TEN SIXTY FOUR LIMITED

ABN 60 099 377 849

and Controlled Entities

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2023

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This report should be read in conjunction with Ten Sixty Four's Annual Report for the year ended 30 June 2023 and any announcements made by the Company during the interim reporting period, as it does not include all the notes of the type normally included in an annual financial report.

Appendix 4D

Half Year Report

For the 6 months ended 31 December 2023

Name of entity

TEN SIXTY FOUR LIMITED

ABN or equivalent company reference	Half yearly (tick)	Preliminary final (tick)	Half year/ financial ended ("current period")
60 099 377 849	√		**31 December 2023**

Results for announcement to the market

Revenues and profits:

				US$'000
Revenues from ordinary activities	Down	96%	to	3,412
Profit from ordinary activities after tax attributable to members	Down	91%	to	2,450
Net profit for the period attributable to members	Down	91%	to	2,450

Dividends:

Interim dividend	Amount per security	Franked amount per security
- Current period	Nil	Nil
- Previous period (half year ended 31 Dec 2022)	AUD$0.05	Nil

Net tangible assets per share:

The net tangible assets per share as at 31 December 2023 was US$0.762 (31 December 2022: US$0.853)

Change in control of entities:

There has been no change in control, either gained or loss during the current reporting period.

Associates and Joint Venture entities:

The Consolidated Entity held a 40% interest in associate Philsaga Management and Holding, Inc ("PMHI") who holds a 100% interest in Philsaga Mining Company ("PMC"). PMC operates the Co-O Mine under a Mineral Production and Sharing Agreement with the Republic of the Philippines.

DIRECTORS' REPORT

The Directors present their report together with the consolidated financial report for the half-year ended 31 December 2023 and the review report thereon:

DIRECTORS

The Directors of Ten Sixty Four Limited ("X64" or "the Company") at any time during or since the end of the half-year are:

Name	Period of Directorship
Non-Executive Directors:	
Debra Anne Bakker (Chair)	appointed 19 June 2023
Jonathan Shellabear	appointed 19 June 2023
John DeCooman	appointed 19 June 2023
Andrew Brown	appointed 19 June 2023, resigned 10 November 2023
Executive Directors:	
Walter Robert Milbourne (Managing Director)	appointed 19 June 2023, ceased as Managing Director on 16 November 2023, ceased to be a Director on 20 December 2023.

DIRECTORS' REPORT

FINANCIALS

Description	Unit	31 Dec 2023	31 Dec 2022	Variance	%
Revenues	US$	$3.4M	$95.5M	($92M)	(96%)
EBITDA	US$	($0.8M)	$43.3M	($44.1M)	(102%)
NPAT	US$	$2.7M	$27.9M	($25.2M)	(91%)
EPS (basic)	US$	$0.012	$0.122	($0.11)	(91%)

Revenues of US$3.4 million, a decrease of 95% from US$95.5 million in the previous corresponding period ("pcp"). This decrease is due to revenue for half year ended 31 December 2023 being from tolling fees whilst the prior period revenue was from gold and silver bullion sales.

Earnings before interest (including finance income), tax, depreciation and amortisation ("EBITDA") loss of US$0.8 million, down 102% from EBITDA of US$43.3 million in the pcp.

NPAT of US$2.7 million, down 91% on NPAT of US$27.9 million from pcp.

Basic earnings per share ("EPS") down 91% to US$0.012 from pcp EPS of US$0.122.

The Company had total cash and cash equivalent of US$10.0 million at 31 December 2023 (pcp: US$65.8 million, which included cash attributable to PMHI which was deconsolidated from 13 February 2023).

During the half year:

- Exploration expenditure was US$0.4 million (pcp: US$3.3 million).
- Administration expenses of US$3.6 million (pcp: US$5.8 million).
- No dividends were paid (pcp: US$7.3 Million).

SIGNIFICANT CHANGE IN STATE OF AFFAIRS

Voluntary Suspension on the ASX

On 28 February 2023 the Company requested a voluntary suspension of its securities in accordance with ASX Listing Rule 17.2. The suspension remained in place during the period and continues to the date of this report.

Disputed Ownership of PMHI

The Company holds a direct 40% shareholding in PMHI. In February 2023, a dispute over, amongst other things, the ownership of the 60% of PMHI not held by the Company occurred, and various legal claims were filed in the Filipino Courts ("the Dispute"). The Company is not a party to the Dispute; 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.

There are proceedings underway in the Philippines relating to the Dispute and the purported shareholder and President of PMHI and its subsidiaries, including PMC. 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. We note that operational control of Co-O and the respective assets of the PMHI group including the PMC bank accounts remained with Mr Villanueva during the reporting period.

CORPORATE (continued)

Resignation of Directors

- On 10 November 2023 Mr Andrew Brown resigned from the Board of Directors.
- On 16 November 2023 the Board of Directors accepted that Robert Milbourne had ended his role as Managing Director of the Company. On 20 December 2023 Mr Robert Milbourne resigned from the Board of Directors. As per Mr Milbourne's executive service agreement with the Company Mr Milbourne received 6 months payment in lieu of notice.

External Administration

Upon taking office on 19 June 2023 the Board commenced a detailed financial analysis of the Company's business. This review identified that circumstances arose prior to their appointment on 19 June 2023 that resulted in a significant uncertainty on the ongoing solvency of the Company, and as such the Directors resolved to appoint Martin Ford and Simon Theobald of PricewaterhouseCoopers (PwC) as joint voluntary administrators effective 2 July 2023 ("Voluntary Administration").

Following a Second Creditors' meeting of X64 held on 31 October 2023, a Deed of Company Arrangement ("DOCA") was executed by Martin Ford and Simon Theobald (in their capacity as voluntary administrators of X64), Komo Diti Traders Limited ("KDTL"), and the Company pursuant to which the Company ended its voluntary administration and was placed into administration under DOCA ("Deed Administration"). Mr Ford and Mr Theobald were appointed joint Deed Administrators. On 2 January 2024, Mr Simon Theobald ceased as a joint and several Deed Administrator of the Company. Mr Martin Ford remained as the appointed Deed Administrator of the Company.

KDTL, a wholly owned subsidiary of X64 which was not subject to the voluntary administration process, negotiated and executed the DOCA (once effectuated) to return control of the Company to the X64 Board and its shareholders. Following execution of the DOCA, the management and Board of X64 will continue to work with the Deed Administrators to complete certain conditions precedent prior to completion of the DOCA administration, unless any such conditions precedent were or are waived in accordance with the terms of the DOCA.

The conditions precedent to the completion of the DOCA include:

- receipt of all necessary consents and approvals; resolution of the ownership disputes involving a disputed 60% ownership of PMHI. This is expected to be waived;
- resolution of the various intercompany claims. This will be resolved in line with agreements between the relevant parties;
- variation of the Tolling Agreement between Mindanao Mineral Processing and Refining Corporation ("MMPRC") and PMC. This was completed in March 2024;
- execution of a Management Agreement between MMPRC and X64. This is expected to be waived;
- directors and officers' liability insurance being placed;
- the conduct of public examinations by the Deed Administrators to investigate any claims which X64 or its members may have against any third parties. This is expected to be waived; and
- the establishment of a deed fund to pay admitted claims of X64. This is completed and payments have been made.

The current sunset date for effectuation of the DOCA is 31 January 2025 but which may be extended by agreement between KDTL and the Deed Administrator. The period under which the Company is under Voluntary Administration or Deed Administration is collectively referred to as External Administration.

Drummond Basin Exploration Project

In September 2023, the Administrators determined to place the Drummond Basin Exploration Project (owned by CQ22 Pty Ltd ("CQ22")) into care and maintenance. The review of this project is ongoing. All tenements within the project remain in good standing and are not currently affected by the decision to place these in care and maintenance.

DIRECTORS' REPORT

EVENTS OCCURING SUBSEQUENT TO BALANCE DATE

Disputed Ownership of 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 Jospeh 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.

On 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") released an order determining that Jeffery McGlinn, Joseph Mahusay, Ramon S. Austria, Atty. Rosalinda Adriano Montenegro were not guilty of the crime charged. 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.

External Administration

The sunset date for effectuation of the DOCA was extended to 31 January 2025 but which may be further extended by agreement between KDTL and the Deed Administrator.

Appointment of Chief Executive Officer

On 15 January 2024 the Company advised that Mr Simon Theobald had been appointed as the Company's Chief Executive Officer, pursuant to a Consultancy Agreement for Executive Services. The material terms of this agreement were also announced.

Settlement of Claim on the Termination of Managing Director's Executive Services Agreement

As announced on 24 January 2024, the Company reached a resolution of claims made by Mr Welker, a former Managing Director of the Company, alleging that his employment was wrongfully terminated. The Company acknowledged that no grounds existed justifying the termination of his employment on 5 July 2022 as announced to the ASX at that time.

Restructuring Framework Agreement

Restructuring arrangements between the Company, PMC, MMPRC, KDTL, Mr Raul C. Villanueva and the Deed Administrator were executed and announced to the ASX on 20 March 2024 ("the RFA"). The RFA sets out certain key terms and processes agreed between the parties for achieving a restructuring of certain inter-company commercial, operational and financing arrangements between the Company, KDTL, MMPRC and PMC (referred to as the "Corporate Parties"). The Corporate Parties are in ongoing negotiations to document and give effect to the transactions contemplated under the RFA. The substantive terms together with progress there on are detailed below:

EVENTS OCCURING SUBSEQUENT TO BALANCE DATE (Continued)

Amendments to the Existing Tolling Agreement

PMC and MMPRC have executed and registered an addendum to the existing tolling agreement dated 29 March 2017 between PMC and MMPRC ("Tolling Agreement") in which PMC and MMPRC have agreed to:

- increase the tolling fee from USD 17 to USD 20 (exclusive of VAT) per dry metric tonne of ore processed by MMPRC for the period from 1 January 2024 to 30 June 2025;
- extend the term of the Tolling Agreement from 26 June 2025 to 30 June 2025; and
- within sixty (60) days before the end of the term under the Tolling Agreement (currently 30 June 2025), negotiate in good faith to agree to an extension of the Tolling Agreement or to enter into a new tolling agreement on terms agreeable to both parties.

Memorandum of Agreement and Amended Loan Agreement in respect of loan owing by PMC to MMPRC

On 13 December 2024, the Company announced to the ASX that PMC and MMPRC has agreed in respect of the intercompany loan owing by PMC, the agreement provides for the balance of the loan to be fixed at USD 248M at the time of execution. The Memorandum of Agreement is expected to be executed in early January 2025.

Key terms for the agreement on the MMPRC / PMC Loan are:

- First Upfront Payment: initial upfront lump sum amortization payment consisting of an upfront cash payment of USD 10,500,000;
- Second Upfront Payment: further upfront lump sum amortization payment consisting of a cash payment of USD 4,662,000;
- Payments: PMC shall pay the remaining aggregate amount USD 124,838,000 in monthly instalments of USD 743,083.33 or aggregated quarterly instalments USD 2,229,250 commencing 12 months from execution which is expected to be January 2026;
- Financially Challenging Months: PMC shall have the option to pay a minimum of fifty percent (50%) of the Monthly Amortization for each financially challenging month; and
- Special Preference Dividend: MMPRC have committed to the provision of special preference dividends totalling USD 108,000,000 in favour of PMC which will be applied against the outstanding balance of the intercompany loan.

Commitment to a longer-term land lease

PMC and MMPRC have agreed to extend the term of the original lease agreement which commenced on 1 January 2009 to cover the period from 1 January 2024 to 31 December 2028, with automatic renewal provisions thereafter providing for a further 5 years (unless a party notifies the other party that the lease will not renew for a further term, at least 60 days before the termination date).

MMPRC dividend policy and simplification of existing MMPRC capital structure

MMPRC has approved a dividend policy whereby it will, at the end of every fiscal quarter, assess its distributable profits and pay a dividend to its shareholders being the Company and PMC.

Separately, in order to simplify its capital structure, subject to certain conditions, MMPRC has also agreed to cancel, redeem or buy back the preference shares it has issued to PMC within twelve (12) months after the date of the Restructuring Framework Agreement on terms satisfactory to PMC, MMPRC and the Company.

EVENTS OCCURING SUBSEQUENT TO BALANCE DATE (Continued)

Resolution of Intercompany Debts

The Company, KDTL, MMPRC and PMC have agreed relevant standstill agreements and have executed an intercompany settlement agreement to facilitate the repayment of the following intercompany debt obligations:

- USD4,674,845 (plus interest) payable by KDTL to PMC (included in Trade Payables);
- USD5,217,150 (plus interest) payable by the Company to KDTL (eliminated on consolidation); and
- USD4,100,000 (plus interest) payable by the Company to MMPRC (eliminated on consolidation).

Shareholders' Agreement

The Company and Mr. Villanueva have agreed to negotiate in good faith to seek to agree and enter into a shareholders' agreement in respect of PMHI, which aims to protect the Company's relevant interest in PMHI.

Resolution of Outstanding MMPRC Corporate Tax Issue

On 8 April 2022 the Bureau of Internal Revenue Philippines ("BIR") filed a petition for review (appeal) with the Court of Tax Appeals. MMPRC has requested that the BIR Commissioner withdraw the petition on the basis of settlement of another tax matter. In December 2023 the BIR withdrew its petition and the matter is now considered closed.

Except for the above, subsequent to Reporting Date, there has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and/or unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

REVIEW OF OPERATIONS

Co-O OPERATIONS (100% Basis – X64 has a 40% interest)

Description	Unit	31 Dec 2023	31 Dec 2022	Variance	(%)
Ore mined	*WMT*	**207,308**	276,007	(68,699)	(24.9%)
Ore toll milled	*DMT*	**186,665**	248,511	(61,846)	(24.9%)
Head grade	*g/t*	**5.69**	5.26	0.43	8.1%
Recovery	*%*	**95.7**	94.9	0.8	0.8%
Gold produced	*ounces*	**33,106**	40,012	(6,906)	(17.3%)
Gold sold	*ounces*	**36,844**	41,339	(4,495)	(10.9%)
All-In-Sustaining-Costs	*US$/oz*	**1,666**	1,524	(142)	(9.3%)
Average gold price received	*US$/oz*	**1,952**	1,693	259	15.3%

REVIEW OF OPERATIONS (continued)

Co-O MINE (40% X64)

Underground mining at Co-O produced 207,308 wet tonnes ("WMT") during the six month period to 31 December 2023, 24.9% below the previous period. The head grade in the half year of 5.69 g/t gold increased by 8.1% compared to the previous corresponding period and is in line with the Ore Reserve grade.

The Co-O process plant toll treated 186,665 dry tonnes ("DMT") for PMC, 24.9% lower than the previous period. The head grades was 5.69 grams per tonne ("g/t") gold resulting in production of 33,106 ounces, an 17.3% decrease in gold produced compared to the last corresponding period. Mill recovery was higher by 0.8% compared to last period at 95.7%.

From 31 December 2023 to the date of signing this report the Co-O Mine has continued to operate under local management in the Philippines. Production physicals by quarter to 30 September 2024 are detailed below.

Description	Unit	3 Months Ended		
		March 2024	June 2024	September 2024
Ore milled	*DMT*	82,258	75,415	82,076
Head grade	*g/t*	5.05	4.67	5.20
Recovery	*%*	96.2%	96.4%	95.7%
Gold produced	*ounces*	12,816	11,024	13,122

Tigerway (Decline) Project (X64 40%)

Tigerway Decline Project is making progress and as at 31 December 2023 was estimated to be 67% completed. The Decline construction will provide the best option to access ore below Level 12 to underpin the longevity and enhance operational flexibility at Co-O.

PMC advised that the total expenditure to 31 December 2023 for the Tigerway Decline Project ("Tigerway") amounted to US$38.4 million, which was funded by PMC

From 31 December 2023 to the date of signing this report Tigerway continued under the direction of local management in the Philippines with the decline now advanced to 5,112 metres. The completion timing and total cost is under review.

EXPLORATION

The Royal Crowne Vein Project (Philippines) (40% X64)

The Royal Crowne Vein Project is undergoing surface development to erect a vertical surface shaft to provide access for underground resource drilling. This project is under review by the Co-O Mine Operations to assess feasibility operations.

The Drummond Basin Projects (CQ22, Queensland, Australia) (100% X64)

In September 2023 the Administrators determined to place the Drummond Basin Exploration Project into care and maintenance. All tenements within the project remain in good standing and are not currently affected by the decision to place these in care and maintenance. The recommencement of activities on this project will occur upon effectuation of the DOCA.

DIRECTORS' REPORT

REVIEW OF OPERATIONS (continued)

REGIONAL EXPLORATION (NEW PROJECT GENERATION)

No project generation activities were undertaken during the period. The recommencement of project generation activity will commence upon effectuation of the DOCA.

TENEMENT OVERVIEW

The Company has reviewed the compliance of it's tenure in the Drummond Basin, Queensland, Australia the tenure is considered to be materially compliant and in good standing. Where non-compliance with any obligation or condition has been identified the Company has moved to rectify these as a matter of urgency.

Our associated entities in the Philippines has confirmed that their tenement holdings are compliant.

AUDITOR'S INDEPENDENT DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 11 for the half-year ended 31 December 2023.

ROUNDING OF AMOUNTS

The Group is of a kind referred to in ASIC Legislative Instrument 2016/191 and accordingly, amounts in the Financial Report and Directors' Report have been rounded to the nearest $1,000 or in certain cases, to the nearest dollar to reflect where rounding in '000 is not permitted.

This report is signed in accordance with a resolution of the Board of Directors.

Debra Bakker

Chairperson

Dated this 20th day of December 2024

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF TEN SIXTY FOUR LIMITED

As lead auditor for the review of Ten Sixty Four Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ten Sixty Four Limited and the entities it controlled during the period.

JPrue

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 20 December 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 December 2023

	Note	31 Dec 2023 US$ 000	31 Dec 2022 US$ 000
Revenue	2	3,412	95,465
Cost of sales		(1,730)	(63,436)
Gross Profit		1,682	32,029
Other income	2,6	5,010	164
Exploration & Evaluation expenses		(385)	(915)
Administration expenses		(3,628)	(5,837)
Other expenses		-	(39)
Profit/(Loss) before income tax expense		2,679	25,402
Income tax (expense)/benefit		-	2,537
Profit/(Loss) for the period after income tax expense		2,679	27,939
Attributable to Parent Company		*2,450*	*27,939*
Attributable to Non-Controlling Interest		*229*	-
Other comprehensive profit/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations (net of tax)		(159)	(201)
Total comprehensive income		2,520	27,738
Overall operations:			
Basic profit/(loss) per share		0.012	0.122
Diluted profit/(loss) per share		0.012	0.119

The accompanying notes form part of these financial statements. These financial statements and accompany notes should be read in conjunction with Ten Sixty Four's Annual Report for the year ended 30 June 2023 and any announcements made by the Company during the interim reporting period, as it does not include all the notes of the type normally included in an annual financial report. Some figures have been rounded.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	31 Dec 2023 US$ 000	30 Jun 2023[1] US$ 000
CURRENT ASSETS			
Cash & cash equivalents		8,386	7,474
Trade & other receivables		4,560	6,176
Inventories		703	456
Other current assets		20	387
Total Current Assets		13,669	14,493
NON-CURRENT ASSETS			
Cash & cash equivalents		1,622	1,619
Other receivables		3,471	3,471
Property, plant & equipment	4	5,235	5,346
Intangible assets		29	36
Site Rehabilitation		173	527
Right-of-use assets		710	842
Loan receivable from associate	6	67,187	63,293
Investment in associate	5	89,961	89,961
Total Non-Current Assets		168,388	165,095
TOTAL ASSETS		182,057	179,588
CURRENT LIABILITIES			
Trade & other payables		5,455	5,414
Provisions		301	391
Lease Liabilities		290	264
Total Current Liabilities		6,046	6,069
NON-CURRENT LIABILITIES			
Provisions		1,336	1,336
Lease liabilities		456	615
Total Non-Current Liabilities		1,792	1,951
TOTAL LIABILITIES		7,838	8,020
NET ASSETS		174,219	171,568
EQUITY			
Issued capital	8	114,362	114,362
Reserves		1,927	1,956
Retained profits		55,414	52,963
		171,703	169,281
Non-controlling Interest		2,516	2,287
TOTAL SHAREHOLDERS' EQUITY		174,219	171,568

Notes:

1. Restated as per Note 1(d) Restatement of Comparatives as at 30 June 2023.

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes. These financial statements and accompany notes should be read in conjunction with Ten Sixty Four's Annual Report for the year ended 30 June 2023 and any announcements made by the Company during the interim reporting period, as it does not include all the notes of the type normally included in an annual financial report. Some figures have been rounded.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2023

	Share Capital Ordinary	Retained Profits/ Accumulated Losses	Non-controlling Interest	Share based payment Reserves	Other Reserves	Foreign Currency Translation Reserve	Total
	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000
Balance at 1 Jul 2022	114,348	82,819	-	1,346	(558)	6,882	204,837
Net profit/(loss) after tax	-	27,939	-	-	-	-	27,939
Other comprehensive income / (loss)	-	-	-	-	-	(201)	(201)
Total comprehensive profit for the period	-	27,939	-	-	-	(201)	27,738
Share Buy Back	(74)	-	-	-	-	-	(74)
Share based payments expensed	-	-	-	400	-	-	400
Transfer from share option reserve	215	-	-	(215)	-	-	-
Dividend Paid	-	(7,293)	-	-	-	-	(7,293)
Balance at 31 Dec 2022	**114,489**	**103,465**	**-**	**1,531**	**(558)**	**6,681**	**225,608**
Balance at 1 Jul 2023 [1]	114,362	52,963	2,287	1,499	(2,165)	2,622	171,568
Net profit/(loss) after tax	-	2,450	229	-	-	-	2,679
Other comprehensive income / (loss)	-	-	-	-	-	(159)	(159)
Total comprehensive profit for the period	-	2,450	229	-	-	(159)	2,520
Share based payments expensed	-	-	-	131	-	-	131
Transfer from share option reserve	-	-	-	-	-	-	-
Balance at 31 Dec 2023	**114,362**	**55,414**	**2,516**	**1,629**	**(2,165)**	**2,462**	**174,219**

Notes:

1. Restated as per Note 1(d) Restatement of Comparatives as at 30 June 2023.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes These financial statements and accompany notes should be read in conjunction with Ten Sixty Four's Annual Report for the year ended 30 June 2023 and any announcements made by the Company during the interim reporting period, as it does not include all the notes of the type normally included in an annual financial report. Some figures have been rounded.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 31 December 2023

	31 Dec 2023 US$ 000	31 Dec 2022 US$ 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	3,919	95,465
Payments to suppliers and employees	(2,287)	(45,334)
Payments for exploration expenditure and tenements	(385)	(915)
Interest received	80	88
Other income	-	47
Income tax paid	-	(3,937)
Net cash provided by operating activities	1,327	45,414
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Property, Plant and Equipment	(316)	(10,195)
Payments for development activities	-	(17,371)
Net cash used in investing activities	(316)	(27,566)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment for lease liabilities	(96)	(313)
Payment of Dividends	-	(7,292)
(Receipt from bank loan	-	665
Net cash / (used in) provided by financing activities	(96)	(6,940)
Net increase / (decrease) in cash held	915	10,908
Cash at beginning of period	9,093	50,658
Exchange rate adjustments	-	(903)
Cash at end of period	10,008	60,663
Less: Restricted Cash	1,622	4,460
Unrestricted cash and cash equivalent at the end of period	8,386	56,203

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes. These financial statements and accompany notes should be read in conjunction with Ten Sixty Four's Annual Report for the year ended 30 June 2023 and any announcements made by the Company during the interim reporting period, as it does not include all the notes of the type normally included in an annual financial report. Some figures have been rounded.

Note 1: Basis of preparation

The consolidated interim financial report of the Company for the six months ended 31 December 2023 comprises the Company and its subsidiaries (together referred to as the “Group”).

The functional currency of each of the Group’s entities is the currency of the primary economic environment in which that entity operates. The Group’s functional currencies are Australian dollars, US Dollars & Philippine Pesos. The presentation currency for the Group is US dollars.

Ten Sixty Four Limited is the Group’s ultimate parent company. It is a limited liability company incorporated and domiciled in Australia. The address of its registered office is Level 1, Suite 3, 1209 Hay Street, West Perth 6005, Western Australia.

These financial statements and accompany notes should be read in conjunction with Ten Sixty Four’s Annual Report for the year ended 30 June 2023 and any announcements made by the Company during the interim reporting period, as it does not include all the notes of the type normally included in an annual financial report. The consolidated annual financial report of the consolidated group for the year ended 30 June 2023 is available on the Company’s website.

(a) Going Concern

The interim financial statements have been prepared on a going concern basis, which assumes the continuity of normal business activities, the realisation of assets and the settlement of liabilities in the ordinary course of business. The directors note that there is uncertainty regarding the assumptions on which this is based.

Upon taking office on 19 June 2023 the Board commenced a detailed financial analysis of the Company’s business. This review identified that circumstances arose prior to their appointment on 19 June 2023 that resulted in a dispute concerning the alleged transfer of ownership of a 60% interest in the Company’s subsidiary PMHI who holds a 100% interest in PMC (“the Dispute”).

While this Dispute continued the Company had no guarantee of continued income from PMC to support its operations. In these circumstances having regard to the interests of the Company’s stakeholders and the future prospects of the business that Administration was necessary. As such the Board of Directors appointed PwC’s Marin Ford and Simon Theobald as Voluntary Administrators effective 2 July 2023.

Following a Second Creditors' meeting of X64 held on 31 October 2023, a DOCA was executed by Martin Ford and Simon Theobald (in their capacity as Voluntary Administrators of X64), KDTL, and the Company.

KDTL, a wholly owned subsidiary of X64 which was not subject to the voluntary administration process, negotiated and executed the DOCA to return the Company to the X64 board and its shareholders. Following execution of the DOCA, the management and Board of X64 has worked with the Deed Administrators, to complete certain conditions precedent prior to completion of the DOCA administration.

The directors and Deed Administrators consider there are reasonable grounds to consider that the conditions precedent will be fulfilled or waived and the DOCA will complete. The directors and Deed Administrators are of the opinion that, once the DOCA is effectuated, the Company will be solvent, as creditors’ claims (excluding excluded creditors) will have been paid in full and the Company will have an ongoing source of income with which to meet its future trading expenses. As such the Directors consider there are reasonable grounds to consider the Company will have, or have access to, sufficient funding to pay its debts as and when they become due and payable for the foreseeable future, and at least the next 12 months, as such the financial statements have been prepared on a going concern basis.

(b) Statement of compliance

This general purpose interim financial report is not in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, including Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (“AASB”) including AASB 134 due to:

(i) The Company is unable to confirm that the comparative information for the financial year ended 30 June 2023 as being prepared in compliance with Australian Accounting Standards and therefore the Corporations Act 2001.. Despite reasonable efforts to verify the comparatives, compliance could not be confirmed.

Note 1: Basis of preparation (continued)

On 19 June 2023 the predecessor board resigned from the Company and on 2 July 2023, the Company was placed into voluntary administration. Following the appointment of the administrators,

the powers of the directors and officers of Ten Sixty Four Limited were suspended and the administrators assumed control of the Company's business, property and affairs.

Due to these circumstances, the directors signing this financial report were not able to provide representations that the 30 June 2023 financial report was prepared in accordance with Corporations Act 2001.

Consequently, the Profit and Loss statement for the half-year, which in part is based on these comparatives, cannot be fully confirmed. Except as disclosed in the Restatement of Comparative Figures to the financial statements at Note 1: paragraph (d) the comparative figures reported remain unchanged from the financial report for the year ended 30 June 2023, as approved by the directors on 27 September 2024; and

(ii) The Company was unable to conduct a full review of its equity-accounted investment in Philsaga Management and Holding Inc. This limitation arose due to restricted access to updated financial information and there being no Independent Review for the half year ended 31 December 2023. Despite all reasonable efforts, Directors were unable to obtain all the necessary books and records pertaining to the Group's equity accounted investment of Philsaga Management and Holding, Inc.

As such, the carrying amount of this investment and receivable as at 31 December 2023 is based on historical financial information, which may not fully reflect the current financial position or results of operations. The Directors acknowledge that this limitation introduces a level of uncertainty regarding the valuation and accuracy of this investment and receivable, and thus, may impact the Company's reported financial position and results for the half-year period.

Further, there is currently ongoing legal disputes and matters regarding the control of Philsaga Management and Holding, Inc, which contributed to the Company entering into voluntary administration. The Company has stated that until such time as the disputes and matters are resolved, it is not possible to ascertain the impacts of these matters. As such management were unable to provide support as to its control and jurisdictional legal compliance regarding Philsaga Management and Holding, Inc.

With the exception of the matters detailed above the Directors consider that the consolidated financial statements and notes of Ten Sixty Four Limited give a true and fair view of its financial position as at 31 December 2023 and of its performance during the period. However, as the Company is unable to confirm the comparative information, it is unable to confirm that the financial statements are entirely free from material misstatements. While every effort has been made to ensure the accuracy of the information presented, the company cannot provide absolute assurance as to the factual accuracy of the comparative information or any movements therefrom.

The interim report does not include all of the information required in annual financial statements in accordance with Australian Accounting Standards. This report is to be read in conjunction with the consolidated annual financial report of the Group for the year ended 30 June 2023 and any public announcements made by the Group during the interim reporting period in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001

The consolidated interim financial report was approved by the Board of Directors on 20th December 2024.

(c) Significant accounting policies

The Directors reasonably consider that the consolidated interim financial report has been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2023; and that the accounting policies have otherwise been applied consistently throughout the Group for the purposes of preparation of this interim financial report.

Adoption of new and amended accounting standards

A number of new and amended accounting standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of the application of these standards.

Impact of standards issued but not yet applied to the Group

There are no standards that are effective for the periods beginning on or after 1 July 2023 that are expected to have a material impact on the Group in the current or future reporting periods.

Any new or amended Accounting Standards or interpretations that are not yet mandatory have not been early adopted.

(d) Restatement of Comparatives at 30 June 2023

Deferred Tax Asset

The Company identified a material error in the recognition of the Deferred Tax Asset ("DTA") for the financial year ended 30 June 2023 the Company determined to recognise a write-down of the DTA amounting to US$12.108M leaving a carrying value of the DTA, amounting to US$4.358M. The Company has reassessed the evidence to support recoverability and determined that such evidence was insufficient. The Company concluded that the recognition of this asset was not appropriate under AASB 112 Income Taxes and as such should have been written down in full.

<u>Justification for Correction</u>

The correction arises from the identification of a material error in the recognition of the DTA as at 30 June 2023. Under AASB 112 Income Taxes, a deferred tax asset can only be recognized to the extent that it is probable that sufficient taxable profit will be available to utilise the deductible temporary differences or carryforward of unused tax losses and credits.

The Company has reassessed the recoverability of the DTA and determined that the evidence previously considered to support its recognition was insufficient to meet the "probable" threshold required under AASB 112. Specifically:

- Insufficient Future Taxable Profit: The Company concluded that the projected future taxable profits were not sufficiently reliable to justify the recognition of the full DTA.
- Appropriateness of Recognition: On reassessment, the Company determined that recognizing the DTA amounting to US$4.358M was not appropriate due to the lack of convincing evidence supporting recoverability within the foreseeable future.

Alignment with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors: The error has been corrected to ensure that the financial statements present a true and fair view of the Company's financial position, consistent with the principles of retrospective restatement for material errors.

Restatement of Loan Receivable from Associate

The Company has determined to restate the loan receivable from PMHI in line with the present value of future cash flows calculated under the memorandum of agreement agreed between MMPRC and PMC as announced on the 13 December 2024. The fair value of this loan was previously assessed based on minimum repayments attributable under the RFA agreed.

<u>Justification for Correction</u>

The restatement of the loan receivable from PMHI is necessary to align the financial statements with the requirements of AASB 9 Financial Instruments, which mandates that financial assets be measured at amortised cost or fair value based on the present value of future cash flows.

Initially, the fair value of the loan receivable was determined based on minimum repayments attributable under the terms of the RFA. However, subsequent to the year-end, the Memorandum of Agreement (MOA) between MMPRC and PMC, announced on 13 December 2024, provided revised terms, including a definitive schedule for future cash flows.

The restatement reflects:

- Improved Evidence of Conditions Existing at Reporting Date: The MOA provides additional information about the terms under negotiation at the reporting date, which were not finalized but were substantially agreed upon.

- Alignment with Economic Substance: The MOA represents the best estimate of the recoverable amount of the loan as of the reporting date, and it supersedes the terms of the RFA.
- Compliance with AASB 110 Events after the Reporting Period: The MOA constitutes an adjusting subsequent event as it provides further evidence about conditions existing at the reporting date.

The restatement ensures that the loan receivable is reported at its fair value based on the revised terms, consistent with the accounting framework's principle of providing users with relevant and reliable financial information.

Restatement of Investment in Associate

The Company has determined to restate the fair value of its investment in PMHI as at 13 February 2023 a result of the following adjustments:

- Additional information has suggested that the value of the Co-O Mine be amended as at 13 February 2023;
- The restatement of the Loan Receivable from Associate noted above as at 13 February 2023; and
- Revaluation of the gold on hand as at 13 February 2023, the gold had previously been valued at cost.

Justification for Correction

The restatement of the fair value of the Company's investment in PMHI as at 13 February 2023 is necessary to comply with the requirements of AASB 13 Fair Value Measurement and other relevant standards. The adjustments were made to reflect new information and correct material errors identified in the previously reported values. The corrections are justified as follows:

- Adjustment to the Value of the Co-O Mine:
  Under AASB 110 Events after the Reporting Period, subsequent information that provides evidence of conditions existing as at the reporting date must be considered in the financial statements. The reassessment of the Co-O Mine value reflects additional evidence that became available after the reporting date, indicating that the previously estimated fair value required adjustment.
- Restatement of the Loan Receivable from Associate:
  As noted above, the loan receivable was restated to reflect the present value of future cash flows based on the revised terms under the MOA. This adjustment affects the fair value of the Company's investment in PMHI, as the valuation must include all relevant financial assets and liabilities. The correction aligns with AASB 9 Financial Instruments and AASB 128 Investments in Associates and Joint Ventures.
- Revaluation of Gold on Hand:
  Gold on hand was previously measured at cost; however, AASB 102 Inventories and AASB 13 Fair Value Measurement require that inventory held for trading, such as gold, be measured at its fair value less costs to sell. The correction to measure the gold at fair value reflects the application of the appropriate accounting policy and provides a more accurate representation of the inventory's recoverable value.

These corrections are classified as adjustments for material prior-period errors under AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The restatements ensure that the financial statements accurately reflect the fair value of the investment in PMHI as at 13 February 2023, providing users with relevant and reliable financial information.

Impact on Financial Statements

The errors have been corrected retrospectively, as required under AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The opening balances of assets, liabilities, and equity for the earliest comparative period presented (1 July 2023) have been restated as follows:

Line Item	As Previously Reported US$000	Adjustment US$000	Restated US$000
Assets			
Deferred Tax Asset	4,358	(4,358)	-
Loan Receivable from Associate	40,697	22,596	63,293
Investments in Associates	113,818	(23,857)	89,961
Equity			
Retained Earnings	58,582	(5,619)	52,963

Restatement of Comparative Figures

The comparative figures in the financial statements have been restated to reflect the correction of these errors. The key adjustments are as follows:

1. Statement of Financial Position (as at 30 June 2023):
   - Total assets have been reduced by US$5.619 million.
   - Retained earnings have been adjusted to reflect the derecognition of the DTA and the revised loss on deconsolidation of PMHI.
2. Statement of Profit or Loss and Other Comprehensive Income (for the year ended 30 June 2023):
   - The write-down of the DTA recognised for the financial year ended 30 June 2023 of US$12.108 million should have been US$16.466 million.
   - The loss on deconsolidation of PMHI of $31.744M should have been $35.475M.
   - Finance income on the accretion of the loan receivable between 13 February 2023 and 30 June 2023 amounting to $2.470M
3. Statement of Changes in Equity (for the year ended 30 June 2023):
   - Opening retained earnings as at 1 July 2023 have been restated to account for the amendment to the DTA write-down, adjusted loss on deconsolidation and fair value gain on the loan receivable.

Disclosures of Restated Amounts

The financial statements include a reconciliation of previously reported amounts to restated amounts for each affected line item in the Statement of Financial Position and the Statement of Changes in Equity.

Line Item	As Previously Reported US$000	Adjustment US$000	Restated US$000
Total Assets	185,207	(5,619)	179,588
Retained Earnings	58,582	(5,619)	52,963

Impact on Future Periods

The correction of these errors does not affect the financial performance or position of the Company for the half year ended 31 December 2023, other than adjustments to opening balances.

	31 Dec 2023 US$ 000	31 Dec 2022 US$ 000

Note 2: Profit/Loss for the period

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

	31 Dec 2023 US$ 000	31 Dec 2022 US$ 000
Revenue items:		
Operating Activities		
Gold and Silver Sales	239	95,465
Tolling income	3,173	-
Total Operating Income	3,412	95,465
Non-Operating Activities		
Interest Income	80	117
Finance Income	4,001	-
Foreign exchange gain unrealised	929	-
Other Income	-	47
Expense items:		
Depreciation	427	3,241
Development and intangibles amortisation	7	13,646
Other Amortisation	83	470
Employee benefits expenses	1,008	9,012
Recognition of share-based payments	131	400
Other Expenses:		
Provision for VAT impairment	-	393
Foreign exchange expense realised	-	(233)

Note 3: Dividends

	31 Dec 2023 US$ 000	31 Dec 2022 US$ 000
No Dividends were paid during the period (2023: 5 cents per fully paid share paid on 14 October 2022)	-	7,293

Note 4: Property, Plant & Equipment

	31 Dec 2023 US$ 000	30 Jun 2023 US$ 000
Plant & equipment:		
At cost	80,370	216,338
less - provision for impairment	(75,180)	(132,065)
less - accumulated depreciation	(575)	(77,578)
less – de-recognised on deconsolidation	-	(1,839)
Total plant & equipment at net book value	4,615	4,856
Capital works in progress:		
At cost	597	33,649
less – de-recognised on deconsolidation	-	(33,187)
Total capital works in progress at net book value	597	462
Furniture & fittings:		
At cost	133	1,481
less - provision for impairment	-	(254)
less - accumulated depreciation	(110)	(1,003)
less – de-recognised on deconsolidation	-	(196)
Total furniture & fittings at net book value	23	28
Total carrying amount at end of period	5,235	5,346

Reconciliations:

	31 Dec 2023 US$ 000	30 Jun 2023 US$ 000
Plant & equipment:		
Carrying amount at beginning of period	4,856	3,738
plus – additions	105	4,390
plus - transfer from capital works in progress	77	915
plus/less - forex differences on translation	-	890
less – de-recognised on deconsolidation	-	(1,839)
less - depreciation	(423)	(3,238)
Carrying amount at end of period	4,615	4,856
Capital works in progress:		
Carrying amount at beginning of period	462	25,704
plus - additions	212	8,859
less - transfer to plant and equipment	(77)	(914)
less – de-recognised on deconsolidation	-	(33,187)
Carrying amount at end of period	597	462
Furniture & fittings:		
Carrying amount at beginning of period	28	170
plus - additions	-	61
less - depreciation	(5)	(7)
less – de-recognised on deconsolidation	-	(196)
Carrying amount at end of period	23	28
Total carrying amount at end of period	5,235	5,346

Note: 5 Investment in Associate

	31 Dec 2023 US$ 000	30 Jun 2023 US$ 000
Carrying amount at beginning of period	89,961	-
Fair Value recognised on deconsolidation	-	89,961
Share of profit/(loss) recognised [1]	-	-
Carrying amount at end of period	89,961	89,961

	31 Dec 2023 US$ 000	30 Jun 2023 US$ 000
Revenue (for the 6 months to 31 December) [2]	Note 1	n/a
Profit/(Loss) after Income Tax (for the 6 months to 31 December) [2]	Note 1	n/a
Total Assets	Note 1	202,953
Liabilities (excluding loan owing to MMPRC)	Note 1	35,047
Loan owing by PMC to MMPRC [3]	251,153	251,263
Total Liabilities	Note 1	286,310

Note:
1. No share of the attributable profit or loss from PMHI has been recognised as the information on which the reported result from the PMHI Group is based is subject to uncertainty.
2. PMHI was deconsolidated from 13 February 2023, as such revenue and profits/(loss) was recognised in the consolidated financial statements of the Company during the 6 months to 31 December 2023.
3. Loan owing by PMC to MMPRC was restated to US$248M subsequent to balance date as disclosed in note 13.

The Group accounted for its 40% equity investment in PMHI as an equity accounted associate from 13 February 2023 following the deconsolidation of the PMHI Group. There has been no change to the Company's interest in PMHI during the period. Equity interest and voting rights remain unchanged from that reported at 30 June 2023.

No dividends were declared or paid by PMHI.

The Group has determined not to equity account and recognised any adjustment to the value of its investment in PMHI from a share of the attributable profit or loss from PMHI; as the information on which the reported result from the PMHI Group is based is subject to uncertainty. This uncertainty is due to:

1. The historical consolidation of PMHI into the Companies consolidation reporting was subject to a number of write-downs and provisions which were not reflected in the PMHI entities individual financial statements;
2. Limitations in the access to financial information and production results from 13 February 2023; and
3. During the half-year reporting period ending 31 December 2023, the Company was unable to conduct a full review of its equity-accounted investment in PMHI.

Consequently, the carrying amount of this investment as at 31 December 2023 is based on the most recent available financial information, which may not fully reflect the current financial position or results of operations of PMHI.

The absence of a review introduces a level of uncertainty regarding the carrying amount of the investment in PMHI. The Company has not identified specific impairment indicators; however, due to the unavailability of updated information, a current assessment of potential impairment was not conducted. As a result, the reported carrying amount of $89.961M as of 31 December 2023 may differ from the amount that would have been determined had a review been performed.

Key Judgments and Estimates

Management has exercised judgment in estimating the carrying value of this investment, based on historical performance and trends from available information. Users should be aware that these estimates could materially change with updated information from PMHI.

Note 6: LOAN RECEIVABLES FROM ASSOCIATE (PMC)

	31 Dec 2023	30 Jun 2023
	US$ 000	US$ 000
Non-current	251,153	251,263
Less – impairment on expected credit loss	(111,153)	(111,263)
	140,000	140,000
Less – discount on loan	(72,813)	(76,707)
Total loan receivables at net realisable value	67,187	63,293

On 13 December 2024, MMPRC and PMC agreed the terms of the loan recognising the outstanding debt at US$248 million and an agreed repayment structure, refer note 13. The carrying value of the loan receivable is valued at the net present value of expected future repayments under the agreed structure using a discount rate of 12%.

Note 7: Segment Information

The Consolidated Group has identified its reportable operating segments based on the internal reports that are reviewed and used by the Managing Director (the chief operating decision maker) and his management team in assessing performance and in determining the allocation of resources.
The Group segments are structured as Operations, Exploration and Other (parent entity activities). Currently the only operations are at Co-O, for the current period this includes only the Co-O Mill.

	Operations	Australian Exploration	Other	Total
	US$ 000	US$ 000	US$ 000	US$ 000
Segment Revenue and Result				
<u>6 months to December 2023:</u>				
Segment revenue	8,342	-	80	8,422
Segment result	6,253	(392)	(3,182)	2,679
<u>6 months to December 2022:</u>				
Segment revenue	95,465	-	164	95,629
Segment result	29,809	(916)	(954)	27,939
Segment Assets and Liabilities				
<u>31 December 2023:</u>				
Segment assets	178,765	47	3,245	182,057
Total group assets	178,765	47	3,245	182,057
Segment liabilities	6,011	4	1,823	7,838
Total group liabilities	6,011	4	1,823	7,838
<u>30 June 2023:</u>				
Segment assets	172,866	130	6,592	179,588
Total group assets	172,866	130	6,592	179,588
Segment liabilities	6,349	20	1,651	8,020
Total group liabilities	6,349	20	1,651	8,020

Note 8: Issued Capital

	31 Dec 2023 (shares)	30 Jun 2023 (shares)	31 Dec 2023 US$ 000	30 Jun 2023 US$ 000
Ordinary shares on issue	227,798,076	227,798,076	114,362	114,362
Movement in ordinary shares during the half-year:				
- Balance at beginning of the period	227,798,076	227,820,301	114,362	114,348
- Share Buy Back	-	(459,225)	-	(193)
- Issue of Shares to Key Management Personnel	-	437,000	-	207
	227,798,076	227,798,076	114,362	114,362

Note 9: Share Based Payments

During the period, no Performance Rights vested (31 December 2022: 437,000) and no performance rights were cancelled (31 December 2022: 80,000 performance rights were cancelled).

Note 10: Contingent Liabilities

MMPRC, a subsidiary of the Company, operates a milling facility that processed ore supplied by PMC. The tailings generated from the milling process were deposited in storage facilities adjacent to the mill within the area for approve mining under the Mineral Production Sharing Agreement between the Government of the Philippines and PMC. MMPRC had disputed these claims.

Given the uncertainty surrounding regulatory interpretation and the allocation of responsibility, the Company may face financial exposure for remedial or compliance-related costs should the regulator determine that responsibility lies, in whole or in part, with MMPRC as the operator of the milling facility. The Company is not aware of any remedial action or compliance related actions being instigated by any regulatory body against either MMPRC or PMC. As such it is not possible to reliably estimate the financial impact, if any, associated with the tailings storage facilities on MMPRC or the Company.

There have been no other material changes in contingent liabilities in the period since the 30 June 2023 Annual Report.

Note 11: Commitments

There have been no material changes in commitments in the period since the 30 June 2023 Annual Report.

Note 12: Related Parties

Arrangements with related parties continue to be in place. During the period the Company:

- Recognised tolling fees from associate, PMC, of US$3,173,000;
- Held an amount payable to associate, PMC, for unpaid settlement under a Sale and Purchase Agreement for gold dore of US$4,902,120 plus interest; and
- Held a loan owing by associate, PMC, as disclosed at note 6.

For further details on these arrangements, refer to the Company's Annual Report for the year ended 30 June 2023.

Note 13: Events Subsequent to Reporting Date

Disputed Ownership of 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 Jospeh 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.

On 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") released an order determining that Jeffery McGlinn, Joseph Mahusay, Ramon S. Austria, Atty. Rosalinda Adriano Montenegro were not guilty of the crime charged. 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.

External Administration

The sunset date for effectuation of the DOCA was extended to 31 January 2025 but which may be further extended by agreement between KDTL and the Deed Administrator.

Appointment of Chief Executive Officer

On 15 January 2024 the Company advised that Mr Simon Theobald had been appointed as the Company's Chief Executive Officer, pursuant to a Consultancy Agreement for Executive Services. The material terms of this agreement were also announced.

Settlement of Claim on the Termination of Managing Director's Executive Services Agreement

As announced on 24 January 2024, the Company reached a resolution of claims made by Mr Welker, a former Managing Director of the Company, alleging that his employment was wrongfully terminated. The Company acknowledged that no grounds existed justifying the termination of his employment on 5 July 2022 as announced to the ASX at that time.

Restructuring Framework Agreement

Restructuring arrangements between the Company, PMC, MMPRC, KDTL, Mr Raul C. Villanueva and the Deed Administrator were executed and announced to the ASX on 20 March 2024 ("the RFA"). The RFA sets out certain key terms and processes agreed between the parties for achieving a restructuring of certain inter-company commercial, operational and financing arrangements between the Company, KDTL, MMPRC and PMC (referred to as the "Corporate Parties"). The Corporate Parties are in ongoing negotiations to document and give effect to the transactions contemplated under the RFA. The substantive terms together with progress there on are detailed below:

Note 13: Events Subsequent to Reporting Date (Continued)

Amendments to the Existing Tolling Agreement

PMC and MMPRC have executed and registered an addendum to the existing tolling agreement dated 29 March 2017 between PMC and MMPRC ("Tolling Agreement") in which PMC and MMPRC have agreed to:

- increase the tolling fee from USD 17 to USD 20 (exclusive of VAT) per dry metric tonne of ore processed by MMPRC for the period from 1 January 2024 to 30 June 2025;
- extend the term of the Tolling Agreement from 26 June 2025 to 30 June 2025; and
- within sixty (60) days before the end of the term under the Tolling Agreement (currently 30 June 2025), negotiate in good faith to agree to an extension of the Tolling Agreement or to enter into a new tolling agreement on terms agreeable to both parties.

Memorandum of Agreement and Amended Loan Agreement in respect of loan owing by PMC to MMPRC

On 13 December 2024, the Company announced to the ASX that PMC and MMPRC has agreed in respect of the intercompany loan owing by PMC, the agreement provides for the balance of the loan to be fixed at USD 248M at the time of execution. The Memorandum of Agreement is expected to be executed in early January 2025.

Key terms for the agreement on the MMPRC / PMC Loan are:

- First Upfront Payment: initial upfront lump sum amortization payment consisting of an upfront cash payment of USD 10,500,000;
- Second Upfront Payment: further upfront lump sum amortization payment consisting of a cash payment of USD 4,662,000;
- Payments: PMC shall pay the remaining aggregate amount USD 124,838,000 in monthly instalments of USD 743,083.33 or aggregated quarterly instalments USD 2,229,250 commencing 12 months from execution which is expected to be January 2026;
- Financially Challenging Months: PMC shall have the option to pay a minimum of fifty percent (50%) of the Monthly Amortization for each financially challenging month; and
- Special Preference Dividend: MMPRC have committed to the provision of special preference dividends totalling USD 108,000,000 in favour of PMC which will be applied against the outstanding balance of the intercompany loan.

Commitment to a longer-term land lease

PMC and MMPRC have agreed to extend the term of the original lease agreement which commenced on 1 January 2009 to cover the period from 1 January 2024 to 31 December 2028, with automatic renewal provisions thereafter providing for a further 5 years (unless a party notifies the other party that the lease will not renew for a further term, at least 60 days before the termination date).

MMPRC dividend policy and simplification of existing MMPRC capital structure

MMPRC has approved a dividend policy whereby it will, at the end of every fiscal quarter, assess its distributable profits and pay a dividend to its shareholders being the Company and PMC.
Separately, in order to simplify its capital structure, subject to certain conditions, MMPRC has also agreed to cancel, redeem or buy back the preference shares it has issued to PMC within twelve (12) months after the date of the Restructuring Framework Agreement on terms satisfactory to PMC, MMPRC and the Company.

Note 13: Events Subsequent to Reporting Date (Continued)

Resolution of Intercompany Debts

The Company, KDTL, MMPRC and PMC have agreed relevant standstill agreements and have executed an intercompany settlement agreement to facilitate the repayment of the following intercompany debt obligations:

- USD4,674,845 (plus interest) payable by KDTL to PMC (included in Trade Payables);
- USD5,217,150 (plus interest) payable by the Company to KDTL (eliminated on consolidation); and
- USD4,100,000 (plus interest) payable by the Company to MMPRC (eliminated on consolidation).

Shareholders' Agreement

The Company and Mr. Villanueva have agreed to negotiate in good faith to seek to agree and enter into a shareholders' agreement in respect of PMHI, which aims to protect the Company's relevant interest in PMHI.

Resolution of Outstanding MMPRC Corporate Tax Issue

On 8 April 2022 the Bureau of Internal Revenue Philippines ("BIR") filed a petition for review (appeal) with the Court of Tax Appeals. MMPRC has requested that the BIR Commissioner withdraw the petition on the basis of settlement of another tax matter. In December 2023 the BIR withdrew its petition and the matter is now considered closed.

Except for the above, subsequent to Reporting Date, there has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and/or unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

DIRECTORS' DECLARATION

for the half-year ended 31 December 2023

In the opinion of the Directors of Ten Sixty Four Limited:

(a) As disclosed at Note 1(B), Statement of Compliance, the general purpose interim financial report is not in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, including Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") including AASB 134.

(b) Except for the potential impact of the matters disclosed above the general purpose interim financial report give a true and fair view of its financial position as at 31 December 2023 and of its performance during the period.

(c) The ongoing solvency of Ten Sixty Four Limited is dependent on the proposed Deed of Company Arrangement being successfully completed; and there are reasonable grounds to believe that Komo Diti Traders Limited will be able to successfully complete the Deed of Company Arrangement with creditors, and therefore will be able to pay its debt:

   (i) In accordance with the Deed of Company Arrangement as detailed in the Financial Statements for the year ended 30 June 2023, the Directors Report and with update detailed in Note 13; and

   (ii) As and when they become payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Debra Bakker

Chairperson

Dated this 20th day of December 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ten Sixty Four Limited

Report on the Half-Year Financial Report

Disclaimer of conclusion

We were engaged to review the half-year financial report of Ten Sixty Four Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, 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 half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

We do not express a conclusion on the accompanying financial report of the Company. Because of the significance of the matters described in the *Basis for disclaimer of conclusion* section of our report, we have not been able to obtain sufficient appropriate evidence to provide a basis for a review conclusion on this financial report.

Basis for disclaimer of conclusion

As disclosed in the Note 1(B), Statement of Compliance to the financial statements, on 19 June 2023 the predecessor board resigned from the Company and on 2 July 2023, Ten Sixty Four Limited was placed into voluntary administration. Following the appointment of the administrators, the powers of the directors and officers of Ten Sixty Four Limited were suspended and the administrators assumed control of the Company's business, property and affairs.

Due to the circumstances, the directors signing this financial report were not in office during the year ended 30 June 2023 and were not able to provide written representations that the 30 June 2023 financial report was prepared in accordance with Corporations Act 2001. This matter was reported in our basis for disclaimer for the year ended 30 June 2023.

Further, as disclosed in Note 1(B) Statement of Compliance , there is currently ongoing legal disputes and matters regarding the control of Philsaga Management and Holding, Inc, which contributed to the Company entering into voluntary administration. The Company has stated that until such time as the disputes and matters are resolved, it is not possible to ascertain the impacts of these matters. As such the Directors were unable to provide support as to its control and jurisdictional legal compliance regarding Philsaga Management and Holding, Inc. Despite all reasonable efforts, the Directors were unable to obtain all the necessary books and records pertaining to the Group's equity accounted investment of Philsaga Management and Holding, Inc.

We were unable to determine whether any adjustments might have been necessary in respect of the accounting of the equity accounted investment of Philsaga Management and Holding, Inc (refer Note 5) or the loan receivable from associate (refer Note 6) owing from Philsaga Management and Holding, Inc as at 31 December 2023, and the resultant impacts this would have on the Group's financial report. This matter was also reported in our basis for disclaimer for the year ended 30 June 2023.

Consequently, as a result of the above matters we are not able to express a conclusion on the accompanying financial report because we were unable to determine whether any adjustments were necessary, including the possible effect on the comparability of the current period's figures and the corresponding figures.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. However, because of the matter described in the *Basis for disclaimer of conclusion* section of our report, we were not able to obtain sufficient appropriate evidence to provide a basis for a review conclusion on the financial report. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

BDO Audit (WA) Pty Ltd

BDO

J Prue

Jarrad Prue

Director

Perth, 20 December 2024