



23 October 2023

## Ten Sixty Four Limited (Administrators Appointed) – Administration Update

Martin Ford and Simon Theobald, Voluntary Administrators of Ten Sixty Four Limited (Administrators Appointed) (ABN 60 099 377 849) ('X64' or 'the Company') ('Administrators') provide the following update on the progress of the Administration.

### Background to Appointment

As outlined in the ASX announcement 'Appointment of Voluntary Administrators' dated 3 July 2023:

- (i) On 19 June 2023, a new Board of Directors was appointed to X64<sup>1</sup>.
- (ii) The newly appointed Board identified that, prior to its appointment, circumstances arose involving uncertainty concerning the control of the Co-O mine, and disputes regarding the alleged transfer of ownership of a 60% interest in X64's subsidiary Philsaga Management and Holding Inc ("PMHI") which holds 100% of Philsaga Mining Corporation ("PMC") the operator of the Co-O Mine located in Central Eastern Mindanao in the Republic of the Philippines.
- (iii) Whilst the disputes continued, the Board determined that X64 had no guarantee of continued funding from PMC to support its operations.

The Board subsequently determined that Administration was necessary and appropriate having regard to the interests of the Company's stakeholders and the future prospects of the business.

### Restructuring Discussions

Since commencement of the Administration, the Administrators have been working towards understanding the issues which led to the Company's Administration and exploring restructuring options to enable control of X64 to be returned to its directors. This has included a focus on the following matters:

- (i) Restoring the Company to a position of balance sheet solvency;
- (ii) Restoring the Company to cash flow solvency; and
- (iii) Determining a suitable structure, such as a Deed of Company Arrangement (DOCA) that may deal with any contingent claims arising against the Company.

The Administrators obtained Court orders for a six month extension of the convening period for the second meeting of creditors of the Company to 29 January 2024 to allow them sufficient time to conduct their investigations into the Company's affairs.

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<sup>1</sup> Refer ASX announcement 'Board and Management Resignations and Update' dated 19 June 2023.

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The Administrators have been in discussions with parties to enable a restructuring to occur and have received a DOCA proposal from Komo Diti Traders Limited (a wholly owned subsidiary of the Company) which is outlined in the Administrators' report to creditors dated 23 October 2023 (**Report**) which is available at <https://insolvency.pwc.com.au/singleEntityCases/ten-sixty-four-limited-administrators-appointed/casePage>. The Administrators have recommended that creditors vote in favour of this Deed of Company Arrangement at the forthcoming second meeting of creditors scheduled to be held on 31 October 2023.

The Report also includes details of the Administrators' investigations into the Company's affairs.

## **Reinstatement to Quotation**

It is anticipated that any reinstatement to trading in the Company's securities will be progressed by the Company's directors following conclusion of the Administration. However, there is no guarantee that trading in the Company's securities will be reinstated.

## **Operational Update**

Throughout the course of the Administration, mining activity has continued at the Company's subsidiaries. Total gold produced for Financial Year ended 30 June 2023 was 78,081 ounces. Total gold produced for the three months ended 30 September 2023 was 17,749 ounces.

The disputes in respect of the alleged transfer of ownership of PMHI are ongoing and are currently before the Filipino Courts. The Company is not currently a party to any such disputes.

As noted in the Report, the Administrators' position is to await the decision of the Filipino Courts to determine the legal owner of the 60% shareholding.

The outcome of the disputes may impact the ownership and control over PMHI and accordingly are expected to be relevant to the future operations of the Co-O mine. While such disputes are underway, certain corporate limitations have been imposed on PMHI which have impacted the financial restructuring of the group.

**This announcement has been authorised for release by the Administrators.**

### **For further information**

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***Forward-looking statements***

This announcement contains certain forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, the Administrators and their respective officers, employees, agents and associates. These risks, certainties and other factors may cause actual results to differ materially from those expressed or implied in such statements.

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