
MEC RESOURCES LIMITED

ACN 113 900 020

NOTICE OF ANNUAL GENERAL MEETING

TIME: 3.00pm (AEDT)

DATE: Tuesday 27 November 2018

PLACE: Level 18, 530 Collins Street
MELBOURNE VICTORIA 3000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9245 6187.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the annual general meeting of the Shareholders to which this Notice of Meeting relates will be held at 3.00pm (AEST) on Tuesday 27 November 2018 at:

Moore Stephens
Level 18
530 Collins Street
MELBOURNE VICTORIA 3000

Your vote is important

The business of the Annual General Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7.00pm (AEDT time) on Sunday 25 November 2018.

Voting in person

To vote in person, attend the Annual General Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

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

- 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 Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware of sections 250BB and 250BC of the Corporations Act, as they will apply to the Meeting. Broadly, these sections mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these proxy voting rules are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- if the proxy has 2 or more appointments that specify *different* ways to vote on the resolution – the proxy must not vote on a show of hands;
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy *must* vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is *not* the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy *must* vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2018.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (**voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 – ELECTION OF DIRECTOR – MR MICHAEL SANDY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, Mr Michael Sandy who was appointed to the Board since the last Annual General Meeting and who ceases to hold office in accordance with Listing Rule 14.4, clause 11.11 of the Constitution and for all other purposes, being eligible, be elected as a Director.”

3. RESOLUTION 3 – ELECTION OF DIRECTOR – MR ANDREW BALD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, Mr Andrew Bald who was appointed to the Board since the last Annual General Meeting and who ceases to hold office in accordance with Listing Rule 14.4, clause 11.11 of the Constitution and for all other purposes, being eligible, be elected as a Director.”

4. RESOLUTION 4 – ELECTION OF DIRECTOR – MR MATTHEW BATTRICK

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, Mr Matthew Battrick who was appointed to the Board since the last Annual General Meeting and who ceases to hold office in accordance with Listing Rule 14.4, clause 11.11 of the Constitution and for all other purposes, being eligible, be elected as a Director.”

5. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY– SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the Shares on issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Equity Securities under this Resolution (except a benefit solely by reason of being a holder of ordinary securities, if the Resolution is passed or any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – APPOINTMENT OF AUDITOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

That, for the purposes of section 327B(1) of the Corporations Act and for all other purposes, Moore Stephens, having consented in writing to act as auditors of the Company, be re-appointed as auditors of the Company .”

7. RESOLUTION 7 – ADOPTION OF EMPLOYEE INCENTIVE OPTION SCHEME

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.2 (exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Incentive Option Scheme (Scheme) and for the issue of securities under that Scheme, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, or any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (**voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (c) the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on this Resolution; or
- (d) the voter is the Chair and the appointment of the Chair as proxy:
 - (iii) does not specify the way the proxy is to vote on this Resolution; and
 - (iv) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Short Explanation: The Scheme is designed to be an incentive to key people who assist in the Company’s successful development and operation. Please refer to the Explanatory Statement for further details.

8. RESOLUTION 8 – RATIFICATION OF ISSUE OF SHARES UNDER PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, the prior allotment and issue of 14,285,714 fully paid ordinary shares at an issue price of \$0.021 per share to the Placement Recipients, on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting, be approved and ratified.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Placement Recipients or any associates of such person. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 9 – SPILL RESOLUTION

If less than 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report, the Chair will withdraw Resolution 9.

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of Section 250V(1) of the Corporations Act and for all other purposes, approval is given for:

- (a) *the Company to hold **another** meeting of Shareholders within 90 days of the date of this Meeting (**Spill Meeting**); and*
- (b) *all Vacating Directors to cease to hold office immediately before the end of the Spill Meeting; and*
- (c) *resolutions to appoint persons to offices that will be vacated pursuant to (b) to be put to vote at the Spill Meeting.”*

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Dated: 18 OCTOBER 2018

By order of the Board



**Deborah Ambrosini
Managing Director and Company Secretary**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.mecresources.com.au.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

1.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ended 30 June 2018.

The Chair of the Meeting must allow a reasonable opportunity for Shareholders to ask questions about or make comments on the Remuneration Report at the Meeting.

Since November 2016 Director remuneration for Directors, including any new Directors, has been reduced to \$1 per annum to allow the Company to achieve its goals.

1.2 Voting consequences

Under the Corporations Act if at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider the appointment of Directors of the Company (**Spill Resolution**) at the second annual general meeting.

If more than 50% of shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the Directors of the Company who were in office when the Directors' report (as included in the Company's annual financial report for the financial year ended immediately before the second annual general meeting) was approved, other than the Managing Director will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

1.3 Proxy Restrictions

Shareholders appointing a proxy for Resolution 1 should note the following:

If you appoint a member of the Key Management Personnel as your proxy

If you elect to appoint a member of Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of that member, **you must direct the proxy how they are to vote**. Undirected proxies granted to these persons will not be included in any vote on Resolution 1.

If you appoint the Chair as your proxy

If you elect to appoint the Chair as your proxy, you **do not** need to direct the Chair how you wish them to exercise your vote on Resolution 1, however if you do not direct the Chair how to vote, **you must tick the acknowledgement on the proxy form to acknowledge that the Chair may exercise their discretion in exercising your proxy even though Resolution 1 is connected directly or indirectly with the remuneration of Key Management Personnel**.

If you appoint any other person as your proxy

You **do not** need to direct your proxy how to vote, and you **do not** need to tick any further acknowledgement on the proxy form.

1.4 Definitions

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2018.

The Board unanimously recommends that you vote in **FAVOUR** of Resolution 1

2. **RESOLUTION 2, 3 AND 4 – ELECTION OF DIRECTORS – MR MICHAEL SANDY, MR ANDREW BALD AND MR MATTHEW BATTRICK**

Messrs Sandy, Bald and Battrick were appointed to the Board on 24 July 2018.

Pursuant to Listing Rule 14.4 and Clause 11.11 of the Constitution Messrs Sandy, Bald and Battrick offer themselves for election as a Director of the Company.

Mr Sandy's qualifications, as set out in the Company's 2018 Annual Report, are as follows:

Mike graduated as a geologist (BSc (Hons) University of Melbourne in 1975 and has been employed at various times as a minerals exploration geologist, research mineralogist (CSIRO), field geologist (mainly in PNG), broker research analyst (BZW Australia), petroleum geologist, business development manager, M&A manager, asset manager (of licences located in numerous countries including Australia, NZ, PNG (including 8 years in country for the PNG government and then Oil Search), Indonesia, Malaysia, Thailand, Pakistan, Oman, Qatar and Kyrgyzstan) and country manager (Novus USA in Houston). In recent years Mike has been involved in setting up new companies and progressing them to IPO, and in some cases running them. These have included Novus Petroleum, Bureson Energy, Hot Rock (geothermal). He also has established private companies including Canning Petroleum and Thylacine Minerals – with a couple of others being hatched. He has a special interest in energy and resources related technical innovation, for instance development of new exploration or drilling techniques and tools, and using non-mainstream processes such as gas to liquids, mini-LNG and CSG to utilise "stranded" gas in remote areas. Mike hopes that market conditions will allow these ideas and companies to blossom in the near future. He is currently a Non-Executive Director of Melbana Energy (ASX:MAY), formerly known as MEO Australia.

Mr Bald's qualifications, as set out in the Company's 2018 Annual Report, are as follows:

Andrew is a Corporate Advisor with a focus on equity capital markets for ASX listed companies but a passion for start-ups. 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 startups including resources and technology (amongst others). He is currently a Non-Executive Director of Plus Connect Limited (ASX:PC1), formerly known as Activistic Limited.

Mr Battrick's qualifications, as set out in the Company's 2018 Annual Report, are as follows:

Matthew also consults to Advent Energy to lead its immediate strategic asset review. Mr Battrick is a proven oil and gas explorer as a leader of high-performing, multidisciplinary teams. He has demonstrable success in resetting strategic direction at Board level and in delivering five-fold growth in shareholder value. In addition, he has worked successfully with or joint ventured with major and super major oil companies as well as ASX 100 companies. In Matthew's 35 years of Australian and international oil and gas industry experience, his most recent service was to Sun Resources Ltd as Managing Director and Chief Executive Officer. During this tenure, he managed the capital raising of over A\$40 million, and successfully delivered a strategic shift in business direction with the support of the Board and major shareholders. Previous appointments include Pancontinental Oil & Gas (General Manager), ENI Australia and Mobil Exploration & Production Australia. We welcome Mr Battrick's assistance in leading Advent Energy's strategic review. Matthew is currently a Non-Executive Director of Target Energy Limited (ASX:TEX).

The Board (with Messrs Sandy, Bald and Battrick abstaining in relation to the Resolutions for their respective elections) recommends you vote in FAVOUR of Resolutions 2, 3 and 4.

3. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY– SHARES

3.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting (**10% Placement Capacity**).

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$5,811,757

If Shareholders approve Resolution 5, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 3.2 below).

The effect of Resolution 5 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing 7.1.

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

3.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has two classes of quoted Equity Securities on issue, being the Shares and listed Options (ASX Code: MMR).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under this rule;
 - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

3.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 5:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in Section 3.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) in which case Shareholder approval for Resolution 5 will cease to be valid.

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Number of Shares issued under 10% Placement Capacity	Funds raised based on issue price of \$0.0085 (50% decrease in current issue price)	Funds raised based on issue price of \$0.017 (Current issue price)	Funds raised based on issue price of \$.0255 (50% increase in current issue price)
341,868,046 (Current)	34,186,805	\$290,588	\$581,176	\$871,764
512,802,069 (50% increase)*	51,280,207	\$435,882	\$871,764	\$1,307,645
683,736,092 (100% increase)*	68,373,609	\$581,176	\$1,162,351	\$1,743,527

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The current shares on issue are the Shares on issue as at 11 October 2018
2. The issue price set out above is the closing price of the Shares on the ASX on 11 October 2018.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration, in which case the Company intends to use funds raised for further investment in its investee companies and also toward general working capital of the Company; or
- (ii) as non-cash consideration for payment of consultancy services incurred by its investee company Advent Energy Limited (**Advent**) associated with continued exploration expenditure on Advent's current assets, in which case the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

(e) **Allocation under the 10% Placement Capacity**

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;

- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous Approval under ASX Listing Rule 7.1A**

The Company previously obtained approval under ASX Listing Rule 7.1A at its annual general meeting held on 24 November 2016.

In the 12 months preceding the date of this Annual General Meeting and as at the date of this Notice, the Company has issued 81,857,805 Equity Securities and this represents 31.99% of the total number of Equity Securities on issue at the commencement of that 12 month period. Details of each issue of Equity Securities by the Company during the 12 months preceding the date of this Annual General Meeting are set out below:

Issues of Equity Securities since 27 November 2017

Date of Issue	Number of Securities	Type of Security	Recipient of Securities	Issue Price and details of any discount	Consideration & Use of Funds as at the date of this Notice
18/12/2017	217,217	Ordinary shares	S3 Consortium	\$0.023 Discount of 0% to the closing market price on the date of issue \$0.021.	Shares were issued to consultant in lieu of cash. Current value: \$3,258
29/12/2017	1,100,000	Ordinary shares	Institutional and sophisticated investors who are not related parties of the Company	\$0.02 – representing a discount of 13% to the closing market price on the date of issue \$0.023.	Consideration: Cash \$22,000. Funds spent to date: 100% of the consideration has been spent as working capital for MEC Resources
8/1/2018	475,000	Ordinary shares	Metropolis Pty Ltd	\$0.02105263 – representing a 4% discount to the closing market price on the date of issue \$0.02.	Shares were issued to consultant in lieu of cash. Current value: \$71,250.
22/1/2018	14,285,714	Ordinary shares	Institutional and sophisticated investors who are not related parties of the Company	\$0.021 – representing a discount of 9% to the closing market price on the date of issue \$0.023.	Consideration: Cash \$22,000. Funds spent to date: 100% of the consideration has been spent in accordance with the Use of Funds which included assisting MEC investee Advent Energy in undertaking preparatory works

Date of Issue	Number of Securities	Type of Security	Recipient of Securities	Issue Price and details of any discount	Consideration & Use of Funds as at the date of this Notice
					for activities in EP386/RL1 in the onshore Bonaparte Basin.
21/6/2018	54,972,288	Ordinary shares	Participants in the Prospectus dated 16 May 2018	\$0.018 – representing a 0% discount to the closing market price on the date of issue \$0.019.	<p>Consideration: Cash \$1,064,065.</p> <p>Funds spent to date: Approximately 65% of the consideration has been spent in accordance with the Use of Funds which included assisting MEC investee Advent Energy in achieving the proposed well intervention program in EP386 in the onshore Bonaparte Basin. Further funds raised have also been used to finalise costs incurred in association with the acquisition of its 2D seismic activities. Funds are also being used for working capital.</p> <p>The remaining funds are intended to be spent consistently with the funds spent to date.</p>
21/6/2018	54,972,288	Unquoted options	Participants in the Prospectus dated 16 May 2018	Nil	<p>Issued in Non renounceable entitlements issues announced 8 May 2018</p> <p>Current value: \$2,198,892 (based on the Black & Scholes option pricing model).</p>
6/7/2018	9,696,476	Ordinary shares	Participants in the Prospectus dated 16 May 2018	\$0.018 – representing a 0% discount to the closing market price on the date of issue \$0.019.	<p>Consideration: Cash \$174,536.57.</p> <p>Funds spent to date: 100% of the consideration has been spent in</p>

Date of Issue	Number of Securities	Type of Security	Recipient of Securities	Issue Price and details of any discount	Consideration & Use of Funds as at the date of this Notice
					<p>accordance with the Use of Funds which included assisting MEC investee Advent Energy in achieving the proposed well intervention program in EP386 in the onshore Bonaparte Basin. Further funds raised have also been used to finalise costs incurred in association with the acquisition of its 2D seismic activities. Funds are also being used for working capital. Shares were also issued in lieu of payment of consulting fees and negotiated in settlement of employee contractual liabilities.</p>
6/7/2018	9,696,476	Unquoted options	Participants in the Prospectus dated 16 May 2018	Nil	<p>Issued in Non renounceable entitlements issues announced 8 May 2018</p> <p>Current value: \$387,860 (based on the Black & Scholes option pricing model)</p>
17/7/2018	1,111,110	Ordinary shares	Participants in the Prospectus dated 16 May 2018	\$0.018 – representing a 0% discount to the closing market price on the date of issue \$0.015.	<p>Consideration: Cash \$20,000.</p> <p>Funds spent to date: Approximately 100% of the consideration has been spent in accordance with the Use of Funds which included assisting MEC investee Advent Energy in achieving the proposed well intervention program in EP386 in the onshore</p>

Date of Issue	Number of Securities	Type of Security	Recipient of Securities	Issue Price and details of any discount	Consideration & Use of Funds as at the date of this Notice
					Bonaparte Basin. Further funds raised have also been used to finalise costs incurred in association with the acquisition of its 2D seismic activities. Funds are also being used for working capital.
17/7/2018	1,111,110	Unquoted options	Participants in the Prospectus dated 16 May 2018	Nil	Issued in Non renounceable entitlements issues announced 17 July 2018 Current value: \$44,444 (based on the Black & Scholes option pricing model)

3.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 5.

The Board unanimously recommends that you vote in FAVOUR of Resolution 5

4. RESOLUTION 6 – APPOINTMENT OF AUDITOR

On 7 June 2018, the Company's auditors, HLB Mann Judd (**HLB**) resigned as auditor of the Company with ASIC's consent in accordance with section 329(5) of the Corporations Act.

Section 327C(1) of the Corporations Act provides that if:

- (a) a vacancy occurs in the office of auditor of a public company; and
- (b) the vacancy is not caused by the removal of an auditor from office; and
- (c) there is no surviving or continuing auditor of the company,

the directors of the company must, within 1 month after the vacancy occurs, appoint an auditor to fill the vacancy unless the company at a general meeting has appointed an auditor to fill the vacancy.

Section 327C(2) of the Corporations Act further provides that any such auditor appointed to fill the vacancy holds office until the company's next annual general meeting. This is consistent with section 327B(1) of the Corporations Act, which provides that a public company must appoint an auditor of the company at its first annual general meeting and thereafter at each subsequent annual general meeting where an auditor is appointed by the company to fill any vacancy in the office of auditor.

Pursuant to section 327C(1) of the Corporations Act, the Directors appointed Moore Stephens to fill the vacancy in the office of auditor.

The Company has received:

- (d) a nomination under section 328B of the Corporations Act from a Shareholder for Moore Stephens to be re-appointed as the Company's auditor, a copy of which is annexed as Annexure A to this Explanatory Statement; and
- (e) a consent to act as auditor of the Company under section 328A(1) of the Corporations Act, duly executed by Moore Stephens and Mr Neil Pace, a registered company auditor.

The Company, pursuant to this Resolution 6, requests Shareholder approval pursuant to section 327B(1) of the Corporations Act to re-appoint Moore Stephens as the Company's auditor.

The Board unanimously recommends that you vote in FAVOUR of Resolution 6

5. RESOLUTION 7 – ADOPTION OF EMPLOYEE INCENTIVE OPTION SCHEME

5.1 Background

Resolution 7 seeks Shareholders approval for the adoption of the employee incentive scheme titled Employee Incentive Option Scheme (**Scheme**) in accordance with ASX Listing Rule 7.2 (exception 9(b)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 7 is passed, the Company will be able to issue securities under the Scheme to Eligible Participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

The issue of Options pursuant to the Scheme was previously approved by Shareholders at the Company's annual general meeting held on 27 November 2014. Since that date, a total of 2,400,000 Options have been issued under the Scheme.

The objective of the Scheme is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Scheme and the future issue of securities under the Scheme will provide selected Eligible Participants with the opportunity to participate in the Company's future growth.

Any future issues of securities under the Scheme to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

A summary of the key terms and conditions of the Scheme is set out in Annexure B. In addition, a copy of the Scheme is available for review by Shareholders at the Company's registered office until the date of the Meeting. Shareholders are invited to contact the Company Secretary if they have any queries or concerns.

The Board unanimously recommends that you vote in FAVOUR of Resolution 7

6. RESOLUTION 8 – RATIFICATION OF ISSUE OF PLACEMENT SHARES

6.1 6.1 General

On 22 January 2018 the Company announced that it had completed a placement to raise \$300,000 (**Placement**) by the issue of 14,285,714 fully paid ordinary shares at an issue price of \$0.021 per share (**Placement Shares**).

The issue of Placement Shares represented approximately 5.25% of the fully diluted shares the Company had on issue at the time of the announcement.

The Placement Shares **have been issued** to the Placement Recipients under the Company's existing 15% placement capacity prior to the date of the Meeting and as such, are not subject to Shareholder's prior approval under Listing Rule 7.1. Resolution 8 seeks Shareholder approval under Listing Rule 7.4 to ratify the issue of the Placement Shares. Shareholder ratification will enable the Company to issue Shares in the next 12 months under its 15% placement capacity without the need to seek prior shareholder approval.

6.2 ASX Listing Rules 7.1 and 7.4

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities on issue at the commencement of that 12 month period. Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in a general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1. Ratification by the Shareholders of the Company is now sought pursuant to Listing Rule 7.4 in order to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without Shareholder approval. The effect of this Resolution 8 is that the Company, for the purposes of Listing Rule 7.1 will be able to refresh its 15% placement capacity with effect from the date of the Annual General Meeting.

6.3 Technical Information required by Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to Shareholders in relation to the Shares the subject of Resolution 8:

(a) the total number of Shares which have been issued, by the Company on or about 22 January is 14,285,714;

(b) the issue price of each Share is \$0.021;

(c) the Placement Shares have been issued on the same terms as, and will rank equally with, all fully paid ordinary shares in the Company on issue;

(d) the Placement Shares have been allotted to the Placement Recipients, being sophisticated and professional investors;

(e) no Placement Recipient is a related party of the Company;

(f) the net funds raised from the issue of the Placement Shares will be used for working capital and to meet the ongoing commitments of its investee company Advent Energy Ltd; and

(g) a voting exclusion statement is included in the Notice of Meeting.

The Board unanimously recommends that you vote in FAVOUR of Resolution 8

7. RESOLUTION 9 – SPILL RESOLUTION

If less than 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report, the Chair will withdraw Resolution 9.

7.1 General

The Corporations Act requirements for this Resolution to be put to vote are set out in Section 1.2.

The effect of this Resolution being passed is the Company will be required to hold another meeting of Shareholders within 90 days of the date of this Meeting (**Spill Meeting**) and the Vacating Directors will cease to hold office immediately before the end of the Spill Meeting. The business of the Spill Meeting will be to put to vote resolutions to appoint persons to offices vacated by the Vacating Directors.

In the event a Spill Meeting is required a separate notice of meeting will be distributed to Shareholders with details about those persons that will seek election as directors of the Company at the Spill Meeting.

Shareholders should be aware however that the convening of a separate Spill Meeting will result in the Company incurring material additional expense in conducting a meeting as well as disruption and distraction to the focus of core business operations.

7.2 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the voting restrictions set out in Section 1.4 apply in the same manner to this Resolution.

The Board unanimously recommends that you vote AGAINST Resolution 9

GLOSSARY

\$ means Australian dollars.

AEDT means Eastern Daylight Time as observed in Melbourne, Victoria.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

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

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company from time to time.

Directors' Report means the Directors' report contained within the Company's annual report for the year ended 30 June 2018.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Managing Director means the managing director of the Company who may, in accordance with the ASX Listing Rules, continue to hold office indefinitely without being re-elected to the office.

Moore Stephens means Moore Stephens Pty Ltd (ACN 874 357 907)

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means that section of the Directors' Report under the heading "Remuneration Report" set out in the Company's annual report for the year ended 30 June 2018.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

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

Shareholder means a holder of a Share.

Vacating Directors means the Directors who were directors of the Company when the resolution to adopt the remuneration report considered at the last annual general meeting of the Company was passed, other than the Managing Director at that time.

ANNEXURE A

MEC Resources Limited
Suite 2, Level 3
1111 Hay Street
West Perth

In accordance with section 328B(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), I, Tobias Foster, being a member of MEC Resources Limited (**Company**), nominate Moore Stephens (ACN 874 357 907) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by Section 328B(3) of the Corporations Act.



Tobias Foster
25 September 2018

ANNEXURE B – SUMMARY OF EMPLOYEE INCENTIVE OPTION SCHEME

The key terms of the Scheme are as follows:

- 1.1 **Eligibility and grant of Incentive Options:** The Board may grant Incentive Options to any full or part time employee or Director of the Company or an Associated Body Corporate. Incentive Options may be granted by the Board from time to time as determined by the Board.
- 1.2 **Consideration:** Each Incentive Option issued under the Scheme will be issued for no cash consideration.
- 1.3 **Conversion:** Each Incentive Option is exercisable into one Share in the Company ranking equally in all respects with the existing issued Shares in the Company, except for entitlements which had a record date before the date of issue of that Share.
- 1.4 **Exercise price and expiry date:** the exercise price and expiry date for Incentive Options will be determined by the Board prior to grant.
- 1.5 **Exercise restrictions:** The Incentive Options granted under the Scheme may be subject to conditions on exercise as may be fixed by the Directors prior to grant of the Incentive Options (**Exercise Conditions**). Any restrictions imposed by the Directors must be set out in the offer for the Incentive Options.
- 1.6 **Lapsing of Incentive Options:** Subject to the terms of the Offer made to a Participant, an unexercised Incentive Option will lapse:
 - (a) on its expiry date;
 - (b) if any Exercise Condition is unable to be met; and
 - (c) subject to certain exceptions, on the eligible participant ceasing employment with the Company.
- 1.7 **Share Restriction Period:** Shares issued on the exercise of Incentive Options may be subject to a restriction that they may not be transferred or otherwise dealt with until a restriction period has expired, as specified in the offer for the Incentive Options.
- 1.8 **Trigger events:** The Company may permit Incentive Options to be exercised in certain circumstances where there is a change in control of the Company (including by takeover) or entry into a scheme of arrangement.
- 1.9 **Participation in rights issues and bonus issues:**
 - (a) There are no participating rights or entitlements inherent in the Incentive Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options.
 - (b) The Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Incentive Option holders the opportunity to exercise their Incentive Options prior to the date for determining entitlements to participate in any such issue.

- (c) If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Incentive Option exercise price shall be reduced according to the formula specified in the ASX Listing Rules.
 - (d) In the event of a bonus issue of Shares being made pro-rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Incentive Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Incentive Option.
- 1.10 **Reorganisation:** The terms upon which Incentive Options will be granted will not prevent the Incentive Options being re-organised as required by the ASX Listing Rules on the re-organisation of the capital of the Company.
- 1.11 **Limitations on offers:** The Company must comply with Chapter 6D of the Corporations Act if the Company makes an Offer where
- (a) the total number of Shares that would be issued on exercise of the Incentive Options the subject of that Offer, exceed the limit set out in ASIC Class Order 14/1000 (or any amendment or replacement of that class order); or
 - (b) the Offer does not otherwise comply with the terms and conditions set out in ASIC Class Order 14/1000 (or any amendment or replacement of that Class Order).

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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

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 3:00pm (AEDT) on Sunday, 25 November 2018.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/mmrags2018>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

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:

- 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.
- 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, 25 November 2018.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the following methods:

- 🖥 **Online** <https://www.votingonline.com.au/mmrags2018>
- 📠 **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

Attending the Meeting

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

MEC Resources Limited

ACN 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 Annual General Meeting of the Company to be held at **Moore Stephens, Level 18, 530 Collins Street, Melbourne VIC 3000 on Tuesday, 27 November 2018 at 3:00pm (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.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1, 7 and 9, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 7 and 9 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of (Resolutions 1 - 8 and against Resolution 9). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

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.

		For	Against	Abstain*
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Director – Mr Michael Sandy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director – Mr Andrew Bald	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Director – Mr Matthew Battrick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of 10% Placement Capacity – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Adoption of Employee Incentive Option Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Ratification of Issue of Shares Under Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Spill Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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 / /2018