MEC RESOURCES LTD

ABN 44 113 900 020

Page Number

Directors
David Breeze – Managing Director
Andrew Jones – Non-Executive Director
Anthony Hudson – Non-Executive Director
Steve James – Non-Executive Director

Company Secretary
Robert Marusco

Registered Office
Level 1, 9 Bowman Street
South Perth WA 6151

Principal Business Address
Level 1, 9 Bowman Street
South Perth WA 6151
Telephone: (08) 9217 2400
Facsimile: (08) 9217 2401
Website: www.mecresources.com.au
E-mail: admin@mecresources.com.au

Auditor
Moore Australia Audit (WA)
Level 15
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Share Registry
Boardroom Pty Ltd
Level 12
225 George Street
Sydney NSW 2000

Australian Securities Exchange Listing
Australian Securities Exchange Limited
(Home Exchange: Perth, Western Australia)
ASX Code: MMR

Australian Business Number
44 113 900 020

The directors of MEC Resources Ltd ("**MEC**" or the "**Company**") present their report on the Company for the financial year ended 30 June 2023.

Directors

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

D Breeze – Managing Director (appointed 22 October 2020)
A Jones - Non-Executive Director (appointed 23 September 2020)
A Huston - Non-Executive Director (appointed 22 October 2020)
S James - Non-Executive Director (appointed 4 March 2022)

Company Secretary

Robert Marusco was appointed as company secretary 18 September 2019.

Principal Activities

MEC was formed to invest in a variety of industries, including companies in the energy and mineral resources sector. The Company is registered as a Pooled Development Fund ("**PDF**") under the Pooled Development Fund Act (1992).

MEC's aim is to provide carefully selected Australian companies with funding and is focused on opportunities with a number of specific characteristics including strong growth and near-term cash flow potential; a stage of development that permits a strategic investor or IPO within several years; strong and experienced management team and a definitive competitive advantage.

MEC's current major investment lies in unlisted Australian oil and gas exploration investee company, Advent Energy Ltd ("**Advent**") in which it holds a 38.27% interest.

Operating Results

The loss attributable to the owners of the Company after tax for the year was $558,503 (2022: Loss $715,322).

Dividends

The Directors recommend that no dividend be paid in respect of the current period and no dividends have been paid or declared since the commencement of the period.

Financial Position

The net assets of the Company have decreased by $243,946 to $6,873,908 at 30 June 2023.

Going Concern

The Company has assessed its ability to continue as a going concern, taking into account all available information, for a period of 12 months from the date of issuing of the financial report.

The Company's financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities, including the realisation of assets and settlement of liabilities in the normal course of business.

Based on the Company's cash flow forecast, the Company will require additional funding in the next 12 months to enable it to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due.

The continuing viability of the Company and its ability to continue as a going concern and meet its debts and commitments as they fall due is therefore dependent upon:

- the Company's operating cash requirements not exceeding its historical levels;
- the creditors of the Company continuing to support it by not demanding repayment of amounts due to them, and
- the Directors being successful in obtaining future funding to meet the Company's objectives and payment obligations as and when they fall due by engaging with parties in raising additional capital or issuing debt, in relation to which the Company has demonstrated a history of success in this regard.

After consideration of the above factors, the Directors are of the opinion that it is appropriate for the Company to prepare the financial statements as a going concern and, as a result, the financial statements do not include any adjustments relating to the recoverability and classification of the recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not be able to continue as a going concern basis.

Notwithstanding this assessment, there exists a material uncertainty that casts doubt on the Company's ability to continue as a going concern for at least the next 12 months and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The independent auditor's report has highlighted this matter by including an Emphasis of Matter paragraph noting the existence of material uncertainty in relation to the Company's ability to continue as a going concern.

Developments during the year included:

MEC Resources Ltd

- On 17 January 2020, the securities of MEC were suspended from quotation on the ASX. The Company has been in dialogue with the ASX following its original submission on 16 December 2020 and subsequent submissions on 12 January 2022 and 13 September 2022, which included a shareholder meeting seeking approval of various resolutions the aim of which is to have MEC readmitted to trading status. The ASX are currently assessing the submission. Noting that in anticipation of feedback from the ASX the Company is also working of an entitlement offer document aimed at recapitalising MEC. The shares in MEC remain suspended from trading.

- MEC was notified on 5 February 2021 by the Innovation Investment Committee of Innovation and Science Australia (the "Committee") that the Committee had revoked MEC's PDF registration as a result of the Company contravening ss19(1), 27, 27A and 42 of the Pooled Development Fund Act 1992 ("**PDF Act"**).

- On 16 March 2023 MEC announced that following its appeal to the AAT a decision has been made to set aside the revocation of MEC's Pooled Development Fund registration. Further, the AAT in substitution decided not to revoke the Applicant's PDF registration under S47 of the of Pooled Development Funds Act 1992 (Cth) ("**PDFA**").

- The AAT informed the Company that, following an application made by MEC under S56 of the PDFA for a review of a decision made by the Innovation Investment Committee of Innovation and Science Australia (the "**Committee**"), that the decision to revoke MEC's PDF registration was not correct and the Company's PDF registration was reinstated and Gazetted by the Commonwealth of Australia on

20 April 2023.

- On 22 February 2023 MEC raised A$154,388 before costs by way of placement of 33,488,180 Shares to professional and sophisticated investors pursuant to section 708 of the Corporations Act 2001 (Cth) at an issue price of $0.0044 per Share under the Company's LR7.1 placement capacity. This share issue was accompanied by one (1) free option for each Share subscribed with an exercise price of 0.0055 and expiry date of 21 February 2025. These Placement Shares are subject to holding lock pending release of a prospectus by the Company. The Placement was completed by LeMessurier Securities who received a 6% capital raising fee in the form of issue of 2,105,290 Shares and one (1) free option for each Share subscribed on the same terms and conditions as the Placement.

- On 26 April 2023 the Company raised a further A$179,263 before costs by way of placement of 40,741,652 Shares to professional and sophisticated investors pursuant to section 708 of the Corporations Act 2001 (Cth) at an issue price of $0.0044 per Share under the Company's LR7.1 placement capacity. This Share issue was accompanied by one (1) free option for each Share subscribed with an exercise price of 0.0055 and expiry date of 7 July 2025 which was approved by shareholders at the Company's AGM held on 4 July 2023. The Placement Shares are subject to holding lock pending release of a prospectus by the Company. Placement partly completed by Sixty-Two Capital Pty Ltd received a 6% capital raising fee (plus GST).

- During the year MEC continued to monitor and manage its investment in investee Advent with the key announcements concerning Advent outlined below.

Advent Energy Limited (MEC interest is 38.27%)

About PEP 11 Oil and Gas Permit Offshore Sydney Basin (85%)

MEC investee company Advent is an unlisted oil and gas exploration and development company with onshore and offshore exploration and near-term development assets around Australia and overseas.

Competent Person Statement

The information in this report that relates to mineral resources contained within the PEP 11 Project reported on page 5 of this financial report is based on information reviewed by Mr David Bennett, an independent consultant with a PhD in geophysics from Australia National University, and more than 40 years of experience in oil and gas exploration and discovery in Australia, New Zealand, Papua New Guinea and elsewhere. The information in this report that relates to Prospective Resource information in relation to the PEP11 is based on information compiled by the operator of these assets, Advent Energy Limited. This information was subsequently reviewed by Mr David Bennett, who has consented to the inclusion of such information in this report in the form and context in which it appears. The resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE) / World Petroleum Council (WPC) / American Association of Petroleum Geologists (AAPG) / Society of Petroleum Evaluation Engineers (SPEE) / Petroleum Resources Management System (PRMS). The resources information included in this report are based on, and fairly represents, information and supporting documentation reviewed by Mr Bennett. Mr Bennett is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

Cautionary Statement

Prospective Resources are the term given to the estimated hydrocarbon volumes (petroleum) that may potentially be produced in the event that they are discovered by the drilling of an exploration well. Prospective Resources may potentially be recovered by the application of a future development project and may relate to undiscovered resource accumulations. These estimates have both an associated risk of discovery and an inherent risk of development. Further exploration and appraisal drilling will be required to determine the existence of a commercially recoverable quantity of petroleum (oil and/or gas).

There are numerous uncertainties inherent in estimating reserves and resources, as well as in projecting future development capital expenditure, production costs and cash flows. Geoscientific resource assessment must be recognised as a subjective process of estimating subsurface accumulations that cannot be measured exactly.

BPH is an investment company and relies on the resource and ore reserve statements compiled by the companies in which it invests. All Resource and Reserve Statements have been previously published by the companies concerned. Summary data has been used. Unless otherwise stated all resource and reserve reporting complies with the relevant standards. Resources quoted in this report equal 100% of the resource and do not represent BPH's investees' equity share unless stated. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that all material assumptions and technical parameters have not materially changed. The Company also confirms that the form and context in which the relevant Competent Person's findings are presented have not been materially modified from the original market announcements.

Advent, through wholly owned subsidiary Asset Energy Pty Ltd ("**Asset**"), holds 85% of Petroleum Exploration Permit PEP 11, an exploration permit prospective for natural gas located in the Offshore Sydney Basin, the other 15% being held by Bounty Oil and Gas (ASX:BUY).

PEP 11 is a significant offshore exploration area with large scale structuring and potentially multi-Trillion cubic feet (Tcf) gas charged Permo-Triassic reservoirs. Mapped prospects and leads within the Offshore Sydney Basin are generally located less than 50km from the Sydney-Wollongong-Newcastle greater metropolitan area and gas pipeline network.

The offshore Sydney Basin has been lightly explored to date, including a multi-vintage 2D seismic data coverage and a single exploration well, New Seaclem-1 (2010). Its position as the only petroleum title offshore New South Wales provides a significant opportunity should natural gas be discovered in commercial quantities in this petroleum title. It lies adjacent to the Sydney-Newcastle region and the existing natural gas network servicing the east coast gas market. The total P50 Prospective Resource calculated for the PEP11 prospect inventory is 5.7 Tcf with a net 4.9 Tcf to Advent (85%WI). The two largest prospects in the inventory are Fish and Baleen.

Advent has previously interpreted significant seismically indicated gas features in PEP11. Key indicators of hydrocarbon accumulation features have been interpreted following review of the 2004 seismic data (reprocessed in 2010). The seismic features include apparent Hydrocarbon Related Diagenetic Zones ("**HRDZ**"), Amplitude Versus Offset ("**AVO**") anomalies and potential flat spots.

In addition, a geochemical report has provided support for a potential exploration well in PEP11. The report reviewed the hydrocarbon analysis performed on sediment samples obtained in PEP11 during 2010. The 2010 geochemical investigation utilised a proprietary commercial hydrocarbon adsorption and laboratory analysis technique to assess the levels of naturally occurring hydrocarbons in the seabed sediment samples.

The report supports that the Baleen prospect appears best for hydrocarbon influence relative to background samples. In addition, the report found that the Baleen prospect appears to hold a higher probability of success than other prospects.

Advent has demonstrated considerable gas generation and migration within PEP11, with the mapped prospects and leads highly prospective for the discovery of gas.

Advent is a strong supporter of plans for Net Zero by 2050 and sees the company playing a direct role in achieving that target, especially in New South Wales. It aims to do this in two ways. First, by finding gas closest to Australia's biggest domestic energy market, gas which can be used to provide reliable back- up for increased uptake of renewable energy in NSW. Second, through its plans to explore opportunities in offshore NSW for CCS, Carbon Capture and Storage (geo-sequestration of CO2 emissions), a key clean energy technology.

In February 2023 the resolution of the Federal Court Proceedings (WAD106/2022) between Asset and the Respondents (being the Commonwealth Minister for Resources et al) was announced. The proceedings involved the decision made on 26 March 2022 by the Commonwealth - New South Wales Offshore Petroleum Joint Authority ("**Joint Authority**") to refuse Asset Energy's Application (as PEP 11 Joint Venture operator) for a variation and suspension of the conditions to which PEP 11 is subject and a related refusal to grant an extension of term. The presiding Judge Justice Jackson agreed with the consent position reached by the parties, quashed the decision and concluded that the decision of the Joint Authority was affected by apprehended bias. This was because a fair-minded observer would have reasonably apprehended that the former Prime Minister of Australia, the Hon Scott Morrison MP, as a member of the Joint Authority, did not bring a fair mind to determine Asset Energy's application.

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

Advent has provided further information in April and June 2023 to the National Offshore Petroleum Titles Administrator ("**NOPTA**") in response to requests for updated information subsequent to the decision in the Federal Court proceedings detailed above.

Advent now has two continuing applications with NOPTA for suspension and extension of the PEP11 permit, the first lodged in December 2019 and the second in January 2021. The first application was on the basis of Force Majeure and is the only application which is the subject of the NOPTA notice. The second was under COVID and was accepted but not dealt with pending an outcome on the first application made in December 2019.

Asset Energy continues to progress the joint venture's applications for the variation and suspension of work program conditions and related extension of PEP-11. While the applications for the variation and suspension of work program conditions and related extension of PEP-11 are being considered, Asset is investigating the availability of a mobile offshore drilling unit to drill the proposed Seablue-1 well on the Baleen prospect which would take approximately thirty-five days to complete. Asset is in communication with drilling contractors and other operators who have recently contracted rigs for work in the Australian offshore beginning in the first half of 2024.

Work continues progressing the permit commitment including well planning. A draft of the environmental plan has been received and is being reviewed.

PEP 11

- Advent's assets include PEP11 (85%) in the offshore Sydney Basin and RL1 (100%) in the onshore Bonaparte Basin in the Northern Territory. On 16 December 2021 MEC Resources announced to market that the Federal Government would refuse the first one of two of the joint venture's applications to extend the PEP 11 Permit for gas exploration in the offshore Sydney Basin. Advent received a formal notification of this decision from the NOPTA.

- On 2 June 2022 MEC announced to market that investee Advent had lodged an appeal in relation to the Federal Government decision to refuse extension of the PEP 11 Permit. Proceedings were commenced in the Federal Court of Australia alleging that the former Prime Minister Scott Morrison was biased and failed to afford procedural fairness in his decision not to grant an extension of term and a suspension and variation of the minimum work requirements under PEP 11.

- On 28 October 2022 MEC announced to market further detail provided by investee Advent in relation to PEP 11 Federal Court proceedings including;

    - In making the Decision, the Former Prime Minister breached the requirements of procedural fairness in that he predetermined the Application and the purported decision was infected by actual bias.
    - Further or in the alternative, there was a reasonable apprehension of bias, in the form of predetermination, on the part of the Former Prime Minister, such that there was a denial of procedural fairness.
    - Further or in the alternative, in making the Decision, the applicant was denied procedural fairness because the Former Prime Minister, before determining the merits of the Application, failed to take into account the submissions made by the applicant dated 22 January 2022.
    - Further or in the alternative, in making the Decision, the applicant was denied procedural fairness because the applicant was not provided the opportunity to respond to issues raised by NOPTA in relation to the applicant's financial capacity.
    - Further or in the alternative, the Decision is void and of no effect because the Former Prime Minister was not validly appointed as the responsible Commonwealth Minister of the Joint Authority to administer the Department.

- Following revelations that Mr Morrison took responsibility in a number of portfolios including Resources, Prime Minister Anthony Albanese sought advice as to whether Mr Morrison's appointments and decisions (which includes PEP 11 decision) were beyond power.

- On 14 February 2023 the Company announced the resolution of the Federal Court Proceedings (WAD106/2022) between Asset Energy Pty Ltd (a wholly owned subsidiary of MEC's investee Advent Energy Limited) and the Respondents (being the Commonwealth Minister for Resources et al). The proceedings involved the decision made on 26 March 2022 by the Commonwealth - New South Wales Offshore Petroleum Joint Authority (Joint Authority) to refuse Asset Energy's Application (as JV operator) for a variation and suspension of the conditions to which PEP 11 is subject and a related refusal to grant an extension of term (the Decision).

- The presiding Judge Justice Jackson has agreed with the consent position reached by the parties, quashed the Decision and concluded that the observer would have reasonably apprehended that the former Prime Minister of Australia the Hon Scott Morrison MP, as a member of the Joint Authority, did not bring a fair mind to the determine Asset Energy's application.

- In the meantime, PEP 11 continues in force and the PEP 11 JV is fully in compliance with the contractual terms of PEP 11 permit with respect to such matters as reporting, payment of rents and the various provisions of the Offshore Petroleum and Greenhouse Gas Storage Act 2006.

- Asset continues to progress the joint venture's applications for the variation and suspension of work program conditions and related extension of PEP-11. This application follows from the fact that in February 2023 a decision by the previous Commonwealth-NSW Joint Authority to refuse the application was quashed by the Federal Court of Australia. Asset has provided additional updated information to the Commonwealth-NSW Joint Authority and title authority NOPTA in relation to its applications.

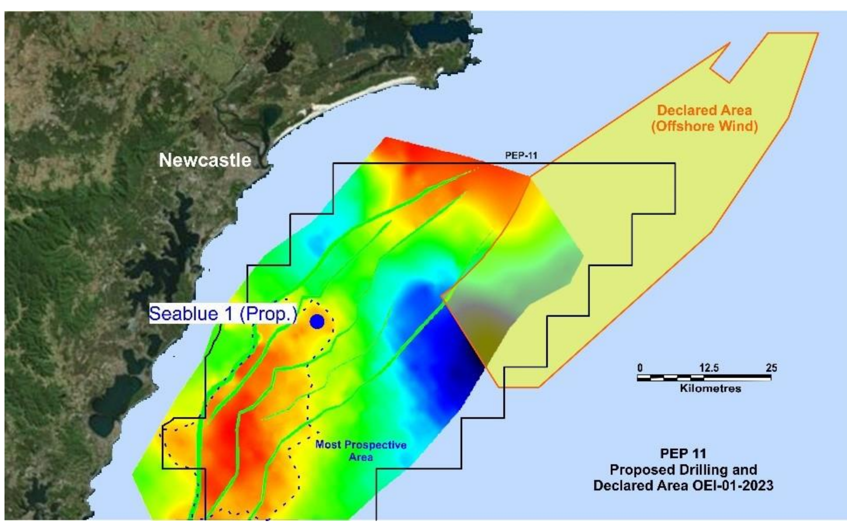
- While the applications for the variation and suspension of work program conditions and related extension of PEP-11 are being considered, Asset is investigating the availability of a mobile offshore drilling unit to drill the proposed Seablue-1 well on the Baleen prospect which would take approximately thirty-five days to complete. Asset is in communication with drilling contractors and other operators who have recently contracted rigs for work in the Australian offshore beginning in the first half of 2024.

- Subsequent to the end of the quarter on 21 July 2023 the Company provided an update in relation to PEP 11 (held via its investee company Advent) whereby Asset Energy Pty Ltd ("**Asset**"), the wholly owned subsidiary of Advent, together with Bounty Oil & Gas NL ("**Bounty**" ASX: BUY) which are the PEP 11 Joint Venture Partners ("**PEP 11 JV**"), reported that on 14 July 2023; the Hon Chris Bowen, Minister for Climate Change and Energy, gazetted/designated an area of the Pacific Ocean area off the Hunter Region of NSW as suitable for offshore wind energy development and that it would be open for industry to develop wind farms. See map below. It will become Australia's second official offshore wind energy zone.

- Having reviewed the PEP 11 seismic data and the drill data from the Seaclem 1 well (See map below); the Declared Wind Area does not materially impact the PEP 11 title or the main PEP 11 target areas.

- In April 2023 Assets' parent company Advent made a submission to the consultation website of the Department of Climate Change, Energy, the Environment and Water on the proposed Hunter offshore wind development area.

- Advent has had preliminary discussions to explore synergies with one of the wind technology companies who are planning to tender for and develop part of the Declared Area and has scheduled further consultation.



Map showing PEP-11 Permit, with declared wind energy development area (Declared Area) OEI-01-2023

OEI-01-2023

Location of Planned Seablue-1 well

Area of highest prospectivity in PEP-11

Taranaki Basin – New Zealand

- On 15 December 2022 MEC advised that, subsequent to its ASX announcement of 5 April 2022, its 38.27% associate Advent's 100% subsidiary Aotearoa Offshore Limited ("**AOL**" or "**Farminee**") has given notice to OMV New Zealand Limited ("OMV" or "Farminor"), under clause 4.3.6 of the Farm Out Agreement ("**Agreement**") executed on 24 December 2021, that it was terminating the Agreement.

- Clause 4.3.6 of the Agreement states that if Condition Precedent 4 is not satisfied within 6 months (or such other date that the Farminor or Farminee may agree in writing) of submission of the application to the New Zealand Minister ("Minister") responsible for the administration of the Crown Minerals Act 1991 ("Act") for the Minister's approval ("Application"), either party may terminate the Agreement by notice to the other party. The recently disclosed potential acquisition of the OMV oil and gas business by US financial investor Carlyle also introduced a material uncertainty into the planning process necessitating a review by Advent of the Agreement.

- Advent advised that OMV had returned US$1.621 million (approximately A$2,423,000) to AOL in accordance with the termination of the Agreement. The US$1.621 million represents the Earning Costs 1 ("**Earning Costs**") based on Agreement clause 5.1 paid by the Farminee to the Farminor in early 2022. As a consequence of the termination of the Agreement the Advent group repaid BPH Energy Ltd ("BPH") before 31 December 2022:

    - the A$2,257,345 loan from BPH to pay for the Earning Costs 1

    - the A$800,000 BPH loaned the Advent group to fund Year 1 exploration costs

    - accrued interest on these loans of A$146,152

Clean Carbon Transaction

- On 2 August 2022 MEC announced that, following a meeting of BPH shareholders on 21 June 2022 at which point shareholders voted unanimously to approve to make an investment in hydrogen technology company Clean Hydrogen Technologies Corporation ("**Clean Hydrogen Technologies**" or "**Vendor**"), BPH and Advent had settled for the acquisition of a 10% interest in Clean Hydrogen Technologies for $1,000,000 USD (8% BPH and 2 % Advent).

- On 2 August 2022 MEC announced that Advent had made an investment in hydrogen technology company Clean Hydrogen Technologies Corporation ("**Clean Hydrogen**" or "**Vendor**" or "**Borrower**"), where BPH Energy Ltd ("**BPH**" ASX:BPH) and MEC investee Advent settled for the acquisition of a 10% interest in Clean Hydrogen for US$1,000,000 ("**Cash Consideration**") (8% BPH and 2 % Advent) under a Loan Conversion Agreement dated 25 July 2022 following the payment of US$535,996 by BPH and Advent (together the "**Purchasers**"), which was net of loans, accrued interest and deposits owed to the Purchasers by Clean Hydrogen.

- The Purchasers had a further right of first refusal ("**ROFR**") to invest in Clean Hydrogen to a maximum of a further US$1,000,000 for a further 10%, on or before 31 December 2022. The ROFR conditions were subsequently amended such that it exists when (i) the Vendor does not seek a Series A investment in its equity securities comprising a minimum investment of US$3,000,000 by 30 April 2023, where such investment values the Vendor in excess of US$20,000,000 (such investment, a "Qualified Financing"), and (ii) the Vendor determines, in its sole and absolute discretion, that it requires at least a further US$1,000,000 investment for continued development and operations. Subject to the above, should BPH and Advent as the Purchaser exercise the ROFR, it must do so within 1 month of the Vendors request for the additional funding. The consideration payable is an aggregate of US$1,000,000, comprising of $US800,000 by BPH and US$200,000 by Advent ("**Additional Cash Consideration**") subsequent to which BPH shall hold a total 16% interest in Clean Hydrogen and Advent shall hold a total 4% interest in Clean Hydrogen (based on the assumption that Clean Hydrogen has not issued any additional Clean Hydrogen Shares prior to the ROFR being exercised).

- Clean Hydrogen has not sought a Series A Investment in its equity securities comprising a minimum investment of US$3,000,000, and made a request for additional funding from BPH. Advent has lent Clean Hydrogen US$500,000 in accordance with unsecured loan agreements on normal commercial terms. The loans have been funded by monies loaned by BPH to Advent. The loan agreements provide for a further unsecured loan of US$500,000 to be made to the Borrower, of which US$250,000 is subject always to the Lender's absolute discretion. Clean Hydrogen will allocate and issue up to 1,000 Options to Advent, with an exercise price of USD$3,000 each, and exercisable immediately, with the option for conversion into shares in Clean Hydrogen expiring ten years from the date of issue (Clean Hydrogen Options). An advance of every US$250,000 of the US$1,000,000 loan facility will equate to 250 Clean Hydrogen Options allocated to Advent or, from time to time, BPH. The Purchasers and Clean Hydrogen have agreed to enter into a separate loan conversion agreement which will enable the conversion of the loan amount into the Subscription Shares Tranche 2, representing the Purchasers a further 10% interest in Clean Hydrogen.

- The parties acknowledge and agree that the Cash Consideration and Additional Cash Consideration, shall be used by Clean Hydrogen 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.

- Clean Hydrogen and Onshore Energy Pty Ltd ("**Onshore**") (a 100% owned subsidiary of Advent which MEC has a 38.27% direct interest) have entered into a hydrocarbon process agreement ("**Agreement**"). Onshore has rights to gas fields including the Weaber gas field at the Onshore Bonaparte Basin in the Northern Territory, Australia, Retention Lease RL1 ("**Rights**").

- Clean Hydrogen has capabilities at processing hydrocarbons from natural gas and producing two products, hydrogen (sometimes referred to as turquoise hydrogen) and carbon black and carbon nanotube products where such products are produced with no CO_2 emissions in the core process. Carbon black is composed of fine particles of carbon produced by pyrolysis of natural gas at high temperatures which in pure form is a fine black powder. It is widely used in various applications for tyres, black colouring pigment of newspaper inks, resin colouring, paints and toners, antistatic films, fibres, and floppy disks and as an electric conductive agent of high-technology materials.

- By the Agreement, Onshore and Clean Hydrogen propose to develop plans whereby Clean Hydrogen processes the hydrocarbons from Onshore's Rights and produces hydrogen and carbon black products ("**Clean Hydrogen Products**").

- Clean Hydrogen is developing its "Commercial System" where it will satisfy scale and commercial objectives resulting in the development of income from sale of Clean Hydrogen Products. Clean Hydrogen's Commercial System means an end-to-end system which consumes and processes hydrocarbons, using Clean Hydrogen's own thermocatalytic reactor process and Clean Hydrogen's catalysts to produce hydrogen at commercial scale, enabling the sale of the Clean Hydrogen Products.

- Under the material terms of the Agreement, Onshore will review the Commercial System once ready, conditional on the following.

  i. Clean Hydrogen will keep Onshore informed of progress and timing for completion of the Commercial System which is planned to be completed in 2023 in India.

  ii. Clean Hydrogen will share details on design and capabilities to assist Onshore in understanding how its systems will integrate with Onshore's supply of hydrocarbons.

  iii. The parties will work together to develop a plan to include timelines and needs for production of Clean Hydrogen Products from Onshore's hydrocarbons.

iv. Once Onshore has a clear date for hydrocarbon production, both parties will endeavour to finalise the planning to produce Clean Hydrogen Products.

v. When Clean Hydrogen and Onshore have agreed to a time for the production of Clean Hydrogen Products, Clean Hydrogen will be responsible for due diligence relating to the compliance with the local regulatory requirements for the operation of the systems to produce the Clean Hydrogen Products.

- The Agreement is non-binding and binding material contractual terms have yet to be agreed.

- Clean Hydrogen will make itself available to answer all technical and business model queries as required and provide a dedicated point of contact to manage all Onshore queries. Onshore will use best endeavors to develop the plan with Clean Hydrogen. Onshore will provide Clean. Hydrogen with detail on its Rights and the timing to assist with planning.

- Onshore and Clean Hydrogen shall define and agree as part of the plan on the markets for the sale of the Clean Hydrogen Products.

- Onshore accepts no liability for the design and operation of the systems to produce the Clean Hydrogen Products. The Agreement does not preclude Onshore's right to look at other plans for use of their hydrocarbons associated with their Rights.

Onshore Bonaparte Basin

- Advent, through wholly owned subsidiary Onshore Energy Pty Ltd ("Onshore"), holds 100% of RL 1 in the onshore Bonaparte Basin in northern Australia. The Bonaparte Basin is a highly prospective petroliferous basin, with significant reserves of oil and gas. Most of the basin is located offshore, covering 250,000 square kilometres, compared to just over 20,000 square kilometres onshore.

  In the Northern Territory, Advent holds Retention Licence RL1 (166 square kilometers in area), which covers the Weaber Gas Field, originally discovered in 1985. Advent has previously advised that the 2C Contingent Resources for the Weaber Gas Field in RL1 are 11.5 billion cubic feet (Bcf) of natural gas following an independent audit by RISC. Significant upside 3C Contingent Resources of 45.8 Bcf have also been assessed by RISC.

  The current rapid development of the Kununurra region in northern Western Australia, including the Ord River Irrigation Area phase 2, the township of Kununurra, and numerous regional resource projects provides an exceptional opportunity for Advent to potentially develop its nearby gas resources. Market studies have identified a current market demand of up to 30.8 TJ per day of power generation capacity across the Kimberley region that could potentially be supplied by Advent Energy's conventional gas project RL1.

  The prospectivity of the Bonaparte Basin is evident from the known oil and gas fields in both the offshore and onshore portions of the basin. Advent has identified significant shale areas in RL1.

EP 386

- Advent's 100% subsidiary Onshore made an application for suspension and extension of the permit conditions in EP386 which was not accepted by the Department of Mines, Industry, Regulation and Safety (DMIRS). Onshore sought a review of the decision by the Minister of Resources who responded setting out a course of action in relation to that decision which Onshore is following. Onshore lodged an appeal against this decision with the State Administrative Tribunal (SAT). The SAT determined that it did not have coverage to hear the appeal and the decision allowed for the matter to be determined through a Supreme Court of WA action.

Advent - Other

- During the year investee company Advent issued 2,100,000 shares at $0.05.

After Balance Date Events

2022 Annual General Meeting

On 6 June 2023 the Company issued a Notice of 2022 Annual General Meeting which was held of 4 July 2023.

Various Announcements

The Company made a number of announcements after balance date as follows;

- 5 July 2023 – Results of 2022 Annual General Meeting
- 6 July 2023 – Amended Constitution as approved by Shareholder on 4 July 2023
- 12 July 2023 – Issue of securities by the Company
- 12 July 2023 – Change in Directors Interest Notices
- 21 July 2023 – PEP 11 update
- 27 July 2023 – Quarterly Report & Appendix 4C Cash Flow Report
- 1 August 2023 – Investee Advent – Advent Energy Ltd – 2023 Annual Financial Report
- 2 August 2023 - Results of 2022 Annual General Meeting – adjourned resolution

Issue of Securities

As noted above the Company held its 2022 Annual General Meeting on 4 July 2023, of which amongst other items Shareholders approval was granted for the issue of securities. The following securities were issued after balance date.

Issued	Type	Number	Exercise Price	Expiry Date	Purpose
7/7/2023	Ordinary Shares	109,502,463	N/A	N/A	A total of 97,328,315 shares were issued at $0.0044 per share in satisfaction of directors' fees with shares being issued to the MEC Employee Share Trust subject to a vesting condition and 12,174,148 shares issued at $0.0044 per share to service providers in satisfaction of services from ex director.
7/7/2023	Options	40,741,652	$0.0055	7/7/25	Free attaching options as part of placement capital raise

There are no other matters or circumstances that have arisen since the end of the financial year other than outlined elsewhere in this financial report that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Future Developments

The Company continues to manage its investment in Advent and researching new opportunities to invest in private and/or public, listed and/or unlisted Australian companies within its field of activity.

On 13 September 2022 the Company lodged a further submission with the ASX the aim of which is to readmit MEC to trading status on the ASX. This matter remains in progress as at the date of this annual report.

Information on Directors

D Breeze (appointed 22 October 2020)
Managing Director
Shares held in MEC

- 7,172,540 ordinary shares held directly.
- 9,747,362 ordinary shares held indirectly via Grandbridge Ltd of which David Breeze is a director & shareholder
- 6,227,238 ordinary shares in Trandcorp Superannuation Fund of which David Breeze is a director and shareholder
- 2,648,669 ordinary shares indirectly via Trandcorp Pty Ltd of which David breeze is a director & shareholder
- 65,780,777 ordinary shares held via the MEC Employee Share Trust

Shares held in Advent – 2,000,000
Listed Options held – nil Unlisted
Options held MEC – nil

David Breeze is a Corporate Finance Specialist with extensive experience in the stock broking industry and capital markets. He has been a corporate consultant to Daiwa Securities; and held executive and director positions in the stock broking industry.

David has a Bachelor of Economics and a Master of Business Administration and is a Fellow of the Institute of Company Directors of Australia. He has published in the Journal of Securities Institute of Australia and has also acted as an Independent Expert under the Corporations Act.

He has worked on the structuring, capital raising and public listing of over 70 companies involving in excess of $250M. These capital raisings covered a diverse range of areas including oil and gas, gold, food, manufacturing and technology.

In the past three years David has also held the following listed company directorships in Grandbridge Limited (from December 1999 to present, the company was delisted from ASX in February 2020) BPH (from February 2001 to present) and is an executive Director of Advent Energy Ltd and its subsidiaries.

A Jones (appointed 22 October 2020)
Non-Executive Director
Shares held in MEC

- 4,000,000 shares held indirectly via AJ Superannuation Fund
- 8,000,000 shares indirectly via Jessica Brown
- 15,727,557 ordinary shares held via the MEC Employee Share Trust

Shares held in Advent – nil
Listed Options held – nil
Unlisted Options held MEC – nil

Andrew has over 14 years' experience in financial markets and is an established Corporate Advisor with a demonstrated history of working within the finance industry. He has worked with various stockbroking and capital firms in Perth providing corporate advice to ASX companies. Andrew is skilled in mergers & acquisitions, corporate finance, investor relations and corporate communications.

Andrew was awarded the Best Corporate Advisor in 2016 from Acquisition International for leading the Aziana Ltd/BrainChip Inc. merger through to a successful listing in September 2015. Andrew secured their initial funding and then secured Aziana as the acquisition company to complete a re listing on the ASX.

Andrew's primary focus is providing corporate advice to ASX companies and specialises in capital raising solutions as well as developing customised corporate strategies. He has worked primarily in the resources sector, however, has covered a range of other market sectors during his career raising capital and providing corporate advice and management. Recently, Andrew has been working with a few selected private companies to prepare them for a public listing on the ASX, whether that be a reverse takeover/backdoor listing or IPO.

Andrew has managed a range of transactions and corporate activities in the recent past raising in excess of $10m for a variety of companies such as equity or convertible notes or both.

Mr Jones has not acted as a director of any other listed public company in the last 3 years.

A Huston (appointed 22 October 2020)
Non-Executive Director
Shares held in MEC –13,736,648 ordinary shares for Anthony & Shelly Huston held via the MEC Employee Share Trust
Shares held in Advent – nil
Listed Options held – nil
Unlisted Options held MEC – nil

Anthony (Tony) Huston has been involved for over 40 years in engineering and hydrocarbon industries for both on and offshore exploration/development. Early career experience commenced with Fitzroy Engineering Ltd, primarily working on development of onshore oil fields. During the 1990's

Tony managed JFP NZ International, a Texas based exploration company that included a jack up rig operating in NZ waters. In 1994 Tony oversaw the environmental consent process required to drill a near inshore well that was drilled from "land" into the offshore basin during 1995. In 1996 Tony formed his own E&P Company to focus re-entry of onshore wells, primarily targeting shallow pay that had been passed or ignored from previous operations. This was successful and the two plays opened up 20 years ago are still in operation. Recent focus (12 years) has been to utilise new technology for enhanced resource recovery and has been demonstrated in various fields, including US, Mexico, Oman, Italy, and Turkmenistan.

During the last 3 years Tony has been a director of listed company BPH Energy Limited from June 2017 to present and is a non-executive Director of Advent Energy Ltd and Clean Carbon Technologies Corp.

S James (appointed 4 March 2022)
Non-Executive Director
Shares held in MEC – 2,083,333 ordinary shares for Steve James held via the MEC Employee
Shares held in Advent – nil
Listed Options held – nil
Unlisted Options held MEC – nil

Steve has over 30 years' experience in the financial services industry having worked for Australia's largest banks as well as European and American institutions. Steve has a thorough knowledge across foreign exchange trading, financial planning, capital raisings and stockbroking where he was a key figure in developing Australia's largest wholesale broking business.

Steve is a highly experienced company director across both listed and unlisted entities in diverse operations from sporting bodies, financial services organisations and the property industry. Steve holds a Master's Degree in Financial Services Law, a Master Stockbroker Qualification, and a Diploma of Financial Markets and is a graduate of the Australian Institute of Company Directors.

He is currently non-executive director of Advent Energy Ltd which is a substantial shareholder of MEC holding a 15.41% interest at present.

Mr James has not acted as a director of any other listed public company in the last 3 years.

Remuneration Report (Audited)

This report details the nature and amount of remuneration for key management personnel of MEC Resources Ltd. The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing, and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

This information provided in this remuneration report has been audited as a required by Section 308(3C) of the Corporations Act 2001.

The Directors and other key management personnel of the Group during or since the end of the financial year were:

- D Breeze – Managing Director (appointed 22 October 2020)
- A Jones - Non-Executive Director (appointed 23 September 2020)
- A Huston – Non-Executive Director (appointed 22 October 2020)
- S James – Non-Executive Director (appointed 4 March 2022)
- D Verley – Non-Executive Director (appointed 11 February 2020, resigned 4 March 2022)
- G Murray – Non-Executive Director (appointed 22 October 2020, resigned 4 March 2022)

All the parties have held their current position for the whole of the financial year and since the end of the financial year unless otherwise stated.

Remuneration Policy

The remuneration policy of MEC has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives as determined by the Board and/or shareholders. The remuneration report, as contained in the 2022 financial accounts was adopted at the Company's 2022 annual general meeting held on 4 July 2023. A total of 98.6% of shareholders voted for the adoption of this report, the Board noting that the remuneration policy is appropriate and effective in its ability to attract and retain the best executive and directors to run and manage the economic entity, as well as create goal congruence between the directors, executives, and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Company is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was approved by the Board.

- All executives, unless otherwise agreed, receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and options.
- The Board reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

Remuneration philosophy

The performance of the Company depends upon the quality of the Directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high caliber employees.

- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

The performance of executives is measured against criteria agreed with each executive and is based predominantly on the forecast growth of the Company's profits and shareholders' value. The Board may, however, exercise its discretion in relation to approving incentives, bonuses, and options. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest caliber of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

Where agreed the executives receive a superannuation guarantee contribution required by the government, which is currently 10% and do not receive any other retirement benefits.

Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using an appropriate methodology.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. Payments to non-executive directors are based on market practice, duties and accountability. Independent external advice may be sought when required on payments to non-executive directors. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee option plan.

A policy on Directors hedging their equity has not been implemented by the Consolidated Group.

Compensation Practices

The Board's policy for determining the nature and amount of compensation of key management for the Group is as follows:

The compensation structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company. The contracts for service between the Company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon resignation, key management personnel are paid employee benefit entitlements accrued to date of resignation. Key management personnel are paid three months of salary in the event of redundancy and options not exercised before or on the date of termination will lapse after one month.

The Board determines the proportion of fixed and variable compensation for each key management personnel.

Employment contracts of Directors

Details of Remuneration for the year ended 30 June 2023

2023

Key Management Person	Short-term Benefits	Post-employment Benefits

	Cash, Salary and Fees	Bonus	Non-cash benefit	Other	Superannuation
D Breeze	-	-	-	65,000	6,500
A Jones	-	-	-	25,000	2,500
A Huston	-	-	-	25,000	2,500
S James	-	-	-	25,000	2,500

Key Management Person	Long-term Benefits	Share-based payment		Total	Performance Related	Compensation relating to options
	Other	Shares	Options	$	%	%
D Breeze	-	-	-	71,500[1]	-	-
A Jones	-	-	-	27,500[2]	-	-
A Huston	-	-	-	27,500[3]		
S James	-	-	-	27,500[4]	-	-

1. No cash directors' fees have been paid to Mr Breeze since his appointment, however director's fees of $65,000 per annum plus SGC were payable to Mr Breeze payable monthly in arrears continue to accrue.
2. No cash directors' fees have been paid to Mr Jones since his appointment, however director's fees of $25,000 per annum plus SGC were payable to Mr Jones payable monthly in arrears continue to accrue.
3. No cash directors' fees have been paid to Mr Huston since his appointment, however director's fees of $25,000 per annum plus SGC were payable to Mr Jones payable monthly in arrears continue to accrue.
4. No cash directors' fees have been paid to Mr James since his appointment, however director's fees of $25,000 per annum plus SGC were payable to Mr James payable monthly in arrears continue to accrued.

Details of Remuneration for the year ended 30 June 2022

2022

Key Management Person	Short-term Benefits				Post-employment Benefits
	Cash, Salary and Fees	Bonus	Non-cash benefit	Other	Superannuation
D Breeze	-	-	-	65,000	6,500
A Jones	-	-	-	25,000	2,500
A Huston	-	-	-	25,000	2,500
S James (appointed 4 Mar 22)	-	-	-	8,333	833
D Verley (resigned 4 Mar 22)	-	-	-	18,750	1,875
G Murray (resigned 4 Mar 22)	-	-	-	18,750	1,875

Key Management Person	Long-term Benefits	Share-based payment	Total	Performance Related	Compensation relating to options

	Other	Shares	Options	$	%	%
D Breeze	-	-	-	71,500[1]	-	-
A Jones	-	-	-	27,500[2]	-	-
A Huston	-	-	-	27,500[3]		
S James (appointed 4 Mar 22)	-	-	-	9,167[4]	-	-
D Verley (resigned 4 Mar 22)	-	-	-	20,625[5]	-	-
G Murray (resigned 4 Mar 22)	-		-	20,625[5]	-	-

1. No cash directors' fees have been paid to Mr Breeze since his appointment, however director's fees of $65,000 per annum plus SGC were payable to Mr Breeze payable monthly in arrears continue to accrue.
2. No cash directors' fees have been paid to Mr Jones since his appointment, however director's fees of $25,000 per annum plus SGC were payable to Mr Jones payable monthly in arrears continue to accrue.
3. No cash directors' fees have been paid to Mr Huston since his appointment, however director's fees of $25,000 per annum plus SGC were payable to Mr Huston payable monthly in arrears continue to accrue.
4. No cash directors' fees have been paid to Mr James since his appointment on 4 March 2022, however director's fees of $25,000 per annum plus SGC were payable to Mr James payable monthly in arrears have been accrued from his appointment as director.
5. No cash directors' fees have been paid to Mr Verley and Mr Murray since their appointment, however director's fees of $25,000 per annum plus SGC were payable to both Mr Verley and Mr Murray payable monthly in arrears and have been accrued up to their resignation on 4 March 2022.

Interest in the shares and options of the Company and related bodies corporate

The following relevant interests in shares and options of the Company or a related body corporate were held by Directors as at the date of this report.

Shareholdings
Number of Shares Held by Key Management Personnel
2023

	Balance 1.7.2022	Received as Compensation	Options Exercised	Net Change Other	Balance 30.6.2023
D Breeze	23,545,809	65,780,777	-	-	91,576,586[1]
A Jones	12,000,000	15,727,557	-	-	27,727,557[2]
A Huston	0	13,736,648	-	-	13,736,648[3]
S James	0	2,083,333	-	-	2,083,333[4]

1. Mr Breeze Shares holds 7,172,540 ordinary shares held directly, 9,747,362 ordinary shares held indirectly via Grandbridge Ltd of which David Breeze is a director & shareholder, 6,227,238 ordinary shares in Trandcorp Superannuation Fund of which David Breeze is a director and shareholder, 2,648,669 ordinary shares indirectly via Tandcorp Pty Ltd of which David Breeze is a director & shareholder and 65,780,777 ordinary shares held via the MEC Employee Share Trust.
2. Mr Jones holds indirectly via the AJ Superfund 4,000,000 shares and his spouse Jessica Brown holds a direct interest in 8,000,000 shares and 15,727,557 ordinary shares held via the MEC Employee Share Trust.
3. Mr Huston holds 13,736,648 ordinary shares held via the MEC Employee Share Trust.
4. Mr James holds 2,083,333 ordinary shares held via the MEC Employee Share Trust.

Shareholdings
Number of Shares Held by Key Management Personnel
2022

	Balance 1.7.2021	Received as Compensation	Options Exercised	Net Change Other	Balance 30.6.2022

D Breeze	23,545,809	-	-	-	23,545,809[1]
A Jones	12,000,000	-	-	-	12,000,000[2]
A Huston	0	-	-	-	0
S James (appointed 4 Mar 22)	0	-	-	-	0
D Verley (resigned 4 Mar 22)	12,396,100	-	-	-	12,396,100[3]
G Murray (resigned 4 Mar 22)	0	-	-	-	0

1. Mr Breeze Shares holds 7,172,540 shares held directly. 7,497,362 shares are held indirectly via Grandbridge Ltd of which Mr Breeze is a director & shareholder. 6,227,238 shares are held indirectly in Trandcorp Superannuation Fund of which Mr Breeze is a director and shareholder and 2,648,669 ordinary shares indirectly via Tandcorp Pty Ltd of which Mr Breeze is a director & shareholder.
2. Mr Jones holds indirectly via the AJ Superfund 4,000,000 shares and his spouse Jessica Brown holds a direct interest in 8,000,000 shares.
3. Mr Verley holds 2,000,000 shares directly and 10,396,100 indirect via the Bambazonke Trust.

Board payments may be made up to a level of $250,000 per annum. Payments for Director fees are to be made up to $25,000 per annum per director and $50,000 per annum for the Chairman.

Part Payment of Directors Fees after Balance Date

As noted on 7 July 2023 following shareholder approval at the Company's 2022 Annual General Meeting a total of 97,328,315 shares were issued at $0.0044 per share in satisfaction of directors' fees with shares being issued to the MEC Employee Share Trust subject to a vesting condition with further details provided in Note 5 of this report.

Company performance, shareholder wealth, and director and executive remuneration

The following table shows the gross revenue and the operating result for the last five years for the listed entity, as well as the share price at the end of the respective financial years.

	2019	2020	2021[1]	2022[1]	2023[1]
Revenue	107,131	2,455	-	-	-
Net Profit/Loss	(1,339,670)	(2,669,798)	(1,034,051)	(715,322)	(558,503)
Share price at Year end	$0.005	$0.004	$0.004	$0.004	$0.004
Loss per share	$(0.004)	$(0.004)	$(0.001)	$(0.001)	$(0.001)

Note 1: The Company's shares have been suspended from trading on the ASX since 17 January 2020

End of remuneration report.

Meetings of Directors

During the financial year, no meeting of directors (including committees of directors) was held. The Board meets on occasion by telephone to make day-to-day decisions with respect to the business of the Company. Resolutions are passed by circular resolutions. Attendances by each director during the year were:

Indemnifying Officers or Auditors

During or since the end of the financial year the company has not paid premiums to insure each of the following directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a willful breach of duty in relation to the Company.

The company has not indemnified the current or former auditor of the Company.

Options

During the year ended 30 June 2023 no ordinary shares of MEC were issued on the exercise of options (2022: Nil). Following Shareholder approval on 4 July 2023 options were granted since year end as noted below. No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

At the date of this report there were the following share options on issue:

Issued	Number	Exercise Price	Expiry Date
21/2/2023	35,088,108	$0.0055	21/2/25
7/7/2023	40,741,652	$0.0055	7/7/25

Legal Proceedings on Behalf of Company

Advent Energy Pty Ltd & Asset Energy Pty Ltd

MEC entered into a 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 on 27 August 2020 and 8 September 2020.

On 13 December 2021 the Company held a shareholder meeting where approval was granted to issue 124,708,409 fully paid ordinary shares to Advent as part settlement of Advent writs. These shares were issued by the Company on 17 December 2021 at a deemed issue price of $0.0044 per Share to discharge the sum of $548,717 of the Advent Debt. As a result, the outstanding Advent Debt had been reduced from $872,741 to $324,024. Pursuant to the Deed of Settlement announced by the Company on 14 December 2020 Advent will be able to participate in a future rights issue or capital raise of MEC Resources to the extent of the balance of the Shares at a deemed issue price of $0.0044 per Share to settle the remaining balance of the Advent Debt being $324,024. The Advent Debt Conversion allows the Company to improve its balance sheet position and pay down the remaining $324,024 in outstanding debt which it would otherwise need to pay in cash.

PDF Status - Reinstated

MEC was notified on 5 February 2021 by the Innovation Investment Committee of Innovation and Science Australia (the "Committee") that the Committee had revoked MEC's PDF registration as a result of the Company contravening ss19(1), 27, 27A and 42 of the Pooled Development Fund Act 1992 ("**PDF**

Act").

On 16 March 2023 MEC announced that following its appeal to the AAT a decision has been made to set aside the revocation of MEC's Pooled Development Fund registration. Further, the AAT in substitution decided not to revoke the Applicant's PDF registration under S 47 of the of Pooled Development Funds Act 1992 (Cth) ("**PDFA**").

The AAT informed the Company that, following an application made by MEC under S56 of the PDFA for a review of a decision made by the Innovation Investment Committee of Innovation and Science Australia (the "**Committee**"), that the decision to revoke MEC's PDF registration was not correct.

On 4 May 2023 the Company further advised that MEC's PDF registration has:

- Been reinstated to the Australian Government Business website under the formal list of registered Pooled Development Funds - List of Pooled Development Funds | business.gov.au and
- Gazetted by the Commonwealth of Australia on 20 April 2023.

The Company's PDF registration brings a number of benefits to both the Company and its shareholders. Some of the key elements are:

- PDFs raise capital & make equity investments complying with a structure established under the Australian Government's PDF Act, enacted in 1992.
- MEC's PDF status means it is taxed at 15% on its income and capital gains received from its investments.
- MEC shareholders are exempt from capital gains when selling their MEC shares.
- Australian residents receiving franked and unfranked dividends from their MEC shares are also exempt from tax.

PEP 11 Joint Venture

Advent's (MEC 38.27% direct interest) 100% subsidiary Asset Energy Pty Ltd ("Asset") had applied to the Federal Court pursuant to section 5 of the Administrative Decisions (Judicial Review) Act 1977 (Cth) and section 39B of the Judiciary Act 1903 (Cth) to review the decision of the Commonwealth-New South Wales Offshore Petroleum Joint Authority (Joint Authority), constituted under section 56 of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth) (Act), to refuse to vary and suspend the conditions of Exploration Permit for Petroleum No.11 (PEP 11 Permit), pursuant to section 264(2) of the Act, and to refuse to extend the term of the PEP 11 Permit, pursuant to section 265 of the Act. Asset is a 100 % owned subsidiary of Advent Energy Ltd and has lodged the appeal as Operator for and on behalf of the PEP11 Joint Venture Partners, Bounty Oil and Gas NL (ASX:BUY) and Asset.

The PEP11 interests are:

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

On 5 October 2022, documents relating to the former Prime Minister's purported decision were provided to the Federal Court of Australia by the Commonwealth Minister for Resources by Asset Energy.

On 14 February 2023 MEC advised that the PEP 11 Joint Venture achieved resolution of the Federal Court Proceedings (WAD106/2022) between Asset Energy Pty Ltd (a wholly owned subsidiary of MEC's investee, Advent Energy Limited) and the Respondents (being the Commonwealth Minister for Resources et al).

The proceedings involved the decision made on 26 March 2022 by the Commonwealth - New South Wales Offshore Petroleum Joint Authority (Joint Authority) to refuse Asset Energy's Application (as JV operator) for a variation and suspension of the conditions to which PEP 11 is subject and a related refusal to grant an extension of term (the Decision).

The presiding judge, Justice Jackson agreed with the consent position reached by the parties and quashed the Decision concluding that the Decision of the Joint Authority was affected by apprehended bias. This was because a fair-minded observer would have reasonably observed that the former Prime Minister of Australia the Hon Scott Morrison MP, as a member of the Joint Authority, did not bring a fair mind to determine Asset Energy's application.

Non-audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Fees for non-audit services paid/payable to the external auditors during the year ended 30 June 2023 were Nil, for preparation of an R & D claim and income tax returns (2022: Nil).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 23.

The directors' report is signed in accordance with a resolution of directors made pursuant to S298(2) of the Corporations Act 2001.

David Breeze
Managing Director
Dated this 1 September 2023

MOORE

Moore Australia Audit (WA)

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000

PO Box 5785, St Georges Terrace, WA 6831

T +61 8 9225 5355
F +61 8 9225 6181

www.moore-australia.com.au

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF MEC RESOURCES LIMITED

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

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

Neil Pace

NEIL PACE
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 1st day of September 2023.

Corporate Governance Statement

The Board of Directors of MEC is responsible for the corporate governance of the economic entity. The Board guides and monitors the business and affairs of the company on behalf of the shareholders by whom they are elected and to whom they are accountable.

To ensure that the Board is well equipped to discharge its responsibilities, it has established guidelines and accountability as the basis for the administration of corporate governance.

A copy of the Company's Corporate Governance Statement can be found on the Company's website at www.mecresources.com.au

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2023

MEC Resources Ltd

	Note	2023 $	2022 $
Revenue	**2**	2,772	-
Other Losses	**2**	-	
Other Income	**2**	-	-
Share of associates' losses	**13**	(183,865)	(430,704)
Administration expenses		(210,182)	(141,738)
Consulting and legal expenses	**3**	(53,089)	(76,771)
Depreciation and amortisation expense		(1,536)	(446)
Director/Employee expenses	**5**	(13,155)	15,718
Insurance expenses		-	-
Interest expenses		(10,370)	(2,870)
Other expenses		(89,067)	(78,571)
Loss before Income Tax		(558,503)	(715,322)
Income tax expense	**8**	-	
Loss from continuing operations		(558,503)	(715,322)
Profit/(loss) for the Period		(558,503)	(715,322)
Other Comprehensive Income			
Total Comprehensive loss for the period		(558,503)	(715,322)
Loss attributable to non-controlling interest			
Loss attributable to members of the parent entity		(558,503)	(715,322)
Total Comprehensive loss attributable to non-controlling interest			
Total Comprehensive loss attributable to the owners of the company		(558,503)	(715,322)
Earnings Per Share –			
Basic and diluted earnings per share (cents per share)	**6**	(0.00)	(0.00)

The accompanying notes form part of these financial statements.

Statement of Financial Position
as at 30 June 2023
MEC Resources Ltd

	Note	30 June 2023 $	30 June 2022 $
Current Assets			
Cash and cash equivalents	**7**	223,509	11,595
Trade and other receivables	**9**	-	-
Financial assets	**13**	-	-
Other current assets	**10**	2,394	2,164
Total Current Assets		225,903	13,759
Non-Current Assets			
Intangible assets	**11**	-	-
Evaluation and exploration expenditure	**12**	-	-
Financial assets	**13**	8,252,482	8,436,714
Property, plant & equipment	**14**	-	1,536
Total Non-Current Assets		8,252,482	8,438,250
Total Assets		**8,478,386**	**8,452,009**
Current Liabilities			
Trade and other payables	**15**	1,117,261	909,779
Provisions	**16**	-	-
Financial liabilities	**17**	487,216	424,376
Total Current Liabilities		1,604,477	1,334,155
Total Liabilities		1,604,477	1,334,155
Net Assets		**6,873,908**	**7,117,854**
Equity			
Issued capital	**18**	31,507,403	31,193,095
Reserves	**19**	442,274	442,274
Accumulated losses		(25,075,769)	(24,517,515)
Total Equity Attributable to Owners		6,873,908	7,117,854
Non-controlling Interest		-	-
Total Equity		**6,873,908**	**7,117,854**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
for the year ended 30 June 2023
MEC Resources Ltd

	Issued Share Capital $	Accumulated losses $	Option Reserve $	Contribution Reserve $	Total attributable to owners $	Non-controlling Interest $	Total Equity $
Balance at 1 July 2021	30,644,378	(23,804,383)	442,274	-	7,282,268		7,282,268
Loss attributable to continuing operations	-	(715,322)	-	-	(715,322)		(715,322)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	(715,322)		-	(715,322)		(715,322)
Shares issued during the period	548,717	-	-	-	548,717	-	548,717
Capital raising costs	-	-	-	-	-	-	-
Net movements on deconsolidation	-	-	-	-	-	-	-
Balance at 30 June 2022	31,193,095	(24,517,515)	442,274	-	7,117,854		7,117,854
Balance at 1 July 2022	31,193,095	(24,517,515)	442,274	-	7,117,854		7,117,854
Loss attributable to continuing operations	-	(558,503)	-	-	(558,503)		(558,503)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income	-	(558,503)		-	(558,503)		(558,503)
Shares issued during the period	333,651	-	-	-	333,651	-	333,651
Capital raising costs	19,343	-	-	-	19,343	-	19,343
Net movements on deconsolidation	-	-	-	-	-	-	-
Balance at 30 June 2023	31,507,403	(25,075,769)	442,274	-	6,873,908		6,873,908

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the year ended 30 June 2023

MEC Resources Ltd

	Note	2023 $	2022 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		(186,233)	(219,274)
Other		16,555	-
Interest received		2,772	-
Net cash used in operating activities	**20**	(166,906)	(219,274)
Cash Flows from Investing Activities			
Associate share of losses		-	-
Repayment of loans from other entities		367	-
Sale of property, plant & equipment		1,536	
Net cash provided by/(used) in investing activities		1,902	-
Cash Flows from Financing Activities			
Proceeds from share issue		314,308	-
BPH Loan Funding Agreements		62,840	100,352
Net cash provided by financing activities		377,148	100,352
Net increase/(decrease) in Cash Held		212,144	(118,922)
Cash at the Beginning of the Period		11,365	130,286
Cash at the End of the Period	**7**	**223,509**	**11,365**

1. Statement of Significant Accounting Policies

Corporate Information
The financial report includes the consolidated financial statements, for part of the prior financial year and the notes of MEC and its controlled entities ('Consolidated Group' or 'Group').

MEC is a public listed company on the ASX, which is incorporated and domiciled in Australia. The financial report was authorised for issue on 1 September 2023 by the Board of Directors.

Basis of Preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. MEC is a for-profit entity for the purpose of preparing financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where stated below.

Compliance with IFRS

The consolidated financial statements of MEC Resources Ltd comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Financial Position/Going Concern Basis of Preparation

The Consolidated Group has incurred losses for the year ended 30 June 2023 of $558,503 (2021: $715,322) and has a net cash outflow from operating and financing activities of $212,144 (2021: $118,922).

The Consolidated Group has a working capital deficit of $1,378,574 (Note 18b) as at 30 June 2023 (2022: $1,322,561) which includes cash assets of $225,903 as at 30 June 2023 (2022: $13,759), trade receivables of $nil (2022: nil), trade creditors and other payables of $1,117,261 (2022: $919,779) and financial liabilities of $487,216 (2022: $424,376).

Included in the trade creditors and payables are director fee accruals of $735,657 (2022: $581,657). The directors have reviewed their expenditure and commitments for the Consolidated Group and have implemented methods of cost reduction. The directors, as a part of their cash monitoring, have voluntarily suspended cash payments for their director's fees prior to and as at the date of this report to conserve cash resources of the Company.

The Company has assessed its ability to continue as a going concern, taking into account all available information, for a period of 12 months from the date of the issuing of the financial report.

The Company's financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities, including the realisation of assets and settlement of liabilities in the normal course of business.

1. Statement of Significant Accounting Policies (continued)

Financial Position/Going Concern Basis of Preparation (continued)

Based on the Company's cash flow forecast, the Company will require additional funding in the next 12 months to enable it to continue its normal business activities and to ensure the realization of assets and extinguishment of liabilities as and when they fall due.

The continuing viability of the Company and its ability to continue as a going concern and meet its debts and commitments as they fall due is therefore dependent upon:

- the Company's operating cash requirements not exceeding its historical levels;
- the creditors of the Company continuing to support it by not demanding repayment of amounts due to them, and
- the Directors being successful in obtaining future funding to meet the Company's objectives and payment obligations as and when they fall due by engaging with parties in raising additional capital or issuing debt, in relation to which the Company has demonstrated a history of success in this regard.

After consideration of the above factors, the Directors are of the opinion that it is appropriate for the Company to prepare the financial statements on a going concern basis and, as a result, the financial statements do not include any adjustments relating to the recoverability and classification of the recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not be able to continue as a going concern basis.

Notwithstanding this assessment, there exists a material uncertainty that casts doubt on the Company's ability to continue as a going concern for at least the next 12 months and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Accounting Policies

(a) Principles of Consolidation

A controlled entity is any entity which MEC is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of controlled entities is contained in Note 25 to the financial statements. All controlled entities have a June financial year-end. As of the reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All inter-company balances and transactions between entities in the Consolidated Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the Consolidated Group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

1. Statement of Significant Accounting Policies (continued)

(a) Principles of Consolidation (continued)

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e., reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date. Deferred tax is accounted for in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 is calculated at the tax rates that are expected to apply to the period when the asset is realised, or liability is settled. Deferred tax is recognised in the statement of profit or loss and other comprehensive income except where it relates to items that may be recognised directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences or unused tax losses and tax credits can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(d) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers

1. Statement of Significant Accounting Policies (continued)

Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue from the rendering of a service is recognised by reference to the stage of completion of the contract. All revenue is stated net of the amount of goods and services tax (GST).

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(f) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Consolidated Group. The amounts are unsecured and are usually paid within 30 days. The carrying amounts of trade and other payables are assumed to be the same as their fair values due to their short-term nature. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(g) Share based payments

Share based compensation benefits are provided to employees via the Company's Employee Option plan.

The fair value of options granted under the Company's Employee Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognized over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using an appropriate option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the Company revises its estimate of the number of options that are expected to vest. The employee benefit expense recognised each period takes into account the most recent estimate. Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

1. Statement of Significant Accounting Policies (continued)

(h) Earnings per share

Basic earnings per share (EPS) is calculated as net profit/loss attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(i) Investments in Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The equity method of accounting recognises the Group's share of post-acquisition reserves of its associates.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Dividends receivable from associates are recognised in the parent entity's profit or loss, while in the consolidated financial statements they reduce the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Where an investment is classified as a financial asset in accordance with AASB 9, at the date significant influence is achieved, the fair value of the investment needs to be assessed. Any fair value gains are recognised in accordance with the treatment the classification the financial asset as required by AASB 9.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The consolidated entity discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When a consolidated entity retains an interest in the former associate or joint venture and the retained interest is a financial asset, the consolidated entity measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gains or loss on disposal

1. Statement of Significant Accounting Policies (continued)

of the associate or joint venture. In addition, the consolidated entity accounts for all amounts previously recognised other comprehensive income in relation to that associate or joint venture on the same basis

as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the consolidated entity reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

(j) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to statement of financial position. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits using a corporate bond rate.

(k) Financial Instruments

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63

Classification and subsequent measurement
Financial liabilities
Financial instruments are subsequently measured at:

a. amortised cost; or
b. fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

c. a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
d. held for trading; or
e. initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. It is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

1. Statement of Significant Accounting Policies (continued)

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in a effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets
Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing financial assets.
-

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

1. Statement of Significant Accounting Policies (continued)

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments
At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3: Business Combinations applies, the Group made an irrevocable election to measure any subsequent changes in

fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's accounting policy.

Derecognition
Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities
A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets
A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:
- the right to receive cash flows from the asset has expired or been transferred.
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e. the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

Impairment
The Company recognises a loss allowance for expected credit losses on:
- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;

1. Statement of Significant Accounting Policies (continued)

- contract assets (e.g. amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:
- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a

financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the general approach to impairment, as applicable under AASB 9: Financial Instruments.

Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:
- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Recognition of expected credit losses in financial statements
At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income. The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(l) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

(m) Critical Accounting Estimates and Judgements

Key Judgments —Expected credit loss assessment of net investment in Advent Energy Ltd

The Company has significant assets invested in Advent Energy Ltd and its controlled entities, comprising loans receivable and an investment in the Company as disclosed in Note 13 and 21. The evaluation of the recoverability of these assets requires significant judgement because ultimately their recoverability and value is dependent upon the ability of Advent Energy Ltd to extract and realise value from its core

1. Statement of Significant Accounting Policies (continued)

exploration assets. The Company assesses its investment in and loans to Advent Energy Ltd for expected credit losses in accordance with the accounting policy stated in note 1(o), which requires the application of significant judgement. Refer to Note 13 and 21 for further discussion on matters related to the investment in and loans to Advent Energy Ltd.

(n) Application of New and Revised Accounting Standards

Standards and Interpretations applicable to the 30 June 2023 financial year

In the year ended 30 June 2023, the Directors have reviewed all of the new and revised Standards and

Interpretations issued by the AASB that are relevant to the consolidated entity and effective for the current reporting period beginning on or after 1 July 2021. The Directors have determined that there is no material impact of the other new and revised Standards and Interpretations on the consolidated entity and therefore, no material change is necessary to group accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2022. As a result of this review the Directors have determined that there is no material impact, of the new and revised Standards and Interpretations on the consolidated entity and, therefore, no change is necessary to the consolidated entity's accounting policies.

Standards and Interpretations issued but not yet adopted by the Company

The Directors have also reviewed all of the new and revised Standards and Interpretations Issued but not yet adopted that are relevant to the Company and effective for future reporting periods.

None are expected to have a significant impact on the Company.

2. Revenue

	2023 $	2022 $
Revenue		
Interest revenue	2,772	-
Interest revenue: other entities	-	-
Total revenue	2,772	-

	$	$
Other gains and losses		
Loss on legal settlement (refer Note 24)	-	-
Loss on Impairment of Loan	-	-
	-	-
R&D Tax Incentive Claim	-	-
	-	-

3. Loss for The Year

	Consolidated	
	2023 **$**	**2022** **$**
Expenses		
Employee Expenses		
Wages & salary	-	(15,718)
Superannuation expense	13,166	-
Other payroll expenses	-	-
		(15,718)
Consulting and Legal		
Consulting fees	-	-
Legal fees	53,089	76,771
	53,089	76,771

4. Auditors' Remuneration

	Consolidated	
	2023 **$**	**2022** **$**
Remuneration of the auditor of the parent entity for:		
- auditing or reviewing the financial report of the parent		
Moore Australia Audit (WA)	16,350	8,350
- Other services - Moore Australia Audit (WA)		-
Remuneration of the auditor of subsidiaries for:		
- auditing or reviewing the financial report of subsidiaries		
Moore Australia Audit (WA)	-	-
	16,350	8,350

5. Key Management Personnel Compensation

(a) Names and positions held of economic and parent entity key management personnel in office at any time during the financial year are:

Key Management Personnel

D Breeze - (appointed 22 October 2020)
A Jones - (appointed 23 September 2020)
A Huston - (appointed 22 October 2020)
S James – (appointed 4 March 2022)

	Consolidated	
	2023 **$**	**2022** **$**
Short term employee benefits	154,000	176,917
Share based payments (in lieu of directors' fees)	-	-
	154,000	176,917

Included in consolidated trade creditors and payables are director fee accruals (including ex directors) of $735,657 (30 June 2022: $581,657).

Key Management Personnel Compensation (continued)

Director	MEC Resources Ltd All Amounts Accrued & Owing up to 30 June 2023	MEC Resources Ltd Amount Accrued & Owing 1 July 2022 to 30 June 2023	MEC Resources Ltd Amount Accrued & Owing 1 July 2021 to 30 June 2022	MEC Resources Ltd Amount Accrued & Owing 30 June 2021
Current Directors				
D Breeze	360,935	71,500	71,500	217,935
A Jones	96,701	27,500	27,500	41,701
A Huston	87,941	27,500	27,500	32,941
S James	36,667	27,500	9,167	-
Previous Directors				
R Marusco	8,761	-	-	8,761
D Verley	91,086	-	20,625	70,461
G Murray	53,566	-	20,625	32,941
Balance owing	**$735,657**	**$154,000**	**$176,917**	**$404,740**

Key management personnel remuneration is disclosed in the remuneration report included in the director's report.

Post Balance Date Share Based Payments in Lieu of Directors Fees

As noted on 7 July 2023 following shareholder approval at the Company's 2022 Annual General Meeting a total of 97,328,315 shares were issued at $0.0044 per share in satisfaction of directors' fees with shares being issued to the MEC Employee Share Trust and will vest upon the Company's Shares being readmitted to trading status on the ASX (**Vesting Condition**);

Director	MEC Resources Ltd All Amounts Accrued & Owing up to 30 June 2023	Shares Issued to the MEC Employee Share Trust in lieu of Directors Fees	Value of Directors Fees paid by Share Based Payment	Net Directors Fees owing following Share Based Payment as at 30 June 2023
Current Directors				
D Breeze	360,935	65,780,777	289,435	78,000
A Jones	96,701	15,727,557	69,201	27,496
A Huston	87,941	13,736,648	60,441	27,493
S James	36,667	2,083,333	9,167	27,494
Balance owing	**$582,244**	**97,328,315**	**$428,244**	**$160,483**

6. Earnings per share

		Consolidated	
		2023	**2022**
		$	**$**
(a)	Reconciliation of Earnings to Profit or Loss		
	Net loss attributable to members of the parent	(558,503)	(715,322)
	Earnings used to calculate basic and diluted EPS	(558,503)	(715,322)
(b)	Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	884,993,167	809,163,335
	Loss per share (cents per share)	(0.0006)	(0.0009)

The company's potential ordinary shares, being its options granted, are not considered dilutive as the conversion of these options will result in a decreased net loss per share.

	Consolidated	
	2023 $	2022 $

7. Cash and cash equivalents

Cash at bank and in hand	223,509	11,595

Reconciliation of cash
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	223,509	11,595

8. Income Tax Expense

		Consolidated	
		2023	**2022**
		$	**$**
a.	**The components of tax expense comprise:**		
	Current tax	-	-
	Deferred tax	-	-
		-	-
b.	**The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:**		
	Prima facie tax benefit on loss from ordinary activities before income tax at 25% (2021: 26%)	(139,626)	(178,830)
	Add/(less) tax effect of:		
	- Revenue losses and other deferred tax balances not recognised	139,626	178,830
	- Other non-deductible items	-	-
	- Other non-assessable items	-	-
	Income tax expense	-	-
c.	**Deferred tax recognised at 25% (2022: 25%) (Note 1): Deferred tax liabilities:**		
	Exploration expenditure	-	-
	Deferred tax assets:		
	Carry forward revenue losses	-	-
	Net deferred tax	-	-
d.	**Unrecognised deferred tax assets at 26% (2022: 26%):**		
	Carry forward revenue losses	4,494,121	4,119,483
	Carry forward capital losses	1,954,762	1,954,762
	Other	-	-
		6,448,883	6,074,245

Income Tax Expense (continued)

The tax benefits of the above deferred tax assets will only be obtained if:

(a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

(b) the company continues to comply with the conditions for deductibility imposed by law; and

(c) no changes in income tax legislation adversely affect the company in utilising the benefits.

Note 1 - Corporate Tax Rate

The corporate tax rate for eligible companies has reduced from 30% to 25% as from 30 June 2023 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

Note 2 - Comparatives

The 2022 comparatives have been updated to be consistent with the 2023 format. The current and deferred tax position has not changed.

9. Trade and other receivables

	Consolidated	
	2023 $	2022 $
CURRENT		
Trade receivables	-	-
Net GST receivables	-	-
Other receivables – RD accrual	-	-
	-	-

	Consolidated	
	2023 $	2022 $
Ageing of past due but not impaired		
30-60 days	-	-
60-90 days	-	-
120 days and over	-	-
Total	-	-

10. Other Assets

	Consolidated	
	2023 **$**	**2022** **$**
Current		
Deposits	2,394	2,164
Prepaid expenses	-	-
	2,394	2,164

11. Intangibles

	Consolidated	
	2023 **$**	**2022** **$**
Intangibles	-	-
	-	-

12. Capitalised Exploration Costs

Exploration expenditure capitalised		
Exploration and evaluation phases	-	-
	-	-

13. Financial Assets

	Consolidated	
	2023 **$**	**2022** **$**
Current		
Loan receivable – Catalyst 1 Pty Ltd	-	-
Loan receivable – Grandbridge Ltd	-	-
Total	-	-
Non - Current		
Fair Value through Profit and Loss financial assets (a)	-	-
Loan receivable – Advent Energy Ltd (b)	4,161,135	4,161,135
Investment in Associate - Advent Energy Ltd (c)	4,091,348	4,275,213
Other	-	366
	8,252,482	8,436,684

(a) For financial instruments that are measured at fair value on a recurring basis, Level 1 and Level 3 applies to the company's non-current Fair Value through Profit and Loss financial assets.

(b) This loan is recoverable only by conversion to shares of Advent Energy Ltd one month prior to the scheduled commencement date for the drilling of a well within the PEP-11 permit area. The shares are calculated at 80% of 5-day VWAP of Advent Energy Ltd immediately prior to that date or if as at that date Advent Energy Ltd shares are not listed on any securities exchange, the price at which ordinary shares in Advent Energy Ltd were last issued.

(c) Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting.

On16 December 2021, MEC advised ASX that the Prime Minister of Australia at that time, Scott Morrison, had announced that the Federal Government would refuse the joint venture's applications to extend the PEP 11 Permit for gas exploration in the offshore Sydney Basin. Permit participants Advent and Bounty received official notification of refusal from the National Offshore Petroleum Title Authority (NOPTA).

Advent has two applications with NOPTA for suspension and extension of the PEP11 permit. The first application was accepted as lodged in January 2020 and the second in February 2021. NOPTA has issued a notice of intention to refuse the January 2020 application which was lodged on the basis of Force Majeure. The first is the only application which is the subject of the NOPTA notice. The second application was made under a COVID application process and was accepted but not dealt with pending an outcome on the first application made in January 2020. NOPTA is seeking additional information from Advent in respect of the application. Under the provisions of the Offshore Petroleum and Greenhouse Gas Storage Act 2006, the existing permit will continue until relevant decisions are made.

On 31 March 2022, the PEP 11 Joint Venture announced to ASX that they had been given notice by NOPTA that NOPTA has refused the Joint Venture Application initially submitted on 24 December 2019 for a secondary work program variation and a 24-month suspension of the Permit Year 4 Work Program Commitment and the corresponding 24-month extension of the Permit Term.

Advent's 100% subsidiary Asset Energy Pty Ltd has applied to the Federal Court pursuant to section 5 of the Administrative Decisions (Judicial Review) Act 1977 (Cth) and section 39B of the Judiciary Act 1903 (Cth) to review the decision of the Commonwealth-New South Wales Offshore Petroleum Joint Authority (Joint Authority), constituted under section 56 of the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth) (Act), to refuse to vary and suspend the conditions of Exploration Permit for PEP 11 Permit, pursuant to section 264(2) of the Act, and to refuse to extend the term of the PEP 11 Permit, pursuant to section 265 of the Act. The application was made in December 2019. Asset Energy Pty Ltd is a 100% owned subsidiary of Advent and has lodged the appeal as Operator for and on behalf of the PEP11 Joint Venture Partners, Bounty Oil and Gas NL (ASX:BUY) and Asset Energy Pty Ltd. On 11 August 2022 the Federal Court of Australia made discovery orders in respect of this application. On 14 February 2023 MEC advised that the PEP 11 Joint Venture achieved resolution of the Federal Court Proceedings (WAD106/2022) between Asset Energy Pty Ltd (a wholly owned subsidiary of MEC's investee, Advent Energy Limited) and the Respondents (being the Commonwealth Minister for Resources et al).

The proceedings involved the decision made on 26 March 2022 by the Commonwealth - New South Wales Offshore Petroleum Joint Authority (Joint Authority) to refuse Asset Energy's Application (as JV operator) for a variation and suspension of the conditions to which PEP 11 is subject and a related refusal to grant an extension of term (the Decision).

The presiding judge: Justice Jackson agreed with the consent position reached by the parties and quashed the Decision concluding that the Decision of the Joint Authority was affected by apprehended bias. This was because a fair-minded observer would have reasonably observed that the former Prime Minister of Australia the Hon Scott Morrison MP, as a member of the Joint Authority, did not bring a fair mind to determine Asset Energy's application.

The directors of Advent have confidence that a suitable outcome will be achieved, however there is no certainty at this stage that the application will be successful and/or of further funding being made available. If Asset Energy loses its right of tenure in respect of PEP 11 then book value of capitalised exploration and evaluation expenditure of $14.04m will need to be written off to Advent's Statement of Profit or Loss and Other Comprehensive Income.

The above conditions indicate a material uncertainty that may affect the ability of Advent to realise the carrying value of the exploration assets in the ordinary course of business and may in turn affect the ability of the Company to realise the carrying value of its loan receivables and its investment in Advent in the ordinary course of business.

	Consolidated	
	2023	**2022**
	$	**$**
Investment in Associate – Advent Energy Ltd		
Opening balance	4,275,213	4,705,917
Share of loss of Associate for the year	(183,865)	(430,704)
Closing balance	4,091,348	4,275,213

14. Property, Plant and Equipment

	Consolidated	
	2023	**2022**
	$	**$**
Plant and Equipment:	14,624	14,624
Less: Accumulated depreciation	(14,624)	(13,088)
Total Property, Plant and Equipment	-	1,536

	Consolidated	
	2023	**2022**
	$	**$**
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.		
Consolidated Entity:		
Balance at the beginning of the year	1,536	1,983
Additions	-	-
Disposal on deconsolidation	-	-
Depreciation expense	(1,536)	(446)
Carrying amount at the end of the year	-	1,536

15. Trade and other payables

	Consolidated	
	2023 $	2022 $
Trade Payables and accrued expenses	1,117,261	909,779
	1,117,261	909,779

16. Provisions

	Consolidated	
	2023 **$**	**2022** **$**
Current		
Employee entitlements:		
Opening balance at 1 July	-	-
Increase/(Decrease) in provision	-	-
Balance at 30 June	-	-
Share sale agreement:		
Opening balance at 1 July	-	-
Increase/(Decrease) in provision	-	-
Balance at 30 June	-	-
Total Current Provisions	-	-

17. Financial Liabilities

	Consolidated	
	2023 **$**	**2022** **$**
Loans payable – Current Liabilities		
Loan from Asset Energy Limited (a)	324,024	324,024
Loan from BPH Energy Limited (b)	163,192	100,352
	487,216	424,376

a. The loan is unsecured and interest free.
b. The loan is unsecured and interest is 7%.

18. Issued Capital

	Consolidated	
	2023	**2022**
	$	**$**
884,993,167 (2022: 809,163,335) fully paid ordinary shares	31,526,746	31,193,095
Less: Capital raising costs	19,343	-
Issued Capital	31,507,403	31,193,095

The company does not have an authorized capital and issued shares have no par value.	**2023**	**2022**	**2023**	**2022**
Ordinary Shares	**$**	**$**	**No**	**No**
At the beginning of reporting period	31,193,095	30,644,378	809,163,335	684,451,176
Shares issued – SPP	-	-	-	-
Shares issued – Rights Issue	-	-	-	-
Shares issued as settlement of Advent Writs	-	548,717	-	124,708,409
Shares issued payment of consultant	-	-	-	20,792,200
Placement shares issued	333,651	-	75,829,832	-
Capital Raising cost	(19,343)	-	-	-
Prior Period Adjustment	-	-	-	-
At reporting date	31,507,403	31,193,095	884,993,167	809,163,335

Fully Paid Ordinary Share Capital

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(a) Options

During the year ended 30 June 2023 no ordinary shares of MEC were issued on the exercise of options (2022: Nil). Following Shareholder approval on 4 July 2023 options were granted since year end as noted below. No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

At the date of this report there were the following share options on issue:

Issued	Number	Exercise	Expiry
21/2/2023	35,088,108	$0.0055	21/2/25
7/7/2023	40,741,652	$0.0055	7/7/25

The market price of the Company's ordinary shares at 30 June 2023 was $0.004 cents noting that the Company's shares have been suspended from trading on the ASX since 17 January 2020.

Issued Capital (continued)

The holders of options do not have the right, by virtue of the option, to participate in any share issue or interest issue of any other body corporate or registered scheme.

(b) Capital risk management

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

The focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet corporate overheads and exploration commitments. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group and the parent entity at 30 June 2023 and 30 June 2022 are as follows:

	Consolidated	
	2023	2022
	$	$
Cash and cash equivalents	223,509	11,595
Other receivables	-	-
Trade payables and financial liabilities	1,604,477	(1,334,156)
Working capital position	(1,380,968)	(1,322,561)

Refer to Note 1 for working capital and financial position note.

	Consolidated	
	2023 $	2022 $

19. Reserves

Options Reserve (a)	442,274	442,274
Contributions Reserve (b)	-	-
	442,274	442,274

a. The option reserve records items recognised as expenses in respect of the granting of Director and Employee share options.

b. The purpose of the contribution reserve is to reflect the effect on equity of changes in ownership of the outside equity interest.

Reserves (continued)

Option Reserve

Reconciliation of movement	2023	2022
	$	$
Opening balance	442,274	442,274
Reversal on deconsolidation	-	-
Closing balance	442,274	442,274

Contribution Reserve

	2023	2022
Reconciliation of movement	$	$
Opening balance	-	-
Reversal on deconsolidation	-	-
Reclassification of NCI to Contribution reserve	-	-
Closing balance	-	-

The Group has reclassified outside equity interest to a contribution reserve to reflect the relative interest of the outside equity interest in the equity of the controlledentities.

20. Cash Flow Information

	Consolidated	
	2023	**2022**
	$	$
(a) Reconciliation of Cash Flow from Operations with Profit after income tax		
Operating loss after income tax	(558,503)	(715,322)
Non-cash flows in profit:		
Depreciation	1,536	446
Revaluation on investments/share of associates losses	183,865	-
Share based payments	-	-
Exploration expenditure written off	-	-
Loss on legal settlement	-	-
Loss on loan impairment	-	-
Changes in net assets and liabilities, net of effects of purchase & disposal of subsidiaries	-	
(Increase)/decrease in trade and other receivables	-	-
(Increase)/decrease in other assets	(230)	430,705
Increase/(decrease) in trade payables and accruals	206,426	64,897
Increase/(decrease) in provisions	-	-
Net cash flow from/(expended on) operating activities	(166,906)	(221,464)

21. Financial Risk Management

(a) Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, short-term investments, investments held for trading, accounts receivable and payable, and loans to and from related parties. The main purpose of non-derivative financial instruments is to raise finance for group operations policies.

Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and equity price risk.

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. The Group's financial liabilities are currently not exposed to interest rate risk as the Group has no interest-bearing financial liabilities.

Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk for derivative financial instruments arises from the potential failure by counterparties to the contract to meet their obligations.

Equity Price Risk

The Group is exposed to equity price risks arising from equity investments. Material investments are managed on an individual basis.

Foreign currency risk

The Group is not exposed to any material risks in relation to fluctuations in foreign exchange rates.

(b) Financial Instruments

Interest rate risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows

Financial Risk Management (Continued)

2023	Effective Average Interest Rate Payable %	Floating Interest Rate $	Fixed Interest Rate $	Non-Interest Bearing $	Total $
Financial Assets					
Cash and cash equivalents		223,509	-	-	223,509
Trade and other receivables		-	-	-	-
Financial Assets – current	-	-	-	-	-
Financial Assets - non-current		-	-	2,394	2,394
		223,509	-	2,164	225,903
Financial Liabilities					
Trade and sundry Payables		-	-	1,117,261	1,117,261
Financial liabilities	7%	-	163,192	324,024	487,216
			163,192	1,441,285	1,604,477

2022	Effective Average Interest Rate Payable %	Floating Interest Rate $	Fixed Interest Rate $	Non-Interest Bearing $	Total $
Financial Assets					
Cash and cash equivalents	1.25%	11,595	-	-	11,595
Trade and other receivables	-	-	-	-	-
Financial Assets – current	20.79%	-	-	-	-
Financial Assets - non-current	-	-	-	2,164	2,164
		11,595	-	2,164	13,759
Financial Liabilities					
Trade and sundry Payables	-	-	-	909,779	1,188,022
Financial liabilities	-	-	-	424,376	424,376
		-	-	1,334,156	1,612,398

Financial Risk Management (Continued)

Fair Values
The fair values of:

- Term receivables are determined by discounting the cash flows, at the market interest rates of similar securities, to their present value.
- Listed investments have been valued at the quoted market bid price at balance date. For unlisted investments where there is no organised financial market, the net fair value has been based on a reasonable estimation based on valuation techniques that are not based on observable market data.
- Other loans and amounts due are determined by discounting the cash flows, at market interest rates of similar borrowings to their present value.
- Other assets and liabilities approximate their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

Aggregate fair values and carrying amounts of financial assets and financial liabilities at balance date:

	Consolidated			
	2023		**2022**	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial Assets				
Cash	223,509	223,509	11,595	11,595
Financial assets at fair value through profit or loss	8,252,482	8,252,482	8,436,684	8,436,684
Available for sale financial assets	-	-	-	-
Loans and receivables	2,394	2,394	2,164	2,164
	8,478,386	8,478,386	8,438,848	8,438,848
Financial Liabilities				
Other loans and amounts due	1,117,261	1,117,261	1,188,022	1,188,022
Other liabilities	487,216	487,216	424,376	424,376
	1,604,477	1,604,477	1,612,398	1,612,398

iii. Sensitivity Analysis

Interest Rate Risk
The Group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Financial Risk Management (Continued)

Interest Rate Sensitivity Analysis

The effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated Group	
	2023	**2022**
Change in profit		
— Increase in interest rate by 1%	-	-
— Decrease in interest rate by 0.5%	(-)	(-)

iv. Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The following are the contractual maturities at the end of the reporting period of financial liabilities.

30 June 2023

		Contractual cash flows					
	Carrying amount	**Total**	**2 months or less**	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Financial liabilities							
Trade and other payables	1,117,261	(1,117,261)	-	(1,117,261)	-	-	-
Unsecured loans	487,216	(487,216)	-	-	-	(487,216)	-
							-

30 June 2022

			Contractual cash flows				
	Carrying amount	**Total**	**2 months or less**	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Financial liabilities							
Trade and other payables	909,779	(909,779)	-	(909,779)	-	-	-
Unsecured loans	424,376	(424,376)	-	-	-	(424,376)	-
	1,334,155	(1,334,155)	-	(909,779)	-	(424,376)	-

(c) Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30 June 2023

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at FVTPL				
- Investments in listed entities	-	-	-	-
Financial assets at FVTPL				
- Investments in unlisted entities	-	-	8,252,482	8,252,482
Total	-	-		

30 June 2022

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at FVTPL				
- Investments in listed entities	-	-	-	-
Available for sale financial assets				
- Investments in unlisted entities	-	-	8,436,684	8,436,684
Total	-	-	8,436,684	8,436,684

Reconciliation of Level 1 fair value measurements of financial assets:

	2023 Investments in listed entities (Level 1)	2022 Investments in listed entities (Level 1)
Opening balance	-	-
Add: Purchases	-	-
Total gains or loss in the profit and loss	-	-
Proceeds from sale of listed investments	-	-
Closing balance	-	-

Reconciliation of Level 3 fair value measurements of financial assets:

	2023 Available for sale (Level 3)	2022 Available for sale (Level 3)
Opening balance	8,436,684	8,436,684
Add: Purchases		
Add: Reclassified balances on deconsolidation	-	-
Total gains or loss in the profit and loss	(184,202)	-
Closing balance	8,252,482	8,436,684

The Company has a 38.27% holding in Advent and, based on the 30 June 2023 book value of net assets of Advent the carrying value in Advent held by the Company as reflected at Note 13 is considered to reflect approximate fair value.

22. Events after the Balance Sheet Date

The Company made a number of announcements after balance date as follows;

- 5 July 2023 – Result of 2022 Annual General Meeting
- 6 July 2023 – Amended Constitution as approved by Shareholder on 4 July 2023
- 12 July 2023 – Issue of securities by the Company
- 12 July 2023 – Change in Directors Interest Notices
- 21 July 2023 – PEP 11 update
- 27 July 2023 – Quarterly Report & Appendix 4C Cash Flow Report
- 1 August 2023 – Investee Advent – Advent Energy Ltd – 2023 Annual Financial Report
- 2 August 2023 - Result of 2022 Annual General Meeting – adjourned resolution

23. Related Party Transactions

(a) *Equity interests in controlled and uncontrolled entities*

The % of ordinary shares held in controlled and uncontrolled entities is disclosed in Note 24 to the financial statements.

(b) *Directors' remuneration*

Details of directors' remuneration and retirement benefits are located in the Directors Report and Note 5.

(c) *Receivables, payables and transactions with associates*

Advent is a related party of the Company. Refer to Note 13 for the Company's investment and loan receivables.

(d) *Director related entities*

MEC and BPH have a common Managing Director, Mr David Breeze, and therefore BPH is a related party of the Company. During the period BPH loaned MEC a further $52,470 and charged MEC $12,642.52 in interest. At balance date $163,192 (2022: $100,352) was payable to BPH by MEC, classified as a current liability.

24. Controlled Entities and Non-Controlling Interests

(a) Controlled Entities

Name of Entity	Principal Activity	Country of Incorporation	Ownership Interest % 2023	Ownership Interest % 2022
Parent Entity				
MEC Resources Limited	Investment	Australia		
Subsidiaries of MEC Resources Ltd				
Catalyst 1 Pty Ltd	Passive	Australia	100.00	100.00
Catalyst Two Pty Ltd	Passive	Australia	0.00	100.00

(b) Non-Controlling Interests

	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenues	Profit for the Year	Total Compreh-ensive Profit for the Year
2023							
Advent Energy Ltd	2,026,128	16,822,221	1,250,522	7,206,039	2,997	(480,442)	(480,442)

	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenues	Loss for the Year	Total Compreh-ensive Loss for the Year
2022							
Advent Energy Ltd	3,047,467	17,545,977	563,721	9,225,890	16,613	(1,125,436)	(1,125,436)

25. Share-Based Payments

A share-based payment arrangement occurred during 30 June 2023. A payment was made by way of issue of 2,105,290 ordinary shares at a deemed issue price of $0.0044 per share on 26 April 2023 for the payment of capital raising services by LeMessurier Securities Pty Ltd. This share issue was also accompanied by the issue of 2,105,290 Options with exercise price of $0.0055 per Option expiry 7 July 2025 which was approved by shareholders at the Company's Annual General Meeting on4 July 2023.

At balance date, nil MEC share options have been exercised (2022: nil).

During the year ended 30 June 2023 no ordinary shares of MEC were issued on the exercise of options (2022: Nil). Following Shareholder approval on 4 July 2023 options were granted since year end as noted below. No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

At the date of this report there were the following share options on issue:

Issued	Number	Exercise	Expiry
21/2/2023	35,088,108	$0.0055	21/2/25
7/7/2023	40,741,652	$0.0055	7/7/25

26. Contingent Liabilities

On 13 December 2021 Shareholders approved the issue of shares under the Advent Debt Conversion (as announced by the Company on 14 December 2020, whereby MEC and Advent had agreed to a debt for equity conversion for the Advent Debt pursuant to which the total of the Advent Debt will convert to equity in the Company, known as the Advent Debt Conversion), the Company has agreed to issue up to 198,247,272 Shares at a deemed issue price of $0.0044 per Share to Advent to settle $872,288 of the Advent Debt.

This full and final settlement is proposed to be completed in the following manner:

a) by the issue of 124,708,409 Shares at a deemed issue price of $0.0044 per Share to discharge the sum of $511,972 plus interest and costs of $36,790 of the Advent Debt which was completed on 22 December 2021; and

b) by allowing Advent to participate in a future rights issue or capital raise of MEC to the extent of the balance of the Shares at a deemed issue price of $0.0044 per Share to settle the remaining balance of the Advent Debt being $323,526.

The Advent Debt Conversion allows the Company to improve its balance sheet position and pay down $872,288 in outstanding debt which it would otherwise need to pay in cash.

As at the date of this Annual Report part b) shares noted above have not been issued however the Company is working towards completion with a proposed capital raise following feedback to its ASX submission.

27. Commitments

Capital Commitments

The Company has no current capital commitments.

Directors Declaration

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 24 to 61, are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards and the Corporations Regulations 2001; and

   (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the consolidated entity;

2. the Financial Statements and Notes comply with International Accounting Standards as disclosed in Note 1.

3. the directors have been given the declarations required by S295A of the Corporations Act 2001

4. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to S295(5) of the Corporations Act 2001.

……………………………………………………
David Breeze
Managing Director

Dated this 1 September 2023

MOORE

Moore Australia Audit (WA)

Level 15, Exchange Tower,
2 The Esplanade, Perth, WA 6000
PO Box 5785, St Georges Terrace, WA 6831

T +61 8 9225 5355
F +61 8 9225 6181
www.moore-australia.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEC RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of MEC Resources Limited (the Company) and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a) the accompanying financial report of the Group 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 2023 and of its financial performance for the year then ended; 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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.

Material Uncertainty Related to Going Concern

In forming our opinion on the Company's financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1 to the financial statements concerning the Company's ability to continue as a going concern. The conditions explained in Note 1 to the financial statements indicate the existence of a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. Given the significance of the matters set out in Note 1 we are not able to conclude that the Company will be able to continue to operate as a going concern for at least the next 12 months. The Company's financial statements do not include any adjustments in the way of reductions to asset values or increases in liabilities, that would result if the Company were unable to continue as a going concern.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MEC RESOURCES LIMITED (CONTINUED)

Material Uncertainty Regarding Carrying Value of Loans Receivable from & Investment in Advent Energy Limited

We draw attention to Note 13 of the financial statements and specifically to the loans receivable from Advent Energy Limited and its controlled entities amounting to $3,837,110 (net of a loan payable to a subsidiary of Advent Energy Limited of $324,024). We also draw attention to the investment in Advent Energy Limited of $4,091,347. The ability of the Company to recover the book values of the investment in and loans to Advent Energy and its controlled entities is dependent upon the ability of Advent Energy Limited to successfully commercialise and/or sell its core exploration assets (being an 85% interest in PEP11), thereby realising sufficient value from which the Company can recoup the value of its loans to and investment in Advent Energy Limited, the outcome and timing of which is subject to significant uncertainty. Our opinion is not modified in respect of this matter

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying value of Loans Receivable from and Investment in Advent Energy Limited	
Refer to Note 13 Financial Assets	
The Company has significant assets invested in Advent Energy Limited and its controlled entities. These comprise net loans receivable of $3.837,110 and an investment in Advent Energy Limited of $4,091,347. Our audit focused on the Company's assessment of the carrying value of the loans to and investment in Advent Energy Limited, as these are the most significant assets of the Company and their recoverability is ultimately dependent upon the ability of Advent Energy Limited to extract value from its core exploration assets.. The evaluation of the recoverable amount of these assets requires significant judgment. We planned our work to address the audit risk that the loans to and investment in Avent Energy Limited might no longer be recoverable. In addition, we assessed whether facts and circumstances existed to suggest that the carrying value of these assets may exceed their recoverable amounts.	Our procedures included, amongst others: • Reviewing the terms and conditions of loan agreements, settlement deeds and related correspondence. • Confirming or otherwise substantiating the accuracy of loan amounts receivable from and investments in Advent Energy Limited. • Discussing with directors and management the nature of any disputed matters, consideration of evidence supporting the Company's position adopted in respect to such matters and what action is in progress or planned in order to resolve any such disputes. • Review of financial statements of Advent Energy Limited so as to understand its assets and ability to repay the Company, including the status of the PEP 11 permit. • Consideration of management's expected credit loss assessment in respect of the loans receivable from and investment in Advent Energy Limited, including the consideration of any impairment provisions that may be required. • We examined and assessed the relevant disclosures included in the financial report in relation to the material uncertainties regarding recoverability.

MOORE

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MEC RESOURCES LIMITED (CONTINUED)

Key Audit Matters (continued)

Group's ability to continue as a Going Concern	
Refer to Note 1	
The financial statements are prepared on a going concern basis in accordance with AASB 101 *Presentation of Financial Statements*. The Group continues to incur significant operating losses. As the directors' assessment of the Group's ability to continue as a going concern is subject to significant judgement, we identified going concern as a significant risk requiring special audit consideration.	Our audit procedures included, amongst others, the following: • An evaluation of the directors' assessment of the Group's ability to continue as a going concern. In particular, we reviewed budgets and cashflow forecasts (where available) for at least the next 12 months and reviewed and challenged the directors' assumptions. • Reviewed plans by the directors to secure additional funding through either the issue of further shares and/or debt funding or a combination thereof. • Consideration of the likely timing of payment of financial obligations, including payables and loans. • An evaluation of the directors' plans for future operations and actions in relation to its going concern assessment, taking into account any relevant events subsequent to the year end, through discussion with the directors. • Review of disclosure in the financial statements to ensure appropriate. • Based on the results of our work, we consider there are reasonable grounds for the directors' assessment that the going concern basis of preparation is appropriate at this time. However, we also consider that there remains a material uncertainty which casts significant doubt on the Group's ability to continue as a going concern for at least the next 12 months because of the uncertainty over securing future funding and the extent & timing of planned expenditures. The disclosures in the financial statements appropriately identify this risk.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 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, 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.

MOORE

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MEC RESOURCES LIMITED (CONTINUED)

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our 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 at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our audit report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of MEC Resources Limited, for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Neil Pace

NEIL PACE
PARTNER

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 1st day of September 2023.

Additional information required by Australian Securities Exchange Limited and not shown elsewhere in this report as follows. The information is made up to 9 January 2023

1. Distribution of Shareholders

Range of Holding	Shareholders	Number Ordinary Shares	%
1 – 1,000	462	185,097	0.02
1,001 – 5,000	377	1,118,476	0.13
5,001 – 10,000	389	3,418,778	0.39
10,001 – 100,000	1,011	38,497,971	4.35
100,001 and over	536	841,772,845	95.12
	2,775	884,993,167	100

2. Voting Rights - Shares

All ordinary shares issued by MEC Resources Ltd carry one vote per share without restriction.

3. Tenements and Interests Held via non controlled investee company Advent Energy Ltd

Permit Details	Interest Held	Entity
Petroleum Exploration Permit 386	Subject to legal resolution	Advent Energy
Petroleum Exploration Permit 11	85%	Advent Energy
Retention Licence 1	100%	Advent Energy

7. Twenty Largest Shareholders (as at 30 June 2023)

The names of the twenty largest shareholders of the ordinary shares of the company are:

Name	Number of ordinary fully paid shares	% held of issued ordinary capital
Advent Energy Ltd	124,708,409	14.09%
Protax Nominees Pty Ltd <Richards Superfund A/C>	29,562,094	3.34%
Sandwich Holdings Pty Ltd	26,250,000	2.97%
Marusco Investments Pty Ltd <Marusco S/F A/C>	25,396,100	2.87%
Ms Louise Ann Jones	22,000,000	2.48%
HSBC Custody Nominees (Australia) Limited	20,875,450	2.36%
Bujo Pty Ltd	20,000,000	2.26%
Eastwood Financial & Investment Services Pty Ltd <G & E Super Fund A/C>	16,400,742	1.85%
Hera Investments Pty Ltd	14,218,096	1.60%
Citicorp Nominees Pty Limited	14,125,104	1.59%
Mr Andrew Stephen Evans	13,841,685	1.56%
Mrs Julie Pamela Verley	12,396,100	1.40%
Mr Robert Anthony Healy	11,868,108	1.34%
Mr Mark Jerome Fenton	10,841,686	1.22%
Griffiths Sf Pty Ltd <Griffiths Super Fund A/C>	10,000,000	1.13%
Mr Sufian Ahmad <Sixty Two Capital A/C>	9,488,636	1.07%
Mr Bilal Ahmad	9,488,636	1.07%
Mr Ross Coventry Barter	9,353,328	1.06%
Mr Edward Yi	8,840,015	0.99%
Mr Michael John Sandy	8,800,000	0.99%
	418,454,189	**47.24%**