

QUANTUM RESOURCES LIMITED
ACN 006 690 348

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Quantum Resources Limited ("**the Company**" or "**Quantum Resources**") will be held at Level 17, 500 Collins Street, Melbourne, Victoria, 3000 on 6 April 2017 at 10.00am (AEST).

Further details in respect of each of the resolutions proposed in this Notice of General Meeting are set out in the Explanatory Memorandum accompanying this Notice of General Meeting. The details of the resolutions contained in the Explanatory Memorandum should be read together with, and forms part of, this Notice of General Meeting.

GENERAL BUSINESS

Resolution 1: Ratification of prior issue of placement shares and options

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

"THAT, for the purpose of ASX Listing Rule 7.4, shareholders ratify the prior issue of 60,000,000 ordinary fully paid shares and 30,000,000 free-attaching unlisted options to professional or sophisticated investors or investors otherwise exempt from the disclosure requirements of Chapter 6D of the Corporations Act 2001 (Cth) on the terms set out in the Explanatory Memorandum which accompanies and forms part of the Notice of General Meeting."

Voting Exclusion Statements:

The Company will disregard any votes cast on this Resolution by:

- *persons who participated in the issue; or*
- *any associates of those persons.*

However, the Company need not disregard a vote on the Resolution if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;*
- *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.*

Resolution 2: Approval for issue of placement shares and options

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

"THAT, for the purpose of ASX Listing Rule 7.1, shareholders approve the issue of 30,000,000 ordinary fully paid shares and 15,000,000 unlisted options to professional or sophisticated investors or investors otherwise exempt from the disclosure requirements of Chapter 6D of the Corporations Act 2001 (Cth) on the terms set out in the Explanatory Memorandum which accompanies and forms part of this Notice of General Meeting."

Voting Exclusion Statements:

The Company will disregard any votes cast on this Resolution by:

- *a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if the resolution is passed; or*
- *any associates of those persons.*

However, the Company need not disregard a vote on the Resolution if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;*
- 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.*

Resolution 3: Approval for Director participation in placement - Avi Kimelman

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

“THAT, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for Mr Avi Kimelman (or his nominee) to participate in the placement the subject of Resolution 2 by subscribing for the Company to issue 20,000,000 ordinary fully paid shares and 10,000,000 unlisted options on the terms and conditions set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.”

Voting Exclusion Statements Resolution 3

The Company will disregard any votes cast on these Resolution by:

- a person who is to receive securities under the proposed issue or any of their associates; or*
- it is cast as a proxy by a person who is to receive securities under the proposed issue or any of their associates.*

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 or with the express authorisation to exercise the undirected proxies even though the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company's consolidated group.*

Dated: 8 March 2017

By the order of the Board



The accompanying Explanatory Memorandum and Proxy and Voting Instructions form part of this Notice of Meeting.

PROXY AND VOTING INSTRUCTIONS

PROXY INSTRUCTIONS

A member who is entitled to vote at a meeting may appoint:

- one proxy if the member is only entitled to one vote; and
- one or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged at the registered office of the Company or sent by facsimile transmission to the Company's registered office on (03) 9614 0550 not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

The proxy may, but need not, be a member of the Company.

A proxy form is attached to this Notice of General Meeting.

If you sign the proxy form and do not appoint a proxy, you will have appointed the Chair of the meeting as your proxy.

CORPORATE REPRESENTATIVES

Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the chairperson of the Meeting) a natural person to act as its representative at any general meeting.

VOTING ENTITLEMENT

For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 7.00pm on 4 April 2017 (AEST) are entitled to attend and vote at the meeting.

On a poll, members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.

Subject to the restriction set out above, the Chair of the meeting will vote undirected proxies in favour of all of the proposed resolutions.

HOW THE CHAIR WILL VOTE UNDIRECTED PROXIES

The chair of the meeting will vote undirected proxies in favour of all of the proposed resolutions.

QUANTUM RESOURCES LIMITED

ACN 006 690 348

("the Company")

EXTRAORDINARY GENERAL MEETING

EXPLANATORY MEMORANDUM

PURPOSE OF INFORMATION

This Explanatory Memorandum ("**this Memorandum**") accompanies and forms part of the Company's Notice of General Meeting to be held at Level 17, 500 Collins Street, Melbourne, Victoria, 3000 on 6 April 2017 at 10.00am (AEST). The Notice of General Meeting incorporates, and should be read together with, this Memorandum.

BUSINESS

Resolution 1: Ratification of prior issue of placement shares and options

Resolution 1 seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the prior issue of 60,000,000 ordinary fully paid shares and 30,000,000 free-attaching unlisted options (having an exercise price of 3.25 cents (\$0.0325) and an expiry date of 31 August 2020) to professional and sophisticated investors or investors otherwise exempt from the disclosure requirements of Chapter 6D of the Corporations Act 2001 (Cth). The shares and options were issued as part of the Company's recently completed placement the subject of an Appendix 3B lodged 2 March 2017. The options were issued as free-attaching options on the basis of 1 option for every 2 shares subscribed.

The shares the subject of Resolution 1 were issued without shareholder approval under a combination of ASX Listing Rule 7.1 or 7.1A. Specifically, 22,903,138 ordinary shares and all 30,000,000 unlisted options were issued under Listing Rule 7.1 and 37,096,862 ordinary shares were issued under Listing Rule 7.1A.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any twelve (12) month period any equity securities, or other securities with rights to conversion to equity (such as options), if the number of those securities exceeds 15% of the share capital of the Company on issue at the commencement of that twelve (12) month period.

ASX Listing Rule 7.1A provides a placement capacity of up to 10% of an entities issued capital for certain entities who have obtained approval for the capacity at their annual general meeting. The Company obtained approval for the additional 10% placement capacity at its annual general meeting on 30 November 2016.

ASX Listing Rule 7.4 provides that where a company's shareholders ratify the prior issue of securities made pursuant to ASX Listing Rule 7.1 or 7.1A (provided that the previous issue of securities did not breach those rules) those securities will be deemed to have been issued with shareholder approval for the purposes of ASX Listing Rule 7.1.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.5:

- The number of securities issued to which this Resolution applies was 60,000,000 fully paid ordinary shares and 30,000,000 options.
- There shares were issued at an issue price of 1.1 cents (\$0.011) per share, the options were issued as free-attaching options.
- The shares are fully paid ordinary shares in the Company having the same terms and rights as, and ranking equally with, the Company's existing listed fully paid ordinary shares. The options

will have an exercise price of \$0.0325 per option and an expiry date of 31 August 2020 and otherwise be issued on the same terms as the existing unlisted options with the same expiry date and exercise price.

- The shares and options were issued to participants in the Company's recently completed placement who were professional and sophisticated investors or investors otherwise exempt from the disclosure requirements of Chapter 6D of the Corporations Act 2001 (Cth). None of the recipients were related parties of the Company.
- Funds raised upon issue of the shares have or will be applied to development of the Company's Manitoba Lithium Project, the further development of the Company's existing exploration assets, and otherwise applied to the working capital and administrative costs of the Company. Any funds raised upon exercise of the options will be applied to the working capital requirements of the Company at the time of exercise.
- A voting exclusion statement is contained in the Notice of General Meeting accompanying this Memorandum.

Resolution 2: Approval for issue of placement shares and options

Resolution 2 seeks shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of 30,000,000 fully paid ordinary shares at an issue price of 1.1 cents (\$0.011) to professional and sophisticated investors or investors otherwise exempt from the disclosure requirements of Chapter 6D of the Corporations Act. Resolution 2 also seeks approval for the issue of 15,000,000 free-attaching options (exercisable at 3.25 cents (\$0.0325) per option and expiring on 31 August 2020) to be issued on the basis of one free-attaching option for every two shares issued under this Resolution 2.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any twelve (12) month period any equity securities, or other securities with rights to conversion to equity (such as options), if the number of those securities exceeds 15% of the share capital of the Company on issue at the commencement of that twelve (12) month period. One circumstance where an issue of securities is not taken into account in the calculation of this 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.3:

- The maximum number of securities that will be issued are 30,000,000 fully paid ordinary shares and 15,000,000 options (each option exercisable at 3.25 (\$0.0325) per option and expiring on 20 August 2020).
- The shares are expected to be issued approximately 5 business days after the meeting, but in any event no later than three (3) months after the date of the meeting (unless permitted to be issued at a later date by an ASX waiver of the Listing Rules, the Corporations Act 2001 and/or the Australian Securities and Investments Commission).
- The issue price of the shares will be \$0.011 (1.1 cents) each. The options will be issued as free-attaching options and will, therefore, have a nil issue price.
- The shares to be issued are fully paid ordinary shares in the Company having the same terms and rights as, and will rank equally with, the Company's existing listed fully paid ordinary shares. The Company will apply to ASX for admission of the shares to quotation on ASX. The options will have an exercise price of \$0.0325 per option and an expiry date of 31 August 2020 and otherwise be issued on the same terms as the existing unlisted options with the same expiry date and exercise price.

- The shares and options will be issued to professional and sophisticated investors or investors who are otherwise exempt from the disclosure requirements of Chapter 6D of the Corporations Act, none of whom shall (subject to Resolution 3) be related parties of the Company.
- Funds raised upon issue of the shares have or will be applied to development of the Company's Manitoba Lithium Project, the further development of the Company's existing exploration assets, and otherwise applied to the working capital and administrative costs of the Company. Any funds raised upon exercise of the options will be applied to the working capital requirements of the Company at the time of exercise.
- A voting exclusion statement is contained in the Notice of General Meeting accompanying this Memorandum.

Resolution 3: Approval for Director participation in placement - Avi Kimelman

Resolution 3 is proposed to seek shareholder approval to allow Mr Avi Kimelman, an existing Director of the Company (or his associates) to participate in the proposed placement the subject of Resolution 2 ("**Capital Raising**") by subscribing for up to 20,000,000 ordinary shares and 10,000,000 free attaching options (being a subscription of up to \$220,000).

If approval is obtained under Resolution 3, Mr Kimelman will have the right but not the obligation to participate in the Capital Raising (on the same terms as all other investors) up to the approved limit. For the avoidance of any doubt, the shares and options the subject to Resolution 3 form part of (and are not in addition to) the shares and options the subject of Resolution 2.

Assuming Resolution 3 is approved and Mr Kimelman (and/or their associated entities) successfully subscribe for the maximum number of shares and options approved under this resolution his relevant interests (together with his associates) in the Company's securities will be as set out below:

Name	Pre-Capital Raising (Shares)		Post-Capital Raising (Shares)	
	Number	%	Number	% *
Avi Kimelman	17,155,385	3.98%	37,155,385	8.06%
	Pre-Capital Raising (Options)		Post-Capital Raising (Options)	
	17,159,231		27,159,231	

Notes:

* Percentages assume Capital Raising is completed in full.

Table also assume that no existing options are exercised and that Mr Kimelman does not otherwise acquire interest in any other securities prior to completion of the Capital Raising.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the company. For the purposes of Listing Rule 10.11, a related party includes a Director of the company, an entity over which a Director has control and an entity which ASX believes, or has reasonable grounds to believe, that it is likely to become a related party of the company in the future.

Shareholder approval is being sought under ASX Listing Rule 10.11 and as such approval is not required under ASX Listing Rule 7.1.

ASX Listing Rule 10.13 requires that the meeting documents concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 10.11 must include the following information:

- The shares and options will be issued to Mr Avi Kimelman (or his associates) subject to successful subscriptions for shares and options under the Capital Raising.
- The maximum number of securities to be issued is 20,000,000 ordinary fully paid shares for a subscription sum of \$220,000 and 10,000,000 free-attaching options. The shares to be issued are fully paid ordinary shares in the Company having the same terms and rights as, and will rank equally with, the Company's existing listed fully paid ordinary shares. The Company will apply to ASX for admission of the shares to quotation on ASX. The options will have an exercise price of \$0.0325 per option and an expiry date of 31 August 2020 and otherwise be issued on the same terms as the existing unlisted options with the same expiry date and exercise price.
- The Company will issue the shares and options as soon as practical following the date of the Meeting and, in any case, within one month of the date of the Meeting.
- Mr Avi Kimelman is a Director of the Company.
- The shares will be issued as part of the Capital Raising at an issue price of \$0.011 (1.1 cents) per share, the options will be free-attaching.
- Funds raised upon issue of the shares have or will be applied to development of the Company's Manitoba Lithium Project, the further development of the Company's existing exploration assets, and otherwise applied to the working capital and administrative costs of the Company. Any funds raised upon exercise of the options will be applied to the working capital requirements of the Company at the time of exercise.

Chapter 2E of the Corporations Act

Section 208 of the Corporations Act provides that a public company must not, subject to certain exceptions, give a financial benefit to a related party without approval of the company's members. Section 228 of the Corporations Act defines a "*related party*" for the purposes of Chapter 2E to include:

- directors of the public company (section 228(2)(a)); and
- an entity controlled by directors of the public company (section 228(4)).

Mr Kimelman is a related parties of the Company for the purposes of Chapter 2E of the Corporations Act. A "financial benefit" is defined in section 229 of the Corporations Act and includes issuing shares or granting an option to a related party.

Section 210 of the Corporations Act provides an exception to the requirement to obtain shareholder approval for giving a financial benefit to a related party, where the financial benefit is on terms which would be reasonable in the circumstances if the public company and the related party were dealing at arm's length.

The Company considers that the proposed issue of securities the subject of Resolution 3 will be on arm's length terms as it part of, and on the same terms as, the Capital Raising offer made to investors who are not related parties of the Company and on the same terms as the recently completed placement (refer Appendix 3B and ASX Announcement on 2 March 2017). As such, the Company considers that the proposed issue falls within the exception set out in section 210 of the Corporations Act.

The nature of the financial benefit to be given to Mr Kimelman is the interest in the ordinary shares which are to be issued in the event that he (or his associates) successfully subscribe for shares and options in the Capital Raising.

A voting exclusion statement applies to Resolution 3 and is set out in the Notice.

NOTE: Unless otherwise specified, all monetary amounts are expressed in Australian dollars.

PROXY FORM

QUANTUM RESOURCES LIMITED ACN 006 690 348

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR:

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the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at Level 17, 500 Collins Street, Melbourne, Victoria, 3000 on 6 April 2017 at 10.00am (AEST), and at any adjournment thereof.

This proxy is authorized to exercise votes/ % of my/our total voting rights.

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If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy, please place a mark in the box

By marking this box you acknowledge that the Chair may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will otherwise be disregarded because of that interest and further authorise the Chair to vote undirected proxies, even if the resolution is connected directly or indirectly with the remuneration of the Company's key management personnel. The Chair intends voting undirected proxies in favour of the resolutions in which he is permitted to vote.

VOTING DIRECTIONS FOR YOUR PROXY

To instruct your proxy how to vote, insert 'X' in the appropriate column against each resolution set out below. If you do not instruct your proxy how to vote on a resolution, your proxy may vote as he/she thinks fit or abstain from voting.

I/We direct my/our proxy to vote as indicated below:

		FOR	AGAINST	ABSTAIN
Resolution 1	Ratification of prior issue of placement shares and options			
Resolution 2	Approval for issue of placement shares and options			
Resolution 3	Approval for Director participation in placement - Avi Kimelman			

If a person: _____ (Signature) _____ Name (print) Date: ____/____/____	If a company: EXECUTED by: _____ Name of company (print) in accordance with the Corporations Act _____ (Signature) Date: ____/____/____ _____ (Signature)
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This proxy and any power of attorney or other authority under which it is signed (or a certified copy) must be lodged:

- by mail to Level 17, 500 Collins Street, Melbourne VIC 3000; or
- personally at Level 17, 500 Collins Street, Melbourne VIC 3000; or
- by facsimile on +61 3 9614 0550 by 10.00am (Melbourne time) on 4 April 2017, being not less than 48 hours before the time for holding the meeting or adjourned meeting as the case may be.

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