

TOMBADOR IRON LIMITED
ACN 108 958 274

CLEANSING PROSPECTUS

For the offer of up to 1,000 Shares at an issue price of \$0.079 per Share to raise up to \$79 (before costs) (**Offer**). The purpose of the Offer is to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date of the Offer in accordance with section 708A(11) of the Corporations Act.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered highly speculative.

TABLE OF CONTENTS

1.	CORPORATE DIRECTORY	1
2.	SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES	2
3.	DETAILS OF THE OFFER.....	5
4.	PURPOSE AND EFFECT OF THE OFFER.....	7
5.	RIGHTS ATTACHING TO SHARES.....	9
6.	RISK FACTORS	12
8.	ADDITIONAL INFORMATION	21
9.	DIRECTORS' AUTHORISATION	28
10.	GLOSSARY	29

1. CORPORATE DIRECTORY

Directors

Ms Anna Neuling
Non-Executive Chairman

Mr David Chapman
Non-Executive Director

Mr Keith Liddell
Non-Executive Director

Mr Stephen Quantrill
Non-Executive Director

Company Secretary

Ms Abby Macnish Niven

ASX Code

T11

Registered Office

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Cottesloe WA 6011

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Email: info@tombadoriron.com
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Auditor*

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Share Registry*

Automic Group
Level 2/267 St Georges Terrace
Perth WA 6000

Telephone: 1300 288 664

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

2. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

2.1 Indicative Timetable

Event	Date (WST)
Lodgement of Prospectus with ASIC and ASX Opening Date of Offer	3 March 2021
Closing Date of Offer	4 March 2021
Issue of Shares under the Offer	4 March 2021
Trading commences for Shares issued pursuant to the Offer	4 March 2021

* The above dates are indicative only and may change without prior notice.

2.2 Important Notes

This Prospectus is dated 3 March 2021 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.3 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for securities under this Prospectus.

2.4 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks together with other general

risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

2.5 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of applying for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with applying for Shares under this Prospectus.

2.6 Applicants outside Australia

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

2.7 Disclaimer

No person is authorised to give information or to make any representation in connection with the offers described in this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer. You should rely only on information in this Prospectus.

2.8 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and our management.

The Company cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

2.9 Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

3. DETAILS OF THE OFFER

3.1 The Offer

Under this Prospectus, the Company invites investors identified by the Directors to apply for up to 1,000 Shares at an issue price of \$0.079 per Share to raise up to \$79 (before expenses). The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

3.2 Minimum subscription

There is no minimum subscription for the Offer.

3.3 Applications

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties. By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Tombador Iron Limited" and crossed "Not Negotiable".

Payment for the Shares must be made in full at the issue price of \$0.079 per Share.

Your completed Application Form and cheque must reach the Company's share registry no later than 5:00pm (WST) on the Closing Date.

3.4 Not underwritten

The Offer under this Prospectus is not underwritten.

3.5 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out in Section 2.1. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered.

3.6 Issue

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Offer will be mailed in accordance with the timetable set out at Section 2.1 of this Prospectus.

3.7 Overseas shareholders

The distribution of this Prospectus outside Australia may be restricted by law.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3.8 Enquiries

Any questions concerning the Offer should be directed to Abby Macnish, Company Secretary, info@tombadoriron.com

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus). All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 8.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

Relevantly, Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

4.2 Financial effect of the Offer

After expenses of the Offer of approximately \$15,000, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$79) will be met from the Company's existing cash reserves.

As such, the Offer will have an immaterial effect on the Company's financial position, being receipt of funds of \$79 less costs of preparing the Prospectus of approximately \$15,000.

4.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company is set out below.

Shares

	Number
Shares currently on issue ¹	2,114,107,373
Shares offered pursuant to the Offer	1,000
Total Shares on issue on completion of the Offer	2,114,108,373

Notes:

¹ This includes 253,164,557 Shares issued under the recent placement completed on 1 March 2021.

Options

Options¹	Number
Options on issue as at the date of this Prospectus ^{1,2}	19,750,000
Options offered under this Prospectus	Nil
Total Options on issue on completion of the Offer	19,750,000

Notes:

1. 4,750,000 unlisted Options exercisable at \$0.052 and may be exercised in the two-week period following the release of the Company's half-year and full-year results and expiring two weeks after the issue of the Company's FY25 full-year results and 15,000,000 Options exercisable at \$0.035 on or before the date that is 3 years following the date of issue.

Performance Rights

Performance Rights	Number
Performance Rights on issue as at the date of this Prospectus	46,500,000
Performance Rights offered under this Prospectus	Nil
Total Performance Rights on issue on completion of the Offer	46,500,000

5. RIGHTS ATTACHING TO SHARES

5.1 Shares

The following is a summary of the more significant rights attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be

applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Variation of rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6. RISK FACTORS

6.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the key specific risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 Company specific

(a) Coronavirus (COVID-19) risk

Global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has had and may continue to have a significant impact on capital markets and share prices. The Company's Share price may also be adversely affected by the economic uncertainty caused by COVID-19. Further, any measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations.

The spread of COVID-19 has impacted Brazil's economy as lock downs and travel restrictions are enforced. While the Brazilian government is currently supportive of the continual operation of the mining industry, some mines have been forced to close by the Brazilian courts due to local outbreaks amongst staff. Forced closures or cessation of works for either the Company or its contractors would adversely impact the Company's operations or its ability to commence mining operations within the proposed timeline.

The travel and lock down restrictions may cause delay in the approval of environmental and mining licences from the respective government agencies.

(b) Tenement applications and Mining Licence approval

The Company cannot guarantee additional applications for tenements made by the Company will ultimately be granted, in whole or in part. Further the Company cannot guarantee that renewals of valid tenements will be granted on a timely basis, or at all. Furthermore, the Company has yet to receive regulatory approval from Brazil's National Mining Agency (ANM) and Ministry of Mines and Energy to convert its Exploration Licence into a Mining Licence (i.e. into a production concession). The process for conversion into a Mining Licence is underway, and the Company is currently targeting Q2 2021. However, there is a risk that these approvals may be delayed or may not be obtained.

(c) **Environmental licencing**

The Company's ability to commence mine site construction and mining operations within the proposed timeline are dependent on receiving the approval of the appropriate environmental licence in a timely basis. The Company cannot guarantee that environmental permitting will ultimately be assigned and granted, or if it is, in a timely basis or without onerous conditions. Significant progress has been made for environmental permitting with the Bahia State Environment Department (INEMA) to date, having been granted a Preliminary Licence and a Construction/Installation Licence. The Company is in the final environmental permitting stage which is the process of obtaining the Operation Licence.

(d) **Sovereign risk**

The Project is located in the north-eastern state of Bahia, Brazil. Brazil is a federal presidential democratic republic. The political conditions in Brazil are generally stable, however, changes may occur in the political, fiscal and legal systems which may affect the ownership or operations of the Company including changes in exchange rates, control or fiscal regulations, regulatory regimes, political insurrection or labour unrest, inflation or economic recession.

(e) **Surface Rights**

Colomi Iron Mineração Ltda (**CIM**) is the owner of the surface rights to the Tenement and has, pursuant to a mineral rights agreement, granted to Tombador Iron Mineração Ltda (**TIM**) (a subsidiary of the Company) the right to enter and pass through the Tenement in order for TIM to conduct its mining activities. As part of the surface rights, TIM is required to pay a 5.25% statutory gross revenue royalty comprising 3.50% statutory Mineral Resource Royalty (CFEM) to the State and 1.75% statutory surface rights landowner royalty (50% of CFEM) to CIM.

TIM's mining activities are therefore reliant on being given access and in the unlikely event of any dispute between the parties, these rights could be compromised and bring a halt to TIM's mining operations until such time as an agreement can be reached. This could severely affect the financial performance of the Company and its ability to achieve its objectives.

(f) **Mineral Resource Estimates**

The interpretation of exploration results and Mineral Resource estimates are expressions of judgement based on knowledge, experience, and industry practice. Estimates which were valid when originally made may alter significantly when new information or techniques become available. In addition, by their very nature, exploration results and Mineral Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork, drilling and analysis, the estimates are likely to change. There is no guarantee that development and infill drilling will upgrade the classification of current mineral resources or that further studies will convert those Mineral Resources into Ore Reserves. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(g) **Price of Product**

Iron ore commands a different price depending on discounts and premiums related to iron content and impurities levels. The existing Mineral Resource at the Project is considered high grade iron ore. Until the Project is operational and contracts with customers are secured, the Company is unable to determine at this stage whether it will receive a market premium for its product.

Additionally, lump product sells at a premium to fines product. Although there has been some technical test work to estimate the proportion of the product that will be lump, the long route to market increases the risk the lump product will degrade to fines during transport. If the lump product degrades to fines during transport, then the Company will not receive a further price premium on the material that has degraded.

(h) **Road and port access**

To deliver iron ore to customers, the Company must truck the iron ore 700km by road to the nearest ports or more than 1000km to Brazilian steel mills. This road haul exposes the Company to risks associated with road freight and factors that affect road freight costs such as local fuel price, tyres, and wages. While the road freight sector is established and competitive it has historically been impacted by strikes.

There is also only one road route to market for the first 200km which increases the risk of a blockade or demonstration from local communities along the route, impacting the Company's ability to receive goods and deliver product. The port options are owned and operated by third parties and access to those facilities are yet to be contracted. The licence to operate the port facilities is dependent on environmental controls and other compliance requirements. The Company is however mitigating this risk by considering more than one port option.

(i) **Mine development**

Possible future development of a mining operation at the Project is dependent on a number of factors including, but not limited to, the conversion of Mineral Resource to Ore Reserve, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

(j) **Future profitability**

The Company is currently in the growth stage of its development. The Company's profitability will be impacted by, among other things, the success of its mining activities, economic conditions in the markets in which it operates, competition factors and any regulatory developments. Accordingly, the extent of future profits (if any) and the time required to achieve sustained profitability are uncertain and cannot be reliably predicted.

6.3 Industry Specific

(a) **Operating and production risks**

The Company's ability to achieve production on a timely basis cannot be assured. The business of mining involves many risks and may be impacted by factors including ore tonnes, grade, mining recovery, proportion of lump produced, input prices (some of which are unpredictable and outside the control of the Company), overall availability of free cash to fund continuing development activities, labour force disruptions, cost overruns, changes in the regulatory environment and other unforeseen contingencies. The Company's operations may be disrupted by a variety of risks and hazards which are beyond its control, such as environmental hazards (including discharge of pollutants or hazardous chemicals), flooding and extended interruptions due to inclement of hazardous weather conditions and fires, industrial accidents, occupational and health hazards and slope failures. Such occurrences could result in damage to, or destruction of, production facilities, personal injury or death, environmental damage, delays in mining, increased production costs and other monetary losses and possible legal liability to the owner or operator of the mine. The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities for which it was not responsible.

In addition, the Company's profitability could be adversely affected if for any reason its mine development or production and processing of ore is unexpectedly interrupted or slowed. Examples of events which could have such an impact include: unanticipated technical and operational difficulties encountered in extraction and production activities; unscheduled plant shutdowns or other processing problems; mechanical failure of operating plant and equipment; shortages or increases in the price of consumables, spare parts and plant and equipment; pit slope failures, explosions or accidents; unusual or unexpected rock formations; poor or unexpected geological or metallurgical conditions; failure of mine communications systems; insufficient water or poor water condition; interruptions to fuel or electricity supplies; human error and adverse weather conditions. No assurance can be given that the Company will achieve commercial viability through the development or mining of its project, treatment and sale of iron ore.

(b) **Exploration risk**

Exploration is a high-risk undertaking. The Company does not give any assurance that the planned exploration of the Tenement will result in the Mineral Resource being increased or that future exploration will result in the estimation or discovery of other significant or economic Mineral Resources.

In particular, there is a risk that, through further exploration and resource drilling, the Company will not be able to increase the quantity of the existing Mineral Resource.

Even if the Mineral Resource is improved or other significant Mineral Resources are identified, there can be no guarantee that they can be economically exploited. In addition, the Mineral Resource may become depleted, resulting in a reduction of the value of the Tenement.

The exploration costs of the Company have been estimated based on certain assumptions which are subject to significant uncertainties. The actual costs may materially differ from these estimates. Accordingly, no assurance can be given that the cost estimates and the underlying

assumptions will be realised. The Company may be materially and adversely affected if the actual costs are substantially greater than the estimated costs.

(c) **Chinese economy**

China is the world's largest importer of iron ore. Although the Company does not plan on exporting its iron ore to China, the global market and iron ore index prices are dependent on the volume China imports. Accordingly, the results of the Company's operations, its financial condition and its prospects are significantly dependent on economic and political developments in China. Although the Chinese economy has experienced significant growth in the past 30 years, that growth has slowed in recent years. The Company cannot assure investors that the Chinese economy will continue to grow, or that if there is growth, such growth will be steady and uniform, or that if there is a slowdown, such slowdown will not have a negative effect on its business and results of operations.

The uncertainty surrounding the economy in China makes it difficult for the Company to foresee and manage risks. A significant deterioration of economic conditions in China may have a negative impact on the performance of the Company and the value of its shares.

(d) **Contract risk**

The operations of the Company will require involvement with a number of third parties, including contract miner(s), road freight, port operator, other contractors, suppliers and customers. Financial failure, default or contractual non-compliance of the part of such third parties may materially harm the performance of the Company. It is not possible for the Company to predict or protect itself against all such risks.

(e) **International Operations**

The Company initially intends to operate in Brazil. The Company may also consider expanding into other markets internationally in the future. Therefore, the Company will be exposed to risks relating to operating in those countries. Many of these risks are inherent in doing business internationally, and will include, but are not limited to:

- (i) changes in the regulatory environment;
- (ii) trade barriers or the imposition of taxes;
- (iii) difficulties with staffing or managing any foreign operations;
- (iv) issues or restrictions on the free transfer of funds;
- (v) technology export or import restrictions; and
- (vi) delays in dealing across borders caused by customers or regulatory authorities.

(f) **Environmental**

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. As with most

exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.

Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated mining activities.

6.4 General risks

(a) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company, as well as on its ability to fund its operations.

(b) **Commodity price volatility and exchange rate risk**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to, general economic conditions including the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(c) **Competition risk**

The industry in which the Company is involved is subject to domestic and global competition. Although the Company undertakes reasonable due diligence in its business decisions and operations, the Company has no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company.

(d) **Management of growth**

There is a risk that management of the Company will not be able to implement its growth strategy. The capacity of the Company's management to properly implement the strategic direction of the Group may affect the Company's financial performance.

As part of its business strategy, the Company may make acquisitions of, or significant investments in, additional complementary companies or prospects (although no such acquisitions or investments are currently planned, other than the Acquisition). Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(e) **Regulatory risk**

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

(f) **Litigation risk**

The Company is exposed to possible litigation risks including tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(g) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic and political outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and mining stocks in particular. Neither the Company nor the

Directors warrant the future performance of the Company or any return on an investment in the Company.

(h) **Force Majeure**

The Company and its projects, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(i) **Acquisition**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, products, technologies and/or products that are complementary to the Company's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and user and supplier relationships.

(j) **Risk of high volume of Share sales**

There can be no assurance that there will be, or continue to be, an active market for securities or that the price of securities will increase. As a result, Shareholders may, upon selling their securities, receive a market price for their securities that is less than the price of securities offered pursuant to the Offer.

(k) **Trading price of Shares**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to, general economic conditions including the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(l) **Insurance**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by

insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with the Company's business may not always be available and where available the costs may be prohibitive.

6.5 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial report most recently lodged by the Company with the ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
01/03/2021	Proposed Issue of Securities – T11
01/03/2021	Completion of Share Placement
25/02/2021	Trading Halt
19/02/2021	Change of Share Registry
19/02/2021	First Infill Drill Results
16/02/2021	Updated Company Presentation - February 2021
08/02/2021	Tombador Mine Construction Complete
04/02/2021	Offtake Agreement executed with Trafigura
29/01/2021	Quarterly Cashflow Report
29/01/2021	Quarterly Activities Report
03/12/2020	Ceasing to be a substantial holder
03/12/2020	Results of Meeting
03/12/2020	Chairman's Address to Shareholders
03/12/2020	2020 AGM Investor Presentation
27/11/2020	Change in substantial holding
04/11/2020	Letter to Shareholders - Notice of Meeting/Proxy form
04/11/2020	Notice of Annual General Meeting/Proxy Form
30/10/2020	Appendix 4C - quarterly
29/10/2020	Updated Investor Presentation - 29 October 2020
28/10/2020	Commencement of Infill Drilling Program
20/10/2020	Engagement of Key Contractors for Project
19/10/2020	Trading Halt
08/10/2020	Becoming a substantial holder

07/10/2020	Ceasing to be a substantial holder - Eyeon No 2 Pty Ltd
06/10/2020	Ceasing to be a substantial holder - MannWest Group
06/10/2020	Ceasing to be a substantial holder - Quartz Mountain Mining
06/10/2020	Ceasing to be a substantial holder - Sarah Cameron
06/10/2020	Becoming a substantial holder
06/10/2020	Transfer of Installation Licence
06/10/2020	Updated Investor Presentation - October 2020
05/10/2020	Reinstatement to Official Quotation
02/10/2020	Additional JORC Code Disclosure
02/10/2020	Terms of Options
02/10/2020	Capital Structure and Restricted Securities
02/10/2020	Statement of Commitments
02/10/2020	Pre-Reinstatement Disclosure
02/10/2020	Top 20 Holders List
02/10/2020	Securities Trading Policy
02/10/2020	Distribution Schedule
02/10/2020	Corporate Governance Statement
02/10/2020	Incentive Performance Rights Plan
02/10/2020	Pro Forma Statement of Financial Position
02/10/2020	Tombador Iron Singapore Pte Ltd Accounts HY 2020
02/10/2020	Constitution
02/10/2020	Appendix 1A and Information Form and Checklist
02/10/2020	Anticipated Reinstatement to Official Quotation
01/10/2020	Appendix 4G
30/09/2020	Annual Report to shareholders - updated

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at www.tombadoriron.com.

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	0.115	04/02/2021
Lowest	0.023	06/10/2020
Last	0.078	03/03/2021

8.4 Substantial Shareholders

Based on substantial Shareholder notices lodged prior to the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Colomi Iron Singapore Pte Ltd, McRae Investments Pty Ltd and their associates	995,357,543	47.1%

8.5 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security Holdings

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below:

Director	Shares	Performance Rights ⁶	Options
Stephen Quantrill	Nil	3,000,000	Nil
Anna Neuling	2,000,000	3,000,000	Nil

Director	Shares	Performance Rights ⁶	Options
Keith Liddell	16,779,936	3,000,000	Nil
David Chapman	400,000	3,000,000	Nil

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is determined by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the annual remuneration paid to both executive and non-executive Directors inclusive of superannuation for the past financial year and the proposed annual remuneration for the current financial year.

Director	Remuneration for year ended 30 June 2020 (\$)	Proposed remuneration for current financial year (\$)
Stephen Quantrill	30,000	45,000
Anna Neuling	Nil	60,000
Keith Liddell	Nil	75,000 ¹
David Chapman	Nil	75,000 ¹

Notes

- Note, of this amount, \$30k is in relation to participation on the Board's Technical Oversight Committee.

8.6 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or

- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services.

8.7 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.8 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$15,000 (excluding GST) and are expected to comprise legal fees, printing and other administrative expenses, including ASIC fees. The estimated expenses will be paid out of the Company's existing working capital.

8.9 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant Application Form (as applicable). If you have not, please contact the Company

and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.tombadoriron.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.11 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988 (Cth)* (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Anna Neuling
Non-Executive Chairman
For and on behalf of
TOMBADOR IRON LIMITED

10. GLOSSARY

\$ means an Australian dollar.

Applicant means an investor that applies for Shares under the Offer using an Application Form pursuant to this Prospectus.

Application Form means an Application Form (provided to specific parties on invitation from the Directors), as applicable.

ASIC means the Australian Shares & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors as constituted from time to time.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Section 2.1 (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company means Tombador Iron Limited (ACN 108 958 274).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Offer means the offer of up to 1,000 Shares at an issue price of \$0.079 per Share to raise up to \$79 under this Prospectus.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Opening Date means the opening date of the Offer as set out in the indicative timetable in the Section 2.1.

Option means an option to acquire a Share.

Prospectus means this prospectus.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

WST means Western Standard Time as observed in Perth, Western Australia.