

Chilwa Minerals Limited

ABN 43 656 965 589

Half Year Financial Report – For the Period 1 July 2022 to 31 December 2022

This half year financial report is for the six months ended 31 December 2022 and does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Company's Annual Report for the year ended 30 June 2022 and any public announcements made by Chilwa Minerals Limited ABN 43 656 965 589 during the period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

CONTENTS

| | Page |
|---|-------------|
| Corporate Directory | 1 |
| Directors' Report..... | 3 |
| Auditor's Independence Declaration | 4 |
| Statement of Profit and Loss | 5 |
| Statement of Financial Position | 6 |
| Statement of Changes in Equity..... | 7 |
| Statement of Cash Flows | 8 |
| Notes to the Financial Statements..... | 9 |
| Directors' Declaration | 13 |
| Independent Auditor's Review Report | 14 |

Corporate Directory

DIRECTORS

Philip Lucas – Appointed 1 February 2022
Cadell Buss – Appointed 1 February 2022
Alexander Shaw – Appointed 1 February 2022

CHIEF EXECUTIVE OFFICER

Cadell Buss – Appointed 1 February 2022

COMPANY SECRETARY

John Lewis

REGISTERED OFFICE

Level 9
200 St Georges Tce,
Perth WA 600
Phone:

Email: cosec@chilwaminerals.com.au

Website: chilwaminerals.com.au

AUDITORS

PKF Perth
Level 5, 35 Havelock Street
Perth WA 6005

SHARE REGISTRY

Automic
Level 5
126 Phillip Street
Sydney NSW 2000
Australia

BANKERS

National Australia Bank
Ground Floor
100 St Georges Tce
Perth WA 6000

STOCK EXCHANGE LISTING

Chilwa Minerals Limited's shares are not listed on any exchange as at the date of this report.

Chilwa Minerals Limited
Directors' Report
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

Your directors have pleasure in presenting the interim financial statements of Chilwa Minerals Limited ("Chilwa " or "the Company") for the half year ended 31 December 2022. Due to the fact that the Company was only incorporated on 1 February 2022, the previous corresponding period of financial performance and financial position is the period ended 30 June 2022. The directors report as follows:

DIRECTORS

The names of the directors in office during the interim period and up to the date of this report are as follows:

Philip Lucas – Appointed 1 February 2022
Cadell Buss – Appointed 1 February 2022
Alexander Shaw – Appointed 1 February 2022

OPERATING AND FINANCIAL REVIEW

Operating Results

The Company's operating loss after providing for income tax for the half-year ended 31 December 2022 was \$510,615 (30 June 2022: loss \$266,413). The loss in the current period was principally related to due diligence and administration expenditure.

REVIEW OF OPERATIONS

The Company's primary focus for the six months was the conclusion of due diligence and all other matters to finalise the acquisition of the Chilwa Heavy Mineral Sands Project conducted at the Exploration Licences EL0670/22 and EL0671/22 and to seek quotation on the main board of the ASX.

The Company is only in its early stage of development however it expects to complete all the necessary tasks to be admitted to the main board of the ASX in the first quarter of 2023. As part of this process the Company will issue a Prospectus and raise capital sufficient to meet its goals at the Project in the 2022/2023 Financial Year.

Significant changes in the state of affairs

The Company was incorporated on 1 February 2022 to invest in the Chilwa Heavy Mineral Sands Project (Project) in Chilwa Malawi and there has not been any significant changes in the state of affairs since that time.

Likely developments and expected results of operations

The Company intends to continue its exploration activities on the existing Project.

Environment

There were no environmental breaches or incidents recorded during the reporting period.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Company intends to continue its exploration activities on the existing Project.

MATTERS SUBSEQUENT TO THE END OF THE PERIOD

Subsequent to the end of the reporting period, the Company undertook the following:

The impact of the Coronavirus (COVID-19) pandemic is ongoing for the entity up to 31 December 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to develop 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.

Chilwa Minerals Limited
Directors' Report
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the half year ended 31 December 2022 has been received and is included on page 4 of the report.

Signed in accordance with a resolution of the directors.

On behalf of the Directors,



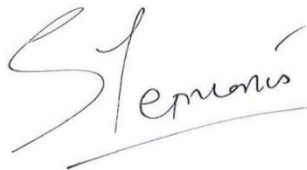
Cadell Buss
Managing Director
Perth, 8 March 2023

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

In relation to our review of the financial report of Chilwa Minerals Limited for the half year ended 31 December 2022, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



PKF PERTH



SIMON FERMANIS
PARTNER

8 MARCH 2023,
WEST PERTH,
WESTERN AUSTRALIA

Level 4, 35 Havelock Street, West Perth, WA 6005
PO Box 609, West Perth, WA 6872
T: +61 8 9426 8999 F: +61 8 9426 8900 www.pkfperth.com.au

PKF Perth is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

Liability limited by a scheme approved under Professional Standards Legislation.

Chilwa Minerals Limited

Statement of Profit and Loss

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

| | Note | 31 December 2022 \$ | 30 June 2022 \$ |
|---|------|---------------------------|-----------------------|
| Continuing operations | | | |
| Revenue | 2 | - | - |
| Expenses | | | |
| Administration costs | | 39,233 | 23,187 |
| Consulting expenses | | 271,113 | 11,255 |
| Employee benefits expense | 2 | 128,257 | 91,904 |
| Finance costs | | - | - |
| Exploration and evaluation | | 59,578 | 132,320 |
| Other expenses | | 12,434 | 7,747 |
| (Loss) before income tax | | (510,615) | (266,413) |
| Income tax expense | | - | - |
| Net (Loss) after income tax for the period from continuing operations | | (510,615) | (266,413) |
| Net profit / (loss) attributable to: | | | |
| Owners of Chilwa Minerals Limited | | (510,615) | (266,413) |
| | | (510,615) | (266,413) |
| (Loss) per share from continuing and discontinued operations attributable to the ordinary equity holders of the company: | | | |
| | | Cents | Cents |
| Basic earnings (loss) per share from continuing | | (6.23) | (1.64) |
| Diluted earnings (loss) per share | | (6.23) | (1.64) |

The above Statement of Profit and Loss should be read in conjunction with the accompanying Notes.

Chilwa Minerals Limited

Statement of Financial Position

AS AT 31 DECEMBER 2022

| | Note | 31 December 2022 \$ | 30 June 2022 \$ |
|-----------------------------|------|---------------------------|-----------------------|
| Current assets | | | |
| Cash and cash equivalents | 4 | 204,479 | 652,799 |
| Trade and other receivables | 5 | 27,410 | 11,356 |
| Total current assets | | <u>231,889</u> | <u>664,155</u> |
| Non-current assets | | | |
| Exploration and evaluation | | - | - |
| Property, plant, equipment | 6 | 8,645 | - |
| Total non-current assets | | <u>8,645</u> | <u>-</u> |
| Total assets | | <u>240,534</u> | <u>664,155</u> |
| Current liabilities | | | |
| Trade and other payables | 7 | 197,561 | 110,566 |
| Total current liabilities | | <u>197,561</u> | <u>110,566</u> |
| Total liabilities | | <u>197,561</u> | <u>110,566</u> |
| Net assets | | <u>42,973</u> | <u>553,588</u> |
| Equity | | | |
| Contributed equity | 8 | 820,001 | 820,001 |
| Accumulated losses | | <u>(777,028)</u> | <u>(266,413)</u> |
| Total equity | | <u>42,973</u> | <u>553,588</u> |

Statement of Financial Position should be read in conjunction with the accompanying Notes.

Chilwa Minerals Limited

Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

| | Contributed Equity | Accumul- ated losses | Reserves | Non- controll- ing interests | TOTAL |
|--|-----------------------|----------------------------|----------|---------------------------------------|----------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance as at 1 February 2022 | 1 | - | - | - | 1 |
| Comprehensive income for the period | | | | | |
| Net Loss | - | (266,413) | - | - | (266,413) |
| Other Comprehensive Income for the year net of tax | - | - | - | - | - |
| Total comprehensive income for the period | - | (266,413) | - | - | (266,413) |
| Transactions with owners in their capacity as owners: | | | | | |
| Contributions of equity | 820,000 | - | - | - | 820,000 |
| Sub-total | 820,000 | - | - | - | 820,000 |
| Balance as at 30 June 2022 | 820,001 | (266,413) | - | - | 553,588 |
| Balance as at 1 July 2022 | 820,001 | (266,413) | - | - | 553,588 |
| Comprehensive income for the period | | | | | |
| Net Loss | - | (510,615) | - | - | (510,615) |
| Other Comprehensive Income Fair Value | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | - |
| Transactions with owners in their capacity as owners: | | | | | |
| Contributions of equity | - | - | - | - | - |
| Sub-total | - | - | - | - | - |
| Balance as at 31 December 2022 | 820,001 | (777,028) | - | - | 42,973 |

The Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

(

Chilwa Minerals Limited

Statement of Cash Flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

| | Note | 31 December 2022 \$ | 30 June 2022 \$ |
|---|------|---------------------------|-----------------------|
| Cash flows from operating activities | | | |
| Receipts from customers | | - | - |
| Payments to suppliers and employees | | (437,942) | (167,202) |
| Net cash (used in) operating activities | | <u>(437,942)</u> | <u>(167,202)</u> |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (10,378) | - |
| Net cash (used in) investing activities | | <u>(10,378)</u> | <u>-</u> |
| Cash flows from financing activities | | | |
| Proceeds for the issue of shares | | - | 820,001 |
| Other cash from financing activities | | - | - |
| Net cash provided by financing activities | | <u>-</u> | <u>820,001</u> |
| Net (decrease) / increase in cash and cash equivalents held | | (448,320) | 652,799 |
| Cash and cash equivalents at the beginning of year | | 652,799 | - |
| Effect of exchange rates on cash holdings in foreign currencies | | - | - |
| Cash and cash equivalents at the end of period | | <u>204,479</u> | <u>652,799</u> |
| Reconciliation of cash and cash equivalents at the end of period | | | |
| Cash and cash equivalents per balance sheet | 4 | <u>204,479</u> | <u>652,799</u> |
| Cash balance as per statement of cash flows above | | <u>204,479</u> | <u>652,799</u> |

The above Statement of Cash Flows should be read in conjunction with the accompanying Notes.

Chilwa Minerals Limited

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half year financial report is a general-purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting.

The half year report covers the financial statements of the entity Chilwa Minerals Limited (the Company). The half year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report for the year ended 30 June 2022 of the Company and any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The interim financial statements were authorised for issue on 3 March 2022 by the directors of the Company.

Basis of preparation

The Company is a company of the kind referred to in ASIC Corporations Instrument 2016/191, and in accordance with that Instrument amounts in the directors' report and the half year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Accounting policies

The same accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the year ended 30 June 2022, except for those described below.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

It has determined by the Company that there are no new Accounting Standards or Interpretations that have a material or otherwise impact on its business.

Going Concern

The directors believe it is appropriate to prepare the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the ordinary course of business.

The Company has incurred a loss of \$(510,615), had cash outflows from operating activities of \$437,942 (30 June 2022: \$167,202), concluded the year with cash and cash equivalents of \$204,479 (30 June 2022: \$652,799).

The Directors believe that the Company has sufficient cash and will be able to meet its requirements to continue as a going concern.

The Directors consider the going concern basis of preparation to be appropriate based on its forecast cash flows for the next twelve months and that the Company will be seeking to list on the main board of the ASX so as it is in a position to raise further capital to continue to meet its minimum administrative, evaluation and development expenditures and commitments for at least twelve months from the date of this report.

No other accounting policies are required for the half-year financial report.

Chilwa Minerals Limited

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

2. PROFIT / (LOSS) FROM ORDINARY ACTIVITIES

| | 31 December 2022 | 30 June 2022 |
|---|---------------------|-----------------|
| | \$ | \$ |
| Revenue | | |
| Revenue from exploration services | - | - |
| Other Revenue | - | - |
| Total revenues | - | - |
| Other expenses | | |
| Depreciation & Amortisation – plant & equipment | 1,733 | - |
| Travel - National | 10,701 | - |
| Total other expenses | 12,434 | - |
| Employee benefits expense | | |
| Salaries and on-costs expense | 128,257 | 91,904 |
| Total employee benefits expense | 128,257 | 91,904 |

3. Income tax expense

| | 31 December 2022 | 30 June 2022 |
|--|---------------------|-----------------|
| | \$ | \$ |
| Current year tax | - | - |
| Deferred tax – origination and reversal of temporary differences | - | - |
| Aggregate income tax expense | - | -- |
| Income tax expense | - | - |

4. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

| | 31 December 2022 | 30 June 2022 |
|-----------------------------------|---------------------|-----------------|
| | \$ | \$ |
| Cash at Bank – Operating account | 23,484 | 11,804 |
| Cash At Bank – Securities account | 180,995 | 640,995 |
| | 204,479 | 652,799 |

Reconciliation to cash and cash equivalents at the end of the financial period/year

The above figures are reconciled to cash and cash equivalents at the end of the financial period/year as shown in the statement of cash flows as follows:

| | | |
|---------------------------------|---------|---------|
| Balances Above | 204,479 | 652,799 |
| Balance as per cashflows | 204,479 | 652,799 |

5. CURRENT ASSETS -TRADE AND OTHER RECEIVABLES

| | 31 December 2022 | 30 June 2022 |
|--|---------------------|-----------------|
| | \$ | \$ |
| Trade and other receivables | | - |
| GST refund | 27,410 | 11,356 |
| Total trade and other receivables | 27,410 | 11,356 |

Chilwa Minerals Limited

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

6. PROPERTY, PLANT, EQUIPMENT AND MINE PROPERTIES

| | Property plant and equipment | Total |
|---------------------------------------|---|---------------------|
| 31 December 2022 | | |
| Gross carrying amount | | |
| Balance at 1 July 2022 | - | - |
| Additions | 10,378 | 10,378 |
| Exchange difference | - | - |
| Disposals | - | - |
| Balance at 31 December 2022 | <u>10,378</u> | <u>10,378</u> |
| Accumulated depreciation | | |
| Balance at 1 July 2022 | - | - |
| Depreciation expense | 1,733 | 1,733 |
| Exchange difference | - | - |
| Disposals | - | - |
| Balance at 31 December 2022 | <u>1,733</u> | <u>1,733</u> |
| Net book value as at 31 December 2022 | <u><u>8,645</u></u> | <u><u>8,645</u></u> |
| | Property plant and equipment | Total |
| 30 June 2022 | | |
| Gross carrying amount | | |
| Balance at 1 February 2022 | | |
| Additions | - | - |
| Impairment | - | - |
| Transfer to held for sale | - | - |
| Exchange difference | - | - |
| Disposals | - | - |
| Balance at 30 June 2022 | <u>-</u> | <u>-</u> |
| Accumulated depreciation | | |
| Balance at 1 February 2022 | - | - |
| Depreciation expense | - | - |
| Impairment | - | - |
| Exchange difference | - | - |
| Transfer to held for sale | - | - |
| Balance at 30 June 2022 | <u>-</u> | <u>-</u> |
| Net book value as at 30 June 2022 | <u><u>-</u></u> | <u><u>-</u></u> |

Chilwa Minerals Limited

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

7. CURRENT LIABILITIES -TRADE AND OTHER PAYABLES

| | 31 December 2022 \$ | 30 June 2022 \$ |
|---------------------------------------|---------------------------|-----------------------|
| Trade and other payables | | |
| Trade payables | 197,561 | 110,566 |
| Total trade and other payables | 197,561 | 110,566 |

8. CONTRIBUTED EQUITY

Issued capital

| | 31 December 2022 | | 30 June 2022 | |
|---|------------------|---------|--------------|---------|
| | Number | \$ | Number | \$ |
| Fully paid ordinary shares issued | 8,200,001 | 820,001 | 8,200,001 | 820,001 |
| Balance at the beginning of the financial period/year | 8,200,001 | 820,001 | 1 | 1 |
| Issue of shares | - | - | 8,200,000 | 820,000 |
| Balance at the end of the financial period/year | 8,200,001 | 820,001 | 8,200,001 | 820,001 |

Fully paid ordinary shares carry one vote per share and carry the rights to dividends. Ordinary shares have no par value.

9. DIVIDENDS

The Company has not paid a dividend during the period and no interim dividend is recommended.
(2022: \$0)

10. SUBSEQUENT EVENTS

Subsequent to the end of the reporting period, the Company undertook the following:

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the entity 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.

Chilwa Minerals Limited

Directors' Declaration

In the Directors' opinion:

1. The financial statements and notes as set out on pages 5 to 12 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with the Accounting Standard AASB134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2022 and of the performance for the six-month period ended on that date of the entity;
2. In the director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the directors,



Cadell Buss
Director
Perth
8 March 2023

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CHILWA MINERALS LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Chilwa Minerals Limited (the company) which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the entity comprising the company and the entities it controlled at 31 December 2022, or during the half year.

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

- (a) giving a true and fair view of the entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

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

Material Uncertainty Related to Going Concern

Without qualifying our conclusion, we draw attention to Note 1 in the financial report which indicates that the entity incurred a net loss of \$510,615 during the half year ended 31 December 2022. These conditions, indicate the existence of a material uncertainty which may cast significant doubt about the entity's ability to continue as a going concern and therefore, the entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Independence

We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Level 4, 35 Havelock Street, West Perth, WA 6005
PO Box 609, West Perth, WA 6872
T: +61 8 9426 8999 F: +61 8 9426 8900 www.pkfperth.com.au

PKF Perth is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

Liability limited by a scheme approved under Professional Standards Legislation.

Directors' Responsibility for the Half-Year Financial Report

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

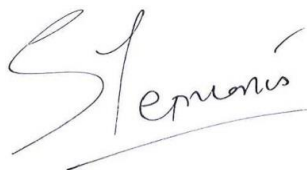
Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the entity's financial position as at 31 December 2022 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

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



PKF PERTH

SIMON FERMANIS
PARTNER8 MARCH 2023
WEST PERTH,
WESTERN AUSTRALIA