

SALE OF JWD IRON ORE MINING RIGHTS

HIGHLIGHTS

- CuFe, via its wholly owned subsidiary Wiluna Fe Pty Ltd (“WFE”), has entered a binding agreement to sell the iron ore rights pertaining to the JWD iron ore mine (**Iron Ore Rights**) to Newcam Minerals Pty Ltd (**Newcam Minerals**).
- Sale consideration is \$12m dollars cash, with \$0.5 million deposit and \$11.5m payable on completion of the transaction, which is subject to various conditions including approval of CuFe shareholders.
- Sale proceeds will primarily be used settle trade creditors, which remain the responsibility of WFE. WFE retains rights to certain inventory on hand at the date of signing, existing hedges and debtors and is responsible for costs incurred up until completion, certain of which will be reimbursed by Newcam post completion. The final reconciliation of funds to be generated from those items is to occur once provisionally priced shipments are finalised, hedges settled and costs compared to sales proceeds over the period to completion are known, with a current estimated range of \$1.5-3m net inflow to CuFe.
- CuFe and Newcam have agreed the JWD mine will move to suspend operations while the ownership transition occurs given the current challenging conditions in the iron ore market, to preserve the value of ore in the ground.
- Transaction will simplify the Company’s business by removing the cash flow volatility associated with operating an iron ore mine and remove exposure to losses being incurred at current iron ore price, thus allowing the Company to be well funded for management to focus on progressing its suite of prospective assets including our advanced Tennant Creek Copper / Gold project, Yarram iron ore project and a raft of prospective exploration projects including North Dam, West Arunta and Tamborough.

CuFe Ltd (ASX: **CUF**) (**CuFe** or the **Company**) is pleased to advise it has entered a binding term sheet for the disposal of:

- (a) 100% of its rights, title and interest in the Iron Ore Rights;
 - (b) the rights and obligations under all associated contracts, authorisations and permits required to operate the JWD mine;
 - (c) the benefit of all contributions made by CuFe and/or WFE to the rehabilitation fund established for the purpose of satisfying the rehabilitation obligations pertaining to mining at the JWD mine; and
 - (d) all of its rights, title and interest in certain stockpiles of iron ore, overburden and waste material located at the JWD mine,
- (together, the **Assets**).

CuFe Executive Director Mark Hancock commented “We are pleased to have entered this agreement with Newcam Minerals to divest the JWD project. CuFe has been operating at JWD since 2021 and the mine has assisted us in funding the acquisition of the broad portfolio of prospective assets we are blessed with

today. With iron ore prices remaining volatile and with current price levels below our breakeven cost we feel like now is the time to turn our focus to those assets which offer greater potential for value creation for our shareholders.

JWD's distance from port has always been its major challenge as it makes the mine an inherently higher cost producer, with haulage cost comprising more than 50% of the mine's C1 cost. In their attempts to reduce costs we have seen other iron producers in the region who have long road haul components expand their business into the haulage space to lower this cost. For CuFe we don't believe it's the right step to take given the scale of JWD and the upfront capital cost associated with such a change.

We could suspend the mine as we have done before and wait for the market to improve but this consumes cash to ramp down and ramp up and having had the experience of operating it for more than 3 years we consider the scale of JWD means it is best run as a private business that is very flexible as to how and when the mine operates, which reflects Newcam's model, so believe this sale is the best way forward.

We look forward to working closely with the Newcam team to finalise the transaction and transitioning operatorship and thank all of those who have supported our efforts to date at JWD."

Transaction Overview

WFE a 100% owned subsidiary of CuFe Ltd owns 100% rights, title and interest in the Assets, including the rights to extract iron ore from the JWD deposit located near Wiluna in WA, and has agreed to sell those rights to Newcam for \$12 million cash. WFE remains responsible for the JWD trade creditors outstanding at present (which approximate \$8m outstanding on normal 30 day terms and approximately \$4m payable to Newcam for iron ore sales proceeds from sale of material from the Mt Gould mine made on their behalf under a shared shipment arrangement). WFE is also responsible for creditors occurred until the time of completion unless mining or processing of material owned by Newcam, in which case CuFe will be reimbursed at completion. WFE retains ownership of certain stockpiles on hand at date of signing (approximately 50,000t of final product and 50,000t of RoM product) which it can realise moving forward, its hedge positions and trade debtors.

The final reconciliation of the proceeds received from these will be determined occur once provisionally priced shipments are finalised, hedges settled and costs compared to sales proceeds over the period to completion are known with a current estimated range of \$1.5-3m net inflow to CuFe.

Key conditions precedent to the transaction, which are to be satisfied not later than 31 October 2024 include:

- CuFe shareholder approval for the purposes of ASX Listing Rule 11.2, with a Notice of Meeting to be issued shortly;
- Assignment of existing or entry into new offtake arrangements between Glencore and Newcam; and
- Necessary regulatory approvals and third-party consents including that of the tenement owner.

Next Steps

Following discussions with ASX CuFe was advised the disposal of the JWD mining right will be subject to the approval of CuFe shareholders. Preparation of a notice of meeting is underway, with the meeting to be scheduled as soon as possible, likely early October 2024. The mine will be transitioned into care and maintenance while that occurs to preserve cash and resource in the ground during the interim period.

CuFe Post JWD

CuFe has a suite of significant assets which it will increase its focus on post the divestment of the JWD mine. Based on feedback previously received from investors, the Company considers without the uncertainty created by the variability in JWD cashflows it will improve the market's willingness to appropriately value these assets within CuFe. The assets include:

- Tennant Creek – mature copper / gold project which has been mined historically and has an existing JORC 2012 indicated and inferred mineral resource estimate totalling 7.3MT at 1.7% Cu and 0.6g/t Au and considerable exploration potential as identified in a recent geological review (refer CUF ASX announcements of 3 April 2023 and 22 July 2024);
- Yarram Iron Ore – iron ore project which has an inferred JORC 2012 mineral resource estimate of 12.7MT @ 55.4% including 5.6MT at 60.43% Fe and whose close proximity to Darwin port offer the opportunity for low operating cost (refer to CUF announcement of 28 February 2023);
- North Dam exploration – with prospectivity for Lithium / Rare Earths and Niobium with initial exploration drilling campaign to be conducted this quarter;
- West Arunta – greenfields exploration tenure in the highly sought after West Arunta region;
- Tambourough – Pilbara exploration tenure acquired with a focus on lithium, with historical gold exploration to be revisited;
- Robertson Range project – prospective for iron ore (Refer to ASX announcement dated 17 July 2024); and
- Bryah Basis Copper / Gold exploration projects where the Company has a free carried interest 20% interest.

In addition to these evaluation and exploration opportunities the Company owns a 2% NSR on the Crossroads gold project operated by Northern Star, which is proposed to mine 2.67Mt of gold bearing ore over the next three years (refer CUF ASX announcement dated 31 May 2024).

Released with the authority of the CuFe Board.

About Newcam Minerals Pty Ltd

Newcam is a privately owned mining company, which owns and operates the Mt Gould iron ore mine, which is presently exporting jointly with CuFe from Geraldton Port. Newcam also leases and operates storage shed 88 at Geraldton Port. Newcam is not a related party to CuFe.

ASX Listing Rule 11.2

ASX has confirmed that Listing Rule 11.2 applies to the proposed disposal of the Assets. The Company expects to convene a general meeting in October 2024 to seek shareholder approval for the proposed transaction, for the purposes of Listing Rule 11.2.

A disposal by a listed entity of its main undertaking can raise issues under ASX Listing Rule 12.1 and 12.2, which obliges a listed entity to satisfy ASX on an ongoing basis that the level of its operations is sufficient, and its financial condition adequate, to warrant its continued quotation of its securities.

ASX has advised that:

- (a) in accordance with paragraph 4.7 of Guidance Note 12 (Significant Changes to Activities), the Company will be afforded a period of 6 months from the date of the Asset Sale Agreement (being 23 February 2025) to demonstrate to the ASX that it is compliant with Listing Rule 12.1; and
- (b) it will suspend trading in the Company's securities if the Company has not demonstrated compliance with Listing Rule 12.1 to ASX's satisfaction at the end of the 6-month period.

Following completion of the transaction, the Company intends to:

- (a) continue to pursue exploration activities at its exploration assets in the future-facing minerals sector, as detailed further above and the Company's presentation released to the ASX on 3 June 2024; and
- (b) to investigate and pursue further opportunities that may enhance shareholder value.

The Company considers that the increased focus on the advancement of its evaluation and exploration assets will provide a sufficient level of operations to justify the continued quotation of its securities.

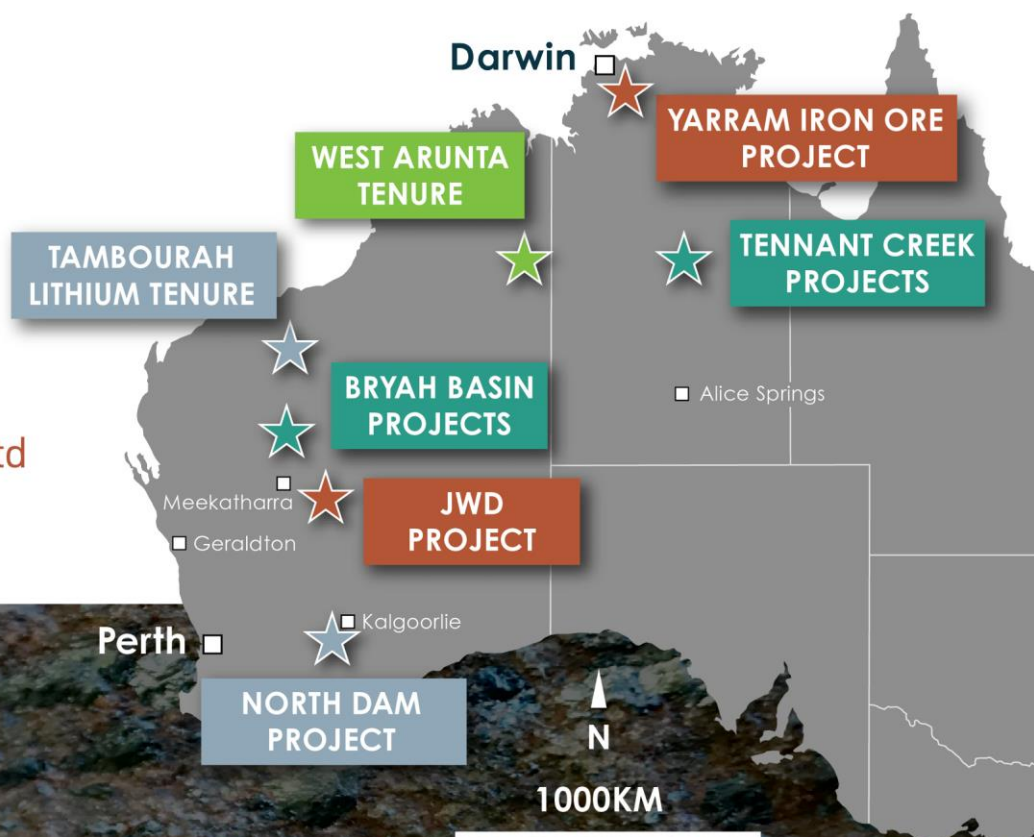
As a result of the Company having disposed of its main undertaking for the purpose of Listing Rule 11.2, Listing Rule 11.1.3 is more likely to apply to any material future acquisitions by the Company, which may require the Company to re-comply with Chapters 1 and 2 of the Listing Rules.

ASX Listing Rule 5.23

With reference to previously reported Mineral Resource Estimates included in this announcement, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

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CuFe Ltd



About CuFe Ltd

CuFe Ltd (ASX: CUF) is a producer and explorer, focused on near-term, high grade premium product iron ore projects and exposure to key strategic metals; Copper and Lithium. The Company has diversified commodity interests in various projects and tenements prospective for copper, lithium, REEs, gold and iron ore, located in world-class mineral provinces of Australia. Our experienced team have demonstrated their ability to execute rapid, flexible, low capex, iron ore projects.

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