



REPORT FOR THE QUARTER ENDED 31 MARCH 2004

Quantum Resources Limited ("Quantum" or the "the Company") is an Australian gold explorer with a suite of projects whose tenements cover in excess of 4000 square kilometres in Western Australia and the Northern Territory. The Whiteheads and St Ives projects are the current focus of exploration within Western Australia, whilst in the Northern Territory, its tenements are strategically located and thought to have geological similarities to the major gold mining centres including Newmont Mining's Tanami Goldmine.

PROJECT REVIEWS

Whiteheads Project (Quantum earning 80%)

The Whiteheads Project is located at the northern end of the Gindalbie Greenstone Belt, 70 kilometres northeast of Kalgoorlie. The area is host to mafic to felsic volcanics, sediments, and altered intrusive porphyries between two major terrain-bounding faults. The project area has been consolidated with the granting of E27/175 within an area prospective for gold mineralisation.

Soil geochemical anomalies and limited shallow drilling has established that highly anomalous gold mineralisation is associated with a northwest trending set of fault structures at Jubilee Well. There has been no previous drilling along this trend to the north or the south.

A substantial program of rotary air blast ("RAB") drilling has been prepared, consisting of 11,250 metres, to test these significant trends under transported cover. Further assessment of previous drilling at the Grid F and Anomaly G and F prospects will also be carried out.

St. Ives Project (Quantum 100%)

The Company holds two exploration applications covering approximately 90 square kilometres of the prospective Lake Lefroy, 60 kilometres south of Kalgoorlie. The tenements are located immediately east of the Boulder- Lefroy fault system that localised the world-class Greater Revenge Gold Complex between Kambalda and St. Ives. The +1,000,000 ounce Belleisle gold mine is located just two kilometres to the southwest of the project area.

In anticipation of these exploration applications being granted in the second half of 2004, the Company has ordered detailed magnetics to assist in defining structural targets with potential to host economic gold mineralisation. Target selection and project planning in order to deal with drilling in salt lake conditions, and reconnaissance drill traverse planning will be carried out in the next quarter.

Jackson Project (Quantum 100%)

The project area comprises 6 exploration license applications and 5 granted licenses, covering 756 square kilometres of the Barlee Greenstone Belt. The tenement area is located approximately 100 kilometres north of Southern Cross in Western Australia.

The ground position has been built up over a number of years in an area that has received little exploration in the past. A number of small gold deposits occur in the region, which is

covered by extensive transported sediments. Shallow drilling will be required to effectively explore through this layer of cover.

Tanami Project (Quantum 100%)

The Company holds tenements covering approximately 1,580 square kilometres in the highly prospective Tanami region of the Northern Territory. During the quarter, a review of the projects was conducted and further assessment and target generation was proposed. The Granites project includes exploration applications covering tenements which have had +1 gram per tonne gold values returned from previous reconnaissance drilling. These advanced tenements have the potential to host steeply plunging shoots such as those at the Newmont Mining's Tanami Gold Mine.

The Company has been granted the consent to enter into negotiations with the respective land trusts and has submitted a comprehensive application to the Central Land Council. It is envisaged that an agreement will be negotiated with the Central Land Council that will allow for preliminary exploration to commence during the 2005 field season.

Meanwhile, data retrieval and assessment, aeromagnetic interpretation and target generation will continue.

INVESTMENTS

Quantum holds a 9.34 percent strategic investment 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 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 Mrs C. Washburn who is a member of the Australasian Institute of Mining and Metallurgy and has 20 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
30 April 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 March 2004

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	26	(72)
(b) development	-	-
(c) production	-	-
(d) administration	(95)	(299)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	10
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	10	43
Net Operating Cash Flows	(53)	(318)
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	43	187
(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	43	197
1.13 Total Operating and investing cash flows (carried forward)	(10)	(121)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(10)	(121)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	(3)	463
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	102	258
1.17	Repayment of borrowings	(44)	(554)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net financing cash flows		55	167
Net increase (decrease) in cash held		45	46
1.20	Cash at beginning of quarter/year to date	6	5
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	51	51

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

-

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	51	6
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	51	6

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	See Attached		
6.2	Interests in mining tenements acquired or increased	-		

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	290,897,528	290,896,901	-	-
7.4 Changes during quarter				
(a) Increases through issues	627	-	\$0.10	\$0.10
(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>	1,400,000	-	<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	250,000	-	\$0.08	24/03/2010
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: 30 April 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 31.03.2004
(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 \$10,000.

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 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

1,400,000 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

6.1 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
GAWLER			
EL 2897	Expired	100.00%	0.00%
PEAK HILL			
E 52/1506	Surrendered	100.00%	0.00%
TANAMI			
E 80/2657	Surrendered	100.00%	0.00%
WILUNA			
E 53/966	Surrendered	100.00%	0.00%

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
<u>DINGO RANGE</u>			
E 53/988	Granted	0.00%	100.00%
<u>PINNACLE</u>			
P 37/6212	Granted	0.00%	100.00%
P 37/6213	Granted	0.00%	100.00%
P 37/6248	Granted	0.00%	100.00%
P 37/6249	Granted	0.00%	100.00%
P 37/6250	Granted	0.00%	100.00%
P 37/6251	Granted	0.00%	100.00%
P 37/6262	Granted	0.00%	100.00%
<u>WELCOME WELL</u>			
P 37/6295	Granted	0.00%	100.00%
<u>WILUNA</u>			
E 53/1049	Granted	0.00%	100.00%