

CUF TO MOVE TO 100% OWNERSHIP OF JWD IRON ORE RIGHTS

HIGHLIGHTS

- CuFe to increase its interest in the iron rights over the JWD iron ore mine from 60% to 100% via the issue of 150 million CuFe shares and refunding the historical cash contributions
- CuFe exercises its right to access a further 900,000mt of iron ore at the JWD resource, with the original exercise price of \$2.25m to be settled via transfer of 5% of its joint venture interest in the Tennant Creek Copper Project
- Yarram milestone payments of \$1.5m re-structured to defer majority of remaining milestone payment until decision to mine rather than on announcement of indicated resource
- Transaction is subject to Shareholder approval, Independent Expert's recommendation and other third party consents

CuFe Ltd (ASX: **CUF**) (**CuFe** or the **Company**) is pleased to advise it has entered a binding agreement (**Agreement**) with entities associated with its major shareholder, Gold Valley Group (**GVG**) to acquire the remaining 40% joint venture interest in the JWD Iron Ore Project and to restructure various other obligations that exist between the parties with respect to the Tennant Creek Joint Venture and the Yarram Joint Venture.

The key components of the Agreement and transaction are set out below.

Assignment of GVG's remaining interest in the JWD Iron Ore Rights

- CuFe will be assigned Gold Valley Iron Ore Pty Ltd's (**GVIO**) 40% interest in the iron ore rights for the JWD Iron mine, to move to 100% ownership of the iron ore rights.
- In consideration for the assignment of GVIO's 40% interest, CuFe will issue 150 million CUF shares to GVIO (**Consideration Shares**) and refund GVIO for historical joint venture cash contributions made by GVIO under the JWD Joint Venture (**Cash Consideration**) (\$1.32m contributed to 31 December 2022).
- The effective date for the transaction and determining the Cash Consideration is deemed to be 1 January 2023. The \$1.32m payable to GVIO will be adjusted by cash paid by GVIO offset by amounts paid to GVIO under the JWD Joint Venture, subsequent to the effective date and prior to completion of the transaction.
- The issue of Consideration Shares will result in GVG's relevant interest in CuFe increasing from approximately 19.84% to 35.38%. CuFe will therefore seek shareholder approval for the purpose of Item 7 of section 611 of the Corporations Act and ASX Listing Rule 10.11.
- Upon completion of the assignment, the 60/40 joint venture between CuFe and GVIO with respect to the JWD iron ore rights will be terminated and CuFe will retain 100% beneficial interest in the JWD iron ore rights.

Exercise of option to mine a further 900,000mt of Iron Ore from JWD resource

- CuFe has exercised its right to access and mine a further 900,000mt of the JWD resource.
- The parties have agreed to settle CuFe's obligation to pay the \$2.25m exercise price (see CuFe's ASX announcement dated 12 November 2021) by transferring 5% of CuFe's current 60% interest in the Tennant Creek Joint Venture to Gecko Mining Company Pty Ltd (**GMC**), who presently owns the remaining 40% interest in the Tennant Creek Joint Venture.

- CuFe's obligation to pay the \$2.25m exercise price in order to mine a further 900,000mt from the JWD resource arises under the original mineral rights agreement with GWR Group Ltd (**ASX:GWR**), who subsequently on-sold their rights under that agreement to GVIO (refer to GWR's announcement dated 20 July 2022).
- Upon completion of the assignment the Tennant Creek Joint Venture will continue operating with the parties respective new interests (55% CuFe and 45% GMC).

Variation of Milestone Payment under the Yarram Joint Venture

- Under the subscription agreement pursuant to which the 50/50 Yarram Joint Venture was formed, CuFe agreed to make a milestone payment to Goldvalley Brown Stone Pty Ltd (**GVBS**) of \$500k in cash and \$1m in cash or shares at CuFe's election, payable upon CuFe announcing an Indicated JORC Mineral Resource Estimate of 3mt grading in excess of 60%Fe at the Yarram Iron Ore Project.
- This obligation has been restructured such that CuFe has agreed to carry the next \$500k of GVBS's joint venture costs under the Yarram Joint Venture and the \$1m payable to GVBS in cash or shares at CuFe's election is deferred until a decision to mine is made on the Yarram Iron Project.

The Agreement is subject to the following conditions precedent:

- (a) CuFe obtaining shareholder approval for the purposes of item 7 of section 611 of the Corporations Act;
- (b) the independent expert's report prepared for the purpose of item 7 of section 611 of Corporations Act opining that the assignment of the remaining 40% interest in the JWD Joint Venture is fair and reasonable or not fair but reasonable to non-participating shareholders;
- (c) CuFe obtaining shareholder approval for the purpose of ASX Listing Rule 10.1 for the issue of the Consideration Shares; and
- (d) CuFe and GVG obtaining approvals of financiers and other third parties as required.

The Company will commission an independent expert to opine as to whether the transaction is fair and reasonable to CuFe shareholders which will be included in the notice of meeting to be provided to shareholders to consider the matter at a General Meeting, which is expected to be held in April 2023. The Company anticipates completion of the Agreement will occur shortly thereafter.

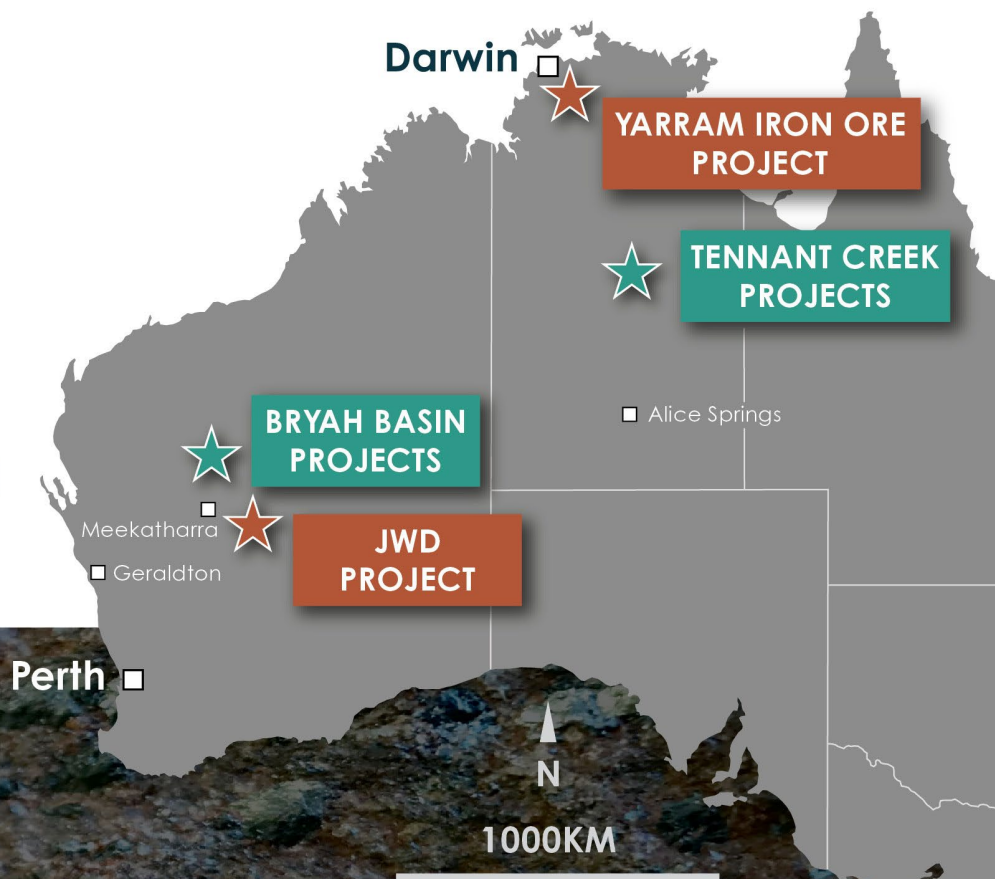
CuFe Executive Director, Mark Hancock, commented:

"Given our positive outlook on the iron ore price for 2023 it makes sense for us to maximise our exposure to it via increasing our ownership in JWD. In addition to the JWD acquisition this holistic transaction with Gold Valley Group has the benefit of preserving cash by facilitating the settlement of an upcoming financial obligation via an asset swap for a small portion of our Tennant Creek Joint Venture interest and deferring our Yarram financial obligations.

While the primary focus of this transaction is JWD we remain excited by the potential of both Yarram and Tennant Creek, with announcements expected in the near future on the mineral resources at both those projects.

We thank the Gold Valley Group for their co-operation with this transaction and for their ongoing support of CuFe."

Released with the authority of the CuFe Board.



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.

Registered Office

32 Harrogate Street
West Leederville WA

T: +61 8 6181 9793
E: admin@cufe.com.au

Share Registry

Link Market Services Ltd
Level 12, QV1 Building
250 St Georges Terrace, Perth WA 6000
www.linkmarketservices.com.au

For further announcements
please visit asx.com.au and
cufe.com.au

For further information please contact:

Investor Relations

+61 8 6181 9793

ir@cufe.com.au

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