

ASX ANNOUNCEMENT

28 April 2023

INVESTEE ADVENT – CLEAN HYDROGEN TECHNOLOGIES CORPORATION HYDROGEN FURTHER INVESTMENT

HIGHLIGHTS

- **Clean Hydrogen investment to be expanded.**
 - **Further funding of \$500,000 advanced to Clean Hydrogen Technologies Corporation by Advent.**
-

MEC Resources Limited (“**MEC**” or the “**Company**”) (ASX:MMR) highlights the following information in relation to its 38.27% investee company, Advent Energy Ltd (“**Advent**”).

The investment in Clean Hydrogen Technologies Corporation (“**Clean Hydrogen**” or “**The Borrower**”) was advised to ASX on 27 May 2022¹ and its activation was linked to shareholders of BPH Energy Ltd (**BPH or Company**) (ASX: BPH) approving the investment which was obtained by BPH on 21 June 2022.

Term Sheet

BPH and Advent (in which BPH has a 36.1% direct interest), together the **Purchaser** entered into a binding term sheet (“**Term Sheet**”) with Clean Hydrogen pursuant to which the Purchasers agreed to subscribe for fully paid shares in Clean Hydrogen (“**Subscription Shares**”), representing a total of 10% of the total issued share capital of Clean Hydrogen after the issue of the Subscription Shares (**Subscription Shares Tranche 1**), subsequent to which 8% of the Subscription Shares Tranche 1 were issued to BPH and the remaining 2% issued to Advent.

The Purchaser had a right of first refusal (“**ROFR**”) to subscribe for additional Subscription Shares representing an additional 10% (“**Subscription Shares Tranche 2**”) to the Purchaser and on the same terms and conditions as the Subscription Shares Tranche 1. On 16 April 2023 the Borrower delivered a written ROFR notice to the Purchasers granting them the right to acquire an additional 10%.

Clean Hydrogen has made requests for additional funding from the Purchasers. Advent lent Clean Carbon US\$250,000 in March 2023 in accordance with an unsecured loan agreement and has now made a further US\$250,000 unsecured loan to Clean Carbon in accordance with a second loan agreement, both loans being on normal commercial terms. The loans have been funded by monies loaned by BPH to Advent.

The loan agreements provide for a further unsecured loan of US\$500,000 to be made to the Borrower, being (i) US\$250,000 on the request of the Borrower (ii) US\$250,000 upon request by the Borrower, but not before 1 July 2023, and subject always to the Lender’s absolute discretion. Clean Hydrogen will allocate and issue up to 1,000 Options to Advent, with an exercise price of USD\$3,000 each, and exercisable immediately, with the option for

MEC Resources Ltd

ACN 113 900 020

Level 1, 9 Bowman Street, South Perth WA 6151

T: +61 412 593 363

info@mecresources.com.au

www.mecresources.com.au

conversion into shares in Clean Hydrogen expiring ten years from the date of issue (**Clean Hydrogen Options**). An advance of every US\$250,000 of the US\$1,000,000 loan facility will equate to 250 Clean Hydrogen Options allocated to Advent or, from time to time, BPH.

The Purchaser and Clean Hydrogen have agreed to enter into a separate loan conversion agreement which will enable the conversion of the loan amount into the Subscription Shares Tranche 2, representing the Purchaser's further 10% interest in Clean Hydrogen.

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

For further information please contact:

David Breeze

Managing Director – MEC Resources Limited

Ph: +61 409 150 953

ⁱ ASX release 27 May 2022 Investee Advent Energy Limited proposed hydrogen investment.