



24 OCTOBER 2024

ASX ANNOUNCEMENT

Philippines Legal Dispute Update

The Board of Directors and the Deed Administrator of Ten Sixty Four Limited (Subject to Deed of Company Arrangement) ("**Ten Sixty Four**" or the "**Company**"; ASX:**X64**) wish to provide an update on the following matters:

1. Letter from Joseph Mahusay to Shareholders dated 25 September 2025;
2. Ongoing legal disputes in the Philippines; and
3. Update on findings from the Voluntary Administration process.

Letter from Joseph Mahusay

The Board have been made aware of a recent letter purported to have been sent to the Company's shareholders on 25 September 2024 by Mr Joseph Mahusay titled "Court Decision and Moving Forward" ("the Letter").

We understand the Letter to be in reference to the Order dated Friday 20 September 2024 of the Regional Trial Court of Quezon City, Philippines in relation to legal case No. R-QZN-23-09238-43-CR ("People of the Philippines v. Jeffery McGlinn, Joseph Mahusay, Ramon S. Austria, Atty. Rosalinda Adriano Montenegro") ("the Case").

We consider the Letter contains a number of misleading or factually incorrect statements which the Board and Deed Administrator wish to address. We set out below our current understanding of the relevant facts associated with the Company's Filipino operations and dispute:

- Since entering into administration on 2 July 2023 the powers of the Board have been suspended and all action taken is at the direction, or delegation, of the Administrators and Deed Administrator.
- Mr Mahusay contends that interests in PMHI were transferred to him by Mr McGlinn. Our investigations and those undertaken by the Administrators and Deed Administrator to date have uncovered no documented Board authority or justification to support this.
- Mr Villanueva was not reinstated to his role by the current Board of X64. Investigations on this matter provide that X64 did not have the right to terminate Mr

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Villanueva's position in PMC. On 2 February 2024, the Board and Deed Administrators announced that "In the absence of any valid resolution to remove Mr Villanueva from office, X64 recognises Mr Villanueva as PMC's President and Chief Executive Officer. Whilst we acknowledge there are proceedings on foot in the Philippines relating to a shareholder dispute of Philsaga Management Holdings Inc, the ultimate parent of PMC, we note that operational control of Co-O remains with Mr Villanueva". The decision of the Regional Trial Court of Quezon City, Philippines on 20 September 2024 in the Case does not alter the position of the Board or the Deed Administrator as announced on 2 February 2024.

- The appointment of Ryan Welker as the Non-Executive Chair of Mindanao Mineral Processing and Refining Corporation ("MMPRC") was implemented without any entitlement to remuneration.

Ongoing Legal Disputes in the Philippines

- As previously advised, the Case is part of the previously disclosed dispute over, amongst other things, the ownership of the 60% of Philsaga Management and Holdings Inc (PMHI) not held by the Company, and various legal claims filed in the Philippine Courts. The parties to the dispute are continuing to advance a number of other legal actions in the Philippines in relation to these claims. The Company is not a party to these claims, and the dispute does not impact on the Company's 40% interest in the Co-O Mine and 80% direct interest in the Co-O Mill; nor the current operations at Co-O.
- The Case is a criminal case prosecuted by the State through the Office of the City Prosecutor of Quezon City, under the Philippine Department of Justice. The public prosecutor, acting on behalf of the people and the government, filed the criminal indictment in court after having determined the existence of probable cause that a crime had been committed in relation to certain documentation. Whilst Mr Villanueva and his associates may have filed the initial criminal complaint in the preliminary investigation, the determination to file the indictment and take action in court was a matter for the Office of the City Prosecutor rather than Mr Villanueva.
- Any judgement or findings in the Case (aside from the ruling that the accused are not guilty of the crime charged) are not binding in a separate civil action. We note that the onus of proof for a criminal action is "beyond a reasonable doubt", whilst civil actions determine the outcome on a "more likely than not" basis, or by "preponderance of evidence."
- The Judge's statement in the Order that the relevant documents are "valid and binding" was made outside his court's jurisdiction in the criminal case, and as such is not relevant to the civil actions being progressed in the Philippines.
- The decision in the Case is not subject to ordinary appeal as the dismissal of the Case resulted in the acquittal of the accused. The decision in the Case, however, is subject to an exceptional mode of review by an appellate court known as a petition

for certiorari, which may be filed by the prosecution within 60 days upon the allegation and submission that the Court, in dismissing the Case, acted with grave abuse of discretion amounting to a lack or excess of jurisdiction.

- The court in the Case does not have the capacity to nullify or invalidate agreements and actions made by Mr Villanueva, Ms Cedeno-Sorila and Mr Dy. Civil proceedings being progressed before another court in the Philippines in reference to this matter indicate that Mr Villanueva, Ms Cedeno-Sorila and Mr Dy are the appropriate incumbent directors of Philsaga Management and Holdings Inc (“PMHI”).
 - On 8 April 2024, the Regional Trial Court in Davao City in Case No. R-DVO-23-01736-CV denied an application from Joseph Mahusay for a Writ of Preliminary Injunction against Raul Villanueva, which sought to prevent Mr Villanueva from acting as President and Director of PMHI.
 - On 27 May 2024, the Regional Trial Court in Davao City in Case No. R-DVO-23-04666-CV (“27 May Order”) granted an application from Raul Villanueva for a Writ of Preliminary Injunction against Josep Mahusay, Ramon Austria, Peter Alphonso and Patrick Warr preventing them, or anyone acting on their behalf or authority, from:
 - misrepresenting themselves as PMHI directors and officers to clients and to the public;
 - exercising functions and duties of PMHI as its directors and officers;
 - asserting rights from the disputed stockholders’ and directors’ meeting and election purportedly held on 24 February 2023;
 - causing further damage to PMHI’s business during the pendency of the case; and
 - validating any board resolutions or actions executed by the defendants.

The 27 May Order restores the “status quo ante” or the last actual, peaceable and uncontested situation which preceded the controversy between the parties.

The Company awaits the decision of the appropriate Philippine Courts to determine the outcome of the dispute between Mr Mahusay and Mr Villanueva regarding the legal ownership of the 60% shareholding in PMHI. Based on facts currently known to the Board, and independent advice, the Board and the Deed Administrator recognise Mr Villanueva as the appropriate controlling shareholder and President of PMHI.

The Company is committed to the achievement of the Restructuring Framework Agreement (“RFA”) announced on 20 March 2023, with Mr Villanueva, which represents a significant reset and resolution of historical commercial arrangements between the Company, its subsidiaries and associates, including Mr Villanueva, allowing it to continue operating sustainably into the future.



Achievement of the RFA is a significant step towards effectuation of the Deed of Company Arrangement ("DOCA") and return of the Company to the control of the Board and its shareholders.

Update on Findings from the Voluntary Administration Process

The Deed Administrator has continued to investigate the events leading up to the Company entering into administration and has recently provided an updated report to creditors and the Board. The matters raised include the fact that former officers of the Company facilitated the transfer of US\$1.7M to Philippine lawyers to cover legal fees for matters to which the Company was not a party (incoming management were able to recover US\$0.7M by cancelling the transaction through the Company's bank).

The Board intends to continue the investigation and pursue the matters raised by the Deed Administrator once back in control of X64 after effectuation of the Company's DOCA.

This announcement has been authorised for release by the Deed Administrator and the Board of Ten Sixty Four Limited.

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Ten Sixty Four Limited

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