



REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2006

INTRODUCTION

Quantum Resources Limited ("Quantum" or "the Company") is an Australian uranium and gold explorer with a suite of projects whose tenements cover approximately 20,000 square kilometres in the Northern Territory and Western Australia.

URANIUM EXPLORATION

In the Northern Territory, the Barrow Creek, Tanami, Mt Peake and Ware Range projects are prospective for **uranium** as well as gold. In Western Australia, the Gardner Range project is prospective for **uranium**.

Exploration for **uranium** on the Company's tenement holdings in the Gardner Range, 150 kilometres southeast of Hall's Creek in Western Australia will commence as soon as the tenements are granted. The Ware Range tenement was granted during the quarter. The tenements are prospective for unconformity related **uranium** deposits such as those in the Athabasca Basin in Canada. The Athabasca Basin has produced a significant proportion of total world uranium output. The Gardner Range is also prospective for iron oxide gold-copper-**uranium** deposits. In addition, the Company has tenement holdings in the Barrow Creek, Tanami and Mt Peake regions of the Northern Territory. These regions are known to be prospective for **uranium** and large portions of these are under-explored. The Company is currently assessing open file data and previous exploration results to generate targets for a field program.

The Barrow Creek, Tanami, Mt Peake and Ware Range tenement holdings cover approximately 17,000 square kilometres in the Northern Territory and the Gardner Range tenement holdings cover approximately 650 square kilometres in Western Australia.

Barrow Creek Project (Quantum earning 80%)

The Company has acquired through joint venture two granted exploration licenses as well as five exploration license applications covering a total of total of 5,100 square kilometres of the faulted margin of the Georgina Basin to the southeast of Barrow Creek. The setting is also similar to the Ngalia Basin to the west which contains sediment-hosted **uranium** deposits of good grade. Radiometrics indicate that adjacent Proterozoic granites are anomalous in **uranium**, and adjacent sediments are also anomalous. A brief field visit included rock chip sampling which returned results above the background values which would be expected for these rock types.

Tanami Project (Quantum earning 80%)

This project area covers 2,400 square kilometres in the Mt Davidson area east of The Granites Gold Mine. Previous exploration was restricted to broad spaced sampling for gold. Several tenements within this group overlap the boundary between the Proterozoic basement rocks and the younger Lander Trough of the Wiso basin to the north. This trough is prospective for Mississippi Valley Type (MVT) silver-lead-zinc deposits as well as possible gold deposits. However, the trough is probably most prospective for sediment-hosted **uranium** deposits similar to those in the Ngalia Basin to the south. There is also potential for calcrete-hosted uranium deposits in the more recent overlying sediments. The

Company is actively pursuing agreements with the native title holders where necessary in order to proceed to granting of the tenements.

Mt Peake Project (Quantum earning 80%)

The Mt Peake project area covers approximately 7,700 square kilometres of prospective rocks between the Tanami Project to the northwest and Barrow Creek to the southeast. Previous exploration in this area was entirely restricted to gold, and this was largely wide spaced reconnaissance sampling as well. Several of these tenements also overlie the boundary of the Lander Trough and Proterozoic basement and as such are also highly prospective for sediment-hosted **uranium**. The tenements also overlie areas of extensive calcrete deposits which are suitable hosts to uranium elsewhere.

Gardner Range (Quantum 100%)

The Company has made application for tenements in the Gardner Ranges 150 kilometres southeast of Hall's Creek. The tenements are prospective for Olympic Dam-style iron oxide gold-copper-**uranium** deposits, or unconformity related **uranium** deposits such as those in the Athabasca Basin in Canada. The Athabasca Basin has produced a significant proportion of total world uranium output. Limited exploration for **uranium** around the margins of the Gardner Ranges was carried out in the early 1980's, and **uranium** mineralization was found to be present. The Company's tenements cover the Mt Mansbridge prospect where previous exploration reported significant uranium results.

Areas to the north along a significant fault system over 60 kilometres long did not attract enough attention. The tenements are now surrounded to the north by Cameco, the large Canadian **uranium** producer. Modern day geochemical and geophysical methods will be employed to assess these areas.

The Company is currently compiling all historical exploration data on its North Australian Craton tenements which are prospective base metals as well as uranium. Following the compilation of this data, field visits are planned to conduct soil sampling programs.

Ware Range (Quantum 100%)

The Ware Range tenement was granted in September 2006. The tenement was acquired due to geological similarities with the Gardner Range unconformity uranium concept. Open file reports have been ordered and a field trip is planned in the next quarter.

GOLD EXPLORATION

In Western Australia, the Whiteheads, St Ives and Jackson projects are the major focus of gold exploration and the Company's tenement holdings cover approximately 3,000 square kilometres.

Whiteheads Project (Quantum earning 80%)

The Whiteheads Project is located 60 kilometres northeast of Kalgoorlie within the metamorphosed rocks of the Gindalbie Greenstone Belt. The area hosts mafic and felsic volcanics, sediments, and altered intrusive porphyries. The project areas surround the historic Gindalbie Mining Centre to the east which has produced 45,240 ounces of gold at an average grade of 27 g/t gold. The Lindsays Project immediately to the west has now been found to contain a resource of nearly 2 million ounces at approximately 2.4g/t gold.

Results of broad spaced RAB drilling in August 2006 have now been received and returned several intersections of anomalous gold. RAB hole WTHB959 returned 18m @ 1.32 g/t gold from 36m to the end of the hole. These were 4 metre composite samples. Resampling by individual metres and fire assay returned 6m @ 2.03 g/t gold from 38m, followed by 4m @ 0.46 g/t, another 4m @ 1.01 g/t and ending in 2m @ 0.44 g/t at 54 metres. Hole WTHB966, 160m along strike, also returned anomalous gold of 16m @ 0.36 g/t to the end of the hole upon resampling.

These are RAB drilling samples but as the holes were dry, the results are considered to be very encouraging.

St. Ives Project (Quantum 100%)

The Company's St Ives project covers 4 granted exploration licences and 1 pending application covering approximately 162 square kilometres of the prospective Lake Lefroy area, 60 kilometres south of Kalgoorlie. Most of the tenements are located immediately east of the main Boulder- Lefroy shear system, which is the major host to the gold mineralisation from the mines of the Kambalda/St Ives area through to Kalgoorlie. The Company believes that these tenements require thorough exploration programs due to their proximity to such an important shear system.

Heritage surveys were intended to be completed during the quarter in order to access some of these areas, however rain forced delays. A soil sampling program is planned over one of the tenements, while RAB drilling over a significant north-south structural splay will be carried out over a further tenement in the project area.

Jackson Project (Quantum 100%)

The project area covers 756 square kilometres of the Barlee-Marda Greenstone Belt which is located 100 kilometres north of Southern Cross. There is a history of small scale underground gold production in the region.

Assessment of open file reports has been completed with the outcome indicating that there are areas of potential for gold under the cover of recent sediments along the margins of the belts. Previous sampling was ineffective as transported material was collected. Wide spaced RAB drilling would be the preferred method of testing these trends. Heritage surveys are required to be completed before ground work can begin.

Farm-Out Joint Ventures

Wanganoo Joint Venture (Quantum 20%)

The Company's Dingo Range prospect at Wanganoo is the subject of the Wanganoo joint venture with Cullen Exploration Pty Ltd as managers having earned an 80% interest.

Exploration to date within E53/988 has uncovered a number of untested geochemical and magnetic anomalies which are targets for gold and nickel sulphide mineralisation. These anomalies lie on contacts or within favourable komatiitic host rocks with interpreted strike extents of at least 4 kilometres.

A ground EM (electro magnetic) survey completed earlier identified two conductive targets within prospective ultramafic units. The survey targeted a 4 kilometre long trend of ultramafics within E53/988, where strong nickel (to 6405ppm) and copper (to 3525ppm) anomalies from previous RAB traverses occur on contact komatiite positions. Cullen plans to drill these targets during the December 2006 quarter.

Officer Hill Joint Venture

Newmont Australia have joint ventured into EL23150 which is located 34 kilometres southwest of The Callie gold mine, also owned by Newmont. Previous explorers located sporadic mineralization from drilling such 4m @ 4.64g/t, numerous short intervals of 1-4g/t, and several wide intercepts of 0.1-1g/t. The prospect is considered to have excellent potential to host steeply plunging shoots such as those at the Tanami Gold Mine. An apparent fold closure to the east offers the possibility of discovery of Callie-style mineralization at depth.

The technical information in this report has been reviewed and approved by Mr K Washburn who is a member of the Australasian Institute of Mining and Metallurgy and has approximately 28 years experience in the industry. Attached is a copy of the Company's Mining Exploration Entity Quarterly Report in accordance with Listing Rule 5.3.

Handwritten signature of J.I. Gutnick in black ink, followed by a vertical red line.

J I GUTNICK
Chairman & Managing Director
27 October 2006

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

QUANTUM RESOURCES LIMITED

ABN

84 006 690 348

Quarter ended ("current quarter")

30 September 2006

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	YTD (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(307)	(307)
(b) development	-	-
(c) production	-	-
(d) administration	(128)	(128)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	24	24
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(411)	(411)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	(175)	(175)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material) proceeds from sale of non-dealing securities	-	-
Net investing cash flows	(175)	(175)
1.13 Total Operating and investing cash flows (carried forward)	(586)	(586)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(586)	(586)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Share/Option issue costs prior year	(8)	(8)
Net financing cash flows		(8)	(8)
Net increase (decrease) in cash held		(594)	(594)
1.20	Cash at beginning of quarter/year to date	1,037	1,037
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	443	443

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	39
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

-

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	350
4.2 Development	-
Total	350

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	443	1,037
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	443	1,037

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	See attached		
6.2	Interests in mining tenements acquired or increased	See attached		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	351,113,528	351,113,528	-	-
7.4 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	1,400,000	-	<i>Exercise price</i> \$0.08	<i>Expiry date</i> 24/03/2010
	43,748,673	43,748,673	\$0.10	31/10/2010
	32,875,597	32,875,597	\$0.10	30/04/2012
	68,378,151	68,378,151	\$0.05	30/11/2012
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 27 October 2006
(Company Secretary)

Print name: Peter J. Lee

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 Appendix 5B has been prepared in accordance with Australian Equivalents of International Financial Reporting Standards (AIFRS).
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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Mining exploration entity quarterly report

QUANTUM RESOURCES LIMITED
ABN 84 006 690 348

For Quarter Ended 30.09.2006
(referred to in this Statement as the "Current Quarter")

ADDITIONAL INFORMATION

Item 1.23 Payments to Other Entities

Some of the Directors of the Company are also Directors of AXIS Consultants Pty. Ltd. ("AXIS"). The Company does not consider AXIS to be a related party.

Item 7.7 Options

Listed

43,748,673 Options maturing 31 October 2010 at an exercise price of \$0.10 per Option. The Options are exercisable any time after 1 January 2002. Each option will convert to one fully paid ordinary share.

32,875,597 Options maturing 30 April 2012 at an exercise price of \$0.10 per Option. The options are exercisable any time after 1 January 2003. Each option will convert to one fully paid ordinary share.

68,378,151 Options maturing 30 November 2012 at an exercise price of \$0.05 per option. The options are exercisable any time after 1 July 2003. Each Option will convert to one fully paid share.

Unlisted

1,400,000 Options maturing 24 March 2010, issued under the Employee Share Option Plan, have an exercise price of \$0.08 per Option. Upon exercise, each option will convert to one Fully Paid Ordinary Share. These options cannot be exercised until after 24 March 2003 and only at that time if the Company's share price on the ASX has increased by a factor of 20% over the price of the Shares at the time the Options were issued.

QUANTUM RESOURCES LIMITED

ACN 006 690 348

CHANGES IN INTERESTS IN MINING TENEMENTS

6.1 Interests in mining tenements relinquished, reduced or lapsed

Tenement reference	Nature of Interest (note(4))	Interest at beginning of quarter	Interest at end of quarter
KOWTAH			
P 39/4211	Surrendered	100.00%	0.00%
P 39/4212	Surrendered	100.00%	0.00%
P 39/4213	Surrendered	100.00%	0.00%
P 39/4214	Surrendered	100.00%	0.00%
P 39/4215	Surrendered	100.00%	0.00%
P 39/4216	Surrendered	100.00%	0.00%
P 39/4217	Surrendered	100.00%	0.00%
P 39/4218	Surrendered	100.00%	0.00%
P 39/4219	Surrendered	100.00%	0.00%
P 39/4220	Surrendered	100.00%	0.00%

QUANTUM RESOURCES LIMITED

ACN 006 690 348

CHANGES IN INTERESTS IN MINING TENEMENTS

6.2 Interests in mining tenements acquired or increased.

Tenement reference	Nature of Interest (note(4))	Interest at beginning of quarter	Interest at end of quarter
DULCIE			
E 77/1074	Granted	0.00%	100.00%
DULCIE NORTH			
E 77/1078	Granted	0.00%	100.00%
JACKSON			
E 77/1065	Granted	0.00%	100.00%
E 77/1073	Granted	0.00%	100.00%
WARE RANGE			
EL 25010	Granted	0.00%	100.00%