



REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2008

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. Approximately 300 drill holes, associated soil and loam sampling, and track development has also been approved. Reconnaissance exploration for the establishment of exploration bases to support drilling of Mt Peake, Barrow Creek and the Ware Range is being planned. At Gardner Range, the heritage survey has been completed and approved.

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 historical exploration for uranium around the margins of the Gardner Range 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”).

The tenements are bounded to the north by Cameco. A joint airborne geophysical survey was undertaken in 2007 in conjunction with Cameco. This consisted of a 400 metre line spaced TEMPEST (EM) survey which was completed in July 2007 by Fugro and a 100 metre line spaced Magnetics & Radiometrics survey which was undertaken by UTS in October/November 2007. The final UTS delivery was in January, 2008. This data, in conjunction with the field reconnaissance information is being 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 has been planned with native title clearance given. The drilling will test existing base metal mineralisation anomalies along the unconformity as well as targeting a 60 kilometre long NW-SE significant fault system adjacent to the unconformity. It is planned to start this drilling in the last quarter of 2008 if a drill rig can be sourced.

Ware Range (Quantum 100%)

The Ware Range tenement was granted in September 2006. Historical exploration for base metals, uranium, gold and diamonds included rock chip sampling and limited drilling. Field reconnaissance, such as soil/sediment sampling, has 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 potentially include a programme of 65 RAB/RC holes and sampling to investigate the nature of base metal mineralisation associated with the unconformity between the Killi Killi Beds and the Gardiner Sandstone. The sampling programme includes loam sampling of targets over the defined region and stream sediment sampling of the sparse drainage in the region.

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 of good grade. Radiometrics indicate that adjacent Proterozoic granites are anomalous in uranium, and adjacent sediments are also anomalous.

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 this application has been approved, enabling tracks to be made for ground access to support drilling. Proposed exploration activities will include a programme of 90 RC drill holes and NE-SW oriented soil sampling traverses over the targets to investigate the nature of the unconformity between the Devonian Dulcie sandstones and the Cambro-Ordovician Tomahawk dolostone-sandstone unit. Identified photographic and geophysical anomalies will also be targeted by this programme. The planned heritage survey has not yet commenced.

Tanami Project (Quantum 80% interest in granted tenements)

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 as well as any other gold potential in the area. 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 has earned its 80% interest on the granted tenements and is continuing to actively pursue agreements with native title holders in order to proceed to granting of the remaining tenement applications.

Mt Peake Project (Quantum 80% interest in granted tenements)

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 units which are known to be suitable hosts to uranium elsewhere.

The Company has earned its 80% interest on the granted tenements and is continuing to actively pursue agreements with native title holders in order to proceed to granting of the remaining tenement applications.

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 has also been approved. Proposed exploration activities will include a programme of 90 RC drill holes and/or soil sampling to investigate the nature of the unconformity and of anomalies in the licences. A Heritage survey is underway.

A comprehensive radiometric & magnetic survey was flown by Fugro Airborne Surveys over the Mt Peake tenements. The Company is waiting on the results from the survey. Upon analysis of this data, individual, photographic and geophysical anomalies will be targeted for follow-up sampling.

BASE METAL & GOLD EXPLORATION

In Western Australia the Company's tenement holdings cover approximately 3,000 square kilometres. The main gold exploration focus is the Whiteheads project with active exploration completed or planned for the Wiluna, Millrose and Jackson projects.

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 13th May 2008) to contain a resource of nearly 3 million ounces at approximately 3g/t gold.

Numerous significant Quantum RAB anomalies were obtained from previous drilling. The target for drilling in late 2007 and early 2008 was the area in the southern portion of the tenement E27/175 which is adjacent to the Carrick gold resource areas. This phase of drilling contained 253 RAB holes for 15,263 metres.

Compilation of the 2007/2008 RAB drilling has been completed and RC drilling is being planned to follow-up the significant gold anomalous areas detected in the RAB holes.

Millrose Project (Quantum earning 100%)

The Millrose project lies approximately 75km northeast of Wiluna and extends over approximately 20 kilometres of the Millrose greenstone of the Yilgarn Craton of Western Australia. The project covers 62 square kilometers of ground.

The Millrose greenstone is connected with the Yandal belt near the Gourdis locality to the south of the Jundee Mine. The potential continuity of this greenstone lithological package to the south takes it to the east of the Bronzewing mine. The Project is along strike from the Millrose gold deposit of 251,000 oz. To the south, the adjacent tenement is held by Goldstar Resources & BHP Billiton in a nickel-gold joint venture, with BHP earning 70% with \$2.25 million expenditure.

The project tenements are located over a basement of Archaean greenstones which are predominantly covered by various unconsolidated sediments of geologically recent origin. Basement rocks are predominantly of mafic volcanic origin with interbedded units of ultramafic composition. The ground is prospective for nickel and gold, having returned past anomalous results.

Magnetic data has been assembled and processed and Aster satellite data has been acquired.

The results from an 83-sample MMI soil sampling program within E53/967 are being reviewed. Further MMI sampling to cover areas not yet tested is planned to generate targets for later drilling.

MMI sampling (49 samples) was also undertaken on E53/1016. Areas of anomalous gold and zinc have been defined. These potential targets are to be followed-up with further MMI sampling to delineate the extent and source of gold and zinc enrichment prior to drilling.

Other Projects (Quantum 100%)

In the Telfer areas 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 interaction of regional structural and lithological features in areas of recent cover.

At Wiluna, a review of results from a mobile metal iron geochemical sampling program (93 samples assayed) on tenement E53/990 has produced several promising targets. Further sampling and/or a targeted drilling program is planned to further delineate the extent and source of the gold and nickel enrichment in the area.

In the Dulcie North and Bounty areas magnetic data and Aster satellite data has been reviewed and a geochemical sampling programme has been proposed for the Dulcie North tenement area.

Farm-Out Joint Ventures

Wonganoo Joint Venture (Quantum 20%)

The Company's Dingo Range prospect at Wonganoo is the subject of the Wonganoo 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 joint venture partner has advised the Company that in the June 2008 quarter, a single drillhole to 250m depth was completed to test an EM anomaly prospective for nickel sulphide bodies. Assay results have yet to be received and a downhole EM survey is proposed to confirm & refine the position of the EM anomaly as the drillhole intersected a sequence of magnetic to highly magnetic basalts with minor intercalations of black shale but no obvious explanation for the EM anomaly.

The best gold results are from the southern part of the tenement: sample 710435 is located on interpreted mafic rocks, 100m east of an interpreted ultramafic unit and has 15.2 ppb gold; sample 710420 is located approximately 750m further east and has an gold

concentration of 16.6 ppb (the 99th percentile for Wonganoo data is 7.3 ppb). These two anomalies require follow-up drill testing.

Sampling close to a previously-identified EM conductor ("WE2A") returned anomalous Ni concentrations in vegetation. This Ni target is now a high priority for drill testing.

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 has not received a report from its joint venture partner for the September 2008 quarter to date.

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 approximately 45 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
31 October 2008

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 2008

Consolidated statement of cash flows

	Current quarter \$A'000	YTD (12 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	(30)	(30)
(b) development	-	-
(c) production	-	-
(d) administration	(7)	(7)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(37)	(37)
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)	(37)	(37)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(37)	(37)
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	-	-
1.17	Repayment of borrowings	(14)	(14)
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Share/Option issue costs	-	-
Net financing cash flows		(14)	(14)
Net increase (decrease) in cash held		(51)	(51)
1.20	Cash at beginning of quarter/year to date	116	116
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	65	65

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	-
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

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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	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	-
Total	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	65	116
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	65	116

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	407,351,028	407,351,028	-	-
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
	7,500,000	-	\$0.07	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: 31 October 2008
(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 30.09.2008
(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.

7,500,000 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

Tenement reference	Nature of Interest (note(4))	Interest at beginning of quarter	Interest at end of quarter
<u>Tuckabianna</u> P20/1809	Application Withdrawn	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>Whiteheads</u>			
E27/348	Granted	0.00%	80.00%
E27/369	Granted	0.00%	80.00%
P27/1802	Granted	0.00%	80.00%
P27/1803	Granted	0.00%	80.00%