

23 April 2025

UPDATE FOR THE QUARTER ENDING 31 MARCH 2025

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 March 2025.

Corporate Update

Capital Raise - Entitlement Offer – Shortfall Placement

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 Entitlement Offer was closed on 25 October 2024, raising approximately \$ 2,646,151 (before costs).

On 24 January 2025 the Company advised it had 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.

Advent & Asset Writs – Settlement Finalised

On 16 January 2025 MEC advised that the previous settlement agreement with both Advent Energy Pty Ltd (Advent) and Asset Energy Pty Ltd (Asset) in relation to writs and demands issued by both Advent and Asset has now been formally finalised..

On the 14 December 2020 the Company announced entering into a Settlement Agreement¹ which;

- MEC, and Advent and Asset had agreed a debt for equity conversion for the Advent Debt pursuant to which the total \$835,498 of the Advent Debt will convert to equity in the Company, subject to Shareholder approval (Advent Debt Conversion).
- Under the Advent Debt Conversion, the Company had agreed to issue up to 189,885,909 Shares at a deemed issue price of \$0.0044 per Share to Advent to settle \$835,498 of the Advent Debt as a full and final settlement.
- On 13 December 2021 Shareholders approved;

- the issue of 124,708,409 shares at a deemed issue price of \$0.0044 per Share to Advent as part of the Advent Debt Conversion, and
- allowing Advent to participate in a future rights issue or capital raise of MEC.
- On 21 November 2024 the Company issued 64,804,800 shares and 32,402,400 options at a deemed issue price of \$0.005 per Share as part of Offset Shares as outlined in the Entitlement Prospectus.
- As a result of the share and option issue to Advent on 21 November 2024 the writs are settled in full. Advent has confirmed that it will now formally withdraw the writs.
- The Advent Debt Conversion allows the Company to improve its balance sheet

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.

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, 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 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 and that the PEP-11 permit would continue in force for a period of 2 months from 17 January 2025 (the "**Decision**"). The Joint Venture has statutory legal rights to seek a review of the Decision under the Offshore Petroleum and Greenhouse Gas Storage Act 2006.

On 13 February 2025 MEC announced that Asset had applied to the Federal Court for an Originating Application (the "Application") for judicial review pursuant to s 5 of the Administrative Decisions (Judicial Review) Act 1977 (Cth) and s 39B of the Judiciary Act 1903 (Cth) to review the Decision. The Application seeks:

1. An order quashing or setting aside the Decision;
2. A declaration that the Decision is void and of no effect; and
3. An order remitting the First Application and Second Application to the Joint Authority for reconsideration according to law.

On 17 March 2025 the Federal Court made orders by consent including the following:

- By Wednesday 30 April 2025, the first respondent must file and serve one copy of a bundle of documents that was before the Hon Ed Husic MP as the Responsible Commonwealth Minister of the Commonwealth-New South Wales Offshore Petroleum Joint Authority in making the decision that is the subject of the Application, subject to any claim to privilege.
- Other than the bundle of material, all evidence relied upon by the parties must be presented by way of affidavit.
- By Wednesday 21 May 2025, the applicant must file and serve any further affidavits upon which it intends to rely at the hearing of the matter.
- By 25 June 2025, the first respondent must file and serve any affidavits upon which it intends to rely at the hearing of the matter.
- By 16 July 2025, the applicant must file and serve any affidavits upon which it intends to rely at the hearing of the matter by way of reply.

MEC Resources Ltd

ACN 113 900 020

Level 1, 9 Bowman Street, South Perth
WA 6151

P: +61 412 593 363

E: info@mecresources.com.au

W: www.mecresources.com.au

- The Application be listed for a 2-day hearing at 10.15 am AWST on 16 September 2025 and 17 September 2025.
- The applicant must file and serve an outline of submissions in chief and a list of authorities by 4.00 pm AWST not less than 42 days before the hearing. The first respondent must file and serve an outline of submissions in response and a list of authorities by 4.00 pm AWST not less than 14 days before the hearing.
- The applicant must file and serve an outline of submissions in reply and a list of authorities by 4.00 pm AWST not less than 7 days before the hearing.
- The first case management hearing listed for 10.00 am AWST on 19 March 2025 is adjourned to 9.30 am AWST on 23 July 2025.
- Liberty to apply on 3 days' notice to the other party.

Pursuant to subsection 15(1)(a) of the Administrative Decisions (Judicial Review) Act 1977 (Cth), the operation of the decision of the Commonwealth-New South Wales Offshore Petroleum Joint Authority comprised of the first respondent and the second respondent made on 16 January 2025 is suspended with effect from 16 January 2025, until further order of the Federal Court.

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).

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 MARCH 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	(66)	(131)
(f) administration and corporate costs*	(137)	(400)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	25	53
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	(178)	(614)
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	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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)	20	79
2.6	Net cash from / (used in) investing activities	20	79
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	76	3350
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	76	3350
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3000	221
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(178)	(614)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	20	79

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	76	3350
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2879	2879

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	2879	3000
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)	2879	3000

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
66
-

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 ex directors' fees of \$46k, company secretary and CFO fees of \$20k.

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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.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	-	-
	-	-
	-	-
	-	-

7.5 Unused financing facilities available at quarter end

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- 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)	(178)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	2879
8.3	Unused finance facilities available at quarter end (Item 7.5)	0
8.4	Total available funding (Item 8.2 + Item 8.3)	2879
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	16.17

- 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: 23 April 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.