,000,000

(d) Movements in performance rights on issue

	Number of performance rights	
	2025	2024
Balance at the beginning of the financial year	25,000,000	-
Issued on 30/11/2024, unlisted, expiring 30/11/2028	3,750,000	-
Issued on 01/07/2023, Class A expiring 30/06/2025	-	10,000,000
Issued on 01/07/2023, Class B expiring 30/06/2027	-	5,000,000
Issued on 01/07/2023, Class C expiring 30/06/2027	-	5,000,000
Issued on 01/07/2023, Class D expiring 30/06/2028	-	5,000,000
Balance at the end of the financial year	28,750,000	25,000,000

(e) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present, at a meeting of shareholders, in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(f) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The working capital position of the Group at 30 June 2025 and 30 June 2024 are as follows:

	2025	2024
	\$	\$
Cash and cash equivalents	687,022	4,151,024
Trade and other receivables	141,670	51,058
Trade and other payables	(1,986,786)	(987,002)
Borrowings		(42,900)
Lease liabilities	(76,302)	(76,302)
Employee benefit obligations	(56,292)	(26,636)
Working capital position	(1,290,688)	3,069,242

Prior to year-end, the Company initiated capital raising activities and was in advanced discussions with investors during July 2025. These discussions culminated in the successful completion of a capital raise on 7 August 2025. The Company raised \$4.1 million by issuing 3,544,922 fully paid ordinary shares at an issue price of A\$1.05 per share, pursuant to a private Placement announced to the ASX on 4 August 2025. For further details, see note 20.

13. RESERVES

	2025	2024
	\$	\$
(a) Reserves		
Foreign currency translation reserve	(38,512)	(27,987)
Share-based payments reserve	3,394,849	1,260,601
	3,356,337	1,232,614

(b) Nature and purpose of reserves

(i) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled Group are recognised in other comprehensive income as described in note 1(d) and accumulated within a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(ii) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options and performance rights granted.

Notes to the Consolidated Financial Statements cont.

14. DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

15. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2025	2024
	\$	\$
Auditors of the Group – PKF Perth and related network firms		
Audit and review of financial reports	45,000	65,500
Total audit and review of financial reports	45,000	65,500
<i>Non-audit services</i>		
Tax compliance and advisory services	9,500	8,000
Consulting services	-	19,450
Total other non-audit services	9,500	27,450
Total services provided by PKF Perth	64,500	92,950

16. CONTINGENCIES

There are no material contingent liabilities or contingent assets of the Group at reporting date.

17. COMMITMENTS

Exploration commitments

In order to maintain current rights of tenure to exploration and mining tenements, the Group will be required to outlay the amounts disclosed in the below table. These amounts are discretionary, however if the expenditure commitments are not met then the associated exploration and mining leases may be relinquished.

	2025	2024
	\$	\$
Within one year ⁽¹⁾	200,053	2,085,546
Later than one year but not later than five years	635,870	668,199
Later than five years	336,907	-
	1,172,830	2,753,745

- (1) A post completion obligation included within the SSA for the acquisition of the Chilwa Critical Minerals Project was for the Group to expend at least \$4,500,000 on exploration activities on the Chilwa Critical Minerals Project during the two-year period following listing on the ASX. The amount disclosed above for “within one year” is the amount outstanding to satisfy this obligation, which includes statutory minimum exploration spend and government rents due within this time frame.

18. RELATED PARTY TRANSACTIONS

(a) Parent entity

The ultimate parent entity within the Group is Chilwa Minerals Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 19.

(c) Key management personnel compensation

	2025	2024
	\$	\$
Short-term benefits	650,000	818,138
Post-employment benefits	40,250	40,988
Share-based payments	694,033	231,490
	1,384,283	1,090,616

Detailed remuneration disclosures are provided in the remuneration report on pages 15 – 19.

(d) Transactions with other related parties

Transactions with key management personnel during the financial year disclosed below:

- In addition to Mrs Shaw and Mr Mota's remuneration as directors, expenses totalling of \$2,480,540 (2024: \$985,649) was paid or due and payable to Mota Engil and associated companies. Both of Mr Shaw and Mr Mota are directors of Luso, an entity within the Mota Engil group of companies, who is a significant shareholder of the Company. The expenditure incurred was for associated technical and drilling services in Malawi in accordance with the services agreement. The amounts charged were at usual commercial rates. At 30 June 2025 the total of \$11,008 (2024: \$310,595) was payable to Mota Engil and associated companies.
- In addition to Mr Wilkins' remuneration as a director, a total of \$390,339 (2024: \$165,011) was paid or due and payable to DW Corporate Pty Ltd, a business of which Mr Wilkins is principal. DW Corporate Pty Ltd provided company secretarial, accounting and bookkeeping services to the Group during the year. The amounts charged were at usual commercial rates with fees charged on an hourly basis. At 30 June 2025 there was \$28,615 (2024: \$23,173) owing to DW Corporate Pty Ltd.

19. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name	Country of incorporation	Class of shares	Equity Holding ⁽¹⁾	
			2025	2024
			%	%
Chilwa Minerals Africa Ltd	Malawi	Ordinary	100	100
Mota-Engil Investments (Malawi) Ltd	Malawi	Ordinary	100	100

(1) The proportion of ownership interest is equal to the proportion of voting power held.

Notes to the Consolidated Financial Statements cont.

20. SIGNIFICANT EVENTS AFTER BALANCE DATE

On 8 July 2025, a 100% owned subsidiary, Phalombe Minerals Limited (Phalombe), was incorporated in Malawi. Phalombe has been granted an exploration licenses EL0835/25 to carry on exploration activities in Mulanje, Phalombe and Zoba Districts.

Following the Company's achievement of the milestone, being JORC compliant Indicated Resource of 3 million tonnes THM, 10,000,000 class A performance rights vested. 2,500,000 performance rights were held by current and former directors and employees and were converted to the ordinary shares. 7,500,000 performance rights were held by Luso Global Mining BV, the Company's largest shareholder, and will be converted to the ordinary shares subject to compliance with relevant provisions of the Corporations Act.

On 4 August 2025, 551,402 unlisted options were exercised and converted to fully paid shares: 198,886 options were exercised at \$0.25 per option, 249,911 options were exercised at \$0.30 per option, and 102,605 options were exercised at \$0.40 per option.

On 7 August 2025, the Company raised \$4.1 million on issue of 3,544,922 fully paid ordinary shares at an issue price of A\$1.05 per share, pursuant to a private Placement announced to the ASX on 4 August 2025.

On 14 August 2025, 275,605 unlisted options were exercised and converted to fully paid shares: 258,535 options were exercised at \$0.25 per option, 8,535 options were exercised at \$0.30 per option, and 8,535 options were exercised at \$0.40 per option.

On 11 September, 190,000 options were exercised and converted to fully paid ordinary shares at \$0.25 per option.

No other matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

21. CASH FLOW INFORMATION

	2025	2024
	\$	\$
(a) Reconciliation of net loss after income tax to net cash outflow from operating activities		
Net loss for the year	(3,184,279)	(1,742,745)
Non-Cash Items		
Share-based payment expense	769,033	237,876
Depreciation expense	95,639	28,419
Net exchange differences	98,911	(1,082)
Change in operating assets and liabilities		
Decrease/(increase) in trade and other receivables	(64,085)	167,714
(Decrease)/increase in trade and other payables	189,259	(475,621)
Increase in employee benefit obligations	(4,295)	26,636
Net cash outflow from operating activities	<u>(2,099,817)</u>	<u>(1,758,803)</u>

22. LOSS PER SHARE

	2025	2024
	cents	cents

(a) Basic and diluted loss per share

Basic and diluted loss per share attributable to the ordinary equity holders of the Company

(4.39) (2.6)

	\$	\$
--	----	----

(b) Reconciliation of loss used in calculating loss per share

Loss attributable to the owners of the Company used in calculating basic and diluted loss per share

3,184,279 (1,742,745)

	Number of shares	Number of shares
--	------------------	------------------

(c) Weighted average number of shares used as the denominator

Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share

72,541,199 67,038,799

(d) Information on the classification of options

As the Group made a loss for the year ended 30 June 2025, the options on issue were considered anti-dilutive and were not included in the calculation of diluted earnings per share. The options currently on issue could potentially dilute basic earnings per share in the future.

Notes to the Consolidated Financial Statements cont.

23. SHARE-BASED PAYMENTS

(a) Consultant options

During the year, no unlisted options were granted to the employees and directors.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share in the capital of the Company with full dividend and voting rights.

Fair value of options granted

The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	2025	2024
Weighted average exercise price (cents)	-	31.7
Weighted average life of the option (years)	-	4.0
Weighted average underlying share price (cents)	-	20.0
Expected share price volatility	-	80.0%
The weighted average fair value (cents)	-	10.3
Risk free interest rate	-	3.97%

Set out below is a summary of the share-based payment options:

	2025		2024	
	Number of options	Weighted average exercise price cents	Number of options	Weighted average exercise price cents
Outstanding at the beginning of the year	3,000,000	31.7	-	-
Granted	-	-	3,000,000	31.7
Exercised	(500,000)	31.7	-	-
Expired	-	-	-	-
Outstanding at year-end	2,500,000	31.7	3,000,000	31.7
Exercisable at year-end	2,500,000	31.7	3,000,000	31.7

The weighted average remaining contractual life of share options outstanding at the end of the financial year was 3 years (2024:4), with exercise prices ranging from \$0.25 to \$0.40.

The following assumptions were used to determine the value of the unlisted options using the Black-Sholes European Option Pricing Model:

				Total
Number of Options	833,333	8333,333	833,334	2,500,000
Grant date	1/07/2023	1/07/2023	1/07/2023	
Expiry date	30/06/2027	30/06/2027	30/06/2027	
Vesting date	1/07/2023	1/07/2023	1/07/2023	
Fair value at grant date, \$ per option	0.1125	0.1046	0.0920	
Exercise price, \$ per option	0.25	0.30	0.40	
Underlying share price at grant date	0.20	0.20	0.20	
Risk-free rate	3.97%	3.97%	3.97%	
Volatility	80%	80%	80%	
Dividend rate	nil	nil	nil	

(b) Performance rights

During the year 3,750,000 performance rights (Class E) were issued to directors with the fair value of \$296,788 expensed as share-based payments in the profit or loss for the current period. The fair value of the performance rights is valued on the grant date and based on underlying ordinary share price of \$0.82 per share. The fair value of \$472,245 relating to current period vesting of performance rights issued in the prior year was expensed as share-based payments in profit and loss

The performance rights will vest upon satisfaction of the respective performance conditions at any time before the applicable expiry date, as detailed below:

Class	Performance Condition.
Class A	Announcement of a JORC compliant Indicated Resources of 3 million tonnes THM from the Chilwa Critical Minerals Project on or before 30 June 2025.
Class B	Announcement of a PFS (as defined in the JORC Code) that recommends further proceeding with the Chilwa Critical Minerals Project on or before 30 June 2027.
Class C	Announcement of the completion of a feasibility study (as defined in the JORC Code) that recommends further proceeding with the Chilwa Critical Minerals Project on or before 30 June 2027.
Class D	Announcement that a decision to mine the Chilwa Critical Minerals Project has been made on or before 30 June 2028.
Class E	Approval and issue of a Mining Licence for Chilwa Critical Minerals Project by 30 November 2028.

Set out below is a summary of the share-based payment performance rights granted:

	2025 Number of performance rights	2024 Number of performance rights
Outstanding at the beginning of the year	25,000,000	-
Granted	3,750,000	25,000,000 ¹
Exercised	-	-
Expired	-	-
Outstanding at year-end	28,750,000	25,000,000

1. 2,500,000 performance rights class A were converted to fully paid ordinary shares in the Company on 30 July 2025 upon issuance of the mineral resource estimate report from the qualified independent expert confirming the performance hurdle attached to the performance rights. The balance of 7,500,000 performance rights class A hold by Luso Mining are to be converted to fully paid ordinary shares in the Company and subject the shareholders' approval.

	Total				
Number of performance rights	10,000,000	5,000,000	5,000,000	5,000,000	3,750,000 28,750,000
Class	A	B	B	D	E
Grant date	1/07/2023	1/07/2023	1/07/2023	01/07/2023	30/11/2024
Expiry date	30/06/2025	30/06/2027	30/06/2027	30/06/2028	30/11/2028
Vesting date ²	30/06/2025	30/06/2027	30/06/2027	30/06/2028	30/11/2028
Underlying share price at grant date	0.20	0.20	0.20	0.20	0.83
Fair value per performance right	0.20	0.20	0.20	0.20	0.83
Probability of performance condition ²	100%	60%	60%	60%	60%
Exercise price, \$	nil	nil	nil	nil	nil

2. Refer to note 22(b) above for vesting performance conditions. At 30 June 2025, the Directors determined the probability of meeting each non-market related performance condition.

Notes to the Consolidated Financial Statements *cont.*

(d) Share-based payment transactions

Share-based payment transactions recognised during the period were as follows:

	2025	2024
	\$	\$
Options issued to lead manager of IPO ('share issue transaction costs')	-	309,100
Performance rights issued to employee and contractors ('share-based payments expense')	769,033	237,876
Performance rights issued as part consideration for acquisition of Chilwa Critical Minerals Project ('exploration and evaluation assets')	1,416,732	713,625
Shares issued as part consideration for acquisition of Chilwa Critical Minerals Project ('exploration and evaluation assets')	-	3,800,000
	2,185,765	5,060,601

24. PARENT ENTITY INFORMATION

	2025	2024
	\$	\$
The following information relates to the parent entity, Chilwa Minerals Limited. The information presented here has been prepared using accounting policies consistent with those presented in note 1.		
Current assets	811,385	4,152,972
Non-current assets	17,357,491	7,009,578
Total assets	18,168,876	11,162,550
Current liabilities	1,962,789	1,069,993
Total liabilities	1,962,789	1,069,993
Contributed equity	18,986,249	11,863,857
Share-based payments reserve	3,394,849	1,260,601
Accumulated losses	(6,175,011)	(3,031,901)
Total equity	16,206,087	10,092,557
Loss for the year	(3,143,110)	(1,742,745)
Total comprehensive loss for the year	(3,143,110)	(1,742,745)

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Consolidated Entity Disclosure Statement

As at 30 June 2025						
Name of entity	Type of entity	Trustee, partner or participant in JV	% of share capital	Place of business / country of incorporation	Australian or foreign resident	Foreign tax jurisdiction of foreign residents
Chilwa Minerals Limited	Body corporate	-	N/A	Australia	Australian	N/A
Chilwa Minerals Africa Ltd	Body corporate	-	100	Malawi	Foreign	Malawi
Mota-Engil Investments (Malawi) Ltd	Body corporate	-	100	Malawi	Foreign	Malawi

Basis of preparation

The consolidated entity disclosure statement (CEDS) has been prepared in accordance with subsection Section 295 (3A) of the Corporations Act 2001. The entities listed in the statement are all the entities Chilwa Minerals Limited controls in accordance with AASB 10 *Consolidated Financial Statements*.

Key assumptions and judgements

Determination of tax residency

Section 295 (3A) *Corporations Act 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (**CEDS**) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the *Income Tax Assessment Act 1997 (Cth)*. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Group has applied the following interpretations:

Australian tax residency

The Group has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

The Group has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Directors' Declaration

In the directors' opinion:

- (a) the financial statements comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and accompanying notes set out on pages 24 to 44 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- (b) the consolidated entity disclosure statement on page 45 is true and correct;
- (c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
- (d) the remuneration disclosures included in the Directors' Report (as part of the audited Remuneration Report), for the year ended 30 June 2025, comply with Section 300A of the *Corporations Act 2001*; and
- (e) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Cadell Buss

Managing Director

Perth, 25 September 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHILWA MINERALS LTD

Report on the Financial Report

Opinion

We have audited the financial report of Chilwa Minerals Ltd (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2025, 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 material accounting policy information, the consolidated entity disclosure statement, and the directors' declaration of the Company and the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the accompanying financial report of Chilwa Minerals Ltd is in accordance with the Corporations Act 2001, including:

- i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
- ii) 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 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

Without modifying our opinion, we draw attention to the financial report which indicates the Group has incurred a loss of \$3,184,279 and had net cash operating outflows of \$2,099,817 for the year ended 30 June 2025. These conditions along with other matters detailed in note 1 to the financial report, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report of the Group does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Independence

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 (including Independence Standards) (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.

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 for 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 section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying Value of Capitalised Exploration Expenditure

Why significant

As at 30 June 2025 the carrying value of exploration and evaluation assets was \$16,293,103, as disclosed in Note 10. No exploration and Evaluation assets were written off during the year.

The Group's accounting policy in respect of exploration and evaluation expenditure is outlined in Notes 1(e) and Note 1(f).

Significant judgement is required:

- in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"); and
- in determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the Group's accounting policy. In particular:
 - whether the particular areas of interest meet the recognition conditions for an asset; and
 - which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- conducted a detailed review of management's assessment of impairment trigger events prepared in accordance with AASB 6 including:
 - assessed whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future;
 - held discussions with the Directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and
 - obtained and assessed evidence of the Group's future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes;
- considered whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;
- tested, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the Group's accounting policy; and
- assessed the appropriateness of the disclosures in Notes 1 and 10.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, 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, with the exception of the Remuneration Report.

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 Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of:-

- a) the financial report (other than the Group disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
- b) the Group disclosure statement that is true and correct in accordance with the Corporations Act 2001; and
for such internal control as the Directors determine is necessary to enable the preparation of:-
 - i) the financial report (other than the Group disclosure statements) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
 - ii) the Group disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability 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 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 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 group 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, actions taken to eliminate threats or safeguards applied.

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.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Chilwa Minerals Ltd for the year ended 30 June 2025, 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.

PKF Perth

PKF PERTH

Simon Fermanis

SIMON FERMANIS
PARTNER

25 September 2025
PERTH, WESTERN AUSTRALIA

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ASX Additional Information

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 18 September 2025.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Distribution range of fully paid ordinary shares	Number of holders	Ordinary shares	
		Number of shares	% of issued
1 - 1,000	56	27,224	0.03
1,001 - 5,000	87	267,872	0.32
5,001 - 10,000	75	611,450	0.74
10,001 - 100,000	203	8,257,150	9.93
100,001 And over	90	74,001,797	88.98
Total	511	83,165,493	100.00
The number of shareholders holding less than a marketable parcel of shares are:			
	24	5,012	0.00

(b) Equity Security Holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted ordinary shares are:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	LUSO GLOBAL MINING BV	23,055,432	27.72
2	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	5,381,626	6.47
3	DREAMERS HOLDINGS PTY <AFT DREAMTIME A/C>	4,019,934	4.83
4	HARMAN GROUP SUPER PTY LTD <J P + C HARMAN S/F A/C>	3,176,738	3.82
5	BAZZA NOMINEES PTY LTD <PAPARONE SUPER FUND A/C>	2,169,408	2.61
6	KANTIRODOPIA LDA	2,097,010	2.52
7	MR BASILIO PAPARONE	1,978,982	2.38
8	MR CADELL SCOTT BUSS <KEVLAR A/C>	1,721,740	2.07
9	MAGENTACITY PTY LTD <EMERY SUPER FUND A/C>	1,612,430	1.94
10	TWO TOPS PTY LTD	1,400,000	1.68
11	CATCHLINE HOLDINGS PTY LTD	1,321,571	1.59
12	BNP PARIBAS NOMS PTY LTD	1,155,271	1.39
13	BODIE INVESTMENTS PTY LTD <LAYTON S/F A/C>	1,000,000	1.20
14	DARJEEL PTY LTD <THE BARRY BUSS FAMILY A/C>	975,000	1.17
15	MRS KATHRYN JANION	955,000	1.15
16	EXIT OUT PTY LTD <THE DISCRETIONARY A/C>	845,238	1.02
17	CHENNILE INVESTMENTS	838,532	1.01
18	BELLSUN PTY LTD <BRADY FAMILY A/C>	755,820	0.91
19	MR JEREMY JANION	729,775	0.88
20	TITAN ASSETS PTY LTD	704,965	0.85
		55,894,472	67.21

(c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

	Number of shares
LUSO GLOBAL MINING BV	23,055,432
BASILIO PAPARONE	5,469,547
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	5,381,626

(d) Voting rights

On a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote. On a poll, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder has one vote for each fully paid share held.

(e) Schedule of interests in mining tenements

Location	Tenement number	Interest %
Phalombe	EL0670/22R1	100
Chisi Island Zomaba District Lake Chilwa, Malawi	EL0671/22	100
Zomba and Mulanje Districts Lake Chilwa, Malawi	EL0835/25	100

(f) Escrowed securities

The Company has the following restricted equity securities on issue:

- 9,500,000 fully paid ordinary shares Escrowed for 36 months from Listing being 5 July 2026.

Performance Rights

The total number of performance rights on issue as at 17 September 2025 was 26,250,000 as follows:

- 7,500,000 Class A Performance Rights exercisable upon the Company announcing a JORC compliant Indicated Resource of 3million tonnes THM from the Project by no later than 24 months from the grant of the rights.
- 5,000,000 Class B Performance Rights exercisable upon the Company announcing the completion of a Feasibility Study (as defined in the JORC Code) that recommends further proceeding with the Project by no later than 48 months from the grant of the rights.
- 5,000,000 Class C Performance Rights exercisable upon the Company announcing the completion of a Feasibility Study (as defined in the JORC Code) that recommends further proceeding with the Project by no later than 48 months from the grant of the rights.
- 5,000,000 Class D Performance Rights exercisable upon the Company announcing that a decision to mine the Project has been made by no later than 60 months from the grant of the rights.
- 3,750,000 Class E Performance Rights exercisable upon the Company announcing the approval and issue of Mining License for the Chilwa Critical Minerals Project by no later than 48 months from the grant of the rights.

The Performance Rights are subject to Escrow as follows:

Performance Rights - Class	Escrowed – 36 months to 5 July 2026
Class A	3,750,000
Class B	1,875,000
Class C	1,875,000
Class D	1,875,000

At 17 September 2025 there were 9 holders of Performance Rights, issued either under an employee incentive scheme or as part the acquisition of the Chilwa Critical Minerals Project. Luso Global Mining B. V. holds more than 20 % of the securities as follows:

Luso Performance Rights		
Performance Rights – Class		Escrowed – 36 Months to 5 July 2026
Class A	3,750,000	3,750,000
Class B	1,875,000	1,875,000
Class C	1,875,000	1,875,000
Class D	1,875,000	1,875,000

There are no voting rights attaching to the performance rights.

ASX Additional Information *cont.*

Distribution range of performance rights		Holders	Rights	% of issued
1	- 1,000	-	-	-
1,001	- 5,000	-	-	-
5,001	- 10,000	-	-	-
10,001	- 100,000	1	75,000	0.29%
100,001	And over	8	26,175,000	99.71%
Total		5	26,250,000	100.00%

Unlisted options

The total number of Unlisted Options for Chilwa shares on issue at 18 September 2025 is 1,482,993. The Options were issued for the benefit of the Lead Manager as part of the IPO of the Company and were then reallocated to multiple holders.

The Options are exercisable as follows:

- 185,913 at \$0.25 cents per share with an expiry date of 30 June 2027.
- 574,887 at \$0.30 cents per share with an expiry date of 30 June 2027.
- 722,193 at \$0.40 cents per share with an expiry date of 30 June 2027.

There are no voting rights attaching to the Options.

Distribution range of options		Holders	Options	% of issued
1	- 1,000	-	-	-
1,001	- 5,000	-	-	-
5,001	- 10,000	-	-	-
10,001	- 100,000	6	163,017	10.99
100,001	And over	5	1,319,976	89.01
Total		11	1,482,993	100.00

(g) On-market buy back

There is no current on market buy back of Chilwa shares.

(h) Use of funds

Chilwa has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives during the period from admission to 30 June 2025.

Compliance Statement

The information in this report that relates to exploration results is extracted from the Company's ASX announcements released during the year which are available to view on the Company's website. 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 that the form and context in which the competent person's findings are presented have not been materially altered



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Annual Mineral Resource Summary

Annual Mineral Resource Statement

Mineral Resource Summary

During the year significant new exploration results allowed the re-estimation of the Company's mineral resources. Refer text below under the heading "Comparison of Mineral Resources and Ore Reserves (2024/2025)"

Chilwa Critical Minerals Project

A Mineral Resource Estimate for the Project has been classified and reported in accordance with the JORC Code (2012).

Table A: Indicated and Inferred Mineral Resources at 1.0% THM as at 30 June 2025

Deposit	Resource Classification	Volume	Tonnes	THM	HMC tonnes	Mineral in ROM			Slimes	Oversize	RD
						Ilmenite	Zircon	Rutile			
		(million m³)	(million t)	(%)	(million t)	(%)	(%)	(%)	(%)	(%)	(t/m³)
Mposa (Main)	Ind	13.1	22.3	4.28	0.95	3.18	0.36	0.10	17.6	16.8	1.70
Bimbi	Ind	3.0	5.1	4.55	0.23	3.85	0.25	0.11	22.4	18.0	1.70
	Inf	1.4	2.4	3.79	0.09	3.21	0.21	0.09	24.4	16.5	1.70
Bimbi Northeast	Inf	7.4	12.5	2.57	0.32	2.18	0.14	0.06	20.2	5.0	1.70
Mpyupyu (dune)	Ind	5.4	9.2	6.21	0.57	5.37	0.22	0.15	29.0	9.4	1.70
Mpyupyu (flat)	Ind	9.4	15.9	4.52	0.72	3.86	0.19	0.12	24.0	5.8	1.70
	Inf	15.3	26.0	3.61	0.94	3.08	0.16	0.10	19.0	5.8	1.70
Nkotamo	Ind	1.6	2.4	3.70	0.09	2.23	0.23	0.10	19.1	24.8	1.50
Halala	Ind	5.8	8.7	3.79	0.33	2.28	0.19	0.09	9.0	3.0	1.50
Beacon	Ind	0.7	1.0	2.63	0.03	1.82	0.16	0.08	10.5	10.9	1.50
Namanja West	Ind	3.0	4.5	3.66	0.16	2.63	0.25	0.10	7.0	4.4	1.50
Sub Total	Ind	41.9	69.1	4.47	3.09	3.48	0.26	0.11	19.1	11.0	1.65
Sub Total	Inf	24.1	40.9	3.30	1.35	2.81	0.16	0.09	19.7	6.2	1.70
Grant Total		66.0	110.0	4.03	4.44	3.23	0.22	0.10	19.3	9.2	1.67

Mineral Resource Governance & Internal Controls

All Mineral Resource estimates are prepared by qualified professionals following JORC Code compliant procedures and follow standard industry methodology for drilling, sampling, assaying, geological interpretation, 3-dimensional modelling and grade interpolation techniques.

Chilwa has governance arrangements and internal controls in place with respect to its estimates of Mineral Resources including:

- oversight and approval of each annual statement by Mr. Bertus Cilliers;
- establishment of internal procedures and controls to meet JORC Code 2012 compliance in all external reporting;
- independent review of new and materially changed estimates; and,
- Board approval of new and materially changed estimates.

The Mineral Resource estimates were calculated by Messrs Bertus Cilliers and Bernhard Siebrits and overseen by a suitably qualified Chilwa Minerals Limited employee and/or consultant.

Comparison of Mineral Resources and Ore Reserves (2024/2025)

Table C below shows the comparison between the June 2025 MRE and the previous estimate completed in July 2022. Overall, the tonnage has increased by 81% and the THM grade, across all deposits and resource categories has increased slightly from 3.9% to 4.03% (Indicated and Inferred), however, to consider Indicated category only (in the new resource) has increased considerably to 4.47%.

THM contained has increased overall (all deposits and resource categories) from 2.04Mt to 4.44Mt, an 85% increase in the estimated contained Total Heavy Minerals.

The resource has combined recent Sonic drilling and assay with Aircore data from the projects previous owners Mota Engil Investments (Malawi) Limited Mining. Sonic rigs are now favoured in the mineral sands industry for better preservation of lithological boundaries in mineral sands deposits, which are typically loose and unconsolidated. A comparison of Aircore to Sonic data at the Mposa Deposit is provided below and demonstrates good correlation between the datasets, allowing resource estimation using either method, with an overall increase in mean grade measured by Sonic drilling, as well as a higher maximum value and greater variability, reflecting better definition on the heterogeneity within the deposit tested.

Table B: Statistical summary data for 1m composites at the Mposa deposit - Aircore method versus Sonic

Field	Aircore (1m composites)			Field	Sonic (1m composites)		
	THM %	Slimes %	Oversize %		THM %	Slimes %	Oversize%
Number	1503	1506	1506	Number	4378	4378	4378
Min	0.02	1.04	0.2	Min	0	0.06	0
Max	32.14	64.85	69.28	Max	45.8	93.3	73.9
Mean	4.17	12.18	19.78	Mean	4.43	17.51	16.6
Median	2.85	8.42	17.69	Median	2.53	11.89	13.71
Variance	18.47	102.15	199.06	Variance	33.2	225.71	168.71
Std. Dev.	4.3	10.11	14.11	Std. Dev.	5.76	15.02	12.99
CV	1.03	0.83	0.71	CV	1.3	0.86	0.78

Table C: June 2025 versus July 2022

Category	Volume	Tonnes	THM	HMC tonnes	Ilmenite	Zircon	Rutile	Slimes	Oversize	RD
	(million m³)	(million t)	(%)	(million t)	(%)	(%)	(%)	(%)	(%)	
June 2025 Estimate										
Indicated	41.9	69.1	4.47	3.09	3.48	0.26	0.11	19.13	11.03	1.65
Inferred	24.1	40.9	3.30	1.35	2.81	0.16	0.09	19.66	6.21	1.70
Total	66.0	110.0	4.03	4.44	3.23	0.22	0.10	19.32	9.24	1.67
July 2022 Estimate										
Inferred	37.5	61.6	3.90	2.44	3.00	0.30		13.30		1.60
Variance										
Indicated	41.92	69.05	4.47	3.09	3.48	0.26		19.13		1.65
Inferred	-13.4	-20.7	-0.60	-1.09	-0.19	-0.14		6.36		0.10
Total	28.5	48.4	0.13	1.99	0.23	-0.08		6.02		0.07

Competent Person Statement

The information relating to Mineral Resources in the 2025 Annual Report has been compiled by Messrs Bertus Cilliers and Bernhard Siebrits. Both parties, acting as joint competent persons have sufficient experience relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Both Mr Cilliers and Mr Siebrits confirm there is no potential for a conflict of interest in acting as a Competent Person and have provided prior written consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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