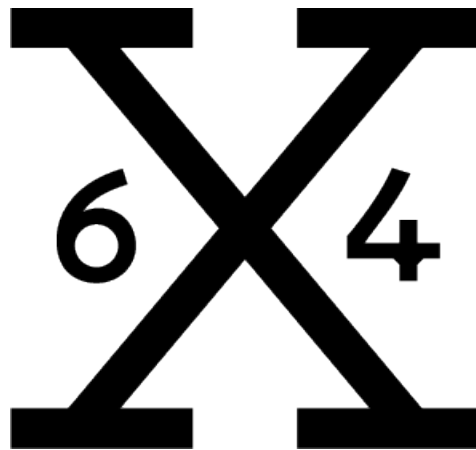


TEN SIXTY FOUR LIMITED



FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2025

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CORPORATE DIRECTORY

DIRECTORS

Debra Bakker

Non-Executive Chair

Jonathan Shellabear

Non-Executive Director

William John DeCooman

Non-Executive Director

Paul Ryan Welker

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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West Perth4

Western Australia 6872

Telephone: + 618 9474 1330

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ABN 60 099 377 849

AUDITORS

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Mia Yellagonga Tower 2 5 Spring Street

Perth, WA 6000

Philippines:

Reyes Tacandong & Co

LANDCO Building, JP Laurie Ave

Davao City, Philippines 8000

SHARE REGISTRY

Computershare Investor Services

Computershare Investor Services

Level 17, 221 St Georges Terrace

Perth WA 6000, Australia

Telephone: + 618 9323 2000

Facsimile: + 618 9323 2033

Investor enquiries: 1300 557 010

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

DIRECTORS' REPORT

for the year ended 30 June 2025

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
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Non-Executive Directors:

Debra Anne Bakker (Chair)	appointed 19 June 2023
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William John DeCooman	appointed 19 June 2023
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Jonathan Shellabear	appointed 19 June 2023
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Paul Ryan Welker	appointed 15 April 2025
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DIRECTORS' REPORT

for the year ended 30 June 2025

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 (appointed 14 December 2016)
- 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)
- Transshipment 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) (appointed 23 January 2024)

Former directorships (last 3 years)

- None

Special responsibilities

- Chair of the Safety, Health and Environment Committee

DIRECTORS' REPORT

for the year ended 30 June 2025

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 (appointed 3 April 2023)

Former directorships (last 3 years)

- Tempus Resources Ltd (resigned 29 November 2023)

Special responsibilities

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

Paul Ryan Welker

Non-Executive Director (appointed 15 April 2025)

B.A. (Hons)

Experience and expertise

Mr Welker is a Director and major shareholder of Vitrinite Pty Ltd (Vitrinite), a substantial shareholder of the Company. He was one of the founders of the Drummond Basin Gold Project, now 100% owned by the Company via CQ22 Pty Ltd.

Mr Welker is currently the Chair of Mindanao Mineral Processing and Refining (Philippines), and a Director of Komo Diti Traders Ltd (Hong Kong) and Philsaga Management and Holdings Inc (Philippines).

Ryan brings extensive additional experience to the Board, having played a critical role in the discovery, financing, permitting, construction, and operation of two greenfield mines with Vitrinite. In addition to these achievements, he has nearly two decades of industry experience and is a graduate of the Australian Institute of Corporate Directors (GAICD). He has raised in excess of Australian \$3 billion for numerous private and public resource companies.

Other Current Directorships of Listed Companies

- Tonogold Resources Inc. (appointed 13 April 2022)

Former directorships of Listed Companies (last 3 years)

- Ten Sixty Four Ltd (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)
- Macarthur Minerals Ltd (appointed 1 September 2022, resigned 6 October 2025)

DIRECTORS' REPORT

for the year ended 30 June 2025

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.

4. MEETINGS OF DIRECTORS

Since entering into administration on 2 July 2023, the powers of the Board have been suspended in accordance with Section 437C(1)(a) of the Corporations Act 2001 (Cth). As a result, all actions taken by the company since this date and the date of effectuation of the Deed of Company Administration ("DOCA") being 13 February 2025 have been under the direction or delegation of the Administrators and, subsequently, the Deed Administrator.

While the directors had continued to meet monthly, these meetings were not formal Board meetings as the statutory powers and responsibilities of the Board have been transferred to the Administrators. These gatherings of directors served only as informal discussions or consultations to provide input on certain matters or receive updates on the company's affairs, without any decision-making authority.

The table below sets out the number of formal Board meetings held during the financial years ended 30 June 2024 and 2025, the number of meetings each director was eligible to attend, and their attendance. No committee meetings were held during the period, as the directors determined that, given the size and composition of the Board, the responsibilities ordinarily delegated to Board Committees would be more appropriately managed by the full Board.

Name of Director	Board Meetings 2025	
	Number	Attended
Debra Bakker	4	3
William John DeCooman	4	3
Jonathan Shellabear	4	4
Paul Ryan Welker	2	2

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 financial year comprised mineral exploration and evaluation activities in Australia, the processing of gold-bearing ore on behalf of Philsaga Mining Corporation ("PMC"), an associate entity operating in the Asia-Pacific region, and the holding of a 40% direct equity interest in Philsaga Management and Holdings Inc. ("PMHI"), the parent entity of PMC and the holder of the Co-O Mine.

There were no significant changes in the nature of the Group's principal activities during the year.

DIRECTORS' REPORT

for the year ended 30 June 2025

6. OPERATING RESULTS

The net consolidated profit for the financial year attributable to members of Ten Sixty Four Limited ("X64") after provision of income tax was US\$16.180 million (2024: Consolidated loss of US\$0.711 million).

Key financial results:

Description	Unit	30 June 2025	30 June 2024	Variance
Operating Revenue	US\$'000	\$6,359	\$6,565	(\$206)
NPAT Profit/(Loss)	US\$'000	\$16,180	(\$711)	\$16,891
EPS (basic)	US\$/share	\$0.071	(\$0.003)	\$0.074

The audited Net Profit before tax for the financial year ended 30 June 2025 has been materially impacted by the following:

- Share of profit from PMHI of \$15.720 million; and
- Financial income of US\$6.601 million was recognised on the loan to PMC, reflecting the reversal of expected credit loss provisions and the resulting adjustment to the discounted carrying amount of the loan.

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

Description (Reported on 100% Basis)	Unit	30 June 2025	30 June 2024	Variance	(%)
Ore mined	WMT	363,734	380,992	(17,258)	(4.5%)
Ore milled	DMT	339,559	344,337	(4,778)	(1.4%)
Gold head grade	g/t	4.64	5.31	(0.67)	(12.6%)
Gold recovery	%	95.6	95.5	0.01	-
Gold produced	ounces	48,580	56,948	(8,368)	(14.7%)
All-in-Sustaining Cost	US\$/oz	\$2,072	\$1,780	\$(292)	(16.4%)
Average gold price received	US\$/oz	\$2,788	\$2,045	\$743	36.3%

PMC produced 48,580 ounces of gold for the year, compared to 56,948 ounces from the previous corresponding period, at an average recovered grade of 4.64 g/t gold (2024: 5.31 g/t gold). The reduction is due to reduced ore being mined and milled as the Co-O Mine accesses levels at depth with a focus on development off the Tigerway Decline.

All-in-Sustaining-Costs ("AISC") for the year was US\$2,072 per ounce of gold (2024: US\$1,780 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.

DIRECTORS' REPORT

for the year ended 30 June 2025

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 equity interest.

Foreign exchange

The Group operates in foreign jurisdictions, exposing it to foreign exchange risk from future commercial transactions and recognized assets and liabilities denominated in currencies other than the Group's functional currency. The Group's reporting currency is the United States Dollar (USD, US\$). Operations are conducted in Australia and the Philippines, where the local currencies are the Australian Dollar (AUD, A\$) and the Philippine Peso (PHP, ₱), respectively.

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

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 Disputes"). The Company is not a party to the Disputes. As 40% shareholder at the PMHI level, the Company has voting and economic rights in respect of PMHI under Philippine law and PMHI's constitutive documents which are not impacted by the Disputes.

The Company awaits the decision of the appropriate Philippine Courts to determine the outcome of the Disputes. However, based on facts currently known to the Board, and independent advice, the Board and the Deed Administrator recognise Mr Villanueva as the appropriate controlling shareholder and President of PMHI.

On 8 April 2024, the Regional Trial Court in Davao City in Case No. R-DVO-23-01736-CV denied an application from Joseph Mahusay for a Writ of Preliminary Injunction against Raul Villanueva, which sought to prevent Mr Villanueva from acting as President and Director of PMHI. This case remains pending and is currently in the trial stage.

On 27 May 2024, the Regional Trial Court in Davao City in Case No. R-DVO-23-04666-CV ("27 May Order") granted an application from Raul Villanueva for a Writ of Preliminary Injunction against Joseph Mahusay, Ramon Austria, Peter Alphonso and Patrick Warr preventing them, or anyone acting on their behalf or authority, from:

- misrepresenting themselves as PMHI directors and officers to clients and to the public;
- exercising functions and duties of PMHI as its directors and officers;
- asserting rights from the disputed stockholders' and directors' meeting and election purportedly held on 24 February 2023;
- causing further damage to PMHI's business during the pendency of the case; and
- validating any board resolutions or actions executed by the defendants.

The 27 May Order restores the "status quo ante" or the last actual, peaceable and uncontested situation which preceded the controversy between the parties. This case likewise remains pending and is currently in the trial stage.

Notwithstanding that the Company is not a party to the Disputes, there is a risk that if the Disputes are not resolved in Mr Villanueva's favour, the other parties may question the agreements Mr Villanueva (on behalf of PMC) entered into with the Company and MPRC (e.g., Lease Agreement, Revised Framework Agreement, Memorandum of Agreement).

The Board considers that the agreements entered into should be considered valid corporate acts. If the Disputes were to be resolved in favour of Mr Mahusay and he sought to have these agreements overturned, he would need to do so under the Philippines legal system. The Board, based on independent advice, considers it unlikely that the agreements would be overturned as they have been negotiated in good faith and at arms' length and are beneficial to both sides, in that they provided clarity to each side rather than giving advantage to either party.

DIRECTORS' REPORT

for the year ended 30 June 2025

8. EXTERNAL FACTORS AFFECTING GROUP RESULTS (continued)

A breakdown in the Company's relationship with its stakeholders, which include the Filipino shareholders of PMHI, local communities and government authorities, may 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 maintains active operations and investments in the Philippines, recognizing the opportunity to engage with the country's dynamic regulatory, legal, and socio-political frameworks. As stipulated by the Philippine Constitution, all natural resources are owned by the State, which may enter into co-production, joint venture, or production-sharing agreements with Philippine citizens or corporations that are at least 60% Filipino-owned. This regulatory framework ensures that the benefits of resource development are equitably shared with the local populace.

In collaboration with the other shareholders of its Philippine associate entity, PMHI, the Company is dedicated to adhering to these constitutional requirements. We have proactively undertaken a thorough review and restructuring of our legal and documentation frameworks to ensure full compliance with local regulations. This initiative underscores our commitment to fostering robust and transparent relationships within the Philippines.

While acknowledging that the complexities of the regulatory environment may have resulted in historical discrepancies under previous Boards and management, we are guided by the Philippine Supreme Court's jurisprudence holding that the ownership of land previously transferred to an alien and subsequently transferred to a Philippine citizen is valid and may no longer be impugned on the basis of the supposed invalidity of the former landowner's (*i.e.*, the alien's) ownership. Although similar jurisprudence specifically concerning mineral rights has yet to be established, our dedication to compliance remains unwavering.

It is noteworthy that numerous Australian companies have investments in the Philippines and operate in harmony with its vibrant business environment. These enterprises, including ours, exemplify the mutual benefits and opportunities that arise from such international partnerships. By fostering understanding and collaboration, we continue to contribute positively to the development and prosperity of both nations.

The Co-O Mine is operated by PMC, a subsidiary of PMHI in which the Company holds 40% of the total issued and outstanding shares. The Company does not directly hold shares in PMC. In the Philippines, shareholders, especially minority shareholders, are afforded various legal protections under the Revised Corporation Code of the Philippines (R.A. 11232), other laws, and jurisprudence. This includes various protection against oppression by majority shareholders such as:

- a. Fiduciary Duty of Directors and Officers - Directors and officers must act in the best interest of the corporation (and not of their principals or nominating shareholders).
- b. Derivative Suits - In a situation where the officials of the corporation refuse to sue, or are the ones to be sued or alleged to be committing acts against the interest of the corporation, or hold control of the corporation, a shareholder may be permitted to institute a derivative suit on behalf of the corporation in order to protect or vindicate corporate rights. In such actions, the corporation is the real party-in-interest while the suing shareholder, on behalf of the corporation, is only a nominal party.
- c. High vote requirements for certain matters - There are certain corporate acts which, under Philippine corporate law, require approval or ratification by shareholders representing at least two-thirds of the corporation's outstanding capital stock (e.g., extension or shortening of corporate term; increase or decrease of capital stock; incurrence, creation or increase of bonded indebtedness; sale, disposition, lease, or encumbrance of all or substantially all of the property or assets of the corporation (except when the sale, lease, disposition or encumbrance is necessary in the usual and regular course of business, or when the proceeds of the sale or disposition are appropriated for the conduct of the corporation's remaining business); investment of corporate funds in another corporation or business; declaration of stock dividends; dissolution of the corporation; merger or consolidation with another corporation; entry into a management contract with another corporation where there are interlocking directors or shareholders).
- d. Right to inspect or examine corporate records - Corporate records, regardless of the form in which they are stored, must be open to inspection by any director, trustee, stockholder or member of the corporation in person or by a representative at reasonable hours on business days, and a demand in writing may be made by such director, trustee or stockholder at their expense, for copies of such records or excerpts from said records.

As at the date of this Report, the Company has been in detailed negotiations with the other PMHI shareholders to agree a shareholder's agreement that proposes to contain further shareholder protections for the Company. However, as at the date of this Report, the negotiations are still ongoing and there can be no guarantee that these protections will be agreed between the shareholders.

DIRECTORS' REPORT

for the year ended 30 June 2025

8. EXTERNAL FACTORS AFFECTING GROUP RESULTS (continued)

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.

Modified Audit Opinion

The Company's auditors had previously issued a modified audit report for the year ended 30 June 2024 on 31 January 2025 and a disclaimer of opinion for the year ended 30 June 2023 on 27 September 2024.

The Company understood the auditor's concerns primarily related to:

- i. Sufficient access to the management and auditors of the PMHI Group. The Memorandum of Agreement executed on 9 January 2025 includes access to specific information from PMC which should address this issue in future reporting periods. However, it is recognised that such access was not fully available during the financial year ended 30 June 2024.
- ii. Comparability of current periods figures and corresponding figures. For the financial year ended 30 June 2023, the Company's auditors issued a disclaimer of opinion on the financial report due to several factors, including the fact that the directors signing the financial statements were not in office for the majority of the period and the ongoing legal disputes regarding the control of PMHI.
- iii. Uncertainty related to going concern. Going concern is more fully detailed in Note 1(e) Basis of Preparation – Going Concern. Given the Company's current working capital position and cash flow forecast, the effectuation of the DOCA is expected to address this issue.
- iv. Emphasis of matter with respect to the Dispute and possible historical discrepancies with the Philippine Constitution outlined above. See additional disclosure in Note 12 (e)(ii) Investment in Associate – Legal Matters.

The Board acknowledged these issues and actively addressed them through independent reviews and the ongoing restructuring efforts.

The Company made significant progress in assessing the impact of the legal dispute and, subsequent to balance date, has executed a number of agreements with PMC. Based on the facts currently known to the Board and independent advice, both the Board and the Deed Administrator recognise Mr. Villanueva as the appropriate controlling shareholder and President of PMHI. The restructuring of inter-company commercial, operational, and financing arrangements, as detailed in Section 12 Significant Changes in State of Affairs, provides a framework for moving forward.

The Financial Statements for the financial year ended 30 June 2024 have been restated as disclosed in Note 1 to the Financial Statements.

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

No dividends were declared or paid during the current or prior financial year to the shareholders of the Company. Subsequent to year end on 7 August 2025 the Company declared a special dividend of 1.5cents per share payable on 30 September 2025.

10. CAPITAL STRUCTURE

As at 30 June 2025 there were 227,798,076 shares (2024: 227,798,076) on issue and no performance rights (2024: 1,500,000).

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; the Company's shares remained in suspension until the company was delisted and removed from the Official Listing on 3 March 2025 in accordance with ASX's policy regarding long-term suspended entities.

DIRECTORS' REPORT

for the year ended 30 June 2025

12. SIGNIFICANT CHANGE IN STATE OF AFFAIRS

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 Disputes"). The Company is not a party to the Disputes. The Company has voting and economic rights in respect of PMHI under Philippine law and PMHI's constitutive documents and the Disputes do not impact these rights. Similarly, the current operations at Co-O are uninterrupted by the Disputes.

There are proceedings underway in the Philippines relating to the Disputes. The Company awaits the decisions of the appropriate Philippine Courts to determine the outcome of the Disputes. Based on facts currently known to the Board, and independent advice, the Board and the Deed Administrator recognise Mr Villanueva as the appropriate controlling shareholder and President of PMHI.

On 8 April 2024, the Regional Trial Court in Davao City in Case No. R-DVO-23-01736-CV denied an application from Joseph Mahusay for a Writ of Preliminary Injunction against Raul Villanueva, which sought to prevent Mr Villanueva from acting as President and Director of PMHI. This case remains pending and is currently in the trial stage.

On 27 May 2024, the Regional Trial Court in Davao City in Case No. R-DVO-23-04666-CV ("27 May Order") granted an application from Raul Villanueva for a Writ of Preliminary Injunction against Joseph Mahusay, Ramon Austria, Peter Alphonso and Patrick Warr preventing them, or anyone acting on their behalf or authority, from:

- misrepresenting themselves as PMHI directors and officers to clients and to the public;
- exercising functions and duties of PMHI as its directors and officers;
- asserting rights from the disputed stockholders' and directors' meeting and election purportedly held on 24 February 2023;
- causing further damage to PMHI's business during the pendency of the case; and
- validating any board resolutions or actions executed by the defendants.

The 27 May Order restores the "status quo ante" or the last actual, peaceable and uncontested situation which preceded the controversy between the parties. This case likewise remains pending and is currently in the trial stage. There have been no updates or amendments to the 27 May Order during the period.

On 20 September 2024, the Regional Trial Court of Quezon City, Philippines in relation to criminal case No. R-QZN-23-09238-43-CR ("People of the Philippines v. Jeffery McGlinn, Joseph Mahusay, Ramon S. Austria, Atty. Rosalinda Adriano Montenegro") released an order determining that the prosecution lacked sufficient evidence to convict Jeffery McGlinn, Joseph Mahusay, Ramon S. Austria, and Atty. Rosalinda Adriano Montenegro for the crime of falsification of public documents. On 18 November 2024, private complainants Mr. Villanueva, Ms. Sorila and Mr. Dy filed a Petition for Certiorari before the Court of Appeals seeking to nullify and set aside the order issued in respect to this criminal case.

External Administration

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

Following a Second Creditors' meeting of X64 held on 31 October 2023, a Deed of Company Arrangement ("DOCA") was executed by Martin Ford and Simon Theobald (in their capacity as voluntary administrators of X64), KDTL, and the Company pursuant to which the Company ended its voluntary administration and was placed into DOCA ("Deed Administration"). 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 on 31 October 2023. Following execution of the DOCA, the management and Board of X64 continued to work with the Deed Administrators to complete certain conditions precedent prior to completion of the DOCA administration, unless any such conditions precedent were waived in accordance with the terms of the DOCA. The DOCA was effectuated on 13 February 2025 and control of X64 was returned to the Board and its shareholders from that date. The period under which the Company is under Voluntary Administration or Deed Administration is collectively referred to as External Administration.

DIRECTORS' REPORT

for the year ended 30 June 2025

12. SIGNIFICANT CHANGE IN STATE OF AFFAIRS (continued)

Appointment of Director

On 15 April 2025 the Board of Directors appointed Paul Ryan Welker as a Director of the Company.

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 continued ongoing negotiations to document and give effect to the transactions contemplated under the RFA during the period. The substantive terms together with progress there on are detailed as follows:

(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 had agreed to:

- increase the tolling fee from US\$17 to US\$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 2024 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.

The parties engaged and are seeking to negotiate an extension to the Tolling Agreement until 30 June 2028 and agreed the following terms:

- increase the tolling fee to the higher of US\$21 (exclusive of VAT) per dry metric tonne of ore processed by MMPRC or US\$750,000 per month ("Fixed Rate") for the period from 1 January 2026 provided that, no tolling fee shall be due or payable for any month during which no milling operations are undertaken; and
- If PMC is required to pay the Fixed Rate in any given month, the difference between the Fixed Rate and the Per Ton Rate for the relevant month shall be treated as an advance payment of the tolling fee ("Tolling Fee Credit"). The Tolling Fee Credit shall be creditable against any subsequent tolling fee per month that shall exceed the Fixed Rate. The Tolling Fee Credit can only be used within each quarter and shall not be carry-over in succeeding quarters.

As at 30 June 2025 negotiations were significantly progressed with the extension subsequently executed on 15 August 2025.

(b) Loan agreement between PMC and MMPRC

MMPRC has an outstanding loan owing from PMC pursuant to the terms of a loan agreement entered into in June 2019. On 9 January 2025, PMC and MMPRC executed a Memorandum of Agreement ("MOA") where PMC have agreed to make repayments against the loan through a combination of upfront and ongoing payments and the set off of special dividends ("MMPRC/PMC Loan"). Both MMPRC and PMC have agreed the outstanding balance of US\$248 million is to be recognised by both MMPRC and PMC in line with the Agreement.

The key terms of the Agreement are:

- Repayment of the MMPRC / PMC Loan: repayment by PMC years through a combination of:
- First Upfront Payment: initial upfront lump sum amortization payment consisting of an upfront cash payment of US\$10.5 million, which was received on 23 January 2025;
- Second Upfront Payment: further upfront lump sum amortization payment consisting of a cash payment of US\$4,662,000, which was received on the 10 February 2025;
- Payments: PMC shall pay the remaining aggregate amount US\$124,838,000 in monthly instalments of US\$743,083.33 or aggregated quarterly instalments US\$2,229,250 commencing from January 2026;
- Financially Challenging Months: PMC shall have the option to pay a minimum of fifty percent (50%) of the Monthly Amortization for each financially challenging month; and

DIRECTORS' REPORT

for the year ended 30 June 2025

12. SIGNIFICANT CHANGE IN STATE OF AFFAIRS (continued)

- Special Dividend: MMPRC have committed to the provision of a special dividend totalling US\$108 million in favour of PMC which will be applied against the outstanding balance of the intercompany loan.
- Interest: should PMC pay less than the agreed amortization amount in any quarter (except where it is due to Force Majeure, financially challenging month(s), extraordinary circumstances, or if PMC has made excess payments) interest at the rate of 6% per annum shall accrue on the relevant amortization amount less the actual amortization payment made by PMC during the relevant quarter until such time as such amount is paid in full.
- Quarterly cash sweep: subject to any agreed rights of relaxation, maximum amounts and working capital requirements a cash sweep on any PMC available funds in excess of the aggregate of US\$25 million and any unpaid PMC amortization top-up and/or interest obligations as at the date of assessment.
- Non-Acceleration: MMPRC has agreed that it shall not be entitled to any acceleration of the payment of the MMPRC/PMC Loan, even in the court, or mediation, or arbitration.

(c) Commitment to a longer-term land lease

PMC and MMPRC had agreed to extend the term of the original lease agreement which commenced on 1 January 2014 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). The addendum to the lease effecting this was executed on 21 June 2024 and payment of the lease rental payments was made for the initial 5 year term in full.

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

MMPRC has approved a dividend policy, to be effective from 9 January 2025, 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.

An outstanding item under the Restructuring Framework Agreement, executed in March 2024, is the simplification of the capital structure of MMPRC, subject to certain conditions. Under the agreement, MMPRC committed to cancel, redeem, or buy back the preference shares issued to PMC within twelve (12) months of the agreement date, on terms satisfactory to PMC. During the year, negotiations between MMPRC and PMC continued in good faith, with both parties remaining committed to reaching a mutually acceptable resolution.

(e) Resolution of Certain Intercompany Debts

The Company, KDTL, MMPRC and PMC agreed an intercompany settlement agreement ("Global Intercompany Settlement Deed") which was executed and became effective on 9 January 2025.

(f) 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 will provide clear guidelines for engagement and foster robust and transparent relationships within the Philippines. As at the date of this report these negotiations were ongoing.

Drummond Basin Exploration Project

In September 2023, the Administrators resolved to place the Drummond Basin Exploration Project, held through CQ22 Pty Ltd, into care and maintenance. The project remained in this status until February 2025, when the Board initiated a comprehensive review. Following an initial desktop assessment, field exploration activities recommenced in late June 2025 across several high-priority targets. These activities form part of an independent review to determine project prioritisation within the broader tenement package. All tenements remain in good standing and are not impacted by the prior care and maintenance decision.

DIRECTORS' REPORT

for the year ended 30 June 2025

13. EVENTS SUBSEQUENT TO BALANCE DATE

Restructuring Framework Agreement ("RFA")

(a) Amendments to the Existing Tolling Agreement

On 15 July 2025 the parties agreed an extension to the Tolling Agreement until 30 June 2028 on the following terms, this was subsequently fully executed and notarised on 12 August 2025:

- increase the tolling fee to the higher of US\$21 (exclusive of VAT) per dry metric tonne of ore processed by MMPRC or US\$750,000 per month ("Fixed Rate") for the period from 1 January 2026 provided that, no tolling fee shall be due or payable for any month during which no milling operations are undertaken; and
- If PMC is required to pay the Fixed Rate in any given month, the difference between the Fixed Rate and the Per Ton Rate for the relevant month shall be treated as an advance payment of the tolling fee ("Tolling Fee Credit"). The Tolling Fee Credit shall be creditable against any subsequent tolling fee per month that shall exceed the Fixed Rate. The Tolling Fee Credit can only be used within each quarter and shall not be carry-over in succeeding quarters.

(b) Simplification of MMPRC Capital Structure

On 15 August 2025 PMC and MMPRC executed an agreement in which MMPRC committed to redeem the preference shares issued to PMC on the following terms:

Redemption price is equivalent to the par value of the shares being one thousand Pesos (P1,000) per share, or an aggregate redemption price of one hundred million Pesos (P100,000,000), approximately US\$1.8 million.

PMC shall pay the Redemption Price by offsetting against the outstanding loan owed by PMC to MMPRC. The redemption has been reflected in the financial records of MMPRC as at 15 August 2025. The corresponding adjustments to the statutory share register and related corporate filings will be completed in due course in accordance with local regulatory requirements.

(c) Shareholders' Agreement

The Company and Mr. Villanueva continued to negotiate in good faith to seek to agree and enter into a shareholders' agreement in respect of PMHI, which will provide clear guidelines for engagement and foster robust and transparent relationships within the Philippines. At the date of this report these negotiations are ongoing.

(d) Dividend

On 8 September 2025, the Directors declared a special dividend of 1.5 cents per share, A\$3,416,971 (US\$2,251,100) in aggregate, paid on 30 September 2025.

The dividend has been designated as Conduit Foreign Income (CFI) to the extent of available CFI account balances. As a result:

- Non-resident shareholders will receive the dividend free of Australian dividend withholding tax, in accordance with Division 802 of the Income Tax Assessment Act 1997.
- Resident shareholders will treat the dividend as an unfranked dividend for Australian income tax purposes.

This dividend does not affect the Group's financial position as at 30 June 2025 and has therefore not been recognised as a liability in these financial statements

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

DIRECTORS' REPORT

for the year ended 30 June 2025

14. RESTATEMENT OF FINANCIAL STATEMENTS

The Company identified and corrected material errors in the previously issued financial statements for the year ended 30 June 2024 which were approved by the Board on 31st January 2025. The errors identified relate to the recognition and measurement of (i) the loan receivable from PMC and (ii) the investment in PMHI. These errors arose from the misapplication of accounting requirements under AASB 9, AASB 10 and AASB 128 and have been corrected retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

As a result, comparative information for the year ended 30 June 2024 and the opening Statement of Financial Position as at 1 July 2023 have been restated. Further information regarding the nature and financial impact of these restatements is provided in Notes 1 to the financial statements.

15. FUTURE DEVELOPMENTS, BUSINESS STRATEGIES AND PROSPECTS

The Company expects to 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.

16. DIRECTORS' INTERESTS

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 performance rights over ordinary shares
Debra Bakker	2,500	-
William John DeCooman	-	-
Jonathan Shellabear	-	-
Paul Ryan Welker	9,847,723	-

DIRECTORS' REPORT

for the year ended 30 June 2025

17. REMUNERATION REPORT

The Directors present the FY2025 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 2025, with comparative information for the year ended 30 June 2024.

The remuneration report for the financial year ended 30 June 2025 has been prepared in accordance with the requirements of the Corporations Act 2001 and its accompanying 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
<u>Non-Executive Directors:</u>	
Debra Anne Bakker (Chair)	appointed 19 June 2023
William John DeCooman	appointed 19 June 2023
Jonathan Shellabear	appointed 19 June 2023
Paul Ryan Welker	appointed 15 April 2025
Andrew Brown	appointed 19 June 2023, resigned 10 November 2023
<u>Executive Directors:</u>	
Walter Robertson Milbourne	appointed 19 June 2023, ceased as Managing Director on 16 November 2023, ceased to be a director on 20 December 2023.
<u>Executive Officers:</u>	
Simon Theobald	Chief Executive Office appointed 2 January 2024
Nicola Gill	Interim Chief Financial Officer appointed 20 June 2023
James Llorca	General Manager, Geology & Resources appointed 10 October 2016

DIRECTORS' REPORT

for the year ended 30 June 2024

17. REMUNERATION REPORT (Continued)

(b) Key Management Personnel remuneration (Consolidated)

The following table sets out the remuneration of all Directors and Executive Officers of the Group, detailing the nature and amount of each element of remuneration for the financial years ended 30 June 2025 and 30 June 2024. Amounts are presented in US dollars (US\$) in line with the Group reporting currency. Actual payments were made in Australian dollars (AUD) and have been translated to US dollars using an appropriate exchange rate.

Name	Year	Short term benefits					Post-employment benefits	Long-term benefits		Termination benefits	TOTAL	Proportion of remuneration performance related
		Salary / fees	Directors' fees ⁽⁵⁾	STI – Cash ⁽¹⁾	STI – PRs ⁽¹⁾	Other ⁽²⁾		LSL ⁽³⁾	LTI – PRs ⁽⁴⁾			
Directors:												
Non-Executive												
Debra Bakker	2025	-	56,180	-	-	-	-	-	-	-	56,180	-
	2024	-	66,460	-	-	-	-	-	-	-	66,460	-
William John DeCooman	2025	-	56,180	-	-	-	-	-	-	-	56,180	-
	2024	-	66,460	-	-	-	-	-	-	-	66,460	-
Jonathan Shellabear	2025	-	56,180	-	-	-	-	-	-	-	56,180	-
	2024	-	66,460	-	-	-	-	-	-	-	66,460	-
Paul Ryan Welker ⁽⁹⁾	2025	-	8,211	-	-	-	-	-	-	-	8,211	-
	2024	-	-	-	-	-	-	-	-	140,000	140,000	-
Andrew Brown ⁽⁶⁾	2024	-	16,615	-	-	-	-	-	-	-	16,615	-
Executive												
W. Robertson Milbourne ⁽⁹⁾	2024	169,697	-	-	-	1,876	-	-	-	274,149	445,722	-
Executive Officers:												
Simon Theobald ⁽⁸⁾	2025	275,499	-	-	-	3,838	19,447	-	-	-	298,784	-
	2024	115,412	-	-	-	11,364	7,615	-	-	-	134,391	-
James Llorca	2025	228,502	-	-	-	6,153	19,447	-	-	-	254,102	-
	2024	235,933	-	-	-	23,147	18,277	-	-	-	277,357	-
Nicola Gill	2025	213,042	-	-	-	3,838	19,447	-	-	-	236,327	-
	2024	200,128	-	-	-	1,833	16,753	-	-	-	218,714	-
Total	2025	717,043	176,751	-	-	13,829	58,341	-	-	-	965,964	-
	2024	721,170	215,995	-	-	38,220	42,645	-	-	414,149	1,432,179	-

DIRECTORS' REPORT

for the year ended 30 June 2024

17. REMUNERATION REPORT (Continued)

Notes:

- (1) Short Term Incentive Plan ("STI") detailed in paragraph 0(e)(v);
- (2) Comprises Annual Leave accrued during the year but not paid, non-monetary benefits and director pre-appointment expenses 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 0(e)(vi);
- (5) Director fees for non-executive directors were set at A\$100,000 (approximately US\$65,500) per annum for each NED, following delisting of the Company from the ASX director fees were revised to A\$60,000 (approximately US\$39,300) per annum. Directors fees for the period from appointment on 19 June 2023 until the appointment of the external administrator were paid by the Administrator in 2024 financial year. During the period of External Administration, director's fees accrued but were not paid other than to compensate NED's for specific tasks requested by the Administrator or the payment of fees and costs prior to the appointment of Administration until effectuation of the DOCA at which point the accrued fees were paid in full. Directors' fees accrued at 30 June 2024 amounted to A\$258,333 (US\$171,766).
- (6) Mr Brown resigned on 10 November 2023 all claims with respect to Mr Brown's appointment were settled by the Administrator;
- (7) Mr Milbourne ceased as Managing Director on 16 November 2023 and ceased to be a director on 20 December 2023. Under the terms of Mr Milbourne's engagement with the Company six month's written notice or payment in lieu of notice, or a combination thereof was required. All claims with respect to Mr Milbourne's engagement were settled by the Administrator;
- (8) Mr Theobald was appointed 2 January 2024; and
- (9) Pursuant to the terms of a confidential settlement deed entered into between the Company, CQ22 Pty Ltd (a subsidiary of the Company), Mr Welker, Vitrinite Holdings Pty Ltd and certain entities related to Vitrinite Holdings Pty Ltd (Vitrinite) in January 2024 the Company agreed a settlement for wrongful termination. Such settlements are considered part of remuneration as defined in AASB 124 and AASB 119.

DIRECTORS' REPORT

for the year ended 30 June 2024

17. REMUNERATION REPORT (Continued)

(c) Executive Remuneration Governance

The information contained within this section provides an overview of executive remuneration governance at X64.

(i) Remuneration Philosophy

The primary objective of the Company's remuneration policy is the retention of a high-quality Board and executive team to support the stabilisation and recovery of shareholder value previously diminished. Remuneration levels are set with regard to the necessity of retaining appropriately qualified and experienced KMP during a period of operational and financial restructuring.

In the current circumstances, the Board considers the payment of bonuses and the issuance of equity-based incentives to be inappropriate. This position will be reassessed once the Company has achieved a more stable financial and operational footing, at which time the remuneration structure will be reviewed to ensure appropriate alignment between shareholder and executive interests.

(ii) Remuneration Committee

Currently the full Board performs the functions of the Remuneration Committee in accordance with the Remuneration Committee Charter and the requirements of the Corporations Act 2001 and its regulations. All of the current Directors are considered to be independent.

No performance or remuneration-related reviews have taken place as the current Board considers this inappropriate at this time.

The Remuneration Committee is responsible for making recommendations on:

- The Company's remuneration policy and structure;
- Executive remuneration policy for Key Management Personnel ("KMP");
- Remuneration levels of the Chief Executive Officer or 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 Board based on the appropriateness of the full package.

(d) Non-Executive Director Remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain NED of a high calibre.

NED's fees are paid within the aggregate amount approved by shareholders from time to time. Total remuneration for all NED was last approved by shareholders on 18 November 2009, is not to exceed A\$400,000 (approximately US\$262,500) per annum. The Board consider this aggregate is appropriate and have not sought any change to be approved by shareholders.

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

Director fees for NED's were set at A\$100,000 per annum for each NED until 28 February 2025 at which time they were reset to A\$60,000 per annum. During the period of External Administration, director's fees were accrued but not paid other than to compensate NED's for specific tasks requested by the Administrator or the payment of fees and costs prior to the appointment of Administration. Directors' fees accrued at 30 June 2024 amounted to A\$258,333, which were paid following the effectuation of the DOCA. No directors fees are accrued as at 30 June 2025.

DIRECTORS' REPORT

for the year ended 30 June 2024

17. REMUNERATION REPORT (Continued)

(e) Executive Remuneration

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

On 19 June 2023, the full Board of X64 was replaced, and Administrators were appointed on 2 July 2023. The Company operated under External Administration until the effectuation of the Deed of Company Arrangement (DOCA) on 13 February 2025, at which point control was returned to the Board and shareholders.

Prior to this period, the Company had adopted a remuneration approach designed to align executive performance with shareholder outcomes, incorporating both short-term (STI) and long-term (LTI) incentive components. The current Board considers this approach to remain fundamentally sound; however, in light of the Company's financial and operational position, the implementation of STI and LTI elements is not considered appropriate at this time. This position will be reassessed as the Company transitions to a more stable footing, with a view to reintroducing appropriate performance-based incentives that align executive and shareholder interests:

(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 limited non-monetary benefits. TFR is based on what is necessary to attract and retain appropriately qualified and experienced individuals taking into account:

- 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.

When determining the relevant market for each role, the Boards considers 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.'

DIRECTORS' REPORT

for the year ended 30 June 2024

17. REMUNERATION REPORT (Continued)

(iii) KMP Remuneration at Risk in FY25

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:			
<u>Non-Executive -</u>			
Debra Bakker	100%	-	-
William John DeCooman	100%	-	-
Jonathan Shellabear	100%	-	-
Paul Ryan Welker	100%		
Executive Officers:			
Simon Theobald	100%	-	-
Nicola Gill	100%	-	-
James Llorca	100%	-	-

(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 Short Term Incentive Plan for all executives or make any incentive payments under this Plan.

On the engagement of Mr Theobald, effective from 2 January 2024, the Board set a specific Short Term Incentives Plan for Mr Theobald. 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, the terms of which was released to the ASX on the appointment of Mr Theobald. No KPI's were achieved under this plan during the Financial Year. No short-term incentive payments were made during the financial year.

Under his executive service agreement, Mr. Theobald, is entitled to participate in an incentive plan and eligible to receive up to 50% of the base fee annually under this incentive plan.

Name	Position	Total Opportunity STI US\$	Achieved STI (Cash) US\$	Opportunity STI (Performance Rights) US\$	Vesting Outcome STI (Performance Rights)
Simon Theobald	Chief Executive Officer	212,500		-	n/a

DIRECTORS' REPORT

for the year ended 30 June 2024

17. REMUNERATION REPORT (Continued)

Under the terms of Mr J Llorca's employment agreement, he is eligible to participate in a short-term incentive plan. However, the Board determined that it was not appropriate to operate a short-term incentive plan for Key Management Personnel other than the CEO for the financial year ended 30 June 2025. As a result, no STI awards were granted or accrued for Mr Llorca or any other KMP during the year.

(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 on 24 June 2021, were existing. The performance rights were subject to a number of performance criteria. The Company assessed the achievement of the performance criteria to determine the scoring mechanism and vesting performance rights during the period once all necessary information to do so was available. These Performance Rights expired unvested following this assessment (refer to the disclosure within the Remuneration Report).

No Long-Term Performance Rights were granted to KMP in the FY25 or FY24 financial year.

Mr Milbourne terms of engagement provided for the provision of 3,000,000 performance rights, subject to shareholder approval, which were to vest on the achievement of various performance and tenure hurdles relating to share price performance and total shareholder returns. Shareholder approval for these rights was not sought. Mr Milbourne vacated the position of Managing Director and Chief Executive Office on 16 November 2023 which forfeited any rights to the performance rights.

(f) Company Performance

The following table illustrates the Company performance indicators over the last five years as required by the Corporations Act:

Metric	Unit	2025	2024 ⁽¹⁾	2023 ⁽¹⁾	2022	2021
Net Profit/(Loss) after tax (\$'000)	US\$'000	16,409	(457)	(43,078)	2,823	47,256
Basic earnings per share (cents)	US¢	7.1	(0.3)	(19)	1.20	22.7
Dividends paid per share (cents)	A¢	-	-	5.0	2.0	5.0
Share price at year end 30 June (cents)	A¢	n/a	57 ⁽²⁾	57 ⁽²⁾	69	84

Notes:

1. Restated as per Note 1(d) Basis of Preparation Restatement of Comparatives as at 30 June 2023 and 2024.
2. X64 has been suspended on the ASX since 28 February 2023, the Company was delisted on 4 March 2025.

(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 KMP's.

(i) Option holdings

No options were on issue or held by KMP's at 30 June 2025 or 2024.

DIRECTORS' REPORT

for the year ended 30 June 2024

17. REMUNERATION REPORT (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:

Name	Balance 1/07/24 /Date of engagement commencing	Compensation shares	Shares purchased	Performance Rights vested	Shares sold	Balance 30/06/25 /Date of engagement ending
Directors:						
<i>Non-Executive -</i>						
Debra Bakker	2,500	-	-	-	-	2,500
William DeCooman	-	-	-	-	-	-
Jonathan Shellabear	-	-	-	-	-	-
Paul Ryan Welker	9,847,723	-	-	-	-	9,847,723
Executive Officers:						
Simon Theobald ⁽¹⁾	-	-	-	-	-	-
James Llorca	136,000	-	-	-	-	136,000
Nicola Gill	-	-	-	-	-	-

Notes:

(1) Mr Theobald was appointed on 2 January 2024.

(k) Performance Rights

During the 2025 financial year there were no performance rights on issue or granted to Key Management Personnel. In the 2024 financial year 1,500,000 performance rights were on issue to Raul Villanueva who is no longer a Key Management Personnel as of 1 July 2024.

DIRECTORS' REPORT

for the year ended 30 June 2024

17. REMUNERATION REPORT (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:	<u>Fixed remuneration:</u> Base fee A\$425,000 (US\$278,375) per annum (plus statutory 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. <u>Variable remuneration</u> <u>Short Term Incentive:</u> 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. <u>Long Term Incentive:</u> The provision of a Long-Term Incentive will be determined by the Board and is at the absolute discretion of the Board.
Termination:	<u>Termination by the Company:</u> 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. <u>Termination by the Executive:</u> 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.

DIRECTORS' REPORT

for the year ended 30 June 2024

17. REMUNERATION REPORT (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 (US\$250,378) 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 (US\$983) per day (plus statutory superannuation) <u>Variable remuneration:</u> The Executive is not entitled to variable remuneration.
Termination:	Either party may terminate the engagement at any time for any reason. No notice period is required.

DIRECTORS' REPORT

for the year ended 30 June 2024

17. REMUNERATION REPORT (Continued)

Board policy in relation to limiting exposure to risk in securities.

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

(m) Related Parties

Related parties:	All Key Management Personnel detailed in this Report
Type of transaction:	Director and Officers Protection Deed ("Deed")
Transaction details:	The Company has entered into Deeds of Access, Indemnity and Insurance with each Director. These deeds provide that, to the extent permitted by law, the Company will: - indemnify Directors against liabilities incurred in their capacity as officers of the Company; and - indemnify Directors for costs and expenses incurred in defending legal proceedings in which judgement is given in their favour or in which they are acquitted. The Deeds also require the Company to maintain Directors' and Officers' liability insurance for the Directors during their term of office and for a period of seven years after they cease to hold office, subject to usual policy terms and exclusions. During the financial year the Company paid premiums in respect of Directors' and Officers' liability insurance. The terms of the policy prohibit disclosure of the amount of the premium and the nature of the liabilities covered. The Deeds further provide that Directors are entitled to access Company records (including Board papers) for a period of seven years after they cease to be Directors, subject to confidentiality obligations.

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.

End of Remuneration Report

DIRECTORS' REPORT

for the year ended 30 June 2024

18. 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

The Company has Directors' and Officers' Liability Insurance policy in place to cover Directors, Company Secretaries and other Officers of the Company and its related entities during the financial year ended 30 June 2025. The amount of the insurance premium is confidential and has not been disclosed.

19. 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.

20. 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.

21. 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.

DIRECTORS' REPORT

for the year ended 30 June 2024

22. NON-AUDIT SERVICES

During the year, affiliated entities of 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 (including Independence Standards) 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 to affiliated entities of BDO for non-audit services provided during the years ended 30 June 2024 and 2025:

Item Description	Unit	2025	2024
Taxation	US\$	14,883	21,957
Independent Limited Assurance Report	US\$	21,482	-
Total	US\$	36,365	21,957

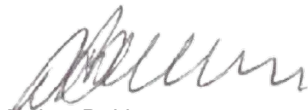
23. AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration for the year ended 30 June 2025 has been received and can be found on page 28 of this Report.

24. 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 4th day of November 2025

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 2025, 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

4 November 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2025

		Consolidated	
		2025	2024¹
	Note	US\$000	US\$000
Revenue	3	6,359	6,565
Cost of sales		(2,913)	(3,532)
Gross Profit		3,446	3,033
Other income	3	7,099	7,787
Exploration & Evaluation expenses		(203)	(465)
Administration expenses		(5,679)	(7,308)
Other expenses	4	(1,361)	368
Share of profit/(loss) from associate	12	15,720	(3,362)
Profit/(Loss) before income tax expense		19,022	53
Income tax expense	6	(2,613)	(510)
Profit/(Loss) for the year after income tax expense		16,409	(457)
Profit/(Loss) attributable to owners of the parent		16,180	(711)
Profit attributable to Non-Controlling Interest		229	254
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Movement in other reserves (net of tax)		(153)	-
Exchange differences on translation of foreign operations (net of tax)		49	(349)
Total comprehensive profit/(loss) attributable to the owners of the parent		16,305	(807)
Basic profit/(loss) per share (US\$ per share)	5	0.071	(0.003)
Diluted profit/(loss) per share (US\$ per share)	5	0.071	(0.003)

Notes:

1. Restated as per Note 1(d) Reissued Financial Statements and Restatement of Comparatives.

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 2025

		Consolidated			
		2025	2024 ¹	1 July 2023 ¹	
Notes		US\$000	US\$000	US\$000	
CURRENT ASSETS					
	Cash & cash equivalents	7	11,423	5,479	7,474
	Trade & other receivables	8	1,991	2,995	6,176
	Inventories	9	472	515	456
	Other current assets		879	421	387
	Loan receivable from associates	10	4,057	14,142	-
Total Current Assets			18,822	23,552	14,493
NON-CURRENT ASSETS					
	Restricted cash	7	1,531	1,564	1,619
	Trade & other receivables	8	2,313	3,044	3,471
	Property, plant & equipment	11	4,600	5,077	5,346
	Intangible assets		6	21	36
	Right-of-use assets	13	834	952	1,370
	Deferred tax asset	6	287	-	-
	Loan receivable from associates	10	52,748	50,951	57,766
	Investments in associate	12	81,906	66,618	69,980
Total Non-current Assets			144,225	128,227	139,588
Total Assets			163,047	151,779	154,081
CURRENT LIABILITIES					
	Trade & other payables	14	1,539	6,427	5,415
	Provisions	15	185	240	391
	Lease Liabilities	13	109	384	264
Total Current Liabilities			1,833	7,051	6,070
NON-CURRENT LIABILITIES					
	Provisions	15	2,213	1,509	1,336
	Other payables		507	-	-
	Lease Liabilities	13	30	326	615
Total Non-current Liabilities			2,750	1,835	1,951
TOTAL LIABILITIES			4,583	8,886	8,021
NET ASSETS			158,464	142,893	146,060
EQUITY					
	Issued capital	16	114,362	114,362	114,362
	Reserves		3	107	1,955
	Retained profits	18	43,781	27,601	27,456
			158,146	142,070	143,773
	Non-controlling interest	19	318	823	2,287
TOTAL EQUITY			158,464	142,893	146,060

Notes:

1. Restated as per Note 1(d) Reissued Financial Statements and Restatement of Comparatives.

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 2025

	Share capital ordinary	Retained profits	Share based payment reserves	Other reserves	Foreign currency translation reserve	Total attributable to equity holders of the Company	Non- controlling interest	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
CONSOLIDATED								
Balance at 1 July 2023 as originally presented	114,362	32,498	1,499	(2,166)	2,622	148,815	2,287	151,102
Correction of Errors ¹	-	(5,042)	-	-	-	(5,042)	-	(5,042)
Restated balance at 1 July 2023¹	114,362	27,456	1,499	(2,166)	2,622	143,773	2,287	146,060
Net profit/(loss) after tax	-	(711)	-	-	-	(711)	254	(457)
Other comprehensive profit	-	-	-	-	(349)	(349)	-	(349)
Total comprehensive profit for the financial year	-	(711)	-	-	(349)	(1,060)	254	(806)
<i>Transactions with owners, in their capacity as owners, and other transfers</i>								
Performance rights net amount (credited)/expensed	-	-	(643)	-	-	(643)	-	(643)
Transfer from option reserve	-	856	(856)	-	-	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	(1,718)	(1,718)
Balance at 30 June 2024¹	114,362	27,601	-	(2,166)	2,273	142,070	823	142,893
Balance at 1 July 2024¹	114,362	27,601	-	(2,166)	2,273	142,070	823	142,893
Net profit/(loss) after tax	-	16,180	-	-	-	16,180	229	16,409
Other comprehensive profit	-	-	-	-	(104)	(104)	-	(104)
Total comprehensive profit for the financial year	-	16,180	-	-	(104)	16,076	229	16,305
<i>Transactions with owners, in their capacity as owners, and other transfers</i>								
Dividend paid to non-controlling interest	-	-	-	-	-	-	(734)	(734)
Balance at 30 June 2025	114,362	43,781	-	(2,166)	2,169	158,146	318	158,464

Notes:

1. Restated as per Note 1(d) Reissued Financial Statements and Restatement of Comparatives.
2. Other reserve includes a remeasurement reserve and reserve to recognised initial recognition of non-controlling interest.

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 2025

Consolidated		
	2025	2024
Note	US\$000	US\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	7,348	5,818
Payments to suppliers & employees	(7,310)	(6,442)
Payments for exploration & evaluation activities	(203)	(465)
Payments to associate	12(d) (4,470)	-
Other income	-	60
Interest received	90	127
Interest paid	12(d) (432)	-
Income and other taxes paid	6 (3,000)	(342)
Net cash (used in)/provided by operating activities	7(b) (7,977)	(1,244)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	11 (457)	(720)
Receipts from loan repayments	10 15,162	-
Net cash (used in)/provided by investing activities	14,705	(720)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment for lease liabilities	13 (108)	(185)
Payments for dividends to associate	19 (734)	-
Net cash (used in)/provided by financing activities	(842)	(185)
Net increase/(decrease) in cash held	5,886	(2,149)
Cash and cash equivalent at the beginning of the year	7,043	9,093
Exchange rate adjustment	25	99
Cash and cash equivalent at the end of the year	7 12,954	7,043
Less: Restricted Cash	7(d) 1,531	1,564
Unrestricted cash and cash equivalent at the end of the year	11,423	5,479

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

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 (currently suspended).

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 4 November 2025.

1. Basis for Preparation

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

- has been prepared on historical costs basis except for assets and liabilities and share based payments which are required to be measured at fair value. The basis of measurement is discussed further in the individual notes;
- is presented in US dollars (“USD”, “US\$”) 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 2024.

The financial statements have been prepared on a going-concern basis for the purpose of providing information to users in relation to the financial performance and financial position of the Group as a for-profit entity.

(a) Statement of compliance

This general purpose financial report is in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, including Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (“AASB”) the Directors consider that the consolidated financial statements and notes of Ten Sixty Four Limited give a true and fair view of its financial position as at 30 June 2025 and of its performance during the period.

(b) Principles of Consolidation

The Group’s financial statements consolidate those of the Parent Company and all of its subsidiaries as at 30 June 2025. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

(c) 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 6. Income Tax and Deferred Tax Assets	Note 12. Investment in associate
Note 8. Trade & Other Receivables	Note 13. Leases
Note 10. Loan Receivable	Note 15. Provisions

(d) Reissued Financial Statements and Restatement of Comparatives

The Company identified material errors in the recognition and measurement of certain assets in its previously issued financial statements. The financial statements for the year ended 30 June 2024 were originally authorised for issue by the Board on 31 January 2025. The restatements also affect the opening balances as at 1 July 2023. As the errors did impact the statement of financial position as at 1 July 2023, a third statement of financial position is presented, consistent with AASB 101 paragraph 40A.

The nature of each restatement, the justification for correction, and the financial impact are detailed below. The restatements are detailed below:

Restatement of Loan Receivable from Associate

Justification for Correction

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

The fair value of the loan receivable is determined based on expected repayments attributable under the terms of the MOA. The restatement arose from the identification of a mathematical calculation error in determining the initial fair value of the loan receivable from PMC at the date of deconsolidation and in the subsequent application of the equity method.

The restatement ensures that the loan receivable is measured in accordance with the amortised cost basis under AASB 9.

Impact on Future Periods

Following the restatement, the remeasured loan receivable will have an ongoing impact on future financial periods due to the recognition of accretion income under the effective interest method. As the present value of the loan receivable has been reduced, the adjustment results in a lower carrying amount relative to the expected future cash flows. This, in turn, increases the effective interest rate applied to the amortised cost of the loan, leading to higher interest income being recognised over the remaining term of the loan compared to prior expectations.

Restatement of Investment in Associate

The Company has determined to restate the carrying amount of its investment in PMHI as at 13 February 2023, 30 June 2023 and 30 June 2024. This investment represents the retained interest in PMHI following the loss of control and deconsolidation of the subsidiary on 13 February 2023. In accordance with AASB 10 Consolidated Financial Statements, the retained interest was initially measured at fair value on the date of loss of control. Subsequently, as PMHI became an associate, the investment has been accounted for using the equity method in accordance with AASB 128 Investments in Associates and Joint Ventures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

The restatement arose from:

1. The identification of a mathematical calculation error in determining the initial fair value of the loan receivable from PMC and retained interest at the date of deconsolidation and in the subsequent application of the equity method.

As explained under the heading “Restatement of the Loan Receivable”, the correction of errors in the measurement of the loan receivable owing from PMHI and its subsidiaries also affected the carrying amount of the investment in associate. Under the equity method, adjustments to the investee’s net assets—arising from the corrected loan balances and related transactions—required corresponding changes to the Group’s share of PMHI’s net assets and therefore to the carrying amount of the investment.

As a result:

- At 13 February 2023, the fair value of the retained interest at the date of deconsolidation was revised to reflect the corrected calculation and adjusted loan position.
 - At 30 June 2023, the opening carrying amount was restated for the corrected initial fair value, and the share of post-acquisition results was recalculated based on the revised underlying net assets of PMHI.
 - At 30 June 2024, the carrying amount of the investment was further adjusted to incorporate the cumulative effect of the above corrections and the restated equity-accounted results for the period.
2. For the Financial Year ended 30 June 2024 the Company had previously recognised \$3.677M loss from the subsidiaries of the PMHI reporting group. Subsequent to the presentation of these financial statements, the Company received additional information and has determined that, following an adjustment to align the financial reporting of PMHI with that of the X64 Reporting Group, a loss of \$3.362M should have been attributed for the financial year ended 30 June 2024.
 3. The Company not previously accounting for its share of attributable profit or loss from PMHI for the period 13 February 2023 to 30 June 2023.

These corrections ensure that the investment in associate appropriately reflects the Group’s share of PMHI’s net assets in accordance with AASB 128, and that the carrying amount is measured on a consistent and accurate basis across all affected reporting dates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

Justification for Correction

The restatement of the Company's investment in PMHI as at 13 February 2023, 30 June 2023 and 30 June 2024 is necessary to comply with the requirements of AASB 13 Fair Value Measurement, AASB 10 Consolidated Financial Statements, and AASB 128 Investments in Associates and Joint Ventures.

Upon the loss of control of PMHI on 13 February 2023, the Company was required under AASB 10 to measure its retained interest at fair value. The restatement arose from the identification of a mathematical calculation error in determining that fair value at the date of deconsolidation. The corrected calculation resulted in a revised fair value of the retained interest as at 13 February 2023.

Following deconsolidation, the retained investment has been accounted for using the equity method in accordance with AASB 128. The restatement also reflects the flow-on impact of the correction to the loan receivable owing from PMHI and its subsidiaries, as explained under "Restatement of the Loan Receivable." Adjustments to the underlying net assets of PMHI resulting from that correction required corresponding revisions to the Company's share of PMHI's net assets and, consequently, to the carrying amount of the investment under the equity method.

These corrections are classified as adjustments for material prior-period errors under AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The restatements ensure that the financial statements accurately reflect:

- the fair value of the retained investment in PMHI at the date of deconsolidation on 13 February 2023, in accordance with AASB 10 and AASB 13, and
- the subsequent carrying amount of the investment under the equity method in accordance with AASB 128, which requires the investment to be recognised at cost (being the initial fair value) and adjusted thereafter for the Company's share of PMHI's results and other movements, less any impairment.

These adjustments enhance the relevance and reliability of the financial statements by correcting previously misstated carrying amounts and better aligning with applicable accounting standards.

Impact on Future Periods

The lower carrying value of the investment in associate will result in a reduced asset base going forward. The Company will continue to recognise its share of profits or losses from the associate on the adjusted carrying amount. Any future impairment testing will be based on the carrying amount.

Impact on Financial Statements

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

Reconciliation of Restated Statement of Financial Position as at 30 June 2023

Line Item	As Previously Reported US\$000	Adjustment US\$000	Restated US\$000
<u>Assets</u>			
Loan Receivable from Associate	63,293	(5,527)	57,766
Investments in Associates	69,494	486	69,980
<u>Equity</u>			
Retained Earnings	32,498	(5,042)	27,456

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

Reconciliation of Impact on Statement of Profit and Loss for the financial year ended 30 June 2023

Line Item	As Previously Reported US\$000	Adjustment US\$000	Restated US\$000
Other Income	2,793	(215)	2,578
Share of loss from associate	-	(4,826)	(4,826)
Loss before income tax expense	(28,894)	(5,042)	(33,936)
Loss for the year after income tax expense	(43,078)	(5,042)	(48,120)
Loss attributable to owners of the parent	(43,078)	(5,042)	(48,120)
Total comprehensive loss attributable to owners of the parent	(42,946)	(5,042)	(47,988)

Reconciliation of Restated Statement of Financial Position as at 30 June 2024

Line Item	As Previously Reported US\$000	Adjustment US\$000	Restated US\$000
<u>Assets</u>			
Non-Current Loan Receivable from Associate	57,178	(6,227)	50,951
Investments in Associates	65,817	801	66,618
<u>Equity</u>			
Retained Earnings	33,028	(5,427)	27,601

Reconciliation of Impact on Statement of Profit and Loss for the financial year ended 30 June 2024

Line Item	As Previously Reported US\$000	Adjustment US\$000	Restated US\$000
Other Income	8,488	(700)	7,787
Share of loss from associate	(3,677)	315	(3,362)
Profit before income tax expense	438	(385)	53
Loss for the year after income tax expense	(72)	(385)	(457)
Loss attributable to owners of the parent	(326)	(385)	(711)
Total comprehensive loss attributable to owners of the parent	(421)	(385)	(807)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

Impact on Earning (Loss) per Share

In accordance with AASB 108.49(b), the restatement of prior-period errors has impacted the previously reported loss per share for the financial years ended 30 June 2023 and 2024:

- The previously reported basic and diluted loss per share was US\$0.075 for the financial year ended 30 June 2023 and US\$0.001 for the financial year ended 30 June 2024.
- Following the restatement, the corrected basic and diluted loss per share is US\$0.211 for the financial year ended 30 June 2023 and US\$0.003 for the financial year ended 30 June 2024.

The increase in the reported loss per share is primarily due to the adjustment to the carrying amount of the loan receivable and the investment in PMHI, as detailed in notes 10 and 12 and to the financial statements.

Impact on Segment Reporting

The correction of the prior-period errors described above also resulted in changes to the measurement of amounts presented in the Operations segment within the Segment Information note. As the CODM assesses segment performance including the amortised cost of the loan receivable and the equity-accounted results for PMHI, the restatement adjustments have been reflected in the segment revenue and segment result for the financial years ended 30 June 2023 and 30 June 2024. No other segments were affected by the restatement.

The restated segment information and reconciliations are disclosed in Note 2 Segment Reporting.

Disclosures of Restated Amounts

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

Reconciliation of Restated Total Assets and Total Equity as at 30 June 2023

Line Item	As Previously Reported US\$000	Adjustment US\$000	Restated US\$000
Total Assets	159,122	(5,041)	154,081
Total Equity	151,102	(5,041)	146,060

Reconciliation of Restated Total Assets and Total Equity as at 30 June 2024

Line Item	As Previously Reported US\$000	Adjustment US\$000	Restated US\$000
Total Assets	157,206	(5,427)	151,779
Total Equity	148,320	(5,427)	142,893

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

(e) **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.

On 13 February 2025, the Company announced that the Deed of Company Arrangement, dated 1 November 2023 ("DOCA"), has now been effectuated by the lodgement with the Australian Securities and Investments Commission as confirmed by the former deed administrator. Accordingly, the Company exited external administration and full control of the Company has passed to the Directors of the Company.

Management have prepared a cash flow forecast, which indicates that the Group will have sufficient cash to meet all commitments and working capital requirements for at least 12 months from the date of signing this financial report without the need to raise further funding. Based on this the Directors have reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, and the Directors consider the going concern basis of preparation to be appropriate for these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

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.

2. 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 Operations, Exploration and Other. Operations 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 Tolling fees charged by MMPRC; 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

12 months to June 2025:	Operations	Exploration	Other	Total
	US\$000	US\$000	US\$000	US\$000

Segment Revenue & Other Income

Reconciliation of segment revenue to group revenue

add:

Finance income	6,615	-	76	6,691
Tolling income	6,359	-	-	6,359
Other income	-	-	408	408
Group revenue & other income	12,974	-	484	13,458

Segment Result

Group profit/(loss) after income tax expense

22,910	(170)	(6,331)	16,409
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Material Items included:

Finance income	6,615	-	76	6,691
Impairment of tax credits receivable	(1,361)	-	-	(1,361)
Income tax benefit/(expense)	222	-	(2,835)	(2,613)
Share of profit from associate	15,720	-	-	15,720

Segment Assets

Reconciliation of segment assets to group assets:	153,803	31	8,925	162,759
plus: Deferred tax assets	287	-	-	287
Total group assets	154,090	31	8,925	163,046

Segment Liabilities

Reconciliation of segment liabilities to group liabilities:	3,955	20	608	4,583
plus: Deferred tax liabilities	-	-	-	-
Total group liabilities	3,955	20	608	4,583

Revenue & non-current assets by geographical region:	Australia	Philippines	Hong Kong	Total
	US\$000	US\$000	US\$000	US\$000

12 months to June 2025:

Segment Revenue ⁽¹⁾	-	6,359	-	6,359
Non-Current Assets ⁽²⁾	49	5,391	-	5,440

In accordance with AASB 8 Operating segments disclosure requirements:

- 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.
- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

12 months to June 2024 ¹ :	Operations	Australian Exploration	Other	Total
	US\$000	US\$000	US\$000	US\$000

Segment Revenue & Other Income

Reconciliation of segment revenue to group revenue	238	-	-	238
<i>add:</i>				
Finance income	7,600	-	127	7,727
Tolling income	6,327	-	-	6,327
Other income	-	-	60	60
Group revenue & other income	14,165	-	187	14,352

Segment Result

Group profit/(loss) after income tax expense	12,811	(473)	(12,795)	(457)
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Material Items included:

Finance income	7,600	-	127	7,727
Share based expenses net of amounts reversed	-	-	(642)	(642)
Income tax expense	-	-	(510)	(510)
Share of (loss) from associate	(3,362)	-	-	(3,362)

Segment Assets

Reconciliation of segment assets to group assets:	149,264	51	2,464	151,779
<i>plus:</i> Deferred tax assets	-	-	-	-
Total group assets	149,264	51	2,464	151,779

Segment Liabilities

Reconciliation of segment liabilities to group liabilities:	6,746	22	2,118	8,886
<i>plus:</i> Deferred tax liabilities	-	-	-	-
Total group liabilities	6,746	22	2,118	8,886

Note:

1. Restated as per Note 1(d) Reissued Financial Statements and Restatement of Comparatives.

Revenue & non-current assets by geographical region:	Australia	Philippines	Hong Kong	Total
	US\$000	US\$000	US\$000	US\$000

12 months to June 2024:

Segment Revenue ⁽¹⁾	-	6,327	238	6,565
Non-Current Assets ⁽²⁾	659	10,071	-	10,730

In accordance with AASB 8 Operating segments disclosure requirements:

1. 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.
2. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

3. REVENUE AND OTHER INCOME

Operating activities:

Gold and silver sales

Tolling income

Total operating revenue

Non-operating activities:

Interest income

Financial income

Other income

Realised foreign exchange gain

Unrealised foreign exchange gain

Total non-operating revenue

Total revenue and other income

Consolidated	
2025	2024 ¹
US\$000	US\$000
-	238
6,359	6,327
6,359	6,565
90	127
6,601	7,600
2	60
25	-
381	-
7,099	7,787
13,458	14,352

Notes:

1. Restated as per Note 1(d) Reissued Financial Statements and Restatement of Comparatives.

(a) Recognition and Measurement

Revenue from Toll Treating

Revenue is recognised over time 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.

Financial Income

Financial income includes the accretion of the net present value (NPV) of cash flows on loan receivable from associate, recognised using the effective interest method. This represents the unwinding of the discount over the life of the receivable, reflecting the time value of money in accordance with applicable financial reporting standards.

4. EXPENSES

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

Depreciation & amortisation:

- Depreciation expense

- Amortisation expense

- Mine rehabilitation and right of use assets amortization

Total depreciation & amortization

Consolidated	
2025	2024 ¹
US\$000	US\$000
935	944
16	53
142	144
1,093	1,141

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

	Consolidated	
	2025	2024¹
	US\$000	US\$000
Employee benefits expense	1,196	1,720
Interest expense & unwinding of discount on provisions		504
<u>Other expenses:</u>		
- VAT impairment	1,361	161
- Forex realized	-	113
- Share-based payment expense net of reversal	-	(642)
Total other expenses	1,361	(368)

Notes:

1. Restated as per Note 1(d) Reissued Financial Statements and Restatement of Comparatives.

(a) Recognition and Measurement

(i) Depreciation

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

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 Mill)	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) Depreciation – Co-O Mill

The Co-O Mill is depreciated over the estimated useful based on the ore expected to be milled through the mill as detailed in the Life of Mine plans.

(iii) Amortisation

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

(iv) Exploration and Evaluation Expenses

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

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

5. EARNINGS PER SHARE

(a) Earnings/(Loss) per Share

	Consolidated	
	2025	2024 ¹
	US\$000	US\$000
Profit/(Loss) used to calculate basic and diluted EPS	16,180	(711)
Weighted average number of ordinary shares used in the calculation of the basic earnings per share.	227,798,076	227,798,076
Weighted average unlisted options & performance rights outstanding	-	1,500,000
Weighted average of ordinary shares diluted as at 30 June	227,798,076	227,798,076

Notes:

1. Restated as per Note 1(d) Reissued Financial Statements and Restatement of Comparatives.

(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.

If a profit is recognised the 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. Where a loss is recorded no dilution is recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

6. INCOME TAX

(a) Income Tax Expense

(i) The components of tax expense comprise:

	2025 US\$000	2024 ¹ US\$000
Current tax expense/(benefit)	2,900	510
Deferred tax expense/(benefit)	(287)	-
Prior year adjustment	-	-
	2,613	510

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

Operating profit/(loss) before income tax	19,022	53
Prima facie tax expense/(credit) at 30% (2024: 30%) on operating profit	5,707	16
Adjusted for - tax effect of:		
other taxable/non-deductible items	1,551	615
other non-taxable/deductible items	(6,986)	77
differences in effective foreign income tax rates	2,419	218
deferred taxes not recognised	(78)	(416)
Income tax expense	2,613	510

Notes:

1. Restated as per Note 1(d) Reissued Financial Statements and Restatement of Comparatives.

(b) Income Tax Paid

Income tax paid during the year differs from the income tax expense recognised in the statement of profit or loss due to timing differences between the recognition of tax expense and the payment of taxes, as well as movements in current and deferred tax balances. The difference also includes the impact of prior-year tax payments, foreign withholding taxes, and exchange rate effects. Accordingly, the amount of income tax paid disclosed in the statement of cash flows does not reconcile directly to the income tax expense disclosed above. Income tax paid during this, and the prior, financial year is detailed below:

	2025 US\$000	2024 US\$000
Foreign withholding tax deducted from intercompany dividends	2,835	342
Income taxes and penalties paid by MMPRC	165	-
Total	3,000	342

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

(c) Deferred Tax

	Opening balance	Forex on translation	Credit/ (charged) to income	Closing balance
	US\$000	US\$000	US\$000	US\$000
Consolidated Group				
30 June 2025				
Deferred tax assets				
Carried forward tax losses	-	-	287	287
Mining and exploration timing differences	-	-	-	-
Total deferred tax asset	-	-	287	287
30 June 2024¹				
Deferred tax assets				
Carried forward tax losses	-	-	-	-
Mining and exploration timing differences	-	-	-	-
Total deferred tax asset	-	-	-	-

Notes:

1. Restated as per Note 1(d) Reissued Financial Statements and Restatement of Comparatives.

Deferred tax assets not brought to account, the benefit of which will only be realised if the conditions for deductibility set out in Note 60 occur:

	2025 US\$000	2024 US\$000
Temporary differences	4,391	45,999
Australian tax losses	3,969	5,657
Total	8,360	56,295

The movement in temporary differences primarily reflects the reversal of the provision for expected credit loss previously recognised in the financial statements of MMPRC, following execution of the Memorandum of Agreement ("MOA") and the recognition of a US\$108 million dividend receivable by PMC.

(d) 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

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.

(e) 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\$287k as at 30 June 2025 (nil as at 30 June 2024).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

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.

7. 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	
	2025	2024 ¹
	US\$000	US\$000
Cash at bank and on hand	11,423	5,479
Unrestricted cash and cash equivalents	11,423	5,479
Restricted Cash (Note 7(d))	1,531	1,564
Total cash assets	12,954	7,043

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

Profit/(Loss) after income tax add/(less) -	16,409	(457)
Non-cash items:		
- Depreciation/amortisation	935	997
- Mine rehabilitation amortisation	158	144
- Exploration written off	-	465
- Retirement Benefit	-	(60)
- Recognition of share-based expenses/(reversals)	-	(643)
- VAT write off	-	161
- Financial Income	(6,601)	(7,601)
- Share of (profit)/loss from associate	(15,720)	3,362
- Foreign exchange (gain) / loss	(406)	113
Total non-cash items	(21,634)	(3,062)
Changes in assets & liabilities		
- (increase)/decrease in trade & other receivables	2,547	1,890
- (increase)/decrease in prepayments	(350)	(34)
- (increase)/decrease in inventories	43	(59)
- (increase)/decrease in deferred tax assets	(248)	-
- (decrease)/increase in trade & other payables	(4,744)	478
Total changes in assets and liabilities	(2,752)	2,275
Net cash provided by/(used in) operating activities	(7,977)	(1,244)

Note:

1. Restated as per Note 1(d) Reissued Financial Statements and Restatement of Comparatives.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

(c) Non-cash Investing and Financing activities

	Consolidated	
	2025	2024
	US\$000	US\$000
- Performance Rights issued (refer note 28)	-	140
- Additions to the right-of-use assets	38	199

(d) Restricted Cash

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

- in a rehabilitation fund of US\$1,513,088 (2024: US\$1,442,549) to be used at the end of life of mine for environmental rehabilitation of the mill area; and
- the parent entity has cash backed bank guarantees for its head office premised of US\$17,992 (2024: US\$42,530)

(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.

8. TRADE AND OTHER RECEIVABLES

Current

GST/VAT receivables	422	1,921
Trade / Other receivables	1,569	1,074
Total current receivables	1,991	2,995

Non-Current

GST/VAT receivables	2,313	3,044
Total non-current receivables	2,313	3,044

(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 \$2.735 million of VAT receivables that comprises tax credit certificates ("TCC") and VAT claimable for cash and offsets. The current asset portion of VAT \$0.422 million (2024: \$1.921 million) comprises amounts that are estimated to be utilised within during the financial year ended 30 June 2026. The non-current amount of VAT receivable of \$2.313 million (2024: \$3.044 million) represents the estimated amount to be utilised in future periods against tax liabilities or recovered from the Government of the Philippines.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

9. INVENTORIES

	Consolidated	
	2025	2024¹
	US\$000	US\$000
Consumables - net realisable value	472	515
Total inventories	472	515

Notes:

1. Restated as per Note 1(d) Reissued Financial Statements and Restatement of Comparatives.

(a) Recognition and Measurement

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

10. LOAN RECEIVABLES

	2025	2024¹
	US\$000	US\$000
Opening Balance ¹	65,093	57,766
Financial income ¹	6,601	7,601
Movement in the principle amount receivable	273	(274)
Repayments made under the MOA	(15,162)	-
	56,805	65,093
Current	4,057	14,142
Non-current ¹	52,748	50,951
Total loan receivables at net realisable value	56,805	65,093

Notes:

1. Restated as per Note 1(d) Reissued Financial Statements and Restatement of Comparatives.

(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.

The MMPRC has not imposed interest on the loan in 2025 or 2024.

On 9 January 2025, MMPRC and PMC agreed a memorandum of agreement ("MOA") to recognise the outstanding debt at US\$248 million and outline the repayment terms including the declaration and actioning of a US\$108 million special dividend to PMC. Following the execution and action of the MOA and special dividend the principle outstanding was recorded at US\$140 million. At 30 June 2025 the principle outstanding under this loan amounts to US\$124.606 million.

The loan is split between current and non-current receivable based on the terms of the agreement between MMPRC and PMC. The carrying value of the loan receivable is valued at the net present value of expected future repayments under the agreed MOA including an expected credit loss using a discount rate of 12%.

(b) Key Estimates and Judgements

Recoverability

Pursuant to the terms and conditions of the agreement between MMPRC and PMC, MMPRC and PMC agreed to the loan amount at US\$248 million on the condition, amongst other things, that PMC will make two initial repayments of US\$10.5 million, received on 23 January 2025, and US\$4.7 million received on the 10 February 2025 and then monthly or quarterly instalment payments commencing from January 2026 and that MMPRC will issued and declared a special preference dividend totalling

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

one hundred and eight million US Dollars (US\$108 million) to PMC which will be applied against the Loan, thus reducing the balance to US\$140 million.

The Company has considered and adjusted for the expected credit losses on this loan, considering both the credit risk associated with the borrower and the time value of money. The credit risk assessment requires certain assumptions to be made in order to assess the recoverability of the loan receivable from PMC, including the ability of PMC to meet the payment obligations of the loan which are dependent on continuing operations and future cash flows of PMC.

The Company notes that should a dispute arise between MMPRC and PMC then recovery of the outstanding loan would be subject to mediation and if not successfully resolved, legal action in the Philippines; as such the timing and amount recoverable would be uncertain.

(c) Restatement of Loan Receivable from Associate

The Company has determined to restate the loan receivable from PMC in line with the present value of future cash flows calculated under the MOA between MMPRC and PMC and executed on 9 January 2025.

(d) Loan Classification

The loan has been classified as a Stage 1 performing loan in accordance with AASB 9 Financial Instruments, as it has been recently agreed under the terms on the MOA and initial payments have been received and is not considered to have experienced a significant increase in credit risk since its renegotiation. Expected credit losses are measured on a 12-month basis.

(e) Redemption of MMPRC Preference Shares

On 15 August 2025, MMPRC completed the simplification of the MMPRC corporate structure and the redemption of shares held by PMC. The Restructuring Framework Agreement, executed in March 2024, had provided the framework for the simplification of the capital structure of MMPRC, subject to certain conditions.

Under the agreement, MMPRC has committed, and PMC has agreed to redeem the preference shares. The redemption price is equivalent to the par value of the preference shares and required the payment of all outstanding dividends due to PMC as the redemption date. The par value of the preference shares was PhP 100,000,000 and no dividends were outstanding, as such the redemption price was PhP 100,000,000 (US\$1,762,611). No cash payment will be made and the redemption was credited to the outstanding loan owed by PMC.

11. PROPERTY, PLANT & EQUIPMENT

	Consolidated	
	2025 US\$000	2024 US\$000
Plant & equipment:		
At cost	80,910	80,786
less – provision for impairment	(75,180)	(75,180)
less – accumulated depreciation	(2,013)	(1,259)
Total plant & equipment at net book value	3,717	4,347

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for the year ended 30 June 2025

	Consolidated	
	2025	2024
	US\$000	US\$000
Capital works in progress:		
At cost	882	720
Total capital works in progress at net book value	882	720
Furniture & fittings:		
At cost	11	136
less – accumulated depreciation	(10)	(126)
Total furniture & fittings at net book value	1	10
Total carrying amount at end of year	4,600	5,077
<u>Reconciliations:</u>		
Plant & equipment:		
Carrying amount at beginning of year	4,347	4,856
plus – additions	200	300
plus – net transfer from capital works in progress	91	117
less – depreciation	(921)	(926)
Carrying amount at end of year	3,718	4,347
Capital works in progress:		
Carrying amount at beginning of year	720	462
plus – additions	253	375
less – net transfer to plant and equipment	(91)	(117)
Carrying amount at end of year	881	720
Furniture & fittings:		
Carrying amount at beginning of year	10	28
plus – additions	6	-
plus – disposal	(2)	-
less – depreciation	(13)	(18)
Carrying amount at end of year	1	10
Total carrying amount at end of year	4,600	5,077

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

12. INVESTMENT IN ASSOCIATE

	Consolidated	
	2025 US\$000	2024 ¹ US\$000
Carrying value at the beginning of the period	66,618	69,980
Share of attributable profit/(loss) ¹	15,720	(3,362)
Group's share of the unrealised profit ²	(432)	-
Total investment in associate	81,906	66,618

Notes:

1. Restated as per Note 1(d) Reissued Financial Statements and Restatement of Comparatives.
2. The Group applies the equity method to account for its investment in PMHI. The Group is required to eliminate unrealised profits and losses arising from transactions between the Group and its associate to the extent of the Group's interest in the associate. During the year ended 30 June 2025, the Group recognised an adjustment relating to unrealised profit on tolling fees charged to the associate. This adjustment has been recorded as a reduction to the carrying amount of the investment in associate and is presented separately in the reconciliation of movements in carrying value. The Group notes that similar transactions occurred in the prior year; however, the impact was assessed as immaterial, and no adjustment was recognised at that time.

The Group accounted for its 40% equity investment in PMHI as an equity accounted associate based on its economic rights in respect of PMHI under Philippine law and PMHI's constitutive documents from 13 February 2023 following the deconsolidation of the PMHI Group based on an assessed value attributable to the Company's economic rights rather than its proportional shareholding, under Philippine law and PMHI's constitutive documents. There has been no change to the Company's interest in PMHI during the period.

Equity interest and voting rights remain unchanged from that reported at 30 June 2024.

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.

Equity Interest as at 30 June 2025 (unchanged from 30 June 2024)	Date of Incorporation	Country of Incorporation	Equity interest	Voting
Philsaga Management and Holding Inc ("PMHI") ¹	29 May 2003	Philippines	40% Direct	40%
Phsamed Mining Corporation ("Phsamed") ²	23 Apr 2003	Philippines	40% Indirect	-
Philsaga Development Corporation Inc ("PDC") ²	08 May 2003	Philippines	40% Indirect	-
Philsaga Mining Corporation ("PMC") ³	17 May 2001	Philippines	40% Indirect	-
Apmedoro Mining Corporation ("Apmedoro") ⁴	8 Feb 2007	Philippines	28% Indirect	-
Sursur Mining Corporation ("Sursur") ⁵	3 Mar 2008	Philippines	32% Indirect	-
Agpan Projects Corporation ("Agpan") ⁵	17 Apr 2015	Philippines	40% Indirect	-

Note:

1. The Company holds a direct equity interest in PMHI.
2. Phsamed and PDC are wholly owned subsidiaries of PMHI.
3. PMC is a wholly owned subsidiary of PDC.
4. Apmedoro is a subsidiary of Phsamed. Phsamed hold 70% of the issued capital.
5. Agpan and Sursur are subsidiaries of PMC, Agpan is a wholly owned subsidiary and PMC holds 80% of the issued capital of Sursur. Apmedoro, Agpan and Sursur do not hold active operations, tenements or real property.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

(a) Financial Information for the period

Financial Performance for the period ¹	2025 \$'000	2024 ³ \$'000
Revenue (100%) ¹	137,653	128,281
Profit/(Loss) after Income Tax (100%) ¹	15,720	(3,362)
Assets and Liabilities as at 30 June		
Total Assets	160,879	155,156
Liabilities (excluding loan owing to MMPRC)	21,291	23,132
Loan owing to MMPRC (refer note 10) ²	56,805	65,093
Total Liabilities	78,096	88,225
Dividends declared or paid	NIL	NIL

Note:

- The Group accounted for its interest based on its economic rights, rather than its proportional shareholding, in PMHI under Philippine law and PMHI's constitutive documents.
- Loan owing by PMC to MMPRC is recognised at the carrying value (refer note 10).
- Restated as per Note 1(d) Reissued Financial Statements and Restatement of Comparatives.

(b) Lease Commitments

PMC has a contract of lease with equipment rental companies for certain machinery and equipment to be used for mining purposes.

	2025 US\$'000	2024 US\$'000
Lease Payments:		
Within 1 year	768	762
Within 1 to 5 years	2,119	2,857
Beyond 5 years	-	-
Total undiscounted lease payments	2,887	3,619

(c) Other Commitments

Mining operations in the Philippines are subject to various environmental, safety and social development requirements under the Philippine Mining Act of 1995 and its Implementing Rules and Regulations (IRR), as well as the Indigenous Peoples Rights Act of 1997 (Republic Act No. 8371).

Under the Indigenous Peoples Rights Act of 1997 (IPRA), PMC has secured the Free and Prior Informed Consent (FPIC) of affected Indigenous Cultural Communities or Indigenous Peoples (ICCs/IPs). PMC is obliged to provide royalty payments of not less than one percent (1%) of gross output to the concerned ICC/IP community, together with other negotiated social, economic and environmental benefits.

In compliance with the Philippine Mining Act of 1995, PMC implements an Environmental Protection and Enhancement Program (EPEP) and a Social Development and Management Program (SDMP), allocating between 3% and 5% of direct mining and milling costs annually to environmental protection, mine rehabilitation, and community development. PMC also maintains a Mine Rehabilitation Fund and a Mine Environmental Protection and Enhancement Office as required by law.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

PMC continues to comply with its obligations under the above agreements and applicable laws, including:

- payment of royalties to recognised Indigenous Cultural Communities/Indigenous Peoples (ICCs/IPs) pursuant to NCIP guidelines;
- implementation of approved Environmental Protection and Enhancement Programs (EPEP) and Social Development and Management Programs (SDMP);
- maintenance of valid MPSA tenure and payment of real property taxes and other government levies; and
- funding of mine rehabilitation and community development initiatives in accordance with the Mining Act and related regulations.

These contractual and statutory commitments secure PMC's continuing rights to operate the Co-O Project.

(d) Payments to Subsidiary of PMHI

During the prior period, an amount was recognised as payable by KDTL to PMC under the Sale and Purchase Agreement for gold dore dated 15 March 2017.

As at 30 June 2024, the outstanding payable balance amounted to US\$4,674,846 including accrued interest. During the current financial year, the Company fully settled this balance with a payment of US\$4,902,120, comprising:

- US\$4,470,421 relating to the gold sales settlement; and
- US\$431,699 interest payable arising from the delay in settlement.

Accordingly, the balance owing to PMC as at reporting date is nil (2024: US\$4,674,846 plus interest).

The interest component has been recognised as a finance cash outflow, with the gold settlement portion recognised as an operating cash outflow within the Statement of Cash Flows.

(e) Contingent liabilities

PMC, a subsidiary of the associate, operates the Co-O mine which is subject to various legal, regulatory, and environmental obligations. As with all mining operations, there are inherent risks that may give rise to potential contingent liabilities, including but not limited to:

(i) Regulatory and Environmental Compliance

PMC is subject to environmental and rehabilitation obligations under local applicable laws. Future regulatory changes or unforeseen environmental incidents could result in additional compliance costs, fines, or penalties. At this stage, the extent of any potential liability cannot be reliably estimated.

(ii) Litigation and Claims

PMC is involved in ongoing discussions with regulatory bodies, landowners, and other stakeholders regarding potential claims relating to land access, environmental impact, and royalty payments. While no formal legal proceedings have been initiated, there is a possibility that claims may arise, which could have a material impact.

(iii) Mine Closure and Rehabilitation Costs

PMC has recognised a provision for mine rehabilitation; however, actual costs may exceed estimates due to unforeseen changes in environmental standards, regulatory requirements, or site conditions. Additional obligations may arise should regulatory authorities impose further requirements upon mine closure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

(iv) Community and Indigenous Agreements

PMC has agreements with local communities and Indigenous groups, which may be subject to renegotiation or claims for additional compensation. PMC maintains good relations with stakeholders, there is a risk that disputes may arise, leading to financial obligations not currently recognised.

(v) Operational and Financial Risks

Uncertainties related to commodity prices, geological conditions, and operational disruptions (e.g., natural disasters, labor disputes) may impact the mine's profitability and, in turn, expose PMC to potential liabilities, including contractual disputes with suppliers and service providers.

At present, no provision has been recognised by PMC in relation to these matters, as the likelihood and timing of any outflows remain uncertain.

(f) Recognition and Measurement

The initially recognised investment in PMHI was measured to its fair value. As at 30 June 2025, the Company considered that the carrying value of its investment in PMHI was \$81.906 million (2024: \$66.618 million) based on an assessed value attributable to the Company's economic rights rather than its proportional shareholding, under Philippine law and PMHI's constitutive documents from the Co-O Mine, Cash, Bullion and other assets and liabilities of the PMHI Group.

(g) Key Estimates and Judgements

(i) Recoverability of investment in associate

In determining the value of its investment, the Company has exercised diligence and integrity, in making a series of well-considered assumptions and estimations. The assumptions used are subject to validation over time, influenced by various risks, including geological, political, economic, counterparty, legal, regulatory and mining/operational risk factors.

(ii) Accounting for equity interest

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 based on an assessed value attributable to the Company's economic rights rather than its proportional shareholding, under Philippine law and PMHI's constitutive documents. There has been no change to the Company's interest in PMHI during the period.

Equity interest and voting rights remain unchanged from that reported at 30 June 2024.

(iii) Legal matters

As of 30 June 2025, the carrying amount of the Group's investment in PMHI stands at \$81.906 million. The Company is pleased to note that the current structure through which the Co-O Mines, the PMHI Group's principal asset, is held in a structure considered compliant with regulatory requirements in the Philippines. However, it is acknowledged that historical structures employed under previous Boards and management may potentially be deemed not fully compliant. As a result, entities within the PMHI Group could face exposure to potential penalties if historical non-compliance with Philippine regulations is determined following due legal process. Such penalties may include the dissolution of the relevant entity or forfeiture of mineral rights, both of which could materially impact the value of the Company's 40% ownership stake in PMHI.

The Directors believe that the risk of forfeiture of mineral rights due to a potential historical breach is unlikely. The Philippine Supreme Court has provided a favourable precedent in property matters,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

stating that “[i]f land is invalidly transferred to an alien who subsequently becomes a citizen or transfers it to a citizen, the flaw in the original transaction is considered cured and the title of the transferee is rendered valid.” Although there are no applicable jurisprudential precedents concerning mineral rights that declare the “curing” of past or historical Anti-Dummy Law (ADL) violations would prevent forfeiture or absolve individuals or corporations from liability, the Directors remain confident in their compliance efforts.

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 Disputes”). The Company is not a party to the Disputes. As 40% shareholder at the PMHI level, the Company has voting and economic rights in respect of PMHI under Philippine law and PMHI’s constitutive documents which are not impacted by the Disputes.

The Company awaits the decision of the appropriate Philippine Courts to determine the outcome of the Disputes. However, based on facts currently known to the Board, and independent advice, the Board and the Former Deed Administrator recognise Mr Villanueva as the appropriate controlling shareholder and President of PMHI. Notwithstanding that the Company is not a party to the Disputes, there is a risk that if the Disputes are not resolved in Mr Villanueva’s favour, the other parties may question the agreements Mr Villanueva (on behalf of PMC) entered into with the Company and MMPRC (e.g., Lease Agreement, Revised Framework Agreement, Memorandum of Agreement) which will impact the premise on which the recoverable amount is assessed.

The Board considers that the agreements entered into should be considered valid corporate acts. If the Disputes were to be resolved in favour of Mr Mahusay and he sought to have these agreements overturned, he would need to do so under the Philippines legal system. The Board, based on independent advice, considers it unlikely that the agreements would be overturned as they have been negotiated in good faith and at arms’ length and are beneficial to both sides, in that they provided clarity to each side rather than giving advantage to either party.

A breakdown in the Company’s relationship with its stakeholders, which include the Filipino shareholders of PMHI, local communities and government authorities, may 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.

The Directors are committed to maintaining a rigorous approach to managing these assumptions and ensuring the continued integrity and value of the Company’s investments.

(iv) Significant Influence

Estimates and judgements are required by the Group to consider the existence of significant influence over PMHI. The Group has considered its investment in PMHI and the rights and obligations contained within the

- The Articles of Incorporation of PMHI; and
- The rights of shareholders as governed by the Revised Corporations Code of the Philippines.

The Group has conclude that it’s 40% equity interest gives significant influence.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

(h) Net Investment in Associate

	2025 \$'000	2024 ¹ \$'000
Investment in associate	81,906	66,618
Loan receivable from associate	56,805	65,093
Total net investment in associate	138,711	131,711

Note:

1. Restated as per Note 1(d) Reissued Financial Statements and Restatement of Comparatives.

The investment in associate represents the Company's equity holdings in PMHI.

The loan receivable from associate is classified as financial assets and assessed under AASB 9 Financial Instruments. As at the reporting date, this loan has been classified as Stage 1 performing loans, as they have not experienced a significant increase in credit risk. Expected credit losses are measured on a 12-month basis. The loan is considered part of the Group's net investment in PMHI and are assessed for impairment at each reporting date.

13. LEASES

(a) Nature of leasing activities

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

	Land & buildings US\$000
Right-of-use assets	
<u>Balance at start of year</u>	952
Additions	58
Termination of Lease Agreements	(72)
Amortisation	(104)
As at 30 June 2025	834
<u>Balance at start of year</u>	1,370
Additions	199
Amortisation	(617)
As at 30 June 2024	952

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

	Consolidated	
	2025 US\$000	2024 US\$000
Current Lease Liabilities		
Balance at start of year	384	264
Addition	12	-
Movement from Non-Current	124	289
Lease Payments	(148)	(169)
Termination of Lease Agreement	(263)	-
Total current	109	384
Non-Current Lease Liabilities		
Balance at start of year	326	615
Addition	30	-
Moved to Current	(124)	(289)
Termination of Lease Agreement	(202)	-
Total non-current	30	326
As at 30 June	139	710

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	
	2025 US\$000	2024 US\$000
Interest expense (included in Interest expense)	20	20

The Group's total cash outflow for leases in the year ended 30 June 2025 was US\$108,237 (2024: US\$184,831) this includes the cost to surrender the lease at 1209 Hay Street, West Perth.

(b) 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,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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.

(c) Key Estimates and Judgements

Leases – determining the lease term.

The Group has in place a number of leases of property 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	Consolidated	
	2025	2024
	US\$000	US\$000
14. TRADE & OTHER PAYABLES		
Trade creditors ¹	1,445	4,689
Accruals	53	1,093
Withholding tax	35	639
Other creditors	6	6
Total creditors	1,539	6,427

Notes:

- Trade creditors as at 30 June 2024 include an amount owing by KDTL to PMC of US\$4,674,845 which is subject to interest at the rate of 4.55%pa this outstanding was paid in full in February 2025.

(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.

15. PROVISIONS

	Consolidated	
	2025	2024
	US\$000	US\$000
Current provisions:		
Employee benefits	80	234
Retirement benefit	105	6
Total current provisions	185	240
Non-Current provisions:		
Rehabilitation	2,213	1,509
Total non-current provisions	2,213	1,509

(a) Recognition and Measurement

Rehabilitation

Carrying amount at beginning of the year	1,509	1,336
(less)/plus - in provision	704	173
Carrying amount at end of year	2,213	1,509

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

(i) 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.

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CAPITAL STRUCTURE, FINANCIAL INSTRUMENTS & RISK

	2025 Shares	2025 US\$000	2024 Shares	2024 US\$000
16. ISSUED CAPITAL				
Ordinary shares fully paid	227,798,076	114,362	227,798,076	114,362
Ordinary shares				
Balance at beginning of year	227,798,076	114,362	227,798,076	114,362
Balance at the end of year	227,798,076	114,362	227,798,076	114,362

(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	
	2025 US\$000	2024 ¹ US\$000
<u>Capital for the reporting period under review is summarised as follows:</u>		
Total equity	158,464	142,893
Cash and cash equivalents	(12,954)	(7,043)
Total	145,510	135,850
Total equity	158,464	142,893
Borrowings	-	-
Overall financing	158,464	142,893
Capital-to-overall financing ratio	92%	95%

Notes:

1. Restated as per Note 1(d) Reissued Financial Statements and Restatement of Comparatives.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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17. RESERVES

Other reserve
Foreign currency translation reserve
Total Reserves

Consolidated	
2025	2024
US\$000	US\$000
(2,166)	(2,166)
2,169	2,273
3	107

(a) Foreign Currency Translation Reserve

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

(b) 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.

18. RETAINED PROFITS AND ACCUMULATED LOSSES

Retained profit at start of year
Net loss attributable to members of Company
Transfer from share option reserve
Dividend paid
Retained profits at the end of year

Consolidated	
2025	2024 ¹
US\$000	US\$000
27,601	27,456
16,180	(711)
-	856
-	-
43,781	27,601

Notes:

1. Restated as per Note 1(d) Reissued Financial Statements and Restatement of Comparatives.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

Consolidated	
2025	2024
US\$000	US\$000

19. 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:

Balance at beginning of the year	823	2,287
Increase in the amount attributable to non-controlling interest	229	254
Dividend paid to non-controlling interest	(734)	(1,718)
Balance at the end of the year	318	823

PMC hold preference shares in MMPRC which represent 20% of the issued capital. The preference shares carry no voting rights and a preference dividend equating to PhP 12 million per annum (approximately US\$220,000)

20%	20%
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(a) Recognition and Measurement

The Group recognises non-controlling interests ("NCI") 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 NCI interests in MMPRC, the Group elected to measure NCI at its proportionate share of the net identifiable assets of the entity. NCI in MMPRC was initially recognised on 13 February 2023, being the date of deconsolidation of the PMHI Group.

On 15 August 2025, MMPRC completed the simplification of its corporate structure, including the redemption of preference shares held by PMC. This restructuring was undertaken pursuant to the Restructuring Framework Agreement executed in March 2024, which established the framework for the simplification of MMPRC's capital structure, subject to certain conditions precedent.

Under the agreement:

- MMPRC committed to redeem the preference shares held by PMC at their par value;
- all outstanding dividends accrued to PMC as at the redemption date were required to be settled; and
- no cash payment was made on redemption. Instead, the redemption amount was credited against the outstanding loan balance owed by PMC to MMPRC.

The agreed redemption price is equivalent to the par value of the shares being one thousand Pesos (P1,000) per share, or an aggregate redemption price of one hundred million Pesos (P100,000,000), approximately US\$1.8 million.

As a result, the NCI has been valued at the net present value of the reduction in the PMC loan, as this reduction represented the final settlement of PMC's rights to dividends and capital in MMPRC. All other payment obligations under the MOA between PMC and MMPRC remain unchanged.

Non-controlling interests in the results and net assets of subsidiaries are disclosed separately from the equity attributable to shareholders of the parent entity in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

(b) Key Estimates and Judgements

Management has exercised judgement in determining the measurement of NCI relating to the redemption of preference shares in MMPRC. Key considerations included:

- Substance over form: Although the redemption was legally executed at par value, the settlement was effected through a credit to the intercompany loan, not through cash consideration. Accordingly, management concluded that the fair value of the NCI should reflect the net present value of the reduction in PMC's loan obligation, consistent with AASB 13 Fair Value Measurement principles.
- Attribution of value: The reduction in the loan balance was directly attributable to the final settlement of PMC's rights as a shareholder in MMPRC. Other contractual obligations under the MOA were not affected, supporting the conclusion that this reduction represents the appropriate basis for NCI measurement.
- Use of estimates: The calculation of the net present value required management to determine an appropriate discount rate and repayment profile of the loan. These estimates are inherently judgemental and could change depending on future conditions, which may affect the reported carrying amount of NCI.

Management believes that this approach provides the most faithful representation of the economic substance of the transaction.

20. DIVIDENDS PAID AND PROPOSED

No dividends were proposed or paid for the financial year ending 30 June 2024 or 2025.

(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.

21. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

(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.

The credit risk associated with the loan receivable is detailed at note 10.

At 30 June 2025 the Company had a provision for credit loss of nil (2024: nil). Subsequent to 30 June 2025, 100% (2024: 100%) of the trade receivables balance has been received. As at 30 June 2025 and 2024, all receivables were neither past due nor impaired.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

(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	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	(%)						(US\$000)					
Financial Assets:												
Cash & cash equivalent	1.22	0.26	4,571	3,706	3,633	-	1,531	1,564	3,219	1,773	12,954	7,043
Trade receivables	-	-	-	-	-	-	-	-	1,059	1,074	1,059	1,074
Total Financial Assets			4,571	3,706	3,633	-	1,531	1,564	4,278	2,847	14,013	8,117
Financial Liabilities:												
<i>Financial liabilities at amortised cost</i>												
Lease Liabilities - Current	5.00	5.35	-	-	25	384	-	-	-	-	25	384
Lease Liabilities - Non-Current	5.00	5.35	-	-	-	-	52	326	-	-	52	326
Trade & sundry payables	-	-	-	-	-	-	-	-	1,540	6,427	1,540	6,427
Total Financial Liabilities			-	-	25	384	52	326	1,540	6,427	1,617	7,137

Consolidated

2025
US\$000

2024
US\$000

Trade and sundry payables are expected to be paid as follows:

Less than 6 months

1,540

6,427

(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 2025, 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	88	54
- decrease in interest rate by 100 basis points	(88)	(54)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

(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 is headquartered in Australia but presents its financial statements in United States dollars, consistent with the functional currency of the parent entity. Accordingly, the Group is not exposed to foreign currency risk on balances and transactions denominated in USD.

Foreign exchange risk arises primarily from:

- Australian dollar (AUD) denominated corporate expenditure and cash balances; and
- Philippine peso (PHP) denominated operations and assets.

The Group monitors exposures through cash flow forecasting and sensitivity analysis. At present, the Board has determined that a formal hedging program is not required. 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
2025				
Functional currency of Group Entity				
Australian Dollar	3,967	-	4,571	8,538
US Dollar	-	231	3,565	3,796
Philippine Peso	-	-	-	-
Total	3,967	231	8,136	12,334
2024				
Functional currency of Group Entity				
Australian Dollar	-	-	1,646	1,646
US Dollar	-	3,610	-	3,610
Philippine Peso	-	-	-	-
Total	-	3,610	1,646	5,256

Change in profit/(loss) before income tax/equity:

- strengthening of A\$ to US\$ by 5%
- strengthening of Philippine Peso to US\$ by 5%

Total

- weakening of A\$ to US\$ by 5%
- weakening of Philippine Peso to by 5%

Total

Consolidated	
2025	2024
US\$000	US\$000
(198)	(78)
(12)	3
(210)	(75)
198	78
12	(3)
210	75

(v) Price risk sensitivity analysis

The above interest rate, foreign exchange rate and price risk sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

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	
2025	2024
US\$	US\$

22. 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	404,404	65,125
• other services provided by related entities of auditor:		
Taxation	14,883	21,957
Other	21,482	-
Total remuneration of the Company's auditors	440,769	87,082

Remuneration of other auditors of the Company's Philippines and Hong Kong subsidiaries for:

• auditing or reviewing the financial reports	61,573	21,316
• other services provided by related practice of auditor - taxation & compliance	93,131	-
Total remuneration of other auditors of the Company's subsidiaries	154,704	21,316

23. OTHER CONTRACTUAL COMMITMENTS

Environmental Protection and Enhancement Program

MMPRC operates the Co-O gold processing plant in Agusan del Sur under the regulatory framework of the Philippine Mining Act of 1995 and its Implementing Rules and Regulations (IRR).

In accordance with these regulations, MMPRC implements an Environmental Protection and Enhancement Program (EPEP) approved by the Mines and Geosciences Bureau (MGB). The EPEP covers activities relating to environmental management, rehabilitation, reforestation, waste and water management, and other protection measures associated with milling operations.

MMPRC is required to allocate annually between three percent (3%) and five percent (5%) of direct milling costs to fund its EPEP. These funds are applied to environmental mitigation, progressive rehabilitation, and monitoring activities undertaken in coordination with the MGB.

24. CONTINGENT LIABILITIES

(a) Bank guarantees for Head Office Premises

The parent entity has bank guarantees of AUD\$27,519 (US\$17,992) with the National Australia Bank 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

(b) Co-O Mine Tailings

MMPRC, a subsidiary of the Company, operates a milling facility that processed ore supplied by PMC. The tailings generated from the milling process were deposited in storage facilities adjacent to the mill within the area for approved mining under the Mineral Production Sharing Agreement between the Government of the Philippines and PMC. PMC has confirmed it will no longer assert any claim against MMPRC regarding the discharge of Co-O Mine tailings on PMC property ("PMC Claim") and further undertakes, warrants and represents to MMPRC that it shall not at any time institute any kind of action, whether administrative, civil or criminal of any nature and kind whatsoever in any jurisdiction, which it had, or may now have or hereafter may have against MMPRC arising out of or in connection with the PMC Claim.

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

25. RELATED PARTIES

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

(a) Key Management Personnel related parties

The following were key management personnel of the Group at any time during the reporting period or prior 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
Jonathan Shellabear	appointed 19 June 2023
William John DeCooman	appointed 19 June 2023
Paul Ryan Welker	appointed 15 April 2025
Andrew Brown	appointed 19 June 2023, resigned 10 November 2023
Walter Robert Milbourne (Managing Director)	appointed 19 June 2023, resigned 20 December 2023
Executive Officers:	
Simon Theobald (Chief Executive Officer)	appointed 2 January 2024
Nicola Gill (Interim Chief Financial Officer)	appointed 20 June 2023
James Llorca (General Manager, Geology & Resources)	appointed 10 October 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

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	
	2025 US\$'000	2024 US\$'000
<u>Key Management personnel compensation:</u>		
Short term employee benefits	908	975
Post-employment benefits	58	43
Long-term benefits	-	-
Equity settled share-based payments	-	-
Termination benefits	-	414
Total	966	1,432

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

(b) Associated Entities

Equity Interest as at 30 June 2024 (unchanged from 30 June 2023 ^(vi))	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	-
Apmedoro Mining Corporation ("Apmedoro") ^(iv)	8 Feb 2007	Philippines	28% Indirect	-
Sursur Mining Corporation ("Sursur") ^(v)	3 Mar 2008	Philippines	32% Indirect	-
Agpan Projects Corporation ("Agpan") ^(v)	17 Apr 2015	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.
- (iv) Apmedoro is a subsidiary of Phsamed. Phsamed hold 70% of the issued capital.
- (v) Agpan and Sursur are subsidiaries of PMC, Agpan is a wholly owned subsidiary and PMC holds 80% of the issued capital of Sursur.
- (vi) Apmedoro, Agpan and Sursur were not disclosed in prior periods in error. These entities do not hold active operations, tenements or real property.

(c) Income from Associate (PMC)

During the year ended 30 June 2025, the Company recognised income from associates as follows:

Associate Name: Philsaga Mining Corporation

Nature of Transaction: Tolling Fees

Amount Recognised: US\$6,791,191 (2024: US\$6,326,730 full year)

The terms are reflective of the ongoing relationship between MMPRC and PMC. The rate was renegotiated effective 1 January 2024 in accordance with the RFA. The trade receivables balances outstanding at the reporting date with the associate are US\$1,058,565 (2024:US\$1,613,881).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

(d) Owing to Associate (PMC)

The Company recognised an outstanding amount payable to PMC by KDTL as at 30 June 2024 for unpaid settlement under Sale and Purchase Agreement for gold dore as follows:

Associate Name: Philsaga Mining Corporation

Nature of Transaction: Settlement of Gold Dore

The Sale and Purchase Agreement between KDTL and PMC was originally executed on 15 March 2017; however, no evidence or documentation was available to confirm that the transaction was conducted on an arm's length basis.

The balances outstanding at the reporting date with the associate are NIL (2024:US\$4,674,846 plus interest). During the financial year US\$4,902,120 payment was made in respect to this outstanding.

(e) Loan to Associate (PMC) (refer note 10)

The details of the loan are as follows:

Loan Amount: US\$248,000,000 (2024: US\$248,000,000)

No interest has been charged on the loan during the financial year (2024: nil)

Loan Term: at least 15 years

Repayment Schedule:

- US\$108 million has been settled by a preference share dividend as agreed under the MOA;
- Initial repayments under the MOA of US\$10,500,000 (received on 23 January 2025) and US\$4,662,000 (received 10 February 2025);
- the remaining principle payable in monthly instalments of US\$743,083 or aggregated quarterly instalments of US\$2,229,250 for a period of fourteen (14) years commencing from January 2026.

Amount Outstanding at Year-End: US\$124,608,710 (2024:US\$248,000,000)

The loan is provided on agreed terms following negotiations between MMPRC and PMC and is unsecured. The terms are reflective of the ongoing relationship between MMPRC and PMC.

The balances with the associate are classified as current and non-current based on the repayment terms.

On 15 August 2025, MMPRC agreed to redeem the preference shares held by PMC. The redemption amount, together with all outstanding dividends accrued as at the redemption date, was credited against the loan balance owed by PMC to MMPRC. The redemption price was PhP 100,000,000 (US\$1,762,611). No cash settlement was made.

This transaction is considered a non-adjusting subsequent event and will be reflected in the financial statements for the year ending 30 June 2026

(f) Dividend paid to Associate (PMC)

- On 15 January 2024, MMPRC declared a preference dividend to PMC of PHP96 million (equivalent to US\$1.718 million). PMC is the holder of preference shares which are entitled to a preference dividend of PHP12 million per annum which had been unpaid for 8 years.

Total Amount of Dividends Paid: PHP 96 million (US\$1.718 million)

Date of Payment: The dividend was applied against the unpaid portion of the preference shares once declared with the balance payable subsequent to year end. At 30 June 2024 US\$201,732 remained owing in regard to this dividend which is to be paid in the December 2024 quarter.

Impact on Financial Position: The payment of dividends has resulted in a decrease in retained earnings by US\$1.718 million

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

The preference dividend is paid in line with the requirements of the preference shares as detailed MMPRC's articles of incorporation.

- On 9 January 2025, MMPRC declared a preference dividend to PMC of US\$108 million in accordance with the terms of the MOA.

Total Amount of Dividends Paid: US\$108 million

Date of Payment: The dividend was applied against the outstanding loan owing by PMC to MMPRC.

Impact on Financial Position: The payment of dividends has resulted in a decrease in retained earnings by US\$108 million; which is offset by an adjustment to the expected credit loss attributed to the loan of equal amount.

The preference dividend is paid in line with the requirements of the MOA.

- On 30 January 2025, MMPRC declared and paid a dividend to PMC of US\$0.5 million in line with the requirements of the MOA.

Total Amount of Dividends Paid: US\$500,000

Impact on Financial Position: The payment of dividends has resulted in a decrease in retained earnings by US\$0.5 million.

- On 12 February 2025, MMPRC declared and paid a dividend to PMC of US\$234,304.25 in line with the requirements of the MOA.

Total Amount of Dividends Paid: US\$234,304.25

Impact on Financial Position: The payment of dividends has resulted in a decrease in retained earnings by US\$234,304.25

(g) Land lease paid to Associate (PMC)

On 19 June 2024 MMPRC and PMC agreed to a continuation of a land lease in respect of the two parcels of land on which the gold treatment facility operates which expired on 31 December 2018.

The term of the amended lease agreement covers 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).

Lease fee of US\$2,000 per month from 1 January 2024 to 31 December 2028, escalating by 10% on extension in the absence of any other negotiation. MMPRC made payment of the initial 5 year term in full of US\$120,000 on 24 June 2024.

The lease payments are reflective of the ongoing relationship between the Company and PMC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

26. PARENT COMPANY INFORMATION

	2025 US\$000	2024 US\$000
Parent Entity:		
Current Assets	8,981	1,833
Total Assets ¹	105,518	83,686
Current Liabilities	4,949	10,814
Total Liabilities	4,991	11,434
Net Assets	100,527	72,252
Issued capital	114,362	114,362
Option premium reserve	-	-
Foreign exchange reserve	10,951	11,124
Accumulated profits ¹	35,924	7,476
Dividends paid	(60,710)	(60,710)
Total Equity	100,527	72,252
Profit/(Loss) for the year ¹	28,448	(5,889)
Total Comprehensive Profit/(Loss) ¹	28,448	(5,889)

Notes:

- Includes the Restatement of the investment in associate as per Note 1(d) Reissued Financial Statements and Restatement of Comparatives.

27. CONTROLLED ENTITIES OF TEN SIXTY FOUR LIMITED

The following companies are controlled entities of Ten Sixty Four Limited as at 30 June 2025 and 2024:

	Date of incorporation	Country of Incorporation	% equity interest 2025 2024	
Mindanao Mineral Processing and Refining Corporation ("MMPRC") ¹²	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:

- As at 30 June 2025, the Company held 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.
- On 15 August 2025, MMPRC committed, and PMC has agreed to redeem the preference shares. The redemption price is based on the par value of the shares and required the payment of all outstanding dividends due to PMC as the redemption date. The redemption price was PhP 100,000,000 (US\$1,762,611). No cash payment will be made and the redemption will be credited to the outstanding loan owed by PMC. On completion of the redemption the Company holds a direct interest of 100%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

(a) Non-Controlling Interest in Subsidiaries

A 20% non-controlling interest in Mindanao Mineral Processing and Refining Corporation is directly held by Philsaga Mining Corporation ("PMC"), a subsidiary of the Companies associate PMHI (refer note 12). PMC holds preference shares which are entitled to a 12% pa preference dividend equating to PhP 12M per annum cumulating dividend and carry no voting rights. As at 30 June 2025 the Group recognised a non-controlling interest attributable to this holding of \$318,128 (2024: \$822,997).

On 15 August 2025, MMPRC committed, and PMC has agreed to redeem the preference shares. The redemption price is based on the par value of the shares and required the payment of all outstanding dividends due to PMC as the redemption date. The redemption price was PhP 100,000,000 (US\$1,762,611). No cash settlement was made. On completion of the redemption the Company holds a direct interest of 100% and there ceased to be a non-controlling interest in the subsidiary.

28. SHARE-BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2024, no share based payment arrangements existed as at 30 June 2025:

(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. 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 of Total PR issued	Targets		Score mechanism
		Range of growth/change	Percentage allocation of weighting	
Financial measure: Earnings per share growth	20%	- Negative 0 to 5% per annum growth 5 to 10% per annum growth pro rata - Greater than 10% per annum growth	Zero Pro rata 0% to 40% Pro rata 40% to 100% 100%	EPS calculation to exclude non-recurring items and measured as the cumulative annual growth rate over a 3-year period
Company growth: Increase in ore reserves	10%	- Negative - Depletion replacement to 20% growth 20% to 40% growth - Greater than 40%	Zero Pro rata 0% to 40% Pro rata 40% to 100% 100%	Based on JORC compliant reports 2020 and 2023
Long-term Infrastructure target: 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. 1 st year – 10% 2 nd year – 15% 3 rd year – remaining 75%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

Long Term Incentive Measures	Weighting of Total PR issued	Targets		Score mechanism
		Range of growth/change	Percentage allocation of weighting	
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 assessed the scoring mechanism once the 2023 JORC Ore Resources was available and determined that the Performance Rights expired unvested.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

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

(b) 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.

(c) 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

29. EVENTS SUBSEQUENT TO REPORTING DATE

Restructuring Framework Agreement ("RFA")

On 15 August 2025, MMPRC completed the simplification of the MMPRC corporate structure and the redemption of shares held by PMC. The Restructuring Framework Agreement, executed in March 2024, had provided the framework for the simplification of the capital structure of MMPRC, subject to certain conditions.

Under the agreement, MMPRC has committed, and PMC has agreed to redeem the preference shares. The redemption price is based on the par value of the shares and required the payment of all outstanding dividends due to PMC as the redemption date. The par value of the preference shares was PhP 100,000,000 and no dividends were outstanding, as such the redemption price was PhP 100,000,000 (US\$1,762,611). No cash payment will be made and the redemption will be credited to the outstanding loan owed by PMC.

This is a significant outcome and results in MMPRC, the owner of the Co-O Mill, being a wholly owned subsidiary of the Company.

Tolling Agreement

On 18 July 2025, MMPRC and PMC executed an addendum to the Tolling Agreement, now effective to 30 June 2028, which provides for an increase in the tolling fee from 1 January 2026 to US\$21/tonne (currently US\$20/tonne) and a minimum quarterly tolling fee of US\$2,250,000.

Restricted Cash

On 7 August 2025, MMPRC was issued The Certificate of Approval for the Environmental Protection and Enhancement Program (EPEP) and Final Mine Rehabilitation and/or Decommissioning Plan (FMR/DP) for its operations at the Co-O Gold Mine. The issue is subject to a number of terms and conditions including the requirement for MMPRC to make an additional annual cash provision of Twenty-Eight Million Eight Hundred Nine Thousand Three Hundred Nineteen Pesos and 83/100 (P28,809,319.83) (~US\$514K) within sixty (60) days.

Dividend

On 8 September 2025, the Directors declared a dividend of 1.5 cents per share (A\$4.0 million in aggregate), payable on 30 September 2025.

The dividend has been designated as Conduit Foreign Income (CFI) to the extent of available CFI account balances. As a result:

- Non-resident shareholders will receive the dividend free of Australian dividend withholding tax, in accordance with Division 802 of the Income Tax Assessment Act 1997.
- Resident shareholders will treat the dividend as an unfranked dividend for Australian income tax purposes.

This dividend does not affect the Group's financial position as at 30 June 2025 and has therefore not been recognised as a liability in these financial statements

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

30. SUMMARY OF OTHER SIGNIFICANT ACCOUNTING POLICIES

Foreign Currency Transactions and Balances

Functional and presentation currency

In accordance with AASB 121 The Effects of Changes in Foreign Exchange Rates, the Group determines the functional currency of each subsidiary, associate and joint venture based on the primary economic environment in which it operates.

The functional currency is the currency of the primary economic environment in which a company operates. It is the currency in which a company generates and expends cash. The functional currency of the parent entity, Ten Sixty Four Limited and CQ22 Pty Ltd is Australian dollar; Komo Diti Traders Limited and Mindanao Mineral Processing and Refining Corporation is United States 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.

Investments in Associates

An associate is an entity over which the Group has significant influence but not control or joint control. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of the investee, unless it can be clearly demonstrated otherwise.

The Group's 40% equity interest in PMHI is accounted for using the equity method in accordance with AASB 128 Investments in Associates and Joint Ventures. The investment was recognised from 13 February 2023, following the deconsolidation of the PMHI Group (refer Note 12), at which point the Group was assessed to have significant influence but not control over PMHI through its voting rights and other governance arrangements, as governed by Philippine law and PMHI's constitutive documents.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

Under the equity method, the investment is initially recognised at cost (being its fair value at the date of deconsolidation), and subsequently adjusted for the Group's share of PMHI's post-acquisition profits or losses and other comprehensive income. Distributions received from the associate reduce the carrying amount of the investment.

The PMHI Group PMC, which operates the Co-O Mine under a Mineral Production and Sharing Agreement with the Republic of the Philippines.

Loan Receivable from Associate

The loan receivable from PMC is recognised as a financial asset and measured at amortised cost in accordance with AASB 9 Financial Instruments, as it is held within a business model whose objective is to collect contractual cash flows, and those cash flows are solely payments of principal and interest (SPPI).

As at 30 June 2025, the loan is measured at the present value of expected future cash flows based on the revised repayment terms outlined in the MOA executed on 9 January 2025 between MMPRC and PMC (refer Note 0). These terms include scheduled instalments and the application of a declared preference dividend to reduce the principal balance. The present value was calculated using a discount rate of 12%, and the loan is split between current and non-current portions based on the repayment schedule.

The loan is assessed for impairment in accordance with the expected credit loss (ECL) model under AASB 9. At the reporting date, the loan is classified as a Stage 1 performing loan, as it is not considered to have experienced a significant increase in credit risk since its renegotiation. Under Stage 1, the Group recognises 12-month expected credit losses.

Change in Classification

A change in classification (i.e., staging under the ECL model) may occur if there is a significant increase in credit risk since initial recognition, as defined under AASB 9 paragraph 5.5.9. If such an increase is identified, the loan would be reclassified to Stage 2, requiring recognition of lifetime expected credit losses. Evidence of increased credit risk may include:

- Missed or delayed repayments;
- Deterioration in the financial performance or solvency of the borrower;
- Emerging disputes or legal uncertainty affecting enforceability; or
- Adverse changes in economic or operating conditions.

If the loan is considered credit-impaired, it would be reclassified to Stage 3, with lifetime ECLs recognised and interest income calculated based on the net carrying amount (i.e. after impairment losses).

The Group reassesses the classification of the loan at each reporting date based on available facts and circumstances.

Inventories

Inventories consist of consumables used in the toll milling of ore.

Inventories are measured at the lower of cost and net realisable value, in accordance with AASB 102 Inventories. Cost includes purchase price and any associated freight or handling costs and is determined on a weighted average basis. Inventories are not held for resale but are consumed in the production process under toll treatment arrangements.

An allowance for obsolescence is recognised where specific items are identified as obsolete, slow-moving, or no longer suitable for operational use. The assessment is performed regularly based on inventory turnover, condition, and future usage requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2025

Intragroup Dividend Subject to Withholding Tax

Where irrecoverable withholding tax is suffered on intragroup dividends, the withholding tax does not relate to an item recognised in equity in the consolidated financial statements, as the intragroup dividend to which it relates has been eliminated on consolidation. Accordingly, the withholding tax is recognised as an income tax expense in the statement of profit or loss in the period in which the underlying dividend is paid and the withholding tax is incurred.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

The consolidated entities of the reporting group as at 30 June 2025 are:

	Type of Entity	Country of Incorporation	Date of incorporation	Trustee, Partner or Participant in Joint Venture	% of share capital held by X64	Australian resident in accordance with the ITAA 1997	Foreign jurisdiction(s) of residency
Ten Sixty Four Ltd ("X64")	Body Corporate	Australia	05 Feb 2002	-	N/A	Yes	N/A
Mindanao Mineral Processing and Refining Corporation ("MMPRC")	Body Corporate	Philippines	03 Nov 2005	-	Direct = 80% Indirect = 8%	No	Philippines
Komo Diti Traders Limited ("KDTL")	Body Corporate	Hong Kong	23 Jan 2017	-	Direct = 100%	Yes	Hong Kong
CQ22 Pty Ltd ("CQ22")	Body Corporate	Australia	24 Feb 2022	-	Direct = 100%	Yes	N/A

Basis of Preparation:

The Directors have determined that this Consolidated Entity Disclosure Statement has been prepared in accordance with section 295(3A) and section 300(1)(g) of the Corporations Act 2001, as amended for financial years ending on or after 30 June 2025.

Entities listed in this statement are those that formed part of the consolidated entity under AASB 10 as at 30 June 2025. Entities disposed of or over which control was lost during the year are excluded. Accordingly, the entities disclosed may differ from those included in the "Interests in Subsidiaries" note, which includes former controlled entities.

Section 295 (3B)(a) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5
- Foreign tax residency Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the Corporations Act 2001).

DIRECTOR'S DECLARATION

for the year ended 30 June 2025

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

- a) The financial statements and notes set out on pages 29 to 84 are in accordance with the Corporations Act 2001, including:
 - i. Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - ii. Giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date
- b) There are reasonable grounds to believe that Ten Sixty Four Limited will be able to pay its debts as and when they become due and payable.
- c) The Consolidated Entity Disclosure Statement on page 85 is true and correct.
- d) Note 1(a), Statement of Compliance, confirms that the consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.
- e) The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2025.

Signed in accordance with a resolution of the Directors



Debra Bakker

Non-Executive Chair

Dated the 4th day of November 2025

INDEPENDENT AUDITOR'S REPORT

To the members of Ten Sixty Four Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Ten Sixty Four Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, 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, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of Ten Sixty Four Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

Emphasis of matter - Legal matters

We draw attention to Note 12(g)(iii) in the financial report which describes potential non-compliance with regulatory requirements relating to historical structures to which Co-O mine assets were held and various legal claims and disputes regarding control of the PMHI Group to which the Group equity accounts.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the annual report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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



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

https://www.auasb.gov.au/media/apzlw0y/ar3_2024.pdf

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd

BDO
J Prue

Jarrad Prue

Director

Perth, 4 November 2025