

**STATEMENT OF COMMITMENTS BASED ON FUNDS RAISED**

The Company intends to apply funds raised from the Public Offer, together with existing cash reserves, over the first twelve (12) months as follows:

<b>Funds available</b>	<b>Maximum Subscription</b>	<b>Percentage of Funds (%)</b>
Existing cash reserves of the Company	\$150,000	1%
Funds raised from the Public Offer	\$15,000,000	99%
<b>TOTAL</b>	<b>\$15,150,000</b>	<b>100%</b>
<b>Allocation of funds</b>	<b>Maximum Subscription</b>	<b>Percentage of Funds (%)</b>
Environmental and mining licencing <sup>1</sup>	\$447,000	3%
Infill drilling and mine planning <sup>2</sup>	\$1,200,000	8%
Contractor mobilisation and pre-strip <sup>3</sup>	\$956,000	6%
Site construction <sup>4</sup>	\$2,668,000	18%
Brazil project costs <sup>5</sup>	\$1,808,000	12%
Corporate costs <sup>6</sup>	\$1,565,000	10%
Working capital <sup>7</sup>	\$5,180,000	34%
Costs of the Public Offer <sup>8</sup>	\$1,326,000	9%
<b>TOTAL</b>	<b>\$15,150,000</b>	<b>100%</b>

**Notes:**

- Expenses for environmental and regulatory licencing. This involves obtaining a construction licence, operating licence and mining licence.
- Expenses for infill and Geotech drilling, drilling, metallurgical test work samples for customers, completion of PFS and definition of Ore Reserves. In the case of maximum subscription additional drilling and sample testwork is completed to allow for an accelerated path to full production rate.
- Expenses for mobilisation and setup of mining contractor on site including initial waste pre-strip.
- Expenses for site setup including equipment purchase and civil works. In the case of minimum subscription this includes mobilisation, purchase and setup costs for a hire crush and screen plant. In the case of maximum subscription this includes purchase and setup costs for a crush and screen plant.
- Direct site costs, general Brazil administration expenses and overheads, and Brazil staff salaries through to production.
- General administration expenses, corporate costs and overheads through to production.
- Working capital for ongoing operational site costs (e.g. contractor expenses) through to first revenue from production and for general working capital purposes. In the case of maximum subscription additional working capital will allow for an accelerated path to full production rate, and less reliance on trade financing.

8. This includes ASX listing fees, share registry, independent experts (legal, accounting, and geological) and corporate advisor fees.
9. Based on exchange rate of BRL:USD = 5:1 and AUD:USD = 0.69:1.

As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis. As and when further funds are required, either for existing or future developments, the Company will consider both raising additional capital from the issue of Securities and/or from debt funding.

Authorised for release by the board

Abby Macnish Niven

Company Secretary  
Tombador Iron Limited (ASX:T11)