



REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2004

HIGHLIGHTS

- Anomalous gold values returned in drilling at the Whiteheads Project
- Positive outcome anticipated from meeting with traditional landholders
- Annual general meeting scheduled for 18 November 2004

INTRODUCTION

Quantum Resources Limited ("Quantum" or "the Company") is an Australian gold explorer with a suite of projects whose tenements cover in excess of 4,000 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 Australia's Tanami gold operations.

PROJECT REVIEWS

Whiteheads Project (Quantum earning 80%)

The Whiteheads Project is located at the northern end of the Gindalbie Greenstone Belt, 60 kilometres northeast of Kalgoorlie. The area is host to mafic to felsic volcanics, sediments, and altered intrusive porphyries between two major terrane-bounding faults.

A programme of 202 rotary air blast ("RAB") holes for 14,207 metres was completed during the quarter with drilling intersecting predominately mafic to intermediate lithologies with minor felsic intrusives. Strongly weathered remnant pyrite and quartz veining was recorded within the highly altered basalt host rock. Significant results include 4 metres @ 1.12 g/t gold from 20 metres in WTHB914 and 8 metres @ 0.71 g/t gold from 48 metres in WTHB736. Approximately 500 assay values are still pending and will be reported in the next quarter. A summary of available significant gold values is included in Table1.

**Table 1: Whiteheads RAB Drilling
Significant Gold Values from 4 Metre Composite Samples**

Hole	Northing	Easting	Interval (g/t Gold)	Depth
WTHB736	6647680	377480	8m@0.43	36
			8m@0.71	48
WTHB759	6647520	378040	4m@0.46	48
WTHB914	6648960	377240	4m@1.12	20
WTHB932	6647840	378200	4m@0.55	56
			4m@0.34	64

Note: all intervals are 4metre composite samples collected using a sample scoop
: 50 gram Acid digest – AAS finish.

The drilling was along lines targeted at cutting across previous interpreted trends of gold mineralisation associated with soil geochemical anomalies and a northwest trending set of

fault structures around Jubilee Well. Deeper than expected oxidation to depths of 150 metres in places is interpreted to mark the sheared contact zones between the mafic rocks to the west and the felsic to intermediate rocks to the east. Further interpretation is required once the pending assays are available to determine the significance of these anomalous zones.

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.

The Company is awaiting further processing of detailed aeromagnetics to assist in defining structural targets within the iron rich mafic and ultramafic rocks of the Kambalda stratigraphy with the potential to host economic gold mineralisation.

Jackson Project (Quantum 100%)

The project area comprises 4 exploration licence applications and 7 granted exploration licences, covering 756 square kilometres of the Barlee-Marda 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. Many of the tenements are covered by extensive transported sediments and shallow drilling will be required to effectively explore through this layer of cover.

Exploration activity has increased substantially in recent times and a number of junior explorers have intersected promising results from resource drilling in adjacent areas. International Goldfields Ltd which has a significant presence in the area, has an inventory of 215,000 ounces of gold from areas which are contiguous with the Company's tenements.

The Company is currently undertaking a geological review of its tenements in light of the recent granting of its exploration licences and is assessing the potential of this area. A decision on whether to seek a joint venture partner to progress exploration in these tenements will be based on this review.

Tanami Project (Quantum 100%)

The Company holds tenements covering approximately 1,580 square kilometres in the highly prospective Tanami region of the Northern Territory. A review of the projects was conducted and negotiations are currently underway with regards to a farm-in agreement over further gold tenements in the Tanami region.

The Company has been invited to meet with the traditional Aboriginal landholders in early October in order to discuss its exploration application and seek consent to enter into negotiations with the Central Land Council with regard to ELA23153 to ELA23156 respectively.

This meeting will be an important step in the granting of the applications and the Company is hopeful that an agreement will be negotiated with the Central Land Council that will allow for preliminary exploration to commence during the 2005 field season.

Tuckabianna Project (Westcoast Mining earning 75%)

The project area is located 25 kilometres east of Cue, Western Australia and is strategically contiguous with the Tuckabianna project of Westcoast Mining Pty Ltd ("Westcoast"). The Tuckabianna operations have historically produced in excess of 450,000 ounces of gold from a number of open pits, along a north-east trending greenstone belt. Westcoast have reported that recent exploration and resource development drilling in and around the open pits has led to a substantial increase in Westcoast's resources to 1.13 million tonnes @ 3.8 g/t of gold for 138,000 ounces of gold.

During the quarter Westcoast have completed an airborne TEMPEST EM survey over the southern Tuckabianna area including the farmin tenements, which will complement the survey flown over the northern half during the previous quarter. Several significant geophysical anomalies were generated in the northern area and these were subsequently covered by a soil sampling programme. The soil samples were analysed by a new geochemical technique which involves testing soil samples for very low order metal anomalies. This experimental tool is used to aid in the targeting of drillholes in areas of no outcrop and Westcoast believes the results to date are promising. Several gold targets were defined and will be tested with a programme of RAB drilling in mid October.

The Tempest EM survey in the southern area produced several anomalies, one of which relates to an area of known gold production immediately southwest of the farmin tenements. The remaining anomalies have similar signatures and will be drill tested as part of the planned October RAB programme.

Wallbrook Project / Kalgoorlie North (Jackson Gold earning 80%)

Jackson Gold has defined over 200,000 ounces of gold at its Wallbrook Project which is approximately two kilometres along strike from the joint venture tenement. The joint venture tenement was granted during the year and is now available for exploration and the Company is confident that Jackson will continue to advance their projects.

At Kalgoorlie North, the tenements consist of 10 prospecting licence applications covering an area of 16 square kilometres, which are yet to be granted and as such no exploration has been completed. However, Jackson has announced an exploration and mining agreement with Placer Dome Asia Pacific Limited ("Placer") in which Placer shall conduct exploration in the area. This will allow Jackson to focus on the development of the Wallbrook Project.

The Company is confident that aggressive ongoing exploration in both areas will lead to new gold discoveries.

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
29 October 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")

30 September 2004

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	(48)	(48)
(b) development	-	-
(c) production	-	-
(d) administration	(94)	(94)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(2)	(3)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	27	27
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	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total Operating and investing cash flows (carried forward)	(118)	(118)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(118)	(118)
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	113	113
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net financing cash flows		113	113
Net increase (decrease) in cash held		(5)	(5)
1.20	Cash at beginning of quarter/year to date	1	1
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	(4)	(4)

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	36
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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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	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	-	-
5.2 Deposits at call	-	-
5.3 Bank overdraft	(4)	(4)
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	(4)	(4)

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	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	290,897,528	290,896,901	-	-
7.4 Changes during quarter				
(a) Increases through issues	-	-	-	-
(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	-	-	-	-
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 October 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 30.09.2004
(referred to in this Statement as the "Current Quarter")

ADDITIONAL INFORMATION

Item 1.7 Other

During the September 2004 Quarter, monies were received for GST refund of \$27,000.

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
<u>BUDDADOO HILL</u>			
E 59/1034	Surrendered	100.00%	0.00%
<u>TANAMI</u>			
E 80/2656	Surrendered	100.00%	0.00%
E 80/2658	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
JACKSON			
E 77/1051	Granted	0.00%	100.00%
MENZIES NORTH			
E 29/474	Granted	0.00%	100.00%
ST IVES			
E 15/741	Granted	0.00%	100.00%
TUCKABIANNA			
E 20/483	Granted	0.00%	100.00%