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26 May 2009

Dear Shareholder,

NON - RENOUNCEABLE 1 FOR 1 RIGHTS ISSUE

On 16 March 2009 Quantum Resources Limited notified the Australian Securities Exchange (**ASX**) that it will undertake a one (1) for one (1) non-renounceable rights issue to raise up to \$2,036,756 through the issue of up to 407,351,028 fully paid ordinary shares at \$0.005 each. Eligible shareholders will be offered the opportunity to purchase one share for every share held by them as at the record date of 4 June 2009. The shares issued will rank equally in all respects with the existing shares on issue in the Company. All fractional entitlements to shares will be rounded up to the nearest whole number.

The rights issue of shares will be fully underwritten by Wilzed Pty Ltd, a company of which the Chairman and Managing Director of Quantum, Mr. JI Gutnick, is a Director. Shareholder approval for the underwriting was granted at a shareholders meeting on 26 May, 2009.

Only those shareholders with registered addresses in Australia and New Zealand will be entitled to participate in the rights issue. The Company's directors have determined that it would be unreasonable to make offers to shareholders in other countries given the number and value of shares that would be offered and the cost of complying with legal and regulatory requirements in other countries.

The Company currently has 407,351,028 shares on issue, all of which are quoted on ASX, and 145,002,421 options on issue which are quoted on ASX and 8,650,000 options which are not listed on the ASX. If all 407,351,028 shares are issued under the rights issue the Company will have on issue 814,702,056 shares. Application will be made to the ASX for quotation of all shares issued under the rights issue.

Optionholders are not entitled to participate in the Rights Issue without first exercising their options to be registered as a Shareholder on the Record Date, in accordance with the terms and conditions of the options.

Funds raised from the rights issue will be used for exploration activities and working capital.

An Appendix 3B and a notice under section 708AA(2)(f) of the Corporations Act in respect of the Rights Issue accompany this announcement.

The proposed timetable for the Rights Issue is as follows:

Event	Date
Announcement of the Offer, Offer Document, Appendix 3B and cleansing notice under section 708AA lodged with ASX	26/05/2009
Dispatch of notices to Eligible Shareholders informing them of the Offer and details of Appendix 3B	27/05/2009
Shares trade "Ex"	29/05/2009
Record Date (date for determining entitlements of Eligible Shareholders to participate in the Offer) (7pm AEST)	04/06/2009
Offer opens – Offer Document dispatched to Eligible Shareholders (expected date of dispatch of Offer Document and Entitlement and Acceptance Forms)	10/06/2009
Closing Date (5pm AEST)	24/06/2009
Shares quoted on a deferred settlement basis	25/06/2009
OUR notifies ASX of under subscriptions (will not be any as fully underwritten)	29/06/2009
Allotment and issue of New Shares and lodgment of Cleansing Notice under section 708A of the Corporations Act	30/06/2009
Dispatch of Holding Statements & Deferred Settlement ends. Last day for advising ASX of all information required by Appendix 3B	30/06/2009
Trading of New Shares to commence on ASX	01/07/2009

The dates above are indicative only and, subject to the ASX Listing Rules and the Corporations Act 2001, the Company reserves the rights to change any date, including to extend the closing date or to close the offer early without prior notice.

The Record Date for determining eligibility to participate in the rights issue is 4 June 2009.

The Company will not prepare a prospectus or other disclosure document for the rights issue as the rights issue will be made under section 708AA Corporations Act to all eligible shareholders. The Company will prepare and send an offer document to shareholders on 10 June 2009, as set out in the timetable above.

Your share entitlement will be shown on the personalised Entitlement and Acceptance Form which will accompany the offer document when it is mailed to you.

If you require any further information, please do not hesitate to contact us.

Yours sincerely,



PETER LEE
Company Secretary