



REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2003

Quantum Resources Limited ("Quantum" or the "the Company") is an Australian gold explorer with a suite of projects covering over 7,000 kilometres in Western Australia, Northern Territory and South Australia. The recently acquired Whiteheads project is the current focus of exploration, with the Company farming out a number of its other projects and retaining either a free carried interest or a royalty. This strategy to advance projects, where value can be added quickly and looking for partners to progress exploration on its other projects, has seen the Company conclude agreements on its tenements at Dulcie, East Pilbara, Zuleika, Tuckabianna, Wallbrook and Kalgoorlie North.

PROJECT REVIEWS

Whiteheads Project (Quantum earning 80%)

During the quarter, the Company entered into a farmin and joint venture agreement with Gutnick Resources N.L. ("GKR") that will see the Company earn an 80% interest in the tenements covered by the joint venture.

The Whiteheads Project covers part of the Gindalbie Greenstone Belt at its northern contact with granite and is located between two major north-north-west trending terrane bounding faults. The Gindalbie gold mining centre is at the south end of the project area. The tenement package comprises 12 granted exploration/prospecting licenses and mining leases covering 61 square kilometres, and 40 applications (33 MLAs) covering a further 276 square kilometres. The tenements are held 100% by GKR.

Exploration for VMS deposits was conducted in the 1970s, without significant success, however a number of geophysical targets remain to be tested. Previous companies conducted broad soil geochemical surveys and identified a number of gold target areas, some of which were drill tested to shallow depths. A small oxide gold resource (<10,000 ounces, JORC status unknown) was reportedly delineated on the Seven Leaders prospect.

In the early 1990s, GKR explored for gold mineralisation in paleochannels, and followed up a number of "hard-rock" gold soil geochemical anomalies with rotary air blast ("RAB") and reverse circulation ("RC") drilling. Partial deeper drilling of the Seven Leaders prospect intersected weak alteration. The mineralisation remains open along strike to the south and needs to be tested by deeper drilling. Eight other gold soil anomalies have been tested at shallow depths, but only partly drilled at depth. Patchy oxide mineralisation with occasional drill intercepts in the range of 2 grams per tonne ("g/t") gold to 3g/t gold has been identified. The best result obtained from anomaly H is 2 metres at 11.5 g/t gold.

The Whiteheads tenement package represents a consolidated landholding in an area prospective for gold mineralisation, the main targets being small, medium to high grade deposits exploitable by underground mining methods. A number of soil geochemical anomalies have been identified, and while the majority of these have been drill tested at shallow depths, the drilling has not fully explored the potential strike length or the depth potential.

The Company is required to spend \$1.2 million on exploration over 4 years to earn an 80% interest. It can withdraw after having spent \$300,000 on exploration.

During the quarter, the Company commenced the first of a number of RAB drilling programs designed to further define and /or test both strike extensions of existing mineralisation and previously defined but poorly tested soil anomalies. Results from this drilling campaign are expected during the December quarter.

Tuckabianna Project (Quantum 100% Farming Out)

At the Tuckabianna Project the Company holds tenements covering approximately 160 square kilometres, located 20 kilometres east of Cue in Western Australia. The Company has reached agreement with West Coast Mining Pty Ltd ("West Coast") regarding terms for a farm-in agreement. Under the terms of the agreement, West Coast will make a cash payment of \$15,000 and spend \$250,000 on exploration within two years to earn a 51% interest. West Coast can then elect to earn a further 24% by spending an additional \$250,000. The Company's 25% interest will then be free carried until Decision to Mine. West Coast is assembling a large contiguous land holding in the Tuckabianna region and plans to further explore the belt with a view to identifying commercially exploitable gold resources. In addition West Coast owns a 25 tonne per hour processing plant that is centrally located at Jasper Queen.

Wallbrook & Kalgoorlie North Projects (Quantum 100% Farming Out)

The Company has concluded an agreement with Jackson Gold Limited ("Jackson") on its tenements at Wallbrook and Kalgoorlie North. Jackson will spend approximately \$250,000 over three years to earn an 80% interest in the tenements. The Company's 20% interest will then be free carried until Decision to Mine. Jackson is an aggressive explorer and the Company is confident that these projects will be advanced quickly, with the potential for the discovery of economic gold deposits.

Jackson Project (Quantum 100%)

The Jackson project is located approximately 100 kilometres north of Southern Cross in Western Australia. The project consists of eleven tenements covering approximately 730 square kilometres of the Barlee greenstone belt, including favourable greenstone lithologies for Archaean gold mineralisation. The ground position has been built up over a number of years and includes large areas that are covered by generally thin alluvial and colluvial deposits. The area has received only limited systematic exploration in the past and potential exists for the discovery of economic gold deposits.

St. Ives Project (Quantum 100%)

At the St. Ives project the Company holds three tenements covering approximately 47 square kilometres 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. In addition the one million ounce Belleisle gold deposit is located approximately two kilometres to the southwest of the project area.

CORPORATE

On 23 October 2003, the Company placed 4,490,000 fully paid ordinary shares at a price of 11 cents, raising \$493,900. The placement was made to professional investors and institutions.

INVESTMENTS

Quantum holds a number of strategic investments in minerals exploration companies, including a 17.90 percent interest in the junior explorer Johnson's Well Mining N.L. that 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 Dr. David Tyrwhitt who is a member of the Australasian Institute of Mining and Metallurgy and has 40 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.



J I GUTNICK
Chairman & Managing Director
October 31, 2003

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 2003

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	(22)	(22)
(b) development	-	-
(c) production	-	-
(d) administration	(105)	(105)
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)	9	9
Net Operating Cash Flows	(118)	(118)
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	10	10
1.12 Other (provide details if material)	-	-
Net investing cash flows	10	10

Appendix 5B
Mining exploration entity quarterly report

1.13	Total Operating and investing cash flows (carried forward)	(108)	(108)
------	--	-------	-------

1.13	Total operating and investing cash flows (brought forward)	(108)	(108)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	(28)	(28)
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	126	126
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	98	98
	Net increase (decrease) in cash held	(10)	(10)
1.20	Cash at beginning of quarter/year to date	5	5
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	(5)	(5)

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	38
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

-

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	150
4.2 Development	-
Total	150

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	-	5
5.2 Deposits at call	-	-
5.3 Bank overdraft	5	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	(5)	5

Changes in interests in mining tenements

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter

Appendix 5B
Mining exploration entity quarterly report

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 (description)	-	-	-
7.2	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	+Ordinary securities	286,406,901	-	-
7.4	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs	-	-	-
7.5	+Convertible debt securities (description)	-	-	-
7.6	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through securities matured, converted	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.7	Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
		1,650,000	-	\$0.08	24/03/2010
		43,748,673	43,748,673	\$0.10	31/10/2010
		32,875,597	32,855,052	\$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: 31 October 2003

(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

Appendix 5B
Mining exploration entity quarterly report

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.

== == == == ==

Mining exploration entity quarterly report

QUANTUM RESOURCES LIMITED
ABN 84 006 690 348

For Quarter Ended 30.09.2003
(referred to in this Statement as the "Current Quarter")

ADDITIONAL INFORMATION

Item 1.7 Other

During the September Quarter monies were received for GST refund of \$9,000.

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 \$45,000 during the quarter ended 30 September 2003 for management and geological services. 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. Also refer events subsequent to end of quarter.

Item 7.7 Options

Listed

43,758,673 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.

Appendix 5B
Mining exploration entity quarterly report

Unlisted

1,650,000 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.

Events Subsequent to End of Quarter

On 23 October 2003, the Company announced the placement of 4,490,000 fully paid ordinary shares at a price of 11 cents raising \$493,900. The funds raised will be used for the Company's exploration program, project generation, debt retirement and working capital.

+ See chapter 19 for defined terms.

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
<u>BIG BELL</u>			
E 20/480	Surrendered	100.00%	0.00%
<u>COBALARK</u>			
E 51/990	Surrendered	100.00%	0.00%
E 51/995	Surrendered	100.00%	0.00%
<u>PILBARA TANTAL</u>			
E 45/2271	Surrendered	100.00%	0.00%
<u>PINNACLE</u>			
P 37/6214	Surrendered	100.00%	0.00%
P 37/6215	Surrendered	100.00%	0.00%
P 37/6261	Surrendered	100.00%	0.00%
<u>QUANTUM PILBA</u>			
E 46/484	Surrendered	100.00%	0.00%
E 46/485	Surrendered	100.00%	0.00%
<u>QUANTUM WINDI</u>			
E 58/250	Surrendered	100.00%	0.00%

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>BUDDADOO HILL</u> E 59/1033	Granted	0.00%	100.00%