TEN SIXTY FOUR LIMITED

FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2023

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CORPORATE DIRECTORY

DIRECTORS

Debra Bakker
Non-Executive Chair

Jonathan Shellabear
Non-Executive Director

William John DeCooman
Non-Executive Director

COMPANY SECRETARY

Karl Schlobohm

EXECUTIVE MANAGEMENT

Simon Theobald
Chief Executive Officer

Raul Conde Villanueva
President Philippines affiliates

Nicola Gill
Chief Financial Officer

James Pingul Llorca
General Manager, Geology & Resources

PRINCIPAL & REGISTERED OFFICE

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Western Australia 6872

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AUSTRALIAN BUSINESS NUMBER

ABN 60 099 377 849

STOCK EXCHANGE LISTING

Australian Securities Exchange Limited (ASX)
Trading Code: X64

AUDITORS

Australia:

BDO AUDIT (WA) PTY LIMITED
Mia Yellagonga Tower 2 5 Spring Street
Perth, WA 6000

Philippines:

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LANDCO Building, JP Laurie Ave
Davao City, Philippines 8000

SHARE REGISTRY

Computershare Investor Services
Level 11, Reserve Bank Building 172 St
George's Terrace
Perth, WA 6000

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

1. DIRECTORS

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

Name	Period of Directorship
Non-Executive Directors:	
Debra Anne Bakker (Chair)	**appointed 19 June 2023**
Jonathan Shellabear	**appointed 19 June 2023**
William John DeCooman	**appointed 19 June 2023**
Andrew Brown	appointed 19 June 2023, resigned 10 November 2023
Kate George (Chair)	appointed 25 November 2022, resigned 16 June 2023
Andrew Hunt	appointed 16 March 2022, resigned 19 June 2023
Simon Mottram	appointed 11 June 2020, resigned 19 June 2023
Aaron Treyvaud	appointed 2 May 2022, resigned 28 April 2023
Executive Directors:	
W. Robertson Milbourne (Managing Director)	appointed 19 June 2023, ceased role as Managing Director on 16 November 2023, ceased to be a director on 20 December 2023.
Jeffery McGlinn (Managing Director)	appointed 16 February 2021, subsequently appointed as Executive Chair on 2 May 2022 and then resigned as Executive Chair and appointed as Managing Director on 11 Nov 2022, resigned 19 June 2023.
Paul Ryan Welker (Managing Director)	appointed non-executive director 3 March 2022, subsequently appointed Managing Director on 8 March 2022, resigned giving notice 28 June 2022. Notice period terminated by the Company on 5 July 2022.

Bold typesetting denotes those Directors continuing in office at the date of signing

2. DIRECTORS' INFORMATION

Debra Anne Bakker

Board Chair (appointed 19 June 2023)

MAppFin, BBus (Fin & Acc), GradDip, GFinSIA, GAICD

Experience and expertise

Debra Anne Bakker is an experienced financier and participant in the resources industry with 10 years' experience working in London, Chicago and New York in senior roles with Barclays Capital and Standard Bank. Subsequently, Ms Bakker established the natural resources team for Commonwealth Bank of Australia and held a number of senior roles over a 10-year period culminating as Head of Mining and Metals Origination. Ms Bakker is also the Australian representative of Auramet Trading LLC.

Other Current Directorships:

- IGO Ltd - NED and Chair of People, Performance and Culture Committee
- Yancoal Australia Ltd (appointed 1 March 2024)

Former directorships (last 3 years)

- Carnarvon Energy Ltd - NED and Chair of Audit Committee (resigned 15 December 2023)
- Transhipment Services Australia Pty Ltd

Special responsibilities

- Chair of the Board

William John DeCooman

Non-Executive Director (appointed 19 June 2023)

BSc (Mineral Economics), MSc (Mineral Economics)

Experience and expertise

William John DeCooman has nearly 30 years' executive leadership and mining finance experience, including the start-up of Sweetwater Royalties as President and CEO, a privately held base and industrial minerals royalty company, from 2020 to 2023. He was Senior Vice President for Business Development and Strategy at SSR Mining where he was responsible for corporate strategy, business development, and investor relations from 2009 to 2020. Prior to these experiences, he has more than fifteen years of mining project finance and advisory responsibilities at Deutsche Banc Alex Brown and Standard Bank and corporate positions in Finance, Business Development and Exploration.

Other current directorships

- Silver Mountain Resources Inc (TSX)

Former directorships (last 3 years)

- None

Special responsibilities

- Chair of the Safety, Health and Environment Committee

2. DIRECTORS' INFORMATION (continued)

Jonathan Shellabear

Non-Executive Director (appointed 19 June 2023)

BSc (Hons) Geology, MBA

Experience and expertise

Jonathan Shellabear has over 30 years' experience in the Australian and international mining industry having worked as a geologist, resources analyst, senior corporate executive and investment banker specialising in the resources sector. Mr Shellabear's senior corporate roles in the industry include Dominion Mining Ltd (Managing Director and Chief Executive Officer), Heron Resources (Managing Director and Chief Executive Officer) and Capricorn Metals (Chief Financial Officer). He has also held senior investment banking positions with NM Rothschild and Sons, Deutsche Bank and Resource Finance Corporation. He has specific experience in operational management, project development, financial management, debt and equity capital markets, mergers and acquisitions, strategic advice, risk management and investor relations.

Other Current Directorships

- Nico Resources Ltd

Former directorships (last 3 years)

- Tempus Resources Ltd (resigned 29 November 2023)

Special responsibilities

- Chair of the Remuneration Committee
- Chair of the Nominations Committee

Walter Robert Milbourne

Managing Director (appointed 19 June 2023, ceased his role as Managing Director on 16 November 2023, and ceased to be a director on 20 December 2023)

Juris Doctorate

Experience and expertise

Robert Milbourne is an international mining and natural resources lawyer and executive with 20 years' experience managing assets in all stages of the mineral investment lifecycle across most major jurisdictions and commodities. He is the Managing Director of Mining Standards International, a consultancy in the mining sector focused on governance, sustainability and transparency in mining operations.

Other directorships

- None

Former directorships (last 3 years)

- None

2. DIRECTORS' INFORMATION (continued)

Andrew Brown

Non-Executive Director (appointed 19 June 2023, resigned 10 November 2023)

BA (Econ) Hons, GAICD

Experience and expertise

Andrew Brown has over 42 years' experience in Australian & selected global equity markets as a buy side (Rothschild, AMP, Prudential) and sell side (County NatWest) analyst, Head of Equities, corporate investor and company Director. He is a past Director of 12 ASX listed companies since 2003 and two other public entities. Mr Brown is a well-known analyst of complex corporate structures and advises on market behaviours and continuous disclosure protocols.

Other Current Directorships

- East 72 Holdings Ltd

Former directorships (last 3 years)

- None

Special responsibilities

- Chairperson of the Audit & Risk Management Committee

Dr Kate George

Non-Executive Chair (appointed 25 November 2022, resigned 16 June 2023)

LLB, Hon DLaws GAICD

Experience and expertise

Dr. George has held senior public service positions, including as a Ministerial Advisor at both the State and Federal level, and as a consultant in the resources sector. Prior to her appointment to the Board, she was a Managing Director with PwC's Indigenous Consulting. Dr. George is a Board member of the Australian federal government's Northern Australian Infrastructure Fund and a Graduate of the Australian Institute of Company Directors

Other Current Directorships

- None

Former directorships (last 3 years)

- None

Special responsibilities

- Chair of the Board

2. DIRECTORS' INFORMATION (continued)

Jeffery McGlinn

Executive Director (appointed Non-Executive Director 16 February 2021, appointed as Executive Chair on 2 May 2022 and then resigned as Executive Chair and appointed as Managing Director on 11 Nov 2022, resigned 19 June 2023)

Experience and expertise

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.

Other directorships

- None

Former directorships (last 3 years)

- None

Simon Jon Mottram

B.Sc (Applied Geology). F.AusIMM

Non-Executive Director (resigned 19 June 2023)

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

Experience and expertise

Mr Mottram is a geologist with over 25 years' experience predominantly in base and precious metals. Mr Mottram has held both executive and senior management roles with several 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.

Other current directorships

- None

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)
- Oceana Lithium Limited (ASX: OCN) (since 16 March 2022 to 11 February 2024)

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.

2. DIRECTORS' INFORMATION (continued)

Andrew Hunt

Non-Executive Director (resigned 19 June 2023)

Experience and expertise

Mr Hunt is an 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.

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.

Aaron Treyvaud

BEng (Mining), Master of Applied Finance

Non-Executive Director (resigned 28 April 2023)

Experience and expertise

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 began his career as a mining consultant at Minserve Group having graduated 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

- Chair 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.

3. COMPANY SECRETARY

Karl Schlobohm (appointed 19 June 2023)

BComm, BEcon, MTax, CA, FGIA

Karl Schlobohm is a qualified Chartered Accountant and a Fellow of the Governance Institute of Australia, with over 30 years' experience across a wide range of businesses and industries. He has extensive listed company experience spanning the ASX, LSE, AIM and TSX exchanges, and has acted as a Director, Company Secretary and / or Chief Financial Officer for a number of publicly listed companies in the resources industry over the past 20 years.

Mr Schlobohm is currently a Director of the Australian Shareholders' Association, and acts as the part-time Company Secretary and Chief Financial Officer of ASX-listed Gold Hydrogen Ltd. He has a keen interest in corporate governance, ethics, and sustainability, as well as stakeholder communications and investor relations.

Prior Company Secretaries:

- Jack Rosagro (appointed 19 June 2023, resigned 19 June 2023)
- Deborah Ho (appointed 7 March 2023, resigned 19 June 2023)
- Peter Stanley Alphonso (resigned 7 March 2023)

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	Attended	Number	Attended	Number	Attended	Number	Attended	Number	Attended
Debra Bakker	1	1	-	-	-	-	-	-	-	-
William John DeCooman	1	1	-	-	-	-	-	-	-	-
Jonathan Shellabear	1	1	-	-	-	-	-	-	-	-
Walter Robert Milbourne	1	1	-	-	-	-	-	-	-	-
Andrew Brown	1	1	-	-	-	-	-	-	-	-
Kate George	7	6	-	-	-	-	-	-	-	-
Jeffery McGlinn	13	13	-	-	-	-	1	1	-	-
Simon Mottram	13	12	1	1	1	1	1	1	-	-
Andrew Hunt	13	13	1	1	1	1	1	1	-	-
Aaron Treyvaud	10	8	1	1	1	1	1	1	-	-

Number = Number of meetings held during the time the Director held office during the year.

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. The Company has determined that it did not have control of Philsaga Management and Holdings Inc ("PMHI"), including Philsaga Mining Corporation ("PMC") the holder of the Co-O Mine from 13 February 2023. There were no other significant changes in the nature of the activities of the Group during the year.

6. OPERATING RESULTS

The net consolidated loss for the financial year attributable to members of Ten Sixty Four Limited ("X64") after provision of income tax was US$17.0 million (2022: Consolidated profit of US$2.8 million).

Key financial results:

Description	Unit	30 June 2023	30 June 2022	Variance
Revenues	US$	$115.1M	$140.0M	($24.9M)
EBITDA	US$	$13.2M	$42.9M	($29.7M)
NPAT (Loss)	US$	($17.0M)	$2.8M	($19.8M)
EPS (basic)	US$	($0.075)	$0.01	($0.085)

The audited Net Profit before tax for the financial year ended 30 June 2023 has been materially impacted by the following:

- The Reporting Group deconsolidated PMHI and its subsidiaries including PMC (which owns and operates the Co-O Mine) from 13 February 2023. On deconsolidation of PMHI a loss of US$31.7M was recorded;

- The deconsolidation of PMHI is considered to be an impairment event. As such impairment was considered on the carrying value of all the Reporting Group's assets located in the Philippines, including the gold mill and related assets near the Co-O Mine and associated assets including the deferred tax asset. The deferred tax asset was impaired to its expected recoverable value, all other assets were considered to be carried at or above their recoverable value. Income tax expense of US$12.1M was recorded as a result of the impairment of deferred tax assets; and

- The operating results for the financial year ended 30 June 2023 are generated from the operations of the Co-O Mine and the respective sale of production until 13 February 2023, at which point the Co-O Mine was deconsolidated from the Group. Subsequent to this revenue has been earned from the toll-treatment by the gold mill (in which the Reporting Group owns a direct 80% interest) of ore from the Co-O Mine. A reduction in gold production of approximately 13% by PMC, and thus ore treated by the gold mill, also impacted the earnings of the Reporting Group.

7. REVIEW OF OPERATIONS (Co-O Mine - X64 40%)

Description (Reported on 100% Basis)	Unit	30 June 2023	30 June 2022	Variance	(%)
Ore mined	WMT	535,145	576,421	(41,276)	(7.2%)
Ore milled	DMT	479,810	511,212	(31,402)	(6.1%)
Gold head grade	g/t	5.32	5.74	(0.42)	(7.3%)
Gold recovery	%	95.0	95.3	(0.3)	(0.3%)
Gold produced	ounces	78,061	89,789	(11,728)	(13.1%)
All-in-Sustaining Cost	US$/oz	$1,593	$1,362	($231)	(17.0%)
Gold sold	ounces	75,747	88,710	(12,963)	(14.6%)
Average gold price received	US$/oz	1,810	$1,811	($1)	(0.0%)

PMC produced 78,061 ounces of gold for the year, compared to 89,789 ounces from the previous corresponding period, at an average recovered grade of 5.32 g/t gold (2022: 5.74 g/t gold).

All-in-Sustaining-Costs ("AISC") for the year was US$1,593 per ounce of gold (2022: US$1,362 per ounce) the increase AISC is predominately due to reduced gold production.

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. EXTERNAL FACTORS AFFECTING GROUP RESULTS

Commodity prices

The Group's operating revenues include proceeds from the sale of gold and to a much lesser degree, silver; these are sold at spot rate and no forward contracts or hedging were utilised. Since February 2023, gold is produced and sold by PMC, in which the Group holds a 40% indirect interest.

Foreign exchange

The Group operates in a foreign jurisdiction and as such is subject to foreign exchange risk arising from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency.

Mining sector enterprises face many operating risks

In common with other enterprises undertaking business in the mining sector, the Group's mineral exploration, project development, mining and related activities are subject to conditions beyond the Group's control that can reduce, halt or limit production or increase the costs of production.

Exposure to economic, environmental and social sustainability risks

The Group has potentially material exposure to economic, environmental, social and governance risks, including changes in community expectations, and environmental, social and governance.

Stakeholder relationships

A breakdown in the Company's relationship with its stakeholders will lead to a damage in its reputation, which could jeopardise the Company's social licence to operate, and impact its financial returns and capital management, which is essential to delivering on its purpose and strategy.

Jurisdictional risks

The Company operates and holds investments in a foreign country, exposing itself to unfamiliar regulations, a different legal system, and unfamiliar political and social environments.

Natural Disaster and Environmental Risk

The Company operates and holds investments in regions that are subject to natural disaster risks, including earthquakes, monsoons, and other extreme weather events. These environmental factors have the potential to disrupt operations, damage infrastructure, delay projects, and impact supply chains. The unpredictable nature of such events may pose significant risks to our assets, employees, and overall business continuity.

The Group's approach to risk management is discussed in more detail in the Group's Corporate Governance Statement and Risk Management Policy which can be found on the Company's website.

9. DIVIDENDS

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 was 6 October 2022. No foreign conduit income is attributable to the dividend and the total amount of the dividend paid inclusive of associated costs is approximately A$11.4M (US$7.3M).

No further dividends were declared or paid during the financial year.

10. CAPITAL STRUCTURE

As at 30 June 2023 there were 227,798,076 shares on issue and 1,500,000 performance rights.

11. SHARE PERFORMANCE

On 28 February 2023, the Company requested a voluntary suspension of its securities in accordance with ASX Listing Rule 17.2, the share price at that time was A$0.57 per share, this compared to a share price of A$0.69 per share at 30 June 2022.

12. SIGNIFICANT CHANGE IN STATE OF AFFAIRS

Change of Registered Office

On 1 November 2022, the company advised that its registered office and principal place of business changed to level 1, suite 3, 1209 Hay Street, West Perth.

Supreme Court Proceedings

On 8 July 2022, the Board advised that three former directors/executive of the Company, Messrs Davis, Powell and Gregory, had commenced proceedings in the Supreme Court against the Company. The proceedings involved claims of aggressive conduct and an alternative claim for alleged duty of care to the plaintiffs. The former Directors/Executive had all left the Company before the end of 2016.

On 15 June 2023, the Company announced the Western Australia Supreme Court proceedings (COR 120 of 20224) concerning the Company's duty of care to former directors and officeholders were dismissed by consent, and the parties settled. The terms of the settlement were confidential and did not involve any admission of liability or material cost to the Company.

Notice Received under s203D and s249F of the Corporations Act

On 22 July 2022 the Company advised that it had received notice pursuant to sections 203D and 249F of the Corporations Act 2001 (Cth) from Vitrinite Holdings Pty Ltd and Arbiter Partners Capital Management LLC ("the Requisitioners") of their intention to call and arrange a General Meeting seeking changes to the composition of the Board of Directors.

On 9 September 2022, the Notice was withdrawn and replaced with a revised notice which excluded Arbiter as one of the convening shareholders. The revised date of the meeting was Wednesday 26 October 2022. At the General Meeting all resolutions put forward by Vitrinite Holdings Pty Ltd, Vitrinite Pty Ltd and Vitrinite Holdings LLC were not passed on a poll, resulting in no change to the existing Board at that time.

Voluntary Administration

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

Disputed Ownership of PMHI

The Company holds a direct 40% shareholding in PMHI. In February 2023, a dispute over, amongst other things, the ownership of the 60% of PMHI not held by the Company occurred, and various legal claims were filed in the Filipino Courts ("the Dispute"). The Company is <u>not</u> a party to the Dispute; and the Dispute does not impact on the Company's 40% interest in the Co-O Mine and 80% direct interest in the Co-O Mill; nor the current operations at Co-O.

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

The Company awaits the decision of the Filipino Civil Courts to determine who is the legal owner of the 60% shareholding. Until this matter is resolved, it is not possible to ascertain the potential impact if any.

Deconsolidation of PMHI

As noted above, the Company holds a direct 40% shareholding in PMHI, with the subsidiaries thereof being wholly owned by PMHI. The Company had previously reported to have relevant agreements in place pursuant to local statutory provisions that enabled the Company to have effective sole rights to 100% of the economic returns of PMHI and its subsidiary companies, including PMC the holder of the Co-O Mine.

In February 2023, the Dispute resulted in the inability of the Company's personnel to access the physical operations, financial systems or operating bank accounts for PMC. On consideration of the relevant facts it is considered that there was insufficient evidence that the Company had the ability to effect control over the operations or finances of entities within the PMHI Group, principally PMC, the operator of the Co-O Mine from 13 February 2023.

12. SIGNIFICANT CHANGE IN STATE OF AFFAIRS (continued)

After review of the available information, the Company determined that a loss of control of the PMHI Group occurred on 13 February 2023. Upon deconsolidation, the fair value of the investment in PMHI was recognised in the financial statements of the Company. The assessment of fair value took into account cash on hand, the net present value of all future cash flows from operations less the net present value of the intercompany loan agreement between Mindanao Mineral Processing and Refining Corporation ("MMPRC") (a controlled subsidiary of X64) and PMC a wholly owned subsidiary of PMHI.

The Company is in the process of negotiating a restructuring framework agreement with its subsidiaries and associates which is designed to reset commercial arrangements between the parties. However, the Company notes that should ongoing negotiations be unsuccessful, the recoverable value of the underlying assets including the investment, may be nil.

Impairment of MMPRC Assets

The loss of control of PMHI is considered to be an impairment event. As such the carrying value of all the Company's assets located in the Philippines must be considered.

This includes the assets of MMPRC which holds the mill and related assets near the Co-O Mine. The Co-O Mill is located on land subject to the Mineral Production Sharing Agreement 262-2008-XIII between PMC and the Republic of the Philippines Government and privately held by PMC. The right of continued access and use was subject to ongoing agreement with PMC.

In June 2024 the Company announced that MMPRC had agreed terms to extend a historical lease agreement with PMC over the land on which the Co-O Mill is situated from 1 January 2024 to 31 December 2028, with automatic renewal provisions thereafter providing for a further 5 years (unless a party notifies the other party that the lease will not renew for a further term, at least 60 days before the termination date).

Voluntary Suspension on the ASX

On 28 February 2023, the Company requested a voluntary suspension of its securities in accordance with ASX Listing Rule 17.2. The suspension remains in place.

Appointment and Resignation of Directors

- On 25 November 2022 Ms Kate Lowese George was appointed to the Board of Directors.
- On 28 April 2023 Mr Aaron Edmand Treyvaud resigned from the Board of Directors with immediate effect.
- On 16 June 2023 Ms Kate Lowese George resigned from the Board of Directors with immediate effect.
- On 19 June 2023 Mr Jeffery William McGlinn, Mr Simon John Mottram and Mr Andrew Charles Hunt resigned from the Board of Directors with effect from 5pm AWST 19 June 2023.
- On 19 June 2023 Ms Debra Bakker, Mr Walter Robertson (Robert) Milbourne Jr., Mr Jonathan Nicholas Shellabear, Mr William John DeCooman Jr. and Mr Andrew John Brown, were appointed Directors of the Company with effect from 5pm AWST 19 June 2023. These appointments were ratified in a shareholders meeting convened on 20 June 2023.

Appointment and Ceasing of Chief Executive Officer

- On 19 June 2023 Jeffery McGlinn resigned from the position of Managing Director. His resignation coincided with his resignation as a director.
- On 20 June 2023, the Company advised that Mr Robert Milbourne had been appointed as the Company's Chief Executive Officer and Managing Director, pursuant to a Consultancy Agreement for Executive Services. The material terms of this agreement were also announced.

Notice Received under s249D of the Corporations Act

On 24 April 2023 the Company advised that it had received notice pursuant to sections 249D of the Corporations Act 2001 (Cth) from Vitrinite Holdings Pty Ltd, Vitrinite Pty Ltd and Vitrinite Holdings LLC ("Vitrinite Group") requesting that the Company call a general meeting to consider resolutions that would seek to overturn the entire Board of Directors.

The Vitrinite Group proposed the following:

1. The removal of the Board, being Ms Kate Lowese George, Mr Jeffery William McGlinn, Mr Simon John Mottram, Mr Andrew Charles Hunt and Mr Aaron Edmund Treyvaud; and
2. The appointment of Ms Debra Bakker, Mr Walter Robertson Milbourne Jr., Mr Jonathan Nicholas Shellabear, Mr William John DeCooman Jr. and Mr Andrew John Brown, as Directors of the Company.

12. SIGNIFICANT CHANGE IN STATE OF AFFAIRS (continued)

The meeting was called for 9.30am AWST 20 June 2023. However, as a result of the Director resignations on 19 June 2023 the resolutions to remove Ms Kate Lowese George, Mr Jeffery William McGlinn, Mr Simon John Mottram, Mr Andrew Charles Hunt and Mr Aaron Edmund Treyvaud as Directors of the Company were withdrawn prior to the meeting. All remaining resolutions were passed, including the ratification of the election of the incoming Directors.

Directors and Officers Insurance

A directors and officers insurance policy (D&O Policy) offers liability cover for company officers to protect them from claims which may arise from the decisions and actions taken within the scope of their regular duties. Such policies cover the personal liability of company directors and officers.

The Company disclosed in its FY22 Annual Report that "the Company paid an insurance premium for Directors' and Officers' Liability Insurance policy, which covers 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."

The policy referred to above was placed into run-off by the prior directors on 19 June 2023, which limited the incoming Board's ability to obtain a replacement policy and resulted in the Company paying the run-off cover premium. It also meant that the Company did not receive value for the unexpired portion of the existing policy. To avoid prejudicing any potential claims, the terms of the D&O Policy and the premiums paid are not being disclosed.

13. EVENTS SUBSEQUENT TO BALANCE DATE

Appointment and Resignation of Directors

- On 10 November 2023 Mr Andrew Brown resigned from the Board of Directors with immediate effect.
- On 20 December 2023 Mr Robert Milbourne resigned from the Board of Directors with immediate effect.

Appointment and Ceasing of Chief Executive Officer

- On 16 November 2023 the Board of Directors accepted that Robert Milbourne ended his role as Managing Director of the Company.
- On 15 January 2024 the Company advised that Mr Simon Theobald had been appointed as the Company's Chief Executive Officer, pursuant to a Consultancy Agreement for Executive Services. The material terms of this agreement were also announced.

Restructuring Framework Agreement ("RFA")

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

(a) Amendments to the Existing Tolling Agreement

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

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

13. EVENTS SUBSEQUENT TO BALANCE DATE (continued)

(b) Compromise Agreement in respect of certain disputes between PMC and MMPRC

As disclosed in the notes to the consolidated financial statements at note 9 Loan Receivable, MMPRC granted PMC a loan pursuant to the terms of a loan agreement entered into in June 2019. PMC and MMPRC have agreed to enter into a compromise agreement to compromise and settle:

- the MMPRC / PMC Loan in the amount of USD 248,000,000; and
- the PMC Claim in the amount of USD 108,000,000,
- Repayment of the MMPRC / PMC Loan: repayment by PMC over 15 years through a combination of upfront and ongoing payments

(c) Commitment to a longer-term land lease

PMC and MMPRC have agreed to extend the term of the original lease agreement which commenced on 1 January 2029 to cover the period from 1 January 2024 to 31 December 2028, with automatic renewal provisions thereafter providing for a further 5 years (unless a party notifies the other party that the lease will not renew for a further term, at least 60 days before the termination date).
MMPRC dividend policy and simplification of existing MMPRC capital structure
MMPRC has approved a dividend policy whereby it will, at the end of every fiscal quarter, assess its distributable profits and pay a dividend to its shareholders being the Company and PMC.
Separately, in order to simplify its capital structure, subject to certain conditions, MMPRC has also agreed to cancel, redeem or buy back the preference shares it has issued to PMC within twelve (12) months after the date of the Restructuring Framework Agreement on terms satisfactory to PMC, MMPRC and the Company.

(d) Resolution of Intercompany Debts

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

- USD4,674,845 (plus interest) payable by KDTL to PMC (refer note 15 of the notes to the consolidated financial statements);
- USD5,217,150 (plus interest) payable by the Company to KDTL (eliminated on consolidation); and
- USD4,100,000 (plus interest) payable by the Company to MMPRC (eliminated on consolidation).

(e) Shareholders' Agreement

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

Voluntary Administration

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

The Voluntary Administrators' report dated 23 October 2023 concluded that the Company remained solvent at the date of their appointment. However, the Company was likely to become insolvent in the future if it could not restore access to funding.

Additionally, the Administrators preliminary investigations identified that various offences may have been committed by the Company's former directors.

13. EVENTS SUBSEQUENT TO BALANCE DATE (continued)

Deed of Company Arrangement ("DOCA") Executed

Following a Second Creditors' meeting of X64 held on 31 October 2023, a DOCA was executed by Martin Ford and Simon Theobald (in their capacity as voluntary administrators of X64), KDTL, and the Company pursuant to which the Company ended its voluntary administration and was placed into DOCA. Mr Ford and Mr Theobald were appointed joint Deed Administrators. On 2 January 2024, Mr Simon Theobald resigned as a joint and several Deed Administrator of the Company, due to ceasing as a permanent employee of PricewaterhouseCoopers (PwC). Mr Martin Ford remained as the appointed Deed Administrator of the Company.

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

The conditions precedent to the completion of the DOCA include:

- receipt of all necessary consents and approvals; resolution of the ownership disputes involving a disputed 60% ownership of PMHI;
- resolution of the various intercompany claims;
- variation of the Tolling Agreement between MMPRC and PMC;
- execution of a Management Agreement between MMPRC and X64;
- directors and officers' liability insurance being placed;
- the conduct of public examinations by the Deed Administrators to investigate any claims which X64 or its members may have against any third parties; and
- the establishment of a deed fund to pay admitted claims of creditors of X64.

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

On 5 July 2022, the Company terminated Mr Welker's executive services agreement immediately on the grounds that Mr Welker did not in writing disclose to the Board that he had a direct financial interest in another company that entered into an important commercial contract with an entity within the X64 Group.

No notice was given to Mr Welker, nor was he given any opportunity to respond to any of the matters raised. Mr Welker asserted that the drilling services contract between Ranger Equipment Pty Ltd (Ranger) and X64 was disclosed as part of the due diligence process in November 2021 for the acquisition by Medusa Mining Limited (now X64) of 100% of the share capital in Ten Sixty Four Limited (renamed CQ22 Pty Ltd and now a subsidiary of X64) as was Mr Welker's interest in Ranger.

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

Drummond Basin Exploration Project

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

Resolution of Outstanding MMPRC Corporate Tax Issue

On 8 April 2022, the Bureau of Internal Revenue Philippines ("BIR") filed a petition for review (appeal) with the Court of Tax Appeals. MMPRC has requested that the BIR Commissioner withdraw the petition on the basis of settlement of another tax matter. In January 2024, the BIR withdrew its petition and the matter is now considered closed.

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

14. FUTURE DEVELOPMENTS, BUSINESS STRATEGIES AND PROSPECTS

The Company expects to exit Administration and continue focus on the on organic growth within its toll milling operation and investment in the Co-O Mine in the Philippines and exploration properties in Queensland, Australia.

15. 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[(1)]	224,405	-	-
Simon Mottram[(1)]	300,000	-	-
Andrew Hunt	-	-	-
Aaron Treyvaud	-	-	-
Paul Ryan Welker [(1)]	9,847,723	-	-
Kate George	-	-	-
Debra Bakker	2,500	-	-
Robert Milbourne	-	-	-
Andrew Brown	-	-	-
William John DeCooman	-	-	-
Jonathan Shellabear	-	-	-

Note:

(1) Number of fully paid ordinary shares held on resignation

16. REMUNERATION REPORT (Audited)

The Directors present the FY2023 Remuneration Report for Ten Sixty Four Limited ("X64" or "the Company") which sets out the remuneration information for the Directors and other Key Management Personnel ("KMP") for the year ended 30 June 2023.

On the 19 June 2023, the predecessor Board and Management resigned en-masse. As such, the Directors signing this financial report were not in office for the vast majority of the financial year ended 30 June 2023. Whilst every reasonable effort was made, they were unable to obtain all the necessary books and records pertaining to the Group for the period, required declarations in accordance with s295A of the Corporations Act 2001 and KMP declarations and confirmations to support the information contained in this Remuneration Report. Consequently, the Directors are unable to provide representations that this Remuneration Report is 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

Name	Period of Directorship/Engagement
Non-Executive Directors:	
Debra Anne Bakker (Chair)	appointed 19 June 2023
Jonathan Shellabear	appointed 19 June 2023
William John DeCooman	appointed 19 June 2023
Andrew Brown	appointed 19 June 2023, resigned 10 November 2023
Kate George (Chair)	appointed 25 November 2022, resigned 16 June 2023
Andrew Hunt	appointed 16 March 2022, resigned 19 June 2023
Simon Mottram	appointed 11 June 2020, resigned 19 June 2023
Aaron Treyvaud	appointed 2 May 2022, resigned 28 April 2023
Roy Daniel	resigned 28 February 2022
Executive Directors:	
Walter Robert Milbourne	appointed 19 June 2023, ceased as Managing Director on 16 November 2023, ceased to be a director on 20 December 2023.
Jeffery McGlinn	appointed 16 February 2021, subsequently appointed as Executive Chair on 2 May 2022 and then resigned as Executive Chair and appointed as Managing Director on 11 Nov 2022, resigned 19 June 2023.
Paul Ryan Welker	appointed non-executive director 3 March 2022, subsequently appointed Managing Director on 8 March 2022, resigned giving notice 28 June 2022.
Andrew Teo	resigned 8 March 2022
Executive Officers:	
Raul Villanueva	President of Philsaga Mining Corporation and Mindanao Mineral Processing and Refining Corporation
Nicola Gill	Interim Chief Financial Officer appointed 20 June 2023
James Llorca	General Manager, Geology & Resources
Patrick Warr	Chief Financial Officer resigned 19 June 2023

16. 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 2023 and the previous financial year.

Name	Year	Short term benefits					Post-employment	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]	**2023**	-	**64,303**	-	-	-	-	-	-	-	-	**64,303**	-
	2022	-	18,339	-	-	-	-	-	-	-	-	18,339	-
Simon Mottram	**2023**	-	**64,288**	-	-	-	-	-	-	-	-	**64,288**	-
	2022	-	57,308	-	-	-	-	-	-	-	-	57,308	-
Aaron Treyvaud [7]	**2023**	-	**49,605**	-	-	-	-	-	-	-	-	**49,605**	-
	2022	-	11,462	-	-	-	-	-	-	-	-	11,462	-
Roy Daniel [8]	**2023**	-	-	-	-	-	-	-	-	-	-	-	-
	2022	60,174	90,011	-	-	5,551	-	-	-	-	-	155,736	-
Kate George [9]	**2023**	-	37,747	-	-	-	-	-	-	-	-	37,747	-
Debra Bakker [10]	**2023**	-	-	-	-	-	-	-	-	-	-	-	-
Andrew Brown [10]	**2023**	-	-	-	-	-	-	-	-	-	-	-	-
Jonathan Shellabear [10]	**2023**	-	-	-	-	-	-	-	-	-	-	-	-
William John DeCooman [10]	**2023**	-	-	-	-	-	-	-	-	-	-	-	-
Executive													
Walter Robert Milbourne [10], [15]	**2023**	**107,478**	-	-	-	-	-	-	-	-	-	**107,478**	-
Jeffery McGlinn [11]	**2023**	**429,321**	**105,556**	**39,684**	-	**1,623**	**32,870**	-	-	-	**239,758**	**848,811**	**5%**
	2022	68,770	57,308	-	-	5,290	3,152	-	-	-	-	134,520	-
Paul Welker [12]	**2023**	-	-	-	-	-	-	-	-	-	-	-	-
	2022	108,388	-	-	-	8,337	5,961	-	-	-	-	122,686	-
Andrew Teo [13]	**2023**	-	-	-	-	**1,473**	-	-	-	-	-	**1,473**	-
	2022	238,004	53,333	85,963	-	39,727	28,620	39,199	(96,124)	-	175,364	564,086	-
Executive Officers:													
Raul Villanueva [16],[17]	**2023**	400,000	-	-	**35,159**	-	-	-	**259,467**	-	-	**694,626**	**42%**
	2022	607,424	-	100,000	56,317	-	-	-	269,785	-	-	1,033,526	41%
Patrick Warr [14]	**2023**	**221,741**	**38,365**	**83,568**	**11,403**	**18,665**	**17,147**	-	**(87,146)**	-	**50,692**	**354,434**	**2%**
	2022	207,170	10,816	20,631	18,265	21,206	18,912	-	60,687	-	-	357,687	28%
James Llorca	**2023**	**234,797**	**38,009**	-	**11,403**	**25,069**	**18,189**	-	**20,172**	-	-	**347,638**	**9%**
	2022	241,555	11,750	20,631	27,173	25,673	18,912	-	29,890	-	-	375,584	21%
Nicola Gill [10]	**2023**	-	-	-	-	-	-	-	-	-	-	-	-
Total	**2023**	**1,393,337**	**397,873**	**123,252**	**57,965**	**46,830**	**68,206**	-	**192,493**	-	**290,450**	**2,570,403**	
	2022	**1,531,485**	**310,327**	**227,225**	**101,755**	**105,784**	**75,557**	**39,199**	**264,238**	-	**175,364**	**2,830,934**	

16. REMUNERATION REPORT (Audited) (Continued)

Notes:

(1) Short Term Incentive Plan ("STI") detailed in paragraph 16(e)(v);
(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 paragraph 16(e)(vi);
(5) No options were expensed in the period. Refer paragraph 16(i);
(6) Mr Hunt was appointed as a Non-Executive Director on 16 March 2022, resigned 19 June 2023;
(7) Mr Treyvaud was appointed as a Non-Executive Director on 2 May 2022, resigned 1 May 2023;
(8) Mr Daniel retired as a Non-Executive Director on 28 February 2022;
(9) Ms George was appointed Chair on 11 November 2022, resigned 16 June 2023;
(10) Ms Bakker, Mr Brown, Mr Shellabear, Mr DeCooman, and Mr Milbourne were appointed on 19 June 2023 and Ms Gill was appointed on 20 June 2023. Mr Milbourne ceased as Managing Director on 16 November 2023 and ceased to be a director on 20 December 2023;
(11) Mr McGlinn appointed 16 February 2021, subsequently appointed as Executive Chair on 2 May 2022, resigned as Executive Chair and appointed as Managing Director on 11 Nov 2022 and resigned 19 June 2023. On 19 June 2023 Mr McGlinn was paid six months fees in lieu of notice in PwC's Report to Creditors dated 23 October 2023 they noted "Payment of the above amounts may constitute unreasonable director-related transactions where Mr McGlinn resigned as a director rather than being terminated";
(12) Mr Welker appointed non-executive director 3 March 2022, subsequently appointed Managing Director on 8 March 2022, resigned giving notice 28 June 2022. Mr Welker submitted a claim for compensation as a result of his termination on which settlement was agreed in January 2024;
(13) 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. Mr Teo has submitted a claim for compensation as a result of the termination of his employment;
(14) Mr Warr was appointed CFO on 7 September 2020, resigned on 19 June 2023. On 19 June 2023, the date on which Mr Warr resigned and vacated office the Board approved the payment to Mr Warr of paid three months' salary in lieu of notice and a short-term incentive cash payment of A$126,350;
(15) Mr Milbourne received payment for consulting services pre appointment;
(16) In February 2023, the then Board of the Company attempted to remove Mr Villanueva and appoint Mr Mahusay as the President of PMC the Board of X64 did not have the power to pass any resolutions in respect of PMC, including the removal and replacement of Mr Villanueva as PMC's President and Director. In the absence of any valid resolution to remove Mr Villanueva from office, as at the date of this report X64 recognises Mr Villanueva as PMC's President and Chief Executive Officer. Whilst we acknowledge there are proceedings currently on foot in the Philippines relating to a shareholder dispute of Philsaga Management Holdings Inc, the ultimate parent of PMC, we note that operational control of Co-O remained with Mr Villanueva during the full Financial Year; and
(17) Mr Villaneva is considered a KMP of the Company by virtue of being President of the Philippines entities prior to 13 February 2023. The remuneration reported for Mr Villanueva represents an estimate of the amounts paid by PMC prior to 13 February 2023 and those made by MMPRC during the year.

16. REMUNERATION REPORT (Audited) (Continued)

(c) Executive Remuneration Governance

The information contained within this section provides an overview of executive remuneration governance at X64 under the prior Board and Management. The Board will review such policies and practices once the Company exits Administration.

On 19 June 2023 the full Board of X64 was replaced and on 2 July 2023 entered Voluntary Administration, with the Company's Board of Directors ('Board') appointing PwC's Martin Ford and Simon Theobald as Voluntary Administrators ('Administrators') / ('Administration'). As such control of the Company is held by the Administrator and the Directors have not considered the appropriateness of the executive remuneration practices.

The Company had previously reported the following:

(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 has historically obtained independent remuneration information to ensure NED fees and executive remuneration packages are appropriate and in line with the market.

The combined NED fee allowance remains unchanged since this review. Executive remuneration is considered by the Remunerations Committee based on the appropriateness of the full package.

(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.

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 set at A$100,000 per annum for each Non-Executive Director. During the period of Administration, director's fees have accrued but have not been paid other than to compensate non-executive directors for actual time or the payment of fees and costs prior to the appointment of Administration.

16. REMUNERATION REPORT (Audited) (Continued)

(e) Executive Remuneration

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

On 19 June 2023, the full Board of X64 was replaced and on 2 July 2023 Administrators were appointed. The prior Directors had previously reported on the Remuneration Approach as follows, the new Board has not considered the appropriateness of this approach:

(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.

(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.'

16. REMUNERATION REPORT (Audited) (Continued)

(iii) KMP Remuneration at Risk in FY23

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 -			
Kate George [1]	100%	-	-
Andrew Hunt [2]	100%	-	-
Simon Mottram [2]	100%	-	-
Aaron Treyvaud [3]	100%	-	-
Debra Bakker	100%	-	-
Jonathan Shellabear	100%	-	-
William John DeCooman	100%	-	-
Andrew Brown	100%	-	-
Executive -			
Jeffery McGlinn [2]	57%	29%	14%
Paul Ryan Welker [4]	n/a	-	-
Walter Robert Milbourne [5]	57%	43%	-
Executive Officers:			
Raul Villanueva	70%	14%	16%
Patrick Warr [2]	57%	29%	14%
Nicola Gill	100%	-	-
James Llorca	74%	8%	18%

Notes:
[1] Ms George resigned 16 June 2023;
[2] Messrs Hunt, Mottram, McGlinn and Warr resigned 19 June 2023;
[3] Mr Treyvaud resigned on 28 April 2023;
[4] Mr Welker resigned on 28 June 2022 giving notice; and
[5] Mr Milbourne ceased as Managing Director on 16 November 2023 and resigned as a director on 20 December 2023.

(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, dishonest, gross misconduct and breach of obligations to the Group.

Where a participant to a plan ceases employment for a specified reason, including death, 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.

(v) Short-term Incentive Plan Outline

The Short-Term Incentive Plan was considered 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.

On 19 June 2023, the full Board of X64 was replaced and on 2 July 2023 Administrators were appointed. The Directors do not consider it reasonable in the current circumstances to continue the current Short Term Incentive Plan or make any incentive payments under this Plan.

16. REMUNERATION REPORT (Audited) (Continued)

On 20 December 2022, the Company advised that a bonus A$60,000 was to be paid to Mr McGlinn, no records of the basis for this payment were recorded other than being in recognition of his service. Then on 19 June 2023, prior to the appointment of the current Directors, a Short-Term Incentive cash payment was paid to Mr Warr of US$83,568 (A$126,350) reflecting achievement as follows:

Key Result Area	Annual Measure and Rationale for Inclusion
Individual performance 30% Weighting	Measures 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. Rationale 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. Results Achieved - Patrick Warr - 30% (assessed prior to 19 June 2023)
Company financial performance 15% Weighting	Measures Key financial measure meeting targeted All in Sustaining Cost Rationale Reflects the alignment of business strategy to create sustainable value for shareholders. Results Not achieved
Company safety and environmental performance 20% Weighting	Measures KPI for Total Injury Frequency Rate over 12 months Rationale 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. Results Not achieved
Company operational performance 15% Weighting	Measures Key physical measure meeting targeted Gold Production Rationale 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. Results Achieved – Patrick Warr - (assessed prior to 19 June 2023) gold production below target but determined to be "close"
Growth of Company future opportunities 20% Weighting	Measures Meeting mining inventory targets as determined by the Board of Directors. Rationale Demonstrates the Company's performance in achieving the organic growth of current assets. Results Achieved – Patrick Warr - (assessed prior to 19 June 2023)

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	-	-	N/A
Jeffery McGlinn	Managing Director	260,000	39,684	-	N/A
Patrick Warr	CFO	92,000	83,568	-	N/A
James Llorca	GM, Geology & Resources	105,000	-	-	N/A

16. REMUNERATION REPORT (Audited) (Continued)

In FY22, based on the assessment, the STI awarded for the 2021 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) (1)
Raul Villanueva	President of PMC / MMPRC	120,000	100,000	92,875	Note 31
Andrew Teo (2)	Managing Director	148,000	85,963	N/A	N/A
Patrick Warr	CFO	92,000	20,631	30,120	Note 31
James Llorca	GM, Geology & Resources	105,000	20,631	30,120	Note 31

Notes:

(1) The remaining vesting condition is subject to continuous employment for 12 months from date of grant to 12 October 2022 (refer Note 31 to the consolidated financial statements), Mr Teo ceased employment as Managing Director on 8 March 2022.

(vi) *Long-term Incentive Plan Outline*

On 19 June 2023 the full Board of X64 was replaced, the incoming Directors have not considered the appropriateness of the long-term incentive plan or undertaken any assessment of achievement.

At 30 June 2023 1,500,000 Long Term Performance Rights previously approved by the shareholders of the Company where existing. The Company will assess the scoring mechanism once all necessary information to do so is available. However, it is considered that these Performance Rights will expire unvested following this assessment.

The key elements of the established Long-Term Incentive ('LTI') Plan as it relates to the Company's KMP was previously reported as 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	Financial and Strategic measures The Board will determine financial and strategic measures that align with the Company's long-term objectives. Relative TSR 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.

16. REMUNERATION REPORT (Audited) (Continued)

	Absolute TSR 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.

No Long-Term Performance Rights were granted to KMP in the FY23 or FY22 financial year.

(f) Company Performance

On 19 June 2023 the full Board of X64 was replaced, the incoming Directors have not considered the prior executive remuneration and alignment 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	2023	2022	2021	2020	2019
Net Profit/(Loss) after tax ($'000)	US$	(16,993)	2,823	47,256	29,691	36,489
Basic earnings per share (cents)	US¢	(0.075)	1.20	22.7	14.3	17.6
Dividends paid per share (cents)	A¢	5.0	2.0	5.0	-	-
Share price at year end 30 June (cents	A¢	57[1]	69	84	69	57

Notes:

1. X64 has been suspended on the ASX since 28 February 2023.

(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

No options were held by KMP at 30 June 2022 or 2023. At 30 June 2021 James Llorca held 500,000 options which were not exercised and lapsed on 8 January 2022.

16. REMUNERATION REPORT (Audited) (Continued)

(j) Share Holdings

The movement during the year in the number of ordinary shares in X64 held directly, indirectly or beneficially, by each Director and key management personnel, including their personally related entities are as follows:

Financial year 2022/2023:

Name	Balance 1/07/22	Shares held at appointment	Compensation shares	Shares purchased	Performance Rights vested	Shares sold	Balance 30/06/23 /Date of employment ending
Directors:							
Non-Executive -							
Debra Bakker [4]	n/a	2,500	-	-	-	-	2,500
Jonathan Shellabear[4]	n/a	-	-	-	-	-	-
William DeCooman[4]	n/a	-	-	-	-	-	-
Kate George [2]	n/a	-	-	-	-	-	-
Andrew Hunt [1]	-	-	-	-	-	-	-
Simon Mottram [1]	100,000	-	-	200,000	-	-	300,000
Executive -							
Jeffery McGlinn [1]	144,747	-	-	79,658	-	-	224,405
Paul Welker [3]	9,667,723	-	-	-	-	-	9,667,723
Walter Milbourne[4]	n/a	-	-	-	-	-	-
Executive Officers:							
Raul Villanueva	50,000	-	-	-	-	-	50,000
James Llorca	76,000	-	-	-	60,000	-	136,000
Patrick Warr [1]	-	-	-	-	60,000	-	60,000
Nicola Gill [5]	n/a	-	-	-	-	-	-

Notes:

(1) Mr Mottram, Mr Hunt, Mr Warr and Mr McGlinn resigned 19 June 2023;

(2) Ms George resigned on the 16 June 2023;

(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) Ms Bakker, Mr Brown, Mr Shellabear, Mr DeCooman, and Mr Milbourne were appointed on 19 June 2023;

(5) Ms Gill was appointed on 20 June 2023.

16. REMUNERATION REPORT (Audited) (Continued)

(k) Performance Rights

The movement during the year in the number of Performance Rights over ordinary shares in X64 held directly, indirectly or beneficially, by each Executive, including their personally related entities is as follows:

Financial year 2022/2023:

Name	Year Granted	Balance 01/07/22	Rights granted as remuneration (2)	Rights Vested	Rights Forfeited or Expired Unvested	Balance held 30/06/23 (unvested)	Max value yet to vest (1)
Non-executive Directors:							
Debra Bakker(8)	2023	-	-	-	-	-	-
Jonathan Shellabear(8)	2023	-	-	-	-	-	-
William DeCooman(8)	2023	-	-	-	-	-	-
Kate George (6)	2023	-	-	-	-	-	-
Andrew Hunt (5)	2023	-	-	-	-	-	-
Simon Mottram (5)	2023	-	-	-	-	-	-
Executive Officers:							
Robert Milbourne (3),(8)	2023	-	-	-	-	-	-
Raul Villanueva	2023	-	-	-	-	-	-
	2022	-	185,000	(185,000)	-	-	-
	2021	1,500,000	-	-	-	1,500,000	430,879
James Llorca	2023	-	-	-	-	-	-
	2022	60,000	-	(60,000)	-	-	-
	2021	-	-	-	-	-	-
	2020	350,000	-	-	(350,000)	-	-
Nicola Gill (9)	2023	-	-	-	-	-	-
Patrick Warr (5)	2023	-	-	-	-	-	-
	2022	60,000	-	(60,000)	-	-	-
	2021	350,000	-	-	(350,000)	-	-
Jeffery McGlinn (4),(5)	2023	-	-	-	-	-	-
Paul Welker (7)	2023	-	-	-	-	-	-

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) Performance Rights issued under the Short-Term Incentive Plan (refer 12 (e)).

(3) Mr Milbourne's executive service agreement provided for the issue of 3,000,000 Performance Rights as a director of the company the issue of these Performance Rights was subject to shareholder approval which was not obtained.

(4) Mr McGlinn's executive service agreement provided for the issue of 3,600,000 Performance Rights as a director of the company the issue of these Performance Rights was subject to shareholder approval which was not obtained.

(5) Mr Mottram, Mr Hunt, Mr Warr and Mr McGlinn resigned 19 June 2023;

(6) Ms George resigned on the 16 June 2023;

(7) 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

(8) Ms Bakker, Mr Brown, Mr Shellabear, Mr DeCooman, and Mr Milbourne were appointed on 19 June 2023;

(9) Ms Gill was appointed on 20 June 2023.

16. REMUNERATION REPORT (Audited) (Continued)

(I) Statutory Remuneration Disclosures

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 as follows.

Simon Theobald
CEO appointed from 2 January 2024

Contract:	Executive Services Agreement between the Company and Simon Theobald ("Executive").
Term:	Commencement date of 2 January 2024 until employment is terminated.
Services:	The Executive is employed as CEO of the Company and is responsible for managing and overseeing the strategy and direction of the Company's business.
Remuneration:	Fixed remuneration: Base fee A$425,000 per annum (exclusive of a superannuation), subject to 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: The Executive is eligible to receive up to 50% of the base fee annually on attainment of measurable KPI's as determined by the Board in its absolute discretion. Long Term Incentive: The provision of a Long-Term Incentive will be determined by the Board and is at the absolute discretion of the Board.
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.

16. REMUNERATION REPORT (Audited) (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.

Nicola Gill
Interim Chief Financial Officer - appointed on 20 June 2023

Contract:	Undocumented service agreement between the Company and Nicola Gill ("Executive").
Term:	No set term, the agreement will continue until terminated.
Role:	The Executive as Chief Financial Officer is responsible for the day-to-day management of all financial functions of the Group.
Remuneration:	<u>Fixed remuneration:</u> A$1,500 per day (exclusive of statutory superannuation) <u>Variable remuneration:</u> The Executive is not entitled to variable remuneration; variable remuneration is at the discretion of the Board.
Termination:	Either party may terminate the engagement at any time for any reason. No notice period is required.

16. REMUNERATION REPORT (Audited) (Continued)

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

Contract:	Mr Villanueva is engaged under an agreement with both PMC and MMPRC
Role:	The 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. Variable remuneration - Short term incentive ("STI"): Mr Villanueva may be entitled to participate in the STI Plan as detailed in this report. The Board may, in its absolute discretion, pay Mr Villanueva an annual bonus. Variable remuneration - Long term incentive: Mr Villanueva holds 1,500,000 performance rights issued by the Company and 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:	Mr Villanueva 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.

16. REMUNERATION REPORT (Audited) (Continued)

Walter Robert Milbourne
Managing Director appointed as executive from 20 June 2023, ceased 16 November 2023

Contract:	Executive Services Agreement between the Company and Walter Robert Milbourne ("Executive").
Term:	Commencement date of 20 June 2023 until employment is terminated.
Services:	The Executive is employed as the Managing Director of the Company and is responsible for managing and overseeing the strategy and direction of the Company's business.
Remuneration:	Fixed remuneration: Base fee A$650,000 per annum, subject to 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: The Executive is eligible to receive up to 75% of the base fee annually on attainment of measurable KPI's as determined by the Board in its absolute discretion. Long Term Incentive: The provision of 3,000,000 performance rights was provided for in the contract of engagement. These performance rights would be subject to shareholder approval prior to issue; such approval was not sought.
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 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.

16. REMUNERATION REPORT (Audited) (Continued)

Jeffrey McGlinn
Managing Director – resigned 19 June 2023

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 Chairperson of the Company and is responsible for managing and overseeing the strategy and direction of the Company's business.
Remuneration:	Fixed remuneration: A$725,000 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. Directors Fees Fixed remuneration: US$100,000 per annum for service on the Philippine associated entities Variable remuneration - Short term incentive ("STI"): Entitled to participate in the STI Plan as detailed in this report to a maximum of A$260,000 for the financial year ended 30 June 2023. Variable remuneration - Long term incentive: The Executive is eligible to receive long-term incentives in the form of 3,600,000 options at an exercise price of A$1.30 per option (subject to shareholder approval which was not obtained).
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.

16. REMUNERATION REPORT (Audited) (Continued)

Paul Ryan Welker
Managing Director – resigned 28 June 2022 giving notice.

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.

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).

16. REMUNERATION REPORT (Audited) (Continued)

(m) Related Parties

Related parties:	All Key Management Personnel detailed in this Report
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 24 November 2022, a majority of 85.27% voted in favour of adopting the Remuneration Report.

End of Remuneration Report

17. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Indemnification

The Company has agreed to indemnify Directors and Officers of the Company 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 covered all Directors, Company Secretaries and other Officers of the Company and its related entities in place at that time. 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.

The policy referred to above was placed into run-off by the departing directors on 19 June 2023. No subsequent Directors' and Officers' Liability Insurance policy was placed during the financial year and as such no Directors' and Officers' Liability Insurance policy was in place for the current Directors and Officers of the Company as at 30 June 2023.

18. INDEMNIFICATION OF AUDITORS

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.

19. 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 Annual Report.

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

20. 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.

21. 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 years ended 30 June 2022 and 2023:

Item Description	Unit	2023	2022
Taxation	US$	49,019	50.429
Remuneration consulting	US$	8,685	14.750
Other General Consulting	US$	2,926	-
Total	**US$**	**60,630**	**65,179**

22. AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration for the year ended 30 June 2023 has been received and can be found on page 33 of this Report.

23. 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

Debra Bakker

Non-Executive Chair

Dated at Perth this 27th day of September 2024

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

As lead auditor of Ten Sixty Four Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the 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.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth

27 September 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Note	Consolidated 2023 US$000	2022 US$000
Revenue	2	115,110	139,959
Cost of sales		(75,702)	(101,291)
Gross Profit		**39,408**	**38,668**
Other income	2	324	33
Exploration & Evaluation expenses		(1,954)	(1,697)
Administration expenses		(11,992)	(8,255)
Cost of company acquisition		53	(12,491)
Loss on deconsolidation	30	(31,744)	-
Other expenses	3	(1,262)	(12,315)
Profit/(Loss) before income tax expense		**(7,168)**	**3,943**
Income tax expense	5	(9,826)	(1,120)
Profit/(Loss) for the year after income tax expense		**(16,993)**	**2,823**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Movement in other reserves (net of tax)		679	484
Exchange differences on translation of foreign operations (net of tax)		(547)	(443)
Total comprehensive profit attributable to the owners		**(16,861)**	**2,864**
Basic profit/(loss) per share (US$ per share)	4	(0.075)	0.012
Diluted profit/(loss) per share (US$ per share)	4	(0.075)	0.012

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2023

	Notes	Consolidated 2023 US$000	Consolidated 2022 US$000
CURRENT ASSETS			
Cash & cash equivalents	6	7,474	45,971
Trade & other receivables	7	6,176	14,103
Inventories	8	456	30,659
Other current assets		387	694
Total Current Assets		**14,493**	**91,427**
NON-CURRENT ASSETS			
Restricted cash	6	1,619	4,687
Trade & other receivables	7	3,471	10,871
Property, plant & equipment	10	5,346	29,612
Intangible assets		36	563
Site Rehabilitation		527	638
Development expenditure	11	-	65,129
Deferred tax assets	5(b)	4,358	23,818
Right-of-use assets	13	842	1,374
Loan receivable from associates	9	40,697	-
Investments in associate	12	113,818	-
Total Non-current Assets		**170,714**	**136,692**
Total Assets		**185,207**	**228,119**
CURRENT LIABILITIES			
Trade & other payables	15	5,414	16,240
Borrowings	17	-	839
Provisions	16	391	360
Lease Liabilities	13	264	535
Total Current Liabilities		**6,069**	**17,974**
NON-CURRENT LIABILITIES			
Borrowings	17	-	213
Deferred tax liability	5(b)	-	469
Provisions	16	1,336	3,709
Lease Liabilities	13	615	917
Total Non-current Liabilities		**1,951**	**5,308**
TOTAL LIABILITIES		**8,020**	**23,282**
NET ASSETS		**177,187**	**204,837**
EQUITY			
Issued capital	18	114,362	114,348
Reserves	19	1,956	7,670
Non-controlling interest	21	2,287	-
Retained profits	20	58,582	82,819
TOTAL EQUITY		**177,187**	**204,837**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes. Some figures have been rounded.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2023

	Share capital ordinary	Retained profits	Non-controlling interest	Share based payment reserves	Other reserves	Foreign currency translation reserve	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
CONSOLIDATED							
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 financial year	-	2,823	-	-	484	(443)	2,864
Transactions with owners, in their capacity as owners, and other transfers							
Shares issued during the financial year	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**
Balance at 1 July 2022	**114,348**	**82,819**	-	**1,346**	**(558)**	**6,882**	**204,837**
Net profit/(loss) after tax	-	(16,993)	-	-	-	-	(16,993)
Other comprehensive profit	-	-	-	-	680	(547)	133
Total comprehensive profit for the financial year	-	(16,993)	-	-	680	(547)	(16,861)
Transactions with owners, in their capacity as owners, and other transfers							
Shares issued during the financial year	-	-	-	-	-	-	-
Share buy back	(193)	-	-	-	-	-	(193)
Performance rights expensed	-	-	-	409	-	-	409
Transfer from option reserve	207	49	-	(256)	-	-	-
Dividend paid		(7,292)	-	-	-	-	(7,292)
De-recognised on deconsolidation/Recognition of non-controlling interest	-	-	2,287	-	(2,287)	(3,713)	(3,713)
Balance at 30 June 2023	**114,362**	**58,582**	**2,287**	**1,499**	**(2,166)**	**2,622**	**177,187**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes. Some figures have been rounded.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2023

	Note	Consolidated 2023 US$000	Consolidated 2022 US$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		115,110	154,336
Payments to suppliers & employees		(69,187)	(94,230)
Payments for exploration & evaluation activities		(2,122)	(1,678)
Other income		1,190	10
Interest received		230	22
Income tax paid		(5,753)	(4,528)
Net cash provided by operating activities	6(b)	**39,468**	**53,931**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment	10	(12,829)	(18,211)
Payment for development activities	11	(21,329)	(32,372)
Payments for purchase of company, net of cash acquired		-	(317)
De-recognition of cash on deconsolidation of PMHI Group	30	(45,096)	-
Net cash (used in) investing activities		**(79,254)**	**(50,900)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for lease liabilities	13	(265)	(535)
Payments for share buy backs	18	(193)	(71)
Payments for dividends	22	(7,292)	(3,133)
(Payment of) from bank loans		5,027	(652)
Net cash (used in) financing activities		**(2,723)**	**(4,392)**
Net increase/(decrease) in cash held		**(42,509)**	**(1,360)**
Cash and cash equivalent at the beginning of the year		50,658	51,074
Exchange rate adjustment		944	944
Cash and cash equivalent at the end of the year	6	**9,093**	**50,658**
Less: Restricted Cash		1,619	4,687
Unrestricted cash and cash equivalent at the end of the year		**7,474**	**45,971**

The above Consolidated Statement of Cash Flows should be used in conjunction with the accompanying notes. Some figures have been rounded.

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BASIS OF PREPARATION

Ten Sixty Four Limited ("**X64**" or the "**Company**"), 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 27th September 2024.

The resolution emphasised that on 19 June 2023 the predecessor Board and Management resigned en-masse. As such, the Directors signing this financial report were not in office for the vast majority of the financial year ended 30 June 2023. Whilst every reasonable effort was made, they were unable to obtain all the necessary books and records pertaining to the Group for the financial year ended 30 June 2023. Consequently, the Directors are unable to provide representations that the consolidated financial report is 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**");.

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

- has been prepared on a 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; and
- 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 2022.

Accounting policies adopted during the financial year are:

(i) Loans with Associates

Loans with associates are accounted for in accordance with AASB 9 Financial Instruments. Such loans are initially recognised at fair value, which reflects the present value of future cash flows discounted at the market interest rate for similar instruments. Subsequent to initial recognition, these loans are measured at amortised cost using the effective interest method. Interest income is recognised over the term of the loan, and the carrying amount is adjusted for any impairment losses.

(ii) Investments in Associates

Investments in associates, where the company has significant influence but not control, are accounted as prescribed by AASB 128 Investments in Associates and Joint Ventures. Where an investment in a previously controlled entity becomes an associate, the retained interest is initially recognised at fair value.

Subsequent to initial recognition, the investment is accounted for using the equity method as outlined in AASB 128.10–13. Under the equity method, the Group recognises its share of the associate's post-acquisition profits or losses in its consolidated financial statements. The carrying amount of the investment is adjusted for post-acquisition changes in the associate's net assets, including adjustments for any dividends received.

In accordance with AASB 128.30, if there is uncertainty regarding the amount of the Group's share of an associate's profits (e.g., due to ongoing disputes, pending transactions, or lack of reliable financial information), the Group defers recognising its share of the profits until the uncertainty is resolved and a reliable estimate can be made.

(a) Principles of Consolidation

The Group's financial statements consolidate those of the Parent Company and all of its subsidiaries as at 30 June 2023. 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.

(b) Key Estimates and Judgements

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

Note 3.	Expenses	Note 13.	Leases
Note 5.	Income Tax and Deferred Tax Assets	Note 14.	Impairment of Non-Current Assets
Note 7.	Trade & Other Receivables	Note 16.	Provisions
Note 9.	Loan Receivable	Note 30.	Deconsolidation of PMHI Group
Note 11.	Development Expenditure	Note 31.	Share Based Payments
Note 12.	Investment in associate		

(c) Going Concern

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

Upon taking office on 19 June 2023 the Board commenced a detailed financial analysis of the Company's business. This review identified that circumstances arose prior to their appointment on 19 June 2023 that resulted in a dispute concerning the alleged transfer of ownership of a 60% interest in the Company's subsidiary Philsaga Management and Holding, Inc ("**PMHI**") who holds a 100% interest in Philsaga Mining Company ("**PMC**") ("**the Dispute**").

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

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

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

The conditions precedent to the completion of the DOCA include:

- resolution of the various disputes involving intra-group entities to ensure continuing income from PMC to support the Company;
- resolution of the ownership disputes involving a disputed 60% ownership PMHI;
- resolution of the various intercompany claims;
- variation of the Tolling Agreement between Mindanao Mineral Processing and Refining Corporation ("**MMPRC**") and PMC;
- execution of a Management Agreement between MMPRC and X64; and
- directors and officers' liability insurance being placed.

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

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 judgements and estimates relevant to understanding these items.

1. SEGMENT INFORMATION

(a) Identification of Reportable Segments

The Group has identified its reportable operating segments based on the internal management reports that are reviewed by the chief operating decision maker and the executive management team in assessing performance and in determining the allocation of resources.

The Group segments are structured as Mining and Processing, Exploration and Other. Mining and Processing refers to the Co-O Mine and Milling operation. The Co-O Mine is held within the PMHI Group which has been deconsolidated from the Group from 13 February 2023, the Co-O Mill is held by MMPRC which forms part of the consolidated Group. Other incorporates the Parent Entity's activities.

(b) 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; and
- 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.

12 months to June 2023:	Mining and Processing US$000	Philippines Exploration US$000	Australian Exploration US$000	Other US$000	Total US$000
Segment Revenue					
Reconciliation of segment revenue to group revenue	112,008	-	-	-	112,008
add:					
Interest revenue	-	-	-	248	248
Tolling income	3,102	-	-	-	3,102
Other income	-	-	-	76	76
Group revenue	115,110	-	-	324	115,434
Segment Result					
Reconciliation of segment result to group result:	18,458	(2,122)	(1,795)	(101,259)	(86,718)
add back:					
Forex realised	-	-	-	(147)	(147)
Forex unrealised	-	-	-	972	972
Interest revenue	-	-	-	275	275
Depreciation	3,218	-	5	15	3,238
Amortisation	16,653	-	-	210	16,863
Exploration write off	-	1,954		-	1,954
Impairment of deferred taxes	-	-	-	12,108	12,108
Other write off	418	-	-	-	418
Share based expense	-	-	-	409	409
Retirement expense	15	-	-	-	15
Income tax expense	-	-	-	2,282	2,282
Asset write off	(395)	-	-	(11)	(406)
Loss on deconsolidation	-	-	-	31,744	31,744
Group profit/(loss) after income tax expense	**38,367**	**(168)**	**(1,790)**	**(53,402)**	**(16,994)**
Segment Assets					
Reconciliation of segment assets to group assets:	174,127	-	130	6,592	180,849
plus: Deferred tax assets	4,358	-	-	-	4,358
Total group assets	178,485	-	130	6,592	185,207
Segment Liabilities					
Reconciliation of segment liabilities to group liabilities:	6,349	-	20	1,651	8,020
plus: Deferred tax liabilities	-	-	-	-	-
Total group liabilities	6,349	-	20	1,651	8,020

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

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 to 13 February 2023, all of the Group's revenues were derived from sales to a single customer; post 13 February 2023 Group revenue was derived from the toll treating of ore from PMC (2022:100% from single customer). The Group ceased to sell gold and silver from the Co-O Mine from 13 February 2023.

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 2023:</u>				
Segment Revenue [(i)]	-	3,102	112,008	115,110
Non-Current Assets [(ii)]	973	10,869	-	11,842

In accordance with AASB 8 Operating segments disclosure requirements:

(i) Revenue figures reported by geographical region exclude non-operating income, including interest income and other financial or peripheral gains not directly related to the core operating activities of the entity.

(ii) Non-Current Assets shown in geographical information include tangible and intangible assets but exclude financial instruments (including loans), deferred tax assets, post-employment benefit assets, rights arising under insurance contracts and investment in associates.

12 months to June 2022:	Operations US$000	Philippines Exploration US$000	Australian 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	139,959	-	-	-	139,992
Segment Result					
Reconciliation of segment result to group result:	(15,385)	(3,356)	(41)	(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	-	1,678	19	-	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	**26,803**	**(1,678)**	**(21)**	**(22,281)**	**2,823**
Segment Assets					
Reconciliation of segment assets to group assets:	197,507	2,484	130	4,180	204,301
plus: Deferred tax assets	23,818	-	-	-	23,818
Total group assets	221,325	2,484	130	4,180	228,119
Segment Liabilities					
Reconciliation of segment liabilities to group liabilities:	20,900	131	20	1,762	22,813
plus: Deferred tax liabilities	469	-	-	-	469
Total group liabilities	21,369	131	20	1,762	23,282

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 (i)	-	-	139,959	139,959
Non-Current Assets (ii)	682	131,323	-	132,005

In accordance with AASB 8 Operating segments disclosure requirements:

(iii) Revenue figures reported by geographical region exclude non-operating income, including interest income and other financial or peripheral gains not directly related to the core operating activities of the entity.

(iv) 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.

	Consolidated 2023 US$000	2022 US$000
2. REVENUE AND OTHER INCOME		
Operating activities:		
Gold and silver sales	112,008	139,959
Tolling income	3,102	-
Total operating revenue	115,110	139,959
Non-operating activities:		
Interest income	276	23
Other income	48	10
Total revenue and other income	115,434	139,992

(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 the present right of payment, and whether the control and legal title have transferred to the customer.

Revenue from Toll Treating

Revenue is recognised on a monthly basis following the completion of toll milling activities and the physical tonnages are agreed between PMC and MMPRC in line with the toll milling agreement between the parties.

Judgement is required to determine the tonnes milled by MMPRC which is based on physical weights, assessment of moisture and reconciliation of production.

3. EXPENSES

	2023 US$000	2022 US$000
Profit/(loss) before income tax expense/(income) has been determined after charging/(crediting) the following items:		
Depreciation & amortisation:		
- Depreciation expense	3,238	8,067
- Amortisation expense	16,337	29,935
- Mine rehabilitation and right of use assets amortisation	526	823
Total depreciation & amortisation	20,101	38,825
Employee benefits expense	13,785	18,707
Interest expense & unwinding of discount on provisions	241	404
Cost of company acquisition (i)	(53)	12,491
Loss on Deconsolidation (ii)	31,744	-

	Consolidated 2023 US$000	Consolidated 2022 US$000
Other expenses:		
- VAT impairment	418	2,813
- Forex realised	(147)	1,153
- Forex unrealised	972	4,244
- Defined benefit plans	15	612
- Assets impaired	-	9
- Share-based payment expense	409	681
- Bad debts write off	-	35
- Tax settlement	-	2,768
- Gain on disposal of assets	(405)	-
Total other expenses	1,262	12,315

Notes:

(i) Asset Acquisition

On 24 February 2022, the Company acquired 100% of the ordinary shares of CQ22 Pty Ltd 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$11.4M, 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 the 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 CQ22 Pty Ltd 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)	1,013
Total consideration	**12,438**
Net Asset acquired:	
Cost of Company Acquisition	**12,438**

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. Accordingly, the cost of acquiring CQ22 Pty Ltd has been expensed in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

(ii) Loss on Deconsolidation

The Reporting Group deconsolidated PMHI and its subsidiaries including PMC which owns and operates the Co-O Mine from 13 February 2023. On deconsolidation of PMHI a loss of US$31.7M was recorded. Refer note 30.

(a) Recognition and Measurement

(i) 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.

(ii) 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 11 for further detail.

(iii) 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.

(iv) Acquisition not Constituting a Business

The CQ22 Pty Ltd 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.

(v) 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 prior 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.

4. EARNINGS PER SHARE

(a) Earnings/(Loss) per Share

	Consolidated	
	2023	**2022**
	US$000	US$000
Profit/(Loss) used to calculate basic and diluted EPS	(16,993)	2,823
Weighted average number of ordinary shares used in the calculation of the basic earnings per share.	227,651,382	227,794,301
Weighted average unlisted options & performance rights outstanding	1,500,000	5,598,625
Weighted average of ordinary shares diluted as at 30 June	229,151,387	233,392,926

(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.

5. INCOME TAX

(a) Income Tax Expense

(i) The components of tax expense comprise:

	2023	2022
Current tax expense/(benefit)	(2,282)	6,622
Deferred tax expense/(benefit)	12,108	(5,590)
Prior year adjustment	-	88
	9,826	1,120

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

	2023	2022
Operating profit/(loss) before income tax	(7,168)	3,943
Prima facie tax expense/(credit) at 30% (2022: 30%) on operating profit	(2,150)	1,183
Adjusted for - tax effect of:		
other taxable/non-deductible items	(6,959)	1,488
other non-taxable/deductible items	(83)	(6)
differences in effective foreign income tax rates	(911)	71
derecognition of deferred taxes	12,108	(1,920)
loss on deconsolidation	7,821	-
deferred tax assets not brought to account	-	304
Income tax expense	9,826	1,120

(b) Deferred Tax

	Opening balance	Forex on translation	Credit/(charged) to income	De-recognised on Deconsol-idation	Closing balance
	US$000	US$000	US$000	US$000	US$000
Consolidated Group					
30 June 2023					
Deferred tax liability					
Mining and exploration timing differences	469	-	-	(469)	-
Total deferred tax liability	469	-	-	(469)	-
Deferred tax assets					
Carried forward tax losses	1,346	-		-	1,346
Mining and exploration timing differences	22,472	-	(12,108)	(7,352)	3,012
Total deferred tax asset	23,818	-	(12,108)	(7,352)	4,358
30 June 2022					
Deferred tax liability					
Capitalised exploration & evaluation expenditures	-	-	-	-	-
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

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

	2023	2022
	US$000	US$000
Temporary differences	17,306	17,306
Australian tax losses	2,618	2,618
Total	19,924	19,924

(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.

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.

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 relevant laws; and
- No changes in tax legislation adversely affect the Group in realising these benefits.

(d) Key Estimates and Judgements

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$4.4 million at 30 June 2023. 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.

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	
	2023	**2022**
	US$000	US$000
Cash at bank	7,474	45,933
Cash on hand	-	38
Unrestricted cash and cash equivalents	7,474	45,971
Restricted Cash (Note 6(d))	1,619	4,687
Total cash assets	9,093	50,658

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

	2023	2022
Profit after income tax add/(less) -	(16,993)	2,823
Non-cash items:		
- Depreciation/amortisation	19,574	38,002
- Mine rehabilitation amortisation	526	823
- Shares issue for company acquisition (Note 3)	-	11,425
- Exploration written off	1,954	-
- Retirement Benefit	17	612
- Gain on asset disposal	(405)	42
- Recognition of share-based expenses	409	714
- VAT write off	418	2,813
- Impairment gain/(loss)	12,108	-
- Deconsolidation	31,744	-
- Foreign exchange (gain) / loss	824	5,397
Total non-cash items	50,176	62,651
Changes in assets & liabilities		
- (increase)/decrease in trade & other receivables	15,327	18,494
- (increase)/decrease in VAT provisions for write off	-	(880)
- (increase)/decrease in prepayments	307	(37)
- (increase)/decrease in inventories	30,203	(13,962)
- (decrease)/increase in trade & other payables	(24,266)	(5,949)
- (increase)/decrease in deferred taxes assets	12,290	(4,896)
- increase/(decrease) in deferred taxes liabilities	651	337
- movement in retirement benefit liability	(2,915)	(1,828)
- De-recognised on deconsolidation	(42,305)	-
Total changes in assets and liabilities	(10,708)	(8,720)
Net cash provided by operating activities	39,468	53,931

(c) Non-cash Investing and Financing activities

	Consolidated	
	2023	2022
	US$000	US$000
- Shares issue for company acquisition (refer note 3(i))	-	11,425
- Performance Rights issued (refer note 31)	409	681
- Additions to the right -of-use assets	458	507

(d) Restricted Cash

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

(i) in a rehabilitation fund of US$1,521,548 (2022: US$4,519,440) to be used at the end of life of mine for environmental rehabilitation; and

(ii) the parent entity has cash backed bank guarantees for its head office premised of US$97,639 (2022: US$167,495)

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

7. TRADE AND OTHER RECEIVABLES

Current		
GST/VAT receivables	1,446	10,542
Trade / Other receivables	4,730	3,561
Total current receivables	6,176	14,103
Non-Current		
GST/VAT receivables	3,471	10,871
Total non-current receivables	3,471	10,871

(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 tolling fees owing from PMC which were paid in full subsequent to year end.

(b) Key Estimates and Judgements

The Group has GST/VAT of $5 million that comprises tax credit certificates ("TCC") and VAT claimable for cash and offsets. The current asset portion of VAT $1.4 million comprises amounts that are estimated to be utilised within the current period. The non-current amount of VAT receivable of $3.5 million represents the estimated amount utilised in future periods against tax liabilities.

Management judgement 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.

8. INVENTORIES

	Consolidated 2023 US$000	2022 US$000
Consumables - net realisable value	456	10,837
Ore stockpile - at cost	-	1,662
Gold Inventory - at cost (i)	-	18,160
Total inventories	456	30,659

(i) Gold bullion and ore stockpiles are held at 30 June 2023 within PMC which has been deconsolidated from 13 February 2023 (FY22: gold bullion held of 16,547 ounces, held at cost of US$13 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. LOAN RECEIVABLES

Non-current	251,263	-
Less – impairment on expected credit loss	(210,566)	-
Net realisable value of non-current loan receivables	40,697	-
Total loan receivables at net realisable value	40,697	-

(a) Recognition and Measurement

On June 5, 2019, the MMPRC executed a loan agreement with PMC whereby the latter acknowledges its outstanding payable to the Company amounting to US$325.4 million at that date, as at 30 June 2023 an amount of US$251.3 million was recorded in the accounts of MMPRC.

The Company has not imposed interest on the loan in 2023 (and 2022). The Company and PMC are still in the process of discussing and re-negotiating the terms and conditions of the loan (discussed further at (b) below). Loan receivable is valued at the net present value of expected future repayments under the agreed structure of the RFA using a discount rate of 12%.

(b) Recoverability

Pursuant to the terms and conditions of the Loan Agreement between MMPRC and PMC dated 19 June 2019 (“Loan Agreement”) MMPRC granted PMC a loan in the amount of USD325,430,026 on the condition that PMC will make minimum monthly instalment payments of USD250,000. No repayment has been made against this loan since 23 June 2022.

Certain assumptions are required to be made in order to assess the recoverability of the loan receivable from PMC. Key assumptions include the ability of PMC to meet the payment obligations of the loan which are dependent on continuing operations and future cash flows of PMC which is dependent on the future gold price, 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.

Additionally, on 17 February 2023 PMC, wrote a letter addressed to the Company and MMPRC outlining several claims in reference to the Loan Agreement including:

Incomplete Signatures – PMC advised that:

(i) signatures on the Loan Agreement were intentionally ‘incomplete’ to signify objection to the execution of the Loan Agreement, and

(ii) there were inadequate documents to support the amount.

On 18 March 2024, the Company and PMC entered into a Restructuring Framework Agreement (“**RFA**”) which amongst other things sought to resolve these issues. Documentation to reflect the matters agreed in the RFA is currently being negotiated. However, should the negotiations fail, then recovery of the outstanding loan may be subject to legal action in the Philippines, and as such the timing and amount recoverable would be uncertain.

10. PROPERTY, PLANT & EQUIPMENT

	Consolidated 2023 US$000	Consolidated 2022 US$000
Plant & equipment:		
At cost	216,338	210,142
less - provision for impairment	(132,065)	(132,064)
less - accumulated depreciation	(77,578)	(74,340)
less - de-recognised on deconsolidation	(1,839)	-
Total plant & equipment at net book value	4,856	3,738
Capital works in progress:		
At cost	33,649	25,704
less - de-recognised on deconsolidation	(33,187)	-
Total capital works in progress at net book value	462	25,704
Furniture & fittings:		
At cost	1,481	1,420
less - provision for impairment	(254)	(254)
less - accumulated depreciation	(1,003)	(996)
less - de-recognised on deconsolidation	(196)	-
Total furniture & fittings at net book value	28	170
Total carrying amount at end of year	5,346	29,612

Reconciliations:

	2023 US$000	2022 US$000
Plant & equipment:		
Carrying amount at beginning of year	3,738	5,946
plus – additions	4,390	5,652
plus - net transfer from capital works in progress	915	226
less - forex differences on translation	890	(69)
less - de-recognised on deconsolidation	(1,839)	-
less – disposal	-	(9)
less – depreciation	(3,238)	(8,008)
Carrying amount at end of year	4,856	3,738
Capital works in progress:		
Carrying amount at beginning of year	25,704	11,570
plus – additions	8,859	14,363
less - net transfer to plant and equipment	(914)	(229)
less - de-recognised on deconsolidation	(33,187)	-
Carrying amount at end of year	462	25,704

	Consolidated 2023 US$000	Consolidated 2022 US$000
Furniture & fittings:		
Carrying amount at beginning of year	170	158
plus – additions	61	66
plus - net transfer from capital works in progress	-	4
less – depreciation	(7)	(58)
less - de-recognised on deconsolidation	(196)	-
Carrying amount at end of year	28	170
Total carrying amount at end of year	5,346	29,612

(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.

11. DEVELOPMENT EXPENDITURE

	2023	2022
At cost -	520,774	501,934
less - provisions for impairment	(246,260)	(246,260)
less - accumulated amortisation	(206,882)	(190,545)
less - de-recognised on deconsolidation	(67,632)	-
Total carrying amount at end of year	-	65,129
Reconciliation:		
Carrying amount at beginning of year	62,841	62,248
plus - costs incurred	21,128	32,663
less - amortisation expense	(16,337)	(29,782)
less - de-recognised on deconsolidation	(67,632)	-
Total carrying amount at end of year	-	65,129

(a) Recognition and Measurement

Development expenditure represents the accumulated land and development expenditure incurred by PMC up to the point of deconsolidation 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 percentage up to 24% (2022: 29%). 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 was historically reassessed at least annually. Where there was a change in the reserves/resources amortisation rates were correspondingly adjusted.

(b) Key Estimates and Judgements

(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 judgement, 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 and continuing operations. 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.

(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, requires judgements, estimates and assumptions.

12. INVESTMENT IN ASSOCIATE

	Consolidated 2023	Consolidated 2022
	US$000	US$000
Fair value of investment on initial recognition	113,818	-
Share of attributable profit or loss (i)	-	-
Total investment in associate	113,818	-

(i) The Group has determined not recognise any adjustment to the value of its investment in PMHI from a share of the attributable profit or loss from PMHI for the period 13 February to 30 June 2023; as the information on which the reported result from the PMHI Group is based is subject to uncertainty.

The Group accounted for its 40% equity investment in PMHI as an equity accounted associate from 13 February 2023 following the deconsolidation of the PMHI Group (refer note 30). On deconsolidation, the Company could exert significant influence, but not control, over PMHI through the ability to exercise voting rights attached to its 40% equity interest. The PMHI Group includes PMC which operates the Co-O Mine under a Mineral Production and Sharing Agreement with the Republic of the Philippines.

	Date of incorporation	Country of incorporation	Equity interest	Voting
Philsaga Management and Holding Inc ("PMHI") (i)	29 May 2003	Philippines	40% Direct	40%
Phsamed Mining Corporation ("Phsamed") (ii)	23 Apr 2003	Philippines	40% Indirect	-
Philsaga Development Corporation Inc ("PDC") (ii)	08 May 2003	Philippines	40% Indirect	-
Philsaga Mining Corporation ("PMC") (iii)	17 May 2001	Philippines	40% Indirect	-

Note:
(i) The Company holds a direct equity interest in PMHI.
(ii) Phsamed and PDC are wholly owned subsidiaries of PMHI.
(iii) PMC is a wholly owned subsidiary of PDC.

(a) Financial Information for the period 13 February to 30 June 2023

Financial Performance for the period from 13 February 2023	2023 $'000
Revenue	57,040
Profit after Income Tax (refer note 12(b))	3,551
Assets and Liabilities as at 30 June	
Total Assets	202,953
Liabilities (excluding loan owing to MMPRC)	35,047
Loan owing to MMPRC (refer note 9)	251,263
Total Liabilities	286,310

No dividends were declared or paid by PMHI during the financial year ended 30 June 2023.

(b) Recognition and Measurement

The initially recognised investment in PMHI was measured to its fair value. As at 30 June 2023, the Company considered that the fair value of its investment in PMHI was $113.8M based on an assessed value attributable to the Company from the Co-O Mine, Cash, Bullion and other assets and liabilities of the PMHI Group.

The Group has determined not recognise any adjustment to the value of its investment in PMHI from a share of the attributable profit or loss from PMHI for the period 13 February to 30 June 2023; as the information on which the reported result from the PMHI Group is based is subject to uncertainty. This uncertainty is due to:

- The adoption of differing historical accounting treatments and policies between the PMHI Group and X64; and
- Limitations in the access to information from 13 February 2023.

(c) Key Estimates and Judgements

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

In assessing the fair value, the Company has made a number of assumptions and estimations, which with the fullness of time may or may not prove to be reasonable in light of, associated with geological, political, economic, counter party, legal and regulatory risks.

The carrying amount of the Group's investment in PMHI as at 30 June 2023 is $113.8 million. Due to the aforementioned risks, there is a potential in the future for impairment of this investment. The Company is seeking to manage these risks and has been negotiating clear commercial arrangements between the parties. However, the Company notes that should ongoing negotiations be unsuccessful, the recoverable value of this investment may be partly or wholly impaired.

Key assumptions include the future price of gold, estimates of ore reserves and continuing operations. 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 the assessment of recoverable amount.

13. 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	205	1,210	1,415
Additions	507	-	507
Amortisation	(88)	(460)	(548)
As at 30 June 2022	624	750	1,374
Balance at start of year	624	750	1,374
Additions	458	-	458
Amortisation	(240)	(250)	(490)
De-recognised on deconsolidation	-	(500)	(500)
As at 30 June 2023	842	-	842

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

	Consolidated	
	2023	2022
	US$000	US$000
Lease Liabilities		
Balance at start of year		
Current	527	535
De-recognised on deconsolidation	(263)	-
Total current	264	535
Non-Current	1,131	917
De-recognised on deconsolidation	(516)	-
Total non-current	615	917
As at 30 June	879	1,452

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

	Consolidated	
	2023	2022
	US$000	US$000
Interest expense (included in Interest expense)	60	91

The Group's total cash outflow for leases in the year ended 30 June 2023 was US$240,486 (2022: US$534,806).

(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 that 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 Judgements

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.

14. 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. 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 2023 included:

- The deconsolidation of PMHI from the Reporting Group;
- The suspension of trading in the Company's shares on the Australian Stock Exchange; and
- The dispute in the Philippines concerning ownership of the 60% legal interest in PMHI not held by the Company.

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

Estimates of ore treatment tonnages, operating costs and capital requirements are sourced from the LOM Group planning and historical data to estimate operating costs.

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 2023 carrying value assessments.

Assumptions	Unit	2023 (2023 - 2029)
Potential ore to be milled	tonnes	3.3M
Tolling price	US$/tonne	20

(b) 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 30 June 2023 on plant and equipment. However, it was considered that the deferred income tax, which is recorded as an asset of MMPRC within the consolidated group, should be impaired by $12.1M as recoverability of this asset is dependent on the future earnings from the toll treatment of ore from the Co-O Mine and therefore linked to the future profit from ore to be toll milled as detailed above.

No impairment was recorded in the year ended 30 June 2022.

Description	Note	2023 Carrying Amount ($'000)	2023 Impairment ($'000)	2023 Balance ($'000)
Plant & equipment	10	5,346	-	5,346
Consumables	8	456	-	456
Deferred Income Tax	5(b)	16,466	12,108	4,358

	Consolidated 2023 US$000	Consolidated 2022 US$000
15. TRADE & OTHER PAYABLES		
Trade creditors	4,602	5,721
Accruals	411	6,276
Withholding tax	495	864
Income tax payable	83	3,193
Other creditors	4	186
De-recognised on deconsolidation	(181)	-
Total creditors	5,414	16,240

(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 purchases of the goods and services. The amounts are unsecured and generally paid within 30 days of recognition.

16. PROVISIONS

	2023 US$000	2022 US$000
Current provisions:		
Employee benefits	303	360
Retirement benefit	88	-
Total current provisions	391	360
Non-Current provisions:		
Rehabilitation	1,336	4,104
Retirement benefit	-	(395)
Total non-current provisions	1,336	3,709
Retirement benefit		
Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:		
Current service cost	12	581
Net interest on obligation	8	2
Total provisions	20	583

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:

	Consolidated 2023 US$000	2022 US$000
Present value of defined benefit obligation	88	(395)
Total	88	(395)

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

	2023	2022
Opening balance	(395)	1,082
Current service cost	12	581
Net interest costs	8	220
Benefits/contributions paid	-	(434)
Actuarial gain/(loss)	(15)	(908)
Plan assets	-	(1,303)
Foreign exchange gain/(loss)	244	367
less - de-recognised on deconsolidation	234	-
Closing balance	88	(395)

The Company has Plan Assets held by trustees for employee retirement fund amounting to nil (2022: US$1,303,139). Previous years Plan Assets held as restricted cash within the Group.

(a) Recognition and Measurement

Rehabilitation

	2023	2022
Carrying amount at beginning of the year	1,340	3,917
(less)/plus - in provision	(4)	187
Carrying amount at end of year	1,336	4,104

(i) Employee benefits

This provision is made for the Group liability for employee benefits arising from services rendered by employees to the 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.

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 – N/A (2022: 6.68%)
- Expected rate of salary increase – N/A (2022: 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 exposure 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.

17. BORROWINGS

	Consolidated 2023 US$000	Consolidated 2022 US$000
Current borrowings:		
Secured liability - interest bearing loan	-	154
Unsecured liability - interest bearing loan	-	685
Total current borrowings	-	839
Non-current borrowings:		
Secured liability - interest bearing loan	-	213
Unsecured liability - interest bearing loan	-	-
Total non-current borrowings	-	213
Total Borrowings	-	1,052

Secured Borrowing are bank loans secured by transportation equipment of the Group. Interest rates on the loans are not applicable (2022: range 4.00% to 4.79%).

(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.

18. ISSUED CAPITAL

	2023 Shares	2022 Shares	2023 US$000	2022 US$000
Ordinary shares fully paid	227,798,076	227,820,301	114,362	114,348
Ordinary shares				
Balance at beginning of year	227,820,301	207,873,301	114,348	102,902
Ordinary shares issued during the year:				
Vendor shares to acquire CQ22 Pty Ltd	-	20,000,000	-	11,425
Share Buy Backs (i)	(459,225)	(136,000)	(193)	(71)
Issue of Shares to Key Management Personnel	437,000	83,000	207	92
Balance after cancellation of share buy backs	227,798,076	227,820,301	114,362	114,348

Note:

(i) Share buy backs were recorded and advised to the ASX as follows:

- 24 June 2022 – 136,000 shares
- 21 December 2022 – 125,529 shares
- 22 December 2022 – 48,227 shares
- 28 December 2022 – 9,500 shares
- 29 December 2022 – 141,314 shares
- 30 December 2022 – 134,655 shares

Cancellation of these shares has been advised to the ASX and the Australian Securities and Investments Commission ("ASIC") in August 2024, upon discovery. The cancellation of the buy-back shares rectifies the administrative oversight by the previous board and management in relation to the on-market buyback undertaken by the Company. As such the issued capital and securities quoted on the ASX and recorded with ASIC at 30 June 2023 was 228,393,301 shares.

(a) 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.

(b) 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	
	2023	**2022**
	US$000	US$000
Capital for the reporting period under review is summarised as follows:		
Total equity	177,187	204,837
Cash and cash equivalents	(9,093)	(50,658)
Total	168,094	154,179
Total equity	177,187	204,837
Borrowings	-	1,051
Overall financing	177,187	205,888
Capital-to-overall financing ratio	95%	75%

19. RESERVES

	Consolidated 2023 US$000	Consolidated 2022 US$000
Share-based payment reserve	1,499	1,346
Other reserve	(2,165)	(558)
Foreign currency translation reserve	2,622	6,882
Total Reserves	1,956	7,670

(a) Share-based payment reserve

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

Performance Rights:

Under the Performance Rights plan for long term incentives, which was approved by shareholders, 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.

In March 2020, the Company issued a range of employees with Performance Rights with a 13 March 2023 expiry date. In conjunction with the Voluntary Administrators (now the Deed Administrators), the Company's Board and management appointed on 19 June 2023 have undertaken a comprehensive review of the Company's records, including Remuneration Committee and Board Meeting materials, and it is apparent that the Directors in office at the time did not take any form of action to award any of the remaining 4 million Performance Rights in accordance with their terms. Accordingly, it has been determined that the Performance Rights expired unvested on 13 March 2023 on the date that the performance rights lapsed.

(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 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.

20. RETAINED PROFITS AND ACCUMULATED LOSSES

	Consolidated 2023 US$000	Consolidated 2022 US$000
Retained profit at start of year	82,819	82,731
Net profit attributable to members of Company	(16,993)	2,823
Transfer from share option reserve	49	398
Dividend paid	(7,292)	(3,133)
De-recognised on deconsolidation	-	-
Retained profits at the end of year	58,582	82,819

	Consolidated	
	2023	**2022**
	US$000	US$000

21. NON-CONTROLLING INTEREST

A non-controlling interest in MMPRC being related to the holding by PMC, which was deconsolidated from the reporting group at 13 February 2023, was accounted for as an equity transaction resulting in the following:

	2023 US$000	2022 US$000
Balance at beginning of the year	-	-
Recognised on deconsolidation	2,287	-
Balance at the end of the year	2,287	-

(a) Recognition and Measurement

The Group recognises non-controlling interests at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in MMPRC, the Group elected to recognise the non-controlling interests at its proportionate share of the net identifiable assets.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively. Non-controlling interest was recognised in MMPRC on 13 February 2023.

22. DIVIDENDS PAID AND PROPOSED

	2023 US$000	2022 US$000
Interim dividend for the year ended 30 June 2023 of 5 cents per fully paid share (2022: 2 cents per fully paid share).	7,292	3,133
Total dividend paid during the financial year	7,292	3,133

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

No additional dividends were proposed for the financial year ending 30 June 2023.

(a) Recognition and Measurement

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

23. 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.

(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 has previously sold gold produced at spot rate and no forward contracts or hedging were utilised. Since February 2023, gold is produced and sold by PMC, in which the Group holds a 40% indirect interest. The Group is cognisant of its exposure to fluctuations in the gold price. 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.

(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 2023 the Company had a provision for credit loss of nil (2022: nil). Subsequent to 30 June 2023, 100% (2022: 100%) of the trade receivables balance 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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(%)						(US$000)					
Financial Assets:												
Cash & cash equivalent	0.30	0.13	1,983	22,811	-	-	-	-	7,111	27,847	9,094	50,658
Loans and receivables	-	-	-	-	-	-	-	-	4,729	3,561	4,729	3,561
Total Financial Assets			1,983	22,811	*	-	-	-	11,840	31,408	13,823	54,219
Financial Liabilities:												
Financial liabilities at amortised cost												
Bank Loan - Current	-	4.15	-	-	-	839	-	-	-	-	-	839
Bank Loan - Non-current	-	4.79	-	-	-	-	-	213	-	-	-	213
Lease Liabilities - Current	5.35	6.03	-	-	265	535	-	-	-	-	265	535
Lease Liabilities - Non-Current	5.32	6.03	-	-	-	-	615	917	-	-	615	917
Trade & sundry payables	-	-	-	-	-	-	-	-	5,414	16,240	5,414	16,240
Tota Financial Liabilities			-	-	265	1,374	615	1,130	5.414	16,240	6,294	18,744

	Consolidated 2023 US$000	Consolidated 2022 US$000
Trade and sundry payables are expected to be paid as follows:		
Less than 6 months	5,414	16,240

As at 30 June 2023 and 2022, all receivables were neither past due nor impaired

(i) 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.

(ii) Sensitivity analysis

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

(iii) Interest Rate Sensitivity Analysis

As at 30 June 2023, 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:

Change in profit/(loss) before income tax/equity:		
- increase in interest rate by 100 basis points	37	246
- decrease in interest rate by 100 basis points	(37)	(246)

(iv) 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 2022 and 2023 financial years.

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 AUD	PHP	USD	TOTAL
2023				
Functional currency of Group Entity				
Australian Dollar	-	-	5,334	5,334
US Dollar	-	1,665	-	1,665
Philippine Peso	-	-	-	-
Total	-	1,665	5,334	6,999
2022				
Functional currency of Group Entity				
Australian Dollar	-	-	3,209	3,209
US Dollar	-	6,020	25,795	25,795
Philippine Peso	-	-	-	-
Total	-	6,020	29,004	35,024

	Consolidated 2023 US$000	Consolidated 2022 US$000
Change in profit/(loss) before income tax/equity:		
- strengthening of A$ to US$ by 5%	(254)	(153)
- strengthening of Philippine Peso to US$ by 5%	1	(1,285)
Total	(253)	(1,438)
- weakening of A$ to US$ by 5%	254	153
- weakening of Philippine Peso to by 5%	(1)	1,285
Total	253	1,438

(v) 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$1,817 (2022: US$1,811) 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$13.735 million (2022: US$16.067 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	
	2023	**2022**
	US$	US$
24. 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	178,726	181,739
• other services provided by related entities of auditor:		
Taxation	37,938	50,429
Remuneration consulting	6,584	14,750
Total remuneration of the Company's auditors	223,248	246,918
Remuneration of other auditors of the Company's Philippines and Hong Kong subsidiaries for:		
• auditing or reviewing the financial reports	84,771	76,896
• other services provided by related practice of auditor - taxation & compliance	1,939	3,441
Total remuneration of other auditors of the Company's Philippines subsidiaries	86,710	80,337

25. 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:

	US$'000	US$'000
- no later than 1 year	-	58
- 1 year or later and no later than 5 years	-	234
Total other contractual commitments	-	292

(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:

- no later than 1 year	-	61
- 1 year or later and no later than 5 years	-	243
Total other contractual commitments	-	304

26. CONTINGENT LIABILITIES

(a) Bank guarantees for Head Office Premises

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.

(b) Co-O Mine Tailings

On 17 February 2023 PMC, wrote a letter addressed to the Company and MMPRC outlining several claims in respect to tailings from the Co-O Mine including that MMPRC:

- pay PMC the amount of PHP4,270,500,000 (or approximately, USD85,410,000), for land usage on the various dams containing the four (4) million tonnes of tails waste, as of 31 December 2022;
- pay PMC the amount of PHP546,000,000 (or approximately, USD10,920,000), as rental fee for the mill plant, as of 31 December 2022;
- refund PMC the amount of USD20,000,000, for the tails construction and maintenance costs; and
- remove the four (4) million tonnes of waste tails and all mill equipment from PMC's land, not later than 31 March 2023, in order for PMC to acquire and install its own plant.

MMPRC disputes PMC's claims.

On 18 March 2024, the Company and PMC entered into the RFA which amongst other things sought to resolve these issues. Documentation to reflect the matters agreed in the RFA is currently being negotiated. However, should the negotiations fail, then this claim may be subject to legal action in the Philippines, and as such the timing and amount would be uncertain.

27. 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.

Name	Period of Directorship/Engagement
Non-Executive Directors:	
Debra Anne Bakker	appointed 19 June 2023
Andrew Brown	appointed 19 June 2023
Jonathan Shellabear	appointed 19 June 2023
William John DeCooman	appointed 19 June 2023
Kate George	appointed 11 November 2022, resigned 16 June 2023
Andrew Hunt	resigned 19 June 2023
Simon Mottram	resigned 19 June 2023
Aaron Treyvaud	resigned 1 May 2023
Executive Directors:	
Walter Robert Milbourne (Managing Director)	appointed 19 June 2023
Jeffery McGlinn (Managing Director)	resigned 19 June 2023
Paul Ryan Welker (Managing Director)	resigned on 5 July 2022
Executive Officers:	
Raul Villanueva (President of PMC and MMPRC)	
Nicola Gill (Interim Chief Financial Officer)	appointed 20 June 2023
James Llorca (General Manager, Geology & Resources)	
Patrick Warr (Chief Financial Officer)	resigned 19 June 2023

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 2023 US$000	Consolidated 2022 US$000
Key Management personnel compensation:		
Short term employee benefits	1,961	2,175
Post-employment benefits	68	76
Long-term benefits	-	39
Equity settled share-based payments	250	366
Termination benefits	291	175
Total	2,570	2,831

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

28. PARENT COMPANY INFORMATION

	2023 US$000	2022 US$000
Parent Entity:		
Current Assets	5,685	3,497
Total Assets	22,772	29,062
Current Liabilities	788	1,112
Total Liabilities	8,357	1,761
Net Assets	14,416	27,301
Issued capital	114,362	114,348
Option premium reserve	1,498	1,640
Foreign exchange reserve	11,894	11,894
Accumulated losses	(52,628)	(47,163)
Dividends paid	(60,710)	(53,418)
Total Equity	14,416	27,301
Profit/(Loss) for the year	(5,809)	(1,829)
Total Comprehensive Profit/(Loss)	(5,809)	(1,829)

29. Controlled Entities of Ten Sixty Four Limited

The following companies are controlled entities of Ten Sixty Four Limited as at 30 June 2023:

	Date of incorporation	Country of incorporation	% equity interest 2023	2022
Mindanao Mineral Processing and Refining Corporation ("MMPRC") (i)	03 Nov 2005	Philippines	Direct = 80% Indirect = 8%	Direct = 80% Indirect = 8%
Komo Diti Traders Limited ("KDTL")	23 Jan 2017	Hong Kong	Direct = 100%	Direct = 100%
CQ22 Pty Ltd ("CQ22")	24 Feb 2022	Australia	Direct = 100%	Direct =100%

Note:
(i) The Company holds 100% of the voting shares in MMPRC and an 80% equity interest. PMC holds the balance of the equity interest being 20%. The Company holds a 40% indirect equity interest in PMC.

The following companies were reported as controlled entities of Ten Sixty Four Limited as at 30 June 2022, as at 30 June 2023 these are considered associates of the Company (refer to note 30):

	Date of incorporation	Country of incorporation	Equity interest	Voting
Philsaga Management and Holding Inc ("PMHI") (i)	29 May 2003	Philippines	Direct = 40%	40%
Phsamed Mining Corporation ("Phsamed") (ii)	23 Apr 2003	Philippines	Indirect = 40%	-
Philsaga Development Corporation Inc ("PDC") (ii)	08 May 2003	Philippines	Indirect = 40%	-
Philsaga Mining Corporation ("PMC") (iii)	17 May 2001	Philippines	Indirect = 40%	-

Note:
(i) The Company holds a direct equity interest in PMHI.
(ii) Phsamed and PDC are wholly owned subsidiaries of PMHI.
(iii) PMC is a wholly owned subsidiary of PDC.

30. DECONSOLIDATION OF PMHI GROUP

The Company holds a direct 40% equity interest in PMHI (refer note 12). The PMHI Group includes PMC who own and operate the Co-O Mine in the Philippines. In February 2023, a dispute over, amongst other things, the ownership of the 60% equity of PMHI not held by the Company occurred, and various legal claims were filed in the Filipino Courts ("the Dispute"). The Company is not a party to any of these claims.

The Company had previously claimed to have relevant agreements in place pursuant to local statutory provisions that enabled the Company to have effective sole rights to the economic returns of PMHI and the PMHI Group was consolidated into the Reporting Group.

In February 2023, the Dispute resulted in the inability of the Company's personnel to access the physical operations, financial systems or operating bank accounts for PMC. On analysis of the relevant facts, it is considered that there was insufficient evidence that the Company had the ability to effect control over the operations or finances of entities within the PMHI Group.

The Board and Management of X64 has reviewed the facts of the situation and its effect on the application of AASB 10 *Consolidated Financial Statements*. It was determined that in accordance with AASB 10, a loss of control event occurred regarding X64's control of the PMHI Group on 13 February 2023. As a result, the Company has deconsolidated the PMHI Group as at 13 February 2023.

The Financial Information relating to PMHI at this date is set out below:

(i) Financial Performance	2023 $'000	2022 $'000
Revenues	80,693	134,540
Expenses	(66,320)	(144,918)
Profit/(Loss) before Income Tax	**14,373**	**(10,378)**
Income Tax	2,694	(408)
Profit/(Loss) after Income Tax	**17,067**	**(10,786)**
Cashflows from De-consolidated Operations		
Cashflows from Operating Activities	44,232	44,733
Cashflows from Investing Activities	(34,157)	(50,583)
Cashflows From Financing Activities	(2,251)	(1,085)
De-recognition of cash on deconsolidation	(45,096)	-
Net decrease in cash	**(37,272)**	**(6,935)**

(ii) Carrying amounts of assets and liabilities at the date of de-recognition and fair value of investment in PMHI	$'000
Current Assets	88,920
Non-Current Assets	119,063
Total Assets	**207,983**
Current Liabilities	8,535
Non-Current Liabilities (note 30(a)(i))	50,173
Total Liabilities	**58,708**
Net Assets of PMHI	**149,275**
Foreign exchange currency translation reserve realised on de-consolidation	**(3,713)**
	145,562
Fair value of investment in PMHI (note 12 and 30(a)(ii))	113,818
Loss on de-consolidation of net assets of PMHI	**31,744**

(a) KEY JUDGEMENT

The financial information above relating to the PMHI Group on 13 February 2023 was prepared using the best available financial information and data at this date; however, as a result of loss of access to the information the Company has been unable to access all financial records that evidence the transactions and financial position of PMHI and its subsidiaries on this date.

(i) The fair value of the amount owing from PMC to MMPRC at 13 February 2023 is included in non-current liabilities above (also refer note 9). The estimate of fair value is based on the net carrying value of future repayments expected to be made under the agreed structure in the RFA. However, should negotiations in respect of documents required to give effect to the RFA fail, then recovery of the outstanding loan may be subject to legal action in the Philippines, and as such the timing and amount recoverable would be uncertain.

(ii) The fair value of investment in PMHI (also refer note 12) is based on an assessed value attributable to the Company from the Co-O Mine, Cash, Bullion and other assets and liabilities of the PMHI Group. In assessing the fair value, the Company has made a number of assumptions and estimations, which with the fullness of time may or may not prove to be reasonable.

31. SHARE-BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2023:

(a) Issued 24 June 2021 – Long Term Performance Rights

On 24 June 2021 the shareholders of the Company approved the issue of 1,500,000 Long Term Performance Rights to Mr R Villanueva and a further 2,000,000 to Mr A Teo (which were forfeited on 8 March 2022). Under the terms of the issue Mr Villanueva is required to remain in employment of the Company for a three-year vesting period until 1 January 2024.

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

Long Term Incentive Measures	Weighting	Targets		Score mechanism
	Total PR issued	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: Decline development	20%	• < 70% of decline developed • 70% to 85% • >85% of decline	Zero Pro rata 0% to 100% 100%	Based on the 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 the relative measure points at grant and three year anniversary
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%	Measured based on 30-day VWAP at the relative measure points at grant and three year anniversary
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

The Company will assess the scoring mechanism once the 2023 JORC Ore Resources is available. However, it is considered that these Performance Rights will expire unvested following this assessment.

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

The value at the 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 the 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 (Australian)
- Share price volatility - 55%
- Risk free rate - 0.20%
- Dividend Yield - Nil
- 30 day VWAP - 87.8 cents (Australian)
- Fair Value - relative return 59.9 cents, absolute return 44.7 cents

In addition to the above, the following share-based payment arrangements were either vested, expired or forfeited during the financial years ended 30 June 2022 or 2023:

(b) Issued 12 October 2021 – Performance Rights

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 the grant date and based on the share price of the Company.

All 437,000 Performance Rights vested and ordinary shares issued on 12 October 2022 (refer note 18).

(c) Issued 13 March 2020 – Long Term Performance Rights

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.

The Company determined that all unforfeited Performance Rights expired unvested on 13 March 2023.

Performance Rights	2023	2022
Outstanding at start of year	3,730,000	4,040,000
Forfeited	(220,000)	(310,000)
Expired	(3,510,000)	-
Outstanding at year end	-	3,730,000

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

Long Term Incentive Measures	Weighting	Targets		Score mechanism
	Total PR issued	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 fair value of the non-market vesting conditions has been based on the share price of the Company at the 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).

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:

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

(d) Issued 4 June 2020 – Long Term Performance Rights

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. Upon his resignation on 19 June 2023 all 350,000 Long Term Performance Rights were forfeited.

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	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.

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

a. Grant date - 4 June 2021
b. Life - 3 years
c. Share price at grant date - 89.0 cents (Australian)
d. Share price volatility - 55%
e. Risk free rate - 0.11%
f. Dividend Yield - Nil
g. 30-day VWAP - 83.5 cents (Australian)
h. Fair Value - relative return 60.3 cents, absolute return 50.9 cents

(e) Issued 30 November 2020 – Performance Rights

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.

All 83,000 Performance Rights are vested and ordinary shares were issued on 30 November 2021 (refer note 18).

(f) Expenses Arising from Share-Based Payments

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

	Consolidated	
	2023	**2022**
	US$000	US$000
Options	-	-
Performance Rights	409	681
Total share-based payment expense	409	681

Share based options	2023 Number of options	2023 Weighted average exercise price (A$)	2022 Number of options	2022 Weighted average exercise price (A$)
Outstanding at start of year	-	-	1,465,000	1.3366
Expired	-	-	1,465,000	1.3366
Outstanding at year end	-	-	-	-
Exercisable at year end	-	-	-	-

During the year, there were no options on issue, issued or expired (2022: 1,465,000 options expired).

Performance Rights	2023 Number of performance rights	2023 Weighted average share price at grant (A$)	2022 Number of performance rights	2022 Weighted average share price at grant (A$)
Outstanding at start of year	6,017,000	0.5925	7,973,000	0.6452
Granted	-	-	437,000	0.7300
Forfeited	570,000	0.7182	2,310,000	0.7956
Expired	3,510,000	0.4450	-	-
Vested	437,000	0.7300	83,000	0.7200
Outstanding at year end	1,500,000	0.8500	6,017,000	0.5918

The performance rights outstanding at 30 June 2023 (all of which are unlisted) had a share price of A$0.85 at grant and a remaining contractual life of 6.17 months.

Included under administration expense in the Statement of Profit or Loss and other Comprehensive Income is US$409,028 (2022:US$681,153) and relates, in full, to equity-settled Share-Based payment transactions relating to employees.

(g) Recognition and Measurement

The fair value of share-based payment transactions measured at the grant date is 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.

(h) Key Estimates and Judgements

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 Monte 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.

The following companies were identified by the Company to comprise the Peer Group prior to the appointment of the new Board. The Board may choose 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
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

32. EVENTS SUBSEQUENT TO REPORTING DATE

(a) Appointment and Resignation of Directors

i. On 10 November 2023 Mr Andrew Brown resigned from the Board of Directors with immediate effect.
ii. On 20 December 2023 Mr Robert Milbourne resigned from the Board of Directors with immediate effect.

(b) Appointment and Ceasing of Chief Executive Officer

On 20 June 2023, the Company advised that Mr Robert Milbourne had been appointed as the Company's Chief Executive Officer and Managing Director, pursuant to a Consultancy Agreement for Executive Services. The material terms of this agreement were also announced. On 16 November 2023, the Board of Directors accepted that Robert Milbourne had ended his role as Managing Director of the Company.

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

(c) Restructuring Framework Agreement ("RFA")

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

(i) Amendments to the Existing Tolling Agreement:

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

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

(ii) Compromise Agreement in respect of certain disputes between PMC and MMPRC

As disclosed at note 9 Loan Receivable, MMPRC granted PMC a loan pursuant to the terms of a loan agreement entered into in June 2019. PMC and MMPRC have agreed to enter into a compromise agreement to compromise and settle:

- the MMPRC / PMC Loan in the amount of USD 248,000,000; and
- the PMC Claim in the amount of USD 108,000,000,
- Repayment of the MMPRC / PMC Loan: repayment by PMC over 15 years through a combination of upfront and ongoing payments

(iii) Commitment to a longer-term land lease

PMC and MMPRC have agreed to extend the term of the original lease agreement which commenced on 1 January 2029 to cover the period from 1 January 2024 to 31 December 2028, with automatic renewal provisions thereafter providing for a further 5 years (unless a party notifies the other party that the lease will not renew for a further term, at least 60 days before the termination date).

(iv) MMPRC dividend policy and simplification of existing MMPRC capital structure

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

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

(v) Resolution of Intercompany Debts

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

- USD4,674,845 (plus interest) payable by KDTL to PMC (refer note 15);
- USD5,217,150 (plus interest) payable by the Company to KDTL (eliminated on consolidation); and
- USD4,100,000 (plus interest) payable by the Company to MMPRC (eliminated on consolidation).

(vi) Shareholders' Agreement

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

(d) Voluntary Administration

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

The Voluntary Administrators' report dated 23 October 2023 concluded that the Company's difficulties appear to be the result of issues arising from the ownership dispute in respect of the shareholding in PMHI. The emergence of the dispute resulted in PMC ceasing to pay tolling fees to MMPRC and ceasing to sell its gold via KDTL, which meant that the Company's source of ongoing income could not be guaranteed.

The Administrators view reported is that the Company remained solvent at the date of their appointment. However, the Company was likely to become insolvent in the future if it could not restore access to funding from its subsidiaries. Additionally, the Administrators preliminary investigations identified that various offences may have been committed by the Company's former directors.

(e) Deed of Company Arrangement ("DOCA") Executed

Following a Second Creditors' meeting of X64 held on 31 October 2023, a DOCA was executed by Martin Ford and Simon Theobald (in their capacity as Voluntary Administrators of X64), KDTL, and the Company pursuant to which the Company ended its voluntary administration and was placed into DOCA. Mr Ford and Mr Theobald were appointed Joint Deed Administrators.

On 18 December 2023, Mr. Simon Theobald notified of his intention to resign as a Joint and Several Deed Administrator of the Company, due to ceasing as a permanent employee of PricewaterhouseCoopers (PwC).

This resignation took effect on 2 January 2024. Notice of Mr. Theobald's resignation as a Joint and Several Deed Administrator of the Company has been lodged with the Australian Securities and Investments Commission. As a result of Mr. Theobald's resignation, Mr. Martin Ford will remain as the appointed Deed Administrator of the Company.

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

The conditions precedent to the completion of the DOCA include:

- receipt of all necessary consents and approvals; resolution of the ownership disputes involving a disputed 60% ownership of PMHI;
- resolution of the various intercompany claims;
- variation of the Tolling Agreement between MMPRC and PMC;
- execution of a Management Agreement between MMPRC and X64;
- directors and officers' liability insurance being placed;
- the conduct of public examinations by the Deed Administrators to investigate any claims which X64 or its members may have against any third parties; and
- the establishment of a deed fund to pay admitted claims of creditors of X64.

(f) Termination of Managing Director's executive services agreement

On 5 July 2022, the Company terminated Mr Welker's executive services agreement immediately on the grounds that Mr Welker did not in writing disclose to the Board that he had a direct financial interest in another company that entered into an important commercial contract with an entity within the X64 Group.

No notice was given to Mr Welker, nor was he given any opportunity to respond to any of the matters raised. Mr Welker asserts that the drilling services contract between Ranger Equipment Pty Ltd (Ranger) and X64 was disclosed as part of the due diligence process in November 2021 for the acquisition by Medusa Mining Limited (now X64) of 100% of the share capital in Ten Sixty Four Limited (renamed CQ22 Pty Ltd and now a subsidiary of X64) as was Mr Welker's interest in Ranger.

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

(g) Drummond Basin Exploration Project

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

(h) Resolution of Outstanding MMPRC Corporate Tax Issue

On 8 April 2022, the Bureau of Internal Revenue Philippines ("BIR") filed a petition for review (appeal) with the Court of Tax Appeals. MMPRC has requested that the BIR Commissioner withdraw the petition on the basis of settlement of another tax matter. In January 2024, the BIR withdrew its petition and the matter is now considered closed.

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

33. 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 the 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.

34. Reconciliation with Appendix 4E

The financial information presented in the audited financial statements for the year ended 30 June 2023 is inconsistent with the financial information disclosed in the Appendix 4E Preliminary Final Report released on 30 August 2024. Loss for the year after income tax expense reported in the Appendix 4E reconciles to the final audited financial statements as follows:

	$'000
Preliminary net loss after tax	(22,993)
Foreign exchange currency translation reserve realised on de-consolidation	3,713
PMC Investment in MMPRC recorded on initial recognition against other reserves	2,287
Audited net loss after tax	**(16,993)**

DIRECTOR'S DECLARATION

for the year ended 30 June 2023

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

a) As detailed in the Basis or Presentation included in the notes to the financial statements of Ten Sixty Four Limited the Directors have made reasonable effort to ascertain the true position of the Group as at 30 June 2023. The Directors are of the opinion that it is not possible to state that the audited 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 2023 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) The ongoing solvency of Ten Sixty Four Limited is dependent on the proposed Deed of Company Arrangement as detailed in the Basis of Preparation para (c) of the financial statements being successfully completed; and there are reasonable grounds to believe that Komo Diti Traders Limited will be able to successfully complete the Deed of Company Arrangement with creditors; and therefore 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 not obtained the declarations required by Section 295A of the Corporations Act 2001 from the Executive Chair and Chief Financial Officer for the period 1 July 2022 to 19 June 2023 who resigned without notice or handover on 19 June 2023.

d) The Directors are unable to confirm that the consolidated financial statements comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors

Debra Bakker

Non-Executive Chair

Dated the 27th day of September 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of Ten Sixty Four Limited

Report on the Audit of the Financial Report

Disclaimer of opinion

We were engaged to audit 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 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, consolidated entity disclosure statement and the directors' declaration.

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

Basis for disclaimer of opinion

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

Due to the circumstances, the directors signing this financial report were not in office during the year ended 30 June 2023 as disclosed in the Basis of Preparation. Whilst every reasonable effort was made, they were unable to obtain all the necessary books and records pertaining to the Group and the preparation of the year end financial report. Consequently, the directors have not been able to provide written representations that the consolidated year end financial report is prepared in accordance with the Corporations Act 2001.

Further, as disclosed in Note 30 to the financial statements, there is currently ongoing legal disputes and matters regarding the control of *Philsaga Management and Holding, Inc*, which contributed to the Company entering into voluntary administration. The Company has stated that until such time as the disputes and matters are resolved, it is not possible to ascertain the impacts of these matters. As such management were unable to provide support as to its control and jurisdictional legal compliance regarding *Philsaga Management and Holding, Inc* and we were unable to obtain sufficient appropriate evidence to determine whether any adjustments to the accounting of *Philsaga Management and Holding, Inc,* including the deconsolidation, was necessary.

Consequently, we were unable to determine whether any adjustments might have been necessary in respect of the consolidation of *Philsaga Management and Holding, Inc* as at 30 June 2023, and the resultant impacts this would have on the Group's financial statements.

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 responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matter described in the *Basis for disclaimer of opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial 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.

Report on the Remuneration Report

Disclaimer of opinion on the Remuneration Report

We were engaged to audit the Remuneration Report included in pages 17 to 34 of the directors' report for the year ended 30 June 2023.

We do not express an opinion on whether the Remuneration report of Ten Sixty Four Limited complies with section 300A of the *Corporations Act 2001*. Due to the significance of the matters described in the *Basis for disclaimer of opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Remuneration Report.

Basis for disclaimer of opinion on the Remuneration Report

As set out in the Basis of Preparation to the financial report, the directors signing this financial report were not in office during the year ended 30 June 2023 which has resulted the Directors being unable to provide written representations that the remuneration report is prepared in accordance with the Corporations Act 2001.

The prior Board of Directors and several key management personnel resigned during the year ended 30 June 2023 or subsequent to this date. We have not received confirmation of the amounts being paid to these personnel as remuneration and were unable to perform alternative procedures to confirm the accuracy and completeness of the remuneration being disclosed in the remuneration report.

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

Jarrad Prue

Director

Perth, 27 September 2024