

Tombador Iron Limited (formerly RESA Group Limited)

ABN 20 108 958 274

Annual Report

For the Year Ended 30 June 2020

Tombador Iron Limited (formerly RESA Group Limited)

ABN 20 108 958 274

CORPORATE INFORMATION

Company Details

The registered office of the company is:
Tombador Iron Limited
1/45 Stirling Highway, Nedlands
WA 6009

Board of Directors and Management

Non-Executive Chairman	Ms Anna Neuling
Non-Executive Director	Mr Stephen Quantrill
Non-Executive Director	Mr Keith Liddell
Non-Executive Director	Mr David Chapman
Company Secretary	Ms Abby Macnish Niven

Auditors, Solicitors and Bankers

Auditors	HLB Mann Judd 4/130 Stirling St Perth WA 6000 <i>(appointed on 31 August 2020)</i>	Stantons International Level 2, 1 Walker Avenue West Perth WA 6005 <i>(for 30 June 2019 audit)</i>
Solicitors	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street Perth WA 6000	Sunderaj & Ker Level 36/264 George St Sydney NSW 2000
Bankers	National Australia Bank Level 1, 105 Miller Street North Sydney NSW 2060	

Share Registry

Share Registry	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000
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Stock Exchange Listing

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

Home Exchange: Sydney, NSW, Australia
ASX Code: T11/RE1 (previously IBN)

Website

www.resagrouplimited.com.au

Tombador Iron Limited (formerly RESA Group Limited)

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Directors' Report

DIRECTORS' REPORT

The Directors present their report, together with the financial statements of the Group, being Tombador Iron Limited (formerly RESA Group Limited) ("the Company") and the entities it controlled, for the financial year ended 30 June 2020.

1. GENERAL INFORMATION

Information on Directors and company secretaries

The names, qualifications, experience and special responsibilities of each person who has been a Director or company secretary 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 an Executive Director of S2 Resources Ltd (ASX: S2R) which was demerged from Sirius Resources Ltd (Sirius) as part of its merger with IGO Limited in 2015. She has held various roles at Sirius since its inception and was Executive Director – Corporate and Commercial at the time of the \$2.7bn merger.

Ms Neuling has 15 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.

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: 2,000,000 indirectly held.
Performance Rights: 3,000,000 (24 month escrow) indirectly held.

Other directorships in listed entities held in the previous three years

S2 Resources (ASX: S2R) from 28 May 2015 to current.

Mr Bill Nikolouzakis

CEO and Executive Director (Appointed CEO- 24 August 2018 and Executive Director 8 October 2019, Resigned 25 September 2020)

Qualifications and Experience

Bill Nikolouzakis is the founding Director of Nyko Property. With over 14 years' experience in both property marketing and banking, Bill knows what it takes to make property investment and development ventures successful. Bill holds a full Estate Agents Licence, in addition to several financial services and management accreditations.

Bill is a seasoned investor with a banking background – positioning him ideally to assess each project from a holistic standpoint. Bill's unique skill set allows him to swiftly identify properties with the best opportunity to perform as investment vehicles.

Interest in shares, options and performance rights

Shares: 1,514,054 indirectly held.
Performance Rights: 500,000 (24 month escrow) indirectly held.

Other directorships in listed entities held in the previous three years

None.

Directors' Report

Mr Stephen Quantrill

Director (Non-executive) (Appointed 20 February 2018)

Qualifications and Experience

Mr Quantrill has over 20 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 a Member of Engineers Australia.

Interest in shares, options and performance rights

Performance Rights: 3,000,000 (24 month escrow) indirectly held.

Other directorships in listed entities held in the previous three years

NeuroScientific Biopharmaceuticals (ASX: NSB) from 13 February 2015 to current.

Mr Keith Liddell

Director (Non-executive) (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: 16,779,936 (24 month escrow) in joint names.
Performance Rights: 3,000,000 (24 month escrow) directly held

Other directorships in listed entities held in the previous three years

None.

Mr David Chapman

Director (Non-executive) (Appointed 25 September 2020)

Qualifications and Experience

Mr Chapman brings thirty-eight 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 about half 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: 400,000 indirectly held.
Performance Rights: 3,000,000 (24 month escrow) indirectly held

Other directorships in listed entities held in the previous three years

None.

Directors' Report

1. GENERAL INFORMATION (CONTINUED)

Information on Directors and company secretaries (continued)

Mr Andrew Jensen	Director (Non-executive) (Appointed 1 May 2020, Resigned 25 September 2020)
Qualifications and Experience	<p>Andrew is an accomplished CFO with over 15 years' experience in senior finance & management roles. He has extensive knowledge in the management of all aspects of the finance function with strong commercial, strategic, M&A, and change management experience.</p> <p>Andrew has extensive knowledge in the management of all aspects of finance with strong commercial, strategic, M&A, and change management experience. He has financially led companies engaged in various fields including real estate, financial services, telecommunications and the franchising sectors both in Australia and Internationally.</p> <p>Andrew is currently the Chief Operating Officer of The Agency and has previously been a Director of RESA Group.</p>
Interest in shares, options and performance rights	Shares: 60,190 directly held, 793 indirectly held. Performance Rights: 500,000 (24 month escrow) directly held.
Other directorships in listed entities held in the previous three years	The Agency Group Australia Ltd (ASX: AU1) from 18 February 2019 to current.

Mr Kar Wing Ng	Director (Non-executive) (Resigned 5 September 2019)
Qualifications and Experience	Mr Kar Wing (Calvin) Ng has significant investment banking, mergers and acquisitions and funds management experience. Calvin is a co-founder and Managing Director of the Aura Group, an independent corporate advisory and funds management business. He is also a co-founder and Non-Executive Director of the Finsure Group.
Interest in shares, options and performance rights	Shares: 9,168 directly held, 340,752 indirectly held.
Current Directorships	None.
Other directorships in listed entities held in the previous three years	Catapult Group International Limited (ASX:CAT) from 29 November 2013 to 27 November 2019.

Company Secretary

Ms Abby Macnish Niven	Appointed 1 May 2020
Experience	<p>Abby Macnish Niven (BComm, Bsc, CFA, GAICD) has held the role of Company Secretary since April 2020. Ms Macnish Niven has over 15 years' experience in wealth management in Australia.</p> <p>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.</p>

Directors or company secretaries have been in office since the start of the financial year to the date of this report unless otherwise stated.

Tombador Iron Limited (formerly RESA Group Limited)

ABN 20 108 958 274

Directors' Report

Principal activities and significant changes in nature of activities

Tombador Iron Limited (formerly RESA Group Limited) (ASX: T11/ASX: RE1) or (the "Company") is a group limited by shares, incorporated and domiciled in Australia. Its shares are listed on the Australian Securities Exchange.

During the year, the Group initiated a group wide strategic restructure to reduce operating costs and to improve the overall position of the Group due to the decline in new property sales. Forming part of the strategic restructure, several of the initiatives completed during the year:

- Group name change from iBuyNew Group Limited to RESA Group Limited with a change in ASX ticker code to RE1;
- Appointment of CEO Bill Nikolouzakis as executive director. Appointment of Andrew Jensen as non-executive director, and Abby Macnish Niven as Company Secretary;
- Disposal of iBuyNew and Nyko property brands, approved by way of shareholder vote at the FY19 AGM. Further to this, on 16 January 2020 the Group announced the completion of the asset sale where all conditions precedent to the transaction have been satisfied, waived or become conditions subsequent;
- Continued settlement and collection of the Group's future receivables commission book from the previous property sales;
- Reduction in fixed operating expenses as a result of the disposal of assets, services and subscriptions relating to the operations of the iBuyNew and Nyko Property which have either been assigned to the vendors or removed;
- Improvement to the health of the Group's statement of financial position. \$400k of the asset sale proceeds have been used to repay the Group's secured loan facility. A further \$31k from the asset sale proceeds was used to repay service providers of the Group;
- Restructure of the Company's secured loan facility where 66% of gross commissions received from property settlements repaid a portion of the interest and principal of the facility;
- Completion of Tranche 1 and Tranche 2 of the Group's placement shares of 124,598,022 fully paid ordinary shares, each issued at \$0.02 per share in two components;
 1. Tranche 1 was completed on 22 January 2020 comprising of \$800,000 cash and \$86,767 debt to-equity and
 2. Tranche 2 was completed on 11 May 2020 comprising of \$700,000 cash and \$905,193 debt to-equity.
- RE1 has also converted \$100,000 of existing loans into 5 million fully paid ordinary shares at \$0.02 per share under its placement capacity; and
- RE1 utilised the debt-to-equity swap to pay down the secured loan in full, and no longer carries this liability.

Review of Financial Results

A summary of the statutory and underlying financial results from operations for FY20 is set out below:

Statutory Results	Jun-20	Jun-19	Change %
Revenue and other income from continuing operations	28,127	-	>100%
Net loss from continuing operations	(465,680)	(1,235,497)	61%
Net loss from discontinued operations	(634,203)	(4,151,873)	85%
Net loss after tax	(1,099,883)	(5,387,370)	79%

At the end of FY20 the Company held a consolidated cash balance of \$241,272.

Directors' Report

Operational Performance

During the year ended 30 June 2020 the Group continued to settle and collect funds from historical property sales in the Group's future receivables commission book. Over \$1,417,000 of gross commissions has been received and recorded under the cash flows from operating activities. Management remains committed to collecting commissions from as many settled properties as possible as the Group continues to navigate through the volatile markets.

The Company has repaid in full the secured debt facility which it first announced on 15 January 2019. The total drawn principal of \$1,950,000, interest and costs up until the 31 March 2020, and costs associated with managing the facility have now been repaid. As at 25 June 2020, the Company has confirmed that the security interest associated with the Security Facility has been released. The goodwill associated with the iBuyNew and Nyko Property assets had been written off by the Group in previous periods.

The statement of financial position was further improved with a reduction of \$991,960 in payables via the debt-to-equity swap where creditors agreed to convert existing debt into placement shares. Further, on the 17 of February 2020 the Company announced changes to CEO and executive director Bill Nikolouzakis remuneration. Under the new arrangement, Mr Nikolouzakis reduced his hours from 38 to 8 hours per week representing a 78% reduction in annual remuneration from \$240,000 plus superannuation per annum to \$50,526 plus superannuation per annum.

Dividends paid or recommended

The Group has not paid or declared any dividends during the financial year (2019: Nil).

Events since the end of the financial year

As announced on 12 June 2020, the Company has entered into an acquisition agreement pursuant to which it has conditionally agreed to acquire 100% of the issued capital of Tombador Iron Singapore Pte Ltd (TIS) from the TIS Shareholders (the Acquisition).

TIS owns the high grade Tombador hematite iron ore deposit which is located in Bahia, Brazil (Project). The Project has a total combined JORC Mineral Resource of 10.1Mt which includes a high-grade hematite Mineral Resource of 8.0Mt at 67.3% Fe1 of direct shipping ore (DSO) hematite.

The Company lodged a Prospectus on 7 August 2020, seeking to raise a minimum \$10,000,000 and a maximum of \$15,000,000 through the issue of Shares at an issue price of \$0.025 per Share under the Public Offer in connection with the Acquisition. On 4 September 2020, the Company announced that it has completed a raising of the maximum \$15,000,000.

On 27 July 2020, the Company announced that the Writ and Statement of Claim filed in the County Court of Victoria from Mr Peter Scott, a former contractor of RESA IBN Pty Ltd, claiming unpaid commissions and expenses for services totalling \$219,234.50 (plus GST) has been dismissed by consent without adjudication on the merits and with no right of reinstatement as the Company has settled on full and final payment of \$90,000 (plus GST). In Addition, the Group has successfully resolved the matter with BEG Developments as announced on 26 June 2020. After the period ending 30 June 2020, the Company has received and settled for the sum of \$296,611 in commissions with BEG developments.

On 12 August 2020, the Company received a confirmation from the ATO regarding remission of \$38,674 relating to general interest charges under the RESA NPA Pty Ltd (formerly Nyko Property Australia Pty Ltd) entity. The ATO balance of \$195,240 has also been repaid to the ATO.

On 19 August 2020 the Company was notified that three of its non-operational entities RESA FIP Pty Ltd (formerly Find Investment Property Pty Ltd), RESA NP Pty Ltd (formerly Nyko Property Pty Ltd) and RESA IBNP (formerly IBN Projects Pty Ltd) were successfully deregistered.

Apart from the matters noted above, no other matters or circumstances have arisen since the end of the year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is still ongoing and is dependent on measures imposed by the Australian Government, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Directors' Report

Environmental regulations

The Group's operations are not regulated by any environmental law of the Commonwealth or of a state or territory of Australia.

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.

Indemnification and insurance of officers and auditors

During the financial year, the Group paid a premium to insure the Directors and officers of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities (other than legal costs) that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

During or since the end of the financial year, the Group has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums in favour of its Directors as follows:

- subject to the Corporations Act 2001, an indemnity in respect of liability to persons other than the Group and its related bodies corporate, that they may incur while acting in their capacity as an officer of the Group or a related body corporate, except for specified liabilities where that liability involves a lack of good faith or is for legal costs for defending certain legal proceedings; and
- the requirement that the Group maintain appropriate directors' and officers' insurance for the officer.

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

There is no indemnity cover in favour of the auditor of the Group during the financial year.

Non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group is important and relevant where the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

There were no additional services provided by HLB Mann Judd or the previous auditor (Stantons International) during the year as disclosed in Note 5 for the year ended 30 June 2020.

Directors' Report**Meetings of Directors**

Formal meetings and meetings conducted via electronic means and circular resolutions of the Directors held during the financial year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr Bill Nikolouzakis	7	7
Mr Stephen Quantrill	7	7
Mr Andrew Jensen	2	1
Mr Calvin Ng	0	0

Shares under option

During the period, the Company cancelled 600,000 unvested performance rights as they lapsed without vesting.

No shares were issued on the exercise of options during the financial year ended 30 June 2020. On 11 May 2020, the Company issued 5,000,000 free-attaching unlisted options pursuant to a Share Placement, each an exercise price of \$0.05. The unlisted options expire two weeks after the issue of the Group's FY25 full year results.

4. 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 key management personnel of the Group for the year consisted of the following Directors of Tombador Iron Limited:

Name of Director	Position	Date Appointed	Date Ceased
Mr Bill Nikolouzakis	CEO and	24 August 2018	Current
	Executive Director	8 October 2019	Current
Mr Stephen Quantrill	Non-executive Director	20 February 2018	Current
Mr Andrew Jensen	Non-executive Director	1 May 2020	Current
Mr Calvin Ng	Non-executive Director	1 February 2013	5 September 2019

Principles used to determine the nature and amount of remuneration

The performance of the Group depends on the quality of its directors and executives.

To prosper, the Group must attract, motivate and retain highly skilled directors and executives. To this end, the Group embodies the following principles in its remuneration framework:

- provide competitive rewards to attract high calibre executives; and
- establish appropriate performance hurdles in relation to variable executive remuneration.

The Board assesses the appropriateness of the nature and amount of remuneration of directors and senior managers of the Group on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

Directors' Report

	\$ 2020	\$ 2019	\$ 2018*	\$ 2017*	\$ 2016*
Share price at financial year end	0.021	0.024	0.003	0.003	0.0126
Total dividends declared	-	-	-	-	-
Basic loss per share (cents)	(2.08)	(24.95)	(9.59)	(0.311)	(0.323)

(*) the share price for above years are pre the Group's 100/1 share consolidation.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and senior executive remuneration is separate and distinct.

Non-executive director remunerationObjective

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain directors of the highest calibre, while incurring costs that are acceptable to shareholders.

Structure

Each non-executive director receives a fixed fee for being a Director of the Group.

The Constitution and the ASX Listing Rules specify that the maximum aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting of shareholders. As documented in the 6 February 2013 prospectus, the total maximum amount of remuneration of non-executive directors is set at \$500,000. From 1 July 2017, all non-executive directors reduced their directors' fees to \$30,000 per annum. In 2020, the Group paid non-executive directors a total of \$44,321 (\$90,000 in 2019).

The amount of aggregate remuneration sought to be approved by shareholders and the fixed fees paid to directors are reviewed annually. The Board considers fees paid to Non-executive directors of comparable companies when undertaking this review.

Executive remunerationObjective

The Group aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and to:

- reward executives for Group and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders; and
- ensure total remuneration is competitive by market standards.

Directors' Report

Structure

A policy of the Board is the establishment of employment or consulting contracts with the Chief Executive Officer and other senior executives. Remuneration consists of fixed remuneration under an employment or consultancy agreement and may include long term equity-based incentives that are subject to satisfaction of performance conditions.

Details of these performance conditions are outlined in the equity-based payments section of this remuneration report. The equity-based incentives are intended to retain key executives and reward performance against agreed performance objectives.

Fixed remuneration

The level of fixed remuneration is set to provide a base level of remuneration that is both appropriate to the position and competitive in the market. Fixed remuneration is reviewed annually by the Board and the process consists of a review of Group-wide and individual performance, relevant comparative remuneration in the market, and internal and (where appropriate) external advice on policies and practices.

Senior executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and expense payment plans, such that the manner of payment chosen is optimal for the recipient without creating additional cost for the Group.

Remuneration policy and performance

Other than Mr Nikolouzakis, none of the other executive's remuneration is at risk' remuneration. Refer below for further information on Mr Nikolouzakis's remuneration. The company did not engage with a remuneration consultant during the year.

Tombador Iron Limited (formerly RESA Group Limited)

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Directors' Report

Remuneration details for the year ended 30 June 2020

Details of the remuneration of the Directors and key management personnel of the Group (as defined in AASB 124 Related Party Disclosures) and the highest paid executives of the Group are set out in the following tables.

2020	Short-term benefits		Post-employment benefits	Share based payments		Performance related
	Salary and fees	Non-monetary benefits	Superannuation	Other	Total	
	\$	\$	\$	\$	\$	%
Directors						
Non-executive directors						
Stephen Quantrill	30,000	-	-	-	30,000	-
Calvin Ng ¹	6,821	-	-	-	6,821	-
Andrew Jensen ²	7,500	-	-	-	7,500	-
Total non-executive directors	44,321	-	-	-	44,321	
Executive directors and key management						
Bill Nikolouzakis ³	263,161	-	14,250	8,077	285,488	2.8
Total	307,482	-	14,250	8,077	329,809	

¹ Mr Ng resigned as a Non-executive Director on 5 September 2019.

² Mr Jensen was appointed as a Non-executive Director on 1 May 2020.

³ Mr Nikolouzakis' hours as CEO were reduced from 38 hours to 8 hours per week from 17 February 2020. Mr Nikolouzakis' annual remuneration was pro-rated and reduced from \$240,000 plus superannuation per annum to \$50,526 plus superannuation per annum on 17 February 2020. He was paid \$99,909 inclusive of superannuation for redundancy and entitlements during the year.

Directors' Report

Remuneration details for the year ended 30 June 2019

	Short-term benefits		Post-employment benefits	Share based payments	Total	Performance related
	Salary and fees	Non-monetary benefits	Superannuation	Other		
2019	\$	\$	\$	\$	\$	%
Directors						
Non-executive directors						
Calvin Ng ¹	30,000	-	-	-	30,000	-
Stephen Quantrill	30,000	-	-	-	30,000	-
Warren McCarthy ²	30,000	-	-	-	30,000	-
Total non-executive directors	90,000	-	-	-	90,000	
Executive directors and key management						
Alex Caraco ²	66,919	14,720	4,322	-	85,961	
Bill Nikolouzakis	250,167	-	23,766	27,000	300,933	8.9
Total	407,086	14,720	28,088	27,000	476,894	

¹ Mr Ng resigned as a Non-executive Director on 5 September 2019.

² Mr McCarthy resigned as a Non-executive Director on 15 June 2019.

³ Mr Caraco resigned as a CEO and Managing Director on 24 August 2018.

Tombador Iron Limited (formerly RESA Group Limited)

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Directors' Report

Director and KMP shareholdings

The number of shares held in the Company during the financial year by each Director and key management personnel of Tombador Iron Limited, including their personally related parties, are set out below.

	Balance at beginning of year	Received as part of remuneration	Other changes	Balance at end of year
2020				
Calvin Ng	349,920	-	(349,920) ²	-
Stephen Quantrill	-	-	-	-
Andrew Jensen	-	-	64,191 ¹	64,191
Bill Nikolouzakis	379,354	-	-	379,354
2019				
Calvin Ng	34,991,680	-	(34,641,760)*	349,920
Stephen Quantrill	-	-	-	-
Alex Caraco	166,670	-	(166,670)*	-
Warren McCarthy	-	-	-	-
Bill Nikolouzakis	37,268,518	-	(36,889,164)*	379,354

¹ Number of shares held at the date of his appointment on 1 May 2020.

² Number of shares held at the date of his resignation on 5 September 2019.

* Includes share consolidation on 5 February 2019.

KMP option holdings

The number of options held in the Group during the financial year by each director and member of key management personnel of Tombador Iron Limited, including their personally related parties was NIL. (30 June 2019: NIL).

KMP performance rights holdings

	Balance at beginning of year	Received as part of remuneration	Other changes	Balance at end of year
2020				
Bill Nikolouzakis (*)	300,000	-	(300,000) ¹	-
2019				
Bill Nikolouzakis (*)	600,000	-	(300,000) ²	300,000

*All performance rights shown on post consolidation basis.

¹ 300,000 performance rights were cancelled as they lapsed without vesting.

² 300,000 performance rights were lapsed as the vesting conditions were not met.

TOMBADOR LIMITED (FORMERLY RESA GROUP LIMITED)

ABN 20 108 958 274

Directors' Report

Relationship between remuneration policy and Group performance

The proportion of remuneration linked to performance and the proportion that is fixed is as follows:

	Fixed remuneration		At risk STI		At risk LTI	
	2020	2019	2020	2019	2020	2019
	%	%	%	%	%	%
Directors						
Stephen Quantrill	100.0	100.0	-	-	-	-
Andrew Jensen ¹	100.0	-				
Bill Nikolouzakis	97.2	87.7	2.8	3.4	-	8.9

¹ Mr Jensen was appointed as a Non-executive Director on 1 May 2020.

Service agreements

From 24 August 2018, Bill Nikolouzakis was appointed as CEO of the Group.

Under the terms of this contract

- Mr Nikolouzakis may resign from his position and thus terminate this contract by giving three months' written notice.
- The Group may terminate the employment agreement by providing three months' written notice or providing payment in lieu of the notice period (based on the fixed component of Mr Nikolouzakis remuneration).
- The Group may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the employee is only entitled to that portion of remuneration which is fixed, and only up to the date of termination.
- The remuneration package is structured as a salary of \$240,000 (plus superannuation) per annum commencing on the Appointment Date.
- On the 17 of February 2020 the Company announced changes to his remuneration. Under the new arrangement, Mr Nikolouzakis reduced his hours from 38 to 8 hours per week representing a 78% reduction in annual remuneration from \$240,000 plus superannuation per annum to \$50,526 plus superannuation per annum.

Equity-based compensation

Details of the performance rights and options granted as remuneration to those key management personnel and executives during the year:

	Granted in 2019	Lapsed/ Cancelled	Vested	Non-vested	Value at grant date	Value expensed in 2020	Proportion of remuneration in 2020
Share-based payments	No	No.	No.	No.	\$	\$	%
Directors							
Bill Nikolouzakis	600,000	(600,000)	-	600,000	27,000	8,077	2.8
Calvin Ng	-	-	-	-	-	-	-
Stephen Quantrill	-	-	-	-	-	-	-

TOMBADOR LIMITED (FORMERLY RESA GROUP LIMITED)

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Directors' Report

Loans to directors and other members of key management personnel

There were no loans to directors or other members of key management personnel during or since the end of the financial year, apart from those disclosed at Note 23 Related Party Disclosures.

This concludes the remuneration report which has been audited.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2020 has been received and can be found on page 50 of the financial report.

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.



Director

Stephen Quantrill

Dated this 29th day of September 2020

TOMBADOR LIMITED (FORMERLY RESA GROUP LIMITED)

ABN 20 108 958 274

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2020**

	Note	Consolidated	
		2020	2019
		\$	\$
Revenue			
Government grants - Jobkeeper		28,000	-
Other income		127	-
		28,127	-
Less Expenditure			
Administration expense		(151,526)	(167,701)
Depreciation and amortisation expense		(1,213)	(36,709)
Direct operating expense		(25,193)	(343,221)
Directors and consultant expense		(76,543)	(182,204)
Employee benefits expense		-	(37,694)
Occupancy expenses		(636)	(13,638)
Share-based compensation		(8,077)	(35,000)
Fair value gain/(loss)		10,216	(169,278)
Operating loss before finance costs		(224,845)	(985,445)
Financial income		-	2
Financial expenses		(240,835)	(250,054)
Net financing costs		(240,835)	(250,052)
Loss from continuing operations before income tax		(465,680)	(1,235,497)
Income tax expense		-	-
Net loss from continuing operations after income tax		(465,680)	(1,235,497)
Net loss from discontinued operations	22	(634,203)	(4,151,873)
Total net loss for the year		(1,099,883)	(5,387,370)
Other comprehensive loss		-	-
Total comprehensive loss for the year		(1,099,883)	(5,387,370)
Total net loss for the year attributable to members of Tombador Iron Limited		(1,099,883)	(5,387,370)
Total comprehensive loss for the year attributable to members of Tombador Limited		(1,099,883)	(5,387,370)
Loss per share from continuing operations attributable to the owners of Tombador Iron Limited			
Basic and diluted loss per share (cents)	3	(0.88)	(5.98)
Loss per share from continuing and discontinued operations attributable to the owners of Tombador Iron Limited			
Basic and diluted loss per share (cents)	3	(2.08)	(24.95)

The accompanying notes form an integral part of the financial statements.

TOMBADOR IRON LIMITED (FORMERLY RESA GROUP LIMITED)

ABN 20 108 958 274

**Consolidated Statement of Financial Position
For the Year Ended 30 June 2020**

		Consolidated	
		2020	2019
			Restated
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	241,272	277,598
Trade and other receivables	7	528,362	122,431
Other assets	8	444,052	2,472,544
TOTAL CURRENT ASSETS		1,213,686	2,872,573
NON-CURRENT ASSETS			
Plant and equipment		-	24,112
Other non-current assets	8	61,701	310,008
Financial assets	9	42,140	31,924
Intangible assets	10	-	-
TOTAL NON-CURRENT ASSETS		103,841	366,044
TOTAL ASSETS		1,317,527	3,238,617
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	1,268,656	1,870,205
Loans and borrowings	12	-	1,885,000
Other liabilities	13	343,348	1,037,112
Employee provisions	14	17,660	55,684
TOTAL CURRENT LIABILITIES		1,629,664	4,848,001
NON-CURRENT LIABILITIES			
Other liabilities	13	-	89,307
TOTAL NON-CURRENT LIABILITIES		-	89,307
TOTAL LIABILITIES		1,629,664	4,937,308
NET LIABILITIES		(312,137)	(1,698,691)
EQUITY			
Issued capital	15	55,858,654	53,380,294
Reserve	16	-	194,499
Accumulated losses		(56,170,791)	(55,273,484)
SHAREHOLDERS' FUNDS		(312,137)	(1,698,691)

The accompanying notes form an integral part of the financial statements.

TOMBADOR IRON LIMITED (FORMERLY RESA GROUP LIMITED)

ABN 20 108 958 274

**Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2020**

	Issued Capital \$	Revaluation Reserve \$	Share- Based Payments Reserves \$	Accumulated Losses \$	Shareholders' funds \$
Consolidated					
Balance at 1 July 2019	53,380,294	-	194,499	(55,596,610)	(2,021,817)
Restatement amount (Note 17)	-	-	-	323,126	323,126
Restated total equity at the beginning of the financial year	53,380,294	-	194,499	(55,273,484)	(1,698,691)
Loss for the year after income tax	-	-	-	(1,099,883)	(1,099,883)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss for the year, net of tax	-	-	-	(1,099,883)	(1,099,883)
Transactions with equity holders					
Shares issued during the year	2,591,960	-	-	-	2,591,960
Issue costs	(113,600)	-	-	-	(113,600)
Share-based payments	-	-	8,077	-	8,077
Transfer of lapsed performance rights	-	-	(202,576)	202,576	-
Balance at 30 June 2020	55,858,654	-	-	(56,170,791)	(312,137)

	Issued Capital \$	Revaluation Reserve \$	Share- Based Payments Reserves \$	Accumulated Losses \$	Shareholders' funds \$
Consolidated					
Balance at 1 July 2018	53,292,740	(169,277)	159,499	(51,911,675)	1,371,287
Change in accounting policy*	-	169,277	-	1,702,435	1,871,712
Restated total equity at the beginning of the financial year	53,292,740	-	159,499	(50,209,240)	3,242,999
Loss for the year after income tax	-	-	-	(5,387,370)	(5,387,370)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss for the year, net of tax	-	-	-	(5,387,370)	(5,387,370)
Transactions with equity holders					
Share-based payments	-	-	35,000	-	35,000
Issue of ordinary shares during the year, net of transaction costs	87,554	-	-	-	87,554
Balance at 30 June 2019	53,380,294	-	194,499	(55,596,610)	(2,021,817)

*Due to the impact of AASB 9 *Financial Instruments* and AASB 15 *Revenue* as disclosed in the 2019 Annual Report.

The accompanying notes form an integral part of the financial statements.

TOMBADOR IRON LIMITED (FORMERLY RESA GROUP LIMITED)

ABN 20 108 958 274

**Consolidated Statement of Cash Flows
For the Year Ended 30 June 2020**

		Consolidated	
	Note	2020	2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		1,417,746	3,820,286
Payments to suppliers and employees		(1,116,676)	(4,702,832)
Interest received		-	2,478
Finance costs		(236,311)	(277,984)
Government grants and tax incentives received		22,000	-
Net cash provided by/(used in) operating activities	24	86,759	(1,158,052)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(6,000)	(7,273)
Proceeds from disposal of other non-current assets		400,000	115,000
Net cash provided by investing activities		394,000	107,727
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		1,500,000	-
Transaction costs relating to issue of shares		(132,085)	(4,000)
Proceeds from loans and borrowings		-	1,350,000
Transaction costs relating to issue of loans and borrowings		-	(95,000)
Repayment of loans and borrowings	12	(1,885,000)	(1,100,000)
Net cash (used in)/provided by financing activities		(517,085)	151,000
Net decrease in cash and cash equivalents held		(36,326)	(899,325)
Cash and cash equivalents at beginning of financial year		277,598	1,176,923
Cash and cash equivalents at end of financial year	6	241,272	277,598

The accompanying notes form an integral part of the financial statements.

TOMBADOR IRON LIMITED (FORMERLY RESA GROUP LIMITED)

ABN 20 108 958 274

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

Tombador Iron Limited, formerly RESA Group Limited (the "Company"), is a public company, listed on the Australian Securities Exchange, limited by shares and incorporated and domiciled in Australia. The Company's shares are currently in suspension from quotation pending the outcome of certain conditions associated with the acquisition agreement pursuant to which it has conditionally agreed to acquire 100% of the issued capital of Tombador Iron Singapore Pte Ltd. Refer Note 27 for events subsequent to reporting date.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

The financial statements cover Tombador Iron Limited as a Group, consisting of Tombador Iron Limited and the entities it controlled from time to time during or at the end of the year.

Basis of Preparation

Historical Cost Convention

The financial statements have been prepared on an accruals basis and are based on historical costs, except for certain non-current assets and financial instruments that are measured at re-valued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The area's involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements. Refer to Note 1(v) for critical accounting estimates and judgments.

Parent Entity Information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated group only. Supplementary information about the parent entity is included in Note 2.

New or Amended Accounting Standards and Interpretations Adopted

The consolidated entity has adopted all of the new or revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current accounting period. Refer to Note 1(w) for more details on new accounting standards.

(a) Going concern

As announced on 12 June 2020, the Company has entered into an acquisition agreement pursuant to which it has conditionally agreed to acquire 100% of the issued capital of Tombador Iron Singapore Pte Ltd (TIS) from the TIS Shareholders (the Acquisition).

TIS owns the high grade Tombador hematite iron ore deposit which is located in Bahia, Brazil (Project). The Project has a total combined JORC Mineral Resource of 10.1Mt¹ 2 which includes a high-grade hematite Mineral Resource of 8.0Mt at 67.3% Fe₁ of direct shipping ore (DSO) hematite.

The Company lodged a Prospectus on 7 August 2020, seeking to raise a minimum \$10,000,000 and a maximum of \$15,000,000 through the issue of Shares at an issue price of \$0.025 per Share under the Public Offer in connection with the Acquisition. On 4 September 2020, the Company announced that it has completed a raising of the maximum \$15,000,000.

Based on the matters above, the directors believe it is appropriate to prepare the financial report on a going concern basis which contemplates the realisation of its assets and the extinguishment of its liabilities in the normal course of business and at the amounts stated in the financial report.

TOMBADOR IRON LIMITED (FORMERLY RESA GROUP LIMITED)

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2020 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in these financial statements as the "Group".

Subsidiaries are all those 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.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group 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.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent. Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, is the Board of Directors.

(d) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the national income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and adjustments recognised for prior periods where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset only where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax assets and liabilities are offset where:

- a legally enforceable right of set-off exists; and
- they relate to the same taxation authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the consolidated statement of financial position.

TOMBADOR IRON LIMITED (FORMERLY RESA GROUP LIMITED)

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost, less any allowance for expected credit losses.

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. The Group writes off fully any amounts that are more than 90 days past due.

(g) Revenue

Revenue is recognised in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the provider of the goods or services expects to be entitled. This involves following a five-step model of revenue recognition:

- Identifying the contract with a customer
- Identifying performance obligations under the contract
- Determining the transaction price
- Allocating the transaction price to performance obligations under the contract
- Recognising revenue when the Group satisfies its performance obligations

Revenue arises from the sale of real estate services.

Property transaction revenue

Property commission fees are recognised when the agreement to sell the property, or any part of it, becomes unconditional and binding on the purchaser. Generally 50% of the commissions are payable on the contracts becoming unconditional and 50% on settlement of the contract. Based on historic data, management estimate all unconditional contracts to have a high probability of settlement, thus recognise 100% of the commissions once the contracts are unconditional based on no further services needing to be performed.

(h) Plant and equipment

Plant and equipment is measured at historical cost less accumulated depreciation and any accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit and loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of asset are:

Class of asset	Estimated Useful Life
Furniture and fittings	2 – 13 years
Office equipment	2 – 5 years
Life of lease	3 – 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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 disposal proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

TOMBADOR IRON LIMITED (FORMERLY RESA GROUP LIMITED)

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed when incurred.

Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of the intangible assets. Goodwill and goodwill on consolidation are initially recorded at the amount by which the acquisition cost for a business combination exceeds the fair value attributed to the interest in the net fair value of net identifiable assets at the acquisition date. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but is impairment tested annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(j) Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a re-valued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a re-valued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The Group undertakes a review and assesses potential impairment on a regular basis for all its intangible assets.

(k) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less cost to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets that are carried at fair value.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less cost to sell. A gain is recognised for any subsequent increase in fair value less cost to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Due to their short-term nature, they are measured at amortised cost and are not discounted. Included within Note 13 Other Liabilities are settlement book liabilities that are of a similar nature to trade and other payables.

(m) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees up to the end of the reporting period. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

Short term employee benefits

Liability for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

Liability for annual leave and long service leave not expected to be settled within 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date, using the projected unit credit method. Consideration is given to expected future wage and salary levels, of employee departures and period of service.

Retirement benefit obligations

Contributions for retirement benefit obligations are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available. Contributions are paid into the fund nominated by the employee.

(o) Share-based payments

The Group operates an employee share ownership plan. The fair value of options and performance rights granted is recognised as a benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the directors and executives become unconditionally entitled to the options and performance rights.

The fair value at grant date of options is determined using either the binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The fair value of performance rights is determined based on the fair value of share price at the date of issue.

The fair value of the options and performance rights granted is adjusted to reflect market vesting conditions but excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options and performance rights that are expected to become exercisable. The benefit expense recognised each period takes into account the most recent estimate.

Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payments reserve.

Upon the exercise of options and performance rights, the balance of the share-based payments reserve relating to those options and performance rights is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, and are credited to share capital.

(p) Functional and presentation currency

The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars 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 financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

**Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(r) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables and settlement books that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs.

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss ("FVPL")
- equity instruments at fair value through other comprehensive income ("FVOCI")
- debt instruments at fair value through other comprehensive income ("FVOCI")

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses. All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables and settlement books, which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments, including settlement books included in Note 8 Other Assets. Any gains or losses recognised in FVOCI will be reclassified to profit or loss upon derecognition of the asset.

TOMBADOR IRON LIMITED (FORMERLY RESA GROUP LIMITED)

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial instruments (continued)

Impairment of financial assets

AASB 9's impairment requirements use more forward looking information to recognise expected credit losses i.e. the expected credit losses ("ECL") model. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and subsequent measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, and loans and borrowings.

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

(s) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of Tombador Iron Limited, 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 financial year.

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 income tax effect of interest and other financing costs associated with 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.

(t) Government grant

Jobkeeper subsidy from the government is recognised when it is received or when the right to receive payment is established.

TOMBADOR IRON LIMITED (FORMERLY RESA GROUP LIMITED)

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(v) Critical accounting estimates and judgements

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 preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees 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 either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Allowance for impairment of receivables and settlement book assets (expected credit losses)

The allowance for impairment of receivables assessment requires a degree of estimation and judgement. The level of allowance is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets

The Group assesses impairment of non-financial assets each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Impairment of goodwill

The Group assesses impairment of goodwill each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

**Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Critical accounting estimates and judgements (continued)

Interest bearing liabilities

All loans and borrowings, including convertible notes, are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The component of the convertible notes that exhibit characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

Transaction costs are apportioned between the liability and equity components of the convertible notes based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

On issuance of the convertible notes the fair value of the liability component is determined using the market rate for an equivalent market instrument and this amount is carried as a long-term liability using the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost.

Borrowings are classified as current liabilities unless the Group has the unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorizes fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorized into as follows:

- Level 1 - Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 2 - Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximize, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorization within the fair value hierarchy only in the following circumstances:

- i. if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- ii. if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorization occurs, the Group recognizes transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

(w) New accounting standards

Australian Accounting Standards and Interpretations that have recently been issued or amended have been adopted by the Group for the annual reporting period ended 30 June 2020. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 16 Leases

As at 30 June 2019 and during the year ended 30 June 2020 the Group had no (outstanding and non-outstanding) leases and therefore AASB 16 has no impact on the Group's financial statements for the year ending 30 June 2020.

(x) Accounting standards issued but not yet effective

There are a number of new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements, however, none of these standards and interpretations are applicable to the Group and/or the directors have determined that these standards and interpretations will not have an impact on the Group in the future.

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**Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(y) Discontinued operations**

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

2. PARENT ENTITY INFORMATION

The following information has been extracted from the books and records of the parent, Tombador Iron Limited, and has been prepared on the same basis as the consolidated financial statements, except as disclosed below. Investments in subsidiaries and intercompany loans are accounted for at cost (less any impairments) in the financial statements of the parent entity.

Statement of Financial Position	2020	2019
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	19,414	8,720
Other current assets	12,000	46,131
TOTAL CURRENT ASSETS	31,414	54,851
NON-CURRENT ASSETS		
Financial assets	42,140	31,924
Property, plant and equipment	-	1,213
TOTAL NON-CURRENT ASSETS	42,140	33,137
TOTAL ASSETS	73,554	87,988
CURRENT LIABILITIES		
Trade and other payables	280,097	282,698
Other liabilities	122,694	220,812
Loans and borrowings	-	1,885,000
TOTAL CURRENT LIABILITIES	402,791	2,388,510
NET LIABILITIES	(329,237)	(2,300,522)
EQUITY		
Issued capital	55,858,654	53,380,294
Reserves	-	194,499
Accumulated losses	(56,187,891)	(55,875,315)
TOTAL EQUITY	(329,237)	(2,300,522)
Statement of Profit or Loss and Other Comprehensive Income		
Loss of the parent entity	(515,153)	(3,426,704)
Other comprehensive loss	-	-
Total comprehensive loss for the year	(515,153)	(3,426,704)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries.

The parent entity and its controlled entities are parties to a deed of cross guarantee under which each company guarantees the debts of the others at 30 June 2020 and 30 June 2019.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

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**Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020**

3. LOSS PER SHARE

	Consolidated	
	2020	2019
	cents	cents
Basic and diluted loss per share (in cents)		
From continuing operations attributable to the owners of Tombador Iron Limited	(0.88)	(5.98)
From discontinued operations	(1.20)	(18.97)
Total basic and diluted loss per share attributable to the owners of Tombador Iron Limited	(2.08)	(24.95)
Reconciliation of loss used in calculating loss per share		
	\$	\$
Loss attributable to the owners of Tombador Iron Limited used in calculating basic and diluted loss per share:		
From continuing operations	(465,680)	(1,235,497)
From discontinued operations	(634,203)	(4,151,873)
Net loss for the year	(1,099,883)	(5,387,370)
Weighted Average Number of Shares Used as the Denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	52,945,131	21,590,332

For the year ended 30 June 2020 and 30 June 2019, performance rights and options are considered anti-dilutive, and consequently diluted loss per share is the same as basic loss per share. The performance rights have not been included in the determination of basic loss per share.

Details relating to performance rights are set out in Note 13.

4. INCOME TAX

	Consolidated	
	2020	2019
	\$	\$
(a) The major components of income tax expense comprise:		
Income tax expense	-	-
(b) Numerical reconciliation of income tax expense to accounting loss:		
Loss for year before income tax expense	(1,099,883)	(5,387,370)
Prima facie tax benefit on loss from ordinary activities before income tax at 27.50% (2019: 27.50%)	(302,468)	(1,481,527)
Add / (less) tax effect of:		
- Under / overs of prior year	(56,176)	(13,617)
- Other assessable income	63,342	-
- Non-assessable income	-	206,699
- Impact from change in tax rate on unrecognised DTAs	355,600	-
- Non-deductible expenses	(351,279)	554,324
- Tax Effect of Current Year Revenue Losses for which no deferred tax asset has been recognised	290,981	734,121
Income tax expense	-	-

**Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020**

4. INCOME TAX (CONTINUED)

This income tax benefit arising from tax losses will only be realised if the Group derives future assessable income of a nature and of an amount sufficient to enable the Group to benefit from the deductions for the losses to be realised, the Group continues to comply with the conditions for deductibility imposed by tax legislation and no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

(c) Unrecognised temporary differences deferred tax assets/ (liabilities)

	Consolidated	
	2020	2019
	\$	\$
- Provisions	4,415	150,418
Section 40-880 deduction	63,124	79,265
- Revenue Losses carried forward	2,699,228	2,453,488
- Capital losses carried forward	398,148	556,311
- Trade and other receivables and others	419,483	25,535
	3,584,398	3,265,017

5. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by Stanton International, the auditor of the parent entity, its related practices and unrelated firms:

	Consolidated	
	2020	2019
	\$	\$
Audit or review of the Group	41,400	60,132
	41,400	60,132

6. CASH AND CASH EQUIVALENTS

	Consolidated	
	2020	2019
	\$	\$
Cash at bank and on hand	241,272	120,930
Term deposit*	-	40,000
Restricted cash**	-	116,668
	241,272	277,598

* Term deposit held as guarantee against credit card facility.

**Restricted cash relates to clients' funds held on trust by the Group.

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**Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020**

7. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2020	2019
	\$	\$
Current		
Trade receivables	968,185	253,370
Less: Allowance for impairment	(445,823)	(140,348)
Other receivables	6,000	9,409
	528,362	122,431

Movements in the allowance for impairment of receivables are as follows:

Opening balance	(140,348)	(331,903)
Additional allowance recognised	(350,774)	(140,348)
Receivables written off during the year as uncollectable	45,299	331,903
Closing balance	(445,823)	(140,348)

Customers with balances past due but without allowance for impairment of receivables amount to \$7,095 as at 30 June 2020 (30 June 2019: \$NIL). The Group considered the credit risk on the aggregate balances after reviewing the credit terms of customers based on recent collection practices. There is no interest rate risk for the balances of trade and other receivables. There is no material credit risk associated with other receivables.

8. OTHER ASSETS

	Consolidated	
	2020	Restated 2019
	\$	\$
Current		
Prepayments	11,353	52,015
Asset acquired from Indo-Pacific Property**	99,149	265,920
Settlement book assets - Gross	1,282,480	2,407,564
Settlement book assets – Allowance for expected credit losses*	(948,930)	(252,955)
	444,052	2,472,544
Non-Current		
Bank Guarantee	-	16,940
Asset acquired from Indo-Pacific Property**	-	66,480
Settlement book – Gross	61,701	257,288
Settlement book - Allowance for expected credit losses*	-	(30,700)
	61,701	310,008

*An additional \$665,275 allowance for expected credit losses was recognised for the year ended 30 June 2020.

**The breakdown of the asset Acquired from the Indo-Pacific Property

Current		
IPG Settlements & Other Assets	625,000	508,883
Less: IPG Amortisation	(356,389)	(242,963)
Less: IPG Impairment	(169,462)	-
Total IPG Settlements & Other Assets	99,149	265,920
Non-Current		
IPG Settlements & Other Assets	-	116,117
Less: IPG Amortisation	-	(49,637)
Total IPG Settlements & Other Assets	-	66,480

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**Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020****8. OTHER ASSETS (CONTINUED)**

Settlements with balances past due but without allowance for impairment for amount to \$Nil as at 30 June 2020 (30 June 2019: \$NIL). The Group considered the credit risk on the aggregate balances after reviewing the credit terms of settlements based on recent collection practices. There is no interest rate risk for the balances of other assets.

9. FINANCIAL ASSETS

	Consolidated	
	2020	2019
	\$	\$
Australian listed equity securities	42,140	31,924

10. INTANGIBLE ASSETS

	Consolidated	
	2020	2019
	\$	\$
Goodwill		
At cost	-	2,768,226
Impairment expense	-	(2,768,226)
	-	-

11. TRADE AND OTHER PAYABLES

	Consolidated	
	2020	2019
	\$	\$
Trade payables	1,099,633	1,459,169
Other payables	169,023	411,036
	1,268,656	1,870,205

12. LOANS AND BORROWINGS

	Consolidated	
	2020	2019
	\$	\$
Current	-	1,885,000
	-	1,885,000
Movement in financing facilities during the year is as follows:		
Opening balance	1,885,000	1,591,750
Repayment of loans and borrowings	(1,885,000)	(1,100,000)
Loan advanced during the year	-	1,350,000
Other movements	-	43,250
Closing balance	-	1,885,000

On 15 January 2019, the Group announced that the Company had entered into a \$2,450,000 senior secured loan facility ("Secured Facility"). The Secured Facility is a first ranking secured loan facility against the Company, its settlement book and rent rolls for a term of 12 months. The Secured Facility attracted an interest rate of 18 percent per annum accruing on a daily basis with a minimum interest period of 6 months. The interests on the Secured Facility were accrued in trade and other payables.

**Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020**

12. LOANS AND BORROWINGS (CONTINUED)

The Secured Facility is available to be drawn over two tranches:

- Tranche 1: Drawn \$1,950,000 in January 2019 made up of a combination of new lenders and \$600,000 of the Company's convertible bond holders rolling into the Secured Facility; and
- Tranche 2: Undrawn \$500,000 commitment on arms' length terms with entities associated with Non-executive Director Stephen Quantrill, namely McRae Investments Pty Ltd. Tranche 2 of the facility will be drawn down at the election of IBN against settlement income payable to McRae in relation to past Indo Pacific property sales.

The proceeds from the drawn loan facility were used to repay all debt obligations to Mark Mendel and nominees; the vendors of Find Solutions Australia. Mark Mendel and nominees were repaid \$250,000 on the 16 January 2019. The convertible bond balance of \$1,100,000 was reduced as a further \$500,000 from the drawn Secured Facility were used to repay a portion of the existing convertible bond holders on 24 January 2019. \$600,000 of the remaining convertible bond holders elected to roll into the Secured Facility.

In addition to repaying debt obligations and convertible bonds, the remaining proceeds from the Secured Facility were allocated towards working capital to complete the strategic initiatives announced on the 8 October 2018.

On 16 April 2019, the Group entered into an arrangement to dispose of its Western Australia based rent roll asset. On 26 June 2020, the Company announced that it has repaid in full the Secured Facility. The repayment brings the Company's secured debt level to nil balance. The total drawn principle, interest and costs associated with managing the facility have now been repaid. As at 25 June 2020, the Company has confirmed that the security interest associated with the Security Facility has been released.

13. OTHER LIABILITIES

	Consolidated	
	2020	2019
	\$	\$
Current		
Settlement Book liabilities	343,348	1,037,112
	343,348	1,037,112
Non-Current		
Settlement Book liabilities	-	89,307
	-	89,307

14. EMPLOYEE PROVISIONS

	Consolidated	
	2020	2019
	\$	\$
Provision for annual leave	17,660	55,684

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement.

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**Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020**

15. ISSUED CAPITAL

	2020 Shares	2019 Shares	2020 \$	2019 \$
Ordinary shares – fully paid	151,392,727	21,792,888	55,858,654	53,380,294
Ordinary shares				
	2020 Shares	2019 Shares	2020 \$	2019 \$
At the beginning of the year	21,792,888	2,152,404,213	53,380,294	53,292,740
Initial share consideration for the acquisition of a rent roll consisting 54 properties in New South Wales – 26,884,539 shares issued at \$0.0034 per share (Value of \$91,407)	-	26,884,539	-	91,407
Consolidation of share capital 100:1 (a)	-	(2,157,495,864)	-	-
Historical error (d)	617	-	-	-
Share placement on 22 January 2020 (b)	40,000,000	-	800,000	-
Debt-to-equity swap on 22 January 2020 (b)	4,338,383	-	86,767	-
Share placement on 11 May 2020 (c)	35,000,000	-	700,000	-
Debt-to-equity swap on 11 May 2020 (c)	45,259,639	-	905,193	-
Share placement on 11 May 2020 (c)	5,000,000	-	100,000	-
Conversion of partly paid securities	1,200	-	-	-
Shares issue costs, net of tax	-	-	(113,600)	(3,853)
At the end of the year	151,392,727	21,792,888	55,858,654	53,380,294

- (a) On 6 February 2019, the Company announced that shareholders approved the 100:1 Consolidation of Capital at the Extraordinary General Meeting held on 6 February 2019.
- (b) On 22 January 2020, the Company completed Tranche 1 of its working capital placement and debt-to-equity swap, comprising \$800,000 cash and \$86,767 debt-to-equity. 44,338,383 fully paid ordinary shares were issued at \$0.02 per share.
- (c) On 11 May 2020, the Company completed Tranche 2 of its working capital placement and debt-to-equity swap, comprising \$700,000 cash and \$905,193 debt-to-equity. 80,259,639 fully paid ordinary shares were issued at \$0.02 per share. The Company also converted \$100,000 of existing loans into 5,000,000 fully paid ordinary shares at \$0.02 per share under its placement capacity. The 85,259,639 placement shares came with 5,000,000 free-attaching unlisted options, each an exercise price of \$0.05. The unlisted options expire two weeks after the issue of the Group's FY25 full year results.
- (d) There was a historic error of 617 shares which has now been amended with the ASX.

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote. The Company does not have a limited amount of authorised capital and the fully paid ordinary shares have no par value.

Unlisted Options and Performance Rights

At 30 June 2020, the following unlisted options and performance rights were on issue;

Class of Security	Number	Expiry
Unlisted options, each with an exercise price of \$0.20	605,000	14/09/2020
Unlisted options, each with an exercise price of \$0.05	5,000,000	Note (c) above

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**Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020****16. RESERVE**

	Consolidated	
	2020	2019
	\$	\$
Share-Based Payments Reserve		
Balance at the beginning of the year	194,499	159,499
Share-based payment expense	8,077	35,000
Lapsed options transferred to Retained Earnings	(202,576)	-
Balance at the end of the year	-	194,499

Share-Based Payments Reserve

This reserve records the cumulative value of employee services received for the issue of performance rights. All options issued as share-based payment lapsed at 30 June 2020.

17. CORRECTION OF PRIOR PERIOD ERROR

During the year the Group reviewed the basis for calculating the balance of the future settlement books and determined that the books were understated as at 30 June 2019. The commissions payable relating to the futures settlements book to referrers and agents was overstated as at 30 June 2019. The majority of that understatement and overstatement respectively was related to commissions data and how it was captured and provided. The error has been adjusted retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. As a result of this:

- The balance of other assets (which includes the future settlement books asset) has been increased by \$228,275 as at 30 June 2019 as a prior period adjustment;
- The balance of the other liabilities (which includes the future settlement books commissions liability) has been decreased by \$94,851 as at 30 June 2019 as a prior period adjustment.
- This resulted in a \$323,126 decrease to loss for the year.

18. CONTINGENT LIABILITIES

The Group is currently subject to a legal proceeding on commission payable with a trade creditor which is currently under negotiation. The commission payable is estimated to be \$20,000.

The Group had no other contingent liabilities or contingent assets at 30 June 2020. (30 June 2019: Nil).

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

19. SHARE BASED PAYMENTS

	Consolidated	
	2020	2019
	\$	\$
Share-based payment expense	8,077	35,000

On 24 August 2018, 600,000 performance rights were issued to Mr Bill Nikolouzakis as long term incentives as CEO subject to certain performance hurdles. On 30 June 2019 300,000 performance rights lapsed as vesting conditions were not met.

20% of the 600,000 performance rights will vest when a share price of \$0.01 per share is maintained in relation to the Company for a minimum of 20 consecutive days trading on ASX in FY20. The share-based payment expense relating to the 20% (120,000) of \$8,077 was taken to statement of profit or loss during the year.

20. COMMITMENTS

There are no lease commitments or any other commitments at 30 June 2020. The Melbourne office lease at \$5,933 per month expired on 15 November 2019.

21. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policies described in Note 1:

Name	Country of Incorporation	Percentage Owned (%) 2020	Percentage Owned (%) 2019
Subsidiaries of Tombador Iron Limited:			
Resa FSA Pty Ltd (Formerly Find Solution Australia Pty Ltd)	Australia	100	100
Resa FIP Pty Ltd (Formerly Find Investment Property Pty Ltd)	Australia	100	100
Resa IBN Pty Ltd (Formerly iBuyNew Pty Ltd)	Australia	100	100
Resa IBNA Pty Ltd (Formerly iBuyNew Australia Pty Ltd)	Australia	100	100
Resa NP Pty Ltd (Formerly Nyko Property Pty Ltd)	Australia	100	100
Resa NPA Pty Ltd (Formerly Nyko Property Australia Pty Ltd)	Australia	100	100

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**Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020****22. DISCONTINUED OPERATIONS**

On 3 December 2019 the Group announced the business asset licence agreement with Ibuildnew Agency Sales Pty Ltd (IBU) for the immediate rights to access the iBuyNew and Nyko Property platform and Brands. Subsequently, on 14 January 2020 the Group announced the completion of the iBuyNew and Nyko Property Australia asset sale, effectively disposing the Group's main undertaking. The Group is still managing the future receivables settlement book generated from sales historically made by the Group.

	Consolidated	
	2020	2019
	\$	\$
Revenue and other income	288,711	2,684,223
Prior year settlements payables derecognised	471,109	-
Direct costs	(138,594)	(1,164,446)
Gross profit from discontinued operations	621,226	1,519,777
Profit on disposal of discontinued operations	430,358	-
Administration and operating expenses	(140,788)	(900,815)
Employee expenses	(508,258)	(1,564,765)
Depreciation and amortisation expense	(86,688)	(226,454)
Directors and external consultant expenses	(129,025)	(357,084)
Occupancy expenses	(38,432)	(218,776)
Bad debts expense	(640,019)	(610,295)
Impairment expense	(154,585)	(1,774,318)
Operating loss before financing costs	(646,211)	(4,132,730)
Financial income	38,656	2,880
Financial expenses	(26,648)	(22,023)
Net financing costs	12,008	(19,143)
Loss before tax	(634,203)	(4,151,873)
Income tax expense	-	-
Net loss from discontinued operations	(634,203)	(4,151,873)

	Consolidated	
	2020	2019
	\$	\$
Cash flows from operating activities		
Receipts from customers	1,417,746	3,820,286
Payments to suppliers and employees	(1,454,242)	(4,025,790)
Interest received	-	2,478
Finance costs	(4,524)	(27,930)
Net cash used in operating activities	(41,020)	(230,956)

TOMBADOR IRON LIMITED (FORMERLY RESA GROUP LIMITED)

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**Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020****22. DISCONTINUED OPERATIONS (CONTINUED)**

	Consolidated	
	2020	2019
	\$	\$
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,000)	(7,273)
Proceeds from disposal of other non-current assets	-	115,000
Net cash (used in)/provided by operating activities	(6,000)	107,727
Cash flows from financing activities	-	-
Net decrease in cash and cash equivalents held	(47,020)	(123,229)
Cash and cash equivalents at beginning of financial year	268,878	392,107
Cash and cash equivalents at end of financial year	221,858	268,878

23. RELATED PARTY DISCLOSURES**(a) Directors and key management personnel**

The following persons were Directors or Key Management Personnel of Tombador Iron Limited/RESA Group Limited during the financial year:

- Calvin Ng
- Stephen Quantrill
- Andrew Jansen
- Bill Nikolouzakis

(b) Directors and key management personnel compensation

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's Key Management Personnel for the year ended 30 June 2020.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	Consolidated	
	2020	2019
	\$	\$
Short-term employment benefits	307,482	407,086
Non-monetary benefits	-	14,720
Post-employment benefits	14,250	28,088
Share-based payments	8,077	27,000
	329,809	476,894

Bill Nikolouzakis was paid remuneration, including redundancy and entitlements, of \$277,411 (2019: \$273,933) during the year. The amount outstanding at 30 June 2020 was \$58,502.

The amount payable to Andrew Jansen at 30 June 2020 was \$7,500.

TOMBADOR IRON LIMITED (FORMERLY RESA GROUP LIMITED)

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**Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020****23. RELATED PARTY DISCLOSURES (CONTINUED)****(b) Directors and key management personnel compensation (continued)**

An amount of \$154,504 is owed to Mcrae Investments, an entity related to Director Stephen Quantrill, for directors' fees and management fees including the rental of office space and shared facilities and travel expenses. An amount of \$131,281 was approved to be converted into Company shares at the 31 August 2020 EGM.

Aura Partners Pty Ltd, a company associated with former Director Calvin Ng (resigned September 2019), was paid \$873 by the Group (2019: \$56,318) for accounting services during the year. Aura Capital Pty Ltd, a company associated with former Director Calvin Ng, invoiced the Group \$241 for travel related costs (2019: \$30,000). An amount of \$8,000 was paid to Aura Loan Management Pty Ltd, a company associated with former director Calvin Ng, for consulting fees during the year (2019: nil). The total amount payable to Aura Partners Pty Ltd and Aura Loan Management Pty Ltd at 30 June 2020 was \$31,265.

The loan with Aura Group is detailed in Note 12.

All amounts are exclusive of GST unless otherwise stated.

24. CASH FLOW INFORMATION

	Consolidated	
	2020	2019
	\$	\$
	<hr/>	
Reconciliation of net loss for the year to net cash used in operating activities:		
Loss after income tax for the year	(1,099,883)	(5,387,370)
Adjustments for:		
Profit on disposal of discontinued operations	(430,358)	-
Depreciation and amortisation expense	87,901	263,163
Bad debts expense	640,019	610,295
Impairment expense	154,585	1,774,318
Share based payments expense	8,077	35,000
Fair value (gain)/loss on financial asset	(10,216)	169,278
Loss on disposal of fixed assets	-	25,912
Changes in operating assets and liabilities		
(Increase) / Decrease in trade and other receivables	(370,481)	508,855
Decrease / (Increase) in other assets	1,454,348	(1,788,287)
Increase in trade and other payables	473,863	515,889
(Decrease) / Increase in other liabilities	(783,072)	2,092,951
(Decrease) / Increase in employee provisions	(38,024)	21,944
Net cash provided by/(used in) operating activities	<hr/> 86,759	<hr/> (1,158,052) <hr/>

There were the following non-cash items in investing or financing activities during the year:

During the year, the Group issued 49,598,022 shares to pay off debt of \$991,960.

TOMBADOR IRON LIMITED (FORMERLY RESA GROUP LIMITED)

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**Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020****25. FINANCIAL RISK MANAGEMENT**

The Group's activities expose it to several financial risks as described below. The Group's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Group. To date, the Group has not had the need to utilise derivative financial instruments such as foreign exchange contracts or interest rate swaps to manage any risk exposures identified.

The totals for each category of financial instruments, as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated	
		2020	2019
		\$	\$
Financial Assets			
Cash and cash equivalents	6	241,272	277,598
Financial assets	9	42,140	31,924
Trade and other receivables	7	528,362	122,431
Other assets	8	494,400	2,730,537
Total financial assets		1,306,174	3,162,490
Financial Liabilities			
Trade and other payables	11	1,268,656	1,870,205
Loans and borrowings	12	-	1,885,000
Other liabilities	13	343,348	1,126,419
Total financial liabilities		1,612,004	4,881,624

The fair value of financial assets and liabilities equate to the carrying value.

TOMBADOR IRON LIMITED (FORMERLY RESA GROUP LIMITED)

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Notes to the Consolidated Financial Statements For the Year Ended 30 June 2020

25. FINANCIAL RISK MANAGEMENT (CONTINUED)

Valuation techniques for fair value measurements categorized within level 1 to level 3

(i) Fair value Tier 1-3 asset profile

	Tier 1	Tier 2	Tier 3	Total
Assets	\$42,140	-	-	\$42,140

(a) Credit risk

Credit risk is managed on a Group basis. The Group has no significant concentration of credit risk.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any allowance) as presented in the table above.

Trade and other receivables (refer Note 7) that are neither past due nor impaired are considered to be of high credit quality. Directors have reviewed other assets (Note 8) for impairment at 30 June 2020 based on management's assessment for recoverability. The recoverability of the settlement book is ultimately dependent on the credit-worthiness of the individual buyers of the property transactions. The directors have reviewed the settlement books at 30 June 2020 and are satisfied they account for any credit risk.

Credit risk related to balances with banks and other financial institutions is managed by management in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA.

(b) Liquidity risk

The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- managing credit risk related to financial assets; and
- only investing surplus cash with major financial institutions.

At the end of FY20 the Group had a net liability position as a result of losses. The Directors are continually managing the liquidity of the Group by reviewing the cash flows on a weekly basis.

Financial liabilities consist of three items, trade and other payables for which the contractual maturity dates are within 6 months of the reporting date, commissions' payable and loans and borrowings.

TOMBADOR IRON LIMITED (FORMERLY RESA GROUP LIMITED)

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**Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020**
25. FINANCIAL RISK MANAGEMENT (CONTINUED)

Contractual maturities of financial assets and liabilities are as follows:

	Fixed interest rate maturing			Non-interest bearing		Total
	Variable interest rate	Within 1 year	1 to 5 years	Within 1 year	1 to 5 years	
2020	\$	\$	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents	-	-	-	241,272	-	241,272
Trade and other receivables	-	-	-	528,362	-	528,362
Financial and other assets	-	-	-	432,699	103,841	536,540
	-	-	-	1,202,333	103,841	1,306,174
Financial liabilities						
Trade and other payables	-	-	-	1,268,656	-	1,268,656
Other liabilities	-	-	-	343,348	-	343,348
	-	-	-	1,612,004	-	1,612,004
2019						
Financial assets						
Cash and cash equivalents	-	-	-	277,598	-	277,598
Trade and other receivables	-	-	-	122,431	-	122,431
Financial and other assets	-	-	-	2,420,529	341,932	2,762,461
	-	-	-	2,820,558	341,932	3,162,490
Financial liabilities						
Trade and other payables	-	-	-	1,870,205	-	1,870,205
Loan and borrowings	-	1,885,000	-	-	-	1,885,000
Other liabilities	-	-	-	1,037,112	89,307	1,126,419
	-	1,885,000	-	2,907,317	89,307	4,881,624

Loans and borrowings at reporting date have contractual maturity dates as follows:

	Consolidated	
	2020	2019
	\$	\$
Within one year	-	1,885,000

**Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020**

25. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk

Foreign exchange risk

The Group is not exposed to any material foreign exchange risk.

Interest rate risk

The Group's main interest rate risk arises from deposits with banks and other financial institutions.

Deposits made at variable rates expose the Group to interest rate risk.

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at the end of the financial year. The sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk. The Group is not exposed to any material interest rate risk as loans are fixed rate.

Price risk

The Group is not exposed to any material price risk.

TOMBADOR IRON LIMITED (FORMERLY RESA GROUP LIMITED)

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**Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020**
26. SEGMENT INFORMATION

	Corporate		Real Estate (Discontinued)		Property Advisory (Discontinued)		Consolidated	
	June 2020 \$	June 2019 \$	June 2020 \$	June 2019 \$	June 2020 \$	June 2019 \$	June 2020 \$	June 2019 \$
Revenue								
Sales to external customers	-	-	157,531	1,573,697	131,180	1,136,438	288,711	2,710,135
Government grants	28,000	-	-	-	-	-	28,000	-
Less: Direct costs	-	-	448,798	(557,251)	(116,283)	(607,195)	332,515	(1,164,446)
Total	28,000	-	606,329	1,016,446	14,897	529,243	649,226	1,545,689
Profit on disposal of discontinued operations	-	-	430,358	-	-	-	430,358	-
Interest received	-	2	264	2,880	38,392	-	38,656	2,882
Other Revenue	127	-	-	-	-	-	127	-
Total	28,127	2	1,036,951	1,019,326	53,289	529,243	1,118,367	1,548,571
Gain/Loss on disposal of assets and rent roll	-	-	-	(25,912)	-	-	-	(25,912)
Expenses	(253,898)	(744,458)	(1,074,792)	(2,578,656)	(381,730)	(1,073,079)	(1,710,420)	(4,396,193)
Impairment	-	-	(154,585)	(1,532,754)	-	(241,564)	(154,585)	(1,774,318)
Fair value gain/(loss)	10,216	(169,278)	-	-	-	-	10,216	(169,278)
Share based compensation	(8,077)	(35,000)	-	-	-	-	(8,077)	(35,000)
Depreciation and amortisation	(1,213)	(36,709)	(75,703)	(223,629)	(10,985)	(2,825)	(87,901)	(263,163)
Revaluation of convertible notes	-	-	-	-	-	-	-	-
Finance costs	(240,835)	(250,054)	-	(13,468)	(26,648)	(8,555)	(267,483)	(272,077)
Loss before income tax	(465,680)	(1,235,497)	(268,129)	(3,355,093)	(366,074)	(796,780)	(1,099,883)	(5,387,370)
Income tax (expense)	-	-	-	-	-	-	-	-
Loss after income tax	(465,680)	(1,235,497)	(268,129)	(3,355,093)	(366,074)	(796,780)	(1,099,883)	(5,387,370)
Assets								
Segment assets	73,554	87,989	1,017,405	2,510,114	226,568	640,514	1,317,527	3,238,617
Total assets	73,554	87,989	1,017,405	2,510,114	226,568	640,514	1,317,527	3,238,617
Liabilities								
Segment liabilities	280,178	2,388,511	567,745	1,358,391	781,741	1,190,406	1,629,664	4,937,308
Total liabilities	280,178	2,388,511	567,745	1,358,391	781,741	1,190,406	1,629,664	4,937,308

**Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020**

27. SUBSEQUENT EVENTS

As announced on 12 June 2020, the Company has entered into an acquisition agreement pursuant to which it has conditionally agreed to acquire 100% of the issued capital of Tombador Iron Singapore Pte Ltd (TIS) from the TIS Shareholders (the Acquisition).

TIS owns the high grade Tombador hematite iron ore deposit which is located in Bahia, Brazil (Project). The Project has a total combined JORC Mineral Resource of 10.1Mt which includes a high-grade hematite Mineral Resource of 8.0Mt at 67.3% Fe1 of direct shipping ore (DSO) hematite.

The Company lodged a Prospectus on 7 August 2020, seeking to raise a minimum \$10,000,000 and a maximum of \$15,000,000 through the issue of Shares at an issue price of \$0.025 per Share under the Public Offer in connection with the Acquisition. On 4 September 2020, the Company announced that it has completed a raising of the maximum \$15,000,000.

On 27 July 2020, the Company announced that the Writ and Statement of Claim filed in the County Court of Victoria from Mr Peter Scott, a former contractor of RESA IBN Pty Ltd, claiming unpaid commissions and expenses for services totalling \$219,235 (plus GST) has been dismissed by consent without adjudication on the merits and with no right of reinstatement as the Company has settled on full and final payment of \$90,000 (plus GST). In addition, the Group has successfully resolved the matter with BEG Developments as announced on 26 June 2020. After the period ending 30 June 2020, the Company has received and settled for the sum of \$296,611 in commissions with BEG developments.

On 12 August 2020, the Company received a confirmation from the ATO regarding remission of \$38,674 relating to general interest charges under the RESA NPA Pty Ltd (formerly Nyko Property Australia Pty Ltd) entity. The ATO balance of \$195,240 has also been repaid to the ATO.

On 19 August 2020 the Company was notified that three of its non-operational entities RESA FIP Pty Ltd (formerly Find Investment Property Pty Ltd), RESA NP Pty Ltd (formerly Nyko Property Pty Ltd) and RESA IBNP (formerly IBN Projects Pty Ltd) were successfully deregistered.

Apart from the matters noted above, no other matters or circumstances have arisen since the end of the year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is still ongoing and is dependent on measures imposed by the Australian Government, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Directors' Declaration

The Directors of the Company declare that:

1. the financial statements and notes, are in accordance with the Corporations Act 2001 and:
 - i. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - ii. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Group;
2. in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by s 295A of the Corporations Act 2001 from the Chief Executive Officer.

Signed in accordance with a resolution of the Board of Directors made pursuant to Section 295 (5) of the Corporations Act 2001.



Director

Stephen Quantrill

Dated this 29th day of September 2020

TOMBADOR IRON LIMITED (FORMERLY RESA GROUP LIMITED)

ABN 20 108 958 274

Additional Information for Listed Entities

ASX ADDITIONAL INFORMATION

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 23 September 2020.

20 LARGEST SHAREHOLDERS

Shareholders	Balance	Percentage
QUARTZ MOUNTAIN MINING PTY LTD	26,600,000	18.53
MANNWEST GROUP PTY LTD	26,600,000	18.53
EYEON NO 2 PTY LTD	10,097,429	7.03
MRS SARAH CAMERON	8,036,859	5.60
MR PETER JAMES NIXON	7,125,000	4.96
WEBINVEST PTY LTD	7,125,000	4.96
MR SUDARSHAN KUMAR GUPTA & MRS KIRAN GUPTA	4,020,058	2.80
GIOKIR PTY LTD	3,787,334	2.64
MR JAMES MURCH & MRS CATHERINE MURCH	3,705,000	2.58
DURAND HOLDINGS (VIC) PTY LTD	3,693,964	2.57
MARSHE NOMINEES PTY LTD	3,033,517	2.11
MR GREGORY MAURICE PINKUS & MRS LISA MARIE PINKUS	2,691,668	1.87
JOHN DAHLSSEN SUPERANNUATION FUND PTY LTD	2,538,084	1.77
ARDROY SECURITIES PTY LTD	2,375,000	1.65
MCRAE INVESTMENTS PTY LTD	1,979,168	1.38
J H FUNKY INVESTMENTS PTY LTD	1,863,900	1.30
MR MICHAEL JAMES CLEGG	1,662,500	1.16
TW CONSULTING CO LTD	1,482,000	1.03
CASAM INVESTMENTS PTY LTD	1,425,000	0.99
DR PETER STOW & MRS KAREN DOROTHY STOW	1,292,665	0.90
	127,138,146	0.87
Issued Share Capital	143,568,251	88.56

SUBSTANTIAL HOLDERS

The following are recorded as substantial shareholders of Tombador Iron Limited.

Shareholders	Balance	Percent
QUARTZ MOUNTAIN MINING PTY LTD	26,600,000	18.53
MANNWEST GROUP PTY LTD	26,600,000	18.53
EYEON NO 2 PTY LTD	10,097,429	7.03
MRS SARAH CAMERON	8,036,859	5.60

HOLDING ANALYSIS

Holdings Ranges	Holders	Total units	%
1 – 1,000	1,387	194,823	73.66
1,001 – 5,000	233	611,839	12.37
5,001 – 10,000	79	635,507	4.20
10,001 – 100,0000	137	4,844,474	7.28
100,001 – 99,999,999	47	137,281,608	2.50
Totals	1,883	143,568,251	100.00

Additional Information for Listed Entities

NUMBER OF HOLDERS AND VOTING RIGHTS IN EACH CLASS OF SECURITIES

Class of Security	No of Holders	Voting Rights
Ordinary Shares	1,883	Yes
Options expiring FY 2025	2	No

Subject to the ASX Listing Rules, the Company's Constitution and any special rights or restrictions attached to a share, at a meeting of shareholders:

- On a show of hands, each shareholder present (in person, by proxy, attorney or representative) has one vote; and
- On a poll, each shareholder present (in person, by proxy, attorney or representative) has;
 - One vote for each fully paid share they hold; and
 - A fraction of a vote for each partly paid share they hold.

UNMARKETABLE PARCELS OF SHARES

The number of shareholders with less than a marketable parcel of shares is 1,760.

CLASSES OF UNQUOTED SECURITIES

Class of Security	No of Holders	Total Units
Options expiring FY 2025	2	4,750,000

ESCROWED SECURITIES

The securities of the Company which are subject to voluntary escrow and their end date are set out below:
255,404 Ordinary Shares. Each share was as initial consideration in connection with the acquisition of rent roll of 54 properties in NSW, voluntary escrow and end date 27 September 2020.

GENERAL

There is no current on-market buy-back for the Company's securities.

The Company did not purchase securities on-market for the purposes of an employee incentive scheme in the reporting period.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Tombador Iron Limited (formerly RESA Group Limited) for the year ended 30 June 2020, 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
29 September 2020



D I Buckley
Partner

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INDEPENDENT AUDITOR'S REPORT

To the members of Tombador Iron Limited (formerly RESA Group Limited)

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Tombador Iron Limited (formerly RESA Group Limited) ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

Except for the possible effects of the matter described in the *Basis for Qualified Opinion* section, 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 30 June 2020; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for qualified opinion

Due to the limitation in availability of the customer reporting management system data including historic settlements of settlement book receivables and related commissions payable, we are unable to verify the accuracy of the settlement book, expected credit loss allowance and related commissions payable (referred to as Settlement book assets within Note 8. Other assets and Settlement book liabilities in Note 13. Other liabilities). Prior year balances were also qualified and as result we have been unable to obtain sufficient appropriate audit evidence in relation to the following profit or loss line items disclosed in Note 22 Discontinued Operations: Prior year settlements payables derecognised; impairment expense; amortisation expense and bad debts expense.

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.

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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. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report

Key Audit Matter	How our audit addressed the key audit matter
<p>Trade receivables Notes 7</p> <p>As at 30 June 2020, the Group had trade receivables of \$968,185 and an associated expected credit loss allowance of \$445,823.</p> <p>We considered this to be a key audit matter as it is important to users' understanding of the financial statements as a whole and involves judgement in relation to the determination of expected credit losses.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> - We assessed the trade receivables for evidence of expected credit loss; - We reviewed subsequent cash receipts and settlement of commissions payable in comparison to the assets and liabilities recognised; - We substantiated on a sample basis, amounts recognised to contract. - We reviewed the disclosures made in the financial statements.

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 for the year ended 30 June 2020, 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.

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 year ended 30 June 2020.

In our opinion, the Remuneration Report of Tombador Iron Limited (formerly RESA Group Limited) for the year ended 30 June 2020 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
Chartered Accountants

Perth, Western Australia
29 September 2020



D I Buckley
Partner