



REPORT FOR THE QUARTER ENDED 31 MARCH 2002

OVERVIEW AND HIGHLIGHTS

Quantum Resources Limited is continuing to develop its mining royalty business, which is based on acquiring a portfolio of prospective mineral properties with the view to generating profits through royalty and/or farm-out agreements with third party mining and exploration companies. In the last year, the Company has acquired tenements covering over 7,000 square kilometres in Western Australia, Northern Territory, South Australia, Victoria and New South Wales. Agreements between the Company and third party mining and exploration companies have been concluded on the following properties:

- ◆ Kalgoorlie North (gold);
- ◆ Southern Star Project (gold);
- ◆ Pilbara Manganese Project (manganese);
- ◆ and the Ambergate and Eneabba East Projects (mineral sands).

Each of these agreements has been structured so that the Company retains a production royalty on future mineral production from the project areas if a mine is developed.

As part of its strategy, the Company intends to conduct exploration on a selection of its projects to a point where a major partner is attracted to fund detailed exploration and/or mine development. The Company has selected two gold projects, the Gawler and New Comet projects, where it intends to commence reconnaissance exploration programs. The Company intends to use some of the funds to be raised through the right issue (described below) to fund these exploration programs.

The Company is continuing to build its portfolio of mineral projects with a focus on gold and has recently applied for new tenements near the Telfer and St Ives gold mines in Western Australia. At the Company's new project near Telfer several anomalous intersections have been reported by previous explorers, including:

- ◆ 6 metres @ 5.79 grams per tonne gold from 20 metres depth;
- ◆ 5 metres @ 4.02 grams per tonne gold from 38 metres depth (to end of hole);
- ◆ and 6 metres @ 15.8 grams per tonne gold from 69 metres depth.

Previous exploration data for this project is currently being compiled by the Company, with the view to identifying new exploration targets.

The Company recently announced that it will make a pro-rata renounceable rights issue of approximately 109 million options to existing shareholders on the basis of 1 new option for every 2 ordinary shares held by a shareholder. The issue price will be 2 cents per option and the exercise price will be 10 cents per option. The latest exercise date will be 10 years from the date of issue. The Company is preparing a disclosure document for this issue for lodgement with the Australian Securities and Investment Commission prior to mailing to shareholders.

REVIEW OF PROJECTS

Exploration Projects

As part of its strategy, the Company intends to conduct exploration on a selection of its projects to a point where a major partner is attracted to fund detailed exploration and/or mine development. The Company has selected two gold projects where it intends to commence reconnaissance exploration programs as described below.

New Comet Project (gold)

The New Comet Project, held 100 percent by Quantum, is located 25 kilometres east of Cue, adjacent to the Comet gold mining centre. A distinct airborne electromagnetic anomaly has been identified on Quantum's ground that appears to have a similar electromagnetic response to the Comet mineralisation. This anomaly is located beneath alluvial cover and has not been drill tested by previous explorers.

Exploration of the prospect will consist of a full appraisal of the existing airborne geophysical data followed by a detailed ground based electro-magnetic survey to precisely locate the anomaly. Following the review of the geophysical data and providing it supports the potential for gold mineralisation, a reconnaissance drill program will be carried out to test the anomaly for gold mineralisation.

The New Comet Project forms part of the Company's larger Tuckabianna Project area in which a number of gold exploration targets have been identified. At the Comet East Prospect, previous drilling has delineated a mineralised zone some 500 metres long. The best drilling result within this zone was 2 metres grading 6.43 grams per tonne gold from 63 metres. The Company intends to assess this anomalous zone further and conduct follow-up drilling if warranted.

Gawler Project (gold)

The Company has a 100 percent interest in two exploration licences on the Gawler Craton in South Australia. The Gawler Craton attracted significant investor interest in 1995 following the discovery of the Challenger gold deposit. Considerable exploration activity followed with further gold mineralisation being found in a number of areas. The Challenger gold deposit has a reported mineral resource of 1.7 million tonnes grading 8.5 grams per tonne gold for 0.46 million ounces and is currently being developed by Dominion Mining Limited ("Dominion"). The Company's Wildingi licence is located approximately 60 kilometres to the north-east of the Challenger deposit and adjacent to Dominion's Golf Bore prospect. The Golf Bore mineralisation partially extends onto the Company's Wildingi licence and a review of existing exploration data has highlighted a number of targets within this zone that may warrant drill testing.

The Gawler Craton has recently demonstrated its potential for significant mineral discoveries, with Minotaur Resources Limited's recent announcement of drilling results from its Mt. Woods Project. These results highlight the Gawler Craton's potential to host additional Olympic Dam style copper-gold deposits and this potential may extend to the Company's Halfmoon licence.

Initial work will consist of a detailed geological and geophysical appraisal of the Company's project areas. This will be followed by surface geochemistry, detailed geophysics and reconnaissance drilling programs as appropriate.

Royalty Projects

Kalgoorlie North Project (gold)

This project comprises 16 square kilometres, held 100 percent by Quantum, located some 5 kilometres north of Kalgoorlie. Compilation of recently received exploration data from the previous explorer has highlighted a 1.5 kilometre long gold in soil anomaly (40 – 145 parts per billion gold) at the Two Up Prospect associated with old workings within felsic volcanic rocks and black shales. Follow-up drilling on 200 metre spaced lines intersected a felsic porphyry containing pyrite, arsenopyrite and abundant quartz veining. Anomalous gold results were reported from one line, including:

- ◆ PKRC23 – 1 metre grading 3.92g/t gold from 56 metres depth;
- ◆ PKRC13 – 1 metre grading 2.77g/t gold from 18 metres depth;
- ◆ and PKRC52 – 1 metre grading 8.46g/t gold from 16 metres depth.

The Company has recently reached an agreement with a junior exploration company that will earn an interest in the project by undertaking exploration.

Ambergate and Eneabba East Projects (mineral sands)

At the Ambergate Project, in the southern Perth Basin, Quantum has a tenement covering a high-grade mineral sands resource. As calculated by the previous owners of the project, the total inferred and indicated mineral resource consists of approximately 9.57 million tonnes grading 6.4 percent heavy minerals for 611,000 tonnes contained heavy minerals. At Eneabba East, in the northern Perth Basin, Quantum has a tenement covering an ancient dune sequence identified as prospective for heavy mineral sand deposits. The project abuts the Eneabba mineral sands mine plus the Dongara deposits. Magnetic Minerals Limited have released a resource estimate of 133 million tonnes grading 4.8 percent heavy minerals for their Dongara mineral sands deposits and are conducting a mining feasibility study on them. Quantum has recently completed an agreement to sell an 80 percent stake in both its mineral sands projects and will retain a 20 percent free-carried interest, convertible to a production royalty if mining proceeds.

East Pilbara Manganese Project (manganese)

This project comprises some 644 square kilometres of ground in the east Pilbara region along strike from the Woodie Woodie manganese mine. This ground holding covers favourable stratigraphy with several identified manganese occurrences. Quantum has reached an agreement with the owners of the Woodie Woodie mine, Consolidated Minerals Limited (“CML”), to sell its interest in the tenements while retaining a production royalty on any future manganese production. CML has recently announced a proposed capital raising of \$10 million to fund a major exploration program in the Woodie Woodie area.

Southern Star Project (gold)

Quantum has acquired a 100 percent interest in a tract of greenstone belt south of the Southern Cross mining centre, 400 kilometres east of Perth. The Quantum leases are adjacent to shallow gold workings at the Dulcie prospect and north of British Hill prospect within the Southern Cross greenstone belt. Following acquisition of the project, Quantum has negotiated a joint venture with Hamill Resources Ltd (“Hamill”) whereby the latter will fund all exploration costs with Quantum retaining a 20 percent free-carried interest through to a decision to mine, with the option to substitute equity for a royalty stream at that time. The joint venture tenements adjoin Hamill’s British Hill prospect where a 50,000 ounce gold resource grading 2.5 g/t has been defined to date.

Other Projects

In addition to the projects outlined above, Quantum has a 100 percent interest in several other project areas in Australia. These projects include:

- **JACKSON GOLD** – in excess of 700 square kilometres over the Barlee greenstone belt to the north of Southern Cross with favourable greenstone lithologies for Archaean gold mineralisation. The Company's tenements are near the Bungalbin and Mt Dimer gold deposits. Much of the ground is covered by relatively thin alluvial and colluvial deposits with little past exploration.
- **LAKE LEFROY GOLD** - tenement applications covering a highly prospective zone within Lake Lefroy, approximately 60 kilometres south of Kalgoorlie. Quantum's tenure lies immediately east of the Boulder-Lefroy fault system that hosts the world-class St Ives mineral field presently producing 400,000 ounces of gold per annum. The greater than one million ounce Belleisle gold deposit is located approximately two kilometres to the southwest of the project area.
- **BOUNTY NORTHWEST GOLD** – a tenement adjacent to known gold mineralisation, some four kilometres northwest of the Bounty gold mine within the Forrestania greenstone belt.
- **ZULEIKA GOLD** – tenements covering some 10 square kilometres approximately 13 kilometres northwest of the Kundana goldmine.
- **MURCHISON GOLD** – some 100 square kilometres in the Murchison district covering favourable greenstone lithologies for Archaean gold mineralisation.
- **TANAMI GOLD** - Quantum has a ground holding covering some 1,620 square kilometres in the highly prospective Tanami region of the Northern Territory and Western Australia including areas within 15 kilometres of the major Callie gold deposit controlled by Normandy Mining Limited. Although at a preliminary stage of data assessment, it is evident that there are a number of areas within Quantum's ground holdings over favourable stratigraphy with gold anomalies defined by previous explorers. On the Western Australian side, Quantum's ground lies adjacent and along strike from Tanami Gold N.L.'s tenure which has recently been joint ventured to Homestake Mining. Quantum believes that there is considerable scope in the Tanami region to re-assess past exploration work in light of recent discoveries and the latest exploration techniques with the view to finding economic mineralisation in areas that have been under-explored.
- **BENDIGO WEST GOLD** - Quantum has applied for some 188 square kilometres directly to the west of Bendigo, Victoria. Bendigo Mining NL is currently redeveloping the historical world-class Bendigo gold mine. The Company believes the area applied for may have potential for Bendigo style gold mineralisation and plans to complete a full review of available geological and exploration data for the area.

Recent Acquisitions

The Company has continued to make tenement applications in strategic locations, as outlined below. Due to the current upturn in the gold market, these tenement acquisitions are essentially focussed on gold.

- **MALU GOLD** – The Company has applied for a single exploration licence covering 60 square kilometres located six kilometres to the northeast of the multi-million ounce Telfer gold mine. Past explorers have reported several anomalous drilling results from the area of the Company's tenement application, including:
 - 6 metres grading 5.79 grams per tonne from 20 metres depth;

- 2 metres grading 14.1 grams per tonne gold from 23 metres depth;
- 5 metres grading 4.02 grams per tonne gold from 38 metres depth;
- 3 metres grading 5.65 grams per tonne gold from 24 metres depth;
- and 6 metres grading 15.8 grams per tonne gold from 69 metres depth.

The Company is compiling the past exploration data for the area, with the view to generating new exploration targets based on geological and geophysical interpretations. The Telfer gold mine is host to one of Australia's largest gold deposits with a recently reported resource upgrade estimating the current insitu resource to be approximately 26.2 million ounces gold.

- **JACKSON GOLD** – The Company applied for a further 90 square kilometres in the Jackson area of Western Australia. The single tenement applied for consolidates the Company's existing landholding in this area (see above) and is located adjacent to the currently operating Bungalbin gold mine.
- **LEFROY GOLD** – The Company has applied for two exploration licences covering approximately 90 square kilometres of greenstone lithologies south of Lake Lefroy and some seven kilometres east of the major St Ives gold operation.

INVESTMENTS

Quantum holds a number of strategic investments in minerals exploration companies, including a 43.1 percent interest in Johnson's Well Mining N.L. and a 6.2 percent interest in Gutnick Resources N.L. These two companies, listed on the Australian Stock Exchange, are gold exploration companies with active projects in the Northern Territory and the Eastern Goldfields of Western Australia. Further information on these two companies can be found on their websites at: www.jwm.com.au and www.gutnickresources.com.au

CORPORATE

The Company recently announced that it will make a pro-rata renounceable rights issue of approximately 109 million options to existing shareholders on the basis of 1 new option for every 2 ordinary shares held by a shareholder. The issue price will be 2 cents per option and the exercise price will be 10 cents per option. The latest exercise date will be 10 years from the date of issue. The Company is preparing a disclosure document for this issue for lodgement with the Australian Securities and Investment Commission prior to mailing to shareholders.

The technical information in this report is based on and accurately reflects information compiled by Mr D. von Perger, who is a member of the Australasian Institute of Mining & Metallurgy and has 10 years experience in the exploration field.

Attached is a copy of the Company's Mining Exploration Entity Quarterly Report in accordance with Listing Rule 5.3.

J. I. Gutnick

J I GUTNICK
 Chairman & Managing Director
 29 April 2002

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")

31 March 2002

Consolidated statement of cash flows

	Current quarter \$A'000	YTD (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(37)	(65)
(b) development	-	-
(c) production	-	-
(d) administration	(50)	(100)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	11	52
Net Operating Cash Flows	(76)	(114)
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	79	79
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	25	25
1.12 Other (provide details if material)	-	-
Net investing cash flows	104	104

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13 Total operating and investing cash flows (carried forward)	28	(10)
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+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	28	(10)
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	12	167
1.17	Repayment of borrowings	(27)	(140)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net financing cash flows		(15)	27
Net increase (decrease) in cash held		13	17
1.20	Cash at beginning of quarter/year to date	7	3
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	20	20

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

Refer attached details

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

-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	Refer attached details	Refer attached details
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	30
4.2 Development	-
Total	30

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	20	7
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	20	7

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	-		
6.2	Interests in mining tenements acquired or increased	Refer attached list		

+ See chapter 19 for defined terms.

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	218,015,993	218,015,993	-	-
7.4 Changes during quarter				
(a) Increases through issues	490	-	-	-
(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>	2,375,000	-	<i>Exercise price</i> \$0.08	<i>Expiry date</i> 24/03/2010
	43,760,131	43,760,131	\$0.10	31/10/2010
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	490	-	\$0.10	31/10/2010
7.10 Expired during quarter	250,000	-	\$0.08	24/03/2010
7.11 Debentures <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.12	Unsecured notes <i>(totals only)</i>	-	-
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+ See chapter 19 for defined terms.

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:



(Company Secretary)

Date: 29/04/2002

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 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 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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+ See chapter 19 for defined terms.

Mining exploration entity quarterly report

QUANTUM RESOURCES LIMITED
ABN 84 006 690 348

For Quarter Ended 31.03.2002
(referred to in this Statement as the "Current Quarter")

ADDITIONAL INFORMATION

Item 1.7 Other

During the March Quarter monies were received for GST refund of \$11,000.

Item 1.23 Payments to Directors and Related Entities

Some of the Directors of the Company are also Directors of AXIS Consultants Pty. Ltd. ("AXIS"). The Company paid AXIS \$27,000 during the quarter ended 31 March 2002 for management and other services rendered. The Company does not consider AXIS to be a related party.

Item 3.1 Loan Facilities

Mr. Gutnick has confirmed that based on the Company's present and projected cash flows (and anticipated support from its financiers over that time) he should have access to sufficient funds to be in a position to assist the Company to meet its commitments. Mr. Gutnick has invited the Company, as and when funds are required, to apply to him for relevant funds. Mr. Gutnick will then, at his absolute discretion, determine whether he is willing or able to assist the Company.

Item 7.7 Options

Listed

43,760,131 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

Unlisted

2,375,000 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.

+ See chapter 19 for defined terms.

QUANTUM RESOURCES LIMITED

ACN 006 690 348

CHANGES IN INTERESTS IN MINING TENEMENTS

6.2 Interests in mining tenements aquired or increased.

Tenement reference	Nature of Interest (note(4))	Interest at beginning of quarter	Interest at end of quarter
<u>MINGAH</u> E 51/962	Sundry	0.00%	100.00%
<u>PEAK HILL</u> E 52/1506	Granted	0.00%	100.00%
<u>PINNACLE</u> P 37/6246	Granted	0.00%	100.00%
P 37/6247	Granted	0.00%	100.00%
<u>JADADA ROCK</u> E 28/1158	Granted	0.00%	100.00%
<u>GAWLER</u> EL 2897	Granted	0.00%	100.00%
<u>TUCKABIANNA</u> P 21/620	Granted	0.00%	100.00%
<u>WILUNA</u> E 53/966	Granted	0.00%	100.00%
E 53/979	Granted	0.00%	100.00%