

JWD OPERATIONS UPDATE

HIGHLIGHTS

- Agreement achieved with Main Roads WA regarding upgrade to highway intersection will support the introduction of higher payload 60m road trains to the JWD haulage fleet; improved productivity will deliver both community and cost benefits
- New crushing and screening circuit installed and commissioned; improved reliability and increased plant capacity is resulting in higher processing rates
- Sale agreement for 360,000wmt of JWD product has been executed with a leading South East Asian steel mill
- Iron ore price hedge portfolio assists in managing iron ore price volatility

CuFe Ltd (ASX: **CUF**) (the **Company**) is pleased to provide an update on operations at its JWD Iron Ore Project (**JWD, JWD Project**). The Company holds a 60% interest in the JWD Project via its subsidiary Wiluna Fe Pty Ltd and is Operator of the joint venture (**JWD JV**).

Agreement with Main Roads WA

With the support of the Shire of Wiluna, the Company has entered an agreement with Main Roads WA to upgrade the intersection of the JWD mine access road and the Goldfields Highway. Achieving this important milestone will facilitate the introduction of 60m road trains to the JWD haulage fleet. The 60m road trains represent the latest technology and carry approximately 30% higher payloads than standard quad road trains. The improved productivity not only results in a reduced cost of haulage but has the effect of also reducing the number of road trains required for the haulage task, thereby benefiting the communities of Wiluna and Geraldton.

The Company has previously advised of the completion of a successful single trial of a 60m road train between the mine and the Geraldton Port and is therefore confident their introduction will be successful and deliver on the targeted operational and community benefits.

As part of the terms of the agreement with Main Roads WA the Company is to fund the upgrade of the intersection where the trucks enter the Goldfields Highway from the JWD mine access road, just south of Wiluna. The cost of this work is not expected to be significant and is not required to be completed in advance of the 60m road trains commencing on the route. The next step in the process of introducing the 60m road trains is for the haulage contractor to apply for and receive permits for the specific road trains to be introduced.

New Crushing Plant

The Company has installed a new crushing and screening plant at JWD to improve reliability and processing capacity. The plant has successfully completed commissioning and achieved its ramp up, having consistently demonstrated productivity in excess of the targeted production rate of 2,000wmt of lump product per day.

Sales Agreement

The Company's offtake partner Glencore has entered a sales contract for JWD product with a leading South East Asian steel mill. The mill has previously purchased JWD product and is looking to secure regular supply.

The contract is for 360,000 wmt +/- 15%, for delivery over the period May to December 2022, equating to 6 shipments over the next 8 months, with pricing index linked. The proximity of South East Asia to Geraldton is beneficial as it results in reduced freight costs when compared to the China market.

Hedge Portfolio Update

The Company presently has 295,000dmt of product subject to iron price hedges. Of this 50,000wmt expires at the end of April, with the remaining 245,000dmt covering the period May – December 2022 comprising of 120,000dmt swaps at an average price of US154 and 125,000dmt collars with an average floor price of USD127/dmt and ceiling price of USD167/dmt basis 62% fines price, with lump premium additional to this.

The Company's Executive Director, Mark Hancock, commented: "We appreciate Main Roads WA's support with regards to this access agreement. The ability to utilise larger capacity road trains is a 'win-win' for the operation and the community, providing us with more confidence to reliably meet the haulage requirements of the mine in a more efficient and cost effective manner. This in turn will help us to feed the strong demand we are seeing from off-takers for the JWD product, as highlighted by our recent 360,000wmt sale to a leading South East Asian mill."

Announcement released with authority of the CUF Board of Directors.

Yours faithfully
CuFe Ltd

Mark Hancock
Executive Director

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