

28 July 2025

UPDATE FOR THE QUARTER ENDING 30 JUNE 2025

MEC Resources Ltd (ASX: MMR, ACN 113 900 020) ("**MEC**" or "the **Company**") is pleased to provide its Quarterly Report & Appendix 4C ("**Quarterly Cashflow Report**") for the quarter ended 30 June 2025.

Corporate Update

Advent – Additional Investment

As highlighted in the Company's Entitlement Offer Prospectus in September 2024, Company sort to apply part of the funds raised to undertake an additional investment in Advent Energy Ltd ("**Advent**") of between \$1,000,000 based on minimum \$2,000,000 subscription being achieved up to \$1,650,000 based on a maximum subscription of \$4,894,864 being achieved.

The Company raised a total of \$2,735,945 before costs and also offset liabilities of \$581,655 by way of Offset Shares¹ issued.

As part of the further investment in Advent on 23 April 2025 the Company advanced \$750,000 to Advent in the form of a loan. The key terms of the loan agreement are;

- Loan Amount – up to \$1,500,000
- Repayment Date – 24 months after the Advance Date
- Interest Rate – 5.1% per annum
- Approved by the PDF Board
- No security

Vesting of Shares

The Company previously advised that a total of 99,319,147 shares had been issued to certain company officers which were held in the MEC Employee Share Trust pending satisfaction of the vesting condition which was the reinstatement of MEC's securities to trading status on the ASX.

The vesting condition was satisfied on 2 December 2024 when trading in the Company's securities recommenced. On the 20 May 2025 the vested shares were transferred from the MEC Employee Share Trust to the nominated company officers.

¹ As set out in Section 2 of the Prospectus, the Director/Officers fee offsets, and Advent Debt offset are in addition to the amount raised under the Offer. The issue of these Offset Shares extinguished Company liabilities of \$581,655 which includes \$257,632 to company officers.

PDF

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

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

Operational Update

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

As highlighted in the Company’s Entitlement Offer Prospectus, Company intends to seek out new opportunities within its PDF investment mandate.

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

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

Advent Energy has provided the following information to MEC

PEP 11 Joint Venture

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

The PEP11 interests are:

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

As noted in the March 2025 quarterly report the Company restates that on 17 January 2025 the PEP-11 Joint Venture was given notice by NOPTA that the Joint Authority has refused the Joint Venture Applications made on 23 January 2020 and 17 March 2021 and that the PEP-11 permit would continue in force for a period of 2 months from 17 January 2025 (the “**Decision**”).

MEC Resources Ltd

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

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

On 17 March 2025 the Federal Court made orders by consent further set out in the Company’s March 2025 Quarterly Report.

There were no further developments during the June 2025 quarter.

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

Clean Hydrogen Technologies (CHT) (Advent holding 3.9% direct interest)

As of mid-2024 CHT has developed its engineering and catalyst capabilities to a stage where it has proven consistently in its pilot plant in Nashik, India to produce its 2 products; turquoise hydrogen and a carbon composite made from majority CNT (carbon nanotubes) and CNF (carbon nano-fibres), where its core process has not CO2 emissions and its feedstock is the hydrocarbons from natural gas . The next stage is to build production facilities in the USA and India, both being highly industrial markets with demand for CHT’s products.

As such since mid-2024 CHT has been designing its production facility for India initially which will produce at the end of its Stage 1 build will produce 820 tonnes of hydrogen and 2,462 tonnes of carbon composite. CHT plans to sell its products to the many industrial users in the State of Maharashtra India, home of its planned production site, and likely Louisiana, USA, with several site options identified.

Before finalising production needs and CHT has been going through the ASME (required for operation in USA) and IS2825 (required for operation in India) review of its engineering designs where this process is almost complete.

CHT is now looking to source the funding required to build its plants in the USA and India where within 3-4 months of minimal funding of US\$2.5m it will start producing income, initially in India and then the USA, its primary market.

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

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

This announcement has been approved by the managing director.

David Breeze
Managing
Director
MEC Resources Ltd

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Appendix 4C

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

Name of entity

MEC Resources Limited

ABN

44 113 900 020

Quarter ended ("current quarter")

30 JUNE 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) directors/staff costs	(61)	(192)
(f) administration and corporate costs*	(36)	(573)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	19	72
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(79)	(693)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	750	750
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	10	88
2.6	Net cash from / (used in) investing activities	760	838

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3350
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	3350

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2879	221
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(79)	(614)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(760)	79

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	3350
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2040	2040

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2040	2879
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2040	2879

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

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

**Current quarter
\$A'000**

61

-

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

Item 6.1 is made up of directors' fees of \$50.4k, company secretary and CFO fees of \$10.6k.

7. Financing facilities

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

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

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

7.5 Unused financing facilities available at quarter end

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(79)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	2040
8.3 Unused finance facilities available at quarter end (Item 7.5)	0
8.4 Total available funding (Item 8.2 + Item 8.3)	2040
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	25.82

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

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

Answer:

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

Answer:

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

Answer:

Compliance statement

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

Date: 28 July 2025.....

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

Notes

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