CuFe ltd

ANNUAL REPORT 2022

CORPORATE DIRECTORY

Australian Business Number	31 112 731 638	
Country of Incorporation	Australia	
Board of Directors	Antony Sage Mark Hancock Nicholas Sage	Executive Chairman Executive Director Non-Executive Director
Company Secretary	Catherine Grant-Edwards Melissa Chapman	
Principal Administrative Office and Registered Office	Unit 3, 32 Harrogate Street West Leederville, WA 6007	
	Telephone:	+61 (08) 6181 9793
Share Registry	Link Market Services Level 12, QV1 Building 250 St Georges Terrace Perth WA 6000	
	Telephone:	1300 554 474 (within Australia) +61 (8) 9211 6670 (overseas)
	Email:	info@linkmarketservices.com.au
	Website:	www.linkmarketservices.com.au
Auditors	Stantons Level 2, 40 Kings Park Road West Perth, WA 6005	
ASX	CuFe Ltd's fully paid ordinary shares are quoted on the Official List of ASX (ASX Codes: CUF and CUFO).	

CONTENTS

DIRECTORS' REPORT

The directors of CuFe Ltd (formerly Fe Limited) (**CUF** or the **Company**) present their report and the financial statements comprising CUF and its controlled entities (together the **Group**) for the year ended 30 June 2022.

DIRECTORS

The names and details of the Company's directors in office during the year and until the date of this report are as follows. All directors were in office for the entire period unless stated otherwise.

***Antony Sage**, (B Com, FCPA, CA, FTIA) Executive Chairman*

Mr Antony Sage has more than 30 years' experience in the fields of corporate advisory services, funds management and capital raising. Mr Antony Sage is based in Western Australia and has been involved in the management and financing of listed mining and exploration companies for over 20 years. Mr Antony Sage has operated in Argentina, Brazil, Peru, Romania, Russia, Sierra Leone, Guinea, Cote d'Ivoire, Congo, South Africa, Indonesia, China and Australia. Mr Antony Sage is currently a director of ASX-listed Cyclone Metals Ltd (previously Cape Lambert Resources Limited) (which was AIM Company of the year in 2008), and is the chairman of ASX-listed company, European Lithium Limited. Mr Antony Sage is also the sole owner of A League football club Perth Glory that plays in the National competition in Australia. Mr Antony Sage currently is, or has been a director of the following listed entities in the three years immediately before the end of the current financial year:

- Cyclone Metals Limited (previously Cape Lambert Resources Ltd) (December 2000 to Present);
- European Lithium Limited (September 2016 to Present); and
- International Petroleum Limited (January 2006 to September 2019).

Interest in shares & options at date of this report:	29,173,010 fully paid ordinary shares 7,500,000 unlisted options at $0.06 expiring 30 June 2023

***Mark Hancock**, (B.Bus, CA, FFin) Executive Director*

Mr Mark Hancock has over 30 years' experience in key financial, commercial and marketing roles across a variety of industries with a strong focus on natural resources. During his 13 years at Atlas Iron Ltd, Mr Hancock served in numerous roles including CCO, CFO, Executive Director and Company Secretary. Mr Mark Hancock is currently a director or has been a director of the following listed companies in the three years immediately before the end of the current financial year:

- Centaurus Metals Ltd (September 2011 to Present);
- Strandline Resources Ltd (August 2020 to Present); and
- Cyclone Metals Limited (previously Cape Lambert Resources Ltd) (February 2020 to August 2020).

Interest in shares & options at date of this report:	2,500,000 fully paid ordinary shares 7,500,000 unlisted options at $0.06 expiring 30 June 2023

***Nicholas Sage**, Non-Executive Director*

Mr Nicholas Sage is a marketing and communications professional with more than 25 years' experience in various management and consulting roles. Mr Nicholas Sage is based in Western Australia and currently consults to various companies and has held various management roles with Tourism Western Australia. He also runs his management consulting business. Mr Nicholas Sage is currently a director or has been a director of the following listed companies in the three years immediately before the end of the current financial year:

- International Goldfields Limited (January 2018 to Present).

Interest in shares & options at date of this report:	None

JOINT COMPANY SECRETARY

Catherine Grant-Edwards and Melissa Chapman

Ms Catherine Grant-Edwards (Chartered Accountant (CA)) and Ms Melissa Chapman (Certified Practicing Accountant (CPA), AGIA/ACIS, GAICD) are appointed as Joint Company Secretary. Ms Chapman and Ms Grant-Edwards are directors of Bellatrix Corporate Pty Ltd (**Bellatrix**), a company that provides company secretarial and accounting services to several ASX listed companies. Between them, Ms Grant-Edwards and Ms Chapman and have over 30 years' experience in the provision of accounting, finance and company secretarial services to public listed resource and private companies in Australia and the UK, and in the field of public practice external audit.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES STATE OF AFFAIRS

CuFe Ltd (ASX: CUF) **(CUF** or the **Company**) is an Australian mining and mineral exploration company which holds, or has rights or interests in, various tenements prospective for copper, 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 Western Australia (JWD Iron Ore Project) and the Northern Territory (Yarram Iron Ore Project), and the Tennant Creek Copper Project in the Northern Territory. The remaining projects are all subject to various joint venture agreements under which CUF does not have operational control.

There have been no changes in the state of affairs of the Group other than those disclosed in the review of corporate activities and review of operations.

DIVIDENDS AND DISTRIBUTIONS

No dividends or distributions were paid to members during the year and none were recommended or declared for payment (30 June 2021: nil).

REVIEW OF OPERATIONS

CORPORATE

Operating Results

The consolidated loss after income tax for the year ended 30 June 2022 amounted to $164,915 (30 June 2021: $2,510,540 loss after income tax).

Extraordinary General Meeting

The Company held an extraordinary general meeting (**EGM**) on 12 July 2021. All resolutions put to shareholders were passed via a poll.

Annual General Meeting

The Company's annual general meeting (**AGM**) was held on 24 November 2021. All resolutions put to the meeting were passed and decided by way of a poll.

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 10 December 2021, the Company's ASX Code was changed from 'FEL' to 'CUF'.

Placement

On 24 September 2021, the Company announced a capital raising of $5,000,000 through a placement of 100,000,000 ordinary shares (**Placement Shares**) to sophisticated investors at $0.05 per share (**Placement**). Investors were also 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.

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).

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 shares and unlisted options which were approved for issue by shareholders at the Company's AGM were issued and the transaction was completed on 9 December 2021. At that date, there remained a deferred cash payment of $2,000,000 (part of the Cash Consideration) (**Deferred Consideration**) which was payable six months from completion.

Variation of Tennant Creek Acquisition

On 8 April 2022, the Company advised a variation of terms to the binding agreement previously entered into with GMC. The parties agreed to vary the agreement such that the Deferred Consideration amount would be settled as follows:

- $1,000,000 payable in cash 8 April 2022;
- $500,000 to be settled via the issue of 12,500,000 ordinary shares at a deemed issue price of $0.04 each on 11 April 2022 (fair value on date of issue $425,000); and
- $500,000 payable in cash 1 July 2022 (**Final Cash Payment**).

The Final Cash Payment was settled on 1 June 2022 at a discounted amount of $490,000 (representing a saving of $10,000 for early payment).

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 (noting that $1,119,144 has been spent to 30 June 2022).

Refer "Projects" section for summary of exploration activities conducted during the year.

JWD Iron Ore Project

Decision to Mine

As detailed in the FY21 Annual report, in April 2021, the Company made a payment of $230,000 in cash to GVIO, representing an advance payment of the additional consideration payable (as agreed to be varied from $250,000) pursuant to the Wiluna Transaction upon a decision to mine.

During the year, the cash advance was refunded to CUF (plus interest of $20,000), and 4,807,692 shares were issued in settlement of the $250,000 consideration component payable upon decision to mine in respect of the JWD Iron Ore Project.

Increase of JWD Interest to 60%

As announced on 25 May 2021, CUF paid a A$1,000,000 refundable deposit to its joint venture partner to secure an option to increase its interest in the JWD Iron Ore Project from 51% to 60% for consideration of A$2,500,000.

Following receipt of shareholder approval at the Company's EGM to issue equity to complete this transaction, CUF exercised its option and elected to settle payment of the consideration amount via the issue of 43,859,649 shares. During the year, the $1,000,000 refundable deposit has been repaid to CUF and on 28 July 2021 the shares were issued.

Variation to JWD Mining Rights Agreement

As announced 12 November 2021, the Company entered into a variation with GWR Group Ltd on the JWD Mining Rights Agreement whereby rather than having to pay $4,250,000 by mid-January 2022 to secure the right to export a further 2.7MT of iron ore from the deposit, the JWD JV pays $1,800,000 to secure the right to export 1.2MT (100%) and then can elect to make subsequent payments to secure rights to export further tonnes. Executing the variation provided flexibility to both parties in light of the volatile iron ore market experienced during the year.

Offtake Agreement and USD Loan Arrangement

As announced on 27 July 2021, the Company, via its wholly owned subsidiary Wiluna FE Pty Ltd, entered an exclusive offtake agreement with leading international trading house Glencore International AG (**Glencore**), for 100% of the JWD product (iron ore lumps and fines) over the life of CUF's operations at the mine, subject to GWR Group Ltd's existing right to elect to purchase up to 50,000 tonnes of fines product at the mine gate.

Pursuant to the terms of the offtake agreement, Glencore provided a USD$7,500,000 prepayment, to be repaid by the JV via instalments from shipments plus applicable interest (**Initial Loan**). The Initial Loan was repaid by the JV during the year.

As announced 12 January 2022, the agreement has been restructured to allow drawdowns of up to USD$3,000,000 against stock held at port, to assist the Company in management of working capital as required as Operator of the JWD JV (**Proposed Stock Facility**). USD$1,500,000 has been drawn at 30 June 2022 against stock at port, with additional security granted in line with that of the initial prepayment facility, pending the finalisation of warehouse management protocols with the port provider (**Short-term Facility**). The Short-term Facility has been repaid from the July 2022 shipment. The Short-term Facility has provided access to working capital whilst full-form documentation is being completed to allow draw down under the Proposed Stock Facility.

Refer "Projects" section for summary of mining activities conducted during the year.

Sale of Pilbara Exploration Tenements

On 17 June 2021, the Company announced that it had entered two separate binding agreements with Global Lithium Ltd (ASX:GL1) (**Global Lithium**) and Mercury Resources Group Pty Ltd (**Mercury Resources**) to dispose of its Pilbara exploration tenure for a total cash consideration of $550,000, with a trailing royalty on certain of the tenements (refer to ASX Announcement dated 17 June 2021 for a summary of key terms).

The transactions with Global Lithium and Mercury Resources were completed and funds received during the year.

Shares issued

During the period the Company issued the following shares:

- 4,807,692 shares issued in settlement of the $250,000 consideration component payable upon decision to mine in respect of the JWD Project
- 43,859,649 shares issued upon CUF's exercise of its option to acquire an additional 9% interest in the JWD Project
- 100,000,000 shares were issued pursuant to the Placement raising a total of $5,000,000 (before costs)
- 85,000,000 shares were issued as part consideration for the Tennant Creek Acquisition
- 6,000,000 shares issued upon exercise of unlisted options exercisable at $0.03 expiring 31 August 2022, raising $180,000
- 7,000,000 shares issued upon exercise of unlisted options exercisable at $0.025 expiring 31 March 2022, raising $175,000

- 12,500,000 shares were issued on 11 April 2022 as consideration for the Tennant Creek Acquisition (variation deed)

Option issued

During the year the Company issued the following options:

- 15,000,000 unlisted options exercisable at $0.06 expiring 30 June 2023 with vesting conditions issued to directors (or their nominees) following receipt of shareholder approval at the July 2021 EGM
- 1,000,000 unlisted options exercisable at $0.074 expiring 31 December 2022 issued pursuant to the Company's Employee Securities Incentive Plan (**ESIP**) (ESIP approved by shareholders at the July 2021 EGM)
- 3,000,000 unlisted options exercisable at $0.04 expiring 31 August 2023 with vesting conditions issued pursuant to the Company's ESIP
- 14,500,000 unlisted options exercisable at $0.06 expiring 30 June 2023 with vesting conditions issued pursuant to the Company's ESIP
- 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

Options exercised

The following options were exercised during the year:

- 6,000,000 unlisted options exercisable at $0.03 expiring 31 August 2022
- 7,000,000 unlisted options exercisable at $0.025 expiring 31 March 2022

Options lapsed or expired

The following options lapsed or expired during the year:

- 4,000,000 unlisted options at $0.06 expiring 30 June 2023
- 3,000,000 unlisted options at $0.025 expiring 31 March 2022

PROJECTS

Western Australia

The Company holds, or has rights or interests in, various tenements prospective for copper, 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 Western Australia (JWD Iron Ore Project) and the Northern Territory (Yarram Iron Ore Project), and development of the recently acquired Tennant Creek Copper Project in the Northern Territory. The remaining projects are all subject to various joint venture agreements for which the Company does not have operational control.

JWD Iron Ore Project - Wiluna Iron JV (60%) (Western Australia)[1]

With mining operations at the JWD Iron Ore Project commencing in May 2021, followed by processing and haulage to port commencing in July 2021, financial year 2022 marks the first full year of production from JWD (**JWD**, **JWD Project**). During the year volatile iron ore prices resulted in numerous iron ore mines of a similar scale ceasing production, with most still not having returned into operation. This period has also been challenging for JWD, with the Company managing the volatility through hedging of the iron ore price, careful management of working capital and a continued focus on cost reduction post commissioning and ramp up of production. Key milestones for the year include:

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[1] Amounts referred to in this section of the Directors' Report are stated at 100% of the amounts recorded in by the JWD JV. In accordance with its accounting policy in respect of the joint operation, CUF takes up its 60% share of assets, liabilities and results of the JWD JV in the Group's consolidated financial statements presented in this annual report.

- Commencement of processing and haulage to Geraldton Port in July 2021, following commencement of mining in May 2021
- The first shipment of high-grade lump product departed Geraldton Port on 2 October 2021, with a total of six (6) cargos exported during the year.
- Six 60m road trains introduced to the haulage fleet, carrying approximately 30% higher payload than standard quad road trains.
- Consistently delivered high grade Lump product resulting in realised FOB pricing outcomes that are favourable when compared to that reported by other West Australian iron ore producers.
- Contract with leading South East Asian steel mill for 360,000 wmt +/- 15%, for delivery over the period May to December 2022, equating to six shipments over the period, with pricing linked to the index. The proximity of South East Asia to Geraldton is beneficial as it results in reduced freight costs when compared to the China market. As at 30 June 2022, two (2) vessels had been shipped under the contract.

Key Points:

- Iron Ore prices have been extremely volatile during the year, with 62% index prices soaring to highs of USD222/dmt and then dipping as low as USD84/dmt during the year and closing at USD120/dmt at the end of June. The closing price on 21 September 2022 is USD96.40/dmt. Lump premiums have also been volatile. The first quarter of the financial year experienced the strongest pricing and CuFe did not complete its first shipment until the second quarter so did not have the opportunity to benefit from the highest part of the cycle.
- In response to extreme iron ore price volatility experienced from late September 2022, the Company worked with its service providers and contractors to implement certain cost savings and a change to its operating strategy which allowed JWD to continue to maintain continuity in its supply of iron ore to the market throughout the entirety of the 2022 financial year. The Company was also able to benefit from hedges taken out over the year.
- Realised hedge gains for the year of A$8.9m (100%).
- The Company installed a new crushing and screening plant at JWD in April 2022 for the purpose of achieving improved reliability and processing capacity which enabled record production across mining, processing, haulage and shipping.
- Escalation in diesel, labour and consumables (in particular unprecedented cost of diesel fuel) has negatively impacted on production costs, particularly toward the end of the year.
- The company has continued to work on reducing production costs with the current focus being on the potential to reduce strip ratio and improve ore recovery through revision to the mine plan, and further reduce the cost of haulage to port, along with other site based initiatives related to reducing the cost of production ex-mine.

Figure 1: *JWD Pit, Waste Dump, ROM & Process Plant July 2022*

Operations Summary

Production metrics (100%)	Measure	Q1	Q2	Q3	Q4	FY22
Total material moved	BCM	201,441	21,634	203,443	328,901	755,419
Ore mined	wmt	266,028	47,427	200,888	195,244	697,248
Ore processed	wmt	114,068	102,677	135,520	211,809	564,074
Ore hauled to port	wmt	62,181	79,643	80,894	140,453	363,171
Ore shipped	wmt	-	119,804	89,328	121,615	330,747
Inventory						
ROM	wmt	151,960	58,316	123,684	102,724	102,724
Site Finished Product	wmt	18,320	4,688	17,462	20,081	20,081
Port	wmt	62,181	21,633	13,199	38,424	38,424
Revenue (FOB)	US$/wmt	-	$100.56	$139.89	$116.91	$117.19
Revenue (FOB)	A$/wmt	-	$138.78	$195.26	$161.32	$162.35
Hedging Gains	A$/wmt	-	$65.53	-$2.01	$10.16	$26.93
Total Revenue	A$/wmt	-	$204.31	$193.25	$171.48	$189.28
C1 Costs ($/wmt by Activity)	A$/wmt	101.52	122.08	$136.36	$148.53	$138.18
C1 Costs ($/wmt Shipped)	A$/wmt	-	$130.92	$144.56	$166.03	$158.59

Yarram Project – Yarram Iron JV (50%) (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.

During the year, as a precursor to drilling the Company received the Aboriginal Areas Protection Authority (**AAPA**) sacred site clearance certificate along with approval of the Mining Management Plan (**MMP**) from the Department of Industry, Tourism and Trade (**DITT**). The Company capitalised on an opportunity to secure a drill rig that had just completed drilling on a neighbouring tenement, allowing completion of a short drilling program late in the 2021 calendar year before the wet season. The results of the drilling confirmed extensions to known mineralisation and also confirmed intersections of high grade haematite mineralisation.

Results from the holes drilled with significant intersections including:

- 36m @ 58.2% Fe from 15m in hole YARC2113 incl 11m @ 62.2% Fe from 23m, 7m @ 61.8% Fe from 37m and 6m @ 63.8% Fe from 45m
- 9m @ 59.8% Fe from 22m in hole YARC2118
- 3m @ 58.7% Fe from 41m in hole YARC2126
- 5m @ 59.3% Fe from 66m in hole YARC 2130

During the wet season the Company undertook a survey using micro ground gravity geophysical techniques to assist in future drill targeting. The gravity work is indicative only but can provide interesting insight to support subsequent drilling, with a focus on areas identified as having a higher gravity response.

A recent field trip post the end of the financial year focused on reconciling gravity and orebody extensional targets with outcrop and detailed geological mapping having further increased confidence and prospectivity within MLN1163. A comprehensive drill program is planned for September 2022 and will include RC drilling, Diamond drilling and bulk sampling.

Tennant Creek Mining Rights (Northern Territory)

On 24 September 2021 the Company announced the transaction to acquire a 60% interest in copper / gold assets which have been the subject of historical mining at Tennant Creek in the Northern Territory. The acquisition was completed on 9 December 2021.

The project is centered around an open pit cut-back to the existing Orlando open pit. During the year work was focused on studies that would underpin the approvals process, other packages of work related to development of the project, and commencing a preliminary drill program:

- Existing core in Tennant Creek was consolidated and relocated to Perth, allowing technical consultants to complete an inspection of the core and ascertain additional core requirements that would be provided from the drill program;
- A geological review of the existing drillhole information together with inputs provided by consultants was used to plan an RC and Diamond drill program for the purpose of increasing confidence in the Resource, testing step out targets, installing monitoring bores, and providing core for metallurgical testwork;
- In parallel to working with relevant stakeholders on land access for the drill program, in June the Company updated the existing Resource at Tennant Creek to be compliant with the 2012 JORC code, as it had previously been issued under the 2004 JORC code. The Company engaged Mr Ian Glacken from Snowden Optiro Consultants to conduct a review of the stated 2004 resources and complete the necessary additional requirements to allow reporting under JORC 2012 requirements;
- Exploration access agreement concluded with pastoralist;
- After receiving the Aboriginal Areas Protection Authority (**AAPA**) sacred site clearance certificate and approval of the Mining Management Plan (**MMP**) from the Department of Industry, Tourism and Trade (**DITT**), the drilling program commenced on the 12th June 2022 and was completed post the financial year end on the 9th August 2022.
- Various key studies that are required for future mining approvals have been commenced or completed:
  - Flora and fauna surveys have been completed
  - Wet season surface water sampling has been completed
  - A groundwater assessment, important to both the approvals process and operational considerations for the project, has commenced with the appointment of SLR Consulting; and
  - A scoping study level of assessment has been completed by Tetratech Coffey, exploring various options for tailings storage.

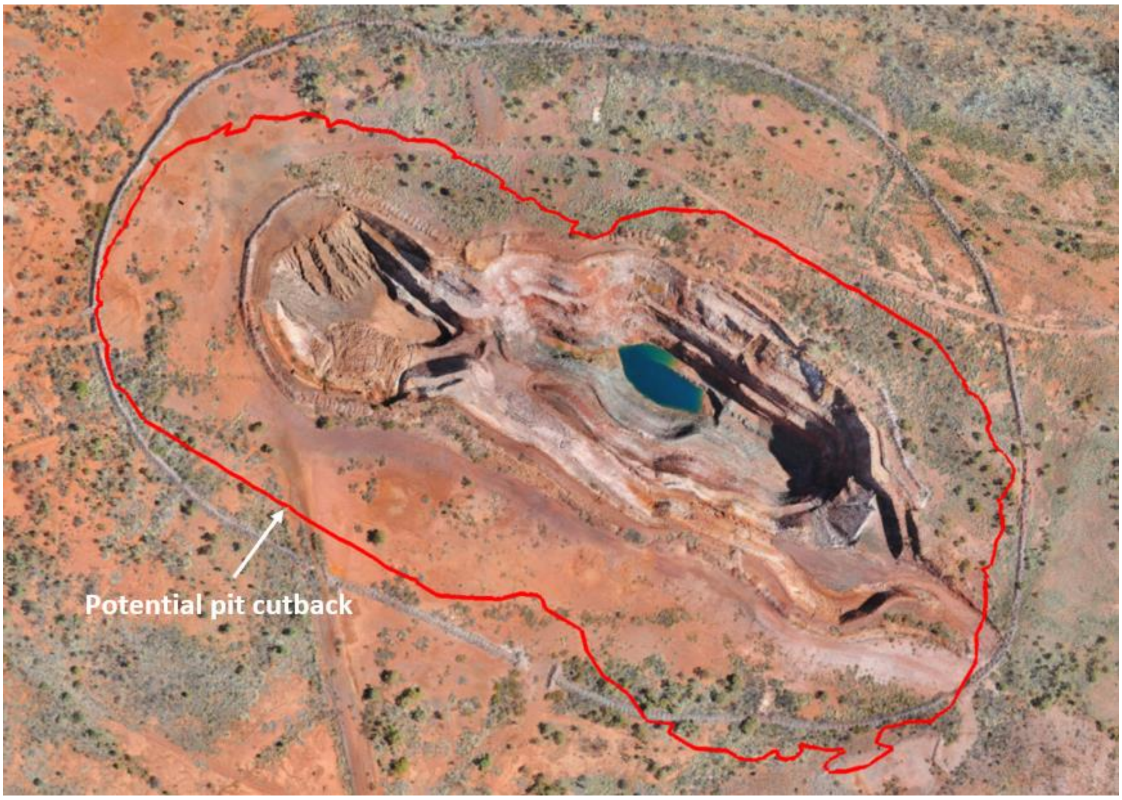

Figure: *Existing Orlando Copper / Gold pit*

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. SFR is currently actively exploring the area.

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 $2,000,000 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.

Peak Hill Project Base Metals Rights – ALY/IGO/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.

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.

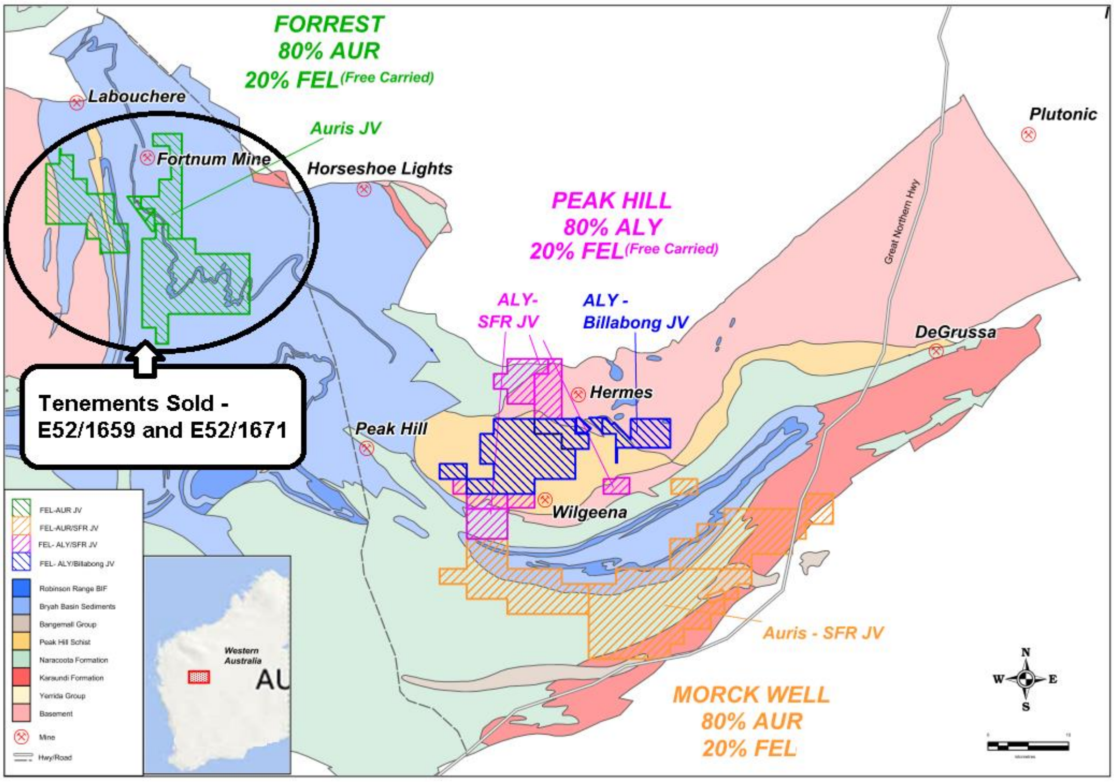

***Figure**:* CUF exploration tenement portfolio in the Bryah Basin showing AUR, ALY, SFR and Billabong JV areas

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 Jupiter Mines Limited 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 120km^2 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.

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.

SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

Issue of Shares

The following shares were issued subsequent to year end:

- 7,500,000 shares upon exercise of unlisted options at $0.03 expiring 31 August 2022, raising $225,000.

Issue of Options

The following options were issued subsequent to year end:

- 14,250,000 unlisted options at $0.027 expiring 7 September 2024.

Expiry of Options

A total of 16,500,000 unlisted options at $0.03 expired on 31 August 2022.

There have been no other events subsequent to 30 June 2022 up to the date of this report that would materially affect the operations of the Group or its state of affairs which have not otherwise been disclosed in this financial report.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group continues to meet all environmental obligations across its tenements. No reportable incidents occurred during the year. Environmental regulations applicable to the Group include the *Environmental Protection Act 1994*.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered a Deed of Access, Insurance and Indemnity with each of the directors. Under the terms of these Deeds, the Company has undertaken, subject to restrictions in the *Corporations Act 2001*, to:

- indemnify each director in certain circumstances;
- advance money to a director for the payment of any legal costs incurred by a director in defending legal proceedings before the outcome of those proceedings is known (subject to an obligation by the director to repay any money advanced if a court determines that the director was not entitled to it);
- maintain directors' and officers' insurance cover in favour of each director whilst they remain a director of CuFe Ltd and for a run out year after ceasing to be such a director; and
- provide each director with access to Board papers and other documents provided or available to the director as an officer of CuFe Ltd.

During the year, the Company had in place and paid premiums for insurance policies indemnifying directors and officers of the Company against certain liabilities incurred in the conduct of business or in the discharge of their duties as directors or officers. The contracts of insurance contain confidentiality provisions that preclude disclosure of the premium paid, the nature of the liability covered by the policies, the limit of liability and the name of the insurer.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Stantons International, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Stantons International during or since the financial year.

LIKELY DEVELOPMENTS AND FUTURE RESULTS

The Company remains focused on its activities within the mineral production and mineral exploration industry on its retained tenements and interests and is also investigating projects for future acquisition.

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings held during the year and the number of meetings attended by each director.

Director	Eligible	Attended
T Sage	3	3
M Hancock	3	3
N Sage	3	3

REMUNERATION REPORT (AUDITED)

This Report outlines the remuneration arrangements in place for key management personnel (**KMP**) who are defined as those persons having authority and responsibility for planning and directing the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

Details of Key Management Personnel

Directors

A Sage	Executive Chairman
M Hancock	Executive Director
N Sage	Non-Executive Director

Other Key Management Personnel

J Sinclair	Project Director

Remuneration Philosophy

The performance of the Group depends on the quality of its directors, executives and employees. Consequently, the Group must attract, motivate and retain appropriately qualified industry personnel.

The following principles are embodied in the remuneration framework:

- provide competitive rewards to attract and retain high calibre executives, directors and employees; and
- link executive rewards to shareholder value.

Remuneration Policy

During the year, the Company did not have a separately established remuneration committee. The Board is responsible for determining and reviewing remuneration arrangements for the executive and non-executive directors and the Chairman. The Board assesses the appropriateness of the nature and amount of remuneration of such officers on a yearly basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from retention of a high-quality board. The directors receive their base emolument in the form of cash.

Remuneration in the form of share-based payments to Directors are issued to align directors' interests with that of shareholders, including options issued to Executive Directors that vest on satisfaction of specific performance conditions.

The Group has a policy which restricts executives and directors entering into contracts to hedge their exposure to options granted as part of their remuneration package.

The appointment of Directors is subject to provisions of the Company's Constitution dealing with retirement of directors by rotation and vacation of office in certain circumstances. Nothing in the agreements with each of the Directors excludes or varies the terms of the Constitution or the Corporations Act, including the right to terminate the appointment. Termination benefits are not paid to Directors.

Remuneration report at 2021 AGM

The 2021 remuneration report received positive shareholder support at the 2021 AGM whereby of the proxies received 99.8% voted in favour of the adoption of the remuneration report.

Performance and Shareholder Wealth

Below is a table summarising key performance statistics for the **Group** as well as share price over the last five financial years. Comparative statistics have not been adjusted for the impact of the new accounting standards.

Financial year	Loss after tax '000s	Loss per share (Cents)	Share Price (Cents)
30 June 2018	(1,082)	(0.32)	2.40
30 June 2019	(1,668)	(0.44)	1.70
30 June 2020	5,908	1.22	1.30
30 June 2021	(2,511)	(0.44)	5.10
30 June 2022	(165)	(0.02)	1.80

Executive Chairman's Remuneration – Mr Antony Sage

The Company aims to reward the Chairman with a level and mix of remuneration commensurate with his position and responsibilities within the Company to:

- align the interests of the Chairman with those of shareholders; and
- ensure that total remuneration is competitive by market standards.

The consulting arrangement for Mr Antony Sage's services are provided through Okewood Pty Ltd (**Okewood**), pursuant to which Okewood is entitled to receive $180,000 per annum.

Executive Director Remuneration – Mr Mark Hancock

The Company has entered into a consulting agreement with Haven Resources Pty Ltd (**Haven Resources**), a company controlled by Mr Mark Hancock, for the provision of executive director services. Mr Hancock was entitled to receive remuneration of $210,000 per annum (based on 3.5 days per week service at a full time equivalent fee of $300,000 per annum).

Non-Executive Director Remuneration – Mr Nicholas Sage

The Company has entered into a consulting agreement with Pembury Nominees Pty Ltd (**Pembury**), a company controlled by Mr Nicholas Sage, for the provision of non-executive director services. Mr Nicholas Sage was entitled to receive remuneration of $60,000 per annum.

The Board seeks to set remuneration of non-executive directors at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

As approved previously by shareholders, the maximum aggregate amount of remuneration payable to non-executive directors is $1,000,000.

Other Key Management Personnel Remuneration – Mr Jeremy Sinclair

The Company has entered into a consulting agreement with Verbain Nominees Pty Ltd trading as ValMax (**ValMax**) in respect of services provided by Mr Jeremy Sinclair in the role of Projects Director. Consulting fees payable under the agreement were $320,000 per annum (reduced by 20% for the month of February 2022).

The Company has agreed to the following performance incentive payments (**Performance Incentive Payments**) as part of Mr Jeremy Sinclair's remuneration package:

- $100,000 milestone payment upon first ore ship from JWD Project within 10 months from Commencement Date, the payment amount reducing by 1/3 per month after that, with no payment made if takes more than 13 months ($33,333 payment made during the year);
- $100,000 milestone payment for completion of 300kt (+/-10%) of shipments from JWD Project and completion of Phase 2 feasibility assessment within 14 months, from Commencement Date, amount reducing by 1/2 per month after that, with no payment made if takes more than 16 months (performance condition not met);
- $50,000 milestone payment on achieving decision to mine at Yarram within 16 months from Commencement Date (performance condition not met).

Compensation of Key Management Personnel

Consolidated Year ended 30 June 2022	Short-Term Salary & Fees $	Short-Term Performance Incentive $	Post-Employment Superannuation $	Share-based Payment Share Options (i) $	Total $	Performance Based %	Comprising Options %
Directors							
A Sage	180,000	-	-	106,449	286,449	-	37%
M Hancock	210,000	-	-	106,449	316,449	-	34%
N Sage	60,000	-	-	-	60,000	-	-
Other KMP							
J Sinclair	314,667	33,333	-	114,195	462,195	7%	25%
Total	764,667	33,333	-	327,093	1,125,093	3%	29%

(i) This amount refers to the share-based payment expense recorded in the statement of comprehensive income in the period in respect of options issued. The recorded values of options will only be realised by the KMPs in the event the Company's share price exceeds the option exercise price.

Consolidated Year ended 30 June 2021	Short-Term Salary & Fees $	Short-Term Performance Incentive	Post-Employment Superannuation $	Share-based Payment Share Options (i) $	Total $	Performance Based %	Comprising Options %
Directors							
A Sage	167,500	-	-	117,080	284,580	-	41%
M Hancock	105,000	-	-	117,080	222,080	-	53%
N Sage	55,000	-	-	33,342	88,342	-	38%
Other KMP							
J Sinclair	216,667	-	-	66,357	283,024	-	23%
Total	544,167	-	-	333,859	878,026	-	38%

(i) This amount refers to the share-based payment expense recorded in the statement of comprehensive income in the period in respect of options issued. The recorded values of options will only be realised by the KMPs in the event the Company's share price exceeds the option exercise price.

Shareholdings of Key Management Personnel

30 June 2022	Balance at 1 July 2021	Granted as remuneration	Exercise of options	Shares sold	Net change other	Balance at 30 June 2022
Directors						
A Sage(i)	21,673,010	-	-	-	-	21,673,010
M Hancock	2,500,000	-	-	-	-	2,500,000
N Sage	-	-	-	-	-	-
Other KMP						
J Sinclair	230,000	-	1,750,000	(880,000)	-	1,100,000
	24,403,010	-	1,750,000	(880,000)	-	25,273,010

(i) Indirectly held.

30 June 2021	Balance at 1 July 2020	Granted as remuneration	Exercise of options	Shares sold	Net change other	Balance at 30 June 2021
Directors						
A Sage(i)	9,173,010	-	12,500,000	-	-	21,673,010
M Hancock	-	-	2,500,000	-	-	2,500,000
N Sage	-	-	-	-	-	-
Other KMP						
J Sinclair	-	-	230,000	-	-	230,000
	9,173,010	-	15,230,000	-	-	24,403,010

(i) Indirectly held.

Option and right holdings of Key Management Personnel

30 June 2022	Balance at 1 July 2021	Acquired /granted during year	Exercised	Net change other	Balance at 30 June 2022	Exercisable	Not Exercisable
Directors							
A Sage	15,000,000	-	-	-	15,000,000	10,500,000	4,500,000
M Hancock	15,000,000	-	-	-	15,000,000	10,500,000	4,500,000
N Sage	2,500,000	-	-	(2,500,000)(i)	-	-	-
Other KMP							
J Sinclair	10,000,000	5,000,000	(1,750,000)	-	13,250,000	6,250,000	7,000,000
	42,500,000	5,000,000	(1,750,000)	(2,500,000)	43,250,000	27,250,000	16,000,000

(i) On 2 August 2021, Mr Nicholas Sage sold 2,500,000 unlisted options at an exercise price of $0.03 expiring 31 August 2022 via an off market transfer for $125,000.

30 June 2021	Balance at 1 July 2020	Acquired /granted during year(i)	Exercised	Net change other	Balance at 30 June 2021	Exercisable	Not Exercisable
Directors							
A Sage	10,000,000	15,000,000	(12,500,000)	2,500,000(ii)	15,000,000	7,500,000	7,500,000
M Hancock	2,500,000	15,000,000	(2,500,000)	-	15,000,000	7,500,000	7,500,000
N Sage	2,500,000	2,500,000	-	(2,500,000)(iii)	2,500,000	2,500,000	-
Other KMP							
J Sinclair	-	10,000,000	(230,000)	230,000	10,000,000	5,000,000	5,000,000
	15,000,000	42,500,000	(15,230,000)	230,000	42,500,000	22,500,000	20,000,000

(i) Includes 7,500,000 unlisted options with vesting conditions granted to each of Mr Tony Sage (or nominee) and Mr Mark Hancock (or nominee) (total of 15,000,000 options) at an exercise price of $0.06 each and an expiry date of 30 June 2023, which were formally issued on 4 August 2021 following receipt of shareholder approval at the Company's July 2021 EGM. These options were granted as remuneration for services performed to motivate and reward the performance of the holder in his role as a Director in a manner that aligns the holders' interests with the Company and minimises cash spend.

(ii) On 5 January 2021, Mr Antony Sage sold 2,500,000 unlisted options at an exercise price of $0.02 expiring 31 May 2021 via an off market transfer for $20,000. On 29 January 2021, Mr Antony Sage purchased 5,000,000 unlisted options at an exercise price of $0.025 expiring 31 March 2022 for $100,000.

(iii) On 4 December 2020, Mr Nicholas Sage sold 2,500,000 unlisted options at an exercise price of $0.02 expiring 31 May 2021 via an off market transfer for $2,500.

Options awarded, vested and lapsed during the year

Share options do not carry any voting rights and can be exercised once the vesting conditions have been met until their expiry date.

Options awarded to Directors

No unlisted options were awarded to Directors or other KMPs during the year ended 30 June 2022.

As announced on 26 April 2021, the Directors agreed to issue a total of 15,000,000 unlisted options with vesting conditions to directors at an exercise price of $0.06 each and an expiry date of 30 June 2023, subject to receipt of shareholder approval (**Director Options**). Shareholder approval for the issue of the Director Options was received at the Company's general meeting held 12 July 2021 and the securities were formally issued on 4 August 2021. The grant date fair value presented in the 30 June 2021 financial statements was provisional, estimated by reference to the period end share price. This provisional amount has been revised and adjusted for in the year ended 30 June 2022.

Vesting conditions in respect of the Director Options are as follows:

- 40% vest upon successful earn-in to JWD by meeting Stage 1 earn-in milestone by exporting 300,000 tonnes (vested during FY22);
- 26.67% vest and become exercisable upon export of 1MT from JWD by 31 December 2022; and
- 33.33% vest and become exercisable upon export of 0.25MT from Yarram by 31 December 2022.

Details of the Director Options awarded are summarised as follows:

	Number of Options	Exercise price per option	Expiry date	Estimated fair value of options at grant date
A Sage	7,500,000	$0.06	30 June 2023	$0.0412
M Hancock	7,500,000	$0.06	30 June 2023	$0.0412

Options awarded to Other KMP

During the year ended 30 June 2022, Mr Jeremy Sinclair was awarded 5,000,000 unlisted options at an exercise price of $0.06 and an expiry date of 30 June 2023 with vesting conditions under the Company's shareholder approval Employee Securities Incentive Plan (**ESIP**) (**ESIP Options**).

Vesting conditions in respect of the ESOP Options are as follows:

- 60% vest upon successful earn-in to JWD by meeting Stage 1 earn-in milestone by exporting 300,000 tonnes (vested during FY22); and
- 40% vest and become exercisable upon export of 1MT from JWD by 31 December 2022

Details of the ESIP Options awarded are summarised as follows:

	Number of Options	Exercise price per option	Expiry date	Fair value of options at grant date
J Sinclair	5,000,000	$0.06	30 June 2023	$0.043

No unlisted options awarded to Directors or other KMPs lapsed during the year ended 30 June 2022.

Transactions with directors, director related entities and other related parties

During the year ended 30 June 2022, an aggregate amount of $686 (30 June 2021: $750) was paid or payable to Cyclone Metals Ltd (**Cyclone**) for reimbursement of travel and other corporate costs. At 30 June 2022, nil was payable to Cyclone (30 June 2021: nil). During the year ended 30 June 2022, an aggregate amount of $250 was received or receivable from Cyclone for reimbursement of other corporate costs (30 June 2021: $754). At 30 June 2022, $250 was receivable from Cyclone (30 June 2021: $754).

During the year ended 30 June 2022, an aggregate amount of $13,007 (30 June 2021: $15,313) was paid or payable to European Lithium Ltd (**European Lithium**) for reimbursement of travel and other corporate costs. At 30 June 2022, nil was payable to European Lithium (30 June 2021: $538). During the year ended 30 June

2022, an aggregate amount of $1,410 was received or receivable from European Lithium for reimbursement of other corporate costs (30 June 2021: nil). At 30 June 2022, nil was receivable from European Lithium (30 June 2021: nil).

During the year ended 30 June 2022, an aggregate amount of $130,475 (30 June 2021: $52,300) was paid or payable to Okewood Pty Ltd (**Okewood**) for rent, corporate box sponsorship, and for reimbursement of COVID 19 test kits purchased in bulk. At 30 June 2022, nil was payable to Okewood (30 June 2021: nil). Mr Antony Sage is a director of Okewood.

End of Remuneration Report

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001 (Cth)* requires the Company's auditor, Stantons International, to provide the directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration for the year is set out on page 22 and forms part of this Directors' Report. The Directors are satisfied with the independence of the auditor.

NON-AUDIT SERVICES

No non-audit services were provided to the Group by the auditor, Stantons International, during the year.

This report is signed in accordance with a resolution of the Board of Directors.

Mr Antony Sage
Executive Chairman

23 September 2022

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23 September 2022

Board of Directors
CuFe Limited
32 Harrogate Street,
West Leederville, WA 6017

Dear Directors

RE: CUFE LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of CuFe Limited.

As Audit Director for the audit of the financial statements of CuFe Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Samir Tirodkar
Director

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement for the year ended 30 June 2022 (which reports against the ASX Corporate Governance Council's Principles and Recommendations) may be accessed from the Company's website at www.cufe.com.au.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Consolidated	
		Year ended 30 June 2022	Year ended 30 June 2021
		$	$
Revenue from continuing operations			
Revenue	3(a)	32,997,036	-
Cost of sales	3(d)	(34,381,296)	-
Gross profit/(loss)		(1,384,260)	-
Interest income	3(b)	37,450	58,551
Other income	3(c)	9,132,230	62,986
Employee benefits expense and director remuneration	3(e)	(1,102,528)	(364,677)
Exploration and evaluation expenditure		(1,153,373)	(551,914)
Finance costs		(407,123)	-
Legal costs		(99,332)	(35,788)
Share-based payment expense	25(a)	(562,797)	(754,554)
Amortisation and depreciation expense		(2,768,060)	(2,856)
Accounting and audit fees		(296,833)	(179,847)
Consultancy fees		(240,557)	(143,236)
Compliance costs		(184,594)	(136,887)
Share of net losses of joint venture accounted for using the equity method		(266,879)	(78,770)
Other expenses	3(f)	(868,259)	(383,548)
Loss before income tax		(164,915)	(2,510,540)
Income tax expense	4	-	-
Loss after income tax		(164,915)	(2,510,540)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
-		-	-
Other comprehensive income/(loss) for the year		-	-
Total comprehensive loss for the year		(164,915)	(2,510,540)
Loss per share attributable to ordinary equity holders of the parent			
- basic loss for the year (cents per share)	5	(0.02)	(0.44)
- diluted loss for the year (cents per share)	5	(0.02)	(0.44)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Notes	Consolidated 30 June 2022 $	Consolidated 30 June 2021 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	7,193,910	5,830,848
Restricted cash	7	469,242	109,242
Inventory	8	4,568,168	-
Trade and other receivables	9	4,621,391	1,664,064
Other assets	10	177,485	1,412,479
Financial asset	11	3,405,067	77,562
Held for sale assets	12	-	250,000
Total Current Assets		20,435,263	9,344,195
Non-Current Assets			
Exploration and evaluation expenditure	13	8,866,852	-
Mine properties and development costs	14	5,331,936	2,892,656
Plant and equipment	15	22,900	26,242
Right of use assets	16	328,955	-
Investments accounted for using the equity method	17	2,999,352	3,266,230
Total Non-Current Assets		17,549,995	6,185,128
TOTAL ASSETS		37,985,258	15,529,323
LIABILITIES			
Current Liabilities			
Trade and other payables	18	11,147,544	2,340,293
Interest-bearing borrowings	19	1,304,510	-
Lease liability	20	276,852	-
Provisions	21	131,208	-
Income tax payable		-	78,896
Total Current Liabilities		12,860,114	2,419,189
Non-Current Liabilities			
Provisions	21	505,637	160,140
Total Non-Current Liabilities		505,637	160,140
TOTAL LIABILITIES		13,365,751	2,579,329
NET ASSETS		24,619,507	12,949,994
EQUITY			
Contributed equity	22	58,622,052	48,172,188
Accumulated losses	23	(38,248,811)	(38,083,896)
Reserves	24	4,246,266	2,861,702
TOTAL EQUITY		24,619,507	12,949,994

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

Consolidated	Contributed equity $	Accumulated losses $	Share-based payments reserve $	Other Reserve $	Total $
Balance at 1 July 2021	48,172,188	(38,083,896)	2,861,702	-	12,949,994
Loss for the year ended 30 June 2022	-	(164,915)	-	-	(164,915)
Other comprehensive income/(loss)	-	-	-	-	-
	-	(164,915)	-	-	(164,915)
Transactions with owners in their capacity as owners:					
Shares issued, net of costs (Placement)	4,592,562	-	-	-	4,592,562
Shares issued (Exercise of options)	355,000	-	-	-	355,000
Shares issued (JWD Project – DTM)	250,000	-	-	-	250,000
Shares issued (JWD Project – Additional 9% interest)	2,500,000	-	-	-	2,500,000
Shares issued (Tennant Creek acquisition)	2,550,000	-	-	-	2,550,000
Shares issued (Tennant Creek acquisition)	425,000	-	-	-	425,000
Options issued (Tennant Creek acquisition)	-	-	715,500	-	715,500
Options issued (Lead Manager to Placement)	(222,698)	-	222,698	-	-
Share-based payments	-	-	562,797	-	562,797
Change in interest in Joint Operation (JWD Project)	-	-	-	(116,431)	(116,431)
Balance at 30 June 2022	58,622,052	(38,248,811)	4,362,697	(116,431)	24,619,507

Consolidated	Contributed equity $	Accumulated losses $	Share-based payments reserve $	Other reserve $	Other Reserve $
Balance at 1 July 2020	41,236,293	(35,573,356)	2,107,148	-	7,770,085
Loss for the year ended 30 June 2021	-	(2,510,540)	-	-	(2,510,540)
Other comprehensive income/(loss)	-	-	-	-	-
	-	(2,510,540)	-	-	(2,510,540)
Transactions with owners in their capacity as owners:					
Shares issued during the year (net of share issue costs)	6,935,895	-	-	-	6,935,895
Share-based payments	-	-	754,554	-	754,554
Balance at 30 June 2021	48,172,188	(38,083,896)	2,861,702	-	12,949,994

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Consolidated Year ended 30 June 2022 $	Consolidated Year ended 30 June 2021 $
Cash flows from operating activities			
Receipts from customers		33,199,992	-
Payments to suppliers and employees		(36,095,366)	(1,408,226)
Interest received		27,450	58,551
Payments for exploration and evaluation costs		(777,672)	(693,488)
Payment of interest and other finance costs		(313,868)	-
Income taxes paid		(78,896)	-
Reimbursement of funds from JV partner		500,000	-
Transfer of funds to restricted cash		-	(109,242)
Net cash flows from/(used in) operating activities	6(a)	(3,538,360)	(2,152,405)
Cash flows from investing activities			
Purchase of exploration assets		(5,091,352)	-
Purchase of plant and equipment		(6,518)	(26,463)
Payment for right to mine (allocated to capitalised mine development)		(1,080,000)	-
Payments for JWD Acquisition (allocated to capitalised mine development)		-	(1,080,000)
Payments for capitalised mine development		(900,958)	(2,226,671)
Refund of advance payment upon DTM of JWD Project		250,000	-
Refund of consideration paid to acquire additional 9% interest in JWD Project		1,000,000	-
Purchase of investment	11(a)	-	(30,000)
Advance payment (additional 9% interest JWD Project)		-	(1,000,000)
Investment in joint venture		(532,063)	(1,634,100)
Proceeds from sale of exploration assets		575,000	-
Proceeds from sale of royalty asset		-	2,650,000
Receipts from commodity collar/swaps transactions closed		5,559,470	-
Transfer of funds to security deposit		(360,000)	-
Transfer of funds to restricted cash		(209,657)	-
Net cash flows from/(used in) investing activities		(796,078)	(3,347,234)
Cash flows from financing activities			
Proceeds from shares issued (net of costs)		4,592,562	5,267,625
Proceeds from exercise of options		355,000	918,270
Proceeds from borrowings		9,551,504	-
Repayment of borrowings		(8,456,845)	-
Principal payments on lease liabilities		(344,721)	-
Loan advance to unrelated party		-	(500,000)
Repayment of loan from unrelated party		-	500,000
Net cash flows from/(used in) financing activities		5,697,500	6,185,895
Net increase in cash and cash equivalents		1,363,062	686,256
Cash and cash equivalents at beginning of year		5,830,848	5,144,592
Cash and cash equivalents at end of year	6	7,193,910	5,830,848

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

The financial report of CuFe Ltd (formerly Fe Limited) (**CUF** or the **Company**) and the financial statements comprising CUF and its controlled entities (together the **Group**) for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the directors on 23 September 2022.

CUF is a for profit company limited by shares incorporated and domiciled in Australia.

The nature of the operations and principal activities of the Company are mineral production, mineral exploration and project development which is further described in the Directors' Report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001 (Cth)*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on a historical cost basis, except for available-for-sale financial assets which are carried at fair value. The financial report is presented in Australian dollars unless otherwise stated.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board.

(c) Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

At balance date, the Group had cash and cash equivalents of $7,193,910 (30 June 2021: $5,830,848) and a net working capital surplus of $7,105,907 (excluding restricted cash) (30 June 2021: $6,815,764 surplus).

Additional funding may be necessary for the Group to continue its planned mineral production and exploration activities associated with its projects in the next 12 months, including expenditure and commitments associated with the Company's existing projects (JWD Project, Yarram Project and Tennant Creek Project).

The ability of the Group to continue as a going concern is dependent on it being able to either generate sufficient cashflow from operations or successfully raise additional funding in the next 12 months, to pursue its current strategy. At the date of this report, the directors are satisfied there are reasonable grounds to believe that the Group will be able to continue its planned operations and the Group will be able to meet its obligations as and when they fall due because the Directors are confident that the Group will be able to obtain the additional funding required either through a further capital raising, continued support from its existing shareholders, funding from the exercise of unlisted options, and through continuing realisation of value upon sale of product from the JWD Project.

Should the Group not achieve the matters set out above, there is significant uncertainty whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

(d) New standards, interpretations and amendments adopted by the Group

Standards and Interpretations applicable to 30 June 2022

During the year ended 30 June 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the year end reporting period beginning on or after 1 July 2021. No changes were required.

As a result of this review, the Directors have applied all new and amended Standards and Interpretations that were effective as at 1 July 2021 with no material impact on the amounts or disclosures included in the financial report.

(e) New accounting standards and interpretations not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2022. The Company's assessment of the impact of these new standards and interpretations has not identified any impact.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(f) Basis of consolidation

The consolidated financial statements comprise the financial statements of CuFe Ltd and its subsidiaries as at and for the year ended 30 June 2022.

Subsidiaries are all those entities over which CuFe Ltd has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The financial statements of the Company's subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions, have been eliminated in full.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their fair values at the date of acquisition. Any difference between the fair value of the consideration and the fair values of the identifiable net assets acquired is recognised as goodwill or a gain on bargain purchase.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

(g) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(h) Trade and other receivables

Trade receivables are measured initially at the transaction price determined under *AASB 15*. Other receivables are initially recognised at fair value. Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principle and interest are classified and subsequently measured at amortised cost. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss. Following initial recognition, the amortised cost is calculated using the effective interest method.

The Group assesses on a forward-looking basis the expected credit loss associated with its trade and short-term receivables carried at amortised cost. The expected credit loss is calculated based on the lifetime expected credit loss. In determining the expected credit loss the Group assesses the profile of the debtors and compares with historical recoverability trends, adjusted for factors that are specific to the debtors' general economic conditions and an assessment of both the current and forecast conditions as a reporting date.

The Group considers an event of default has occurred when a financial asset is more than 90 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default event has occurred. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery and not subject to enforcement activity.

(i) Inventory

Diesel fuel stock, work in progress and finished goods are stated at the lower of cost and net realisable value. For partly processed and saleable iron ore, cost is based on the weighted average cost method and includes:

- Material and production costs directly attributable to the extraction, processing and transportation of iron ore;
- Production and transportation overheads; and
- Depreciation of property, plant and equipment used in the extraction, processing and transportation of iron ore.

Iron ore stockpiles represent iron ore that has been extracted and is available for further processing or sale. Quantities are assessed primarily through internal and third party surveys. Where there is an indication that inventory is impaired, inventory is written down to net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Exploration and evaluation

Exploration and evaluation expenditure in relation to the Group's mineral tenements, other than acquisition costs, is expensed as incurred. Acquisition costs in relation to mineral tenements are capitalised and carried forward provided the rights to tenure of the area of the interest are current and such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not, at balance date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. When the Directors decide to progress the development of an area of interest all further expenditure incurred relating to the area will be capitalised. Projects are advanced to development status and classified as mine development when it is expected that further expenditure can be recouped through sale or successful development and exploitation of the area of interest. Such expenditure is carried forward up to commencement of production at which time it is amortised over the life of the economically recoverable reserves. All projects are subject to detailed review on an annual basis and accumulated costs written off to the extent that they will not be recoverable in the future.

(k) Mine property and development costs

Recognition and measurement

Expenditure on the acquisition and development of mine properties within an area of interest are carried forward at cost separately for each area of interest. Accumulated expenditure is amortised on a straight-line basis over the expected life of the operation. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Amortisation

The Group applies the life of mine method of amortisation to its mine properties and development costs.

Impairment

The Group assess each asset or cash generating unit (**CGU**) at the end of each reporting period to determine whether an indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable mount is made, which is considered to be the higher of value in use (**VIU**) (being net present value of expected future cash flows of the relevant cash generating unit) and fair value less costs to sell (**FVLCS**). The future recoverability of capitalised mine development expenditure is dependent on a number of factors, including the level of proved, probable and inferred mineral resources, future technological changes, which could impact the cost, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

The Group regularly reviews the carrying values of its mine development assets in the context of independent expert valuations, internal and external consensus forecasts for commodity prices and foreign exchange rates, with the application of appropriate discount rates for the assets concerned.

To the extent that capitalised mine development expenditure is determined not to be recoverable in the future, this will reduce profit in the period in which this determination is made. Capitalised mine development expenditure is assessed for recoverability in a manner consistent with property, plant and equipment as described below.

(l) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Land is measured at cost.

Depreciation is calculated on a reducing balance basis over the estimated useful life of the asset as follows:

Plant and equipment – 3 to 5 years

(m) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

An assets recoverable amount is the greater of the assets fair value less costs to sell and its value in use. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

(n) Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transaction costs, except for those carried at 'fair value through profit or loss', in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Classification and measurement

Financial assets

Except for those trade receivable that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured a fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effectiveness as hedging instruments are classified into the following categories upon initial recognition:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The Group's business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised costs if the assets meet with the following conditions (and are not designated as FVPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income

The Group does not hold any financial assets at fair value through other comprehensive income.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term.

The Group has designated its commodity collar contracts and commodity swap contracts as financial assets at FVPL at inception (when it becomes a party to the contract).

Shares held for trading have been classified as financial assets at FVPL.

After initial recognition, financial assets designated at FVPL, are subsequently remeasured at fair value with gains or losses recognised in profit or loss (presented in 'Other income').

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, or payables, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1 – Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Measurements based on unobservable inputs for the asset or liability.

(o) Assets classified as held for sale

Non-current assets are classified as held for sale and measure at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction instead of use. They are not depreciated or amortised. For an asset to be classified as held for sale, it must be available for immediate sale in its present condition and its sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

(p) Trade and other payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity purposes and amortised over the period of the facility to which it relates.

Borrowings are removed from the Consolidated Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(s) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Revenue from contracts with customers

AASB 15 Revenue from Contracts with Customers requires an entity to recognise revenue in a manner that represents the transfer of promised goods or services in an amount that reflects the consideration to which the entity expects to be entitled. This means that revenue will be recognised when control of goods and/or are transferred, rather than on transfer of risks and rewards.

The Group produces and sells product free on board. Revenue from the sale of goods is recognised at a point in time when control of the product is transferred to the customer, which occurs when the product is physically transferred onto a vessel.

Revenue is measured at the fair value of the consideration received or receivable. That amount of revenue arising on a transaction is determined by an agreement between the Company and the customer.

Revenue is initially recognised based on the most recently determined estimate of product using the expected value approach based on initial assay and weight results (provisional pricing). The Group has determined that it is highly unlikely that a significant reversal of the amount of revenue recognised will occur due to variations in assay and weight results. Subsequent changes in the fair value based on the customer's final sampling and analysis results are recognised in revenue (adjustment).

(u) Interest revenue and other income

Interest

Income is recognised as the interest accrues (using the effective interest method, which is the rate exactly discounts estimated future cash flow receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(v) Income tax and other taxes

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(w) Earnings per share

Basic earnings per share is calculated as net profit/(loss) attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/(loss) attributable to members of the Company, adjusted for:
- Costs of servicing equity (other than dividends) and preference share dividends;
- The after-tax effect of dividends and interest associated with the dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares;
- Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Where a loss has been reported the dilutive effects of options are not adjusted for, in accordance with *AASB 133 Earnings per share.*

(x) Foreign currency

The functional currency of the Company and its controlled entities is Australian dollars (A$).

Transactions in foreign currencies are initially recorded in the function currency at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange rate prevailing at the balance sheet date. All such exchange differences are recorded through profit or loss.

(y) Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess their performance and for which discrete financial information is available.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the board of directors.

(z) Investment in joint arrangements

Joint arrangements are arrangements of which two or more parties have joint control. Joint Control is the contractual agreed sharing of control of the arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as ether a joint operation or a joint venture, based on the rights and obligations arising from the contractual obligations between the parties to the arrangement.

The Group undertakes a number of activities through joint arrangements. A joint arrangement is an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control over an arrangement which exists only when the c

The Group's joint arrangements are in the form of a joint operation (with respect to the Wiluna Iron JV) and a joint venture (with respect to the Yarram Iron JV).

(i) Joint operation

A joint operation is a type of joint arrangement in which the parties with joint control of the arrangement have rights to the assets and obligations for the liabilities in relation to the arrangement.

The Group recognises in relation to its joint operations:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities held jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation
- Expenses, including its share of any expenses incurred jointly

These amounts have been incorporated in the financial statements under the appropriate classifications.

The Wiluna Iron JV is accounted for as a joint operation.

(ii) Joint venture

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities.

The joint venture is accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognized in profit or loss and the share of the movements in equity is recognized in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture.

Any goodwill or fair value adjustment attributable to the Group's share in the joint venture is not recognized separately and is included in the amount recognized as investment.

The carrying amount of the investment in joint venture is increased or decreased to recognize the Group's share of the profit or loss and other comprehensive income of the joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

The Yarram Iron JV is accounted for as a joint venture.

(aa) Share-based payments

The Group provides benefits to employees (including Directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Consolidated Entities best estimate of the number of equity instruments that will ultimately vest.

The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not the market condition is fulfilled, provided that all other conditions are satisfied.

If a non-vesting condition is within the control of the Group, Company or the employee, the failure to satisfy the condition is treated as a cancellation. If a non-vesting condition within the control of neither the Group, Company nor employee is not satisfied during the vesting period, any expense for the award not previously recognised is recognised over the remaining vesting period, unless the award is forfeited.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of dilutive earnings per share.

(bb) Intangible assets

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

(cc) Leases

The Group enters into contractual arrangements for mining contractor services, mining plant and equipment, haulage, vehicles, port access, port storage facilities, camp rental, and other assets.

The nature of these arrangements can be lease contracts or service contracts with embedded assets. Typically, the duration of these contracts is for period of between one to three years, some of which include extension options.

Leases are recognised on the balance sheet as a right of use asset, representing the lessee's entitlement to the benefits of the identified asset over the lease term, and a lease liability representing the lessee's obligation to make the lease payments. Each lease payment is allocated between its liability and finance cost component. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right of use asset is amortised on a straight-line basis over the shorter of the useful life of the asset and lease term.

Liabilities arising from contractual arrangements which contain leases are initially measured at the present value of the future lease payments. These payments include the present value of fixed payments prescribed in the contract; variable lease payments based on an index or prescribed rate; amounts expected to be payable by the lessor under residual value guarantees; and exercise price of a purchase option if it is reasonably certain that the option will be exercised.

Right of use assets are initially measured at the amount of the initial lease liability plus any lease payments at or before commencement date less incentives received, plus any initial direct costs, and any costs required for dismantling and rehabilitation. Right of use assets are subsequently measured at cost less any accumulated depreciation and accumulated impairment losses; and any adjustment for remeasurement of the lease liability. Lease liabilities are subsequently measured at present value, adjusted for any variations to the underlying contract terms.

Lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be determined, the Group's incremental borrowing rate is used, which is the rate which the Group would have to pay to borrow the funds necessary to obtain an asset of a similar value in a similar economic environment over a similar term and security.

Payments for short term leases and low value assets are recognised on a straight-line basis as an expense in the income statement. Short term leases are for a period of 12 months or less and contracts involving low value assets typically comprise small items of IT hardware and minor sundry assets.

(dd) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting year are:

Capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not whether it successfully recovers the related exploration and evaluation asset through sale.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

Impairment of assets

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates and the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an appropriate valuation model, using the assumptions as discussed in note 25.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has tax losses carried forward. These losses relate to subsidiaries that have a history of losses, do not expire and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary differences nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Joint Arrangements – Control assessment

The Directors have determined that CUF's wholly owned subsidiary Wiluna Fe Pty Ltd (60% interest) and Gold Valley Iron Ore Pty Ltd (40% interest) jointly control the Wiluna Iron JV. Decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

The Directors have determined that CUF's wholly owned subsidiary Yarram Fe Pty Ltd (50% shareholder) and Gold Valley Brown Stone Pty Ltd (50% shareholder) jointly control the Yarram Iron JV. Each of the shareholder groups have one board member representing their interest, with decisions around the Yarram Iron JV being made jointly.

Iron ore sales

Where the Group's sales invoices are provisionally priced at the date of shipment, a subsequent final invoice, which is typically once the vessel has arrived at its destination, is issued and adjustments arise as a consequence of changes in moisture or ore quality, and price adjustments to reflect the final FOB price. Where a shipment remains subject to a final invoice being issued at balance date, the provisional price assumptions form the basis for revenue recognised in relation to such a shipment.

3 REVENUE, INCOME AND EXPENSES

		2022 $	2021 $
(a)	**Revenue from continuing operations**		
	Iron ore sales	32,997,035	-
		32,997,036	-
(b)	**Interest income**		
	Bank Interest	7,478	8,551
	Other interest earned	29,972	50,000
		37,450	58,551
(c)	**Other income**		
	Realised gain on commodity collar/swap contracts	5,344,496	-
	Unrealised gain on financial asset – commodity collar/swap contracts (FVPL)	3,325,609	-
	Management fee income (JV)	48,900	29,400
	Tenement management fee	7,525	-
	Rental recharges income/(reversal)	2,717	28,164
	Gain on sale of tenements	325,000	-
	Gain on acquisition (Tennant Creek)	75,000	-
	Fair value gain/(loss) on financial asset through profit and loss (refer note 11)	2,983	5,422
		9,132,230	62,986
(d)	**Cost of sales**		
	Royalty expense	(3,203,865)	-
	Mining and processing	(11,555,212)	-
	Haulage	(17,493,271)	-
	Sales commission	(730,840)	-
	Port and demurrage	(3,986,473)	-
	Salaries, wages and other employee benefits	(449,615)	-
	Inventory movement	4,823,038	-
	Inventory impairment (write down to NRV)	(520,067)	
	Other operating costs	(1,264,991)	-
		(34,381,296)	-
(e)	**Employment benefits and director remuneration**		
	Directors' fees	(450,000)	(327,500)
	Salaries, wages and other employee benefits	(446,046)	(20,400)
	Payroll Tax	(40,732)	(16,777)
	Short-term incentive	(165,750)	-
		(1,102,528)	(364,677)
(f)	**Other expenses**		
	Promotional and investor relations	(78,668)	-
	Occupancy costs	(62,374)	(61,129)
	Insurance costs	(219,493)	(57,937)
	Stamp Duty	(126,038)	(210,228)
	Other	(381,686)	(54,254)
		(868,259)	(383,548)

4 INCOME TAX

	2022 $	2021 $
(a) Income tax expense		
The major components of income tax expense are:		
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the statement of comprehensive income	-	-

	2022 $	2021 $
(b) Reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory tax rate		
Accounting loss before tax	(164,915)	(2,510,540)
Tax at the statutory income tax rate of 25% (2021: 26%)	(41,228)	(652,740)
Tax effect on non-temporary differences	148,923	197,691
Unrecognised tax losses and temporary differences	21,672	455,049
Utilised tax losses	(129,367)	-
Income tax expense reported in statement of comprehensive income	-	-
(c) Deferred tax liabilities		
Accrued income	-	7
Less: offset by deferred tax asset	-	(7)
Deferred tax liabilities	-	-
(d) Deferred tax assets		
Accrued expenditure	5,500	5,980
Accrued interest	1,443	-
Provision for rehabilitation	87,921	41,636
Provision for demobilisation	71,290	-
Employee leave provision	24,379	5,022
Loss on financial assets	1,751	2,597
Tax losses	2,984,219	3,238,129
	3,176,503	3,293,369
Less: offset against deferred tax liabilities	-	(7)
Deferred tax assets not recognised	3,176,503	3,293,357

The Group has formed a tax consolidated group.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. The Group has tax losses which arose in Australia of $2,984,219 (tax effected) (2021: $3,238,129 (tax effected)) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. In addition, the Group has capital losses of $7,361,617 (tax effected) (2021: $7,656,081 (tax effected)) which are not shown in the above table.

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in companies that have been loss-making for some time, and there is no other evidence of recoverability in the near future.

5 LOSS PER SHARE

	2022 Cents	2021 Cents
Basic loss per share		
Continuing operations	(0.02)	(0.44)
	(0.02)	(0.44)
Diluted loss per share		
Continuing operations	(0.02)	(0.44)
	(0.02)	(0.44)

Basic earnings/(loss) per share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of shares on issue during the year.

Diluted earnings per share amounts are calculated by dividing the net profit/(loss) attributable to shareholders by the weighted average number of shares on issue during the period (adjusted for the effects of dilutive options). Where a loss has been reported the dilutive effects of options are not adjusted for, in accordance with *AASB 133 Earnings per share*.

In the year ended 30 June 2022 and 30 June 2021 the diluted loss per share was equal to the basic loss per share as the options on issue as at the respective periods were anti-dilutive.

The following reflects the income and share data used in the basic and diluted earnings/(loss) per share computations:

	2022 $	2021 $
Loss used in calculation of basic and diluted loss per share		
Continuing operations	(164,915)	(2,510,540)
	(164,915)	(2,510,540)

	2022 No.	2021 No.
Weighted average number of ordinary shares for basic earnings/(loss) per share	880,735413	574,508,178
Effect of dilution:		
Unlisted options	-	-
Adjusted weighted average number of ordinary shares for diluted earnings/(loss) per share	880,735413	574,508,178

The unlisted options outstanding at 30 June 2022 and 30 June 2021 were found to have an anti-dilutive effect on the calculation. At 30 June 2022 and 30 June 2021, the basic earnings/(loss) per share is equal to the diluted earnings/(loss) per share.

6 CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash and cash equivalents		
Cash at bank and on hand	7,193,910	5,830,848

Cash at bank and on hand earns interest at the floating rates based on daily bank deposit rates.

(a) Reconciliation of net loss after tax to net cash flows from operations

	2022 $	2021 $
Net loss for the year	(164,915)	(2,510,540)
Adjustments for:		
Depreciation	9,860	2,856
Amortisation	2,758,200	-
Share-based payment expense	562,797	754,554
Share of net losses of joint venture accounted for using equity method	266,878	78,770
Realised gain on financial asset – commodity collar/swap contracts (FVPL)	(5,559,470)	-
Unrealised gain on financial asset – commodity collar/swap contracts (FVPL)	(3,325,609)	-
Gain on extinguishment of liabilities with shares (Tennant Creek acquisition)	(75,000)	-
Gain on Tennant Creek acquisition (interest)	(10,000)	-
Fair value gain/loss on financial asset through profit and loss	(2,983)	(5,422)
	(5,375,327)	830,758
Changes in assets and liabilities		
(Increase) / decrease in restricted cash	-	(109,242)
(Increase) / decrease in trade and other receivables	(2,746,581)	(396,438)
(Increase) / decrease in prepayments	234,992	(374,435)
(Increase) / decrease in inventory	(4,568,167)	-
Increase / (decrease) in trade and other payables	9,101,645	407,492
Increase / (decrease) in employee provisions	58,889	-
Increase / (decrease) in tax payable	(78,896)	-
	2,001,882	(472,623)
Net cash flow from / (used in) operating activities	(3,538,360)	(2,152,405)

(b) Non-cash investing and financing activities

Year ended 30 June 2022

CUF issued 4,807,692 shares as milestone payment upon decision to mine in relation to the Wiluna Transaction, representing a non-cash payment of $250,000. Refer note 14(b) for further details.

CUF issued 43,859,649 shares as consideration to acquire an additional 9% interest in the Wiluna Iron Joint Venture (increasing from 51% to 60% interest), representing a non-cash payment of $2,500,000. Refer note 14(c) for further details.

In respect of the Tennant Creek Acquisition, CUF issued 85,000,000 shares (non-cash payment $2,550,000) and 75,000,000 unlisted options (non-cash payment $715,500) upon completion of the transaction on 9 December 2021. Pursuant to a variation to the agreement, CUF issued a further 12,500,000 shares (non-cash payment $425,000) on 11 April 2022. Refer note 13(a) for further details.

Year ended 30 June 2021

CUF issued 12,500,000 shares as part consideration for the Wiluna Transaction, representing a non-cash payment of $250,000. Refer note 13(a) for further details.

CUF issued 31,250,000 shares pursuant to the Yarram Transaction, representing a non-cash payment of $500,000 being part of the initial cost of investment accounted for using the equity method. Refer to note 15(b) for further details.

7 RESTRICTED CASH

	2022 $	2021 $
Restricted cash	469,242	109,242

8 INVENTORY

	2022 $	2021 $
Diesel fuel	114,614	-
Work in Progress Run of Mine	1,399,933	-
Finished Goods Site	365,360	-
Finished Goods Port	2,688,261	-
	4,568,168	-

9 TRADE AND OTHER RECEIVABLES

	2022 $	2021 $
Current		
Trade receivables	46,735	1,888
Net GST receivable	1,632,318	252,580
Accrued interest receivable	-	27
Deposits	209,657	-
Other receivable (a)	2,632,181	1,409,569
Tax receivable	100,500	-
	4,621,391	1,664,064

(a) Relates to an amount receivable in respect of the Wiluna Iron Joint Operation, including an advance of $2,628,181 and management fees receivable of $4,000. The Wiluna Iron JV is accounted for as a joint operation. In accordance with the Group's accounting policy, the Group recognises its share of the joint operation's assets and liabilities. The advance amount of $2,628,181 shown in the consolidated financial statements reflects $6,570,450 (being 100% of the advance receivable by CuFe Ltd from Wiluna Iron Joint Venture) less $3,938,269 (being elimination of the 60% share of the advance payable from Wiluna Iron Joint Venture to CuFe Ltd). The advance arises in respect of JWD-related expenses which have been recharged from CuFe Ltd to Wiluna Iron Joint Venture during the period.

Other receivables are amounts which generally arise from transactions outside the usual operating activities of the Group and are non-interest bearing with no fixed terms. Other receivables do not contain impaired assets, are not past due date and are expected to be received in full.

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. It is not the Group's policy to transfer (on-sell) receivables to special purpose entities.

(b) None of the receivables are past due and/or impaired.

10 OTHER ASSETS

	2022 $	2021 $
Advance payment (additional 9% interest JWD Project) (a)	-	1,000,000
Prepaid production royalty (JWD Project)	-	114,750
Prepaid expenses	177,485	297,729
	177,485	1,412,479

(a) As announced on 25 May 2021, CUF paid a $1,000,000 refundable deposit to its joint venture partner to secure an option to increase its interest in JWD from 51% to 60% for consideration of $2,500,000. This option was exercised during the year ended 30 June 2022. The $1,000,000 refundable deposit was repaid on 27 July 2021, with CUF electing to settlement payment of the $2,500,000 consideration for the additional interest in equity (refer note 14(c)).

11 FINANCIAL ASSET

	2022 $	2021 $
Fair value through profit or loss (FVTPL) – equity investment (a)	80,545	77,562
Fair value through profit or loss (FVTPL) – commodity collars/swaps	3,324,522	-
	3,405,067	77,562
(a) Movements		
Balance at beginning of year	77,562	42,140
Purchase of equity investment	-	30,000
FVTPL	2,983	5,422
Balance at end of the year	80,545	77,562

12 HELD FOR SALE ASSETS

	2022 $	2021 $
Exploration assets - Pilbara exploration assets	-	250,000
Movements:		
Balance at beginning of year	250,000	-
Exploration assets reclassified as held for sale	-	250,000
Sale of exploration assets held for sale	(250,000)	-
Balance at end of year	-	250,000

13 EXPLORATION ASSETS

	2022 $	2021 $
Acquisition Cost – Tenements pursuant to Tennant Creek Transaction	8,866,852	-
Movements in exploration assets		
Carrying value at beginning of period	-	250,000
Consideration in cash (Tennant Creek Transaction) (a)	3,000,000	-
Consideration in shares (Tennant Creek Transaction) (a)	2,550,000	-
Consideration in options (Tennant Creek Transaction) (a)	715,500	-
Deferred Consideration (Tennant Creek transaction) settled (a)	2,000,000	-
Stamp duty (Tennant Creek Transaction) (a)	601,352	-
Consideration in shares (Wiluna Iron Joint Operation) (b)	-	250,000
Cash consideration and payments pursuant to transaction agreement (Wiluna Iron Joint Operation) (b)	-	850,000
Transferred to Mine Properties and Development Costs (Wiluna Iron Joint Venture) (b)	-	(1,100,000)
Transferred to assets classified as held for sale (c)	-	(250,000)
Balance at end of period	8,866,852	-

(a) 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 (**Tennant Creek Consideration Shares**), and 75,000,000 unlisted options exercisable at $0.10 expiring 3 years from date of issue (**Tennant Creek Consideration Options**). The shares and unlisted options which were approved for issue by shareholders at the Company's AGM were issued and the transaction was completed on 9 December 2021. At that date, there remained a deferred cash payment of $2,000,000 (part of the Cash Consideration) (**Deferred Consideration**) which was payable six months from completion.

The fair value of the Tennant Creek Consideration Shares paid of $2,550,000 (refer note 22), based on the Company's share price on 9 December 2021 of $0.03 per share, has been used to record the value of exploration and evaluation assets on initial recognition in accordance with the Group's accounting policies.

The fair value of the Tennant Creek Consideration Options of $715,500 has been determined in reference based on a Black and Scholes valuation on 9 December 2021. Refer note 25 for further details regarding this share based payment.

Stamp duty in respect of the Tennant Creek Acquisition was assessed at $601,352 which has been paid during the year ended 30 June 2022.

Variation of Tennant Creek Acquisition

On 8 April 2022, the Company advised a variation of terms to the binding agreement previously entered into with GMC. The parties agreed to vary the agreement such that the Deferred Consideration amount would be settled as follows:

- $1,000,000 payable in cash 8 April 2022;
- $500,000 to be settled via the issue of 12,500,000 ordinary shares at a deemed issue price of $0.04 each on 11 April 2022 (fair value on date of issue $425,000); and
- $500,000 payable in cash 1 July 2022 (**Final Cash Payment**).

The Final Cash Payment was settled on 1 June 2022 at a discounted amount of $490,000 (representing a saving of $10,000 for early payment).

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 (noting that $1,119,144 has been spent to 30 June 2022).

(b) Refer to note 14(a).

(c) On 17 June 2021, the Company announced that it had entered two separate binding agreements with Global Lithium Ltd (ASX:GL1) (**Global Lithium**) and Mercury Resources Group Pty Ltd (**Mercury Resources**) to dispose of its Pilbara exploration tenure for a total cash consideration of $550,000, with a trailing royalty on certain of the tenements. The transactions completed subsequent to year end. The carrying value of the Pilbara exploration tenements were reclassified as held for sale at 30 June 2021 (refer note 12).

14 MINE PROPERTIES AND DEVELOPMENT COSTS

	2022 $	2021 $
Acquisition and capitalised costs – Wiluna Iron JV	7,710,381	1,330,000
Accumulated amortisation – Wiluna Ion JV	(2,378,445)	1,562,656
	5,331,936	2,892,656
Movements		
Carrying value at beginning of year	2,892,656	-
Transferred from Exploration Assets (Wiluna Iron JV) (a)	-	1,100,000
Milestone consideration paid / (refunded) in cash (decision to mine) (b)	(230,000)	230,000
Milestone consideration paid in shares (decision to mine) (b)	250,000	-
Consideration paid in shares (additional 9% interest) (c)	2,500,000	-
Transfer prepaid royalty to Wiluna Iron Joint Venture	(225,000)	-
Expenditure incurred (d)	2,522,725	1,562,656
Amortisation (e)	(2,378,445)	-
Closing value at end of year	5,331,936	2,892,656

(a) As announced 17 September 2020, CUF entered a binding agreement to acquire a 51% interest in the Mining Rights Agreement held by the Gold Valley Iron Ore Pty Ltd (**GVIO**) over the Wiluna West JWD deposit (**JWD Mining Rights** or **JWD Iron Ore Project**) (**Wiluna Transaction**). Consideration included $500,000 in cash and 12,500,000 shares (deemed value of $250,000) upon settlement with a further commitment to fund a $125,000 instalment due to GWR Group on 30 September 2020, and to prepay an amount of $225,000 representing the first 50% instalment of a royalty.

The initial $1,100,000 cost of acquisition of the Wiluna Transaction was transferred from exploration assets to mine properties and development costs on 1 January 2021.

(b) In April 2021, the Company made a payment of $230,000 in cash to GVIO, representing an advance payment of the additional consideration payable (as agreed to be varied from $250,000) pursuant to the Wiluna Transaction upon a decision to mine.

During the year ended 30 June 2022, the cash advance was refunded to CUF (plus interest of $20,000), and 4,807,692 shares were issued in settlement of the $250,000 consideration component payable upon decision to mine in respect of the JWD Project.

(c) As announced on 25 May 2021, CUF paid a $1,000,000 refundable deposit to its joint venture partner to secure an option to increase its interest in the JWD Iron Ore Project from 51% to 60% for consideration of $2,500,000.

Following receipt of shareholder approval at the Company's EGM to issue equity to complete this transaction, CUF exercised its option and elected to settle payment of the consideration amount via the issue of 43,859,649 shares. During the year, the $1,000,000 refundable deposit has been repaid to CUF and on 28 July 2021 the shares were issued.

CUF's holds a 60% interest in the JWD Project at 30 June 2022.

(d) Costs incurred in respect of the development of the JWD Iron Ore Project have been capitalised.

(e) Production of the JWD Iron Ore Project commenced during the year. Accordingly, amortisation of mine property and development costs has commenced from 1 July 2021.

Volatility of Iron Ore Prices

The market price of iron ore has been volatile during the year. The Company is continuing to advance its iron ore projects (including JWD Project operations), manages a hedging program, is taking steps to mitigate cash outflow, and will continue to monitor the market price of iron ore prices and the impact this may have on planned activities.

15 PLANT AND EQUIPMENT

	2022 $	2021 $
Gross carrying value at cost	37,543	31,025
Accumulated depreciation	(14,643)	(4,783)
	22,900	26,242
Movements in plant and equipment		
Carrying value at beginning of year	26,242	2,635
Additions	6,518	26,463
Depreciation charge for the period	(9,860)	(2,856)
Carrying value at end of year	22,900	26,242

16 RIGHT OF USE ASSETS

	2022 $	2021 $
Cost	716,827	
Accumulated amortisation	(387,872)	-
	328,955	-
Movements in Right of Use Assets		
Balance as at beginning of period	-	-
Recognition of right of use asset at inception of lease (a)	716,827	-
Amortisation of right of use assets	(387,872)	-
Balance at end of period	328,955	-

(a) The Group has entered into a lease agreement for camp room hire and facilities located near to the JWD Project site. The period of the lease expires 31 May 2023.

17 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

(a) Reconciliation of carrying amount of investments accounted for using the equity method

	2022 $	2021 $
Investments accounted for using the equity method – Yarram Iron JV	2,999,352	3,266,230
Movement in Investment		
Balance at beginning of period	3,266,230	-
Initial cost of investment (b)	-	3,345,000
Share of profit/(loss) of joint venture	(266,878)	(78,770)
Balance at end of period	2,999,352	3,266,230

(a) On 22 December 2020, the Company advised it had completed the transaction (initially announced to ASX on 21 August 2020) to acquire a 50% interest in the Yarram iron ore project (**Yarram Iron JV**) in the Northern Territory (**Yarram Transaction**). Completion of the transaction was effected on 22 December 2020, via CUF (via its wholly owned subsidiary Yarram FE Pty Ltd (**Yarram FE**)) purchasing a 50% share in Gold Valley Iron and Manganese Pty Ltd (**GVIM**), being the entity which owns the Yarram Iron Ore Rights.

(b) The initial cost of investment is summarised as follows:

	Cost of investment $
Cash[1]	945,000
Shares[2]	500,000
Subscription amount payable to GVIM[3]	1,900,000
	3,345,000

[1] Cash consideration pursuant to agreement of $1,000,000 less $55,000 liabilities assumed.

[2] Being 31,250,000 shares valued at $500,000 based on deemed issue price of $0.016 per share (refer to note 22).

[3] Refers to subscription funds payable in relation to 500,000 shares in GVIM, being:

(i) a minimum payment of $1,500,000; and

(ii) up to an additional $400,000 as directed by the Board of GVIM;

at a date to be determined by the Board of GVIM.

Note, if the minimum payment amount is unpaid at payment date, shares to be cancelled proportionally to the unpaid amount.

(c) Summarised financial information for the Yarram Iron JV

The tables below provide summarised consolidated financial information for the Yarram Iron JV company (GVIM) and its wholly owned subsidiary (Yarram Iron Pty Ltd). The information disclosed reflects the amounts presented in the financial statements of the joint venture and not CUF's share of those amounts.

Summarised balance sheet:	2022 $	2021 $
ASSETS		
Current Assets		
Trade and other receivables	677,807	1,211,345
Other assets	99,376	99,596
Total Current Assets	777,183	1,310,941
TOTAL ASSETS	777,183	1,310,941
LIABILITIES		
Current Liabilities		
Trade and other payables	546	546
Total Current Liabilities	546	546
TOTAL LIABILITIES	546	546
NET ASSETS	776,637	1,310,395

18 TRADE AND OTHER PAYABLES

	2022 $	2021 $
Trade payables (a)	8,832,717	404,292
Employee related liabilities	159,825	104,865
Subscription funds payable (b)	677,352	1,210,900
Other payables and accruals (c)	1,477,650	620,236
	11,147,544	2,340,293

(a) Trade payables are non-interest bearing and are normally settled on 30-day terms. The majority of trade payables at 30 June 2022 are attributable to the Wiluna Iron Joint Venture (refer to Note 9(a).

(b) Relates to the initial subscription funds payable for shares in GVIM of $1,900,000 (refer to note 17(b)(3)), adjusted for $1,222,648 in total payments made by CUF for and on behalf of the Yarram Iron JV.

(c) Other payables are non-interest bearing and have varying terms.

19 INTEREST-BEARING BORROWINGS

	2022 $	2021 $
USD Loan – Principal (a)	1,298,737	-
USD Loan – Interest (a)	5,773	-
	1,304,510	-
Movements in borrowings		
Balance at beginning of year	-	
Receipt of loan funds	9,551,504	
Interest accrued	321,997	-
Repayment of principal loan	(8,456,839)	-
Payment of interest	(319,647)	-
FX revaluation	207,495	-
Balance at end of year	1,304,510	-

(a) As announced on 27 July 2021, the Company, via its wholly owned subsidiary Wiluna FE Pty Ltd, entered an exclusive offtake agreement with leading international trading house Glencore International AG (**Glencore**), for 100% of the JWD product (iron ore lumps and fines) over the life of CUF's operations at the mine, subject to GWR Group Ltd's existing right to elect to purchase up to 50,000 tonnes of fines product at the mine gate.

Pursuant to the terms of the offtake agreement, Glencore provided a USD$7,500,000 prepayment (CUF's 60% share: USD$4,500,000), to be repaid by the JV via instalments from shipments plus interest (12% p.a.) (**Initial Loan**). The Initial Loan was repaid during the year.

As announced 12 January 2022, the agreement has been restructured to allow drawdowns of up to USD$3,000,000 against stock held at port, to assist the Company in management of working capital as required as Operator of the JWD JV (**Proposed Stock Facility**). USD$1,500,000 (CUF's 60% share: USD$900,000) has been drawn at 30 June 2022 against stock at port, with additional security granted in line with that of the initial prepayment facility, pending the finalisation of warehouse management protocols with the port provider (**Short-term Facility**). Funds drawn pursuant to the Short-Term Facility are shown in the above table as A$1,298,737 (being CUF's 60% share in AUD equivalent). The Short-term Facility has been repaid from the July 2022 shipment. The Short-term Facility has provided access to working capital whilst full-form documentation is being completed to allow draw down under the Proposed Stock Facility.

20 LEASE LIABILITY

	2022 $	2021 $
Current		
Right of use lease liability	276,852	-
Non-current		
Right of use lease liability	-	-
Total	276,852	-

21 PROVISIONS

	2022 $	2021 $
Current		
Provision for demobilisation – JWD Project (a)	131,208	-
	131,208	-
Non-current		
Provision for rehabilitation – JWD Project (b)	351,684	160,140
Provision for demobilisation – JWD Project	153,953	-
	505,637	160,140
Total	636,845	160,140

(a) Included within the provision for demobilisation at 30 June 2022 is an amount of $131,208 which reflects the Group's 60% share of a total $218,680 amount due at end of the camp lease (refer to note 16(a)).

(b) The provision for rehabilitation of $351,684 recorded in the statement of financial position at 30 June 2022 reflects the Group's 60% share of the total $586,140 provision for rehabilitation of Wiluna Iron JV (accounted for as a joint operation in accordance with the Group's accounting policy). The provision for rehabilitation of $586,140 of Wiluna Iron JV has been calculated using the Rehabilitation Estimate Calculation pursuant to the *Mining Rehabilitation Fund Regulations 2013* based on an estimate of area of disturbance (calculated at $986,140), less $400,000 (project to date) which has been prepaid pursuant to an agreement.

22 CONTRIBUTED EQUITY

	2022 $	2021 $
Ordinary shares		
Issued and fully paid	58,622,052	48,172,188

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

	2022 No. of shares	2022 $	2021 No. of shares	2021 $
Movements in ordinary shares on issue				
Balance at beginning of year	699,445,024	48,172,188	488,701,620	41,236,293
Shares issued – completion shares (Wiluna JWD acquisition) (a)	-	-	12,500,000	250,000
Shares issued - milestone shares (Wiluna JWD DTM) (b)	4,807,692	250,000	-	-
Shares issued - consideration (Wiluna JWD additional 9% interest) (c)	43,859,649	2,500,000	-	-
Shares issued – completion shares (Yarram JV acquisition) (d)	-	-	31,250,000	500,000
Shares issued - completion shares (Tennant Creek Transaction) (e)	85,000,000	2,550,000	-	-
Shares issued – completion shares (Tennant Creek acquisition) (e)	12,500,000	425,000	-	-
Shares issued – placement at $0.045 per share (f)	-	-	123,381,655	5,552,174
Shares issued - Placement at $0.050 per share (g)	100,000,000	5,000,000	-	-
Shares issued – exercise of options (h)	13,000,000	355,000	43,601,749	918,285
Shares issue costs – shares issued to option underwriter	-	-	10,000	460
Share issue costs - options issued to Lead Manager to Placement (g)	-	(222,698)	-	-
Share issue costs - cash	-	(407,438)	-	(285,024)
Balance at end of year	958,612,365	58,622,052	699,445,024	48,172,188

(a) Refer to note 14(a).

(b) Refer to note 14(b).

(c) Refer to note 14(c).

(d) Refer to note 17(b).

(e) Refer to note 13(a).

(f) On 18 February 2021, the Company announced it had successfully completed a placement to sophisticated and professional investors at an issue price of $0.045 raising $5,552,174 (before capital raising costs). On 24 February 2021, the Company issued 123,381,655 Placement shares.

(g) 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**). The Placement Shares were issued on 1 October 2021.

Following 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**).

(h) During the year ended 30 June 2022, the Company raised a total of $355,000 from the exercise of the following unlisted options:

- 6,000,000 shares issued upon exercise of unlisted options exercisable at $0.03 expiring 31 August 2022, raising $180,000

- 7,000,000 shares issued upon exercise of unlisted options exercisable at $0.025 expiring 31 March 2022, raising $175,000

During the year ended 30 June 2021, the Company raised a total of $918,285 from the exercise of the following unlisted options:

- 5,000,000 unlisted options at $0.025 expiring 31 March 2022
- 36,476,749 unlisted options at $0.02 expiring 31 May 2021
- 2,125,000 unlisted options at $0.03 expiring 13 March 2021

Other Securities on Issue

	2022 No.	**2021 No.**
Options over ordinary shares		
Unlisted options	148,500,000	79,000,000
Listed options (ASX:CUFO)	70,000,000	-
	218,500,000	79,000,000

Movements in options on issue	**Balance at 1 July 2021 No.**	**Granted No.**	**Exercised No.**	**Expired/ lapsed No.**	**Balance at 30 June 2022 No.**
<u>*Share-based payments (refer note 25):*</u>					
Unlisted options at $0.025 expiring 31/03/2022	10,000,000	-	(7,000,000)	(3,000,000)	-
Unlisted options at $0.030 expiring 31/08/2022	5,000,000	-	(1,750,000)	-	3,250,000
Unlisted options at $0.040 expiring 31/08/2023	5,000,000	-	-	-	5,000,000
Unlisted options at $0.030 expiring 31/08/2022	17,500,000	-	-	-	17,500,000
Unlisted options at $0.030 expiring 31/08/2022	2,500,000	-	-	-	2,500,000
Unlisted options at $0.030 expiring 31/08/2022	5,000,000	-	(4,250,000)	-	750,000
Unlisted options at $0.035 expiring 12/10/2023	5,000,000	-	-	-	5,000,000
Unlisted options at $0.045 expiring 12/04/2024	5,000,000	-	-	-	5,000,000
Unlisted options at $0.060 expiring 12/10/2024	5,000,000	-	-	-	5,000,000
Unlisted options at $0.060 expiring 30/06/2023	15,000,000[1]	-	-	-	15,000,000
Unlisted options at $0.074 expiring 31/12/2022	1,000,000[1]	-	-	-	1,000,000
Unlisted options at $0.04 expiring 31/08/2023	3,000,000[1]	-	-	-	3,000,000
Unlisted options at $0.06 expiring 30/06/2023	-	14,500,000	-	(4,000,000)	10,500,000
Unlisted options at $0.10 expiring 09/12/2024	-	75,000,000	-	-	75,000,000
Listed options at $0.06 expiring 24/11/2023	-	20,000,000	-	-	20,000,000
	79,000,000	109,500,000	(13,000,000)	(7,000,000)	168,500,000
<u>*Free-attaching options:*</u>					
Listed options at $0.06 expiring 24/11/2023	-	50,000,000	-	-	50,000,000
	-	50,000,000	-	-	50,000,000
TOTAL	79,000,000	159,500,000	(13,000,000)	(7,000,000)	218,500,000

[1]Being options granted in year ended 30 June 2021 which were issued in August 2021.

23 ACCUMULATED LOSSES

	2022	2021
	$	$
Accumulated losses	(38,248,811)	(38,083,896)
Movements in accumulated losses		
Balance at beginning of year	(38,083,896)	(35,573,356)
Loss for the year	(164,915)	(2,510,540)
Balance at end of year	(38,248,811)	(38,083,896)

24 RESERVES

	2022	2021
	$	$
Share-based payments reserve (a)	4,362,697	2,861,702
Other equity reserve	(116,431)	-
	4,246,266	2,861,702
(a) Movements in Share-based payments reserve		
Balance at beginning of year	2,861,702	2,107,148
Share-based payments made during the year (refer note 25)	1,500,995	754,554
Balance at end of year	4,362,697	2,861,702

Nature and purpose of reserve

This reserve is used to record the value of share-based payments made to directors, consultants, and as consideration to acquire assets (in the form of unlisted options).

25 SHARE-BASED PAYMENTS

Share-based payment transactions recognised during the year were as follows:

	2022 $	2021 $
(a) Share-based payments expensed through profit and loss:		
Options(i)	562,797	754,554
(b) Share-based payments included in statement of financial position:		
Share-based payments – shares (capitalised mine development)	2,750,000	-
Share-based payments - shares (Tennant Creek Acquisition)	2,550,000	250,000
Share-based payments - shares (exploration assets)	425,000	-
Share-based payments - options (exploration assets) (ii)	715,500	-
Share-based payments - investment accounted for using equity method	-	500,000
	6,440,500	750,000
(c) Share-based payments expensed through equity:		
Options (iii)	222,698	-
	222,698	-
Sub-total share-based payments – Options	1,500,995	754,554
Sub-total share-based payments – Shares	5,725,000	750,000
Total share-based payments	7,225,995	1,504,554

(i) During the year, the Company issued or granted the following options:

- 15,000,000 unlisted options exercisable at $0.06 expiring 30 June 2023 with vesting conditions issued to Directors Mr Tony Sage (7,500,000 options), Mr Mark Hancock (7,500,000 options) (or their nominees) (**Director Options**)^;
- 1,000,000 unlisted options exercisable at $0.074 expiring 31 December 2022 issued pursuant to the Company's Employee Securities Incentive Plan (**ESIP**) (ESIP approved by shareholders at the July 2021 EGM) (**ESIP Options A**)^;

- 3,000,000 unlisted options exercisable at $0.04 expiring 31 August 2023 with vesting conditions issued pursuant to the Company's ESIP (**ESIP Options B**)^; and
- 14,500,000 unlisted options exercisable at $0.06 expiring 30 June 2023 with vesting conditions issued pursuant to the Company's ESIP (**ESIP Options C**).

^Granted in year ended 30 June 2021, issued in year ended 30 June 2022.

(ii) During the year, the Company issued or granted the following options:

- 75,000,000 unlisted options at $0.10 expiring 9 December 2024 were issued as part consideration for the Tennant Creek Acquisition (**Tennant Creek Options**).

(iii) During the year, the Company issued or granted the following options:

- 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) (**Lead Manager Options**).

(d) Fair value of options issued or granted

The fair value of unlisted options issued or granted during the period has been determined using a Black-Scholes option pricing model. The following table lists the inputs to the model:

	Director Options*	**ESIP Options A**	**ESIP Options B**	**ESIP Options C**
Expiry date	30 Jun 2023	31 Dec 2022	31 Aug 2023	30 Jun 2023
Valuation date	12 Jul 2021	3 May 2021	22 Mar 2021	9 Aug 2021
Dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	100%	100%	100%	100%
Risk free interest rate (%)	0.04%	0.07%	0.09%	0.02%
Exercise price ($)	$0.060	$0.074	$0.040	$0.060
Discount (%)	Nil	Nil	Nil	Nil
Expected life of options (years)	1.97	1.66	2.44	1.89
Share price at grant date ($)	$0.073	$0.057	$0.045	$0.076
Value per option ($)	$0.0412	$0.0236	$0.0266	$0.0430

	Tennant Creek Options	**Lead Manager Options**
Expiry date	9 Dec 2024	24 Nov 2023
Valuation date	9 Dec 2021	24 Nov 2021
Dividend yield (%)	Nil	Nil
Expected volatility (%)	91.5%	92.3%
Risk free interest rate (%)	0.95%	0.56%
Exercise price ($)	$0.10	$0.060
Discount (%)	Nil	Nil
Expected life of options (years)	3.00	2.00
Share price at grant date ($)	$0.03	$0.033
Value per option ($)	$0.0095	$0.0111

* Director Options (subject to receipt of shareholder approval) were initially proposed to be issued as announced 26 April 2021. Shareholder approval was received at the Company's general meeting held 12 July 2021.

(e) Summary of options granted

The following table illustrates the number (**No.**) and weighted average exercise prices (**WAEP**) of, and movements in options during the year:

	2022 No.	**2022 WAEP**	**2021 No.**	**2021 WAEP**
Outstanding at the beginning of the year	79,000,000	$0.040	38,101,748	$0.022
Options granted	109,500,000	$0.087	69,000,000	$0.042
Options exercised	(13,000,000)	$0.027	(28,101,748)	$0.021
Options expired	(7,000,000)	$0.045	-	-
Outstanding at the end of the year	168,500,000	$0.071	79,000,000	$0.040
Exercisable at the end of the year	147,300,000	$0.074	50,000,000	$0.031
Not exercisable at the end of the year	21,200,000	$0.052	29,000,000	$0.055

(f) Weighted average remaining contractual life

The weighted average remaining contractual life for the options outstanding as at 30 June 2022 is 1.65 years (2021: 1.71 years).

(g) Fair value

The fair value of options granted during the year ended 30 June 2022 was $0.0142 (30 June 2021: $0.0178).

(h) Options expired

The following unlisted options expired during the year (2021: nil):

- 1,000,000 unlisted options at $0.06 lapsed 10 December 2021
- 3,000,000 unlisted options at $0.025 expired 31 March 2022
- 3,000,000 unlisted options at $0.06 lapsed 4 May 2022

26 SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources. The Group has one segment being mining and exploration activities in Australia.

27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's objective regarding financial risk management is to ensure the effective management of business risks crucial to the financial integrity of the business without affecting the ability of the Group to operate efficiently or execute its business plans and strategies.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and has the responsibility for designing and operating processes that ensure the effective management of all significant financial risks to the business. The Board may delegate specific responsibilities as appropriate.

Capital risk management

The Group's capital base comprises its ordinary shareholders equity, which was $24,916,507 at 30 June 2022 (30 June 2021: $12,949,994). The Group manages its capital to ensure that the entities in the Group will be able to continue to meet its working capital requirements and operate as a going concern while seeking to maximise the return to stakeholders.

In making its decisions to adjust its capital structure, either through new share issues or consideration of debt, the Group considers not only its short-term working capital needs but also its long-term operational and strategic objectives. The Board continually monitors the capital requirements of the Group.

The Group is not subject to any externally imposed capital requirements.

Financial instrument risk exposure and management

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, financial assets held for trading, trade and other payables, borrowings, and lease liabilities.

The main purpose of these financial instruments is to manage short term cash flows for the Group's operations.

The Group also enters into derivative transactions, including commodity collar options and iron ore swaps. The purpose of these financial instruments is to manage the commodity price risks arising from the Group's operations.

The main risks arising from the Group's financial instruments are foreign currency risk, commodity price risk, interest rate risk, credit risk, and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

The Group's financial assets and financial liabilities are as follows:

	Note	2022 $	2021 $
Financial assets			
Cash and cash equivalents	6	7,193,910	5,830,848
Restricted cash	7	469,242	109,242
		7,663,152	5,940,090
Financial liabilities			
Trade and other payables	18	11,147,544	2,340,293
Income tax payable		-	78,896
Interest-bearing borrowings	19	1,304,510	-
Lease liability	20	276,852	-
Provisions	21	636,845	160,140
		13,365,751	2,579,329

Market risk

Market risk is the risk that changes in market prices will affect the Group's income or the value of its holdings of financial instruments. At 30 June 2022, the Group was exposed to market risks in the form of foreign currency, commodity price, and interest rate risk.

Foreign currency risk

The Group is exposed to the risk of adverse movement in the AUD compared to the USD as its iron ore sales receipts and borrowings are denominated in USD.

At balance date, the Group's exposure to foreign currency risks on financial assets and financial liabilities, are as follows:

	2022 $	2021 $
Financial assets		
Cash and cash equivalents	43,900	-
Financial liabilities		
Trade and other payables	(203,480)	
Interest-bearing loans and borrowings	(1,304,510)	-
	(1,464,090)	-

The net exposure in USD at balance date is USD$1,008,944 (30 June 2021: nil).

Commodity price risk

The Group's operations are exposed to commodity price risk as the Group sells iron ore to its customers. The majority of the Group's sales revenue is derived under an exclusive offtake agreement with leading international trading house Glencore International AG (**Glencore**) (refer 'Credit Risk' below for further details). The pricing mechanism in these contracts reflect market-based index pricing terms.

During the year, the Group entered into commodity collar option and swap contracts in relation to dry metric tonnes (**dmt**) of iron ore, with maturity dates spread over the period October 2021 to 30 June 2022. The contracts provided floor price protection in relation to sales from the JWD Project. This hedging strategy resulted in realised gains of $8,907,493 (CUF's 60% share: $5,344,496) being recognised in the year ended 30 June 2022 (closed positions).

At balance date, a series of contracts remained open (settlement dates between July to October 2022) with a fair value of $5,540,869 (CUF's 60% share: $3,324,522). The fair value of these contracts has been recognised in the balance sheet as a financial asset and the marked-to-market unrealised gain has been recognised in the profit or loss during the year ended 30 June 2022.

Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's cash and cash equivalents, term deposits and borrowings.

At balance date, the Group's maximum exposure to interest rate risks on financial assets and financial liabilities was as follows:

30 June 2022	**Range of effective interest rates**	**Carrying amount**	**Variable interest rate**	**Fixed interest rate**	**Total**
	%	**$**	**$**	**$**	**$**
Financial assets					
Cash and cash equivalents	0 – 0.16%	7,193,910	7,193,910	-	7,193,910
Restricted cash (term deposits)	0.25%	469,242	-	469,242	469,242
Financial liabilities					
Loans and borrowings	12%	(1,298,737)	-	(1,298,737)	(1,298,737)
		6,364,415	7,193,910	(829,495)	6,364,415
30 June 2021					
Financial assets					
Cash and cash equivalents	0 – 0.16%	5,830,848	5,830,848	-	5,830,848
Restricted cash (term deposits)	0.25%	109,242	-	109,242	109,242
Financial liabilities					
Loans and borrowings	-	-	-	-	-
		5,940,090	5,830,848	109,242	5,940,090

The following table details the effect on profit or loss and other comprehensive income after tax of a 0.25% change in interest rates, in absolute terms in respect of those financial instruments exposed to variable interest rates:

	Profit/(loss) (Higher)/Lower		**Equity Higher/(Lower)**	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
+0.25% (25 basis points)	17,985	14,577	-	-
-0.25% (25 basis points)	(17,985)	(14,577)	-	-

The sensitivity analysis of the Group's exposure to Australian variable interest rates at balance date has been determined based on exposures at balance sheet date. A positive number indicates an increase in profit and equity.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at reporting date is addressed in each applicable note.

The Company, via its wholly owned subsidiary Wiluna Fe Pty Ltd, entered an exclusive offtake agreement with Glencore, for 100% of the JWD product (iron ore lumps and fines) over the life of CUF's operations at the mine, subject to GWR Group Ltd's existing right to elect to purchase up to 50,000 tonnes of fines product at the mine gate. The Group minimises concentrations of credit risk in relation to trade receivables by use of advance payments and letters of credit which effectively protect at least 90% of the estimated receivable amount at the time of sale. The Board are of the opinion that the credit risk arising as a result of the concentration of the Group's receivables is more than offset by the benefits gained under the offtake arrangement.

For cash balances held with bank or financial institutions, only independently rated parties with a minimum rate of 'AA' are accepted.

The Group trades only with recognised and creditworthy third parties.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Other than the cash balance with a AA credited bank, there are no other significant concentrations of credit risk within the Group.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's objective is to ensure that it will always have sufficient liquidity to meet its liabilities through ensuring it has sufficient cash reserves to meet its ongoing working capital and long-term operational and strategic objectives. The Group manages liquidity risk by maintaining adequate borrowing facilities and monitoring forecast and actual cash flows on an ongoing basis.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Less than 6 months	**6-12 months**	**1-5 years**	**Over 5 years**	**Total contractual cash flows**	**Carrying amount of liabilities**
	$	**$**	**$**	**$**	**$**	**$**
30 June 2022						
Trade and other payables	10,391,989	-	-	-	10,391,989	10,391,989
Subscription funds payable	-	-	-	677,352	677,352	677,352
Employee leave liabilities	78,204	-	-	-	78,204	78,204
Provision for demobilisation	-	131,208	-	-	131,208	131,208
Lease liabilities	160,579	131,780	-	-	292,359	292,359
Loans and borrowings	1,304,510	-	-	-	1,304,510	1,304,510
	11,935,282	262,988	-	677,352	12,875,622	12,875,622
30 June 2021						
Trade and other payables	1,110,080	-	-	-	1,110,080	1,110,080
Subscription funds payable	-	-	-	1,210,900	1,210,900	1,210,900
Employee leave liabilities	19,314	-	-	-	19,314	19,314
Income tax payable	78,896	-	-	-	78,896	78,896
	1,208,290	-	-	1,210,900	2,419,190	2,419,190

Fair value estimation

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that is not based on observable market data (unobservable inputs).

	Carrying Amount		**Fair Value**	
		Level 1	**Level 2**	**Level 3**
	$	**$**	**$**	**$**
30 June 2022				
Equity investment	80,545	80,545	-	-
Commodity collars/swaps	3,324,522	-	3,324,522	-
	3,405,067	80,545	3,324,522	-
30 June 2021				
Equity investment	77,562	77,562	-	-
Commodity collars/swaps	-	-	-	-
	77,562	77,562	-	-

28 COMMITMENTS AND CONTINGENCIES

Commitments

Office Rental Commitments

The Group has entered into a 12-month lease with Okewood for office premises for a lease term expiring 31 March 2023. The expenditure commitments with respect to rent payable under lease arrangement is as follows:

	2022 $	2021 $
Within one year	56,250	56,250
After one year but less than five years	-	-
More than five years	-	-
	56,250	56,250

Commitments of CUF in relation to the Tennant Creek Project (in which CUF has a 60% interest)

Pursuant to the terms of the Tennant Creek Acquisition, CUF is to sole fund the Tennant Creek joint venture activities for the first $10,000,000 expended by the joint venture following settlement which is not time bound. GMC is not required to contribute to the joint venture expenditure until after that $10,000,000 expenditure has been met, regardless of when a decision to mine is made. Noting that $1,119,144 has been spent to 30 June 2022, the remaining commitment at 30 June 2022 is $8,880,856).

Commitments in relation to Wiluna Iron JV (in which CUF has a 60% interest)

Various operating agreements have been entered into in relation to the Wiluna Iron JV. Certain operating agreements include terms which constitute commitments, summarised as follows:

- Port Access and Services Agreement for Geraldton Port has been entered into with Mid West Ports Authority. The current term of the agreement expires 30 June 2023 and can be extended for a further one year period at the Company's election.
- Licence Agreement Geraldton Port has been entered into with Geraldton Bulk Handling Pty Ltd. The current term of the agreement expires 30 June 2023. The licence fee is only payable for each day product is stored at the shed facility.
- Haulage contract has been entered into with David Campbell Transport Pty Ltd. The current term of the contract expires 4 July 2024, unless terminated. The contract includes a 14 day termination clause for financial hardship.
- Mining Services Agreement has been entered into with Big Yellow Mining Pty Ltd. The current term of the agreement expires 31 January 2024, unless terminated. The contract includes a 14 day termination clause for financial hardship.
- Agreement with Main Roads WA to fund the upgrade of the intersection where the trucks enter the Goldfields Highway from the JWD mine access road.

Contractual commitments at 30 June 2022 are as follows (amounts shown as 100% of the commitment of the Wiluna Iron JV):

	2022 $	2021 $
Up to 1 year	3,731,124	-
Between 1 and 5 years	-	-
Later than 5 years	-	-
	3,731,124	-

The Company previously disclosed in its 30 June 2021 annual report that it had agreed to provide a working capital facility of $3m to the Wiluna Iron JV following decision to mine (repayable against sale proceeds). This facility has been repaid during the year from funds from operations.

Exploration Expenditure Commitments

To maintain rights to tenure to tenements, the Group is required to fulfil various minimum expenditure requirements up until expiry of licenses. The expected expenditure commitments with respect to the exploration grounds in Australia are as follows:

	2022 $	2021 $
Within one year	-	159,750
After one year but less than five years	-	-
More than five years	-	-
	-	159,750

Contingencies

Contingent Liabilities of Wiluna Iron JV (in which CUF has a 60% interest)

Mining Rights Agreement

The 2021 Annual Report disclosed additional payments that were required by the JV to satisfy the underlying Mining Rights Agreement, as follows:
- Should the Wiluna Iron JV elect to exercise its option to extract a further 2.7Mt from the JWD deposit, an amount of $4,250,000 will be payable;
- Royalties are payable to GWR Group on the basis of iron ore price and to a third party; and
- $3.50 per tonne for each tonne sold in excess of 3Mt.

During the year ended 30 June 2022, the Company (via its subsidiary Wiluna FE Pty Ltd as Operator and 60% equity interest holder in the JV) entered into a variation with GWR Group Ltd on the JWD Mining Rights Agreement whereby rather than having to pay the above-mentioned $4,250,000 by mid-January 2022 to secure the right to export a further 2.7MT of iron ore from the deposit, the JV pays $1,800,000 to secure the right to export 1.2MT; the material to be transported from the JWD tenements by than 30 June 2024 (**MRA Variation**). Executing the variation provided flexibility to both parties in light of the volatile iron ore market experienced during the period.

Further, pursuant to the MRA Variation, the JV can then export additional tonnes of iron ore on the following terms:
- 900,000T upon payment of $2,250,000 by not later than 30 June 2024, with tonnes to be exported by 30 June 2026; and
- 900,000T upon payment of $2,700,000 by not later than 30 June 2026, with the tonnes to be exported by the 10th anniversary of the original MRA.

Contingent Liabilities of CUF in respect to the Yarram Transaction

A milestone payment will be payable by CUF to Gold Valley Brown Stone Pty Ltd if the Company discovers a JORC indicated resource of greater than 3MT with greater than 60% Fe, as follows:

- $1,500,000 cash; or
- at CUF's election, $500,000 in cash and $1,000,000 in CUF shares (calculated as 10-day VWAP upon announcement of Milestone Resource).

At 30 June 2022 there were no other contingent liabilities or contingent assets.

Contingent Liability in respect of Yarram Iron Pty Ltd

During the year ended 30 June 2022, a director penalty notice has been received in respect of a claim by the Australian Taxation Office in respect of Yarram Iron Pty Ltd (**YIPL**). This matter has not yet been settled and is being contested. The maximum exposure of the claim amount is $131,000. The claim relates to a period which pre-dates CUF's acquisition of its 50% interest in YIPL, and is covered by warranties in favour of CUF.

29 CONTROLLED ENTITIES AND ASSOCIATED ENTITIES

The consolidated financial statements include the financial statements of CuFe Ltd and the subsidiaries listed in the following table.

	Country of Incorporation	Equity interest % 2022	Equity interest % 2021
Subsidiaries:			
Wiluna FE Pty Ltd	Australia	100	100
Yarram FE Pty Ltd	Australia	100	100
CuFe Tennant Creek Pty Ltd	Australia	100	-
Jackson Minerals Pty Ltd	Australia	100	100
Mooloogool Pty Ltd	Australia	100	100
Bulk Ventures Ltd	Australia	100	100
Bulk Ventures (Bermuda) Limited	Bermuda	100	100
Associates:			
Gold Valley Iron and Manganese Pty Ltd	Australia	50	50
Yarram Iron Pty Ltd	Australia	50	50

30 PARENT ENTITY FINANCIAL INFORMATION

	2022 $	2021 $
Current assets	8,182,064	6,819,876
Non-current assets	25,710,878	6,909,940
Total assets	**33,892,942**	**13,729,816**
Current liabilities	(9,273,435)	(779,822)
Non-current liabilities	-	-
Total liabilities	**(9,273,435)**	**(779,822)**
Net assets	**24,619,507**	**12,949,994**
Issued capital	58,622,052	48,172,188
Accumulated losses	(38,365,242)	(38,083,896)
Share-based payment reserve	4,362,697	2,861,702
Total shareholders' equity	**24,619,507**	**12,949,994**
Loss for the period	(281,346)	(2,589,435)
Total comprehensive loss for the period	(281,346)	(2,589,435)

The parent entity, on behalf of its subsidiary Wiluna FE Pty Ltd, has provided a guarantee to GWR Group Limited (**GWR**) in respect of amounts payable or owing under or in connection with the Minerals Rights Agreement (being the agreement between GWR and GVIO pursuant to which the JWD Mining Rights are held) (30 June 2021: nil).

Commitments, contingent liabilities and contingent assets of the parent entity are the same as those of the Group as detailed at note 28.

31 AUDITORS' REMUNERATION

	2022 $	2021 $
Amounts received or due and receivable by Stantons International for:		
An audit or review of the financial report of the entity and any other entity in the Group		
Amounts paid or payable relating to current year audit and half year review	87,468	44,904

32 RELATED PARTY DISCLOSURES

Note 29 provides the information about the Group's structure including the details of the subsidiaries and the holding company.

Transactions with directors, director related entities and other related parties

During the year ended 30 June 2022, an aggregate amount of $686 (30 June 2021: $750) was paid or payable to Cyclone Metals Ltd (**Cyclone**) for reimbursement of travel and other corporate costs. At 30 June 2022, nil was payable to Cyclone (30 June 2021: nil). During the year ended 30 June 2022, an aggregate amount of $250 was received or receivable from Cyclone for reimbursement of other corporate costs (30 June 2021: $754). At 30 June 2022, $250 was receivable from Cyclone (30 June 2021: $754).

During the year ended 30 June 2022, an aggregate amount of $13,007 (30 June 2021: $15,313) was paid or payable to European Lithium Ltd (**European Lithium**) for reimbursement of travel and other corporate costs. At 30 June 2022, nil was payable to European Lithium (30 June 2021: $538). During the year ended 30 June 2022, an aggregate amount of $1,410 was received or receivable from European Lithium for reimbursement of other corporate costs (30 June 2021: nil). At 30 June 2022, nil was receivable from European Lithium (30 June 2021: nil).

During the year ended 30 June 2022, an aggregate amount of $130,475 (30 June 2021: $52,300) was paid or payable to Okewood Pty Ltd (**Okewood**) for rent, corporate box sponsorship, and for reimbursement of COVID 19 test kits purchased in bulk. At 30 June 2022, nil was payable to Okewood (30 June 2021: nil). Mr Antony Sage is a director of Okewood.

Options issued to directors or director related entities

Following receipt of shareholder approval at the Company's July 2021 EGM, a total of 15,000,000 unlisted options were issued to directors (or their nominees) (being the Director Options).

Refer note 25 for further details.

Significant shareholders

At 30 June 2022, Cyclone held a significant interest of 15.25% of CUF (30 June 2021: 20.89%). Mr Antony Sage is a director of Cyclone.

Terms and conditions of transactions with related parties other than KMP

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Transactions with key management personnel

Compensation of key management personnel

	2022 $	2021 $
Short-term employee benefits	798,000	544,167
Share-based payments	327,093	333,859
	1,125,093	878,026

Interests held by Key Management Personnel

Movements in shares held by key management personnel is as follows:

30 June 2022	Balance at 1 July 2021	Granted as remuneration	Exercise of options	Shares sold	Net change other	Balance at 30 June 2022
Directors						
A Sage[i]	21,673,010	-	-	-	-	21,673,010
M Hancock	2,500,000	-	-	-	-	2,500,000
N Sage	-	-	-	-	-	-
Other KMP						
J Sinclair	230,000	-	1,750,000	(880,000)	-	1,100,000
	24,403,010	-	1,750,000	(880,000)	-	25,273,010

(i) Indirectly held.

Movements in unlisted options held by key management personnel to purchase ordinary shares is summarised as follows:

30 June 2022	Balance at 1 July 2021	Acquired /granted during year	Exercised	Net change other	Balance at 30 June 2022	Exercisable	Not Exercisable	Ex. Price	Exp. Date
Directors									
A Sage	7,500,000	-	-	-	7,500,000	7,500,000	-	$0.03	31/08/2022
	7,500,000[1]	-	-	-	7,500,000	3,000,000	4,500,000	$0.06	30/06/2023
M Hancock	7,500,000	-	-	-	7,500,000	7,500,000	-	$0.03	31/08/2022
	7,500,000[1]	-	-	-	7,500,000	3,000,000	4,500,000	$0.06	30/06/2023
N Sage	2,500,000	-	-	(2,500,000)[2]	-	-	-	$0.03	31/08/2022
Other KMP									
J Sinclair	5,000,000	-	(1,750,000)	-	3,250,000	3,250,000	-	$0.03	31/08/2022
	5,000,000	-	-	-	5,000,000	-	5,000,000	$0.04	31/08/2023
	-	5,000,000	-	-	5,000,000	3,000,000	2,000,000	$0.06	30/06/2023
	42,500,000	5,000,000	(1,750,000)	(2,500,000)	43,250,000	27,250,000	16,000,000		

[1] Includes 7,500,000 unlisted options with vesting conditions granted to each of Mr Tony Sage (or nominee) and Mr Mark Hancock (or nominee) (total of 15,000,000 options) at an exercise price of $0.06 each and an expiry date of 30 June 2023, which were formally issued on 4 August 2021 following receipt of shareholder approval at the Company's July 2021 EGM (being the Director Options).

[2] On 2 August 2021, Mr Nicholas Sage sold 2,500,000 unlisted options at an exercise price of $0.03 expiring 31 August 2022 via an off market transfer for $125,000.

Shares issued to directors or director related entities

There were nil shares issued to directors during the year ended 30 June 2022 in relation to remuneration (2021: nil).

33 EVENTS AFTER THE REPORTING DATE

Issue of Shares

The following shares were issued subsequent to year end:

- 7,500,000 shares upon exercise of unlisted options at $0.03 expiring 31 August 2022, raising $225,000.

Issue of Options

The following options were issued subsequent to year end:

- 14,250,000 unlisted options at $0.027 expiring 7 September 2024.

Expiry of Options

A total of 16,500,000 unlisted options at $0.03 expired on 31 August 2022.

There have been no other events subsequent to 30 June 2022 up to the date of this report that would materially affect the operations of the Group or its state of affairs which have not otherwise been disclosed in this financial report.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of CuFe Ltd, I state that:

1. In the opinion of the directors:

   a) the financial statements and notes of CuFe Ltd for the year ended 30 June 2022 are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and its performance for the year ended on that date; and

      (ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

   b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b);

   c) subject to the matters described in note 2(c), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with *section 295A* of the *Corporations Act 2001* for the year ended 30 June 2022.

On behalf of the Board

Mr Antony Sage
Executive Chairman

23 September 2022

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CUFE LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of CuFe Limited ("the Company"), and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Relating to Going Concern

Without modifying our audit opinion expressed above, attention is drawn to the following matter.

As referred to in Note 2(c) to the financial statements, the consolidated financial statements have been prepared on a going concern basis. As at 30 June 2022, the Group had cash and cash equivalents of $7,193,910, a net working capital surplus of $7,105,907 (excluding restricted cash) and incurred a loss after income tax for the year ended 30 June 2022 of $164,915.

The ability of the Group to continue as a going concern and meet its planned operation, exploration, administration and other commitments is dependent upon the Group generating sufficient cashflow from operations or raising further equity and/or successfully exploiting its mineral assets.
In the event that the Group is not successful in achieving the matters set out above, these events or conditions, along with other matters as set forth in Note 2(c), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter

Key Audit Matters

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be Key Audit Matter to be communicated in our report.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
Revenue Recognition The Group's revenue totalled $32,997,036 during the financial year ended 30 June 2022 (refer to Note 3(a) of the financial statements). Note 1 to the financial statements describes the accounting policies applicable to the revenue from contracts with customers. The Group produces and sells the iron ore free on board and revenue from the sale of iron ore is recognised at a point in time when control of the product is transferred to the customer, which occurs when the product is physically transferred onto a vessel. The Group generated $32,997,036 in revenue during the period. Accounting for revenue recognition was a key audit matter due to the: ▪ significance of revenue to understanding the financial results for users of the financial report; ▪ judgement required by the Group in applying the requirements of AASB 15 - *Revenue from Contracts with Customers* (AASB 15), such as: ✓ identifying the performance obligations under its contracts with customers;	Inter alia, our audit procedures included the following: ▪ Assessed whether the Group's accounting policies were in accordance with the requirements of AASB 15. ▪ Evaluated the judgements made by the management in applying the accounting policy by obtaining an understanding of the revenue streams. ▪ Tested iron ore revenue transactions by agreeing outward movements recorded in the inventory during the year to the relevant supporting documents and verified that the revenue has been correctly recorded in the general ledger and recognised when the performance obligation has been satisfied; and ▪ Evaluated the adequacy of the disclosures in respect of revenue recognition with the criteria prescribed by the applicable standard.

- ✓ determining the transaction price, applying the expected value approach based on the initial assay and weight result and subsequent adjustment based on the final sampling and analysis results;
- ✓ the method of allocating the transaction price in the contract to the performance obligations; and
- ✓ identifying the timing of recognition of the revenue based on performance obligations satisfaction.

Key Audit Matters	How the matter was addressed in the audit
Inventory valuation and existence	
As at 30 June 2022, the Group held an inventory of $4,568,168. As described in note 2(i) of the financial statements, the inventory is carried at a lower of cost and net realisable value on a weighted average basis in accordance with AASB 102 – *Inventories* (AASB 102). Inventory valuation and existence was considered a key audit matter due to the significance of the balance carried and the judgment applied in the valuation.	Inter alia, our audit procedures included the following: ▪ Confirmed the quantities through internal and third-party surveys. ▪ Performed site visit close to ending of the year to substantiate the existence of operation and inventory. ▪ Assessed the Group's Inventory valuation methodology with the requirements of AASB 102. ▪ Assessed the reasonableness of the assumptions used in the inventory valuation model. ▪ Tested the mathematical accuracy of the inventory valuation model. ▪ Recalculated the cost and the net realisable value of the inventory; end ▪ Ensured the amount presented in the financial statements was the lower of cost and net releasable value

Key Audit Matters	How the matter was addressed in the audit
Financial Assets – Commodity collar/swap contracts	
The Group realised a gain of $5,344,496 for the financial year ended 30 June 2022 through Commodity collar/swap contracts (see note 3(c)) and as at 30 June 2022, the Group held Commodity collar/swap contracts for a total of $3,324,522 (refer to Note 11 of the financial statements) As described in note 2(n) to the financial statements, these financial assets have been classified as financial assets at fair value	Inter alia, our audit procedures included the following: ▪ Tested gains from commodity collar/swap contracts obtaining relevant trading confirmations, reperforming the calculation and agreeing realised gains to the bank statements and general ledger.

Key Audit Matters	How the matters were addressed in the audit
through profit and loss in accordance with AASB 9 – *Financial Instruments* (AASB 9). Commodity collar/swap contracts were considered a key audit matter due to the judgment applied in the valuation.	▪ Obtained the fair value calculation of the Commodity collar/swap contracts open as at 30 June 2022. ▪ Obtained the trading confirmations signed by the two parties at the start of the contracts. ▪ Obtained independent confirmation of the forward prices used in the fair value valuation of the contracts; end ▪ Ensured mathematical accuracy of the calculation.

Key Audit Matters	How the matters were addressed in the audit
Carrying Value of Exploration and Evaluation Expenditure As at 30 June 2022, exploration and evaluation expenditure totalled $8,866,852. As per Note 13 of the financial report, during the period the Group acquired a 60% interest in the copper/gold project Tennant Creek. The carrying value of capitalised exploration and evaluation expenditure is a key audit matter due to: • Amount of Exploration assets is significant. • The necessity to assess management's application of the requirements of the accounting standard *AASB 6* - Exploration for and Evaluation of Mineral Resources ("AASB 6"), considering any indicators of impairment that may be present; and • The assessment of significant judgements made by management in relation to the capitalised exploration and evaluation expenditure.	Inter alia, our audit procedures included the following: ▪ Assessed the Group's right to tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third-party documentation. ▪ Reviewed the directors' assessment of the carrying value of the exploration and evaluation costs, ensuring the veracity of the data presented and that management has considered the effect of potential impairment indicators, commodity prices and the stage of the Group's projects also against AASB 6; ▪ Evaluated the Group's documents for consistency with the intentions for continuing exploration and evaluation activities in certain areas of interest and corroborated with interviews with management. The documents we evaluated included: ▪ Minutes of the board and management. ▪ Announcements made by the Group to the Australian Securities Exchange; and ▪ Cash forecasts; and ▪ Considered the requirements of accounting standard AASB 6 and reviewed the financial statements to ensure appropriate disclosures were made.

Key Audit Matters	How the matters were addressed in the audit
Measurement of Share-based Payments	
As disclosed in Note 25 to the financial statements, during the year the Group granted and/or issued: • 15,000,000 options to Directors • 18,500,000 options to employees • 20,000,000 options to a consultant • 75,000,000 options as part consideration for the Tennant Creek project. • 2,750,000 shares in relation to the acquisition of an additional 9% of Wiluna JV • 2,550,000 shares as part consideration for the Tennant Creek project. The Group accounted for these options and shares in accordance with *AASB 2 -* Share-based Payment (AASB 2). Measurement of share-based payments is a key audit as they involved judgment in assessing the fair value of the equity instruments granted, the grant date, vesting conditions and vesting periods.	Inter alia, our audit procedures included the following: i. Obtained an understanding of the underlying transactions, reviewing agreements, minutes of the Board meetings and ASX announcements. ii. Reviewed management's determination of the fair value of the share-based payments granted, considering the appropriateness of the valuation models used, the underlying assumptions used and discussing with management the justification for these inputs. iii. Assessed the accounting treatment and its application in accordance with AASB 2; iv. Assessed the adequacy of the disclosures in accordance with the applicable accounting standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance opinion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Stantons

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 20 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of CuFe Limited for the year ended 30 June 2022 complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

Samir T Tirodkar
Director
West Perth, Western Australia
23 September 2022

SCHEDULE OF TENEMENTS

As at 13 September 2022:

Schedule of tenement interests of the Company and its subsidiary entities:

Tenement reference	Project & Location	Interest	Notes
M53/971-I	Wiluna West – Western Australia	60%	1
M53/972-I	Wiluna West – Western Australia	60%	1
M53/1018-I	Wiluna West – Western Australia	60%	1
M53/1078-I	Wiluna West – Western Australia	60%	1
L53/115	Wiluna West – Western Australia	60%	1
L53/146	Wiluna West – Western Australia	60%	1
MLN1163	Yarram – Northern Territory	50%	2
ELR125	Yarram – Northern Territory	50%	2
ELR146	Yarram – Northern Territory	50%	2
EL 26595	Tennant Creek – Northern Territory	60%	3
EL 28777	Tennant Creek – Northern Territory	60%	3
EL 28913	Tennant Creek – Northern Territory	60%	3
EL 29012	Tennant Creek – Northern Territory	60%	3
EL 29488	Tennant Creek – Northern Territory	60%	3
EL 30488	Tennant Creek – Northern Territory	60%	3
EL 30614	Tennant Creek – Northern Territory	60%	3
EL 31249	Tennant Creek – Northern Territory	60%	3
EL 32001	Tennant Creek – Northern Territory	60%	3
ML 23969	Tennant Creek – Northern Territory	60%	3
ML 29917	Tennant Creek – Northern Territory	60%	3
ML 29919	Tennant Creek – Northern Territory	60%	3
ML 30714	Tennant Creek – Northern Territory	60%	3
ML 30745	Tennant Creek – Northern Territory	60%	3
ML 30783	Tennant Creek – Northern Territory	60%	3
ML 30873	Tennant Creek – Northern Territory	60%	3
ML 31021	Tennant Creek – Northern Territory	60%	3
ML 31023	Tennant Creek – Northern Territory	60%	3
MLC 21	Tennant Creek – Northern Territory	60%	3
MLC 323	Tennant Creek – Northern Territory	60%	3
MLC 324	Tennant Creek – Northern Territory	60%	3
MLC 325	Tennant Creek – Northern Territory	60%	3
MLC 326	Tennant Creek – Northern Territory	60%	3
MLC 327	Tennant Creek – Northern Territory	60%	3
MLC 506	Tennant Creek – Northern Territory	60%	3
MLC 69	Tennant Creek – Northern Territory	60%	3

MLC 70	Tennant Creek – Northern Territory	60%	3
MLC 78	Tennant Creek – Northern Territory	60%	3
MLC 85	Tennant Creek – Northern Territory	60%	3
MLC 86	Tennant Creek – Northern Territory	60%	3
MLC 87	Tennant Creek – Northern Territory	60%	3
MLC 88	Tennant Creek – Northern Territory	60%	3
MLC 89	Tennant Creek – Northern Territory	60%	3
MLC 90	Tennant Creek – Northern Territory	60%	3
MLC 96	Tennant Creek – Northern Territory	60%	3
MLC 97	Tennant Creek – Northern Territory	60%	3
E52/1668	Peak Hill - Western Australia	20%	4
E52/1678	Peak Hill - Western Australia	20%	4
E52/1722	Peak Hill - Western Australia	20%	5
E52/1730	Peak Hill - Western Australia	20%	4
P52/1538	Peak Hill - Western Australia	20%	4
P52/1539	Peak Hill - Western Australia	20%	4
P52/1494	Forrest - Western Australia	20%	6
P52/1495	Forrest - Western Australia	20%	6
P52/1496	Forrest - Western Australia	20%	6
E29/640	Mt Ida – Western Australia	100%	7
M29/2	Mt Ida – Western Australia	100%	7
M29/165	Mt Ida – Western Australia	100%	7
M29/422	Mt Ida – Western Australia	100%	7

NOTES:

1	CUF (via Wiluna FE Pty Ltd) holds a 60% interest in the Mining Rights Agreement over the Wiluna West JWD deposit (iron ore rights).
2	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.
3	CUF (via CuFe Tennant Creek Pty Ltd) holds 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.
4	Billabong (Operator), ALY and SFR hold various mineral rights under various earn in agreements for an 80% interest in the tenements. CUF (via Jackson Minerals) holds the remaining 20% interest in all minerals free carried to decision to mine.
5	SFR (Operator) and ALY hold various mineral rights for an 80% interest in the tenement. CUF (via Jackson Minerals) holds the remaining 20% interest in all minerals free carried to decision to mine.
6	AUR (Operator) holds an 80% interest in all minerals. CUF (via Jackson Minerals) holds the remaining 20% interest in all minerals free carried to decision to mine.
7	CUF holds 100% interest in iron ore rights over the Mt Ida Project tenements via the Mt Ida Iron Ore Rights Sale Agreement.

The mining tenements with beneficial interest held in farm-in/farm-out agreements

Farm-in/out Agreement and Tenement reference	Project & Location	Interest	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	AUR (Operator) hold 80% in all minerals and CUF (via Jackson Minerals Pty Ltd) holds 20% interest in all minerals.
2	AUR to pay PepinNini Robinson Range Pty Ltd a 0.8% gross revenue royalty from the sale or disposal of iron ore.
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 AUR ASX announcement dated 27 February 2018.

ADDITIONAL SHAREHOLDER INFORMATION

Shares

The total number of Shares on issue as at 13 September 2022 was 966,112,365, held by 1,788 registered Shareholders. 700 shareholders hold less than a marketable parcel, based on the market price of a share as at 13 September 2022.

Each Share carries one vote per Share without restriction.

Escrowed Shares

The Company does not have any Escrowed Shares on issue.

Twenty Largest Shareholders

As at 13 September 2022, the twenty largest Shareholders were as shown in the following table and held 56.77% of the Shares.

	Legal Holder	Holding	%
1	DEMPSEY RESOURCES PTY LTD	120,848,635	12.51
2	GECKO MINING COMPANY PTY LTD	95,125,000	9.85
3	GOLD VALLEY IRON ORE PTY LTD	53,667,341	5.55
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	38,504,926	3.99
5	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	29,419,693	3.05
6	DEMPSEY RESOURCES PTY LTD	25,300,000	2.62
7	ANTONY WILLIAM PAUL SAGE & LUCY FERNANDES SAGE <EGAS SUPERANNUATION FUND>	23,923,010	2.48
8	ANT NICHOLSON PTY LTD <KOO NICHOLSON FAMILY A/C>	18,284,725	1.89
9	CAULDRON ENERGY LIMITED	17,913,868	1.85
10	WHITEY TIGER PTY LTD <THE WTL A/C>	14,915,554	1.54
11	ORCA CAPITAL GMBH	14,266,955	1.48
12	LSG RESOURCES PTY LTD	13,946,259	1.44
13	GECKO MINING COMPANY PTY LTD	13,000,000	1.35
14	MRS SAMANTHA HELEN LOUISE YOUNG	12,500,000	1.29
15	COLLEGE SEARCH PTY LTD	11,000,000	1.14
16	MR BRIAN PETER BYASS	10,382,745	1.07
17	KUN SONG	10,000,000	1.04
18	THE JMS FOUNDATION PTY LTD <THE JMS FOUNDATION A/C>	8,809,994	0.91
19	H & K SUPER MANAGEMENT PTY LTD <H & K SUPER FUND A/C>	8,493,464	0.88
20	GOLDVALLEY BROWN STONE PTY LTD	8,205,288	0.85
	Total Top 20	**548,507,457**	**56.77**
	Balance of register	**417,604,908**	**43.23**
	TOTAL	**966,112,365**	**100.00**

Distribution Schedule

A distribution schedule of the number of Shareholders, by size of holding, as at 13 September 2022 is below:

Size of holdings	Number of Shares	%	Number of Shareholders
1 – 1000	28,055	0.00%	88
1,001 – 5,000	497,308	0.05%	161
5,001 – 10,000	1,632,028	0.17%	201
10,001 – 100,000	34,452,068	3.57%	789
100,001 and over	929,502,906	96.21%	549
Total	**966,112,365**	**100.00%**	**1,788**

Substantial Holders

Set out below are all substantial holders who have given notice of a holding of more than 5% of the Company's voting rights (as per notice given):

Substantial Holder	Holding	%
DEMPSEY RESOURCES PTY LTD / CYCLONE METALS LTD	146,148,635	15.25
GOLD VALLEY IRON ORE PTY LTD / GOLDVALLEY BROWN STONE PTY LTD / GECKO MINING COMPANY PTY LTD	161,792,341	16.88

Quoted Options

The Company has 70,000,000 quoted Options on issue (ASX:CUFO). The names of security holders holding more than 20% of this class of security are listed below.

Holder	Options $0.06 24/11/2023
Evolution Capital Pty Ltd	20,000,000
Holders individually less than 20%	50,000,000
Total	70,000,000

Unquoted Options

At 13 September 2022 the Company has on issue 124,500,000 Unquoted Options on issue. The names of security holders holding more than 20% of an unlisted class of security are listed below.

Holder	Unlisted Options $0.04 31/08/2023	Unlisted Options $0.035 12/10/2023	Unlisted Options $0.045 12/04/2024	Unlisted Options $0.06 12/10/2024	Unlisted Options $0.06 30/06/2023	Unlisted Options $0.074 31/12/2022	Unlisted Options $0.10 09/12/2024
Bell Potter Nominees	-	5,000,000	5,000,000	5,000,000	-	-	-
Gecko Mining Company Pty Ltd	-	-	-	-	-	-	75,000,000
Mark Hancock & Julie Hancock <Marlie Family>	-	-	-	-	7,500,000	-	-
Alan Jepson	-	-	-	-	-	1,000,000	-
Okewood Pty Ltd	-	-	-	-	7,500,000	-	-
Mr Matthew Campbell Ramsden	3,000,000	-	-	-	-	-	-
Jeremy Andrew Sinclair	5,000,000	-	-	-	-	-	-
Holders individually less than 20%	-	-	-	-	10,500,000	-	-
Total	8,000,000	5,000,000	5,000,000	5,000,000	25,500,000	1,000,000	75,000,000

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