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## REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2007

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### INTRODUCTION

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 20,000 square kilometres in the Northern Territory and Western Australia.

### BASE METAL, URANIUM AND GOLD EXPLORATION

The Barrow Creek, Tanami, Mt Peake and Ware Range tenement holdings cover approximately 17,000 square kilometres in the Northern Territory and the Gardner Range tenement holdings cover approximately 650 square kilometres in Western Australia. The Barrow Creek, Tanami, Mt Peake and Ware Range projects are prospective for base metals, uranium and gold. In Western Australia, the Gardner Range project, 150 kilometres southeast of Halls Creek, is prospective for iron oxide copper-gold-uranium ("IOCG") deposits.

Mine Management Plans containing proposed programmes of RAB/RC drilling and sampling and Radiation Management Plans have been approved by the Department of Primary Industries, Fisheries and Mines in the Northern Territory for Barrow Creek, Mt Peake and Ware Range. Drilling of the Ware Range is being planned and drilling of Barrow Creek and Mt. Peake will occur upon approval of track access to the ground. At Gardner Range, the heritage survey has been completed with the report pending, and an environmental survey is underway. A joint airborne geophysical survey was undertaken in conjunction with Cameco Corporation, the large Canadian mining/exploration company ("Cameco").

#### *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. Limited exploration for uranium around the margins of the Gardner Ranges was carried out by BHP Exploration and uranium mineralisation was found to be present. The Company's tenements are prospective for Olympic Dam-style iron oxide gold-copper-uranium ("IOCG") deposits and at Mt Mansbridge previous exploration reported uranium up to 980 parts per million ("ppm").

A joint airborne geophysical survey was undertaken in the last quarter with Cameco who have adjacent tenements to the north. A TEMPEST (EM) survey was completed in July 2007 by Fugro and a magnetics & radiometrics survey was undertaken by UTS in September. This data, in conjunction with field reconnaissance information taken last quarter will be analysed to assist in our understanding of this region and in the delineation of mineralised zones and anomalous targets for drilling and sampling.

A drilling program at Mt Mansbridge will commence following environmental clearance. The drilling will test existing uranium mineralisation anomalies along the unconformity as well as targeting a 60 kilometre long NW-SE significant fault system adjacent to the unconformity.

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

The Ware Range tenement was granted in December 2006. Previous exploration for base metals, uranium, gold and diamonds included rock chip sampling and limited drilling. Field reconnaissance undertaken last quarter provided valuable information regarding access and identified sites for surface sampling and drilling.

A Mine Management Plan for this programme has been approved by the Department of Primary Industries, Fisheries and Mines in the Northern Territory. The proposed exploration activities will include a programme of sampling and drilling to investigate the nature of base metal mineralisation associated with the unconformity between the Killi Killi Beds and the Gardiner Sandstone. The sampling programme will include loam sampling of targets over the defined region and stream

sediment sampling of the sparse drainage in the region. The drilling programme will include RAB/RC holes traversing over the defined regions and isolated holes where required.

*Barrow Creek Project (Quantum earning 80%)*

The Barrow Creek Project covers 5,100 square kilometres of the faulted margin of the Georgina Basin to the southeast of Barrow Creek. The setting is similar to the Ngalia Basin to the west which contains sediment-hosted uranium deposits. Radiometrics indicate that adjacent Proterozoic granites are anomalous in uranium, and adjacent sediments are also anomalous.

Heritage surveys are completed and a Mine Management Plan for this programme has been approved by the Department of Primary Industries, Fisheries and Mines in the Northern Territory. An amendment to the application, enabling the grading of tracks for ground access to the tenements is awaiting approval. Proposed exploration activities will include a programme of RC drilling or soil sampling traverses over the targets in a NE-SW direction to investigate the nature of the unconformity between the Devonian Dulcie sandstones and the Cambro-Ordovician Tomahawk dolostone- sandstone unit. Individual, photographic and geophysical anomalies shall also be targeted by this programme.

*Tanami Project (Quantum earning 80%)*

This project area covers 2,400 square kilometres in the Mt Davidson area east of The Granites Gold Mine. Previous exploration was restricted to broadly spaced sampling for gold. Several tenements within this group overlap the boundary between the Proterozoic basement rocks and the younger Lander Trough of the Wiso basin to the north and are prospective for Mississippi Valley Type (MVT) silver-lead-zinc deposits. The trough is also prospective for sediment-hosted uranium deposits similar to those in the Ngalia Basin and calcrete-hosted uranium deposits in younger overlying sediments.

The Company is continuing to actively pursue agreements with native title holders in order to proceed to granting of the tenements.

*Mt Peake Project (Quantum earning 80%)*

The Mt Peake project area covers 7,700 square kilometres of prospective ground between the Tanami Project to the northwest and Barrow Creek to the southeast. Previous exploration in this area was restricted to widely spaced reconnaissance sampling for gold. Several of these tenements overlie the boundary between the Lander Trough and Proterozoic basement and are highly prospective for sediment-hosted uranium and silver-lead-zinc. The tenements also overlie extensive calcrete deposits which are known to be suitable hosts to uranium elsewhere.

A Mine Management Plan for this programme has been approved by the Department of Primary Industries, Fisheries and Mines in the Northern Territory. An amendment to the application, enabling the grading of tracks for ground access to the tenements is awaiting approval. Proposed exploration activities will include a programme of RC drilling or soil sampling to investigate the nature of the unconformity and of anomalies in the licences. These will include a programme of RAB/RC drilling or soil sampling traverses. Individual, photographic and geophysical anomalies shall also be targeted by this programme.

## **BASE METAL & GOLD EXPLORATION**

In Western Australia, the Whiteheads and Jackson projects are the focus of gold exploration and the Millrose Project is targeting nickel and gold. The Company's tenement holdings cover approximately 3,000 square kilometres.

*Millrose Project (Quantum earning 100%)*

The Millrose project lies approximately 75km northeast of Wiluna on the northeastern edge of the Archaean Yilgarn block. The Millrose greenstone belt is a north-projecting offshoot on the eastern side of the Yandal greenstone Terrane. The tenements cover an area of 62 square kilometers and extend over approximately 16 kilometres of greenstone strike. The tenements are prospective for nickel and gold.

The world-class Bronzewing and Jundee Gold mines are located in the western portion of the Yandal belt of the Millrose Project, the aggregate pre-mining resource of these two mines was in the order of 10m ounces of gold. The Project area is located along strike from the Millrose gold deposit of 251,000 oz. South of the the Company's tenements, Goldstar Resources & BHP Billiton are in a nickel-gold joint venture, with BHP earning 70% with \$2.25 million expenditure.

The Archaean rocks have a significant colluvium and alluvium cover throughout the licences and surface geochemical sampling is not appropriate in most cases. The Archean rocks units are interpreted as dominated by basalt and ultramafic lithology. Strong penetrative foliation is apparent in all exposed rock types and may be related to the Celia Lineament.

Open file research has indicated that the ground is prospective for nickel and gold. A recent airborne geophysical survey has been undertaken over the licences. A review of the data is underway with a view to developing an exploration program which will target potential ultramafic lithology, regional structural features and the granite/greenstone contacts underlying the recent Cainozoic cover sequences.

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

The Whiteheads Project is located 60 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 adjacent Lindsays Project, immediately to the southwest of the Company's ground, has announced a resource of 28.9 mt at 2.98 g/t gold for 2.76mozs.

Regional geophysical and historical open file analysis has resulted in the delineation of additional targets. An extensive RAB drilling program has recently been undertaken in the region. Anomalous zones were intersected, revealing extensive alteration and oxidation along the sheared contact zones between mafic greenstones and felsic intrusives. Mineralisation of up to 18m @ 1.36g/t gold has been intercepted. A program of infill RAB drilling is planned to follow up these positive results.

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

The project area covers 756 square kilometres of the Barlee-Marda Greenstone Belt which is located 100 kilometres north of Southern Cross. There is a history of small scale underground gold production in the region.

Assessment of open file reports airborne geophysics, past drilling and sampling results has been completed with the outcome indicating that there are areas of potential for gold under the cover of recent sediments along the margins of the belts. Previous sampling was ineffective as transported material was collected.

An exploration program which will target the regional structural features and the granite/greenstone contacts underlying significant recent cover is being developed, pending the completion of a heritage survey. This will include laterite loam and stream geochemical sampling, RAB and aircore drilling.

#### *Other Projects (Quantum 100%)*

In the Telfer area a review of historical open file data, airborne geophysics and past drilling and sampling results is underway with a view to developing an exploration program which will target the regional structural features and the granite contacts underlying significant recent cover.

In Wiluna, Bullfinch and Big Bell areas magnetic data has been assembled and processed and Aster satellite data has been acquired. This data will be analysed and targets for exploration will be identified.

### **Farm-Out Joint Ventures**

#### *Wanganoo Joint Venture (Quantum 20%)*

The Company's Dingo Range prospect at Wanganoo is the subject of the Wanganoo joint venture, with Cullen Exploration Pty Ltd acting as managers, earning an 80% interest.

Exploration to date within E53/988 has uncovered a number of untested geochemical and magnetic anomalies which are targets for gold and nickel sulphide mineralisation. These anomalies lie on contacts or within favourable komatiitic host rocks with interpreted strike extents of at least 4 kilometres.

A ground EM (electro magnetic) survey completed earlier identified two conductive targets within prospective ultramafic units. The survey targeted a 4 kilometre long trend of ultramafics within E53/988, where strong nickel (to 6405ppm) and copper (to 3525ppm) anomalies from previous RAB traverses occur on contact komatiite positions. Cullen attempted to drill these targets during the December 2006 quarter, however the drill rig was unable to reach the targets due to drilling conditions.

The Company's joint venture partner has advised there was no field work during the quarter.

#### *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. The Company is waiting on a report from its joint venture partner on activities during the quarter.

*The technical information in this report has been reviewed and approved by Dr D S Tyrwhitt who is a member of the Australasian Institute of Mining and Metallurgy and has approximately 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  
Chairman & Managing Director  
31 October 2007

# 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 2007

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	YTD (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(411)	(411)
(b) development	-	-
(c) production	-	-
(d) administration	(243)	(243)
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)	-	-
<b>Net Operating Cash Flows</b>	<b>(650)</b>	<b>(650)</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	160	160
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>160</b>	<b>160</b>
1.13 Total Operating and investing cash flows (carried forward)	(490)	(490)

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

1.13	Total operating and investing cash flows (brought forward)	(490)	(490)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	670	670
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Share/Option issue costs	(40)	(40)
<b>Net financing cash flows</b>		630	630
<b>Net increase (decrease) in cash held</b>		140	140
1.20	Cash at beginning of quarter/year to date	129	129
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	269	269

**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	45
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	250
4.2 Development	-
<b>Total</b>	<b>250</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	269	129
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>269</b>	<b>129</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	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	372,051,028	372,051,028	-	-
7.4 Changes during quarter				
(a) Increases through issues	20,937,500	20,937,500	\$0.032	-
(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
	8,000,000	-	\$0.07	19/10/2011
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	600,000	-	\$0.07	19/10/2011
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: 31 October 2007  
(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 Equivalents of International Financial Reporting Standards (AIFRS).
- 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 30.09.2007**  
**(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 \$0.10 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 1999 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.

8,000,000 options maturing 19 October 2011, issued under the 2005 Employee Share Option Plan, have an exercise price of \$0.07 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.

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>
<u>Jackson</u>			
E 77/1053	Forfeited	100.00%	0.00%
E 77/1054	Forfeited	100.00%	0.00%
E 77/1056	Forfeited	100.00%	0.00%
<u>Jundee North</u>			
E 53/989	Surrendered	100.00%	0.00%
<u>Meekatharra</u>			
E 51/935	Forfeited	100.00%	0.00%
<u>Whiteheads</u>			
E 27/351	Withdrawn	100.00%	0.00%
P 27/1806	Refused	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>
<u>Kalgoorlie North</u>			
P 26/3095	Granted	0.00%	100.00%
P 26/3096	Granted	0.00%	100.00%