



---

## REPORT FOR THE QUARTER ENDED 30 JUNE 2005

---

### HIGHLIGHTS

- Jackson Project review completed
- Exploration tenements granted at St Ives

### 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, Jackson and St Ives projects are the major focus of exploration within Western Australia, whilst in the Northern Territory, its tenements are strategically located within lithologies and structural sites with geological similarities to the major gold mining centres of the Tanami region.

### 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.

The Jubilee Well prospect which has been the focus of RAB drilling in recent times is bound by two north west trending fault structures. Drilling across the western structure (Hampton Fault) has been completed at two kilometre line spacings and has intersected mafic to intermediate lithologies with no significant gold values. However the eastern fault structure which has a north north west trend has yet to drill tested. This structure is interpreted to be associated with the main historical gold producing area, the Gindalbie Mining Centre, is predominately under cover and is under explored.

A laterite/soil geochemical sampling programme is planned to test this structure and follow up drilling may be required in areas that have a buried laterite profile and is not amenable to surface sampling.

In the March 2005 quarter bottom of the hole samples were analysed for lithological indicator minerals. Preliminary conclusions relating to the lithology of these partially weathered to fresh samples are that the Archaean Supra-crustal sequence consists of two series, tholeiitic basalts and a suite of calc-alkaline rocks with compositions of andesitic basalt, andesite and dacite to rhyolitic acid volcanics.

#### **St. Ives Project (Quantum 100%)**

The Company now has three granted and two pending exploration licences applications covering approximately 162 square kilometres of the prospective Lake Lefroy area, 60 kilometres south of Kalgoorlie. The tenements are located to the east of the main Boulder-Lefroy shear system which is the major host to the gold mineralisation from the mines of the Kambalda/St Ives area through to Kalgoorlie.

The tenements are located in potentially prospective structural and lithological sites which are being reviewed with respect to previous exploration and ongoing target generation.

### **Jackson Project (Quantum 100%)**

The project area covers 756 square kilometres of the Barlee-Marda Greenstone Belt and 7 exploration licences covering 316 square kilometres have been recently granted. The results of the recent project review indicate that much of the area is covered by transported sediments and is deeply weathered. A proposal has been put forward which will involve purchasing magnetic data followed by a geochemical sampling programme across structural and lithological targets.

The Company believes that further review of previous exploration is required and the completion of its own preliminary geochemical sampling programme will allow it to generate targets for follow up drilling.

### **Tuckabianna Project (Quantum 49%)**

As announced in the December 2004 quarterly, Westcoast Mining Limited had sold its interest in the Tuckabianna gold leases to the Burnakura Joint Venture between Tectonic Resources NL and Extract Resources Limited. The Company has recently been informed by Westcoast that they no longer wish to participate in the Tuckabianna Project and have offered their 51% interest back to Quantum.

The Company is in the process of acquiring the data compiled during the joint venture so that it can make a decision on whether it will look for a new partner, or proceed with exploration in its own right.

### **Tanami Regional Gold Project (Quantum 100%)**

The Company currently holds tenements covering approximately 1,580 square kilometres in the highly prospective Tanami region of the Northern Territory and has recently acquired, under joint venture, an additional 15,000 square kilometres of prospective gold tenements.

The Company is waiting on a response to meetings held with the Aboriginal Landholders in the March 2005 quarter, with regard to consent to enter negotiations with the Central Land Council. However the Company is reviewing exploration completed by previous explorers and is generating target areas in anticipation of a positive outcome.

*The technical information in this report has been reviewed and approved by Mr C. Taylor who is a member of the Australasian Institute of Mining and Metallurgy and has approximately 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 July 2005

# 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 June 2005

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	YTD (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(3)	(364)
(b) development	-	-
(c) production	-	-
(d) administration	(67)	(447)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	4
1.5 Interest and other costs of finance paid	-	(3)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material) GST refund reallocated to activity	(61)	-
<b>Net Operating Cash Flows</b>	<b>(130)</b>	<b>(810)</b>
<b>Cash flows related to investing activities</b>		
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)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total Operating and investing cash flows (carried forward)	<b>(130)</b>	<b>(810)</b>

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(130)	(810)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	(6)	486
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	147	762
1.17	Repayment of borrowings	(216)	(438)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
<b>Net financing cash flows</b>		(75)	810
<b>Net increase (decrease) in cash held</b>		(205)	-
1.20	Cash at beginning of quarter/year to date	206	1
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1	1

**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	40
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

-
---

**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

<p>Quarter ended 31 December 2004.  An amount of \$208,700 advanced to the Company by a Director related entity has been used to repay a third party.</p>
---

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	50
4.2 Development	-
<b>Total</b>	50

### 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	1	206
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	1	206

### 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	310,597,528	310,597,528	-	-
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 July 2005  
(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.

====

**Mining exploration entity quarterly report**

**QUANTUM RESOURCES LIMITED**  
**ABN 84 006 690 348**

**For Quarter Ended 30.06.2005**  
**(referred to in this Statement as the "Current Quarter")**

**ADDITIONAL INFORMATION**

**Item 1.7 Other**

The GST refund for the year is \$80,000 which has been allocated against the appropriate activity.

**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

<b>Tenement reference</b>	<b>Nature of Interest (note(4))</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
<b>MINERIE SE</b>			
P 39/4156	Surrendered	100.00%	0.00%
P 39/4157	Surrendered	100.00%	0.00%
P 39/4158	Surrendered	100.00%	0.00%
P 39/4159	Surrendered	100.00%	0.00%
P 39/4160	Surrendered	100.00%	0.00%
P 39/4161	Surrendered	100.00%	0.00%
P 39/4162	Surrendered	100.00%	0.00%
P 39/4163	Surrendered	100.00%	0.00%
P 39/4164	Surrendered	100.00%	0.00%
P 39/4165	Surrendered	100.00%	0.00%
P 39/4166	Surrendered	100.00%	0.00%
P 39/4167	Surrendered	100.00%	0.00%
P 39/4168	Surrendered	100.00%	0.00%
P 39/4169	Surrendered	100.00%	0.00%
P 39/4170	Surrendered	100.00%	0.00%
P 39/4171	Surrendered	100.00%	0.00%
P 39/4172	Surrendered	100.00%	0.00%
P 39/4173	Surrendered	100.00%	0.00%
P 39/4174	Surrendered	100.00%	0.00%
P 39/4175	Surrendered	100.00%	0.00%
P 39/4176	Surrendered	100.00%	0.00%
P 39/4177	Surrendered	100.00%	0.00%
P 39/4178	Surrendered	100.00%	0.00%
P 39/4179	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.

<b>Tenement reference</b>	<b>Nature of Interest (note(4))</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
<b>ST IVES</b>			
E 15/704	Granted	0.00%	100.00%
E 15/764	Granted	0.00%	100.00%
E 15/782	Granted	0.00%	100.00%