



ACN 113 900 020

NOTICE OF GENERAL MEETING

INCORPORATING DIRECTORS' STATEMENT, NOTICE OF GENERAL MEETING, EXPLANATORY MEMORANDUM, PROXY FORM AND REQUISITIONING SHAREHOLDERS' STATEMENT

Meeting to be held at **Level 12, 255 George Street, Sydney, NSW 2000**

on **Tuesday, 6 October 2020 at 3.00 pm AEDT**

DUE TO THE ONGOING COVID-19 PANDEMIC, SHAREHOLDERS WILL NOT BE ABLE TO ATTEND THE MEETING IN PERSON.

Shareholders are urged to vote by lodging the proxy form that has been separately sent to you.

The Company is required to call the General Meeting pursuant to section 249D of the Corporations Act.

A majority of the Directors of MEC Resources Ltd recommend that Shareholders:

VOTE AGAINST ALL SEVEN RESOLUTIONS

The majority of the Directors do not consider the Resolutions to be in the best interests of the Company or its Shareholders for the reasons detailed in the Notice of General Meeting

This is an important document that requires your immediate attention

The Company is closely monitoring the impact of the COVID-19 pandemic in Australia and has made arrangements for the Meeting to be held virtually. There will not be a physical meeting where Shareholders can attend in person. Shareholders who wish to attend and participate in the virtual Meeting can do so via the online meeting platform, where Shareholders will be able to watch, listen, and vote online. Details on how to access the virtual Meeting are provided in the Notice of General Meeting. Please contact the Company by emailing info@mecresourcespdf.com.au, if you have any queries.

You should read this document in its entirety before deciding whether or not to vote for or against any resolution at the Meeting. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

If you have questions about the Meeting or the Resolutions to be voted on, please call +61 484 076 462, Monday to Friday between 8:30am and 5:00pm AEDT.

DIRECTORS STATEMENT

1 September 2020

Dear Shareholder

Three (3) of MEC Resources Ltd's ("MEC" or the "Company") nearly 2,800 shareholders, Ms Louise Ann Jones, Mr Andrew Jones and Mrs Janet Ann Jones as trustee for the AJ Superfund A/C and Griffiths Sf Pty Ltd as trustee for the Griffiths Super Fund A/C, representing approximately 5.25% of MEC's share capital (the "Requisitioning Shareholders"), have lodged with the Company notices under both section 203D and 249D of the Corporations Act 2001 (Cth) (the "Act").

Taken together, the notices require MEC to call a meeting of shareholders at the Company's considerable expense at which to consider the resolutions requested by the Requisitioning Shareholders being that we – Messrs Andrew Bald, Stephen Harrison and Anthony Hamilton, the **Independent Non-Executive Directors** of the Company, be removed from the Board and that Messrs Roderick Corps, Andrew Jones and Andrew Coloretti (together, the "Requisitioning Shareholders' Nominees" or "Nominees") be elected to the Board.

MEC shareholders should be aware that MVP Financial Pty Ltd, trading as Here Business & Wealth provided assistance (through its subsidiary) (together the "Here Group") in relation to the Company's mid-2019 capital raising, various business development initiatives and in corporate governance matters. Current MEC Director Mr Doug Verley and MEC Joint Company Secretary, Mr Robert Marusco, are directors of entities that form part of the Here Group and Mr Andrew Jones, a Requisitioning Shareholder and Nominee, is an associate of Here Group. We, the independent non-executive directors the subject of this requisition, are independent of Messrs Doug Verley and Robert Marusco. We are concerned that the Nominees are not.

If a majority of MEC shareholders support our recommendation to vote against the resolutions, the Board of MEC will remain unchanged, and will comprise Messrs Bald, Harrison and Hamilton, as well as Mr Verley.

On the other hand, if a majority of shareholders support the resolutions, the Board of MEC will comprise current Director Mr Doug Verley, as well as Messrs Corps, Jones and Coloretti.

We write this letter to you to seek your support so we may continue with the important task of running your Company. You can achieve this outcome by **VOTING AGAINST** each of the seven resolutions proposed by the Requisitioning Shareholders at the Company's forthcoming General Meeting.

We strongly consider it is in the best interests of MEC and all of its shareholders to **VOTE AGAINST** the resolutions for the following key reasons:

- We have a sound and credible plan to take the Company forward whereas the Requisitioning Shareholders have not set out a credible plan to take the Company forward.
- The current Board has a wealth of relevant experience and the requisite skills and credentials to help increase shareholder value. The Requisitioning Shareholders' Nominees are relatively inexperienced.
- Holding only approximately 5.25% of the shares in MEC, it is inappropriate for the Requisitioning Shareholders to seek an MEC Board comprising only of its associates, with no representation for the other 95% of shareholders.
- The Requisitioning Shareholders should make an appropriately priced takeover bid for MEC if they wish to take control rather than doing so by taking control of the Board.

DIRECTOR STATEMENTS

(cont.)



- There may be potential conflicts of interests in respect to the engagements between the Here Group and the Company.

For these and other reasons, additional information in respect of which is set out as an attachment, we seek your support by voting **AGAINST** each of the seven resolutions at the Company's forthcoming General Meeting.

You can vote **AGAINST** the resolutions by completing and returning the **GREEN PROXY FORM** which is enclosed with this Notice of General Meeting.

Every single vote is important, no matter how big or how small.

Finally, let us say that we respect the right of every shareholder to be heard. Equally, we have an obligation to act without fear or favour, and not to override the interests of the Company and shareholders as a whole in favour of a small group of dissenting shareholders.

This general meeting is an important decision that will shape the future of your investment in MEC. The result of the general meeting could trigger an irreversible change to MEC's strategy.

We offer our sincerest thanks for your ongoing support.

Signed by and for and on behalf of Messrs Stephen Harrison and Anthony Hamilton:

A handwritten signature in black ink that reads "Andrew Bald".

Andrew Bald

Non-Executive Director

ATTACHMENT

WE HAVE A SOUND PLAN TO TAKE THE COMPANY FORWARD

We have a sound and credible plan to take MEC forward. We will:

- convene a meeting of shareholders to vote on the in-specie distribution of MEC's 47% stake in Advent Energy Limited ("Advent") and continue in our attempts to engage with Advent in order to secure the information necessary to make a recommendation on the in-specie distribution;
- continue to review an extensive list of new projects;
- seek to secure the first new project for the Company in more than 10 years; and
- continue to manage the Company cost efficiently with minimal administration expenses.

The key component of our plan is, in the first instance, the in-specie distribution of shares held by MEC in Advent to the Company's shareholders, subject to first obtaining shareholder approval, which:

- will deliver value directly into the hands of MEC Shareholders;
- will allow the Company to focus on a new project(s);
- bring new interest to a Company that has had no positive news in many, many years.

If our plan is successful, MEC shareholders will hold shares in both Advent and MEC with at least one new project in MEC.

As disclosed in MEC's ASX announcements, we have been seeking additional information from Advent to finalise our notice of meeting and prospectus to effect the in-specie distribution of MEC'S shares in Advent. Recently, to advance matters and seek a path forward, the Board of MEC wrote to Advent suggesting the formation of a committee comprising of two MEC board members, Messrs Anthony Hamilton and Stephen Harrison, and two board members from Advent.

The proposal was that the committee would work towards a solution of the non-disclosures but importantly, to also consider alternative mechanisms that would suit all Advent shareholders including both MEC and BPH shareholders. MEC is awaiting a response from Advent.

We remain committed to the in-specie distribution of MEC's shares in Advent to MEC's shareholders. With Advent's support, we hope that a notice of meeting and prospectus can be provided to MEC shareholders by MEC's 2020 annual general meeting. The Requisitioning Shareholders have not committed to distribute the Advent Shares to shareholders. Changing the Board now could derail this proposal.

The second key component of our plan is to secure a new investment to rejuvenate the Company, increase shareholder and broker engagement with the goal of increasing shareholder value. Over the last 6 months, we have identified a number of attractive opportunities which we have presented to Board, including:

- an early-stage oil and gas project in the Officer Basin (WA);
- multiple gold projects in Queensland and Western Australia;
- a tin project in Queensland; and
- various renewable energy projects

We hope to secure at least one new project for the Company by the end of this calendar year and look forward to advising shareholders of any new investments as and when they are confirmed.

Should the Company need to raise additional capital in the near term, we consider that we are better placed to procure, and facilitate, a capital raising given our combined experiences, compared to the Requisitioning

DIRECTOR STATEMENTS

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Shareholders' Nominees.

THE REQUISITIONING SHAREHOLDERS HAVE NOT SET OUT ANY PLANS TO TAKE THE COMPANY FORWARD

In the Requisitioning Shareholders statement under section 249P of the Corporations Act, which is included as an Annexure to the Notice of General Meeting, the Requisitioning Shareholders did not detail any plan for MEC going forward.

Our responses to certain statements made by the Requisitioning Shareholders in their letter are as follows:

1. The Requisitioning Shareholders states that *"With the combined network of new directors, MEC would be able to get early exposure to new potential investments and companies that the retail market would never see, which would increase the value of MEC and in turn shareholder's value."* but have not provided shareholders with any further details in respect to what these new potential investments are. In particular, no mention is made by the Requisitioning Shareholders as to:

- What sectors they would be targeting?
- How they would source these new investments?
- How they would evaluate these new investments?
- How would they fund these new investments?

2. The Requisitioning Shareholders state that:

"MEC continues with ongoing issues including the latest writ of demand made of the Company by BPH Energy Ltd."

This is incorrect. **The Company is not in dispute with, nor has it received a writ of demand from, BPH Energy Ltd.**

3. The Requisitioning Shareholders are silent in respect to the in-specie distribution of Advent's shares save for the reference in their letter that they will *"work with Advent and BPH to look at cleaning up the legacy issues with the Company"*.

In addition the Requisitioning Shareholders make no mention whatsoever as to how they intend to achieve the above noting in particular that, as shareholders are aware, BPH is not the reason that MEC is presently facing these issues (and the reason that the Company's shares are in suspension), rather, the relevant third party that MEC has to resolve matters with is Advent.

Further, the Requisitioning Shareholders have not made any mention in respect to the in-specie distribution in their letter and have instead referred to a valuation of MEC based on certain metrics related to PEP 11 (being the key asset of Advent) and BPH Energy Ltd which suggests that they (and their Nominees) may not intend to proceed with the in-specie distribution of Advent's shares to MEC shareholders.

In our opinion, the letter provided by the Requisitioning Shareholders is without a firm statement of intention in respect to the plans of MEC going forward and provides no certainty to shareholders in respect to the in-specie distribution of MEC's shares in Advent.

THE CURRENT BOARD HAS THE REQUISITE SKILLS AND CREDENTIALS AND ARE BETTER PLACED TO GOVERN MEC

You have a highly experienced Board with a proven track record. The current Board members have the requisite

DIRECTOR STATEMENTS

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skills, credentials and experience and are better placed to take the Company forward (as opposed to the Nominees) for the following reasons:

- We have a wealth of ASX experience of more than 50 years (collectively) including:
 - extensive capital raising experience particularly in the oil and gas and natural resources sector;
 - arranging and lead managing numerous IPOs;
 - takeovers, acquisitions and disposal of assets;
 - managing ASX listed companies;
 - managing oil and gas companies; and
 - acquisitions and disposals of assets including energy and minerals.

Further details of Messrs Bald, Harrison and Hamilton's credentials and experience are detailed in this Notice of General Meeting.

- An ASIC search conducted by us identified that, in the last five years, only Mr Roderick Corps has any experience as a director of an ASX listed company and he left that role nearly four years ago. Noting further that that the company of which he was a director undertook at least 2 reverse takeover transactions before Mr Corps left in November 2016 after experiencing a significant collapse in its share price.
- We have been unable to identify any recent ASX releases in respect to capital raisings, IPO, takeovers, mergers and acquisitions, reverse takeovers etc. to verify the statements included in the experience of the Nominees, including:
 - "numerous trading and capital raising roles for leading global investment banks"; and
 - "providing corporate advice to ASX companies and specialises in capital raising solutions".

HOLDING ONLY APPROXIMATELY 5.25% OF THE SHARES IN MEC IT IS INAPPROPRIATE FOR THE REQUISITIONING SHAREHOLDERS TO SEEK AN MEC BOARD COMPRISING ONLY ITS ASSOCIATES, WITH NO REPRESENTATION FOR THE OTHER 95% OF SHAREHOLDERS

Shareholders should be aware that:

- the relationships between Here Group, the Requisitioning Shareholders and the Requisitioning Shareholders' Nominees are as follows:
 - Mr Andrew Jones, one of the Requisitioning Shareholders and a Nominee, is a Here Group employee (and was involved in the Company's mid-2019 capital raising as a representative of Here Group);
 - Mr Douglas Verley, a MEC director, is also a director of Here Group entities; and
 - Mr Robert Marusco, MEC joint company secretary, is also a director of Here Group entities; and
- the Requisitioning Shareholders, who have called this meeting of shareholders of MEC, hold only approximately 5.25% of the shares in the Company on issue and should the Requisitioning Member's Resolutions be successful, the Board of MEC will comprise:
 - two directors who are associates of Here Group; and
 - two directors who are nominees of the Requisitioning Shareholders,

resulting in there being no board representation for the other 95% of shareholders.

DIRECTOR STATEMENTS

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In addition, there can be no sound rationale for the Requisitioning Shareholders seeking to remove Messrs Stephen Harrison and Tony Hamilton, when both were only appointed to the Board a month or so ago.

We consider that this action suggests that the Here Group is seeking to “take control” of the Company (via the appointment of its nominees to the board of the Company) and reinforces the comments made by the Takeovers Panel in the reasons for decisions dated 22 January 2020, whereby the Takeovers Panel made a number of comments in respect to the Here Group (in the context of the capital raising facilitated by Here Capital Pty Ltd), including that:

- Mr Verley had said in an email that:

“We are in the process of potentially securing a significant interest in ASX listed company (MEC), which will then invest in underlying private high-growth opportunities that are brought to us, and like those that we are currently promoting. Most of our future capital raisings for private companies will take place via this ASX listed entity”.

“There is a strong possibility that we (MVP) will have a material influence on the future direction of MEC.”

- Here Capital did not address adequately (or at all) what was meant by the statement above and the Panel was left uncomfortable by the non-response to this part of the question and this was one of the reasons for the Panel’s referral to ASIC.

Having regard to all of the above, shareholders should carefully consider if the composition of the board being proposed by the Requisitioning Shareholders (comprising only of directors associated with Here Group and representing a minority of the shareholders) is best placed to serve your interests going forward.

THE REQUISITIONING SHAREHOLDERS SHOULD MAKE AN APPROPRIATELY PRICED TAKEOVER BID FOR MEC IF THEY WISH TO TAKE CONTROL

We acknowledge that MEC is a public company owned by its shareholders, and our role is not to entrench ourselves but rather to steer the ship in the interests of maximising wealth for all the Company’s shareholders.

The usual way in which control of a public company passes is through the party seeking control making a takeover bid pursuant to which an appropriate takeover premium is paid, the offer representing fair value for all other shareholders, and in which all other shareholders have an equal opportunity to participate.

Accordingly, we invite the Requisitioning Shareholders to make an appropriately priced takeover bid for the Board and shareholders to consider, rather than seek to take control of MEC by stealth, which we consider is not appropriate.

THERE MAY BE POTENTIAL CONFLICTS OF INTERESTS IN RESPECT TO THE ENGAGEMENTS BETWEEN HERE GROUP AND THE COMPANY

In 2019, MEC engaged Here Group to provide corporate advisory services and company secretarial services which included (amongst other matters):

- identifying new projects;
- raising capital; and
- finance and accounting, book-keeping, creditor payments, ASX and ASIC compliance and corporate governance, ASX reporting etc.

DIRECTOR STATEMENTS

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As part of the above engagements, MEC agreed to pay Here Group an aggregate value of \$120,000 per annum.

We are concerned that Here Group and its associates have failed to disclose third party arrangements and engagements between Here Group and companies that were previously introduced by the Here Group to MEC. For instance:

- in respect to the Company's proposed acquisition of a 10% interest in Zellebrate Holdings Pty Ltd ("Zellebrate"), after engaging with the ASX in respect to the proposed transaction, it was brought to our attention that Messrs Doug Verley and Robert Marusco both held convertible notes in Zellebrate; and
- in respect to the Company's proposed acquisition of a 10% interest in Intelligent IP Hosting Pty Ltd trading as Claratti Workspace ("Claratti"), we understand that Here Group was retained by Claratti as advisors in relation to a raising capital (ie. Claratti paid Here Group fees for advisory services and capital raisings) and that Here Group may have been paid a fee for the \$100,000 investment made by MEC.

None of the above matters were previously disclosed to the board of MEC. We are presently seeking clarity from Here Group in respect to the above arrangements and are awaiting their response.

Having regard to the above matters and Mr Verley's email highlighted by the Takeovers Panel (detailed above), we are not only concerned with the lack of transparency to date but also the risk of future conflicts and potential governance issues, if the Company is without an independent board.

NOTICE OF GENERAL MEETING



Notice is hereby given that a general meeting of MEC Resources Ltd (the "Company") will be held at Level 12, 255 George Street, Sydney, NSW, 2000 and via an online meeting platform, on Tuesday, 6 October 2020 commencing at 3.00 pm Australian Eastern Standard Time ("AEDT") ("Meeting").

Due to the ongoing COVID-19 pandemic, Shareholders will only be able to attend and participate in the Meeting via the online meeting platform and all voting will be conducted by poll using proxy instructions received in advance of the Meeting or by online poll at the Meeting. Please refer to the Explanatory Memorandum attached to the Notice of General Meeting for further details.

The Explanatory Memorandum that accompanies and forms part of this Notice of General Meeting provides additional information on matters to be considered at the Meeting. The Proxy Forms also form part of this Notice of General Meeting.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 3:00 pm AEDT on Sunday, 4 October 2020.

Shareholders are urged to vote by returning a completed Proxy Form. Instructions on how to complete the Proxy Form are set out in the Explanatory Memorandum. Proxy Forms must be received by no later than 3.00 pm AEDT on Sunday, 4 October 2020.

Terms and abbreviations used in this Notice of General Meeting and Explanatory Memorandum are defined in the Glossary of the Explanatory Memorandum.

Shareholders should read the Explanatory Memorandum before deciding how to vote.

AGENDA

Resolution 1: Removal of Mr Andrew Bald as Director



To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"That, pursuant to section 203D of the Corporations Act, Mr Andrew Bald be removed from office as a Director of the Company and any of its related bodies corporate with effect from the close of business on the day that the resolution is approved."

The Board is not proposing Resolution 1. The Company is required to put Resolution 1 to Shareholders due to the request made by the Requisitioning Shareholders.

A majority of your Directors recommend you vote AGAINST this resolution.

The Chairman intends to vote all undirected proxies **against** Resolution 1.

Resolution 2: Removal of Mr Stephen Harrison as Director



To consider

and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"That, pursuant to section 203D of the Corporations Act, Mr Stephen Harrison be removed from office as a Director of the Company and any of its related bodies corporate with effect from the close of business on the day that the resolution is approved."

The Board is not proposing Resolution 2. The Company is required to put Resolution 2 to Shareholders due to the request made by the Requisitioning Shareholders.

NOTICE OF GENERAL MEETING



A majority of your Directors recommend you vote **AGAINST** this resolution.

The Chairman intends to vote all undirected proxies **against** Resolution 2.

Resolution 3: Removal of Mr Anthony Hamilton as Director



To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"That, pursuant to section 203D of the Corporations Act, Mr Anthony Hamilton be removed from office as a Director of the Company and any of its related bodies corporate with effect from the close of business on the day that the resolution is approved."

The Board is not proposing Resolution 3. The Company is required to put Resolution 3 to Shareholders due to the request made by the Requisitioning Shareholders.

A majority of your Directors recommend you vote **AGAINST** this resolution.

The Chairman intends to vote all undirected proxies **against** Resolution 3.

Resolution 4: Removal of other Directors



To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"That, any Director of the Company appointed after the section 203D notice dated 10 August 2020 and prior to the date of this general meeting of shareholders be removed from office as a Director of the Company and with effect from the close of business on the day that the resolution is approved."

The Board is not proposing Resolution 4. The Company is required to put Resolution 4 to Shareholders due to the request made by the Requisitioning Shareholders.

A majority of your Directors recommend you vote **AGAINST** this resolution.

The Chairman intends to vote all undirected proxies **against** Resolution 4.

Resolution 5: Election of Mr Roderick Corps as Director



To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"That Mr Roderick Corps be appointed as Director of the Company and any of its related bodies corporate with effect from the close of business on the day that the resolution is approved."

The Board is not proposing Resolution 5. The Company is required to put Resolution 5 to Shareholders due to the request made by the Requisitioning Shareholders.

A majority of your Directors recommend you vote **AGAINST** this resolution.

The Chairman intends to vote all undirected proxies **against** Resolution 5.

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Resolution 6: Election of Mr Andrew Jones as Director



To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“That Mr Andrew Jones be appointed as Director of the Company and any of its related bodies corporate with effect from the close of business on the day that the resolution is approved.”

The Board is not proposing Resolution 6. The Company is required to put Resolution 6 to Shareholders due to the request made by the Requisitioning Shareholders.

A majority of your Directors recommend you vote AGAINST this resolution.

The Chairman intends to vote all undirected proxies **against** Resolution 6.

Resolution 7: Election of Mr Andrew Coloretti as Director



To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“That Mr Andrew Coloretti be appointed as Director of the Company and any of its related bodies corporate with effect from the close of business on the day that the resolution is approved.”

The Board is not proposing Resolution 7. The Company is required to put Resolution 7 to Shareholders due to the request made by the Requisitioning Shareholders.

A majority of your Directors recommend you vote AGAINST this resolution.

The Chairman intends to vote all undirected proxies **against** Resolution 7.

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Proxies, attorneys and corporate representatives

A member entitled to attend and vote at the Meeting may appoint a proxy, attorney or representative to give its vote and, if entitled to cast two or more votes, is entitled to appoint no more than two proxies. If two proxies are appointed, each proxy may be appointed to represent a specified proportion of the member's voting rights. If such proportion is not specified, each proxy may exercise half of the Shareholder's voting rights. Fractions shall be disregarded. A proxy may, but need not be, a member of the Company and a member may appoint an individual or a body corporate to act as its proxy.

For the convenience of Shareholders, two proxy forms have been included with this Explanatory Memorandum, a green proxy form and a white proxy form. Submit EITHER a green or white proxy form – DO NOT SUBMIT BOTH.

In accordance with the instructions on the proxy form, return your completed proxy form as soon as possible.

The green proxy form has been completed in line with the recommendation of a majority of Directors – Messrs Andrew Bald, Stephen Harrison and Anthony Hamilton – and has been paid for by them out of their personal funds. If you wish to vote in accordance with the recommendation of a majority of Directors, **you should execute the green proxy form and return it in accordance with the instructions on the form.** If you execute and return the green proxy form, you **do not** need to complete the white proxy form.

If you want to appoint a proxy and do not wish to vote in accordance with the recommendations of a majority of the Directors, you should follow the instructions on the white proxy form to indicate your voting directions and return it following the instructions on the form.

The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, executed in accordance with the Corporations Act.

Proxy forms and, if applicable, the powers of attorney (or a certified copy of the powers of attorney) under which they are signed must be lodged directly by the member making the appointment at least 48 hours before the appointed time of the Meeting.

Lodgment details for proxy forms are as follows:

Post	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001 Australia
Hand Delivery	Boardroom Pty Limited Level 12, 225 George Street, Sydney NSW 2000 Australia
Facsimile	+61 2 9290 0655
Email	info@mecresourcespdf.com.au

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Voting

The Chairman intends to put each Resolution that is moved at the Meeting to a poll. Voting results will be announced to the ASX as soon as practicable after the Meeting.

Entitlement to vote

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company at 3:00 pm AEDT on Sunday, 4 October 2020. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

ASX

A final copy of this Notice of General Meeting and Explanatory Memorandum has been lodged with ASX. Neither ASX nor any of its respective officers takes any responsibility for the contents of this document.

By order of the Board:

A handwritten signature in black ink that reads "Andrew Bald".

Mr Andrew Bald

Joint Company Secretary

Dated: 1st September 2020

Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting of the Company to be held at Level 12, 255 George Street, Sydney, NSW, 2000 on Tuesday, 6 October 2020 commencing at 3.00 pm AEDT.

The purpose of this Explanatory Memorandum is to explain the background to the Meeting and the Resolutions, and to provide information that the Board considers material to Shareholders in relation to the Resolutions.

The Company recommends that Shareholders read this Explanatory Memorandum and Directors' Statement (which is included in this Notice of General Meeting) before making any decisions in relation to the Resolutions.

Impact of COVID-19 on the Meeting

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19. While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Board at the time of the Notice, the Company intends to conduct a poll on the resolutions in the Notice of General Meeting using the proxies filed prior to the Meeting and for Shareholders to be able to attend and vote at the Meeting via the online meeting platform, where Shareholders will be able to watch, listen, and vote online.

If the arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform.

No attendance in person

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company is not able to allow Shareholders to physically attend the Meeting. Please refer to the information below on how Shareholders can participate in the Meeting.

Voting by proxy

All voting will be conducted by poll using proxy instructions received in advance of the Meeting (and via online polling during the Meeting - see below).

Shareholders are strongly encouraged to submit their proxies as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice of General Meeting. To lodge your proxy, please follow the directions on your personalised Proxy Form which will be enclosed with a copy of the Notice, delivered to you by email or post (depending on your communication preferences).

Complete the green pre-filled Proxy Form if you wish to vote as recommended by the Board. If you wish to vote other than as recommended by the Board, complete the white Proxy Form. Do not complete both a green and a white Proxy Form.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form attached to the Notice.

You must return a Proxy Form by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and

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- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Remote attendance via the online meeting platform

Shareholders who wish to attend and participate in the virtual Meeting can do so through the online meeting platform provided by Boardroom Pty Ltd, the Company's share registry, where Shareholders will be able to watch, listen, and vote online.

To access the virtual Meeting, please click on the link below:

<https://web.lumiagm.com/>

A unique holding ID to access the virtual platform will be provided to shareholders.

Questions to be submitted in advance only

Shareholders are asked to submit questions that relate to the items of business in the Notice of Meeting in advance of the Meeting to the Company. Questions must be submitted by emailing info@mecresourcespdf.com.au by no later than Sunday, 4 October 2020. The Chairman will attempt to respond to the questions during the Meeting. Shareholders are limited to a maximum of two questions each per Resolution.

Background to special business being put to the Meeting

On 10 August 2020, Ms Louise Ann Jones, Mr Andrew Jones and Mrs Janet Ann Jones as trustee for the AJ Superfund A/C and Griffiths Sf Pty Ltd as trustee for the Griffiths Super Fund A/C, shareholders who in aggregate held at least 5% of the votes that may be cast at a general meeting of the Company ("Requisitioning Shareholders"), issued a notice to the Company pursuant to section 203D(2) of the Corporations Act advising of their intention, at a general meeting of the Company, to move the Resolutions detailed in the Notice of General Meeting.

On 11 August 2020, the Company received a notice from the Requisitioning Shareholders pursuant to section 249D of the Corporations Act requisitioning a general meeting of the Company. These seven items of business in the notice from the Requisitioning Shareholders are the subject of this Notice of General Meeting.

Directors Messrs Andrew Bald, Stephen Harrison and Anthony Hamilton recommend that shareholders VOTE **AGAINST** all Resolutions.

Voting by the majority of Shareholders in accordance with the recommendation of Directors Andrew Bald, Stephen Harrison and Anthony Hamilton will result in a Board comprising Messrs Andrew Bald, Stephen Harrison, Anthony Hamilton and Douglas Verley. That is to say, the current Board will remain unchanged following completion of the Meeting.

Mr Douglas Verley, Director, who is associated with Requisitioning Shareholders' Board nominee, Andrew Jones, recommends that shareholders vote for all Resolutions.

Voting by the majority of Shareholders in accordance with the recommendation of Mr Verley and the Requisitioning Shareholders will result in a Board comprising Messrs Roderick Corps, Andrew Jones, Andrew Coloretti and Douglas Verley.

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MEC Resources Ltd – ACN 113 900 020



Frequently asked questions

On what basis have the Requisitioning Shareholders called the Meeting to have Resolutions considered and voted on for the removal from the Board of Directors Messrs Bald, Harrison and Hamilton and other Directors, and the election to the Board of Messrs Corps, Jones and Coloretti?	Any shareholder (or group of shareholders) holding more than 5% of the votes that may be cast at a general meeting is entitled to call and arrange to hold a general meeting to have resolutions considered and voted on. Seven resolutions are being put before the Meeting as a result of a request from shareholders whom, in aggregate, holds more than 5% of the Company's shares.
Why do the Requisitioning Shareholders wish to elect Messrs Corps, Jones and Coloretti to the Board?	The Requisitioning Shareholders have provided a statement under section 249P of the Corporations Act ("Requisitioning Shareholders' Statement") which is included in this Notice of General Meeting and which sets out its reasons for seeking to remove from the Board Messrs Bald, Harrison, Hamilton and other Directors, and elect to the Board Messrs Corps, Jones and Coloretti. Messrs Andrew Bald, Stephen Harrison and Anthony Harrison, Directors, disagree with the reasons set out by the Requisitioning Shareholders.
Why does Director Douglas Verley recommend that shareholders vote for all Resolutions?	Director Douglas Verley and Requisitioning Shareholders' Board nominee, Mr Andrew Jones, are associates of each other through MVP Financial Pty Ltd trading as Here Business & Wealth. Mr Verley has stated that he intends to vote for all Resolutions. Mr Verley has not provided a statement for inclusion in this Notice of General Meeting.
Why do Directors, Messrs Andrew Bald, Stephen Harrison and Anthony Harrison recommend shareholders vote against all Resolutions?	Messrs Andrew Bald, Stephen Harrison and Anthony Harrison recommend shareholders vote against all Resolutions for the reasons set out in the Directors' Statement to Shareholders which is included in this Notice of General Meeting.

Further information

If you have questions about the Meeting or the Resolutions to be voted on, please call the Company information line on +61 484 076 462 within Australia or +61 484 076 462 from outside of Australia, Monday to Friday between 8:30am and 5:00pm AEDT.

Important dates and times

Last time/date for receipt of valid proxies	3.00 pm (AEDT) on Sunday, 4 October 2020
Record time/date to determine Shareholders eligible to vote	3:00 pm (AEDT) on Sunday, 4 October 2020
Meeting	3:00 pm (AEDT) on Tuesday, 6 October 2020

Nature of Resolutions

All of the Resolutions are ordinary resolutions, meaning they can be passed by a simple majority of votes cast by Shareholders entitled to vote.

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Special Business

Resolution 1 – Removal of Mr Andrew Bald as a Director

Resolution 1 relates to the removal of Mr Andrew Bald as a Director.

Mr Bald was appointed as an Independent Non-Executive Director on 24 July 2018.

He is a Corporate Advisor with a focus on equity capital markets for ASX listed companies.

His experience spans a range of roles including 16 years working for a variety of domestic and offshore financial institutions where he provided advice and structured risk management solutions for most of the ASX top 200 listed companies, specialising in structured interest rate and currency derivatives. Since 1999, he has originated and completed numerous corporate finance transactions, assisting companies manage both their debt and equity requirements and has personally invested in a number of start-ups including resources and technology (amongst others).

Mr Bald holds (indirectly) 14,218,096 Shares in the Company.

Information as to why Directors Messrs Andrew Bald, Stephen Harrison and Anthony Hamilton, recommend Shareholders vote **against**, and will be voting all the Shares they hold **against**, the removal of Mr Bald as a Director is set out in detail in the Directors' Statement which is included in this Notice of General Meeting.



Directors Andrew Bald, Stephen Harrison and Anthony Hamilton do not support this Resolution and will be voting all the Shares they hold AGAINST the removal of Mr Bald.

Resolution 2 – Removal of Mr Stephen Harrison as a Director

Resolution 2 relates to the removal of Mr Stephen Harrison as a Director.

Mr Harrison was appointed as a Director on 31 July 2020.

He has more than 30 years' experience in the financial services, funds management, private equity and accounting fields. He has held director positions with Investec Funds Management and the Australian subsidiary of US based fund manager Sanford C. Bernstein.

Mr Harrison has been a founder and has held directorships in a number of listed and unlisted companies both in Australia and overseas. He has extensive ASX experience and is currently Chairman of IncenTipay Limited (ASX – INP).

Mr Harrison also has extensive oil and gas experience including:

- Founder and Director of Australian focused oil exploration company, Exoma Energy Limited
- Director on Philippines focused offshore oil and gas explorer Kairiki Energy Limited
- Founder and Director of Blue Energy Limited, a Queensland focused coal seam gas and oil company.

He has raised significant capital in the oil and gas industry for these and other listed companies. He is also Chairman of the public Life insurance company, NobleOak Life Limited.

Mr Harrison does not currently hold any shares in the Company.

Information as to why Directors Messrs Andrew Bald, Stephen Harrison and Anthony Hamilton, recommend Shareholders vote **against**, and will be voting all the Shares they hold **against**, the removal of Mr Bald as a Director is set out in detail in the Directors' Statement which is included in this Notice of General Meeting.



Directors Andrew Bald, Stephen Harrison and Anthony Hamilton do not support this Resolution and will be voting all the Shares they hold AGAINST the election of Mr Harrison.

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Resolution 3 – Removal of Mr Anthony Hamilton as a Director

Resolution 3 relates to the removal of Mr Anthony Hamilton as a Director.

Mr Hamilton was appointed as a Director on 31 July 2020.

He is a Chartered Account with more than 30 years' experience with a wide range of experience across a broad sector of industries.

He is a Director of Equity Underwriters Pty Ltd, a stockbroker and corporate advisory firm that specialises in the Resources area with extensive experience in the Oil & Gas sector. Over the last decade, Equity Underwriters has raised capital for in excess of 100 companies and acted as lead broker on a number of occasions. In addition, their Corporate Advisory division has advised on numerous transactions including a public takeovers.

Mr Hamilton is also the CEO of Premium Litigation Funding Solutions Pty Ltd, a litigation funding business that has successfully funded a number of litigation matters.

Mr Hamilton does not currently hold any shares in the Company.

Information as to why Directors Messrs Andrew Bald, Stephen Harrison and Anthony Hamilton, recommend Shareholders vote **against**, and will be voting all the Shares they hold **against**, the removal of Mr Bald as a Director is set out in detail in the Directors' Statement which is included in this Notice of General Meeting.



Directors Andrew Bald, Stephen Harrison and Anthony Hamilton do not support this Resolution and will be voting all the Shares they hold AGAINST the election of Mr Hamilton.

Resolution 4 – Removal of other Directors

Resolution 4 is to the effect that any Director of the Company appointed after the section 203D notice dated 10 August 2020 and prior to the date of the Meeting shall be removed from office as a Director of the Company with effect from the close of business on the day that the resolution is approved.

Your Directors have no present intention of appointing any person or persons to the Board of the Company prior to the Meeting.

However, circumstances might arise where your Directors have a statutory obligation to appoint a new director – say, for instance, if the number of Directors on the Board came to be less than three.

Accordingly, Directors Andrew Bald, Stephen Harrison and Anthony Hamilton recommend Shareholders vote **against**, and will be voting all the Shares they hold **against** the removal of other Directors.



Directors Andrew Bald, Stephen Harrison and Anthony Hamilton do not support this Resolution and will be voting all the Shares they hold AGAINST the removal of other Directors.

Resolution 5 – Election of Mr Roderick Corps as a Director

Resolution 5 relates to the election of Mr Roderick Corps as a Director.

The Requisitioning Shareholders have provided the following information concerning Mr Corps:

“Mr Corps has been involved in the finance industry for 26 years, having worked as a Stockbroker for Porter Western Ltd (Now Macquarie Group). Following a move to London in 1998 Roderick worked for Morgan Stanley and JP Morgan. Since returning to Australia, Mr Corps has held Directorships for Eternal Resources Ltd (taken over by Aziana Ltd – Now Brainchip Holdings Ltd (ASX:BRN) and also Voyager Global Ltd – Now Cycliq Group (ASX:CYQ). Since 2013, Mr Corps has been the

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Manager of Corporate IR/PR for two ASX listed companies, Westgold Resources Ltd (ASX:WGX) & Metals X Ltd (ASX:MLX). Mr Corps is a highly experienced financial markets professional and equities specialist who has performed numerous trading and capital raising roles for leading global Investment Banks. He is well connected within the investment fund community, particularly with funds investing in natural resources companies. Mr Corps has also built an excellent network of contacts among Australia's established and fast-growing mining, oil and gas companies from his involvement in the sector over many years."

The Company is not in a position to verify any of this information.

The Company is not aware of Mr Corps holding any Shares or Options in the Company.

Information as to why Directors Messrs Andrew Bald, Stephen Harrison and Anthony Hamilton **recommend Shareholders vote against**, and will be voting all the Shares they hold **against**, the election of Mr Corps as a Director is set out in detail in the Directors' Statement which is included in this Notice of General Meeting.



Directors Andrew Bald, Stephen Harrison and Anthony Hamilton do not support this Resolution and will be voting all the Shares they hold AGAINST the election of Mr Corps.

Resolution 6 – Election of Mr Andrew Jones as a Director

Resolution 6 relates to the election of Mr Andrew Jones as a Director.

The Requisitioning Shareholders have provided the following information concerning Mr Jones:

"Mr Jones has over 14 years' experience in financial markets and is an established Corporate Advisor with a demonstrated history of working within the finance industry. Currently working as a corporate advisor at Here Business and Wealth Pty Ltd, Mr Jones has worked with various stockbroking and capital firms in Perth providing corporate advice to ASX companies. Mr Jones is skilled in mergers & acquisitions, corporate finance, investor relations and corporate communications.

"Mr Jones was the corporate advisor for the Aziana/BrainChip Inc merger that listed September 2015. Andrew secured their initial funding and then secured Aziana as the acquisition company to complete a re listing on the ASX.

"Mr Jones' 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. Recently, Mr Jones 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.

"Mr Jones has managed a range of transactions and corporate activities in the past raising in excess of \$10m for a variety of companies."

The Company is not in a position to verify any of this information.

Mr Jones, together with his associates, holds (indirectly) 26 million Shares in the Company.

Information as to why Directors Messrs Andrew Bald, Stephen Harrison and Anthony Hamilton recommend Shareholders vote **against**, and will be voting all the Shares they hold **against**, the election of Mr Jones as a Director is set out in detail in the Directors' Statement which is included in this Notice of General Meeting.



Directors Andrew Bald, Stephen Harrison and Anthony Hamilton do not support this Resolution and will be voting all the Shares they hold AGAINST the election of Mr Jones.

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Resolution 7 – Election of Mr Andrew Coloretti as a Director

Resolution 7 relates to the election of Mr Andrew Coloretti as a Director.

The Requisitioning Shareholders have provided the following information concerning Mr Coloretti:

“Mr Andrew Coloretti has over 28 years’ experience in Asset Management, Financial Services, Corporate Advisory, Venture Capital and Philanthropy. The experience in managing and advising businesses across traditional and alternative investment related industries and a penchant for philanthropy and education are his core attributes and strengths.

“Previous roles include: Executive Director – Aura Group, Managing Director / CIO of Giles Wade, Head of Wealth Management / Distribution for Chimaera Capital (Investment Bank), CEO of Boston Capital Group, and Head of Wealth Management for HSBC Bank. Also, earlier roles in related areas include Insolvency, Equity Analyst (Mining / Energy) and Fund Manager.

“He co-founded Rocking Horse Finance (R&D Financier – top 2 in Australia) and is currently a Non-Executive Director. He is also a strategic / governance advisor to Radlan Energy, Oculus BioMed (Ocular therapeutics), Vantage Point Asset Management and Chairman of Spark Financial Group.

“Mr Coloretti has previously lectured and developed curriculum in Corporate Governance and Internal Controls at RMIT University. He is currently a member of the RMIT Accounting and Bookkeeping Program Advisory Committee.

“His philanthropic work includes 20 years as a State Library of Victoria Foundation Executive and as a member of the Board Investment & Finance Committee as well as other philanthropic roles – including the Indigenous sector.

“Mr Coloretti was awarded a Bachelor Degree in Business (Banking and Finance) as well as post-Graduated Diploma in Accounting from Monash University and is a member of the Institute of Public Accountants (IPA).”

The Company is not in a position to verify any of this information.

The Company is not aware of Mr Coloretti holding any Shares or Options in the Company.

Information as to why Directors Messrs Andrew Bald, Stephen Harrison and Anthony Hamilton recommend Shareholders vote **against**, and will be voting all the Shares they hold **against**, the election of Mr Coloretti as a Director is set out in detail in the Directors’ Statement which is included in this Notice of General Meeting.



Directors Andrew Bald, Stephen Harrison and Anthony Hamilton do not support this Resolution and will be voting all the Shares they hold AGAINST the election of Mr Coloretti.

Glossary



In this Notice of General Meeting and Explanatory Memorandum:

AEDT	means Australian Eastern Daylight Time.
ASX	means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires.
Board	means the board of Directors.
Company or MEC	means MEC Resources Ltd (ACN 113 900 020).
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended.
Director	means a director of the Company.
Directors' Statement	means the statement prepared by Mr Andrew Bald, Mr Stephen Harrison and Mr Anthony Hamilton relating to the proposed Resolutions, as set out at the front of this Notice of General Meeting.
Explanatory Memorandum	means this explanatory memorandum.
Meeting	means the general meeting of shareholders of the Company convened by this Notice of General Meeting.
Notice of General Meeting	means this Notice of Meeting.
Option	means an option to acquire a fully paid ordinary share in the capital of the Company.
Ordinary Resolution	means a resolution requiring to be passed by a majority of such shareholders, as being entitled to do so, voting in person or by proxy on such resolution.
Requisitioning Shareholders	Means Ms Louise Ann Jones, Mr Andrew Jones and Mrs Janet Ann Jones as trustee for the AJ Superfund A/C and Griffiths Sf Pty Ltd as trustee for the Griffiths Super Fund A/C.
Requisitioning Shareholders' Statement	means the statement prepared by the Requisitioning Shareholders pursuant to section 249P of the Corporations Act relating to its proposed Resolutions.
Resolution	means a resolution set out in the Notice of Meeting.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of a Share.

All Correspondence to:

 **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

 **By Fax:** +61 2 9290 9655

 **Online:** www.boardroomlimited.com.au

 **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

Email: info@mecresourcespdf.com.au

YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective this proxy form must be received **before 3:00pm AEDT on Sunday 4 October 2020**.

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **3:00pm AEDT on Sunday 4 October 2020**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

 **By Fax** + 61 2 9290 9655

 **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Email: info@mecresourcespdf.com.au

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

MEC Resources Limited

ABN 113 900 020

☐

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **MEC Resources Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held **Virtually on Tuesday, 6 October, 2020 at 3pm AEDT** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies **AGAINST** each of the items of business.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

RECOMMENDATION

A majority of the MEC Resources' Board recommends that you vote **AGAINST** all seven resolutions.

		Against	For	Abstain*
Resolution 1	Removal of Mr Andrew Bald as Director	☐	☐	☐
Resolution 2	Removal of Mr Stephen Harrison as Director	☐	☐	☐
Resolution 3	Removal of Mr Anthony Hamilton as Director	☐	☐	☐
Resolution 4	Removal of other Directors	☐	☐	☐
Resolution 5	Election of Mr Roderick Corps as Director	☐	☐	☐
Resolution 6	Election of Mr Andrew Jones as Director	☐	☐	☐
Resolution 7	Election of Mr Andrew Coloretti as Director	☐	☐	☐

The Chairman of the meeting intends to vote undirected proxies **AGAINST** each item of business.

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2020

**REQUISITIONING SHAREHOLDERS'
STATEMENT**

Dear Shareholder,

Firstly, we would like to apologise for putting you through this process knowing the legacy issues of the past and we do so only as a last resort. However, we know that this action will be in the best interests of all the shareholders of MEC Resources Ltd ("**MEC**" or the "**Company**")

In essence there are four main reasons for the lodgement of the 249D Notice:

1. The inability and failure to move the Company forward.
2. To finally have some resolution with regard to the Company's ongoing disputes.
3. To stop the destruction of shareholder value.
4. To provide a new skilled and experienced leadership team with new direction.

Inability to move the Company forward

Andrew Bald and the previous Board, including recently resigned Michael Sandy (resigned 3rd August 2020) have failed to move the Company forward in any way. For some time now there have been concerns regarding the leadership, management, investment strategy, communication and corporate governance of MEC.

For a significant period of over 2 years directors Andrew Bald and Michael Sandy have made numerous statements to shareholders in relation to moving the Company forward and out of its legal quagmire, whilst seeking new investment opportunities to add shareholder value. To date nothing has been delivered by Mr Bald or Mr Sandy and in fact both have failed in representing any Company direction to shareholders in any way.

Ongoing Disputes

Mr Bald and Mr Sandy have poorly managed the Company's ongoing disputes and notwithstanding an ASX release made on the 12th August 2019 stating "Settlement of Legal Matters" MEC continues with ongoing issues including the latest writ of demand made of the Company by BPH Energy Ltd ("**BPH**").

The long-term nature of these disputes, which have been principally managed by Mr Bald and Mr Sandy, and their inability to bring these issues to an absolute end indicate poor management and a fundamental lack of solution driven skills and experience. In fact, there seems to be more cases against the Company with the MEC ASX release on the 27th August 2020 entitled "MEC Receives Writ of Summons". It is inconceivable that with nothing more to deal with than these issues an outcome has not been achieved. Shareholders cannot wait any longer.

It is also evident that a significant amount of shareholder capital has been spent on legal and related costs rather than creating shareholder value. Looking back since Mr Bald and Mr Sandy were appointed, and over the continuous disputes and animosity to the present, it is reasonable to assume that in excess of \$500,000, and possibly up to \$1,000,000, has been spent on legal and related costs. This must end!

Destruction of Shareholder Value

There has been significant destruction of shareholder value arising out of the inability of Mr Bald and Mr Sandy to navigate the Company forward.

- MEC shares have been suspended for over 7 months since 17th January 2020
- Poor management performance lead by Mr Bald sees the Company stuck in suspension with no direction or way forward.
- Considerable expense is still being incurred for legal and related costs.

For MEC to move forward it must complete a satisfactory resolution with BPH otherwise there will continue to be angst within the Company. We believe there is a way forward here considering that BPH Energy Ltd (**ASX: BPH**) have raised a significant amount of capital and currently have a market capitalisation of circa \$12.5 million. BPH do have other investments but the principal driver for the share price increase is their circa 19% stake in PEP11 (via investee company Advent Energy Ltd (**Advent**)). If the same metrics were applied to MEC's circa 42% of PEP11 that would give an approximate market capitalisation for MEC of just under \$30 million and equate to roughly \$0.043 per share, which is more than 10 times the last tradeable price of MEC (based on the BPH share price dated 28th August 2020)

The new leadership team would aim to work with BPH to resolve all existing issues and to get back trading again to realise the potential uplift that MEC might experience when it is allowed to trade on the ASX again, including having exposure to the PEP11 drilling.

New Direction

The proposed incoming Directors of Mr Corps, Jones and Coloretti have significant ASX and capital raising experience and have a demonstrated history of identifying projects and working with companies that become very successful. A good example was the merger with Aziana Ltd and BrainChip Inc (**ASX: BRN**) which today has a market capitalisation of just under \$500 million, earning shareholders significant returns.

With the combined network of the new directors, MEC would be able to get early exposure to new potential investments and companies that the retail market would never see, which would increase the value of MEC and in turn shareholder's value.

In addition, there will be no lingering baggage or animosity as new engagements will be sought with Advent and BPH to appropriately address long standing issues, problems and concerns between the companies with a view to a renewed and positive relationship which will benefit all shareholders.

In Conclusion

The incoming Director's want to work with Advent and BPH to look at cleaning up the legacy issues within the Company. They want to get MEC back trading again to get exposure to the favourable market conditions and the positivity that BPH and Bounty Oil and Gas (**ASX:BUY**) have experienced with their share price. They want to raise more capital for the Company,

at the appropriate intervals, hopefully at a much higher price than the last share sale, so as to minimise shareholder dilution. With a greater amount of capital, the Directors can create greater shareholder wealth by participation in quality deals at an earlier stage to drive shareholder value.

For these reasons we urge all shareholders to vote FOR all the resolutions to remove Messrs Bald, Harrison and Hamilton and to appoint Messrs Corps, Jones and Coloretti to the Board of MEC.