



# CHILWA MINERALS

Unlocking a major REE and mineral sands opportunity in Malawi

**ASX Initial Public Offering Presentation**

March 2023



Private and Confidential

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# INVESTMENT HIGHLIGHTS



Advanced project with initial inferred JORC 2012 compliant mineral resource estimate



Drill ready rare earth elements (REE) and mineral sands targets - 17,000+ campaign provides immediate news flow post listing with updated resource estimate within 12 months



Large REE discoveries made on adjacent tenement, providing potential for other meaningful discoveries



Strategic project partner and major shareholder Luso Mining / Mota-Engil has 25 years operational experience in Malawi with 400 staff in country.



Newly granted license expands tenement size to 865km<sup>2</sup>, representing a 2x increase on previously drilled area



Clean capital structure and low EV relative to the immediate upside potential.

# EXECUTIVE SUMMARY

## Company

Chilwa Minerals was incorporated in 2022 focused on mining exploration, specifically targeting mineral sands at the Lake Chilwa precinct.

The Chilwa Heavy Mineral Sands Project is an advanced high value mineral assemblage project located around the western and northern shores of Lake Chilwa in southern Malawi.

## Commodity

The Company's primary exploration targets will be heavy mineral sands (ilmenite and zircon).

The area is also highly prospective for rare earth elements such as monazite and xenotime, with existing geology workings, and discoveries on adjacent tenements indicating this potential.

## Project

US\$5M has been spent on the project to date, enabling the Company to be at a significantly more advanced stage than what is typical for an explorer looking to list onto the ASX.

Chilwa Minerals will purchase 100% of the project from Luso Global Mining, for the upfront consideration of 19M shares. This means that LGM will own 30.6% of the Company post listing.

# PROJECT PARTNERSHIP

Mota-Engil will have representation on the Board of Directors, highlighting their ongoing commitment to the project

**1946**

Founded

**€350M**

market capitalization  
on the Euronext Lisbon

**25 years**

On the ground in Malawi,  
giving them extensive local  
knowledge and expertise

**24 countries**

Operations across 24 countries  
focusing on construction and  
infrastructure management



Part of:  
**MOTA-ENGIL**

LGM is a subsidiary of the Mota-Engil Group, a multinational focused on engineering, construction and infrastructure, environmental services, transport concessions, energy and mining.

Tangible value created by Luso Global Mining

- **Subsidised drilling contract** at 1/3 of prevailing market rate (USD \$60/m vs USD \$180/m)
- **Services agreement** for costs + 5%, ensuring Chilwa can remain a lean operation with more funds used for exploration



# EXPERIENCED BOARD & MANAGEMENT



**PHILIP LUCAS**  
CHAIRMAN

Phil has in depth knowledge of the Australian corporate and resources sectors and provides commercial and strategic advice to both publicly listed and private clients in his capacity as Partner & Chairman of the boutique legal and advisory firm, Allion Partners.

Providing legal advice predominantly in mergers & acquisitions, equity capital markets and corporate law, Phil has extensive experience with cross border M&A transactions including those involving Australian, U.S and Canadian companies.



**CADELL BUSS**  
MANAGING DIRECTOR

Cadell is a multi-industry executive with over 20 years' experience locally and internationally in marketing, project development and capital markets.

Cadell was the CEO of DJ Carmichael and has consulted to ASX listed companies with African based assets. He was recently the Project & Finance Director of Luso Global Mining, a subsidiary of Mota-Engil. Cadell is a Non-Executive Director of Atlas Pearls Ltd (ASX:ATP).

Cadell has a Masters Degree in Project Management, an MBA from Murdoch University and is a graduate of the AICD.



**MANUEL MOTA**  
NON-EXECUTIVE DIRECTOR

Manuel Mota is a Board Member of Mota-Engil Group and its Chief Business Development Officer (CBDO), having been appointed to this role in June 2021.

He has been a board member since 2016 when he was appointed CEO for Africa, he has subsequently also been appointed as CEO for ME Europe in March 2019.

Manuel Mota has a MEng in Civil Engineering from the University College of London.



**ALEXANDER SHAW**  
NON-EXECUTIVE DIRECTOR

Alexander is an accomplished geologist with +15 years of global experience in exploration and production. He has spent most 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.



CHILWA MINERALS

01

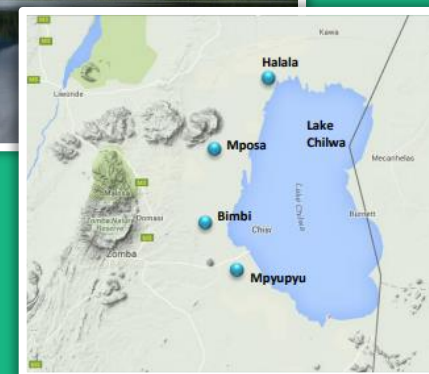
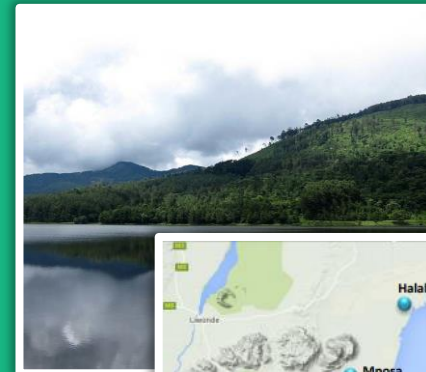
# LOCATION AND BACKGROUND



# STRATEGIC LOCATION

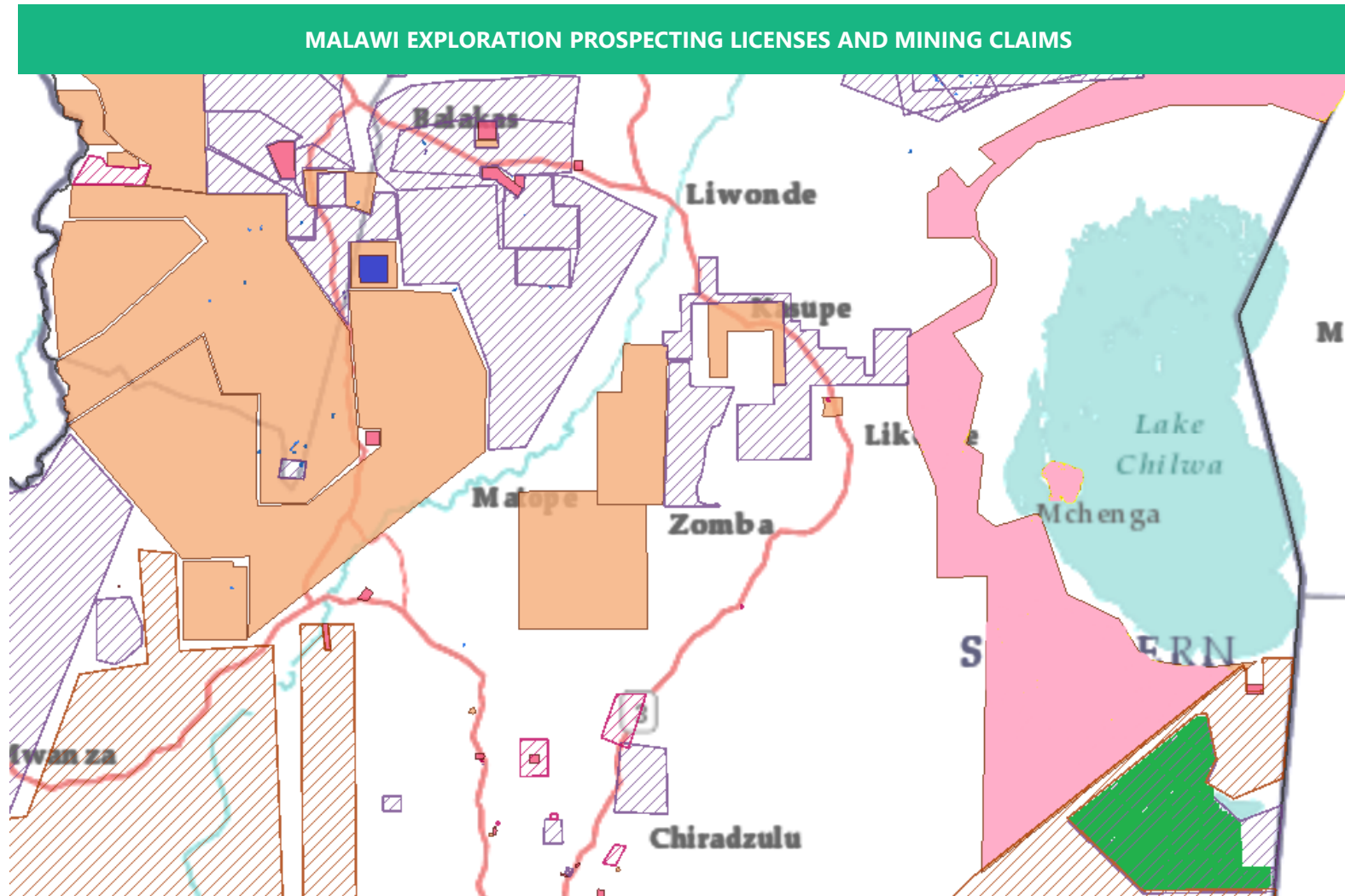
- 
 Malawi is located in Southeastern Africa with a population of ~19.4M. The country is a democratic, multi-party republic whose economy is largely reliant upon agriculture
- 
 Malawi is an underexplored country and an emerging mining destination with a supportive government and a newly developed infrastructure network.
- 
 The Government has stated their intentions to increase mineral exports, with natural resources contribution of 1% of GDP in 2011 targeting to rise to 10% by 2063.
- 
 It is viewed as a favourable jurisdiction, with Sovereign Metals (SVM.ASX), Lindian Resources (LIN.ASX) and Mkango Resources (MKA.TSXV) all operating in country

**Location of Chilwa – Southern Malawi, on the eastern border with Mozambique**





# PROSPECTIVE NEIGHBOURHOOD



**CHILWA MINERALS –  
866km<sup>2</sup>**

**MKANGO RESOURCES  
(MKA.TSXV) – 249km<sup>2</sup>**

**LINDIAN RESOURCES  
(ASX.LIN) – 16km<sup>2</sup>**

Source - <https://portals.landfolio.com/malawi/>

# DEVELOPED INFRASTRUCTURE



The Project benefits from access to rail, port and supporting infrastructure with a pit-to-port solution for exporting products to global markets



Chilwa intends to utilise the Nacala rail link with final products transported circa 700km from Liwonde to the Nacala deep water port for export

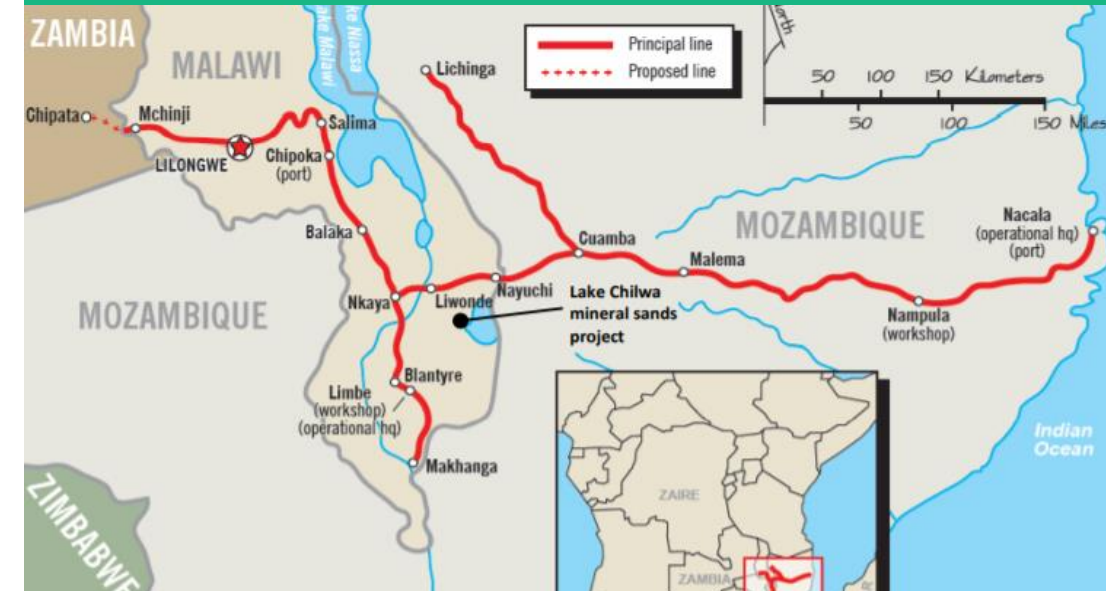


The railway line from Liwonde has been recently upgraded and is operating at 30% capacity, meaning there is plenty of scope for new supply to come on

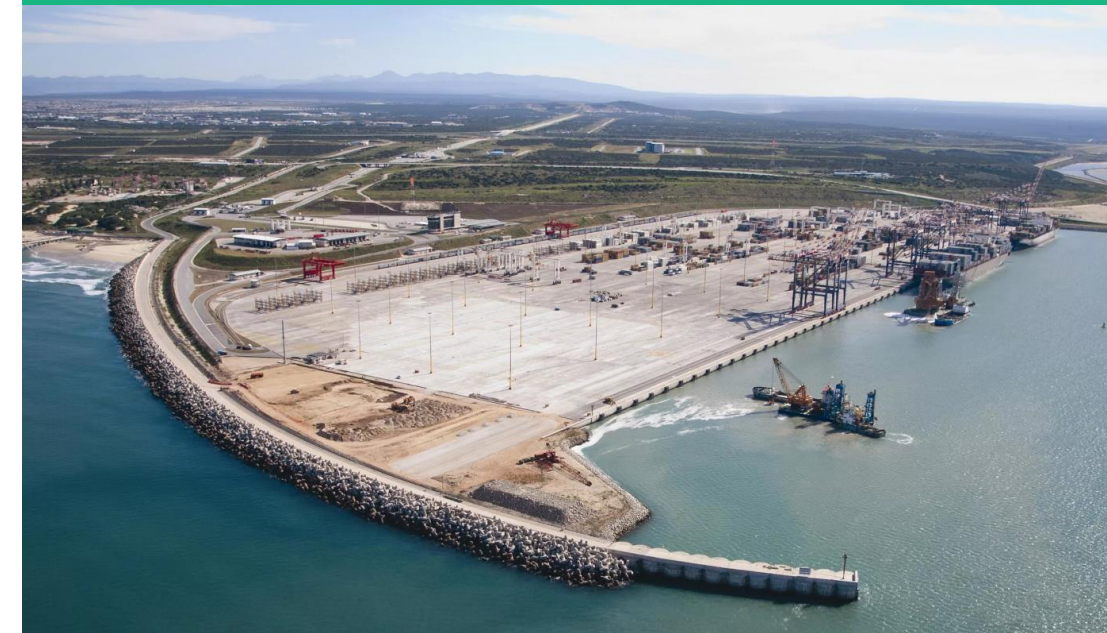


The port of Nacala is Mozambique's most northerly port in a large and sheltered bay 60m deep and 800m wide at the entrance

## LOCATION OF NACALA DEEP WATER PORT



## NACALA DEEP WATER PORT AERIAL PHOTO



# STRAIGHT FORWARD MINING OPERATION

Simple business model, producing both a magnetic and non-magnetic concentrate for export



## Mining

Simple dry open pit mining with heavy earth moving equipment (front end loader "FEL")

Mined ore is slurried and pumped to the nearby PCP



## Primary Concentrator Plant

Screening to remove coarse oversize, desliming to remove fines and gravity separation using spiral circuits to reject gangue



## Mineral Separation Plant

HMC dried and passed over magnetic and gravity separation stages to produce a magnetic ilmenite product and a zircon-rich nonmagnetic concentrate which also contains REE.



## Logistics

Utilising the existing Nacala rail link with final products loaded onto railcars and transported to Nacala port for export



## Export

Freight to export markets with key locations globally such as China, South Africa, Middle-East, South Korea and India.



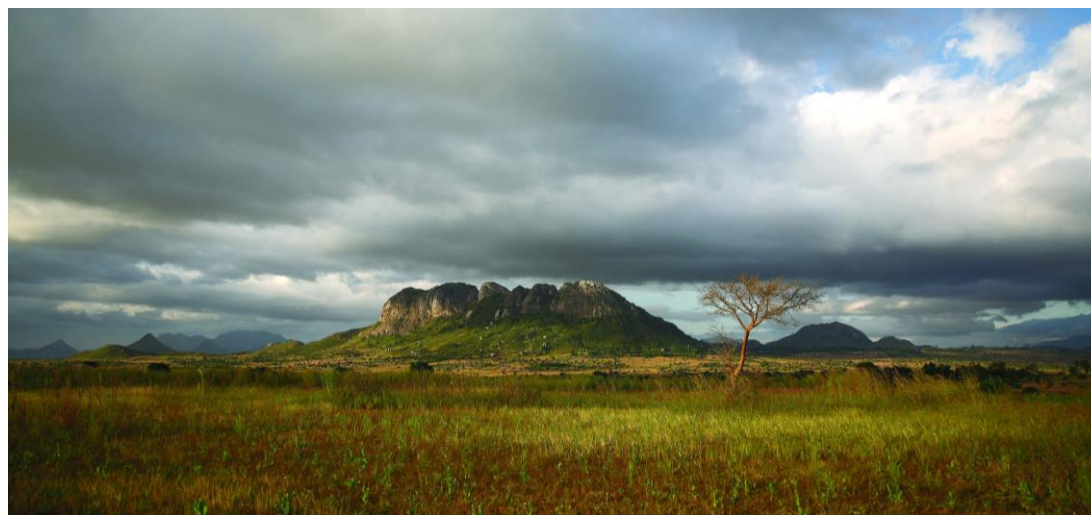
CHILWA MINERALS

02

PROJECT  
OVERVIEW



# CURRENT RESOURCE BASE



Historical exploration on the Project indicates that there is a potentially large heavy mineral sands resource across the multiple deposits at Chilwa. Subsequent assay work also identified the existence of REE within these tenements.

A 2015 drilling campaign by Mota-Engil, completed a total of **9,985m for 1,484 holes completed** on the four main deposits with a 6.53% THM.

The JORC resource identified resources from these deposits, namely Halala, Mpyupyu, Mposa and Bimbi

## Lake Chilwa Heavy Mineral Sands Project - JORC Mineral Resource at 1% THM

Classification	Max Slimes	THM Cut-off	Ilmenite Cut-off	Volume	Tonnage	THM	Override	Slimes	Ilmenite	Zircon	Gangue
	Ave %	%	%	M m3	Mt	%			%		
Inferred	24	1	0.77	38	62	3.63	11.95	16.09	2.81	0.23	0.6
THM	Override	Slimes	Ilmenite	Zircon	Gangue	Ratios					
Mt						Ilmenite	Zircon	Gangue			
2.26	7.41	9.98	1.74	0.14	0.37	77.30%	6.20%	16.50%			

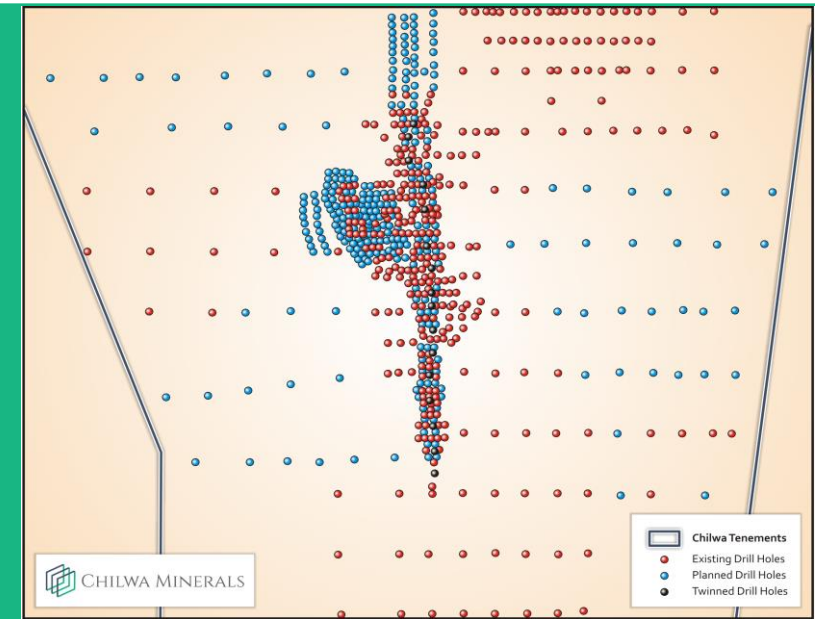
1. AMC Technical Report on the Estimation of Mineral Resources defines an Inferred JORC-compliant (2012) Resource, updated May 2021

# UPGRADING AND EXPANDING

- An initial 17,000+ metre program is planned in the 12 months post listing, covering both the existing deposits and the new license.
- Mota-Engil's purchase of a Sonic Rig enables a drill campaign that is ~3x the size that would have otherwise been possible.
- Most holes will be 50 x 50m, with some as close as 25 x 25m enabling a higher probability of both a measured resource and a reserve
- In 2021 an application for tenement extension was granted for the area to the south of the Mpyupyu Prospect by a further 442km<sup>2</sup>, more than doubling the initial 407km<sup>2</sup> licence
- **The Project has a significant target strandline identified and is underexplored.**

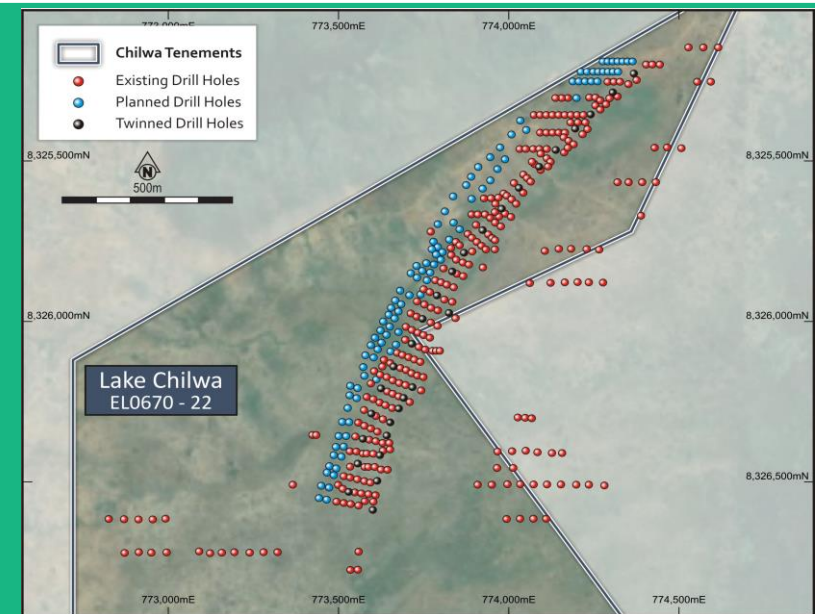
Plan of proposed  
new drilling

## BIMBI



Plan of proposed  
new drilling

## MPOSA



# EXISTING DRILL READY TARGETS

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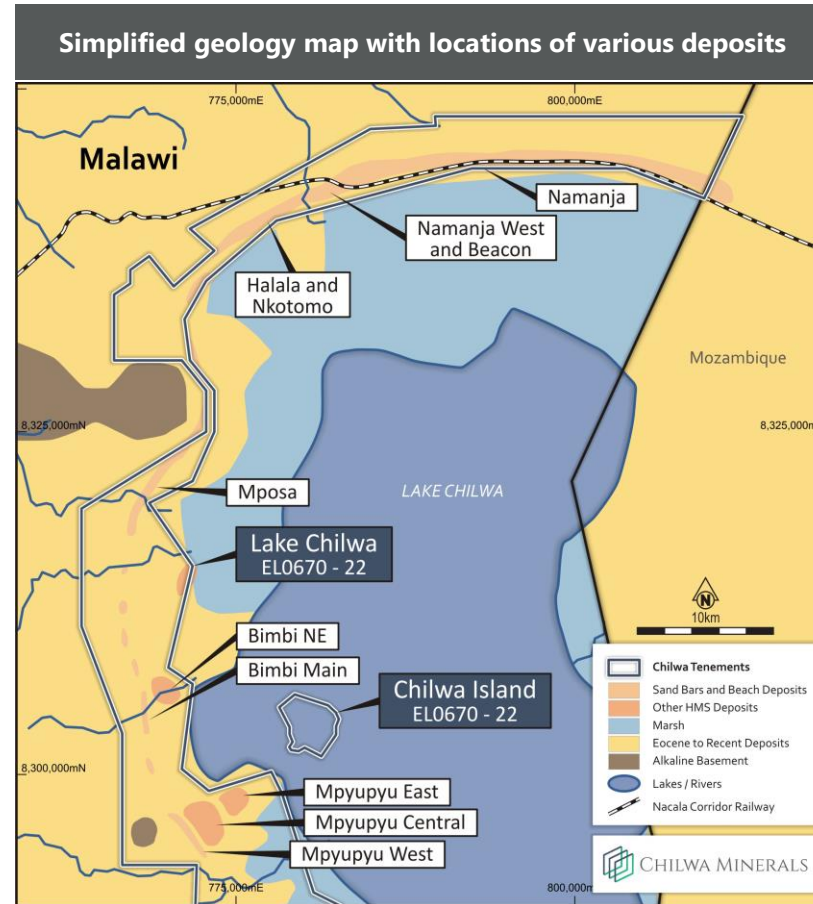
## Mposa

Proposed starting location of the exploration program with historical HM grade of 12%

02

## Bimbi

Radiometric anomalies detected, with drilling to focus on the high-grade central part of the deposit



03

## Halala

Drilling will commence at Halala due to targeted deposits identified in the Independent Geological Report

04

## Mpyupyu

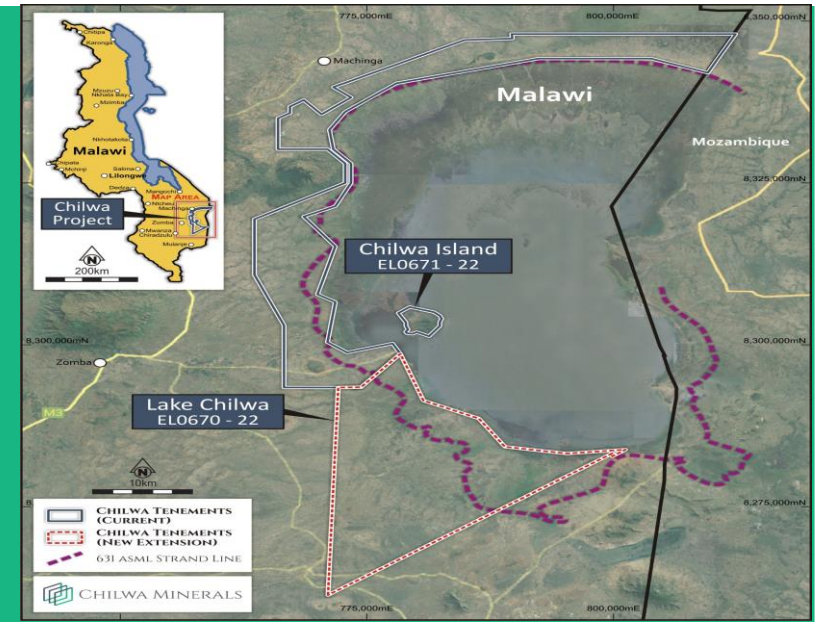
Largest tonnage deposit from historic drilling with high slimes content likely to be reduced

# RARE EARTHS OPPORTUNITY

- Multi element analysis has indicated the presence of REE in the Chilwa deposits including monazite and xenotime.
- As part of the ongoing exploration program, the economic viability of concentrating and extracting the REE bearing minerals will be investigated.
- Mkango Resources Songwa Hill Rare Earth Project adjoins the new licensed area and has recently announced a resource of 8.81 million tonnes of TREO (Measured)
- Lindian Resources Kangunkunde Project is ~60km to the west and has announced grades of up to 11.8% TREO from their recent drilling campaign

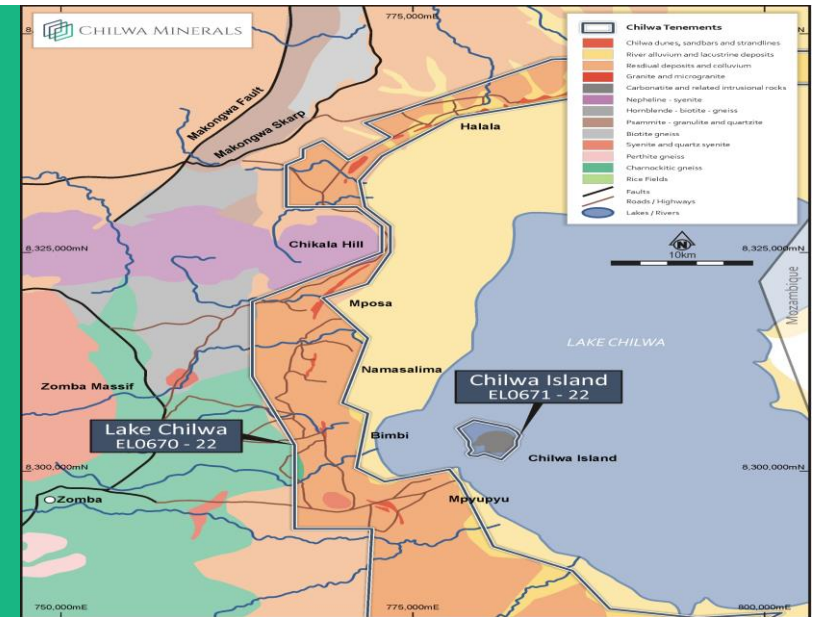
## Directly Adjacent

Mkango land borders the recently extended Chilwa tenements to the south



## 45x28km

Significant strike length along the western shore to target further high-grade deposits

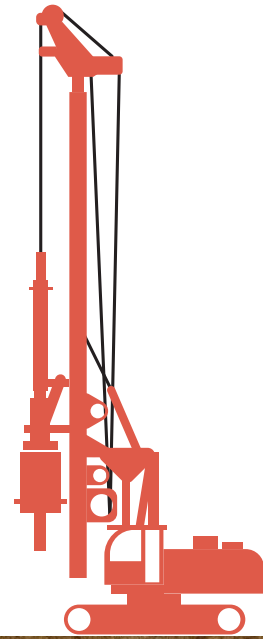




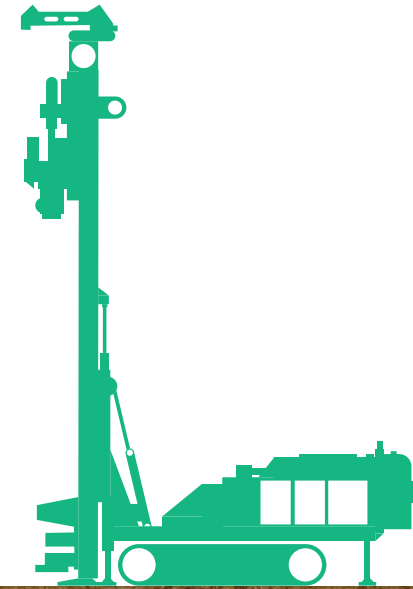
# NEW DRILLING TECHNIQUES

AIR CORE DRILLING

6m



SONIC DRILLING



The use of a Sonic Rig will ensure a higher recoveries and assist in determining where the bedrock sits within the deposit

FOOTWALL



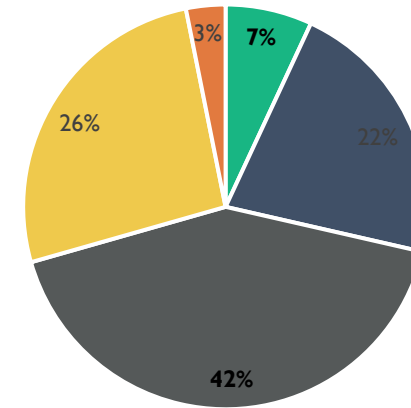
CHILWA MINERALS

03

CORPORATE  
SUMMARY



## Fully Diluted Capital Structure



■ Existing Shareholders  
 ■ Luso Global Mining  
 ■ IPO Investors  
■ Performance Rights  
 ■ Lead Manager Options

# CAPITAL STRUCTURE

Founder equity is heavily weighted towards project success

**\$8.0m**

CAPITAL RAISING

**40m**

SHARES

**\$0.20**

PER SHARE

Upon the IPO, the Company will issue 25 million Performance Rights. These shares vest in four hurdles. 40% upon a 3Mt indicated THM resource, 20% at PFS completion, 20% at BFS completion and 20% at decision to mine.

Three million lead manager options will also be issued, with 1M each at exercise prices of 25, 30 and 40c, respectively.

Capital structure	Pre-money	Post-money
Offer price	\$0.20	\$0.20
New shares - IPO		40.0
New shares – LGM		19.0
Existing shares on issue (m)	8.20	67.20
<b>Market cap (\$m)</b>	<b>1.64</b>	<b>13.44</b>
Net cash (\$m)	0.15	7.09
<b>EV (\$m)</b>	<b>1.49</b>	<b>6.35</b>

Anticipated use of funds	\$m	%
Exploration	4.50	56.2
Administration & Corporate (including working capital)	2.79	34.3
Costs of the offer	0.86	10.6
<b>TOTAL</b>	<b>8.16</b>	<b>100.0</b>

# TIMETABLE OF WORKS

Activity	2023																
				JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	
ASX Listing							→										
Airborne Results							→										
Drilling Commences								→									
Drilling Continues							→										
Assay Results							→										
Update Resource Estimate												→					
Potential Commencement of Pre-Feasibility Study											→						

# WHY INVEST IN CHILWA MINERALS



**Drill ready inferred resource** across four existing deposits as well as newly obtained license extension



**17,000+m campaign provides** a steady stream of assay results throughout 2023 leading to resource upgrade



**Commodity market** spurred by underinvestment and increasing range of end customers globally



**Established project partner** provides drill access, services agreement and 25 years in country experience



**Pit to Port solution** from stable and strategic mining location with an export ready product



**REE results from surrounding areas** give rise to further investigation



# CONTACTS

## CHILWA MINERALS LIMITED

### **Cadell Buss**

Managing Director  
Chilwa Minerals Limited  
+61 439 919 364  
[cbuss@chilwaminerals.com.au](mailto:cbuss@chilwaminerals.com.au)

### **Philip Lucas**

Non-Executive Chairman  
Chilwa Minerals Limited  
+61 403 666 444  
[plucas@chilwaminerals.com.au](mailto:plucas@chilwaminerals.com.au)

## SEQUOIA FINANCIAL GROUP

### **Alex Fabbri**

Head of Corporate Finance  
Sequoia Financial Group  
+61 413 832 336  
[alexfabbri@sequoia.com.au](mailto:alexfabbri@sequoia.com.au)

### **Michael Holland**

Manager, Corporate Finance  
Sequoia Financial Group  
+61 419 210 500  
[michaelholland@sequoia.com.au](mailto:michaelholland@sequoia.com.au)