Appendix 4E - Preliminary Final Report

Name of Entity	MEC Resources Ltd
ABN	44 113 900 020
Financial Year Ended	Year ended 30 June 2026
Previous Corresponding Reporting Period	Year ended 30 June 2025

Results for announcement to the market

				$A
Revenues and other income from ordinary activities	Down	37%	to	123,744
Loss from ordinary activities after tax attributable to members (2025: Profit of $207,490)	-	-%	to	(2,654,746)
Net Loss for the financial year attributable to members (2025: Profit of $207,490)	-	-%	To	(2,654,746)

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Final dividend Interim dividend	Nil	Nil
Previous corresponding period	N/A	N/A

Other notes to the condensed financial statements

Ratios	**Current period**	**Previous corresponding Period**
Profit before tax / revenue Consolidated profit (loss) from ordinary activities before tax as a percentage of revenue	-2,145%	230.5%
Profit after tax / equity interests Consolidated net profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	29.66%	1.86%

NTA Backing	**Current period**	**Previous corresponding Period**
Net tangible asset backing per ordinary security	0.47 cps	0.60 cps

Statement of Retained Earnings	Current period	Previous corresponding period
Accumulated losses - balance at beginning of the year	(25,360,805)	(25,568,295)
Net Profit (loss) attributable to members of the parent entity	(2,654,746)	207,490
Total available for appropriation	(28,015,551)	(25,360,805)
Dividends paid	-	-
Balance at year end	(28,015,551)	(25,360,805)

This Appendix 4E is to be read in conjunction with the 2026 Annual Report of the Company lodged on the ASX 28 August 2026.

MEC RESOURCES LTD

ABN 44 113 900 020

Page Number

Directors
David Breeze – Managing Director
Andrew Jones – Non-Executive Director
Anthony Hudson – Non-Executive Director
Peter Richards – Non-Executive Director

Company Secretary
Robert Marusco

Registered Office
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South Perth WA 6151

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Telephone: (08) 9217 2400
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Auditor
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2 The Esplanade
PERTH WA 6000

Share Registry
Boardroom Pty Ltd
Level 12
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Sydney NSW 2000

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

Australian Business Number
44 113 900 020

The directors of MEC Resources Ltd ("**MEC**" or the "**Company**") present their report on the Company for the financial year ended 30 June 2026.

Directors

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

D Breeze – Managing Director (appointed 20 April 2005)
A Jones - Non-Executive Director (appointed 23 September 2020)
A Huston - Non-Executive Director (appointed 22 October 2020)
P Richards - Non-Executive Director (appointed 25 June 2024)

Company Secretary

Robert Marusco was appointed as company secretary on 18 September 2019.

Principal Activities

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

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

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.

At present MEC currently holds three investments being:

- BPH Energy Ltd (**BPH**) (ASX:BPH), an ASX listed diversified company holding investments in medical technology and resources, whereby the Company holds 1,436,609 fully paid ordinary shares representing a 0.125% interest in BPH;

- 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

- a loan assets to Advent which, as at 30 June 2026, is reported at $5,790,829 including accrued interest of $73,197.55.

Operating Results

The loss attributable to the owners of the Company after tax for the year was $2,654,746, (2025: Profit $207,490).

Dividends

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

Financial Position

The net assets of the Company have decreased by $2,197,714 to $8,960,023 at 30 June 2026.

Going Concern

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

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

Based on the Company's cash flow forecast, the Company will not require additional funding in the next 12 months to enable it to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due.

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

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

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

Developments during the year included:

MEC Resources Ltd

- On 18 August 2025 the Company completed a General Meeting of Shareholders to approve the issue of 16,648,800 shares to director Anthony Huston and 5,575,200 shares to director Peter Richards as part of offset of outstanding directors' fees to the value of $111,200.

- On 25 September 2025 the Company announced that Federal Court Proceedings in relation to Advent's Originating Application which was scheduled to be heard on 16 and 17 September 2025 has been rescheduled to 20 February 2026 and 23 February 2026.

- On the 21 November 2025 the Company advised that 373,535,605 options exercisable at $0.03 had expired.

- The Company completed its AGM on 27 November 2025 with all 6 resolutions passed.

- On 2 December 2025 the Company announced an options placement offer for the issue of 359,162,152 New Options at an issue price of $0.001 per New Option to raise up to approximately $359,162 ("**Offer**"). And 14,373,453 New Options to Directors (or their nominees) ("**Director Offer**").

- The Director Offer options were issued on 11 December 2025.

- On 9 February 2026 the Company announced the results from the closed the Offer which was fully subscribed raising $359,162 before costs.

- On 24 February 2026 the Company advised that the Federal Court Hearing in relation to the Originating Application bought by Asset Energy Pty Ltd (wholly owned subsidiary of Advent) was completed over two days being 20th and 23rd February 2026 before Honourable Mr Justice Jackson.

- On the 19 June 2026 the Company advised that the Federal Court of Australia delivered its judgment in Federal Court proceedings WAD36/2025 on 17 June 2026 concerning the Petroleum Exploration Permit "PEP11 Permit" noting that the Honourable Justice Jackson has dismissed the application for judicial review brought by Asset Energy Pty Ltd (a wholly owned subsidiary of Advent and operator of the PEP11 Joint Venture) ("**Asset**") and Bounty Oil & Gas NL (ASX: BUY). The decision of the Commonwealth–New South Wales Offshore Petroleum Joint Authority refusing the joint venture's applications to vary, suspend and extend the PEP11 Permit therefore stands.

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

Advent Energy Limited (MEC interest is 37.95%)

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

Advent holds a range of energy-based opportunities via its investee company Advent. The transitioning from hydrocarbons such as coal and oil to hydrogen, produced with no emissions 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.

Advent, with its recent acquisitions, has a range of significant investment assets including:

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

(b) Advent have secured an investment in a hydrogen technology company, Clean Hydrogen Technologies Corporation (**Clean Carbon**).

Details on Advent's investments and activities are set out below.

PEP-11 Oil and Gas Permit

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

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

Advent has previously interpreted significant seismically indicated gas features in PEP-11. Key indicators of hydrocarbon accumulation features have been interpreted following review of the 2004 seismic data (reprocessed in 2010). The seismic features include apparent Hydrocarbon Related Diagenetic Zones (**HRDZ**), Amplitude Versus Offset (**AVO**) anomalies and potential flat spots.

In addition, a geochemical report has provided support for a potential exploration well in PEP-11. The report reviewed the hydrocarbon analysis performed on sediment samples obtained in PEP-11 during 2010. The 2010 geochemical investigation utilised a proprietary commercial hydrocarbon adsorption and laboratory analysis technique to assess the levels of naturally occurring hydrocarbons in the seabed sediment samples. The report supports that the Baleen prospect appears best for hydrocarbon influence relative to background samples. In addition, the report found that the Baleen prospect appears to hold a higher probability of success than other prospects.

Advent has demonstrated considerable gas generation and migration within PEP-11, with the mapped prospects and leads highly prospective for the discovery of gas.

Advent is a strong supporter of plans for Net Zero by 2050 and sees the company playing a direct role in achieving that target, especially in New South Wales. It aims to do this in two ways. First, by finding gas closest to Australia's biggest domestic energy market, gas which can be used to provide reliable back- up for increased uptake of renewable energy in New South Wales ("NSW"). Second, through its plans to explore for opportunities in offshore NSW for CCS, Carbon Capture and Storage (geo-sequestration of CO_2 emissions), a key clean energy technology.

On 6 August 2024 Asset, as operator for and on behalf of the PEP-11 joint venture partners, filed an Originating Application for Judicial Review in the Federal Court seeking the following: (i) a declaration that the Commonwealth-New South Wales Offshore Petroleum Joint Authority ("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 two pending applications relating to the PEP11 Permit, and; (ii) an order that the Joint Authority be compelled to determine the applications within 45 days. Asset alleges that the failure by the Joint Authority to make a decision with respect to the First Application and the Second Application constitutes a breach of its duty to consider the applications within a reasonable time.

On 18 September 2024 the Company announced that the Hon Ed Husic MP, Minister for Industry and Science, had advised that he has carefully considered the PEP-11 Exploration Permit applications under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth), namely the applications accepted on 23 January 2020 and 17 March 2021, formed a preliminary view that the applications should be refused, and gave Asset, via the National Offshore Petroleum Exploration Authority ("**NOPTA**"), a statement of preliminary views with attachments and invited Asset to provide a response within 30 days. The statement of preliminary views included 45 annexures totalling 1608 pages. The Company provided Minister Husic with a submission in respect of his preliminary views by the due date of 15 November 2024.

Included in the material provided by Minister Husic was a copy of the NOPTA recommendation to the Joint Authority which recommended that the Joint Authority approve the Second Application. In the NOPTA Annual Report of Activities 2020-21 it was noted that 54 applications for COVID19 related suspensions and extensions were approved in that period. The company understands that the Second Application (for COVID-19 relief) made in respect of the PEP-11 Permit was the only application outstanding.

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 the PEP-11 permit would continue in force for a period of 2 months from 17 January 2025. The Joint Venture had statutory legal rights to seek a review of the decisions referred to in the notice under the Offshore Petroleum and Greenhouse Gas Storage Act 2006.

On 12 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 June 2026 the Honourable Justice Jackson dismissed the application for judicial review brought by Asset. The decision of the Commonwealth–New South Wales Offshore Petroleum Joint Authority refusing the joint venture's applications to vary, suspend and extend the PEP11 Permit therefore stands.
In summary, the Court held that:

- the application for judicial review is dismissed;
- Asset was denied procedural fairness relating to undisclosed well costings, but the denial of procedural fairness was not material because the public interest ground independently justified refusal; and
- the Joint Authority was able to rely on what was said in the NSW Parliament as reflecting community views, but Parliamentary privilege prevented any challenge to the truth of the statements made.

As the Joint Authority's refusal decision on the PEP11 extension and variation applications has not been set aside, the applications remain refused.

Advent has appealed the judgment of the Honourable Justice Jackson delivered on 17 June 2026 to the Full Court of the Federal Court of Australia. Advent has engaged Senior Counsel for this purpose. The timing of the hearing and determination of the appeal is a matter for the Full Court.

Separately and distinct from these Federal Court proceedings, in March 2025 Advent made an application to NOPTA for renewal of the PEP11 permit which is over an area that is 50% of the existing PEP11 permit area. That application remains to be considered by NOPTA.

Competent Person Statement

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

Cautionary Statement

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

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

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

Clean Hydrogen Technology Corporation

Advent holds an investment in a hydrogen technology company, Clean Hydrogen Technologies Corporations (**Clean Hydrogen** or **CHT**) together with BPH. Advent and BPH (together, the Purchasers) had 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 transitioning from hydrocarbons such as coal and oil to hydrogen, produced with no emissions 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 CO_2 emissions.

At a proof-of-concept scale, Clean Hydrogen has developed and tested its processing capabilities which have successfully produced hydrogen, with no C02 emissions achieving on average a 92% cracking efficiency. Clean Hydrogen's development activities have shown that, by processing (not burning) methane using their patented catalyst and a modified fluidised bed reactor, producing hydrogen with no CO_2 emissions. This is referred to as turquoise hydrogen. In addition, Clean Hydrogen also produces a second product, used for battery manufacturing, called conductive carbon.

Clean Hydrogen uses methane as its current feedstock and in the future plans to consume natural gas. It does not burn the methane, it processes it, using its own patented catalyst and a bespoke designed fluidised bed reactor. The process it uses is called pyrolysis which is not new and has been used by the oil industry for many years. What is new is Clean Hydrogen's success in the efficiency of its cracking the methane into turquoise hydrogen with non-CO_2 emissions and the quality of the carbon black produced being majority conductive carbon with some carbon nano tubes.

This process requires similar energy needs as Steam Methane Reforming ("SMR") and in Clean Hydrogen's view can be produced at a similar price at scale. Also, it requires no water as part of its process to produce hydrogen.

Importantly, the Clean Hydrogen's solution is being built with flexibility to work downstream at heavy transport fueling hubs currently in use in the USA, mid-stream at steel plants replacing coking coal and upstream where the natural gas is processed into hydrogen, a much higher energy source which can be piped for all uses including the production of electricity. As such the technology being developed by Clean Hydrogen's solution requires very little change and impact to existing infrastructures and supply chains, unlike other solutions. Although Clean Hydrogen considers that electrolysis and other solutions will have their role in the future of hydrogen, they believe the majority of hydrogen will require the advancement of other technologies that can be more ubiquitous, cheaper to produce, use less electricity and operate within existing supply chains.

As of mid-2024 CHT had developed its engineering and catalyst capabilities to a stage where it has proven consistently a 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 CO_2 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 it 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 progressing a capital raising in which we understand the price will be US$3,000 per share to raise up to US$2.5m. The raising is expected to be completed by November 2026.

In 2026 CHT has focused on ensuring that its products conform to client end use requirements and in some cases, CHT is developing new IP for application of its CNT carbon composite (CNT Composite).

CHT's CNT Composite represents the majority of its projected product revenue. CHT is currently in early discussions and engagements with several companies regarding the development of end-use applications, including large-scale utility storage batteries (also known as BESS – Battery Energy Storage Systems) and cement impregnation for performance improvement. These engagements are at the MOU stage. CHT intends to jointly develop channel application IP with these partners, each of which has existing end-customer relationships.

De-risking sales of Turquoise Hydrogen - Singapore has instigated a number of new initiatives requiring hydrogen with low to no CO2e, including the build of low carbon emissions data centres on Jurong Island. CHT has a letter of support from a GenCo (Electricity Generation Company) to progress this to the next stage. The next stage for CHT will be sourcing project-based funding from both Singapore grants and other finance sources. For the supply of electricity CHT's clean hydrogen will be fed to its partner's fuel cells, Horizon Fuel Cells.

USA data centre electricity supply - CHT has signed a Letter of Intent with Horizon Fuel Cells to provide clean hydrogen to fuel cells producing electricity for data centres in the USA. Both parties are now working together on new data centre opportunities that require clean energy.

CHT has engaged funding support as a precursor to a proposed NASDAQ listing. The intended listing vehicle is a NASDAQ SPAC. Prior to the SPAC transaction, CHT requires project-level funding to advance the commercial programs described above.

On 1 January 2026, Advent and CHT agreed that Advent would receive new options which would replace the existing options which were issued to Advent during the seed investment stage, and that had been exercised by Advent. Each new option has an expiry 5 years from the date of issue, each with a conversion price of US$3,000. During the period Advent exercised 166 options in CHT at a total cost of A$ 735,400 (US$490,000).

Onshore Energy Pty Ltd

Onshore Energy Pty Ltd ('Onshore') is a wholly owned subsidiary of Advent Energy Limited.

Onshore was established in 2011 to operate Advent's onshore exploration interests in Northern Australia, being Exploration Permit EP386 and Retention Licence RL1.

Advent's operations in Northern Australia have continued to be adversely affected by delays and changes in government actions, regulatory framework, and Aboriginal Heritage claims. In light of the ongoing challenges, the Director of Onshore resolved to appoint a Voluntary Administrator pursuant to the Corporations Act 2001 (Cth). Bryan Hughes of 101 Advisory was appointed as Voluntary Administrator ('Administrator') on 10 April 2026.

The Director of Onshore was of the opinion that voluntary administration was in the best interests of creditors and members, and it maximises the chances of Onshore continuing in existence, or if that is not possible, is likely to result in a better return for the creditors and members.

The Administrator of Onshore has undertaken an assessment of Onshore's assets and liabilities to determine the appropriate strategy for Onshore. A Deed of Company Arrangement was voted on and approved at a meeting of the creditors of Onshore on 24 July 2026. A proposal was sent by the Onshore Voluntary Administrator to DMPE on the same date.

- *Onshore Bonaparte Basin (RL1)*

  The primary asset of Onshore is RL1 (Retention Lease 1) in the Northern Territory, which contains the Weaber Gas Field. The annual fee for RL1 was due and payable on 9 May 2026, Advent Energy Limited has provided funds to fund this annual fee. The funds were provided by way of a deposit giving first right of refusal to acquire this asset.

No assurance can be given at this time that RL1 will be developed or that Onshore will continue as a going concern.

- *EP 386*

  Advent's Application for Variation (STP-EPV-0112) regarding EP 386 to the Department of Mines and Petroleum WA was rejected on 17 February 2017. The Company received directions ("Direction") on 18 March 2018 from the WA Government for the restoration of the EP 386 site to be undertaken by 31 March 2020.

  Advent's 100% subsidiary Onshore made an application for suspension and extension of the permit conditions in EP386 which was not accepted by the Department of Mines, Industry, Regulation and Safety (DMIRS). Onshore sought a review of the decision by the Minister of Resources who responded setting out a course of action in relation to that decision which Onshore followed. Onshore 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 a Supreme Court of WA action.

Loan asset to Advent

As part of a 6 August 2019 legal settlement with Advent loans of $4,122,155 owed by Advent to MEC will be recoverable by MEC only by the following means and only in the following circumstances:

One month prior to the scheduled commencement date for the drilling of a well within the PEP-11 Permit Area, Advent will issue to MEC ordinary shares to the face value of the debt calculated at 80% of:

(a) the volume-weighted average price of Advent shares over the 5 days trading immediately prior to that date; or

(b) 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.

On 23 April 2025 the Company advanced a further $750,000 to Advent as a follow-on loan investment in keeping with disclosures made in the Non-Renounceable Entitlement Prospectus date 23 September 2024. The key terms are as follows;

(a) Total loan advances up to $1,600,000 (increased by $100,000 mutually agreed between the Company and Advent)
(b) Unsecured
(c) Interest rate - 5.1%
(d) Repayment - 24 months following the date of the advance

During the financial year ending 30 June 2026 the Company advanced a further $800,000 to Advent whereby the total amount advanced is $1,550,000. Interest accrued during the period ending 30 June 2026 is $73,198.

After Balance Date Events

Various Announcements

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

- 3 July 2026 – Advent to appeal Federal Court judgement
- 14 July 2026 – Appeal lodged with Federal Court
- 30 July 2026 – Quarterly activities report and Appendix 4C Cash Flow Report
- 21 August 2026 – Advent Energy Limited 2026 Annual Report

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

Future Developments

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

Information on Directors

D Breeze (appointed 20 April 2005)
Managing Director
Shares held in MEC

- 14,345,080 ordinary shares held directly.
- 9,747,362 ordinary shares held indirectly via Grandbridge Ltd of which David Breeze is a director & shareholder
- 12,454,476 ordinary shares in Trandcorp Superannuation Fund of which David Breeze is a director and shareholder
- 71,078,115 ordinary shares indirectly via Trandcorp Pty Ltd of which David Breeze is a director & shareholder

Shares held in Advent – 2,000,000
Options held MEC

- 3,586,270 options exercise price $0.03 expiry 11 December 2026 held directly
- 1,324,335 options exercise price $0.03 expiry 11 December 2026 held indirectly via Trandcorp Pty Ltd
- 3,113,619 options exercise price $0.03 expiry 11 December 2026 held indirectly via Trandcorp Superannuation Fund

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

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

He has worked on the structuring, capital raising and public listing of over 70 companies involving in excess of $300M. These capital raisings covered a diverse range of areas including oil and gas, gold, food, manufacturing and technology.

In the past three years David has also held the following listed company directorship in BPH (from February 2001 to present) and is an executive Director of Advent Energy Ltd and its subsidiaries.

A Jones (appointed 23 September 2020)
Non-Executive Director
Shares held in MEC

- 4,000,000 shares held indirectly via AJ Superannuation Fund
- 8,000,000 shares indirectly via Jessica Brown
- 23,409,277 ordinary shares held via Alloy Consulting Pty Ltd of which Andrew is a director and shareholder

Shares held in Advent – nil
Listed Options held MEC

- Nil

Andrew has over 15 years' experience in financial markets and is an established Corporate Advisor with a demonstrated history of working within the finance industry. He has worked with various stockbroking and capital firms in Perth providing corporate advice to ASX companies. Andrew is skilled in mergers & acquisitions, corporate finance, investor relations and corporate communications.

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

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

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

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

A Huston (appointed 22 October 2020)
Non-Executive Director
Shares held in MEC –30,385,448 ordinary shares for Anthony & Shelly Huston
Shares held in Advent – nil
Listed Options held MEC – nil

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

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

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

P Richards (appointed 25 June 2024)
Non-Executive Director
Shares held in MEC
- 23,910,022 ordinary shares held directly
- 16,062,094 ordinary shares held indirectly via Ann Patricia Richards
- 9,000,000 ordinary shares held indirectly via Proxtax Nominees Pty Ltd <Richards Super Fund A/C>

Shares held in Advent – nil
Listed Options held MEC
- 568,182 options exercise price of $0.03 expiry 11 December 2026 held directly
- 5,781,047 options exercise price of $0.03 expiry 11 December 2026 held indirectly via Proxtax Nominees Pty Ltd <Richards Super Fund A/C>

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 3 years.

Remuneration Report (Audited)

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

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

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

- D Breeze – Managing Director (appointed 20 April 2005)
- A Jones - Non-Executive Director (appointed 23 September 2020)
- A Huston – Non-Executive Director (appointed 22 October 2020)
- P Richards _ Non-Executive Director (appointed 25 June 2024)

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

Remuneration Policy

The remuneration policy of MEC has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives as determined by the Board and/or shareholders. The remuneration report, as contained in the 2025 financial accounts, was adopted at the Company's 2025 annual general meeting held on 27 November 2025. A total of 95.3% of shareholders voted for the adoption of this report, the Board noting that the remuneration policy is appropriate and effective in its ability to attract and retain the best executive and directors to run and manage the economic entity, as well as create goal congruence between the directors, executives, and shareholders.

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

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

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

Remuneration philosophy

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

- set competitive remuneration packages to attract and retain high caliber employees.
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

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

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

Where agreed the executives receive a superannuation guarantee contribution required by the government, which is currently 12% and do not receive any other retirement benefits.

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

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

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

Compensation Practices

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

The compensation structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the

Company. The contracts for service between the Company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon resignation, key management personnel are paid employee benefit entitlements accrued to date of resignation. Key management personnel are paid three months of salary in the event of redundancy and options not exercised before or on the date of termination will lapse after one month.

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

Employment contracts of Directors

Details of Remuneration for the year ended 30 June 2026

2026

Key Management Person	Short-term Benefits				Post-employment Benefits
	Cash, Salary and Fees	Bonus	Non-cash benefit	Other	Superannuation
D Breeze	-	-	-	65,000	7,800
A Jones	-	-	-	25,000	3,000
A Huston	-	-	-	25,000	3,000
P Richard	-	-	-	25,000	3,000

Key Management Person	Long-term Benefits	Share-based payment		Total	Performance Related	Compensation relating to options
	Other	Shares	Options	$	%	%
D Breeze	-	-	-	72,800[1]	-	-
A Jones	-	-	-	28,000[2]	-	-
A Huston	-	-	-	28,000[3]		
P Richards	-	-	-	28,000[4]		

1. No cash directors' fees have been paid to Mr Breeze during the period, however directors' fees of $65,000 per annum plus SGC payable to Mr Breeze continue to accrue.
2. Cash directors' fees of $25,667 have been paid to Mr Jones during the period other than $2,333 which has been accrued.
3. No cash directors' fees have been paid to Mr Huston during the period, however directors' fees of $25,000 per annum plus SGC were payable to Mr Huston continue to accrue.
4. No cash directors' fees have been paid to Mr Richards during the period, however directors' fees of $25,000 per annum plus SGC were payable to Mr Richards continue to accrue.

Details of Remuneration for the year ended 30 June 2025

2025

Key Management Person	Short-term Benefits	Post-employment Benefits

	Cash, Salary and Fees	Bonus	Non-cash benefit	Other	Superannuation
D Breeze	-	-	-	65,000	7,475
A Jones	-	-	-	25,000	2,875
A Huston	-	-	-	25,000	2,878
P Richards	-	-	-	25,000	2,875

Key Management Person	Long-term Benefits	Share-based payment		Total	Performance Related	Compensation relating to options
	Other	Shares	Options	$	%	%
D Breeze	-	-	-	72,475[1]	-	-
A Jones	-	-	-	27,875[2]	-	-
A Huston	-	-	-	27,875[3]		
S James	-	-	-	27,875[4]	-	-

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

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

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

Shareholdings
Number of Shares Held by Key Management Personnel - 2026

	Balance 1.7.2025	Received as Compensation in lieu of Director Fees	Options Exercised	Net Change Other	Balance 30.6.2026
D Breeze	107,625,033[1]	-	-	-	107,625,033[1]
A Jones	35,409,277[2]	-	-	-	35,409,277[2]
A Huston	13,736,648[3]	16,648,800	-	-	30,385,448[3]
P Richards	43,396,916[4]	5,575,200	-	-	48,972,116[4]
		-	-	-	

1. Mr Breeze holds14,345,08 ordinary shares held directly, 9,747,362 ordinary shares held indirectly via Grandbridge Ltd of which David Breeze is a director & shareholder, 12,454,476 ordinary shares in Trandcorp Superannuation Fund of which David Breeze is a director and shareholder, 2,648,669 ordinary shares indirectly via Tandcorp Pty Ltd of which David Breeze is a director & shareholder and 71,078,115 ordinary shares held via Trandcorp Pty Ltd of which David Breeze is a director & shareholder.
2. Mr Jones holds indirectly via the AJ Superfund 4,000,000 shares and his spouse Jessica Brown holds a direct interest in 8,000,000 shares and 23,409,277 ordinary shares held via Alloy Consulting Pty Ltd.

3. Mr Huston holds 13,736,648 ordinary shares held via Anthony & Shelly Huston.
4. Mr Richards holds 23,910,022 ordinary shares directly and 16,062,094 ordinary shares held indirectly via Ann Patricia Richards and 9,000,000 ordinary shares held indirectly via Proxtax Nominees Pty Ltd <Richards Super Fund A/C>.

Number of Shares Held by Key Management Personnel - 2025

	Balance 1.7.2024	Received as Compensation in lieu of director fees	Options Exercised	Net Change Other	Balance 30.6.2025
D Breeze	91,576,586	16,048,447	-	-	107,625,033[1]
A Jones	27,727,557	10,081,720	-	2,400,000	35,409,277[2]
A Huston	13,736,648	-	-	-	13,736,648[3]
P Richards	30,698,458	-	-	12,698,458	43,396,916[4]
		-	-	-	

1. Mr Breeze holds14,345,08 ordinary shares held directly, 9,747,362 ordinary shares held indirectly via Grandbridge Ltd of which David Breeze is a director & shareholder, 12,454,476 ordinary shares in Trandcorp Superannuation Fund of which David Breeze is a director and shareholder, 2,648,669 ordinary shares indirectly via Tandcorp Pty Ltd of which David Breeze is a director & shareholder and 71,078,115 ordinary shares held via Trandcorp Pty Ltd of which David Breeze is a director & shareholder.
2. Mr Jones holds indirectly via the AJ Superfund 4,000,000 shares and his spouse Jessica Brown holds a direct interest in 8,000,000 shares and 23,409,277 ordinary shares held via Alloy Consulting Pty Ltd.
3. Mr Huston holds 13,736,648 ordinary shares held via Anthony & Shelly Huston.
4. Mr Richards holds 22,834,822 ordinary shares directly and 20,562,094 ordinary shares held indirectly via Ann Patricia Richards.

Option holdings
Number of Options Held by Key Management Personnel - 2026

	Balance 1.7.2025	Received as Compensation in lieu of Director Fees	Options Exercised /Expired	Net Change Other	Balance 30.6.2026
D Breeze	8,024,224[1]	-	(8,024,224)	8,024,224	8,024,224[1]
A Jones	5,040,860	-	(5,040,860)	-	-
A Huston	-	-	-	-	-
P Richards	7,485,593[2]	-	(7,485,593)	6,349,229	6,349,229[2]

1. 3,586,270 options held directly by Mr Breeze, 3,113,619 options held indirectly via Trandcorp Pty Ltd <Trandcorp Super Fund A/C> of which Mr Breeze is a director and beneficiary and 1,324,335 options held indirectly via Trandcorp Pty Ltd of which Mr Breeze is a director and shareholder.
2. 568,182 options held directly by Mr Richards and 5,781,047 held indirectly via Proxtax Nominees Pty Ltd <Richards Super Fund A/C>.

Number of Options Held by Key Management Personnel - 2025

	Balance 1.7.2024	Received as Compensation in lieu of Director Fees	Options Exercised	Net Change Other	Balance 30.6.2025
D Breeze	-	8,024,224	-	-	8,024,224[1]
A Jones	-	5,040,860	-	-	5,040,860[2]
A Huston	-	-	-	-	-
P Richards	10,136,364	-	(9,000,000)	6,349,229	7,485,593[3]

1. 3,586,270 options held directly by Mr Breeze, 3,113,619 options held indirectly via Trandcorp Pty Ltd <Trandcorp Super Fund A/C> of which Mr Breeze is a director and beneficiary and 1,324,335 options held indirectly via Trandcorp Pty Ltd of which Mr Breeze is a director and shareholder.
2. Held indirectly via Alloy Consulting Pty Ltd of which Mr Jones is a director and shareholder.
3. Held directly by Mr Richards.

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

Company performance, shareholder wealth, and director and executive remuneration

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

	2022[1]	2023[1]	2024[1]	2025[2]	2026
Revenue	-	-	5,933	826,018	123,744
Net Profit/(Loss)	(715,322)	(558,503)	(492,526)	207,490	(2,654,746)
Share price at Year end	$0.004	$0.004	$0.004	$0.005	$0.0025
Profit/(Loss) per share	$(0.001)	$(0.001)	$(0.0003)	$0.0001	$(0.0014)

Note 1: The Company's shares were suspended from trading since 17 January 2020.
Note 2: The Company's shares were reinstated to trading status on the ASX 2 December 2024.

End of remuneration report.

Meetings of Directors

During the financial year, 3 meetings of directors (including committees of directors) were held. The Board meets much more regularly by telephone to make day-to-day decisions with respect to the business of the Company. Other decisions taken via circulating resolutions. Attendances by each director during the year were:

	Directors' Meetings	
	Number eligible	**Number attended**
D Breeze (appointed 20/4/2005)	3	3
A Jones (appointed 23/9/2020)	3	3
A Huston (appointed 22/10/2020)	3	3
P Richards (appointed 25/6/2024)	3	3

Indemnifying Officers or Auditors

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

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

Options

During the year ended 30 June 2026, no shares were issued on the exercise of options (2025: 57,622,726 ordinary shares).

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

During the year ended 30 June 2026 the following options expired:

Issued	Number	Exercise Price	Expiry Date
5/4/24	8,470,454	$0.0055	5/4/26
21/11/2024	373,535,605	$0.03	21/11/25

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

Issued	Number	Exercise Price	Expiry Date
10/02/2026	359,162,152	$0.03	10/02/27
10/12/2025	14,373,453	$0.03	10/12/26

PDF Status

MEC is a registered Pooled development Fund ("**PDF**") of the Pooled Development Fund Act 1992 ("**PDF Act**").

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.

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

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

Non-audit Services

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

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

Fees for non-audit services paid to the external auditors or their affiliated firms during the year ended 30 June 2026 were $Nil (2025: $11,500).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2026 has been received andcan be found on page 23.

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

MEC Resources Ltd

David Breeze

Managing Director

Dated this 28 August 2026

Moore Australia Audit (WA)

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www.moore-australia.com.au

Auditor's Independence Declaration

Under Section 307c of the Corporations Act 2001

To the directors of MEC Resources Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2026, there have been:

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

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

Suan-Lee Tan
Partner – Audit and Assurance
Moore Australia Audit (WA)

MOORE AUSTRALIA

Moore Australia Audit (WA)
Chartered Accountants

Perth
28th day of August 2026

Corporate Governance Statement

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

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

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

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2026

MEC Resources Ltd

	Note	2026 $	2025 $
Revenue	**2**	123,744	90,012
Share of associates 'profit (losses)	**10**	(2,328,244)	736,006
Administration expenses		(81,582)	(144,738)
Consulting and legal expenses		(47,057)	(136,452)
Fair value loss		(7,183)	-
Director/Employee expenses		(170,345)	(230,549)
Deposits written off		(2,394)	-
Interest expenses		(6)	(5,099)
Compliance expenses		(141,679)	(101,689)
Profit (Loss) before Income Tax		(2,654,746)	207,490
Income tax expense	**8**	-	-
Profit (Loss) from continuing operations		(2,654,746)	207,490
Profit/(loss) for the Period		(2,654,746)	207,490
Other Comprehensive Income			
Total Comprehensive loss for the period		(2,654,746)	207,490
Loss attributable to non-controlling interest			
Loss attributable to members of the parent entity		(2,654,746)	207,490
Total Comprehensive loss attributable to non-controlling interest			
Total Comprehensive loss attributable to the owners of the company		(2,654,746)	207,490
Earnings Per Share – *Basic and diluted earnings per share ($ per share)*	**6**	(0,00)	(0,00)

The accompanying notes form part of these financial statements.

Statement of Financial Position
as at 30 June 2026
MEC Resources Ltd

	Note	30 June 2026 $	30 June 2025 $
Current Assets			
Cash and cash equivalents	**7**	1,384,110	2,040,195
Other current assets	**9**	756,497	166,416
Total Current Assets		2,140,607	2,206,611
Non-Current Assets			
Financial assets	**10**	7,286,780	9,505,506
Property, plant & equipment	**11**	-	-
Total Non-Current Assets		7,286,780	9,505,506
Total Assets		**9,427,387**	**11,712,117**
Current Liabilities			
Trade and other payables	**12**	467,364	554,380
Financial liabilities	**13**	-	-
Total Current Liabilities		467,364	554,380
Total Liabilities		467,364	554,380
Net Assets		**8,960,023**	**11,157,737**
Equity			
Issued capital	**14(a)**	36,187,388	36,076,268
Options Placement	**14(c)**	345,912	
Reserves	**15**	442,274	442,274
Accumulated losses		(28,015,551)	(25,360,805)
Total Equity		**8,960,023**	**11,157,737**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
for the year ended 30 June 2026
MEC Resources Ltd

	Issued Share Capital $	Accumulated losses $	Option Reserve $	Option Placement $	Total attributable to owners $	Non-controlling Interest $	Total Equity $
Balance at 1 July 2024	32,208,956	(25,568,295)	442,274	-	7,082,935		7,082,935
Loss attributable to continuing operations		207,490	-	-	207,490		207,490
Other comprehensive income		-	-	-	-		-
Total comprehensive income		207,490			207,490		207,490
Shares issued during the year	4,021,668	-	-	-	4,021,668		4,021,668
Capital raising costs	(154,356)	-	-	-	(154,356)		(154,356)
Balance at 30 June 2025	36,076,268	(25,360,805)	442,274	-	11,157,737		11,157,737
Balance at 1 July 2025	36,076,268	(25,360,805)	442,274	-	11,157,737		11,157,737
Loss attributable to continuing operations		(2,654,746)	-	-	(2,654,746)		(2,654,746)
Total comprehensive loss		(2,654,746)			(2,654,746)		(2,654,746)
Shares issued during the year	111,120	-	-	-	111,120		111,120
Options Placement (net of costs)	-	-	-	345,912	345,912		345,912
Balance at 30 June 2026	36,187,388	(28,015,551)	442,274	345,912	8,960,023		8,960,023

The accompanying notes form part of these financial statements.

Statement of Cash Flows
for the year ended 30 June 2026
MEC Resources Ltd

	Note	2026 $	2025 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		(252,537)	(866,558)
Interest and other income		50,540	72,022
Net cash used in operating activities	**16**	(201,997)	(794,536)
Cash Flows from Investing Activities			
Loan to Advent		(800,000)	(750,000)
Net cash provided by/(used) in investing activities		(800,000)	(750,000)
Cash Flows from Financing Activities			
Proceeds from share & option placement		345,912	3,543,288
Repayment of borrowings		-	(179,916)
Net cash provided by financing activities		345,912	3,363,372
Net increase/(decrease) in Cash Held		(656,085)	1,818,836
Cash at the Beginning of the Period		2,040,195	221,359
Cash at the End of the Period	**7**	**1,384,110**	**2,040,195**

1. Statement of Material Accounting Policies

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

MEC is a public listed company on the ASX, which is incorporated and domiciled in Australia. The financial report was authorised for issue on 28 August 2026 by the Board of Directors.

Basis of Preparation

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

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

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

Compliance with IFRS

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

Financial Position/Going Concern Basis of Preparation

The Consolidated Group has incurred loss for the year ended 30 June 2026 of $2,654,746 (2025: profit $207,490) and reported a net cash outflow of $656,085 (2025: $1,818,836).

The Consolidated Group has net positive working capital of $916,746 (Note 18b) as at 30 June 2026 (2025: $1,652,231 net positive working capital) which includes cash assets of $1,384,110 as at 30 June 2026 (2025: $2,040,195), other receivables of $Nil (2025: $166,416), trade creditors and other payables of $467,364 (2025: $554,380) and financial liabilities of $Nil (2025: $Nil).

Included in the trade creditors and payables are director fee accruals of $284,357 (2025: $301,060). The directors have reviewed their expenditure and commitments for the Consolidated Group and have implemented methods of cost reduction. The director Mr Breeze, Mr Huston and Mr Richards, as a part of their cash monitoring, have voluntarily suspended cash payments for their director's fees prior to and as at the date of this report to conserve cash resources of the Company.

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

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

1. Statement of Material Accounting Policies (continued)

Financial Position/Going Concern Basis of Preparation (continued)

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

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

Based on the Company's cash flow forecast, the Company will not require additional funding in the next 12 months to enable it to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due.

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

Accounting Policies

(a) Principles of Consolidation

A controlled entity is any entity which MEC is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of controlled entities is contained in Note 19 to the financial statements. All controlled entities have a June financial year-end. As of the reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended.

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

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

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

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

1. Statement of Material Accounting Policies (continued)

(a) Principles of Consolidation (continued)

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

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

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

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date. Deferred tax is accounted for in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or liability is settled. Deferred tax is recognised in the statement of profit or loss and other comprehensive income except where it relates to items that may be recognised directly to equity, in which case the deferred tax is adjusted directly against equity.

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

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

(c) Cash and Cash Equivalents

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

(d) Revenue

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

1. Statement of Material Accounting Policies (continued)

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

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

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

(e) Goods and Services Tax (GST)

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

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

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

(f) Trade and other payables

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

(g) Share-based payments

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

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

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

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

1. Statement of Material Accounting Policies (continued)

(h) Earnings per share

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

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

(i) Investments in Associates

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

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

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

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

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

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

1. Statement of Material Policies (continued)

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

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

(j) Employee Benefits

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

(k) Financial Instruments

The 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 Group subsequently measures all equity investments at fair value. The 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 Group to account for expected credit loss since initial recognition.

For trade and other receivables, the 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).

(l) Critical Accounting Estimates and Judgements

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

(m) Critical Accounting Estimates and Judgements

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

The Company has significant assets invested in Advent Energy Ltd and its controlled entities, comprising loans receivable and an investment in the Company as disclosed in Note 10 and 17. The evaluation of the recoverability of these assets requires significant judgement because ultimately their recoverability and value is dependent upon the ability of Advent Energy Ltd to extract and realise value from its core

exploration assets. The Company assesses its investment in and loans to Advent Energy Ltd for expected credit losses in accordance with the accounting policy stated in note 1(k), which requires the application of significant judgement. Refer to Note 10 and 17 for further discussion on matters related to the investment in and loans to Advent Energy Ltd.

(n) Adoption of New and Revised Accounting Standards and Interpretations

In the year ended 30 June 2026, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting periods beginning on or after 1 July 2025. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations issued by the AASB and, therefore, no change is necessary to Company accounting policies.

New accounting standards and interpretations that are not yet mandatory

The Directors have also reviewed all Standards and Interpretations issued and not yet adopted for the year ended 30 June 2026. As a result of this review, the Directors are currently assessing the impact of these standards and interpretations on the Company's financial statements.

The new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below.

AASB 18: Presentation and Disclosure in Financial Statements

This standard will replace AASB 101 Presentation of Financial Statements. Whilst many of the requirements will remain consistent, the new standard will have an impact on the presentation of the Consolidated Statement of Comprehensive Income and a consequential impact on the Consolidated Statement of Cash Flows. It will also require the disclosure of non-AASB management performance measures and may impact the level of aggregation and disaggregation throughout the primary financial statements and the notes.

An entity is required to apply AASB 18 for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. AASB 18 requires retrospective application with specific transition provisions.

The directors will determine the impact on the presentation of the Consolidated Statement of Comprehensive Income and Consolidated Statement of Cash Flows when effective.

2. Revenue

	2026 $	2025 $
Other income	-	11,493
Interest revenue	123,744	78,519
Total revenue	123,744	90,012

3. Profit/(Loss) for The Year

	Consolidated	
	2026 **$**	**2025** **$**
Expenses		
Consulting and Legal		
Consulting fees	10,000	-
Legal fees	37,057	136,452
	47,057	136,452
Share of Associates' profit/(loss)	(2,328,244)	736,006

4. Auditors' Remuneration

	Consolidated	
	2026 $	**2025 $**
Remuneration of the auditor of the parent entity for:		
- auditing or reviewing the financial report of the parent		
Moore Australia Audit (WA)	29,417	22,469
Remuneration of the auditor or its affiliated firm:		
- Independent Limited Assurance Report		
Moore Australia Corporate Finance (WA) Pty Ltd	-	11,500
	29,417	33,969

5. Key Management Personnel Compensation

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

Key Management Personnel

D Breeze - (appointed 20 April 2005)
A Jones - (appointed 23 September 2020)
A Huston - (appointed 22 October 2020)
P Richards – (appointed 25 June 2024)

	Consolidated	
	2025 $	**2025 $**
Short-term employee benefits	140,000	140,000
Post employment benefits	16,800	16,100
	156,800	156,100

Included in consolidated trade creditors and payables are director fee accruals (including ex directors) of $284,358 (30 June 2025: $301,060).

Key Management Personnel Compensation (continued)

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

Shares Issued in Lieu of Directors Fees

As outlined in the Company's Notice of General Meeting dated 7 July 2025 Directors Anthony Huston and Peter Richards were granted approval at the shareholder meeting on 18 August 2025 to offset part of outstanding Director Fees totaling $111,120 by way of issue of shares in the Company at $0.005 broken down as follows;

Director	Directors Fees accrued between 1 July 2022 – 1 June 2025	Shares Issued in lieu of Directors Fees
A Huston P Richards	$83,244 27,876	16,648,800 5,575,200
Total	**$111,120**	**22,224,000**

6. Earnings per share

		Consolidated	
		2026	**2025**
		$	**$**
(a)	Reconciliation of Earnings to Profit or Loss		
	Net profit (loss) attributable to members of the parent	(2,652,352)	207,490
	Earnings used to calculate basic and diluted EPS	(2,652,352)	207,490
(b)	Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	1,871,989,850	1,849,765,850
	Profit (Loss) per share ($ per share)	(0.0014)	0.0001

7. Cash and cash equivalents

	Consolidated	
	2026 **$**	**2025** **$**
Cash at bank and in hand	1,384,110	2, 040,195

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

Cash and cash equivalents	1,384,110	2,040,195

8. Income Tax Expense

		Consolidated	
		2026	**2025**
		$	**$**
a.	**The components of tax expense (25%) comprise:**		
	Current tax	-	-
	Deferred tax	-	-
	Over/under provision from prior years	-	(111,408)
	Recoupment of prior year tax losses not previously recognised	-	111,408
		-	-
b.	**The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:**		
	Prima facie tax benefit on profit/(loss) from ordinary activities before income tax at 25% (2025: 25%)	(663,687)	51,873
	Add/(less) tax effect of:		
	- Revenue losses recouped previously not recognized	-	(111,408)
	- Other non-deductible items	698,473	59,535
	- Other non-assessable items	(34,786)	-
	Income tax expense	-	-
c.	**Unrecognised deferred tax assets at 25% (2025: 25%):**		
	Carry forward revenue losses	4,649,921	4,332,996
	Carry forward capital losses	4,290,189	1,954,762
	Other		
		8,940,110	6,287,758

Income Tax Expense (continued)

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

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

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

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

Note 1 - Corporate Tax Rate

The corporate tax rate for eligible companies is 25% as from 30 June 2026 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

9. Other Current Assets

	Consolidated	
	2026	**2025**
	$	**$**
Current		
Deposits	0	2,394
GST receivable	0	164,022
Loan receivable – Advent Energy Ltd (b) - unsecured	756,497	-
	756,497	166,416

10. Financial Assets

	Consolidated	
	2026	**2025**
	$	**$**
Non - Current		
Loan receivable – Advent Energy Ltd (b) - unsecured	5,034,332	4,917,632
Investment in Associate - Advent Energy Ltd (c)	2,248,138	4,576,382
Investment in BPH Energy Ltd (d)	4,310	11,492
	7,286,780	9,505,506

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

(b) Of the loan balance of $4,917,632, $4,122,155 is recoverable only by conversion to shares of Advent Energy Ltd one month prior to the scheduled commencement date for the drilling of a well within the PEP-11 permit area. The shares are calculated at 80% of 5-day VWAP of Advent Energy Ltd immediately prior to that date or if as at that date Advent Energy Ltd shares are not listed on any securities exchange, the price at which ordinary shares in Advent Energy Ltd were last issued. On 23 April 2025 the Company advanced a further $750,000 to Advent as a follow-on loan investment in keeping with disclosures made in the Non-Renounceable Entitlement Prospectus date 23 September 2024. During the period the Company advanced a further $500,000 on 31 July 2025, $200,000 on 13 October 2025 and $100,000 on 4 December 2025 giving a total of $1,550,000 advanced to Advent. The key terms are as follows;

- Total loan advance up to
- $1,600,000 (increased by $100,000 mutually agreed between the Company and Advent)
- Unsecured
- Interest rate - 5.1%
- Repayment - 24 months following the date of the advance

During the financial year ended 30 June 2026 the Company advanced a further $800,000 to Advent whereby the total amount advanced is $1,550,000. Interest accrued during the period ended 30 June 2026 is $73,198. The total current and non-current loan to Advent to 30 June 2026 is $5,790,829.

The ability of the Company to recover the book values of the investment in and loans to Advent and its controlled entities is dependent upon the ability of Advent to successfully commercialise and/or sell its core exploration and other assets (which includes an 85% interest in PEP11), thereby realising sufficient value from which the Company can recoup the value of its loans to and investment in Advent, the outcome and timing of which is subject to significant uncertainty. As noted above on 31 March 2022 the National Offshore Petroleum Titles Administrator (NOPTA) that NOPTA has refused the Joint Venture Application initially submitted on 24 December 2019 for a secondary work program variation and a 24-month suspension of the Permit Year 4 Work Program Commitment and the corresponding 24-month extension of the Permit Term.

On 17 January 2025 the PEP11 Joint Venture had been given notice by the National Offshore Petroleum Titles Administrator ("**NOPTA**") that the Joint Authority has refused the Joint Venture Applications made on 23 January 2020 and 17 March 2021.

On 17 June 2026 the Honourable Justice Jackson dismissed the application for judicial review brought by Asset. The decision of the Commonwealth–New South Wales Offshore Petroleum Joint Authority refusing the joint venture's applications to vary, suspend and extend the PEP11 Permit therefore stands.

In summary, the Court held that:

- the application for judicial review is dismissed;
- Asset was denied procedural fairness relating to undisclosed well costings, but the denial of procedural fairness was not material because the public interest ground independently justified refusal; and
- the Joint Authority was able to rely on what was said in the NSW Parliament as reflecting community views, but Parliamentary privilege prevented any challenge to the truth of the statements made.

As the Joint Authority's refusal decision on the PEP11 extension and variation applications has not been set aside, the applications remain refused.

Advent has appealed the judgment of the Honourable Justice Jackson delivered on 17 June 2026 to the Full Court of the Federal Court of Australia. Advent has engaged Senior Counsel for this purpose. The timing of the hearing and determination of the appeal is a matter for the Full Court.

Separately and distinct from these Federal Court proceedings, in March 2025 Advent made an application to NOPTA for renewal of the PEP11 permit which is over an area that is 50% of the existing PEP11 permit area. That application remains to be considered by NOPTA.

The Directors have assessed the carrying values of the Company's interest in Advent and have determined that no impairment will be made given the PEP11 Joint Venture legal review and legal process to follow.

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

A detailed statement concerning the status of the PEP 11 asset held by Advent is outlined in the directors report on this annual report.

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

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

(d) Investment in other public listed companies are reflected at market value closing price on the ASX as at 30 June 2026.

	Consolidated	
	2026	**2025**
	$	**$**
Investment in Associate – Advent Energy Ltd		
Opening balance	4,576,382	3,840,376
Share of Profit (loss) of Associate for the year	(2,328,244)	736,006
Closing balance carrying value	2,248,138	4,576,382

11. Property, Plant and Equipment

	Consolidated	
	2026	**2025**
	$	**$**
Plant and Equipment:	-	-
Less: Accumulated depreciation	-	-
Total Property, Plant and Equipment	-	-

	Consolidated	
	2026 $	2025 $
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.		
Consolidated Entity:		
Balance at the beginning of the year	-	-
Additions	-	-
Disposal on deconsolidation	-	-
Depreciation expense	-	-
Carrying amount at the end of the year	-	-

12. Trade and other payables

	Consolidated	
	2026 $	2025 $
Trade Payables and accrued expenses	467,364	554,380
	467,364	554,380

13. Financial Liabilities

	Consolidated	
	2026 $	2025 $
Loans payable – Current Liabilities		
Loan from Asset Energy Pty Limited (a)	-	-
Loan from BPH Energy Limited (b)	-	-
	-	-

14. Issued Capital

(a) Issued Capital

	Consolidated	
	2026 $	2025 $
1,871,989,850 (2025: 1,849,765,850) fully paid ordinary shares	36,187,388	36,076,268

The company does not have an authorized capital and issued shares have no par value.	2026	2025	2026	2025
Ordinary Shares	**$**	**$**	**No**	**No**
At the beginning of reporting period	36,076,268	32,208,956	1,849,765,850	1,045,021,916
Shares issued – Option Exercise	-	316,925	-	57,622,726
Shares issued – Entitlement Issue	-	3,447,111	-	695,594,941
Shares issued payment of directors fees	111,120	257,632	22,224,000	51,526,267
Placement shares issued	-	-	-	-
Capital Raising cost	-	(154,356)	-	-
At reporting date	36,187,388	36,076,268	1,871,989,850	1,849,765,850

Fully Paid Ordinary Share Capital

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

(b) Options

During the year ended 30 June 2026, no shares of MEC were issued on the exercise of options (2025: 57,622,726). No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

(c) Options Placement

During the year ended 30 June 2026, the Company completed an options placement of 359,162,152 options at an issue price of $0.001 per option which raised $359,162 before costs of $13,250 (ie net proceeds of $345,912)

At balance date, there were the following share options on issue:

Issued	Number	Exercise	Expiry Date
10/02/2026	359,162,152	$0.03	10/02/2027
10/12/2025	14,373,453	$0.03	10/12/2026

The market price of the Company's ordinary shares at 30 June 2026 was $0.0025 cents.

Issued Capital (continued)

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

(d) Capital risk management

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

The focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet corporate overheads and exploration commitments. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group and the parent entity at 30 June 2026 and 30 June 2025 are as follows:

	Consolidated	
	2026	**2025**
	$	**$**
Cash and cash equivalents	1,384,110	2,040,195
Other receivables	-	164,022
Trade payables and financial liabilities	(467,364)	(554,380)
Working capital position	916,746	1,649,836

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

	Consolidated	
	2026 **$**	**2025** **$**

15. Reserves

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

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

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

Reserves (continued)

Option Reserve

Reconciliation of movement	**2026**	**2025**
	$	**$**
Opening balance	442,274	442,274
Reversal on deconsolidation	-	-
Closing balance	442,274	442,274

16. Cash Flow Information

	Consolidated	
	2026	**2025**
	$	**$**
(a) Reconciliation of Cash Flow from Operations with Profit/(Loss) after income tax		
Operating profit (loss) after income tax	(2,654,746)	207,490
Non-cash flows in profit:		
Accrued Interest	(73,198)	(6,497)
Other Income	-	(11,493)
Share of associates (profit)/losses	2,328,244	(736,006)
Interest expenses	-	5,099
Deposits written off	2,394	-
Fair value movement in listed shares	7,183	-
Changes in net assets and liabilities, net of effects of purchase & disposal of subsidiaries		
(Increase)/decrease in trade and other receivables	164,022	(164,021)
(Increase)/decrease in other assets	-	-
Increase/(decrease) in trade payables and accruals	24,104	(89,109)
Net cash flow from/(expended on) operating activities	(201,997)	(794,536)

17. Financial Risk Management

(a) Financial Risk Management

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

Financial Risk Exposures and Management

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

Interest rate risk

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

Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows.

Credit risk

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

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

Equity Price Risk

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

Foreign currency risk

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

(b) Financial Instruments

Interest rate risk

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

Financial Risk Management (Continued)

2026	Effective Average Interest Rate Payable %	Floating Interest Rate $	Fixed Interest Rate $	Non-Interest Bearing $	Total $
Financial Assets					
Cash and cash equivalents	1.25%	1,384,110	-	-	1,384,110
Advent loan – interest free & interest bearing	5.10%	-	1,629,695	4,161,134	5,790,829
Other receivables	-	-	-	-	-
Financial Assets - non-current	-	-	-	2,252,448	2,252,448
		1,384,110	1,629,695	6,413,582	9,427,387
Financial Liabilities					
Trade and sundry Payables		-	-	467,364	467,364
Financial liabilities		-	-	=	-
		-	-	467,364	467,364

2025	Effective Average Interest Rate Payable %	Floating Interest Rate $	Fixed Interest Rate $	Non-Interest Bearing $	Total $
Financial Assets					
Cash and cash equivalents	1.25%	2,040,195	-	-	2,040,195
Trade and other receivables	5.10%	-	756,498	4,161,134	4,917,632
Financial Assets – current	-	-	-	166,416	166,416
Financial Assets - non-current	-	-	-	4,587,874	4,587,874
		2,040,195	756,498	8,915,424	11,712,117
Financial Liabilities					
Trade and sundry Payables	-	-	-	554,380	554,380
Financial liabilities	-	-	-	-	-
		-	-	554,380	554,380

Financial Risk Management (Continued)

Fair Values
The fair values of:

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

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

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

	Consolidated			
	2026		2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Investments in Associates	2,248,138	2,248,138	4,576,382	4,576,382
Financial Assets				
Cash	1,384,110	1,384,110	2,040,195	2,040,195
Financial assets at fair value through profit or loss	4,310	4,310	11,492	11,492
Other receivables	5,790,829	5,790,829	4,917,632	4,917,632
	9,427,387	9,427,387	11,545,710	11,545,710
Financial Liabilities				
Other loans and amounts due	467,364	467,364	554,350	554,350
Other liabilities	-	-	-	-
	467,364	467,364	554,350	554,350

iii. Sensitivity Analysis

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

Financial Risk Management (Continued)

Interest Rate Sensitivity Analysis

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

	Consolidated Group	
	2026	**2025**
Change in profit		
— Increase in interest rate by 1%	1,237	785
— Decrease in interest rate by 0.5%	(619)	(785)

iv. Liquidity risk

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

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

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

30 June 2026

		Contractual cash flows					
	Carrying amount	**Total**	**2 months or less**	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Financial liabilities							
Trade and other payables	467,364	467,364	-	-	467,364	-	-
Unsecured loans	-	-	-	-	-	-	-
	467,364	467,364	-	-	467364	-	-

30 June 2025

	Contractual cash flows						
Financial liabilities	**Carrying amount**	**Total**	**2 months or less**	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Trade and other payables	554,380	554,380	-	-	554,380	-	-
Unsecured loans	-	-	-	-	-	-	-
	554,380	554,380	-	-	554,380	-	-

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

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

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

30 June 2026

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at FVTPL				
- Investments in listed entities	4,310	-	-	4,310
Financial assets at FVTPL				
- Investment/loan in unlisted entities	-	-	8,038,967	8,038,967
Total	4,310	-	8,038,967	8,043,277

30 June 2025

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at FVTPL				
- Investments in listed entities	11,492	-	-	11,492
Financial assets at FVTPL				
- Investment/loan in unlisted entities	-	-	9,494,014	9,494,014
Total	11,492	-	9,494,014	9,505,506

Reconciliation of Level 1 fair value measurements of financial assets:

	2026 Investments in listed entities (Level 1)	**2025 Investments in listed entities (Level 1)**
Opening balance	-	-
Add: Recognition of BPH Energy shares	4,310	11,492
Total gains or loss in the profit and loss	-	-
Proceeds from sale of listed investments	-	-
Closing balance	4,310	11,492

Reconciliation of Level 3 fair value measurements of financial assets:

	2026 Financial assets at FVTPL (Level 3)	**2025 Financial assets at FVTPL (Level 3)**
Opening balance	9,494,014	8,001,510
Add: Follow on loan advance plus accrued interest	873,198	756,498
Add: Reclassified balances on deconsolidation		-
Total gains or loss in the profit and loss	(2,328,244)	736,006
Closing balance	8,038,968	9,494,014

The Company has a 37.95% holding in Advent and, based on the 30 June 2026 book value of net assets of Advent the carrying value in Advent held by the Company as reflected at Note 10 is considered to reflect approximate fair value.

During the financial year ended 30 June 2026 the Company advanced a further $800,000 to Advent whereby the total amount advanced is $1,550,000. Interest accrued during the period ended 30 June 2026 is $73,198.

18. Events after the Balance Sheet Date

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

- 3 July 2026 – Advent to appeal Federal Court judgement
- 14 July 2026 – Appeal lodged with Federal Court
- 30 July 2026 – Quarterly activities report and Appendix 4C Cash Flow Report
- 21 August 2026 – Advent Energy Limited 2026 Annual Report

19. Controlled Entities and Associates Interests

(a) Controlled Entities

Name of Entity	Principal Activity	Country of Incorporation	Ownership Interest % 2026	Ownership Interest % 2025
Parent Entity				
MEC Resources Ltd	Investment	Australia	-	
Subsidiary of MEC Resources Ltd				
Catalyst Two Pty Ltd	Passive Trustee Co	Australia	100	100
Associate of MEC Resources Ltd Advent Energy Ltd	Investment	Australia	37.95	37.95

(b) Investments in Associates

	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenues	Profit for the Year	Total Comprehensive Profit for the Year
2026							
Advent Energy Ltd	545,923	20,736,796	7,970,889	7,674,124	-	(6,135,029)	(6,135,029)

	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenues	Loss for the Year	Total Comprehensive Loss for the Year
2025							
Advent Energy Ltd	1,851,588	22,416,856	4,911,009	7,584,700	30,000	1,939,409	1,939,409

20. Share-Based Payments

Share-based payments arrangements occurred during 30 June 2026.

On 18 August 2025 the Company completed a General Meeting of Shareholders to approve the issue of 16,648,800 shares to director Anthony Huston and 5,575,200 shares to director Peter Richards as part of offset of outstanding directors' fees to the value of $111,120. See Note 5.

21. Contingent Liabilities

The Company has no contingent liabilities.

22. Commitments

Capital Commitments

The Company has no current capital commitments.

23. Operating Segments

Operating segments have been identified on the basis of internal reports of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The chief operating decision maker has been identified as the Board of Directors. On a regular basis, the board receives financial information on the consolidated entity on a basis similar to the financial statements presented in the financial report, to manage and allocate their resources.

The consolidated entity's only operating segment is investments. The consolidated entity holds investments in two principal industries and these are;

- Neurotechnology
- Oil, gas and hydrocarbon exploration and development

24. Parent Entity

Summary financial information

	2026 $	2025 $
Current assets	1,384,110	2,206,611
Total assets	9,427,387	11,712,117
Current liabilities	467,364	554,380
Total liabilities	467,364	554,380
Issued capital	36,187,388	36,076,268
Options Placement	345,912	-
Retained earnings	(28,015,551)	(25,360,805)
Reserves	442,274	442,274
Total shareholder equity	8,960,023	11,157,737
Profit/(Loss) / Total Comprehensive Income/(Loss) for the year	(2,654,746)	207,490

Parent entity's contractual commitments for property, plant and equipment

The Company has no such contractual commitments.

Guarantees

The Company has not provided any guarantees during the year.

Contingent liabilities

There are no known contingent liabilities of the Company.

<u>Consolidated Entity Disclosure Statement as at 30 June 2026</u>

Name	Entity Type	Tax Residency	Country of Incorporation	Ownership Interest %
Parent Entity				
MEC Resources Ltd	Body Corporate	Australia	Australia	-
Subsidiaries/Associates of MEC Resources Ltd				
Catalyst Two Pty Ltd	Body Corporate	Australia	Australia	100
Advent Energy Ltd	Body Corporate	Australia	Australia	37.95

Directors Declaration

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 25 to 54, are in accordance with the Corporations Act 2001 and:

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

   (b) give a true and fair view of the financial position as at 30 June 2026 and of the performance for the year ended on that date of the consolidated entity;

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

3. The consolidated entity disclosure statement for MEC Resources Ltd and its controlled entities as at 30 June 2026 is true and correct,

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

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

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

……………………………………………………

David Breeze
Managing Director

Dated this 28 August 2026

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Independent Audit Report

To the members of MEC Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of MEC Resources Limited (the Company) and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material uncertainty related to the carrying value of loan receivable from & investment in Advent Energy Limited

We draw attention to Note 10 of the financial statements and specifically to the loan receivable from Advent Energy Ltd ("Advent") amounting to $5,790,829. We also draw attention to the investment in Advent of $2,248,138. The disclosures in Note 10 indicates that a material uncertainty exists in relation to the Group's ability to realise the carrying value of its loan receivable from, and investment in, Advent in the ordinary course of business. Our opinion is not modified in respect of this matter

Key Audit Matters

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

Key audit matter	How the matter was addressed in our audit
Carrying value of Loan Receivable from and Investment in Associate - Advent Energy Limited	
Refer to Note 10 Financial Assets	
At 30 June 2026, the respective carrying value of the loan and investment in associate, Advent Energy Limited (“Advent”) was $5,790,829 and $2,248,138. Using the equity method, the share of Advent’s loss was $2,328,244. Our audit focused on the Company’s assessment of the carrying value of the loan receivable from and investment in Advent, as these are significant assets and their recoverability is ultimately dependent upon the ability of Advent to extract value from its core assets. The evaluation of the recoverable amount of these assets requires significant judgment. We planned our work to address the audit risk that the loan to and investment in Advent may no longer be recoverable. In addition, we assessed whether facts and circumstances existed to suggest that the carrying value of these assets may exceed their recoverable amounts.	Our procedures included, amongst others: • We agreed the share of loss to Advent’s audited 30 June 2026 financial statements. • Confirming or otherwise substantiating the accuracy of loan amount receivable from Advent to their audited financial statements. • Review of ASX announcements and Advent’s financial statements so as to understand its assets and its future, including the status of the PEP 11 permit arising from the current legal activities described in the Directors’ Report and in Note 10. • We reviewed the disclosures made in the financial statements. • We considered if there were indicators of impairment present including the ability of the associate to repay the loan pursuant to the underlying terms and conditions of the loan agreement. • We have included an emphasis of matter paragraph in relation to the material uncertainties relating to the recoverability of the investment in, and loan receivable from Advent. This is due to the ongoing legal activities and uncertain outcome described in Note 10 and the Directors’ Report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 June 2026 but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

c) for such internal control as the directors determine is necessary to enable the preparation of:

   i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

   ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf . This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of MEC Resources Limited, for the year ended 30 June 2026 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

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

Suan-Lee Tan
Partner – Audit and Assurance
Moore Australia Audit (WA)

MOORE AUSTRALIA

Moore Australia Audit (WA)
Chartered Accountants

Perth
28th day of August 2026.

Additional information required by Australian Securities Exchange Limited and not shown elsewhere in this report as follows. The information is made up to 27 August 2026

1. Distribution of Shareholders

Range of Holding	Shareholders	Number Ordinary Shares	%
1 – 1,000	425	180,918	0.01
1,001 – 5,000	337	1,001,364	0.05
5,001 – 10,000	364	3,177,836	0.17
10,001 – 100,000	949	37,346,741	2.00
100,001 and over	742	1,830,282,991	97.77
	2,817	1,871,989,850	100

2. Voting Rights - Shares

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

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

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

4. Twenty Largest Shareholders

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

Name	Number of ordinary fully paid shares	% held of issued ordinary capital
ADVENT ENERGY LTD	189,513,209	10.12%
DAVID DOMINIC PEVCIC	74,503,182	3.98%
TRANDCORP PTY LTD	71,078,115	3.80%
CHUNYAN NIU	67,000,000	3.58%
GREG HUGH PRIESTLEY	44,480,000	2.35%
PETER RICHARDS (GROUPED)	43,396,916	2.32%
ADAM LEE CONIGLIARO	40,000,000	2.14%
DEAN BRETT BLANKFIELD <DEAN BLANKFIELD A/C>	40,000,000	2.14%
MARUSCO INVESTMENTS PTY LTD <MARUSCO S/F A/C>	32,683,032	1.75%
ANTHONY GORDON HUSTON & MRS SHELLEY ANNE HUSTON	30,385,448	1.62
LIBERT PTY LTD <N & L MULLER S/F A/C>	30,000,000	1.60%
STEPHEN JOHN DONALD	27,500,500	1.47%
STEPHEN DONALD & MS SHANDELLE SCHIPPLOCK <FAYCED A/C>	26,000,000	1.39
BPH ENERGY LIMITED	25,555,556	1.36%
ROSS MALCOLM GREENUP	24,444,444	1.31
ALLOY CONSULTING PTY LTD	23,409,277	1.25%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	21,434,802	1.14%
CITICORP NOMINEES PTY LIMITED	21,095,993	1.13%
MRS JULIE PAMELA VERLEY	20,574,736	1.11%
WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	20,097,384	1.07%
	873,152,594	**46.64%**

5. Twenty Largest Option holders – exercisable at $0.03 expiring 10 Feb 2027

The names of the twenty largest option holders of the company are:

Name	Number of options	% held of issued listed options
CHUNYAN NIU	49,405,334	13.756%
JAMES JOSEPH ROCHE	35,000,000	9.745%
EVAN DAVIS	22,658,879	6.309%
MATTHEW ROBERT BEALE <BEALE-CROUCH FAMILY A/C>	20,000,000	5.569%
DEAN BRETT BLANKFIELD	20,000,000	5.569%
DAWNGRANGE PTY LIMITED	19,664,334	5.475%
LIBERT PTY LTD <N & L MULLER S/F A/C>	15,000,000	4.176%
CCK PTY LIMITED <CCK SUPER FUND A/C>	10,402,476	2.896%
PETER LESLIE WESTAWAY	10,000,000	2.784%
JAKOB VAN DER BEEK	10,000,000	2.784%
RYAN PATRICK MENZIES	10,000,000	2.784%
KENYON ARTHUR BOARDMAN	8,875,000	2.471%
CSNA PTY LTD <ABL FAMILY SUPER FUND A/C>	7,500,000	2.088%
ALEC NOEL DOCHERTY	7,000,000	1.949%
JOHN FRANK BORGOGNO	6,000,000	1.671%
DAVID MARK MARCUSON	6,000,000	1.671%
AVOCARI PTY LTD <AVOCARI P/L EMPLOYEE SF A/C>	6,000,000	1.671%
SAMUEL TIEN BAO SELHORST	5,600,000	1.559%
HELEN LISA CREIGHTON-CARR	5,000,000	1.392%
MARRUCINI INVESTMENTS PTY LTD <MARRUCINI A/C>	5,000,000	1.392%
	279,106,023	**77.71%**