



REPORT FOR THE QUARTER ENDED 31 DECEMBER 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 and the existing St Ives projects are 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%)

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 and represents a consolidated landholding in an area prospective for gold mineralisation.

A number of soil geochemical anomalies have been identified, and while the majority of these have been drill tested at shallow depths by previous explorers, the drilling has not fully tested strike and/or depth potential.

During the quarter the Company completed approximately 5,600 metres of rotary airblast ("RAB") drilling at Whiteheads.

The following significant intersections were returned:

Hole	Northing	Easting	Width (Metres)	Grade (g/t)	From (Metres)
WITHB651	57200	77200	9	0.26	20
WITHB682	56560	78800	4	0.36	56
WITHB694	61288	73452	4	0.43	24
WITHB701	61119	73557	18	0.54	28
Incl.			4	2.03	28
WITHB707	61267	73418	4	0.36	24
WITHB729	48080	77920	4	0.50	0
WITHB730	48080	77840	4	0.41	0

Note: Downhole depth and metres are shown and are not necessarily true width. All results are from 4 metre composite samples.

The Company is currently in the process of preparing an exploration program, with work planned to commence during the first quarter of 2004.

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. The Company is in the process of acquiring and interpreting detailed magnetics for the project area, to assist with the targeting of drill holes. Drilling is expected to commence in the first half of 2004.

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. West Coast conducted a 757 line kilometre airborne Electromagnetic (EM) survey over the northern half of Tuckabianna tenement block. Data processing is in progress. The airborne EM survey compliments previous remote sensing, geological fact mapping and exploration drilling layers. The aim of this work is to assist drill target generation studies.

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

The Wallbrook and Kalgoorlie North Projects are managed by Jackson Gold Limited ("Jackson"). Jackson are spending 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 have conducted an extensive data review of the Wallbrook and Kalgoorlie North project areas and have generated a number of targets. Jackson are currently in the process of preparing an exploration program, with work planned to commence in the first half of 2004.

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. The Company is currently in the process of preparing an exploration program, with work planned to commence during the first quarter of 2004.

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

J I GUTNICK
Chairman & Managing Director
29 January 2004

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 December 2003

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	YTD (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(76)	(98)
(b) development	-	-
(c) production	-	-
(d) administration	(99)	(204)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	24	33
Net Operating Cash Flows	(147)	(265)
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	144	144
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	10
1.12 Other (provide details if material)	-	-
Net investing cash flows	144	154
1.13 Total Operating and investing cash flows (carried forward)	(3)	(111)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(3)	(111)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	494	466
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	30	156
1.17	Repayment of borrowings	(510)	(510)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net financing cash flows		14	112
Net increase (decrease) in cash held		11	1
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	6	6

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	35
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

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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	250
4.2 Development	-
Total	250

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	6	-
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	5
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	6	(5)

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	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	290,896,901	290,896,901	-	-
7.4 Changes during quarter				
(a) Increases through issues	4,490,627	4,490,627	-	-
(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>	1,650,000	-	<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: 29 January 2004
(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 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 31.12.2003
(referred to in this Statement as the "Current Quarter")

ADDITIONAL INFORMATION

Item 1.7 Other

During the December Quarter monies were received for GST refund of \$24,000.

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 \$214,000 during the quarter ended 31 December 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.

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

1,650,000 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.

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
JACKSON			
E 77/1053	Granted	0.00%	100.00%
E 77/1054	Granted	0.00%	100.00%
E 77/1055	Granted	0.00%	100.00%
E 77/1056	Granted	0.00%	100.00%
E 77/1109	Granted	0.00%	100.00%
REQUIRING ALLO			
E 59/1114	Granted	0.00%	100.00%