

June 2022 Quarterly Activities Report



TOMBADOR IRON

29 July 2022

Tombador Iron Limited

Suite 5, 85 Forrest Street
Cottesloe WA 6011

ABN: 20 108 958 274
ASX: T11

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

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

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

Executive Director
Stephen Quantrill

Non-Executive Directors
Anna Neuling – Chair
David Chapman
Keith Liddell

CEO
Gabriel Oliva

Company Secretary
Abby Macnish Niven

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

HIGHLIGHTS

- The Company produced 243,000 wet metric tonnes (wmt) of lump and fines ore during the June 2022 Quarter, setting a new production record
- This quarter produced a positive net cash from operating activities of \$0.8m
- 128,000 wmt of high-grade lump and fines were sold during the June 2022 quarter
- 408,000 wmt of lump and fines ore were on stockpile as at 30 June 2022
- Cash holdings of AUD\$29.4m as at 30 June 2022
- Focus on sales market development in Brazil and in the export market to optimise operational margins.

Tombador Iron Limited CEO Gabriel Oliva commented:

"Last month we are pleased to have produced over 100,000wmt of lump and fines product in a single month which is equal to the run rate of our production target of 1.2Mtpa¹. With the success in production, the Company is now focusing on shortening the distance to its customers, with efforts on the sales ramp-up to the domestic customers."

¹ As reported in the Company's announcement "Tombador Project Pre-Feasibility Study and Ore Reserves" (announced 1 March 2022)



TOMBADOR IRON

OVERVIEW

The Company has continued to focus on reaching nameplate production capacity of 1.2Mtpa, which was achieved in the month of June 2022, and on developing the Brazil domestic market which has seen further industrial tests and a number of site visits from customers during the past quarter.

Tombador lump ore remains the highest-grade lump ore produced in Brazil. The Company selectively sold a total of 128,000 wmt of high-grade iron ore during the quarter. 17,500 wmt was sold to the domestic Brazil market, and the remaining 110,500 wmt was exported in three shipments.

At the end of the June 2022 quarter, TI1 held cash and receivables of AUD\$29.8m, (including receivables of \$366k relating to sales executed in the June 2022 quarter for which payments were received in July 2022).

TOMBADOR PROJECT

Tombador Iron Limited (TI1.ASX, the "Company") is pleased to report a new production record of 243,000 wmt of iron ore for the June quarter.

The Company continues to focus on:

- Finalising the ramp-up phase including availability and efficiency of the crushing and screening plant;
- Growing the volume of high-grade lump and fines sales, with focus on the local Brazil market development and ongoing customer acceptance in the export market;
- Studying the feasibility of beneficiating medium iron grade rock.



TOMBADOR IRON

Production

Approximately 137,000 wmt of lump product and 106,000 wmt of fines product were crushed and screened during the June 2022 quarter, for a total production of 243,000 wmt.

The company was pleased with the improved throughput capacity of the plant, including the month of June 2022 when production exceeded 100,000 wmt for the month.



Figure 1 – Plant and Stockpile Area

As at 30 June 2022, Tombador had approximately 408,000 tonnes of product on stockpiles, including approximately 359,000 tonnes of product on stockpiles at the mine and 49,121 tonnes of product on stockpile at the port.

Stockpiles both at the mine and at the port are valued at the cost of production and accounted for on the Company's Balance Sheet until such time as the product is sold.

Production tonnes have been higher than sales and inventory has accordingly increased during the quarter as the Company continues with its strategy to develop the local Brazilian market to complement export product, especially whilst shipping rates remain at historically elevated levels. The Company continues to focus on realising positive margins for its valuable resource in the prevailing market.

The Company also commenced a substantial cutback in the quarter to extend the pit design in line with the mine plan.



TOMBADOR IRON

Sales

During the June 2022 quarter, the company loaded three export shipments, totalling 110,387 wmt of high-grade lump and fines to Tier 1 European steel mills during the June 2022 quarter. A fourth export shipment was awaiting berthing at the port as of 28 June 2022.

The Company also continued to develop the local Brazilian market and sold 17,522 wmt of high-grade lump product to various Brazilian steel mills in the quarter.

Subsequent to the end of the June quarter, the Company completed a 36,509 wmt shipment of premium high-grade lump ore. Since commencing export sales in mid-July 2021, the Company has now exported a total of approximately 370,000 wmt of lump and fines products into the European market. During the quarter, the Company received AUD\$8.72m in relation to completed sales to both domestic and export customers, and AUD\$9.98m for partial payments delivered to the port stockpile.

Additionally, in July 2022, a further AUD\$2.05m has been received in payment of sales executed in the June 2022 quarter, and two final payments for June 2022 quarter shipments are expected to be received in the July 2022 quarter.

Since moving to commercial production for accounting purposes on 1 December 2021 the Company has received AUD\$34.8m in net cash collected from sales, as disclosed in the Operating Activities section item 1.1 of the Company's Appendix 5B.

Dry Beneficiation Studies

In the June 2022 quarter, study work continued into the evaluation to upgrade medium iron grade rock and mineralised waste located on Tombador Iron tenements into a high-grade lump product. Since operations began, medium iron grade rock and mineralised waste have been classified and stockpiled separately from barren waste for potential processing (beneficiation) at a later date. Proof-of-concept sensor-based sorting technology study results have been positive. Initial bulk sample test work was completed in the June quarter and a further program of bulk test work is planned for the September 2022 quarter.



TOMBADOR IRON

CORPORATE

Cash flows

The June 2022 quarter resulted in a net cash amount of \$0.8m being generated from operating activities in the quarter, as shown in the Company's Appendix 5B.

The Company invested AUD\$937k in developing the project in the quarter, which related to capital expenditure to extend the pit design in line with the mine plan.

At the end of the quarter, the Company had approximately AUD\$29.4m in cash. The Company currently holds no bank loans.

Payments to related parties and associates

In accordance with ASX Listing Rule 5.3.5, AUD\$168k was paid to related parties or their associates during the quarter, as shown in section 6 of the Company's Cashflow Report (Appendix 5B) for the quarter ended 30 June 2022. The payments include Director payments of \$99k, consulting fees of \$53k, and \$16k for office rent and administration services.

Authorised for release by the Board.

Contact:

Gabriel Oliva
CEO
gabriel.oliva@tombadoriron.com

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

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



TOMBADOR IRON

TENEMENT SCHEDULE

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

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

ENDS.



TOMBADOR IRON

ABOUT TOMBADOR IRON LIMITED

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

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

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

The Company's board of directors is focused on ramping up production at the Tombador Project and on sales market development to achieve the potential of the operations and return dividends to shareholders.

