

31 January 2022

QUARTERLY REPORT – 31 December 2021

CuFe Ltd (ASX: **CUF**) (**CuFe** or the **Company**) is pleased to provide its Quarterly Activities Report and Appendix 5B for the three-month period ended 31 December 2021.

HIGHLIGHTS

- First exports completed - the Company exported its first cargo of lump product from the JWD Iron Ore Mine on 2 October, with second vessel departing the Geraldton Port on 22 November;
- High grade / high value nature of the JWD product confirmed - both vessels have confirmed the positive attributes of the JWD lump product and this is reflected in the Realised FOB pricing for the quarter of US\$100.56/wmt, which compares favourably with pricing reported by other West Australian producers for the period;
- Hedge protection mitigates fall in iron ore price - realised hedge gains for the December quarter of USD5.8m (100% basis);
- Completion of Tennant Creek Copper Project acquisition - enabling site visit to be completed with Company representatives and key consultants. A number of work packages have commenced which will assist with future approvals;
- Yarram drilling commenced - with key approvals in place the Company opportunistically commenced the planned drilling program at Yarram before the wet season. A small number of holes were drilled before the wet season set in; the program will be completed post the wet season.



Figure 1: First Shipment departed 2 October 2021



Figure 2: JWD Iron Ore Project Operations

OPERATIONS

JWD IRON ORE PROJECT (Western Australia, CUF 60%)

Within the quarter the Company achieved numerous key milestones for the JWD Iron Ore Project (**JWD, JWD Project**):

- First shipment of high-grade lump product departing Geraldton Port on 2 October, with a second shipment of high-grade lump product departing 22 November;
- Trial of higher payload ‘ultra-quad road-train’ successfully completed into Geraldton port as part of longer-term initiative to reduce the transport cost to Geraldton Port;
- The Company entered into a variation with GWR Group Ltd on the JWD Mining Rights Agreement whereby rather than having to pay \$4.25m by mid-January 2022 to secure the right to export a further 2.7MT of iron ore from the deposit, the JWD JV pays \$1.8m to secure the right to export 1.2MT (100%). Executing the variation provided flexibility to both parties in light of the volatile iron ore market experienced during the quarter with further instalments payable to extract tonnes in excess of 1.2M;
- Realised hedge gains for the December quarter of USD5.8m (100% Basis).

Post the quarter end:

- a part cargo of approximately 30,000 tonnes (100%) completed loading on 27 January; and
- Mining load and haul re-commenced in line with iron ore market conditions improving, with first ore ex-pit being delivered to the crush and screen plant on 7 January.

In response to extreme iron ore price volatility experienced from late September, the Company worked with its service providers and contractors to implement certain cost savings and a change to its operating strategy to assist cashflow management. In conjunction with managing costs, the Company benefited from hedges taken out over the December quarter.

Iron Ore prices have continued to firm in recent months, with 62% index prices rising from a low of USD87 to current levels circa USD148. JWD, being a producer of high-grade lump, has further benefited from an increase in lump premiums from an average of 5.8c per dry metric tonne unit (**dmtu**) for September to 20.3c per dmtu for December and is currently in excess of 30c per dmtu. At a 30c level this adds in the order of USD18-19 / t to the 62% Fe headline fines price. Sea freight rates have also decreased in recent months, with the vessel class used for JWD product from the Geraldton Port reducing by approximately 30% from their highs. Whilst the current rates remain elevated relative to historical averages, this recent reduction in the cost of sea freight has the effect of further increasing the realised price to the Company, in addition to the improvement in headline price discussed above.

Operations Summary

Production metrics (100%)	Measure	Q1 FY22	Q2 FY22	Var (%)
Total material moved	BCM	201,441	21,634	(89%)
Ore mined	wmt	266,028	47,427	(82%)
Ore processed	wmt	114,068	102,677	(10%)
Ore hauled to port	wmt	62,181	79,643	28%
Ore shipped	wmt	-	119,804	N/A
Inventory				
ROM	wmt	151,960	58,316	(62%)
Site Finished Product	wmt	18,320	4,688	(74%)
Port	wmt	62,181	21,633	(65%)
Revenue (FOB)	US\$/wmt	-	\$ 100.56	N/A
Revenue (FOB)	A\$/wmt	-	\$ 138.78	N/A
Hedging Gains	A\$/wmt	-	\$ 65.53	N/A
Total Revenue	A\$/wmt	-	\$ 204.31	N/A
C1 Costs (\$/wmt Shipped)	A\$/wmt	-	\$ 130.92	N/A

Key points:

- 89% quarter on quarter reduction in total material reflects the change in operating strategy to run down the site run of mine ore stocks (ROM);
- Realised FOB pricing of US\$100.56/wmt compares favourably with pricing reported by other West Australian iron ore producers for the December quarter; and
- C1 Cost (\$/wmt shipped) negatively impacted by the change in operating strategy to temporarily step down mine production and haulage whilst still having to incur certain fixed costs (now carried over less product tonnes shipped). Costs expected to reduce in the coming quarter as full production rates are achieved.

PROJECTS

The Company holds, or has rights or interests in, various tenements prospective for iron ore, gold and base metals located in Western Australia and the Northern Territory. The Company's main focus is its iron ore assets in both Western Australia (JWD Iron Ore Project) and the Northern Territory (Yarram Iron Ore Project), and development of the recently acquired Tennant Creek Copper Project. The remaining projects are all subject to various joint venture agreements under which CUF does not have operational control.

Yarram Mining Rights (Northern Territory)

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, located some 110km from Darwin Port.

The Company received the Aboriginal Areas Protection Authority (**AAPA**) sacred site clearance certificate for the drilling area.

Approval of the Mining Management Plan (MMP) has been received from the Department of Industry, Tourism and Trade (DITT) and a preferred drilling company has been engaged. All approvals were received late in the year which pushed back the start of drilling into the Northern Territory wet season. The rig was opportunistically available locally following completion of a drilling campaign on neighboring tenure so a decision was made to begin drilling with a watch and act approach subject to weather conditions. The intended program consists of up to 61 holes in total and is designed as extensional drilling to known mineralization identified from historic data. During field investigations, lateritic outcrop was mapped along strike and to the southwest of the known mineralization.

Due to the late start and unknown length of window for drilling, a subset of holes stepped out along strike were chosen for the initial phase of drilling before weather conditions prevented access. The Company was able to drill 5 holes for a total of 314m out of 61 planned holes of the total drilling program before wet season rains created conditions too hazardous to continue. The samples from the drilling have been sent to North Australian Laboratories in Pine Creek NT for analysis, with results expected during February.

Prior to drilling, a pre-clearance survey was conducted with the local Traditional Owners and the survey report was lodged with DITT.

Vegetation studies have been completed to further understand the area and identify any matters that will need to be addressed when progressing mining approvals. Groundwater monitoring has been undertaken as a baseline for further approvals.

Tennant Creek Mining Rights (Northern Territory)

On 24 September 2021, the Company announced that it had entered into a binding agreement to acquire a 60% interest in copper / gold assets which have been the subject of historical mining at Tennant Creek in the Northern Territory from Gecko Mining Company Pty Ltd.

The Tennant Creek Acquisition was completed on 9 December 2021 (refer to 'Completion of Tennant Creek Acquisition' below for further details).

Consultants who have extensive experience with the Northern Territory Approvals process and prior experience with the Tennant Creek Mining Rights have been engaged.

A geological review of the existing drillhole information and existing core located at Tennant Creek has been completed and an exploration program for both RC and Diamond Drill holes has been developed.

The Company has submitted an AAPA for the exploration program for the total site including proposed exploration and potential processing plant sites.

The Company has also engaged various consultants and surveys required for approvals have been commissioned. Lidar aerial surveys have been completed, wet season surface water sampling has commenced and flora and fauna surveys will commence in early February.

Bryah Basin Joint Venture Projects - CUF 20% rights

CUF, via its wholly owned subsidiary Jackson Minerals Pty Limited (**Jackson Minerals**), has a 20% interest in tenements covering an area of 804 km² in the highly prospective Bryah Basin proximal to Sandfire Resources NL (ASX: **SFR**) Doolgunna Project and DeGrussa copper gold mine.

The Bryah Basin Project tenements are subject to joint ventures and farm-ins with Billabong Gold Pty Ltd (**Billabong**), Alchemy Resources (Three Rivers) Ltd (ASX: **ALY**), Auris Minerals Ltd (ASX: **AUR**) and SFR, refer Figure 3.

The Bryah Basin is a highly prospective and largely under-explored mineral field with potential for further discovery of gold and base metals.

Morck Well Project - AUR/SFR/CUF- E51/1033, E52/1613, E52/1672

The Morck Well project is located in the eastern part of the Bryah Basin and contains approximately 40km strike length of the highly prospective Narracoota Volcanic Formation. The northern boundary of Morck Well is adjacent to SFR's DeGrussa-Doolgunna exploration tenements. CUF holds a 20% interest in all minerals in three exploration licences (E51/1033, E52/1613 and E52/1672) within AUR's Morck Well JV project. SFR has a farm-in and joint venture with CUF and AUR where SFR can earn an interest in the Morck Well Project tenements by completing a minimum spend of \$2.0m on exploration over 2 years which has been met. SFR can earn a 70% interest in the Morck Well Project tenements by continuing to sole fund exploration to a discovery of not less than 50,000 tonnes contained Cu (or metal equivalent) and completion of a feasibility study on such a discovery. If SFR makes a discovery and completes a feasibility study then the interests in the tenements will be 70% SFR, 24% AUR and 6% CUF. Refer to ASX: AUR announcement dated 27 February 2018.

SFR completed a total of 15 aircore holes (MWAC4242 – MWAC4256) for 1,420 metres during the quarter on the Morck Well Project. Auris has announced that "the completed drilling is designed as a 400x100m infill pattern to provide high quality litho-geochemical data and key geological information to delineate the upper Narracoota stratigraphy, known to be host to VMS-style mineralisation." Results from the drilling are pending. Refer to ASX: AUR announcements 24 January 2022 for full details.

Peak Hill Project Base Metals Rights – ALY/SFR/CUF - E52/1668, E52/1678, E52/1722 and E52/1730

The Peak Hill project covers approximately 45km strike of the prospective Narracoota Volcanic Formation sequence in the Bryah Basin and is proximal to SFR's Doolgunna Project and the Monty mine.

ALY has entered into a formal joint venture with SFR (refer to ASX: ALY 23 September 2019 for relevant information and diagrams). SFR has earned a 70% interest in base metals rights, excluding iron ore rights, in relation to whole area of E52/1722 and parts of E52/1668, E52/1678 and E52/1730. CUF holds its 20% free carried interests in all minerals to decision to mine, via wholly owned subsidiary Jackson Minerals.

CUF has not received any updates from ALY or SFR during the quarter.

Peak Hill Project All Mineral Rights - ALY/Billabong/CUF - E52/1668, E52/1678, E52/1730, P52/1538, P52/1539

Billabong, through an assignment of interests from NST, entered into a Farm-In and Joint Venture agreement with ALY (refer to ASX: ALY 24 February 2015), in regard to parts of E52/1668, E52/1678, E52/1730 (excluding those parts being farmed into by SFR) and also to earn an 80% interest in the whole of E52/1852. CUF retains its 20% free carried interests in all minerals to decision to mine, via wholly owned subsidiary Jackson Minerals.

CUF has not received any updates from Billabong during the quarter.

Mt Ida Iron Ore Project - Mt Ida Gold

Mt Ida Iron Ore Project is approximately 80km northwest of the operational railway at Menzies, which offers access to existing port facilities at Esperance. The Project area covers part of the Mt Ida - Mt Bevan banded iron formation, which is currently being explored and evaluated by Juno Minerals Ltd and Legacy Iron Ore Limited.

The Mt Ida Iron Ore Project (**Mt Ida Iron Project**) provides CUF the rights to explore and mine for iron ore on exploration license E29/640 and mining leases M29/2, M29/165 and M29/422 held by Mt Ida Gold Pty Ltd, covering approximately 120km² in the emerging Yilgarn Iron Province. The rights give provision for CUF to retain revenue from any iron ore product it mines from the tenure. CUF has no registered interest in these tenements.

CUF has not received any updates from Mt Ida Gold Pty Ltd during the quarter.

CORPORATE

Annual General Meeting

The Company held its annual general meeting (**AGM**) on 24 November 2021. All resolutions put to shareholders were passed via a poll. For more information, refer the Notice of AGM available via the Company's website.

Change of Company Name and ASX Code

The Company changed its name from Fe Limited to CuFe Ltd on 25 November 2021. From commencement of trading on Friday 10 December 2021, the Company's ASX Code was changed from 'FEL' to 'CUF'.

Completion of Tennant Creek Acquisition

On 24 September 2021, the Company announced that it had entered into a binding agreement to acquire a 60% interest in copper / gold assets which have been the subject of historical mining at Tennant Creek in the Northern Territory from Gecko Mining Company Pty Ltd (**GMC**) (**Tennant Creek Acquisition**).

The Tennant Creek Acquisition was completed on 9 December 2021. Consideration included \$5,000,000 cash (payable in three instalments) (**Cash Consideration**), 85,000,000 shares, and 75,000,000 unlisted options exercisable at \$0.10 expiring 3 years from date of issue. The initial instalment of \$1,000,000 of the Cash Consideration was paid in the September 2021 quarter, and \$2,000,000 instalment was paid in the December 2021 quarter. The shares and unlisted options which were approved for issue by shareholders at the Company's AGM were issued on 9 December 2021.

CUF and GMC have formed an unincorporated joint venture in respect of the Tennant Creek Project tenements, with CUF as manager of the joint venture. CUF will pay the first \$10,000,000 of joint venture expenditure incurred.

Placement

On 24 September 2021, the Company announced that it had received commitments to raise \$5,000,000 through a placement of 100,000,000 ordinary shares (**Placement Shares**) to sophisticated investors at \$0.05 per share (**Placement**). Subject to receipt of shareholder approval, investors were also to be issued one option (exercise price \$0.06, expiring 2 years from issue) for every two shares issued (**Placement Options**). The Placement lead manager was also entitled to receive 20,000,000 options on same terms as the Placement Options (**Lead Manager Options**).

The Placement Shares were issued on 1 October 2021, and accordingly the funds received by the Company pursuant to the Placement are reflected in the Company's cash inflows from financing activities in the December 2021 quarter.

The Placement Options and Lead Manager Options were issued on 25 November 2021, following receipt of shareholder approval at the Company's AGM. These options were quoted on 24 December 2021 (ASX: CUFO).

Financial Position

Cash available at the end of the December 2021 quarter was \$8.0m.

Payments to Related Parties and their Associates

In accordance with ASX Listing Rule 5.3.5, payments to related parties of the Company and their associates during the quarter totaled \$138,627. The Company advises that \$95,000 of this relates to Director fees. Refer to the Remuneration Report in the Annual Report for further details on director remuneration. An amount of \$150 was paid to Cyclone Metals Limited (a company of which Mr. Tony Sage is a director) for reimbursement of general corporate expenses attributable to CUF. An amount of \$727 was paid to European Lithium Limited (a company of which Mr. Tony Sage is a director) for reimbursement of general corporate expenses attributable to CUF. An amount of \$42,750 was paid to Okewood Pty Ltd (a company of which Mr. Tony Sage is a director) for office rent expense (\$18,750) and for corporate box sponsorship (\$24,000). These amounts are included at Item 6.1 of the Appendix 5B.

Expenditure on mining exploration activities

In accordance with ASX Listing Rule 5.3.1, the Company advises its exploration and evaluation expenditure during the December 2021 quarter totaled \$496k. This amount is included at Item 1.2(a) of the Appendix 5B. Key expenditure this quarter in respect of the Yarram Project and Tennant Creek Project included payments to geological and technical consultants, environmental permitting, drilling, tenement rents and rates, and tenement management costs. Refer to Projects overview section above for details of exploration activities conducted during the quarter.

Expenditure on mining production and development activities

In accordance with ASX Listing Rule 5.3.2, the Company advises its mining production and development expenditure during the December 2021 quarter totaled \$6,383k (CUF's net share) in respect of the JWD Project. This amount is included at Items 1.2(b) and 1.2(c) of the Appendix 5B. Key expenditure this quarter related to mining contractor costs, haulage costs, port costs, royalties with two shipments completed in the December 2021 quarter. Refer to Projects overview section above for details of development activities conducted during the quarter.

In addition, a right to mine payment of \$1.8m (CUF's share being \$1.08m) to access up to 1.2MT was made in relation to the JWD Project during the quarter, which has been classified as an investing activity at Item 2.5 of the Appendix 5B (refer ASX Announcement 12 November 2021).

Securities

Movements in shares during the December 2021 quarter were as follows:

- 100,000,000 shares were issued pursuant to the Placement raising a total of \$5,000,000 (before costs); and
- 85,000,000 shares were issued as part consideration for the Tennant Creek Acquisition.

Movements in options during the December 2021 quarter were as follows:

- 50,000,000 options at \$0.06 expiring 24 November 2023 were issued (being the Placement Options) (quoted on 24 December 2021 ASX:CUFO);
- 20,000,000 options at \$0.06 expiring 24 November 2023 were issued (being the Lead Manager Options) (quoted on 24 December 2021 ASX:CUFO);
- 75,000,000 unlisted options at \$0.10 expiring 9 December 2024 were issued as part consideration for the Tennant Creek Acquisition; and
- 1,000,000 unlisted options at \$0.06 expiring 30 June 2023 lapsed in accordance with the terms and conditions of their issue.

Announcement released with authority of the CUF Board of Directors.

For further information please contact:

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Important Notice

Some of the statements appearing in this announcement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which the Company operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside the Company's control.

The Company does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of the Company, its Directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as at the date of this announcement.

This announcement is not an offer, invitation or recommendation to subscribe for, or purchase securities in the Company. Nor does this announcement constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision. By reviewing or retaining this announcement, you acknowledge and represent that you have read, understood and accepted the terms of this important notice.

Competent Person Statement

The information in this report is compiled and collected by Mr Olaf Frederickson, who is a Member of the Australasian Institute of Geoscientists. Mr Frederickson has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves (JORC Code 2012). Mr Frederickson consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

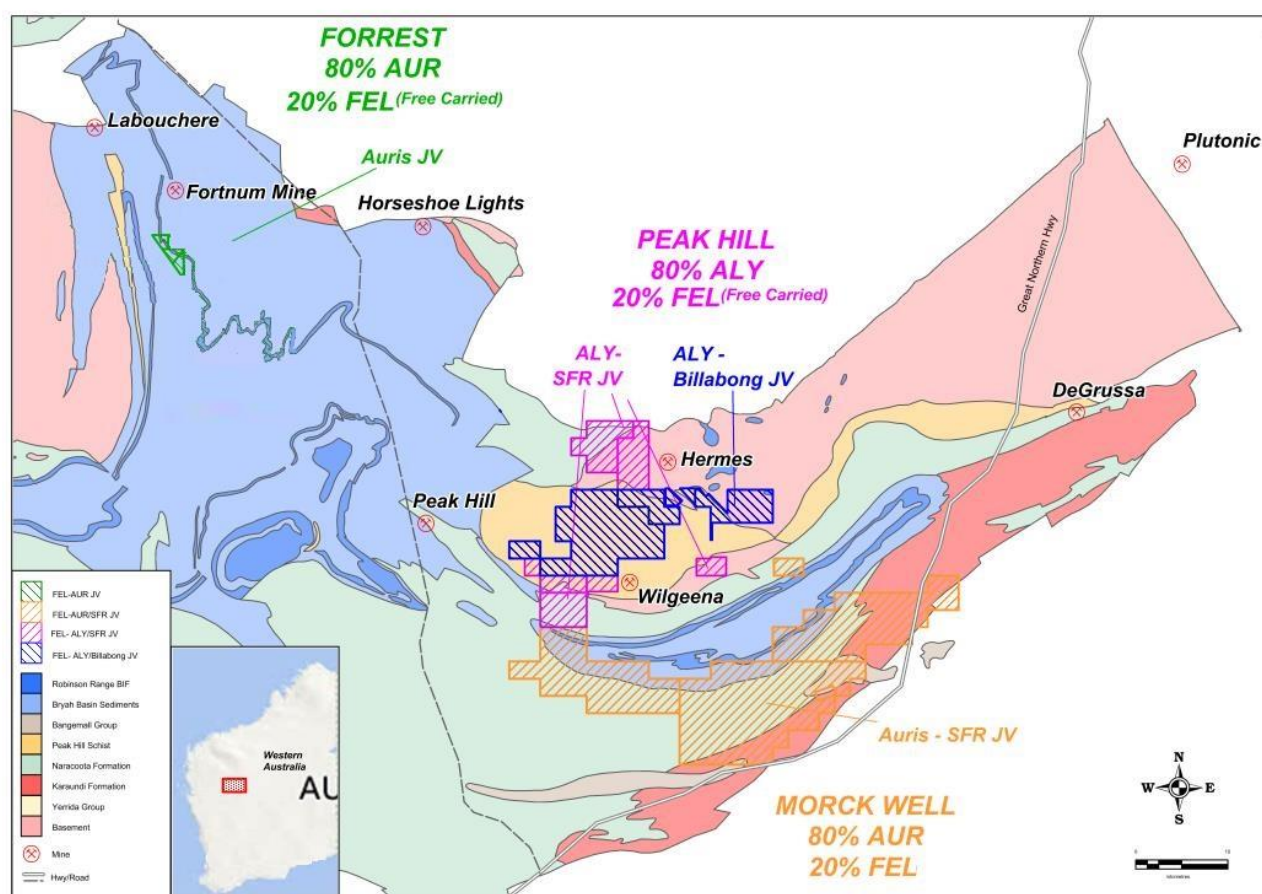


Figure 3: CUF exploration tenement portfolio in the Bryah Basin showing AUR, ALY, SFR and Billabong JV areas

**Schedule of tenement interests of the Company and its subsidiary entities as at 31 December 2021
(including details of tenements acquired and disposed of during the quarter)**

Tenement reference	Project & Location	Acquired interest during the quarter	Disposed interest during the quarter	Interest at end of quarter	Notes
E52/1668	Peak Hill - Western Australia	-	-	20%	2
E52/1678	Peak Hill - Western Australia	-	-	20%	2
E52/1722	Peak Hill - Western Australia	-	-	20%	3
E52/1730	Peak Hill - Western Australia	-	-	20%	2
P52/1538	Peak Hill - Western Australia	-	-	20%	2
P52/1539	Peak Hill - Western Australia	-	-	20%	2
P52/1494	Forrest (Milgun) - Western Australia	-	-	20%	1
P52/1495	Forrest (Milgun) - Western Australia	-	-	20%	1
P52/1496	Forrest (Milgun) - Western Australia	-	-	20%	1
M53/971-I	Wiluna West – Western Australia	-	-	60%	4
M53/972-I	Wiluna West – Western Australia	-	-	60%	4
M53/1018-I	Wiluna West – Western Australia	-	-	60%	4
M53/1078-I	Wiluna West – Western Australia	-	-	60%	4
L53/115	Wiluna West – Western Australia	-	-	60%	4
L53/146	Wiluna West – Western Australia	-	-	60%	4
MLN1163	Yarram – Northern Territory	-	-	50%	5
ELR125	Yarram – Northern Territory	-	-	50%	5
ELR146	Yarram – Northern Territory	-	-	50%	5
E29/640	Mt Ida – Western Australia	-	-	100%	6
M29/2	Mt Ida – Western Australia	-	-	100%	6
M29/165	Mt Ida – Western Australia	-	-	100%	6
M29/422	Mt Ida – Western Australia	-	-	100%	6
EL 26595	Tennant Creek – Northern Territory	60%	-	60%	7
EL 28777	Tennant Creek – Northern Territory	60%	-	60%	7
EL 28913	Tennant Creek – Northern Territory	60%	-	60%	7
EL 29012	Tennant Creek – Northern Territory	60%	-	60%	7
EL 29488	Tennant Creek – Northern Territory	60%	-	60%	7

Tenement reference	Project & Location	Acquired interest during the quarter	Disposed interest during the quarter	Interest at end of quarter	Notes
EL 30488	Tennant Creek – Northern Territory	60%	-	60%	7
EL 30614	Tennant Creek – Northern Territory	60%	-	60%	7
EL 31249	Tennant Creek – Northern Territory	60%	-	60%	7
EL 32001	Tennant Creek – Northern Territory	60%	-	60%	7
ML 23969	Tennant Creek – Northern Territory	60%	-	60%	7
ML 29917	Tennant Creek – Northern Territory	60%	-	60%	7
ML 29919	Tennant Creek – Northern Territory	60%	-	60%	7
ML 30714	Tennant Creek – Northern Territory	60%	-	60%	7
ML 30745	Tennant Creek – Northern Territory	60%	-	60%	7
ML 30783	Tennant Creek – Northern Territory	60%	-	60%	7
ML 30873	Tennant Creek – Northern Territory	60%	-	60%	7
ML 31021	Tennant Creek – Northern Territory	60%	-	60%	7
ML 31023	Tennant Creek – Northern Territory	60%	-	60%	7
MLC 21	Tennant Creek – Northern Territory	60%	-	60%	7
MLC 323	Tennant Creek – Northern Territory	60%	-	60%	7
MLC 324	Tennant Creek – Northern Territory	60%	-	60%	7
MLC 325	Tennant Creek – Northern Territory	60%	-	60%	7
MLC 326	Tennant Creek – Northern Territory	60%	-	60%	7
MLC 327	Tennant Creek – Northern Territory	60%	-	60%	7
MLC 506	Tennant Creek – Northern Territory	60%	-	60%	7
MLC 69	Tennant Creek – Northern Territory	60%	-	60%	7
MLC 70	Tennant Creek – Northern Territory	60%	-	60%	7
MLC 78	Tennant Creek – Northern Territory	60%	-	60%	7

Tenement reference	Project & Location	Acquired interest during the quarter	Disposed interest during the quarter	Interest at end of quarter	Notes
MLC 85	Tennant Creek – Northern Territory	60%	-	60%	7
MLC 86	Tennant Creek – Northern Territory	60%	-	60%	7
MLC 87	Tennant Creek – Northern Territory	60%	-	60%	7
MLC 88	Tennant Creek – Northern Territory	60%	-	60%	7
MLC 89	Tennant Creek – Northern Territory	60%	-	60%	7
MLC 90	Tennant Creek – Northern Territory	60%	-	60%	7
MLC 96	Tennant Creek – Northern Territory	60%	-	60%	7
MLC 97	Tennant Creek – Northern Territory	60%	-	60%	7
NOTES:					
1	Peak Hill Sale Agreement: Auris Exploration Pty Ltd (AUR - previously known as Grosvenor Gold Pty Ltd) 80% (Operator) and CUF (via Jackson Minerals) 20% in all minerals free carried to decision to mine.				
2	ALY 80% reducing to 10% in all minerals or base metals only once SFR and Billabong (Operator) earn in under respective JV agreements with ALY. Billabong is earning 70% interest in all minerals in part of this tenement and SFR has earned 70% interest in base metals only (excluding Iron Ore) in the remaining tenement area. CUF (via Jackson Minerals) holds 20% in all minerals in the whole of the tenements free carried to decision to mine.				
3	ALY 80% reduced to 10% in base metals only (excluding iron ore) as SFR (Operator) earns in under JV agreement with ALY. SFR has earned a 70% interest in base metals only (excluding iron ore) in the whole of the tenement area by sole funding exploration expenditure. CUF (via Jackson Minerals) holds 20% in all minerals free carried to decision to mine.				
4	CUF (via Wiluna FE Pty Ltd) holds a 60% interest in the Mining Rights Agreement over the Wiluna West JWD deposit (iron ore rights).				
5	CUF (via Yarram FE Pty Ltd) holds a 50% interest in Gold Valley Iron and Manganese Pty Ltd, the owner of the iron ore rights over the Yarram Project.				
6	CUF hold 100% interest in iron ore rights over the Mt Ida Project tenements via the Mt Ida Iron Ore Rights Sale Agreement.				
7	CUF (via CuFe Tennant Creek Pty Ltd) acquired a 60% interest in copper / gold assets at the Tennant Creek Project in the Northern Territory from Gecko Mining Company Pty Ltd (GMC). CUF and GMC have formed an unincorporated joint venture in respect of the Tennant Creek Project tenements. CUF is the manager of the joint venture. CUF will pay the first \$10,000,000 of joint venture expenditure incurred.				

The mining tenements with beneficial interest held in farm-in/farm-out agreements at the end of each quarter (including details of beneficial interests acquired and disposed of during the quarter).

Farm-in/out Agreement and Tenement reference	Project & Location	Acquired interest during the quarter	Disposed Interest during the quarter	Interest at end of quarter	Notes
E51/1033-I	Morck Well – Western Australia	-	-	20%	1, 2, 3
E52/1613-I	Morck Well – Western Australia	-	-	20%	1, 2, 3
E52/1672-I	Morck Well – Western Australia	-	-	20%	1, 2, 3
NOTES:					
1	Peak Hill Sale Agreement: Auris Exploration Pty Ltd (Auris - previously known as Grosvenor Gold Pty Ltd) 80% (Operator) and Jackson Minerals Pty Ltd 20% in all minerals.				
2	Jackson Iron Ore Royalty: Auris Exploration Pty Ltd (Auris) (previously known as Grosvenor Gold Pty Ltd) (Operator) to pay PepinNini Robinson Range Pty Ltd (PRR) a 0.8% gross revenue royalty from the sale or disposal of iron ore. Jackson Minerals Pty Ltd holds 20% in all minerals.				
3	Sandfire Farm-in: Subject to a Farm-in Letter Agreement between SFR, AUR and CUF. If SFR makes a Discovery on the tenements and a JV is formed then the interests in the tenements will be 70% SFR, 24% AUR and 6% CUF. Full details of the agreement are described in the Auris ASX announcement dated 27 February 2018.				

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

CuFe Ltd

ABN

31 112 731 638

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	9,513	9,513
1.2	Payments for		
	(a) exploration & evaluation	(496)	(588)
	(b) development	121	(660)
	(c) production	(6,504)	(10,787)
	(d) staff costs	(504)	(849)
	(e) administration and corporate costs	(1,199)	(2,471)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	24
1.5	Interest and other costs of finance paid	(224)	(224)
1.6	Income taxes paid	-	(79)
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material):		
	(a) Funds transferred to security deposit	-	(180)
	(b) Funds transferred to restricted cash	-	(360)
	(c) Reimbursement of funds from JV partner	500	500
1.9	Net cash from / (used in) operating activities	1,209	(6,161)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(2,492)	(3,492)
	(c) property, plant and equipment	-	(4)
	(d) exploration & evaluation	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	575
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material):		
	(i) Refund previous cash payment to acquire additional 9% interest in JWD Project (settled in shares)	-	1,000
	(ii) Refund of previous cash consideration advanced on decision to mine (settled in shares)	-	250
	(iii) JWD JV right to mine payment	(1,080)	(1,080)
2.6	Net cash from / (used in) investing activities	(3,572)	(2,751)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,000	5,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	355
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(86)	(408)
3.5	Proceeds from borrowings	-	6,117
3.6	Repayment of borrowings	(4,141)	(4,141)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material):		
	(i) Receipts from hedging transactions closed	4,143	4,143
3.10	Net cash from / (used in) financing activities	4,916	11,066

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,497	5,831
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,209	(6,161)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,572)	(2,751)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,916	11,066
4.5	Effect of movement in exchange rates on cash held	(50)	15
4.6	Cash and cash equivalents at end of period	8,000	8,000

Note:

As detailed in the Company's 2021 Annual Report, the Wiluna Iron Joint Venture is accounted for as a joint operation and therefore, CUF Group has accounted for its share of assets, liabilities and expenses of the joint venture on a proportionate basis. Cashflows reported in this Appendix 5B are similarly reported on this proportionate basis. CUF holds a 60% interest in the Wiluna Iron Joint Venture.

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	8,000	5,497
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,000	5,497

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	148
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	2,088 ^(a)	2,088 ^(a)
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	2,479 ^(b)	-(b)
7.4	Total financing facilities	4,567	2,088
7.5	Unused financing facilities available at quarter end		2,479
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>(a) As previously advised via announcement dated 27 July 2021, the Company established a USD7.5m prepayment finance facility for the JWD JV to assist in working capital management through its ramp up phase. At 31 December 2021, USD5m of this facility has been repaid. As announced 12 January 2022, the remaining balance of the existing loan is to be repaid from the next two shipments.</p> <p>The amount shown at item 7.1 reflects the AUD-equivalent of CUF's 60% share of the loan amount drawn down including accrued interest.</p> <p>(b) As announced 12 January 2022, the agreement with Glencore has been restructured to allow further drawdowns of up to USD3m against stock held at port, to assist the Company in management of working capital as required as Operator of the JWD JV.</p> <p>The amount shown at item 7.3 reflects the AUD-equivalent of CUF's 60% share of the further drawdown facility available. This facility has not been drawn down at 31 December 2021.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	1,209
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	1,209
8.4	Cash and cash equivalents at quarter end (item 4.6)	8,000
8.5	Unused finance facilities available at quarter end (item 7.5)	2,479
8.6	Total available funding (item 8.4 + item 8.5)	10,479
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	N/A
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	<p>If item 8.7 is less than 2 quarters, please provide answers to the following questions:</p> <p>8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?</p> <p>Answer: N/A</p>	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2022

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.