

DRILLING COMMENCES AT MPOSA

KEY POINTS

- **6,000 METRES OF DRILLING COMMENCED AT MPOSA**
- **MPOSA HAS INFERRED MINERAL RESOURCE¹**
- **DRILLING TO DETERMINE FOOTWALL DEPTH**
- **COMMUNITY ENGAGEMENT AND BASE LINE STUDIES COMPLETED**

OVERVIEW

Chilwa Minerals Limited (ASX: CHW) (“**Chilwa**” or the “**Company**”) is pleased to announce that infill and extensional drilling (Figure 1) at the Mposa Main (Mposa) target area has commenced.

The drilling program is designed to test the extent of potential mineralisation at depth as well as its lateral continuity by twinning selected existing holes as well as drilling further holes in the areas adjacent to Mposa for a total of 6,000 meters of drilling.

Chilwa Managing Director Cadell Buss said

The Commencement of this drilling campaign represents a milestone for the company. The Project already has an inferred resource of 2.4Mt THM and with this campaign we will be seeking an improved understanding of the mineralisation at Mposa especially at depth which due to inadequate equipment was not targeted in previous drilling.

Mposa, comprises approximately 30% of the total Inferred Mineral Resource (by tonnage) making it the largest deposit at the Chilwa Project and the logical place to start our campaign. Using a sonic drilling rig will enable us to penetrate the water table and improve sample recoveries.

MPOSA DRILLING CAMPAIGN

The Company has chosen Mposa as the preferred location for its initial drilling campaign at the Chilwa Project in Malawi (**Project**).

The Project has an existing, total, Inferred Mineral Resource of 61.6 Mt of Heavy Mineral Sands (HMS) at 3.9% containing 2.4Mt THM at 1% cut off grade over ten known deposit areas. Mposa accounts for 19.4 Mt of HMS at 4.3%, containing 0.83 Mt THM at a 1% THM cut-off grade which is 30% of the total resources.

The Mposa resource is determined from 340 holes. Average drill hole depth was only 6.23m with the shallowest hole being 2m and the deepest hole 11m. Many of these holes remained in mineralisation due to the use of an air core rig, which was unable to penetrate the water table. Recoveries from this drilling were also variable, averaging <70%.

As a result the current campaign will use a sonic drill (See Figure 2) which is expected to result in improved sample recoveries, as well as deeper penetration into the target. A Sonic Rig has several advantages to air core, notably, sonic drilling involves the complete encapsulation of the sample within the core barrel which prevents drill holes from collapsing, enhancing the recovery of intact samples. Moreover, sonic drilling enables drilling operations to be conducted beneath the water table, a scenario where conventional methods encountered challenges.

¹ Refer to the Company’s prospectus dated 5 April 2023 including the Independent Geologist’s Report dated 20 March 2023 (IGR).

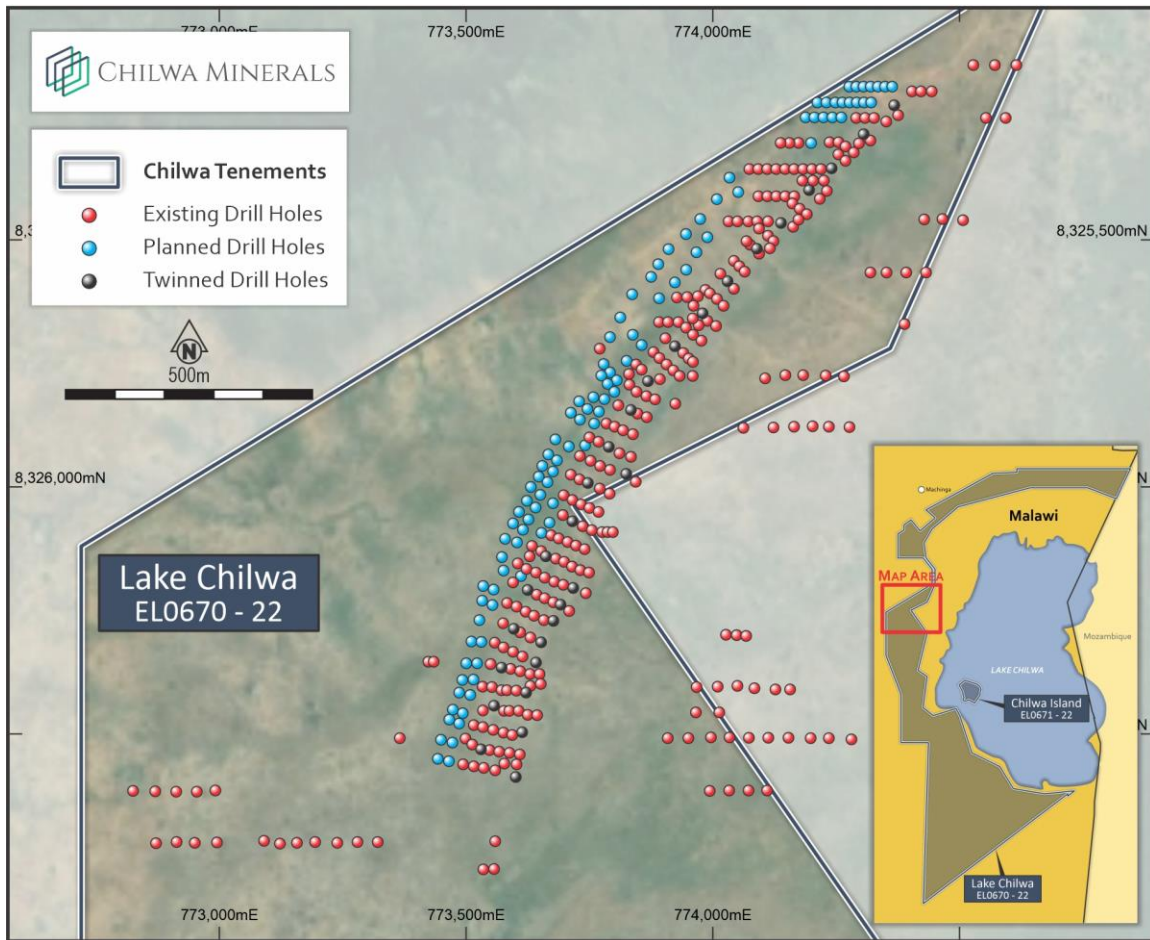


Figure 1 – Mposa Drill Hole Locations

Community engagement completed.

During the months of August and September, the Company’s local consultants completed community engagement meetings in the Mposa region. The groups involved in those meetings included local residents, host communities, local government authorities and other key stakeholders, with Chilwa’s aim being to continue regular communication with these groups.

The public consultations covered socio-cultural, economic and biophysical aspects present in the area.



Figure 2 – Rig drilling hole No. 1

For further information contact:**Cadell Buss**

Managing Director

cbuss@chilwaminerals.com.au

-ENDS-**AUTHORISATION STATEMENT**

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

JORC 2012 Inferred Mineral Resource Estimate

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

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

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

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

Compliance Statement

The exploration results contained in this announcement were first reported by the Company in its prospectus dated 5 April 2023 and announced to ASX on 3 July 2023. The results were reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus.

Forward Looking Statements and Important Notice

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

Competent Person's Statement

The information in this Announcement that relates to resource estimates is based on information compiled by Mark Burnett, a competent person who is a fellow of the Geological Society of London and is an employee of AMC Consultants (UK) Limited. Mark Burnett is not an employee or Shareholder of the Company and has no conflict of interest. Mark Burnett has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Mark Burnett consents to the inclusion in the Independent Geologist's Report and the matters based on his work in the form and context in which it appears.