

QUANTUM RESOURCES LIMITED

SUBJECT: Remuneration Committee Terms of Reference

1. Objective:

To assist the Board of Directors in (i) fulfilling its responsibilities in relation to the remuneration practices of Quantum Resources Limited; (ii) improving the quality of reporting; and (iii) ensuring the Company's remuneration policies and practices are up to date with current market conditions.

2. Quorum

The quorum for a meeting of the Audit Committee shall be two Directors.

3. Frequency And Conduct Of Meetings

The Committee will hold at least two regular meetings per year, and such additional meetings as the Chairman shall decide in order to fulfil its duties. The Company Secretary or other appropriate executive will act as secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to committee members prior to each meeting.

The Committee shall conduct its proceedings in the manner set out for the Board in the Constitution except as provided in these Terms of Reference.

The secretary will also be responsible for keeping the minutes of meeting of the Committee, and circulating them to Committee members and to the other members of the Board of Directors.

4. Access:

The Committee shall have unlimited access to senior management of the Company. The Committee shall also have the ability to consult independent experts where they consider it necessary to carry out their duties.

5. Duties and Responsibilities

- To recommend to the Board the remuneration of the Executive and Non-Executive Directors and Senior Management.
- To review on a regular basis, the remuneration policies and practices and in undertaking that review, consider the following
 - (i) compensation arrangements for the Executive Directors and Senior Management (including incentive plans, share options and other benefits) and service contracts;
 - (ii) the basis of the calculation of Directors' and Senior Executives' remuneration annually to ensure that it appears reasonable;

- (iii) current industry practice and the professional executive recruitment organisations' publications;
 - (iv) different methods for remunerating Directors and Senior Management;
 - (v) retirement and termination payments;
 - (vi) fringe benefits;
 - (vii) professional indemnity and liability insurance policies;
 - (viii) related party transaction disclosure in the financial statements;
 - (ix) communication with major shareholders and institutional investors to gauge their views on remuneration packages;
 - (x) remuneration policies and practices for the Company generally;
 - (xi) recruitment and termination policies and practices of the Company;
 - (xii) any Company share schemes and other incentive schemes;
 - (xiii) Company superannuation arrangements;
 - (xiv) remuneration arrangements for Non-Executive members of the Board, and
 - (xv) overview of other staff remuneration arrangements.
- The Committee should set goals for Senior Management and then review Senior Management performance.
 - The Committee should consider and where necessary prepare succession plans in the case of the termination of employment of Senior Management.
 - The Committee has the authority to use the services of external professional recruitment agencies and internal management in particular General Manager Human Resources to assist the Committee in completing its terms of reference.