

CHILWA TO PURCHASE AND INSTALL SITE-BASED SAMPLE SEPARATION LAB FOR IMPROVED ASSAY TURNAROUND AND COST SAVINGS

KEY POINTS

- **Chilwa have purchased a Separation Lab from ALS, to be located within a shed at the Mota Engil Zalewa Camp, in Malawi, to significantly improve assay turnaround times.**
- **Mota Engil upgraded the shed, as part of our extended service agreement, to meet the ALS Standard Operating Environment to house the Separation Lab.**
- **The new facility will allow sample preparation to occur in Malawi and airfreighted direct to Perth for assaying. Previously, bulk samples were trucked to Johannesburg for preparation before airfreight to Perth.**
- **The exercise is expected to save the Company circa USD\$200,000 for the current 17,000 metre program for processing alone.**
- **An ALS manager will be permanently staffed at the Zalewa Camp to oversee the splitting of bulk sampling before dispatch to Perth for assaying.**

OVERVIEW

Chilwa Minerals Limited (ASX: CHW) (“**Chilwa**” or the “**Company**”) is pleased to announce that, once installed, we will have exclusive use of an ALS-managed sample separation lab located at the Mota Engil (“**Mota Engil**”) Zalewa Camp, in Malawi. The lease of the shed at Zalewa Camp was included under the extended Service Agreement with Mota Engil.¹ The purpose of this strategy is to significantly improve assay turnaround time and greatly reduce the cost involved in freighting assay samples to Perth, Australia. Previously, drill samples were dispatched from Malawi to the ALS Laboratory in Johannesburg for assay preparation, which resulted in delays in the turnaround time for assay results. This step will now be entirely undertaken in Malawi. The Company expects to save approximately USD\$200,000 on the current 17,000 metre drilling program resulting from the change in samples processing.

An ALS Manager will be permanently stationed at the Zalewa Camp, to oversee the splitting of samples for dispatch. In the agreement, ALS will supply storage racks and inventory control. This additional benefit means that all samples will be stored in the facility and readily available for future studies. This cost saving is not included in the headline saving of USD\$200,000 and further highlights the benefits of this initiative.

¹ Refer to the ASX announcement dated 29 January 2024



Chilwa’s Managing Director, Cadell Buss, commented:

“We are continually reviewing our operational procedures to ensure timely reporting of information to the market. The time taken to get results, in our view, needs to be improved. The ALS-managed laboratory at Zalewa Camp in Malawi will be an excellent cost and time saver for the Company. This facility is set to substantially improve our turnaround times for assay results, a critical factor in enhancing our operational efficiency.”

“Whilst samples will still be sent to Perth, the new lab, located within a refurbished shed owned by Mota Engil, will not only process samples faster but also serve as a storage facility, thereby saving additional costs.

“This strategic move is projected to save the Company approximately USD\$200,000 for our 17,000-metre drilling program in processing costs alone, exclusive of the savings from storage. The facility, staffed by an experienced ALS manager, ensures the highest standards of assay quality and reliability.

“I would like to thank our major shareholder Mota Engil for their continued support for our Chilwa Critical Minerals Project, particularly in this instance of making the shed available and the work carried out required to ensure the lab operates in a working environment to ALS international standards.”

“This initiative will not only save costs, increase efficiency and is a minor progress in confirming our view on the possibilities of the current resource.”



Figure 1



Figure 2



Figure 3



Figure 4

Figure 1 Shed at the Zalewa Camp that has been refurbished to include the installation of the ALS Sample Separation Lab

Figure 2. Zalewa Camp

Figure 3. Shed before refurbishment

Figure 4 . Shed refurbished ready for ASL to commence installation of Sample Separation Lab

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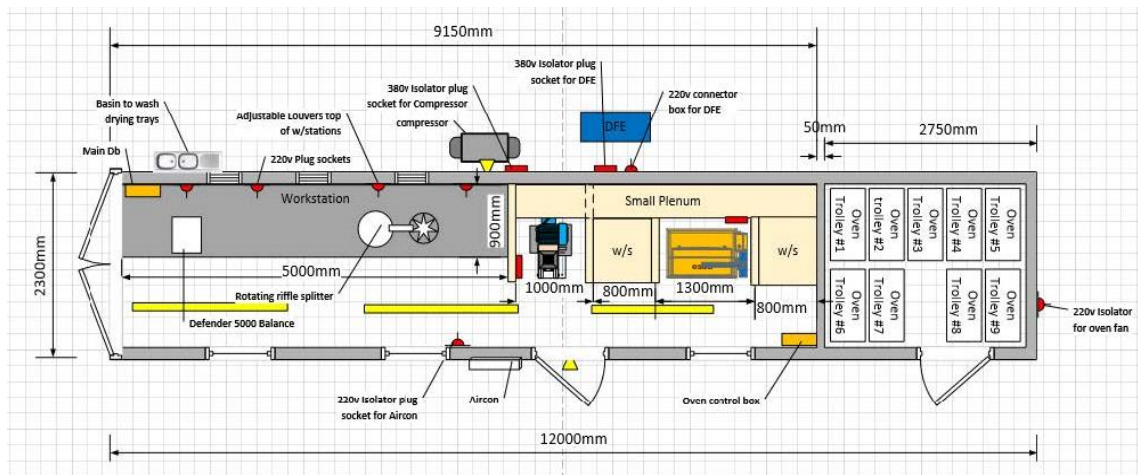


Figure 5. ALS Separation Lab and internal configuration

Mota Engil Deputy Chief Executive Officer and Chilwa Non-Executive Director, Manuel Mota, commented:

The team at Chilwa are doing a great job and we are glad to back this initiative. We will keep supporting the Company as they work towards their goals of becoming a Critical Minerals project in Malawi.

First Batch of Assay Results from Mposa Sonic Drilling Program

The first batch of assays are currently at the ALS Perth lab being processed, with results expected to be received in the coming weeks.

AUTHORISATION STATEMENT

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

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