



# Notice of annual general meeting and explanatory memorandum

**Quantum Resources Limited**

ACN 006 690 348

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**Date:** Wednesday 30 November 2016

**Time:** 11.00 am (Melbourne time)

**Venue:** The Institute of Chartered Accountants  
Level 18, 600 Bourke Street  
MELBOURNE, Victoria 3000

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## NOTICE OF 2016 ANNUAL GENERAL MEETING

**NOTICE is given that the Annual General Meeting (Meeting) of Quantum Resources Limited will be held at The Institute of Chartered Accountants, Level 18, 600 Bourke Street, Melbourne, Victoria 3000 on Wednesday 30 November 2016 at 11.00 am (Melbourne time)**

Each of the resolutions proposed to be put to shareholders at the Meeting are set out in this Notice of Annual General Meeting (**Notice**). Further details regarding those resolutions are set out in the Explanatory Memorandum accompanying this Notice. The details of the resolutions contained in the Explanatory Memorandum should be read together with, and for part of, this Notice.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that persons eligible to vote at the Meeting are those who are registered shareholders of the Company at 7.00pm (Melbourne time) on Monday, 28 November 2016.

### BUSINESS OF THE MEETING

Shareholders are invited to consider the following items of business at the Meeting:

#### 1. Financial and related reports

Financial and related reports	
<b>Description</b>	To receive and consider the Annual Financial Reports of the Company including the balance sheets and profit and loss accounts of the Company and its subsidiaries and the reports of the Company's Directors and the Company's auditor in respect of the financial year ended 30 June 2016.

#### 2. Adoption of Remuneration Report (Non-binding resolution)

Resolution 1	Adoption of Remuneration Report (Non-binding resolution)
<b>Description</b>	Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the 2016 Annual Report and is available from the Company's website ( <a href="http://www.qur.com.au">www.qur.com.au</a> ). In accordance with section 250R of the Corporations Act, the vote on this resolution will be advisory only and will not bind the Directors or the Company.
<b>Resolution (Ordinary)</b>	To consider and, if thought fit, pass the following resolution as a non-binding ordinary resolution:  <i><b>"THAT the Remuneration Report for the financial year ended 30 June 2016 included in the Directors' Report, which is attached to the Financial Statements as required under section 300A of the Corporations Act, be adopted by the Company."</b></i>
<b>Voting Exclusion</b>	The Company will disregard votes cast on this Resolution (in any capacity, whether as proxy or as Shareholders) by any of the following persons ( <b>Excluded Persons</b> ):  (a) Key Management Personnel; and  (b) Closely Related Parties of Key Management Personnel.  However, the Company need not disregard a vote if it is:  (a) cast by an Excluded Person as proxy for a person who is entitled to vote, appointed in accordance with the directions of the proxy form; or  (b) cast by the Chair of 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.

### 3. Re-Election of Mr Ari Herszberg as a Director

Resolution 2	Re-Election of Mr Ari Herszberg as a Director
Description	Mr Ari Herszberg, who retires as a Director in accordance with rule 17.1(b) of the Constitution, and being eligible, offers himself for re-election as a Director.
Resolution (Ordinary)	To consider and, if thought fit, to pass the following resolution as an ordinary resolution:  <i><b>"THAT Mr Ari Herszberg, having retired by rotation in accordance with rule 17.1(b) of the Constitution and, being eligible, having offered himself for re-election, be re-elected as a Director of the Company."</b></i>

### 4. Election of Mr Avi Kimelman as a Director

Resolution 3	Election of Mr Avi Kimelman as a Director
Description	Mr Avi Kimelman, who was appointed to the Board on 30 April 2016 by the Directors, retires as a Director in accordance with ASX Listing Rule 14.4 and rule 16.4(b)(ii) of the Constitution and, being eligible, offers himself for re-election as a Director.
Resolution (Ordinary)	To consider and, if thought fit, to pass the following resolution as an ordinary resolution:  <i><b>"THAT Mr Avi Kimelman, having been appointed as a Director on 30 April 2016 by the Board, retires as a Director of the Company in accordance with ASX Listing Rule 14.4 and rule 16.4(b)(ii) of the Constitution and for all other purposes, and being eligible, having offered himself for election, be elected as a Director of the Company."</b></i>

### 5. Issue of options to Northern Star Nominees Pty Ltd

Resolution 4	Issue of options to Northern Star Nominees Pty Ltd
Description	Quantum seeks shareholder approval to issue 5,000,000 unlisted options to acquire ordinary fully paid shares in the Company to Northern Star Nominees Pty Ltd.
Resolution (Ordinary)	To consider and, if thought fit, pass the following resolution as an ordinary resolution:  <i><b>"THAT for the purpose of ASX Listing Rule 7.1, shareholders approve the issue of 5,000,000 unlisted options to acquire ordinary fully paid shares in the Company to Northern Star Nominees Pty Ltd on the terms set out in the Explanatory Memorandum accompanying this Notice."</b></i>

<b>Voting Exclusion</b>	<p>The Company will disregard votes cast on this Resolution by a person who is to receive the securities, persons who may participate in the proposed issue and persons who might obtain a benefit except a benefit solely in the capacity of a holder of ordinary shares, if the Resolution is passed and any associates of those persons.</p> <p>However, the Company need not disregard a vote if it is cast by:</p> <ul style="list-style-type: none"> <li>(a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or;</li> <li>(b) the person chairing the Meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</li> </ul>
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## 6. Approval for a Director to participate in Rights Issue shortfall – Ari Herszberg

<b>Resolution 5A</b>	<b>Approval for a Director to participate in Rights Issue shortfall – Ari Herszberg</b>
<b>Description</b>	Quantum seeks shareholder approval to allow Mr Ari Herszberg, a Director of the Company (or his associates), to subscribe for and receive up to 2,000,000 shares and 2,000,000 free-attaching options to acquire ordinary fully paid shares from the Rights Issue shortfall.
<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i><b>“THAT for the purposes of ASX Listing Rule 10.11, and for all other purposes, shareholders approve the participation of Mr Ari Herszberg, a Director of the Company (or his associates), in the issue of shares from the Rights Issue shortfall by subscribing for up to 2,000,000 shares and 2,000,000 free-attaching options to acquire ordinary fully paid shares as described in the Explanatory Memorandum which accompanies and forms part of this Notice”</b></i></p>
<b>Voting Exclusion</b>	<p>The Company will disregard votes cast on this Resolution by Ari Herszberg and any of his associates.</p> <p>However, the Company need not disregard a vote if it is cast by:</p> <ul style="list-style-type: none"> <li>(a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or;</li> <li>(b) the person chairing the Meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</li> </ul>

## 7. Approval for a Director to participate in Rights Issue shortfall – Avi Kimelman

<b>Resolution 5B</b>	<b>Approval for a Director to participate in Rights Issue shortfall – Avi Kimelman</b>
<b>Description</b>	Quantum seeks shareholder approval to allow Mr Avi Kimelman, a Director of the Company (or his associates), to subscribe for and receive up to 15,000,000 shares and 15,000,000 free-attaching options to acquire ordinary fully paid shares from the Rights Issue shortfall.
<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i><b>“THAT for the purposes of ASX Listing Rule 10.11, and for all other purposes, shareholders approve the participation of Mr Avi Kimelman, a Director of the Company (or his associates), in the issue of shares from the Rights Issue shortfall by subscribing for up to 15,000,000 shares and 15,000,000 free-attaching options to acquire ordinary</b></i></p>

	<i>fully paid shares as described in the Explanatory Memorandum which accompanies and forms part of this Notice</i>
<b>Voting Exclusion</b>	<p>The Company will disregard votes cast on this Resolution by Avi Kimelman and any of his associates.</p> <p>However, the Company need not disregard a vote if it is cast by:</p> <ul style="list-style-type: none"> <li>(a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or;</li> <li>(b) the person chairing the Meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</li> </ul>

## 8. Approval for a Director to participate in Rights Issue shortfall – Eliahu Bernstein

<b>Resolution 5C</b>	<b>Approval for a Director to participate in Rights Issue shortfall – Eliahu Bernstein</b>
<b>Description</b>	Quantum seeks shareholder approval to allow Mr Eliahu Bernstein, a Director of the Company (or his associates), to subscribe for and receive up to 2,000,000 shares and 2,000,000 free-attaching options to acquire ordinary fully paid shares from the Rights Issue shortfall.
<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i><b>“THAT for the purposes of ASX Listing Rule 10.11, and for all other purposes, shareholders approve the participation of Mr Eliahu Bernstein, a Director of the Company (or his associates), in the issue of shares from the Rights Issue shortfall by subscribing for up to 2,000,000 shares and 2,000,000 free-attaching options to acquire ordinary fully paid shares as described in the Explanatory Memorandum which accompanies and forms part of this Notice”</b></i></p>
<b>Voting Exclusion</b>	<p>The Company will disregard votes cast on this Resolution by Eliahu Bernstein and any of his associates.</p> <p>However, the Company need not disregard a vote if it is cast by:</p> <ul style="list-style-type: none"> <li>(a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or;</li> <li>(b) the person chairing the Meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</li> </ul>

## 9. Issue of options to a Director – Avi Kimelman

<b>Resolution 6</b>	<b>Issue of options to a Director – Avi Kimelman</b>
<b>Description</b>	Quantum seeks shareholder approval to issue 5,000,000 unlisted options in the Company to Mr Avi Kimelman, a Director of the Company, or his nominee.
<b>Resolution (Ordinary)</b>	<p>To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i><b>“THAT for the purposes of ASX Listing Rule 10.11, approval is given for the issue of 5,000,000 options to acquire ordinary fully paid shares in the Company to Avi Kimelman, a Director of the Company, or his nominee, as set out in the Explanatory Memorandum accompanying this Notice.”</b></i></p>

<b>Voting Exclusion</b>	<p>The Company will disregard votes cast on this Resolution by Avi Kimelman and any of his associates.</p> <p>However, the Company need not disregard a vote if it is cast by:</p> <ul style="list-style-type: none"> <li>(a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or;</li> <li>(b) the person chairing the Meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</li> </ul>
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## Special Business

### 10. Approval of 10% Placement Capacity

Resolution 7	Approval of 10% placement capacity
<b>Description</b>	Quantum seeks shareholder approval to be able to issue equity securities of up to an additional 10% of its issued capital by way of placements over a 12 month period, in addition to its ability to issue securities under Listing Rule 7.1.
<b>Resolution (Special)</b>	<p>To consider and, if thought fit, pass the following resolution as a <b>special resolution</b>:</p> <p><i><b>“THAT for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to an additional 10% of its issued equity securities by way of placements over a 12 month period at an issue price which is not less than the minimum issue price calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.3 and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”</b></i></p>
<b>Voting Exclusion</b>	<p>The Company will, in accordance with ASX Listing Rule 14.11, disregard any votes cast on this resolution by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any associates of those persons.</p> <p>However, the Company need not disregard a vote if it is cast by:</p> <ul style="list-style-type: none"> <li>(a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or;</li> <li>(b) the person chairing the Meeting as proxy for a person entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.</li> </ul>

Dated 31 October 2016

By order of the Board of Quantum Resources Limited



**Adrien Wing**  
Company Secretary

## QUESTIONS FROM SHAREHOLDERS

To provide an equal opportunity for all shareholders to ask questions of the Board, we ask you to submit in writing any questions to the Company or to the Company's auditor in relation to the conduct of the external audit for the year ended 30 June 2016, or the content of its audit report. Please send your questions to:

The Company Secretary, Quantum Resources Limited

**Via mail:** Level 17, 500 Collins Street, Melbourne VIC 3000

**Via email:** [amwing@northernstargroup.com.au](mailto:amwing@northernstargroup.com.au)

Written questions must be received no later than **5.00pm (Melbourne time) on Friday 25 November 2016**.

Your questions should relate to matters that are relevant to the business of the Meeting,

In accordance with the *Corporations Act 2001* (Cth) and the Company's policy, a reasonable opportunity will be provided to shareholders attending the Meeting to ask questions about, or make comments upon, matters in relation to the Company including the Company's Remuneration Report for the year ended 30 June 2016.

During the course of the Meeting, the Chair will seek to address as many shareholder questions as reasonably practicable, and, where appropriate, will give the auditor's representative the opportunity to answer written questions addressed to it. However, there may be insufficient time to answer all questions at the Meeting. Please note individual responses may not be sent to shareholders.

## VOTING INFORMATION

### Entitlement to vote at the Meeting

A determination has been made by the Board of the Company under regulation 7.11.37 of the *Corporations Regulations 2001* that persons eligible to vote at the Meeting are those registered shareholders of the Company as at **7.00 pm (Melbourne time) on Monday 28 November 2016**, subject to any applicable voting exclusion.

### Voting by proxy

- (a) A shareholder entitled to attend and vote at the Meeting may appoint one proxy or, if the shareholder is entitled to cast 2 or more votes at the meeting, 2 proxies, to attend and vote instead of the shareholder.
- (b) Where 2 proxies are appointed to attend and vote at the Meeting, each proxy may be appointed to represent a specified proportion or number of the shareholder's voting rights at the meeting.
- (c) A proxy need not be a shareholder of the Company.
- (d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the meeting.
- (e) A proxy form accompanies this notice. If a shareholder wishes to appoint more than 1 proxy, they may make a copy of the proxy form attached to this notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a (notarially) certified copy of that power of authority **by 5:00 (Melbourne time) on Monday 28 November 2016:**

**by post** Quantum Resources Limited  
Level 17, 500 Collins Street  
Melbourne VIC 3000

**By facsimile** +61 3 9614 0550

## Proxy voting by the Chair

The *Corporations Act 2011* (Cth) (as amended), imposes prohibitions on Key Management Personnel and their Closely Related Parties from voting their shares (and/or voting undirected proxies) on, amongst other things, remuneration matters. Resolutions 1 and 6 are connected, directly or indirectly, with the remuneration of Key Management Personnel of the Company,

However, the Chair of a meeting may vote an undirected proxy (i.e. a proxy that does not specify how it is to be voted), provided the shareholder who has lodged the proxy has given an express voting direction to the Chair to exercise the undirected proxy, even if the resolution is connected with the remuneration of a member of Key Management Personnel. The Chair may not vote undirected proxies cast on behalf of Key Management Personnel or their Closely Related Parties on Resolution 1.

If you complete a proxy form that authorises the Chair of the Meeting to vote on your behalf as proxy, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then you will be taken to have expressly authorised the Chair to exercise your proxy on Resolutions 1 and 6. In accordance with this express authority provided by you, the Chairman will vote in favour of Resolutions 1 and 6 (unless you are a member of the Key Management Personnel or a Closely Related Party, in which case your vote can not be cast on Resolution 1). If you wish to appoint the Chair of the Meeting as your proxy, and you wish to direct him how to vote, please tick the appropriate boxes on the form.

The Company's Chairman, Mr Eliahu Bernstein, will Chair the Meeting and intends to vote all available undirected proxies in favour of each item of business.

Subject to the above, if you appoint as your proxy any Director of the Company, except the Chairman, or any other Key Management Personnel or any of their Closely Related Parties and you do not direct your proxy how to vote on Resolution 1, he or she will not vote your proxy on that item of business.

## CORPORATE REPRESENTATIVES

Any corporation which is a member of the Company may appoint a proxy, as set out above, or 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 Chair) a natural person to act as its representative at any general meeting.

Corporate representatives are requested to bring appropriate evidence of appointment as a representative in accordance with the Constitution. Attorneys are requested to bring an original or certified copy of the power of attorney pursuant to which they were appointed. Proof of identity is also required for corporate representatives and attorneys.

## SPECIAL RESOLUTIONS

For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of shares) must be in favour of the resolution. Resolution 7 is a special resolution.

# EXPLANATORY MEMORANDUM TO NOTICE OF 2016 ANNUAL GENERAL MEETING

This Explanatory Memorandum (**Memorandum**) accompanies and forms part of the Company's Notice of Annual General Meeting (**Notice**). The Notice incorporates, and should be read together with, this Memorandum.

## 1. Financial and related reports

Item	Financial and Related Reports
<b>Explanation</b>	<p>Section 317 of the Corporations Act requires the Company's Annual Financial Report, Directors' Report, Remuneration Report and Auditor's Report for the financial year ended 30 June 2016 to be laid before the Annual General Meeting (<b>Meeting</b>). There is no requirement that Shareholders formally approve the reports.</p> <p>The Financial Report contains the financial statements of the consolidated entity consisting of Quantum and its controlled entities.</p> <p>As permitted by the Corporations Act, a printed copy of the Company's 2016 Annual Report has been sent only to those shareholders who have elected to receive a printed copy. A copy of the 2016 Annual Report is available from the Company's website (<a href="http://www.qur.com.au">www.qur.com.au</a>).</p> <p>The Chair of the Meeting will allow a reasonable opportunity at the Meeting for shareholders to ask questions. Shareholders will also be given a reasonable opportunity at the meeting to ask the Company's auditor questions about its audit report, the conduct of its audit of the Company's financial report for the year ended 30 June 2016, the preparation and content of its audit report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of the Company's auditor in relation to the conduct of the audit.</p>

## 2. Adoption of Remuneration Report (Non-binding resolution)

Resolution 1	Adoption of Remuneration Report (Non-binding resolution)
<b>Explanation</b>	<p>Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the Company's 2016 Annual Report and is available from the Company's website (<a href="http://www.qur.com.au">www.qur.com.au</a>).</p> <p>The Company is required pursuant to the Corporations Act to propose a non-binding resolution regarding the 2016 Remuneration Report, which forms part of the Director's Report in the 2016 Annual Financial Statements. The vote is advisory only and does not bind the Directors of the Company.</p> <p>The Remuneration Report:</p> <ul style="list-style-type: none"> <li>describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance;</li> <li>sets out the remuneration arrangements in place for each Director and for certain members of the senior management team; and</li> </ul>



	<ul style="list-style-type: none"> <li>explains the differences between the basis for remunerating non-executive Directors and senior executives, including the Chief Executive Officer (if any).</li> </ul> <p>The vote on this item is advisory only and does not bind the Directors. However, the Board will take into account any discussion on this item and the outcome of the vote when considering the future remuneration policies and practices of the Company.</p>
<b>Spill Resolution</b>	Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGM's (treating this AGM as the first such meeting), shareholders will be required to vote at the second of those AGM's on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director and CEO) must be put up for re-election. The vote on the Remuneration Report contained in the Company's 2015 Annual Financial Statements was passed with the support of more than 75% of votes thus a spill resolution will not be required in the event that 25% or more of votes that are cast are against the adoption of the 2016 Remuneration Report. However, in the event that 25% or more of votes that are cast are against the adoption of the 2016 Remuneration Report, shareholders should be aware that if there is a 'no' vote of 25% or more for the same resolution at the 2017 AGM the consequences are that it may result in the re-election of the Board.
<b>Voting Exclusion</b>	A voting exclusion statement applies to this resolution, as set out in the Notice.
<b>Board Recommendation</b>	The Directors unanimously recommend shareholders vote in favour of adopting the Remuneration Report.
<b>Chair's available proxies</b>	The Chair of the Meeting intends to vote all available proxies in favour of this resolution.

### 3. Re-Election of Mr Ari Herszberg as a Director

<b>Resolution 2</b>	<b>Re-Election of Mr Ari Herszberg as a Director</b>
<b>Explanation</b>	<p>Rule 17.1(b) of the Constitution provides that where there are less than three Directors excluding any Directors appointed to fill a casual vacancy who have not retired since their appointment, and excluding the Managing Director, if any, then one Director must retire at each AGM of the Company. Accordingly, one Director is required to retire by rotation at the 2016 AGM.</p> <p>Resolution 2 is a resolution for the election of Mr Ari Herszberg a Director who retires by rotation and, being eligible, offers himself for re-election.</p> <p>Mr Herszberg, having retired by rotation in accordance being with the Constitution, and, being eligible, offers himself for re-election as a Director.</p>
<b>About Mr Ari Herszberg</b>	<p>Mr Herszberg was appointed to the Company's Board on 29 May 2015 as an independent Non-Executive Director.</p> <p>Mr Herszberg is a Director of a number of companies and has more than 15 years of corporate and management experience. He has extensive consumer electronics experience retailing a number of iconic brands in the Australian market. Mr Herszberg also has extensive real estate experience in the commercial property market.</p>

<b>Board Recommendation</b>	The Board, with Mr Ari Herszberg abstaining from making a recommendation, recommends shareholders vote in favour of Resolution 2.
<b>Chair's available proxies</b>	The Chair of the Meeting intends to vote all available proxies in favour of Resolution 2.

#### 4. Election of Mr Avi Kimelman as a Director

<b>Resolution 3</b>	<b>Election of Mr Avi Kimelman as a Director</b>
<b>Explanation</b>	<p>ASX Listing Rule 14.4 and rule 16.4(b)(ii) of the Constitution require that the appointment of any Director who is appointed by the other Directors to fill a casual vacancy on the Board be ratified at the next AGM following that Director's appointment.</p> <p>Mr Avi Kimelman was appointed to the Board on 30 April 2016 to fill a casual vacancy. Accordingly, Mr Kimelman retires as a Director and offers himself for election pursuant to ASX Listing Rule 14.4 and rule 16.4(b)(ii) of the Constitution.</p>
<b>About Mr Avrohom (Avi) Kimelman</b>	<p>Mr Kimelman was appointed to the Company's Board on 30 April 2016 as an independent Non-Executive Director.</p> <p>Mr Kimelman has held senior positions in both local and overseas listed entities across a diverse range of investment disciplines. He has developed a reputation within the technology and resources sectors for identifying, assessing projects around the globe, raising capital for these projects through his extensive investor network as well as successfully negotiating the associated transactions.</p>
<b>Board Recommendation</b>	The Board, with Mr Kimelman abstaining from making recommendations, recommends that shareholders vote in favour of resolution 3.
<b>Chair's available proxies</b>	The Chair of the Meeting intends to vote all available proxies in favour of Resolution 3.

#### 5. Issue of options to Northern Star Nominees Pty Ltd

<b>Resolution 4</b>	<b>Issue of Options to Northern Star Nominees Pty Ltd</b>
<b>Explanation</b>	<p>Resolution 4 seeks shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of 5,000,000 unlisted options to acquire ordinary fully paid shares (each option having an exercise price of \$0.0325 and expiry date of 31 August 2020) to Northern Star Nominees Pty Ltd [ACN 086 208 951] (<b>Northern Star</b>). The options are to be issued for consulting services provided by Northern Star to the Company.</p> <p>ASX 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 company's issued share capital at the commencement of that 12 month period. One circumstance where an</p>

	action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders at a general meeting.
<b>Information under Listing Rule 7.3</b>	<p>ASX Listing Rule 7.3 requires that the meeting documents concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 7.1 must include the following information:</p> <ul style="list-style-type: none"> <li>• The maximum number of options which will be issued under the approval sought through this resolution is 5,000,000 unlisted options to acquire ordinary fully paid shares.</li> <li>• Each option has an exercise price of \$0.0325 and expiry date of 31 August 2020.</li> <li>• The options will be issued and allotted no later than three (3) months after the date of the meeting (or such later date as may be permitted by an ASX waiver of the Listing Rules, the Corporations Act and/or the Australian Securities and Investments Commission).</li> <li>• There is no issue price. The options will be issued for consulting services provided by Northern Star to the Company.</li> <li>• The options have the same terms and rights as the Company's existing, unlisted options which have the same expiry date and exercise price</li> <li>• The options will be issued to Northern Star who is not a related party of the Company.</li> <li>• No funds will be raised from issue of the options. Any funds raised upon exercise of the options will be applied to the working capital requirements of the Company at the time of exercise.</li> <li>• A voting exclusion statement is contained in the Notice accompanying this Memorandum.</li> </ul>
<b>GENERAL INFORMATION</b>	
<b>Voting Exclusion</b>	A voting exclusion statement applies to this resolution, as set out in the Notice.
<b>Board Recommendation</b>	The Directors unanimously recommend shareholders vote in favour of Resolution 4.
<b>Chairman's available proxies</b>	The Chair of the Meeting intends to vote all available proxies in favour of Resolution 4.

### Approval for Directors to participate in Rights Issue shortfall (general)

<b>Resolutions 5A-5C</b>	<b>Approval for Directors to participate in Rights Issue shortfall (general)</b>
<b>Explanation</b>	<p>Resolutions 5A-5C seek shareholder approval for Mr Ari Herszberg, Mr Avi Kimelman and Mr Eliahu Bernstein, each a Director of the Company, to participate in the issue of shares from the shortfall (if any) of a pro-rata rights issue announced by the Company on 31 October 2016 (<b>Rights Issue</b>) by subscribing for ordinary fully paid shares each at an issue price of \$0.016 (1.6 cents) per share each with 1 free-attaching option to acquire an ordinary fully paid share in the Company.</p> <p>The options have an exercise price of \$0.0325 (\$3.25), expiry date of 31 August 2020 and will, upon exercise, entitle the holder to one ordinary fully paid share in the Company. The Company intends to apply for quotation of the options however quotation of the options as a listed class is subject to the Company meeting the ASX listing requirements. If the Company does not meet the requirement for listing the options, the options will be issued but be unlisted.</p>

	<p>It is proposed that Mr Kimelman have the right, but not the obligation, to subscribe for up to 15,000,000 ordinary fully paid shares (\$240,000), while Mr Herszberg and Mr Bernstein will have the right, but not the obligation, to subscribe for up to 2,000,000 ordinary fully paid shares (\$32,000) each.</p> <p>If shareholders approve Resolutions 5A-5C, each of the aforementioned Directors will have the right, but not the obligation, to participate in the Rights Issue shortfall by subscribing for up to the approved limit. For the avoidance of doubt, the securities the subject of these Resolutions form part of the shortfall securities the Company will issue should the Rights issue be undersubscribed.</p> <p>The allocation of shares from the shortfall is at the discretion of the Board, having regard to the respective pro-rata entitlements of the subscribing shareholders. The Board will endeavour, where possible, to allot shares from the shortfall to a spread of investors to mitigate the control effects which may otherwise arise from issuing shortfall to a single or small number of investors.</p> <p>The Directors whose participation is the subject of these resolutions 5A-5C will not be issued shares from the shortfall where such an issue would have an undue influence on the control of the Company or if there is sufficient interest from third parties and shareholders applying for shares from the shortfall in excess of their allocation.</p>
<b>ASX Listing Rule 10.11</b>	<p>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 is likely to become a related party of the company in future.</p> <p>Shareholder approval is being sought under ASX Listing Rule 10.11 and as such approval is not required under ASX Listing Rule 7.1.</p>
<b>Chapter 2E of the Corporations Act</b>	<p>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:</p> <ul style="list-style-type: none"> <li>• directors of the public company (section 228(2)(a)); and</li> <li>• an entity controlled by directors of the public company (section 228(4)).</li> </ul> <p>Mr Herszberg, Mr Kimelman and Mr Bernstein are Directors of the Company and are therefore 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 to a related party.</p> <p>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 that would be reasonable in the circumstances if the public company and the related party were dealing at arm's length.</p> <p>The Company Considers the proposes issues of securities the subject of Resolutions 5A-5C will be made on arm's length as they form part of, and are on the same terms as, the issue of Rights Issue shortfall shares made to investors who are not related parties of the Company. As such, the Company considers that the proposed issue falls within the exception set out in section 210 of the Corporations Act.</p>

	The nature of the financial benefit to be given to Mr Herszberg, Mr Kimelman and Mr Bernstein is the interest in the ordinary shares that are to be issued in the event that they participate in the Rights Issue shortfall.
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## 6. Approval for Director to participate in Rights Issue shortfall – Ari Herszberg

Resolution 5A	Approval for Director to participate in Rights Issue shortfall – Ari Herszberg																		
Explanation	<p>Resolution 5A seeks shareholder approval for Mr Ari Herszberg, a Director of the Company, to participate in the issue of shares from the Rights Issue shortfall by subscribing for up to 2,000,000 ordinary fully paid shares each at an issue price of \$0.016 (1.6 cents) per share each with 1 free-attaching option to acquire ordinary fully paid shares in the Company.</p> <p>If approval is obtained under Resolution 5A, Mr Herszberg will have the right, but not the obligation, to participate in the Rights Issue shortfall (on the same terms as all other investors) up to the approved limit. For the avoidance of doubt, the securities the subject of this Resolution form part of the shortfall securities the Company will issue should the Rights issue be undersubscribed.</p>																		
Interest in the Company	<p>Assuming Resolution 5A is approved and Mr Herszberg (and/or his associated entities) successfully subscribe for the maximum number of shares approved under that resolution, the relevant interest of Mr Herszberg (and his associates) in the Company's ordinary shares will be as set out below:</p> <table><tr><th rowspan="2">Name</th><th colspan="2">Pre-issue</th><th colspan="2">Post-issue</th></tr><tr><th>Number</th><th>%</th><th>Number</th><th>%</th></tr><tr><td>Ari Herszberg</td><td>-</td><td>-</td><td>2,000,000</td><td>0.54%</td></tr></table> <p>Note to table: Table assumes Rights Issue shortfall is fully subscribed and no options are exercised. If the Rights Issue shortfall is not fully subscribed, and Mr Herszberg takes up his full entitlement under Resolution 5A, Mr Herszberg's percentage interest will increase.</p>					Name	Pre-issue		Post-issue		Number	%	Number	%	Ari Herszberg	-	-	2,000,000	0.54%
Name	Pre-issue		Post-issue																
	Number	%	Number	%															
Ari Herszberg	-	-	2,000,000	0.54%															
ASX Listing Rule 10.13	<p>ASX Listing Rule 10.13 requires 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:</p> <ul style="list-style-type: none"><li>• The shares will be issued to Ari Herszberg (or his associates) subject to those entities successfully subscribing for shares from the Rights Issue shortfall.</li><li>• The maximum number of securities to be issued is 2,000,000 fully paid ordinary shares for a subscription fund of approximately \$32,000 and 2,000,000 free-attaching options to acquire ordinary fully paid shares.</li><li>• Each free-attaching option has an exercise price of \$0.0325 and expiry date of 31 August 2020.</li><li>• The Company will issue the shares as soon as practical following the date of the Meeting and, in any case, within one (1) month of the date of the Meeting.</li><li>• Ari Herszberg is a Director of the Company.</li><li>• The shares and options will be issued as part of the Rights Issue shortfall at an issue price of \$0.016 (1.6 cents) per share.</li><li>• The Company intends to use funds raised from the issue of the shares to further develop the Company's existing gold projects, develop the Thomson Bros lithium project in Canada, meet general administrative and working capital requires and to meet the costs of the Rights Issue. Any funds raised upon exercise of the</li></ul>																		

	<p>options will be applied to the working capital requirements of the Company at the time of exercise.</p> <ul style="list-style-type: none"> <li>• A voting exclusion statement is contained in the Notice accompanying this Memorandum.</li> </ul>
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#### GENERAL INFORMATION

<b>Voting Exclusion</b>	A voting exclusion statement applies to this resolution, as set out in the Notice.
<b>Board recommendation</b>	The non-associated Directors of the Company recommend shareholders vote in favour of Resolution 5A.
<b>Chairman's available proxies</b>	The Chair of the Meeting intends to vote all available proxies in favour of Resolution 5A.

### 7. Approval for Director to participate in Rights Issue shortfall – Avi Kimelman

Resolution 5B	Approval for Director to participate in Rights Issue shortfall – Avi Kimelman																		
Explanation	<p>Resolution 5B seeks shareholder approval for Mr Avi Kimelman, a Director of the Company, to participate in the issue of shares from the Rights Issue shortfall by subscribing for up to 15,000,000 ordinary fully paid shares each at an issue price of \$0.016 (1.6 cents) per share each with 1 free-attaching option to acquire ordinary fully paid shares in the Company.</p> <p>If approval is obtained under Resolution 5B, Mr Kimelman will have the right, but not the obligation, to participate in the Rights Issue shortfall (on the same terms as all other investors) up to the approved limit. For the avoidance of doubt, the securities the subject of these Resolutions form part of the shortfall securities the Company will issue should the Rights issue be undersubscribed.</p>																		
Interest in the Company	<p>Assuming Resolution 5B is approved and Mr Kimelman (and/or his associated entities) successfully subscribe for the maximum number of shares approved under that resolution the relevant interest of Mr Kimelman (and his associates) in the Company’s ordinary shares will be as set out below:</p> <table><tr><th rowspan="2">Name</th><th colspan="2">Pre-issue</th><th colspan="2">Post-issue</th></tr><tr><th>Number</th><th>%</th><th>Number</th><th>%</th></tr><tr><td>Avi Kimelman</td><td>12,496,154</td><td>4.04%</td><td>29,995,385</td><td>8.09%</td></tr></table> <p>Note to table: The Post-Issue figure assumes Rights Issue shortfall is fully subscribed, that Mr Kimelman subscribes for his full entitlement under the Rights Issue and that no options are exercised. If the Rights Issue shortfall is not fully subscribed, and Mr Kimelman takes up his full entitlement under Resolution 5B, Mr Kimelman’s percentage interest will increase.</p>					Name	Pre-issue		Post-issue		Number	%	Number	%	Avi Kimelman	12,496,154	4.04%	29,995,385	8.09%
Name	Pre-issue		Post-issue																
	Number	%	Number	%															
Avi Kimelman	12,496,154	4.04%	29,995,385	8.09%															
ASX Listing Rule 10.13	<p>ASX Listing Rule 10.13 requires 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:</p> <ul style="list-style-type: none"><li>• The shares will be issued to Avi Kimelman (or his associates) subject to those entities successfully subscribing for shares from the Rights Issue shortfall.</li><li>• The maximum number of securities to be issued is 15,000,000 fully paid ordinary shares for a subscription fund of approximately \$240,000 and 15,000,000 free-attaching options to acquire ordinary fully paid shares.</li></ul>																		

	<ul style="list-style-type: none"> <li>Each free-attaching option has an exercise price of \$0.0325 and expiry date of 31 August 2020.</li> <li>The Company will issue the shares as soon as practical following the date of the Meeting and, in any case, within one (1) month of the date of the Meeting.</li> <li>Avi Kimelman is a Director of the Company.</li> <li>The shares and options will be issued as part of the Rights Issue shortfall at an issue price of \$0.016 (1.6 cents) per share.</li> <li>The Company intends to use funds raised from the issue of the shares to further develop the Company's existing gold projects, develop the Thomson Bros lithium project in Canada, meet general administrative and working capital requires and to meet the costs of the Rights Issue. Any funds raised upon exercise of the options will be applied to the working capital requirements of the Company at the time of exercise.</li> <li>A voting exclusion statement is contained in the Notice accompanying this Memorandum.</li> </ul>
<b>GENERAL INFORMATION</b>	
<b>Voting Exclusion</b>	A voting exclusion statement applies to this resolution, as set out in the Notice.
<b>Board recommendation</b>	The non-associated Directors of the Company recommend shareholders vote in favour of Resolution 5B.
<b>Chairman's available proxies</b>	The Chair of the Meeting intends to vote all available proxies in favour of Resolution 5B.

## 8. Approval for Director to participate in Rights Issue shortfall – Eliahu Bernstein

<b>Resolution 5C</b>	<b>Approval for Director to participate in Rights Issue shortfall – Eliahu Bernstein</b>																	
<b>Explanation</b>	<p>Resolution 5C seeks shareholder approval for Mr Eliahu Bernstein, a Director of the Company, to participate in the issue of shares from the Rights Issue shortfall by subscribing for up to 2,000,000 ordinary fully paid shares each at an issue price of \$0.016 (1.6 cents) per share each with 1 free-attaching option to acquire ordinary fully paid shares in the Company.</p> <p>If approval is obtained under Resolution 6C, Mr Bernstein will have the right, but not the obligation, to participate in the Rights Issue shortfall (on the same terms as all other investors) up to the approved limit. For the avoidance of doubt, the securities the subject of these Resolutions form part of the shortfall securities the Company will issue should the Rights issue be undersubscribed.</p>																	
<b>Interest in the Company</b>	<p>Assuming Resolution 5C is approved and Mr Bernstein (and/or his associated entities) successfully subscribe for the maximum number of shares approved under that resolution the relevant interest of Mr Bernstein (and his associates) in the Company's ordinary shares will be as set out below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Name</th><th colspan="2">Pre-issue</th><th colspan="2">Post-issue</th></tr> <tr> <th>Number</th><th>%</th><th>Number</th><th>%</th></tr> </thead> <tbody> <tr> <td>Eliahu Bernstein</td><td>-</td><td>-</td><td>2,000,000</td><td>0.54%</td></tr> </tbody> </table> <p>Note to table: Table assumes Rights Issue shortfall is fully subscribed and that no options are exercised. If the Rights Issue shortfall is not fully subscribed, and Mr Bernstein subscribes for the full amount of his entitlement under Resolution 5C, Mr Bernstein's percentage interest will increase.</p>				Name	Pre-issue		Post-issue		Number	%	Number	%	Eliahu Bernstein	-	-	2,000,000	0.54%
Name	Pre-issue		Post-issue															
	Number	%	Number	%														
Eliahu Bernstein	-	-	2,000,000	0.54%														

<b>ASX Listing Rule 10.13</b>	<p>ASX Listing Rule 10.13 requires 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:</p> <ul style="list-style-type: none"> <li>• The shares will be issued to Eliahu Bernstein (or his associates) subject to those entities successfully subscribing for shares from the Rights Issue shortfall.</li> <li>• The maximum number of securities to be issued is 2,000,000 fully paid ordinary shares for a subscription fund of approximately \$32,000 and 2,000,000 free-attaching options to acquire ordinary fully paid shares.</li> <li>• Each free-attaching option has an exercise price of \$0.0325, expiry date of 31 August 2020.</li> <li>• The Company will issue the shares as soon as practical following the date of the Meeting and, in any case, within one (1) month of the date of the Meeting.</li> <li>• Eliahu Bernstein is a Director of the Company.</li> <li>• The shares and options will be issued as part of the Rights Issue shortfall at an issue price of \$0.016 (1.6 cents) per share.</li> <li>• The Company intends to use funds raised from the issue of the shares to further develop the Company's existing gold projects, develop the Thomson Bros lithium project in Canada, meet general administrative and working capital requires and to meet the costs of the Rights Issue. Any funds raised upon exercise of the options will be applied to the working capital requirements of the Company at the time of exercise.</li> <li>• A voting exclusion statement is contained in the Notice accompanying this Memorandum.</li> </ul>
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#### GENERAL INFORMATION

<b>Voting Exclusion</b>	A voting exclusion statement applies to this resolution, as set out in the Notice.
<b>Board recommendation</b>	The non-associated Directors of the Company recommend shareholders vote in favour of Resolution 5C.
<b>Chairman's available proxies</b>	The Chair of the Meeting intends to vote all available proxies in favour of Resolution 5C.

## 9. Issue of options to a Director – Avi Kimelman

<b>Resolution 6</b>	<b>Issue of options to a Director – Avi Kimelman</b>
<b>Explanation</b>	<p>Under ASX Listing Rule 10.11, shareholder approval is required for the issue of equity securities to a related party of a listed company. Once approval is obtained pursuant to Listing Rule 10.11, the Company is entitled to rely on Listing Rule 7.2, Exception 14 as an exception to any requirement that may otherwise apply requiring shareholder approval under Listing Rule 7.1.</p> <p>In accordance with existing remuneration and incentive arrangements, the Company proposes to issue 5,000,000 unlisted options to a Director, Avi Kimelman (or his nominee).</p> <p>The Board has formed the view that the issue of options to Mr Kimelman does not require shareholder approval under section 208 of the Corporations Act, as the issue of options constitutes 'reasonable remuneration' in accordance with section 211 of the Corporations Act. In reaching this view, the Company has considered Mr Kimelman's position, responsibility and his over remuneration package and the need of the Company to effectively incentivise its Directors, while aligning the</p>



	incentive with increasing shareholder value and the desirability of preserving cash resources within the Company.
<b>ASX Listing Rule 10.13</b>	<p>ASX Listing Rule 10.13 requires 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:</p> <ul style="list-style-type: none"> <li>• The options will be issued to Avi Kimelman (or his nominee).</li> <li>• The maximum number of securities to be issued is 5,000,000 unlisted options to acquire ordinary shares.</li> <li>• The options have an exercise price of \$0.0325 (3.25 cents) and expiry date of 31 August 2020.</li> <li>• The Company will issue the options as soon as practical following the date of the Meeting and, in any case, within one (1) month of the date of the Meeting.</li> <li>• Avi Kimelman is a Director of the Company.</li> <li>• No funds will be raised from issue of the options. Any funds raised upon exercise of the options will be applied to the working capital requirements of the Company at the time of exercise.</li> <li>• A voting exclusion statement is contained in the Notice accompanying this Memorandum.</li> </ul>

<b>GENERAL INFORMATION</b>	
<b>Voting Exclusion</b>	A voting exclusion statement applies to this resolution, as set out in the Notice.
<b>Board recommendation</b>	The non-associated Directors of the Company recommend shareholders vote in favour of Resolution 6.
<b>Chairman's available proxies</b>	The Chair of the Meeting intends to vote all available proxies in favour of Resolution 6.

## 10. Approval of 10% Placement Capacity

<b>Resolution 7</b>	<b>Approval of 10% placement capacity</b>
<b>General</b>	<p>Under Listing Rule 7.1, every listed entity has the ability to issue 15% of its issued capital without shareholder approval in a 12 month period. ASX Listing Rule 7.1A permits eligible small and mid-cap ASX-listed entities, subject to shareholder approval, to issue equity securities of up to an additional 10% of its issued capital by way of placements over a 12 month period, in addition to its ability to issue securities under Listing Rule 7.1 (<b>10% Placement Capacity</b>).</p> <p>The Company seeks shareholder approval under ASX Listing Rule 7.1A for the 10% Placement Capacity. The effect of this resolution will be to allow the Directors, subject to the conditions set out below, to issue equity securities under the 10% Placement Capacity without using the Company's 15% placement capacity under Listing Rule 7.1.</p> <p>Resolution 7 is a <b>special resolution</b>. Accordingly, at least 75% of votes cast by shareholders present and eligible to vote (in person or by proxy) at the meeting must be in favour of this resolution for it to be passed.</p>

<b>Eligibility</b>	ASX-listed entities which have a market capitalisation of \$300 million or less, and which are not included in the S&P/ASX 300 Index will be considered eligible to seek shareholder approval under Listing Rule 7.1A. As at the date of this Notice, the Company, which has a market capitalisation of less than \$300 million, is not included in the S&P/ASX 300 Index. Accordingly, the Company is considered eligible to seek shareholder approval under Listing Rule 7.1A.
<b>Prior Approval</b>	<p>The Company has previously obtained shareholder approval to make issues under ASX Listing Rule 7.1A at its 2015 AGM and seeks to refresh this shareholder approval so as to continue to be able to make issue under the 10% Placement Facility after the 2016 AGM in accordance with ASX Listing Rule 7.1A.</p> <p>The Company did not issue any equity securities under the capacity available to it under Listing Rule 7.1A pursuant to approval of its 2015 AGM.</p>
<b>Equity Securities</b>	Any equity securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of equity securities of the Company. The Company, as at the date of the Notice, has one class of quoted equity securities, ordinary shares (QUR).
<b>Formula</b>	<p>The exact number of additional equity securities that the Company may issue under the 10% Placement Capacity will be determined by a formula set out Listing Rule 7.1A.2 as follows:</p> $(A \times D) - E$ <p>Where:</p> <p><b>A</b> is the number of shares on issue 12 months before the date of issue or agreement:</p> <ul style="list-style-type: none"> <li>plus the number of fully paid shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;</li> <li>plus the number of partly paid shares that became fully paid in the previous 12 months (there are presently no partly paid shares on issue in the Company);</li> <li>plus the number of shares issued in the previous 12 months with approval of shareholders under ASX Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the Company's 15% placement capacity without shareholder approval; and</li> <li>less the number of shares cancelled in the previous 12 months.</li> </ul> <p><b>A</b> has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.</p> <p><b>D</b> is 10%.</p> <p><b>E</b> 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 shareholders under ASX Listing Rule 7.1 or 7.4.</p>
<b>Conditions of issue under the 10% Placement Capacity</b>	<p>There are a number of conditions applicable to the issue of equity securities under Listing Rule 7.1A, including a limitation on the discount to prevailing market price at which they may be issued, and additional disclosure requirements. A summary of these conditions is as follows:</p> <p>(a) Equity securities issued under the 10% Placement Capacity can only be in a class of securities already quoted. At the date of this Notice, the Company only has one class of securities which are quoted, being ordinary shares.</p>

	<p>(b) The issue price of each equity security issued under the 10% Placement Capacity must be no less than 75% of the volume weighted average market price (<b>VWAP</b>) for equity securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before either:</p> <ul style="list-style-type: none"> <li>i. the date on which the price at which the equity securities are to be issued is agreed; or</li> <li>ii. if the equity securities are not issued within 5 trading days of the date in paragraph (i), the date on which the securities are issued.</li> </ul>
<b>ASX Listing Rule 7.1 and ASX Listing Rule 7.1A</b>	<p>The ability of an entity to issue equity securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.</p> <p>As at the date of this Memorandum, the Company has on issue 309,139,826 ordinary shares and therefore would have capacity to issue:</p> <ul style="list-style-type: none"> <li>(a) 46,370,973 ordinary shares under Listing Rule 7.1 (15% capacity); and</li> <li>(b) subject to shareholders approving this Resolution 7, 30,913,982 ordinary shares under Listing Rule 7.1A (10% capacity).</li> </ul> <p>The actual number of equity securities the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (see above).</p>
<b>Period of validity of shareholder approval</b>	<p>In the event that the Company obtains shareholder approval of Resolution 7, such approval will cease to be valid upon the earlier of:</p> <ul style="list-style-type: none"> <li>(a) 12 months after the date of this Meeting, being 30 November 2017; or</li> <li>(b) if applicable, the date on which the Company's shareholders approve a change to the nature or scale of the Company's activities under Listing Rule 11.1.2, or the disposal of the Company's main undertaking under Listing Rule 11.2.</li> </ul> <p><b>(Placement Period)</b></p>
<b>INFORMATION TO BE PROVIDED TO SHAREHOLDERS UNDER ASX LISTING RULE 7.3A</b>	
<b>Minimum issue price</b>	<p>The issue price of each equity security issued under the 10% Placement Capacity must be no less than 75% of the VWAP for Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before either:</p> <ul style="list-style-type: none"> <li>i. the date on which the price at which the equity securities are to be issued is agreed; or</li> <li>ii. if the equity securities are not issued within 5 trading days of the date in paragraph (i), the date on which the securities are issued.</li> </ul>
<b>Risk of dilution to shareholders</b>	<p>If Resolution 7 is approved by shareholders, any issue of Equity Securities under the 10% Placement Capacity may present a risk of economic and voting dilution of existing shareholders, including the risk that:</p> <ul style="list-style-type: none"> <li>▪ the market price of the Company's equity securities may be significantly lower on the relevant issue date than on the date of this Meeting; and</li> </ul>

- the equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date.

The table below shows the potential dilution of existing shareholders under various scenarios on the basis of:

- an issue price of \$0.017 per share which was the closing price of the Company's shares on the ASX on 27 October 2016; and

the variable 'A' being calculated as the number of fully paid ordinary shares on issue on the date of this Notice, being 309,139,826.

The table also shows:

- two examples where variable 'A' has increased by 50% and 100%. The number of shares on issue in the Company may increase as a result of the issue of shares that do not require approval of shareholders (for example, pro-rata entitlement issues or scrip issues under takeover offers) or future placements of shares under Listing Rule 7.1 of up to 15% of issued capital that are approved at future general meetings of shareholders; and
- two examples of where the issue price of shares has decreased by 50% and increased by 100%.

VARIABLE 'A'		Dilution		
		50% decrease in issue price \$0.0085	Issue price \$0.017	100% increase in issue price \$0.034
<b>Current Variable 'A'</b> 309,139,826 shares	<b>10% voting dilution</b>	30,913,982 shares	30,913,982 shares	30,913,982 shares
	<b>Funds raised</b>	\$262,768.85	\$525,537.69	\$1,051,075.39
<b>50% increase in current Variable 'A'</b> 463,709,739 shares	<b>10% voting dilution</b>	46,370,973 shares	46,370,973 shares	46,370,973 shares
	<b>Funds raised</b>	\$394,153.27	\$788,306.54	\$1,576,613.08
<b>100% increase in current Variable 'A'</b> 618,279,652 shares	<b>10% voting dilution</b>	61,827,965 shares	61,827,965 shares	61,827,965 shares
	<b>Funds raised</b>	\$525,537.70	\$1,051,075.41	\$2,102,150.81

The table has been prepared on the following assumptions:

- the Company issues the maximum number of shares available under the 10% Placement Capacity
- the table is prepared on the basis of the number of ordinary shares on issue at the date of the Notice and does not take into account the effect of the Rights Issue on the capital structure of the Company;
- no options to acquire shares on issue in the Company are exercised into fully paid equity securities before the date of the issue of securities under ASX Listing Rule 7.1A.;
- the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue;

	<p>(e) the table does not show an example of dilution that may be caused to a particular shareholder as a result of placements under the 10% Placement Capacity based on that shareholder's holding at the date of the Meeting.</p> <p>(f) the table shows only the effect of issues of Equity Securities under the 10% Placement Capacity in accordance with Listing Rule 7.1A and not under the 15% placement capacity under Listing Rule 7.1.</p> <p>(g) the issue of equity securities under the 10% Placement Capacity consists only of fully paid ordinary securities.</p> <p>(h) the issue price is \$0.017, being the closing price of the Company's shares on the ASX on 27 October 2016</p>
<b>Period of validity</b>	<p>The Company will only issue and allot the equity securities during the Placement Period. The approval under the Resolution 7 for the issue of the equity securities will cease to be valid in the event that shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).</p>
<b>Reason for issue of shares under 10% Placement Capacity</b>	<p>The Company may seek to issue the equity securities for the following purposes:</p> <p>(a) non-cash consideration including in connection with joint venture arrangements or agreements, payment of contractors or consultants or the acquisition of new assets, businesses or investments, in which event the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or</p> <p>(b) cash consideration, the proceeds of which will be applied to fund the Company's existing and future activities, appraisal of corporate opportunities, investment in new businesses (if any), the costs incurred in undertaking placement(s) of shares under Listing Rule 7.1.A and for general working capital.</p> <p>The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A 4 and 3.10.5A upon issue of any equity securities.</p>
<b>Allocation policy</b>	<p>The Company may not issue any or all the equity securities for which approval is given and may issue the equity securities progressively as the Company places the equity securities with investors.</p> <p>The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the allottees of equity securities will be determined on a case-by-case basis having regard to factors such as:</p> <ol style="list-style-type: none"> <li>1. fund raising options (and their viability) available to the Company at the relevant time;</li> <li>2. the effect of the issue of the equity securities on the control of the Company;</li> <li>3. the financial situation of the Company and the urgency of the requirement for funds; and</li> <li>4. advice from the Company's corporate, financial, legal and broking advisers.</li> </ol> <p>The allottees under the 10% Placement Capacity have not been determined as at the date of this Notice. It is intended that the allottees will be suitable professional and sophisticated investors, and other investors not requiring a disclosure document under section 708 of the Corporations Act, that are known to the Company and/or introduced by third parties.</p>

	<p>The allottees may include existing substantial shareholders and/or new shareholders, but the allottees will not be related parties of the Company.</p> <p>In the event that the shares under the 10% Placement Capacity are issued as consideration for the acquisition of businesses, assets or investments, it is likely that the allottees will be the vendors of such businesses, assets or investments.</p>
<b>Previous approval</b>	<p>The Company has previously obtained shareholder approval under ASX Listing Rule 7.1A at its 2015 AGM. During the 12 month period preceding the proposed date of the 2016 AGM, being on and from 25 November 2015, the Company issued a total of 197,500,000 equity securities (153,000,000 ordinary shares and 44,500,000 unlisted options) whereas the Company had 188,139,826 equity securities on issue as at the date of the 2015 AGM (an increase of approximately 105%).</p> <p>Further details of the issues of all equity securities made by the Company during the 12 month period preceding the proposed date of the 2016 AGM are set out in Annexure A.</p>
<b>Ranking of shares</b>	<p>Equity securities issued under the 10% Placement Capacity will rank equally with all other existing equity securities on issue in the Company.</p>
<b>GENERAL INFORMATION</b>	
<b>Voting Exclusion</b>	<p>A voting exclusion statement applies to this resolution, as set out in the Notice.</p>
<b>Board Recommendation</b>	<p>The Directors unanimously recommend that shareholders vote in favour of Resolution 7.</p>
<b>Chairman's available proxies</b>	<p>The Chair of the Meeting intends to vote all available proxies in favour of Resolution 7.</p>

## Definitions

<b>AGM</b>	Annual General Meeting
<b>Board</b>	Means the board of Directors of the Company from time to time
<b>Chair</b>	Means the chair of the Meeting
<b>Company or Quantum</b>	Quantum Resources Limited ACN 006 690 348
<b>Constitution</b>	The Company's constitution
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>Closely Related Party (of a member of KMP of an entity)</b>	Has the definition given to it by section 9 of the Corporations Act, and means:  <ul style="list-style-type: none"> <li>(a) a spouse or child of the member; or</li> <li>(b) a child of the member's spouse; or</li> <li>(c) a dependant of the member or of the member's spouse; or</li> <li>(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 dealings with the entity; or</li> <li>(e) a company the member controls; or</li> <li>(f) a person prescribed by the regulations for the purposes of this definition (nothing at this stage).</li> </ul>
<b>Key Management Personnel or KMP</b>	Those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.
<b>Meeting</b>	Means this Annual General Meeting of the Company

## ANNEXURE A

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable)	Form of consideration (cash/non-cash)
26 November 2015	8,000,000	QUR	Issued to professional, sophisticated or otherwise exempt investors in a share placement.	Issue price of \$0.0616 (aggregate of \$492,000). Market price at date of issue was \$0.081. Percentage discount of approximately 24%.	Cash (\$492,000). The funds raised were used to pay for costs associated with the placement and for the Company's working capital requirements.
26 November 2015	4,000,000	QUR	Issued to without disclosure to recipients under Part 6D.2 of the Corporations Act	Deemed issue price of \$0.0616. Market price at date of issue was \$0.081. Percentage discount of approximately 24%	Non-cash, issued in lieu of satisfaction of fees due in connection with consulting services provided to the Company. Current value of the QUR shares based on market price of \$0.017 is \$68,000.
17 May 2016	16,000,000	QUR	Issued to professional, sophisticated or otherwise exempt investors in a share placement.	Issue price of \$0.018 (aggregate of \$288,000). Market price at date of issue was \$0.031. Percentage discount of approximately 41.9%.	Cash (\$288,000). The funds raised were used for costs associated with the acquisition and development of the Project, as referred to in ASX announcement dated 12 May 2016.
17 May 2016	5,000,000	QUR	Bullrun Capital Inc.	Deemed issue price of \$0.02. Market price at date of issue was \$0.031. Percentage discount of approximately 35.4%	Non-cash, issued in lieu of satisfaction of fees due by MMPL in connection with the introduction and implementation of the MMPL acquisition. Current value of the QUR shares based on market price of \$0.017 is \$85,000.
5 October 2016	7,500,000	Unlisted options	RM Corporate Finance	N/A. Issued as unlisted option for payment of consulting services provided to the Company.	Non-cash, issued in lieu of cash payment for consulting services provided to the Company. Approved by shareholders at the meeting held 7 September 2016. Unlisted options have an exercise price of \$0.0325 and expire 31 August 2020.
5 October 2016	7,500,000	Unlisted options	Vision Tech Nominees Pty Ltd	N/A. Issued as unlisted option for payment of consulting services provided to the Company.	Non-cash, issued in lieu of cash payment for consulting services provided to the Company. Approved by shareholders at the meeting held 7 September 2016. Unlisted options have an exercise price of \$0.02 (2 cents) and expire 31 August 2019.
5 October 2016	7,500,000	Unlisted options	Avi Kimelman	N/A. Issued in accordance with the Company's remuneration and incentive arrangements.	Issued in accordance with the Company's remuneration and incentive arrangements. Approved by shareholders at the meeting held 7 September 2016. Unlisted options have an exercise price of \$0.0325 (3.25 cents) and expire 31 August 2020.
5 October 2016	1,000,000	Unlisted options	Ari Herszberg	N/A. Issued in accordance with the Company's remuneration and incentive arrangements.	Issued in accordance with the Company's remuneration and incentive arrangements. Approved by shareholders at the meeting held 7 September 2016. Unlisted options have an exercise price of \$0.0325 (3.25 cents) and expire 31 August 2020.



Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable)	Form of consideration (cash/non-cash)
5 October 2016	1,000,000	Unlisted options	Eliahu Bernstein	N/A. Issued in accordance with the Company's remuneration and incentive arrangements.	Issued in accordance with the Company's remuneration and incentive arrangements. Approved by shareholders at the meeting held 7 September 2016. Unlisted options have an exercise price of \$0.0325 (3.25 cents) and expire 31 August 2020.
5 October 2016	20,000,000	QUR	Issued to professional, sophisticated or otherwise exempt investors in a share placement.	Deemed issue price of \$0.020 (aggregate of \$400,000). Market price at date of issue was \$0.016. Percentage premium of 25%.	Non-cash, issued for the repayment of existing loans. Approved by shareholders at the meeting held 7 September 2016. Current value of the QUR shares based on market price of \$0.017 is \$340,000.
5 October 2016	20,000,000	Unlisted options	Issued to professional, sophisticated or otherwise exempt investors in a share placement.	N/A. Issued as free-attaching unlisted options for shares issued for repayment of existing loans.	Issued as free-attaching unlisted options for shares issued for the repayment of existing loans. Approved by shareholders at the meeting held 7 September 2016. Unlisted options have an exercise price of \$0.0325 (3.25 cents) and expire 17 November 2018.
5 October 2016	100,000,000	QUR	Vendors of Manitoba Minerals	Deemed issue price of \$0.02 (aggregate of \$2,000,000). Market price at date of issue was \$0.016. Percentage premium 25%	Non-cash, issued as consideration due to the Vendors of Manitoba Minerals following settlement of the acquisition by the Company of Manitoba Minerals. Current value of the QUR shares based on market price of \$0.017 is \$1,700,000.

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**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:** ☐ 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 The Institute of Chartered Accountants, Level 18, 600 Bourke Street, Melbourne Victoria 3000 on 30 November 2016 at 11:00am (Melbourne time), and at any adjournment thereof.

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

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	Non-binding Resolution – Remuneration Report			
Resolution 2	Re-election of Mr Ari Herszberg as a Director			
Resolution 3	Election of Mr Avi Kimelman as a Director			
Resolution 4	Issue of options to Northern Star Nominees Pty Ltd			
Resolution 5A	Approval for a Director to participate in Rights Issue shortfall – Ari Herszberg			
Resolution 5B	Approval for a Director to participate in Rights Issue shortfall – Avi Kimelman			
Resolution 5C	Approval for a Director to participate in Rights Issue shortfall – Eliahu Bernstein			
Resolution 6	Issue of options to a Director – Avi Kimelman			
Resolution 7	Approval of 10% placement capacity			

<p>If a person:</p> <p>_____</p> <p>(Signature)</p> <p>_____</p> <p>Name (print)</p> <p>Date: ____/____/____</p>	<p>If a company:</p> <p>EXECUTED by: _____</p> <p style="text-align: right;">Name of company (print)</p> <p>in accordance with the Corporations Act</p> <p>_____ (Signature)</p> <p>Date: ____/____/____</p> <p style="text-align: right;">_____ (Signature)</p>
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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 11:00am (Melbourne time) on 28 November 2016, being not less than 48 hours before the time for holding the meeting or adjourned meeting as the case may be.

