



QUANTUM RESOURCES LIMITED

(ASX: QUR)

21 August 2015

Pro-Rata Non-Renounceable Rights Issue

- 1-for-1 pro-rata non-renounceable rights issue at an issue price of \$0.001 per share to raise up to \$936,908.70
- Non-underwritten, with shortfall facility to enable applications for additional shares
- Funds raised to strengthen the Company's balance sheet, to meet general working capital requirements, and to enable the Company to implement and execute its business objectives

Overview of the Offer

Quantum Resources Limited (**Quantum** or the **Company**) is pleased to announce a pro-rata non-renounceable rights issue (**Offer**) to eligible shareholders, on the basis of 1 new share for every 1 Quantum share held as at 7:00pm (AEDT) on Thursday 27 August 2015 (**Record Date**).

Pursuant to the Offer, the Company will issue up to 936,908,700 fully paid ordinary shares in the capital of the Company (**New Shares**) at an issue price of \$0.001 each, to raise up to \$936,908.70 (before costs). The entitlement to subscribe for New Shares under the Offer will be non-renounceable.

Eligibility to participate

The Offer will be made to all registered holders of ordinary shares in the Company with a registered address in Australia or New Zealand as at the Record Date (**Eligible Shareholders**).

The Company has determined that it would be unreasonable to extend the Offer to shareholders with a registered address outside Australia or New Zealand (**Ineligible Shareholders**) having regard to:

- the small number of shareholders with addresses in such other countries;
- the number and value of the shares they hold; and
- the cost to the Company of complying with applicable legal and regulatory requirements in such other countries.

Dispersion strategies

The Offer will not be underwritten; however there will be a shortfall facility which will enable Eligible Shareholders to subscribe for shares in addition to their entitlement. In the event that following the close of the Offer, a shortfall remains after additional shares are issued under the shortfall facility, the Directors reserve the right to place such shortfall shares at their discretion with persons interested in subscribing for shares in the Company within 3 months of the close of the Offer.

New Shares issued under the Offer

The number of issued shares at the date of this announcement and the maximum total number of issued shares following the Offer are as follows:

| Event | Number of Shares |
|--|----------------------|
| Shares currently on issue | 936,908,700 |
| Maximum New Shares issued pursuant to the Offer | 936,908,700 |
| Maximum total shares on issue after completion of the Offer | 1,873,817,400 |

The New Shares issued under the Offer will be fully paid and will rank equally with the Company's existing Shares on issue. The Company will make an application to the ASX for official quotation of the New Shares.

Share consolidation

As announced by the Company on Friday 21 August 2015, Quantum will be holding an extraordinary general meeting of shareholders (**EGM**) on Monday 21 September 2015, at which the Company will propose a number of resolutions to shareholders, including a resolution seeking approval to consolidate the number of securities it has on issue into a smaller number in the ratio of 13 to 1 (**Consolidation**). The proposed Consolidation, if approved by shareholders at the EGM, will take effect after the EGM, in accordance with the timetable set out in the notice of the EGM which was lodged with ASX on Friday 21 August 2015, and despatched to all shareholders on the same day.

In accordance with the timetable below, the Company expects to complete the issue of the New Shares under the Offer on Wednesday 16 September 2015, prior to the date of the EGM and Consolidation (if approved). Accordingly, shareholders should note that if the Consolidation is approved at the EGM, any New Shares they receive under the Offer will be consolidated into a smaller number in the ratio of 13 to 1. For further information on the impact of the Consolidation on shareholders' holdings in the Company, please refer to the Company's notice of EGM and explanatory memorandum dated Friday 21 August 2015.

Purpose of the Offer

Quantum is making the Offer to raise funds. After payment of the costs and expenses of the Offer, the proceeds from the Rights Issue will firstly be used to strengthen Quantum's balance sheet and discharge current liabilities.

Any remaining funds will be applied to meet Quantum's general working capital requirements, including payment of overheads, and to enable the Company to implement and execute its business objectives.

Offer timetable

| EVENT | DATE (2015) |
|--|------------------|
| Announcement of the Offer | Friday 21 August |
| Lodgement of the following documents with ASX: <ul style="list-style-type: none">• an Appendix 3B;• this Offer Document; and• a cleansing notice under section 708AA(2)(f) of the Corporations Act | Friday 21 August |
| Notice sent to Shareholders containing ASX Appendix 3B details and indicative timetable | Monday 24 August |

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| "Ex" date where the Company's existing shares will commence trading without the entitlement to participate in the Offer | Tuesday 25 August |
| Record date to determine Entitlements under the Offer | 7.00pm (AEDT) Thursday 27 August |
| Opening Date for the Rights Issue | Monday 31 August |
| Mailing of Offer Document and Entitlement and Acceptance Form to Eligible Shareholders | |
| Last day to extend Rights Issue Closing Date | Friday 4 September |
| Closing Date for the Rights Issue | 5.00pm (AEDT) Wednesday 9 September |
| Shares quoted on a deferred settlement basis | Thursday 10 September |
| ASX notified of under subscriptions | Monday 14 September |
| New Shares for which valid applications have been received and accepted by the Company will be issued | Wednesday 16 September |
| Deferred settlement trading ends | Wednesday 16 September |
| Normal trading of New Shares on ASX expected to commence | Thursday 17 September |
| Mail out of holding statements for the New Shares | Tuesday 22 September |
| Deadline for placement of remaining shortfall | Wednesday 9 December |

This timetable is indicative only and subject to change. Subject to the *Corporations Act 2001* (Cth) (**Corporations Act**) and the ASX Listing Rules, the Board reserves the right to vary these dates, including the closing date of the Offer, without prior notice.

The Company also reserves the right not to proceed with the whole or part of the Offer at any time prior to the issue date. In that event, application monies will be refunded in full without interest.

Full details of the terms and conditions of the Offer will be contained in the Offer document to be lodged with ASX and despatched to Eligible Shareholders in accordance with the timetable set out above.

-ENDS

For further information, please contact:

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