



TOMBADOR IRON

ASX ANNOUNCEMENT

31 MARCH 2023

Tombador Declares Profitable Six Months

Revenue of AUD\$25.7m

EBITDA of AUD\$8.3m

NPAT of AUD\$7.1m

Highlights

- Tombador generates \$7.1m NPAT for 2H CY 2022 from Brazilian iron ore ops
- Total production of 372,700t of iron ore with sales into European and domestic Brazilian steel markets
- Revenue of \$25.7m, with EBITDA of \$8.3m
- Net asset value of \$36.3m, including inventory of \$13.9m valued at cost
- Cash on hand of \$14.2m as at 31 December 2022
- Improved iron ore prices, moderating seaborne freight rates and access to the larger Port of Enseada open up larger Asian market shipments
- Sales agreement with major Brazilian steel mill to facilitate higher domestic sales volumes

Tombador Iron Limited (T11.ASX, the "Company" or "Tombador") is pleased to announce financial results for the six-month period ended 31 December 2022.

The company notes that this reported result is related to revenues and expenses from 1 July 2022 to 31 December 2022. As announced on 14 December 2022, the Company changed its financial year from 30 June to 31 December to align the Company's reporting period with its operational subsidiary in Brazil, which will result in greater alignment for group reporting. The comparative period in the report is the previous 12-month financial year ended 30 June 2022.

Tombador Iron Limited CEO Gabriel Oliva commented: *"This is another strong result from our operations in Brazil. Despite some market disruptions in Europe and a volatile commodity price environment, we have continued to deliver strong profitability for our shareholders."*

We continue to produce world class hematite products both for sale in Brazil and abroad. Recently, Tombador has diversified into Asian steel markets which are now receiving 45,000t shipments from the Port of Enseada, which is located in Maragogipe, Bahia State.

With China's economic reopening set to underpin iron ore prices and a broader customer base in both domestic and export markets, we look forward to continued profitability and improved volumes and margins in the coming reporting periods".



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Financial Results

Tombador advises that revenue of \$25.7m was recorded for the period, from some 221,600 wet metric tonnes ('wmt') of sales of high grade iron ore. This delivered \$8.3m in earnings before interest, tax, depreciation and amortisation ('EBITDA') and \$7.1m in net profit after tax ('NPAT').

The company's balance sheet currently holds net assets of \$36.3m, including \$14.2m in cash and \$13.9m in inventory valued at cost.

See announcement to the ASX released today titled 'Report for six-month period ending 31 December 2022' for full financial reporting details.

Operational Update

The crushing and screening plant at the Tombador mine produced a total of 372,700 wmt during the six-month period, which was comprised of 175,500 wmt of lump product and 175,500 wmt of fines product. Work commenced on preparing areas for stockpile expansion and for a highwall cutback. This was following approval of the LA which allows for activities in the entire area required for the full life of mine as outlined in the PFS.

The shipment and sale of 221,600 wmt of high-grade hematite iron ore during the period from Tombador's wholly-owned iron ore mining operations in Bahia State, Brazil consisted of 110,600 wmt of lump ore to the export market and 105,900 wmt of lump and 5,000 wmt of fines to the local Brazil market.

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

Towards the end of the period in December 2022, China softened restrictions and confidence in the Asian iron ore market was restored. Coupled with lower ocean freight prices the company quickly secured contracts for two export shipments, scheduled to sail in the March 2023 quarter. The larger 45,000 wmt shipments are made possible through the port of Enseada, located in Maragogipe.



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FY 2023 Outlook

Tombador has the capacity to produce and sell 1.2mtpa of high-grade lump and fines ore. The Company has recently announced the access to a second port facility, which has allowed the Company to develop sales into new export markets including the Asian markets. These export shipments have been made possible through the possibility of loading larger vessels of 45,000 wet metric tonnes through the port of Enseada, located in Maragogipe, Bahia, Brazil.

Authorised for release by the Board.

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About Tombador Iron Ltd

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 utilises Brazil's large and competitive trucking industry to haul ore approximately 700km to Terminal Marítimo Inácio Barbosa ("TMIB") via sealed roads and highways.

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.

The company's board of directors is focussed on rapidly ramping up production at the Tombador Project to achieve the potential of the operations and return dividends to shareholders.

