TOMBADOR IRON

2022

Annual Report

Six months ended 31 December

ABN 20 108 958 274

CORPORATE DIRECTORY

DIRECTORS

Ms Anna Neuling	(Non-Executive Chair)
Mr David Chapman	(Non-Executive Director)
Mr Keith Liddell	(Non-Executive Director)
Mr Stephen Quantrill	(Executive Director)

CHIEF EXECUTIVE OFFICER

Mr Gabriel da Cunha Oliva

COMPANY SECRETARY

Ms Abby Macnish Niven

AUDITORS

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

SOLICITORS

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

BANKERS

National Australia Bank Limited
Level 32, 100 Miller Street
North Sydney NSW 2060

REGISTERED OFFICE

Tombador Iron Limited
Suite 5, 85 Forrest Street
Cottesloe WA 6011

SHARE REGISTRY

Automic Registry Services
Level 5, 191 St Georges Terrace
Perth WA 6000

STOCK EXCHANGE LISTING

The Company's shares are listed and
quoted on the Australian Securities Exchange Limited ("ASX").
ASX code: TI1

WEBSITE ADDRESS:

www.tombadoriron.com

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CHAIRMAN'S ADDRESS

Dear Shareholders

I am pleased to present the six-month transition report for Tombador Iron Limited following the Company's decision to change its financial year from 30 June to 31 December. This brings the Company's financial year into alignment with its operational subsidiary in Brazil, which will result in efficiency gains for group reporting.

During the second half of the 2022 year, Tombador Iron Ltd achieved significant progress towards achieving our corporate objectives, where our current priorities include:

- growing the volume of high-grade lump and fines sales into the domestic Brazil market,
- studying the feasibility of beneficiating the medium iron grade rock; and
- finalising the ramp-up phase including availability and efficiency of the crushing and screening plant.

Our operations at the Tombador Iron Mine continued to run smoothly, and the company produced 372,700 wet metric tonnes (wmt) of lump and fines ore during the half-year period and sold 221,600 wet metric tonnes (wmt) of lump and fines ore to the overseas and domestic Brazil markets.

We remain committed to our social and environmental responsibilities, and we continued to engage with local communities to identify and address their needs.

In conclusion, I would like to thank our employees, customers, and shareholders for their continued support. We remain committed to creating value for all our stakeholders and delivering on our objectives.

Sincerely,

Anna Neuling
Non-Executive Chair

DIRECTORS' REPORT

Your directors submit their report on the Group consisting of Tombador Iron Limited ("Tombador") and the entities it controlled (the "Group") for the six-month period ended 31 December 2022.

As announced on 14 December 2022, the Company changed its financial year from 30 June to 31 December to align the Company's reporting period with its operational subsidiary in Brazil, which will result in greater alignment for group reporting. The comparative period in this report is the previous 12-month financial year ended 30 June 2022.

In order to comply with the provisions of the *Corporations Act 2001*, the directors report is as follows:

1. Directors

The names, qualifications, experience and special responsibilities of each person who has been a Director during the year and to the date of this report are:

Ms Anna Neuling	**Non-Executive Chairman** (Appointed 25 September 2020)
Qualifications and Experience	Ms Neuling is currently a Non-Executive Director of ASX-listed S2 Resources Ltd. Prior to moving to Non-Executive Director in August 2022, Anna was Executive Director of S2 Resources Ltd since it demerged from Sirius Resources Limited as part of the Sirius merger with IGO in 2015. Anna has held various roles at Sirius since its inception and was Executive Director – Corporate and Commercial at the time of the $2.7 billion merger. Ms Neuling has twenty years of experience in financial and corporate roles in the resources industry with ASX listed companies including LionOre Mining International, Antipa Minerals Ltd and Avoca Resources Ltd. Prior to that, Anna worked at Deloitte in London and Perth. Ms Neuling is a fellow of the Institute of Chartered Accountants in England and Wales and a Graduate of the Australian Institute of Company Directors. Anna also holds a degree in mathematics from the University of Newcastle (UK).
Interest in shares, options and performance rights	Shares: 4,250,000 indirectly held. Performance Rights: 750,000 indirectly held (expiry date: 1 September 2025). Performance Rights: 1,500,000 (expiry date: 22 December 2024) indirectly held.
Other directorships in listed entities held in the previous three years	Non-Executive Director of S2 Resources (ASX: S2R) from 1 August 2022 to current. Executive Director of S2 Resources (ASX: S2R) from 28 May 2015 to 1 August 2022. Non-Executive Director of MLG Oz Ltd (ASX:MLG) from 23 March 2021 to current. Non-Executive Director of CZR Resources Ltd (ASX:CZR) from 2 November 2020 to 25 September 2021.

1. Directors (continued)

Mr Stephen Quantrill	**Executive Director** (Appointed 20 February 2018, previously Non-Executive)
Qualifications and Experience	Mr Quantrill is a chartered engineer with over twenty years' experience in multifaceted roles in business leadership, ownership and advisory. Mr Quantrill acts as chairman and company director across a range of businesses and industries, including in investment, resources (iron ore, oil and gas), property, biotechnology, agri-industry, advisory and engineering. Mr Quantrill's roles include non-executive director of Neuroscientific Biopharmaceuticals Ltd (ASX:NSB) and executive chairman of McRae Investments, the venture capital and investment holding company established by Harold Clough in 1965. Mr Quantrill holds a BSc (Civil Engineering), Bachelor of Commerce, an MBA, is a Fellow of FINSIA, a Graduate Member of the Australian Institute of Company Directors and an Engineering Executive Member of Engineers Australia.
Interest in shares, options and performance rights	Shares: 2,250,000 indirectly held. Performance Rights: 750,000 indirectly held (expiry date: 1 September 2025). Performance Rights: 3,000,000 (expiry date: 22 December 2024) indirectly held.
Other directorships in listed entities held in the previous three years	Non-Executive Director of NeuroScientific Biopharmaceuticals (ASX: NSB) from 13 February 2015 to current.
Mr Keith Liddell	**Non-Executive Director** (Appointed 25 September 2020)
Qualifications and Experience	Mr Liddell is an experienced metallurgical engineer, founder and chair of listed and unlisted companies including founder chairman of Sally Malay Mining Ltd (now Panoramic Resources Ltd) and Mineral Securities Ltd (resource investment house) and former managing director of Aquarius Platinum Ltd. Mr Liddell has raised over $1 billion of equity and has taken numerous resource projects from exploration to production.
Interest in shares, options and performance rights	Shares: 19,729,936 directly held. Performance Rights: 750,000 directly held (expiry date: 1 September 2025). Performance Rights: 1,500,000 (expiry date: 22 December 2024) directly held.
Other directorships in listed entities held in the previous three years	None.

1. Directors (continued)

Mr David Chapman	**Non-Executive Director** (Appointed 25 September 2020)
Qualifications and Experience	Mr Chapman brings thirty-nine years resource industry experience as a geologist in senior and executive management roles with WMC Resources Ltd and the junior sector within Australia and overseas. His experience covers operations, exploration project management and construction, business development and project financing. Mr Chapman has spent much of his professional career on exploration and project development in Brazil and is a fluent Portuguese speaker. He was a Director of WMC Resources Brazil office from 1991 to 2000 where he was responsible for exploration programs for gold and base metals throughout Brazil and French Guiana. He was later involved in the financing and construction of a significant base metal operation in Brazil. Through these activities he has developed and retains a strong industry network within Brazil and South America.
Interest in shares, options and performance rights	Shares: 2,650,000 indirectly held. Performance Rights: 750,000 indirectly held (expiry date: 1 September 2025). Performance Rights: 1,500,000 (expiry date: 22 December 2024) indirectly held.
Other directorships in listed entities held in the previous three years	Non-Executive Director of Dreadnought Resources Ltd (ASX:DRE) from 9 April 2019 to 31 July 2019. Non-Executive Director Taruga Minerals Limited from 1 October 2021 to current.

2. Company Secretary/Chief Financial Officer

Ms Abby Macnish Niven	**Appointed 1 May 2020**
Experience	Abby Macnish Niven (BComm, BSc, CFA, GAICD) has held the role of Company Secretary since April 2020. Ms Macnish Niven has over eighteen years' experience in the finance industry in Australia. She holds a Bachelor of Commerce degree with a double major in Commerce and Science, is a CFA Charterholder and is a member of the Australian Institute of Company Directors. She has also completed the Certificate in Governance Practice.
Interest in shares, options and performance rights	Shares: 2,550,000 indirectly held. Performance rights: 375,000 indirectly held (expiry date: 1 September 2025).

3. Chief Executive Officer

Mr Gabriel Oliva	**Appointed 29 July 2020**
	Gabriel Oliva is a Brazilian mining and contract law specialist with significant experience in mining start-ups and project financing. Mr Oliva holds a Bachelor's Degree in Law and is a member of the Brazilian Bar Association (OAB/RJ), and a board member of the Shippers Association of Bahia – USUPORT. His previous experience includes corporate legal counsel and business manager for Colomi Iron Mineracao and in-house lawyer responsible for Brazilian financing package for the Santa Rita Nickel Mine (TSX). Mr Oliva has experience in the development of various other junior mining companies exploring for minerals such as nickel, iron, kaolin and manganese.
Interest in shares, options and Performance rights	Performance rights: 4,500,000 directly held.

4. Principal Activities

Tombador Iron Limited is an Australian publicly listed company that owns 100% of the Tombador Iron Mineracao high grade iron ore project in Bahia State, Brazil. The Company has a JORC certified Mineral Resource estimate and is operating a high-grade, open-cut mining operation.

5. Operating Results

The profit for the Group for the 6-month period ended 31 December 2022 from continuing operations after providing for income tax amounted to $7,085,731 (30 June 2022 profit: $3,493,992). At the reporting date the Group had cash and cash equivalents of $14,182,028 (30 June 2022: $29,421,985) and a net asset position of $36,272,727 (30 June 2022: $35,041,968).

6. Review of Operations

During the 6-month period ended 31 December 2022 (the "Period"), the Company produced 372,700 wet metric tonnes ("wmt") of high-grade ore from the Tombador Iron Mineracao iron ore project ("Tombador Project" or the "Project") in the State of Bahia, Brazil.

The Company was focused on growing sales and market development in the Brazilian domestic market. Production was managed to market conditions as the Company selectively sold 221,600 wmt of high-grade iron ore during the 6-month period.

From July 2022 to 31 December 2022 the key milestones achieved include:

- Delivery and sales of 221,600 wmt of high-grade lump and fines to customers,
- The largest 6-month period of sales to the domestic market to date, accounting for 50% of total sales,
- Produced over 372,700 tonnes of high-grade ore,
- Received approval of its environmental alteration licence (LA), and
- Secured contracts for two export shipments of high-grade iron ore to be delivered to the Asian market in the March 2023 Quarter.

Approvals & Permitting

The Company currently holds the following licences granted by the Environmental Agency of the state of Bahia ("INEMA"):

- Preliminary Licence ("LP") granted in 2018 (involves Social and Environmental approvals);
- Installation Licence ("LI") granted in September 2020 (vegetation clearing, construction and site works permitted);
- Operating Licence ("LO") granted on 20 May 2021 (mining operations and sale of ore permitted).
- Alteration Licence ("LA") granted on 28 November 2022 (extends the limits of operations to the area required for the full life of mine as outlined in the PFS)

The Tombador exploration tenement was fully converted into a Mining Concession ("Portaria nº 165/SGM/MME") granted by the Ministry for Mines and Energy and published in the Official Gazette on 27 April 2021.

Mining Operations

The Tombador crushing and screening plant produced a total of 372,700 wmt during the 6-month period ended 31 December 2022, comprised of 175,500 wmt of lump product and 197,200 wmt of fines product. Mining during the Period was in a friable portion of the ore body resulting in the lower lump yield.

Work commenced on preparing areas for stockpile expansion and for a highwall cutback. This was following approval of the LA which allows for activities in the entire area required for the full life of mine as outlined in the PFS.

The Mining Contractor (SEMEP) and its subcontractors continued to provide all equipment and staffing for drilling and blasting, mining, crushing and screening operations, and maintaining equipment and mine site infrastructure for the Project.

As at 31 December 2022, Tombador had approximately 562,235 tonnes of product on stockpiles. Stockpiles both at the mine and at the port are valued at the cost of production and accounted for on the Group's Statement of Financial Position until such time as the product is sold. Production tonnes have been higher than sales, and inventory has increased during the Period. The Company continued its strategy of managing production and sales to realise positive margins for its valuable resource in the prevailing market.

Logistics

The company moved product from the Tombador mine to local customers via public roads using haulage contractors. For export customers, truck haulage services for the 700km route from the Tombador Project to the Ports were also contracted. The port operator was contracted to arrange stockpile storage capacity, material handling and ship loading services, sufficient for loading shipments of 38,000 tonnes/shipment. Towards the end of the Period Tombador was engaging with another Port operator capable of loading larger 45,000 tonne ships. This is also approximately 700km from the Tombador mine.

Sales and Marketing

During the 6 months ended 31 December 2022 the company sold 110,600 wmt of lump ore to the export market and 105,900 wmt of lump and 5,000 wmt of fines to the local Brazil market.

The exports were sold in three shipments through Tombador's marketing offtake partner to Tier 1 European steel mills. Tombador receives working capital support through pre-delivery partial payment from its offtake partner for these export shipments.

The Period was marked by challenging market conditions. European markets were under stress from high energy costs and market disruption, and zero-Covid policies in China reduced demand causing index prices to slip to a 2-year-low of USD 79.50 per dry metric tonne.

Towards the end of the period in December, China softened restrictions and confidence in the Asian iron ore market was restored. Coupled with lower ocean freight prices the company quickly secured contracts for two export shipments, scheduled to sail in the March 2023 quarter. The larger 45,000 wmt shipments are made possible through the port of Enseada, located in Maragogipe.

Dry Beneficiation Studies

The Company progressed its studies to evaluate the opportunity to upgrade medium iron grade rock and mineralised waste located on Tombador Iron tenements into a high-grade lump product. Since operations began, medium iron grade rock and mineralised waste have been classified and stockpiled separately from waste for potential processing (beneficiation). Following positive sensor-based sorting technology study results in the 2 phases of bulk test work were completed by in the Period and showed positive results. Definitive technical and economic analysis is planned for the March 2023 quarter.

Additional bulk samples were collected in preparation for both dry and wet jigging testwork, planned for the next financial year. These tests will provide a comparison for different beneficiation technologies and determine if mass recoveries can be increased by also upgrading beneficiable ore fines.

7. Annual Mineral Resource and Ore Reserves Statement

The Company carries out an annual review of its iron ore Mineral Resources and Ore Reserves at the Tombador project in Bahia, Brazil, as required by the ASX Listing Rules. Tombador has shifted its annual reporting of Mineral Resources and Ore Reserves to the ASX from ending 30 June to ending 31 December. The original Mineral Resource was announced to ASX on 24 December 2021 and Ore Reserves on 1 March 2022. The Company last reported its annual Mineral Resources and Ore Reserves estimates as at 30 June 2022. This review was carried out as at 31 December 2022 and the next annual reporting of estimates will be as at 31 December 2023.

During the Period the Company commenced and is currently still conducting an infill drilling program and will update the Mineral Resource and Ore Reserve estimates on the completion of the program.

Estimation Governance Statement

The Company ensures that all Mineral Resource and Ore Reserves estimations are subject to appropriate levels of governance and internal controls.

Exploration results are collected and managed by competent qualified geologists, and are peer reviewed internally by senior technical staff. All data collection activities are conducted to industry standards based on a framework of quality assurance and quality control protocols covering all aspects of sample collection, topographical and geophysical surveys, drilling, sample preparation, physical and chemical analysis and data and sample management.

Mineral Resource and Ore Reserves estimates are prepared by appropriately qualified, independent Competent Persons.

If there is a material change in the estimate of a Mineral Resource or Ore Reserves, the estimate and supporting documentation in question is reviewed by a suitable qualified independent Competent Persons and announced to the ASX in accordance with the Listing Rules.

The Company reports its Mineral Resources and Ore Reserves on an annual basis in accordance with JORC Code 2012.

High-Grade DSO Hematite Mineral Resource Tables as at 31 December 2022

Table 1 - Hematite Mineral Resource

Classification	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)
Measured	2.52	64.85	3.86	0.55	0.073
Indicated	2.97	65.88	3.68	0.60	0.078
Measured & Indicated	**5.49**	**65.41**	**3.76**	**0.58**	**0.076**
Inferred	1.57	62.08	9.11	0.64	0.084
Total	**7.05**	**64.67**	**4.95**	**0.59**	**0.077**

Table 2 - High Phosphorus Hematite Mineral Resource

Classification	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)
Measured	0.15	59.83	9.75	1.02	0.316
Indicated	0.02	56.41	13.38	1.27	0.308
Total	**0.16**	**59.46**	**10.14**	**1.05**	**0.315**

Assumptions for Table 1 & 2.

1. Hematite and High Phosphorus Hematite resources use a cut-off grade of 55% Fe.
2. Mineral Resources were prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012) incorporating drilling data acquired up to 8 November 2021 and depleted to 31 December 2022 topographic surface.
3. All figures have been rounded to the relative accuracy of the estimates. Summed amounts may not add due to rounding.

High-Grade DSO Hematite Mineral Resource Tables as at 30 June 2022

Table 3A - Hematite Mineral Resource

Classification	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)
Measured	3.09	64.84	3.92	0.58	0.073
Indicated	3.00	65.82	3.72	0.62	0.078
Measured & Indicated	**6.09**	**65.32**	**3.82**	**0.60**	**0.075**
Inferred	1.62	61.93	9.32	0.64	0.085
Total	**7.71**	**64.61**	**4.97**	**0.61**	**0.077**

Table 4A - High Phosphorus Hematite Mineral Resource

Classification	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)
Measured	0.26	60.67	8.65	1.12	0.326
Indicated	0.02	56.41	13.38	1.27	0.308
Total	**0.27**	**60.40**	**8.95**	**1.13**	**0.325**

High-Grade DSO Hematite Mineral Resources totalled 7.21Mt as at 31 December 2022, inclusive of Ore Reserves. This represents a 10% decrease in DSO Mineral Resources when compared to the remaining total Mineral Resources as at 30 June 2022. Depletion in the Mineral Resource occurred due to iron ore production.

Talus and Itabirites Mineral Resource Tables as at 31 December 2022

The Company is currently studying the amenability of beneficiating talus and itabirites which contain decimetric (10cm) bands of high-grade hematite to produce a high-grade hematite product.

Table 5 - Talus Mineral Resource

Classification	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)
Inferred	2.37	37.8	38.61	1.72	0.017
Total	**2.37**	**37.8**	**38.61**	**1.72**	**0.017**

Tombador has assigned mineral rights to the itabirites that do not contain decimetric bands of high-grade hematite (60%Fe within the band) for future beneficiation as iron ore concentrate to Colomi Iron Mineracao. Colomi Iron Mineracao has agreed to pay Tombador a royalty for iron concentrate produced from the itabirites.

Table 6 - Siliceous Itabirite Mineral Resource

Classification	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)
Measured	1.08	34.04	47.09	1.14	0.054
Indicated	1.15	33.86	48.67	1.05	0.042
Inferred	18.90	37.36	43.94	0.9	0.026
Total	**21.12**	**37.00**	**44.36**	**0.92**	**0.028**

Table 7 - Dolomitic Itabirite Mineral Resource

Classification	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)
Measured	2.53	30.19	21.97	0.82	0.035
Indicated	2.22	30.32	27.36	0.96	0.034
Inferred	8.40	31.89	17.43	0.79	0.044
Total	**13.16**	**31.29**	**19.98**	**0.82**	**0.040**

Potential beneficiable itabirite material to produce high grade hematite was logged following the infill drilling and is the basis for the estimate of the Beneficiable Mineral Resource in the Table 6 below. The Beneficiable resource is a subset of the Siliceous Itabirite (ICS) resource.

Table 8 - Beneficiable Mineral Resource

Classification	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)
Measured	0.003	38.00	43.38	1.01	0.012
Indicated	0.024	37.18	44.32	1.01	0.013
Inferred	3.831	39.57	41.21	1.05	0.02
Total	**3.858**	**39.55**	**41.23**	**1.05**	**0.02**

Assumptions for Tables 3, 4, 5 and 6.

1. Talus, Siliceous Itabirite, Dolomitic Itabirite and Beneficiable resources use a cut-off grade of 20% Fe
2. Beneficiable resource is a subset of the Siliceous Itabirite (ICS) resource.
3. Mineral Resources were prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012) incorporating drilling data acquired up to 8 November 2021 and depleted to 31 December 2022 topographic surface.
4. All figures have been rounded to the relative accuracy of the estimates. Summed amounts may not add due to rounding.

Talus and Itabirites Mineral Resource Tables as at 30 June 2022

Table 9A - Talus Mineral Resource

Classification	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)
Inferred	2.54	37.94	38.60	1.77	0.017
Total	**2.54**	**37.94**	**38.60**	**1.77**	**0.017**

Table 10A - Siliceous Itabirite Mineral Resource

Classification	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)
Measured	1.29	34.09	47.20	1.09	0.051
Indicated	1.66	34.88	47.63	0.95	0.036
Inferred	19.20	37.41	43.86	0.90	0.026
Total	**22.15**	**37.03**	**44.34**	**0.92**	**0.028**

Table 11A - Dolomitic Itabirite Mineral Resource

Classification	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)
Measured	2.65	30.63	21.36	0.82	0.036
Indicated	2.22	30.33	27.35	0.96	0.034
Inferred	8.46	31.92	17.35	0.79	0.044
Total	**13.33**	**31.40**	**19.82**	**0.82**	**0.041**

Table 12A - Beneficiable Mineral Resource

Classification	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)
Measured	0.03	37.24	44.44	0.96	0.014
Indicated	0.18	37.85	43.08	0.69	0.016
Inferred	3.99	39.56	41.2	1.05	0.019
Total	**4.20**	**39.47**	**41.3**	**1.04**	**0.019**

Talus and itabirites Mineral Resources totalled 36.7Mt as at 31 December 2022, inclusive of Ore Reserves. This represents a 4% decrease in talus and itabirite Mineral Resources when compared to the remaining total Mineral Resources as at 30 June 2022. Depletion in the Mineral Resource occurred due to mining and these Mineral Resources have been stockpiled.

Tombador Ore Reserves as at 31 December 2022

Category	Tonnage (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)
Proved	2.02	65.07	2.21	0.56	0.077
Probable	2.45	65.95	2.56	0.56	0.077
Total Ore Reserve	**4.47**	**65.55**	**2.40**	**0.56**	**0.077**

Tombador Ore Reserves as at 30 June 2022

Category	Tonnage (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)
Proved	2.56	65.13	2.21	0.58	0.081
Probable	2.45	65.94	2.56	0.56	0.077
Total Ore Reserve	**5.01**	**65.53**	**2.38**	**0.57**	**0.079**

Ore Reserves totalled 4.47 Mt at 65.6% Fe as at 13 December 2022. This represents an 11% decrease in Ore Reserves when compared to the remaining Ore Reserves as at 30 June 2022. Depletion in the Ore Reserve occurred due to iron ore production.

Competent Person's Statement

The information in this report that relates to Mineral Resources is based on and fairly represents information and supporting documentation compiled by or compiled under the supervision of Mr Leonardo Rocha who is a Member of the Australian Institute of Geoscientists (AIG 7623). Mr Rocha works for GE21 consultancy group, independent to Tombador Iron Limited. Mr Rocha has sufficient experience relevant to the type of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Rocha visited the Tombador Project mine site from 23rd November 2021 to 25th of November 2021. Mr Rocha consents to the disclosure of information in this announcement in the form and context in which it appears. The Company confirms it is not aware of any new information or data that materially affects the information included in the relevant market announcement (made to ASX on 24 December 2021) and all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

The information in this report that relates to Ore Reserves is based on and fairly represents information and supporting documentation compiled by or compiled under the supervision of Mr Porfírio Cabaleiro Rodriguez who is a Fellow of the Australian Institute of Geoscientists (AIG 3708). Mr Rodriguez is the mining director for GE21 consultancy group, independent to Tombador Iron Limited. Mr Rodriguez has sufficient experience relevant to the type of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Rodriguez consents to the disclosure of information in this announcement in the form and context in which it appears. The Company confirms it is not aware of any new information or data that materially affects the information included in the relevant market announcement (made to ASX on 1 March 2022) and all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. In relation to the production target and forecast financial information referred to in the report, the Company confirms that all material assumptions underpinning the production target and the forecast financial information derived from the production target continue to apply and have not materially changed since the announcement of the feasibility study on 1 March 2022.

This Annual Mineral Resource and Ore Reserves Statement is based on and fairly represents the information and supporting documentation prepared by the above-mentioned Competent Persons. It is approved as a whole by Mr Rodriguez, a Competent Person who is a Fellow of the Australian Institute of Geoscientists and is currently the mining director for GE21 consultancy group, independent to Tombador Iron Limited. Mr Rodriguez has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code).

8. Dividends Paid or Recommended

On 30 September 2022 the Group declared a 0.28c per share maiden unfranked dividend from a net profit before tax of $5.6m for the financial year ended 30 June 2022. In light of the shorter six-month year end, no dividend has been recommended by the Board for the six months to December 2022.

9. Events Occurring after the Reporting Date

No matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operating of the Group, the results of those operations, or state of affairs of the Group in future financial years.

10. Likely Developments and Expected Results of Operations

The Company will continue with its strategy as set out in the operations update above.

11. Environmental Regulation

Tombador seeks to incorporate Environmental, Social and Governance (ESG) principles into all components of its daily operations, investment evaluation processes and long-term strategy.

To deliver sustainable value to its investors and, consistent with that aim, Tombador has adopted an ESG Investment Policy to guide the company's consideration of ESG issues in its investment decision-making process. Consistent with the ESG Investment Policy, Tombador works to fully understand potential sustainability risks and opportunities to better inform its ongoing operations, strategy and investment decisions.

12. Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

13. Indemnification and Insurance of Officers and Auditors

Indemnity and insurance of Officers

The Group has given an indemnity or entered into an agreement to indemnify directors and officers of the Group against liabilities for costs and expenses incurred in defending legal proceedings arising from conduct while acting in the capacity as a director or officer of the Group, other than conduct involving a wilful breach. During the six-month period ended 31 December 2022 the Group paid a premium in respect of a contract to insure the directors and officer of the Group against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of Auditor

The Group has not, during or since the end of the six-month period ended 31 December 2022, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor. During the six-month period ended 31 December 2022, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

No liability has arisen under these indemnities as at the date of the report.

14. Non-audit Services

Details of amounts paid or payable to the auditor for services provided during the six-month period ended 31 December 2022 by the auditor are outlined in Note 24 to the consolidated financial statements. There were no non-audit services provided during the six-month period ended 31 December 2022.

15. Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 34.

16. Significant changes in the state of affairs

During the six-month period ended 31 December 2022, the Company amended its financial year end from 30 June to 31 December. This brought the Company's financial year into alignment with its operational subsidiary in Brazil, which has resulted in efficiency gains for group reporting.

Other than the above, no other matters or circumstances have arisen during the six-month period ended 31 December 2022 which have significantly affected the operating of the Company, the results of those operations, or state of affairs of the Company.

For a detailed discussion about the performance and financial position of the Group, please refer to our operating and financial review on pages 8-16.

17. Material Business Risks

The Group's mining operations are subject to the normal risks of mining and any revenues will be subject to numerous factors beyond the Group's control. The material business risks that may affect the Group are summarised below:

Regulatory Risk
The Group's operations are subject to various Brazilian Federal, State and local laws and plans, including those relating to mining, prospecting, development permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, mine safety and occupational health. Approvals, licences and permits required to comply with such rules are subject to the discretion of the applicable government officials. No assurance can be given that the Group will be successful in maintaining such authorisations in full force and effect without modification or revocation. To the extent such approvals are required and not retained or obtained in a timely manner or at all, the Group may be curtailed or prohibited from continuing with production and exploration. The Group's business and results of operations could be adversely affected if applications lodged for additional mining and exploration licences are not granted. Exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant National Mining Agency. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Group's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Group.

Environmental Risk
The operations and activities of the Group are subject to the environmental laws and regulations of Brazil. The Group attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. The Group is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Group's cost of doing business or affect

its operations. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Group to incur significant expenses and undertake significant investments which could have a material adverse effect on the Group's business, financial condition and performance.

Availability of Equipment and Contractors

Prior to the COVID-19 pandemic, appropriate equipment was in short supply. There was also high demand for contractors providing other services to the mining industry. The COVID-19 pandemic has only served to exacerbate these issues. Consequently, there is a risk that the Group may not be able to source all the equipment and contractors required to fulfil its proposed mining activities. There is also a risk that hired contractors may underperform or that equipment may malfunction, either of which may affect the progress of the Group's activities.

Resource Estimate Risk

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. These estimates were appropriate when made but may change significantly when new information becomes available. There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect the Group's future plans and ultimately its financial performance and value. Iron ore price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render resources containing relatively lower grades uneconomic and may materially affect resource estimations.

Occupational Health and Safety

Given the Group's mining and exploration activities, it faces the risk of workplace injuries which may result in workers' compensation claims, related common law claims and potential occupational health and safety prosecutions. Further, the production processes used in mining activities of the Group can be dangerous. The Group has a range of workplace practices, procedures and policies which seek to provide a safe and healthy working environment for its employees, visitors and the community.

Key Personnel

In formulating its mining and exploration programs, feasibility studies and development strategies, the Group relies to a significant extent upon the experience and expertise of its directors and management. A number of key personnel are important to attaining the business goals of the Group. One or more of these key employees could leave their employment, and this may adversely affect the ability of the Group to conduct its business and, accordingly, affect the financial performance of the Group and its share price. Recruiting and retaining qualified personnel is important to the Group's success. The number of persons skilled in the mining industry is limited and competition for such persons is strong.

Feasibility and Development Risks

It may not always be possible for the Group to exploit successful discoveries which may be made in areas in which the Group has an interest. Such potential exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further potential exploitation may require participation of other companies whose interests and objectives may not be the same as the Group's.

There is a risk that any feasibility study and associated technical works will not achieve the results expected. There is also a risk that, even if a positive feasibility study is produced, any potential project may not be successfully developed for commercial or financial reasons.

Exploration Risk

Any exploration on the Group's existing tenements may be unsuccessful, resulting in a possible reduction in the value of those tenements. The exploration costs of the Group are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Group's viability. The Group may also experience unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Climate Change Risk

The operations and activities of the Group are subject to changes to local or international compliance regulations related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage, and other possible restraints on industry that may further impact the Group and its profitability. While the Group will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Group will not be impacted by these occurrences. Climate change may also cause certain physical and environmental risks that cannot be predicted by the Group, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Group operates.

Taxation

The Group operates in three tax jurisdictions (Australia, Brazil and Singapore) and is subject to their tax laws and regulations.

In all places where the Group has operations, in addition to the normal level of income tax imposed on all industries, the Group may be required to pay government royalties, indirect taxes, goods and services tax and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

Foreign exchange

The Group undertakes all its operational transactions in foreign currency (Brazilian Rial [BRL] and US dollars [USD]) and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. In order to protect against adverse exchange rate movements, the Group has set up foreign bank accounts in USD and BRL which are used to fund its mining operations and exploration activities in Brazil.

The entity currently has not entered into spot or short-term forward exchange contracts or structured foreign currency option arrangements.

Commodity Prices

The Group is exposed to commodity price risk, as its iron ore sales are predominantly subject to prevailing market prices. The entity has limited ability to directly influence market prices of iron ore and manages the commodity price risk through a focus on improving its cash margins and maintaining a strong financial position.

Macro-Economic Risks

The operating and financial performance of the Group is influenced by a variety of general economic and business conditions, including levels of consumer spending, oil prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters.

A prolonged deterioration in general economic conditions, including a decrease in the iron ore price or a decrease in consumer and business demand, could be expected to have an adverse impact on the Group's operating and financial performance and financial position. The Group's future possible revenues and share price can be affected by these factors, which are beyond the control of the Group.

Force Majeure

The Group's projects now or in the future may be adversely affected by risks outside the control of the Group, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, pandemics (i.e. COVID-19), explosions or other catastrophes, epidemics or quarantine restrictions.

18. Meetings of Directors

Formal meetings and meetings conducted by circular resolutions of the Directors held during the six-month period ended 31 December 2022 were as follows:

	Directors' Meetings	
	Number eligible to attend	**Number attended**
Ms Anna Neuling	7	7
Mr Stephen Quantrill	7	7
Mr David Chapman	7	7
Mr Keith Liddell	7	6

19. Shares under Option

During the six-month period ended 31 December 2022 the following changes in equity occurred:

- 4,625,000 shares were issued on the exercise of performance rights.
- 22,779,936 shares were released from escrow.

At date of this report, the Company had the following options and performance rights on issue:

- TI1 AA: 4,750,000 unlisted options exercisable at $0.052 expiring on 14 October 2025
- TI1 AD: 15,000,000 unlisted options exercisable at $0.035 expiring on 25 September 2023
- TI1AE: 3,250,000 performance rights expiring on 1 September 2025
- TI1AF: 20,375,000 performance rights expiring on 1 September 2025
- TIPR24: 7,500,000 performance rights expiring on 22 December 2024

20. Remuneration Report (Audited)

The remuneration report details the key management personnel remuneration agreements for the Group in accordance with the requirements of the Corporations Act 2001 and its regulations. The information provided in this remuneration report has been audited as required by section 308 (3C) of the Corporations Act 2001. The Remuneration Report details the remuneration arrangements for Key Management Personnel ("KMP"). KMP in 2022 comprised the Chief Executive Officer and other key executives (Executive KMP), as well as non-executive directors.

Name of Director	Position	Date Appointed	Date Ceased
Ms Anna Neuling	Non-executive Chair	25 September 2020	Current
Mr David Chapman	Non-executive Director	25 September 2020	Current
Mr Stephen Quantrill	Non-executive Director Executive Director	20 February 2018 21 May 2021	21 May 2021 Current
Mr Keith Liddell	Non-executive Director	25 September 2020	Current
Mr Gabriel Oliva	Chief Executive Officer	29 July 2020	Current
Ms Abby Macnish Niven	Chief Financial Officer and Company Secretary	1 May 2020	Current

There have been no other changes after the reporting date and up to the date that the financial report was authorised for issue.

The Remuneration Report is set out under the following main headings:

A	Remuneration Philosophy
B	Remuneration Governance, Structure and Approvals
C	Remuneration and Performance
D	Details of Remuneration
E	Contractual Arrangements
F	Share-based Compensation
G	Equity Instruments Issued on Exercise of Remuneration Options, Performance Rights and Performance Shares
H	Voting and comments made at the Company's 2022 Annual General Meeting
I	Loans with KMP
J	Other transactions with KMP

A Remuneration Philosophy

KMP have authority and responsibility for planning, directing and controlling the activities of the Group.

The Group's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

B Remuneration Governance, Structure and Approvals

Remuneration of Directors is currently set by the Board of Directors. The Board has not established a separate Remuneration Committee at this point in the Group's development. It is considered that the size of the Board along with the level of activity of the Group renders this impractical. The Company did engage a tax advisor for tax advice relating to proposed Director long term incentive awards. The Board, acting as a Remuneration Committee, is primarily responsible for:

- The over-arching executive remuneration framework;
- Operation of the incentive plans which apply to executive directors and senior executives, including key performance indicators and performance hurdles;
- Remuneration levels of executives; and
- Non-Executive Director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Group.

❖ Non-Executive Remuneration Structure

The remuneration of Non-Executive Directors consists of Board and Committee fees. The total aggregate fixed sum per annum to be paid to Non-Executive Directors shall be no more than $500,000 as detailed in the Company's Constitution, which was approved by ordinary resolution of the Shareholders in General Meeting held on 17 November 2022.

Remuneration of Non-Executive Directors is based on fees approved by the Board and is set at levels to reflect market conditions and encourage the continued services of the Directors. The chair's fees are determined independently to the fees of the Non-Executive Director's based on comparative roles in the external market.

The remuneration of Non-Executive Directors is detailed in Table 1 and their contractual arrangements are disclosed in "Section E – Contractual Arrangements". Remuneration may also include an invitation to participate in share-based incentive programmes in accordance with Company policy.

The nature and amount of remuneration is collectively considered by the Board of Directors with reference to relevant employment conditions and fees commensurate to a company of similar size and level of activity, with the overall objective of ensuring maximum stakeholder benefit from the retention of high-performing Directors.

❖ Executive Remuneration Structure

The nature and amount of remuneration of executives are assessed on a periodic basis with the overall objective of ensuring maximum stakeholder benefit from the retention of high-performance Directors.

The main objectives sought when reviewing executive remuneration is that the Company has:

- Coherent remuneration policies and practices to attract and retain Executives;
- Executives who will create value for shareholders;
- Competitive remuneration offered benchmarked against the external market; and
- Fair and responsible rewards to Executives having regard to the performance of the Group, the performance of the Executives and the general pay environment.

Refer below for details of Executive Directors' remuneration.

C Remuneration and Performance

The following table shows the gross revenue, profit/(loss), earnings per share ("EPS") and share price of the Group for the six-month financial year ended 31 December 2022. The prior periods relate to 12 months ended 30 June 2022 and 30 June 2021.

	6 months ended 31 December 2022	12 months ended 30 June 2022	12 months ended 30 June 2021
Revenue	25,668,953	32,563,787	-
Other Income ($)	206,788	58,853	41,565
Net profit/(loss) after tax ($)	7,085,731	3,493,992	(8,625,371)
EPS (cents per share)	0.33	0.16	(0.49)
Share price (cents)	2.6	2.3	8.5

Relationship between Remuneration and Company Performance
Given the current phase of the Company's development, the Board does not consider earnings during the six-month period ended 31 December 2022 when determining, and in relation to, the nature and amount of remuneration of KMP.

The pay and reward framework for key management personnel may consist of the following areas:

a) Fixed Remuneration – base salary
b) Variable Short-Term Incentives
c) Variable Long-Term Incentives

The combination of these would comprise the key management personnel's total remuneration.

a) Fixed Remuneration – Base Salary

The fixed remuneration for each KMP is influenced by the nature and responsibilities of each role and knowledge, skills and experience required for each position. Fixed remuneration provides a base level of remuneration which is market competitive and comprises a base salary inclusive of statutory superannuation or equivalent in the place of employment. It is structured as a total employment cost package.

Key management personnel are offered a competitive base salary that comprises the fixed component of pay and rewards. External remuneration consultants may provide analysis and advice to ensure base pay is set to reflect the market for a comparable role.

There is no guaranteed pay increase included in any key management personnel's contract.

b) Variable Remuneration – Short -Term Incentives (STI)

Discretionary cash bonuses may be paid to KMP annually, subject to the requisite Board and shareholder approvals where applicable. For the six-month period ended 31 December 2022, cash bonuses of $181,907 were paid to KMP's.

For the 31 December 2023 financial year, milestone based KPI's which, if achieved, will lead to cash bonus payments.

c) Variable Remuneration – Long-Term Incentives (LTI)

Options

There have been no options issued to employees at the date of this financial report.

Employee Securities Incentive Plan

The Employee Securities Incentive Plan ("Plan") was adopted by the Group at the 12 November 2021 Annual General Meeting ("AGM").

The current Plan provides the Board with the discretion to issue securities to eligible participants which will vest subject to the achievement of performance hurdles as determined by the Board from time to time.

The objective of the Plan is to attract, motivate and retain KMPs and it is considered by the Group that the Plan and the future issue of Performance Rights under the Plan will provide selected participants with the opportunity to participate in the future growth of the Group. The Plan will enable the Group to make grants to Eligible Participants so that long-term incentives form a key component of their total annual remuneration.

The Board believes that grants under the Plan will serve a number of purposes including:

- to act as a key retention tool; and
- to focus attention on future shareholder value generation.

For the six-month period ended 31 December 2022 the Company issued 7,500,000 unlisted performance rights (with an expiry date of 22 December 2024) to KMP's.

Any grants under the Plan will be subject to the achievement of KPIs. Appropriate KPIs may be formulated for each Eligible Participant to participate in the Plan based on their role and responsibilities in the Group.

D Details of Remuneration

Details of the nature and amount of each major element of the remuneration of each KMP of the Group during the financial year are:

Table 1 – Remuneration of KMP of the Group for the year ended 6 months ended 31 December 2022 is set out below:

	Short-term Benefits		Post-employment benefits	Share based payments		
31 December 2022	Salary and fees	Bonuses	Superannuation	Other	Total	Performance related
	$	$	$	$	$	%
Non-Executive Directors						
Ms Anna Neuling	30,000	-	-	6,733	36,733	18%
Mr David Chapman	37,500	-	-	6,733	44,233	15%
Mr Keith Liddell	37,685	-	-	6,733	44,418	15%
Executive KMP						
Mr Stephen Quantrill	100,002	50,000	-	11,591	161,593	38%
Mr Gabriel Oliva	142,466	101,907	-	2,813	247,186	42%
Ms Abby Macnish Niven	97,500	30,000	-	938	128,438	24%
Total	**445,153**	**181,907**	**-**	**35,541**	**662,601**	**33%**

During the 6 months ended 31 December 2022, the Group made payments to the following companies:

- $30,000 to Erasmus Consulting Pty Ltd, an entity related to Chairperson Anna Neuling.
- $37,500 to Parati Pty Ltd, an entity related to Director David Chapman.
- The USD equivalent of AUD$25,269 to Keshel Consulting Limited, an entity related to Director Keith Liddell.
- $134,196 to McRae Investments, an entity related to Director Stephen Quantrill. The payments were for directors' fees ($100,002) and rental of office space and shares facilities and travel expenses ($34,194).
- $97,500 to CAMS Advisory Pty Ltd, an entity related to CFO/Company Secretary Abby Macnish for Chief Financial Officer and Company Secretary services, $16,250 was included in trade payables at 31 December 2022.

Mr Keith Liddell is paid in USD. Mr Gabriel da Cunha is paid in BRL. Their salary and fees have been translated using average rates.

All of the related party payments noted above, with the exception of rent and travel costs, are included in table above.

D Details of Remuneration (continued)

Details of the remuneration of KMP of the Group for the year ended 12 months ended 30 June 2022 is set out below:

	Short-term Benefits		Post-employment benefits	Share based payments		
30 June 2022	Salary and fees	Bonuses	Superannuation	Other	Total	Performance related
	$	$	$	$	$	%
Non-Executive Directors						
Ms Anna Neuling	60,000	-	-	44,514	104,514	43%
Mr David Chapman	75,000	-	-	44,514	119,514	37%
Mr Keith Liddell	75,000	-	-	44,514	119,514	37%
Former Non-Executive Director		-				
Executive KMP						
Mr Stephen Quantrill	200,003	50,000	-	44,514	294,517	32%
Mr Gabriel Oliva	258,435	72,725	-	66,771	397,931	35%
Ms Abby Macnish Niven	147,500	30,000	-	22,257	199,757	26%
Total	**815,938**	**152,725**	**-**	**267,084**	**1,235,747**	**22%**

During the 12-month period ended 30 June 2022, the Group made payments to the following companies:

- $60,000 to Erasmus Consulting Pty Ltd, an entity related to Chairperson Anna Neuling.
- $75,000 to Parati Pty Ltd, an entity related to Director David Chapman.
- The USD equivalent of AUD$75,000 to Keshel Consulting Limited, an entity related to Director Keith Liddell.
- $404,664 to McRae Investments, an entity related to Director Stephen Quantrill. The payments for directors' fees ($200,003) and management fees included the rental of office space and shares facilities and travel expenses. $50,000 related to the fee for Chief Financial Officer and company secretary services, provided by Abby Macnish as an employee of McRae Investments from 1 July 2021 to 31 December 2021.
- $97,500 to CAMS Advisory Pty Ltd, an entity related to CFO/Company Secretary Abby Macnish for Chief Financial Officer and company secretary services.

Mr Keith Liddell is paid in USD. Mr Gabriel da Cunha is paid in BRL. Their salary and fees have been translated using average rates.

All of the related party payments noted above, with the exception of rent and travel costs, are included in the table above.

D Details of Remuneration (continued)

Table 2 – Shareholdings of KMP (direct and indirect holdings) for the 6 months ended 31 December 2022:

31 December 2022	Balance 1/07/2022	Conversion/Additions	Balance 31/12/2022
Non-Executive Directors			
Ms Anna Neuling (i)	3,500,000	750,000	4,250,000
Mr David Chapman (ii)	1,900,000	750,000	2,650,000
Mr Keith Liddell	19,729,936	-	19,729,936
Executive KMP			
Mr Stephen Quantrill (iii)	1,500,000	750,000	2,250,000
Mr Gabriel Oliva	-	-	-
Ms Abby Macnish Niven (iv)	2,175,000	375,000	2,550,000
TOTAL	**28,804,936**	**2,625,000**	**31,429,936**

(i) Anna Neuling converted 750,000 performance rights into 750,000 shares.
(ii) David Chapman converted 750,000 performance rights into 750,000 shares.
(iii) Stephen Quantrill converted 750,000 performance shares into 750,000 shares.
(iv) Abby Macnish Niven converted 375,000 performance rights into 375,000 shares.

Table 3 – Shareholdings of KMP (direct and indirect holdings) for the 12 months ended 30 June 2022:

30 June 2022	Balance 1/07/2021	Conversion/Additions	Balance 30/06/2022
Non-Executive Directors			
Ms Anna Neuling (i)	2,000,000	1,500,000	3,500,000
Mr David Chapman (ii)	400,000	1,500,000	1,900,000
Mr Keith Liddell (iii)	16,779,936	2,950,000	19,729,936
Executive KMP			
Mr Stephen Quantrill (v)	-	1,500,000	1,500,000
Mr Gabriel Oliva	-	-	-
Ms Abby Macnish Niven (vi)	1,425,000	750,000	2,175,000
TOTAL	**20,604,936**	**8,200,000**	**28,804,936**

(i) Anna Neuling converted 1,500,000 performance rights into 1,500,000 escrowed shares (6 October 2022 escrow date).
(ii) David Chapman converted 1,500,000 performance rights into 1,500,000 escrowed shares (6 October 2022 escrow date).
(iii) Keith Liddell converted 2,250,000 performance rights into 2,250,000 escrowed shares (6 October 2022 escrow date). He also purchased 700,000 ordinary shares on market.
(iv) Stephen Quantrill converted 1,500,000 performance shares into 1,500,000 escrowed shares (6 October 2022 escrow date).
(v) Abby Macnish Niven converted 750,000 performance rights into 750,000 ordinary shares.

Table 4 – Performance Rights holdings of KMP (direct and indirect holdings) for the 6 months ended 31 December 2022:

31 December 2022	Balance 1/07/2022	Granted as Remuneration	Exercise of Performance Rights	Balance at retirement	Balance 31/12/2022
Non-Executive Directors					
Ms Anna Neuling	1,500,000	1,500,000	(750,000)	-	2,250,000
Mr David Chapman	1,500,000	1,500,000	(750,000)	-	2,250,000
Mr Keith Liddell	750,000	1,500,000	-	-	2,250,000
Executive KMP					
Mr Stephen Quantrill	1,500,000	3,000,000	(750,000)	-	3,750,000
Mr Gabriel Oliva	4,500,000	-	-	-	4,500,000
Ms Abby Macnish Niven	750,000	-	(375,000)	-	375,000
TOTAL	**10,500,000**	**7,500,000**	**(2,625,000)**	**-**	**15,375,000**

Table 5 – Performance Rights holdings of KMP (direct and indirect holdings) for the 12 months ended 30 June 2022:

30 June 2022	Balance 1/07/2021	Granted as Remuneration	Exercise of Performance Rights	Balance at retirement	Balance 30/06/2022
Non-Executive Directors					
Ms Anna Neuling	3,000,000	-	(1,500,000)	-	1,500,000
Mr David Chapman	3,000,000	-	(1,500,000)	-	1,500,000
Mr Keith Liddell	3,000,000	-	(2,250,000)	-	750,000
Executive KMP					
Mr Stephen Quantrill	3,000,000	-	(1,500,000)	-	1,500,000
Mr Gabriel Oliva	4,500,000	-	-	-	4,500,000
Ms Abby Macnish Niven	1,500,000	-	(750,000)	-	750,000
TOTAL	**18,000,000**	**-**	**(7,500,000)**	**-**	**10,500,000**

E Contractual Arrangements

Key terms of employment contracts for executive KMP's

Stephen Quantrill – Executive Director

- Annual consulting fee of $200,000 (exclusive of GST);
- Effective date: 21 May 2021;
- Subject to ongoing service, the Company may pay a performance-based bonus over and above the fee;
- Notice period: 3 months.

Gabriel Oliva – Chief Executive Officer

- Base Salary $17,403 per month;
- Effective date: 12 June 2020;
- Subject to ongoing service, the Company may pay a performance-based bonus over and above the fee;
- Notice period: 90 days.

Abby Macnish Niven – Company Secretary/Chief Financial Officer

- Annual consulting fee of $195,000 (exclusive of GST);
- Effective date: 1 January 2022;
- Subject to ongoing service, the Company may pay a performance-based bonus over and above the fee;
- Notice period: 1 month.

F Share-based Compensation

The Company rewards Directors for their performance and aligns their remuneration with the creation of shareholder wealth by issuing performance rights. Share-based compensation is at the discretion of the Board and no individual has a contractual right to receive any guaranteed benefits.

Shares

There were no shares provided to KMP during the current financial year.

Performance Rights

For the six-month period ended 31 December 2022, 2,625,000 performance rights were exercised by directors and other key management personnel.

The Company issued 7,500,000 performance rights (with an expiry date of 22 December 2024) to directors.

At the signing of this report the Company has 15,375,000 (30 June 2022: 10,500,000) performance rights outstanding to directors and KMP.

The terms and conditions of each tranche of performance rights affecting remuneration in the current or future reporting period are as follows:

Name	Grant Date	Number Granted	Expiry Date	Value of each Right (cents)	Vested
Ms Anna Neuling					
TI1AE Tranche 2(ii)	31/08/2020	750,000	31/08/2025	2.5	-
TIPR24 Tranche 1(v)	22/12/2022	750,000	22/12/2024	2.4	-
TIPR24 Tranche 2(vi)	22/12/2022	750,000	22/12/2024	2.4	-
Mr David Chapman					
TI1AE Tranche 2(ii)	31/08/2020	750,000	31/08/2025	2.5	-
TIPR24 Tranche 1(v)	22/12/2022	750,000	22/12/2024	2.4	-
TIPR24 Tranche 2(vi)	22/12/2022	750,000	22/12/2024	2.4	-
Mr Stephen Quantrill					
TI1AE Tranche 2(ii)	31/08/2020	750,000	31/08/2025	2.5	-
TIPR24 Tranche 1(v)	22/12/2022	1,500,000	22/12/2024	2.4	-
TIPR24 Tranche 2(vi)	22/12/2022	1,500,000	22/12/2024	2.4	-
Mr Keith Liddell					
TI1AE Tranche 2(ii)	31/08/2020	750,000	31/08/2025	2.5	-
TIPR24 Tranche 1(v)	22/12/2022	750,000	22/12/2024	2.4	-
TIPR24 Tranche 2(vi)	22/12/2022	750,000	22/12/2024	2.4	-
Mr Gabriel da Cunha Oliva					
TI1AF Tranche 1(i)	31/08/2020	1,125,000	31/08/2025	2.5	Yes
TI1AF Tranche 2(ii)	31/08/2020	1,125,000	31/08/2025	2.5	-
TI1AF Tranche 3(iii)	31/08/2020	1,125,000	31/08/2025	2.5	Yes
TI1AF Tranche 4(iv)	31/08/2020	1,125,000	31/08/2025	1.794	Yes
Ms Abby Macnish Niven					
TI1AF Tranche 2(ii)	31/08/2020	375,000	31/08/2025	2.5	-

(i) TI1AE/TI1AF Tranche 1 vesting is subject to the Group achieving in respect of the Tombador Project, an aggregate of at least 30,000 tonnes of cumulative iron ore production sold to third party customers from the Tenement with a grade greater than 62% Fe.

(ii) TI1AE/TI1AF Tranche 2 vesting is subject to the Group achieving in respect of the Tombador Project, an aggregate of at least 1,000,000 tonnes of cumulative iron ore production sold to third party customers from the Tenement with a grade greater than 62% Fe.

(iii) TI1AE/TI1AF Tranche 3 vesting is subject to the Group achieving net positive operational cashflows (as evidence by the Appendix 5B to the ASX).

(iv) TI1AE/TI1AF Tranche 4 vesting is subject to the Group achieving in respect of the Tombador Project, an aggregate of at least 25,000 tonnes of cumulative iron ore production per month for 3 months with a cut-off grade greater than 62% Fe and the Group's Shares achieving a volume weighted average price (VWAP) of $0.05 or more for at least 20 consecutive trading days.

(v) TIPR24 Tranche 1 vesting is subject to the Group achieving a net positive operational cashflow for the 12-month period ended 30 June 2023 greater than the financial year ended 30 June 2022, as evidenced by the reviewed financial report for 30 June 2023**.

(vi) TIPR24 Tranche 2 vesting is subject to the achievement by the Group of a minimum production quota of 600,000 tonnes with Fe grade of 62% or higher and a minimum sales quota of 480,000 tonnes of Fe grade of 62% or higher from the Tombador Iron Project in Brazil.

** In light of the update to the end of financial year to December year end, this vesting condition has been modified to reflect this timing change.

The Performance Rights were issued for nil consideration and no consideration will be payable upon the vesting of the Performance Rights. Rights granted under the Performance Rights Plan carry no dividend or voting rights. Details of Performance Rights provided as part of remuneration to Key Management Personnel are shown above.

The assessed fair value at grant date of Performance Rights granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above.

Further information on the performance rights is set out in Note 23 to the financial statements.

G Equity Instruments Issued on Exercise of Remuneration Options, Performance Rights and Performance Shares

During the 6-month period ended 31 December 2022, 2,625,000 performance rights were exercised by directors and other key management personnel (12-month period ended 30 June 2022: 7,500,000 performance rights were exercised by directors).

At the signing of this report the Company has 15,375,000 (12-month period ended 30 June 2022: 10,500,000) performance rights outstanding to directors and KMP.

No remuneration options were exercised during the financial year.

H Voting and Comments made at the Company's 2022 Annual General Meeting ('AGM')

At the 2022 AGM, 99.85% of the votes received supported the adoption of the Remuneration Report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

I Loans with KMP

There were no loans made to any KMP during the 6-month period ended 31 December 2022 (12-month period ended 30 June 2022: nil).

J Other Transactions with KMP

During the 6-month period ended 31 December 2022, the Group made fee payments of $34,194 (12-month period ended 30 June 2022:$204,664) to McRae Investments, an entity related to Director Stephen Quantrill. The payments were for rental of office space and shares facilities and travel expenses $34,194).

All transactions were on normal terms and conditions.

End of Remuneration Report.

This report is made in accordance with a resolution of directors.

Ms Anna Neuling
Non-Executive Chair

Perth, Western Australia
31 March 2023

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Tombador Iron Limited for the period ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

Perth, Western Australia	**D I Buckley**
31 March 2023	**Partner**

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au


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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2022

	Note	6 months ended 31 December 2022 $	12 months ended 30 June 2022 $
CONTINUING OPERATIONS			
Revenue	**2**	25,668,953	32,563,787
Cost of goods sold	**3**	(14,955,756)	(20,130,254)
Gross profit		**10,713,197**	**12,433,533**
Other income		206,788	58,853
Administration and other expenses	**4**	(2,652,483)	(6,892,438)
Operating profit before finance cost		**8,267,502**	**5,599,948**
Finance cost	**5**	(697,358)	(585,197)
Profit before income tax		**7,570,144**	**5,014,751**
Tax expense	**6**	(484,413)	(1,520,759)
Profit after tax for the year from continuing operations		**7,085,731**	**3,493,992**
Total profit after income tax		**7,085,731**	**3,493,992**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		75,850	2,119,337
Other comprehensive income for the year, net of tax		**75,850**	**2,119,337**
Total comprehensive income for year		**7,161,581**	**5,613,329**
Profit attributable to members of the parent entity			
Profit per share from Continuing Operations attributable to the owners of Tombador Iron Limited			
Basic earnings per share (cents)	**14**	0.33	0.16
Diluted earnings per share (cents)	**14**	0.33	0.16

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	31 December 2022 $	30 June 2022 $
Current Assets			
Cash and cash equivalents	**7a**	14,182,028	29,421,985
Trade and other receivables	**7b**	4,082,911	368,016
Inventory	**8**	13,913,339	9,793,497
Other assets	**9**	2,088,338	1,059,402
Total Current Assets		**34,266,616**	**40,642,900**
Non-Current Assets			
Property, plant, and equipment	**10**	9,195,160	4,991,481
Right-of-use assets	**7d**	8,572,600	9,795,691
Total Non-Current Assets		**17,767,760**	**14,787,172**
Total Assets		**52,034,376**	**55,430,072**
Current Liabilities			
Trade and other payables	**7c**	3,183,147	6,841,707
Lease liability	**7d**	2,972,016	2,754,814
Provisions	**11**	465,978	159,322
Total Current Liabilities		**6,621,141**	**9,755,843**
Non-Current Liabilities			
Lease liability	**7d**	6,357,488	7,977,949
Provisions	**11**	2,783,020	2,654,312
Total Non-Current Liabilities		**9,140,508**	**10,632,261**
Total Liabilities		**15,761,649**	**20,388,104**
Net Assets		**36,272,727**	**35,041,968**
Equity			
Share Capital	**12**	36,471,957	36,471,957
Reserves	**13**	3,840,017	3,711,438
Accumulated losses		(4,039,247)	(5,141,427)
Total Equity		**36,272,727**	**35,041,968**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES OF EQUITY

For the 6 months ended 31 December 2022

	Issued Capital $	Accumulated losses $	Foreign Currency Translation Reserve $	Share-based Payment Reserve $	Total Equity $
Balance at 1 July 2021	**36,472,270**	**(8,635,419)**	**520,798**	**396,174**	**28,753,823**
Profit for the period	-	3,493,992	-	-	3,493,992
Other comprehensive income	-	-	2,119,337	-	2,119,337
Total comprehensive income for the period	**-**	**3,493,992**	**2,119,337**	**-**	**5,613,329**
Transactions with owners in their capacity as owners:					
Adjustment to unmarketable parcel sale	(313)	-	-	-	(313)
Share-based payments	-	-	-	675,129	675,129
Balance at 30 June 2022	**36,471,957**	**(5,141,427)**	**2,640,135**	**1,071,303**	**35,041,968**
Profit for the period	-	7,085,731	-	-	7,085,731
Other comprehensive loss	-	-	75,850	-	75,850
Total comprehensive income for the period	**-**	**7,085,731**	**75,850**	**-**	**7,161,581**
Transactions with owners in their capacity as owners:					
Share-based payments	-	-	-	52,729	52,729
Dividends paid	-	(5,983,551)	-	-	(5,983,551)
Balance at 31 December 2022	**36,471,957**	**(4,039,247)**	**2,715,985**	**1,124,032**	**36,272,727**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months ended 31 December 2022

	Note	6 months ended 31 December 2022 $	12 months ended 30 June 2022 $
Cash Flows from Operating Activities			
Receipts from customers and government grants		19,266,654	35,028,532
Payments to suppliers and employees		(19,277,902)	(31,537,916)
Receipts from other income		87,798	58,853
Interest expense		(516,068)	(1,081,793)
Income tax paid		(1,736,189)	(2,085,229)
Royalty payments		(1,215,518)	-
Net cash (outflow)/inflow from operating activities	**15**	**(3,391,225)**	**382,447**
Cash Flows from Investing Activities			
Receipts from customers - commissioning revenue		-	18,656,840
Payments to suppliers and employees – commissioning costs		-	(10,832,840)
Payment for plant and equipment		(4,783,337)	(2,796,150)
Net cash (outflow) /inflow from investing activities		**(4,783,337)**	**5,027,850**
Cash Flows from Financing Activities			
Transaction costs relating to issue of shares		-	(313)
Dividends paid		(5,983,551)	-
Repayment of lease liabilities	**7(d)**	(1,390,124)	(1,917,236)
Net cash outflow from financing activities		**(7,373,675)**	**(1,917,549)**
Net (decrease)/increase in cash and cash equivalents		**(15,548,237)**	**3,492,748**
Cash and cash equivalents at the start of the period		29,421,985	24,704,473
Exchange rate adjustment		308,280	1,224,764
Cash and cash equivalents at the end of the period		**14,182,028**	**29,421,985**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

Contents of the notes to the financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

How our numbers are calculated:

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operation of the Group, including:

- Accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with the particular type of transaction.
- Analysis, including segment information.
- Information about estimates and judgements made in relation to particular items.

1. Segment information
2. Revenue
3. Cost of goods sold
4. Administration and other expenses
5. Finance cost
6. Taxation
7. Financial assets and financial liabilities
8. Inventory
9. Other assets
10. Plant and equipment
11. Provisions
12. Share capital
13. Reserves
14. Earnings per share
15. Cash flow information

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

1. Segment information

The Group is organised into three operating segments:

- Corporate segment in Australia (Tombador Iron Limited)
- Corporate segment in Singapore (Tombador Iron Singapore Pte Limited)
- Tombador Iron Ore Project in Brazil (Tombador Iron Mineracao Ltda).

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker has been identified as the Board of Directors of Tombador Iron Limited. The following table presents the revenue, results and certain asset and liability information regarding the segment information provided to the Board of Directors for the six-month period ended 31 December 2022.

The Group's entire revenue stream is generated from its iron ore mine located in Brazil. The Group has three customers who generated in excess of 10% of the Group's revenue. These customers generated 96% of the Group's revenue for the period.

1. Segment information

	Australia $	Singapore $	Brazil $	Elimination $	Consolidated $
Segment performance 6 months ended 31 December 2022					
Revenue	-	-	25,668,953	-	**25,668,953**
Other income	5,970,490	-	117,792	(5,881,494)	**206,788**
Profit/(Loss) before tax	3,913,130	(207,130)	9,737,706	(5,873,562)	**7,570,144**
Profit/(Loss) after tax	3,913,130	(207,130)	9,253,293	(5,873,562)	**7,085,731**
Depreciation	(1,939)	(9,490)	(1,753,249)	-	**(1,764,678)**
Finance cost	-	-	(697,358)	-	**(697,358)**
Segment performance 12 months ended 30 June 2022					
Revenue	-	-	32,563,787	-	**32,563,787**
Other income	58,844	-	9	-	**58,853**
Profit/(Loss) before tax	(3,344,554)	(580,951)	8,940,256	-	**5,014,751**
Profit/(Loss) after tax	(3,344,554)	(580,951)	7,419,497	-	**3,493,992**
Depreciation	(5,879)	(12,324)	(1,923,070)	-	**(1,941,273)**
Finance cost	-	-	(585,197)	-	**(585,197)**

	Australia $	Singapore $	Brazil $	Elimination $	Consolidated $
As at 31 December 2022					
Segment Assets	27,524,230	251,749	37,791,335	(13,532,938)	**52,034,376**
Segment Liabilities	828,481	7,791	14,925,377	-	**15,761,649**
Acquisition of non-current assets	-	-	4,808,041	-	**4,808,041**
As at 30 June 2022					
Segment Assets	28,922,823	56,695	30,532,588	(4,082,034)	**55,430,072**
Segment Liabilities	209,382	51,376	20,127,346	-	**20,388,104**
Acquisition of non-current assets	20,720	-	10,489,571	-	**10,510,291**

2. Revenue

	Consolidated Entity	
	6 months ended 31 December 2022 $	12 months ended 30 June 2022 $
Revenue – Lump	24,437,193	23,294,755
Revenue – Fines	1,231,760	9,269,032
Total Revenue	**25,668,953**	**32,563,787**

	Consolidated Entity	
	6 months ended 31 December 2022 $	12 months ended 30 June 2022 $
Revenue - Brazil Sales	10,984,045	12,005,279
Revenue - Export Sales	14,684,908	20,558,508
Total Revenue	**25,668,953**	**32,563,787**

Sale of iron ore (commissioning revenue)

Revenue is recognised for export sales when control of the goods has passed to the buyer based upon agreed delivery terms. For sales of iron ore, this is when the ore is loaded onto the ship. For internal sales, the revenue is recognised when the goods have been passed to the buyer at the mine gate.

The price to be received on sales of iron ire is provisionally priced and recognised at the estimate of the consideration receivable that is highly probable of not reversing by reference to the relevant contractual price and the estimated mineral specifications.

3. Cost of Goods Sold

	Consolidated Entity	
	6 months ended 31 December 2022 $	12 months ended 30 June 2022 $
Cost of ore sold – Lumps	4,803,721	5,098,156
Cost of ore sold – Fines	119,522	1,909,396
Port charges	7,761,010	15,112,691
Royalties	1,224,430	1,703,454
Mine absorption charges	(10,279,936)	(11,346,914)
Drilling, blasting and haulage charges	11,105,037	7,377,101
Other charges	221,972	276,370
Total Cost of Goods Sold	**14,955,756**	**20,130,254**

4. Administration and other expenses

	Consolidated Entity	
	6 months ended 31 December 2022 $	12 months ended 30 June 2022 $
Share-based payments	52,729	675,129
Administrative expenses	1,452,382	2,617,222
Marketing expenses	21,008	46,145
Occupancy costs	63,668	110,626
Other Expenses	44,075	52,209
Employee benefits expense	2,605,451	3,100,419
Depreciation and amortisation costs	1,764,678	1,941,269
Mine absorption charges	(3,351,508)	(1,650,581)
Total administration and other expenses	**2,652,483**	**6,892,438**

Accounting policy

Depreciation and amortisation
Refer to note 7 and 10 for details on depreciation, amortisation and impairment on leases and receivables.

5. Finance costs

	Consolidated Entity	
	6 months ended 31 December 2022 $	12 months ended 30 June 2022 $
Interest Expense	32,183	-
Finance Expenses (lease liabilities)	516,991	610,103
Non-cash interest accretion on rehabilitation provision	138,977	201,943
Reassessment of Property lease	9,207	-
Gain on leases modification	-	(226,849)
Total finance costs	**697,358**	**585,197**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

6. Taxation

	Consolidated Entity	
	6 months ended 31 December 2022	12 months ended 30 June 2022
	$	$
Tax Expense		
Current tax expense	484,413	1,520,759
The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:		
Accounting profit before income tax	7,570,161	5,014,752
Income tax benefit calculated at 30% (30 June 2022:25%)	2,271,048	1,253,688
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Non-deductible expenses	87,786	168,816
Non-assessable income	-	-
Current year tax losses not recognised	752,380	3,053,325
Differences in tax rates[(i)]	(1,527,133)	-
Effect of tax in foreign jurisdictions	-	1,520,759
Movement in unrecognised temporary differences	(890,115)	(144,623)
Deductible equity raising costs	(209,553)	(703,375)
Temporary differences not recognised	-	(3,627,831)
Income tax expense attributable to entity	**484,413**	**1,520,759**

(i) During the current period, the Group was granted the Sudene Tax Incentive in relation to its Brazil operations for a period of ten years. The Superintendency for the Development of the Northeast, or "Sudene", is a Brazilian governmental agency created in 1959, to stimulate economic growth in the Northeastern region of Brazil. The incentive was created in 2002. The Sudene Benefit grants a 75% reduction on the IRPJ Income Tax payable by the Group, which results in the income tax payable on Brazil operations to move to approximately 15.25% from the standard rate of approximately 34%.

Deferred tax balances

For the 6-months to 31 December 2022, net deferred tax assets of $3,017,325 (12-months to 30 June 2022: $1,694,514) have not been recognised in terms of AASB112 Income Taxes. The Parent Company does not currently have foreseeable future taxable profits against which the deductible temporary differences and unused tax losses comprising this net deferred tax amount may be utilised.

	Consolidated Entity	
	6 months ended 31 December 2022 $	12 months ended 30 June 2022 $
	30.00%	25.00%
Recognised deferred tax assets and liabilities		
Deferred tax assets		
Employee provisions	3,473	-
ROU assets	-	2,505,635
	3,473	2,505,635
Set-off of deferred tax liabilities	(3,473)	(2,505,635)
Net deferred tax assets	-	-
Deferred tax liabilities		
Plant & equipment	(3,473)	-
ROU liability	-	(2,448,923)
Other DTLs	-	(56,712)
Gross deferred tax liabilities	(3,473)	(2,505,635)
Set-off of deferred tax liabilities	3,473	2,505,635
Net deferred tax liabilities	**-**	**-**
Unused tax losses and temporary differences for which no deferred tax asset has been recognised		
Deferred tax assets have not been recognised in respect of the following using corporate tax rates of:	*30.00%*	*25.00%*
Deductible temporary differences	485,370	1,520,400
Tax revenue losses	2,495,324	174,114
Tax capital losses	36,631	-
Total unrecognised deferred tax assets	**3,017,325**	**1,694,514**

The corporate tax rates on both recognised and unrecognised deferred tax assets and deferred tax liabilities have been calculated with respect to the tax rate that is expected to apply in the year the deferred tax asset is realised or the liability is settled.

Accounting policy

Deferred income tax

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 tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting nor taxable profit or loss; or are associated with investments and loans in controlled entities and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred 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 settled, based on tax rates (and laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity and not in the statement of profit or loss.

Deferred tax assets and liabilities are offset only if a legally enforceable right exists to set off tax assets against tax liabilities and the deferred tax assets and liabilities relate to the same taxation authority.

Income tax

The income tax expense/(benefit) for the year comprises current income tax expense/(income) and deferred tax expense/(income). Current income tax expense charged to the statement of profit or loss and other comprehensive income is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

7. Financial assets and financial liabilities

The Group holds the following financial instruments:

		Consolidated Entity	
		31 December 2022 $	30 June 2022 $
Financial assets			
Financial assets at amortised cost			
Cash and cash equivalents	**7a**	14,182,028	29,421,985
Trade and other receivables	**7b**	4,082,911	368,016
Financial liabilities			
Liabilities at amortised cost			
Trade and other payables	**7c**	3,183,147	6,841,707
Lease liabilities	**7d**	9,329,504	10,732,763

a) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise the following:

	Consolidated Entity	
	31 December 2022 $	30 June 2022 $
Cash at bank and on hand	14,182,028	29,421,985

Cash and cash equivalents comprise cash on hand which are subject to an insignificant risk of changes in value.

Accounting policy

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

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts, if any.

b) Trade and other receivables

	Consolidated Entity	
	31 December 2022 $	30 June 2022 $
Current		
Trade debtors-at amortised cost	2,130,381	368,016
Accrued revenue	1,952,530	-
	4,082,911	368,016

The Directors consider that the carrying amount of trade and other receivables approximates their fair value. All amounts are considered short term, and none are past due.

The amounts represent assets for goods and services provided by the Group prior to the end of financial year which are unpaid. Trade and other receivables are presented as current assets unless payment is not due within 12 months.

Accounting policy

Initial recognition and measurement and subsequent measurement

Financial assets with the exception of cash and cash equivalents are classified, at initial recognition, and subsequently measured at amortised cost. For purpose of subsequent measurement, the Group's financial assets with the exception of cash and cash equivalents comprise fully of financial assets at amortised cost (debt instruments).

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include trade receivables (not subject to provisional pricing) and other receivables.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. ECLs are recognised in two stages:

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (12-month ECL).
- For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The Group has established a provision matrix for trade receivables that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL when there has not been a significant increase in credit risk since origination. The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date.

When there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information. The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity. No ECL was required based on a review of these factors.

c) Trade and other payables

	Consolidated Entity	
	31 December 2022	30 June 2022
	$	$
Trade creditors	1,692,532	3,246,230
Customer advances	148,853	2,638,854
Accruals and other payables	1,341,762	956,623
	3,183,147	**6,841,707**

The Directors consider that the carrying amount of trade and other payables approximates their fair value. All amounts are considered short term, and none are past due.

The amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

Trade payables are not interest bearing and are stated at their fair value on initial recognition. After initial recognition these are measured at amortised cost using the effective interest method.

d) Leases

Amounts recognised in the statement of financial position

Right-of-use asset	Housing and storage $	Mining equipment $	Consolidated 31 December 2022 $
Cost			
At 1 July 2022	167,182	12,640,287	**12,807,469**
Lease reassessment	(166,683)	-	**(166,683)**
Exchange difference	(499)	470,748	**470,249**
At 31 December 2022	**-**	**13,111,035**	**13,111,035**
Accumulated Depreciation			
At 1 July 2022	94,789	2,916,989	**3,011,778**
Charge for the 6 month period ended 31 December 2022	-	1,244,333	**1,244,333**
Lease reassessment	(94,506)	-	**(94,506)**
Exchange difference	(283)	377,113	**376,830**
At 31 December 2022	**-**	**4,538,435**	**4,538,435**
Carrying amount			
At 30 June 2022	72,393	9,723,298	**9,795,691**
At 31 December 2022	-	8,572,600	**8,572,600**

Lease Liabilities	Housing and storage $	Mining equipment $	Consolidated 31 December 2022 $
At 1 July 2022	**83,099**	**10,649,664**	**10,732,763**
Lease reassessment	(82,851)	-	**(82,851)**
Add: Interest	1,023	515,968	**516,991**
Less: Payments	-	(1,390,124)	**(1,390,124)**
Exchange difference	(1,271)	(446,004)	**(447,275)**
Closing Balance at 31 December 2022	**-**	**9,329,504**	**9,329,504**
Represented by:			
Current lease liabilities	-	2,972,016	**2,972,016**
Non-current lease liabilities	-	6,357,488	**6,357,488**

The Group's leasing activities and how these are accounted for:

The Group as lessee:

The Group leases mining equipment, housing for the key staff on site as well as various warehouse space.

The Group assesses on an ongoing basis whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for the short-term leases (defined as leases with lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

i. Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

The Group identified changes to its leases and made the following modifications:

- Rental property leases were previously assumed to be renewed annually at review date for a five year period. Due to the changing needs of the project, this has been revised to only assume renewal of the leases at the next review date for a period of 12 months. This will continue to be reviewed annually.

Commencing October 2022, all rental property leases are on 12 month short term contracts. Under the Group's accounting policy, all leased underlying assets valued at or below USD$10,000 qualify for the low-value lease exemption (AASB16) and leases under 12 months are outside the scope AASB16, therefore the Group does not now recognize a housing and storage lease liability.

ii. Right of use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

The Group applied AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in 'Plant and Equipment' policy.

8. Inventory

	Consolidated Entity	
	31 December 2022 $	30 June 2022 $
Inventory – Lump at cost	2,381,523	3,013,004
Inventory – Fines at cost	11,531,816	6,780,493
	13,913,339	**9,793,497**

Accounting policy

Inventory represents ore stock and is physically measured or estimated and valued at the lower of cost and net realisable value. Cost is determined by the weighted average method and comprises direct purchase costs and an appropriate portion of fixed and variable overhead costs, including depreciation and amortisation, incurred in converting ore. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling the final product, including royalties.

9. Other assets

	Consolidated Entity	
	31 December 2022	30 June 2022
	$	$
Prepayments	151,400	113,266
Deferred Expenditure	24,062	24,134
Taxes recoverable	1,912,876	922,002
	2,088,338	**1,059,402**

10. Plant and equipment

	Consolidated Entity	
	31 December 2022	30 June 2022
	$	$
Furniture	22,717	-
Software and IT equipment	127,822	127,200
Lab equipment	245,513	266,692
Assets under Construction	1,364	5,988
Plant and equipment	2,197,596	2,074,532
Mine property	206,017	218,787
Stripping Asset	6,394,131	2,298,282
	9,195,160	**4,991,481**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

Movement in carrying amounts of plant and equipment

	Furniture $	Software and IT equipment $	Lab equipment $	Assets under construction $	Plant and equipment $	Mine Property $	Stripping Asset $	Consolidated Entity Total $
Balance at 1 July 2022	**-**	**127,200**	**266,692**	**5,988**	**2,074,532**	**218,787**	**2,298,282**	**4,991,481**
Additions	-	16,722	4,238	1,387	331,896	-	4,453,848	**4,808,091**
Reallocation	24,401	-	6,072	(6,072)	(24,401)	-	-	**-**
Depreciation	(1,295)	(15,569)	(31,040)	-	(176,022)	(15,380)	(281,039)	**(520,345)**
Exchange differences	(389)	(531)	(449)	61	(8,409)	2,610	(76,960)	**(84,067)**
Balance at 31 December 2022	**22,717**	**127,822**	**245,513**	**1,364**	**2,197,596**	**206,017**	**6,394,131**	**9,195,160**
Cost	25,458	168,206	309,040	1,364	2,566,359	242,228	6,706,025	**10,018,680**
Accumulated Depreciation	(2,741)	(40,384)	(63,527)	-	(368,763)	(36,211)	(311,894)	**(823,520)**
Balance at 31 December 2022	**22,717**	**127,822**	**245,513**	**1,364**	**2,197,596**	**206,017**	**6,394,131**	**9,195,160**

Accounting policy

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the items. Repairs and maintenance are charged to the profit or loss during the reporting period in which they were incurred.

Once assets are available for use, depreciation is calculated using the straight-line method to allocate asset costs over their estimated useful lives, as follows:

Software and IT equipment	5 years
Lab equipment	5 years
Plant and equipment	7 and 10 years
Mine property	Life of mine units of production
Stripping asset	Life of mine units of production

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Impairment of non-current assets

The Group reviews the carrying value of the assets of each Cash Generating Unit (CGU) at each balance date for indicators of potential impairment or reversal thereof. Where such indicators exist, the Group utilises the approaches under applicable accounting pronouncements for assessment of any impairment expenses or reversals.

As at 31 December 2022, there were no indicators of impairment or impairment reversal present. No impairment expenses or impairment reversals thereof have been recognised during the period (30 June 2022: nil).

Accounting policy

Recoverable amount of 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.

Recoverable amount is the greater of fair value less costs to sell and value-in-use. Recoverable amount is determined for an individual asset, unless the asset's value-in-use cannot be estimated to be close to its fair value less cost to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case 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 allocating an impairment loss, the carrying amount of an individual asset is not taken below its individual recoverable amount.

An assessment is also made at each reporting date as to whether there is any indication that a previously recognised impairment loss may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only where there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

After such a reversal, the depreciation or amortisation charges are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Development stripping

Overburden and other mine waste materials are often removed during the initial development of a mine in order to access the mineral deposit. This activity is referred to as development stripping.

The directly attributable costs (inclusive of an allocation of relevant operational overhead expenditure) are capitalised as development costs. In April 2022, the Group commenced the cut back of a new area of the mine pit, and has capitalised the development stripping associated with this work during the period.

Capitalised development and production stripping costs are classified as "Stripping Asset". Development stripping costs are considered in combination with other assets of an operation for the purpose of undertaking impairment assessments. Amortisation of capitalised development stripping costs is determined on a unit of production basis for each separate area of interest.

Removal of waste material normally continues throughout the life of a mine. This activity is referred to as production stripping and commenced in December 2021 upon the initial extraction of ore.

11. Provisions

	Consolidated Entity	
	31 December 2022	30 June 2022
	$	$
Current		
Employee benefits	465,978	159,322
Total current	**465,978**	**159,322**
Non-current		
Rehabilitation	2,783,020	**2,654,312**
Total non-current	**2,783,020**	**2,654,312**

Movement in Provisions 6-month period to 31 December 2022

	Rehabilitation and restoration provision	Employee benefits	Total
	$	$	$
Closing balance at 1 July 2022	**2,654,312**	**159,322**	**2,813,634**
Finance cost	138,977	-	138,977
Exchange difference	(10,269)	-	(10,269)
Amounts recognised during the year	-	306,656	306,656
Closing balance at 31 December 2022	**2,783,020**	**465,978**	**3,248,998**

Accounting policy

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Employee benefits, salaries and annual leave
Liabilities for salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employee's services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Rehabilitation
A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of exploration and development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of removing facilities, abandoning sites and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal and other requirements and technology. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

The initial estimate of the restoration and rehabilitation provision relating to exploration and development and production facilities is capitalised into the cost of the related asset and depreciated on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

On an annual basis, the Group reviews the applicable discount rate used to calculate the net present value (NPV) of the rehabilitation provision at reporting date. The present value of the restoration and rehabilitation provision at reporting date has been discounted using the longer-term interest rate in Brazil of 10.00%.

12. Share capital

a) Issued share capital

	31 December 2022		30 June 2022	
	Number	$	Number	$
Ordinary shares fully paid	2,136,982,373	36,471 ,957	2,132,357,373	36,471,957

b) Movement in ordinary share capital

Date	Details	Number of shares	$
01/07/2021	**Balance at the beginning of the year**	**2,114,107,373**	**36,472,270**
29/09/2021	Adjustment to unmarketable parcel sale	-	(313)
06/10/2021	Shares issued on vesting of performance rights	7,625,000	-
06/10/2021	Shares issued on vesting of performance rights	7,625,000	-
08/06/2022	Shares issued on vesting of performance rights	3,000,000	-
30/06/2022	**Balance at the end of the year**	**2,132,357,373**	**36,471,957**
12/07/2022	Performance shares exercised into escrowed shares	750,000	-
12/07/2022	Performance shares exercised into ordinary shares	2,375,000	-
17/08/2022	Performance shares exercised into escrowed shares	1,500,000	-
31/12/2022	**Closing balance**	**2,136,982,373**	**36,471,957**

Accounting policy

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

Terms and conditions of ordinary shares

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Group, ordinary shareholders rank after all other shareholders and creditors are fully entitled to any proceeds of liquidations.

13. Reserves

	Consolidated Entity	
	31 December 2022	30 June 2022
	$	$
Share-based payment reserve	1,124,032	1,071,303
Foreign current translation reserve	2,715,985	2,640,135
	3,840,017	**3,711,438**

Movement reconciliation in share-based payment reserve	Number of options	Number of Performance Rights	$
On issue at 30 June 2021	**19,750,000**	**46,500,000**	**396,174**
Shares issued on vesting of performance rights	-	(18,250,000)	-
Recognition of share-based payment expense for performance rights issued in previous years	-	-	675,129
On issue at 30 June 2022	**19,750,000**	**28,250,000**	**1,071,303**
Performance shares exercised into escrowed shares	-	(750,000)	-
Performance shares exercised into ordinary shares	-	(2,375,000)	-
Performance shares exercised into escrowed shares	-	(1,500,000)	-
Recognition of share-based payment expense for performance rights	-	-	52,729
On issue 31 December 2022	**19,750,000**	**23,625,000**	**1,124,032**

Nature and purpose of reserves

a) Share-based payment reserve

The share-based payments reserve is used to recognise:

- the grant date fair value of options issued to consultants, employees and directors but not exercised
- the grant date fair value of shares issued to consultants, employees and directors.
- the grant date fair value of performance rights issued to consultants, employees and directors.

b) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

14. Earnings per share (EPS)

a) Basic and diluted earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing the profit/loss attributable to equity holders of the Group excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-tax effect of interest and other financing costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Earnings per ordinary share is calculated on the Group's profit after tax of $7,085,731 and the weighted average number of shares in issue during the year of 2,136,390,481.

	Consolidated Entity	
	6 months ended 31 December 2022 Cents	12 months ended 30 June 2022 cents
Basic and diluted profit per share		
From continuing operations	0.33	0.16
Total basic and diluted profit per share	0.33	0.16

b) Reconciliations of profit used in calculating profit per share

	Consolidated Entity	
	6 months ended 31 December 2022 $	12 months ended 30 June 2022 $
From continuing operations	7,085,731	3,493,992
	7,085,731	**3,493,992**

c) Weighted average number of shares used as the denominator

The weighted average number of shares in issue for the purpose of calculating basic and diluted earnings per share and basic and diluted adjusted earnings per share are as follows:

	6 months ended 31 December 2022	12 months ended 30 June 2022
Weighted average number of shares on issue		
Weighted average number of ordinary shares used as the denominator in calculating basic profit per share	2,136,390,481	2,125,440,894
Weighted average number of ordinary shares used as the denominator in calculating diluted profit per share	2,160,374,112	2,168,651,894

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

15. Cash flow information

	Consolidated Entity	
	6 months ended 31 December 2022 $	12 months ended 30 June 2022 $
Reconciliation of cash flows from operating activities with loss from ordinary activities after income tax:		
Profit after tax for the period	7,085,731	3,493,992
Adjusted for non-cash items:		
Depreciation	1,764,678	1,941,273
Share-based payment	52,729	675,129
Capitalisation of finance cost on lease liability	-	(471,690)
Loss/(gain) on lease modifications	9,208	(226,849)
Non-cash interest accretion on rehabilitation provision	138,977	201,943
Changes in assets and liabilities:		
(Increase) in trade and other receivables	(3,714,895)	(174,109)
(Increase) in other assets	(1,028,936)	(948,751)
(Increase) in inventory	(4,119,842)	(9,793,497)
(Decrease) /Increase in trade and other payables	(3,885,531)	5,612,753
Increase in provisions	306,656	72,253
Net cash (outflows)/inflows from operating activities	**(3,391,225)**	**382,447**

Managing risk:

This section of the notes discusses the Group's exposure to various risks and shows how these could affect the Group's financial position and performance:

16. Critical estimates and judgements
17. Financial risk management
18. Capital management

16. Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be sensitive to changes in estimates and assumptions. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and judgements may differ from the related actual results and may have a significant effect on the carrying amount of assets and liabilities within the next financial year and on the amounts recognised in the financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Impairment of property, plant and equipment

The future recoverability of property, plant and equipment is dependent on a number of factors, including the level of mineral resources and ore reserves, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices and exchange rates. The Group regularly reviews the carrying values of its property, plant and equipment in the context of 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 property, plant and equipment 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.

ii. Determining the beginning of commercial production

Judgement is required to determine when capitalisation of development costs ceases and amortisation of mine assets commences upon the start of commercial production. This is based on the specific circumstances of the project, and considers when the specific asset is substantially complete and becomes 'available for use' as intended by management which includes consideration of completion of reasonable testing of the mine plant and equipment, throughput levels at or near expected levels, the ability to produce iron ore in saleable form and other factors such as cashflow and cash positive operations.

Based on these factors, it was determined that commercial production was achieved on 30 November 2021.

iii. Environmental rehabilitation obligations

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred and actual timing thereof in future periods can differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates can affect the carrying amount of this provision.

Estimated long-term environmental provisions, comprising pollution control, rehabilitation and mine closure, are based on the Group's environmental policy taking into account current technological, environmental and regulatory requirements. Provisions for future rehabilitation costs have been determined, based on calculations which require the use of estimates (refer note 11).

Key assumptions used:

	31 December 2022	**30 June 2022**
Current cost estimate	$2,654,312	$2,654,312
Pre-tax risk-free interest rate (%)	10.0	10.0
Length of the project (yrs)	7	7
Length of rehabilitation process (yrs)	4	4

iv. Share-based payments

The Group makes equity settled share-based payments to parties, including directors, which are measured at fair value at the date of grant and expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. The fair values are determined using the relevant option pricing models or the market price of the Group's shares on measurement date. Vesting assumptions are reviewed during each reporting period to ensure they reflect current expectations (refer Note 23).

17. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure and manage different types of risks to which it is exposed.

These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future cash flow forecasts.

Risk management is carried out by Management and overseen by the Board of Directors with assistance from suitably qualified external advisors.

The main risks arising for the Group are foreign exchange 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.

The carrying values of the Group's financial instruments are as follows:

		Consolidated Entity	
		31 December 2022	30 June 2022
		$	$
Financial assets			
Financial assets at amortised cost			
Cash and cash equivalents	**7a**	14,182,028	29,421,985
Trade and other receivables	**7b**	4,082,911	368,016
Financial liabilities			
Liabilities at amortised cost			
Trade and other payables	**7c**	3,183,147	6,841,707
Lease liabilities	**7d**	9,329,504	10,732,763

a) Market risk

i. Foreign exchange risk

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	31 December 2022		30 June 2022	
	USD	BRL	USD	BRL
Cash and cash equivalents	8,455,086	180,387	17,709,502	4,341,813
Trade Receivables	-	4,082,911	-	366,216
Other Receivables	-	1,990,168	-	1,059,402
Trade Payables	(7,791)	(1,595,843)	(19,759)	(3,134,483)
Other Payables	-	(751,032)	(31,625)	(3,446,465)
Lease liabilities	-	(9,329,504)	-	(10,732,763)
	8,447,295	**(5,422,913)**	**17,658,118**	**(11,546,280)**

Sensitivity

As shown in the table above, the Group is primarily exposed to changes in USD/AUD and BRL/AUD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from BRL-denominated expense in Tombador Iron Mineracao Ltda and USD cash held in Tombador Iron Singapore Pte Ltd.

	Impact on post-tax profit (loss)	
	31 December 2022	30 June 2022
	$	$
BRL/AUD exchange rate - increase 10%*	628,199	276,199
BRL/AUD exchange rate - decrease 10%*	(767,799)	(337,576)
USD/AUD exchange rate – increase 10%*	767,936	(2,211,538)
USD/AUD Exchange rate decrease 10%*	(938,588)	2,702,991
*Holding all other variables constant		

ii. Interest rate risk

The Group is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest bearing financial instruments. The Group's exposure to this risk relates primarily to the Group's cash and any cash on deposit. The Group does not use derivatives to mitigate these exposures. The Group manages its exposure to interest rate risk by holding certain amounts of cash in fixed and floating interest rate facilities. At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	6 months ended 31 December 2022		12 months ended 30 June 2022	
	Weighted average interest rate	Balance $	Weighted average interest rate	Balance $
Cash and cash equivalents	1.14%	14,182,028	0.53%	29,421,985

Sensitivity

Within the analysis, consideration is given to potential renewals of existing positions and the mix of fixed and variable interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The 1% increase and 1% decrease in rates is based on reasonably expected possible changes over a financial year.

For the six-month period ended 31 December 2022, if interest rates had moved, as illustrated in the table below, with all other variables held constant, profit and equity would have been affected as follows:

Judgements of reasonably possible movements:	Profit higher/(lower) 6 months ended 31 December 2022 $	Profit higher/(lower) 12 months ended 30 June 2022 $
+ 1.0% (100 basis points)	141,820	294,220
- 1.0% (100 basis points)	(141,820)	(294,220)

iii. Commodity price risk

The Group is exposed to commodity price risk arises from iron ore held as inventory. The policy of the Group is to sell iron ore at the spot price, and it has not entered into any hedging contracts. The Group's revenue is exposed to fluctuation in the price of iron ore. For the six-month period ended 31 December 2022, if iron ore prices had changed by 10%, as illustrated in the table below, with all other variables held constant, profit and equity would have been affected as follows:

Iron ore price movement:	Profit higher/(lower) 6 months ended 31 December 2022 $	Profit higher/(lower) 12 months ended 30 June 2022 $
Iron ore price – increase 10%	2,332,585	3,256,379
Iron ore price – decrease 10%	(2,332,585)	(3,256,379)

b) Credit risk

Credit risk is the risk that a third party might fail to fulfil its performance obligations under the terms of a financial instrument. Credit risk arises from cash and cash equivalents and receivables.

As at 31 December 2022, the Group is unaware of any information which would cause it to believe that these financial assets are not fully recoverable.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Group does not have any external borrowings.

The following are the undiscounted contractual maturities of financial liabilities:

	1 year or less $	1-5 years $	> 5 years $	Total $
31 December 2022				
Trade and other payables	3,183,147	-	-	**3,183,147**
Lease Liabilities	3,794,850	6,954,611	-	**10,749,461**
30 June 2022				
Trade and other payables	6,841,707	-	-	**6,841,707**
Lease Liabilities	3,806,228	8,878,578		**12,684,806**

18. Capital management

The Group defines capital as the total equity attributable to common shareholders. Capital is managed by the Group's management and governed by the Board of Directors. The Group is not subject to any externally imposed capital requirements.

Group structure:

This section provides information that will help users understand how the Group structure affects the financial position and performance of the Group as a whole. In particular, there is information about changes to the structure that occurred during the year.

A list of subsidiaries is provided in note 19.

19. Interest in subsidiaries

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries in accordance with the accounting policy described below:

Name of entity		Country of incorporation	Equity holding[1] 6 months ended 31 December 2022	Equity holding[1] 12 months ended 30 June 2022
Legal Parent				
Tombador Iron Limited	Corporate	Australia		
Legal Subsidiaries				
Tombador Iron Singapore Pte Ltd	Corporate	Singapore	100%	100%
Tombador Iron Mineracao Ltda	Mining	Brazil	100%	100%

[1] The proportion of ownership interest is equal to the proportion of voting power held.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Tombador Iron Limited for the six-month period ended 31 December 2022 and the results of all subsidiaries for the period then ended. Tombador Iron Limited and its subsidiaries together are referred to in this financial report as the Group.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Non-controlling interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the Group, are shown separately within the Equity section of the consolidated Statement of Financial Position and in the consolidated Statement of Profit or Loss and Statement of Other Comprehensive Income.

Intercompany transactions, balances, and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Unrecognised items:

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

20. Commitments, contingent liabilities, and contingent assets
21. Subsequent events

20. Commitments and contingencies

There are no other commitments or contingent liabilities outstanding at 31 December 2022 (30 June 2022: $nil).

21. Subsequent events

No matters or circumstances have arisen since the end of the six-month period ended 31 December 2022 which have significantly affected or may significantly affect the operating of the Group, the results of those operations, or state of affairs of the Group in future financial years.

Further details:

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

22. Related party transactions

a) Parent entity

The Group is controlled by Tombador Iron Limited, the legal parent.

b) Subsidiaries

Interests in subsidiaries are set out in note 19.

c) Key management personnel compensation

	Consolidated Entity	
	6 months ended 31 December 2022 $	12 months ended 30 June 2022 $
Short-term employee benefits	445,153	815,938
Bonuses	181,907	152,725
Share-based payments	35,541	267,084
	662,601	**1,235,747**

d) Loans to/from relates parties

No loans to/from related party at year end.

23. Share based payments

Equity settled transactions

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

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using valuation techniques appropriate to the instrument being valued, such as Black-Scholes models or Monte Carlo simulations or in some instances the market price of the Group's shares on measurement date.

In determining the fair value of the equity instruments granted, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Tombador Iron Limited.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- the extent to which the vesting period has expired; and
- the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.
- The Statement of Profit or Loss and Other Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

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. In addition, an 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

The share-based payment expense for the six-month period ended 31 December 2022 recognised in profit or loss of $52,729 (30 June 2022: $675,129) results from several transactions summarised below:

Transactions	Consolidated Entity	
	6 months ended 31 December 2022 $	12 months ended 30 June 2022 $
Directors share based payment expense	31,791	178,056
Employees and consultants share based payment expense	20,938	497,073
Total expense for period	**52,729**	**675,129**
Represented by:		
Share-based payment expense	52,729	675,129
	52,729	**675,129**

The Group has the following share-based payment arrangements on issue during the six-month period ended 31 December 2022.

Class	Tranche	Grant Date	Number Granted	Expiry Date	Exercisable	Value of each Right (cents)	Vested
TI1AD		1/09/2020	15,000,000	25/09/2023	$0.035	1.07	Yes
TI1AE/F	Tranche 1[(i)]	31/08/2020	4,000,000	31/08/2025	$Nil	2.50	Yes
TI1AE/F	Tranche 2[(ii)]	31/08/2020	11,625,000	31/08/2025	$Nil	2.50	No
TI1AE/F	Tranche 3[(iii)]	31/08/2020	4,000,000	31/08/2025	$Nil	2.50	Yes
TI1AE/F	Tranche 4[(iv)]	31/08/2020	4,000,000	31/08/2025	$Nil	1.79	Yes
TIPR24	Tranche 1[(v)]	22/12/2022	3,750,000	22/12/2024	$Nil	2.40	No
TIPR24	Tranche 2[(vi)]	22/12/2022	3,750,000	22/12/2024	$Nil	2.40	No

(i) TI1AE/F Tranche 1 vesting is subject to the Group achieving in respect of the Tombador Project, an aggregate of at least 30,000 tonnes of cumulative iron ore production sold to third party customers from the Tenement with a grade greater than 62% Fe.

(ii) TI1AE/F Tranche 2 vesting is subject to the Group achieving in respect of the Tombador Project, an aggregate of at least 1,000,000 tonnes of cumulative iron ore production sold to third party customers from the Tenement with a grade greater than 62% Fe.

(iii) TI1AE/F Tranche 3 vesting is subject to the Group achieving net positive operational cashflows (as evidence by the Appendix 5B to the ASX).

(iv) TI1AE/F Tranche 4 vesting is subject to the Group achieving in respect of the Tombador Project, an aggregate of at least 25,000 tonnes of cumulative iron ore production per month for 3 months with a cut-off grade greater than 62% Fe and the Group's Shares achieving a volume weighted average price (VWAP) of $0.05 or more for at least 20 consecutive trading days.

(v) TIPR24 Tranche 1 vesting is subject to the Group achieving a net positive operational cashflow for the 12-month period ended 30 June 2023 greater than the financial year ended 30 June 2022, as evidenced by the reviewed financial report for 30 June 2023**.

(vi) TIPR24 Tranche 2 vesting is subject to the achievement by the Group of a minimum production quota of 600,000 tonnes with Fe grade of 62% or higher and a minimum sales quota of 480,000 tonnes of Fe grade of 62% or higher from the Tombador Iron Project in Brazil.

** In light of the update to the end of financial year to December year end, this vesting condition has been modified to reflect this timing change.

24. Remuneration of auditors

During the period the following fees were paid or payable for services provided by HLB Mann Judd Australia (HLB) as the auditor of the parent entity, Tombador Iron Limited, by HLB's related network firms and by non-related audit firms:

a) Auditors of the Group – HLB Mann Judd

During the year the following fees were paid or payable for services provided by HLB Mann Judd (HLB) as the auditor of the parent entity, Tombador Iron Limited, by HLB's related network firms and by non-related audit firms:

	6 months ended 31 December 2022 $	12 months ended 30 June 2022 $
Audit and review of financial reports		
Group	52,034	73,718
Controlled entities	-	-
Total audit and review of financial reports	**52,034**	**73,718**
Other services		
Consulting services	-	-
Total services provided by HLB	**52,034**	**73,718**

b) Auditors of Tombador Iron Mineracao Ltda – HLB Brazil

	6 months ended 31 December 2022 $	12 months ended 30 June 2022 $
Audit and review of financial reports		
Controlled entities	27,883	50,533
Total services provided by HLB Brazil	**27,883**	**50,533**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

25. Parent entity financial information

a) Summary financial information

The individual financial statements for the parent entity, Tombador Iron Ltd, show the following aggregate amounts:

	31 December 2022 $	30 June 2022 $
Current Assets	5,648,726	7,463,138
Non-Current Assets	21,875,504	21,459,685
Total Assets	27,524,230	28,922,823
Current Liabilities	828,481	209,382
Non-Current Liabilities	-	-
Total Liabilities	828,481	209,382
Net Assets	**26,695,749**	**28,713,441**
Equity		
Issued capital	36,443,646	36,443,646
Reserves	1,124,032	1,071,303
Accumulated losses	(10,871,929)	(8,801,508)
Total Equity	**26,695,749**	**28,713,441**

Statement of Profit or Loss and Other Comprehensive Income

	6 months ended 31 December 2022 $	12 months ended 30 June 2022 $
Profit /(loss) after income tax	3,913,130	(3,344,554)
Total comprehensive loss for the year	**3,913,130**	**(3,344,554)**

26. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to the period presented. These financial statements present the financial information for Tombador Iron Limited as a Group consisting of Tombador Iron Limited and the entities controlled throughout the period (Group).

a) Basis of preparation

These general-purpose financial statements have been prepared on a going concern basis in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Tombador Iron Limited is a for-profit entity for the purpose of preparing the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

The Company recently announced a change in its financial year end from 30 June to 31 December. This change aligns the Company's reporting period with its subsidiary's operations in Brazil. The Group is therefore reporting on a six-month accounting period from 1 July 2022 to 31 December 2022. The comparative accounting period is the 12 months from 1 July 2021 to 30 June 2022, in line with the previous released financial report. As a result of the year end change, the amounts presented in the financial statements are not entirely comparable.

i. Compliance with IFRS

The consolidated financial statements of the Tombador Iron Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

ii. Historical cost convention.

These financial statements have been prepared on the historical cost basis.

iii. New standards and interpretations not yet adopted.

Australian Accounting Standards and Interpretations relevant to the Group that have recently been issued or amended but are not yet effective, have not been adopted by the Group for the six-month period ended 31 December 2022 are outlined in the table below:

Reference	Summary	Application date of the standard	Applies to financial year end
AASB 2020-1	**Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current** Amends AASB 101 to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver, a breach of covenant, or settlement of the liability). The mandatory application date of the amendment has been deferred by 12 months to 1 January 2023 by AASB 2020-6.	1 January 2023	31 December 2023
AASB 2021-2	***Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*** This Standard amends: a) AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements; b) AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies; c) AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates; d) AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.	1 January 2023	31 December 2023

v. New standards and interpretations not yet adopted

The Group assessed that none of the new accounting standards and interpretations will have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

vi. New standards and interpretations adopted

Since 1 July 2022, the Group has adopted all Accounting Standards and Interpretations mandatory to annual periods beginning on or before 1 July 2022. Adoption of these standards and interpretations did not have a material effect on the financial position or performance of the Group.

b) Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income. Non-monetary assets and liabilities measured at historical cost are translated using the exchange rates at the date of the transaction (and not retranslated). Non-monetary assets and liabilities measured at fair value are translated using the exchange rates at the date when fair value was determined.

iii. Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for the statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised as a separate component of comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the statement of profit or loss and other comprehensive income, as part of the gain or loss on sale where applicable. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

c) Goods and services tax (GST and Brazilian equivalents)

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

- when the GST (and equivalents) incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST (and equivalents) 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, which are stated with the amount of GST (and equivalents) included.

The net amount of GST (and equivalents) 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 (and equivalents) 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 (and equivalents) recoverable from, or payable to, the taxation authority.

DIRECTORS DECLARATION

In the directors' opinion:

(a) the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (ii) giving a true and fair view of the Group's financial position for the six-month period ended 31 December 2022 and of its performance for the financial period end on that date.

(b) the financial statements and notes comply with International Financial Reporting Standards.

(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.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors

Anna Neuling
Non-Executive Chair
31 March 2023

INDEPENDENT AUDITOR'S REPORT
To the members of Tombador Iron Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Tombador Iron Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period 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:

a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the period then ended; and

b) 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 Group 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.

Key audit matters

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Key Audit Matter	How our audit addressed the key audit matter
Revenue recognition Refer to Notes 2 and 7	
The Group generates revenue predominantly from the sale of Iron Ore. The Group recognised sales revenue of $25,668,953 for the six month period. Revenue recognition was a key audit matter due to the associated fraud risk (overstatement and/or misappropriation), importance and materiality of the matter to users' understanding of the financial report.	Our audit procedures included but were not limited to the following: - Read a sample of contracts with the customers to understand the key terms. - Considered when the Group satisfied its performance obligations under its contracts with its customers. - Agreed a sample of quantities sold to receiving reports from customers to confirm delivery of goods. - Agreed a sample of sales to invoices to customer. - Agreed a sample sales consideration receipts to bank statements. - Agreed a sample of shipping dates to the bill of lading. - Ensured that the accounting policies comply with Australian Accounting Standards. - Assessed the disclosures in the financial report.
Rehabilitation and restoration provision Note 11	
As a result of its mining and processing operations, the Group is obligated to restore and rehabilitate the land and environment disturbed by these operations and remove the related infrastructure. Rehabilitation activities are governed by a combination of regulatory and legislative requirements and Group standards. This was a key audit matter due to the significance of the balance and the required judgements in the assessment of the nature and extent of future works to be performed, the future cost of performing the works, and the timing of when the rehabilitation will take place.	Our audit procedures included but were not limited to the following: - Evaluated the Group's processes and controls in place with respect to the provision. - Considered an appropriate discount rate by analysing Brazil's current risk-free rate of interest, forecast future risk-free rate of interest and 10-year average risk-free rate. - Recalculated the rehabilitation and restoration provision. - Considered the impact of a range of sensitivities on the provision. - Assessed the disclosures in the financial report against the requirements of the accounting standards.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report the period ended 31 December 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 conclusion 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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole 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 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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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.

- 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.
- 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.

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 the 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 within the directors' report for the period ended 31 December 2022.

In our opinion, the Remuneration Report of Tombador Iron Limited for the period ended 31 December 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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
31 March 2023

DBuckley

D I Buckley
Partner

ADDITIONAL ASX INFORMATION

The shareholder information set out below was applicable as at the dates specified.

Unlisted Securities (Current as at 28 March 2023)

	Number on Issue	Number of Holders
TI1AA - unlisted options exercisable at $0.052 expiring 14/10/2025	4,750,000	2
TI1AD - unlisted options exercisable at $0.035 expiring 01/09/2023	15,000,000	37
TI1AE - performance rights expiring 01/09/2025	23,625,000	26
TI1AE - performance rights expiring 22/12/2024	7,500,000	4

Holders of over 20% of unlisted securities
There are no holders of more than 20% of unlisted securities as at 28 March 2023.

Distribution of Equity Securities

Analysis of numbers of ordinary shareholders by size of holding:

	Holders	Number of Units	% of Issued Capital
above 0 up to and including 1,000	63	9,016	0.00
above 1,000 up to and including 5,000	17	53,921	0.00
above 5,000 up to and including 10,000	175	1,418,596	0.07
above 10,000 up to and including 100,000	800	36,267,867	1.70
above 100,000	991	2,099,232,973	98.23
TOTALS:	**2,046**	**2,136,982,373**	**100.00**

There are 478 holders holding less than a marketable parcel of ordinary shares based on the closing market price as at 28 March 2023.

Ordinary Shares Subject to Escrow

There are no equity securities currently subject to either regulatory or voluntary escrow.

On-market Buy-Back

There is no current on-market buy-back.

Voting Rights

The voting rights attaching to each class of equity securities are set out below:

a) Ordinary Shares: On a show of hands every member present at a meeting of by proxy shall have one vote and upon a poll each share shall have one vote.
b) Options: The securities have no voting rights.
c) Performance Rights: The securities have no voting rights.

ADDITIONAL ASX INFORMATION

Substantial Holders (Current as at 28 March 2023)

Substantial holders of equity securities in the Company as per the substantial shareholders notices are set out below:

Holder Name	Number of Shares	% of Issued Capital
COLOMI SINGAPORE PTE LTD & MCRAE INVESTMENTS PTY LTD	988,127,099	46.24%

Equity Security Holders (Current as at 28 March 2023)

The names of the twenty largest holders of quoted equity securities (ordinary shares) are listed below:

Holder Name		Number of Shares	% of Issued Capital
1	COLOMI SINGAPORE PTE LTD	944,463,354	44.20
2	NORTRUST NOMINEES LIMITED	86,005,337	4.02
3	MCRAE INVESTMENTS PTY LTD	43,663,745	2.04
4	MANNWEST GROUP PTY LTD	32,101,265	1.50
5	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAIL CLIENT DRP>	31,892,160	1.49
6	IRAL PTY LTD <IRAL A/C>	25,000,000	1.17
7	BNP PARIBAS NOMS PTY LTD <DRP>	23,625,782	1.11
8	MR JAMES MURCH & MRS CATHERINE MURCH <MINJAL SUPER FUND A/C>	22,000,000	1.03
9	JSC WEALTH MANAGEMENT PTY LTD	20,316,859	0.95
10	KEITH STUART LIDDELL & SHELAGH JANE LIDDELL	16,779,936	0.79
11	MR SCOTT SPENCER PAPPIN & MRS TRACEY LEE PAPPIN <PAPPIN SUPER FUND A/C>	16,500,182	0.77
12	BOODUP NOMINEES PTY LTD <OTTER SUPER FUND A/C>	13,000,000	0.61
13	UBS NOMINEES PTY LTD	11,594,937	0.54
14	THE MAMF GROUP PTY LTD	11,359,384	0.53
15	JOHN DAHLSEN SUPERANNUATION FUND PTY LTD	10,718,000	0.50
16	GIOKIR PTY LTD	9,287,334	0.43
17	MUHLBAUER INVESTMENTS PTY LTD <MUHLBAUER FAMILY A/C>	7,634,667	0.36
18	CITICORP NOMINEES PTY LIMITED	7,371,731	0.35
19	SUPERHERO SECURITIES LIMITED <CLIENT A/C>	7,343,860	0.34
20	MR ADAM LESLIE STEVENS & MRS ELISABETH JOY STEVENS & MR MATTHEW ADAM LESLIE STEVENS <BOLD 1 SUPERFUND A/C>	7,053,553	0.33
	TOTALS:	**1,347,712,086**	**63.07**

TENEMENT SCHEDULE

Tenement Schedule at 31 December 2022

The Company's interests in tenements are set out below:

Location	Project	Tenement Number	Ownership %
Sento Sé	Tombador Project	872.431/2003	100%

TOMBADOR IRON

TOMBADOR IRON LIMITED
SUITE 5, 85 FORREST STREET COTTESLOE WA 6011
+61 8 6382 1805 www.tombadoriron.com