



# TOMBADOR IRON

ASX ANNOUNCEMENT

30 SEPTEMBER 2022

## Tombador Declares Maiden Full Year Profit and Dividend for FY 2022

**Revenue of \$32.6m**  
**EBITDA of \$5.6m**  
**NPAT of \$3.0m**  
**FY Dividend of 0.28c/share**

### Highlights

- Tombador generates maiden profit from Brazilian iron ore mining operations
- Total production of 754kt of iron ore with sales into European and to domestic Brazilian steel markets
- Revenue of \$32.6m, with EBITDA of \$5.6m
- Net asset value of \$35.0m, including inventory of \$9.8m valued at cost
- Cash on hand of \$29.4m as at 30 June 2022
- Outstanding safety record maintained
- Robust operations and balance sheet underpin maiden dividend of 0.28c/share unfranked

**Tombador Iron Limited** (T11.ASX, the “Company” or “Tombador”) is pleased to announce financial results for the financial year ended 30 June 2022.

Tombador’s board of directors advise that a 0.28c per share maiden unfranked dividend has been declared from net profit before tax of \$5.6m.

The company notes that this reported result is related to revenues and expenses from 1 December 2021, the date on which the company entered commercial production for accounting purposes. Prior to this date, all revenues and expenses were capitalised by the company.

**Tombador Iron Limited CEO Gabriel Oliva commented:** *“This maiden profit is a very satisfying outcome for our team, having produced this result from the Company’s first year of iron ore sales. I wish to thank our dedicated operational team for delivering this profit amid the extremely volatile environment that gripped the iron ore market with huge price fluctuations, persistent decade-high dry bulk freight rates, an energy crisis, market disruption in Europe and global inflationary pressures.*

*We are delighted to reward our shareholders with a maiden dividend which signals our belief that Tombador’s operations underpin a long-term and financially robust mining business, subject only to iron ore market price conditions.*



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*We have ramped up to already deliver the 1.2mtpa production rates outlined in the PFS during the FY 2022 year and, subject to prevailing market conditions we plan to deliver more product to European steel mills and into the Brazilian steel industry in the year ahead in FY 2023".*

## **Financial Results**

Tombador advises that FY 2022 revenue of \$32.6m was recorded from some 284,800 wet metric tonnes ('wmt') of sales of high grade iron ore during the commercial production period from 1 December 2021. This delivered \$5.6m in earnings before interest, tax, depreciation and amortisation ('EBITDA') and \$3.5m in net profit after tax ('NPAT').

The company's balance sheet currently holds net assets of \$35.0m, including \$29.4m in cash and \$9.8m in inventory valued at cost.

Tombador is very pleased to declare a maiden 0.28c/share unfranked dividend. Record date for the dividend is 14 October 2022.

See announcement to the ASX released today titled 'Annual Report FY 2022' for full FY 2022 financial reporting details.

The Company notes that there are several differences in the classifications of cash flow between the Quarterly Cashflow Report and the Annual Financial Report. The Company notes that this is because the Company moved from pre-production to commercial production for accounting purposes during the financial year, and also revalued its lease costs, resulting in differences between the cashflow classifications, namely the operating cash inflows are \$2.589m higher, investing cash outflows are \$969k lower and financing cash outflows at \$1.018m higher.

## **Operational Update**

The crushing and screening plant at the Tombador mine produced a total of 754,000 wmt during the last financial year, which was comprised of 411,000 wmt of lump product and 343,000 wmt of fines product. The production rate was increased through the year achieving the plant nameplate production capacity of 1.2Mtpa in June 2022.

The shipment and sale of 468,000 wmt of high-grade hematite iron ore during the full 2022 financial year from Tombador's wholly-owned iron ore mining operations in Bahia State, Brazil consisted of approximately 354,000 wmt of lump iron ore and 114,000 wmt of fines. Facilitated by the Company's marketing partner, Trafigura, the product was sold into export markets in Europe. The Company has also sold product to the domestic Brazilian steel industry.



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## FY 2023 Outlook

Tombador has developed the capacity to produce and sell 1.2mtpa of high-grade lump and fines ore. The Company took the decision in November 2021 to sell its ore only when it believed it is profitable to do so and so actual sales will be managed to meet market conditions. Tombador has not been immune to global inflationary pressures which has made cost forecasting less certain. Total costs will therefore be affected by several factors including global shipping freight rates, fuel prices and the proportion of domestic sales vs export sales.

Authorised for release by the Board.

## Contact:

Gabriel Oliva  
CEO  
[gabriel.oliva@tombadoriron.com](mailto:gabriel.oliva@tombadoriron.com)

Abby Macnish Niven  
Company Secretary & CFO  
[info@tombadoriron.com](mailto:info@tombadoriron.com)  
+61 8 6382 1805

Lucas Robinson  
Investor Relations  
[lucas@corporatetorytime.com](mailto:lucas@corporatetorytime.com)  
+61 408 228 889



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## About Tombador Iron Ltd

Tombador Iron Ltd owns 100% of the fully permitted Tombador Iron Ore mine located in Bahia State Brazil.

Tombador commenced production of premium-grade lump and fines hematite iron ore in May 2021 from a low-capex open-pit mining operation.

Lump ore of Tombador's high quality, which is suitable for Direct Reduced Iron and/or Blast Furnace steelmakers, is in scarce supply globally. Offtake marketer Trafigura will purchase 100% of the lump and fines product which Tombador sells into the international export market. Potential customers from the Brazilian steel industry have also indicated interest in Tombador's ore.

The company's board of directors is focussed on rapidly ramping up production at the Tombador Project to achieve the potential of the operations and to return dividends to shareholders.

