

IRON ORE PROJECTS AND CORPORATE UPDATE

HIGHLIGHTS

- Mining Management Plan approved for next Yarram drilling program.
- Drilling at Yarram to commence this month, targeting extension of previous high grade mineralisation and geophysical targets.
- JWD mine operations continue, with various cost and production initiatives assisting in maximising revenue and minimising costs.
- Key Staff and Director share option allocation completed to assist in retention.

CuFe Ltd (ASX: **CUF**) (**CuFe** or the **Company**) is pleased to provide an update on activities at its iron ore projects.

Yarram Iron Ore Project (Yarram, Yarram Project)

The Company holds a 50% interest in Gold Valley Iron and Manganese Pty Ltd, the owner of the iron ore rights over the Yarram Project which is located approximately 110km from Darwin Port.

The Company has recently received approval from the Northern Territory Department of Industry, Trade and Tourism of an exploration Mining Management Plan (**MMP**) for its Yarram Project.

The approved MMP facilitates three streams of work:

- 1) Drilling of extensions of high grade, massive hematite lenses that run across ML1163. These extensions have been identified by previous drilling campaigns (refer CUF announcements on 27 April 2022 and 21 August 2020 for details) and have been further defined by detailed mapping during July 2022 confirming the presence of massive outcropping hematite across the drill targets.
- 2) Drilling of two undercover targets that have been defined by detailed geophysical surveys and sit 500m along strike from known high grade mineralisation (refer CUF announcements on 27 April 2022 and 21 August 2020 for details).
- 3) Diamond drilling and the collection of bulk samples to determine metallurgical properties and the potential to upgrade lower grade material which has also been identified in historical drilling.

The initial and key focus is on the exploration targets which are prospective for high grade iron ore. Heritage clearance of the proposed drill lines was completed earlier this week with the direct involvement of representatives of the Traditional Owners. Drilling is expected to commence later in the month, subject to timely mobilisation of the drill rig. The program is expected to take in the order of 30 days to complete, with assay analysis to follow.

JWD Iron Ore Mine (JWD, JWD Project)

The Company holds a 60% interest in the JWD Project via its subsidiary Wiluna Fe Pty Ltd as Operator of the joint venture (**JWD JV**). The Company's operations at the JWD mine at Wiluna continue, with monthly shipments of high grade lump product delivered for each of the past four months under the previously announced sales contract to a South East Asian steel mill.

For the Company's August and September shipments it entered an agency arrangement with Gold Valley Iron Ore Pty Ltd allowing CuFe to jointly ship tonnes from the neighbouring C4 project with JWD product, so that shipment volumes can be maintained while reducing the Company's exposure to the iron ore price while the headline index price is depressed (with current levels below USD100 / DMT for 62% material).

In addition to the above initiative the Company has recut its JWD mine plan to reduce near term waste movement, thus reducing total mining costs, which combined with a significant fall in sea freight cost and the Company's iron ore price hedge coverage, have allowed operations to continue economically.

The Company has hedge coverage in place for the majority of its proposed September and October shipment volumes at an average 62% Fe fines equivalent price of USD147 / DMT and will continue monitor market conditions closely to determine the economics of further shipments.

CuFe Executive Director, Mark Hancock, commented "Yarram has always been an exciting project for us given there are so few iron ore projects in Australia that host high grade iron ore so close to available capacity at an established port. Covid restrictions impacted our ability to get our people on the ground and move the project along but with that now behind us we have made significant progress in recent months and look forward to drilling recommencing."

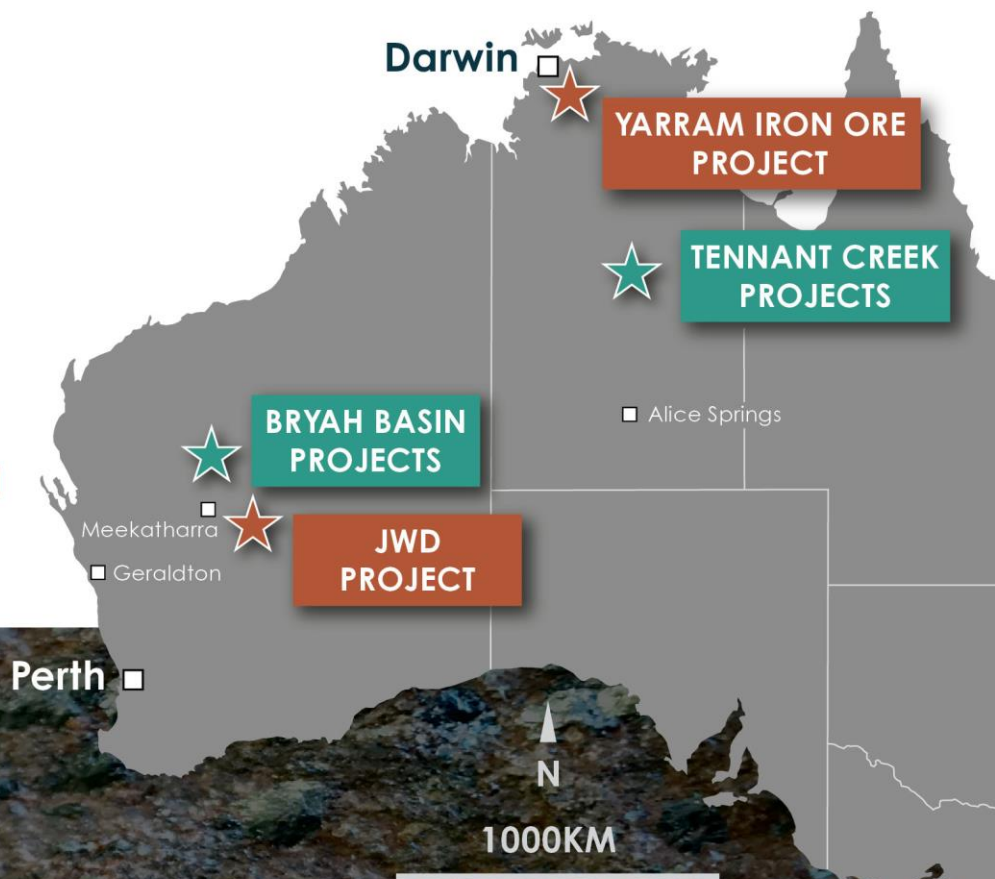
"With regards to our existing mining operations at JWD we are making some great inroads with the cost and efficiency of our operations. The iron ore price is tough for smaller miners at present so we are fortunate at CuFe to have a team that is very experienced in dealing with price volatility and can calmly manage through the process. Our focus at present is to preserve cash and tonnes during the downtimes so as to maximise our ability to participate in the upside when the market turns."

Corporate Update

The Company has built a strong team of mining professionals and as part of annual performance reviews has agreed to offer 34.25M options at an exercise price of 2.7c and 2 year expiry, vesting after 12 months subject to service condition being met at that date, to assist in retention of the team in a challenging labour market. As part of this Executive Director Mark Hancock and Executive Chairman Tony Sage have been allocated 10M options each. The issue of options to staff and key contractors is made under the Company's shareholder approved employee securities incentive plan, while the proposed issue to Directors is subject to approval by shareholders at the Company's upcoming Annual General Meeting.



Figure 1 - High Grade iron ore outcrop at Yarram



About CuFe Ltd

CuFe Ltd (ASX: CUF) is an emerging copper and iron ore company. Our strategy is focused on near-term, high grade premium product iron ore projects and maintaining exposure to strategic metals. The company has interests in various projects and tenements prospective for iron ore, copper and gold, all located in Australia. In October 2021, the Company commenced shipping from the JWD Project located in Western Australia.

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