

QUANTUM RESOURCES LIMITED

ADMINISTRATION POLICY

PROCEDURE NAME: CONTINUOUS DISCLOSURE OBLIGATIONS

NUMBER:

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1. INTRODUCTION

The purpose of this procedure is to outline the steps to be taken to ensure compliance with the Continuous Disclosure Obligations imposed by the Corporations Law and Australian Stock Exchange Limited ("ASX") Listing Rules.

2. BACKGROUND

2.1 As from 5 September 1994 amendments to the Corporations Law introduced a statutory regime of Continuous Disclosure. On that date ASX also issued a revised Listing Rule 3A(1) (refer attached Appendix 1).

2.2 On 10 August 2000, the Securities and Exchange Commission in the USA approved a new Regulation FD which amongst other things requires price sensitive private briefing information to be released to the market.

On 23 August 2000, the Australian Securities and Investments Commission and the Australian Stock Exchange released a joint announcement on Better Disclosure for Investors. ASIC have prepared a guidance principal which recommend that a Company should:

- have written policies and procedures on Continuous Disclosure
- have a web site on which information is posted on as soon as possible.
- nominate a senior officer to have responsibility for ensuring compliance with continuous disclosure and overseeing and coordinating information disclosure to stock exchanges, analysts, brokers, shareholders, the media and the public.

2.3 These changes have imposed a demanding regime on listed companies, their Directors and Officers to immediately inform ASX of information that could have a material effect on the price or value of the company's shares ('Disclosable Information') Failure to do so can result in prosecution and damages actions personally against Directors and Officers.

- 2.4 These procedures have been prepared to
- Comply with ASX Listing Rule 3A(1) by ensuring that Disclosable Information is identified and disclosed.
 - Document a formal system to ensure compliance with those obligations and show that the system was monitored and supervised to achieve proper performance and observance.
 - Establish a defence to demonstrate where Disclosable Information has not been disclosed that it was not in any sense due to intentional, reckless or negligent conduct.

3. PROCEDURE

- 3.1 Each Reporting Officer (as designated from time to time) should immediately
- Telephone the General Manager Corporate & Company Secretary when any Disclosable Information comes into or ought to have come into that Reporting Officer's possession
 - Follow-up with immediate written details of the Disclosable Information if instructed to do so by the General Manager Corporate & Company Secretary
 - Fax these written details privately to the General Manager Corporate & Company Secretary

Note A list of current Reporting Officers is attached (refer Appendix 2)

Reporting Officers should err on the side of caution and if in any doubt should telephone the General Manager Corporate & Company Secretary as required by this procedure.

Each Reporting Officer should make appropriate arrangements concerning disclosure obligations and the following of these procedures when he or she is absent. These arrangements should be documented and provided to the General Manager Corporate & Company Secretary.

- 3.2 Each staff member involved in speaking to analysts, brokers or the media should:
- Review the Company's web site to confirm information that has been released to the market.
 - Ensure that the information to be provided to analysts, brokers or the media has been released to the market.
 - Refrain from providing non public information.

- Immediately notify the General Manager Corporate and Company Secretary by telephone and in writing that they have spoken to analysts, brokers or the media outlining the general nature of the briefing and whether or not public information has been made available.
- 3.3 The General Manager Corporate and Company Secretary will ensure that if non public information has been made available, clauses 3.9 is followed.
- 3.4 Each staff member involved in speaking at a conference will:
- Forward a copy of their paper and any other presentation material to the General Manager Corporate and Company Secretary 21 days prior to the conference or if papers for the conference are to be distributed prior to the date, 21 days prior to the due date for the papers and advise if the content includes any non public information.
- Ensure that such paper or presentation is only based on information that has been released to the public.
- 3.5 The General Manager Corporate and Company Secretary will review the content of the presentation and if it contains any non public information.
- Ensure that clause 3.9 is followed.
- 3.6 Each Director and the Board of Directors as a whole will
- Take into account the requirements of Listing Rule 3A (1) in their day to day duties
- Notify the General Manager Corporate & Company Secretary as relevant in a similar manner to clause 3.1 of these procedures.
- 3.7 The information which may require disclosure could include but would not be limited to such things such as the following
- drilling results
 - assaying results
 - reserves/resources, reviews/results
 - acquisition/relinquishment of tenements
 - joint ventures
 - financial arrangements
 - sale of assets
 - takeovers/share capital changes
 - major breakdowns/accidents
 - major production changes
 - changes in projected financial budgets/forecasts

It should be noted that Disclosure Information includes both positive and negative information.

3.8 The Board has set out the parameters of materiality to identify Disclosable Information for the purposes of Listing Rule 3A(1) as follows:

- (a) If the matter potentially affects profitability, or the value of assets, or liabilities of the Company by more than 10%
- (b) Is it a factor which could stop or significantly adversely affect the Company's business or a significant part of its business?
- (c) Is it factor, whether or not in the control of the Company, which might indicate or lead to a significant trend in relation to the operations or activities of the Company?
- (d) Might it indicate significant or permanent changes in the industry or industries in which the Company operates?
- (e) Does it relate to key personnel or the supply of key goods or services?
- (f) Is it a factor which could impair the quality or progress of the Company's activities?
- (g) In connection with a contract, might breach or lead to the termination of that contract and be expected to significantly impact upon the Company's business?
- (h) Does it relate to the ownership or right to use property which is critical to the business and which would be difficult or expensive to replace?
- (i) Is it likely to affect the reputation of the Company?
- (j) Are there potential public relations implications for the Company?
- (k) Is it something investors should be told?

Having by the use of such triggers isolated material matters it would be necessary then to ask whether they

- (i) affect profitability by the determined percentage; and
- (ii) are likely to affect the price or value of the company's securities.

Note For the purposes of the Corporations Law, a reasonable person is taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely, to influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell, the Securities in the Company.

3.9 The General Manager Corporate & Company Secretary

Alerts	the Chairman and other Directors
Determines	if the information requires disclosure in accordance with Listing Rule 3A(1) erring on the side of caution
Drafts	an appropriate ASX announcement for review by the Directors and/or
Liaises	with the relevant Manager in regard to the technical content of the announcement
Arranges	for approval of the announcement by Directors and ensures that it is forwarded to ASX.
Forward	a copy to the General Manager Investor Relations.

3.10 The General Manager Corporate and Company Secretary:

Ensures	the Company's web site is immediately updated.
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3.11 The Board of Directors

Develop	and implement a procedure for testing on an ongoing basis whether the continuous program is being properly observed and administered by things such as: <ul style="list-style-type: none">• an examination of monthly management reports;• random visits to and questioning of Reporting Officers;• the on-going education of Reporting Officers, with simulated examples being worked through (Reporting Officers must understand the consequences of non-compliance being the potential for civil actions by shareholders and possible criminal penalties for Directors and other persons involved).
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APPENDIX 1

SECTION 3 – CONTINUING LISTING RULES

General Rule

- 3.1 Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell the ASX that information.

Exception to rule 3.1

- 3.1A Listing rule 3.1 does not apply to particular information while all of the following are satisfied.

3.1A.1 A reasonable person would not expect the information to be disclosed.

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential.

3.1A.3 One or more of the following applies:

- It would be a breach of a law to disclose the information.
- The information concerns an incomplete proposal or negotiation.
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure.
- The information is generated for the internal management purposes of the entity.
- The information is a trade secret.

For the purpose of this Listing Rule the company becomes aware of information where a director or executive officer has, or ought reasonably to have, come into possession of the information in the course of the performance of duties as a Director or Executive Officer.

APPENDIX 2
REPORTING OFFICERS

Manager Exploration

Manager Diamonds

APPENDIX 3

PERSONS AUTHORISED TO SPEAK TO:

A. ANALYSTS AND BROKERS

Chairman and Managing Director
General Manager Corporate and Company Secretary

B. MEDIA

Chairman and Managing Director
General Manager Corporate and Company Secretary

C. GIVE PRESENTATIONS

Chairman and Managing Director
General Manager Corporate and Company Secretary
Manager Exploration
Manager Diamonds
Any other person authorised by Chairman and Managing Director.