



REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2002

Quantum Resources Limited (“Quantum” or the “the Company”) is exploiting its competitive advantage to further develop its portfolio of mineral royalty and joint-venture mining opportunities to provide investor returns.

The mineral royalty and joint-venture business continues to mature with value added to selected projects through targeted exploration. The Company has concluded agreements on its projects at Kalgoorlie North, Dulcie, East Pilbara, and Zuleika in Western Australia, retaining either a free carried interest or a royalty. New projects have been acquired at Cobalark, Telfer, Kowtah, Kalgoorlie North, Jundee North, Dingo Range, Bounty and Minerie.

The Company currently holds tenements covering over 7,000 square kilometres in Western Australia, Northern Territory, South Australia and Victoria.

HIGHLIGHTS

- Reconnaissance exploration commences at Tuckabianna.
- Agreement reached with Braeside Australia Limited (“Braeside”) on Zuleika tenements.
- Extension of time for Kalgoorlie North agreement.
- Tanami project profile raised.

REVIEW OF OPERATIONS

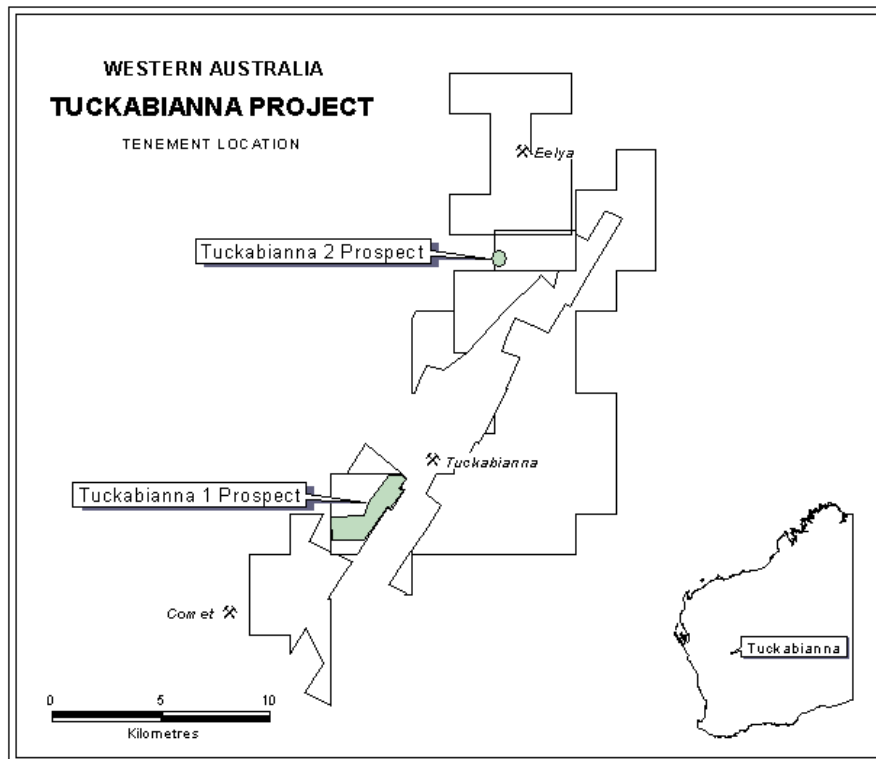
Tuckabianna Project (Quantum 100%)

At the Tuckabianna Project, located approximately 15 kilometres south of Cue in Western Australia (see Figure 1.), the Company had previously announced that it had identified an airborne electromagnetic anomaly at the New Comet prospect.

During the quarter, the Company received notification of the grant of two tenements affecting the New Comet prospect and it is now apparent that the ground available for exploration has been reduced. The New Comet anomaly and part of the Eelya South prospect now fall outside of the Company’s tenements.

The Company remains committed to the Tuckabianna Project and has completed the first phase of the planned reconnaissance program. A total of 74 soil samples were collected at Tuckabianna during the quarter, with results up to 131 parts per billion (“ppb”) gold returned. These results will be integrated with data collected from reviews of previous exploration and further work will be planned to focus on targets that may be generated.

Figure 1.



Zuleika Project (Braeside 80%)

During the quarter, agreement was reached for Braeside to acquire an interest in the Company's Zuleika tenements, which are located approximately 35 kilometres north west of Kalgoorlie in Western Australia. Braeside will acquire an 80% interest in the tenements by making a cash payment and committing to manage the tenements and meet expenditure requirements up to a Decision to Mine. Following a Decision to Mine, Quantum will have the option of maintaining its 20% interest by contributing to ongoing costs or converting its interest to a Net Smelter Royalty.

Kalgoorlie North Project (Juniper Resources Ltd earning 80%)

This project is located approximately 5 kilometres north of Kalgoorlie in an area where previous exploration has highlighted a 1.5 kilometre long gold in soil anomaly. The Company has reached an agreement with Juniper Resources Ltd ("Juniper") to earn an interest in the project by undertaking exploration. The agreement is conditional on Juniper listing on the Australian Stock Exchange ("ASX") either in its own right, or via a back-door listing. During the quarter the Company agreed to extend the period to achieve a listing until November 30, 2002. The parties further agreed that this condition would be satisfied through the re-admission of Central Exchange Limited ("Central Exchange") to the Official List of the ASX. Central Exchange expects to be re-admitted to the Official List of the ASX in November 2002.

Tanami Project (Quantum 100%)

The Company holds tenements covering some 1,620 square kilometres in the highly prospective Tanami region of the Northern Territory and Western Australia. The project includes tenements located within 15 kilometres of the major Callie gold deposit controlled by Newmont Mining Limited. Initial data assessment has identified a number of gold anomalies defined by previous explorers. The Company has completed a compilation of previous exploration results and intends to re-assess the areas potential in light of the Northern Territory Geological Survey's recent statement that the region contains indicators for deposits of gold and base metals. The region is also the focus of exploration by a number of global resource groups, with Newmont, BHP Billiton, Teck Cominco, Barrick and AngloGold actively exploring in the region. Consistent with its business model, the Company is considering options for attracting a partner to undertake exploration for precious and/or base metals on the tenements.

Mineral Sands Projects (Quantum 100%)

During the quarter the Company completed a review of its mineral sands holdings in Western Australia. Following this review a decision was taken to withdraw the applications at Ambergate and Carbanup in the south west of Western Australia. These applications were located in an area characterised by relatively intense land use, with a number of private land owners. It is the view of the Company that it would be difficult to effectively explore the area given the conflicting land uses.

The Company remains committed to the Eneabba mineral sands project which is located in the northern Perth Basin. As previously announced, Quantum has acquired a tenement covering an ancient dune sequence identified as prospective for heavy mineral sand deposits. The tenement is adjacent to the tenements controlled by Magnetic Minerals Limited where an upgraded resource of 181 million tonnes grading 5 percent heavy minerals was recently reported. The Company's tenement lies in prospective stratigraphy between this resource and the Eneabba mineral sand deposits. A number of companies have expressed an interest in joint venturing into this project.

INVESTMENTS

Quantum holds a number of strategic investments in minerals exploration companies, including a 35.6 percent interest in the junior explorer Johnson's Well Mining N.L. which is listed on the Australian Stock Exchange and has gold exploration projects in the Northern Territory and the Eastern Goldfields of Western Australia. Further information on this company can be found on its website at: www.jwm.com.au.

The technical information in this report has been reviewed and approved 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
Chairman & Managing Director
31 October 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")

30 September 2002

Consolidated statement of cash flows

	Current quarter \$A'000	YTD (3 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	(40)	(40)
(b) development	-	-
(c) production	-	-
(d) administration	(49)	(49)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	7	7
Net Operating Cash Flows	(82)	(82)
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	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(82)	(82)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(82)	(82)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	495	495
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	216	216
1.17	Repayment of borrowings	(657)	(657)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net financing cash flows		54	54
Net increase (decrease) in cash held		(28)	(28)
1.20	Cash at beginning of quarter/year to date	44	44
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	16	16

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	5
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.

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	100
4.2 Development	-
Total	100

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	16	44
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	16	44

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		-		
6.2		See Attached		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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	218,017,218	218,017,218	-	-
7.4 Changes during quarter				
(a) Increases through issues	175	-	-	-
(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>	2,150,000	-	<i>Exercise price</i> \$0.08	<i>Expiry date</i> 24/03/2010
	43,758,906	43,758,906	\$0.10	31/10/2010
	32,856,523	32,856,523	\$0.10	30/04/2012
7.8 Issued during quarter	32,856,523	32,856,523	\$0.10	30/04/2012
7.9 Exercised during quarter	175	-	\$0.10	31/10/2010
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

+ 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: 31 October 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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Mining exploration entity quarterly report

QUANTUM RESOURCES LIMITED

ABN 84 006 690 348

For Quarter Ended 30.09.2002
(referred to in this Statement as the "Current Quarter")

ADDITIONAL INFORMATION

Item 1.7 Other

During the June Quarter monies were received for GST refund of \$7,000.

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 paid AXIS \$101,000 during the quarter ended 30 September 2002 as repayments on an existing loan. 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. It is also the Directors intention to undertake a pro-rata renounceable rights issue of shares to all shareholders at a price to be determined but which will be at a discount to the market value.

Item 7.7 Options

Listed

43,758,906 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.

32,856,523 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.

Unlisted

2,150,000 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 acquired or increased.

Tenement reference	Nature of Interest (note(4))	Interest at beginning of quarter	Interest at end of quarter
KOWTAH			
P 39/4214	Granted	0.00%	100.00%
P 39/4215	Granted	0.00%	100.00%
P 39/4216	Granted	0.00%	100.00%
P 39/4217	Granted	0.00%	100.00%
P 39/4218	Granted	0.00%	100.00%
P 39/4219	Granted	0.00%	100.00%
P 39/4220	Granted	0.00%	100.00%
MINERIE SE			
P 39/4156	Granted	0.00%	100.00%
P 39/4157	Granted	0.00%	100.00%
P 39/4160	Granted	0.00%	100.00%
P 39/4161	Granted	0.00%	100.00%
P 39/4162	Granted	0.00%	100.00%
P 39/4163	Granted	0.00%	100.00%
P 39/4164	Granted	0.00%	100.00%
P 39/4165	Granted	0.00%	100.00%
P 39/4166	Granted	0.00%	100.00%
P 39/4167	Granted	0.00%	100.00%
P 39/4168	Granted	0.00%	100.00%
P 39/4169	Granted	0.00%	100.00%
P 39/4170	Granted	0.00%	100.00%
P 39/4171	Granted	0.00%	100.00%
P 39/4172	Granted	0.00%	100.00%
P 39/4173	Granted	0.00%	100.00%
P 39/4174	Granted	0.00%	100.00%
P 39/4175	Granted	0.00%	100.00%
P 39/4176	Granted	0.00%	100.00%
P 39/4178	Granted	0.00%	100.00%
P 39/4179	Granted	0.00%	100.00%