TEN SIXTY FOUR LIMITED

FINANCIAL REPORT FOR THE YEAR ENDED
30 JUNE 2022

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CORPORATE DIRECTORY

DIRECTORS

Jeffery William McGlinn
Executive Chairman

Andrew Hunt
Non-Executive Director

Simon Jon Mottram
Non-Executive Director

Aaron Treyvaud
Non-Executive Director

COMPANY SECRETARY

Peter Stanley Alphonso

EXECUTIVE MANAGEMENT

Raul Conde Villanueva
President Philippines subsidiaries

Patrick William Warr
Chief Financial Officer

James Pingul Llorca
General Manager, Geology & Resources

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AUSTRALIAN BUSINESS NUMBER

ABN 60 099 377 849

STOCK EXCHANGE LISTING

Australian Securities Exchange Limited (ASX)
Trading Code: X64

AUDITORS

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5 Spring Street
Perth, WA 6000

Philippines:

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Makati City
Philippines 1200

SOLICITORS

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123 St Georges Terrace
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Makati City
Philippines 1200

BANKERS

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Perth, WA 6000

SHARE REGISTRY

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Shareholders who require information about their shareholdings, dividend payments or related administrative matters should contact the Company's share registry.

DIRECTORS' REPORT

for the year ended 30 June 2022

1. DIRECTORS

The names of Directors in office at any time during or since the end of the financial year are:

Name of Director	Period of Directorship
Non-Executive Directors:	
Mr Simon Mottram	since 11 June 2020.
Mr Andrew Hunt	since 16 March 2022.
Mr Aaron Treyvaud	since 2 May 2022.
Mr Roy Philip Daniel	since 25 November 2015 and retired on 28 February 2022.
Executive Directors:	
Mr Jeffery McGlinn (Executive Chairman)	Appointed as a Non-Executive Director since 16 February 2021. Subsequently, appointed as Executive Chairman on 2 May 2022.
Mr Paul Ryan Welker	Appointed as a Non-Executive Director since 3 March 2022. Subsequently, appointed as Managing Director on 8 March 2022 and resigned on 28 June 2022.
Mr Andrew Boon San Teo (Managing Director)	Appointed as a Non-Executive Director since 15 February 2010. Subsequently, appointed as Managing Director on 19 March 2021 and ceased on 8 March 2022.

Each of the Directors, unless otherwise stated above, has been in office since the start of the financial year to the date of this report.

2. DIRECTORS' INFORMATION

Mr Jeffery McGlinn
Executive Chairman (current)

Experience and expertise

Mr McGlinn was appointed Executive Chairman on 2 May 2022. He joined the Board of Medusa Mining Limited (Now Ten Sixty Four Limited) on 16 February 2021 as a Non-Executive Director and was appointed as Non-Executive Chairman on 19 March 2021.

Mr McGlinn is an entrepreneur and has over four decades of experience in the mining and mining services sectors. He has established trusted relationships with governments, major industry leaders and entrepreneurs in Australia and internationally.

Mr McGlinn was the founding Managing Director and Chief Executive Officer of ASX listed NRW Holdings Limited (NWH), one of Australia's leading mining service providers. He was instrumental in establishing NRW in 1994 and played a major role in the Company's growth and development over 16 years until his resignation.

Prior to NRW, Mr McGlinn was the Managing Director of Conclad and Trustek Australia, which provided innovative construction technology throughout Australia and South East Asia for both commercial and domestic applications.

Mr McGlinn currently manages a number of privately held business interests across the globe in the fields of construction, mining, marketing, manufacturing, industrial lighting and horse breeding. Caballus Mining, 100% owned by Mr McGlinn was recently chosen by the Panguna Tangku'urang as their preferred partner for the future reopening of the famed Panguna Copper Mine in Bougainville.

Other current directorships

None

Former directorships (last 3 years)

None

Special responsibilities

Member of the Audit Committee and Remuneration Committee during the period. Chairperson of the Nomination Committee from 3 March 2022. Mr McGlinn resigned from these positions upon his appointment as Executive Chairman on 2 May 2022.

2. DIRECTORS' INFORMATION (continued)

Simon Jon Mottram
B.Sc (Applied Geology). F.AusIMM
Non-Executive Director (current)

Experience and expertise

Mr Mottram was appointed Non-Executive Director on 11 June 2020.

Mr Mottram is a geologist with over 25 years' experience predominantly in base and precious metals. Mr Mottram was instrumental in taking Avanco Resources Limited, an Australian listed copper company, through discovery to production, and subsequently being acquired by OZ Minerals Limited. Mr Mottram was previously a Director of Avanco Resources Limited. Mr Mottram has held both executive and senior management roles with several successful mining companies both in Australia and abroad, has seen a number of discoveries advanced through to commercial mine development, and has been central to several significant exploration successes.

Mr Mottram is a graduate of Melbourne RMIT University and a Fellow of the AusIMM.

Other current directorships

- Oceana Lithium Limited (ASX: OCN) (since 16 March 2022 to current)

Former directorships (last 3 years)

- Odin Metals Limited (ASX: ODM) (9 April 2020 to 31 August 2022)
- Fin Resources Limited (ASX: FIN) (29 June 2020 to 17 January 2022)

Special responsibilities
Chairperson of the Remuneration Committee from 2 May 2022. Member of the Audit Committee, Nomination Committee and Safety, Health and Environment Committee during the period.

Andrew Hunt
Non-Executive Director (current)

Experience and expertise

Mr Hunt was appointed Non-Executive Director on 16 March 2022.

Mr Hunt brings a vast range of skills and experience to the Board of Ten Sixty Four Limited. He is a highly experienced executive with 40 years of leadership experience in all aspects of mining, construction, manufacturing, business development, sales and marketing across the public and private sector. Mr Hunt is well respected amongst the mining community and is considered a key contributor in the development of local and international ties on various levels.

Other current directorships

None

Former directorships (last 3 years)

None

Special responsibilities

Chairperson of the Audit Committee from 2 May 2022. Member of the Remuneration Committee, Nomination Committee and Safety, Health and Environment Committees from 2 May 2022.

2. DIRECTORS' INFORMATION (continued)

Aaron Treyvaud
BEng (Mining), Master of Applied Finance
Non-Executive Director (current)

Experience and expertise

Mr Aaron Treyvaud was appointed to the Board as a Non-Executive Director on the 2 May 2022.

Mr Treyvaud has more than 20 years of experience in the mining, finance and private equity sectors. His work for global investment bank and high-profile investment group has included corporate strategy, mergers and acquisitions (M&A), debt and equity capital market transactions, valuation and technical due diligence.

Mr Treyvaud is currently a Partner at Vision Blue Resources (VBR), a company investing in clean energy related metal and mineral resources companies essential to the clean energy transition.

Prior to joining VBR he was Head of Corporate Development for I-Pulse Group (part of the Ivanhoe Group). Mr Treyvaud was also previously Head of Business Development for QKR Corp, a former Director of Investec Resources' M&A team and worked at both Gresham Partners and UBS in Australia.

Mr Treyvaud began his career as a mining consultant at Minserve Group having graduating in Engineering from the University of Queensland. He also holds a Master of Applied Finance from Melbourne University.

Other current directorships

None

Former directorships (last 3 years)

None

Special responsibilities

Chairperson of the Nomination Committee from 2 May 2022. Member of the Audit Committee, Remuneration Committee and Safety, Health and Environment Committee from 2 May 2022.

Mr Paul Ryan Welker
B.A.(Hons)
Managing Director (resigned 28 June 2022)

Experience and expertise
Mr Welker was appointed to the Board of Ten Sixty Four Limited on 3 March 2022 as a Non-Executive Director and was appointed as Managing Director 9 March 2021. Mr Welker resigned as Managing Director on the 28 June 2022.

Mr Welker's previous and current positions include management, corporate development, and finance. Prior to moving back to Australia in 2019, Mr Welker worked for EAS Advisors in New York, where he advised and raised more than $2 billion for dozen ASX, LSE, TSX and AIM listed companies. Prior to EAS, Mr Welker held positions at Rio Tinto, Hancock Prospecting, Standard Bank and served as a Non-Executive Director of Mineral Resources Limited.

Mr Welker is the Co-Founder and Chairman of private company Vitrinite Pty Limited which operates the Vulcan Coal Complex in Queensland's Bowen Basin, adjacent to the 1064 Drummond Basin gold exploration projects. Through this role he led an exploration and project development team in Queensland for more than five years.

Other current directorships

None

Former directorships (last 3 years)

None

Special responsibilities

Member of the Remuneration Committee from 2 May 2022. Member of the Nomination Committee from 16 March 2022. Member of the Safety, Health & Environment Committee during the period. Mr Welker resigned from these positions upon his resignation as Director on 28 June 2022.

2. DIRECTORS' INFORMATION (continued)

Mr Andrew Boon San Teo
B.Com, UWA, (CPA)
Managing Director (ceased 8 March 2022)

Experience and expertise

Mr Teo was appointed Non-Executive Director on 15 February 2010 and Chairperson on 22 November 2013. On 19 March 2021, Mr Teo relinquished the role of Chairperson following his appointment as Managing Director. Mr Teo ceased as Managing Director on 8 March 2022.

Mr Teo is an accountant with over 40 years of extensive and diversified experience in accounting, treasury, corporate, legal and business administration across several industries, including the mining industry. He was, until his retirement in March 2018, Chief Financial Officer/Executive Director of BGC (Australia) Pty Limited., one of Australia's largest privately-owned companies. Mr Teo worked in BGC in excess of 35 years and remains a Non-Executive Director of BGC.

Other current directorships

None

Former directorships (last 3 years)

Myanmar Metal Limited (ASX: MYL) (since 9 June 2020 to 24 November 2021)

Special responsibilities

Chairperson of the Nomination Committee to 3 March 2022. Member of the Remuneration Committee and Safety, Health & Environment Committees during the period. Mr Teo ceased from these positions upon his' cessation as Director on 8 March 2022.

Mr Roy Philip Daniel
B.Com, UWA
Non-Executive Director (retired 28 February 2022)

Experience and expertise

Mr Roy Daniel was appointed Non-Executive Director on 25 November 2015. Mr Daniel's previous association with the Company was as the Chief Financial Officer from December 2004 until his retirement from office in June 2013. He was also an executive member of the Board from April 2006 until June 2011.

Mr Daniel has been associated with the resource and mining industry for 40 years and has held various senior management and accounting positions at corporate level with overseas and Australian companies. His association with the Company since its formative years has proven invaluable, and his financial business acumen and corporate experience has complemented and strengthened the Board.

Other current directorships

None

Former directorships (last 3 years)

None

Special responsibilities

Chairperson of the Remuneration Committee during the period. Member of the Nomination Committee and Safety, Health & Environment Committee during the period. Mr Daniel retired from these positions upon his retirement as Director on 28 February 2022.

3. COMPANY SECRETARY

Mr Peter Stanley Alphonso
B.Com, UWA, (CPA)

Mr Peter Alphonso was appointed Company Secretary on 11 December 2007 and as Chief Financial Officer on 1 July 2013. Mr Alphonso retired as Chief Financial Officer on 7 September 2020.

Mr Alphonso has over 40 years of experience with the auditing, engineering and communications industries, with the majority of his experience centred on the gold and nickel sectors of the mining industry. Mr Alphonso's experience has included appointments with Coopers and Lybrand, Western Mining Corporation, Great Central Mines and Ti-west Joint Venture.

As Company Secretary Mr Peter Alphonso is responsible for the corporate secretarial functions of the Company.

4. MEETINGS OF DIRECTORS

The number of meetings held during the financial year by Company Directors and the number of those meetings attended by each Director was:

Name of Director	Board Meetings		Audit Committee		Remuneration Committee		SHE Committee		Nomination Committee	
	Number(1)	Attended	Number(1)	Attended	Number(1)	Attended	Number(1)	Attended	Number(1)	Attended
Jeffery McGlinn (2)	9	9	2	2	2	2	-	-	3	3
Simon Mottram	9	9	2	2	1	1	2	2	4	4
Andrew Hunt (3)	3	2	-	-	1	1	-	-	1	1
Aaron Treyvaud (4)	3	3	-	-	1	1	-	-	1	1
Paul Ryan Welker (5)	4	3	-	-	1	1	-	-	2	2
Andrew Teo (6)	4	4	-	-	1	1	2	2	2	2
Roy Daniel (7)	3	3	2	2	1	1	2	2	1	1

Notes:
(1) Number of meetings held during the time the Director held office during the year.
(2) Mr Jeffery McGlinn, a Non-Executive Director was appointed as Executive Chairman on 2 May 2022.
(3) Mr Andrew Hunt was appointed as a Non-Executive Director on 16 March 2022.
(4) Mr Aaron Treyvaud was appointed as a Non-Executive Director of the Company on 2 May 2022.
(5) Mr Paul Ryan Welker was appointed as a Non-Executive Director of the Company on 3 March 2022. Subsequently, he was appointed as Managing Director on 8 March 2022 and resigned on 28 June 2022.
(6) Mr Andrew Teo ceased as Managing Director on 8 March 2022.
(7) Mr Roy Daniel, a Non-Executive Director retired on 28 February 2022

5. PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial year were mineral exploration, evaluation, development and mining/production of gold in the Asia Pacific region. There were no significant changes in the nature of the activities of the Group during the year.

6. OPERATING RESULTS

The net consolidated profit for the financial year attributable to members of Ten Sixty Four Limited after provision of income tax was US$2.8 million (2021: Consolidated profit of US$47.3 million).

Key financial results:

Description	Unit	30 June 2022	30 June 2021	Variance	(%)
Revenues	US$	$140.0M	$179.0M	($39.0M)	(22%)
EBITDA	US$	$42.9M	$97.7M	($54.8M)	(56%)
NPAT	US$	$2.8M	$47.3M	($44.5M)	(94%)
Underlying Net Profit before Tax	US$	$41.8M	$66.4M	($24.6M)	(37%)
EPS (basic)	US$	$0.01	$0.23	($0.22)	(94%)

The audited FY22 statutory Net Profit before Tax has been adjusted to report Underlying Net Profit before Tax as follows:

(i) The one-off cost of acquisition of Ten Sixty Four Limited of US$12.5M, noting the Group accounting policy to expense costs relating to exploration acquisition costs and exploration and evaluation activities.

(ii) The Group held a materially higher amount of gold bullion at the 30 June 2022 balance date of 16,547oz (30 June 2021: 3,679oz). The impact of this Is a reduction of reported profit of US$17.2m before tax in FY2022.

6. OPERATING RESULTS (Continued)

(iii) The Company's operating subsidiary in the Philippines settled a tax matter with the Bureau of Internal Revenue, Philippines relating to the tax year 2012, incurring a one-off payment of US2.8M.

(iv) During FY22 there has been significant foreign exchange currency volatility which has negatively impacted the profit result by approximately USD$5.4M.

Comparison of underlying profit	Note	FY2022 (US$000)	FY2021 (US$000)	Movement (US$000)	Movement (%)
Statutory net profit before tax (IFRS)		3,943	62,435	(58,492)	(94)
Adjusted for:					
Acquisition costs for Ten Sixty Four Limited	(i)	12,491	-	12,491	
Gold bullion held at 30 June	(ii)	17,224	3,421	13,803	
Tax settlement	(iii)	2,768	-	2,768	
Forex unrealised	(iv)	4,244	166	4,078	
Forex realised	(iv)	1,153	409	744	
Underlying net profit before tax (*)		41,822	66,431	(24,609)	(37)

(*) Underlying results are categorised as non-IFRS financial information provided to assist readers to better understand the financial performance of the underlying operating business. They have not been subject to audit by the Company's external auditors. All the items being adjusted pre-tax are separately identified within Notes 2 and 3 to the audited financial statements.

Ten Sixty Four Limited recorded earnings before interest, tax depreciation and amortisation ("EBITDA") of US$42.9 million for the year to 30 June 2022. EBITDA for the previous year was US$97.7 million.

Revenues decreased by approximately 22% from US$179.0 million in the previous year to US$140.0 million.

Ten Sixty Four Limited is an un-hedged gold producer and received an average price of US$1,832 per ounce from the sale of 75,836 ounces of gold for the year (previous year: 94,619 ounces at US$1,856 per ounce).

At year end, the Company had total cash and cash equivalent in gold on metal account of US$80.8 million (2021: US$72.2 million).

During the year,

- depreciation of fixed assets and amortisation of capitalised mine development, right of use asset and mine exploration was US$38.0 million (2021: US$34.6 million).
- US$14.4 million was expended on capital works associated with the Tigerway Decline Project, infrastructure, mine expansion and sustaining capital at the mine and mill (2021: US$11.0 million);
- exploration expenditure, inclusive of underground diamond drilling was US$5.4 million (2021: US$5.8 million).
- capitalised mine development costs totalled US$32.6 million for the year (2021: US$28.6 million); and
- Administration expenses of US$8.2 million (2021: US$7.7 million).

7. REVIEW OF OPERATIONS

Description	Unit	30 June 2022	30 June 2021	Variance	(%)
Ore mined	WMT	576,421	517,739	58,682	11%
Ore milled	DMT	511,212	463,948	47,264	10%
Gold head grade	g/t	5.74	6.48	(0.74)	(11%)
Gold recovery	%	95.3	95.73	(0.43)	(1%)
Gold produced	ounces	89,789	95,193	(5,404)	(6%)
All-in-Sustaining Cost	US$/oz	$1,362	$1,231	($131)	(11%)
Gold sold	ounces	88,710	94,619	(5,909)	(6%)
Average gold price received	US$/oz	$1,811	$1,856	($45)	(2%)
Cash & cash equivalent	US$M	$80.8	$72.2	$8.6	12%

The Company produced 89,789 ounces of gold for the year, compared to 95,193 ounces from the previous corresponding period, at an average recovered grade of 5.74 g/t gold (2021: 6.48 g/t gold).

All-in-Sustaining-Costs ("AISC") for the year was US$1,362 per ounce of gold (2021: US$1,231 per ounce).

During the year the Company continued to improve on its Anti-Covid protocols which included mandatory face masks/shields. The introduction of Rapid Antibody Testing as well as enhancement to Rapid Antigen Testing for better identification of possible infected cases incorporates isolation and quarantine for those infected. The high standard of protocols has resulted in local governments of host municipalities granting the operations authority to continue operating with minimal restrictions. To date the impact of the effects of Covid-19 has not been significant.

The Company has undertaken the usual assessments of impairment of its assets and the going concern assumptions as the basis for preparing the financial report as at 30 June 2022, and no issues have been identified.

A full review and summary information concerning the Group's operations and exploration activities for the financial year and the results of those operations will be available in the Review of Operations section of the Annual Report.

8. DIVIDENDS

On 28 October 2021, the Directors declared an unfranked dividend payment of A$0.02 per share (2021: nil), payable to shareholders on 19 November 2021. The record date of the dividend was 5 November 2021. No foreign conduit income was attributable to the dividend and the total amount of dividend paid inclusive of associated costs was A$3.13M.

On 5 September 2022, the Directors declared a final unfranked dividend for the year ended 30 June 2022 of A$0.05 per share, to be paid on 20 October 2022. The record date is to be 6 October 2022. No foreign conduit income is attributable to the dividend and the total amount of dividend to be paid inclusive of associated costs is approximately A$11.4M.

No further dividends were paid during the financial year.

9. SIGNIFICANT CHANGE IN STATE OF AFFAIRS

- On 23 August 2021 the Company reported that it had withdrawn from the tenement covering the Bananghilig Gold Deposit.
- On 24 August 2021 the Company announced its FY22 production guidance of 90,000 ounces to 95,000 ounces at an All-In-Sustaining-Costs of US$1,250 to US$1,300 per ounce. On 29 April 2022, the Company subsequently revised its FY22 guidance to between 87,000-90,000 ounces at an average All In Sustaining-cost of US$1,350-US$1,400 per ounce.
- On 3 February 2022, the Company entered into an agreement to acquire a publicly unlisted Company Ten Sixty Four Queensland Limited to secure a 100% interest in a large gold exploration portfolio in Central Queensland, Australia. The acquisition was completed on the 24 February 2022, with 20 million shares issued as consideration. 1,916,000 of these shares were released from escrow on 24 August 2022 with the remaining 13,913,470 shares to be released from escrow on 24 August 2024.
- On 28 February 2022, Mr Roy Daniel retired as a Non-Executive Director.
- On 3 March 2022, Mr Paul Ryan Welker was appointed as a Non-Executive Director.

9. SIGNIFICANT CHANGE IN STATE OF AFFAIRS (continued)

- On 8 March 2022, Mr Paul Ryan Welker was appointed as Managing Director following the cessation of Mr Andrew Teo as Managing Director of the Company.
- On 16 March 2022, Mr Andrew Charles Hunt was appointed as a Non-Executive Director.
- On 24 April 2022. The Company announced an updated Total Measured and Indicated Mineral Resources for the Co-O Mine is estimated at 1.5 million tonnes at a grade of 10.2 g/t gold for 482,000 ounces contained gold.
- On 2 May 2022, Mr Jeffery McGlinn was appointed as Executive Chairman of the Company and Mr Aaron Treyvaud was appointed as a Non-Executive Director.
- On 4 May 2022, the Company changed its name from Medusa Mining Limited to Ten Sixty Four Limited, as approved by shareholders at the Company's Extraordinary General Meeting.
- On 28 June 2022, Mr Paul Ryan Welker resigned as Managing Director of the Company. On 5 July 2022, the Company advised the termination of his executive services agreement in accordance with the terms of the agreement.

In the opinion of the Directors, there were no other significant changes in the state of the affairs of the Group that occurred during the financial year.

10. EVENTS SUBSEQUENT TO BALANCE DATE

On the 5 July 2022, the Company terminated the service contract of the former managing director Mr P R Welker. Refer to ASX announcement for details.

Three former Directors have commenced legal proceedings against the Company, refer ASX announcement on 8 July 2022.

On 22 July 2022 the Company advised the ASX it had received a notice under section 203D (2) and 249F (Notice) of the Corporations Act. Further to this notice it was subsequently withdrawn as reported to the ASX on 14 September 2022. On 23 September 2022 the Company received a replacement Notice seeking to convene a further S249F meeting on 26 October 2022. Refer ASX announcement for details.

On 17 August 2022, the Company revealed its FY2023 gold production and cost guidelines being:

- Production: 84,000-89,000 ounces
- Average all-in sustaining cost: USD$1,320 - USD$1,370 per ounce

On 5 September 2022, the Directors declared a final unfranked dividend for the year ended 30 June 2022 of 5 cents per ordinary share, to be paid on 20 October 2022.

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.

11. FUTURE DEVELOPMENTS, BUSINESS STRATEGIES AND PROSPECTS

The Group continues its focus on organic growth within its landholdings in the Philippines and Queensland, Australia and source mineral properties within the Asia Pacific region with a view to developing properties capable of economic production.

12. DIRECTORS' INTEREST

The relevant interest of each current and prior Director during the financial year in the share capital of the Company held directly, indirectly or beneficially at the date of this report is as follows:

Name of Director	No. of fully paid ordinary shares	No. of options over ordinary shares	No. of performance rights over ordinary shares
Jeffery McGlinn	144,747	-	-
Simon Mottram	100,000	-	-
Andrew Hunt	-	-	-
Aaron Treyvaud	-	-	-
Paul Ryan Welker (1)	9,847,723	-	-
Andrew Teo (2)	170,000	-	-
Roy Daniel (3)	1,000,000	-	-

Note:
(1) No of fully paid shares disclosed for Mr Welker as at resignation on 28 June 2022
(2) No of fully paid shares disclosed for Mr Teo as at cessation as a Director on 8 March 2022.
(3) No of fully paid shares disclosed for Mr Daniel as at retirement as a Director on 28 February 2022.

13. REMUNERATION REPORT (Audited)

The Directors present the FY2022 Remuneration Report for Ten Sixty Four Limited ("Ten Sixty Four" or "the Company") which sets out the remuneration information for the Directors and other Key Management Personnel ("KMP") for the year ended 30 June 2022.

The information provided in this remuneration report has been prepared in accordance with the requirements of the *Corporations Act 2001* and its regulations.

Introduction

This report outlines the Company's approach to remuneration for its Non-Executives and Executives.

The Board recognises that the success of the business depends on the quality and engagement of its people. To ensure the Company continues to succeed and grow, it must attract, motivate and retain skilled Directors, Executives and employees. The Board delegates responsibility in relation to remuneration to the Remuneration Committee to ensure that people and performance are a priority.

(a) Details of Key Management Personnel

Directors:

Non-Executive –

Andrew Hunt; (1)

Simon Mottram,

Aaron Treyvaud; (2)

Roy Daniel. (3)

Executive –

Jeffery McGlinn (4) (Executive Chairman);

Paul Ryan Welker (5) (Managing Director from 8 March 2022 to 28 June 2022);

Andrew Teo (6) (Managing Director until 8 March 2022).

Executive Officers:

Raul Villanueva (President of Philsaga Mining Corporation and President of Mindanao Mineral Processing and Refining Corporation);

Patrick Warr (Chief Financial Officer);

James Llorca (General Manager, Geology & Resources).

Notes:
(1) Mr Hunt was appointed as a Non-Executive Director on 16 March 2022;
(2) Mr Treyvaud was appointed as a Non-Executive Director on 2 May 2022;
(3) Mr Daniel retired as a Non-Executive Director on 28 February 2022;
(4) Mr McGlinn, who had been Non-Executive Chairperson from 16 February 2021, assumed the role of Executive Chairman on 2 May 2022;
(5) Mr Welker was appointed as a Non-Executive Director on 3 March 2022, was appointed Managing Director on 8 March 2022 and resigned as Managing Director on 28 June 2022;
(6) Mr Teo ceased employment as Managing Director on 8 March 2022.

13. REMUNERATION REPORT (Audited) (continued)

(b) Key Management Personnel remuneration (Consolidated)

The following table provides the details of the remuneration of all Directors and Executive Officers of the Group and the nature and amount of the elements of their remuneration (in US$'s) for the year ended 30 June 2022 and the previous financial year.

Name	Year	Short term benefits					Post-employment benefits	Long-term benefits			Termination benefits	TOTAL	Proportion of remuneration performance related
		Salary / fees	Directors' fees	STI – Cash (1)	STI – PRs (1)	Other (2)	Super	LSL (3)	LTI – PRs (4)	Options (5)			
Directors:													
Non-Executive													
Andrew Hunt (6)	**2022**	**-**	**18,339**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**18,339**	**-**
	2021	-	-	-	-	-	-	-	-	-	-	-	-
Simon Mottram (7)	**2022**	**-**	**57,308**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**57,308**	**-**
	2021	-	60,326	-	-	-	-	-	-	-	-	60,326	-
Aaron Treyvaud (8)	**2022**	-	11,462	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,462**	**-**
	2021	-	-	-	-	-	-	-	-	-	-	-	-
Roy Daniel (9), (17)	**2022**	**60,174**	**90,011**	**-**	**-**	**5,551**	**-**	**-**	**-**	**-**	**-**	**155,736**	**-**
	2021	30,056	140,326	-	-	5,751	-	-	-	-	-	176,133	-
Executive													
Jeffery McGlinn (10)	**2022**	**68,770**	**57,308**	**-**	**-**	**5,290**	**3,152**	**-**	**-**	**-**	**-**	**134,520**	**-**
	2021	-	27,293	-	-	-	-	-	-	-	-	27,293	-
Paul Welker (11)	**2022**	**108,388**	**-**	**-**	**-**	**8,337**	**5,961**					**122,686**	**-**
	2021	-	-	-	-	-	-	-	-	-	-	-	-
Andrew Teo (12), (17)	**2022**	**238,004**	**53,333**	**85,963**	**-**	**39,727**	**28,620**	**39,199**	**(96,124)**	**-**	**175,364**	**564,084**	**-**
	2021	262,500	169,712	-	-	8,668	-	-	96,124	-	-	537,004	18%
Executive Officers:													
Raul Villanueva (13)	**2022**	**607,424**	**-**	**100,000**	**56,317**	**-**	**-**	**-**	**269,785**	**-**	**-**	**1,033,525**	**41%**
	2021	463,748	-	-	-	-	-	-	125,988	-	-	589,736	21%
Peter Alphonso (14)	**2022**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2021	50,617	-	17,282	28,214	-	3,415	-	32,659	2,156	-	134,344	-
Patrick Warr (15)	**2022**	**207,170**	**10,816**	**20,631**	**18,265**	**21,206**	**18,912**	**-**	**60,687**	**-**	**-**	**357,686**	**28%**
	2021	174,123	-	-	-	21,215	15,370	-	23,085	-	-	233,794	10%
James Llorca	**2022**	**241,555**	**11,750**	**20,631**	**27,173**	**25,673**	**18,912**		**29,890**	**-**	**-**	**375,584**	**21%**
	2021	260,360	-	15,028	24,925	27,054	18,785	-	32,659	6535	-	385,346	19%
David McGowan (16)	**2022**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2021	37,043	-	-	-	-	2,311	-	-	-	-	39,354	
Total	**2022**	**1,531,483**	**310,327**	**227,225**	**101,755**	**105,785**	**75,556**	**39,199**	**264,238**	**-**	**175,364**	**2,830,930**	
	2021	**1,278,447**	**397,657**	**32,310**	**53,139**	**62,689**	**39,881**	**-**	**310,516**	**8,691**	**-**	**2,183,330**	

13. REMUNERATION REPORT (Audited) (continued)

(b) Key Management Personnel remuneration (Consolidated) (continued)

Notes:

(1) Short Term Incentive Plan ("STI") detailed in note 12 (e) (iv) of the notes to the Financial Statements;

(2) Comprises Annual Leave accrued during the year but not paid and non-monetary benefits, if any;

(3) Comprises Long Service Leave accrued during the year but not paid;

(4) KMP Performance Rights granted under the Long-Term Incentive Plan are expensed over the performance period. Refer LTI Plan detailed in note 12(e)(i);

(5) Comprises value of options granted and expensed in the period. Refer note 12 (i);

(6) Mr Hunt was appointed as a Non-Executive Director on 16 March 2022;

(7) Mr Mottram was appointed a Non-Executive Director on 11 June 2020;

(8) Mr Treyvaud was appointed as a Non-Executive Director on 2 May 2022;

(9) Mr Daniel retired as a Non-Executive Director on 28 February 2022;

(10) Mr McGlinn was appointed as Chairman on 16 February 2021, assumed the role of Chairperson on 19 March 2021 and assumed the role of Executive Chairperson on 2 May 2022;

(11) Mr Welker was appointed as a Non-Executive Director on 3 March 2022, was appointed Managing Director on 8 March 2022 and resigned as Managing Director on 28 June 2022;

(12) Mr Teo was Chairperson until his appointment as Managing Director on 19 March 2021. Mr Teo also assumed the role of Interim Chief Executive Officer ("CEO") from 21 July 2020 to 18 March 2022. Mr Teo ceased employment as Managing Director on 8 March 2022;

(13) Mr Villanueva retired as a Non-Executive Director on 28 October 2020 but remained as a member of Key Management Personnel in the role of President of Philsaga Mining Corporation and President of Mindanao Mineral Processing and Refining Corporation;

(14) While Mr Alphonso retired as CFO on 7 September 2020 in the previous financial year and has not been a member of Key Management Personnel since this date, comparative information has been retained in the remuneration table consistent with the disclosures in the related party note in the financial statements (Note 24) and the previous financial year's Remuneration Report;

(15) Mr Warr was appointed CFO on 7 September 2020;

(16) While Mr McGowan ceased employment as CEO on 20 July 2020 in the previous financial year and has not been a member of Key Management Personnel since this date, comparative information has been retained in the remuneration table consistent with the disclosures in the related party note in the financial statements (Note 24) and the previous financial year's Remuneration Report;

(17) Comparative amount (FY21) restated to include directors' fees paid by subsidiary companies within the Ten Sixty Four Group for Roy Daniel (US$80,000) and Andrew Teo (US$80,000), omitted in the prior year remuneration table;

(18) Comparative amount (FY21) Other restated to include a non - cash employee benefit omitted in the prior year remuneration table; and

(19) Comparative amount (FY21) Salary restated to include accrued annual leave and personal leave paid out in accordance with Philippines and Group employment regulations for Raul Villanueva (US$48,950), omitted in the prior year remuneration table.

13. REMUNERATION REPORT (Audited) (continued)

(c) Executive Remuneration Governance

The information contained within this section provides an overview of executive remuneration governance at Ten Sixty Four Limited.

(i) Remuneration Philosophy

The main objective is the retention of a high-quality Board and executive team, to maximise value of the shareholders' investment. Remuneration levels are therefore competitively set to attract, retain and motivate appropriately qualified and experienced Directors and Executives.

In determining the level and make up of remuneration levels for Executives of the Group, the remuneration policy has been structured to increase goal congruence between shareholders and Executives and includes the payment of bonuses based on achievement of specific goals related to the performance of the Group and also the issue of incentive options or equity based instruments to encourage alignment of personal and shareholder interests.

(ii) Remuneration Committee

The Remuneration Committee is a sub-committee of the Board, which operates in accordance with the Remuneration Committee Charter and the requirements of the Corporations Act 2001 and its regulations. The Remuneration Committee is responsible for making recommendations to the Board on:

- The Company's remuneration policy and structure;
- Executive remuneration policy for Key Management Personnel ("KMP");
- Remuneration levels of the Managing Director (if applicable) and KMP;
- Operation of incentive plans and key performance hurdles for KMP;
- Equity based remuneration plans for KMP; and
- Non-Executive Director ("NED") remuneration.

The Remuneration Committee's objective is to ensure remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company. The Remuneration Committee periodically obtains independent remuneration information to ensure NED fees and executive remuneration packages are appropriate and in line with the market.

In FY2019, the Remuneration Committee appointed BDO Reward WA Pty Limited as its external remuneration advisor to assist with the review of the overall executive remuneration framework resulting in some changes to the Company's approach to executive pay in FY2020. In FY2022, the Remuneration Committee engaged BDO Reward WA Pty Limited to undertake a review of remuneration packages for relevance to current market rates and general insights for executive incentive arrangements.

13. REMUNERATION REPORT (Audited) (continued)

(d) Non-Executive Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Non-Executive Directors of the highest calibre.

Non-Executive Directors' fees are paid within the aggregate amount approved by shareholders from time to time. Total remuneration for all Non-Executive Directors, last approved by shareholders on 18 November 2009, is not to exceed A$400,000 per annum. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually.

The Board considers the amount of Director fees being paid by comparable international resource companies with similar responsibilities, and the experience of each Non-Executive Director when undertaking the review process.

Directors' fees cover all main Board activities and membership of Board Committees. No retirement benefits are provided for any Non-Executive Directors' retirement or termination and Non-Executive Directors do not receive performance related compensation remuneration.

Director fees paid to Non-Executive Directors are as follows:

- Jeffery McGlinn: A$100,000 per annum (as Non-Executive Chairperson prior to appointment as Executive Chairperson).
- Andrew Hunt: A$100,000 per annum;
- Simon Mottram: A$100,000 per annum;
- Aaron Treyvaud: $100,000 per annum; and
- Roy Daniel: A$80,000 per annum (until retirement).

(e) Executive Remuneration

Below is a summary of the key elements the executive remuneration approach and the at-risk remuneration structure.

(i) Fixed and Total Remuneration Approach

Total Fixed Remuneration ('TFR') acts as a base level reward for a competent level of performance. It includes cash, compulsory superannuation contributions and any non-monetary benefits. TFR will be targeted at the market median (50th percentile) with flexibility based on:

- the size and complexity of the role;
- the criticality of the role to successful execution of the business strategy;
- role accountabilities;
- skills and experience of the individual; and
- market pay levels for comparable roles.

The Total Remuneration Package (being TFR, STI and LTI) is positioned at the median of the market (50^{th} percentile), with the opportunity to earn a total remuneration up to the upper quartile (75^{th} percentile) in the event that both the individual and the business exceed performance targets.

When determining the relevant market for each role, the Company will consider companies which are similar in size, complexity of operations, sector and risk profile from which it sources talent, and to whom it could potentially lose talent.

13. REMUNERATION REPORT (Audited) (continued)

(e) Executive Remuneration (continued)

(ii) Executive Remuneration Framework

The total remuneration package will consist of the following elements of pay.

Remuneration Elements	Purpose	Category	Definition of Pay Category
Total Fixed Remuneration ("TFR")	Pay for meeting role requirements	Fixed pay	Pay linked to the present value or market rate of the role.
Short Term Incentive ("STI")	Incentive for the achievement of annual objectives	Short term incentive pay	Pay for delivering the annual operational plan for the Company. Short Term Incentive pay is linked to the achievement of short term 'line-of-sight' performance goals. It reflects 'pay for short term performance'.
Long Term Incentive ("LTI")	Incentive for achievement of sustained business long term strategies (non-market measures)	Long term incentive pay	Pay for delivering long-term business sustainability for the Company. Long Term Incentive pay is linked to the achievement of long term 'line-of-sight' performance goals. It reflects 'pay for long term performance'
	Reward for executive performance over the long term (market measures)	Long term reward pay	Pay for creating value for shareholders. Reward pay is linked to shareholder returns. It reflects 'pay for results'.

(iii) KMP Remuneration at Risk in FY22

The relative portions of target remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed Remuneration	At Risk: Short Term Incentives (STI)	At Risk: Options/Performance Rights (LTI)
Directors:			
Non-Executive -			
Andrew Hunt	100%	-	-
Simon Mottram	100%	-	-
Aaron Treyvaud	100%	-	-
Roy Daniel	100%	-	-
Executive -			
Jeffery McGlinn [1]	N/A	N/A	N/A
Paul Welker [2]	N/A	N/A	N/A
Andrew Teo [3]	43%	17%	40%
Executive Officers:			
Raul Villanueva	53%	11%	47%
Patrick Warr	60%	24%	16%
James Llorca	61%	24%	14%

Notes:
(1) Incentives for Jeffery McGlinn (refer 12(l) (i))
(2) Paul Welker resigned 28 June 2022 (refer 12(l) (i))
(3) Andrew Teo ceased 8 March 2022 (refer 12(l) (i))

13. REMUNERATION REPORT (Audited) (continued)

(e) Executive Remuneration (continued)

(iv) Clawback and other Provisions of Incentive Plans

The Company has a clawback provision that allows the Board, at its absolute discretion, to reduce or clawback unvested and vested entitlements in certain circumstances, including in the case of fraud, dishonesty, gross misconduct and breach of obligations to the Group.

Where a participant to a plan ceases employment for a specified reason, including death or disablement or redundancy, the Board may, at its absolute discretion, determine that unvested Performance Rights shall vest.

In a Change of Control Event, the Board may, at its absolute discretion, determine that unvested Performance Rights shall vest to a participant to the Plan.

(ii) Short Term Incentive Plan Outline

An outline of the key elements of the Short-Term Incentive Plan as it relates to the Company's KMP is provided below.

Purpose	Motivate and reward employees for contributing to the delivery of annual business performance.
STI opportunity	The STI opportunity offered to each Executive as a percentage of TFR will depend on Company and individual performance but can range from zero to a maximum of 40% for Executives. STI payments will be awarded 40% cash and 60% zero exercise price options (ZEPO's) on above threshold performance against a range of Company and individual performance objectives.
Performance targets	The payment of a short-term incentive to Executives is an at-risk component of the individual's total remuneration given that a set of performance targets must be met prior to payment. These targets are based on metrics that are measurable, transparent and achievable, designed to motivate and incentivise the recipient to achieve high performance aligned with Company objectives and near-term shareholder value creation.
Performance assessment	The Company employs a system of continuous performance feedback to drive performance throughout the year, however, a final performance assessment occurs annually following the completion of the financial year for each Executive. Executives are assessed on their contribution to the achievement of Company performance objectives and individual performance objectives.
Measurement period	The STI will be an annual plan that operates from 01 July to 30 June each year.
STI deferral component	The equity component of the STI will vest on the twelve (12) month anniversary date of the STI award date. Vesting of the equity component of the STI granted to Executive KMP is based on a continuous service condition being met and is designed to act as a driver of retention and medium-term value creation.
Cessation of employment	In the event that the Executive's employment with the Company terminates prior to vesting of all ZEPO's, outstanding unvested ZEPO's will be reviewed by the Board and may or may not vest depending on the circumstances of the Executive's cessation of employment.
Board discretion	The payments of all STI's are subject to Board approval. The Board has the discretion to adjust remuneration outcomes higher or lower to prevent any inappropriate reward outcomes, including reducing (down to zero, if appropriate) any STI payment.

13. REMUNERATION REPORT (Audited) (continued)

(e) Executive Remuneration (continued)

(v) Short Term Incentive Plan Outline

As part of the annual business planning process the Board determines the key performance indicators ("KPI's") to reflect targets for the key performance objectives of the business for the following year. At the end of the year, the Board makes a rigorous assessment, taking into account quantitative and qualitative measures. For FY22 for Andrew Teo, Raul Villanueva, Patrick Warr and James Llorca, these include:

Key Result Area	Annual Measure and Rationale for Inclusion
Individual performance 30% Weighting	<u>Measures</u> Each Executive KMP agrees an individual scorecard of performance objectives at the start of the year against which their performance is assessed. A maximum of 4 key individual performance objectives will be set based on the specific responsibilities of each role annually. <u>Rationale</u> Designed to specifically focus individual Executives on key performance elements that align to the Company's strategic plan and profitability drivers that are within the Executives' control. <u>Results</u> Achieved - Andrew Teo, Raul Villanueva, Patrick Warr - 30% Partially achieved – James Llorca - 20%
Company financial performance 15% Weighting	<u>Measures</u> Key financial measure meeting targeted All In Sustaining Cost <u>Rationale</u> Reflects the alignment of business strategy to create sustainable value for shareholders. <u>Results</u> Not achieved – actual AISC below threshold of 95% of ASX announced guidance.
Company safety and environmental performance 20% Weighting	<u>Measures</u> KPI for Total Injury Frequency Rate over 12 months <u>Rationale</u> Highlights performance on metrics to effectively manage the risks inherent in the Company's operations and to ensuring activities do not have an adverse impact on the environment. <u>Results</u> Not achieved – recorded fatality.
Company operational performance 15% Weighting	<u>Measures</u> Key physical measure meeting targeted Gold Production <u>Rationale</u> Delivering strong production performance is a key enabler to funding the achievement of the Company's strategic plan and ensures management delivers on core initiatives relating to Company strategy and operating model. <u>Results</u> Achieved – gold production exceeded budget ASX guidance amount.
Growth of Company future opportunities 20% Weighting	<u>Measures</u> Meeting mining inventory targets as determined by the Board of Directors. <u>Rationale</u> Demonstrates the Company's performance in achieving the organic growth of current assets. <u>Results</u> Partial achieved – reserve replacement at 95% of budgeted amount, 19% awarded.

13. REMUNERATION REPORT (Audited) (continued)

(e) Executive Remuneration (continued)

(v) *Short Term Incentive Plan Outline (continued)*

The STI award comprises amounts up to a cash component of 40% and a Performance Right component of 60%. Each Performance Right awarded incorporates a vesting condition that requires each KMP to remain an employee of the Company for a period of twelve months from date of grant, being 12 October 2021 for FY21. Each Performance Right is a right to acquire one share in the Company for nil consideration. The fair value of the Short Term Performance Rights, which has been recognised based on the share price of the Company at grant date in accordance with AASB 2 Share-based Payment, is $0.50 per right.

The STI award is determined following a review of the FY21 results and typically occurs in the second quarter of the subsequent financial year. No amount is provided for or included in the financial report and remuneration report until such a review has taken place.

Based on the assessment, the STI awarded for the 2021 financial year which were paid, and Performance Rights ("PRs") granted in FY22, are detailed in the following table:

Name	Position	Total Opportunity STI US$	Achieved STI (Cash) US$	Opportunity STI (Performance Rights) US$	Vesting Outcome STI (Performance Rights)
Raul Villanueva	President of PMC / MMPRC	120,000	100,000	92,875	Note 27
Andrew Teo [(2)]	Managing Director	148,000	85,963	N/A	N/A
Patrick Warr	CFO	92,000	20,631	30,120	Note 27
James Llorca	GM, Geology & Resources	105,000	20,631	30,120	Note 27

Notes:

(1) The remaining vesting condition is subject to continuous employment for 12 months from date of grant to 12 October 2022 (refer Note 27 Financial Statements).

(2) Mr Teo ceased employment as Managing Director on 8 March 2022.

In FY21, based on the assessment, the STI awarded for the 2020 financial year which were paid, and Performance Rights ("PRs") granted are detailed in the following table:

Name	Position	Total Opportunity STI US$	Achieved STI (Cash) US$	Opportunity STI (Performance Rights) US$	Vesting Outcome STI (Performance Rights)
Peter Alphonso	Chief Financial Officer	124,000	17,282	23,760	23,760
James Llorca	GM, Geology & Resources	110,000	15,028	21,060	21,060

Notes:

(1) The remaining vesting condition was subject to continuous employment for 12 months from date of grant to 30 November 2021, which has been met (refer Note 27 Financial Statements).

13. REMUNERATION REPORT (Audited) (continued)

(e) Executive Remuneration (continued)

(vi) Long-term Incentive Plan Outline

An outline of the key elements of the Long-Term Incentive ('LTI') Plan as it relates to the Company's KMP is provided below.

Purpose	Focus Executive attention on driving sustainable long-term growth and align the interests of Executives with those of shareholders.
LTI opportunity	The LTI opportunity is determined by the Executive's role within the business and is awarded by the offer of a number of performance rights or zero exercise price options ('ZEPO's') based on a percentage of TFR.
Performance hurdles	Since FY2020, the Company uses a combination of equally weighted non-market and market performance hurdles utilising the following measures: 1. Non-market measures to be determined by the Board of Directors (50% weighting) 2. Market measures (50% weighting): (a) Relative Total Shareholder Return ('TSR'); and (b) Absolute Total Shareholder Return
Vesting	Vesting of the performance rights ZEPO's granted to Executive KMP is based on an underlying continuous service condition and performance conditions as detailed below.
Service conditions	The LTI award is subject to a service condition. This condition is met if the KMP's employment with the Company is continuous for three years commencing on or around the grant date and is aimed at the retention of KMP's.
Performance conditions	<u>Financial and Strategic measures</u> The Board will determine financial and strategic measures that align with the Company's long-term objectives. <u>Relative TSR</u> The TSR scorecard for the three-year measurement period is determined based on a percentile ranking of the Company's TSR results relative to the TSR of each of the companies in the peer group over the same three-year measurement period. The Board considers relative TSR an appropriate performance hurdle because it ensures that a proportion of each participant's remuneration is linked to the comparative return received by shareholders from holding shares in a Company in the peer group for the same period. <u>Absolute TSR</u> The increase in the Company's absolute TSR will be measured over a three-year period. The Board considers absolute TSR an appropriate performance hurdle because it ensures KMP performance is rewarded when a year-on-year improvement in shareholder value is achieved.
Vesting schedule	The number of ZEPO's vested after 3 years is subject to achievement of performance conditions as shown above.
Measurement period	Testing occurs three years from 01 July of the relevant financial year.
Cessation of employment	In the event that the KMP's employment with the Company terminates prior to the vesting of all rights / options, outstanding unvested rights / options will be reviewed by the Board and may or may not vest, depending on the circumstances of the cessation of employment. In the case of changes of control, incentives will be awarded at the absolute discretion of the Board.
Peer group	The Company's TSR performance for rights / options to be issued will be assessed against a peer group comprised of members of the Metals and Mining Index.

13. REMUNERATION REPORT (Audited) (continued)

(e) Executive Remuneration (continued)

(vi) Long-term Incentive Plan Outline (continued)

No Long Term Performance Rights were granted to KMP in the FY22 financial year.

On 24 June 2021 the shareholders of the Company approved the issue of 2 million Long Term Performance Rights and 1.5 million Long Term Performance Rights to Messrs A Teo and R Villanueva respectively. Under the terms of the issue, these Executives will be required to remain in employment of the Company for a three-year vesting period, until 19 March 2024 and 1 January 2024 and expiry of 19 March 2025 and 1 January 2025 respectively. Mr Teo ceased employment on 8 March 2022 and no shares have vested.

Each Performance Right is a right to acquire one share in the Company for nil consideration.

The value at grant date of Performance Rights granted as part of remuneration is calculated in accordance with AASB2 Share Based Payments. The value for a Performance Right granted has been calculated as $0.59 each. The Performance Rights were issued on 7 July 2022.

The terms and conditions of the long-term performance rights include the following:

Long Term Incentive Measures	Weighting relative to Total PR issued	Targets		Score mechanism
		Range of growth/change	Percentage allocation of weighting	
Financial measure: Earnings per share growth	20%	• Negative • 0 to 5% per annum growth • 5 to 10% per annum growth pro rata • Greater than 10% per annum growth	Zero Pro rata 0% to 40% Pro rata 40% to 100% 100%	EPS calculation to exclude non-recurring items and measured as the cumulative annual growth rate over a 3 year period
Company growth: Increase in ore reserves	10%	• Negative • Depletion replacement to 20% growth • 20% to 40% growth • Greater than 40%	Zero Pro rata 0% to 40% Pro rata 40% to 100% 100%	Based on JORC compliant reports 2020 and 2023.
Long-term Infrastructure target: Tigerway decline development	20%	• < 70% of decline developed • 70% to 85% • >85% of decline developed.	Zero Pro rata 0% to 100% 100%	Percentage of weighting is based on achievement of programmed Tigerway Decline Project development. 1st year - 10% 2nd year - 15% 3rd year - remaining 75%
Relative total shareholder returns: Measure of Company return compared to peer group.	10%	• Below 50th percentile • At 50th percentile • 50th to 75th percentile • Greater than 75th percentile	Zero 50% Pro rata 50% to 100% 100%	Measured against Peer Group based on 30 day VWAP at grant date and three year anniversary date.
Absolute total shareholder return: Measure of Company return	10%	• Below 20% • Between 20 to 50% • Greater than 50%	Zero Pro rata 50% to 100% 100%	Measure by comparing 30 day VWAP at grant date and three year anniversary date.
Safety: Total Injury frequency rate.	30%	• Negative • 20% improvement • 20%-40% improvement • Greater than 40% improvement	Zero Pro rata 0% to 40% Pro rata 40% to 100% 100%	Measured by comparison of rates for lost time and non-lost time injuries over the vesting period.

13. REMUNERATION REPORT (Audited) (continued)

(e) Executive Remuneration (continued)

(vi) Long-term Incentive Plan Outline (continued)

On 4 June 2021, the Company issued 350,000 Long Term Performance Rights to its CFO, Mr P Warr. Under the terms of the issue, Mr Warr would be required to remain in employment of the Company for a three-year vesting period, until 1 January 2024, and expire on 1 January 2025.

Each Performance Right is a right to acquire one share in the Company for nil consideration.

The value at grant date of Performance Rights granted as part of remuneration is calculated in accordance with AASB2 Share Based Payments. The value for a Performance Right granted has been calculated as $0.57 each.

The terms and conditions of the long-term performance rights include the following:

Long Term Incentive Measures	Weighting relative to Total PR issued	Targets		Score mechanism
		Range of growth/change	Percentage allocation of weighting	
Financial measure: Earnings per share growth	20%	• Negative • 0 to 5% per annum growth • 5 to 10% per annum growth pro rata • Greater than 10% per annum growth	Zero Pro rata 0% to 40% Pro rata 40% to 100% 100%	EPS calculation to exclude non-recurring items and measured as the cumulative annual growth rate over a 3 year period
Company growth: Increase in ore reserves	20%	• Negative • Depletion replacement to 20% growth • 20% to 40% growth • Greater than 40%	Zero Pro rata 0% to 40% Pro rata 40% to 100% 100%	Based on JORC compliant reports 2020 and 2023
Long-term Infrastructure target: Tigerway decline development	10%	• < 70% of decline developed • 70% to 85% • >85% of decline	Zero Pro rata 0% to 100% 100%	Based on the decline metres developed at relative measurement periods.
Relative total shareholder returns: Measure of Company return compared to peer group.	20%	• Below 50th percentile • At 50th percentile • 50th to 75th percentile • Greater than 75th percentile	Zero 50% Pro rata 50% to 100% 100%	Measured against Peer Group based on 30 day VWAP at the relative measure points at 30 June 2020 and 30 June 2023
Absolute total shareholder return: Measure of Company return	20%	• Below 20% • Between 20 to 50% • Greater than 50%	Zero Pro rata 50% to 100% 100%	Measure by comparing 30 day VWAP at 30 June 2020 to 30 day VWAP at 30 June 2023
Safety: Total Injury frequency rate	10%	• Negative • 20% improvement • 20%-40% improvement • Greater than 40% improvement.	Zero Pro rata 0% to 40% Pro rata 40% to 100% 100%	Measured by comparison of rates for lost time and non-lost time injuries over the vesting period.

13. REMUNERATION REPORT (Audited) (continued)

(e) Executive Remuneration (continued)

(vi) Long-term Incentive Plan Outline (continued)

On 13 March 2020, the Company issued Long Term Performance Rights of 1,400,000 to its KMP Executive Officers, excluding Directors of the Company. Under the terms of the issue, KMP's would be required to remain in employment of the Company for a three-year vesting period, until 13 March 2023.

Each Performance Right is a right to acquire one share in the Company for nil consideration.

The value at grant date of Performance Rights granted as part of remuneration is calculated in accordance with AASB2 Share Based Payments. The value for a Performance Right granted has been calculated as $0.26 each.

The terms and conditions of the Long-term performance rights include the following:

Long Term Incentive Measures	Weighting relative to Total PR issued	Targets		Score mechanism
		Range of growth/change	Percentage allocation of weighting	
Financial measure: Earnings per share growth	17%	• Negative • 0 to 5% per annum growth • 5 to 10% per annum growth pro rata • Greater than 10% per annum growth	Zero Pro rata 0% to 40% Pro rata 40% to 100% 100%	EPS calculation to exclude non-recurring items and measured as the cumulative annual growth rate over a 3 year period
Company growth: Increase in ore reserves	16%	• Negative • Depletion replacement to 20% growth • 20% to 40% growth • Greater than 40%	Zero Pro rata 0% to 40% Pro rata 40% to 100% 100%	Based on JORC compliant reports 2019 and 2022
Long-term Infrastructure target: Decline development	17%	• < 70% of decline developed • 70% to 85% • >85% of decline	Zero Pro rata 0% to 100% 100%	Based on the decline metres developed at end of June 2022, based on plan to access level 14. 70% = 3,450 metres of decline, 85% = 4,190 metres.
Relative total shareholder returns: Measure of Company return compared to peer group.	25%	• Below 50th percentile • At 50th percentile • 50th to 75th percentile • Greater than 75th percentile	Zero 50% Pro rata 50% to 100% 100%	Measured against Peer Group based on 30 day VWAP at the relative measure points at 30 June 2019 and 30 June 2022
Absolute total shareholder return: Measure of Company return	25%	• Below 20% • Between 20 to 50% • Greater than 50%	Zero Pro rata 50% to 100% 100%	Measure by comparing 30 day VWAP at 30 June 2019 to 30 day VWAP at 30 June 2022

The following companies have been identified by the Company to comprise the Peer Group. The Remuneration Committee may recommend to the Board to either include or exclude gold mining organisations available on this list to reflect changes in the industry:

Company	ASX Code
Austral Gold Limited	AGD
Dacian Gold Limited	DCN
Emerald Resources Limited	EMR
Kingsrose Mining Limited	KRM
Pantoro Limited	PNR
Perseus Mining Limited	PRU
Ramelius Resources Limited	RMS
Red 5 Limited	RED
Resolute Mining Limited	RSG
Troy Resources Limited	TRY

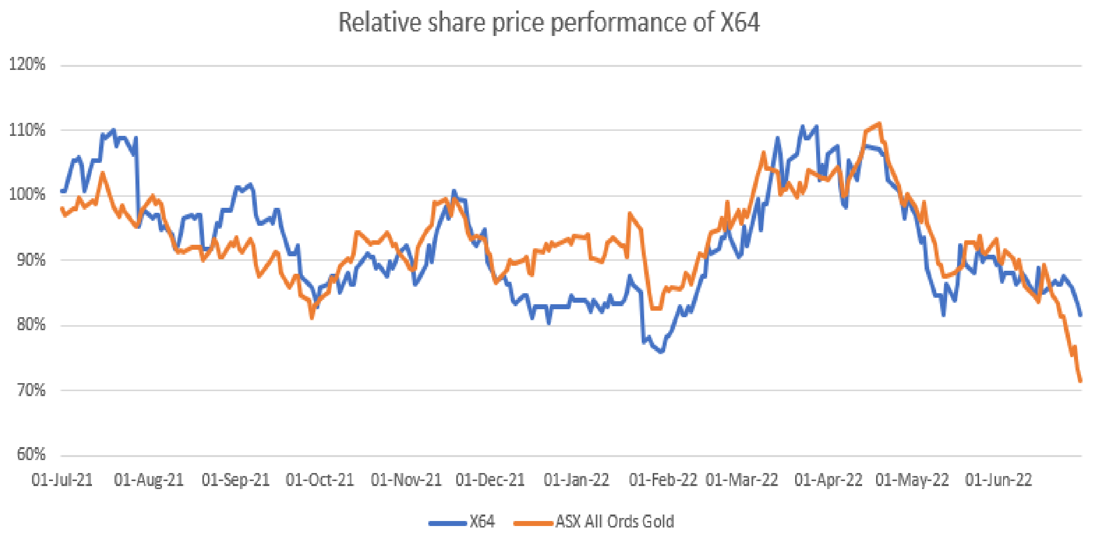
13. REMUNERATION REPORT (Audited) (continued)

(f) Company Performance

The Company aims to align executive remuneration to strategic and business objectives and the creation of shareholder wealth. The following table illustrates the Company performance indicators over the last five years as required by the Corporations Act:

Metric	Unit	2022	2021	2020	2019	2018
Net Profit/(Loss) after tax ($'000)	US$	2,823	47,256	29,691	36,489	(55,554)
Basic earnings per share (cents)	US$	1.20	22.7	14.3	17.6	(26.7)
Dividends paid per share (cents)	A$	2.0	5.0	-	-	-
Share price at year end 30 June (cents)	A$	69	84	69	57	50

For FY22, the Company share price has performed in line with S&P/ASX All Ordinaries Gold index, which is a broad market indicator for the gold companies listed on ASX, as depicted below.



(g) Remuneration options

No options or other equity-based instruments or rights over any of them, were granted by the Company or any entity controlled by the Company, as remuneration during or since the end of the financial year.

(h) Shares issued on exercise of options granted as remuneration

During the financial year, no fully paid ordinary shares were issued on the exercise of options previously granted as remuneration to Directors and Executives.

(i) Option holdings

Financial year 2021/2022:

Name	Balance 01/07/21	Options granted as remuneration	Options exercised	Options not exercised and lapsed/forfeited	Balance held 30/06/22	Vested & exercisable 30/06/22 (1)	Total not exercisable 30/06/22 (2)
Executive Officers:							
James Llorca	500,000	-	-	(500,000)	-	-	-

Notes:
(1) Options vested and exercisable are all the options vested at the reporting date;
(2) Options that are not exercisable have not vested at the reporting date.

13. REMUNERATION REPORT (Audited) (continued)

(i) Option holdings (continued)

Financial year 2020/2021:

Name	Balance 01/07/20	Options granted as remuneration	Options exercised	Options not exercised and lapsed/forfeited	Balance held 30/06/21	Vested & exercisable 30/06/21 (1)	Total not exercisable 30/06/21 (2)
Executive Officers:							
James Llorca	500,000	-	-	-	500,000	500,000	-
David McGowan (3)	500,000	-	-	(200,000)	300,000	300,000	-
Peter Alphonso (4)	165,000	-	-	-	165,000	165,000	-

Notes:
(1) Options vested and exercisable are all the options vested at the reporting date;
(2) Options that are not exercisable have not vested at the reporting date;
(3) Mr David McGowan, CEO ceased employment on 20 July 2020; and
(4) Mr Alphonso retired as CFO on 7 September 2020.

The above-mentioned options were issued to the Key Management Personnel on 8 January 2018 with an expiry date of 8 January 2022 on the following terms:

Tranche	Exercise price	Valuation per option	Terms of issue
A	A$1.00	A$0.275	Under the terms of the issue, the employees would be required to remain in the employment of the Company at 8 January 2019 to achieve 30% vesting of options, at 8 January 2020 to achieve 30% vesting of options with full vesting if they remain an employee of the Company a year later on 8 January 2021. All options lapsed unexercised on the expiry date.
B	A$1.25	A$0.255	
C	A$1.50	A$0.239	
D	A$1.75	A$0.225	

The options hold no voting or dividend rights. When exercisable, each option is convertible into one ordinary share of the Company.

(j) Share Holdings

The movement during the year in the number of ordinary shares in Ten Sixty Four Limited held directly, indirectly or beneficially, by each Director and key management personnel, including their personally related entities are as follows:

Financial year 2021/2022:

Name	Balance 1/07/21	Shares held at appointment	Compensation shares	Shares purchased	Performance Rights exercised	Shares sold	Balance 30/06/22/Date of employment ending
Directors:							
Non-Executive -							
Simon Mottram	100,000	-	-	-	-	-	100,000
Roy Daniel (1)	1,000,000	-	-	-	-	-	1,000,000
Executive -							
Jeffery McGlinn (2)	-	-	-	144,747	-	-	144,747
Paul Welker (3)	-	9,667,723	-	-	-	-	9,667,723
Andrew Teo (4)	170,000	-	-	-	-	-	170,000
Executive Officers:							
Raul Villanueva	50,000	-	-	-	-	-	50,000
James Llorca	37,000	-	-	-	39,000	-	76,000

Notes:
(1) Mr Daniel retired as a Non-Executive Director on 28 February 2022;
(2) Mr McGlinn, who had been Non-Executive Chairperson from 19 March 2021, assumed the role of Executive Chairman on 2 May 2022;
(3) Mr Welker was appointed as a Non-Executive Director on 3 March 2022, was appointed Managing Director on 8 March 2022 and resigned as Managing Director on 28 June 2022; and
(4) Mr Teo ceased employment as Managing Director on 8 March 2022.

13. REMUNERATION REPORT (Audited) (continued)

(j) Share Holdings (continued)

Financial year 2020/2021:

Name	Balance 1/07/20	Shares held at appointment	Compensation shares	Shares purchased	Performance Rights exercised	Shares sold	Balance 30/06/21
Directors:							
Non-Executive -							
Roy Daniel	815,875	-	-	184,125	-	-	1,000,000
Simon Mottram	-	-	-	100,000	-	-	100,000
Executive -							
Andrew Teo	120,000	-	-	50,000	-	-	170,000
Executive Officers:							
Raul Villanueva	50,000	-	-	-	-	-	50,000
James Llorca	-	-	-	-	37,000	-	37,000
Peter Alphonso (1)	127,500	-	42,000	-	-	-	169,500

Notes:

(1) Mr Alphonso retired as CFO on 7 September 2020.

(k) Performance Rights

The movement during the year in the number of Performance Rights over ordinary shares in Ten Sixty Four Limited held directly, indirectly or beneficially, by each Executive, including their personally related entities is as follows:

Financial year 2021/2022:

Name	Year Granted	Balance 01/07/21	Rights granted as remuneration (3)	Rights Vested	Rights Forfeited	Balance held 30/06/22 (unvested)	Max value yet to vest (1)
Executive Directors:							
Andrew Teo (2)	2021	2,000,000	-	-	(2,000,000)	-	-
Executive Officers:							
Raul Villanueva	2022	-	185,000	-	-	185,000	36,577
	2021	1,500,000	-	-	-	1,500,000	430,879
James Llorca	2022	-	60,000	-	-	60,000	11,856
	2021	39,000	-	(39,000)	-	-	-
	2020	350,000	-	-	-	350,000	20,974
Patrick Warr	2022	-	60,000	-	-	60,000	11,856
	2021	350,000	-	-	-	350,000	91,450

Notes:

(1) The maximum value of deferred performance rights yet to vest has been determined as the amount of the grant date fair value of the Performance Rights that is yet to be expensed. The value at grant date is calculated in accordance with AASB2 Share Based Payments.

(2) Mr Teo ceased employment as Managing Director on 8 March 2022. Pursuant to his incentive plans, the Performance Rights granted are forfeited as vesting conditions were not met.

(3) Performance Rights issued under the Short term Incentive Plan (refer 12 (e)).

13. REMUNERATION REPORT (Audited) (continued)

(k) Performance Rights (continued)

Financial year 2020/2021:

Name	Year Granted	Balance 01/07/20	Rights granted as remuneration [4]	Rights Vested	Rights Forfeited	Balance held 30/06/21 (unvested)	Max value yet to vest [1]
Executive Directors:							
Andrew Teo	2021	-	2,000,000	-	-	2,000,000	1,032,587
Executive Officers:							
Raul Villanueva	2021	-	1,500,000	-	-	1,500,000	783,223
Peter Alphonso [2]	2021	-	44,000	-	-	44,000	10,981
	2020	42,000	-	(42,000)	-	-	-
	2020	350,000	-	-	-	350,000	55,576
James Llorca	2021	-	39,000	-	-	39,000	9,733
	2020	37,000	-	(37,000)	-	-	-
	2020	350,000	-	-	-	350,000	55,576
Patrick Warr	2021	-	350,000	-	-	350,000	166,229
David McGowan [3]	2020	59,000	-	-	(59,000)	-	-
	2020	700,000	-	-	(700,000)	-	-

Notes:

(1) The maximum value of deferred performance rights yet to vest has been determined as the amount of the grant date fair value of the Performance Rights that is yet to be expensed. The value at grant date is calculated in accordance with AASB2 Share Based Payments.

(2) Mr Alphonso ceased as a KMP on 7 September 2020.

(3) Mr McGowan ceased employment on 20 July 2020. Pursuant to his incentive plans, the Performance Rights granted are forfeited as vesting conditions were not met.

(4) The Terms and conditions relating to the Long Term Performance Rights are outlined in Note 13 (e)(vi) of the Remuneration Report.

(5) Fair values at grant date are determined using a Monte Carlo Simulation pricing model. Further information is set out in Note 27 to the financial statements.

13. REMUNERATION REPORT (Audited) (continued)

(I) Statutory Remuneration Disclosures

(i) Executive Contracts

Remuneration and other terms of employment for the Executives are formalised in service agreements. The service agreements specify the components of remuneration, benefits and notice periods. Participation in the STI and LTI plans is subject to the Board's discretion. Other major provisions of the agreements relating to remuneration are set out below.

Jeffery McGlinn (Executive Chairman - appointed on 2 May 2022)

Contract:	Executive Services Agreement between the Company and Jeffrey McGlinn ("Executive").
Term:	Commencement date of 2 May 2022 until employment is terminated.
Services:	The Executive is employed as Executive Chairman of the Company and is responsible for managing and overseeing the strategy and direction of the Company's business.
Remuneration:	Fixed remuneration: A$600,000 per annum (exclusive of a superannuation contribution) plus other non-cash benefits elected by the Executive, subject to annual review by the Board. During the review, the Board will consider the Executive's performance, progress of the Company and comparable industry standards. Variable remuneration - Long term incentive: The Executive is eligible to receive long-term incentives in the form of 7,500,000 options at an exercise price of A$1.30 per option (subject to shareholder approval), vesting on 2 May 2025 and expiring 2 May 2027 if not exercised prior to the expiry date.
Termination:	Termination by the Company: The Employer may terminate the Executive's employment for any reason by giving the Executive 3 month's written notice or payment in lieu of notice, or a combination of notice and payment in lieu of notice. The Company may immediately terminate the agreement in certain circumstances, including if the Executive is in default of obligations and does not remedy that default in addition to other standard default situations. Termination by the Executive: The Executive may terminate the agreement at any time by giving the Company 3 months' written notice or without notice if the Company is in default of obligations and does not remedy that default in addition to other standard default situations.

13. REMUNERATION REPORT (Audited) (continued)

(I) Statutory Remuneration Disclosures (continued)

(i) Executive Contracts (continued)

Paul Ryan Welker (Managing Director – appointed on 8 March 2022, resigned on 28 June 2022)

Contract:	Executive Service Agreement between the Company and Paul Welker ("Executive").
Term:	Commencement date of 8 March 2022 until employment is terminated.
Services:	The Executive is employed as Managing Director ("MD") of the Company and is responsible for all operational aspects within the Group.
Remuneration:	Fixed remuneration: A$500,000 per annum (inclusive of a superannuation contribution) plus other non-cash benefits elected by the Executive, subject to annual review by the Board. During the review, the Board will consider the Executive's performance, progress of the Company and comparable industry standards. Variable remuneration - Long term incentive: The Executive is eligible to receive long-term incentives in the form of 2,000,000 options at an exercise price of A$1.30 per option (subject to shareholder approval), vesting on 8 March 2025 and expiring 8 March 2026 if not exercised prior to the expiry date.
Termination:	Termination by the Company: The Company may terminate the Executive's employment for any reason by giving the Executive 6 month's written notice or payment in lieu of notice, or a combination of notice and payment in lieu of notice. The Company may immediately terminate the agreement in certain circumstances, including if the Executive is in default of obligations and does not remedy that default in addition to other standard default situations. Termination by the Executive: The Executive may terminate the agreement at any time by giving the Company 6 months' written notice, or without notice if the Company is in default of obligations and does not remedy that default in addition to other standard default situations.

13. REMUNERATION REPORT (Audited) (continued)

(I) Statutory Remuneration Disclosures (continued)

(i) Executive Contracts (continued)

Andrew Teo (Managing Director - appointed on 19 March 2021, ceased employment on 8 March 2022)

Contract:	Executive Service Agreement between the Company and Andrew Teo ("Executive").
Term:	Commencement date of 19 March 2021 for a three-year term.
Services:	The Executive is employed as Managing Director ("MD") of the Company and is responsible for all operational aspects within the Group.
Remuneration:	Fixed remuneration: A$500,000 per annum (inclusive of a superannuation contribution) plus other non-cash benefits elected by the Executive, subject to annual review by the Board. During the review, the Board will consider the Executive's performance, progress of the Company and comparable industry standards. Variable remuneration - Short term incentive ("STI"): The Executive may be entitled to participate in the STI Plan as detailed in this report. Variable remuneration - Long term incentive: The Company may grant the Executive share options or performance rights in accordance with Ten Sixty Four's share option and performance rights plans, or as approved by shareholders, as detailed in this report.
Termination:	Termination by the Company: The Employer may terminate the Executive's employment for any reason by giving the Executive 6 month's written notice or payment in lieu of notice, or a combination of notice and payment in lieu of notice. The Company may immediately terminate the agreement in certain circumstances, including if the Executive is in default of obligations and does not remedy that default in addition to other standard default situations. Termination by the Executive: The Executive may terminate the agreement at any time by giving the Company 6 months' written notice. or without notice if the Company is in default of obligations and does not remedy that default in addition to other standard default situations. Termination by reason of Material Diminution: A "Material Diminution" is a change in the Executive's status as Managing Director of the Company, including a material change in his authority in respect of the business of the Company or a change in his reporting relationship with the Board. If a Material Diminution occurs, within 3 months of this occurring, the Executive may give the Company 2 weeks' written notice of termination of this agreement. Subject to the Corporations Act, the Company must make a payment to the Executive in lieu of a notice period being the remaining period of the three year contract, or 6 months if the remaining period of the contract is less than 6 months.

13. REMUNERATION REPORT (Audited) (continued)

(I) Statutory Remuneration Disclosures (continued)

(i) Executive Contracts (continued)

James Llorca (General Manager, Geology & Resources)

Contract:	Employment contract between the Company and James Llorca ("Employee").
Term:	Commencement date of 10 October 2016 until employment is terminated.
Services:	The Employee is employed as General Manager, Geology & Resources and is responsible all matters pertaining to geology in the Company.
Remuneration:	<u>Fixed remuneration:</u> A$382,500 per annum (inclusive of a superannuation), plus other non-cash benefits elected by the Employee, subject to annual review by the Board. During the review, the Board will consider the Employee's performance, progress of the Company and comparable industry standards. <u>Variable remuneration - Short term incentive ("STI"):</u> The Employee may be entitled to participate in the STI Plan as detailed in this report. <u>Variable remuneration - Long term incentive:</u> The Company may grant the employee share options or performance rights in accordance with Ten Sixty Four's share option and performance rights plans as detailed in this report.
Termination:	<u>Termination by the Company:</u> The Employer may terminate the Employee's employment for any reason by giving the Employee 3 month's written notice or payment in lieu of notice, or a combination of notice and payment in lieu of notice. The Company may immediately terminate the agreement in certain circumstances, including if the Employee is in default of obligations and does not remedy that default in addition to other standard default situations. <u>Termination by the Employee:</u> The Employee may terminate the agreement at any time by giving the Company 3 months' written notice.

13. REMUNERATION REPORT (Audited) (continued)

(I) Statutory Remuneration Disclosures (continued)

(i) Executive Contracts (continued)

Patrick Warr (Chief Financial Officer - appointed on 7 September 2020)

Contract:	Employment contract between the Company and Patrick Warr ("Employee").
Term:	No set term and the agreement will continue until employment terminates.
Role:	The Employee as Chief Financial Officer is responsible for the day-to-day management of all financial functions of the Group.
Remuneration:	Fixed remuneration: A$332,500 per annum (inclusive of superannuation), plus other non-cash benefits elected by the Employee, subject to annual review by the Board. During the review, the Board will consider the Employee's performance, progress of the Company and comparable industry standards. Variable remuneration - Short term incentive ("STI"): The Employee may be entitled to participate in the STI Plan as detailed in this report. Variable remuneration - Long term incentive: The Company may grant the employee share options or performance rights in accordance with Ten Sixty Four's share option and performance rights plans, as detailed in this report.
Termination:	Termination by the Company: The Employer may terminate the Employee's employment for any reason by giving the Employee 3 month's written notice or payment in lieu of notice, or a combination of notice and payment in lieu of notice. The Company may immediately terminate the agreement in certain circumstances, including if the Employee is in default of obligations and does not remedy that default in addition to other standard default situations. Termination by the Employee: The Employee may terminate the agreement at any time by giving the Company 3 months' written notice. Termination by reason of Material Diminution: A "Material Diminution" is a change in the Employee's status as Chief Financial Officer of the Company, including a material change in his authority in respect of the business of the Company or a change in his reporting relationship with the Board. If a Material Diminution occurs, within 3 months of this occurring, the Employee may give the Company 2 weeks' written notice of termination of this agreement. Subject to the Corporations Act, the Company must make a payment to the Employee in lieu of a notice period equal to 6 months.

13. REMUNERATION REPORT (Audited) (continued)

(I) Statutory Remuneration Disclosures (continued)

(i) Executive Contracts (continued)

Raul Villanueva (President of Philsaga Mining Corporation and President of Mindanao Mineral Processing and Refining Corporation)

Contract:	Employment contract between the Company and Raul Villanueva ("Employee").
Term:	Initial term of 36 months commencing 1 July 2021 to 30 June 2024, thereafter until employment is terminated
Role:	The Employee as President of Philsaga Mining Corporation (PMC) and President of Mindanao Mineral Processing and Refining Corporation (MMPRC), is responsible for managing the business affairs of PMC and MMPRC, implementing administrative and operational policies, attending to industrial relation matters and any other mining activities and associated complimentary services.
Remuneration:	Fixed remuneration: US$440,000 per annum (net of government taxes and other mandated deductions), plus 13th month pay, subject to annual review by the Board. During the review, the Board will consider the Employee's performance, progress of PMC and MMPRC and comparable industry standards. Variable remuneration - Short term incentive ("STI"): The Employee may be entitled to participate in the STI Plan as detailed in this report. The Board may, in its absolute discretion, pay the Employee an annual bonus. Variable remuneration - Long term incentive: The Company may grant the employee share options or performance rights in accordance with Ten Sixty Four's share option and performance rights plans, or as approved by shareholders, as detailed in this report.
Termination:	Termination by the Company: The Employer may terminate the Employee's employment for any reason by giving the Employee 6 month's written notice or payment in lieu of notice, or a combination of notice and payment in lieu of notice. The Company may immediately terminate the agreement in certain circumstances, including if the Employee is in default of obligations and does not remedy that default in addition to other standard default situations. Termination by the Employee: The Employee may terminate the agreement at any time by giving the Company 3 months' written notice or without notice if the Company is in default of obligations and does not remedy that default in addition to other standard default situations. Termination by reason of Material Diminution: A "Material Diminution" is a change in the Employee's status as President of PMC and MMPRC, including a material change in his authority in respect of the business of the Company or a change in his reporting relationship with the Board. If a Material Diminution occurs, within 3 months of this occurring, the Employee may give the Company 2 weeks' written notice of termination of this agreement. Subject to the Corporations Act, the Company must make a payment to the Employee in lieu of a notice period equal to 12 months.

13. REMUNERATION REPORT (Audited) (continued)

(l) Statutory Remuneration Disclosures (continued)

(ii) Board policy in relation to limiting exposure to risk in securities.

Under the Company's Securities Trading Policy, Directors and Executives are prohibited from dealing in financial products issued or created over or in respect of Ten Sixty Four securities (e.g. hedges or derivatives) which have the effect of reducing or eliminating the risk associated with any equity incentives that Ten Sixty Four may offer from time to time (for example, a person may be granted an equity incentive award that vests at a time in the future subject to achieving certain performance goals; certain financial institutions offer products which act as an insurance policy if the performance goals are not met, thereby reducing the "at-risk" element of the person's incentive arrangements).

(m) Related Parties

Related parties:	Jeffery McGlinn, Paul Welker, Andrew Teo, Andrew Hunt, Roy Daniel, Aaron Treyvaud, Simon Mottram, Raul Villanueva, Patrick Warr, Peter Alphonso and James Llorca.
Type of transaction:	Director and Officers Protection Deed ("Deed")
Transaction details:	The Deed entered into by the Company with each of the Directors of the Company, indemnifies the Directors to the extent permitted by law, against any liability, which he may incur whilst carrying out his duties as a Director of the Company and against any costs and expenses incurred in defending legal proceedings brought against him as a Director. The Deed requires the Company to maintain in force Directors' and Officers' Liability Insurance, with an agreed cover level, for the duration of the Directors' term of office and a period of 7 years thereafter. The Deed also provides for the Directors to have access to the Company's documents (including Board papers) for a period of 7 years after he ceases to be a Director, subject to certain confidentiality and other requirements being observed.

Apart from the Key Management Personnel related transactions with the Company or its controlled and affiliated entities disclosed in this Report, no Key Management Personnel has entered into a material contract with the Company since the end of the financial year and there were no material contracts involving Management Personnel's' interests subsisting at year end.

Further, there were no loans to Key Management Personnel during the year and there were no transactions or balances with Key Management Personnel, other than those disclosed in this Report.

(n) Voting of Shareholders at Last Year's Annual General Meeting

At the Annual General Meeting of shareholders held on 28 October 2021, a majority of 98.96% voted in favour of adopting the Remuneration Report.

End of Remuneration Report

(o) Un-issued shares under options/rights

At the date of this report, details of un-issued ordinary shares of the Company under rights are as follows:

Performance Rights (PRs) vesting date	Exercise price	No. of PRs	No. of shares issued if PRs criteria met and exercised
Performance Rights			
12 October 2022	N/A	437,000	437,000
13 March 2023	N/A	3,730,000	3,730,000
1 January 2024	N/A	350,000	350,000
1 January 2024	N/A	1,500,000	1,500,000
Total performance rights	N/A	**6,017,000**	**6,017,000**

As at the date of this report, there were no un-issued ordinary shares of the Company under options.

(p) Shares issued on exercise of options/rights

During the financial year 83,000 Performance Rights were converted into 83,000 fully paid ordinary shares.

During the financial year all options expired.

14. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Indemnification

The Company has agreed to indemnify the following current Directors and Officers of the Company, Messrs McGlinn, Hunt, Treyvaud, Villanueva, Mottram, Alphonso and Llorca and the following former Directors and Officers Messrs Teo, Daniel, Welker, McGowan, Davis, Weinberg, Angeles, Hepburn-Brown, Timler, Powell and Gregory against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and Officers of the Company and its controlled entities, except where the liability arises out of conduct involving a wilful breach of duty or improper use of information to gain a personal advantage.

No amount has been paid under any of these indemnities during the financial year under review.

Insurance premiums

During the year, the Company paid an insurance premium for Directors' and Officers' Liability Insurance policy, which cover all Directors, Company Secretaries and other Officers of the Company and its related entities. Details of the nature of the liabilities covered and the amount of premium paid in respect of the Directors' and Officers' Liability Insurance policies is prohibited under the terms of the policy, as such details are not disclosed.

15. INDEMNIFICATION OF AUDITORS

Ten Sixty Four Limited ("X64") has agreed to indemnify its auditors, BDO Audit (WA) Pty Limited ("BDO") to the extent permitted by law, against any claim by a third party arising from X64's breach of their agreement. X64 will meet the full amount of any such liabilities including a reasonable amount of legal costs.

During the financial year, the Company has not paid any premium in respect to any insurance for BDO or a body corporate related to BDO and there were no officers of the Company who were former partners or directors of BDO, whilst BDO conducted audits of the Group.

16. ENVIRONMENTAL REGULATIONS

The Group's operations are subject to a number of environmental regulations in relation to its exploration, mining and processing activities in the Philippines and Australia. Details of these regulations are set out in the Review of Operations, under the section titled Environmental Management and Monitoring in the Final Annual Report.

The Directors are not aware of any significant breaches of environmental regulations during the financial year.

17. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the financial year.

18. NON-AUDIT SERVICES

During the year, affiliated entities of BDO Audit (WA) Pty Limited ("BDO"), the Company's auditors, performed certain other services in addition to their statutory duties.

The Board has considered and is satisfied that the provision of non-audit services during the year by the auditor is compatible with and did not compromise, the auditor independence requirements of the Corporations Act for the following reasons:

a) all non-audit services are reviewed and approved by the Audit Committee and Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor;

b) the nature of the non-audit services provided do not compromise the general principles relating to auditor independence as set out in APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board;

c) The services of the affiliated entities of the BDO Group have not involved reviewing or auditing BDO's own work or acting in a managerial or decision-making capacity within the Group; and

d) There is no reason to question the veracity of BDO's Independence Declaration.

The following fees were paid affiliated entities of BDO (Audit) Pty Limited for non-audit services provided during the year ended 30 June 2022:

Item description	Unit	2022	2021
Taxation	US$	50,429	24,648
Remuneration consulting	US$	14,750	-
Total	US$	65,179	24,648

19. AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration for the year ended 30 June 2022 has been received and can be found on page 36 of this Report.

20. ROUNDING OFF 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.

Signed in accordance with a resolution of the Board of Directors

Jeffery McGlinn
Executive Chairman

Dated at Perth this 29th day of September 2022

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Australia

DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF TEN SIXTY FOUR LIMITED

As lead auditor of Ten Sixty Four Limited for the year ended 30 June 2022, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Neil Smith

Director

BDO Audit (WA) Pty Ltd

Perth

29 September 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Note	Consolidated 2022 US$000	Consolidated 2021 US$000
Revenue	2	139,959	179,037
Cost of sales		(101,291)	(105,116)
Gross Profit		38,668	73,921
Other income	2	33	107
Exploration & Evaluation expenses		(1,697)	(1,412)
Administration expenses		(8,255)	(7,667)
Cost of company acquisition	3	(12,491)	-
Other expenses	3	(12,315)	(2,514)
Profit before income tax expense		3,943	62,435
Income tax expense	4	(1,120)	(15,179)
Profit for the year after income tax expense		2,823	47,256
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Movement in other reserves (net of tax)		484	(83)
Exchange differences on translation of foreign operations (net of tax)		(443)	653
Total comprehensive profit attributable to the owners		2,864	47,826
Basic profit per share (US$ per share)	5	0.012	0.227
Diluted profit per share (US$ per share)	5	0.012	0.221

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2022

	Note	Consolidated 2022 US$000	2021 US$000
CURRENT ASSETS			
Cash & cash equivalents	6 (a)	50,658	51,074
Trade & other receivables	7	14,103	25,412
Inventories	8	30,659	16,697
Other current assets		694	657
Total Current Assets		96,114	93,840
NON-CURRENT ASSETS			
Trade & other receivables	7	10,871	20,869
Property, plant & equipment	9	29,612	17,675
Intangible assets		563	525
Mine Rehabilitation		638	1,036
Development expenditure	10	65,129	62,248
Deferred tax assets	4 (b)	23,818	18,921
Right-of-use assets	11	1,374	1,415
Total Non-current Assets		132,005	122,689
Total Assets		228,119	216,529
CURRENT LIABILITIES			
Trade & other payables	13	16,240	14,212
Borrowings	15	839	1,503
Provisions	14	360	245
Lease Liabilities	11	535	579
Total Current Liabilities		17,974	16,539
NON-CURRENT LIABILITIES			
Borrowings	15	213	200
Deferred tax liability	4 (b)	469	806
Provisions	14	3,709	4,999
Lease Liabilities	11	917	914
Total Non-current Liabilities		5,308	6,919
TOTAL LIABILITIES		23,282	23,458
NET ASSETS		204,837	193,071
EQUITY			
Issued capital	16	114,348	102,902
Reserves	17	7,670	7,438
Retained profits/(accumulated losses)	18	82,819	82,731
Total equity		204,837	193,071

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2022

	Share capital ordinary US$000	Retained profits US$000	Share based payment reserves US$000	Other reserves US$000	Foreign currency translation reserve US$000	Total US$000
<u>CONSOLIDATED</u>						
Balance at 30 June 2020	**102,902**	**43,668**	**444**	**(959)**	**6,672**	**152,727**
Balance at 1 July 2020	**102,902**	**43,668**	**444**	**(959)**	**6,672**	**152,727**
Net profit after tax	-	47,256	-	-	-	47,256
Other comprehensive profit	-		-	(83)	653	570
Total comprehensive profit for the year	-	47,256	-	(83)	653	47,826
Transactions with owners, in their capacity as owners, and other transfers						
Share options expensed	-	-	534	-	-	534
Transfer from option reserve	-	(177)	177	-	-	-
Dividend paid	-	(8,016)	-	-	-	(8,016)
Balance at 30 June 2021	**102,902**	**82,731**	**1,155**	**(1,042)**	**7,325**	**193,071**
Balance at 1 July 2021	**102,902**	**82,731**	**1,155**	**(1,042)**	**7,325**	**193,071**
Net profit/(loss) after tax	-	2,823	-	-	-	2,823
Other comprehensive profit	-	-	-	484	(443)	41
Total comprehensive profit for the year	-	2,823	-	484	(443)	2,864
Transactions with owners, in their capacity as owners, and other transfers						
Shares issued during the period	11,425	-	-	-	-	11,425
Share buy back	(71)	-	-	-	-	(71)
Share options expensed	-	-	681	-	-	681
Transfer from option reserve	92	398	(490)	-	-	-
Dividend paid	-	(3,133)	-	-	-	(3,133)
Balance at 30 June 2022	**114,348**	**82,819**	**1,346**	**(558)**	**6,882**	**204,837**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2022

	Note	Consolidated 2022 US$000	Consolidated 2021 US$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		154,336	164,660
Payments to suppliers & employees		(94,231)	(85,531)
Payments for exploration & evaluation activities		(1,678)	(1,412)
Other income		10	73
Interest received		22	34
Income tax paid		(4,528)	(13,388)
Net cash (used in) operating activities	6(b)	53,931	64,436
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	9	(18,211)	(10,795)
Payment for development activities	10	(32,372)	(28,640)
Payments for purchase of company, net of cash acquired		(317)	-
Net cash (used in) investing activities		(50,900)	(39,435)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for lease liabilities	11	(535)	(579)
Proceeds from issue of shares/buy back		(71)	-
Payments for dividends		(3,133)	(8,016)
(Payment of) from bank loans		(652)	(4,049)
Net cash by financing activities		(4,391)	(12,644)
Net increase/(decrease) in cash held		(1,360)	12,357
Cash and cash equivalent at the beginning of the year		51,074	38,852
Exchange rate adjustment		944	(135)
Cash and cash equivalent at the end of the year	6(a)	50,658	51,074

The above Consolidated Statement of Cash Flows should be used in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2022

BASIS OF PREPARATION

Ten Sixty Four Limited ("X64" or the "Company") formerly Medusa Mining Limited, is a company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange.

A description of the nature of operations and principal activities of X64 and its subsidiaries (collectively, the "Group") is included in the Directors Report, which is not part of these financial statements.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 28 September 2022.

The financial report is a general-purpose financial report which:

- has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB");
- has been prepared on historical costs basis except for assets and liabilities and share based payments which are required to be measured at fair value. The basis of measurement is discussed further in the individual notes;
- is presented in US dollars with all values rounded to the nearest thousand dollars ($'000), unless otherwise stated, in accordance with ASIC instrument 2016/191;
- Adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of X64 and effective for reporting periods beginning on or after 1 July 2021.

  There has been no new accounting standards or policies adopted this financial year.

(a) Principles of Consolidation

The Group's financial statements consolidate those of the Parent Company and all of its subsidiaries as at 30 June 2022. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

A list of controlled entities during the year ended 30 June 2022 is presented in note 25.

(b) COVID-19

Judgement has been exercised in considering the impacts of that the Coronavirus (Covid-19) pandemic has had, or may have, on the Group based on known information. This consideration includes the annual assessment of impairment of assets and the continued assumption of the going concern basis for the preparation of the financial statements. Based on information available at the time of signing this financial report, there is no known significant impact on the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Covid-19 pandemic.

(c) Key Estimates and Judgments

In the process of applying the Group's accounting policies, management has made a number of judgments and applied estimates of future events. Judgement and estimates which are material to the financial report are found in the following notes:

Note 3. Asset Acquisition
Note 4. Income Tax and Deferred Tax Assets
Note 7. Trade & Other Receivables
Note 10. Development Expenditure
Note 11. Leases
Note 12. Impairment of Non-Current Assets
Note 14. Provisions
Note 27. Share Based Payments

PERFORMANCE FOR THE YEAR

This section of the notes includes segment information and provides further information on key line items relevant to the financial performance of the Group. It includes relevant accounting policies, key judgments and estimates relevant to understanding these items.

1. SEGMENT INFORMATION

(i) Identification of Reportable Segments

The Group has identified its reportable operating segments based on the internal management 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 Mining, Exploration and Other. Currently the only operational mine is the Co-O mine. Other incorporates the Parent Entity's activities.

(ii) Segment Result, Segment Assets and Segment Liabilities

The measurement of segment results is in line with the basis of information presented to management for internal management reporting purposes;

Segment Result is based on the net of revenues and expenditure corresponding to the specific segment;

Segment Revenues represent gold and silver sales at spot prices;

Segments Assets are allocated to segments based on their nature and physical location;

Segment Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Segment Liabilities include trade and other payables; and

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments, as they are not considered part of the core operations of any segment:

- income tax expense;
- gain/(loss) on disposal of assets;
- deferred tax assets and liabilities;
- interest revenue; and
- intercompany receivables and payables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2022

PERFORMANCE FOR THE YEAR (continued)

1. SEGMENT INFORMATION (continued)

(ii) Segment Result, Segment Assets and Segment Liabilities (continued)

12 months to June 2022:	Mining US$000	Exploration US$000	Other US$000	Total US$000
Segment Revenue	139,959	-	-	139,959
Reconciliation of segment revenue to group revenue				
add:				
Interest revenue	-	-	23	23
Other income	-	-	10	10
Group revenue				139,992
Segment Result				
Reconciliation of segment result to group result:	(15,385)	(3,397)	(17,115)	(35,897)
add back:				
Forex realised	-	-	1,153	1,153
Forex unrealised	-	-	4,244	4,244
Interest revenue	-	-	23	23
Depreciation	8,064	1	1	8,066
Amortisation	30,655	-	103	30,758
Exploration write off	-	1,697	-	1,697
Bad debts write off	35	-	-	35
Other write off	2.813	-	-	2,813
Share based expense	-	-	681	681
Retirement expense	612	-	-	612
Income tax expense	-	-	1,120	1,120
Asset write off	9	-	-	9
Cost of company acquisition (i)	-	-	(12,491)	(12,491)
Group profit/(loss) after income tax expense				2,823
Segment Assets				
Reconciliation of segment assets to group assets:	197,507	2,614	4,180	204,301
plus: Deferred tax assets	23,818	-	-	23,818
Total group assets	-	-	-	228,119
Segment Liabilities				
Reconciliation of segment liabilities to group liabilities:	20,900	151	1,762	22,813
plus: Deferred tax liabilities	469	-	-	469
Total group liabilities				23,282

Note:
(i) Refer to Note 3

PERFORMANCE FOR THE YEAR (continued)

1. SEGMENT INFORMATION (continued)

(ii) Segment Result, Segment Assets and Segment Liabilities (continued)

12 months to June 2021	Mining US$000	Exploration US$000	Other US$000	Total US$000
Segment Revenue	179,037	-	-	179,037
Reconciliation of segment revenue to group revenue				
add:				
Interest revenue	-	-	34	34
Forex realised	-	-	73	73
Group revenue				179,144
Segment Result				
Reconciliation of segment revenue to group result:	16,624	(1,412)	(20,251)	(5,039)
add back:				
Forex realised	-	-	409	409
Forex unrealised	-	-	166	166
Internet revenue	-	-	34	34
Depreciation	8,330	-	5	8,335
Amortisation	26,109	-	125	26,234
Bad debts write off	28	-	-	28
VAT write off	593	-	-	593
Share based expense	-	-	534	534
Retirement expense	758	-	-	758
Income tax expense	15,179	-	-	15,179
Asset write off	11	-	14	25
Group profit /(loss)				47,256
Segment Assets				
Reconciliation of segment asset to group assets:	194,478	72	3,058	197,608
plus: Deferred tax assets	18,921	-	-	18,921
Total group assets	-	-	-	216,529
Segment Liabilities				
Reconciliation of segment liabilities to group liabilities:	22,014	17	621	22,652
plus: Deferred tax liabilities	806	-	-	806
Total group liabilities				23,458

Revenue & non-current assets by geographical region:	Australia US$000	Philippines US$000	Hong Kong US$000	Total US$000
<u>12 months to June 2022:</u>				
Segment Revenue	-	-	139,959	139,959
Non-Current Assets	682	131,323	-	132,005
<u>12 months to June 2021:</u>				
Segment Revenue	-	-	178,462	178,462
Non-Current Assets	270	122,419	-	122,689

All gold and silver sales have been produced from the Co-O Mine in the Philippines and are recognised in the mining segment as there has been no active trading of gold in the current year. Sales revenues in the mining segment represent sales of refined product from the Co-O Mine, refined and sold in Hong Kong.

In accordance with AASB 8 Operating segments disclosure requirements Non-Current Assets shown in geographical information include tangible and intangible assets but exclude financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

The Group sells its gold on the spot market. Selection of a customer is at the Group's discretion and there is no commitment to exclusive sales to any particular customer. During the financial year ended 30 June 2022, all of the Group's revenues were derived from sales to a single customer (2021:100%).

PERFORMANCE FOR THE YEAR (continued)

	Note	Consolidated 2022 US$000	Consolidated 2021 US$000
2. REVENUE AND OTHER INCOME			
Operating activities:			
Gold and silver sales		139,959	179,037
Non-operating activities:			
Interest income		23	34
Other income		10	73
Total revenue and other income		139,992	179,144

(a) Recognition and Measurement

Sale of refined gold & silver

Revenue is recognised when control of the goods has passed to the buyer based upon agreed delivery terms.

The Company's metal sales represent sales of refined gold and silver, when control passes to the customer which is when legal title to the refined metal transfers to the customer. The sales price is based on prevailing market metal prices.

Judgement is required to determine when transfer of control occurs relating to the sale of the goods to customers. Management based its assessment on a number of indicators of control, which include, but are not limited to whether the Company has present right of payment, and whether the control and legal title have transferred to the customer.

3. EXPENSES

Profit/(loss) before income tax expense/(income) has been determined after charging/(crediting) the following items:

	Note	Consolidated 2022 US$000	Consolidated 2021 US$000
Depreciation & amortisation:			
- Depreciation expense		8,067	8,335
- Amortisation expense		29,935	25,361
- Mine rehabilitation and right of use assets amortisation		823	873
Total depreciation & amortisation		38,825	34,569
Employee benefits expense		18,707	19,483
Interest expense & unwinding of discount on provisions		404	661
Cost of company acquisition (i)		12,491	-
Other expenses:			
- VAT impairment (ii)		2,813	593
- Forex realised		1,153	409
- Forex unrealised		4,244	166
- Defined benefit plans		612	758
- Assets impaired		9	25
- Share-based payment expense		681	534
- Bad debts write off		35	29
- Tax settlement		2,768	-
Total other expenses		12,315	2,514

PERFORMANCE FOR THE YEAR (continued)

3. EXPENSES (continued)

Notes:

(i) Asset Acquisition

On 24 February 2022, the Company (formerly Medusa Mining Limited) acquired 100% of the ordinary shares of Ten Sixty Four Limited. This company is a Queensland based gold exploration company.
The exploration asset acquired is in the exploration phase and this together with the unique nature of the assets, means that the valuation of the asset cannot be readily estimated and as such, the fair value of the asset acquired has been measured by reference to the value of the equity instruments granted. The consideration payable was 20,000,000 million ordinary shares in the Company valued at USD$11.446m, based on the share price at the date of completion when the rights of ownership to the asset was transferred.
The acquisition was accounted for as an asset acquisition by the way of a share based payment transaction whereby the excess of consideration paid and net assets acquired was recognised as exploration and evaluation expenditure in the profit and loss in accordance with the Group's accounting policy. This is because the assets acquired do not constitute an integrated set of activities and assets that are capable of being conducted and managed for a purpose of providing a return at the time of acquisition and hence is not a business.

The fair value of the identifiable net assets and liabilities of Ten Sixty Four Limited as at that date of acquisition are:

Purchase Consideration comprises:	**USD$000**
20,000,000 fully paid ordinary shares	11,425
Transaction costs (inc. Stamp Duty)	1,066
Total consideration	**12,491**
Net Asset acquired:	
Cost of Company Acquisition	**12,491**

Pursuant to the Company accounting policy, the Group expenses all costs incurred in respect of the acquisition costs of exploration assets and exploration and evaluation activities (refer Note 3 (iii)). Accordingly, the cost of acquiring Ten Sixty Four Limited has been expensed in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

(ii) Refer to note 7(b) for details on the provision for VAT impairment.

Recognition and Measurement

(ii) Depreciation

Plant and equipment (excluding the Co-O Mine) is depreciated applying the straight-line method over their estimated useful lives, commencing from the time the asset is held ready for use.

Co-O mine's useful life is estimated to approximate the expected life of the mine, the depreciation rate is based on a charge proportional to the depletion of estimated recoverable gold ounces contained in indicated and inferred resources.

Depreciation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation method	Depreciation rate (%)
Plant and equipment (excluding Co-O Mine)	Straight line	20.0% to 33%
Office furniture and fittings	Straight line	7.5% to 20%
Building	Straight line	5.0% to 20%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

Capital works in progress is included in Property, Plant and Equipment. Depreciation of the asset is applied when construction is completed, and the asset is ready for use.

PERFORMANCE FOR THE YEAR (continued)

3. EXPENSES (continued)

Recognition and Measurement (continued)

(iii) Amortisation

The Group uses the unit-of-production basis when amortising life-of-mine specific assets which results in an amortisation charge proportionate to the depletion of the anticipated remaining life-of-mine production. Each item's economic life, which it assesses annually, has due regard for both its physical life limitations and to present assessments of the available reserve of the mine property at which it is located. Refer Note 10 for further detail.

(iv) Exploration and Evaluation Expenses

Exploration and Evaluation expenditure incurred by or on behalf of the Group is reported separately for each area of interest. Such expenditure comprises direct costs and does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

The Group expenses all costs incurred in respect of the acquisition of exploration and evaluation activities and ongoing exploration activities in the period in which they are incurred.

Key Estimates and Judgments

(v) Acquisition not Constituting a Business

The Ten Sixty Four Limited acquisition was not accounted for as a business combination as the assets acquired did not meet the definition of a business as per AASB 3 Business combinations at the date of the acquisition. Namely, the assets do not constitute an integrated set of activities, and assets that are capable of being conducted and managed for a purpose of providing a return at the time of acquisition.

(vi) Acquisition share-based payment

For asset acquisitions settled via share-based payment arrangements, the Group measures the cost of the asset at fair value of the asset acquired, or if this cannot be determined, at the fair value of the equity instruments granted. During the year the Group acquired the Queensland exploration projects via the issue of equity and as such the transaction is a share-based payment under AASB 2. Given the nature of the exploration assets acquired, the fair value of the assets was unable to be determined and the transaction was recorded at the fair value of the equity instruments granted.

PERFORMANCE FOR THE YEAR (continued)

4. INCOME TAX

(a) Income Tax Expense

(i) The components of tax expense comprise:

	Consolidated	
	2022 US$000	2021 US$000
Current tax	6,622	10,680
Deferred tax	(5,590)	4,638
Prior year adjustment	88	(139)
	1,120	15,179

(ii) The prima facie tax on profit before income tax is reconciled to the income tax as follows:

	2022 US$000	2021 US$000
Operating profit before income tax	3,943	62,435
Prima facie tax expense/(credit) at 30% (2021: 30%) on operating profit	1,183	18,731
less - tax effect of:		
difference of effective foreign income tax rates	71	(3,111)
Interest income	(6)	80
amortisation and depreciation adjustment	(2,149)	(7,400)
VAT write off	-	227
share based payments expense	214	160
Impact of change in tax rate in Philippines	-	6,602
foreign exchange	1,787	42
expiry of tax credits	847	484
derecognition of deferred taxes	(1,920)	-
other	789	(128)
deferred tax assets not brought to account	304	(508)
Income tax expense/(benefit)	1,120	15,179

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 4(c) occur:

	2022 US$000	2021 US$000
- Temporary differences	17,306	17,306
- Australian tax losses	2,618	2,406
Total	19,924	19,712

The benefit of tax losses will only be obtained if:

- the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised;
- the Group continues to comply with the conditions for deductibility imposed by the law; and
- no changes in tax legislation adversely affect the Group in realising the benefit.

PERFORMANCE FOR THE YEAR (continued)

4. INCOME TAX (continued)

(b) Deferred Tax

	Opening balance US$000	Forex on translation US$000	Credit/(charged) to income US$000	Closing balance US$000
Consolidated Group				
30 June 2022				
Deferred tax liability				
Mining and exploration timing differences	806	(337)	-	469
Total deferred tax liability	806	(337)	-	469
Deferred tax assets				
Carried forward tax losses	527	-	819	1,346
Mining and exploration timing differences	18,394	681	3,397	22,472
Total deferred tax asset	18,921	681	4,216	23,818
30 June 2021				
Deferred tax liability				
Capitalised exploration & evaluation expenditures	-	-	-	-
Mining and exploration timing differences	257	549	-	806
Total deferred tax liability	257	549	-	806
Deferred tax assets				
Carried forward tax losses	1,010	-	(483)	527
Mining and exploration timing differences	22,070	665	(4,341)	18,394
Total deferred tax asset	23,080	665	(4,824)	18,921

(c) Recognition and Measurement

The income tax expense/(credit) for the year comprises current income tax expense (credit) and deferred tax expense/(credit).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantively enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/ (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

PERFORMANCE FOR THE YEAR (continued)

4. INCOME TAX (continued)

(d) Recognition and Measurement (continued)

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled, and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

The deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(e) Key Estimates and Judgments

Significant judgement is required in determining deferred tax assets and liabilities. There are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain.

In addition, deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future forecast taxable profits are available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the relevant tax legislation associated with their recoupment.

The Group has recognised a deferred tax asset of US$24 million at 30 June 2022. The utilisation of this deferred tax asset amount depends upon future taxable amounts in excess of profits arising from the reversal of temporary differences. The Group believes this amount to be recoverable based on taxable income projections.

5. EARNINGS PER SHARE

(a) Earnings/(Loss) per Share

	Consolidated	
	2022	**2021**
	US$000	US$000
Profit/(Loss) used to calculate basic and diluted EPS	2,823	47,256
Weighted average number of ordinary shares used in the calculation of the basic earnings per share.	227,794,301	207,873,301
Weighted average unlisted options & performance rights outstanding	5,598,625	6,019,496
Weighted average of ordinary shares diluted as at 30 June	233,392,926	213,892,797

(b) Recognition and Measurement

Basic earnings per share ("EPS") is calculated by dividing the net profit or loss attributable to members of the Company for the reporting period, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after-tax effect of financing costs associated with potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with potential ordinary shares, by the weighted average number of ordinary shares and potential ordinary shares adjusted for any bonus issue.

OPERATING ASSETS & LIABILITIES

This section of the notes shows cash generation, the assets used to generate the Group's trading performance and the liabilities incurred as a result. Liabilities relating to the Group's financing activities are addressed in the Capital Structure, Financial Instruments and Risk Section.

6. CASH AND CASH EQUIVALENTS

(a) Reconciliation of cash:

For the purposes of the Statement of Cash Flows, cash includes cash on hand and short-term deposits at call, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	Consolidated	
	2022	**2021**
	US$000	US$000
Cash at bank	50,620	51,036
Cash on hand	38	38
Total cash assets	50,658	51,074

(b) Reconciliation of profit /(loss) after income tax to net cash provided by operating activities:

	2022	2021
Profit after income tax	2,823	47,256
add/(less) -		
Non-cash items:		
- Depreciation/amortisation	38,002	33,696
- Mine rehabilitation amortisation	823	873
- Shares issue for company acquisition (Note 3)	11,425	-
- Retirement Benefit	612	758
- Gain on asset disposal	42	25
- Recognition of share-based expenses	714	534
- VAT write off	2,813	593
- Foreign exchange (gain) / loss	5,397	575
Total non-cash items	64,348	84,310
Changes in assets & liabilities		
- (increase)/decrease in trade & other receivables	18,494	(17,292)
- (increase)/decrease in VAT provisions for write off	(880)	315
- (increase)/decrease in prepayments	(37)	74
- (increase)/decrease in inventories	(13,962)	(1,219)
- (decrease)/increase in trade & other payables	(5,949)	(2,080)
- (increase)/decrease in deferred taxes assets	(4,896)	4,159
- increase/(decrease) in deferred taxes liabilities	337	(549)
- movement in retirement benefit liability	(1,828)	(3,282)
Total changes in assets and liabilities	(8,720)	(19,874)
Net cash provided by operating activities	55,661	64,436

(c) Non-cash Investing and Financing activities

	2022	2021
- Shares issue for company acquisition (Note 3)	11,425	-
- Performance Rights issued – (Note 27)	681	534
- Additions to the right -of-use assets (Note 11)	507	-

OPERATING ASSETS & LIABILITIES (continued)

6. CASH AND CASH EQUIVALENTS (continued)

(d) Restricted Funds

The Group's total cash assets mentioned above include restricted bank accounts as follows:

(i) a rehabilitation fund of US$4,519,440 (2021: US$5,378,887) to be used at the end of life of mine for environmental rehabilitation.

Total restricted funds amount to US$4,519,440.

(e) Recognition and Measurement

For the purpose of the Statement of Cash Flows, cash and cash equivalents include:

- cash on hand and at call deposits with bank or financial institutions, net of bank overdrafts; and
- investments in money market instruments with less than 30 days to maturity.

These amounts are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

7. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2022	**2021**
	US$000	US$000
Current		
GST/VAT receivables	10,542	10,349
Trade / Other receivables	3,561	15,063
Total current receivables	14,103	25,412
Non-Current		
GST/VAT receivables	10,871	20,869
Total non-current receivables	10,871	20,869

(a) Recognition and Measurement

Trade and other receivables are initially measured at the transaction price and subsequently measured at amortised cost less an allowance for uncollectable amounts. Uncollectable amounts are determined using the expected loss impairment model. Collectability and impairment of trade receivables is assessed on a regular basis.

In the current year, the expected credit loss on trade receivables is considered insignificant as trade receivables represents refined gold and silver awaiting settlement which is generally expected to settle within two days.

(b) Key Estimates and Judgments

The Group has GST/VAT of $21 million that comprises tax credit certificates ("TCC") and VAT claimable for cash and offsets. The current asset portion of VAT $10 million comprises amounts that are estimated to be utilised within the current period. The non-current amount of VAT receivable of $11 million represents the estimated amount utilised in future periods against tax liabilities.

Management judgment has been used to determine a provision for Philippine VAT Receivables not recoverable in future and is based on historical and estimated amounts in future.

In FY20 an amount of approximately $9.5m relating to VAT Receivables reported in a Philippine controlled entity has been de-recognised as an asset as the timing of utilising this amount could not be determined at balance date. Under existing Philippine tax law, this amount continues to be available to offset future VAT liabilities indefinitely, dependent on future VAT transactions.

OPERATING ASSETS & LIABILITIES (continued)

	Consolidated 2022 US$000	Consolidated 2021 US$000
8. INVENTORIES		
Consumables - net realisable value	10,837	7,096
Ore stockpile - at cost	1,662	1,740
Gold Inventory - at cost (i)	18,160	7,861
Total inventories	30,659	16,697

(i) Includes gold bullion held of 16,547 ounces at cost of US$13 million. Market value at 30 June 2022 for this gold bullion is US$30 million (FY21: gold bullion held of 3,679 ounces, held at cost of US$3 million.)

(a) Recognition and Measurement

Inventories consisting of ore in stockpiles, metal-in process and finished metal are valued at the lower of cost and net realisable value. Cost represents the weighted average cost and includes direct costs and an appropriate portion of fixed and variable production overhead expenditure, incurred in converting materials into finished goods. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Consumables are valued at the lower of cost and net realisable value. Any allowance for obsolescence is determined by reference to stock items identified.

9. PROPERTY, PLANT & EQUIPMENT

	2022 US$000	2021 US$000
Plant & equipment:		
At cost	210,142	204,342
less - provision for impairment	(132,064)	(132,064)
less - accumulated depreciation	(74,340)	(66,331)
Total plant & equipment at net book value	3,738	5,947
Capital works in progress:		
At cost	25,704	11,570
Total capital works in progress at net book value	25,704	11,570
Furniture & fittings:		
At cost	1,420	1,350
less - provision for impairment	(254)	(254)
less - accumulated depreciation	(996)	(938)
Total furniture & fittings at net book value	170	158
Total carrying amount at end of year	29,612	17,675

OPERATING ASSETS & LIABILITIES (continued)

	Consolidated 2022 US$000	Consolidated 2021 US$000
9. PROPERTY, PLANT & EQUIPMENT (continued)		
Reconciliations:		
Plant & equipment:		
Carrying amount at beginning of year	5,946	10,186
plus - additions	5,652	2,826
plus - net transfer from capital works in progress	226	1,225
less - forex differences on translation	(69)	(2)
less - disposal	(9)	(25)
less - depreciation	(8,008)	(8,263)
Carrying amount at end of year	3,738	5,947
Capital works in progress:		
Carrying amount at beginning of year	11,570	4,815
plus - additions	14,363	7,991
less - net transfer to plant and equipment	(229)	(1,236)
Carrying amount at end of year	25,704	11,570
Furniture & fittings:		
Carrying amount at beginning of year	158	69
plus - additions	66	149
plus - net transfer from capital works in progress	4	12
less - depreciation	(58)	(72)
Carrying amount at end of year	170	158
Total carrying amount at end of year	29,612	17,675

(a) Recognition and Measurement

Each class of Property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

OPERATING ASSETS & LIABILITIES (continued)

10. DEVELOPMENT EXPENDITURE

	Consolidated	
	2022	2021
	US$000	US$000
At cost -	501,934	469,271
less - provisions for impairment	(246,260)	(246,260)
less - accumulated amortisation	(190,545)	(160,763)
Total carrying amount at end of year	65,129	62,248
Reconciliation:		
Carrying amount at beginning of year	62,248	58,796
plus - costs incurred	32,663	28,640
less - amortisation expense	(29,782)	(25,188)
Total carrying amount at end of year	65,129	62,248

(a) Recognition and Measurement

Development expenditure represents the accumulated land and development expenditure incurred by or on behalf of the Group in relation to areas of interest in which mining of a mineral resource has commenced.

When further development expenditure is incurred in respect of a mine property after commencement of production, such expenditure is carried forward as part of the mine property only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production. All horizontal development drives which include permanent rail and associated infrastructure, are capitalised.

Amortisation of costs is provided on the unit-of-production method with separate calculations being made for each mineral resource at an average rate of 29.06% (2021: 28.99%). The unit-of-production basis results in an amortisation charge proportional to the depletion of the estimated recoverable reserves. In some circumstances, where conversion of resources into reserves is expected, some elements of resources may be included. Where the life of the assets is shorter than the mine life their costs are amortised based on the useful life of the assets.

The estimated recoverable reserves and life of the mine and the remaining useful life of each class of asset is reassessed at least annually. Where there is a change in the reserves/resources amortisation rates are correspondingly adjusted.

OPERATING ASSETS & LIABILITIES (continued)

10. DEVELOPMENT EXPENDITURE (continued)

(b) Key Estimates and Judgments

(i) Key estimates - Development expenditure

Development activities commence after project sanctioning by the appropriate level of management. Judgement is applied by management in determining when a project is economically viable. In exercising this judgment, management is required to make certain estimates in determining the viability of a project.

Any such estimates and assumptions may change as new information becomes available. If, after having commenced the development activity, a judgement is made that a development asset is impaired, the impairment charge is included in profit or loss.

(ii) Key estimates - Recoverability of long-lived assets

Certain assumptions are required to be made in order to assess the recoverability of capitalised development expenditure.

Key assumptions include the future price of gold, future cash flows, an estimated discount rate and estimates of ore reserves. In addition, cash flows are projected over the life of mine, which is based on proved and probable ore reserves.

Estimates of ore reserves in themselves are dependent on various assumptions, in addition to those described below, including cut-off grades. Changes in these estimates could materially impact on ore reserves and could therefore affect estimates of future cash flows used in the assessment of recoverable amount.

The Group has used the Reserve Statement released on 28th April 2021, taking into account ore utilised throughout the period and replenished to estimate the recoverable amount of long-lived assets.

(iii) Key estimates - Determination of ore reserves and remaining mine life

The Group uses the concept of life-of-mine as an accounting value to determine the amortisation of Development Assets in production.

In determining life-of-mine, The Group prepares ore resource and resource estimates in accordance with JORC Code 2012, guidelines prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geo Scientists and Minerals Council of Australia.

The estimate of these resources and reserves, by their very nature, require judgments, estimates and assumptions.

Refer to Note 12 for details on impairment assessment undertaken at the end of the financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2022

OPERATING ASSETS & LIABILITIES (continued)

11. LEASES

Nature of leasing activities

The Group leases certain items of plant and equipment, whereby these leases comprise a mixture of fixed and variable payments.

The Group also leases a property and the lease contracts provide for payments to increase each year by a fixed percentage.

	Consolidated		
	Land & buildings	**Plant & equipment**	**Total**
	US$000	US$000	US$000
Right-of-use assets			
Balance at start of year	286	1,613	1,899
Amortisation	(81)	(403)	(484)
At 30 June 2021	205	1,210	1,415
Balance at start of year	205	1,210	1,415
Additions	507	-	507
Amortisation	(88)	(460)	(548)
As at 30 June 2022	624	750	1,374

Right-of-use-assets are included in the Consolidated Statement of Financial Position as Leased Assets.

	Consolidated	
	2022	**2021**
	US$000	US$000
Lease Liabilities		
Balance at start of year		
Current	535	579
Non-Current	917	914
As at 30 June	1,452	1,493

The following amounts have been included as an expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income during the period:

	Consolidated	
	2022	**2021**
	US$000	US$000
Interest expense (included in Interest expense)	91	108
Expenses relating to short term leases (included in Other expenses)	-	-
Expenses relating to low value assets that are not short-term leases (included in Other expenses)	-	-
As at 30 June	91	108

The Group's total cash outflow for leases in the year ended 30 June 2022 was US$534,806 (2021: US$578,881).

OPERATING ASSETS & LIABILITIES (continued)

11. LEASES (continued)

(a) Recognition and Measurement

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments thatt do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(b) Key Estimates and Judgments

Leases - determining the lease term.

The Group has in place a number of leases of property and equipment with terms that can be renewed or extended, or, where no formal extension or renewal option exist, there is a practice of renewing or extending the lease.

In determining the lease term, management is required to determine

- Whether there is an actual or implied extension or renewal option. An implied extension or renewal option will exist if both the lessee and lessor would incur a more than insignificant penalty if the lease were not extended or renewed; and
- Whether the Group is reasonably certain to exercise any actual or implied extension options, taking into account all facts and circumstances relating to the lease.

Estimates:

Leases - determining the incremental borrowing rate.

Where the interest rate implicit in a lease is not known, the Group is required to determine the incremental borrowing rate, being the rate of interest, the Group would have to pay to borrow a similar amount, over a similar term, with similar security to obtain an asset of similar value in a similar economic environment.

As this information may not be readily available, the Group is required to estimate its incremental borrowing rate using such information as is available and making adjustments to reflect the particular circumstances of each lease.

OPERATING ASSETS & LIABILITIES (continued)

12. IMPAIRMENT OF NON-CURRENT ASSETS

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use i.e. discounted cash flows, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed in profit or loss.

Impairment testing is performed annually for intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When indicators of impairment exist, a formal estimate of the recoverable amount is made. External and internal indicators of impairment as at 30 June 2022 included:

- market value of the Company is lower than net assets of the Group; and
- increased expected future costs of production.

Due to the indicators above, the Group assessed the recoverable amounts of its major Cash-Generating-Unit ("CGU"), relating to the Co-O mining operations.

(a) Impairment testing

(i) Methodology

Impairment is recognised when the carrying amount exceeds the recoverable amount. The recoverable amount being the value in use of the CGU has been estimated using the discounted cashflows method based on the Group's recoverable minerals.

Value in use is estimated based on discounted cash flows using market-based commodity price, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements. When Life of Mine ("LOM") plans fully utilise the existing mineral resource and the Group have demonstrated an ability to replenish resources, an estimated replenishment rate has been applied to unmined resources.

Estimates of quantities of recoverable minerals, production levels, operating costs and capital requirements are sourced from the Group planning and budgeting process, mill capacity levels and mining plans for the following year. The 2023 budget and mine plan were developed in the context of the current gold price environment.

Significant judgements and assumptions are made by the Group to determine value in use. This includes assessing variable key assumptions such as gold market prices, cost structures, production utilisation and capacity, available minerals and discount rates. Any change in these variable assumptions can cause adverse changes in one or more of the assumptions used to estimate value in use.

(ii) Key Assumptions

The table below summarises the key assumptions used in the 30 June 2022 carrying value assessments. Comparison to the prior period has been provided.

Assumptions	Unit	2022 (2023 - 2027)	2021 (2022 - 2026)
Average gold price	US$/ounce	1,650	1,660
Average AISC (including Tigerway Decline)	US$/ounce	1,225	1,095
Pre-Tax discount rate (%)	%	12.4	11.7
Probable reserves	Ounces	331,400	331,300
Production range per annum	Ounces	72,000 – 98,000	67,000 - 95,000

The average All-In-Sustaining-Costs ("AISC") comprises all operating, sustaining capital and overheads expenditure averaged over the period mentioned.

OPERATING ASSETS & LIABILITIES (continued)

12. IMPAIRMENT OF NON-CURRENT ASSETS (continued)

(a) Impairment testing (continued)

(ii) Key Assumptions (continued)

Commodity prices

Commodity prices are estimated with reference to external market forecasts and reviewed at least annually. The price applied has taken into account observable market data.

Discount rate

The future cash flows of the CGU are discounted by the estimated real after tax weighted average cost of capital ("WACC"), pursuant to the Capital Asset Pricing Model. The nominal pre-tax WACC has been derived from comparable company analysis, in addition to the WACC rate of the group's Co-O mining operations being the primary CGU.

Production activity and operating and capital costs

Life of mine production activity and operating and capital cost assumptions are based on the Group's latest annual budget and the LOM plan. Discounted cash flows include expected cost improvements and sustaining capital requirements. Estimated production is assumed consistent with the capacity constraint of the Co-O mill considered while assuming a constant recovery rate.

Resources and reserves

Resource and Reserve ounces were based on the Group's JORC 2012 compliant Annual Resource and Reserve Update Statement announced to the Australian Securities Exchange on 19th April 2022.

(iii) Impacts

Due to the recoverable amount of the Group's Co-O mining operations CGU being greater than the estimated carrying amount, no impairment charge was required for the year ending 2022 (2021: nil).

Description	Note	2022			2021		
		Carrying amt ($'000)	Impairment ($'000)	Balance ($'000)	Carrying amt ($'000)	Impairment ($'000)	Balance ($'000)
Development	10	65,129	-	65,129	62,248	-	62,248
Plant & equipment	9	29,612	-	29,612	17,675	-	17,675
Consumables	8	10,836	-	10,836	7,096	-	7,096
Total		105,577	-	105,577	87,019	-	87,019

OPERATING ASSETS & LIABILITIES (continued)

	Consolidated 2022 US$000	Consolidated 2021 US$000
13. TRADE & OTHER PAYABLES		
Trade creditors	5,721	7,412
Accruals	6,276	2,960
Income tax payable	3,193	1,291
Withholding tax	864	2,369
Other creditors	186	180
Total creditors	16,240	14,212

(a) Recognition and Measurement

Trade and other payables are initially measured at the value of the invoice received from the supplier and subsequently measured at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of these purchase of the goods and services. The amounts are unsecured and generally paid within 30 days of recognition.

14. PROVISIONS

	2022	2021
Current provisions:		
Employee benefits	360	245
Total current provisions	360	245
Non-current provisions:		
Retirement benefit	(395)	1,082
Mine rehabilitation	4,104	3,917
Total non-current provisions	3,709	4,999

Retirement benefit

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:

	2022	2021
Current service cost	581	623
Net interest on obligation	2	123
Total	583	746

The amount included in the statements of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows:

	2022	2021
Present value of defined benefit obligation	(395)	1,082
Total	(395)	1,082

Movements in the present value of the defined benefit obligation in the current period were as follows:

	2022	2021
Opening balance	1,082	3,904
Current service cost	581	623
Net interest costs	220	123
Benefits/contributions paid	(434)	(297)
Actuarial gain/(loss)	(908)	401
Plan assets	(1,303)	(3,589)
Foreign exchange gain/(loss)	367	(83)
Closing balance	(395)	1,082

The Company has Plan Assets held by trustees for employee retirement fund amounting to US$1,303,139 (2021: US$3,589,617). Previous years Plan Assets held as restricted cash within the Group.

OPERATING ASSETS & LIABILITIES (continued)

14. PROVISIONS (continued)

(a) Recognition and Measurement

	Consolidated 2022 US$000	Consolidated 2021 US$000
Mine rehabilitation		
Carrying amount at beginning of the year	3,917	3,686
(less)/plus - in provision	187	231
Carrying amount at end of year	4,104	3,917

(i) Employee benefits

This provision is made for the Group liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits expected to be settled within 12 months together with entitlements arising from wages, salaries and annual leave which will be settled after 12 months, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

Other employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits. Contributions are made by the Group to several employee superannuation funds and are charged as expenses when incurred.

(ii) Retirement Benefit Fund

In respect of defined benefit plans, the cost of providing the benefits is determined using the projected unit credit method. Actuarial valuations are conducted every two years, with valuations performed on an annual basis. Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

The amount recognised in the Statement of Financial Position represents the present value of the defined benefit obligations adjusted for any unrecognised actuarial gains and losses and unrecognised past service costs less the fair value of the plan's assets. Any asset recognised is limited to unrecognised actuarial losses, plus the present value of available refunds and reductions in future contributions to the plan.

Actuarial gains and losses are amortised over the expected average remaining working lives of the participating employees in the plan. Gains or losses on the curtailment or settlement of a defined benefit plan are recognised in the profit or loss when the Group demonstrates commitment to the curtailment or settlement. Past service costs are recognised when incurred to the extent that benefits are vested and are otherwise amortised on a straight-line basis over the vesting period.

The Group has a funded non-contributory retirement plan for employees in the Philippines. The cost of providing benefits is determined using the Projected Unit Credit Method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The retirement benefit obligation recognised in the Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of plan assets.

The funding policy is to contribute an amount based on the actuarial valuation report which is carried out at regular intervals.

(iii) Rehabilitation Costs

Rehabilitation costs that are expected to be incurred are provided for as part of the cost of the exploration, evaluation, development, construction or production phases that give rise to the need for restoration. Accordingly, these costs are recognised gradually over the life of the facility as these phases occur. The costs include obligations relating to reclamation, waste site closure, plant closure and other costs associated with the rehabilitation of the site.

These estimates of the rehabilitation obligation are based on anticipated technology and legal requirements and future costs, which have been discounted to their present value. Any changes in the estimates are adjusted on a progressive basis. In determining the rehabilitation obligations, the entity has assumed no significant changes will occur in the relevant Federal, State or foreign legislation in relation to rehabilitation of such minerals projects in the future. At the reporting date, the group does not consider it has any significant unsatisfied obligations in respect to rehabilitation costs.

OPERATING ASSETS & LIABILITIES (continued)

14. PROVISIONS (continued)

(b) Key Estimates and Judgments

Key estimates - Rehabilitation Provision

The determination of the provision requires significant judgement in terms of the best estimate of the future costs of performing the work required, the timing of the cash flows and the appropriate discount rate.

In relation to estimating the costs of performing the work required, significant judgement and estimates are required in relation to estimating the extent of rehabilitation activities, including area to be rehabilitated, technological changes, regulatory changes, timing of cash flows and appropriate discount rates.

When these estimates change or become known in the future, such differences will impact the mine rehabilitation provision on the period in which they change or become known.

A change in any, or a combination of, the key estimates used to determine the provision could have a material impact on the carrying value of the provision.

Key estimates - Retirement Benefit Obligation

The Retirement Benefit in Non-Current Liabilities relates to the Philippine employees' defined benefit plan.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2022 by Actuarial Advisers, Inc. The present value of the defined benefit obligation and the related current service cost and past service cost was measured using the Projected Unit Credit Method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

- Discount rate applied – 6.68% (2021: 4.66%)
- Expected rate of salary increase - 6.00% (2021: 6.00%)

Assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to year-end by reference to high quality Government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation. Other assumptions are based on management's historical experience.

CAPITAL STRUCTURE, FINANCIAL INSTRUMENTS & RISK

This section provides further information about the Group's contributed equity, financial liabilities, related finance costs and its exposures to various risks. It explains how these risks affect the Group's financial position and performance and what the Group does to manage the risk.

15. BORROWINGS

	Consolidated 2022 US$000	Consolidated 2021 US$000
Current borrowings:		
Secured liability - interest bearing loan	154	205
Unsecured liability - interest bearing loan	685	1,298
Total current borrowings	839	1,503
Non-current borrowings:		
Secured liability - interest bearing loan	213	200
Total non-current borrowings	213	200
Total Borrowings	1,052	1,703

Secured Borrowing are bank loans secured by transportation equipment of the Group. Interest rates on the loans range between 4.00% to 4.79% (2021: 4.13% to 4.45%).

(a) Recognition and Measurement

All borrowings are initially recognised at fair value less transaction costs. Borrowings are subsequently carried at amortised cost using the effective interest rate. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit and loss over the period of borrowings using the effective rate method.

CAPITAL STRUCTURE, FINANCIAL INSTRUMENTS & RISK (continued)

	Consolidated			
	2022 Shares	2021 Shares	2022 US$000	2021 US$000
16. ISSUED CAPITAL				
Ordinary shares fully paid	227,956,301	227,956,301	114,348	102,902
Ordinary shares				
Balance at beginning of year	207,873,301	207,794,301	102,902	102,811
Ordinary shares issued during the year:				
Vendor shares to acquire Ten Sixty Four Limited (not	20,000,000	-	11,425	-
Share Buy Back	(136,000)	-	(71)	-
Issue of Shares to Key Management Personnel	83,000	79,000	92	91
Balance at end of year	227,820,301	207,873,301	114,348	102,902

Ordinary shares

Ordinary shares are classified as equity and transaction costs directly attributable to the issue of shares recognised as a deduction from equity, net of any related income tax effects.

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

No ordinary shares were issued during the year or during the prior year.

Capital Management

Management controls the capital of the Group by monitoring performance against budget to provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's liabilities and capital includes ordinary share capital, options/performance rights and financial liabilities, supported by financial assets.

Management effectively manages the Group’s capital by assessing the Group’s financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	Consolidated	
	2022 US$000	2021 US$000
Capital for the reporting period under review is summarised as follows:		
Total equity	204,837	193,071
Cash and cash equivalents	(50,658)	(51,074)
Total	154,179	141,997
Total equity	204,837	193,071
Borrowings	1,051	1,703
Overall financing	205,888	194,774
Capital-to-overall financing ratio	75%	73%

CAPITAL STRUCTURE, FINANCIAL INSTRUMENTS & RISK (continued)

	Consolidated	
	2022	**2021**
	US$000	US$000
17. RESERVES		
Share-based payment reserve	1,346	1,155
Other reserve	(558)	(1,042)
Foreign currency translation reserve	6,882	7,325
Total Reserves	7,670	7,438

(a) Share based payment reserve

The share-based payment reserve records items recognised as expenses on valuation of share based payments.

Options:

Unlisted options over ordinary shares at 30 June 2022;

- 1,465,000 options expired on 8 Jan 2022.

The above unlisted options did not entitle the holders to participate in any share issue of the Company.

Performance Rights:

Under the Performance Rights plan for long term incentives, which was approved by shareholders on January 2015, eligible employees are granted performance rights (each being an entitlement to an ordinary fully paid share), subject to the satisfaction of vesting conditions and on the terms and conditions as determined by the Board.

Under the short-term incentive plan for executives, agreed annually with the Board, a predetermined amount of the award is settled in Performance Rights. Eligible employees are granted performance rights (each being an entitlement to an ordinary fully paid share), subject to the satisfaction of vesting conditions and on the terms and conditions as determined by the Board.

Performance Rights issued under these plans carry no voting or dividend rights and are issued for no consideration. Refer Note 27.

(b) Foreign Currency Translation Reserve

The foreign currency translation reserve for the group records exchange differences arising on translation of foreign controlled subsidiaries.

(c) Other Reserves

Remeasurement gains and losses arising from changes in actuarial assumptions relating to the retirement benefits are recognised in the period in which they occur, directly in other comprehensive income. They are included in Other Reserves in the Statement of Changes in Equity.

CAPITAL STRUCTURE, FINANCIAL INSTRUMENTS & RISK (continued)

	Consolidated	
	2022	2021
	US$000	US$000
18. RETAINED PROFITS AND ACCUMULATED LOSSES		
Retained profit at start of year	82,731	43,668
Net profit attributable to members of Company	2,823	47,256
Transfer from share option reserve	398	(177)
Dividend paid	(3,133)	(8,016)
Retained profits at the end of year	82,819	82,731
19. DIVIDENDS PAID AND PROPOSED		
Interim dividend for the year ended 30 June 2022 of 2 cents per fully paid share (2021: 5 cents per fully paid share).	3,133	8,016
Total dividend paid during the financial year	3,133	8,016

On 5th September 2022, the Directors declared a final unfranked dividend for the year ended 30 June 2022 of 5 cents per ordinary share to be paid on 20 October 2022.

(a) Recognition and Measurement

Provision is made for any declared dividend, being appropriately authorised and no longer at the discretion of Company, on or before the end of the reporting period but not distributed at the end of the reporting period. A provision for dividend is not recognised as a liability unless the dividends are declared on or before the reporting date.

20. FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for Group operations. The Group does not speculate in the trading of derivative instruments.

(i) Treasury risk management

Senior executives of the Group regularly analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Group's overall risk management strategy is outlined in the Corporate Governance Statement in the Director's Report.

(ii) Financial risk exposures and management

The main risks the Group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk.

(iii) Interest rate risk

Interest rate risk is managed by investing cash with major financial institutions in both cash on deposit and term deposit accounts. Interest rates on major deposits that are re-invested, are at a fixed rate on a monthly basis.

(iv) Price risk

The Group sells its gold produced at spot rate and no forward contracts or hedging is utilised. Whilst the Group is cognizant of its exposure to fluctuations in the gold price, the current policy of the Board is not to hedge primarily because the Group produces gold in the current economic environment at a very low cash cost. The Board's risk management policy acknowledges that as market factors are dynamic in nature all risk positions are monitored to ensure that the Groups' activities are consistent with the approach and strategy approved by the Board. The Board therefore regularly reviews the spot price of gold to consider whether it should adopt any measures to mitigate risk.

CAPITAL STRUCTURE, FINANCIAL INSTRUMENTS & RISK (continued)

20. FINANCIAL RISK MANAGEMENT (continued)

(a) Financial Risk Management Policies (continued)

(v) Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

(vi) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss to the Company. Credit risk arises from the financial assets of the Company, which comprise trade and other receivables and deposits with banks and financial institutions.

The Company manages its credit risk on trade receivables and financial instruments by predominantly dealing with counterparties with an investment grade credit rating. Customers who wish to trade on unsecured credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis. As a result, the Company's exposure to bad debts is not significant. X64's maximum credit risk is limited to the carrying amount of its financial assets.

At 30 June 2022 the Company had a provision for credit loss of nil (2021: nil). Subsequent to 30 June 2022, 100% (2021: 100%) of the trade receivables balance of nil (2021: nil) has been received. Credit risk from balance with banks is managed by placing funds with reputable financial institutions with strong investment grade credit ratings.

(vii) Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk can be measured by performing a sensitivity analysis that quantifies the impact of different assumed exchange rates on the Group's forecast cash flows.

Whilst the Group is aware of its exposure to fluctuations in foreign currency, the current policy of the Board is not to hedge.

(b) Financial instrument composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the Statement of Financial Position.

Consolidated Group	Weighted avg Effective interest		Floating interest rate		Within 1 Year		Within 1 to 5 Years		Non-Interest Bearing		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	(%)		(US$000)									
Financial Assets:												
Cash & cash equivalent	0.13	0.45	22,811	9,366	-	-	-	-	27,847	41,708	50,658	51,074
Loans and receivables	-	-	-	-	-	-	-	-	3,561	15,063	3,561	15,063
			22,811	9,366	*	-	-	-	31,408	56,771	54,219	66,137
Financial Liabilities:												
Financial liabilities at amortised cost												
Bank Loan - Current	4.15	4.32	-	-	839	1,503	-	-	-	-	839	1,503
Bank Loan - Non-current	4.79	4.45	-	-	-	-	213	200	-	-	213	200
Lease Liabilities - Current	6.03	6.03	-	-	535	579	-	-	-	-	535	579
Lease Liabilities - Non-Current	6.03	6.03	-	-	-	-	917	914	-	-	917	914
Trade & sundry payables	-	-	-	-	-	-	-	-	16,240	14,212	16,240	14,212
			-	-	1,374	2,082	1,130	1,114	16,240	14,212	18,744	17,408

CAPITAL STRUCTURE, FINANCIAL INSTRUMENTS & RISK (continued)

20. FINANCIAL RISK MANAGEMENT (continued)

(b) Financial instrument composition and maturity analysis (continued)

(i) Financial instrument composition and maturity analysis (continued)

	Consolidated 2022 US$000	Consolidated 2021 US$000
Trade and sundry payables are expected to be paid as follows:		
Less than 6 months	16,240	14,212

As at 30 June 2022 and 2021, all receivables were neither past due nor impaired

(ii) Net fair values

The fair value of cash and cash equivalents and non- interest bearing monetary financial assets and liabilities approximates their carrying value. The fair value of financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

(iii) Sensitivity analysis

The Group has performed sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and price risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity, which could result from a change in these risks.

(iv) Interest Rate Sensitivity Analysis

As at 30 June 2022, the effect on profit or equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated 2022 US$000	Consolidated 2021 US$000
Change in profit/(loss) before income tax/equity:		
- increase in interest rate by 100 basis points	246	113
- decrease in interest rate by 100 basis points	(246)	(113)

(v) Foreign currency risk sensitivity analysis

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the consolidated entity's functional currency.

The consolidated entity operates internationally and is exposed to foreign exchange risk arising from the United States dollar. No programs for hedging foreign exchange risk were implemented by the consolidated entity in the 2021 and 2022 financial years.

CAPITAL STRUCTURE, FINANCIAL INSTRUMENTS & RISK (continued)

20. FINANCIAL RISK MANAGEMENT (continued)

(b) Financial instrument composition and maturity analysis (continued)

(v) Foreign currency risk sensitivity analysis (continued)

The following table shows the foreign currency risk on the financial assets and liabilities of the Groups operations denominated in currencies other than the functional currency of the operations.

Consolidated	Net Financial Assets/(Liabilities) in US$000			
	A$	PHP	US$	TOTAL US$
2022				
Functional currency of Group Entity	-	-	3,209	3,209
Australian Dollar	-	-	-	6,020
US Dollar	-	6,020	25,795	25,795
Philippine Peso	-	-	-	-
Total	-	6,020	29,004	35,024
2021				
Functional currency of Group Entity				
Australian Dollar	-	-	2,542	2,542
US Dollar	-	733	-	733
Philippine Peso	-	-	36,887	36,887
Total	-	733	39,429	40,162

	Consolidated	
	2022	**2021**
	US$000	US$000
Change in profit/(loss) before income tax/equity:		
- strengthening of A$ to US$ by 5%	(153)	(121)
- strengthening of Philippine Peso to US$ by 5%	(1,285)	(1,843)
Total	(1,438)	(1,964)
- weakening of A$ to US$ by 5%	153	121
- weakening of Philippine Peso to by 5%	1,285	1,843
Total	1,438	1,964

(vi) Price risk sensitivity analysis

The policy of the Company is to sell gold at spot price and has not entered in hedging contracts. The Company's revenues were exposed to fluctuations in the price of gold. If the average selling price of gold of US$1,811 (2021: US$1,853) for the financial year had increased/decreased by 10% the change in the profit before income tax for the consolidated group would have been an increase/decrease of US$16,067 million (2021: US$17,701 million). The above interest rate, foreign exchange rate and price risk sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with accounting standards and other regulatory pronouncements but are not considered critical in understanding the financial performance or position of the Group.

	Consolidated 2022 US$	Consolidated 2021 US$
21. AUDITORS' REMUNERATION		
Remuneration received or due and receivable by the Company's Auditors, BDO Audit (WA) Pty Limited for:		
• auditing or reviewing the financial reports	181,739	147,643
• other services provided by related entities of auditor:		
Taxation	50,429	24,648
Remuneration consulting	14,750	-
Total remuneration of the Company's auditors	246,918	172,291
Remuneration of other auditors of the Company's Philippines and Hong Kong subsidiaries for:		
• auditing or reviewing the financial reports	76,896	83,194
• other services provided by related practice of auditor - taxation & compliance	3,441	7,473
Total remuneration of other auditors of the Company's Philippines subsidiaries	80,337	90,667

22. COMMITMENTS

(a) Other contractual commitments:

(i) On 26 March 2008, Philsaga was granted Mineral Production Sharing Agreement ("MPSA") number 262-2008-XIII over the Co-O mine. Under the terms of the Agreement Philsaga is committed to mine related expenditure in the Philippines as follows:

These obligations are not provided in the financial report and are payable:

	2022	2021
- no later than 1 year	58	61
- 1 year or later and no later than 5 years	234	243
Total other contractual commitments	292	304

(ii) On 24 November 2009 Philsaga was granted Mineral Production Sharing Agreement ("MPSA") number 299-2009-XIII over the Co-O mine. Under the terms of the Agreement Philsaga is committed to mine related expenditure in the Philippines as follows:

These obligations are not provided in the financial report and are payable:

	2022	2021
- no later than 1 year	61	105
- 1 year or later and no later than 5 years	243	253
Total other contractual commitments	304	358

(iii) As announced on the ASX on 16 April 2021, the Co-O gold mine decline project Tigerway was approved. The Company's associated operating entity in the Philippines has committed to spend approximately US$54 million on the decline project over 36 months, of which approximately US$18 million has been spent project to date.

OTHER INFORMATION (continued)

23. CONTINGENT LIABILITIES

(i) The parent entity on behalf of its subsidiary Komo Diti Traders Limited has provided a performance guarantee to its customer Heraeus Limited amounting to no more than US$15,000,000 for any deficiency in the subsidiary's obligations and liabilities under the Refining & Transportation Agreement with Heraeus Limited.

(ii) The parent entity has bank guarantees of AUD$83,630 and AUD$95,933 with the Commonwealth Bank of Australia for its head office premises. In the event that they are unable to fulfil its rental obligation with the landlords, the bank shall release the funds for settlement.

(iii) The Company's operating affiliate in the Philippines, Mindanao Mineral Processing and Refining Corporation ("MMPRC"), has successfully defended a corporate income tax dispute with the Bureau of Internal Revenue Philippines (BIR) in the Court of Tax Appeals. Subsequently, the BIR filed a further petition for review (appeal) with the Court of Tax Appeals on 8 April 2022. Prior to the deadline for MMPRC to file its comments on the petition, the company has requested the BIR Commissioner to withdraw the petition on the basis of settlement of another tax matter. MMPRC expects the BIR will withdraw its petition. Further, even if the petition is given due course by the court of Tax appeals, MMPRC's lawyers expect the petition will again be successfully defended.

(iv) The Company has terminated the service contract of the former Managing Director, Mr A Teo, refer to the ASX announcement on 9 March 2022. Mr Teo has submitted a claim for compensation, which the Company will vigorously defend.

(v) Three former directors have commenced legal proceedings against the Company, refer ASX announcement on 8 July 2022. The Company has appointed legal counsel to defend the matter.

(vi) The Company has terminated the service contract of the former Managing Director, Mr P R Welker, refer ASX announcement on 5 July 2022. Mr Welker has submitted a claim for compensation, which the Company will vigorously defend.

24. RELATED PARTIES

Related parties' transactions of Ten Sixty Four Limited fall into the following categories:

Key Management Personnel related parties

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period.

Directors:

Non-Executive -

Jeffery McGlinn (appointed Non-Executive Chairman 16 February 2021 and Executive Chairman on 19 March 2021);

Roy Daniel (retired 28 February 2022);

Simon Mottram;

Andrew Hunt (appointed as a Non-Executive Director on 16 March 2022);

Aaron Treyvaud (appointed as a Non-Executive Director on 2 May 2022).

Executive -

Andrew Teo (appointed Managing Director on 19 March 2021, ceased on 8 March 2022);

Jeffery McGlinn (appointed as Executive Chairman on 2 May 2022); and

Paul Ryan Welker (appointed as a Non-Executive Director on 3 March 2022, appointed Managing Director on 8 March 2022 and resigned as Managing Director on 28 June 2022).

Executive Officers:

David McGowan (Chief Executive Officer - ceased employment on 20 July 2020);

Raul Villanueva;

Patrick Warr (appointed Chief Financial Officer on 7 September 2020);

Peter Alphonso (Chief Financial Officer retired 7 September 2020); and

James Llorca (General Manager, Geology & Resources).

OTHER INFORMATION (continued)

24. RELATED PARTIES (continued)

Details of Key Management Personnel's remuneration, shareholdings and option/performance rights holdings are set out in the Remuneration Report section of the Directors' Report.

	Consolidated	
	2022	**2021**
	US$000	US$000
Key management personnel compensation:		
Short term employee benefits	2,175	1,771
Post-employment benefits	76	40
Long-term benefits	39	-
Equity-settled share-based payments	366	372
Termination benefits	175	-
Total	2,831	2,183

Detailed remuneration disclosures are provided in the remuneration section of the Directors' report.

On 16 June 2022, the Company's wholly owned subsidiary company, Ten Sixty Four Qld Ltd (X64 Qld), entered into a services agreement (2022 Drilling Contract) with Ranger Equipment Pty Ltd (Ranger Equipment), for the provision of surface drilling services in the Company's gold project in Claremont, Queensland, commencing 4 April 2022.

The then Managing Director of the Company, Mr Welker, was a director of Ranger Equipment and held shares in this company.

In June 2022, two invoices totalling A$293,569 were presented by Ranger Equipment for payment under the 2022 Drilling Contract. Shortly thereafter, the Board of X64 became aware of the existence of the 2022 Drilling Contract as well as Mr Welker and Mr Williams' (a director of X64 Qld) financial interest in Ranger Equipment.

The 2022 Drilling Contract was terminated thereafter. The Board is reviewing the drilling invoices, however, no liability has been recognised as at 30 June 2022.

On 27 June 2022, Mr Welker resigned as Managing Director and on 5 July 2022, the Company terminated Mr Welker's employment with immediate effect. On 15 July 2022, Mr Williams was removed as a director of X64 Qld.

OTHER INFORMATION (continued)

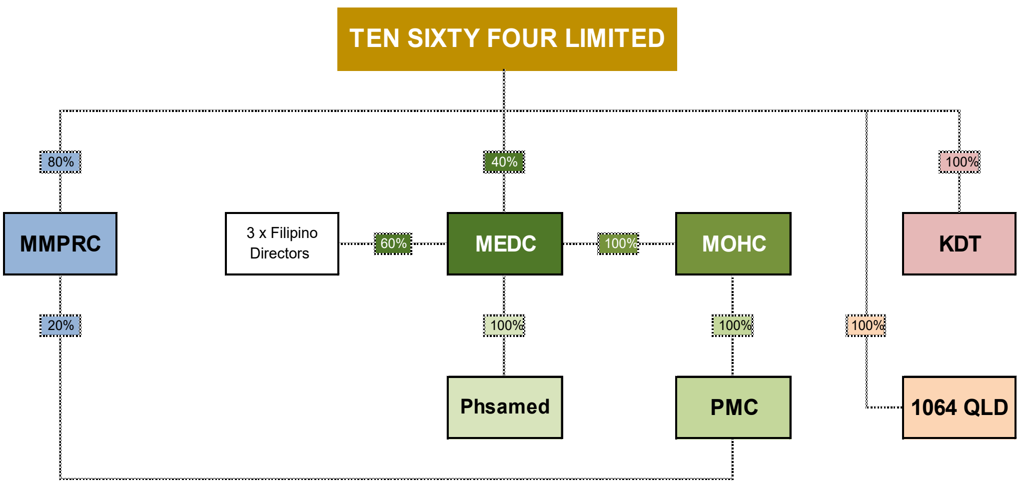
25. INVESTMENT IN SUBSIDIARIES

The following companies are controlled entities of Ten Sixty Four Limited as at 30 June 2022:

Controlled Entities	Date of incorporation	Country of incorporation	% interest held	
			2022	2021
Medusa Exploration & Development Corporation	29 May 2003	Philippines	40%	40%
Phsamed Mining Corporation	23 Apr 2003	Philippines	40%	40%
Medusa Overseas Holding Corporation	08 May 2003	Philippines	40%	40%
Philsaga Mining Corporation	17 May 2001	Philippines	40%	40%
Mindanao Mineral Processing and Refining Corporation	03 Nov 2005	Philippines	100%	100%
Komo Diti Traders Limited	23 Jan 2017	Hong Kong	100%	100%
Ten Sixty Four Queensland Limited	24 Feb 2022	Australia	100%	-

Ten Sixty Four Limited ("X64") holds 40% of the issued shares of Medusa Exploration and Development Corporation ("MEDC"). As X64 has various agreements in place and pursuant to local statutory provisions, X64 has effective sole rights to the economic returns of MEDC and its subsidiary companies. In such circumstances, the assets and liabilities of MEDC and its subsidiaries have been attributed 100% to the Consolidated Entity.

ORGANISATION CHART



Philippine entities:
- Mindanao Mineral Processing & Refining Corporation ("MMPRC") - Processing Company
- Medusa Overseas Holding Corporation ("MOHC") - Holding Company
- Medusa Exploration & Development Corporation ("MEDC") - Company providing geological services
- Phsamed Mining Corporation ("Phsamed") - Mining and Exploration Company
- Philsaga Mining Corporation ("PMC") - Mining and Exploration Company

Hong Kong entity:
- Komo Diti Traders Limited ("KDTL") - Trading Company

Australian entity:
- Ten Sixty Four Queensland LTD ("1064 QLD") - Exploration Company

OTHER INFORMATION (continued)

26. PARENT COMPANY INFORMATION

	2022 US$000	2021 US$000
Parent Entity:		
Current Assets	3,497	2,788
Total Assets	29,062	20,816
Current Liabilities	1,112	392
Total Liabilities	1,761	621
Net Assets	27,301	20,195
Issued capital	114,348	102,902
Option premium reserve	1,640	1,155
Foreign exchange reserve	11,894	11,894
Accumulated losses	(47,163)	(45,471)
Dividends paid	(53,418)	(50,285)
Total Equity	27,301	20,195
Profit/(Loss) for the year	(1,829)	867
Total Comprehensive Profit/(Loss)	(1,829)	867

27. SHARE-BASED PAYMENTS

The following share-based payment arrangements existed during 30 June 2022:

(i) On 8 January 2018, 1,665,000 options were issued to Australian and Philippine based employees. The options which hold no voting or dividend rights have an expiry date of 8 January 2022 and are exercisable as follows:

Tranche	Options	Exercise price	Valuation per option	Terms of issue
A	416,250	A$1.00	A$0.275	Under the terms of the issue, the employees would be required to remain in the employment of the company at 8 January 2019 to achieve 30% vesting of options, at 8 January 2020 to achieve 30% vesting of options with full vesting if they remain an employee of the company a year later on 8 January 2021. At reporting date, all options remain unexercised.
B	416,250	A$1.25	A$0.255	
C	416,250	A$1.50	A$0.239	
D	416,250	A$1.75	A$0.225	

The Options were valued using a Black Scholes pricing model. The valuation per tranche was calculated under this valuation model (using historical share price volatility measures) and applying the following inputs:

- Weighted average life of option - 48 months
- Share price volatility - 99%
- Risk free rate - 1%
- Dividend Yield - Nil

At reporting date all options have expired.

(ii) On 13 March 2020, the Company issued 5,300,000 Long Term Performance Rights to its employees. Under the terms of the issue, employees would be required to remain in employment of the Company for a three-year vesting period, until 13 March 2023.

OTHER INFORMATION (continued)

27. SHARE-BASED PAYMENTS (continued)

The terms and conditions of the Long-term performance rights include the following:

Long Term Incentive Measures	Weighting relative to Total PR issued	Targets: Range of growth/change	Targets: Percentage allocation of weighting	Score mechanism
Financial measure: Earnings per share growth	17%	• Negative • 0 to 5% per annum growth • 5 to 10% per annum growth pro rata • Greater than 10% per annum growth	Zero Pro rata 0% to 40% Pro rata 40% to 100% 100%	EPS calculation to exclude non-recurring items and measured as the cumulative annual growth rate over a 3-year period
Company growth: Increase in ore reserves	16%	• Negative • Depletion replacement to 20% growth • 20% to 40% growth • Greater than 40%	Zero Pro rata 0% to 40% Pro rata 40% to 100% 100%	Based on JORC compliant reports 2019 and 2022
Long-term Infrastructure target: Decline development	17%	• < 70% of decline developed • 70% to 85% • >85% of decline	Zero Pro rata 0% to 100% 100%	Based on the decline metres developed at end of June 2022, based on plan to access level 14. 70% = 3,450 metres of decline, 85% = 4,190 metres.
Relative total shareholder returns: Measure of Company return compared to peer group.	25%	• Below 50th percentile • At 50th percentile • 50th to 75th percentile • Greater than 75th percentile	Zero 50% Pro rata 50% to 100% 100%	Measured against Peer Group based on 30-day VWAP at the relative measure points at 30 June 2019 and 30 June 2022
Absolute total shareholder return: Measure of Company return	25%	• Below 20% • Between 20 to 50% • Greater than 50%	Zero Pro rata 50% to 100% 100%	Measure by comparing 30-day VWAP at 30 June 2019 to 30 day VWAP at 30 June 2022

The fair value of the non-market vesting conditions has been based on the share price of the Company at grant date.

Non-market vesting conditions are included in assumptions about the number of Performance Rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each reporting period, the Company revises its estimates of the number of Performance Rights (and options) that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to the original estimates, if any, in profit and loss, with a corresponding adjustment to equity.

The fair value of market vesting conditions has been determined at grant date by using the Monte Carlo Simulations pricing model that takes into account the exercise price, the term of the performance right, the share price at grant date, expected price volatility of the underlying share and the risk-free rate for the term of the performance right. The expected price volatility is based on historic volatility (based on the remaining life of their performance right).

Include in the valuation of relative total shareholder returns is measurement of the Company to Peer companies in the gold industry.

Model inputs for market performance rights valued using the Monte Carlo Simulations model granted during the year include:

a. Grant date - 13 March 2020
b. Life - 3 years
c. Share price at grant date - 44.5 cents
d. Share price volatility - 58%
e. Risk free rate - 0.55%
f. Dividend Yield - Nil
g. 30-day VWAP - 51.8 cents
h. Fair Value - 26.0 cents

OTHER INFORMATION (continued)

27. SHARE-BASED PAYMENTS (continued)

(iii) On 17 January 2020, the Company issued 167,000 Performance Rights to its executives pursuant to its Short-term incentive plan based on the performance of the Company for the year ended 30 June 2019. Under the terms of the issue, the executives would be required to remain in employment of the Company for a one-year vesting period, until 17 January 2021. The fair value of the Performance Rights of 61 cents has been recognised at grant date and based on the share price of the Company. At reporting date 83,000 of the Performance Rights are vested and issued. The remaining 84,000 Performance Rights were forfeited.

(iv) On 30 November 2020, the Company issued 83,000 Performance Rights to its executives pursuant to its Short-term incentive plan based on the performance of the Company for the year ended 30 June 2020. Under the terms of the issue, the executives would be required to remain in employment of the Company for a one-year vesting period, until 30 November 2021. The fair value of the Performance Rights of 57 cents has been recognised at grant date and based on the share price of the Company. At reporting date all 83,000 Performance Rights are vested and issued.

(v) On 12 October 2021, the Company issued 437,000 Performance Rights to its executives and employees pursuant to its Short-term incentive plan based on the performance of the Company for the year ended 30 June 2021. Under the terms of the issue, the executives and employees would be required to remain in employment of the Company for a one-year vesting period, until 12 October 2022. The fair value of the Performance Rights of 50 cents has been recognised at grant date and based on the share price of the Company.

(vi) On 4 June 2021, the Company issued 350,000 Long Term Performance Rights to its CFO, Mr P Warr. Under the terms of the issue, Mr Warr would be required to remain in employment of the Company for a three-year vesting period, until 1 January 2024. Each Performance Right is a right to acquire one share in the Company for nil consideration. The value for a Performance Right granted has been calculated as $0.57 each.

The terms and conditions of the Long-term performance rights include the following:

Long Term Incentive Measures	Weighting relative to Total PR issued	Targets		Score mechanism
		Range of growth/change	Percentage allocation of weighting	
Financial measure: Earnings per share growth	20%	• Negative • 0 to 5% per annum growth • 5 to 10% per annum growth pro rata • Greater than 10% per annum growth	Zero Pro rata 0% to 40% Pro rata 40% to 100% 100%	EPS calculation to exclude non-recurring items and measured as the cumulative annual growth rate over a 3-year period
Company growth: Increase in ore reserves	20%	• Negative • Depletion replacement to 20% growth • 20% to 40% growth • Greater than 40%	Zero Pro rata 0% to 40% Pro rata 40% to 100% 100%	Based on JORC compliant reports 2020 and 2023
Long-term Infrastructure target: Tigerway decline development	10%	• < 70% of decline developed • 70% to 85% • >85% of decline	Zero Pro rata 0% to 100% 100%	Based on the decline metres developed at relative measurement periods.
Relative total shareholder returns: Measure of Company return compared to peer group.	20%	• Below 50th percentile • At 50th percentile • 50th to 75th percentile • Greater than 75th percentile	Zero 50% Pro rata 50% to 100% 100%	Measured against Peer Group based on 30-day VWAP at the relative measure points at 30 June 2020 and 30 June 2023
Absolute total shareholder return: Measure of Company return	20%	• Below 20% • Between 20 to 50% • Greater than 50%	Zero Pro rata 50% to 100% 100%	Measure by comparing 30-day VWAP at 30 June 2020 to 30 day VWAP at 30 June 2023
Safety: Total Injury frequency rate	10%	• Negative • 20% improvement • 20%-40% improvement • Greater than 40% improvement.	Zero Pro rata 0% to 40% Pro rata 40% to 100% 100%	Measured by comparison of rates for lost time and non-lost time injuries over the vesting period.

OTHER INFORMATION (continued)

27. SHARE-BASED PAYMENTS (continued)

The fair value of the non-market vesting conditions has been based on the share price of the Company at grant date.

Non-market vesting conditions are included in assumptions about the number of Performance Rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each reporting period, the Company revises its estimates of the number of Performance Rights (and options) that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to the original estimates, if any, in profit and loss, with a corresponding adjustment to equity.

The fair value of market vesting conditions has been determined at grant date by using the Monte Carlo Simulations pricing model that considers the exercise price, the term of the performance right, the share price at grant date, expected price volatility of the underlying share and the risk-free rate for the term of the performance right. The expected price volatility is based on historic volatility (based on the remaining life of their performance right).

Include in the valuation of relative total shareholder returns is measurement of the Company to Peer companies in the gold industry.

Model inputs for market performance rights valued using the Monte Carlo Simulations model granted during the year include:

i. Grant date - 4 June 2021
j. Life - 3 years
k. Share price at grant date - 89.0 cents
l. Share price volatility - 55%
m. Risk free rate - 0.11%
n. Dividend Yield - Nil
o. 30-day VWAP - 83.5 cents
p. Fair Value - relative return 60.3 cents, absolute return 50.9 cents

OTHER INFORMATION (continued)

27. SHARE-BASED PAYMENTS (continued)

(vii) On 24 June 2021 the shareholders of the Company approved the issue of 2 million Long Term Performance Rights and 1.5 million Long Term Performance Rights to Messrs A Teo and R Villanueva respectively. Under the terms of the issue, these Executives will be required to remain in employment of the Company for a three-year vesting period, until 13 March 2024 and 1 January 2024 respectively.

The terms and conditions of the long-term performance rights include the following:

Long Term Incentive Measures	Weighting relative to Total PR issued	Targets		Score mechanism
		Range of growth/change	Percentage allocation of weighting	
Financial measure: Earnings per share growth	20%	• Negative • 0 to 5% per annum growth • 5 to 10% per annum growth pro rata • Greater than 10% per annum growth	Zero Pro rata 0% to 40% Pro rata 40% to 100% 100%	EPS calculation to exclude non-recurring items and measured as the cumulative annual growth rate over a 3-year period
Company growth: Increase in ore reserves	10%	• Negative • Depletion replacement to 20% growth • 20% to 40% growth • Greater than 40%	Zero Pro rata 0% to 40% Pro rata 40% to 100% 100%	Based on JORC compliant reports 2020 and 2023.
Long-term Infrastructure target: Tigerway decline development	20%	• < 70% of decline developed • 70% to 85% • >85% of decline developed.	Zero Pro rata 0% to 100% 100%	Percentage of weighting is based on achievement of programmed Tigerway Decline Project development 1st year - 10% 2nd year - 15% 3rd year - remaining 75%
Relative total shareholder returns: Measure of Company return compared to peer group.	10%	• Below 50th percentile • At 50th percentile • 50th to 75th percentile • Greater than 75th percentile	Zero 50% Pro rata 50% to 100% 100%	Measured against Peer Group based on 30-day VWAP at grant date and three year anniversary date.
Absolute total shareholder return: Measure of Company return	10%	• Below 20% • Between 20 to 50% • Greater than 50%	Zero Pro rata 50% to 100% 100%	Measure by comparing 30-day VWAP at grant date and three-year anniversary date.
Safety: Total Injury frequency rate.	30%	• Negative • 20% improvement • 20%-40% improvement • Greater than 40% improvement	Zero Pro rata 0% to 40% Pro rata 40% to 100% 100%	Measured by comparison of rates for lost time and non-lost time injuries over the vesting period.

OTHER INFORMATION (continued)

27. SHARE-BASED PAYMENTS (continued)

Each Performance Right is a right to acquire one share in the Company for nil consideration.

The value at grant date of Performance Rights granted as part of remuneration is calculated in accordance with AASB2 Share Based Payments. The value for a Performance Right granted has been calculated as $0.59 each.

The fair value of the non-market vesting conditions has been based on the share price of the Company at grant date.

Non-market vesting conditions are included in assumptions about the number of Performance Rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each reporting period, the Company revises its estimates of the number of Performance Rights (and options) that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to the original estimates, if any, in profit and loss, with a corresponding adjustment to equity.

The fair value of market vesting conditions has been determined at grant date by using the Monte Carlo Simulations pricing model that considers the exercise price, the term of the performance right, the share price at grant date, expected price volatility of the underlying share and the risk-free rate for the term of the performance right. The expected price volatility is based on historic volatility (based on the remaining life of their performance right).
Included in the valuation of relative total shareholder returns is measurement of the Company to Peer companies in the gold industry

Model inputs for market performance rights valued using the Monte Carlo Simulations model granted during the year include:

- Grant date - 24 June 2021
- Life - 3 years
- Share price at grant date - 85.0 cents
- Share price volatility - 55%
- Risk free rate - 0.20%
- Dividend Yield - Nil
- 30 day VWAP - 87.8 cents
- Fair Value - (A Teo) relative return 67.7 cents, absolute return 46.0 cents
  - (R Villanueva) relative return 59.9 cents, absolute return 44.7 cents
  - Mr Andrew Teo ceased employment with the Company in March 202

The following companies have been identified by the Company to comprise the Peer Group. The Remuneration Committee may recommend to the Board to either include or exclude gold mining organisations available on this list to reflect changes in the industry:

Company	ASX code
Austral Gold Limited	AGD
Dacian Gold Limited	DCN
Emerald Resources Limited	EMR
Kingsrose Mining Limited	KRM
Ramelius Resources Limited	RMS
Pantoro Limited	PNR
Perseus Mining Limited	PRU
Red 5 Limited	RED
Resolute Mining Limited	RSG
Troy Resources Limited	TRY

OTHER INFORMATION (continued)

27. SHARE-BASED PAYMENTS (continued)

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expenses were as follows:

	Consolidated 2022 US$000	Consolidated 2021 US$000
Options	-	16
Performance Rights	681	518
Total share-based payment expense	681	534

Share based options	2022		2021	
	Number of options	Weighted average exercise price (A$)	Number of options	Weighted average exercise price (A$)
Outstanding at start of year	1,465,000	1.3366	1,825,000	1.2784
Granted	-	-	-	-
Forfeited	-	-	-	-
Expired	1,465,000	1.3366	360,000	1.0417
Exercised	-	-	-	-
Outstanding at year end	0	0	1,465,000	1.3366
Exercisable at year end	0	0	1,465,000	1.3366

During the year, 1,465,000 options expired (2021: 360,000 options).

Performance Rights	2022		2021	
	Number of performance rights	Weighted average exercise price (A$)	Number of performance rights	Weighted average exercise price (A$)
Outstanding at start of year	7,973,000	0.6452	5,467,000	0.4529
Granted	437,000	0.7300	3,933,000	0.8508
Forfeited	2,310,000	0.7956	1,348,000	0.4618
Expired	-	-	-	-
Exercised	83,000	0.7200	79,000	0.7020
Outstanding at year end	6,017,000	0.5918	7,973,000	0.6452
Exercisable at year end	-	-	-	-

The performance rights outstanding at 30 June 2022 (all of which are unlisted) had a weighted average exercise price of A$0.5918 and a weighted average remaining contractual life of 11.18 months.
Included under administration expense in the Statement of Profit or Loss and other Comprehensive Income is US$681,153 (2021:US$534,100) and relates, in full, to equity-settled Share-Based payment transactions relating to employees. Also included in the Statement of Profit and loss and other Comprehensive Income is the cost of company acquisition that includes the issue of 20 million ordinary shares to vendors, refer Note 3.

OTHER INFORMATION (continued)

27. SHARE-BASED PAYMENTS (continued)

(a) Recognition and Measurement

The fair value of share-based payment transactions measured at grant date are recognised as an employee expense with a corresponding increase in equity over the period during which the employees become unconditionally entitled to the instruments.

If the employee does not meet a non-market condition, such as a service condition or internal KPI, any cumulative previously recognised expense is reversed.

The fair value of the share-based payment transactions granted are adjusted to reflect market vesting conditions at the time of grant date and not subsequently adjusted. Non-market vesting conditions are included in assumptions about the number of instruments that are expected to become exercisable and are updated at each reporting date. The impact of the revision to the original estimates for non-market conditions, if any, is recognised in the income statement with a corresponding adjustment to equity. Changes as a result of market conditions are not adjusted after the initial grant date.

(b) Key Estimates and Judgments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model or a Montel Carlo Simulation model, considers the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

28. EVENTS SUBSEQUENT TO REPORTING DATE

On the 5th of July 2022, the Company terminated the service contract of the former managing director Mr P R Welker. Refer to ASX announcement for details.

Three former Directors have commenced legal proceedings against the Company, refer ASX announcement on 8th July 2022.

On 22 July 2022 the Company advised the ASX it had received a notice under section 203D (2) and 249F of the Corporations Act. On 23 September 2022 the Company received a replacement Notice seeking to convene a further S249F meeting on 26 October 2022. Refer ASX announcement for details.

On 17August 2022, the Company revealed its FY2023 gold production and cost guidelines being:

- Production: 84,000-89,000 ounces
- Average all-in sustaining cost: USD$1,320 - USD$1,370 per ounce

On 5th September 2022, the Directors declared a final unfranked dividend for the year ended 30 June 2022 of 5 cents per ordinary share, to be paid on 20 October 2022.

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.

OTHER INFORMATION (continued)

29. SUMMARY OF OTHER SIGNIFICANT ACCOUNTING POLICIES

Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is the currency of the primary economic environment in which that entity operates. Though the Group's main functional currencies are the Australian dollar, US dollar and Philippines Peso, the presentation currency for the Group is US dollar. The reason for using US dollar as the presentation currency is that the US dollar is the primary currency used in the global gold market.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit before income tax in the Statement of Profit or Loss and other Comprehensive Income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period where this approximates rate at the transaction date; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in the Statement of Financial Position. These differences are reclassified from equity to profit or loss (as a reclassification adjustment) in the period in which the operation is disposed.

The functional currency of the parent entity, Ten Sixty Four Limited is Australian dollar, Komo Diti Traders Limited is United States dollar, Mindanao Mineral Processing and Refining Corporation and Philsaga Mining Corporation in United States dollar and the remaining entities are Philippine pesos.

DIRECTOR'S DECLARATION

for the year ended 30 June 2022

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

a) The consolidated financial statements and notes of Ten Sixty Four Limited are in accordance with the *Corporations Act 2001,* including:

(i) Giving a true and fair view of its financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

(ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements.

b) There are reasonable grounds to believe that Ten Sixty Four Limited will be able to pay its debts as and when they become due and payable.

c) The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Executive Chairman and Chief Financial Officer for the financial year ended 30 June 2022.

d) Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors

Jeffery McGlinn
Executive Chairman

Dated the 29a, day of September 2022

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INDEPENDENT AUDITOR'S REPORT

To the members of Ten Sixty Four Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Ten Sixty Four Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of Group's Co-O mining operations (CGU)

Key audit matter	*How the matter was addressed in our audit*
The Group's carrying value of its Co-O mining operations (CGU) is included in property, plant and equipment (Note 9) and development expenditure (Note 10). At the end of each reporting period, the Group is required to assess for indicators of impairment for the CGU and at the current reporting period, the group concluded that there were indicators of impairment present due to market capitalisation deficiency and increased expected future costs of production. As disclosed in Note 12, the assessment of the CGU recoverable amount required the Group to make significant judgements and estimates in the underlying cash flow forecasts which includes Ore reserves estimates, commodity price, mining costs and discount rates. This is a key audit matter due to the quantum of the Co-O mining asset and the significant judgement and estimates involved in management's assessment of the carrying value of the CGU.	We evaluated management's impairment model for the Co-O mining operations (CGU) by challenging the key estimates and assumptions used by management in arriving at their assessment. Our work included but was not limited to the following procedures: • Analysing management's gold price assumptions against external market information and trends, to determine whether a significant change would impact the value of the asset; • Challenging the appropriateness of management's reserves estimate by assessing the significant assumptions, methods and source data used by management's expert in estimating the reserves. This included both meeting with management's expert and assessing the competency and objectivity of management's expert; • Evaluating forecasted production and operating costs against the Board approved mine plan; • Challenging the appropriateness of management's discount rate used in the impairment model in conjunction with our internal valuation experts; • Challenging management's sensitivity assessment by performing our own sensitivity analysis in respect of the key assumptions to indicate if there would be a significant change to the value of the asset; • Reviewing and challenging management's methodology on the amortisation calculation; and • Assessing the adequacy of the related disclosures in Note 12 to the financial report.

Acquisition of Ten Sixty Four Limited

Key audit matter	*How the matter was addressed in our audit*
During the financial year ended 30 June 2022, the Group acquired ownership of Ten Sixty Four Limited as disclosed in Note 3 of the financial report. The acquisition was accounted for as a share based payment transaction whereby consideration paid in excess of net assets acquired was recognised as an exploration and evaluation expense in accordance with the Group's accounting policy. Accounting for this transaction requires management to exercise judgement in determining whether the acquisition should be classed as an asset acquisition or a business combination, estimating the fair value of net assets acquired and estimating the fair value of the consideration paid. As a result, this is considered a key audit matter.	Our work included but was not limited to the following procedures • Obtaining an understanding of the transaction, including an assessment of whether the transaction constituted an asset acquisition or a business combination; • Reviewing key executed transaction documents to understand the key terms and conditions of the transaction; • Assessing management's determination of the fair value of consideration paid and agreeing the consideration to supporting documentation; • Evaluating management's assessment of the fair value of the net assets acquired; and • Assessing the adequacy of the related disclosures in Note 3 of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Ten Sixty Four Limited, for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Neil Smith

Director

Perth,

29 September 2022