

Quantum Resources Limited

ACN 006 690 348

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2009**

Table of Contents

	Page
Directors' Report	2
Lead Auditor's Independence Declaration	3
Condensed Statement of Comprehensive Income	4
Condensed Statement of Financial Position	5
Condensed Statement of Changes in Equity	6
Condensed Statement of Cash Flows	7
Notes to the Condensed Interim Financial Statements	8
Directors' Declaration	10
Independent Auditor's Review Report	11

Directors' Report

The directors present their report together with the financial report of Quantum Resources Limited (the 'Company') for the half year ended 31 December 2009 and the auditor's review report thereon.

Directors

The directors of the Company at any time during or since the end of the interim period are:

J Gutnick	Chairman and Managing Director
D Tyrwhitt	Non-Executive Director
M Gutnick	Non-Executive Director

Review and Results of Operations

During the half-year to December 2009, the Company has continued with its exploration programs.

At Gardner Range in W.A., the area has a long history of uranium exploration and a significant uranium prospect (Mt Mansbridge) on E80/3410 was identified by previous landholders. A geophysical review was conducted on the project using the electromagnetic, radiometric and magnetic survey data that was captured in late 2007. This review has identified two new radiometric anomalies which are outside the previously identified Mt Mansbridge prospect. Negotiations for a project heritage clearance for Gardner Range were progressed with the traditional owners and the Kimberley Land Council (KLC). A scope of work was prepared and approved for a follow-up photo-geological assessment to cover the entire Gardner Range project. This photo-geological assessment is scheduled for completion by Quarter 1, 2010.

At Ware Range in the N.T., a RadonXTM survey around two areas of the project identified several areas that now require further work as there are zones where the radon gas measured is above normal background levels. A follow-up hand-held spectrometer survey was completed to validate, and investigate further the uranium anomalies returned from an earlier RadonXTM cups survey over the project.

The results of operation for the six months ended 31 December 2009 was a loss of \$63,144 (2008: \$541,677). At 31 December 2009, the Company had cash at bank of \$1,257,407.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 3 and forms part of the directors' report for the half year ended 31 December 2009.

Signed in accordance with a resolution of the directors:



J Gutnick
Executive Chairman

Dated at Melbourne this 15th day of March 2010

The technical information in this report has been reviewed and approved by Dr D S Tyrwhitt who is a Fellow of the Australasian Institute of Mining and Metallurgy and has 50 years experience in the industry and has more than 5 years experience which is relevant to the style of mineralisation being reported upon to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Tyrwhitt consents to the inclusion in the report of the matters based on the information in the form and context to which it appears.



Chartered Accountants
& Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Quantum Resources Limited for the half year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

J A Mooney
Partner
PKF

15 March 2010
Melbourne

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**Condensed Statement of Comprehensive Income
for the half year ended 31 December 2009**

	<i>Note</i>	2009 \$	2008 \$
Revenue	2	2,409	-
Exploration expenditure written off	4	(267)	(371,951)
Administration expenses		(66,988)	(128,394)
Other expenses		-	(11,630)
Loss from continuing operations		(64,846)	(511,975)
Net finance income/(expense)	3	1,702	(29,702)
Loss before income tax		(63,144)	(541,677)
Income tax expense		-	-
Loss for the period		(63,144)	(541,677)
Other comprehensive income for the period, net of income tax			
Net change in fair value of available-for-sale financial assets		(309)	(49)
Total comprehensive loss for the period		(63,453)	(541,726)
Loss attributable to members of Quantum Resources Limited		(63,144)	(541,677)
Total comprehensive loss attributable to members of Quantum Resources Limited		(63,453)	(541,726)
Basic and dilutive loss per share (cents per share)		(0.01)	(0.13)

The accompanying notes form part of these half year financial statements.

Condensed Statement of Financial Position
as at 31 December 2009

	<i>Note</i>	31 December 2009 \$	30 June 2009 \$
Assets			
<i>Current Assets</i>			
Cash and cash equivalents		1,257,407	2,045,001
Receivables and prepayments		14	11,552
Total Current Assets		1,257,421	2,056,553
<i>Non-Current Assets</i>			
Receivables		19,000	19,000
Financial assets		-	333
Exploration and evaluation expenditure	4	699,665	400,025
Total Non-Current Assets		718,665	419,358
Total Assets		1,976,086	2,475,911
Liabilities			
<i>Current Liabilities</i>			
Trade and other payables		177,199	613,571
Total Current Liabilities		177,199	613,571
Total Liabilities		177,199	613,571
Net Assets		1,798,887	1,862,340
Equity			
Issued capital		56,604,118	56,604,118
Reserves		713,940	714,249
Accumulated losses		(55,519,171)	(55,456,027)
Total equity		1,798,887	1,862,340

The accompanying notes form part of these half year financial statements.

Condensed Statement of Changes in Equity
for the half year ended 31 December 2009

	Issued capital \$	Option premium reserve \$	Share based payment reserve \$	Fair value reserve \$	Accumulated loss \$	Total equity \$
Balance at 1 July 2008	54,670,187	619,690	82,675	97	(54,417,892)	954,757
Total comprehensive loss for the period, net of tax	-	-	-	(49)	(541,677)	(541,726)
Transactions with owners, recorded directly in equity						
Share based payment transactions	-	-	11,575	-	-	11,575
Balance at 31 December 2008	54,670,187	619,690	94,250	48	(54,959,569)	424,606
Balance at 1 July 2009	56,604,118	619,690	94,250	309	(55,456,027)	1,862,340
Total comprehensive loss for the period, net of tax	-	-	-	(309)	(63,144)	(63,453)
Balance at 31 December 2009	56,604,118	619,690	94,250	-	(55,519,171)	1,798,887

The accompanying notes form part of these half year financial statements.

**Condensed Statement of Cash Flows
for the half year ended 31 December 2009**

	2009 \$	2008 \$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(253,794)	(6,272)
Interest received	1,920	488
Finance expenses paid	(218)	(30,190)
Net cash used in operating activities	(252,092)	(35,974)
Cash flows from investing activities		
Payments for exploration expenditure	(309,456)	(124,119)
Proceeds from sale of investment	2,433	-
Repayment of loans from other entity	(151,701)	-
Loans to other entity	-	(14,000)
Loans repaid by other entity	-	75,000
Net cash used in investing activities	(458,724)	(63,119)
Cash flows from financing activities		
Transaction costs on issue of shares	(76,778)	-
Net cash used in financing activities	(76,778)	-
Net (decrease) in cash and cash equivalents	(787,594)	(99,093)
Cash and cash equivalents at 1 July	2,045,001	116,220
Cash and cash equivalents at 31 December	1,257,407	17,127

The accompanying notes form part of these half year financial statements.

**Notes to the condensed interim financial statements
for the half year ended 31 December 2009**

1. Basis of preparation

Quantum Resources Limited (the 'Company') is a company domiciled in Australia.

The half year condensed consolidated financial report has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards (AASBs) including AASB 134 Interim Financial Reporting.

Except as described below, these condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the 30 June 2009 annual financial statements contained within the Annual Report of the Company.

The half year financial report does not include notes of the type normally included in the annual financial report. This half year financial report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made during the interim period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

(a) Change in accounting policy

(i) AASB 8 Amendments to Accounting Standards – Operating Segments

Adoption of this standard has not resulted in a change in the disclosure of operating segments.

The Company operates in one business segment, being mineral resource exploration and assessment of mineral projects and in one geographical segment, being Australia.

(ii) AASB 101 Presentation of Financial Statements

The Company applies revised AASB 101 Presentation of Financial Statements (2007), which became effective for the Company from 1 July 2009. As a result, the Company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income. This presentation has been applied in these condensed interim financial statements as of and for the half year period ended 31 December 2009.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on loss per share.

These condensed interim financial statements were approved by the directors on 15 March 2010.

Notes to the condensed interim financial statements (continued)
for the half year ended 31 December 2009

2. Revenue

	31 December 2009	31 December 2008
	\$	\$
Gain from sale of investments	2,409	-

3. Net finance income/(expense)

	31 December 2009	31 December 2008
	\$	\$
Interest income	1,920	488
Finance income	1,920	488
Bank charges	(218)	(325)
Borrowing costs	-	(29,865)
Finance expenses	(218)	(30,190)
Net finance income/(expense)	1,702	(29,702)

4. Exploration and evaluation expenditure

	31 December 2009	30 June 2008
	\$	\$
Balance at beginning of period	400,025	1,308,437
Capitalised during the period	299,907	288,926
Impaired during the period	(267)	(1,197,338)
Balance at end of period	699,665	400,025

5. Contingent liabilities

There have been no significant changes to contingent liabilities since 30 June 2009.

6. Subsequent events

There have been no significant events subsequent to the end of the interim reporting period.

Directors' Declaration

In the opinion of the directors of Quantum Resources Limited (the 'Company'):

1. the financial statements and notes, set out on pages 4 to 9, are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the Company's financial position as at 31 December 2009 and of its performance, for the half year ended on that date; and
 - (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.



J Gutnick
Executive Chairman

Dated at Melbourne this 15th day of March 2010.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF QUANTUM RESOURCES LIMITED**

We have reviewed the accompanying half-year financial report of Quantum Resources Limited ("the company"), which comprises the condensed statement of financial position as at 31 December 2009, and the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the company.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Quantum Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Quantum Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

**PKF**

15 March 2010

Melbourne

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**J A Mooney**

Partner

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