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Quantum Resources Limited

(ASX: QUR)

ASX and Media Release

11\ December 2015

Update on Proposed Acquisition of LogiTag

Quantum Resources Limited (ASX:QUR) (**Quantum** or the **Company**) is pleased to provide an update to shareholders on its proposed acquisition of the issued capital of LogiTag Systems Limited (**LogiTag**), an Israeli based provider of radio-frequency identification enabled devices and cloud based inventory management systems.

As announced to shareholders on 12 November 2015, Quantum and the vendors of LogiTag have entered into an option agreement, under which the vendors have irrevocably granted to Quantum an exclusive option to purchase 100% of the issued share capital in LogiTag (**Option Agreement**). Pursuant to the Option Agreement, Quantum was granted an exclusive option period of 30 days from 11 November 2015 (**Option Period**) to complete due diligence investigations on LogiTag. During the Option Period, LogiTag and its vendors are subject to no-shop and standstill restrictions. Quantum is entitled to exercise the Call Option at any time during the Option Period, upon which LogiTag's vendors will be obliged to enter into a binding sale agreement for Quantum's purchase of their shares in LogiTag (**Formal Share Sale Agreement**).

Quantum is pleased to advise that its due diligence investigations have progressed well to date, and the parties are in the process of negotiating terms of the Formal Share Sale Agreement.

The parties are jointly committed to finalising and executing the Formal Share Sale Agreement on or before Friday 18 December 2015, and accordingly have mutually agreed to extend the expiry date of the Option Period from 11 December 2015 to 18 December 2015.

Avi Kimelman, CEO of Quantum, said "During the last month, the respective teams at LogiTag and Quantum have worked collaboratively to make significant progress with their due diligence investigations. We are encouraged by the levels of co-operation and commitment that have been demonstrated by all parties during this process, and are pleased that goodwill continues to be built between the companies. We look forward to providing all shareholders with further updates in respect of the proposed acquisition."

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For further information, please contact:

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