

## FEL COMPLETES FIRST SHIPMENT FROM JWD PROJECT

### HIGHLIGHTS

- First shipment of high-grade JWD lump product departed Geraldton Port on 2 October
- Loading completed efficiently, with vessel departing within 40 hours of clearing quarantine requirement, resulting in no demurrage charges accruing
- First shipment hedged at 62% Fe index price equivalent of USD160/dmt, with part of hedge gain now realised
- Lump premium hedged for first shipment at average price USD0.16/dmtu, compared to the September average of USD0.059c/dmtu
- Trucking of product from site to port underway for second shipment, to load in November
- Cost saving initiatives implemented in response to iron ore price volatility

Fe Limited (ASX: **FEL**) (the **Company**) is pleased to update on progress at its JWD Iron Ore Project (**JWD, JWD Project**).

The MV Bison successfully completed loading the first cargo of high-grade JWD lump product on 2 October, departing with the maximum allowable quantity of 60,500wmt tonnes on board.

The cargo loaded efficiently, departing in less than 40 hours after arrival, well inside the time allowed for when fixing the vessel, meaning no demurrage charge will accrue.

The cargo has been sold to a leading Southeast Asian mill, which results in a slightly lower freight cost relative to delivery to China.

The first shipment had 50,000dmt tonnes hedged at a 62% index price equivalent of USD160/dmt. The Company has recently sold 25,000dmt of this hedge and realised a gain of USD45.10/dmt.

FEL has also entered a swap for 50,000dmt of lump product, whereby it swaps its October floating lump price for a fixed price of USD0.16/dmtu. Based on an indicative grade for the JWD product of 63.5% Fe, this equates to a lump premium of approximately USD10/dmt. This compares to the September average lump premium of USD0.059/dmtu.

Haulage of product has commenced for the second lump shipment which is expected to load in November.

Iron ore pricing has been extremely volatile in recent weeks, dropping from USD218/dmt on 12 July when the Company commenced hauling, to a low of USD94/dmt, before rebounding somewhat to the 1 October price of USD117.



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This volatility has presented challenges for the Company and it has been working with its contractors across the value chain to reduce cost ensuring the JWD product remains cost competitive, particularly against a backdrop of significantly elevated freight costs which are more than double levels seen in 2020 and assumed when evaluating the project initially. The Company is reducing stock levels at the mine to assist in cashflow management and is continuing to look for efficiencies in conjunction with its key contractors.

FEL Executive Chairman Tony Sage commented “It’s a great milestone for our team, contracting partners and shareholders to have the first shipment of JWD high grade lump completed. We only acquired the JWD asset in September 2020 and just over a year later we have already completed our first shipment which is a remarkable achievement.”

Mr Sage continued “Iron ore pricing has been extremely volatile in recent weeks, which makes things challenging for a new project like JWD. We are pushing on with our next shipment, which also has the headline price hedged at USD160/dmt. We will continue to work hard with our contractors to take cost out and maximise the sale value of the product to try ensure the project remains viable in the longer term. We thank them all for their ongoing support and hard work.”

Announcement released with authority of the FEL board of directors.

Yours faithfully  
FE LIMITED

Tony Sage  
**Executive Chairman**

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ASX Announcement

Figure 1 – FEL team at Shed 4 Geraldton Port



Figure 2 – FEL team at commencement of loading of MV Bison



Figure 3 – MV Bison at Berth 5 Geraldton Port



Figure 4 – Shiploader in position at Berth 5 ready to commence loading

