



13 DECEMBER 2024

ASX ANNOUNCEMENT

**Memorandum of Agreement Between MMPRC and PMC
MMPRC Dividends**

Memorandum of Agreement

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**) are pleased to announce that final wording for a Memorandum of Agreement ("**MOA**") between its subsidiary Mindanao Mineral Processing and Refining Corporation ("**MMPRC**") and associate Philsaga Mining Corporation ("**PMC**") has been agreed.

The MOA is required to be notarised and will likely be executed during the week commencing 6 January 2025.

Key terms of the MOA regarding the settlement of the MMPRC's claim against PMC, which PMC disputes, in the form of a USD248,000,000 outstanding loan made by MMPRC to PMC ("**Loan**") include:

- On the day 5 business days following execution of the MOA ("**Payment Date**"), MMPRC will have issued and declared a special preference dividend totalling one hundred and eight million US Dollars (USD108,000,000) to PMC which will be applied against the Loan;
- Following execution of the MOA ("**Execution Date**"), PMC will make cash payments of a total of USD140,000,000 to MMPRC to repay the remaining balance of the Loan in the following tranches:

Tranche	Amount	Date
First Tranche	Ten Million Five Hundred Thousand US Dollars (USD10,500,000.00)	Within ten (10) Business Days from Execution Date
Second Tranche	Four Million Six Hundred Sixty-Two Thousand US Dollars (USD4,662,000.00)	Within five (5) Business Days from receipt of PMC of the full amount of the KDTL Payable, including any and all interests accruing thereto.
Additional Tranches	One Hundred and Twenty-Four Million, Eight Hundred and Thirty-Eight Thousand US Dollars (USD124,838,000)	Monthly instalments of Seven Hundred and Forty-Three Thousand, Eighty-Three US Dollars, Thirty-Three Cents (USD743,083.33) or aggregated quarterly instalments Two Million, Two Hundred and Twenty-Nine Thousand, Two Hundred and Fifty US Dollars (USD2,229,250)

Tranche	Amount	Date
		commencing from a date likely to occur in January 2026.

These cash payments will enable the Company to clear its outstanding related party debts as required under the Global Intercompany Settlement Deed (refer ASX announcement dated 24 June 2024) and move towards the effectuation of the DOCA.

Other key terms of the MOA are provided in the Appendix to this announcement.

The sunset date for effectuation of the DOCA has been extended to 31 January 2025, but may be further extended if required. The Company will continue to update the market in accordance with its continuous disclosure obligations.

Having agreed the terms of the MOA, the parties will no longer be proceeding with the Compromise Agreement.

MMPRC Dividend Payment to X64

MMPRC has declared a common stock dividend of USD4,000,000 to the Company. These funds are expected to be received (net of withholding tax) shortly.

X64 CEO Simon Theobald commented that “Agreeing the MOA is another significant step in the restructuring of the Company’s affairs, and we look forward to execution of the documents early in the New Year. I acknowledge the patience of shareholders over what has been a complex negotiation process, but one which will see the Company emerge from Administration in a strong position.”

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

Simon Theobald
Chief Executive Officer
Ten Sixty Four Limited

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APPENDIX

Summary of Agreed Terms	Restructuring Framework – Summary of Intended Terms (As Announced 20 March 2024)
<p>PMC and MMPRC have entered into an agreement (“Agreement”) where PMC have agreed to make repayments against the loan through a combination of upfront and ongoing payments and the set off of special preference dividends (“MMPRC/PMC Loan”). The MMPRC/PMC Loan is not compromised as proposed in the RFA. Instead the parties have agreed that the outstanding balance of USD248,000,000 will be satisfied in accordance with the Agreement.</p> <p>The key in-principle terms of the Agreement are:</p> <ul style="list-style-type: none"> • Repayment of the MMPRC / PMC Loan: repayment by PMC years through a combination of: <ul style="list-style-type: none"> ○ <u>First Upfront Payment</u>: initial upfront lump sum amortization payment consisting of an upfront cash payment of USD10,500,000 payable within 10 business days of execution of the Agreement; ○ <u>Second Upfront Payment</u>: further upfront lump sum amortization payment consisting of a cash payment of USD4,662,000 with 5 business days from receipt by PMC of repayment of a payable due to it from the Company’s wholly owned subsidiary, Komo Diti Traders Limited; ○ <u>Payments</u>: PMC shall pay the remaining aggregate amount USD124,838,000 in monthly instalments of USD743,083.33 or aggregated quarterly instalments USD2,229,250 commencing from a date likely to occur in January 2026; ○ <u>Financially Challenging Months</u>: PMC shall have the option to pay a minimum of fifty percent (50%) of the Monthly Amortization for each financially challenging month; and ○ <u>Special Preference Dividend</u>: MMPRC has committed to the provision of special preference dividends totalling USD108,000,000 in favour of which will be applied against the outstanding balance of the Loan within 5 business days of execution of the MoA. 	<p>PMC and MMPRC had intended to enter into a compromise agreement (“Compromise Agreement”) to compromise and settle:</p> <ul style="list-style-type: none"> • the MMPRC / PMC Loan in the amount of USD248,000,000; and • the PMC Claim in the amount of USD108,000,000 (“PMC Claim”), <p>The key in-principle terms of the Compromise Agreement were:</p> <ul style="list-style-type: none"> • Repayment of the MMPRC / PMC Loan: repayment by PMC over 15 years through a combination of: <ul style="list-style-type: none"> ○ <u>First Upfront Payment</u>: initial upfront lump sum amortization payment consisting of an upfront cash payment of USD10,500,000; ○ <u>Second Upfront Payment</u>: further upfront lump sum amortization payment consisting of a cash payment of USD4,662,000; and ○ <u>Year 1 Amortization Set-Off</u>: A further total of USD11,913,00 amortization payments to be made during the first 12 months by way of monthly set off against the PMC Claim; ○ <u>Quarterly Payments</u>: a minimum of USD658,159 and a maximum of USD1,316,318 of amortization payable per month through a combination of cash and set-off against the PMC Claim, which shall begin to accrue on 1 February 2025, with flexibility for PMC to repay the MMPRC / PMC Loan earlier.

APPENDIX

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<ul style="list-style-type: none"> • Interest: should PMC pay less than the agreed amortization amount in any quarter (except where it is due to Force Majeure, financially challenging month(s), extraordinary circumstances, or if PMC has made excess payments) interest at the rate of 6% per annum shall accrue on the relevant amortization amount less the actual amortization payment made by PMC during the relevant quarter until such time as such amount is paid in full. • Quarterly cash sweep: subject to any agreed rights of relaxation, maximum amounts and working capital requirements a cash sweep on any PMC available funds in excess of the aggregate of USD25,000,000 and any unpaid PMC amortization top-up and/or interest obligations as at the date of assessment. • Non-Acceleration: MMPRC has agreed that it shall not be entitled to any acceleration of the payment of the MMPRC/PMC Loan, even in the court, or mediation, or arbitration. 	<ul style="list-style-type: none"> • Interest: should PMC pay less than the agreed maximum amortization amount in any quarter, interest at the rate of 6% per annum shall accrue on the relevant maximum amortization amount less the actual amortization payment made by PMC during the relevant quarter until such time as such amount is paid in full. • Quarterly cash sweep: subject to any agreed rights of relaxation, a cash sweep on any PMC available funds in excess of the aggregate of USD20,000,000 and any unpaid PMC amortization top-up and/or interest obligations as at the date of assessment.