

ASX ANNOUNCEMENT

5 April 2024

PLACEMENT

MEC Resources Limited (“**MEC**” or the “**Company**”) (ASX:MMR) is pleased to announce it has raised A\$157,300 before costs by way of placement of 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 (“**Placement Shares**”).

This share issue is accompanied by one (1) free option for each Share subscribed with an exercise price of 0.0055 and expiry 24 months from the issue date (“**Placement Options**”). See Schedule 1 for Terms & Conditions

Funds raised from this capital raising will be utilised by the Company to facilitate its compliance requirements, work associated with moving the Company towards reinstatement to trading on the ASX and general short-term working capital requirements.

Placement Details

- Placement completed at an issue price of \$0.0044 per Share.
- Total amount raised of A\$157,300 before costs.
- Placement partly completed by LeMessurier Securities Pty Ltd (“**LeMessurier**”) who will receive a 6% capital raising fee by way of issue of 606,818 shares and 606,818 options under the same terms and conditions.
- The number of fully paid ordinary shares issued including shares issued for services by LeMessurier is 36,356,818 and 36,356,818 options.
- The number of fully paid ordinary shares on issue following the placement is 1,045,021,916.
- 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 who will receive a 6% capital raising fee (plus GST)

The Company has submissions before the ASX which it intends to advance, the aim of which is to move MEC towards being readmitted to trading status on the ASX. Part of this process will require the Company to issue a Prospectus. This Prospectus will also form the Company’s cleansing statement as required by law. Shares from the Placement have subsequently been placed in a holding lock until the Prospectus is lodged.

David Breeze (Managing Director) authorised the release of this announcement to the market.

For further information please contact:

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SCHEDULE 1 - TERMS AND CONDITIONS OF OPTION

1. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

2. Exercise Price

Subject to paragraph 9, the amount payable upon exercise of each Option will be \$0.0055 (Exercise Price).

3. Expiry Date

Each Option will expire at 5:00 pm (WST) two years from the date of issue (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).

5. Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

6. Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).

7. Timing of issue of Shares on exercise

Within five Business Days after the Exercise Date, the Company will:

- (a) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (b) if required, give ASX a notice that complies with section 708A(5) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under 7(b) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

8. Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

9. Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

10. Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

11. Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

12. Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

13. ASX Listing

The Company intends to apply to the ASX to have the options listed if there are 50 or more holders.