CHILWA MINERALS LIMITED

ACN 656 965 589

SUPPLEMENTARY PROSPECTUS

1. IMPORTANT INFORMATION

This document is a supplementary prospectus (**Supplementary Prospectus**) and supplements the Prospectus dated 5 April 2023 (**Prospectus**), issued by Chilwa Minerals Limited (ACN 656 965 589) (**Chilwa** or the **Company**).

The Supplementary Prospectus is to be read together with the Prospectus. To the extent of any inconsistencies this Supplementary Prospectus prevails over the Prospectus.

This Supplementary Prospectus is dated 26 June 2023 and was lodged with ASIC on that date. ASIC, ASX Limited and each of their respective officers take no responsibility for the contents of this Supplementary Prospectus.

The Directors believe that the changes in this Supplementary Prospectus are not materially adverse from the point of view of an investor. Accordingly, no action needs to be taken if you have already applied for Shares under the Prospectus.

This Supplementary Prospectus and the Prospectus do not constitute an offer of Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this Supplementary Prospectus and the Prospectus may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted in Section 2.16 of the Prospectus.

Unless otherwise indicated, the terms defined in the Prospectus have the same meaning in this Supplementary Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged.

This Supplementary Prospectus and the Prospectus may be accessed on Chilwa's website at www.chilwaminerals.com.au.

2. BACKGROUND

On or about 21 June 2023, the Company entered into a deed of variation with Luso and MEIML to vary the terms of the Share Sale Agreement dated 4 April 2023 to alter the structure of the Acquisition by making a condition of completion that all of the issued shares in MEIML (which holds the Tenements that comprise the Project) are transferred to CMA (resulting in CMA wholly owning MEIML), rather than MEIML transferring the Tenements to CMA. As a result of this variation, the Company is now proposing to acquire the Project through the acquisition of both CMA and MEIML.

The purpose of this Supplementary Prospectus is to provide investors with disclosure in respect of the variation to the Share Sale Agreement and to provide any consequential and ancillary changes to the Prospectus that the Directors believe are necessary.

The amendments to the Prospectus outlined in section 3 below should be read in conjunction with the Prospectus.

3. AMENDMENTS TO THE PROSPECTUS

The Prospectus is amended as set out below.

3.1 Investment Overview

The paragraph beginning 'The Company was formed' in Section 1.1 of the Prospectus is deleted and replaced with the following:

1.1 Introduction

*The Company was formed for the purpose of acquiring the Lake Chilwa Heavy Mineral Sands Project in Malawi, Africa (**Project**) from Luso Global Mining BV (**Luso**). The acquisition of the Project will be made pursuant to a share sale agreement (**Share Sale Agreement**), as amended, between the Company, Luso and Mota-Engil Investments (Malawi) Limited (**MEIML**) (a subsidiary of Luso) whereby the Company agreed to purchase 100% of the issued share capital in Chilwa Minerals Africa Limited (**CMA**), an entity incorporated in Malawi, which will hold all of the issued shares in MEIML (the entity that holds the Tenements that comprise the Project).*

The paragraph beginning 'The Company has entered into the Share Sale Agreement' in Section 1.2 of the Prospectus is deleted and replaced with the following:

1.2 Business and Project overview

The Company has entered into the Share Sale Agreement (as amended by the Deed of Variation) under which it will acquire 100% of the issued share capital in CMA, an entity incorporated in Malawi that will hold (through the acquisition of MEIML) the exploration licences EL0670/22 and EL0671/22, which are granted over the area of the Project, together with all associated geological and other information associated with the Project.

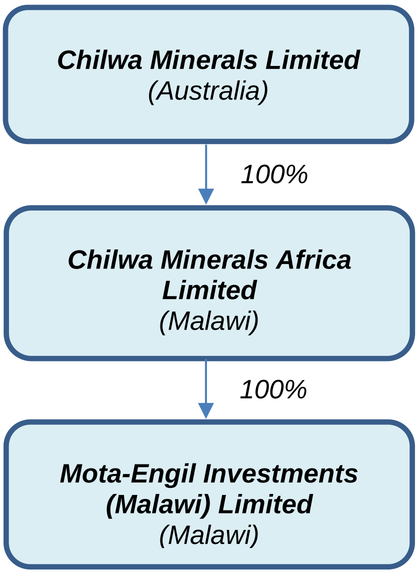
3.2 Group Structure

Section 3.5 of the Prospectus is deleted and replaced with the following:

3.5 Group Structure

Prior to completion of the Offer, the Company will acquire 100% of the issued share capital in CMA, an entity incorporated in Malawi, who will hold all of the issued shares in MEIML. MEIML holds the Tenements that comprise the Project. A summary of the Share Sale Agreement and the Deed of Variation is contained in Section 7.2 of this Prospectus.

Following completion of the Offer, the group structure will be as follows:



There are currently no other companies or entities that the Company has an interest in. Luso has given unqualified warranties to the effect that as at completion of the Share Sale Agreement MEIML has no assets other than the Tenements, all geological and other information associated with the Project and nominal cash, and no liabilities (whether actual or contingent). *See section 3.5 below for further information.*

3.3 Corporate Governance

Section 4.6(b) of the Prospectus is amended to include the following wording in the table outlining the Company's departures from the ASX Corporate Governance Council's Corporate Governance Policies and Recommendations (4th edition):

Recommendations	*Explanation for Departure*
Recommendation 2.4 *A majority of the board of a listed entity should be independent directors.*	*Chilwa does not meet this recommendation since only one (1) of the four (4) directors are independent.* *The Board considers that it has an appropriate balance between executive and non-executive directors as well as a complementary mix of skills and experience.*

3.4 Financial Information

An Independent Limited Assurance Report is included in Schedule 1 of this Supplementary Prospectus.

The purpose of the inclusion of the supplementary financial information is to illustrate the effects of the Offer on the Company as a result of the Amendments referred to in Item 3.1 of this Supplementary Prospectus.

Stanton's Corporate Finance Pty Ltd (Stanton's) has prepared a Supplementary Independent Limited Assurance Report in respect of the historical financial information of MEIML and the pro forma historical financial information referred to at item 3.4 dated 25 June 2023, a copy of which is set out in Schedule 1 of this Prospectus.

3.5 Historical Financial Statements of MEIML

This Section 3.5 contains the following financial information in relation to MEIML the entity which holds the exploration licences EL0670/22 and EL0671/22, which are granted over the area of the Project, together with all associated geological and other information associated with the Project:

(a) historical statement of profit or loss for MEIML for the periods 1 January 2021 to 31 December 2022 inclusive;

(b) historical statement of financial position for MEIML as at 31 December 2021 and 2022; and

(c) historical statement of cash flows for the periods 1 January 2021 to 31 December 2022 inclusive;

(together, the **Supplementary Historical Financial Information**) and

The varied Share Sale Agreement contains unqualified warranties by MEIML that the Supplementary Historical Financial Information has been prepared in accordance with International Financial Reporting Standards, and that as at completion of the Share Sale Agreement and other than the Tenements, relating mining information and nominal cash, MEIML has no assets or liabilities.

Further financial information with respect to these accounts and MEIML is set out in the Supplementary Independent Limited Assurance Report contained in Schedule 1.

The Supplementary Historical Information was prepared by and on behalf of the Mota-Engil Group. The Audit Reports were signed off on 22 June 2023. Chilwa was not involved in the preparation or audit of the information. The Company confirms that the Historical Financial Information is Tier 1 General Purpose accounts and satisfies the requirements set out in Guidance Note 1.

Please note that past performance is not an indication of future performance.

All amounts disclosed in the tables are presented in Australian dollars, after being converted from Malawian Kwacha MEIML's functional currency, unless otherwise stated. All foreign currency translations are in accordance with AASB 121 Effects of Changes in Foreign Exchange Rates.

Historical Statement of Profit or Loss

The table below sets out the Statement of Profit or Loss for MEIML the periods from 1 January 2021 to 31 December 2022 inclusive.

	Audited 1 January to 31 December 2021	Audited 1 January to 31 December 2022
Revenue	-	-
Other operating expenses	(15,182)	(17,280)
Loss before Taxation	**(15,182)**	**(17,280)**
Taxation:	-	-
Total Comprehensive loss for the Year	**(15,182)**	**(17,280)**

The only expenses included in the Financial Statements above are audit fees which resulted from the Audit Reports for each year. MEIML advises that these fees have now been paid. The complete Statement of Profit or Loss and Other Comprehensive Income can be viewed in the Financial Statements of MEIML for the 2022 Financial Year annexed to this Supplementary Prospectus.

Mota Engil Group has informed the Company that, in addition to the expenses included in the Financial Statements and in accordance with its group practice, costs associated with issue and maintenance of the Tenements have been supported and paid for by group companies other than MEIML. These costs amount to 9,337,000.00 MWK over the last 3 years, broken down as follows:

Licence	EL 0572-20	EL 0671-22	EL 0670-22
Type of License	Exploration licence	Exploration licence	Exploration licence
License Issuance Date	02/03/2020	26/09/2022	26/09/2022
Payment Date - License Application	29/11/2019	25/05/2021	25/05/2021
Amount (Application)	50,000.00	250,000.00	250,000.00
Amount (Ground Rate Fees)	N/A	128,400	8,658,600
Company that Supported Cost(s)	Mota-Engil Engenharia Construcao Africa Malawi Branch	Mota-Engil Engenharia Construcao Africa Malawi Branch	Mota-Engil Engenharia Construcao Africa Malawi Branch
Note	This licence was replaced by EL 0671-22 and EL 0670-22.	Current License	Current License

Historical Statement of Financial Position

The table below sets out the Statement of Financial Position for MEIML as at 31 December 2021 and 2022.

	Audited as at 31 December 2021	Audited as at 31 December 2022

Current Assets		
Cash & cash equivalents	85,639	72,382
Total Assets	**85,639**	**72,382**
Equity and Liabilities		
Equity		
Share capital	86,250	86,250
Foreign currency translation reserve	(287)	(4,007)
Accumulated loss	(53,295)	(70,575)
	32,668	**11,668**
Liabilities		
Current Liabilities		
Trade and other payables	52,972	60,714
Total Equity and Liabilities	**85,639**	**72,382**

The complete Statement of Financial Position can be viewed in the Financial Statements of MEIML for the 2022 Financial Years annexed to this Supplementary Prospectus.

Historical Statement of Cash Flows

The table below sets out the statement of cash flows for MEIML for the periods from 1 January 2021 to 31 December 2022 inclusive.

	Audited 1 January to 31 December 2021	**Audited 1 January to 31 December 2022**
Loss before taxation	(15,182)	(17,280)
Changes in Working Capital		
Increase/(decrease) in trade and other payables, adjusted for the effects of foreign exchange	**15,182**	**17,280**
Cash and cash equivalents at the beginning of the year	85,639	72,382
Cash and cash equivalents at the end of the year	**85,639**	**72,382**

The complete Statement of Cash Flows can be viewed in the Financial Statements of MEIML for the2022 Financial Years annexed to this Supplementary Prospectus.

Notes to and Forming Part of the Historical Financial Information

MEIML has confirmed that in accordance with Mota-Engil Group practice, costs associated with issue and maintenance of the licences for the Chilwa Heavy Metal Sands Project in Malawi held by MEIML have been supported and paid for by Mota-Engil Group companies other than MEIML (which is the special purpose company in which these licences are held). These costs amount to 9,337,000.00 MWK over the last 3 years. The group company that has supported these costs has not and will not recharge these to the licence holder, so MEIML has no liability with respect to such costs and has not recorded them in its accounts.

Significant Accounting Polies

The principal accounting policies applied in the preparation of the financial statements as advised in the Financial Statements of MEIML are set out below (with references to company and directors, to MEIML and its directors respectively).

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 BASIS OF PREPARATION

The financial report is a general purpose financial report that has been prepared in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these financial statements and the Malawi Companies Act.

Malawian Accounting Standards set out accounting policies that result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Malawian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and going concern basis, and is based on historical costs, modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Malawi Kwachas, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements of any pending changes to legislation which may affect the company.

1.3 FINANCIAL INSTRUMENTS

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows: Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or

- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal,
- and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below.

1.4 OPERATING SEGMENTS

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

1.5 REVENUE RECOGNITION

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

(i) Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

1.6 CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

1.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

1.8 SHARE CAPITAL AND EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.9 TRADE AND OTHER PAYABLES

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

1.10 MINERAL EXPLORATION, EVALUATION AND DEVELOPMENT

Mineral exploration and evaluation costs incurred are accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

In the interim period all explorations expenditure amounts incurred for but paid by other entities, within the ME Group, are capitalized and carried forward at the group level.

Once technical feasibility and commercial viability of the extraction of mineral resources in an area of interest is demonstrable, exploration and evaluation assets attributed to that area of interest are first tested for impairment and then reclassified from exploration and evaluation to development.

Once a mining project has been established as commercially viable and technically feasible, expenditure other than that on land, buildings, plant and equipment is capitalised as development. Development includes previously capitalised exploration and evaluation costs, pre-production development costs, development studies and other subsurface expenditure pertaining to that area of interest. Costs related to surface plant and equipment and any associated land and buildings are accounted for as property, plant, and equipment.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Notwithstanding the fact that a decision not to abandon an area of interest has been made, based on the above, the exploration, evaluation and development assets in relation to an area may still be written off if it is considered appropriate to do so.

Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of the mine's life. In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

1.11 IMPAIRMENT OF ASSETS

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including, where applicable, dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisitions profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

1.12 BORROWINGS

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

1.13 PROVISIONS

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

1.14 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Functional and Presentation Currency

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Malawian Kwacha (MWK) which is the parent entity's functional and presentation currency.

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Group Companies

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the year; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Malawian Kwacha are recognised in Other Comprehensive Income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the year in which the operation is disposed.

1.15 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates

(i) *Impairment*

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the consolidated group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using calculations which incorporate various key assumptions.

Key Judgements

(i) *Exploration, Evaluation, and Development*

The Company capitalises expenditure relating to exploration and evaluation costs where they are considered to be likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

The future recoverability of capitalised exploration and evaluation costs are dependent on a number of factors, including whether the Company 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, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the year in which this determination is made.

1.16 NEW AND REVISED ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

There are a number of new and revised accounting standards and interpretations issued by the International Financial Reporting Standards Interpretations Committee adopted by Institute of Chartered Accountants in Malawi that are not yet mandatorily applicable to the Group and have not been applied in preparing these financial statements. The Company does not plan to adopt these standards early.

These standards are not expected to have a material impact on the Company in the current or future reporting periods.

Commentary on Historical Financial Information

With regard to the Supplementary Historical Financial Information, MEIML provides the following commentary.

(a) The audit report for the year ended 31 December 2022 contained unmodified audit opinions. MEIML has no operating income and costs have been paid for by Mota-Engil Group companies other than MEIML, and MEIML is reliant upon Mota-Engil Group companies (other than MEIML) to provide borrowing facilities to meet foreseeable cash requirements.

(b) In accordance with Mota-Engil Group practice, there are no disclosures on compliance with laws and regulations applicable to the Tenements. Luso has given warranties that the Tenements are in good standing and all expenditure requirements have been supported by other companies in the Mota-Engil Group.

(c) In accordance with Mota-Engil Group practice, the annual reports do not disclose any commitments or liabilities (other than audit fees). Luso has given warranties that MEIML does not have any undisclosed liabilities.

(d) The audited accounts as at 31 December 2022 show trade payables of MWK41,940,000 ($60,714) relating to unpaid auditor's fees over several years. MEIML have advised that the relevant audits were completed concurrently, and the fees are an accrual rather than a historical liability. The auditor fees have subsequently been paid.

(e) All expenses of MEIML have been funded by Mota-Engil Group companies other than MEIML, with the charges booked by other group companies and not recognised by MEIML.

3.6 Pro-Forma Statement of Financial Position of Chilwa

The table below sets out the consolidated statement of financial position of Chilwa as at 31 December 2022, extracted without adjustment from the Company's reviewed financial statements, assuming the acquisition of CMA and completion of the Offer.

The Pro Forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

The Company confirms that there are no changes to the Pro Forma Statement of Financial Position as set out in the Prospectus.

The Supplementary Financial Information should be read together with the other information contained in this Supplementary Prospectus as well as the original Prospectus dated 5 April 2023.

	Notes	Reviewed 31 December 2022 $	Pro forma adjustments $	Pro-forma Balance 31 December 2022 $
Current Assets				
Cash & cash equivalents	3	204,479	7,021,380	7,225,859
Trade & other receivables		27,410	-	27,410
Total Current Assets		**231,889**	**7,021,380**	**7,253,269**
Non-Current Assets				
Exploration asset	4	-	3,800,000	3,800,000
Property, plant, equipment		8,645	-	8,645
Total Non-Current Assets		**8,645**	**3,800,000**	**3,808,645**
Total Assets		**240,534**	**10,821,380**	**11,061,914**
Current Liabilities				
Trade & other payables		197,561	-	197,561
Total Current Liabilities		197,561	**-**	197,561
Total Liabilities		197,561	**-**	197,561
Net Assets/ (liabilities)		**42,973**	**10,821,380**	**10,864,353**
Equity				
Issued capital	5a	820,001	10,657,843	11,477,844
Option reserve	5b		303,611	303,611
Accumulated losses	5c	(777,028)	(140,074)	(917,102)
Total Equity		**42,973**	**10,821,380**	**10,864,353**

Notes on the pro forma historical consolidated statement of financial position

Note 1:

The significant accounting policies for the Pro-forma remain the same as noted in the Prospectus.

Note 2

The pro-forma historical financial information has been prepared by adjusting the statement of financial position of the Company as at 31 December 2022 to reflect the financial effects of the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the capital raising:

(a) Completion and full subscription of the IPO to raise $8,000,000 (before costs) by the issue of 40,000,000 Shares at $0.20 per Share.

(b) Recognising the Chilwa Project as an exploration and evaluation asset as a result of the acquisition of 100% of the Chilwa Project, for the transfer of 19,000,000 Shares at a deemed issue price of $0.20 per Share and 18,750,000 Performance Rights.

The Company believes that there is too much uncertainty to estimate the probability of the vesting conditions being met for each tranche of Performance Right. Therefore the Board has taken a conservative approach and recognised $nil value for Performance Rights as at 31 December 2022.

The Chilwa project is being acquired as a result of the Company acquiring 100% of the shares in Chilwa Minerals Africa Ltd, a special purpose vehicle incorporated for this purpose on 31 March 2023. Chilwa Minerals Africa in turn owns 100% of the issued shares of MEIML which is the 100% owner of the exploration licences EL0670/22 and EL0671/22, which are granted over the area of the Project, together with all associated geological and other information associated with the Project.

MEIML has no other assets (other than nominal cash) or liabilities, as warranted by Luso in the Share Sale Agreement. As a result all assets and liabilities recorded in the Balance Sheet of MEIML will be extinguished prior to the acquisition.

(c) Recognising the issue of the three tranches of 1,000,000 Unlisted Options to be issued to the Lead Manager pursuant to the mandate between the parties exercisable at a 25%, 50% and 100% premium, respectively, to the IPO price of $0.20.

(d) Recognising the accrual of a Bonus of $140,074 payable to Mr Buss (Managing Director) upon listing.

(e) Recognising the cash costs of the Issue, estimated at $838,546.

Note 3: Cash & Cash Equivalents

	Pro-forma balance 31 December 2022 $
Cash and cash equivalents	**7,225,859**
Bank balance as at 31 December 2022	204,479
Pro-forma adjustments:	
Proceeds from shares issued under the offer	8,000,000
Payment of Managing Director’s bonus	(140,074)
Expenses of the offer (including the Lead Managers Fees)	(838,546)
Total	**7,225,859**

Note 4: Exploration assets

	Pro-forma balance 31 December 2022 $
Exploration assets	**3,800,000**
Balance as at 31 December 2022	-
Pro-forma adjustments:	
Acquisition cost of the Chilwa Project 19,000,000 FPO Shares	3,800,000
Total	**3,800,000**

Note 5: Equity

		Issued Shares #	Pro-forma balance 31 December 2022 $
(a)	**Issued capital**		**11,477,844**
	Balance as at 31 December 2022	8,200,001	820,001
	Pro-forma adjustments:		
	Issue of shares under the offer	40,000,000	8,000,000
	Cost of Options		(303,611)
	Expenses of the offer (including the Lead Managers fees)	-	(838,546)
	Issue of shares to Vendor	19,000,000	3,800,000
	Total issued capital	**67,200,001**	**11,477,844**
(b)	**Options Reserve**		**303,611**
	Balance as at 31 December 2022		-
	Pro-forma adjustments:		
	Recognition of the Lead Manager Options being 3 tranches of 1.0 million options exercisable $0.25, 0.30 and 0.40 being a 25%, 50% and 100% premium, respectively, to the IPO Price.		303,611
Total			**303,611**
(c)	**Accumulated losses**		**(917,102)**
	Balance as at 31 December 2022		(777,028)
	Pro-forma adjustments:		
	Payment of Managing Director’s bonus		(140,074)
Total			**(917,102)**

Note 6: Lead Manager Options

Refer to Section 7.5 of the Prospectus for details of the Mandate between the Company and the Lead Manager.

	Tranche 1	Tranche2	Tranche3
Underlying value of the security	$0.20	$0.20	$0.20
Exercise price	$0.25	$0.30	$0.40
Life of Options in years	4	4	4
Volatility	80%	80%	80%
Risk free rate	2.87%	2.87%	2.87%
Number of Options	1,000,000	1,000,000	1,000,000
Valuation per Option	**$0.1107**	**$0.1028**	**$0.0922**

Note 7: Contingent Assets and Liabilities

There are no contingent assets or liabilities as at 31 December 2022.

Note 8: Matters subsequent to the end of the financial period

The impact of the Coronavirus ('COVID-19') pandemic is ongoing for the company up to 31 December 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 31 December that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

There has been no adjustment for the 6,250,000 Performance Rights that will be issued to Directors and management which are subject to vesting conditions (refer to Section 8.4). This is due to the prescribed accounting treatment of vesting conditions under AASB 2: Share Based and so the Performance Rights have not been recognised in the pro forma Statement of Financial Position as at 31 December 2022 and will instead be recognised over the expected vesting period.

The 18,750,000 Performance Rights to be issued to the Vendors have also been accounted for under AASB 2: Share Based Payments. As the vesting conditions do not contain a service period, the likelihood of the vesting conditions being met is assessed at the acquisition. The Board has taken a conservative approach and recognised $nil value for the Performance Rights in the Pro Forma position as there is significant uncertainty as to whether the milestones will be met. The value of the Performance Rights recognised will be updated at each subsequent balance date if the number of Performance Rights expected to vest changes.

For further information, please refer to the Independent Limited Assurance Report

3.7 Share Sale Agreement

On or about 21 June 2023, the Company entered into a deed of variation with Luso and MEIML to vary the terms of the Share Sale Agreement. The material terms of the variation are as follows:

(a) The conditions that completion of the transfer of the Sale Shares is subject to is varied as follows:

   (i) a condition that completion is conditional upon the shareholder of MEIML transferring all of the issued shares of MEIML to CMA so that MEIML becomes a wholly-owned subsidiary of CMA, on terms reasonably acceptable to the Company and Luso in inserted; and

   (ii) the condition that completion is conditional upon the transfer of the Tenements is deleted.

(b) The board nominee rights under which Luso has rights to appoint nominees to CMA's board will also apply to MEIML.

(c) Warranties given by Luso with respect to CMA also apply to MEIML. In addition, Luso gives unqualified warranties as follows:

  (i) MEIML has no assets, other than the Tenements, associated mining information and nominal cash, or liabilities (whether actual or contingent);

  (ii) the only regulatory requirement for the transfer of the issued shares in MEIML from Mota Engil Africa SGPS S.A. (the shareholder of MEIML) to CMA is notification under section 63 of the Mines and Minerals Act 2019;

  (iii) the financial statements for MEIML for the periods ending 31 December 2020, 31 December 2021 and 31 December 2022 have been prepared in accordance with all applicable laws and International Financial Reporting Standards, fairly present MEIML's financial position as at 31 December 2020, 31 December 2021 and 31 December 2022 respectively, and are not misleading or false in any way; and

  (iv) the transfer of the issued shares in MEIML from Mota Engil Africa SGPS S.A. (the shareholder of MEIML) to CMA will not affect the standing of the Tenements or MEIML's rights and obligations under the Tenements.

Save for the above and the conditions that (a) the Company satisfy all conditions stipulated in ASX's conditional approval letter so that admission to the Official List of the ASX becomes unconditional; and (b) all regulatory approvals to sale of the Sale Shares to the Company have been obtained, all other conditions to completion of the sale and purchase have been satisfied.

3.8 Supplementary legal opinion

Schedule 3 of this Supplementary Prospectus is a supplementary legal opinion prepared by the Company's Malawi solicitors dated 23 June 2023. The opinion confirms that the amendments to the Share Sale Agreement to alter the structure of the Acquisition by making a condition of completion that all of the issued shares in MEIML, rather than MEIML transferring the Tenements to CMA, complies with Malawi law.

3.9 Independent Expert's Report

BDO Corporate Finance (WA) Pty Limited has confirmed that the opinion contained in their Independent Expert's Report (a copy of which is Annexure C of the Prospectus) opining on the fairness and reasonableness of the Performance Rights does not change as a result of the amendments to the Share Sale Agreement as set out in this Supplementary Prospectus.

3.10 Risks

In addition to the risks set out in section 6 of the Prospectus, there is a risk that as a result of amending the Share Sale Agreement, MEIML may be acquired by the Company (through acquiring CMA) subject to actual or contingent liabilities. Whilst this is a risk, the Directors believe that the risk is properly mitigated through unqualified warranties given by Luso that at completion of the Share Sale Agreement MEIML has no liabilities (actual or contingent). The Directors are satisfied that Luso has the ability to meet any such warranty claim.

4. CONSENTS

The Company confirms that as at the date of this Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

4.1 Consent of Stantons

The paragraph beginning 'Stantons has given its written consent' in Section 8.10 of the Prospectus is deleted and replaced with the following:

> *Stantons has given its written consent to being named as the Independent Accountant in the Prospectus and the Supplementary Prospectus and to the inclusion of the Independent Limited Assurance Report in Schedule A of the Prospectus and in Schedule 1 of the Supplementary Prospectus] in the form and context in which the information and reports*

are included. Stantons has not withdrawn its consent prior to lodgement of the Prospectus and Supplementary Prospectus with ASIC.

4.2 Consent of MEIML

MEIML has given its written consent to the inclusion of the Supplementary Historical Financial Information, the statements contained in section 3.5 of this Supplementary Prospectus, and the Financial Statements of MEIML for the 2022 Financial Year in this Supplementary Prospectus in the form and context in which the information and financial statements are included. MEIML has not withdrawn their consent prior to lodgement of the Supplementary Prospectus with ASIC.

4.3 Consent of Singano Purshotam Law Consultant

Singano Purshotam Law Consultants have given their written consent to the inclusion of their supplementary legal opinion dated 23 June 2023 in this Supplementary Prospectus in the form and context in which it is included. Singano Purshotam Law Consultants have has not withdrawn their consent prior to lodgement of the Supplementary Prospectus with ASIC.

4.4 Consent of BDO Corporate Finance (WA) Pty Limited

BDO Corporate Finance (WA) Pty Limited have given their written consent to the inclusion of statements attributable to them in this Supplementary Prospectus in the form and context in which they appear. BDO Corporate Finance (WA) Pty Limited has not withdrawn its consent prior to lodgement of the Supplementary Prospectus with ASIC.

5. GLOSSARY

The following definition is inserted into Section 10 of the Prospectus:

> ***Deed of Variation*** *means the deed of variation entered into by the Company, Luso and MEIML on or about 21 June 2023 that amends the Share Sale Agreement, as summarised in Section 7.2.*

6. SUPPLEMENTARY PROSPECTUS

This Supplementary Prospectus will be issued as an electronic prospectus and may be accessed on Chilwa's website at www.chilwaminerals.com.au.

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

7. DIRECTORS' AUTHORISATION

The Directors of the Company who authorised the issue of this Supplementary Prospectus accept responsibility for the information contained in this Supplementary Prospectus.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement and issue of this Supplementary Prospectus with ASIC in the form and context in which it is issued.

Cadell Buss

Managing Director

Chilwa Minerals Limited

SCHEDULE 1 – INDEPENDENT LIMITED ASSURANCE REPORT

Stantons

PO Box 1908
West Perth WA 6872
Australia

Level 2, 40 Kings Park Road
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 42 128 908 289
AFS Licence No: 448697
www.stantons.com.au

25 June 2023

The Directors
Chilwa Minerals Limited
Level 9, 200 St Georges Terrace
Perth WA 6000

Dear Directors

Independent Limited Assurance Report

1 Introduction

1.1 Stantons Corporate Finance Pty Ltd ("**Stantons**") was engaged by Chilwa Minerals Limited ("**Chilwa**" or the "**Company**") to prepare this Independent Limited Assurance Report ("**Report**") in relation to certain financial information relating to the Company and its subsidiaries (the "**Group**"), and a company proposed to be acquired by Chilwa. The Report will be included in a Supplementary Prospectus expected to be distributed in or around June 2023 (the "**Supplementary Prospectus**"). Stantons has previously prepared an Independent Limited Assurance Report for Chilwa that was attached to a prospectus dated 5 April 2023 (the "**Prospectus**").

1.2 Chilwa is an Australian mineral exploration company that was incorporated on 1 February 2022 for the purpose of acquiring the Lake Chilwa Heavy Minerals Sands Project located in Malawi (the "**Project**").

1.3 Chilwa entered a share sale agreement with Mota-Engil Investments (Malawi) Limited ("**MEIML**"), the vendor of the Project, and Luso Global Mining BV ("**Luso**"), the holding Company of MEIML whereby the Company is to acquire 100% of the issued capital of a special purpose vehicle, Chilwa Minerals Africa Limited ("**CMA**"). It was intended that ownership of the tenements that comprise the Project would be transferred to CMA. The agreement has subsequently been amended such that all of the issued capital of MEIML will be transferred to CMA. Accordingly, Chilwa will acquire 100% of the issued capital of MEIML, who will continue to hold the tenements that comprise the Project, via the acquisition of CMA. The Company proposes to issue the Supplementary Prospectus to detail the updated transaction structure.

1.4 The Company will issue 19,000,000 ordinary shares and 18,750,000 performance rights to Luso.

1.5 The Supplementary Prospectus relates to the issue of up to 40,000,000 ordinary shares of Chilwa at an issue price of $0.20 to raise up to $8,000,000 (before costs) under an Initial Public Offering ("**IPO**") of Chilwa shares on the Australian Securities Exchange ("**ASX**") that was detailed in the Prospectus.

1.6 This Report has been prepared for inclusion in the Supplementary Prospectus. We disclaim any assumptions of responsibility for any reliance on this Report or on the historical financial information and pro forma historical financial information ("**Financial Information**") to which it relates for any purpose other than for which it was prepared.

1.7 Stantons holds an Australian Financial Services Licence (AFS Licence Number 448697), and our Financial Services Guide ("**FSG**") has been included in this Report in the event that you are a retail investor. Our FSG provides you with information on how to contact us, our services, remuneration, associations and relationships.

2 Scope

2.1 Chilwa have requested Stantons to perform a limited assurance engagement in relation to the Financial Information described below and disclosed in Section 3 of the Supplementary Prospectus.

2.2 The Financial Information is presented in Sections 3.5 and 3.6 of the Supplementary Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

2.3 Stantons has not been requested to consider the prospects of Chilwa, the securities on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder in Chilwa and accordingly, has not done so nor purports to do so.

Historical Financial Information

2.4 Stantons were requested to review the following historical financial information (the "**Historical Financial Information**") of MEIML:

- the audited historical Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the financial years to 31 December 2021 and 31 December 2022; and

- the audited consolidated historical Statements of Financial Position as at 31 December 2021 and 31 December 2022.

2.5 The Historical Financial Information was prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in International Financial Reporting Standards ("**IFRS**") and the Company's adopted accounting policies. The Historical Financial Information was extracted from the financial report of MEIML for the year to 31 December 2022, which was audited in accordance with International Standards on Auditing.

2.6 The financial report of MEIML contained an unmodified audit opinion for the period ended 31 December 2022.

Pro Forma Historical Financial Information

2.7 Stantons were requested to review the following pro forma historical financial information (the "**Pro Forma Financial Information**") of Chilwa:

- the pro forma historical Statement of Financial Position as at 31 December 2022 adjusted for subsequent events.

2.8 The Pro Forma Financial Information was derived from the Historical Financial Information of Chilwa, after adjusting for the effects of the pro forma adjustments described in Section 3.6 of the Supplementary Prospectus. The Pro Forma Financial Information has been subject to review in accordance with the Standard on Assurance Engagements ASAE 3450 "*Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*" and the Auditing Standard on Review Engagements ASRE 2405 "*Review of Historical Financial Information Other than a Financial Report.*

2.9 The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Section 3.6, Note 2 of the Supplementary Prospectus, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Financial Information does not represent the Company's actual or prospective financial position.

2.10 The Pro Forma Financial Information is presented to illustrate the impact of the events or transactions described in Section 3.6 of the Supplementary Prospectus on Chilwa's financial position as at 31 December 2022.

2.11 The Historical Financial Information and the Pro Forma Financial Information are presented on a consolidated basis.

3 Directors' Responsibility

3.1 The directors of Chilwa are responsible for the preparation of the Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Financial Information to be free from material misstatement, whether due to fraud or error.

4 Our Responsibility

4.1 Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Financial Information. We conducted our engagement in accordance with the Auditing Standard on Review Engagements ASRE 2405 "*Review of Historical Financial Information Other than a Financial Report*" and the Standard on Assurance Engagements ASAE 3450 "*Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*".

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

4.3 Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5 Conclusion

Historical Financial Information

5.1 Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information of MEIML, comprising:

- the Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flow for the financial years to 31 December 2021 and 31 December 2022; and
- the Statements of Financial Position as at 31 December 2021 and 31 December 2022;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation.

5.2 To the best of our knowledge and belief, there have been no other material items, transactions or events involving MEIML subsequent to 31 December 2022 that have come to our attention during the course of our review which would cause the Historical Financial Information presented in Section 3.5 of the Supplementary Prospectus to be misleading.

5.3 We note MEIML's Financial Report for the year ended 31 December 2022, from which the Historical Financial Information was extracted, is a Tier 1 General Purpose financial report and satisfy the requirements set out in Guidance Note 1.

5.4 We note that section 3.5 of the Supplementary Prospectus provides additional commentary in relation to the stated basis of preparation of MEIML's audited financial statements for the year ended 31 December 2022.

Pro Forma Financial information

5.5 Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Financial Information, comprising:

- the pro forma historical Statement of Financial Position of Chilwa as at 31 December 2022, adjusted for subsequent events;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation.

5.6 To the best of our knowledge and belief, there have been no other material items, transactions or events involving Chilwa subsequent to 31 December 2022, besides those disclosed in Section 3.6 of the Supplementary Prospectus, that have come to our attention during the course of our review which would cause the Pro Forma Financial Information presented in the Section 3.6 of the Supplementary Prospectus to be misleading.

Independence

5.7 At the date of this Report, Stantons does not have any interest in Chilwa either directly or indirectly other than in connection with the preparation of this Report, for which professional fees will be received.

Disclosures

5.8 This Report has been prepared, and included in the Supplementary Prospectus, to provide investors with general information only and does not consider the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

5.9 Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the Historical Financial Information and Pro Forma Financial Information, being for inclusion in the Supplementary Prospectus. As a result, the Historical Financial Information and Pro Forma Financial Information may not be suitable for use for another purpose.

5.10 Stantons consents to the inclusion of this Report in the Supplementary Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, Stantons has not authorised the issue of the Supplementary Prospectus. Accordingly, Stantons makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Supplementary Prospectus.

Yours faithfully

STANTONS CORPORATE FINANCE PTY LTD

Samir Tirodkar
West Perth
25 June 2023

Financial Services Guide

Dated 25 June 2023

Stantons Corporate Finance Pty Ltd (Trading as Stantons Corporate Finance)

Stantons Corporate Finance Pty Ltd (ABN 42 128 908 289 and AFSL Licence No 448697) (**"Stantons"** or **"we"** or **"us"** or **"ours"** as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

Financial Services Guide

In the above circumstances, we are required to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

a) who we are and how we can be contacted;

b) the services we are authorized to provide under our **Australian Financial Services Licence, Licence No: 448697;**

c) remuneration that we and/or our staff and any associated receive in connection with the general financial product advice;

d) any relevant associations or relationships we have; and

e) our complaints handling procedures and how you may access them.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and debt instruments)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report, we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product. Where you do not understand the matters contained in the Independent Limited Assurance Report, you should seek advice from a registered financial adviser.

Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis. Our fee for preparing this report is expected to be $12,000 exclusive of GST.

You have a right to request for further information in relation to the remuneration, the range of amounts or rates of remuneration and you can contact us for this information.

Except for the fees referred to above, neither Stantons, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

Stantons is ultimately a wholly owned subsidiary of SIAC, a professional advisory and accounting practice. From time to time, Stantons and SIAC (that trades as Stantons International) and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

Remuneration or other benefits received by our employees and contractors

Stantons and SIAC employees and contractors are eligible for bonuses based on overall performance but not directly in connection with any engagement for the provision of a report.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer
Stantons Corporate Finance Pty Ltd
Level 2
40 Kings Park Road
WEST PERTH WA 6005

When we receive a written complaint, we will record the complaint, acknowledge receipt of the complaints within 10 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("**AFCA**"). AFCA has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly via the details set out below.
Australian Financial Complaints Authority Limited
GPO Box 3
MELBOURNE VIC 3001

Telephone: 1800 931 678

Stantons confirms that it has arrangements in place to ensure it continues to maintain professional indemnity insurance in accordance with s.912B of the Corporations Act 2001 (as amended). In particular our Professional Indemnity insurance, subject to its terms and conditions, provides indemnity up to the sum insured for Stantons and our authorised representatives / representatives / employees in respect of our authorisations and obligations under our Australian Financial Services Licence. This insurance will continue to provide such coverage for any authorised representative / representative / employee who has ceased work with Stantons for work done whilst engaged with us.

Contact details

You may contact us using the details set out at above or by phoning (08) 9481 3188 or faxing (08) 9321 1204.

SCHEDULE 2 –2022 Financial Statements for MEIML

MOTA-ENGIL INVESTMENTS (MALAWI) LIMITED

(REGISTRATION NUMBER 11163)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2022

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	Malawi
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Investment in various projects
DIRECTORS	Anibal Leite Ricardo Almeida Carlos Galego
REGISTERED OFFICE	Nasra House, City Centre, P.O. Box 31379, Lilongwe 3, Malawi
AUDITORS	PKG Associates Chartered Accountants Registered Auditors P.O. Box 1929, Lilongwe, Malawi
COMPANY REGISTRATION NUMBER	11163
TAX REFERENCE NUMBER	20194502
LEVEL OF ASSURANCE	These financial statements have been audited in compliance with the applicable requirements of the Malawi Companies Act.

CONTENTS

The reports and statements set out below comprise the financial statements presented to the shareholders:

The following supplementary information does not form part of the financial statements and is unaudited:

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Malawi Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December, 2023 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 6 to 8.

The financial statements set out on page 9 - 19, which have been prepared on the going concern basis, were approved by the board of directors on 22 June, 2023 and were signed on their behalf by:

Approval of financial statements

Director	Director

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the financial statements of Motal-Engil Investments (Malawi) Limited for the year ended 31 December, 2022.

1. INCORPORATION

The company was incorporated on 2 March, 2011 and obtained its certificate to commence business on the same day.

The company is domiciled in Malawi where it is incorporated as a private company limited by shares under the Malawi Companies Act. The address of the registered office is set out on page 1.

The Company is a wholly owned subsidiary of Mota-Engil Africa SGPS and is part of the ME Group a Portuguese multinational organisation that controls MEIML and Mota-Engil Africa SGPS.

2. DIRECTORS

Anibal Leite – – Date of Appointment: 16-02-2016

Engineer by profession who has overseen Malawi operations for the past 7 years and has been with the Mota-Engil Group for over 25 years. He is Board Member for Mota-Engil Engenharia e Construcao Africa.

Ricardo Almeida – Date of Appointment: 26-06-2021

Economist with more than 16 years of experience with the Mota-Engil Group in 4 continents, has been established in Malawi for the past 7 years.

Carlos Galego – Date of Appointment: 26-10-2022

Carlos Galego is and Engineer and Project Manager who has successfully driven engineering and mining contracting projects in South Africa also working with the Mota-Engil Group for the past several years.

3. NATURE OF BUSINESS

Mota-Engil Investments (Malawi) Limited was incorporated in Malawi with interests in the Investment holding industry. The company operates in Malawi.

The Project comprises two exploration licences that were granted on 26 and 27 September 2022 respectively, for a period of three years being:

1. EL0670/22 over an area of 865.86km^2.
2. EL0671/22 over an area of 12.84km^2,

These licences grant the Company exclusive rights to carry out exploration for Heavy Mineral Sands over the total tenement area of 878.7km2 for the three-year period of the grant, with the option to extend in accordance with section 119 of the Mines and Minerals Act of Malawi.
Other than the above there have been no material changes to the nature of the company's business from the prior year.

4. OPERATING RESULTS

The Company did not have any income during the financial year (2021 Nil). The loss from operations was MWK11,012,891 (2021MWK8,832,444). Cash reserves were MWK 50,000,000 (2021: MWK50,000,000) representing no change.

5. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year there were no significant changes in the state of affairs of the Entity other than disclosed in the Financial Report.

6. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

7. ENVIRONMENTAL ISSUES

The Company's environmental obligations are regulated under the Malawi Environment Management Act (No. 19 of 2017). The Company has a policy of complying with its environmental performance obligations. No environmental breaches have been notified to the Company to the date of this report.

8. OPTIONS

No options over issued shares or interests in the controlled entity were granted during or since the end of the financial year, and there were no options outstanding as at the date of this report.

9. DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

10. SHARE CAPITAL

	2022	2021
AUTHORISED	Number of shares	
Ordinary shares	50,000,000	50,000,000

	2022	2021	2022	2021
ISSUED	MK	MK	Number of shares	
Ordinary shares	50,000,000	50,000,000	50,000,000	50,000,000

Refer to note 2 of the financial statements for detail of the movement in authorised and issued share capital.

11. RELATED PARTY TRANSACTIONS

During the year related parties of the Company paid the amount MWK 9,287,000 (2021: MWK 50,000) which in accordance with the Group policy has been capitalized in the Group companies accounts and no liability has been assigned to MEIML.

12. EVENTS AFTER THE REPORTING PERIOD

In June 2023 the Company and its parent have entered an agreement with Chilwa Minerals Limited, an Australian Company, to transfer the Exploration Licences to Chilwa Minerals Africa Limited. As at the date of signing these accounts the transaction has not been finalized.

On 1 June 2023, the shares registered to the Company in Liwonde Logistics Platform Limited company have been transferred to another Mota-Engil Group company also incorporated in Malawi. Liwonde has been dormant since incorporation.

No other matters or circumstances have arisen since the end of the financial year which significantly altered or may significantly alter the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in financial years subsequent to 31 December 2022.

13. LITIGATION STATEMENT

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

DIRECTORS' REPORT

The financial statements set out on page 9 - 15, which have been prepared on the going concern basis, were approved by the board of directors on22 June 2023, and were signed on its behalf by:

Approval of financial statements

Director	**Director**
Executive	**Executive**
22 June 2023	**22 June 2023**

PKG ASSOCIATES
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Independent Auditor's Report
To the members of Mota-Engil Investments (Malawi) Limited

Opinion
We have audited the annual financial statements of Mota-Engil Investments (Malawi) Limited (the company) set out on pages 9 to 15, which comprise the statement of financial position as at 31 December, 2022, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Mota-Engil Investments (Malawi) Limited as at 31 December, 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Malawi Companies Act.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Malawi. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Malawi. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The directors are responsible for the other information. The other information comprises the information included in the document titled "Mota-Engil Investments (Malawi) Limited annual financial statements for the year ended 31 December, 2022", which includes the Directors' Report as required by the Malawi Companies Act and the supplementary information as set out on page 16.
The other information does not include the annual financial statements and our auditor's report thereon.
Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements 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.

PARTNERS

Padmakumar. KN. FCA. CA(M)
Gulam H Ilyas Bhana. FCCA. CA(M)
CHARTERED ACCOUNTANTS

Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Malawi Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error. In preparing the annual financial statements, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, 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 company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure 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 company'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 annual financial statements 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit finding, including any significant deficiencies in internal control that we identify during our audit.

Padmakumar K.N
Chartered Accountant.

Lilongwe
Date: 22th June 2023

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2022

	Note(s)	2022 MK	2021 MK
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		50,000,000	50,000,000
EQUITY AND LIABILITIES			
EQUITY			
Share capital	2	50,000,000	50,000,000
Accumulated loss		(41,940,000)	(30,927,109)
		8,060,000	19,072,891
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	3	41,940,000	30,927,109
Total Equity and Liabilities		50,000,000	50,000,000

The financial statements and the notes on pages 4 to 15, were approved by the board of directors on the 22 June, 2023 and were signed on its behalf by:

Director

Director

The notes on pages 13 - 20 form an integral part of the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note(s)	2022 MK	2021 MK
Revenue		-	-
Cost of sales		-	-
Other operating expenses		(11,012,891)	(8,832,444)
Loss before taxation		**(11,012,891)**	**(8,832,444)**
Taxation		-	-
Total comprehensive loss for the year		**(11,012,891)**	**(8,832,444)**

The notes on pages 13 - 19 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

	Share capital	Accumulated loss	Total equity
	MK	MK	MK
Balance at 1 January, 2021	**50,000,000**	**(22,094,665)**	**27,905,335**
Total comprehensive Loss for the year	**-**	**(8,832,444)**	**(8,832,444)**
Balance at 1 January, 2022	**50,000,000**	**(30,927,109)**	**19,072,891**
Total comprehensive Loss for the year	**-**	**(11,012,891)**	**(11,012,891)**
Balance at 31 December, 2022	**50,000,000**	**(41,940,000)**	**8,060,000**
Note(s)	2		

The notes on pages 13 - 20 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

	Note(s)	2022 MK	2021 MK
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(11,012,891)	(8,832,444)
CHANGES IN WORKING CAPITAL:			
Increase (decrease) in trade and other payables		11,012,891	8,832,444
Cash generated from operations		-	-
Cash and cash equivalents at the beginning of the year		50,000,000	50,000,000
Cash and cash equivalents at the end of the year		**50,000,000**	**50,000,000**

The notes on pages 13 – 20 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

CORPORATE INFORMATION

Motal-Engil Investments (Malawi) Limited is a private limited company incorporated and domiciled in Malawi.

The financial statements for the year ended 31 December, 2022 were authorised for issue in accordance with a resolution of the directors on 22 June, 2023.

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 BASIS OF PREPARATION

The financial report is a general purpose financial report that has been prepared in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these financial statements and the Malawi Companies Act.

Malawian Accounting Standards set out accounting policies that result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Malawian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and going concern basis, and is based on historical costs, modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Malawi Kwachas, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2. GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The Directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements of any pending changes to legislation which may affect the company.

1.3. FINANCIAL INSTRUMENTS

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows: Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal,

NOTES TO THE FINANCIAL STATEMENTS

1.3 FINANCIAL INSTRUMENTS (continued)

- and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:
- Mandatorily at fair value through profit or loss.

Financial liabilities:
- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

1.4. OPERATING SEGMENTS

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

1.5. REVENUE RECOGNITION

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

1.6. CURRENT AND NON-CURRENT CLASSIFICATION

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

1.7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

1.8. SHARE CAPITAL AND EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

1.9. TRADE AND OTHER PAYABLES

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

1.10. MINERAL EXPLORATION, EVALUATION AND DEVELOPMENT

Mineral exploration and evaluation costs incurred are accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

In the interim period all explorations expenditure amounts incurred for but paid by other entities, within the ME Group, are capitalized and carried forward at the group level.

Once technical feasibility and commercial viability of the extraction of mineral resources in an area of interest is demonstrable, exploration and evaluation assets attributed to that area of interest are first tested for impairment and then reclassified from exploration and evaluation to development.

Once a mining project has been established as commercially viable and technically feasible, expenditure other than that on land, buildings, plant and equipment is capitalised as development. Development includes previously capitalised exploration and evaluation costs, pre-production development costs, development studies and other subsurface expenditure pertaining to that area of interest. Costs related to surface plant and equipment and any associated land and buildings are accounted for as property, plant, and equipment.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Notwithstanding the fact that a decision not to abandon an area of interest has been made, based on the above, the exploration, evaluation and development assets in relation to an area may still be written off if it is considered appropriate to do so.

NOTES TO THE FINANCIAL STATEMENTS

Decommissioning and restoration costs are a normal consequence of mining, and the majority of this expenditure is incurred at the end of the mine's life. In determining an appropriate level of provision consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

1.11. IMPAIRMENT OF ASSETS

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including, where applicable, dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisitions profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

1.12. BORROWINGS

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

1.13. PROVISIONS

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

1.14. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Functional and Presentation Currency

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Malawian Kwacha (MWK) which is the parent entity's functional and presentation currency.

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Group Companies

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the year; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Malawian Kwacha are recognised in Other Comprehensive Income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the year in which the operation is disposed.

1.15. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates

(i) *Impairment*

The Company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the consolidated group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using calculations which incorporate various key assumptions.

Key Judgements

(i) *Exploration, Evaluation, and Development*

The Company capitalises expenditure relating to exploration and evaluation costs where they are considered to be likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

The future recoverability of capitalised exploration and evaluation costs are dependent on a number of factors, including whether the Company 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, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the year in which this determination is made.

1.16. NEW AND REVISED ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

There are a number of new and revised Accounting standards and interpretations issued by the International Financial Reporting Standards Interpretations Committee adopted by Institute of Chartered Accountants in Malawi that are not yet mandatorily applicable to the Group and have not been applied in preparing these financial statements. The Company does not plan to adopt these standards early.

These standards are not expected to have a material impact on the Company in the current or future reporting periods.

	2022 MK	2021 MK

2. SHARE CAPITAL

	2022 MK	2021 MK
AUTHORISED		
50,000,000 Ordinary shares of MK 1 each	50,000,000	50,000,000
ISSUED		
Ordinary	50,000,000	50,000,000

3. TRADE AND OTHER PAYABLES

	2022 MK	2021 MK
Financial instruments:		
Other payables	41,940,000	30,927,109

FINANCIAL INSTRUMENT AND NON-FINANCIAL INSTRUMENT COMPONENTS OF TRADE AND OTHER PAYABLES

	2022 MK	2021 MK
At amortised cost	41,940,000	30,927,109

4. EXPLORATION ASSETS

	2022 MK	2021 MK
Balance at beginning of financial year	-	-
Foreign exchange movement	-	-
Exploration and evaluation expenditure at cost	-	-
Exploration and evaluation expenditure written off	-	-
Balance at end of financial year (i)	-	-

All expenditure in relation to the Company's Exploration licences was paid by another entity within the ME Group and was accounted for at Group level in accordance with the policy of that entity. .

5. CONTROLLED ENTITIES

The following were controlled entities at balance date and have been included in the consolidated financial statements. All shares held are ordinary shares.

Name	Country of Incorporation	Percentage Interest Held 2021 %	Percentage Interest Held 2022 %
Parent Entity:			
MEIML			
Subsidiaries of MEIML :			
Liwonde Logistics Platform Limited	Malawi	51	51

The entity Liwonde Logistics Platform Limited was a controlled entity as at the balance date and is included in the accounts. This company has been dormant and has had no activities since incorporation.

6. GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors is satisfied is that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors is not aware of any new material changes that may adversely impact the company. The directors is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

7. CONTINGENT LIABILITIES

The Company does not have any contingent liabilities at the reporting date.

8. EVENTS AFTER THE REPORTING PERIOD

In June 2023 the Company and its parent have entered an agreement with Chilwa Minerals Limited, an Australian Company, to transfer the Exploration Licences to Chilwa Minerals Africa Limited. As at the date of signing these accounts the transaction has not been finalized.

On 1 June 2023, the shares registered to the Company in Liwonde Logistics Platform Limited company have been transferred to another Mota-Engil Group company also incorporated in Malawi.. Liwonde has been dormant since incorporation.

No other matters or circumstances have arisen since the end of the financial year which significantly altered or may significantly alter the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in financial years subsequent to 31 December 2022

DETAILED INCOME STATEMENT

	Note(s)	2022 MK	2021 MK
Other operating expenses			
Auditor's remuneration		(11,012,891)	(8,832,444)
Total comprehensive loss for the year		**(11,012,891)**	**(8,832,444)**

The notes on page 13 - 19 form an integral part of the financial statements.

SCHEDULE 3 – Supplementary legal opinion

23rd June 2023 Our ref: 23/1/46/CJB

The Directors,
Chilwa Minerals Limited,
Level 9, 200 St Georges Terrace,
Perth, Western Australia 6000,
AUSTRALIA

Dear Directors

SOLICITOR'S REPORT ON AMENDMENTS TO SHARE SALE AGREEMENT

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1 **INTRODUCTION**

1.1 This report (**Supplementary Report**) is prepared for inclusion in a supplementary prospectus in respect of a listing on the Australian Securities Exchange (**Supplementary Prospectus**) to be issued by Chilwa Minerals Limited (ACN 656 965 589) (**Company**). This Supplementary Report is to be read in conjunction with our report dated 27 March 2023, a copy of which was included in the Company's prospectus dated 5 April 2023 (**Report**). Capitalised terms in this Supplementary Report have the meaning given in the Report, unless the context requires otherwise.

1.2 The Company, Luso Global Mining BV (**Luso**) and Mota-Engil Investments (Malawi) Limited (Company Registration Number 11163) (**Mota-Engil Investments or MEIML**) are parties to a share sale agreement (**SPA**), the terms of which are summarised in the Report. Under the SPA, the Company is purchasing from Luso all of the issued shares in Chilwa Minerals Africa Limited (**CMA**), an entity incorporated in Malawi.

1.3 The parties to the SPA are proposing to amend the SPA as follows (together the **Proposed Amendments**):

(1) The conditions for completion of the transfer of the Sale Shares (being all of the issued shares of CMA) are varied as follows:

(a) A new condition that completion is conditional upon the shareholder of MEIML transferring all of the issued shares of MEIML to CMA so that MEIML becomes a wholly-owned subsidiary of CMA, on terms reasonably acceptable to the Company and Luso will be inserted;

(b) the condition that completion is conditional upon the transfer of the exploration licences numbers EL0670/22 and EL0671/22, from MEIML to CMA, will be deleted.

(2) The board nominee rights under which Luso has rights to appoint nominees to CMA's board will also apply to MEIML.

(3) Warranties given by Luso with respect to CMA also apply to MEIML. In addition, Luso gives unqualified warranties as follows:

(a) that MEIML has no assets, other than the Licences and associated mining information and nominal cash or liabilities (whether actual or contingent);

(b) the only regulatory requirement for the transfer of the issued shares in MEIML from Mota Engil Africa SGPS S.A. (the shareholder of MEIML) to CMA is notification under section 63 of the Mines and Minerals Act, 2019;

(c) the financial statements for MEIML for the periods ending 31 December 2020, 31 December 2021 and 31 December 2022 have been prepared in accordance with all applicable laws and International Financial Reporting Standards, fairly present MEIML's financial position as at 31 December 2020, 31 December 2021 and 31 December 2022 respectively, and are not misleading or false in any way; and

(d) the transfer of the issued shares in MEIML from Mota Engil Africa SGPS S.A. (the shareholder of MEIML) to CMA will not affect the standing of the Tenements or MEIML's rights and obligations under the Tenements.

1.4 We have been asked to opine on whether the Proposed Amendments comply with Malawi law.

2 MINING ACT

2.1 Our understanding of the Proposed Amendments is that the intended structure now will be for CMA to acquire all of the shares in MEIML, who will remain the holder of the Tenements and the Company will acquire CMA from Luso, thereby giving the Company indirect control over the Tenements (**New Transaction Structure**).

2.2 In our view, in this case there will be no need to apply for a transfer of the Tenements. Instead, notice of change of control, arising as a result of the transfer of MEIML shares to CMA, will need to be given to the Commissioner within 14 days of the sale of shares. Notice of change of control will again need to be given to the Commissioner, this time in respect of the change in control arising from the transfer of CMA from Luso to the Company.

2.3 If the notices of change in control are not given within 14 days of the sale of shares, in each case, there will be the risk that the Commissioner may have a basis to suspend or cancel the Tenements. Section 79 (1) (c) of the Mines and Minerals Act provides that the Commissioner may by notice in writing served on the holder of the mineral tenement licence, suspend or cancel the licence, where the holder of the mineral tenement licence fails to comply with any requirement of the Mining Act (not being exempted under the Mining Act from doing so) with which it is bound to comply.

2.4 Other than as set out above, we are not aware of any reason by which the Proposed Amendments do not comply with Malawi law.

3 EXCHANGE CONTROL

3.1 Under the Exchange Control Act (Cap 45:01) of the Laws of Malawi, exchange control approval is required for a non-resident of Malawi to hold shares in a company incorporated in Malawi. As such, under the New Transaction Structure the Company will have to obtains prior exchange control approval from the Reserve Bank of Malawi ("**RBM**") to have shares in CMA transferred to it.

3.2 Our understanding is that CMA is acquiring the share of MEIML for no consideration. As such the acquisition of MEIML shares by CMA will not require exchange control approval as CMA is a company resident in Malawi.

3.3 However, please note that if CMA is required to pay consideration, in the form of local currency, foreign currency or any securities, to Mota Engil Africa SGPS S.A. which a non-resident of Malawi, exchange control approval for the payment of the consideration by CMA to a non-resident of Malawi will be required.

4 OPINION

4.1 Other than as set out above, we are not aware of any reason in respect of which the Proposed Amendments do not comply with Malawi law.

5 CONSENTS AND DISCLAIMER

5.1 This Supplementary Report is provided solely for the benefit of the Company and the directors of the Company in connection with the issue of the Supplementary Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document without our prior written consent.

5.2 Singano Purshotam Law Consultants consents to being named in this Supplementary Prospectus as the authors of this Supplementary Report. Singano Purshotam Law Consultants has given and has not before the lodgement of this Supplementary Prospectus withdrawn, its consent to the inclusion of this Supplementary Report in the Supplementary Prospectus.

5.3 Singano Purshotam Law Consultants:

(1) has not authorised the issue of the Supplementary Prospectus;

(2) other than this Supplementary Report, does not make, or purport to make, any representation or statement in the Supplementary Prospectus; and

(3) expressly disclaims and takes no responsibility for any part of the Supplementary Prospectus other than a reference to its name and the inclusion of this Supplementary Report, which it has consented to.

6 DISCLOSURE OF INTEREST

6.1 Singano Purshotam Law Consultants will be paid normal and agreed professional fees for the preparation of this Supplementary Report and related matters.

7 LIMITATION OF LIABILITY

7.1 If the Company incurs any expenses, damages, losses or liabilities whatsoever (including without limitation, legal fees) in connection with or arising from the provision of our services or as a result of any advice we have given or have failed to give the Company, or any act or omission whether as a consequence of negligence or otherwise, and our liability to the Company as a result is established, our total aggregate liability to the Company for an event or series of connected events shall be limited to our fee charged and actually collected in relation to the provision of such services or advice (**Maximum Liability**). Any such liability to the Company will be reduced to the extent:

(1) the loss or damage for which we are or would otherwise be liable is attributable to fault, negligence, or lack of care on the part of the Company or any person for whom the Company is responsible; and

(2) the Company makes a recovery from any other party in respect of the Project or any part of it under the relevant agreement; or

(3) has a right of recovery from any other person, in each case in respect of the same matter, fact, event or circumstance.

7.2 We will not be liable for any indirect or consequential losses.

7.3 The Company must not enforce any claim (and must consent to a stay of any judgment) against us in connection with the services to the extent to which the claim exceeds the Maximum Liability or exceeds the amount to which our liability to the Company is otherwise reduced under paragraph 7.1. The Company must release us from any liability for any such excess. The Company must ensure that the Company's group companies comply with and abide by this paragraph 7.7.

7.4 Notwithstanding the provision of any law relating to the limitation of proceedings, any claim for compensation against us shall be limited and, further, no claim shall be raised if the matter has not been brought to court within twelve months after the facts on which the claim is based are known to the Company or could have been reasonably known to the Company. Further, or moreover, in any event no claim relating to our services or advice shall be brought against us twelve months after the date of such services or advice.

7.5 The limitation of liability provisions in clause 7 and its sub-clauses above apply to Singano Purshotam Law Consultants' partners, any future proprietors, partners, employees and/or agents.

8 GOVERNING LAW

8.1 The construction, validity and performance of our appointment by the Company as the Malawi lawyers in the preparation of this Supplementary Report shall be governed in all respects by Malawian laws.

Yours faithfully

Duncan Singano — Chiyanjano Banda

______________________ ______________________

Duncan Singano — Chiyanjano Banda

for: SINGANO PURSHOTAM LAW CONSULTANTS