

28 January 2025

UPDATE FOR THE QUARTER ENDING 31 DECEMBER 2024

MEC Resources Ltd (ASX: MMR, ACN 113 900 020) (“**MEC**” or “the **Company**”) is pleased to provide its Quarterly Report & Appendix 4C (“**Quarterly Cashflow Report**”) for the quarter ended 31 December 2024.

The Company’s primary focus in the last quarter was the completion of an Entitlement Offer, capital raising and reinstatement on the ASX.

Corporate Update

MEC reinstated to trading status on the ASX

The Company’s shares were reinstated to trading on the ASX on 2 December 2024 following suspension since 17 January 2020.

Capital Raise - Entitlement Offer

On 23 September 2024 the Company announced a pro-rata non-renounceable entitlement issue of one (1) Share for every one (1) existing Share together with 1 free attaching listed Option for every 2 Shares subscribed for and issued held by those Shareholders registered at the Record Date at an issue price of \$0.005 per Share to raise up to \$4,894,864 (before costs) (**Entitlement Offer**).

The Company lodged a prospectus for the Offer with ASIC and ASX on 23 September 2024 and Supplementary Prospectus on 11 October 2024.

The Entitlement Offer was closed on 25 October 2024 raising approximately \$ 2,646,151 (before costs). The Entitlement Offer was supported by the Company’s existing shareholders with a total of \$816,627 raised through acceptances, comprising 17% of the total amount sought under the rights issue.

In addition, Sixty-Two Capital Pty Ltd (lead manager to the shortfall) has placed \$1,829,525 as part of the Shortfall offer, bringing the total amount raised under the Offer to \$ 2,646,151. The Company issued Shares and New Options as set out below.

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Offer Results	Number of New Shares	Number of New Options	Subscription Funds \$
Maximum Shares and Options offered	978,972,711	489,486,356	\$4,894,864
Entitlement Shares and Options Accepted	163,325,361	81,662,681	\$816,627
Shortfall Shares and Options Taken Up	365,904,920	182,952,460	\$1,829,525
Total Applications by Eligible Shareholders	529,230,281	264,615,141	\$2,646,151
Offset Shares ¹	116,331,067	58,165,534	-
Total	645,561,348	322,780,674	\$2,646,151
Balance Shortfall Shares & Options to be placed	333,411,363	166,705,682	\$1,667,057

Notes:

- As set out in Section 2 of the Prospectus, the Director/Officers fee offsets, and Advent Debt offset are in addition to the amount raised under the Offer. The issue of these Offset Shares extinguished Company liabilities of \$581,655 which includes \$257,632 to company officers.

Shortfall Placement

Subsequent to the end of the quarter the Company placed 17,958,772 Shortfall Shares and 8,979,386 Options of the remaining 333,411,363 Shortfall Shares and 166,705,682 Options within three months after the Closing Date of the Offer being 25 January 2025 on the same terms as the Offer.

2024 Annual General Meeting

On 30 October 2024 MEC issued a notice of meeting in relation to its 2024 Annual General Meeting which was held on 27 November 2024. As announced on 28 November 2024, all resolutions were passed by shareholders.

PDF

MEC remains in compliance with the Pooled Development Funds Act 1992 (the Act).

The Company is a registered Pooled Development Fund (“**PDF**”) with an approved investment mandate allowing it to invest into small and medium sized exploration entities, both listed and unlisted, that are in, but not limited to, the energy and mineral resources sector. The Company aims to create returns to Shareholders greater than those available from traditional investments by giving Shareholders exposure to unlisted Australian exploration businesses in their early rapid growth stage.

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Operational Update

MEC has a non-controlling interest in the unlisted energy explorer Advent Energy Ltd (“**Advent**”) of 37.95%.

As highlighted in the Company’s Entitlement Offer Prospectus, with renewed capital and reinstatement on the ASX the Company intends to seek out new opportunities within its PDF investment mandate.

Advent holds a range of energy-based opportunities via its investee company Advent. Via Advent the Company has been assessing new investment opportunities, where there are ever increasing obligations to provide energy solutions with a responsible management and protection against carbon emissions. The transition from hydrocarbons such as coal and oil to hydrogen, is now presenting real economies and growth globally. Although natural gas also presents continued growth and will play a role for many years to come, it too will need to become a source of energy with no CO2 emissions.

MEC continues to monitor its investment in Advent and has representation on the board of Advent with directors Anthony Huston and David Breeze.

Advent Energy has provided the following information to MEC

PEP 11 Joint Venture

Advent Energy Limited’s (MEC 37.95% direct interest) 100% subsidiary Asset Energy Pty Ltd is a participant in the PEP11 Joint Venture with partner Bounty Oil and Gas NL (ASX:BUY).

The PEP11 interests are:

- Advent Energy 85 %
- Bounty Oil and Gas NL 15%

On 6 August 2024 Asset, as operator for and on behalf of the PEP-11 joint venture partners, filed an Originating Application for Judicial Review in the Federal Court seeking the following:

- a declaration that the Commonwealth-New South Wales Offshore Petroleum Joint Authority (“Joint Authority”) has breached an implied duty by failing to make a decision under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth) with respect to two pending applications (“Applications”) relating to the PEP11 Permit, and;
- an order that the Joint Authority be compelled to determine the applications within 45 days. Asset alleges that the failure by the Joint Authority to make a decision with respect to the First Application and the Second Application constitutes a breach of its duty to consider the applications within a reasonable time.

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On 18 September 2024 the Company announced that the Hon Ed Husic MP, Minister for Industry and Science, had advised that he has carefully considered the PEP-11 Exploration Permit applications under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth), namely the applications accepted on 23 January 2020 and 17 March 2021, formed a preliminary view that the applications should be refused, and gave Asset, via the National Offshore Petroleum Exploration Authority (“**NOPTA**”), a statement of preliminary views with attachments and invited Asset to provide a response within 30 days. The statement of preliminary views included 45 annexures totaling 1608 pages. The Company provided Minister Husic with a submission in respect of his preliminary views by the due date of 15 November 2024.

Following conferral between the parties to the Federal Court proceeding, on 9 October 2024 orders were made vacating the previous orders and adjourning the Federal Court proceedings to a date on or after 7 February 2025. The parties have liberty to apply to bring the matter back before the Federal Court on 3 days’ notice.

Included in the material provided by Minister Husic was a copy of the NOPTA recommendation to the Joint Authority which recommended that the Joint Authority approve the Second Application. In the NOPTA Annual Report of Activities 2020-21 it was noted that 54 applications for COVID 19 related suspensions and extensions were approved in that period. Asset understands that the Second Application (for COVID-19 relief) made in respect of the PEP-11 Permit was the only application outstanding.

Following the end of the quarter, on 17 January 2025 the PEP-11 Joint Venture was given notice by NOPTA that the Joint Authority has refused the Joint Venture Applications made on 23 January 2020 and 17 March 2021. The PEP-11 permit will continue in force for a period of 2 months from 17 January 2025. The Joint Venture has statutory legal rights to seek a review of the decisions referred to in the notice under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 and is obtaining legal advice on such a review process.

PEP-11 continues in force and the Joint Venture is in compliance with the contractual terms of PEP11 with respect to such matters as reporting, payment of rents and the various provisions of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth).

Clean Hydrogen Technologies

MEC investee Advent continues to hold a 3.86% interest in Clean Hydrogen Technologies Corp (“**CHT**”).

Clean Hydrogen issued 190 share options to Advent, with an exercise price of USD\$3,000 each, exercisable immediately, with the option to convert into shares in Clean Hydrogen expiring ten years from the date of issue. During the Quarter, Advent did not exercise any of these options.

Clean Hydrogen is using its current funding to design, build, produce and test a reactor that can produce a minimum of 3.2kgs and as high as 15kgs of hydrogen per hour and to submit at least 2 new patents in

an agreed geography, relevant to the production of hydrogen from proprietary technology.

We once again thank shareholders for their continued patience and support and welcome any questions/comments regarding the Company.

If you have any questions, please do not hesitate to contact David Breeze on 08 9328 8477 or email info@mecresources.com.au.

This announcement has been approved by the managing director.

David Breeze
Managing
Director
MEC Resources Ltd

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

MEC Resources Limited

ABN

44 113 900 020

Quarter ended ("current quarter")

31 DEC 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) directors/staff costs	(65)	(65)
(f) administration and corporate costs*	(345)	(400)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	23	28
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(386)	(437)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	54	59
2.6	Net cash from / (used in) investing activities	54	59

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2958	3274
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2958	3274

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	483	221
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(386)	(437)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	54	59

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2958	3274
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3000	3000

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3000	483
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3000	483

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

65

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Item 6.1 is made up of directors' fees, company secretary and CFO fees.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(386)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	3000
8.3 Unused finance facilities available at quarter end (Item 7.5)	0
8.4 Total available funding (Item 8.2 + Item 8.3)	3000
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	7.77

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 January 2025.....

Authorised by: ..By the Board.....
(By the Board – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.