ASX ANNOUNCEMENT

ASX : CHW 25 September 2024

CHILWA IDENTIFIES FIRST CARBONATITE DRILL TARGET AT MPOSA

KEY POINTS

- **Diamond drill rig to be mobilised at the Chilwa Project, tasked with assessing the high-priority rare earth (REE) and Niobium targets**
- **The first prospect assessed will be at the large Mposa East anomaly**
- **Drilling will test both the clay horizons as well as the underlying bedrock, primarily looking for carbonatite hosts**
- **First assays from the diamond program are expected in 6-8 weeks**

OVERVIEW

Chilwa Minerals Limited (ASX: CHW) ("**Chilwa**" or the "**Company**") is pleased to announce the scaling up of its multiple commodity strategy at the Chilwa Project in southeast Malawi with the commencement of Niobium and REE-focused diamond drilling. The diamond drill program follows the recent release of targets generated by the aeromagnetic and radiometric survey across the whole project.

The drill rig has been sourced from significant shareholder, Mota Engil, with significant cost savings as compared to contracting an external party. The rig has been stored at the Zalewa camp site awaiting the outcome of aeromagnetic and radiometric analysis and will now be despatched to the Mposa East anomaly with the first holes to commence being drilled the week of 30th September.

The diamond program is expected to test the clay horizons as well as bedrock down to a vertical depth of 250 metres. During early analysis of the HMS potential at Mposa, XRF analysis by the Company indicated the presence of Rare Earth and Niobium. The recent geophysics survey identified 47 potential targets across the whole project[1], with three large anomalies (to the North, East and West of Mposa including a dyke formation) highlighted as high priority for diamond drilling.[2]

Chilwa's Managing Director, Cadell Buss, commented:

"The commencement of diamond drilling signals the next phase of our strategy for the Chilwa Project. Whilst initially just focused on the heavy mineral sands potential of the project, all the signs for rare earth and Niobium mineralisation is something that requires further investigation.

"The commencement of this drilling campaign is the first steps towards a legitimate multi critical minerals project.

Given the location of the two holes previously tested for REE and Niobium (see Figure 1) and the three anomalies in close proximity, the Mposa East anomaly will be the first target.

Once drilling commences steady news flow from the Chilwa Critical Minerals Project is expected."

[1] ASX Announcement 2 September 2024 – Further analysis confirms Rare Earth and Niobium at Mposa
[2] ASX Announcement 24 September 2024 – Pipeline of 47 carbonatite targets defined at Lake Chilwa

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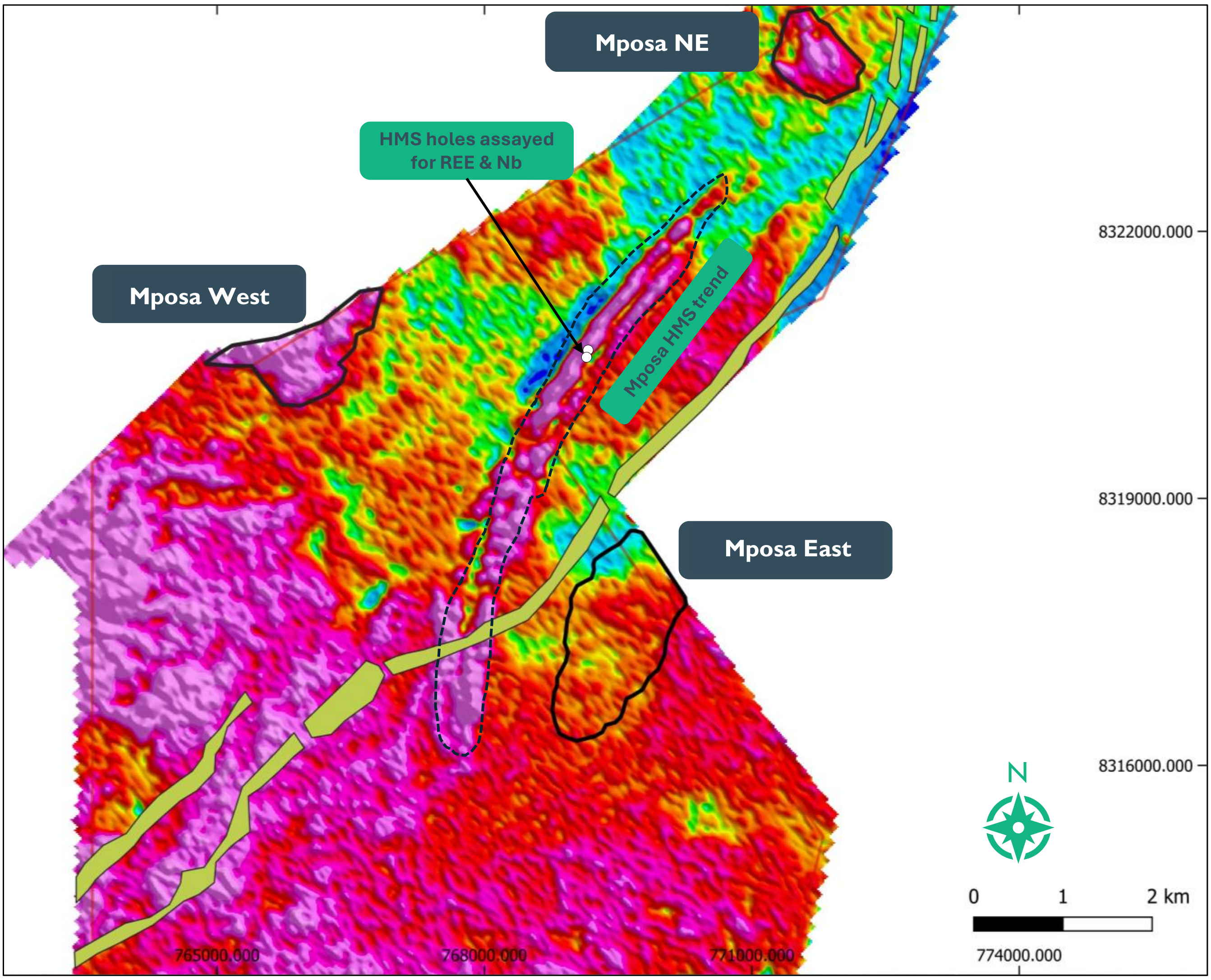

Figure 1: Mposa area – HMS target drill corridor including the two holes tested for REE and Niobium, along with carbonatite targets at Mposa East, Mposa West and Mposa NE including dyke formation.

Figure 2: Diamond Drill rig having final checks at the Zalewa Camp before being mobilised to Mposa East

AUTHORISATION STATEMENT

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

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JORC 2012 Inferred Mineral Resource Estimate

CHILWA IDENTIFIES FIRST CARBONATITE DRILL TARGET AT MPOSA

A Mineral Resource Estimate (MRE) for the Project has been classified and reported in accordance with the JORC code (2012). The Mineral Resource Estimate has been classified as Inferred and at a 1.0 % THM cut-off contains 2.4 Mt of THM. The MRE is allocated across the Project deposits in **Table 1** below.

Table 1 Inferred Mineral Resources at 1.0% THM as at 31 July 2022 (Refer IPO Prospectus 5th April 2023)

Deposit	Volume (million m^3)	Tonnes (million t)	Dry Density (t/m^3)	Gangue (%)	Ilmenite (%)	Slimes (%)	THM (%)	Zircon (%)
Bimbi	1.5	2.6	1.7	0.7	4.3	15.3	5.3	0.3
Northeast Bimbi	3.6	6.1	1.7	0.3	2.2	15.9	2.7	0.1
Mposa (Main)	11.7	19.4	1.7	0.7	3.2	11.7	4.3	0.4
Mposa (North)	0.6	1.0	1.7	0.3	1.4	8.3	1.9	0.2
Mpyupyu (dune)	2.0	3.5	1.7	1.2	5.7	15.3	7.1	0.2
Mpyupyu (flat)	9.5	16.4	1.7	0.5	2.9	15.4	3.6	0.2
Nkotamo	0.1	0.2	1.5	1.1	3.0	28.3	4.2	0.2
Halala	6.0	8.9	1.5	0.9	2.6	9.8	3.7	0.2
Beacon	0.4	0.6	1.5	0.6	1.8	17.7	2.5	0.1
Namanja West	2.0	2.9	1.5	0.8	2.3	14.7	3.3	0.2
Total	**37.5**	**61.6**	**1.6**	**0.7**	**3.0**	**13.3**	**3.9**	**0.3**

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

Compliance Statement

The information in this announcement that relates to Mineral Resource estimates were prepared and first disclosed under JORC Code 2012. The information was extracted from the Company's previous ASX announcements Project Mineral Resource estimate: 3 July 2023 'Prospectus' (dated 5 April 2023).

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

Forward Looking Statements and Important Notice

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