



MEC RESOURCES LIMITED
ACN 113 900 020

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of 1 Share for every 1 Share held by those Shareholders registered at the Record Date at an issue price of \$0.005 per Share to raise up to \$4,894,864 (based on the number of Shares on issue as at the date of this Prospectus) together with 1 free attaching listed Option (**New Option**) for every 2 Shares subscribed for and issued (**Offer**).

This Prospectus also contains the Cleansing Offer which is detailed in Section 4.9.

The Offer will not be underwritten.

Completion of the Offer is conditional upon satisfaction of the Conditions, which are detailed further in Section 2 of the Prospectus. No Securities will be issued pursuant to this Prospectus until such time as the Conditions are satisfied.

Lead Manager to the Offer: Grandbridge Securities Pty Ltd

Lead Manager to the Shortfall Offer: Sixty-Two Capital Pty Ltd

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have been questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 23 September 2024 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

The Company does not hold an Australian Financial Services Licence (**AFSL**) under the Corporations Act. Accordingly, offers under this Prospectus will be made under an arrangement between the Company and Veritas Securities Limited (ACN 117 124 535), the holder of AFSL 297043 (**Authorised Intermediary**) under section 911A(2)(b) of the Corporations Act. The Company will only authorise the Authorised Intermediary to make offers to people to arrange for the issue of Shares by the Company under the Prospectus, and the Company will only issue Shares in accordance with such offers if they are accepted. Refer to Section 9.2 for further details of the Authorised Intermediary arrangement.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered under this Prospectus should be considered as highly speculative.

Reinstatement Prospectus

This Prospectus is a reinstatement prospectus for the purposes of satisfying the ASX requirements for re-quotation to the Official List following suspension of the Company's Shares from trading on 17 January 2020.

No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those set out below. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer or invitation to apply for Securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action or formality has been taken to register or qualify the Securities or the offer, or to otherwise permit a public offering of the Securities in any jurisdiction outside Australia. This Prospectus has been prepared for publication in Australia and New Zealand and may not be distributed outside Australia except to institutional and professional investors in New Zealand in transactions exempt from local prospectus or registration requirements, as contemplated below.

Information for New Zealand Residents

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

US securities law matters

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the US. In particular, the Securities have not been, and will not be, registered under the United States Shares Act of 1933, as amended (the **US Securities Act**), and may not be offered or sold in the US or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act) except in transactions

exempt from, or not subject to, the registration requirements of the US Securities Act.

Each applicant will be taken to have represented, warranted and agreed as follows:

- (a) it understands that the Securities have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in the US, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;
- (b) it is not in the US;
- (c) it has not and will not send this Prospectus or any other material relating to the Offer to any person in the US; and
- (d) it will not offer or resell the Securities in the US or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which the Securities are offered and sold.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Shares and New Options issued under this Prospectus. The Company and the Lead Manager will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (www.mecresources.com.au). By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.mecresources.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance Form unless it is attached to or accompanied by the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on + 61 412 593 363 during office hours or by emailing the Company at admin@mecresources.com.au.

The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No document or other information available on the Company's website is incorporated into this Prospectus by reference.

No cooling-off rights

Cooling-off rights do not apply to an investment in Securities issued under this Prospectus. This means that,

in most circumstances, you cannot withdraw your application once it has been accepted.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether an investment in the Company meets your objectives, financial situation and needs.

Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Securities. There are risks associated with an investment in the Company. The Securities offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Securities. Refer to Section D of the Investment Overview as well as Section 7 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's performance and actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future

earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Continuous disclosure obligations

Following Re-Instatement, the Company will continue to be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 12.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Shares in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact details set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on your application for Securities under this Prospectus, the Company may not be able to accept or process your application.

Enquiries

If you are unclear in relation to the matters raised in this Prospectus or are in doubt as to how to deal with it, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser without delay. Should you have any questions in relation to the Offer or how to accept the Offer please contact the Company Secretary on +61 412 593 363.

CORPORATE DIRECTORY

Directors

David Breeze
Chairman and Managing Director

Andrew Jones
Non-Executive Director

Tony Huston
Non-Executive Director

Peter Richards
Non-Executive Director

Company Secretary and Chief Financial Officer

Robert Marusco

ASX Code

MMR

Registered Office

Level 1
9 Bowman Street
SOUTH PERTH WA 6151

Telephone: + 61 8 9328 8477
Fax +61 8 9328 8733

Email: admin@mecresources.com.au
Website: www.mecresources.com.au

Legal Advisors

Steinepreis Paganin
Level 14, QV1 Building
250 St Georges Terrace
PERTH WA 6000

Investigating Accountant

Moore Australia Corporate Finance (WA) Pty Ltd
Level 15, Exchange Plaza
2 The Esplanade
PERTH WA 6000

Auditor

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

Lead Manager to Offer

Grandbridge Securities Pty Ltd
114 Cedric Street
STIRLING WA 6021

Telephone: + 61 9328 8400

Lead Manager to Shortfall Offer

Sixty-Two Capital Pty Ltd
Level 50
108 St Georges Terrace
PERTH WA 6000

Telephone: + 61 412 315 162
Email: info@62capital.com.au

Share Registry*

Boardroom Pty Ltd
Level 8
210 George Street
SYDNEY NSW 2000

Telephone:
Within Australia: 1300 737 760
Outside Australia: +61 2 9290 9600

Authorised Intermediary*

Veritas Securities Limited
Level 4
175 Macquarie Street
SYDNEY NSW 2000

**This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.*

TABLE OF CONTENTS

1.	LETTER FROM CHAIR	1
2.	KEY OFFER INFORMATION	3
3.	INVESTMENT OVERVIEW	6
4.	DETAILS OF THE OFFER	17
5.	COMPANY AND INDUSTRY OVERVIEW	26
6.	FINANCIAL INFORMATION	35
7.	RISK FACTORS.....	48
8.	BOARD AND KEY MANAGEMENT, CORPORATE GOVERNANCE	56
9.	MATERIAL CONTRACTS	65
10.	ADDITIONAL INFORMATION.....	71
11.	DIRECTORS' AUTHORISATION	83
12.	GLOSSARY	84
	ANNEXURE A – INDEPENDENT LIMITED ASSURANCE REPORT	86

1. LETTER FROM CHAIR

Dear Investor

On behalf of the directors of MEC Resources Limited (**Company**), it gives me great pleasure to present the Offer to you as an existing Shareholder of the Company.

This Prospectus is seeking to raise a minimum of \$2,000,000 and a maximum of \$4,894,864 via the issue of Shares at an issue price of \$0.005 per Share under the Offer. The Offer is a non-renounceable entitlement issue of 1 Share for every 1 Share held by those Shareholders registered at the Record Date together with 1 free attaching New Option for every 2 Shares subscribed for and issued with an exercise price of \$0.03 and expiry 12 months from the date of issue.

As you may be aware, the Company's Shares have been suspended from trading on the ASX since 17 January 2020 when the Company went into a voluntary suspension pursuant to ASX Listing Rule 17.2. Since then, the Company has continued to liaise with ASX and work towards the re-instatement to quotation of the Company's Securities to the Official List (**Re-Instatement**). As at the date of this Prospectus, the Company's Securities remain in suspension.

The purpose of the Offer is to provide the Company with funds to continue to implement its investment strategies (explained in Section 5) and support Re-Instatement. This Prospectus contains detailed information about the Company, its business, the PDF industry and the Offer, as well as the risks of investing in the Company (detailed in Section 7), and I encourage you to read it carefully. The Shares offered by this Prospectus should be considered highly speculative.

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

The Company continues to hold its 37.95% interest in Advent Energy Ltd (**Advent**) which is an unlisted oil and gas exploration and development company with onshore and offshore exploration and near-term development assets around Australia. Advent's assets include the PEP-11 permit (which it holds an 85% interest in) in the Offshore Sydney Basin (**PEP-11 Permit**), Retention Licence 1 (which it holds a 100% interest in) in the Onshore Bonaparte Basin in northern Australia and a 2% interest in Clean Hydrogen Technologies Corporation.

Asset Energy Pty Ltd (**Asset Energy**) is a 100% subsidiary of Advent, who together with Bounty Oil & Gas NL (ASX:BUY) (**Bounty**), are the joint venture parties (**Joint Venture Parties**) for the PEP-11 Permit. On 6 August 2024, Asset Energy filed an Originating Application for Judicial Review on behalf of the PEP-11 Joint Venture Parties in the Federal Court of Australia with respect to two ongoing applications for the extension and variation of the PEP-11 Permit work program conditions and an extension of the permit term (further detailed in respect of these applications are set out in Sections 3 and 5).

On 18 September 2024, the Hon Ed Husic MP, Minister for Industry and Science, the responsible Commonwealth Minister for the Commonwealth-New South Wales Offshore Petroleum Joint Authority (**Joint Authority**) advised the Joint Venture Parties that he has carefully considered the PEP-11 Permit applications and has formed the preliminary view that the Joint Authority should refuse the applications. The Joint Venture Parties have forwarded this preliminary view onto its lawyers to prepare a response. The Advent management team have continued to work through the delays on the various elements required to move the PEP-11 Permit towards an approved drilling program including to progress these applications. The Company will continue to support Advent with additional capital to be invested in the PEP-11 Permit as outlined in this Prospectus.

Our experienced Board and management team has the capabilities and skills to seek out and manage investment opportunities into the future and expects to present new investment opportunities in the near future following completion of the Offer and Re-Instatement. The Board will aim to ensure that funds raised through the Offer will be utilised in a cost-effective manner to advance the Company's investment strategy.

On behalf of your Board and management, I am pleased to present this Offer to you and encourage you to take up your Entitlements under the Offer. Before you make your investment decision to take up your Entitlements, I urge you to read this Prospectus in its entirety and seek professional advice if required.

Yours faithfully

David Breeze
Managing Director

2. KEY OFFER INFORMATION

INDICATIVE TIMETABLE¹

ACTION	DATE
Lodgement of Prospectus with the ASIC	Monday, 23 September 2024
Lodgement of Prospectus and Appendix 3B with ASX	Monday, 23 September 2024
Ex Date of Offer	Thursday, 26 September 2024
Record date for determining Entitlements of Offer	Friday, 27 September 2024
Opening Date for Offer and Cleansing Offer, Prospectus despatched to Shareholders and Company announces that despatch has been completed	Wednesday, 2 October 2024
Last date to extend the Closing Date of the Offer ²	Tuesday, 15 October 2024
Closing Date of Offer	Prior to 5:00pm (AEDT), Friday, 18 October 2024
Securities quoted on a deferred settlement basis from market open	Monday, 21 October 2024
Announcement of results of Offer	Monday, 21 October 2024
Issue of Shares under the Offer and lodgement of an Appendix 2A with ASX applying for quotation of the Shares	Friday, 25 October 2024
Despatch of holding statements	Friday, 25 October 2024
Expected date for quotation on ASX and re-admission to the Official List ³	Monday, 28 October 2024
Closing Date of Cleansing Offer and issue of Shares under the Cleansing Offer	Monday, 28 October 2024

Notes:

1. The above dates are indicative only and may change without notice.
2. The Directors may extend the Closing Date by giving at least three (3) Business Days' notice to ASX prior to the Closing Date. As such the date the Shares are expected to re-commence trading on ASX may vary.
3. The proposed date of Re-Instatement and quotation of Shares is conditional on ASX being satisfied (in its discretion) that all Conditions have been satisfied. There is no guarantee that the Shares will be reinstated to Official Quotation following completion of the Offer.

BACKGROUND TO THE OFFER - SUSPENSION FROM QUOTATION AND RE-INSTATEMENT

The Company's Shares have been suspended from trading on the ASX since 17 January 2020 when the Company went into a voluntary suspension pursuant to ASX Listing Rule 17.2. Since then, the Company has continued to liaise with the ASX and work towards the return of its Shares to trading status, including by the reinstatement of its PDF registration. As at the date of this Prospectus, the Company's Securities remain in suspension.

As announced on 11 July 2024, the Company will undertake a capital raising, by way of the Offer as part of the process of moving the Company toward Re-Instatement.

Under this Prospectus, the Company is proposing to undertake the following:

- (a) the Offer, being an offer to raise a total of \$4,894,864 through a non-renounceable entitlement issue of approximately 978,972,711 Shares to eligible Shareholders on the basis of 1 new Share for every 1 Share held at an issue price of \$0.005 together with 1 free attaching New Option for every 2 Shares issued with an exercise price of \$0.03 and expiry 12 months from the date of issue; and

- (b) an offer of 50,000 Shares at an issue price of \$0.005 per Share to raise \$250 (**Cleansing Offer**).

CONDITIONS TO THE OFFER

The Offer and Re-Instatement is conditional upon the satisfaction of the following conditions (the **Conditions**):

- 1.1.1 the Company releasing a full form prospectus, pursuant to section 710 of the Corporations Act (the **Prospectus**) in relation to the Offer;
- 1.1.2 completion of the Offer, closure of the Prospectus and confirmation that at least \$2,000,000 has been received, being the Minimum Subscription, in order to satisfy ASX Listing Rule 1.3.4;
- 1.1.3 confirmation that the Company has a free float at the time of Re-Instatement of not less than 20%;
- 1.1.4 the Company demonstrating compliance with ASX Listing Rules 12.1 to 12.5;
- 1.1.5 confirmation that the Company continues to have the level of Shareholder spread that will satisfy the requirements of ASX Listing Rule 12.4; and
- 1.1.6 ASX granting conditional approval for the Company to be reinstated to the Official List.

KEY STATISTICS OF THE OFFER

	MINIMUM SUBSCRIPTION¹	MAXIMUM SUBSCRIPTION²
Offer Price per Share	\$0.005	\$0.005
Shares currently on issue ³	978,972,711	978,972,711
Options currently on issue	54,563,924	54,563,924
Shares to be issued under the Offer	400,000,000	978,972,711
Shares to be issued under the Cleansing Offer	50,000	50,000
New Options to be issued under the Offer ⁴	200,000,000	489,486,356
Gross Proceeds of the Offer	\$2,000,000	\$4,894,864
Shares on issue at Re-Instatement (undiluted)³	1,379,022,711⁶	1,957,995,422
Market Capitalisation at Re-Instatement (undiluted)⁵	\$6,895,114	\$9,789,977
Shares on issue at Re-Instatement (fully diluted)	1,633,586,635	2,502,045,702
Market Capitalisation at Re-Instatement (fully diluted)⁵	\$8,167,933	\$12,510,229

Notes:

- Assuming the Minimum Subscription of \$2,000,000 is achieved under the Offer.
- Assuming the Maximum Subscription of \$4,894,864 is achieved under the Offer.
- The Company notes that 123,671,931 Incentive Shares will vest on the Company's Re-Instatement. The Incentive Shares are currently held by Catalyst Two Pty Ltd <MEC Employee Share A/C> on behalf of the Directors, related parties and ex-directors, and are not included in the total number of Shares on issue for the purposes of determining Entitlements under the Offer. The terms and conditions of the Incentive Shares are set out in the Company's Notice of Annual General Meeting dated 6 June 2023.
- Refer to Section 10.1 for the terms of the New Options.
- Assuming a Share price of \$0.005, however the Company notes that the Shares may trade above or below this price.

6. If only the Minimum Subscription is raised, Shares in respect to Director fee offsets and the offset for the Advent Debt will be in addition to the amount raised under the Offer, and an additional 116,331,000 Shares will be issued above the 400,000,000 Shares to David Breeze, Andrew Jones Robert Marusco and Advent. Refer to Section 5.7, Section 5.9, and Section 8.4 for further information.

HOW TO INVEST

Applications for Shares can only be made by completing and lodging an Entitlement and Acceptance Form. Instructions on how to apply for Shares are set out in Section 4.2 and 4.3 and on the Entitlement and Acceptance Form.

3. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

ITEM	SUMMARY	FURTHER INFORMATION
A. COMPANY		
Who is the issuer of this Prospectus?	MEC Resources Limited (ACN 113 900 020) (Company or MEC).	Section 5
Who is the Company?	<p>The Company is an Australian public company, which was incorporated on 20 April 2005. The Company was admitted to the Official List on 22 May 2006, and quotation of its securities commenced on 29 May 2006. As noted above, the Company has been suspended from trading since 17 January 2020.</p> <p>The Company is registered as a Pooled Development Fund (PDF) under the Pooled Development Fund Act (1992) (Cth) (PDF Act).</p>	Section 5
What does the Company do?	<p>The Company's approved investment mandate as adopted by the Company at admission to the Official List in 2006 allows the Company to invest into small and medium sized exploration entities, both listed and unlisted, that are in, but not limited to, the energy and mineral resources sector (Investment Mandate).</p> <p>Resources, for the purposes of the Investment Mandate, includes all operations primarily engaged in the exploration for metals, minerals occurring naturally as solids such as coal and ores, liquids such as crude petroleum or gases such as natural gas.</p> <p>Since incorporation, the Company has focused on investing in companies that are targeting potentially large energy and mineral resources projects.</p>	Section 5
What is the Company's investment strategy?	<p>The Company's stated investment strategy is to provide selected companies in the resource sector with funding and corporate assistance. The Company aims to achieve maximum capital appreciation by early stage investing into small and medium sized energy and minerals exploration companies, with strong growth potential.</p> <p>The Company aims to create returns to Shareholders greater than those available from traditional investments in particular by giving Shareholders exposure to unlisted Australian exploration businesses in their early rapid growth stage.</p>	Section 5
What are the Company's Investments?	<p>MEC currently has three investments being:</p> <p>(a) BPH Energy Ltd (BPH) (ASX: BPH), an ASX listed diversified company holding investments in the resources and biotechnology sectors, whereby the Company holds 1,436,609 fully paid ordinary shares representing a 0.125% interest in BPH;</p>	Section 5.3

ITEM	SUMMARY	FURTHER INFORMATION
	<p>(b) Advent Energy Ltd (Advent), an Australian unlisted oil and gas company, whereby the Company holds 94,118,320 fully paid ordinary shares representing a 37.95% interest in Advent; and</p> <p>(c) a loan asset to Advent which, as at 31 December 2023, is reported at \$4,161,135.</p>	
B. INDUSTRY OVERVIEW		
What is the industry in which the Company will operate?	The Company operates as a Pooled Development Fund. The PDF program was initiated to develop the market for providing equity and venture capital to small or medium-sized Australian companies that carry on eligible businesses.	Section 5.2
What is the scale of the market in which the Company operates?	There are currently 17 registered PDF's as at 23 July 2024, with the program now closed to new applicants.	Section 5.2
What is the regulatory environment in which the Company operates?	The industry is regulated by the PDF Act and is monitored by the Pooled Development Fund Registration Board (PDF Board).	Section 5.2
C. BUSINESS MODEL		
What are the Company's business objectives and investment strategy?	<p>The Company's main objectives are as follows:</p> <p>(a) as the Company's current major investment is in unlisted multi project company, Advent, the Company will continue to assess Advent in terms of its development or opportunities going forward;</p> <p>(b) seek out investments within the scope of the Investment Mandate;</p> <p>(c) the Company initially intends to focus on two main types of investments comprising newly formed unlisted and ASX-listed junior exploration companies;</p> <p>(d) allow for investors to benefit from tax incentives under the PDF Act; and</p> <p>(e) provide for working capital.</p>	Section 5.1
What are the significant dependencies of the Company's business model?	<p>The key dependencies influencing the viability of the Company's business model are:</p> <p>(a) due diligence that identifies suitable businesses and entities to invest in; and</p> <p>(b) the ability to raise sufficient capital for investments and to meet corporate and operating costs.</p>	Section 5.6
What is the Company's growth strategy?	<p>The Company's growth strategy is based on carefully selecting investments with a number of specific characteristics including:</p> <p>(a) strong growth and near-term cash flow potential;</p>	Section 5

ITEM	SUMMARY	FURTHER INFORMATION
	(b) a strong and experienced management team; (c) stage of development that permits a strategic investment or IPO within several years; and (d) a competitive advantage.	
D. FINANCIAL INFORMATION AND DIVIDEND POLICY		
How has the Company been performing?	Section 6 contains details of the Company's: (a) statutory historical consolidated Statements of profit or loss and other comprehensive income for the years ended 30 June 2022, 2023, and 2024; (b) statutory historical consolidated Statement of cash flows and financial position for the years ended 30 June 2022, 2023, and 2024; and (c) pro forma consolidated statement of financial position as at 30 June 2024.	Section 6 and Annexure A
What is the financial outlook for the Company?	Given the current status of the Company and the speculative nature of the Company's business, the Directors do not consider it appropriate to forecast future earnings. Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.	Section 6 and Annexure A
What is the Company's Dividend Policy?	The Company does not expect to declare any dividends in the next 3-year period following Re-Instatement while it focusses on pursuing new investments. No assurance in relation to the future payment of dividends or the level of franking credits attaching to dividends can be given by the Company.	Section 5.10
E. KEY ADVANTAGES		
What are the key advantages of an investment in the Company?	The Company's PDF registration brings a number of benefits to both the Company and its Shareholders. Some of the key elements are: (a) PDFs raise capital and make equity investments complying with a structure established under the PDF Act; (b) PDFs are taxed at 15% on its income and capital gains received from its investments; (c) investors in the Company have the advantages of tax concessions (i.e. no capital gains tax when selling their Shares) available to and investments they may otherwise not have exposure to; and (d) Australian residents receiving franked and unfranked dividends from their Shares are also exempt from tax.	Section 5.5

ITEM	SUMMARY	FURTHER INFORMATION
F. KEY RISKS		
Going Concern	<p>The Company's annual report for the period ended 30 June 2024 (Financial Report) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.</p> <p>The entity has incurred losses for the period ended 30 June 2024 of \$492,526 (2023: \$558,503) and has a net cash outflow from operating and financing activities of \$2,150 (2023: \$212,144).</p> <p>Notwithstanding the 'going concern' emphasis of matter included in the Financial Report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current investment commitments and short-term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long-term working capital costs of the Company.</p> <p>The Directors have prepared cash flow forecasts, including potential capital raises, which indicate that the consolidated entity should have sufficient cash flows for a period of at least 12 months from the date of this report. Based on the cash flow forecasts, including the Directors voluntarily suspending cash payments for their fees, the Directors are satisfied that the going concern basis of preparation is appropriate. The Financial Report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.</p> <p>In the event that the Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.</p>	Section 7.2
Suspension and Re-Instatement	<p>On 17 January 2020, the Company's Shares were placed into suspension from trading on ASX. The Company has been liaising with ASX as it works toward the return of its Shares to trading status. The Company is undertaking the Offer with the intention of raising sufficient funds to meet ASX Listing Rule 1.3.4 and Listing Rule 12.2 but there can be no assurance that sufficient funds will be able to be raised.</p> <p>If insufficient funds are raised from the Offer, and the Company is unable to otherwise raise additional funds, such that the Company cannot meet the Conditions for its securities to be reinstated to official quotation on the ASX, the suspension in trading will continue and Shareholders will not be able to trade their Shares on the ASX unless and until the Company can meet ASX's requirements.</p>	Section 7.2

ITEM	SUMMARY	FURTHER INFORMATION
Conditions and delisting	<p>In order to achieve Re-Instatement, the Company needs to satisfy the Conditions. There is no certainty that the Conditions will be satisfied. In the event that the Conditions are not satisfied, the reinstatement of the Company's Shares to the Official List will not proceed, and the Company's Shares may be delisted.</p> <p>If the Company is delisted, Shareholders will be unable to trade their Shares on the ASX and the Company will need to re-comply with the ASX's listing requirements for its Shares to again become tradeable on the ASX. There can be no assurance that a relisting will be achievable in the near term or at all.</p>	Section 7.2
Investments and operating	<p>Existing and potential future investments by the Company are at various stages of development or are likely to be for potential new investments, and potential investors should understand that the Company's investment plan focuses on early-stage and junior exploration entities in Australia and development of these opportunities are high-risk undertakings.</p> <p>There can be no assurance that existing investment opportunities or others that may be acquired in the future, will result in positive outcomes.</p>	Section 7.2
Additional requirements for capital	<p>The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back or realise its investment opportunities as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>	Section 7.2
PEP-11 Applications	<p>The Company has an investment of 37.95% in Advent. Asset Energy Pty Ltd (Asset Energy) is a 100% subsidiary of Advent, who together with Bounty Oil & Gas NL (ASX:BUY) (Bounty), are the joint venture parties (Joint Venture Parties) for the PEP-11 Permit.</p> <p>Asset Energy and Bounty have two applications that are currently under assessment by the National Offshore Petroleum Title Authority (NOPTA) and the Commonwealth – NSW Offshore Petroleum Joint Authority (Joint Authority) for:</p> <ul style="list-style-type: none"> (a) the variation of the PEP-11 Permit work program and a 24-month suspension of the Permit Year 4 Work Program Commitment; and (b) an application for a 24—month extension of the PEP-11 Permit term, <p>(together, the Applications).</p>	Sections 5.3.1, 7.2, 10.1

ITEM	SUMMARY	FURTHER INFORMATION
	<p>As at the date of this Prospectus, there have been no further updates to the status of the Applications as reflected on the NOPTA website. On 18 September 2024, the Hon Ed Husic MP, Minister for Industry and Science, advised that he has carefully considered the Applications and has formed a preliminary view that the Applications should be refused.</p> <p>There can be no assurance that the Applications will be successful, or that there will not be unfavourable conditions imposed on the PEP-11 Permit. If the Applications are not successful, or are granted with significant conditions, the Company's investment in both Advent and BPH will likely be affected.</p>	
Litigation	<p>The Company is exposed to possible litigation risks including litigation risks that its investees are subject to. On 6 August 2024, Asset Energy, filed an Originating Application for Judicial Review on behalf of the PEP-11 Joint Venture Parties in the Federal Court of Australia seeking the following:</p> <ul style="list-style-type: none"> (a) a declaration that the Commonwealth-New South Wales Offshore Petroleum Joint Authority has breached an implied duty by failing to make a decision under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth) with respect to the Applications; and (b) an order that the Joint Authority be compelled to determine the Applications within 45 days. <p>The Company is not a party to this litigation, however, given its investment in both Advent and BPH, the Company has a direct interest in the outcome of these proceedings and the outcome may affect the performance of the Company.</p> <p>Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, reputation, financial performance and financial position.</p>	Sections 5.3.1, 7.2 and 10.1
Other risks	For additional specific risks please refer to Section 7.2. For other risks with respect to the industry in which the Company operates and general investment risks, many of which are largely beyond the control of the Company and its Directors, please refer to Sections 7.3 and 7.4.	Sections 7.2, 7.3 and 7.4
G. BOARD AND KEY MANAGEMENT		
Who are the Directors and key management personnel involved in the Company?	<p>The Board currently consists of:</p> <ul style="list-style-type: none"> (a) David Breeze – Managing Director, (b) Andrew Jones – Non-Executive Director; (c) Tony Huston – Non-Executive Director; and (d) Peter Richards – Non-Executive Director. <p>The profiles of each of the Directors are set out in Section 8.1.</p>	Section 8.1 and 8.2

ITEM	SUMMARY	FURTHER INFORMATION
	Key management personnel includes Robert Marusco, the Company Secretary and Chief Financial Officer.	
H. SIGNIFICANT INTERESTS OF KEY PEOPLE AND RELATED PARTY TRANSACTIONS		
What interests do the Directors have in the securities of the Company?	Section 8 sets out the direct and indirect interests of the Directors in the Securities of the Company both as at the date of this Prospectus and following completion of the Offer.	Section 8.4
What significant benefits are payable to the Directors in connection with the Company or the Offer?	Refer to Section 8.4 for further information. The Company notes that Directors David Breeze and Andrew Jones, and company secretary Robert Marusco intend to participate in the Offer and take up their Entitlements by way of an offset of outstanding Director Fees totalling \$257,631, as set out in Section 8.4.	Section 8.4
Who are the Company's substantial Shareholders and what interest will they have after completion of the Offer?	Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer is set out in Section 5.9.	Section 5.9
Who is the lead manager to the Offer?	The Company has appointed Grandbridge Securities Pty Ltd (Grandbridge or Lead Manager) as lead manager to the Offer. The Lead Manager will receive a lead management fee of 1% of all funds raised under the Offer. Refer to the Lead Manager Mandate between the Company and Grandbridge at Section 9.1.1.	Sections 4.12 and 9.1.1
Who is the lead manager to the Shortfall Offer?	The Company has appointed Sixty-Two Capital (Sixty-Two Capital) as lead manager to the Shortfall Offer. Sixty-Two Capital will receive a lead management fee of 5% of all funds placed under the Shortfall Offer. Refer to the Sixty-Two Capital Mandate between the Company and Sixty-Two Capital at Section 9.1.2.	Sections 4.12 and 9.1.2
What are the significant interests of advisers to the Company?	Grandbridge holds 9,747,362 Shares in the Company and will not be taking up its Entitlement under the Offer. Sufian Ahmed, as the director of Sixty-Two Capital, as the appointed Lead Manager for the Shortfall Offer, holds 18,977,272 Shares in MEC and intends to take up his full Entitlement under the Offer.	Section 9.1.2 and 10.8
What other allocations will be made under the Offer?	There are no other allocations that will be made under the Offer.	

ITEM	SUMMARY	FURTHER INFORMATION
Has the Company adopted an Employee Incentive Securities Plan?	Yes, the Company has adopted an Employee Securities Incentive Plan (Plan).	Section 10.5
Are there any related party transactions?	Refer to Section 9 for details of related party agreements with the Company. It is noted that Mr David Breeze, is a director of Grandbridge, the Lead Manager to the Offer.	Section 8.1, and 9.1.2
I. CAPITAL STRUCTURE		
Who are the existing Shareholders of the Company?	The current capital structure of the Company is detailed in Section 5.8.	Section 5.8
What will the Company's capital structure be on completion of the Offer and listing on ASX?	On completion of the Offer the Company will have 1,957,995,422 Shares and 544,050,280 Options on issue (not including Incentive Shares that will vest on Re-Instatement).	Section 5.8
J. OVERVIEW OF THE OFFER		
What is the Offer?	The Offer is a pro-rata non-renounceable entitlement issue of 1 Share for every 1 Share held by those Shareholders registered at the Record Date at an issue price of \$0.005 per Share to raise up to \$4,894,864 (less costs). The Offer also includes 1 free attaching New Option for every 2 Shares subscribed for and issued with an exercise price of \$0.03 and expiring 12 months from the date of issue.	Section 4.1
Is there a Minimum Subscription under the Offer?	The Minimum Subscription to the Offer is \$2,000,000. The Company notes that the Director fee and Advent Debt offsets will be issued in excess of the Minimum Subscription, in the event only the Minimum Subscription is raised.	Section 4.5, 5.7 and 8.4
Why is the Offer being conducted?	The Offer is being conducted primarily to: (a) facilitate Re-instatement; and (b) provide the Company with the funds for: (i) evaluating investment opportunities that may be presented to the Board from time to time; (ii) the Company's working capital requirements while it is implementing its business strategies; and (iii) pay transaction costs associated with the Offer.	Section 4.10

ITEM	SUMMARY	FURTHER INFORMATION
What is the proposed use of funds raised under the Offer?	<p>The Company intends to apply funds raised under the Offer, together with existing cash reserves as set out in Section 5.7.</p> <p>The Board is satisfied that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives as detailed in this Prospectus.</p>	Section 5.7
What is the Offer Price?	The price payable under the Offer is \$0.005 per Share.	Section 4.1
What rights and liabilities attach to the Securities being offered?	<p>A summary of the material rights and liabilities attaching to:</p> <p>(a) the Shares offered under the Offer are set out in Section 10.3; and</p> <p>(b) the Options offered under the Offer are set out in Section 10.4.</p>	Sections 10.3 and 10.4
Is the Offer underwritten?	No, the Offer is not underwritten.	
Are there any conditions to the Offer?	The Offer is conditional on the Conditions being satisfied. The Offer, and Re-Instatement, will only proceed if all Conditions are satisfied.	Section 4.13
Who is eligible to participate in the Offer?	<p>Shareholders with a registered address as at the Record Date in Australia and New Zealand.</p> <p>This Prospectus does not and is not intended to constitute an offer or invitation in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or invitation or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.</p>	Section 4.17
How can I apply for Shares?	<p>The process for applying for Shares in the Company is set out in Sections 4.2 and 4.3.</p> <p>Applications for Shares under the Offer must be made by completing the Entitlement and Acceptance Form attached to, or accompanying, this Prospectus in accordance with the instructions set out in Section 4.2 and 4.3 and the Entitlement and Acceptance Form.</p>	Sections 4.2 and 4.3
What other offers are being made under this Prospectus?	<p>This Prospectus also includes a Cleansing Offer for an offer of up to 50,000 Shares at an issue price of \$0.005 per Share to raise \$250.</p> <p>The Company will only provide Application Forms to persons invited to participate in the Cleansing Offer.</p>	Section 4.9
Will any Shares be subject to escrow?	None of the Shares issued under the Offer will be subject to escrow.	

ITEM	SUMMARY	FURTHER INFORMATION
Will the Shares be quoted on ASX?	Application for quotation of all Shares to be issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus. Subject to compliance with the ASX Listing Rules, the Company intends on applying for quotation of the Options issued under the Offer	Section 4.15
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in Section 2.	Section 2
Who is the Authorised Intermediary?	Veritas Securities Limited (ACN 117 124 535) with AFSL 297043.	Section 9.2
K. ADDITIONAL INFORMATION		
Is there any brokerage, commission or duty payable by applicants?	No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer. However, the Company will pay to the Lead Manager 1% (ex GST) of the total amount raised under the Offer and to Sixty-Two Capital 5% (ex GST) of the total amount placed under the Shortfall Offer.	Section 4.18 and 9.1
Can the Offer be withdrawn?	Yes. The Company reserves the right not to proceed with the Offer at any time before the issue of Shares to successful applicants. If the Offer does not proceed, application monies will be refunded (without interest).	Section 4.20
What are the tax implications of investing in Shares?	Shareholders of a PDF are entitled to concessionary treatment for capital gains derived from their holding. Capital gains made by resident Shareholders are not taxable under the Australian taxation system. Additionally, capital losses are not deductible. Unfranked dividends received by resident Shareholders are also not taxable under the Australian taxation system. All Shareholders and potential investors in the Company should obtain independent financial advice on the consequences of acquiring Shares from a taxation viewpoint and generally.	Section 4.19
What are the corporate governance principles and policies of the Company?	To the extent applicable, in light of the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (Recommendations). In addition, the Company's full Corporate Governance Plan is available from the Company's website www.mecresources.com.au .	Section 8.6
Where can I find more information about this Prospectus or the Offer?	(a) By speaking to your accountant, financial adviser, stockbroker, lawyer or other professional adviser; (b) By contacting the Company Secretary, on +61 412 593 363; or (c) By contacting the Share Registry on 1300 737 760.	

ITEM	SUMMARY	FURTHER INFORMATION
Can general meetings of shareholders be held using technology?	The Company's constitution permits the use of technology at general meetings of shareholders (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.	Section 10.2

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of 1 Share for every 1 Share held by Shareholders registered at the Record Date at an issue price of \$0.005 per Share together with 1 free attaching New Option for every 2 Shares subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no Shares are issued prior to the Record Date including on exercise or conversion of securities on issue) approximately 978,972,711 Shares and 489,486,356 New Options may be issued under the Offer to raise up to \$4,894,864. No funds will be raised from the issue of the New Options.

As at the date of this Prospectus the Company has 54,563,924 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer.

All Shares offered under this Prospectus will be fully paid and will rank equally with the existing Shares currently on issue. Please refer to Section 10.3 for a summary of the material rights and liabilities attaching to the Shares. The New Options will be exercisable at \$0.03 on or before the date that is 12 months from the date of issue, and otherwise on the terms set out in Section 10.4. All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Offer and the intended use of funds raised are set out in Section 4.10 and Section 5.7.

4.2 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which accompanies this Prospectus, and which can be accessed at www.investorserve.com.au. Eligible Shareholders may choose any of the options set out in the table below.

OPTION	KEY CONSIDERATIONS	FOR MORE INFORMATION
Take up all of your Entitlement	<ul style="list-style-type: none">Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which accompanies this Prospectus and which can be accessed at www.investorserve.com.au. Please read the instructions carefully.Payment can be made by the methods set out in Section 4.3. As set out in Section 4.3, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form.	Sections 4.3, and 4.4
Take up all of your Entitlement and also apply for Shortfall Securities	<ul style="list-style-type: none">Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which accompanies this Prospectus and which can be accessed at www.investorserve.com.au. Please read the instructions carefully.Payment can be made by the methods set out in Section 4.3. Payment should be	Sections 4.2, 4.3, 4.6, and 4.14

OPTION	KEY CONSIDERATIONS	FOR MORE INFORMATION
	<p>made for your Entitlement and the amount of the Shortfall for which you are applying.</p> <ul style="list-style-type: none"> If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion as per the allocation policy set out in Section 4.14. Accordingly, your application for additional Shortfall Securities may be scaled-back. The Company's decision on the number of Shortfall Securities to be allocated to you will be final. 	
Take up a proportion of your Entitlement and allow the balance to lapse	<ul style="list-style-type: none"> If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus and which can be accessed at www.investorserve.com.au for the number of Securities you wish to take up and making payment using the methods set out in Section 4.3 below. 	Sections 4.2, 4.3 and 4.4
Allow all or part of your Entitlement to lapse	<ul style="list-style-type: none"> If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Offer to you will lapse. 	N/A

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.3 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00pm (WST) on the Closing**

Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.

Guidance where you have more than one CRN (Shareholding of Shares).

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form.

Do not use the same CRN for more than one of your Shareholdings. This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) By Electronic Funds Transfer (New Zealand applicants)

For payment by international Electronic Funds Transfer (**EFT**) for New Zealand Eligible Shareholders who are unable to pay by BPAY®, please follow the instructions on the separate letter accompanying the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account.

Please note that should you choose to pay by EFT:

- (i) you do need to submit the Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

(c) By Cheque

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to **"MEC Resources Limited Trust Account"** and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Share Registry's office at GPO Box 3993, SYDNEY NSW 2001, or by no later **than 5:00pm (WST) on the Closing Date.**

4.4 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

4.5 Minimum subscription

The minimum subscription to the Offer is \$2,000,000 (**Minimum Subscription**).

If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus or such period as varied by the ASIC, no Shares will be issued under the Offer and the Company will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

4.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.005 being the price at which Shares have been offered under the Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Section 4.3. Any allocation of the Shortfall Securities will be at the absolute discretion of the Directors.

No Shares will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Securities than applied for or no Shortfall Securities at all. If the number of Shortfall Securities applied for by Eligible Shareholders exceeds the total Shortfall, the Shortfall Securities will be allocated among applying Eligible Shareholders proportionate to their existing holdings.

All decisions regarding the allocation of Shortfall Securities will be made by the Directors and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Securities applied for will be issued to Eligible Shareholders.

The Company will have no liability to any Applicant who receives less than the number of Shortfall Securities they applied for under the Shortfall Offer. If the Company scales back any applications for Shortfall Securities under the Shortfall Offer any Application monies will be returned (without interest) as soon as practicable.

4.7 Effect of the Entitlement Offer

The potential effect that the issue of the Shares under the Offer will have on the control of the Company is as follows:

- (a) if all Eligible Shareholders take up their Entitlements under the Offer, the issue of Shares under the Offer will have no effect on the control of the Company and all Shareholders will hold the same percentage interest (voting power) in the Company; and
- (b) in the more likely event that not all Eligible Shareholders take up their Entitlements under the Offer, Eligible Shareholders who do not subscribe for their full Entitlement of Shares under the Offer will be diluted relative to those Shareholders who subscribe for some, or all of their Entitlement as shown by the table in Section 4.8.

4.8 Potential dilution on non-participating Shareholders

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 50% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 20% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	1.02%	10,000,000	10,000,000	0.51%
Shareholder 2	5,000,000	0.51%	5,000,000	5,000,000	0.26%
Shareholder 3	1,500,000	0.15%	1,500,000	1,500,000	0.08%
Shareholder 4	400,000	0.04%	400,000	400,000	0.02%
Shareholder 5	50,000	0.01%	50,000	50,000	0.00%

Notes:

1. This is based on a share capital of 978,972,711 Shares as at the date of the Prospectus and assumes no Options currently on issue are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

4.9 Cleansing Offer

This Prospectus also includes the Cleansing Offer which is an offer of up to 50,000 Shares at an issue price of \$0.005 per Share to raise \$250.

The Cleansing Offer will open on the Opening Date and remain open until the Company's re-instatement to the Official List, unless closed earlier by the Company, in its sole discretion.

The purpose of the Cleansing Offer is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the closing date of the Cleansing Offer.

Accordingly, the Company is seeking to raise only a nominal amount of \$250 under the Cleansing Offer as the purpose of the Cleansing Offer is not to raise capital. All of the funds raised under the Cleansing Offer (if any) will be applied towards expenses of the Offer. On that basis, there will be no surplus proceeds from the Cleansing Offer. Refer to Section 10.9 for further details relating to the estimated expenses of the Offer.

Relevantly, section 708A (11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- either:
- (b) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (c) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
 - (d) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

Applicants for the Shares under the Cleansing Offer must only be made by investors upon request by the Company. The Directors, in consultation with the Lead Manager, will determine the recipients of the Shares under the Cleansing Offer in their sole discretion.

The Company will only provide Application Forms to the persons invited to participate in the Cleansing Offer.

4.10 Purpose of the Offer

The primary purpose of the Offer is to:

- (a) assist the Company to facilitate the Company's Re-Instatement;
- (b) provide the Company with funding for:
 - (i) its objectives as set out in Section 5.1;
 - (ii) evaluating investment opportunities that may be presented to the Board from time to time; and
 - (iii) the Company's working capital requirements while it is implementing its business strategies;
- (c) comply with the requirements under the PDF Act; and
- (d) pay transaction costs associated with the Offer.

The Company intends to apply the funds raised under the Offer together with its existing cash reserves in the manner detailed in Section 5.7.

4.11 Oversubscriptions

No oversubscriptions above the Maximum Subscription will be accepted by the Company under the Offer.

4.12 Lead Managers

(a) Lead Manager to the Offer

The Company has appointed Grandbridge as lead manager to the Offer. The Lead Manager will receive a fee of 1% of the total amount raised under the Offer. For further information in relation to the appointment of the Lead Manager, please refer to Section 9.1.

Mr David Breeze, a Director of the Company, is a director of Grandbridge and therefore Grandbridge is a related party for the purposes of the Corporations Act. The Directors, other than Mr David Breeze (due to his directorship of Grandbridge), who do not have a material personal interest in Grandbridge consider the engagement to be on arm's length terms as the fee charged is comparable to unrelated licensed securities dealers.

Grandbridge, as the appointed Lead Manager will be responsible for paying all commissions that they and the Company agree with any other licenced securities dealers or Australian financial services licensees.

(b) Lead Manager to the Shortfall Offer

The Company has appointed Sixty-Two Capital as lead manager to the Shortfall Offer. Sixty-Two Capital will receive a fee of 5% of the total amount raised under the Shortfall Offer. For further information in relation to the appointment of Sixty-Two Capital, please refer to Section 9.1.

4.13 Conditions of the Offer

The Offer is conditional upon the satisfaction of the Conditions as set out in Section 2, including the Minimum Subscription to the Offer being reached. If the Conditions are not satisfied then the Offer will not proceed and the Company will repay all application monies received under the Offer within the time prescribed under the Corporations Act, without interest.

4.14 Allocation policy under the Offer

The Company, in consultation with the Lead Manager, retains an absolute discretion regarding the basis of allocation of Shares under the Offer and reserves the right, in its absolute discretion, to allot to any applicant a lesser number of Shares than the number for which the applicant applies for or to reject any application. If the number of Shares

allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No applicant under the Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors (in consultation with the Lead Manager) will be influenced by the following factors:

- (a) the number of Shares applied for by particular applicants;
- (b) the overall level of demand under the Offer;
- (c) the Company's desire for an informed and active trading market following its listing on ASX;
- (d) the Company's desire to establish a wide spread of investors, including institutional investors;
- (e) recognising the ongoing support of existing Shareholders;
- (f) the likelihood that particular applicants will be long-term Shareholders;
- (g) the desire for an informed and active market for trading Shares following completion of the Offer;
- (h) ensuring an appropriate Shareholder base for the Company going forward; and
- (i) any other factors that the Company and the Lead Manager consider appropriate.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

4.15 ASX listing

Application for Official Quotation by ASX of the Securities offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. However, applicants should be aware that ASX will not grant Official Quotation of any Shares until the Company has complied with the Conditions. Accordingly, the Shares may not be able to be traded for some time after the close of the Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of three 3 months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares under the Offer and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

Application for Official Quotation of the Options offered pursuant to this Prospectus will be made in accordance with the timetable set out in this Prospectus. If ASX does not grant Official Quotation of the Options offered pursuant to this Prospectus, or if the Company does not meet the minimum requirements to be granted Official Quotation of the Options, then the Options will still be issued, however will not be quoted on ASX.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities offered for subscription under this Prospectus.

4.16 Issue

Subject to the Conditions set out in Section 4.13 being satisfied, issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. However, the Company will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

The Directors (in consultation with the Lead Manager) will determine the recipients of the Shares in their sole discretion in accordance with the allocation policy detailed in Section 4.14). The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued

is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Holding statements for Securities allocated to the Company's sponsored subregister and confirmation of allocation for Clearing House Electronic Subregister System (CHES) holders will be mailed to applicants being allocated Shares under the Offer as soon as practicable after their issue.

4.17 Applicants outside Australia and New Zealand

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those outlined below.

Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The return of a completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation and warranty by you that you have complied with these restrictions.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

4.18 Commissions payable

The Company reserves the right to pay commissions of up to 5% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensees in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

The Lead Manager will be responsible for paying all commissions that they and the Company agree with any other licensed securities dealers or Australian financial services licensees under the Lead Manager Mandate.

4.19 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus.

It is not possible to provide a comprehensive summary of the possible taxation positions of all prospective applicants. As such, all prospective investors in the Company are urged to obtain independent taxation and financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

The Company is a registered PDF. Shareholders of a PDF are entitled to concessionary treatment for capital gains derived from their holding. Capital gains made by resident shareholders are not taxable under the Australian taxation system. Additionally, capital losses are not deductible. Unfranked dividends received by resident shareholders are also not taxable under the Australian taxation system.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus or the reliance of any applicant on any part of the summary contained in this Section.

No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.

4.20 Discretion regarding the Offer

The Offer may be withdrawn at any time. If the Offer does not proceed, all relevant Application monies will be refunded (without interest) in accordance with applicable laws.

The Company also reserves the right to close the Offer (or any part of it) early, extend the Offer (or any part of it), accept late applications either generally or in particular cases, reject any application or bid, or allocate to any applicant fewer Shares than applied for.

4.21 Enquiries

Any questions concerning the Offer should be directed to David Breeze, Chairman on +61 8 9328 8477 or Robert Marusco, Company Secretary on +61 412 593 363.

5. COMPANY AND INDUSTRY OVERVIEW

The Company is an Australian unlisted public company incorporated on 20 April 2005 in Western Australia. The Company was admitted to the Official List on 22 May 2006, and quotation of its securities commenced on 29 May 2006. The Company is registered as a Pooled Development Fund (**PDF**) in accordance with the Pooled Development Fund Act 1992 (Cth). Its Investment Mandate allows the fund to invest into small and medium sized exploration entities, both listed and unlisted, that are in, but not limited to, the energy and mineral resources sector. The PDF Act provides various tax incentives to PDF's and to the shareholders in the fund.

On 5 February 2021, the Company was notified by the Venture Capital Committee of Innovation Australia (the **Committee**), part of the PDF Board, that the Committee had revoked the Company's PDF registration as a result of the Company contravening sections 19(1), 27, 27A and 42 of the PDF Act. On 23 April 2023, the Company's PDF registration was reinstated and on 4 May 2023 the Company announced to its ASX platform that its PDF registration has:

- (a) been reinstated to the Australian Government Business website under the formal list of registered Pooled Development Funds; and
- (b) Gazetted by the Commonwealth of Australia on 20 April 2023.

5.1 Objectives

The Investment Mandate allows the Company to invest in a variety of investments in small and medium sized exploration enterprises, both listed and unlisted, that are involved in the exploration and resources industry. The Company offers a unique investment opportunity focused on two main types of investments, comprising newly formed unlisted junior exploration companies and ASX listed junior exploration companies. Junior exploration companies are considered those still in the project identification and discovery stage.

The Company aims to create returns to Shareholders greater than those available from traditional investments by giving Shareholders exposure to unlisted Australian exploration businesses in their early rapid growth stage. The board of MEC is committed to maximising the effectiveness of its PDF status for the benefit of the Company and its Shareholders by investing in opportunities to generate capital growth, whilst benefiting from the various tax incentives provided under the PDF Act.

5.2 Industry Overview

(a) Pooled Development Fund (PDF)

A PDF is a company registered by the Pooled Development Fund Registration Board (**PDF Board**), under the PDF Act. The Company was registered as a PDF on 2 May 2005. There are currently 17 registered PDFs as at 23 July 2024, with the program now closed to new applicants.

The objective of the PDF program was to develop the market for providing patient equity and venture capital to small or medium-sized Australia companies that carry on eligible businesses. In order to achieve this object, the PDF Act established a scheme under which companies that provide capital under the PDF scheme, register as a PDF and the company and their shareholders receive tax benefits on the income derived from their equity investments.

The PDF program closed to new applicants on 21 June 2007, however existing PDFs were not affected.

(b) Capital Structure of a PDF

The capital structure of a PDF is regulated in a number of ways:

- (i) unless approved by the PDF Board, a person (together with their associates) must not hold more than 30% of the issued shares in a PDF (this restriction does not apply to banks, life insurance entities or a widely held complying superannuation fund);

- (ii) a PDF may only acquire shares in another PDF where the acquisition is part of a process of the two PDFs merging into one PDF. The consideration for the shares in the investee PDF may only be shares in the investor PDF or a bona fide dividend;
- (iii) a PDF must not buy back its own shares to return capital to its shareholders within two years after becoming a PDF or merging with another PDF; and
- (iv) a PDF is prohibited from borrowing money, accepting a deposit of money, issuing debentures, issuing convertible notes and issuing or making available an interest in a managed investment scheme. A PDF may make certain short-term borrowings.

(c) **Investments by a PDF**

A PDF must carry on the business of making and holding PDF investments and can only enter into transactions for this purpose (unless otherwise approved by the PDF Board). The PDF Act regulates the investment activities of a PDF. In particular, the PDF Act imposes certain restrictions on a PDF in terms of its investment activities and the type of investments it may make:

- (i) a PDF may make an investment by subscribing for or buying newly issued ordinary shares in a small to medium sized Australian company with total assets of less than \$50 million (**Investee Company**). An acquisition of pre-owned ordinary shares or other kinds of shares requires PDF Board approval;
- (ii) provided that the PDF holds at least 10% of the total of all amounts paid in the issued shares in an Investee Company, a PDF may also acquire non-transferable options to buy shares in an Investee Company and lend money to an Investee Company, provided that the total amount of the outstanding loans by the PDF does not exceed 20% of the shareholders' funds of the PDF;
- (iii) a PDF may only invest in Australian companies that carry on "eligible businesses" (ie. an eligible business is an Australian company that will establish a new business, substantially expand its production/supply capacity or substantially expand/develop its market);
- (iv) a PDF must not invest in a company whose business, or primary business, involves retail sale operations or the acquisition or disposal of an interest in, or development of, land;
- (v) a PDF may not invest in a company whose total assets exceed \$50 million; and
- (vi) unless otherwise approved by the PDF Board, a PDF must take up at least 10% of the paid up capital of the Investee Company.

A PDF must not invest more than 30% of its capital in any one Investee Company, unless otherwise approved by the PDF Board.

(d) **Reporting Obligations**

A PDF must, within four months after the end of each financial year, give the PDF Board a written return that includes information such as details of officers, persons providing services, shareholders, particulars of investments held by the PDF, profits, gains and losses made from each Investee Company and dividends paid to shareholders during the financial year.

Within 30 days of a PDF's initial investment in an Investee Company, the PDF must give the PDF Board written notification of the investment.

(e) **Ceasing to be a PDF**

A PDF automatically ceases to be a PDF, if at any time the PDF is not eligible according to the PDF Act. The PDF Board also has the power to deregister a PDF if it fails to comply with the PDF Act. If the Company ceases to be a PDF, the Company must notify Shareholders as soon as practicable after it becomes aware of the fact.

5.3 Current Investments

As at the date of this Prospectus, the Company holds the following investments:

INVESTEES COMPANY	HOLDING	\$VALUE (APPROXIMATE)
BPH Energy Ltd ¹	1,436,609 fully paid ordinary shares representing 0.125%	\$17,239 ⁴
Advent Energy Ltd ²	94,118,320 fully paid ordinary shares, representing 37.95% interest in Advent	\$4,705,916 ⁵
Advent Energy Ltd ³	Loan asset	\$4,161,135 ⁶

Notes:

1. BPH Energy Ltd (ASX: BPH) is an ASX listed company. Refer to the below for information regarding BPH.
2. Advent Energy Ltd is an unlisted oil and gas exploration and development company with onshore and offshore exploration and near-term development assets around Australia and overseas. Refer to the below for information regarding Advent's current activities.
3. As part of a settlement with Advent in 2019, loans owed by Advent to MEC totalling \$4,161,135 will be recoverable by the Company one month prior to the scheduled commencement date for the drilling of a well within the PEP-11 Permit area. Refer to Section 10.1(b) for further information.
4. Based on the closing price of BPH Shares on 20 September 2024 of \$0.012 per share.
5. Based on the previous capital raising price undertaken by Advent of \$0.005 per share.
6. As at 31 December 2023.

5.3.1 Advent

As an unlisted oil and gas exploration and development company formed in 2004, Advent has assembled an attractive portfolio of assets both on and offshore Australia. All permits are located next to a ready market and/or excellent infrastructure, thereby maximising Advent's ability to optimise any resources.

Included in the portfolio is:

- (a) the PEP-11 Permit located in the offshore Sydney Basin. Advent has an 85% interest in the PEP-11 Permit as part of a joint venture between its subsidiary Asset Energy and ASX listed Bounty (ASX:BUY) who holds a 15% interest;
- (b) 100% owned Retention Licence 1 (**RL1**) in the Onshore Bonaparte Basin in northern Australia; and
- (c) a 2% interest in Clean Hydrogen Technologies Corporation (**Clean Hydrogen**).

PEP-11 Permit

The PEP-11 Permit is a significant offshore exploration area with large scale structuring and potentially multi-Trillion cubic feet 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). The Company is of the view that it provides a significant opportunity should commercial natural gas be discovered.

Advent has demonstrated considerable gas generation and migration within the PEP-11 Permit area, with the mapped prospects and leads highly prospective for the discovery of gas. It has previously interpreted significant seismically indicated gas features within the PEP-11 Permit. The prospective resource if proven, has the possibility of supplying NSW with

the bulk of its gas needed. 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.

As noted in Section 3, in 2021 Asset Energy had applied for a variation and suspension of the conditions of the PEP-11 Permit and an extension of the term of the PEP-11 Permit, being the Applications currently with NOPTA and the Joint Authority for assessment. As noted above, the Hon Ed Husic MP, Minister for Industry and Science has formed a preliminary view that the Applications should be refused. The NEATS (National Electronic Approvals Tracking System) Public Portal Application Tracking shows that the status of the Applications is 'Under Assessment', and the next step in the application process is for the Joint Authority to make its decision.

On 6 August 2024, Asset Energy for and on behalf of the Joint Venture Parties filed an Originating Application for Judicial Review in the Federal Court of Australia seeking a declaration that the Joint Authority has breached an implied duty by failing to make a decision under the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) with respect to the two pending Applications relating to the PEP-11 Permit that are currently with NOPTA and the Joint Authority and an order that the Joint Authority be compelled to determine the Applications within 45 days.

Any future authorisation related to drilling at PEP-11 will require environmental approvals. While the Federal Court proceedings are on foot, Asset have decided to commence work necessary for environmental approvals in advance of the PEP-11 Permit Applications' approval, such that it can be prepared to drill the planned Seablue-1 well, as soon as possible thereafter as follows:

- (a) Advent appointed Xodus group under a contract to prepare the environment plan for the first submission to NOPSEMA for the Seablue-1 well at the PEP-11 Permit. The environmental plan is a pre-requisite for the planned drilling of the Seablue-1 well and will be released in due course as part of the regulated process.
- (b) Asset Energy have also engaged Perth based offshore environmental consultancy specialists Klarite Pty Ltd (**Klarite**), to initiate the environmental management of the Seablue-1 exploration well.

The PEP-11 Permit continues in force and the Joint Venture is 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*.

Northern Territory – Onshore Bonaparte Basin

Advent's wholly owned subsidiary, Onshore Energy Pty Ltd (**Onshore Energy**), holds 100% of RL1. RL1 is situated in the onshore Bonaparte Basin in northern Australia. Most of the Bonaparte Basin is located offshore, covering 250,000 square kilometres, compared to just over 20,000 square kilometres onshore. RL1 is 166 square kilometres in area, which covers the Weaber Gas Field in the Northern Territory. 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.

Advent has been evaluating the commercialization of RL1 and intends to convert the retention licence into a production licence. Onshore Energy has commenced the regulatory processes to enable a re-entry to the Weaber-4 well and has prepared and submitted a Well Operations Management Plan and an Environmental Management Plan.

On 3 May 2024, Advent was issued a renewal of RL1 for a five-year term commencing on 8 May 2024.

EP386

Onshore Energy made an application for suspension and extension of the permit conditions in relation to EP386 which was not accepted by the Department of Mines, Industry, Regulation and Safety. Onshore Energy lodged an appeal against this decision with the State Administrative Tribunal (**SAT**). The SAT determined that it did not have the

coverage to hear the appeal, and the decision allowed for the matter to be determined through the Supreme Court of Western Australia.

Clean Hydrogen

Advent has an investment in Clean Hydrogen of 2%. Clean Hydrogen is an entity incorporated in the United States of America with technology to produce clean hydrogen. Over the past year, significant developments have occurred by Clean Hydrogen.

Clean Hydrogen has started selling its carbon composite products (as defined below), moving from proof of concept to commercial production. Clean Hydrogen uses their own unique patented catalysts and bespoke engineering processes to generate clean hydrogen and conductive carbon used to manufacture batteries. Clean Hydrogen cracks hydrocarbons from natural gas using a process called thermo-catalytic pyrolysis. Importantly, there are no CO₂ emissions from the core process since the carbon becomes a solid carbon composite product rendering natural gas a clean (no CO₂ emissions) source of 2 products: turquoise hydrogen and a solid carbon composite (**Carbon Composite**).

Turquoise hydrogen is the industry term used for hydrogen sourced from natural gases, using thermos-catalytic pyrolysis. Since there are no CO₂ emissions, the carbon becomes solid in the form of a fine black dust type material, which in Clean Hydrogen's case is a carbon composite made from Carbon Nano-Tubes (**CNTs**) and Alumina (ceramics). CNT's have unusual mechanical properties which make them an ideal class of reinforcement for Alumina composite, acting as a toughening agent.

Clean Hydrogen and Onshore Energy have entered into a hydrocarbon process agreement (**Process Agreement**), whereby the parties propose to develop plans for Clean Hydrogen to process the hydrocarbons from Onshore Energy's rights at RL1. Clean Hydrogen is developing its "Commercial System" where it will satisfy scale and commercial objectives resulting in the development of income from sale of hydrogen products produced. The Commercial System means an end-to-end system which consumes and processes hydrocarbons, using Clean Hydrogen's thermocatalytic process as set out above.

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

5.3.2 BPH Energy Ltd

BPH is an ASX listed diversified company holding various investments in the resources and biotechnology sectors. BPH's investment portfolio includes a 35.8% interest in Advent (detailed above), a 16.4% interest in Cortical Dynamics Limited (**Cortical**), a 20% interest in Molecular Discovery Systems (**MDS**) and an 8% interest in Clean Hydrogen.

Cortical is an Australian based medical device neurotechnology company that is focused on developing the next generation of brain function monitors, BARM™ (Brain Anaesthesia Response Monitor), an industry leading EEG brain function monitor. Cortical's BARM™ is being developed to better detect the effect of anaesthetic agents on brain activity and assist anaesthetists in keeping patients optimally anaesthetised. When commercialised, BARM™ will be offered on a stand-alone basis or integrated into leading brand operating room monitors as a "plug and play" option. Cortical has been granted Australian Therapeutic Goods Administration (TGA) approval in Australia, Korean MFDS (Ministry of Food and Drug Safety) approval and FDA approval in the USA.

MDS has been working with the Molecular Cancer Research Group at the Harry Perkins Institute of Medical Research to validate HLS5 Tumour Suppressor Gene as a novel tumour suppressor gene, particularly for liver cancer. Concerted research efforts previously undertaken reveal that HLS5 works through multiple pathways that may target cancer as well as a range of other diseases such as Huntington's, Parkinson's and HIV. MDS has an extensive patent portfolio for HLS5 which encapsulates the gene both as a potential cancer therapeutic target and also underpinning its involvement in a variety of other diseases.

BPH currently has an 8% interest in Clean Hydrogen. Following receipt of shareholder approval at a general meeting to be held by BPH on 4 October 2024, BPH's shareholding in Clean Hydrogen may increase to 15.6%.

For further information regarding each of the Company's investee entities and their activities, refer to the Company's Annual Report released to ASX on 30 August 2024 and all announcements released by the Company are available here <https://www.mecresources.com.au/>.

5.4 Proposed activities

The Company will continue to manage its investment in Advent and research new opportunities to invest in that fall within the scope of the Investment Mandate.

The Company intends to focus on two main types of investments comprising newly formed unlisted and ASX-listed, junior exploration companies. Overtime, the Company intends to create a portfolio of investments in emerging businesses in the energy and mineral resources sectors which, with careful management, have the potential to outperform general market investment levels.

Following Re-Instatement, the Company is also seeking to make a further investment in Advent by subscribing for 33,000,000 shares in Advent at \$0.05 per share for a total investment of \$1,650,000, if the Maximum Subscription is raised. In the event that the Minimum Subscription is raised, the Company will scale back its investment in Advent in accordance with the Use of Funds set out in Section 5.7.

5.5 Key Advantages

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

- (a) PDFs have the ability to raise capital and make equity investments complying with a structure established under the PDF Act;
- (b) PDFs are taxed at 15% on its income and capital gains received from its investments;
- (c) investors in the Company have the advantages of tax concessions (i.e. no capital gains tax when selling their Shares) available to and investments they may otherwise not have exposure to;
- (d) Australian residents receiving franked and unfranked dividends from their Shares are also exempt from tax; and
- (e) the Company has a highly credible and experienced team to progress existing investments and new opportunities.

For full tax implications of the PDF Act and your Shareholding, please consult with the Australian Taxation Office and /or your professional advisor before making any investment decision.

5.6 Key dependencies of the Company's business model

The key dependencies influencing the viability of the Company's business model are:

- (a) due diligence that identifies suitable businesses and entities to invest in; and
- (b) the ability to raise sufficient capital for investments and to meet corporate and operating costs.

5.7 Use of funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves over the first two years following Re-Instatement as follows:

FUNDS AVAILABLE	MINIMUM SUBSCRIPTION	PERCENTAGE OF FUNDS (%)	MAXIMUM SUBSCRIPTION (\$)	PERCENTAGE OF FUNDS (%)
Existing cash reserves ¹	\$538,283	21%	\$538,283	8.9%

FUNDS AVAILABLE	MINIMUM SUBSCRIPTION	PERCENTAGE OF FUNDS (%)	MAXIMUM SUBSCRIPTION (\$)	PERCENTAGE OF FUNDS (%)
Funds raised from the Offer	\$2,000,000	79%	\$4,894,864	91.1%
Total	\$2,538,283	100%	\$5,433,147	100%
Allocation of funds				
Additional investment in Advent ²	\$1,000,000	39.4%	\$1,650,000	30%
New investments	\$450,000	17.7%	\$2,000,000	37%
Due Diligence ³	\$50,000	2%	\$50,000	1%
Corporate overhead & administration costs ⁴	\$450,000	17.7%	\$450,000	8%
Maximum Offset Entitlement ⁵	\$0 ⁶	0% ⁶	\$581,655	11%
Repayment of loan to BPH under Invoice Funding Agreements ⁷	\$174,815	6.9%	\$174,815	3%
Expenses of the Offer ⁸	\$238,345	9.4%	\$385,054	7%
Working capital	\$175,123	6.9%	\$141,623	3%
Total	\$2,538,283	100%	\$5,433,147	100%

Notes:

1. Refer to the Financial Information set out in Section 6 for further details.
2. Refer to Section 5.4 for further details.
3. Due diligence costs to assess potential new investments and include costs of legal, financial, statutory and technical due diligence required by the Board to make an investment decision. To the extent that the Company identifies additional investment opportunities the Company's working capital will also be utilised to fund such further activities and/or investment costs (including due diligence investigations) as applicable. Any amounts not so expended will be applied toward corporate and administration costs for the period subsequent to the initial two-year period following Re-Instatement.
4. Administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.
5. As set out in Section 8.4, Directors David Breeze and Andrew Jones and company secretary Robert Marusco are using their Entitlement to offset outstanding fees owing totalling \$257,631. The balance of the total offset of \$324,024 is part of Advent's Entitlement which is being used to offset the Advent Debt.
6. At the Minimum Subscription, the Director offsets and offset to Advent Debt will be issued at the maximum offset Entitlement, however, this will be in addition to the Minimum Subscription.
7. Refer to Section 9.3 for further details of the Invoice Funding Agreements.
8. Refer to Section 10.9 for the expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. Prospective investors should note that, as with any budget, the allocation of the funds may change depending on various intervening events and new circumstances, regulatory developments and market and general economic conditions. Accordingly, the Board reserves the right to alter the way funds are applied on this basis.

It is anticipated that if the Minimum Subscription is raised, it will enable two years of full operations and new investments by the Company, however the Company will scale back its proposed investments, in particular its investment in Advent to comply with the requirements under the PDF Act. It should be noted that the Company may not be fully

self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend on the success or failure of the Company's investments. The Board will consider the use of additional debt or equity funding where it is appropriate to accelerate growth, fund additional investments or to capitalise on investment opportunities.

In the event the Company raises more than the Minimum Subscription of \$2,000,000 under the Offer but less than the Maximum Subscription, the additional funds raised will be first applied towards the expenses of the Offer and then proportionally to the other line items in the above table.

The Directors consider that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives. However, it should be noted that an investment in the Company is highly speculative and prospective investors are encouraged to read the risk factors outlined in Section 7.

5.8 Capital structure

The capital structure of the Company as at the date of this Prospectus and following completion of the Offer (assuming both Minimum Subscription and Maximum Subscription under the Offer) is set out in the table below:

Shares¹

	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
Shares currently on issue ¹	978,972,711	978,972,711
Shares to be issued pursuant to the Offer	400,000,000	978,972,711
Shares to be issued under the Cleansing Offer	50,000	50,000
Total Shares on completion of the Offer²	1,379,022,711	1,957,995,422

Notes:

1. The material rights and liabilities attaching to the Shares are summarised in Section 10.2.
2. The Company notes that 123,671,931 Incentive Shares will vest on the Company's Re-Instatement and are not included in the total number of Shares on issue.

Options

	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
Options currently on issue	54,563,924	54,563,924
New Options to be issued pursuant to the Offer	200,000,000	489,486,356
Total Options on completion of the Offer¹	254,563,924	544,050,280

Notes:

1. The material rights and liabilities attaching to the New Options are summarised in Section 10.1.

5.9 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offer are set out in the respective tables below.

As at the date of the Prospectus

SHAREHOLDER	SHARES	OPTIONS	PERCENTAGE (%)	
			UNDILUTED	FULLY DILUTED
Advent Energy Ltd	124,708,409	0	12.74%	12.07%

Notes:

1. Advent Energy Ltd was issued 124,708,409 shares following approval by the Company's Shareholders at a general meeting held on 13 December 2021 as a partial settlement of claims against the Company totalling \$872,288. Refer to Section 10.1 for further details.

Based on information known to the Company as at the date of this Prospectus on completion of the issue of Shares under the Offer with Minimum Subscription (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer), the following persons (together with their associates) will have a relevant interest in 5% or more of the Shares on issue:

SHAREHOLDER	SHARES	OPTIONS	PERCENTAGE (%)	
			UNDILUTED	FULLY DILUTED
Advent Energy Ltd	189,513,209 ¹	32,402,400	13.74%	13.58%

Notes:

1. On the basis that Advent will take up part of its Entitlement being 64,804,800 Shares as part of an offset to settle the Advent Debt totalling \$324,024. Refer to Section 10.1 for further information.

Based on information known to the Company as at the date of this Prospectus, on completion of the issue of Shares under the Offer with Maximum Subscription (assuming no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offer), the following persons (together with their associates) will have a relevant interest in 5% or more of the Shares on issue:

SHAREHOLDER	SHARES	OPTIONS	PERCENTAGE (%)	
			UNDILUTED	FULLY DILUTED
Advent Energy Ltd	189,513,209	32,402,400	9.68%	8.87%

The Company will announce to the ASX details of its top 20 Shareholders following completion of the Offer prior to the Shares commencing trading on ASX.

5.10 Dividend policy

The Company does not expect to declare any dividends in the next 3-year period following Re-Instatement while it focusses on new investments. In determining whether to declare future dividends the Directors will consider the level of earnings of the Company, the operating results and overall financial condition of the Company, future capital requirements, capital management initiatives, general business outlook and other factors the Directors may consider relevant at the time of their decision. No assurance in relation to the future payment of dividends or the level of franking credits attaching to dividends can be given by the Company.

6. FINANCIAL INFORMATION

6.1 Introduction

6.1.1 Financial Information

The financial information in this Section includes:

- (a) **Statutory Historical Financial Information**, being the:
 - (i) Statutory historical consolidated Statements of Profit or Loss and other comprehensive income of MEC for the years ended 30 June 2022, 2023, and 2024;
 - (ii) Statutory historical consolidated Statement of Cash Flows of MEC for the years ending 30 June 2022, 2023, and 2024; and
 - (iii) Statutory historical consolidated statements of Financial Position of MEC as at 30 June 2022, 2023 and as at 30 June 2024.
- (b) **Pro-Forma Historical Financial Information**, being the:
 - (i) Pro forma historical consolidated Statement of Financial Position of MEC as at 30 June 2024 reflecting the Directors' pro forma adjustments.

The Statutory Historical Financial Information and the Pro Forma Historical Financial Information are collectively referred to as the Financial Information.

No forecast financial information has been provided for the Company.

MEC has a 30 June financial year end. As such, any reference in this Section to **FY** refers to a 30 June financial year end.

Also summarised in this Section are:

- (a) the basis of preparation and presentation of the Financial Information (see Section 6.2); and
- (b) the pro-forma adjustments to the historical statement of financial position as at 30 June 2024 and reconciliations to the statutory historical statement of financial position as at 30 June 2024 (see Section 6.4)

The Financial Information has been reviewed and reported on by Moore Australia Corporate Finance (WA) Pty Ltd whose Independent Limited Assurance Report is contained in Annexure A. The Independent Limited Assurance Report has been prepared in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagement Involving Fundraising and/or Prospective Financial Information*. Investors should note the scope and limitations of the Independent Limited Assurance Report.

The information in this Section should also be read in conjunction with other information contained in this Prospectus including;

- (a) The risk factors described in Section 7;
- (b) Significant accounting policies and critical areas of accounting judgements and estimates set out in Section 6.5;
- (c) The Independent Limited Assurance Report on the historical and pro-forma financial information set out in Annexure A; and
- (d) Other information contained in the Prospectus.

Investors should also note that historical results are not a guarantee of future performance. All amounts disclosed in the tables are presented in Australian dollars unless otherwise stated.

6.1.2 Forecast Financial Information

Given the current status of the Company and the speculative nature of the Company's business, the Directors do not consider it appropriate to forecast future earnings. Any

forecast information or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.

6.2 Basis of Preparation and Presentation of the Financial Information

6.2.1 Overview

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of MEC Resources.

The Statutory historical Financial Information has been prepared in accordance with all applicable International Financial Reporting Standards (**IFRSs**), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (**IAS**) and related Interpretations, promulgated by the International Accounting Standards Board (**IASB**). Compliance with IFRS has ensured compliance with Australian Accounting Standards

The Company has applied all the new and revised IFRSs which are effective for the Company's accounting period beginning on 1 July 2023 consistently throughout the years/period presented to the extent required or allowed by transitional provisions in the IFRSs.

The impact of new and revised IFRS, which have been adopted during the years/period presented and effective as at the current date, to the results for each year/period presented is not significant.

The Pro Forma historical Financial Information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards (**AAS**), other than that it includes certain adjustments which have been prepared in a manner consistent with AAS, which reflect the impact of certain transactions which are planned to or have taken place subsequent to 30 June 2024, as if they had occurred on or before 30 June 2024.

The Pro Forma Historical Financial Information does not reflect the actual statement of financial position of MEC as at 30 June 2024. MEC believes that it provides useful information as it illustrates the financial position of the Company as at 30 June 2024 on the basis that the Capital Raising was completed as at that date.

The Financial Information is presented in an abbreviated form and does not include all of the disclosures, statements or comparative information required by AAS applicable to annual financial reports prepared in accordance with the Corporations Act.

Accounting policies have been consistently applied throughout the periods presented. Significant accounting policies of MEC, relevant to the Financial Information are set out in Section 6.5.1.

6.2.2 Preparation of historical financial information

The Historical Financial Information is presented on both a statutory and pro forma basis.

The Statutory Historical Financial Information for the years ended 30 June 2022, 2023, and 2024 for MEC have been derived from the audited general purpose historical financial reports of MEC for the years ended 30 June 2022, 2023, and 2024.

The financial statements of MEC for the years ending 30 June 2022, 2023, and 2024 were audited by Moore Australia Audit (WA), which issued unqualified audit opinions.

The Pro Forma Historical Financial Information has been prepared for the purposes of inclusion in this Prospectus. The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information, adjusted to reflect proposed transactions as set out in Section 6.4.2.

The Pro forma Historical Financial Information presented in this Prospectus has been reviewed by Moore Australia Corporate Finance (WA) Pty Ltd, whose Independent Limited

Assurance Report is contained in Annexure A. Investors should note the scope and limitations of that report.

6.3 Statutory Historical Financial Information

6.3.1 Statutory Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income

The table below sets out the Statutory Historical consolidated Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2022, 2023 and 2024. Unless otherwise stated, the Statutory consolidated Historical Statements of Profit or Loss and Other Comprehensive Income are presented in Australian dollars (**AUD\$**).

STATUTORY HISTORICAL CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	30 JUNE 2024 AUD\$	30 JUNE 2023 AUD\$	30 JUNE 2022 AUD\$
Revenue			
Interest	5,933	2,772	-
Expenses			
Share of associate's loss	(250,972)	(183,865)	(430,704)
Administration expense	(63,895)	(210,182)	(141,738)
Consulting and legal expenses	(31,403)	(53,089)	(76,771)
Depreciation expense	-	(1,536)	(446)
Directors / employee expenses	(119,896)	(13,155)	15,718
Interest expense	(11,623)	(10,370)	(2,870)
Compliance expense	(20,670)	(88,829)	(78,511)
Loss before income tax	(492,526)	(558,254)	(715,322)
Other comprehensive income	-	-	-
Loss and comprehensive loss for the year	(492,526)	(558,254)	(715,322)
Loss per share - basic and diluted	(0.00)	(0.00)	(0.00)

6.3.2 Statutory Historical Consolidated Statements of Cash Flows

The table below sets out the Statutory Historical consolidated Statements of Cash Flows for the years ended 30 June 2022, 2023, and 2024. Unless otherwise stated, the statutory Historical consolidated Statements of Cash Flows are presented in Australian dollars (**AUD\$**).

STATUTORY HISTORICAL CONSOLIDATED STATEMENTS OF CASH FLOWS	30 JUNE 2024 AUD\$	30 JUNE 2023 AUD\$	30 JUNE 2022 AUD\$
Cash flows from operating activities			
Interest received	5,933	2,772	-
Payments to suppliers and employees	(165,383)	(186,233)	(219,274)
Other	-	16,555	-
Net cash (used in) operating activities	(159,450)	(166,906)	(219,274)
Cash flows from investing activities			

STATUTORY HISTORICAL CONSOLIDATED STATEMENTS OF CASH FLOWS	30 JUNE 2024 AUD\$	30 JUNE 2023 AUD\$	30 JUNE 2022 AUD\$
Proceeds/(repayment) - loans from other entities	-	367	-
Proceeds from sale of assets	-	1,536	-
Net cash provided by investing activities	-	1,902	-
Cash flows from financing activities			
Proceeds from private placement, net issue costs	157,300	314,308	-
BPH Loan funding agreement	-	62,840	100,352
Net cash provided by financing activities	157,300	377,148	100,352
Net increase/(decrease) in cash and cash equivalents	(2,150)	212,144	(118,922)
Cash and cash equivalents at the beginning of the year	223,509	11,365	130,517
Cash and cash equivalents at the end of the years	221,359	223,509	11,595

6.3.3 Statutory Historical Consolidated Statements of Financial Position

The table below sets out the Statutory Historical consolidated Statements of Financial Position as at 30 June 2022, 2023, and 2024. The Statutory Historical consolidated Statements of Financial Position are presented in Australian dollars (AUD\$).

STATUTORY HISTORICAL CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	30 JUNE 2024 AUD\$	30 JUNE 2023 AUD\$	30 JUNE 2022 AUD\$
Current Assets			
Cash and cash equivalents	221,359	223,509	11,595
Other current assets	2,394	2,394	2,164
Total Current Assets	223,753	225,903	13,759
Non-Current Assets			
Financial assets	8,001,510	8,252,482	8,436,714
Property, plant and equipment	-	-	1,536
Total Non-Current Assets	8,001,510	8,252,482	8,438,250
Total Assets	8,225,263	8,478,385	8,452,009
Current Liabilities			
Trade and other payable	643,489	1,117,261	909,779
Financial liabilities	498,839	487,216	424,376
Total Current Liabilities	1,142,328	1,604,477	1,334,155
Total Liabilities	1,142,328	1,604,477	1,334,155
Net Assets	7,082,935	6,873,908	7,117,854
Equity			

STATUTORY HISTORICAL CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	30 JUNE 2024 AUD\$	30 JUNE 2023 AUD\$	30 JUNE 2022 AUD\$
Share Capital	32,208,956	31,507,403	31,193,095
Reserves	442,274	442,274	442,274
Accumulated losses	(25,568,295)	(25,075,769)	(24,517,515)
Total Equity	7,082,935	6,873,908	7,117,854

6.4 Pro-Forma Historical Financial Information

6.4.1 Pro Forma historical consolidated statement of financial position

The table below set out the pro forma historical statement of financial position of the company as at 30 June 2024. The pro forma historical statement of financial position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION					
	MEC Resources as at 30 June 2024 AUD\$	Pro-Forma adjustments – (incl significant subsequent events) Min Subscription as at 30 June 2024 AUD\$	Pro-Forma adjustments – (incl significant subsequent events) Max Subscription as at 30 June 2024 AUD\$	Pro-Forma – Min Subscription as at 30 June 2024 AUD\$	Pro-Forma – Max Subscription as at 30 June 2024 AUD\$
Current Assets					
Cash and cash equivalents	221,359	2,078,579	4,245,079	2,299,938	4,466,438
Other current assets	2,394			2,394	2,394
Total Current Assets	223,753			2,302,332	4,468,832
Non-Current Assets					
Financial assets	8,001,510			8,001,510	8,001,510
Total Non-Current Assets	8,001,510			8,001,510	8,001,510
Total Assets	8,225,263			10,303,842	12,470,342
Current Liabilities					
Trade and other payable	643,489	(257,631)	(257,631)	385,858	385,858
Financial liabilities	498,839	(324,024)	(324,024)	174,815	174,815
Total Current Liabilities	1,142,328			560,673	560,673
Total Liabilities	1,142,328			560,673	560,673
Net Assets	7,082,935			9,743,169	11,909,669
Equity					
Share Capital	32,208,956	2,660,234	4,826,734	34,869,190	37,035,690
Reserves	442,274			442,274	442,274
Accumulated losses	(25,568,295)			(25,568,295)	(25,568,295)
Total Equity	7,082,935			9,743,169	11,909,669

6.4.2 Notes on the pro forma historical consolidated statement of financial position

The pro forma consolidated statement of financial position as at 30 June 2024 is based on the consolidated statement of financial position of MEC as at 30 June 2024 incorporating the following adjustments:

- (a) The issue of 57,622,726 ordinary shares in July 2024 at \$0.0055 per share following the exercise of 57,622,726 options, to raise share capital of \$316,925.
- (b) Subscription of a minimum of \$2,000,000 (400,000,000 shares at \$0.005 each), and a maximum of \$4,894,864 (978,972,711 shares at \$0.005 each) under the Offer.
- (c) Direct expenses of the Offer totalling \$238,345 at the minimum subscription and a maximum of \$385,054 at the maximum subscription respectively, which have been debited against issued capital.
- (d) Under the Offer, MEC is also issuing one free attaching listed option for every two shares subscribed for and issued with an exercise price of \$0.03 and expire 12 months from the date of issue. The options to be issued does not impact on the pro forma historical consolidated statement of financial position.
- (e) The issue of 116,331,000 offset shares at \$0.005 each to settle the loan payable to Advent Energy Limited of \$324,024 and other accrued expenses of \$256,631.

6.4.3 Pro forma cash reconciliation

The table below details the reconciliation of the pro forma cash balance of MEC as 30 June 2024, reflecting the actual cash at bank at that date and reflecting the impact of the pro forma adjustments as set out in Section 6.4.2.

PRO FORMA HISTORICAL CASH RECONCILIATION		
	Minimum AUD\$	Maximum AUD\$
Cash reconciliation		
MEC cash at 30 June 2024	221,359	221,359
Proceeds from exercise of options - post 30 June 2024	316,924	316,924
Funds raised from the Offer	2,000,000	4,313,209
Expenses of the Offer	(238,345)	(385,054)
Pro forma cash balance	2,299,938	4,466,438

6.4.4 Pro forma cash reconciliation

The table below details the reconciliation of the pro forma share capital balance of MEC as at 30 June 2024 reflecting the actual share capital balance at that date and reflecting the impact of the pro forma adjustments as set out in Section 6.4.2.

MOVEMENT IN ORDINARY SHARE CAPITAL				
	Minimum No. of shares	Minimum AUD\$ 000s	Maximum No. of shares	Maximum AUD\$ 000s
Ordinary issued and paid up share capital				
Actual Balance as at 30 June 2024	1,045,021,916	32,209	1,045,021,916	32,209
Exercise of options – post 30 June 2024	57,622,726	317	57,622,726	317
Total shares currently on issue¹	1,102,644,642	32,526	1,102,644,642	32,526

PRO FORMA SHARE CAPITAL RECONCILIATION				
	Minimum No. of shares	Minimum AUD\$ 000s	Maximum No. of shares	Maximum AUD\$ 000s
Shares issued pursuant to the Offer	400,000,000	2,000	862,641,711	4,313
Offset shares issued	116,331,000	582	116,331,000	582
Transaction costs of issue	-	(238)	-	(385)
Pro forma share capital balance	1,618,975,642	34,869	2,081,617,353	37,036

1. The number of shares currently on issue of 1,102,644,642 includes 123,671,931 shares held by Catalyst Two Pty Ltd <MEC Employee Share Plan A/C> on behalf of the Directors and related parties and former directors that will vest on the Company's Re-instatement.

Movement in Share Options

MINIMUM SUBSCRIPTION			MAXIMUM SUBSCRIPTION		
Expiry date	Exercise Price \$	Number	Expiry date	Exercise Price \$	Number
21 Feb 2025	0.0055	35,088,180	21 Feb 2025	0.0055	35,088,180
7 Jul 2025	0.0055	40,741,652	7 Jul 2025	0.0055	40,741,652
5 Apr 2026	0.0055	36,356,812	5 Apr 2026	0.0055	36,356,812
30 June 2024		112,186,650	30 June 2024		112,186,650
Jul 2024 (exercise of options)	0.0055	(57,622,726)	Jul 2024 (exercise of options)	0.0055	(57,622,726)
Oct 2025	0.03	200,000,000	Oct 2025	0.03	489,486,356
Pro forma		254,563,924	Pro forma		544,050,280

6.4.5 Subsequent Events

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 30 June 2024 not otherwise disclosed in this report or the Prospectus that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

6.5 Summary of Significant Accounting Policies

6.5.1 Significant Accounting Policies

The principal accounting policies adopted in the preparation of the Financial Information are set out below. These policies have been consistently applied during the years and period presented, unless otherwise stated.

(a) General

MEC Resources Limited (the **Company** or **MEC**) was incorporated in Australia on 20 April 2005 as an investment company. The Company is planning to be reinstated on the Australia Securities Exchange (**ASX**) on completion of the Offer.

The consolidated Financial Information has been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations. The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding,

including adequate financing, will be available to conduct further exploration and development of its exploration and evaluation projects. These material uncertainties may cast a significant doubt on the validity of the going concern assumption.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the funding or financing necessary, from either shareholders or new investors, including pursuant to the proposed capital raising via this Prospectus, to continue operations. If the going concern assumption was to no longer be appropriate then adjustments may be necessary to the carrying values of assets, liabilities, reported income and expenses and the statement of financial position classifications adopted in this Financial Information. Such adjustments could be material.

(b) **Basis of Preparation**

Statement of Compliance

The consolidated Financial Information has been prepared in accordance with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**) and interpretations of the IFRS Interpretations Committee (**IFRIC**). They have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, this consolidated Financial Information has been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies, as disclosed, have been applied consistently to all years and periods presented.

Critical Accounting Estimates and Judgements

The preparation of this consolidated Financial Information requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated Financial Information and the reported expenses during the years/period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made as at 30 June 2024 and the reporting periods then ended, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

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

As disclosed in the Historical Consolidated Statement of Financial Position at 30 June 2024, the Company has significant assets invested in Advent Energy Ltd (**Advent**) of \$8,001,510. This comprises a loan receivable from Advent of \$4,161,134 and an investment in Advent of \$3,840,376. The evaluation of the recoverability of these assets requires significant judgement because ultimately their recoverability and value is dependent upon the ability of Advent to extract and realise value from its core 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 below, which requires the application of significant judgement.

(c) **Significant Accounting Policies**

(i) **Basis 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. 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.

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 Consolidated 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.

(ii)

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.

(iii) **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.

(iv) **Revenue**

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

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).

(v) **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.

(vi) **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.

(vii) **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 recognised 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.

(viii) **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.

(ix) **Investments in Associates**

Associates are all entities over which the Consolidated 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 Consolidated 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 Consolidated Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Consolidated 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 Consolidated Group and its associates are eliminated to the extent of the Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 Group 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 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.

(x) **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.

(xi) **Financial Instruments**

The Consolidated Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

The Consolidated Group subsequently measures all equity investments at fair value. The Consolidated Group has not elected to present fair value gains and losses on equity investments in OCI, where there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

As per AASB 9, an expected credit loss model is applied, not an incurred credit loss model as per AASB 139. To reflect changes in credit risk, this expected credit loss model requires the Consolidated Group to account for expected credit loss since initial recognition.

For trade receivables, the Consolidated Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc).

(d) **Commitments and Contingencies**

Contingencies

On 13 December 2021, the Company's 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:

- (i) 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
- (ii) 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.

The part (ii) shares noted above have not been issued however the Company is working towards completion as part of this Prospectus.

7. RISK FACTORS

7.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks that have a direct influence on the Company, and its investments and activities are set out in Section D of the Investment Overview. Those key risks as well as other risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 7, and other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 7 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 7, together with all other information contained in this Prospectus.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 7 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

7.2 Company specific risks

RISK CATEGORY	RISK
Suspension and Re-Instatement	<p>On 17 January 2020, the Company's Shares were placed into suspension from trading on ASX. The Company has been liaising with ASX as it works toward the return of its Shares to trading status. The Company is undertaking the Offer with the intention of raising sufficient funds to meet ASX Listing Rule 1.3.4 and Listing Rule 12.2 but there can be no assurance that sufficient funds will be able to be raised.</p> <p>If insufficient funds are raised from the Offer, and the Company is unable to otherwise raise additional funds, such that the Company cannot meet the Conditions for its securities to be reinstated to official quotation on the ASX, the suspension in trading will continue and Shareholders will not be able to trade their Shares on the ASX unless and until the Company can meet ASX's requirements.</p>
Conditions and delisting	<p>In order to achieve Re-Instatement, the Company needs to satisfy the Conditions. There is no certainty that the Conditions will be satisfied. In the event that the Conditions are not satisfied, the reinstatement of the Company's Shares to the Official List will not proceed, and the Company's Shares may be delisted.</p> <p>If the Company is delisted, Shareholders will be unable to trade their Shares on the ASX and the Company will need to re-comply with the ASX's listing requirements for its Shares to again become tradeable on the ASX. There can be no assurance that a relisting will be achievable in the near term or at all.</p>
Investment Company and Individual Investment Risk	<p>While the Company intends to invest in opportunities in accordance with its Investment Mandate, there is a risk that it may not be able to do so at all, or on satisfactory terms. In addition, the Company may invest in projects or entities that may ultimately not</p>

RISK CATEGORY	RISK
	<p>be as prospective as originally thought. Individual investments made by the Company may fall in value for many reasons such as changes in the investee company's operations, management or in its business environment.</p>
<p>Status as a Pooled Development Fund</p>	<p>The Company's status as a PDF is reliant upon the Company complying with the PDF Act and the directions of the PDF Board, and the Australian Government keeping the PDF program operational. The Company notes that the PDF program is now closed for new registrations.</p> <p>As noted in Section 5, the Company lost its PDF status on 5 February 2021 and the PDF registration was reinstated in April 2023. There is a risk that the PDF Board may deregister the Company as a PDF if it fails to comply with the PDF Act.</p> <p>At the date of this Prospectus, the Company remains a registered and compliant PDF and is unaware of any information that would affect the Company's current registration as a PDF.</p>
<p>PEP-11 Applications</p>	<p>As set out in Sections 3 and 5.2, Asset Energy and Bounty have two Applications that are currently under assessment by NOPTA and the Joint Authority for:</p> <ul style="list-style-type: none"> (a) the variation of the PEP-11 Permit work program and a 24-month suspension of the Permit Year 4 Work Program Commitment; and (b) an application for a 24—month extension of the PEP-11 Permit term. <p>As at the date of this Prospectus, there have been no further updates to the status of the Applications as reflected on the NOPTA website on the NEATS Application tracking system. On 18 September 2024, the Hon Ed Husic MP, Minister for Industry and Science, advised that he has carefully considered the Applications and has formed a preliminary view that the Applications should be refused. There can be no assurance that the Applications will be successful, or that there will not be unfavourable conditions imposed on the PEP-11 Permit. If the Applications are not successful, or are granted with significant conditions, the Company's investment in both Advent and BPH will likely be affected.</p>
<p>Going Concern</p>	<p>The Company's annual report for the period ended 30 June 2024 (Financial Report) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.</p> <p>The entity has incurred losses for the period ended 30 June 2024 of \$492,526 (2023: \$558,503) and has a net cash outflow from operating and financing activities of \$2,150 (2023: \$212,144).</p> <p>Notwithstanding the 'going concern' emphasis of matter included in the Financial Report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current investment commitments and short-term working capital requirements. However, it is highly likely that further funding will be required to meet the medium to long-term working capital costs of the Company.</p> <p>The Directors have prepared cash flow forecasts, including potential capital raises, which indicate that the consolidated entity should have sufficient cash flows for a period of at least 12 months from the date of this report. Based on the cash flow forecasts, including the Directors voluntarily suspending cash payments for their fees, the Directors are satisfied that the going</p>

RISK CATEGORY	RISK
	<p>concern basis of preparation is appropriate. The Financial Report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.</p> <p>In the event that the Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.</p>
Loans and Company Specific Investments	<p>The 2024 Annual Report for Advent includes material that outlines various risks which may impact the ability of Advent to realise the carrying value of its exploration assets in the ordinary course of business and which as a result may affect the ability of the Company to realise the carrying value of its loan receivable and its investment in Advent.</p> <p>Advent is continually seeking and reviewing potential sources of both equity and debt funding. Advent continues with a marketing campaign to attract new investors and/or joint venture partners. The Company has confidence that a suitable outcome will be achieved, however there is no certainty at this stage that this will result in further funding being made available.</p> <p>The funds raised under the Offer are considered sufficient to meet the current proposed objectives of the Company. Additional funding may be required in the event future costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.</p> <p>The Company may seek to raise further funds through equity or debt financing, joint ventures or other means. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.</p>
Potential for Significant Dilution	<p>Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 50% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).</p> <p>No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution. Assuming all New Options offered pursuant to this Prospectus are issued and exercised into Shares, Shareholders who do not participate in the Offer, are likely to be diluted by an aggregate of approximately 20% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</p> <p>It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Company's suspension of \$0.004 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer and Re-Instatement.</p>

RISK CATEGORY	RISK
Government policy	<p>The tax benefits available to the Company as a PDF can be affected by changes in government policy that are beyond the control of the Company. There is a risk that such changes may affect the Company's financial performance and strategy moving forward.</p>
The Company may face challenges managing the planned growth of its business	<p>On 18 March 2019, the Innovation Investment Committee of Innovation and Science Australia as part of the PDF Board approved MEC's application to vary its Investment Mandate pursuant to section 17(6) of the PDF Act.</p> <p>The variation to the Investment Mandate was not approved by ASX. Accordingly, the Company will continue to operate under the existing approved Investment Mandate as adopted at listing.</p> <p>The Company's future success will depend, in part, on its ability to manage this anticipated investment strategy. Such strategy is expected to place demands on all areas of the business and if the Company group is unable to manage its expansion effectively, its business and financial results could suffer.</p> <p>Further, there can be no assurance the Company will be able to implement its strategy for growth successfully. The Company may incur significant costs attempting to implement its growth strategies and initiatives and the management could be diverted away from existing business functions in its attempts to implement those strategies and initiatives. This could lead to the Company suffering reputational damage and a loss of support from customers and could have a material adverse effect on the business and cash flows, business prospects, financial condition and results of its operations.</p>
Control	<p>Following completion of the Offer, Advent's voting power in the Company could be as high as 13.74%. Accordingly, Advent's significant interest in the capital of the Company means that it will be in a position to potentially influence the election of directors and the financial decisions of the Company, and its interests may not align with those of all other Shareholders. Further details in respect of Advent's interest is set out in Section 5.9.</p>
Conflicts of Interest	<p>Certain Directors of the Company are directors and officers of other companies.</p> <p>These engagements and relationships are set out in Section 8.1 and the Material Contracts in Section 9.</p> <p>Mr Breeze is the managing director of BPH and the executive chairman of Advent. Mr Huston is non-executive director of BPH and Advent. Mr Huston is also a director of Clean Hydrogen Technologies Corp., an investee of both BPH and Advent.</p> <p>In the future, there may arise circumstances under these agreements which place Messrs Breeze and Huston in a position of conflict. The Company has in place protocols to manage conflicts of interest, including that Mr Breeze does not have a controlling vote in Board meetings.</p>
Taxation	<p>The Company is a registered PDF. Shareholders of a PDF are entitled to concessionary treatment for capital gains derived from their holding. Capital gains made by resident shareholders are not taxable under the Australian taxation system.</p> <p>Additionally, capital losses are not deductible. Unfranked dividends received by resident shareholders are also not taxable under the Australian taxation system.</p> <p>The tax consequences of any investment in Shares will depend upon an investor's particular circumstances.</p>

RISK CATEGORY	RISK
	Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus
Related party	<p>The Company has a number of key contractual relationships with related parties. If these relationships breakdown and the related party agreements are terminated, there is a risk that the Company may not be able to find a satisfactory replacement.</p> <p>Further, the operations of the Company will require involvement of related parties and other third parties. With respect to these persons and despite applying best practice in terms of pre-contracting due diligence, the Company is unable to completely avoid the risk of:</p> <ul style="list-style-type: none"> (a) financial failure or default by a participant in any agreement to which the Company may become a party; and/or (b) insolvency, default on performance or delivery by any operators, contractors or service providers. <p>There is also a risk that where the Company has engaged a contractor who is a related party, the contract between the contractor and the Company may terminate for reasons outside of the control of the Company. This may then result in the termination of the contract between the Company and the contractor and the impact the Company's position, performance and reputation.</p>
Litigation	<p>The Company is exposed to possible litigation risks including litigation risks that its Investee Companies are subject to, for example native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. On 6 August 2024, Asset Energy, filed an Originating Application for Judicial Review on behalf of the PEP-11 Joint Venture Parties in the Federal Court of Australia as further set out in Section 10.1. The Company is not a party to this litigation, however, given its investment in both Advent and BPH, the Company has a direct interest in the outcome of these proceedings and the outcome may affect the performance of the Company. Any such claim or dispute if proven, may impact adversely on the Company's operations, reputation, financial performance and financial position.</p> <p>Refer to Section 10.1 for further information regarding the current litigation.</p>

7.3 Industry specific risks

RISK CATEGORY	RISK
Investments and operating	<p>Existing and potential future investments by the Company are at various stages of development or are likely to be for potential new investments in Australia and development of these opportunities are high-risk undertakings.</p> <p>There can be no assurance that existing investment opportunities or others that may be acquired in the future, will result in positive outcomes.</p>
Regulatory Risk	<p>The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions in respect to PDF's could impact adversely on the assets, operations and, ultimately, the Company's financial performance and its Securities.</p>

RISK CATEGORY	RISK
Potential acquisitions	As part of its business strategy, the Company may make acquisitions of or significant investments in complementary companies, products or technologies. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies.
Competition	The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

7.4 General risks

RISK CATEGORY	RISK
Additional requirements for capital	<p>The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offer.</p> <p>Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.</p> <p>If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back or realise its investment opportunities as the case may be.</p> <p>There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>
Reliance on key personnel	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p> <p>The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.</p>
Currently no market	<p>There is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer.</p> <p>The price at which the Company's Shares trade on ASX after Re-Instatement may be higher or lower than the issue price of Shares offered under this Prospectus and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to</p>

RISK CATEGORY	RISK
	government policy, legislation or regulation and other events or factors.
Insurance	The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.
Economic conditions and other global or national issues	General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities. General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.
Market conditions	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) global health epidemics or pandemics; (e) currency fluctuations; (f) changes in investor sentiment toward particular market sectors; (g) the demand for, and supply of, capital; (h) political tension; and (i) terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology or defence stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> <p>The value of the Shares may fluctuate more sharply than that of other securities, given the low per Share pricing of the Shares under the Prospectus, and the fact that investment in the Company is highly speculative.</p>
COVID-19	The outbreak of the coronavirus disease (SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2), coronavirus disease 2019 or COVID 19, including any future resurgence or evolutions or mutations thereof or any related or associated epidemic, pandemic or disease outbreak) (COVID-19) may continue to impact global economic markets. While COVID-19 is not currently materially affecting the Company's operations and investments, with the potential for further outbreaks and new strains of the virus, the ongoing nature and extent of the effect of the outbreak on

RISK CATEGORY	RISK
	the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by further outbreaks and new strains of COVID-19. Further, any new governmental or industry measures taken in response to COVID-19 may adversely impact the Company's investments and are likely to be beyond the control of the Company.
Unforeseen expenditure risk	Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

7.5 Investment speculative

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

The Shares offered under this Prospectus carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on the ASX.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

8. BOARD AND KEY MANAGEMENT, CORPORATE GOVERNANCE

8.1 Board of Directors

The Board of the Company Consists of:

(a) **David Breeze (B.Ec, MBA) – Managing Director**

Mr 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; was formerly Manager of Corporate Services for Eyres Reed McIntosh and the State Manager and Associate Director for the stock broking firm BNZ North's. Mr Breeze 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 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 \$300M. These capital raisings covered a diverse range of areas including oil and gas, gold, food, manufacturing and technology.

Mr Breeze holds the following directorships:

- (i) Chairman of Grandbridge Limited, a public unlisted investment and advisory company;
- (ii) Chairman and Managing Director of listed BPH Energy Limited (ASX:BPH);
- (iii) Chairman of unlisted entity Advent Energy Ltd and a director of its subsidiaries Asset Energy Pty Limited and Offshore Energy Pty Limited; and
- (iv) a director of unlisted Cortical Dynamics Limited and Molecular Discovery Systems Limited.

The Board considers that Mr Breeze is not an independent Director.

(b) **Anthony Huston – Non-Executive Director**

Anthony Huston has been involved for over 35 years in engineering and hydrocarbon industries for both on and offshore exploration/development. Mr Huston's early career experience commenced with Fitzroy Engineering Ltd, primarily working on development of onshore oil fields. In 1996 Mr Huston formed his own E&P Company on 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 15 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.

Mr Huston is also a director of ASX listed BPH Energy Ltd, Advent and Clean Hydrogen Technologies Corp (an investee of Advent and BPH).

The Board considers that Mr Huston is not an independent Director.

(c) **Andrew Jones (B.Com) – Non-Executive Director**

Andrew is an experienced Corporate Advisor with over 18 years of working in the financial services industry within stockbroking and capital firms. Skilled in Mergers and Acquisitions, Corporate Finance, Investor Relations, Corporate Communications, and Business Development, Andrew studied Commerce from Curtin University and also holds a Diploma in Financial Services from Finsia.

Andrew primarily deals with ASX resources companies and is focused on, not only providing access to a wide range of capital markets, including equity and debt, but also the framework to facilitate the next phase of a company's growth. Andrew has also worked with various private companies, structuring their business

to help them set up for an ASX listing whether that is through a reverse takeover or new IPO listing.

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

The Board considers that Mr Jones is an independent Director

(d) **Peter Richards – Non-Executive Director**

Peter has acted as a public company director in the financial services sector and understands the finance and investment industries and regulatory compliance. He has been a nominated Responsible Person on a number of Australian Financial Services Licences. His history includes being retained by the ASIC as a consultant on financial services industry regulatory compliance standards and he has acted for the ASIC as an expert witness. His related entity investment interests have been listed as top twenty investors in multiple ASX listed companies. He manages his own investment interests. Mr Richards has not acted as a director of any other listed public company in the last three years.

The Board considers that Mr Richards is an independent Director.

The Board has considered the Company's immediate requirements on Re-Instatement and is satisfied that the composition of the Board represents an appropriate range of experience, qualifications and skills at this time.

8.2 Key management

The Company's key management team includes Robert Marusco, whose profile is set out below:

(a) **Robert Marusco – Company Secretary and Chief Financial Officer**

Mr Marusco holds a Bachelor of Business in tax and accounting and postgraduate diplomas in Financial Planning and Applied Corporate Governance. Previously, Robert was a director and major shareholder of a financial services group with an extensive client base across a diverse range of industries and markets. Robert's focus on financial reporting, taxation law, Corporations Act and financial interpretation skills provide a solid advisory platform in relation to structuring, business development and financial strategy and modelling.

As a corporate advisor, he has been involved in the listing of several companies on the ASX including doing due diligence, reconstruction and recapitalisation activities, mergers, acquisitions and market take-over bids. For over 25 years, Robert has held various Executive and Non-Executive Director, chief financial officer and company secretary roles within Australian private and ASX-listed companies. He specialises in corporate strategy and governance, financial planning and reporting and ASX listings, company secretary services, compliance and risk management dealing with the ASX, ASIC and other authorities for both ASX listed public and private corporations.

The Company is aware of the need to have sufficient management to properly supervise its operations and the Board will continually monitor the management roles in the Company. The Company intends to utilise the services of experts and consultants for technical input, including to assist formulate overall exploration strategy and direction, and reporting in compliance with ASX standards.

8.3 Directors' Disclosures

No Director has been the subject of (or was a director of a company that has been subject to) any legal or disciplinary action in Australia or elsewhere in the last ten years which is relevant or material to the performance of their role with the Company or which is relevant to an investor's decision as to whether to subscribe for Shares under the Offer.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12-month period after they ceased to be an officer.

8.4 Directors' Remuneration and interests in Securities

Remuneration

Details of the Directors' remuneration (including superannuation) for the previous two completed and the current financial year (on an annualised basis) are set out in the table below:

DIRECTOR	REMUNERATION FOR THE YEAR ENDED 30 JUNE 2023	REMUNERATION FOR THE YEAR ENDED 30 JUNE 2024	PROPOSED REMUNERATION FOR YEAR ENDING 30 JUNE 2025 ¹
Directors			
David Breeze ²	\$71,500	\$71,500	\$71,500
Andrew Jones ³	\$27,500	\$27,500	\$27,500
Tony Huston ⁴	\$27,500	\$27,500	\$27,500
Peter Richards ⁵	0	0	\$27,500
Steven James ⁶	\$27,500	\$27,500	\$0

Notes:

1. The Company has been suspended from the ASX and during this period Directors' fees have not been paid in cash. Some accrued Directors' fees as outlined in Sections 8.4 and 9.4 will be paid by way of an offset by the issue of Shares under the Offer. Once the Company is readmitted to trading status on the ASX, the Directors fees will be reviewed and paid in cash.
2. No cash Directors' fees have been paid to Mr Breeze since his appointment, however, Director fees at \$65,000 per annum plus Superannuation Guarantee Contribution (**SGC**) were payable to Mr Breeze monthly in arrears and continue to accrue.
3. No cash Directors' fees have been paid to Mr Jones since his appointment, however, Director fees at \$25,000 per annum plus SGC were payable to Mr Jones monthly in arrears and continue to accrue.
4. No cash Directors' fees have been paid to Mr Huston since his appointment, however, Director fees at \$25,000 per annum plus SGC were payable to Mr Huston monthly in arrears and continue to accrue.
5. No cash Directors' fees have been paid to Mr Richards since his appointment on 26 June 2024. Mr Richards is not entitled to any fees for the financial year ended 30 June 2024.
6. No cash Directors' fees have been paid to Mr James since his appointment on 4 March 2022, however, director's fees at \$25,000 per annum plus SGC were payable to Mr James monthly in arrears have been accrued from his appointment as a Director. Mr James resigned as director on 26 June 2024.

Interest in Securities

As at the date of this Prospectus

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. As at the date of this Prospectus, the Directors have relevant interests in securities as follows:

DIRECTOR / OFFICER	SHARES	UNLISTED OPTIONS	DIRECTORS FEES TO BE OFFSET AS AT 30 APRIL 2024	PERCENTAGE (%) (UNDILUTED)	PERCENTAGE (%) (FULLY DILUTED)
Directors					
David Breeze	25,795,809 ^{1,2}	Nil	\$80,242	2.63	2.50
Andrew Jones	12,000,000 ^{3,4}	Nil	\$50,409	1.23	1.16
Tony Huston	Nil ⁵	Nil	\$0	-	-
Peter Richards (appointed 26 June 2024) ⁶	30,698,458	10,136,364	\$0	3.14	2.97
Company Secretary					
Robert Marusco	25,396,100 ^{7,8}	-	\$ 126,981	2.59	2.46

Notes:

1. Comprising:
 - (a) 7,172,540 Shares held directly by Mr Breeze;
 - (b) 9,747,362 Shares held indirectly on behalf of Grandbridge Ltd of which Mr Breeze is a director and shareholder. These shares are not included in Mr Breeze's Director fee offset;
 - (c) 6,227,238 Shares held indirectly on behalf of Trandcorp Superannuation Fund of which Mr Breeze is a director and shareholder; and
 - (d) 2,648,669 Shares indirectly on behalf of Trandcorp Pty Ltd of which Mr Breeze is a director and shareholder.
2. The Company notes that Mr Breeze has an interest in 65,780,777 Incentive Shares which will only vest on Re-instatement and have not been included in determining Mr Breeze's Entitlement under the Offer.
3. Comprising:
 - (a) 4,000,000 Shares held indirectly on behalf of the AJ Superfund; and
 - (b) 8,000,000 Shares held indirectly on behalf of Mr Jones' spouse, Jessica Brown.
4. The Company notes that Mr Jones has an interest in 15,727,557 Incentive Shares which will only vest on the Company's Re-instatement and have not been included in determining Mr Jones' Entitlement under the Offer.
5. The Company notes that Mr Huston has an interest in 13,736,648 Incentive Shares which will only vest on Re-instatement and have not been included in determining Mr Huston's Entitlement under the Offer.
6. Comprising:
 - (a) 1,136,364 Shares and 1,136,364 Options held directly by Mr Richards; and
 - (b) 29,562,094 Shares and 9,000,000 Options held indirectly by Protax Nominees Pty Ltd <Richards Superfund>.
7. Mr Marusco indirectly holds 25,396,100 Shares on behalf of Marusco Investments Pty Ltd as trustee for the Marusco Superannuation Fund.
8. The Company notes that Mr Marusco has an interest in 1,990,832 Incentive Shares which will only vest on Re-instatement and have not been included in determining Mr Marusco's Entitlement under the Offer.

Post-completion of the Offer

DIRECTOR / OFFICER	SHARE ENTITLEMENT	OPTION ENTITLEMENT	TOTAL SHARES POST OFFER	TOTAL OPTIONS POST OFFER	(%) (UNDILUTED) ⁶	(%) (FULLY DILUTED) ⁶
Directors⁵						
David Breeze	25,795,809 ¹	12,897,905	41,844,256	8,024,224	2.14%	1.67%
Andrew Jones	12,000,000 ²	6,000,000	22,081,720	5,040,860	1.13%	0.88%
Tony Huston ³	Nil	Nil	Nil	Nil	Nil	Nil
Peter Richards (appointed 26 June 2024) ⁴	30,698,458	15,349,229	61,396,916	25,485,593	3.14%	2.45%
Company Secretary						
Robert Marusco	25,396,100 ⁵	12,698,050	50,792,200	12,698,050	2.59%	2.03%

Notes:

1. Part of Mr Breeze's Entitlement of 16,048,447 Shares under the Offer will be used to offset outstanding Director fees in the amount of \$80,242, leaving a balance of Director fees of \$62,758. The Company intends to seek Shareholder approval at the next AGM for the issue for Shares in lieu of cash for the balance of Director fees.
2. Part of Mr Jones' Entitlement up to 10,081,720 Shares will be used to offset outstanding Director fees in the full amount outstanding to Mr Jones of \$50,409.
3. There will be no offset for Mr Huston. The Company intends to seek Shareholder approval at the next AGM for the issue of Shares in lieu of cash for the balance of Director fees owing to Mr Huston in the amount of \$50,409.

4. Mr Marusco's Entitlement under the Offer will be used to offset outstanding fees owing in the amount of \$126,981, leaving a balance of fees of \$204,767 which is to be paid in cash from the funds raised under the Offer.
5. Mr Richards intends to take up his full Entitlement under the Offer.
6. Calculated based on the Maximum Subscription being raised.

The Constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors is \$200,000 per annum although may be varied by ordinary resolution of the Shareholders in general meeting.

The remuneration of any executive Director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

In addition, the Directors (and their associates) may apply for Shares under the Offer. If one or more of the Directors (or their spouses or associates) do apply for, and are allocated, Shares under the Offer, the figures in the above table will be affected.

The Board recommends all Shareholders take up their Entitlement and advises that all Directors, who are eligible to participate in the Offer, intend to take up all or part of their respective Entitlements by way of an offset of outstanding Directors fees. Refer to Section 9.4 for further information on the Director offsets.

8.5 Agreements with Directors and related parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The agreements between the Company and related parties are summarised in Section 9.

8.6 Corporate governance

(a) ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance.

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website www.mecresources.com.au.

(b) Board of Directors

The Board is responsible for corporate governance of the Company.

The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (i) maintain and increase Shareholder value;
- (ii) ensure a prudential and ethical basis for the Company's conduct and activities consistent with the Company's stated values; and
- (iii) ensure compliance with the Company's legal and regulatory objectives.
- (iv) Consistent with these goals, the Board assumes the following responsibilities:
- (v) leading and setting the strategic direction, values and objectives of the Company;
- (vi) appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of senior executives and the Company Secretary;
- (vii) overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;
- (viii) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (ix) overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- (x) establishing procedures for verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor, to ensure that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;
- (xi) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (xii) reviewing and ratifying systems of audit, risk management and internal compliance and control, codes of conduct and legal compliance to minimise the possibility of the Company operating beyond acceptable risk parameters; and
- (xiii) approving the Company's remuneration framework and ensuring it is aligned with the Company's purpose, values, strategic objectives and risk appetite.

(c) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting, subject to the following:

- (i) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- (ii) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

The Board currently consists of four Directors (three non-executive Directors and one executive Director) of whom two are considered independent. The Board considers the current balance of skills and expertise to be appropriate given the Company's size and its currently planned level of activity. The Chair is considered not to be independent and does not have a deciding vote.

To assist in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board maintains a Board Skills Matrix to ensure that the Board has the skills to discharge its obligations effectively and to add value.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company is responsible for the approval and review of induction and continuing professional development programs and procedures for the Directors. The Company Secretary is responsible for facilitating induction and professional development including receiving briefings on material developments in laws, regulations and accounting standards.

(d) **Identification and management of risk**

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management are recurring items for deliberation at Board meetings.

(e) **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations.

In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in the Corporate Governance Policy.

In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct.

The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

(f) **Independent professional advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(g) **Remuneration arrangements**

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable.

The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$200,000 per annum.

In addition, a Director may be paid fees or other amounts (for example, and subject to any necessary Shareholder approval, non-cash performance incentives such as options) as the Directors determine where a Director performs

special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having regard to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(h) **Trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that the written acknowledgement of the Managing Director (or the Board in the case of the Chairman) must be obtained prior to trading.

(i) **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company. From time to time, the Board will review the scope, performance and fees of those external auditors.

(j) **Audit committee**

The Company does not have a separate audit committee because the Board fulfills these functions. The Company will reassess this position at such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to:

- (i) monitoring and reviewing any matters of significance affecting financial reporting and compliance; and
- (ii) monitoring and reviewing the Company's internal audit and financial control system, risk management systems.

(k) **Diversity policy**

The Company does not have an established policy on diversity and has not established or reported measurable objectives for achieving gender diversity. In accordance with its code of conduct, the Company will employ the best available staff with skills required to carry out vacant positions and is also committed to providing equal opportunity for all employees and a workplace free from discrimination, bullying and harassment.

The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

(l) **Departures from Recommendations**

Under the ASX Listing Rules the Company is required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it. The Company has released its Appendix 4G and Corporate Governance Statement to the ASX platform on 30 August 2024 which contains details on the Company's departures from the Recommendations.

9. MATERIAL CONTRACTS

The Directors consider that the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offer.

This Section contains a summary of the material contracts and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus.

To fully understand all rights and obligations of a material contract, it is necessary to review it in full and these summaries should be read in this light.

9.1 Capital raising agreements

9.1.1 Lead Manager Mandate – Grandbridge

The Company has signed a mandate letter to engage Grandbridge to act as lead manager of the Offer (**Lead Manager Mandate**). The material terms and conditions of which are summarised below:

Fees	<p>Under the terms of this engagement the Company will pay Grandbridge:</p> <ul style="list-style-type: none">(a) a management fee of 1 % of total funds raised under the Prospectus plus GST;(b) any reasonable disbursements and out of pocket expenses, which, for expenses over \$500, will be agreed upon between Grandbridge and the Company prior to their incursion.
Termination Events	<p>Grandbridge may terminate this agreement if any of the following occur (Termination Events):</p> <ul style="list-style-type: none">(a) Prospectus: any of the following occurs in relation to the Prospectus:<ul style="list-style-type: none">(i) it is not lodged with ASIC in accordance with the proposed timetable (or such later date agreed in writing by Grandbridge);(ii) Grandbridge reasonably forms the view that there is a material omission, it contains a material statement which is misleading or deceptive, or a material statement has become misleading or deceptive;(iii) Grandbridge reasonably forms the view that any projection or forecast in the Prospectus becomes, to a material extent incapable of being met or unlikely to be met in the projected time; or(iv) any person other than Grandbridge who consent to being named in the Prospectus withdraws that consent;(b) Index changes: the S&P / ASX All Ordinaries Index falls more than 1.0% from the date of this agreement for a period of 3 continuous Business Days;(c) Indictable offence: a director of the Company or any related body corporate is charged with an indictable offence;(d) Return of capital or financial assistance: the Company or a related body corporate takes any steps to undertake a proposal contemplated under section 257A of the Corporations Act or passes or takes any steps to pass a resolution under section 260B of the Corporations Act without the prior written consent of Grandbridge;

	<p>(e) Banking facilities: the Company's bankers terminating or issuing any demand or penalty notice or amending the terms of any existing facility or claiming repayment or accelerated repayment of any facility or requiring additional security for any existing facility;</p> <p>(f) Alteration of capital structure or constitution: except as described in the Offer Document. The Company alters its capital structure or its Constitution without the prior written consent of Grandbridge;</p> <p>(g) Hostilities: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the agreement involving one or more of Australia, Philippines, Indonesia, Japan, Russia, the United Kingdom, the United States of America, Israel, or the Peoples Republic of China, other than hostilities involving Afghanistan or Iraq, any country bordering Afghanistan or Iraq or any Arabic country;</p> <p>(h) Extended Force Majeure: a force majeure which prevents or delays an obligation under this agreement, lasting in excess of 2 weeks occurs;</p> <p>(i) Default: the Company is in material default of any of the terms and conditions of this agreement or breaches any warranty or covenant given or made by it under the agreement (in any material respect);</p> <p>(j) Adverse change: any adverse change occurs which materially impacts or is likely to impact the assets, operational or financial position of the Company or a Related Body Corporate (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a Related Body Corporate);</p> <p>(k) Investigation: any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a Related Body Corporate;</p> <p>(l) Due diligence: there is a material omission from the results of the due diligence investigation performed in respect of the Entitlements Issue or the results of the investigation or the verification material are false or misleading;</p> <p>(m) Suspension of debt payments: the Company suspends payment of its debts generally;</p> <p>(n) Event of Insolvency: an Event of Insolvency (as defined in this agreement) occurs in respect of a Related Body Corporate; or</p> <p>(o) Judgment against a Related Body Corporate: a judgment in an amount exceeding \$100,000 is obtained against the Company or a Related Body Corporate and is not set aside or satisfied within 7 days.</p>
Scope of Work/Services	<p>The key roles of Grandbridge is as follows:</p> <p>(a) act as the lead manager to the Offer;</p> <p>(b) conduct a volume only bookbuild in accordance with the timetable provided by the Company and as set out in the Prospectus;</p> <p>(c) assist the Company in managing the Offer and the allocation of the Offer securities under the Offer; and</p> <p>(d) provide such assistance to the Company in connection with the Offer as agreed in writing from time to time.</p>

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.1.2 Lead Manager Mandate - Sixty-Two Capital

The Company has signed a mandate letter to engage Sixty-Two Capital to act as lead manager of the Shortfall Offer (**Sixty-Two Capital Mandate**). The material terms and conditions of which are summarised below:

Fees	<p>Under the terms of this engagement the Company will pay Sixty-Two Capital</p> <ul style="list-style-type: none"> (a) a 5% capital raising fee on Shortfall funds placed under the Shortfall Offer. Sixty-Two Capital will be responsible for paying (at its own costs) all capital raising fees that Sixty-Two Capital and the Company agree with any other financial service licensees; and (b) any reasonable disbursements and out of pocket expenses, which will be agreed upon between Sixty-Two Capital and the Company prior to their incursion.
Termination Events	<p>Either party may terminate the Sixty-Two Capital Mandate:</p> <ul style="list-style-type: none"> (a) by providing 30-days written notice to the non-terminating party; or (b) if either party fails to perform any material obligation under the Sixty-Two Capital Mandate and does not remedy the failure within 14 days of being required to do so by written demand, the non-defaulting party may terminate the Sixty-Two Capital Mandate with immediate effect.
Scope of Work/Services	<p>Sixty-Two Capital is appointed as a lead manager to the Shortfall Offer on the terms of this Sixty-Two Capital Mandate. The key roles for the Sixty-Two Capital include:</p> <ul style="list-style-type: none"> (a) using its best endeavours to raise the entire shortfall of funds pursuant to the Offer, from its investors and clients; and (b) assisting with preparation of presentation and marketing material (if necessary); (c) investor management; and (d) general capital markets advice. <p>Sixty Two Capital will not underwrite any aspect of the Offer.</p>
Right of First Refusal	<p>For 6 months following the completion of the Offer Sixty-Two Capital will have a right of first refusal to act as the Company's lead financial advisor and capital markets advisor, lead placement agent, lead arranger, lead book-runner lead manager, as the case may be, in connection with any actual or proposed:</p> <ul style="list-style-type: none"> (a) acquisition or disposition transactions in which the Company will engage a financial advisor; or (b) public or private offering of equity, equity-linked, debt or asset-backed securities (including but not limited to an initial public offering on the ASX).

The Sixty-Two Capital Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.2 Authorised Intermediary Agreement

Appointment	The Company has appointed Veritas Securities Limited (ACN 117 124 535) (Veritas), holder of AFSL No. 297043 as its agent for the purpose of section 911A(2)(b) of the Corporations Act, to make offers for the issue of Shares under the Offer.
Term	The agreement continues for the duration of the term of the Offer.
Fees	The Company has agreed to pay Veritas a fee of \$20,000 (excluding GST) in consideration for its services under the agreement.
Expenses	The Company must reimburse Veritas for any fees, costs and expenses, including reasonable legal fees, incurred by Veritas in connection with its obligations under the agreement.
Indemnity	The Company has agreed to indemnify Veritas against and with respect to all direct loss, damage, costs and expenses which Veritas suffers or incurs as a result of the prospectus for the Offer not complying with the Corporations Act.

9.3 Finance Agreements

The Company has entered into a number of invoice funding deeds with BPH (together, the **Invoice Funding Deeds**) pursuant to which the Company has agreed to repay BPH an approximate aggregate sum of \$174,815 plus the final accrued interest of 7% per annum in relation to ASX listing fees accrued since the Company entered into suspension with the ASX. There are no other material terms.

9.4 Agreements with Directors and management

The Company has entered into the following agreements with directors and key management personnel:

- (a) services agreement with David Breeze dated 12 December 2005 (**DB Agreement**);
- (b) letter of appointment with Andrew Jones dated 23 September 2020 (**AJ Agreement**);
- (c) letter of appointment with Anthony Huston dated 22 October 2020 (**AH Agreement**);
- (d) letter of appointment with Peter Richards dated 25 June 2024 (**PR Agreement**); and
- (e) letter of appointment with Robert Marusco dated 1 March 2023 (**RM Agreement**).

The AJ Agreement, AH Agreement and PR Agreement are collectively referred to as the **NED Agreements**.

The Directors have agreed to cap non-executive Directors' fees at \$25,000 each plus superannuation guarantee or equivalent while the Company has been suspended. Following Re-Instatement, the Directors' fees will be reviewed and will be paid in cash going forward.

Director Offsets

The Directors have not been paid their fees in cash since their respective appointments and accrued fees have been settled by way of approved Share issues or by an offset. Current outstanding Director fees will be offset against the Director's Entitlement for Mr David Breeze and Mr Andrew Jones as set out in Section 8.4.

The Company notes that Steve James resigned as a Director of the Company on 26 June 2024. Mr James is owed \$50,409 in outstanding Director fees for his time as a Director of the Company. The Company will seek Shareholder approval at the next AGM for the issue of Shares in lieu of cash for the balance of Director fees owing to Mr James.

The Company Secretary and Chief Financial Officer fees have accrued since appointment with ad hoc payments made from time to time. Following Re-Instatement, the Company Secretary and Chief Financial Officer fees will be reviewed and will be paid in cash going forward.

9.5 DB Agreement – Managing Director

Remuneration	The Company has agreed to pay David Breeze \$65,000 per annum and reimbursements for out-of-pocket expenses.
Term	12 December 2005 onwards. The term shall automatically extend for further periods of 2 years, unless the Company or the Consultant give notice of termination prior to the expiry of each term.
Termination by Company	<p>The Company may terminate the DB Agreement by giving six months written notice if:</p> <ul style="list-style-type: none"> (a) David Breeze is or goes into liquidation or makes a composition or arrangement with creditors generally or takes advantage of any statute for the relief of insolvent debtors; or (b) If at any time David Breeze, is incapacitated by illness or injury; is convicted of a major criminal offence; commits any serious or persistent breach of the DB Agreement; is absent or incompetent with regard to his duties under the DB Agreement; is guilty of any grave misconduct or willful neglect in the discharge of his duties; or is of unsound mind or under the control of any committee or officer under any law relating to mental health.
Termination by Mr Breeze	<p>David Breeze may terminate the DB Agreement by giving the Company 6 months written notice or immediately by giving written notice to the Company if at any time:</p> <ul style="list-style-type: none"> (a) the Company commits any serious or persistent breach of any of the provisions of the DB Agreement and the breach is not remedied within 28 days of receipt of the written notice; and (b) there is an acquisition of a beneficial ownership of greater than 20% of the capital of the Company by a person or entity who has, as at the date of execution of the DB Agreement, a beneficial ownership of less than 20% of the capital of the Company or does not have any beneficial ownership in the capital of the Company.

The DB Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.6 NED Agreements

Remuneration	<p>The Company has agreed to pay the following fees to Non-Executive Directors:</p> <ul style="list-style-type: none"> (a) AJ Agreement: \$24,000 per annum plus 9.5% SGC that will be paid monthly in arrears upon receipt of an invoice. (b) AH Agreement: \$24,000 per annum plus 9.5% SGC that will be paid monthly in arrears upon receipt of an invoice. (c) PR Agreement: \$24,000 per annum plus SGC that will be paid monthly in arrears upon receipt of an invoice. <p>Additionally, the Company has agreed to reimburse each Non-Executive Director for all reasonable and properly documented expenses incurred in performing duties in office.</p> <p>Upon termination of any NED Agreement, the Company will pay any fees the Director is entitled to on a pro rata basis, to the extent that they are unpaid, up to the date of termination.</p>
---------------------	--

Term	<p>Each NED Agreement is effective on the execution date and terminates:</p> <ul style="list-style-type: none"> (a) if the director resigns; (b) at the close of any general meeting of Shareholders at which a resolution for the relevant directors election or re-election is not approved; and (c) on such date as may otherwise be determined in accordance with the Company's Constitution, the Corporations Act 2001 (Cth) or any other applicable law.
-------------	---

The NED Agreements otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.7 RM Agreement – Company Secretary & Chief Financial Officer

Remuneration	<p>The Company has agreed to pay Robert Marusco:</p> <ul style="list-style-type: none"> (a) a monthly fee of \$3,333 (plus GST and out of pocket expenses) to provide secretarial services; (b) a monthly fee of \$2,250 (plus GST) in connection with his role as Chief Financial Officer; and (c) reimbursements for out-of-pocket expenses; <p>during the period the Company is suspended from ASX.</p> <p>Any additional tasks outside of the Company secretarial services set out in the RM Agreement that are required to be performed will be charged at a rate of \$450 per hour (exclusive of GST and out of pocket expenses).</p>
Term	<p>The RM Agreement is for an initial term of three (3) years and will be effective for future years unless terminated.</p>
Termination by Company	<p>The Company may terminate the RM Agreement by giving three months written notice.</p>
Termination by Mr Marusco	<p>Robert Marusco may terminate the RM Agreement by written notice if:</p> <ul style="list-style-type: none"> (a) the actions of the Company or its directors adversely impact him performing his duties and obligations under the Corporations Act 2001 (Cth) and/or expose him to possible personal prosecution; or (b) any remuneration payable by the Company to Robert Marusco has not been paid within 30 days of the due date for payment; or (c) in all other circumstances, by giving three months written notice.

The RM Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions). The Company intends to enter into a revised agreement with Rob Marusco following Reinstatement.

9.8 Deeds of indemnity and access

The Company has entered into a deed of indemnity and access with each of its officers. Pursuant to each of these deeds, the Company has agreed to indemnify each officer, to the extent permitted by the Corporations Act against certain liabilities arising as a result of the officer acting as an officer of the Company.

10. ADDITIONAL INFORMATION

10.1 Litigation

(a) Advent Settlement – Research & Development Claim

On 17 June 2020, Advent and Asset Energy each served a notice of demand on the Company in respect of costs incurred by Advent and Asset Energy but claimed by MEC in its 30 June 2018 and 30 June 2019 annual Research and Development Tax Incentive claims with the Australian Taxation Office. The claim against MEC by Advent is \$242,155, and the claim against MEC by Asset Energy is \$593,343, plus interest and costs of \$36,790 giving a total claim amount of \$872,288 (together known as the **Advent Debt**). Advent and Asset Energy subsequently commenced proceedings in the District Court of Western Australia against MEC for recovery of the Advent Debt.

On 13 December 2021, the Company sought Shareholder approval to convert the Advent Debt into equity. Following receipt of Shareholder approval, the Company issued 124,708,409 Shares at a deemed issue price of \$0.0044 on 18 December 2021 per Share to clear \$511,972 plus interest and costs of \$36,790 of the Advent Debt. As noted in Section 5.9, Advent will participate in the Offer to take up part of its Entitlement of 64,804,800 Shares to settle the remaining balance of the Advent Debt being \$324,024. Accordingly, following completion of the Offer and Re-Instatement, the Advent Debt will be extinguished.

The Court proceedings have been adjourned by consent until 22 November 2024. Completion of the proceedings is subject to the Company's Re-Instatement; at which time the proceedings will be withdrawn by consent.

(b) PEP-11 Permit

On 6 August 2024, Asset Energy, for and on behalf of the PEP-11 Joint Venture Parties applied to the Federal Court for a judicial review application in relation to NOPTA's failure to make a decision on the Applications to vary and extend the terms of the PEP-11 Permit. The first case management conference was held on 21 August 2024 and the matter has been listed for final hearing on a date to be fixed.

The Company is not a party to these proceedings; however, it has a direct interest given that BPH and Advent are investees.

(c) Deed of Settlement

On 9 August 2019, the Company settled a long-standing legal dispute with Advent. The Parties have agreed that Advent will repay its loan owing to MEC totalling \$4,161,135 one month prior to the scheduled commencement date of any works on the PEP-11 Permit, by the issue of shares to the Company to the face value of the debt calculated at 80% of:

- (i) the volume-weighted average price of Advent shares over the 5 days trading immediately prior to that date; or
- (ii) if, as at that date, Advent shares are not listed on any securities exchange, the price at which ordinary shares in Advent were last issued.

10.2 Continuous Disclosure Obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;

- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below

Date	Description of Announcement
20 September 2024	PEP-11 Update
30 August 2024	Appendix 4G and Corporate Governance Statement
30 August 2024	2024 Annual Report and Appendix 4E

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website <https://www.mecresources.com.au/>.

10.3 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company. The Company's constitution permits the use of technology at general meetings of shareholders (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

10.4 New Options offered under the Offer

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (j) the amount payable upon exercise of each Option will be \$0.03 (**Exercise Price**).

(c) **Expiry Date**

Each New Option will expire at 5:00 pm (WST) on the date which is 12 months from the date of issue (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

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

(f) **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 New Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the latter of the following:

- (i) Exercise Date; and
- (ii) when excluded information in respect to, the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case, not later than 20 Business Days after the Exercise Date, the Company will:

- (iii) 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;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) 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
- (v) 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 11.3(g)(ii) 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.

(h) **Shares issued on exercise**

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

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the New Options.

(j) **Reconstruction of capital**

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

(k) **Participation in new issues**

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

(l) **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.

(m) **Transferability**

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

10.5 Employee Securities Incentive Plan

The Company has adopted an Employee Securities Incentive Plan (**Plan**) to allow eligible participants to be granted Securities in the Company. The principle terms of the Plan are summarised below:

Eligible Participant	Eligible Participant means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.
Purpose	<p>The purpose of the Plan is to:</p> <ul style="list-style-type: none"> (a) assist in the reward, retention and motivation of Eligible Participants; (b) link the reward of Eligible Participants to Shareholder value creation; and (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Shares, Options and / or Performance Rights (Securities).
Plan administration	The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion (except to the extent that it prevents the Participant relying on the deferred tax concessions under Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth)). The Board may delegate its powers and discretion.
Eligibility, invitation and application	<p>The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination of) the Securities provided under the Plan on such terms and conditions as the Board decides.</p> <p>On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.</p> <p>If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.</p>
Grant of Securities	The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
Rights attaching to Convertible Securities	<p>A Convertible Security represents a right to acquire one or more Plan Shares in accordance with the Plan (for example, an Option or a Performance Right).</p> <p>Prior to a Convertible Security being exercised, the holder:</p> <ul style="list-style-type: none"> (a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security other than as expressly set out in the Plan; (b) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company;

	<p>(c) is not entitled to receive any dividends declared by the Company; and</p> <p>(d) is not entitled to participate in any new issue of Shares (see Adjustment of Convertible Securities section below).</p>
Vesting of Convertible Securities	<p>Any vesting conditions which must be satisfied before Convertible Securities can be exercised and converted to Shares will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.</p>
Exercise of Convertible Securities and cashless exercise	<p>To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see next paragraph below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.</p> <p>An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.</p> <p>Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.</p> <p>A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.</p>
Timing of issue of Shares and quotation of Shares on exercise	<p>As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.</p>
Restrictions on dealing with Convertible Securities	<p>A holder may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.</p> <p>However, in Special Circumstances as defined under the Plan (including in the case of death or total or permanent disability of the Participant) a Participant may deal with Convertible Securities granted to them under the Plan with the consent of the Board.</p>

Listing of Convertible Securities	A Convertible Security granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of an Option granted under the Plan on the ASX or any other recognised exchange.
Forfeiture of Convertible Securities	<p>Convertible Securities will be forfeited in the following circumstances:</p> <ul style="list-style-type: none"> (a) where a Participant who holds Convertible Securities ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Group), all unvested Convertible Securities will automatically be forfeited by the Participant; (b) where a Participant acts fraudulently or dishonestly, (c) negligently, in contravention of any Group policy or wilfully breaches their duties to the Group; (d) where there is a failure to satisfy the vesting conditions in accordance with the Plan; (e) on the date the Participant becomes insolvent; or (f) on the Expiry Date.
Change of control	If a change of control event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the holder's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
Adjustment of Convertible Securities	<p>If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation. If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.</p> <p>Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.</p>
Plan Shares	<p>The Board may, from time to time, make an invitation to an Eligible Participant to acquire Plan Shares under the Plan. The Board will determine in its sole absolute discretion the acquisition price (if any) for each Plan Share which may be nil. The Plan Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board.</p> <p>Where Plan Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Plan Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under the Rules.</p>

Rights attaching to Plan Shares	<p>All Shares issued or transferred under the Plan or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank equally in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Plan Shares. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.</p>
Disposal restrictions on Plan Shares	<p>If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.</p> <p>For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:</p> <ul style="list-style-type: none"> (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
General Restrictions on Transfer of Plan Shares	<p>If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Plan Shares issued under the Plan (including on exercise of Convertible Securities) may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Act.</p> <p>Restrictions are imposed by Applicable Law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available. These laws may restrict the acquisition or disposal of Shares by you during the time the holder has such information.</p> <p>Any Plan Shares issued to a holder under the Plan (including upon exercise of Convertible Securities) shall be subject to the terms of the Company's Securities Trading Policy.</p>
Buy-Back	<p>Subject to applicable law, the Company may at any time buy-back Securities in accordance with the terms of the Plan.</p>
Employee Share Trust	<p>The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Convertible Securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Convertible Securities.</p>
Maximum number of Securities	<p>The Company will not make an invitation under the Plan which involves monetary consideration if the number of Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b)).</p> <p>The maximum number of equity securities proposed to be issued under the Plan is 150,000,000 Securities.</p>

Amendment of Plan	<p>Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.</p> <p>No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.</p>
Plan duration	<p>The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.</p> <p>If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.</p>
Income Tax Assessment Act	<p>The Plan is a plan to which Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.</p>

10.6 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:
- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

10.7 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, adviser or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:
- (g) the formation or promotion of the Company; or
- (h) the Offer.

Moore Australia Corporate Finance (WA) Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Annexure A. The Company will pay Moore Australia Corporate Finance (WA) Pty Ltd a total of \$10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Moore Australia Corporate Finance (WA) Pty Ltd has not received fees from the Company for any other services.

Moore Australia Audit (WA) has been appointed as the Company's auditor. The Company estimates it will pay Moore Australia Audit (WA) a total of \$18,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Moore Australia Audit (WA) has received \$34,350 in fees from the Company for audit services.

Grandbridge has acted as the lead manager to the Offer and will receive 1% of the total amount raised under the Offer (plus GST) following the successful completion of the Offer for its services as Lead Manager to the Offer. Further details in respect to the Lead Manager Mandate with Grandbridge are summarised in Section 9.1. During the 24 months preceding lodgement of this Prospectus with the ASIC, Grandbridge has not received fees from the Company for any other services.

Sixty-Two Capital has acted as the lead manager to the Shortfall Offer and will receive 5% of the total amount raised under the Shortfall Offer (plus GST) for its services as lead manager to the Shortfall Offer. Further details in respect to the Sixty-Two Capital Mandate with Sixty-Two Capital are summarised in Section 9.1. During the 24 months preceding lodgement of this Prospectus with the ASIC, Sixty-Two Capital has not received fees from the Company for any other services.

Steinepreis Paganin has acted as the legal adviser to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$50,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, the Company has paid Steinepreis Paganin \$36,921.24 (excluding GST & disbursements) for services.

Veritas Securities Limited has acted as the Authorised Intermediary to the Company in relation to the Offer. The Company estimates it will pay \$20,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Veritas has not received fees from the Company for any other services.

10.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, persons named in this Prospectus with their consent having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading and deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, the

other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Moore Australia Audit (WA) has given its written consent to being named as auditor of the Company in this Prospectus and to the inclusion of the information included in this Prospectus in Section 6 in the form and context in which the information is included. Moore Australia Audit (WA) has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Moore Australia Corporate Finance (WA) Pty Ltd has given its written consent to being named as Investigating Accountant of the Company in this Prospectus and to the inclusion of the information included in this Prospectus in Section 6 in the form and context in which the information is included. Moore Australia Corporate Finance (WA) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the legal adviser to the Company in relation to the Offer in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Grandbridge has given its written consent to being named as the Lead Manager to the Offer in this Prospectus. Grandbridge has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Sixty-Two Capital has given its written consent to being named as the lead manager to the Shortfall Offer in this Prospectus. Sixty-Two Capital has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Veritas Securities Limited has given its written consent to being named as the Authorised Intermediary of the Company in this Prospectus. Veritas Securities Limited has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

10.9 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$385,054 for Maximum Subscription and are expected to be applied towards the items set out in the table below:

ITEM OF EXPENDITURE	MAXIMUM SUBSCRIPTION (\$)
ASIC fees	\$3,206
ASX fees	\$16,140
Lead Manager and Sixty-Two Capital Fees	\$278,792
Legal Fees	\$50,000
Independent Limited Assurance Report	\$10,000
Printing and Distribution	\$9,000
Miscellaneous	\$17,916
TOTAL	\$385,054

11. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

12. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$ means an Australian dollar.

AEDT means Australian Eastern Daylight Time as observed in Sydney, Australia.

Applicant means an applicant under the Offer.

Application Form means the application form attached to or accompanying this Prospectus (including an online application form) and the Entitlement and Acceptance Form.

Applications has means the two outstanding applications the Joint Venture Parties have with NOPTA and the Joint Authority in relation to the PEP-11 Permit, being an application for the variation of the PEP-11 Permit work program and a 24 month suspension of the Permit Year 4 Work Program Commitment and an application for a 24-month extension of the PEP-11 Permit term.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Board means the board of Directors as constituted from time to time.

Business Days means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Details of the Offer in Section 2 (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company or **MEC** means MEC Resources Limited (ACN 113 900 020).

Conditions has the meaning set out in Sections 2 and 4.13.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus relating to the Offer.

Incentive Shares means 123,671,931 Shares which are held by Catalyst Two Pty Ltd <MEC Employee Share A/C> on trust for the Directors, the Company Secretary and related parties, and which were issued under the Incentive Plan following receipt of Shareholder approval at the Company's Annual General Meeting held on 4 July 2023 and which will vest following Re-Instatement.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand.

Lead Manager or **Grandbridge** means Grandbridge Securities Pty Ltd (ABN 84 087 432 353) (AFSL 517246).

Lead Manager Mandate means the agreement with the Lead Manager summarised in Section 9.1.1.

New Option means an Option issued on the terms set out in Section 10.1.

Offer means the offer of Shares pursuant to this Prospectus as set out in Section 4.1.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

PDF means a Pooled Development Fund under the PDF Act.

PDF Act means the Pooled Development Fund Act (1992) (Cth).

PDF Board means the Pooled Development Fund Registration Board.

Prospectus means this prospectus.

Re-Instatement means the re-instatement to quotation of the Company's Securities to the Official List.

Recommendations has the meaning set out in Section K of the Investment Overview in Section 3.

Section means a section of this Prospectus.

Securities means Shares and Options.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall means the Shares not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.6 of this Prospectus.

Shortfall Securities means those Securities issued pursuant to the Shortfall.

Sixty-Two Capital means Sixty-Two Capital Pty Limited (ACN 611 480 169) authorised representative of AFSL 531982, the lead manager to the Shortfall Offer.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A – INDEPENDENT LIMITED ASSURANCE REPORT

20 September 2024

The Directors
MEC Resources Limited
Level 1, 9 Bowman Street
SOUTH PERTH WA 6151

Dear Directors

Independent Limited Assurance Report

1. Introduction

This report has been prepared at the request of the Directors of MEC Resources Limited (the “Company” or “MEC”) for inclusion in a prospectus to be issued by the Company (“Prospectus”) in respect of the proposed public offering of fully paid ordinary shares in the Company (“Capital Raising” or “the Offer”) and the planned re-quotations of the Company on the Australian Securities Exchange Limited (“ASX”).

Expressions defined in the Prospectus have the same meaning in this report.

The report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. Moore Australia Corporate Finance (WA) Pty Ltd has not been requested to consider the prospects for MEC, nor the merits and risks associated with becoming a shareholder and accordingly has not done so, nor purports to do so.

Consequently, Moore Australia Corporate Finance (WA) Pty Ltd has not made and will not make any recommendation, through the issue of this report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Prospectus other than responsibility for this report.

2. Scope of Report

The Directors of the Company have requested Moore Australia Corporate Finance (WA) Pty Ltd prepare an Independent Limited Assurance Report on:

Historical Financial Information

The Directors have requested that Moore Australia Corporate Finance (WA) Pty Ltd review:

- The Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income of MEC for the years ended 30 June 2022, 2023 and 2024;
- The Historical Consolidated Statements of Cash flows of MEC for the years ended 30 June 2022, 2023 and 2024; and
- The Historical Consolidated Statement of Financial Position of MEC as at 30 June 2022, 2023 and 2024.

which is collectively termed the “Historical Financial Information”.

The Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to financial reports in accordance with the *Corporations Act 2001*.

The Historical Financial Information has been extracted from the audited general purpose financial statements of MEC for the years ended 30 June 2022, 2023 and 2024.

The financial reports of MEC were audited by Moore Australia Audit (WA), who issued unmodified audit opinions for each of the years specified. For each of the years noted above Moore Australia Audit (WA) raised an emphasis of matter in respect of material uncertainty related to going concern and in respect

of material uncertainty regarding the carrying value of the loan receivable from and investment in Advent Energy (further details are set out later in this report).

The Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income of MEC for the years ended 30 June 2022, 2023 and 2024 are included at section 6.3.1 of the Prospectus and are presented without adjustment.

The Historical Consolidated Statements of Cash Flows of MEC for years ended 30 June 2022, 2023 and 2024 are included at section 6.3.2 of the Prospectus and are presented without adjustment.

The Historical Consolidated Statement of Financial Position as at 30 June 2022, 2023 and 2024 of MEC is included in section 6.3.3 of the Prospectus and is presented without adjustment.

Pro Forma Historical Financial Information

The Directors have requested that Moore Australia Corporate Finance (WA) Pty Ltd review:

- The Pro Forma Historical Consolidated Statement of Financial Position of MEC as at 30 June 2024 as presented at section 6.4.1, adjusted to include funds to be raised pursuant to the Prospectus and the completion of certain other transactions as disclosed in section 6.4.2 of the Prospectus, as if those events and transactions occurred as at 30 June 2024.

which is collectively termed the “Pro Forma Historical Financial Information”.

The Pro Forma Historical Consolidated Statement of Financial Position is derived from the Historical Statement of Financial Position of the Company as at 30 June 2024, adjusted on the basis of the completion of the proposed Capital Raising and the completion of certain other transactions as disclosed in section 6.4.2 of the Prospectus, as if those events and transactions occurred as at 30 June 2024. The Pro Forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of MECs future financial position.

3. Scope of Review

Directors’ Responsibilities

The Directors of MEC are responsible for the preparation and presentation of the Historical and Pro Forma Historical financial information, including the determination of the pro forma transactions. The Directors are also responsible for the information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Financial Information presented in the Prospectus that is free from material misstatement whether due to fraud or error.

Our Responsibilities

We have conducted our engagement in accordance with Australian Auditing Standard ASRE 2405 *Review of Historical Financial Information Other than a Financial Report*. We have also considered and complied with the requirements of ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document* and ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any Historical Financial Information used to compile the Pro forma Historical Financial Information, nor have we, in the course of this engagement, performed an audit of the financial information used in compiling the Pro Forma Historical Financial Information, or the Pro Forma Historical Financial Information itself.

The purpose of the compilation of the Pro Forma Historical Financial Information is solely to illustrate the impact of the proposed Capital Raising, related transactions and accounting policies on unadjusted financial information of the Company as if the event or application of accounting policies had occurred at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed Capital Raising, related transactions and accounting policies would be as presented.

We made such inquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- a review of contractual arrangements;
- a review of financial statements, management accounts, work papers, accounting records and other documents, to the extent considered necessary;
- analytical procedures, to the extent considered necessary;
- a review of the audited financial statements of MEC, including a review of the auditor's work papers and making enquiries of the auditor, to the extent considered necessary;
- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, with the accounting policies adopted by the Company;
- a review of the assumptions and pro forma adjustments used to compile the Pro Forma Historical Financial Information; and
- enquiry of Directors, management and advisors of MEC.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

These procedures have been undertaken to form a limited assurance conclusion as to whether we have become aware of any matters that indicate the Historical and Pro Forma Historical Financial Information, set out in section 6 of the Prospectus, does not present fairly, in all material respects, in accordance with Australian Accounting Standards and the accounting policies adopted by the Company. This view is consistent with our understanding of the financial position of the Company as at 30 June 2024, the pro forma financial position as at 30 June 2024, and of its financial results and cash flows for the years ended 30 June 2022, 2023 and 2024.

4. Emphasis of Matters

Emphasis of Matter - Material Uncertainty Related to Going Concern

In forming our conclusion on the Company's financial information, which is not modified, we have considered the adequacy of the disclosure made in Note 1 as set out in Section 6.5.1 of the Prospectus concerning the Company's ability to continue as a going concern. The conditions explained in Note 1 to the financial information indicate the existence of a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. As disclosed in section 6.5.1 - Note 1, the Company is dependent on various funding initiatives in order to fund working capital and discharge its liabilities in the ordinary course of business. The Company's financial information does 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.

In our opinion, based on the Company's proposed use of funds and business plans as set out in the Prospectus, completion of the proposed Capital Raising pursuant to the Prospectus is expected to be sufficient to enable the Company to continue operating as a going concern.

Emphasis of Matter - Material Uncertainty Regarding Carrying Value of Loan Receivable from & Investment in Advent Energy Limited

We draw attention to the statement of financial position as at 30 June 2024 and specifically to the significant assets invested in Advent Energy Limited ("Advent") of \$8,001,510. This comprises a loan receivable from Advent of \$4,161,134 and an investment in Advent of \$3,840,376. The evaluation of the recoverability of these assets requires significant judgement because ultimately their recoverability and value is dependent upon the ability of Advent to extract and realise value of its core exploration assets (of which its major asset is PEP 11 which is discussed elsewhere in the Prospectus), the outcome and timing of which is subject to significant uncertainty.

5. Conclusions

Based on our review, which is not an audit, other than the matters noted in Section 4 above:

- Nothing has come to our attention which causes us to believe that the Historical Consolidated Statements of Profit or Loss and other comprehensive income of MEC for the years ended 30 June 2022, 2023 and 2024, as set out in section 6.3.1 of the Prospectus, do not present fairly the results of the Company for the periods then ended in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company.
- Nothing has come to our attention which causes us to believe that the Historical Consolidated Statements of Cash Flows of MEC for the years ended 30 June 2022, 2023 and 2024, as set out in section 6.3.2 of the Prospectus, do not present fairly the cash flows of the Company for the periods then ended in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company.
- Nothing has come to our attention which causes us to believe that the Historical Statement of Financial Position of the Company, as set out in section 6.3.3 of the Prospectus, does not present fairly the assets and liabilities of the Company as at 30 June 2022, 2023 and 2024 in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company.
- Nothing has come to our attention which causes us to believe that the Pro Forma Historical Statement of Financial Position of the Company, as set out in section 6.4.1 of the Prospectus, does not present fairly the assets and liabilities of the Company, as at 30 June 2024 in accordance with the accounting methodologies required by Australian Accounting Standards and adopted by the Company, and on the basis of assumptions and transactions set out in section 6.4.2 of the Prospectus.

6. Subsequent Events

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 30 June 2024 not otherwise disclosed in this report or the Prospectus that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

7. Other Matters

Moore Australia Corporate Finance (WA) Pty Ltd does not have any pecuniary interest that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion.

MEC is audited by Moore Australia Audit (WA), an affiliated firm of Moore Australia Corporate Finance (WA) Pty Ltd.

Moore Australia Corporate Finance (WA) Pty Ltd will receive a professional fee for the preparation of this Independent Limited Assurance Report. Moore Australia Corporate Finance (WA) Pty Ltd was not involved in the preparation of any other part of the Prospectus and accordingly makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Moore Australia Corporate Finance (WA) Pty Ltd consents to the inclusion of this report in the Prospectus in the form and context in which it is included and at the date of this report has not withdrawn this consent.

Yours faithfully



Peter Gray
Director
Moore Australia Corporate Finance (WA) Pty Ltd

MOORE AUSTRALIA CORPORATE FINANCE (WA) PTY LTD
Australian Financial Services Licence No. 240773
FINANCIAL SERVICES GUIDE

This Financial Services Guide is issued in relation to our Independent Limited Assurance Report for MEC Resources Limited ("MEC"). Our report has been prepared at the request of the Directors of MEC for inclusion in the Prospectus to be dated on or about 20 September 2024 in respect of an offering of fully paid ordinary shares in MEC and planned re-instatement of MEC on the Australian Securities Exchange Limited.

Moore Australia Corporate Finance (WA) Pty Ltd

Moore Australia Corporate Finance (WA) Pty Ltd ("MACF") has been engaged by the directors of MEC to prepare an Independent Limited Assurance Report in respect of the public offering of fully paid ordinary shares in MEC and planned reinstatement of MEC on the Australian Securities Exchange Limited.

MACF holds an Australian Financial Services Licence – Licence No 240773.

Financial Services Guide

As a result of our report being provided to you we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). The FSG includes information on the use of general financial product advice and is issued so as to comply with our obligations as holder of an Australian Financial Services Licence.

Financial Services we are licensed to provide

MACF holds an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues, and to carry on a financial services business to provide general financial product advice for securities to retail and wholesale clients.

We provide financial product advice by virtue of an engagement to issue a report in connection with the issue of securities of a company or other entities.

Our report includes a description of the circumstances of our engagement and identifies the party who has engaged us. You have not engaged us directly but will be provided with a copy of our report as a retail client because of your connection with the matters on which our report has been issued. We do not accept instructions from retail clients and do not receive remuneration from retail clients for financial services.

Our report is provided on our own behalf as an Australian Financial Services Licensee authorised to provide the financial product advice contained in this report.

General Financial Product Advice

Our report provides general financial product advice only, and does not provide personal financial product advice, because it has been prepared without taking into account your particular personal circumstances or objectives either financial or otherwise, your financial position or your needs.

Some individuals may place a different emphasis on various aspects of potential investments.

An individual's decision in relation to the proposed transaction may be influenced by their particular circumstances and, therefore, individuals should seek independent advice.

Benefits that we may receive

We will charge fees for providing our report. The basis on which our fees will be determined has been agreed with, and will be paid by, the person who engaged us to provide the report. Our fees have been agreed on either a fixed fee or time cost basis. We estimate that our fees for the preparation of this report will be approximately \$10,000 plus GST.

Remuneration or other benefits received by our employees

All our employees receive a salary. Employees may be eligible for bonuses based on overall productivity and contribution to the operation of MACF or related entities but any bonuses are not directly in connection with any assignment and in particular are not directly related to the engagement for which our report was provided.

Referrals

We do not pay commissions or provide any other benefits to any parties or person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

MACF is the licensed corporate advisory arm of Moore Australia (WA) Pty Ltd, Chartered Accountants. The directors of MACF may also be partners in Moore Australia (WA) Pty Ltd Chartered, Accountants.

Moore Australia (WA) Pty Ltd, Chartered Accountants is comprised of a number of related entities that provide audit, accounting, tax, and financial advisory services to a wide range of clients.

MACF's contact details are set out on our letterhead.

Complaints resolution

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, Moore Australia (WA) Pty Ltd, PO Box 5785, St George's Terrace, Perth WA 6830.

On receipt of a written complaint we will record the complaint, acknowledge receipt of the complaint and seek to resolve the complaint as soon as practical.

If we cannot reach a satisfactory resolution, you can raise your concerns with Australian Financial Complaints Authority Limited ("AFCA"). AFCA is an independent body established to provide advice and assistance in helping resolve complaints relating to the financial services industry. MACF is a member of AFCA. AFCA may be contacted directly via the details set out below.

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001
Toll free: 1800 930 678
Email: info@afca.org.au