

June 2023 Quarterly Activities Report



TOMBADOR IRON

31 July 2023

Tombador Iron Limited

Suite 5, 85 Forrest Street
Cottesloe WA 6011

ABN: 20 108 958 274
ASX: T11

Tombador Iron Limited (ASX:T11) is an Australian company established in October 2020.

The Company owns 100% of the world-class Tombador iron ore project in Bahia State, Brazil.

Tombador has commenced production of high-grade hematite iron ore from a simple open cut mining operation during Q2 CY2021

Executive Director

Stephen Quantrill

Non-Executive Directors

Anna Neuling – Chair
David Chapman
Keith Liddell

CEO

Gabriel Oliva

Company Secretary

Abby Macnish Niven

Contact us

www.tombadoriron.com
info@tombadoriron.com
+61 8 6382 1805

HIGHLIGHTS

- The Company sold 317,000 wmt of high-grade product during the June 2023 quarter, setting a new record for the highest sales volume in any given quarter since production commenced.
- 217,000 wet metric tonnes (wmt) of lump and fines ore was produced during the June 2023 quarter.
- 421,000 wmt of lump and fines ore were on stockpile (to a value of AUD\$12.7m at cost of production) as at 30 June 2023
- Cash holdings of AUD\$22m as at 30 June 2023.
- During the June 2023 quarter, the Company successfully executed sales contracts with two major steel mills in Brazil, demonstrating its continued commitment to expanding its sales presence in the domestic market.
- The quarter also marked a milestone achievement, with the Company surpassing one million tonnes of iron ore sold.



TOMBADOR IRON

Tombador Iron Limited CEO Gabriel Oliva commented: “

We have achieved a notable milestone during this period, with record sales of 317,000 wmt, marking the highest figure in our company's history along with steady production, reaching 217,000 wmt. Our core objective remains developing successful collaborations with major steel mills, which have been pivotal to our accomplishments. We remain committed to maintaining this positive momentum and delivering sustainable value to our customers and partners.

OVERVIEW

The Company maintained its strategy to build sales in the Brazilian domestic market during the June 2023 quarter and surpassed previous records to achieve its highest volume of sales for any given quarter to date since production at the mine commenced.

On 5 and 8 of June 2023 the company announced execution of another two contracts with a tier 1 steel mills in Brazil. The agreements provide for the delivery of flexible monthly volumes of iron ore through to early 2024.

Production was increased by 40% from the previous quarter to approximately 70,000 tonnes of ore per month with increased sales volumes also reducing stockpile inventory.

Tombador lump ore remains the highest-grade lump ore produced in Brazil. The Company selectively sold a total of 317,000 wmt of high-grade iron ore during the quarter. 194,000 wmt was sold to the domestic Brazil market, which was more than triple any other previous quarter. The remaining 123,000 wmt was exported.

At the end of the June 2023 quarter, TI1 held cash and receivables of AUD\$32.8m, (including receivables of AUD\$10.8m relating to sales executed in the June 2023 quarter for which payments were received during July 2023).

TOMBADOR PROJECT

Tombador Iron Limited (TI1.ASX, the “Company”) produced 217,000 wmt and sold 317,000 wmt of iron ore for the June quarter.

The Company continues to focus on:

- Growing the volume of high-grade lump and fines sales and shortening the average distance to clients with continued development of sales to the local Brazilian market.



TOMBADOR IRON

- Monitoring the situation in Europe and the freight market to Asia for export sales opportunities;
- Managing production and sales to best match market conditions;
- Studying the feasibility of beneficiating medium grade iron ore.

Production

The June 2023 quarter production of crushed and screened product was a total of approximately 217,000 wmt. This was comprised of 123,100 wmt of lump product and 93,400 wmt of fines product.

As at 30 June 2023, Tombador had approximately 421,000 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 Company's Balance Sheet until such time as the product is sold.

Sales volumes were higher than production as the Company moved stockpile inventory during the quarter. The production rate was increased by 40% to ensure sufficient product for all markets. The Company is continuing its strategy of monitoring market conditions and managing production and sales to realise positive margins for its valuable resource.

The Company used excess production capacity in the quarter for maintenance, waste stripping and preparing areas approved under the alteration licence (LA) for extending mining operations and stockpile area.

An infill drilling program was ongoing through the June 2023 Quarter, and the Company will update its Mineral Resource and Ore Reserve estimates on the completion of the program.

Sales

During the June 2023 quarter the Company sold approximately 317,000 wmt and achieved its second consecutive quarter with the highest volume of sales since operations commenced.

The growth in the domestic market is shown by more than triple the volume of iron ore sales relative to the previous quarterly record and by the execution of another two contracts with tier 1 Brazilian steel mills.

Approximately 194,000 wmt of high-grade product was sold to various Brazilian steel mills in the domestic market.

There was a total of three export shipments in the June 2023 quarter totalling 123,000wmt. Two of these export shipments were over 45,000 wmt made possible by loading larger 45,000 wmt vessels through the port of Enseada, located in Maragogipe.



TOMBADOR IRON

Tombador will continue to focus on growing sales to meet production capacity and to move stockpile inventory where it is deemed economic to do so.

Dry Beneficiation Studies

In the June 2023 quarter, study work continued to evaluate the potential 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 barren waste for potential processing (beneficiation) at a later date. Following positive results in bulk test work for sensor-based sorting technology, definitive technical and economic analysis was ongoing in the June 2023 quarter. The economic analysis is expected to be completed in the September 2023 quarter.

Dry and wet jigging test work continued through the June 2023 quarter and is expected to be concluded in the September 2023 quarter. The objective for these tests will be to provide a comparison with sensor-based sorting for lump size fractions and determine if the overall yield can be increased by upgrading the fines to a saleable product.



TOMBADOR IRON

CORPORATE

Cash flows

The June 2023 quarter resulted in a net cash amount of AUD\$8.13m being generated during operating activities in the quarter, as shown in the Company's Appendix 5B. The product on stockpile decreased by AUD\$1.7m to an approximate value of AUD\$12.7m, valued at the cost of production.

The Company invested AUD\$1.086m in developing the project in the quarter, which predominantly related to capital expenditure to continue the work to extend the pit design in line with the mine plan, as shown in the Company's Appendix 5B as deferred stripping costs, in addition to AUD\$21k in small asset purchases.

The Company spent AUD\$0.8m on financing costs related to the lease of its mining equipment.

At the end of the quarter, the Company had approximately AUD\$22.0m in cash. The Company currently holds no bank loans.

Payments to related parties and associates

In accordance with ASX Listing Rule 5.3.5, AUD\$217k was paid to related parties or their associates during the quarter, as shown in section 6 of the Company's Cashflow Report (Appendix 5B) for the quarter ended 30 June 2023. The payments include Director payments of \$147k, consulting fees of \$54k, and \$16k for office rent and administration services.

Authorised for release by the Board.

Contact:

Gabriel Oliva
CEO
gabriel.oliva@tombadoriron.com

Abby Macnish Niven
CFO & Company Secretary
info@tombadoriron.com
+61 8 6382 1805

Lucas Robinson
Investor Relations
lucas@corporatetorytime.com
+61 408 228 889



TOMBADOR IRON

TENEMENT SCHEDULE

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

Location	Project	Tenement Number	Interest at beginning of Quarter	Interest at End of Quarter
Sento Sé	Tombador Project	872.431/200	100%	100%

ENDS.



TOMBADOR IRON

ABOUT TOMBADOR IRON LIMITED

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

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

Tombador's lump ore is in scarce supply globally and is suitable for Direct Reduced Iron and/or Blast Furnace steelmakers. Offtake partner Trafigura will purchase 100% of lump and fines product which Tombador sells into the international export market. Tombador is building sales volumes within the Brazilian steel industry with repeat orders received from several domestic steel mills and other potential Brazilian customers currently trialling the Company's high-grade lump and fines products.

The Company's Board of Directors is focused on maximising profit margins from mining operations and returning dividends to shareholders.

