



15 June 2023

ASX ANNOUNCEMENT

COMPANY AND OPERATIONAL AUDIT UPDATE

The Board of Ten Sixty Four Limited (“Ten Sixty Four” or “The Company”) (ASX:X64) provides the following Company update which includes an update on the Company’s operational audit.

OPERATIONAL AUDIT UPDATE

The in-depth review underway in respect of the Co O Mine seeks to address a range of legacy issues which have been identified to have occurred under former management in the Philippines.

The resolution of these issues should materially de-risk the Company, the Co-O Mine and the investment of our Shareholders. It will also leave the business in a position to pursue future growth initiatives.

Current Status of Review

The Company has made good progress with the Operational Audit in the last few months. Whilst the Company continues to retain 100% legal control of its operating subsidiaries, a substantial part of the legacy issues that has been identified relates to the ownership structure of the Group in existence since the Company had commenced operations in the Philippines. The Company has been and continues to take steps during this period of suspension to investigate and to determine the affect (if any) on the Company in relation to applicable Philippine regulations.

Following a site leadership restructure that included the termination of former president of Philsaga Mining Corporation (“PMC”), Mr Raul Villanueva in February 2023¹, Mr Joseph P. Mahusay was appointed as President and Director of PMC². Since that time, however, Mr Villanueva has disregarded the site leadership restructure and disallowed Mr Mahusay’s access to the mine site,

¹ Refer to the Company’s announcement dated 7 March 2023, titled ‘Update on Co-O Operation and Voluntary Suspension in Trading’

² Refer to the ‘Current President of Philsaga Mining Corporation’ section of this announcement, for further details.

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PMC assets and records and has also commenced legal proceedings in the Philippines. The Company has initiated steps to seek an urgent resolution through the Philippine legal system³.

In light of the disruption caused by the actions of Mr Villanueva and given the sensitivities and current geopolitical state of Mindanao, the Company continues to work closely with its Philippine legal advisers as well as Philippine authorities at the highest level with a view to resolving these issues in a safe and respectful manner.

In the event that the ongoing investigation or court proceedings results in a material risk or event, the Board will immediately update ASX in accordance with the ASX Listing Rules.

The Board anticipates that as soon as the issues caused by Mr Villanueva are resolved, the operational audit will be concluded expeditiously.

The Company will continue to provide material updates on the Operational Audit.

Overview of Review

The Operational Audit comprises a root and branch review with an immediate focus on the areas identified below. It also includes a consideration of safety, procurement, governance, human resources and risk matters. The detailed analysis is being completed by the Board and Management with assistance from independent external consultants.

Group Structure

Focusing on the overall structure and organisation of the Company together with its subsidiaries and associated entities the review examining how the Group is structured to facilitate effective management, compliance with relevant legislation and stability.

³ Refer to 'Philippines Legal Matters' section of this announcement, for further details.



Financial Management

Comprising an in-depth review of the Company's financial management practices, including budgeting, accounting, financial reporting, and internal controls.

Guidance and Costs

Examining the Company's current and future production and cost guidance.

Mine Management and Processing

The focus of this section is on the management of mining and processing operations, including tolling and refining. It will assess various areas including production planning, mining techniques and equipment utilisation to ensure optimal productivity and resource realisation.

COMPANY UPDATE

Current President of Philsaga Mining Corporation

Mr Mahusay, the recently appointed President and Director of PMC, is a respected member of the local community and has extensive experience working in politics and law enforcement, with a deep understanding of the local indigenous communities. He has a Master's Degree in Public Administration, Bachelor's degree in Criminology and Bachelor's Degree in Marine Engineering. Mr Mahusay is expected to be a strong stabilising force after a period of significant disruption and tension at Co-O. He will also greatly contribute to our commitment to safe, responsible and sustainable operations.

Philippines Legal Matters

As noted above, the Company is currently a party to litigation in the Philippines commenced by Raul Villanueva, concerning a variety of allegations relating to ownership and/or management of the Company and several of its' Philippine associate companies. The Company is confident that it will be successful in defending the litigation and that the litigation will be concluded expeditiously. The Company will keep the shareholders informed of any material developments.



Settlement of Legal Proceedings

The Company is pleased to announce that the Western Australia Supreme Court proceedings (COR 120 of 2022⁴) concerning the Company's duty of care to former directors and officeholders have been dismissed by consent and the parties have entered into a Deed of Settlement. The terms of the Settlement are confidential and do not involve any admission of liability or material cost to the Company.

Drummond Basin Exploration (Queensland, Australia)

Diamond Drilling at Monteagle (Katie's Hill Prospect) on EPM 27074 is anticipated to commence mid-June 2023.

Suspension of Trading

The suspension of trading of the Company's shares on the Australian Securities Exchange (ASX) will remain in effect until the completion of the Operational Audit and lodgement of the Company's outstanding periodic reports including its' December 2022 Half-Year Financial Report⁵.

The Board wishes to extend their sincere gratitude to all shareholders for their ongoing patience and support. With your continued support, we are confident that we can successfully steer Ten Sixty Four Limited towards a prosperous future.

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

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⁴ Refer to the Company's announcement dated 8 July 2022, titled 'Supreme Court Proceedings by Former Directors and Executive'.

⁵ Refer to the Company's announcement dated 7 March 2023, titled 'Update on Co-O Operation and Voluntary Suspension in Trading'

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

Actual results, performance or outcomes may differ materially from any projections and forward-looking statements and the assumptions on which those assumptions are based.

You should not place undue reliance on forward-looking statements, and neither Ten Sixty Four nor any of its directors, employees, servants or agents assume any obligation to update such information.