



Quantum Resources Limited

ABN 84 006 690 348

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Victoria 3004, Australia

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28 April 2009

Manager Announcements
Company Announcements Office
Australian Securities Exchange
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Notice of General Meeting

Please find attached a copy of a Notice of General Meeting mailed to shareholders yesterday.

Yours faithfully,

PETER LEE
Company Secretary

QUANTUM RESOURCES LIMITED
ABN 84 006 690 348

Notice of General Meeting

TIME: 10.00am (Melbourne time)
DATE: Tuesday 26 May 2009
PLACE: Sebel 1, 9th Floor, Sebel Albert Park, 65 Queens Road Melbourne, Victoria 3004

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Your Vote Is Important

The business of the General Meeting affects your shareholding and your vote is important.

Voting in Person

To vote in person, attend the General Meeting on the date, at the time and at the place set out above. The General Meeting will commence at 10.00 am (Melbourne time).

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Meeting as soon as possible and either:

- (a) send the proxy form by post to the Company's Share Registry, Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;
- (b) deliver the proxy form to the Company's Share Registry, Link Market Services Limited, Level 1, 333 Collins Street Melbourne Vic 3000; or
- (c) send the proxy form by facsimile to the Company on facsimile number INT + 61 2 9287 0309,

so that it is received not later than 10.00 am (Melbourne time) on 24 May 2009.

Proxy forms received later than this time will be invalid.

QUANTUM RESOURCES LIMITED
ABN 84 006 690 348

Notice of Meeting

Notice is given that the General Meeting of shareholders of Quantum Resources Limited will be held at Sebel 1, 9th Floor, Sebel Albert Park, 65 Queens Road Melbourne Victoria 3004, Victoria at 10.00 am (Melbourne time) on Tuesday 26 May 2009.

The Directors have determined, pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), that the persons eligible to vote at the General Meeting are those who are registered shareholders of the Company as at 7.00pm (Melbourne time) on 22 May 2009. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary. Words which are defined in the Glossary have the same meaning when used in the Notice and Explanatory Statement unless the context requires otherwise.

Ordinary Business

Resolution 1 – Issue of Shortfall Shares to Underwriter

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 10.11, and for all other purposes, Shareholders authorise and approve the issue and allotment of up to 407,351,258 Shortfall Shares at an issue price of \$0.005 per Share to Wilzed Pty Ltd (or its nominee), the Underwriter, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on Resolution 1 by Wilzed Pty Ltd (or its nominees) or any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing 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.

Dated this 21st day of April 2009

By order of the Board



Peter Lee
Company Secretary

Notes:

A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy may, but need not be a Shareholder.

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the General Meeting.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions contained in the Notice of Meeting.

This Explanatory Statement is an important document and should be read carefully in full by all Shareholders. If you have any questions regarding the matters set out in this Explanatory Statement or the Notice, please contact the Company, your stockbroker or other professional adviser.

Ordinary Business of the General Meeting

Offer

On 16 March 2009, the Company announced that it intended to raise \$2,036,756 by way of an offer of up to 407,351,258 new Shares at an issue price of \$0.005 per Share, pursuant to a non-renounceable rights issue of shares on a 1-to-1 basis to existing Shareholders at the record date

The Offer is fully underwritten by Wilzed Pty Ltd. Wilzed Pty Ltd is a company controlled by Mr Joseph Gutnick, a director of the Company. Shareholder approval is sought in Resolution 1 for the purposes of Listing Rule 10.11, for the issue of Shares to Wilzed Pty Ltd, which is a related party of the Company as it is an entity controlled by Mr Gutnick, who is a related party of the Company as he is a Director.

Underwriting

The Company and the Underwriter have entered into an Underwriting Agreement dated 16 March 2009 whereby the Underwriter has agreed to underwrite the Offer. Pursuant to the Underwriting Agreement the Company will pay and will indemnify and keep indemnified the Underwriter against and in relation to, all reasonable costs and expenses of and incidental to the Offer. The Underwriter will not receive an underwriting fee.

The Company has given warranties and covenants to the Underwriter which are usual in an agreement of this nature.

Termination of Underwriting Agreement

The Underwriting Agreement provides that the Underwriter may terminate the Underwriting Agreement and its obligations pursuant to the Underwriting Agreement, if:

- a) (Restriction on allotment): the Company is prevented from allotting the Offer Shares within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi governmental agency or authority;
- b) (Indictable offence): a director or senior manager of a Relevant Company is charged with an indictable offence; or
- c) (Default): default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
- d) (Incorrect or untrue representation): any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
- e) (Contravention of constitution or Act): a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- f) (Adverse change): an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast of any Relevant Company becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;

- g) (Public statements): without the prior approval of the Underwriter, a public statement is made by the Company in relation to the Offer;
- h) (Misleading information): any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
- i) (Official Quotation qualified): the official quotation of the Offer Shares is qualified or conditional other than as set out in the Underwriting Agreement;
- j) (Change in Act or policy): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- k) (Prescribed Occurrence): a Prescribed Occurrence occurs;
- l) (Suspension of debt payments): the Company suspends payment of its debts generally;
- m) (Event of Insolvency): an Event of Insolvency occurs in respect of a Relevant Company;
- n) (Judgment against a Relevant Company): a judgment in an amount exceeding \$500,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- o) (Litigation): litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced against any Relevant Company;
- p) (Change in shareholdings): there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- q) (Force Majeure): a Force Majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- r) (Certain resolutions passed): a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- s) (Investigation): any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company; or
- t) (Market Conditions): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom or the United States of America.

Clause 10.3 of the Underwriting Agreement provides that the Underwriter may not exercise its rights to terminate the Underwriting Agreement under paragraphs (b) to (t) above unless, in the reasonable opinion of the Underwriter reached in good faith, it has or is likely to have, or those events together have, or could reasonably be expected to have, a Material Adverse Effect or could reasonably be expected to give rise to a liability of the Underwriter under the Corporations Act.

Definitions of Underwriting Agreement

For the purposes of the Underwriting Agreement, the following terms have been given the meanings set out below.

- a) **Event of Insolvency** means:
 - i. a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed in respect of a person or any asset of a person;
 - ii. a liquidator or provisional liquidator is appointed in respect of a corporation;

- iii. any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
 - A) appointing a person referred to in paragraphs (i) or (ii);
 - B) winding up a corporation; or
 - C) proposing or implementing a scheme of arrangement;
 - iv. any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;
 - v. a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
 - vi. a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable law to be, insolvent or unable to pay its debts; or
 - vii. any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.
 - viii. Force Majeure means any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties.
- b) **Material Adverse Effect** means:
- i. a material adverse effect on the Offer or on the subsequent market for the Offer Shares (including, without limitation, a material adverse effect on a decision of an investor to invest in Offer Shares); or
 - ii. a material adverse effect on the condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries taken as a whole.
- c) **Prescribed Occurrence** means:
- i. a Relevant Company converting all or any of its shares into a larger or smaller number of shares;
 - ii. a Relevant Company resolving to reduce its share capital in any way;
 - iii. a Relevant Company:
 - A) entering into a buy back agreement; or
 - B) resolving to approve the terms of a buy back agreement under section 257D or 257E of the Corporations Act;
 - iv. a Relevant Company making an issue of, or granting an option to subscribe for, any of its shares or any other securities, or agreeing to make such an issue or grant such an option, other than the Agreed Offer or an issue or agreement to issue in accordance with the Offer or the terms of this Agreement without the prior written consent of the Underwriter;
 - v. a Relevant Company issuing, or agreeing to issue, convertible notes;
 - vi. a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
 - vii. a Relevant Company charging, or agreeing to charge, the whole, or a substantial part, of its business or property;

- viii. a Relevant Company resolving that it be wound up;
 - ix. the appointment of a liquidator or provisional liquidator of a Relevant Company;
 - x. the making of an order by a court for the winding up of a Relevant Company;
 - xi. an administrator of a Relevant Company, being appointed under section 436A, 436B or 436C of the Corporations Act;
 - xii. a Relevant Company executing a deed of company arrangement; or
 - xiii. the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company.
- d) **Relevant Company** means the Company and each Subsidiary.
- e) **Subsidiary** means each company which is now, or before the issue of all the Offer Shares becomes, a subsidiary of the Company as that term is defined in the Corporations Act.

Effect of the Offer and Underwriting on the control of the Company

As mentioned above, the Offer is fully underwritten by Wilzed Pty Ltd (a company controlled by Mr. Joseph Gutnick, a Director). The Directors, absent Mr Gutnick, consider that, having regard to all available alternatives, entering into the Underwriting Agreement with Wilzed Pty Ltd provides the Company with the highest degree of certainty that the Offer will be successful, in the time available and in what has been, and continues to be, a volatile and difficult share market and general finance market. Shareholders' interests in the Company will only be diluted if they elect not to participate in the Offer.

Wilzed Pty Ltd have advised the Company that they do not hold any shares in the Company at the date of this Notice of Meeting.

As Underwriter, Wilzed Pty Ltd may be entitled to up to 407,351,258 Shortfall Shares pursuant to the Offer. Accordingly, the maximum increase in Wilzed Pty Ltd's relevant interest by reason of its entitlement to subscribe for Shortfall Shares acquired under the Underwriting Agreement will be 50%.

However, it is unlikely that no Shareholders will participate in the Offer. As a result, the greater the level of participation by Shareholders in the Offer, the smaller the number of Shortfall Shares, Wilzed Pty Ltd will be entitled to be issued. As shown in Table 1 below, the final relevant interest of Wilzed Pty Ltd following completion of the Offer and underwriting decreases as participation by Shareholders increases.

Given the potential change in Wilzed Pty Ltd's relevant interest in the Company as a result of its underwriting of the Offer, the Directors wish to fully disclose the effect on the control of the Company which may result from the underwriting of the Offer.

An analysis of the changes in control of the Company has been undertaken to indicate the effect on Wilzed Pty Ltd's relevant interests in the Company. The results are detailed below.

Table 1	Shares held by Wilzed Pty Ltd	% of Total Shares
Existing Holding prior to Offer	0	0
If there is a 0% Shortfall	0	0
If there is a 25% Shortfall	101,837,814	12.5%
If there is a 50% Shortfall	203,675,629	25%
If there is a 100% Shortfall	407,351,258	50%

Edensor Nominees Pty Ltd ("Edensor") has previously lodged a substantial shareholder notice with the Company that discloses that Edensor holds 75,592,482 shares in the Company, being a 20.67% interest. Mr J I Gutnick is a shareholder and Director of Edensor.

For the purpose of disclosure, if the holdings of Edensor and Wilzed were combined, an analysis of the changes in control of the Company to indicate the effect on Wilzed and Edensor's relevant interests in the Company is detailed below.

Table 2	Shares held by Wilzed and Edensor	% of Total Shares
Existing Holding prior to Offer	75,592,482	20.67%
If there is a 0% Shortfall	75,592,482	20.67%
If there is a 25% Shortfall	177,430,296	33.17%
If there is a 50% Shortfall	279,268,111	45.67%
If there is a 100% Shortfall	482,943,740	70.67%

Section 606 of the Corporations Act provides that a person must not acquire a relevant interest in more than 20% of the voting power in a listed company, unless an exception applies. As shown in Table 1 above, upon completion of the Offer, Wilzed Pty Ltd may (depending on the number of Shortfall Shares) have a relevant interest in more than 20% of the Company's shares.

However, section 611 item 10 contains an exception to the general prohibition in section 606 for rights issues by a company and acquisition by a person as an underwriter under a rights issue if:

- a) a company offers to issue securities in a particular class;
- b) offers are made to every person who holds securities in that class to issue them with the percentage of the securities to be issued that is the same as the percentage of the securities in that class that they hold before the issue;
- c) all of those persons have a reasonable opportunity to accept the offers made to them;
- d) agreements to issue are not entered into until a specified time for acceptances of offers has closed;
- e) the terms of all the offers are the same.

Wilzed Pty Ltd's intentions for the Company

Given the potential increase in Wilzed Pty Ltd's voting power in the Company as a result of its agreement to underwrite the Shortfall Shares under the Offer pursuant to the Underwriting Agreement, the Directors provide the following details of Wilzed Pty Ltd's current intentions for the Company in the event that it gains effective control of the Company.

Wilzed Pty Ltd has informed the Company that if it were to gain effective control of the Company by virtue of it being called upon to take up the Shortfall Shares under the Offer, the current intentions of Wilzed Pty Ltd are as follows:

- a) procure that the Company will:
 - i. generally continue the business of the Company;
 - ii. not make any major changes to the business of the Company nor deploy any of the fixed assets of the Company; and
 - iii. continue the employment of the Company's present employees; and
- b) retain the current Board.

Wilzed Pty Ltd has no current intention to seek the appointment of any additional nominees to the Board.

The intentions and statements of future conduct set out above must also be read as being subject to the legal obligations of the Directors at the time, including any nominees of Wilzed Pty Ltd, to act in good faith in the best interests of the Company and for proper purposes and to have regard to the interests of the Shareholders.

The implementation of Wilzed Pty Ltd's current intentions of its control of the Company will, if applicable, be subject to the law (including the Corporations Act), the Listing Rules and the Company's constitution.

In particular, the requirements of the Corporations Act and the Listing Rules in relation to conflicts of interest and "related party" transactions will apply given that Wilzed Pty Ltd is a related party of the Company.

Wilzed Pty Ltd would only make a decision on its courses of action in light of material facts and circumstances at the relevant time and after it receives appropriate legal and financial advice on such matters, where required, including in relation to any requirements for Shareholder approval.

The statements above are of current intention only which may change as new information becomes available or circumstances change. The statements should be read in this context.

Resolution 1 – Issue of Shortfall Shares to Underwriter

As the Offer is fully underwritten, the Company seeks approval to issue up to 407,351,328 Shortfall Shares to the Underwriter, Wilzed Pty Ltd.

Chapter 2E of the Corporations Act

Pursuant to Chapter 2E of the Corporations Act, a public company cannot give a “financial benefit” to a “related party” unless one of the exceptions to that section apply or shareholders have in general meeting approved the giving of that financial benefit to the related party.

In accordance with section 210 of the Corporations Act shareholder approval is not required where a financial benefit would be reasonable if the parties were dealing on terms that are at arm’s length or are less favourable to the related party. In the current circumstances the Directors, absent Mr Gutnick, are satisfied that the Underwriting Agreement is on commercial arm’s length terms or commercial terms that are less favourable to the Underwriter as no underwriting fee is payable to the Underwriter, and the current volatility in the markets gives considerable doubt as to whether any other underwriter could be found on such advantageous terms.. Therefore, the Directors, absent Mr Gutnick, have concluded that Shareholder approval is not required for the purposes of Chapter 2E of the Corporations Act.

A summary of the major terms and conditions of the Underwriting Agreement is set out for the benefit of Shareholders on page 3 - 6 of this Explanatory Statement.

ASX Listing Rule 10.11

ASX Listing Rule 10.11 generally provides that except in certain circumstances (which do not apply in the present case), a company listed on ASX cannot issue securities to a related party, which includes an entity which is controlled by a director, without prior shareholder approval.

Wilzed Pty Ltd is a related party of the Company, as it is an entity controlled by a related party, Mr Joseph Gutnick, who is a related party of the Company as he is a Director.

Accordingly, in order to issue up to 407,351,258 Shortfall Shares to the Underwriter, the Company must obtain Shareholder approval pursuant to ASX Listing Rule 10.11.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting convened to consider shareholder approval under ASX Listing Rule 10.11.

For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to the issue of Shortfall Shares pursuant to Resolution 2:

- (a) the Shortfall Shares will be issued to Wilzed Pty Ltd, an entity controlled by Mr Gutnick, a Director;
- (b) a maximum number of 407,351,258 Shortfall Shares will be issued to the Underwriter or its nominee;
- (c) the Shortfall Shares will be issued on completion of the Offer and in any event no later than 1 month after the date of this meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the Shortfall Shares will be issued at \$0.005 per share; and
- (e) the funds raised by the issue of the Shortfall Shares will be used for working capital and to conduct exploration on its exploration projects, further details of which are provided in the general summary of the Offer on page 3 of this Explanatory Statement.

As approval of Shareholders for the issue of Shortfall Shares to Wilzed Pty Ltd is being sought pursuant to Listing Rule 10.11, under Listing Rule 7.2 Exception 14, Shareholder approval under Listing Rule 7.1 is not required.

Responsibility for Information

The information concerning the Company contained in this Explanatory Statement, including information as to the views and recommendations of the Directors has been prepared by the Company and is the responsibility of the Company.

The Explanatory Statement does not take into account the individual investment objectives, financial situation and particular needs of individual Shareholders. If you are in doubt as to what you should do, you should consult your legal, financial or professional advisor prior to voting.

Glossary

In this Explanatory Statement, the following terms have the following unless the context otherwise requires:

Annexure means an annexure to this Explanatory Statement.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited ABN 98 008 624 691, or as the case may require, the financial market operated by ASX Limited.

ASX Listing Rules or **Listing Rules** means the listing rules of ASX.

Board means the board of Directors of the Company.

Chairman means the Chairman of the Company.

Company means Quantum Resources Limited ABN 84 006 690 348.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Explanatory Statement means the explanatory statement commencing on page 3 of this Notice.

General Meeting or **Meeting** mean the general meeting of Shareholders covered by this Notice.

Issue Date means the date of issue of the Shares offered pursuant to the Rights Issue.

Issue Price means \$0.005 per Share.

Notice means this notice of general meeting.

Offer means the offer pursuant to the Rights Issue to raise a total of approximately \$2,036,756.

Offer Shares means the Shares to be issued pursuant to the Offer.

Rights Issue means a non-renounceable rights issue on a 1-to-1 basis of up to 407,351,258 new shares at the Issue Price to Shareholders.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Shortfall and **Shortfall Shares** means those of the Offer Shares for which:

- a) Valid Applications have not been received by the closing date of the Rights Issue; and
- b) Valid Applications have been received on or before the closing date of the Rights Issue, but for which any investors have defaulted in paying the Issue Price on or prior to the Issue Date.

Underwriter and **Wilzed Pty Ltd** means Wilzed Pty Ltd ACN 006 404 584 of PO Box 6315 St Kilda road Central Melbourne Vic 3004

Underwriting Agreement means the underwriting agreement between the Company and the Underwriter dated 16 March 2009 whereby the Underwriter has agreed to underwrite all of the Offer.

Valid Application means an acceptance of the Company's offer of the Offer Shares on a completed application form accompanying the Rights Issue offer document.