

CHILWA MINERALS LIMITED

ABN 43 656 965 589

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2023

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2023 and any public announcements made by Chilwa Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

CHILWA MINERALS LIMITED

31 DECEMBER 2023

Contents	Page
DIRECTORS' REPORT	3
AUDITOR'S INDEPENDENCE DECLARATION	9
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	10
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	11
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	12
CONSOLIDATED STATEMENT OF CASH FLOWS	13
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	14
DIRECTORS' DECLARATION	19
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS	20

CHILWA MINERALS LIMITED

31 DECEMBER 2023

DIRECTORS' REPORT

Your directors are pleased to present their 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 half-year ended 31 December 2023.

DIRECTORS

The names of the directors who held office during or since the end of the half-year, to the date of this report, are:

Mr Alexander Shaw

Mr Cadell Buss

Mr Manuel Mota

Mr Dennis Wilkins, appointed on 19 October 2023

Mr Philip Lucas, was a director from the beginning of the half-year until his resignation on 19 October 2023

OPERATIONS AND FINANCIAL REVIEW

A summary of consolidated revenues and results for the half-year is set out below:

	2023		2022	
	Income \$	Loss \$	Income \$	Loss \$
Consolidated entity income and loss after tax	111,831	(947,052)	-	(510,615)

OVERVIEW

Chilwa Minerals Limited listed on the Australian Stock Exchange on the 5th of July 2023 (ASX: CHW) with the focus to develop the wider Lake Chilwa Heavy Minerals Sands Project, located in Malawi, Africa.

CHILWA PROJECT

The total Project Mineral Resource is **61.6 Mt of Heavy Mineral Sands (HMS) at 3.9% containing 2.4Mt THM at 1% cut off grade** over ten known deposit areas.



Figure 1 CHW Project Location

DIRECTORS' REPORT (continued)

DRILLING PROGRAM

The Company successfully commenced a 6,000m sonic drill program designed to test the extent of potential mineralisation at depth as well as its lateral continuity by twinning selected existing holes and drilling further holes in the areas adjacent to Mposa.

A sonic rig has several advantages to aircore, notably, sonic drilling involves the complete encapsulation of the sample within the core barrel, which prevents drill holes from collapsing, enhancing the recovery of intact samples. Moreover, sonic drilling enables drilling operations to be conducted beneath the water table, a scenario where conventional methods encountered challenges.

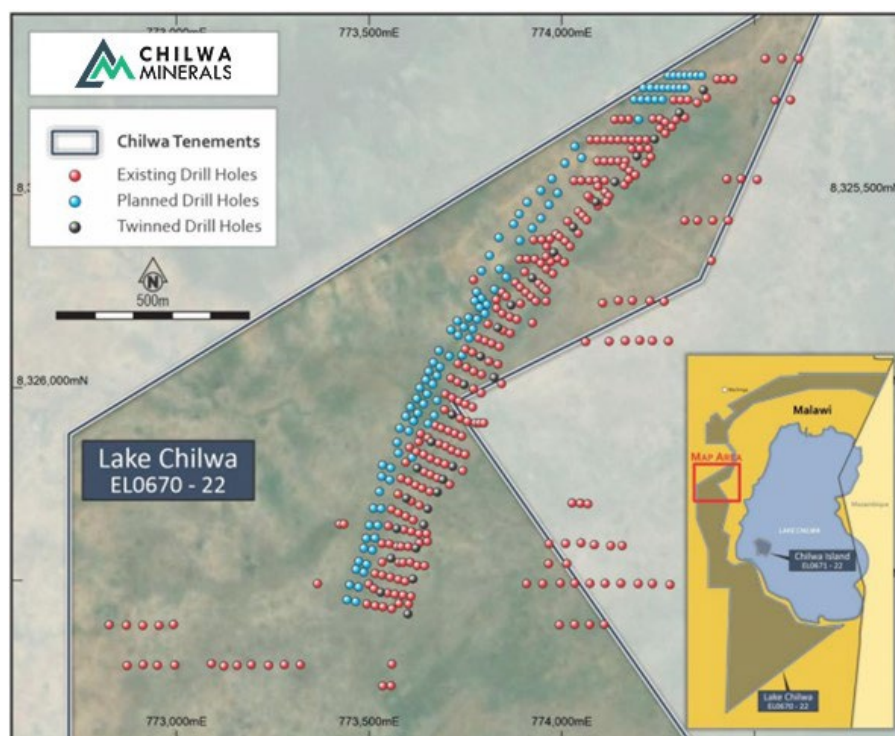


Figure 2 – Mposa Drill Hole Locations

The first four (4) infill and extensional drillholes (Figure 3) at the Mposa Main target area reached competent rock (bedrock) at a significantly increased depth and, from visual interpretation, indicate a substantially thicker fluvio-lacustrine deposit compared to what was previously identified by drilling in this area. Assays are pending at the time of writing this report.

The first hole drilled in the 6,000m campaign at the northern end of the Mposa area, MPO-SD-001, reached a depth of 30.5 metres, however, did not reach the bedrock. The expectation was that the bedrock would be around 20 metres in depth and as such, casings were not used until a depth of 10 metres. This was a twinned hole (CWCMPA-20001-5) from 2015, which ended at 5 metres.

The second hole drilled at this site, MPO-SD-002, was cased from surface and encountered the bedrock at 44.6 metres. This hole was also a twin (CWCMPA-20002) that had a depth of 8 metres.

Following the completion of the first two holes, the Company decided to shift the drilling program to the southern part of the Mposa area, a distance of approximately seven kilometres, in order to determine the southerly extent of the Mposa deposit.

Hole 3 (MPO-SD-297) was drilled in the southern extremity of Mposa and obtained a depth of 50 metres. This hole was not a twin but lies within close proximity to several holes from 2015 which recorded depths of between 4 and 5 metres. Hole 4 (MPO-SD-295) reached a depth of 50 metres, twinning a previously drilled hole (CWCMPA-76004) with a depth of 4 metres. Refer Figure 3.

DIRECTORS' REPORT (continued)

Importantly, holes MPO-SD-297 & MPO-SD-295 did not end in competent bedrock (footwall), rather they ceased at 50 metres because the drill rig only had 50 metres of drill rods. This further illustrates how the depths of these holes have been greater than hoped and anticipated.

The competent bedrock is at a depth in excess of 50 metres for these two holes with more drill rods ordered to determine the ultimate depth of the bedrock for these holes.

Improved Recoveries

A key factor behind the Company's decision to employ sonic drilling techniques moving forward, was the variable levels of material recovered from the previous campaign. Many of these holes terminated in mineralisation due to the use of an aircore rig, which was unable to penetrate the water table. Recoveries from this drilling were also variable, averaging <70%.

Recoveries obtained by using a sonic drill rig averaged 85% and, in some cases, 100% has been achieved.

Amended Drilling Program

Having established that the northerly and southern extents of the Mposa deposit were deeper than anticipated, the Company amended the drilling program, (which will see 10 holes drilled along an East – West transect) in order to gain an understanding of the stratigraphic composition of Mposa.

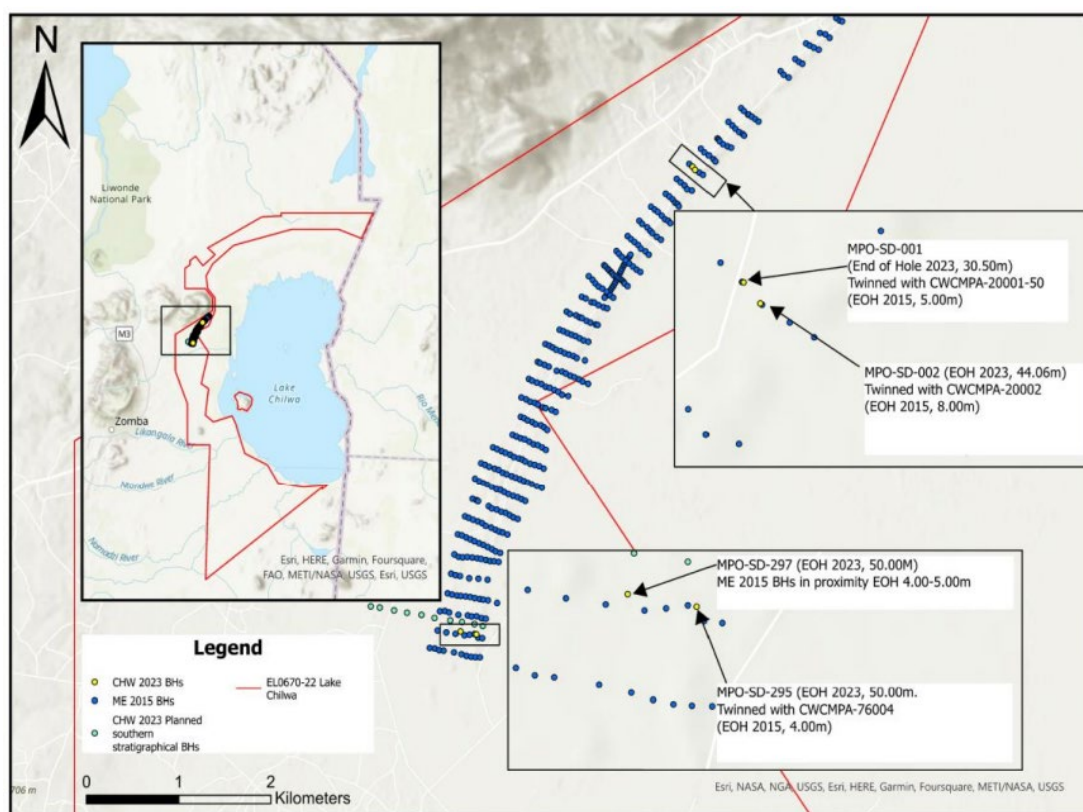


Figure 3 – Mposa drillhole locations

DIAMOND DRILL RIG

Following the success of the maiden holes in the 6,000m sonic drill program, the board made the decision to mobilise a diamond drill (DD) rig to the Mposa Deposit, which will work in parallel with the existing sonic rig. The bedrock has proven to be located significantly deeper than anticipated and DD is considered to be a faster method to test the potential for mineralisation in the deeper zones.

DIRECTORS' REPORT (continued)

Prior to the commencement of drilling, it was expected that the targeted mineral sand horizon would be thicker than the 6.2m average depth that the Mineral Resource is based upon. The initial holes at the north, south and central portions of Mposa intersected the consolidated bedrock at depths ranging from of 35 to 51 metres below surface. Of this, the thickness of the mineral sand horizon measured in the core varies from 2 to 12 metres, with interbedded clays occurring below (Figure 4).

Chilwa will utilise the diamond rig to test the full sequence of clays and sands on a wide spaced drill pattern, with the sonic rig continuing with the originally planned drill spacing. Drilling undertaken by the sonic rig will stop as soon as the clays have been intersected.

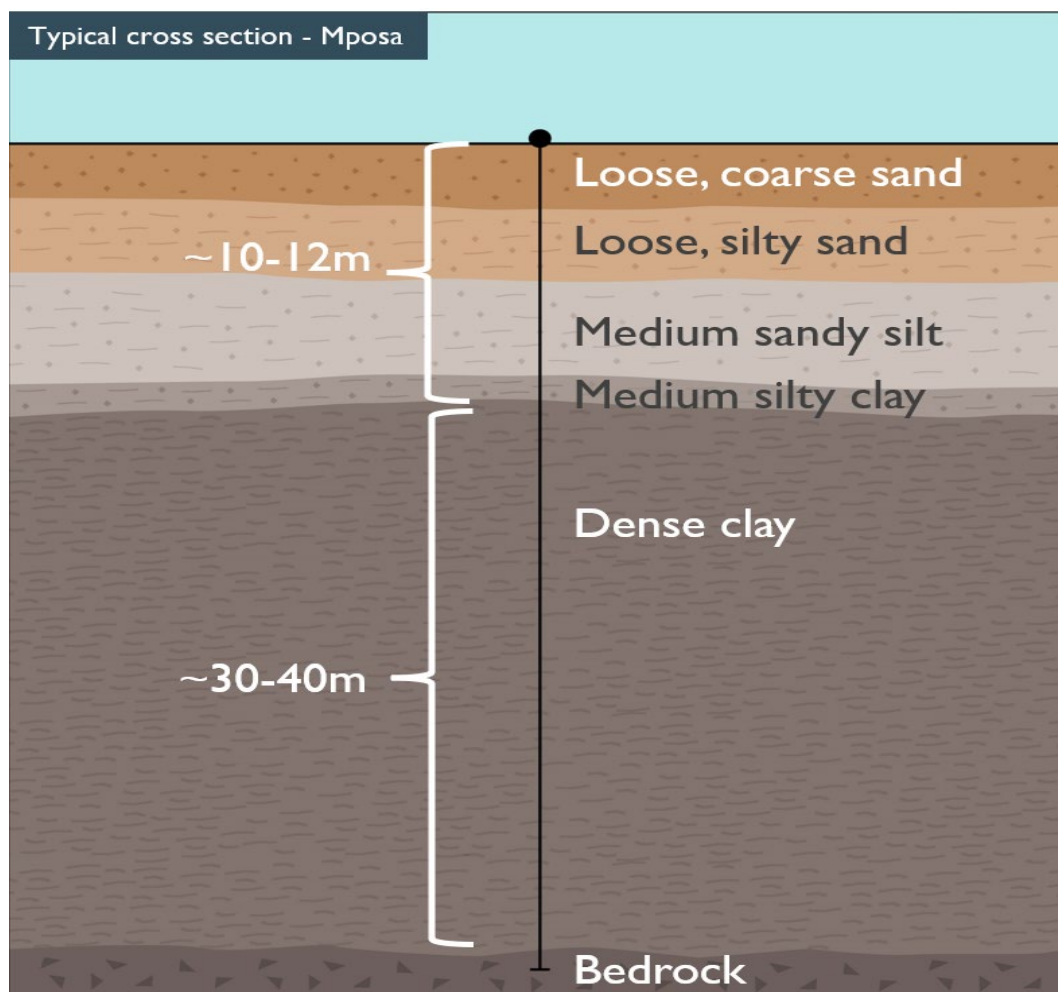


Figure 4 – Schematic cross section showing typical variations downhole.

New Priority Target Area Identified

Reconnaissance by Chilwa geologists along with Competent Person, Mr Mark Burnett, during a site visit indicated the presence of a large topographic high, which Chilwa will explore at Namasalima. This target area is located between the Mposa and Bimbi deposits on the western shore of Lake Chilwa (Figure 5). It was identified as a target in 2016 following a radiometric survey and mapping with 173 auger holes being drilled on the target. As none of the historical data remains, Chilwa will explore the area to determine if this feature contains HMS mineralisation as well as completing an updated Lidar survey to confirm the elevation and location of the 631 amsl and 623 amsl terraces.

The Company will also commence a termite mound sampling program in the Namasalima target area in Q1 of 2024. Samples will be hand panned and examined for HMS using handheld XRF, with selected samples being sent to ALS Perth for further test work.

DIRECTORS' REPORT (continued)

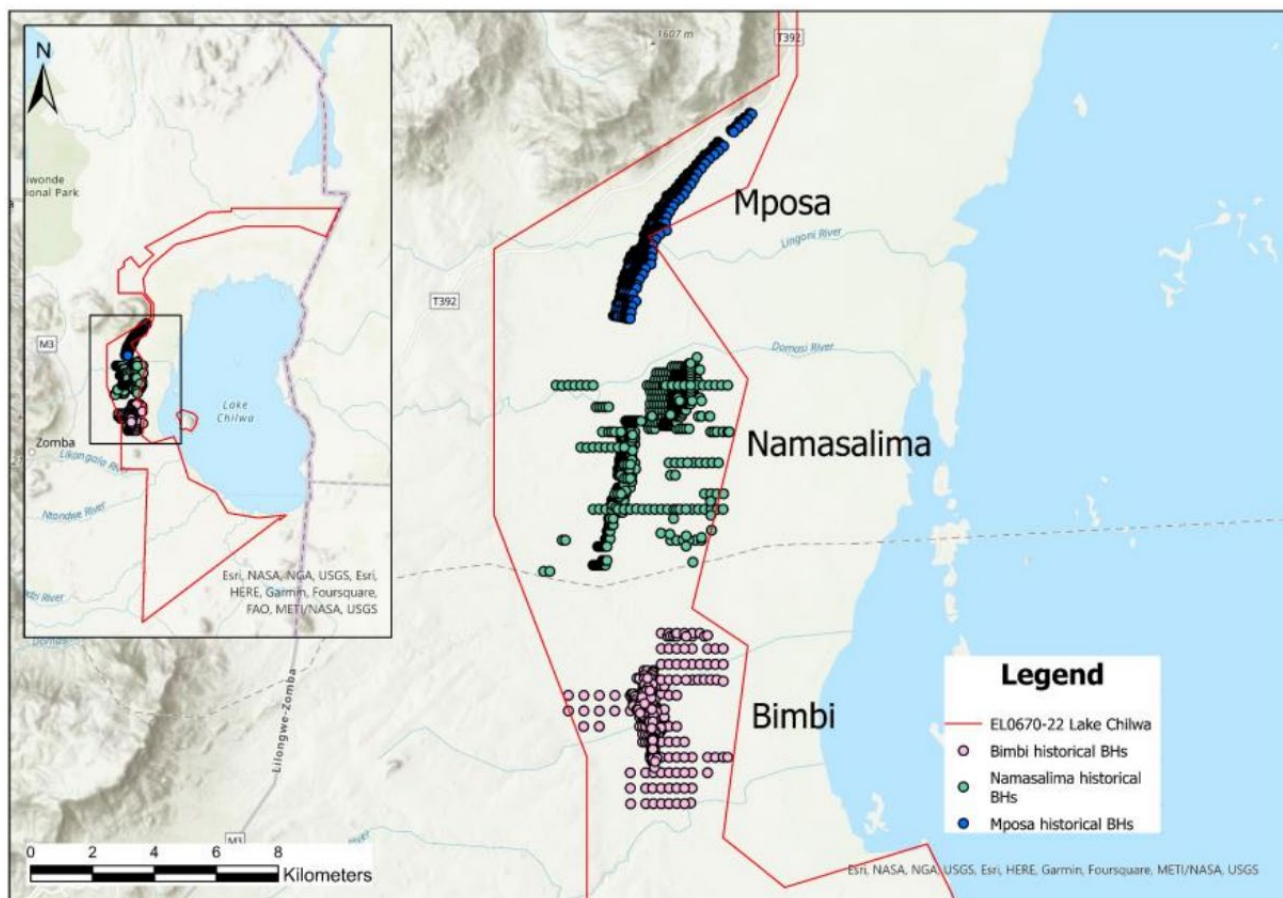


Figure 5 – New priority target area, Namasalima, in relation to Mposa and Bimbi

SERVICE AGREEMENT WITH MOTA ENIGL TO BE EXTENDED AND ENHANCED

The Company reached an agreement with Mota Engil Engenharia Construcao Africa S.A. which is part of Chilwa’s major shareholder, the Mota Engil Group, for the further provision of technical and associated services in Malawi. The new Agreement replaces an existing agreement that expired on 31 December 2023.

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

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

CHILWA MINERALS LIMITED

31 DECEMBER 2023

DIRECTORS' REPORT (continued)



Figure 6 Proposed storage shed to be utilised by Chilwa Minerals and entrance to the Zalewa Camp

EVENTS OCCURRING AFTER REPORTING DATE

No other matter or circumstance has arisen since 31 December 2023, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial periods.

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 on page 9.

This report is made in accordance with a resolution of the board of directors and is signed for and on behalf of the directors by:

A handwritten signature in black ink, appearing to read 'Cadell Buss'.

Cadell Buss

Managing Director

Perth, 14 March 2024



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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF CHILWA MINERALS LIMITED

In relation to our review of the financial report of Chilwa Minerals Limited for the half year ended 31 December 2023, 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

Simon Fermanis

SIMON FERMANIS
PARTNER

14 March 2024
WEST PERTH,
WESTERN AUSTRALIA

CHILWA MINERALS LIMITED

31 DECEMBER 2023

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	Note	Half-year	
		31 December 2023	31 December 2022
		\$	\$
REVENUE			
Interest income		110,345	-
Other income		1,486	-
EXPENSES			
Administration expenses		(68,915)	(39,233)
Compliance and regulatory costs		(102,368)	-
Consulting expenses		(174,556)	(271,113)
Depreciation expense		(11,626)	(1,733)
Employee benefits expense		(505,301)	(128,257)
Exploration and evaluation expenditure		-	(59,578)
Other expenses		(76,529)	(10,701)
Share-based payments expense	4	(119,588)	-
LOSS BEFORE INCOME TAX		(947,052)	(510,615)
Income tax expense		-	-
LOSS AFTER TAX FOR THE HALF-YEAR ATTRIBUTABLE TO THE OWNERS OF CHILWA MINERALS LIMITED		(947,052)	(510,615)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE HALF- YEAR ATTRIBUTABLE TO THE OWNERS OF CHILWA MINERALS LIMITED		(947,052)	(510,615)
Basic and diluted loss per share attributable to the owners of Chilwa Minerals Limited (cents)		(1.42)	(6.23)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CHILWA MINERALS LIMITED

31 DECEMBER 2023

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Note	31 December 2023 \$	30 June 2023 \$
CURRENT ASSETS			
Cash and cash equivalents		5,532,518	8,022,417
Trade and other receivables		2,824	217,159
TOTAL CURRENT ASSETS		5,535,342	8,239,576
NON-CURRENT ASSETS			
Plant and equipment		66,575	7,924
Exploration and evaluation assets	3	5,145,913	-
TOTAL NON-CURRENT ASSETS		5,212,488	7,924
TOTAL ASSETS		10,747,830	8,247,500
CURRENT LIABILITIES			
Trade and other payables		319,923	1,057,417
Employee benefit obligations		12,808	-
Investor funds held on trust		-	7,659,238
TOTAL CURRENT LIABILITIES		332,731	8,716,655
TOTAL LIABILITIES		332,731	8,716,655
NET ASSETS/(LIABILITIES)		10,415,099	(469,155)
EQUITY			
Contributed equity	4	11,863,857	820,001
Reserves		787,450	-
Accumulated losses		(2,236,208)	(1,289,156)
TOTAL EQUITY		10,415,099	(469,155)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CHILWA MINERALS LIMITED

31 DECEMBER 2023

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	Contributed Equity	Share-based Payments Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
BALANCE AT 1 JULY 2022	820,001	-	(266,413)	553,588
Loss for the half-year	-	-	(510,615)	(510,615)
TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR	-	-	(510,615)	(510,615)
BALANCE AT 31 DECEMBER 2022	820,001	-	(777,028)	42,973
BALANCE AT 1 JULY 2023	820,001	-	(1,289,156)	(469,155)
Loss for the half-year	-	-	(947,052)	(947,052)
TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR	-	-	(947,052)	(947,052)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Shares issued during the period	11,800,000	-	-	11,800,000
Share issue transaction costs during the period	(756,144)	309,100	-	(447,044)
Options and Performance Rights issued during the period	-	478,350	-	478,350
BALANCE AT 31 DECEMBER 2023	11,863,857	787,450	(2,236,208)	10,415,099

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CHILWA MINERALS LIMITED

31 DECEMBER 2023

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	Note	Half-year	
		31 December 2023	31 December 2022
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,321,244)	(437,942)
Interest received		110,345	-
Net cash (outflow) from operating activities		(1,210,899)	(437,942)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure capitalised		(761,679)	-
Payments for plant and equipment		(70,277)	(10,378)
Net cash (outflow) from investing activities		(831,956)	(10,378)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of share issue transaction costs		(447,044)	-
Net cash (outflow) from financing activities		(447,044)	-
Net (decrease) in cash and cash equivalents		(2,489,899)	(448,320)
Cash and cash equivalents at the beginning of the half-year		8,022,417	652,799
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR		5,532,518	204,479

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CHILWA MINERALS LIMITED

31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL STATEMENTS

This consolidated interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the Group as full financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Chilwa Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period unless otherwise stated.

These half-year financial statements were authorised for issue by a resolution of directors on 12 March 2024.

New and amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

Impact of standards issued but not yet applied by the Group

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2023. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

NOTE 2: SEGMENT INFORMATION

Industry and geographical segment

The Group operates in one segment, being the mining exploration segment in Africa.

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

CHILWA MINERALS LIMITED

31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 3: EXPLORATION AND EVALUATION ASSETS

	31 December 2023 \$	30 June 2023 \$
Exploration and evaluation assets	5,145,913	-
Balance at the beginning of the period	-	-
Acquisition of Chilwa Project (note 12)	4,158,762	-
Expenditure incurred	987,151	68,886
Impairment	-	(68,886)
Balance at the end of the period	5,145,913	-

Tenure to all tenements is current and secure.

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.

NOTE 4: ISSUED CAPITAL

	2023 Shares	2023 \$	2022 Shares	2022 \$
Ordinary Share Capital				
As at 1 July	8,200,001	820,001	8,200,001	820,001
Issued during the half-year				
Issued as consideration for acquisition of Chilwa Project ⁽¹⁾	19,000,000	3,800,000	-	-
Issued for cash at Initial Public Offer at \$0.20	40,000,000	8,000,000	-	-
Transaction costs	-	(756,144)	-	-
As at 31 December	67,200,001	11,863,857	8,200,001	820,001

- (1) On 1 July 2023 the Company issued 19,000,000 fully paid ordinary shares to Luso Global Mining BV in accordance with the Share Sale Agreement documented in the IPO prospectus as part consideration for the acquisition of the Chilwa Project. The fair value of the shares recognised is based on the grant date fair value of the equity instruments issued. This was determined by reference to the IPO price of \$0.20 per share for a total fair value of \$3,800,000. This amount was recognised in the statement of financial position under exploration and evaluation assets.

CHILWA MINERALS LIMITED

31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 4: ISSUED CAPITAL (continued)

Options	Number of options	
	2023	2022
As at 1 July	-	-
Issued, unlisted, exercisable at \$0.25 on or before 30 June 2027	1,000,000	-
Issued, unlisted, exercisable at \$0.30 on or before 30 June 2027	1,000,000	-
Issued, unlisted, exercisable at \$0.40 on or before 30 June 2027	1,000,000	-
As at 31 December	3,000,000	-

During the 2023 half-year, 1,000,000 unlisted options with an exercise price of 25 cents, 1,000,000 unlisted options with an exercise price of 30 cents, and 1,000,000 options with an exercise price of 40 cents, all expiring 30 June 2027, were issued to the lead manager of the IPO as disclosed in the IPO prospectus. The options vested immediately on the date of issue. The weighted average fair value of the unlisted options granted during the half-year was 10.3 cents per option for a total expense of \$309,100. The price was calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	2023
Weighted average exercise price (cents)	31.7
Life of the options (years)	4.0
Underlying share price (cents)	20.0
Expected share price volatility	80.0%
Risk-free interest rate	3.97%

Performance Rights	Number of performance rights	
	2023	2022
As at 1 July	-	-
Issued, Class A expiring 30 June 2025	10,000,000	-
Issued, Class B expiring 30 June 2027	5,000,000	-
Issued, Class C expiring 30 June 2027	5,000,000	-
Issued, Class D expiring 30 June 2028	5,000,000	-
As at 31 December	25,000,000	-

During the 2023 half-year, as detailed in the IPO prospectus, the performance rights listed in the above table were issued to directors and consultants (total of 6,250,000 with fair value of \$119,588 expensed as share-based payments in the profit or loss for the current period) and Luso Global Mining BV (a total of 18,750,000 as part consideration for the acquisition of the Chilwa Project with fair value of \$358,762 recognised in the statement of financial position under exploration and evaluation assets for the current period). The fair value of the performance rights is based on the grant date fair value of the underlying ordinary shares. This was determined by reference to the IPO price of \$0.20 per share. The performance rights will vest upon satisfaction of the respective performance conditions at any time before the applicable expiry date, as detailed below:

CHILWA MINERALS LIMITED

31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 4: ISSUED CAPITAL (continued)

Class	Performance Condition
Class A	Announcement of a JORC compliant Indicated Resources of 3 million tonnes THM from the Chilwa 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 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 Project on or before 30 June 2027.
Class D	Announcement that a decision to mine the Chilwa Project has been made on or before 30 June 2028.

NOTE 5: CONTINGENCIES

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

NOTE 6: DIVIDENDS

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

NOTE 7: 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.

	31 December 2023	30 June 2023
	\$	\$
Within one year	389,398	-
Later than one year but not later than five years	675,729	-
	<u>1,065,127</u>	<u>-</u>

NOTE 8: FAIR VALUE MEASUREMENT

There were no financial assets or liabilities at 31 December 2023 or 30 June 2023 requiring fair value estimation and disclosure as they are either not carried at fair value or in the case of short term assets and liabilities, their carrying values approximate fair value.

CHILWA MINERALS LIMITED

31 DECEMBER 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 9: RELATED PARTY TRANSACTIONS

There has been no material change to related party transactions in the half-year ended 31 December 2023, other than the issue of performance rights to key management personnel as shown in the table below. Refer to note 4 for details of the performance rights granted.

Key Management Personnel	No of Performance Rights
Cadell Buss	4,400,000
Philip Lucas, resigned 19 October 2023	1,350,000
John Lewis, resigned 20 October 2023	350,000

NOTE 11: EVENTS OCCURRING AFTER REPORTING DATE

No other matter or circumstance has arisen since 31 December 2023, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial periods.

NOTE 12: ASSET ACQUISITION

On 1 July 2023, all conditions precedent under the Share Sale Agreement (**SSA**), dated 4 April 2023 as varied by the deed of variation dated 21 June 2023, between the Company, Luso Global Mining BV (**Luso**) and Mota-Engil Investments (Malawi) Limited (**MEIML**) in relation to the acquisition of 100% of the issued capital of Chilwa Minerals Africa Limited (**CMA**), who in turn holds 100% of the issued capital of MEIML, were satisfied. Completion under the SSA included the issue of the consideration securities, being 19,000,000 fully paid ordinary shares and 18,750,000 performance rights (refer to note 4), to Luso. The result being that CMA and MEIML have become subsidiaries of the Company from the date of completion, with MEIML being the 100% owner of granted exploration licenses EL0670/22 and EL0671/22, together with all associated geological and other information (**Chilwa Project**).

At the time of acquisition neither CMA nor MEIML had any assets or liabilities other than the Chilwa Project. As such, the concentration test stipulated in *AASB 3 Business Combinations* has been met resulting in the acquisition being classified as an asset acquisition rather than a business combination. The fair value of the consideration securities has been capitalised to exploration and evaluation assets, refer note 3.

CHILWA MINERALS LIMITED

31 DECEMBER 2023

DIRECTORS' DECLARATION

In the opinion of the directors of Chilwa Minerals Limited:

1. the financial statements and notes set out on pages 10 to 18 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors and is signed for and on behalf of the directors by:



Cadell Buss

Managing Director

Perth, 14 March 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF CHILWA MINERALS LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Chilwa Minerals Limited (the company) and its controlled entities (consolidated entity) which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, and notes to the financial statements, including material accounting policy information and the directors' declaration of the company at 31 December 2023, or during the half year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Chilwa Minerals Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

Independence

We are independent of the company 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

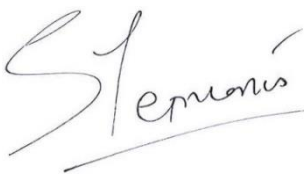
Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2023 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF PERTH



SIMON FERMANIS

PARTNER

14 MARCH 2024
WEST PERTH,
WESTERN AUSTRALIA