

QUANTUM RESOURCES LIMITED

SUBJECT: RISK MANAGEMENT AND INTERNAL CONTROLS

The management of risk and operation of internal controls are important in the creation and preservation of shareholder value.

The Company has a framework in place to safeguard the Company's assets and interests and ensure that business risks are identified and properly managed.

To assist in discharging this responsibility the Board has in place a control framework which includes the following:

- annual budgets, both operational and financial, which are modified throughout the year as required;
- reporting to the Board on a number of key areas including safety, health, environment and legal matters;
- an appropriate division of responsibilities between the Directors and management;
- detailed policies on key areas of its business;
- financial reporting sign offs;
- the segregation of duties (where possible); and
- a comprehensive insurance program.