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## REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2009

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### OVERVIEW

Quantum Resources Limited (“Quantum” or “the Company”) is an Australian base metal, uranium and gold explorer with a suite of projects whose tenements cover approximately 1,000 square kilometres in the Northern Territory and Western Australia. During the quarter, a RadonX™ survey was conducted over the Ware Range project area as well as a program of reviewing and re-interpreting previously flown geophysical surveys. These programs included:

- **Uranium Exploration, Gardner Range, W.A.** This area has a long history of uranium exploration and a significant uranium prospect (Mt Mansbridge) on E80/3410. During the quarter a geophysical review was conducted on the project using the electromagnetic, radiometric and magnetic survey data that was captured in late 2007. This review has identified two new radiometric anomalies which are outside the previously identified Mt Mansbridge prospect.
- **Uranium Exploration, Ware Range, N.T.** During the reporting period, Quantum conducted a RadonX™ survey around two areas on the Ware Range project, identifying several areas that now require further work as there are zones where the radon gas measured is above normal background levels.

### REGIONAL EXPLORATION

The Ware Range tenement holdings cover approximately 170 square kilometres in the Northern Territory and the Gardner Range tenement holdings cover approximately 490 square kilometres in Western Australia. Both the Ware Range and Gardner Range projects are prospective for base metals, uranium and gold through unconformity style deposits and surface mineralisation as channel or calcrete hosted uranium.

#### *Gardner Range (Quantum 100%)*

The Company holds tenements in the Gardner Range, 150 kilometres southeast of Hall's Creek with potential for base metals, uranium and gold. While limited exploration for uranium has occurred on these tenements by BHP exploration in the 1980's, uranium mineralisation was found to exist particularly around the identified Mt Mansbridge deposit. During this historic exploration it is reported uranium hits of up to 980 parts per million (“ppm”) are present.

During the September quarter, a Geophysical consultant was commissioned to review and re-interpret the high resolution electromagnetic, radiometric and magnetic survey that was flown in late 2007. The results of this review identified two potential high response radiometric anomalies which are approximately 10 kilometres to the west of the previously reported Mt Mansbridge uranium results (see Figure 1). These anomalies are now identified as GRU-1 and GRU-2 and will be followed up with field investigations later in the year after a heritage survey has been completed. Timing of the field work is independent on the wet season conditions.

The review has also identified major features crossing the tenement which highlight the strong potential for buried uranium mineralisation associated with unconformity style deposits (see Figure 2). The features are interpreted as major structures and possible unconformities running WNW to ESE along the northern margin of the tenement. These

structures will be investigated with the preparation of up to 400 sites for the placing of radon gas receptor cups known as a RadonX™ survey.

RadonX™ is a uranium exploration tool which provides an effective method of detecting radon gas release and hence the ability to detect potential uranium resources at depth. Radon gas is released from the natural decay of uranium and can migrate through permeable cover and hence be detected at surface.

#### *Ware Range (Quantum 100%)*

The Ware Range project is located approximately 200km to the east of Halls Creek in the Northern Territory (figure 3). The tenement was acquired as a result of geological similarities with the Gardner Range unconformity uranium concept. Previous exploration for uranium, base metals and gold has included rock chip sampling and limited drilling. Work done in the 1970's and 1980's proved that the Gardner Sandstone was anomalous in uranium but very little modern exploration techniques have been used to investigate this area. Other deposit styles such as channel, sediment or calcrete hosted uranium have also never been investigated despite their potential occurrence in this geological setting.

Quantum has recently completed a RadonX™ survey on two areas within the Ware Range tenement EL25010 where over 130 cups were placed on selected traverses (figures 3 & 4). The areas targeted reflected the potential for a number of uranium mineralisation styles overlapping in the same zones. These being channel hosted, calcrete zones and a fold hinge representing a possible buried unconformity target. The results depicted in figure 4 show that high response radon gas anomalies have been detected within the channel deposits. The numbers provided by the RadonX™ survey are relative and do not give absolute grade values for uranium. The anomalies however, certainly indicate that further work is warranted and that radon gas above background levels are present on the channel margins. Spectrometer surveys, mapping and soil sampling will be conducted later in the year but will be dependent on wet season weather conditions. After the planned work program a larger scale auger drilling program will be planned for 2010.

## **BASE METAL & GOLD EXPLORATION**

#### *Whiteheads Project (Quantum 80%)*

The Whiteheads Project is located 50 kilometres northeast of Kalgoorlie within the metamorphosed rocks of the Gindalbie Greenstone Belt. The area hosts mafic and felsic volcanics, sediments, and altered intrusive porphyries. The project areas surround the historic Gindalbie Mining Centre to the east which has produced 45,240 ounces of gold at an average grade of 27 g/t gold. The Carrick Resources Lindsays Project immediately to the west is reported (Carrick announcement 13 May 2008) to contain a resource of nearly 3 million ounces at approximately 3g/t gold.

During the reporting period Quantum issued a notice to its joint venture partner notifying it of the withdrawal of 23 tenements from the Whiteheads JV agreement. It was determined that the remaining core tenements of the Whiteheads project should be the focus of future gold exploration given the prospectivity of these tenements as informed by exploration work to date. .

No field work was conducted on this project over the last quarter as Quantum has concentrated its efforts on the uranium deposits in Northern Western Australia and the Northern Territory. The encouraging results of this work highlight the validity of Quantum's strategy of focusing its resources on these uranium exploration projects.

## Farm-Out Joint Ventures

### *Kalgoorlie North Joint Venture (Quantum 20%)*

The Company's Kalgoorlie North Project is the subject of a joint venture, with Jackson Gold acting as managers, earning an 80% interest. The Exploration License E31/757 was part of a sale agreement between Jackson Gold and Saracen Gold Mines. No field work has been reportedly completed as part of this Joint Venture for the reporting period.

### *Officer Hill Joint Venture*

Newmont Australia have joint ventured into EL23150 which is located 34 kilometres southwest of The Callie gold mine, also owned by Newmont. Previous explorers located sporadic mineralization from drilling such 4 metres @ 4.64g/t, numerous short intervals of 1-4g/t, and several wide intercepts of 0.1-1g/t. The prospect is considered to have excellent potential to host steeply plunging shoots such as those at the Tanami Gold Mine. An apparent fold closure to the east offers the possibility of discovery of Callie-style mineralization at depth. Newmont did not conduct any field work during the September 2009 quarter.

*The technical information in this report has been reviewed and approved by Dr D S Tyrwhitt who is a Fellow of the Australasian Institute of Mining and Metallurgy and has 50 years experience in the industry and has more than 5 years experience which is relevant to the style of mineralisation being reported upon to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Tyrwhitt consents to the inclusion in the report of the matters based on the information in the form and context to which it appears. 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 October 2009

# 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 2009

### Consolidated statement of cash flows

	Current quarter \$A'000	YTD (3 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(184)	(184)
(b) development	-	-
(c) production	-	-
(d) administration	(76)	(76)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(259)</b>	<b>(259)</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	2	2
(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>2</b>	<b>2</b>
1.13 Total Operating and investing cash flows (carried forward)	<b>(257)</b>	<b>(257)</b>

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

1.13	Total operating and investing cash flows (brought forward)	(257)	(257)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	158	158
1.17	Repayment of borrowings	(433)	(433)
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Share/Option issue costs	(101)	(101)
<b>Net financing cash flows</b>		<b>(376)</b>	<b>(376)</b>
<b>Net increase (decrease) in cash held</b>		<b>(633)</b>	<b>(633)</b>
1.20	Cash at beginning of quarter/year to date	2,045	2,045
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,412	1,412

**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	2
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	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
<b>Total</b>	<b>200</b>

### 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	1,412	2,045
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>	<b>1,412</b>	<b>2,045</b>

### 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		Nil		
		Nil		

### 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	814,702,056	814,702,056	-	-
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> \$0.05825	<i>Expiry date</i> 24/03/2010
	43,748,673	43,748,673	\$0.09275	31/10/2010
	32,875,597	32,875,597	\$0.09275	30/04/2012
	68,378,151	68,378,151	\$0.04275	30/11/2012
	7,250,000	-	\$0.06275	19/10/2011
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: 30 October 2009  
(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 Appendix 5B has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board.
- 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 30.09.2009**  
**(referred to in this Statement as the "Current Quarter")**

**ADDITIONAL INFORMATION**

**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 7.7 Options**

***Listed***

43,748,673 Options maturing 31 October 2010 at an exercise price of \$0.09275 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 \$0.09275 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 \$0.04275 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 1999 Employee Share Option Plan, have an exercise price of \$0.05825 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.

7,250,000 options maturing 19 October 2011, issued under the 2005 Employee Share Option Plan, have an exercise price of \$0.06275 per option. Upon exercise, each option will convert to one fully paid ordinary share. These options cannot be exercised until after 19 October 2008 other than in the case of a change of control.