

ASX ANNOUNCEMENT

OPERATIONAL UPDATE

1 August 2023



KEY POINTS

- **INITIAL DRILLING PROGRAM TO COMMENCE IN THIRD QUARTER OF 2023**
- **6,000 METRES OF DRILLING HAS BEEN PLANNED FOR MPOSA**
- **MPOSA (MAIN) IDENTIFIED AS INITIAL TARGET WITH EXISTING INFERRED MINERAL RESOURCE OF 19.4 MT OF HEAVY MINERAL SANDS AT 4.3% FOR 0.83 Mt THM AT 1% CUT OFF¹.**
- **DRILLING TO INCLUDE FOCUS ON FOOTWALL DEPTH WITH PREVIOUS DRILLING AT MPOSA REACHING AN AVERAGE DEPTH OF ONLY 6 METRES**
- **ASSAYING TO TEST FOR MINERALOGY VALUES AND SLIMES CONTENT**

DETAILS

Chilwa Minerals Limited (ASX: CHW) (“**Chilwa**” or the “**Company**”) is pleased to announce details of its initial drilling program on its Mposa Main (Mposa) project area which includes an existing inferred resource of 19.4 Mt of Heavy Mineral Sands at 4.3%, containing 0.83 Mt THM at a 1% THM cut-off grade (see resource table below). The Company expects the program to commence early in the third quarter of 2023.

At this stage the Company is targeting a drilling program at Mposa of approximately 6,000 metres with the scope to increase depending on results achieved during the program.

Why drill at Mposa

The Chilwa Mineral Project has an existing aggregate Inferred Mineral Resource of 61.6Mt of Heavy Mineral Sands at 3.9% containing 2.4Mt THM at 1% cut off grade, and the Company has chosen Mposa as the preferred location for the initial drilling activities for the following reasons:

- Historic drilling has identified Mposa as the largest single deposit of all the targets at the Chilwa Mineral Project, with Mposa comprising approximately 35% of the total inferred resource;
- Mposa has had 340 holes from historical drilling with the average hole depth only 6.23m, the shallowest is 2m and the deepest 11m¹, providing an ideal starting point for twinning and infill drilling.
- Previous assay results displayed abnormally high slimes content which may have been caused by incorrect historical assaying². The Company will look to address these historical issues through the current drilling program with assaying to be conducted in Perth, Western Australia.

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

² Please see page 31 of the IGR.

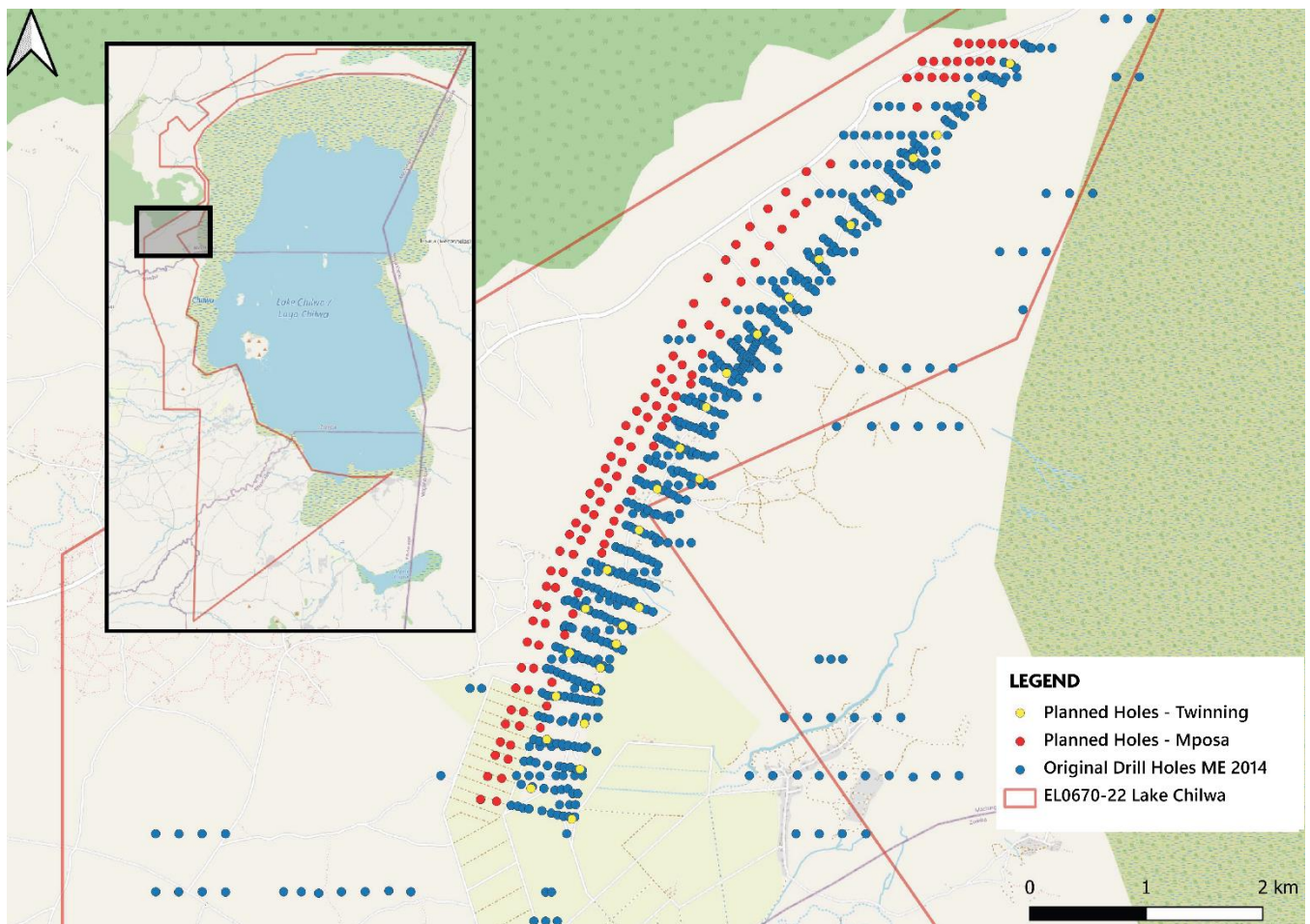


Figure 1: Planned drill holes for Mposa showing historical drilling, planned holes and planned twinned holes.

The Company is confident that the drilling program at the Mposa Deposit will lead to increased and improved knowledge of the deposit including the depth of mineralisation. This may lead to the Company being in a position to re-assess both the size of the Mposa Deposit and also the associated confidence levels for the existing inferred resource.

Community engagement

The Company has engaged local consultants to commence community engagement meetings for the Mposa region.

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-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.

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

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

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