

JWD IRON ORE MINE UPDATE

HIGHLIGHTS

- JWD operational ramp-up successfully completed.
- Current mining focused on low strip, smaller pit shell to maximise cashflow, while maintaining optionality to cut back to larger pit when iron ore market dictates.
- Hedge book replenished, with approximately 35% of production for the period to September 2023 now subject to price protection.

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

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 has entered into an agreement to acquire the remaining 40%, subject to CuFe shareholder approval (refer ASX Announcement dated 22 February 2023).

Further to the Company's announcement of 20 January 2023 regarding the recommencement of full operations at JWD it is pleased to advise that ramp up has been completed and the project is now operating at its intended capacity.

The current focus of operations at JWD is on a smaller, low strip ratio (~1.2:1) pit which can feed planned sales for the 2023 calendar year at a lower cost, with a focus on maximising near term cash flow. As the year progresses we have the option to cut back the pit to access further high grade ore if the iron ore pricing environment is supportive of doing so. Project economics have been further improved by changes to the processing circuit which have increased the saleable portion of fines product that is being generated.

To assist in managing financial performance and protect against price volatility the Company is continuing to hedge forward production, with 170,000DMT now hedged with a variety of maturities over the period to September 2023. This represents approximately 35% of intended sales over that period and the Company will look to grow its hedge coverage further as it sees attractive pricing levels, with an aim of covering approximately 70% of its six-month production profile.

The hedges consist of 30,000DMT of swaps at an average price of USD127 basis 62% Fe and 140,000 zero cost collars, with weighted average floor and ceiling prices of USD116 and USD135 respectively basis 62% Fe. Approximately 85% of the intended sales are of lump product that achieves an additional premium which at this stage remains unhedged.

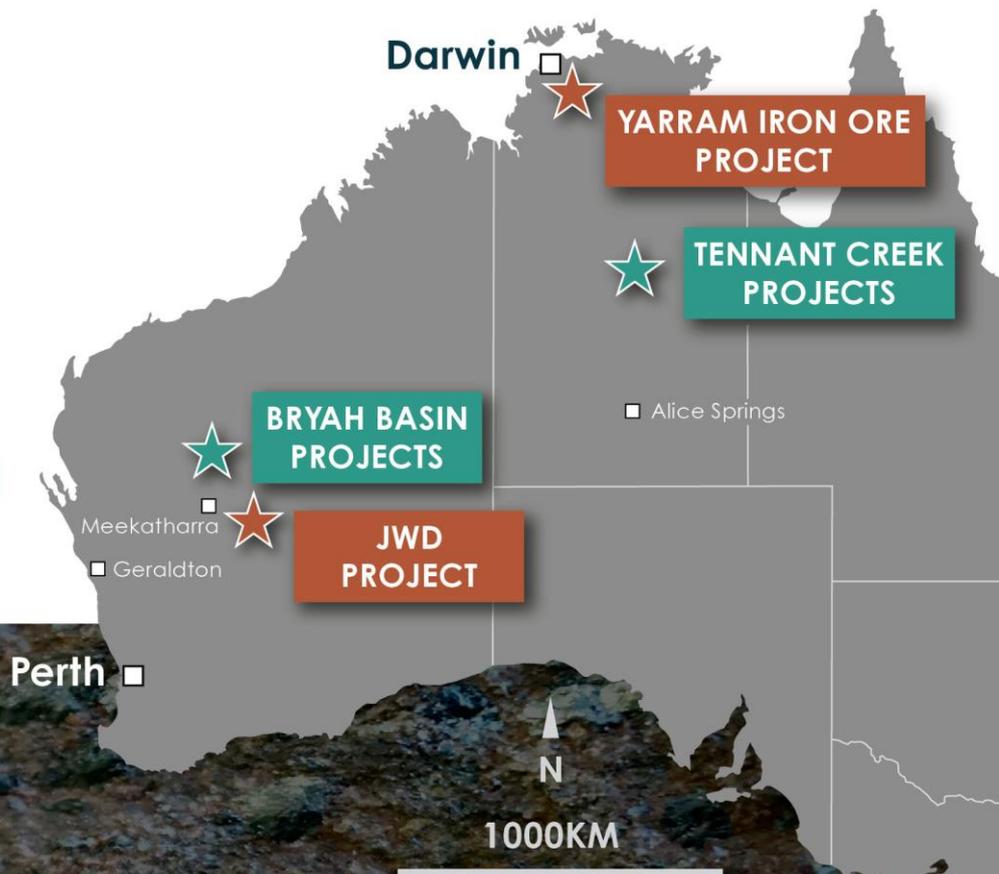
The Company is preparing for the shareholder meeting to approve the acquisition of the remaining 40% of JWD, with a notice of meeting being drafted and an Independent Expert appointed to report to shareholders on the fairness and reasonableness of the proposed transaction. Based on the expert's timelines to prepare their report it is expected that the shareholder meeting will be held in May.

CuFe Executive Director, Mark Hancock, commented "It's pleasing to see JWD back operating at full capacity. I would like to acknowledge the CuFe team and our key contracting partners for their assistance in achieving this. While global markets are uncertain at present the iron ore market has been showing encouraging signs, with steel demand improving and iron ore inventory levels at Chinese mills very low on a days of use basis.

Given this backdrop we have been building a hedge book, aiming to protect downside exposure at levels above our breakeven cost and maximise our exposure to upside participation if the market continues to improve.”

Released with the authority of the CuFe Board.

CuFe_{ltd}



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 exposure to copper, a key strategic metals. The company has interests in various projects and tenements prospective for iron ore, copper and gold, all located in Australia. The Company has proven development credentials with JWD mine development completed in less than 4 months. The JWD mine is currently in operation at its intended capacity.

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