



Quantum Resources Limited

ABN 84 006 690 348

31 January 2012

Manager Companies
Australian Securities Exchange
Level 6, 20 Bridge Street
Sydney NSW 2000

By E-Lodgement

REPORT FOR THE QUARTER ENDED 31 DECEMBER 2011

Quantum Resources Limited
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Directors

Mr Joseph Gutnick
Chairman / Managing Director

Dr David S Tyrwhitt
Non-Executive Director

Mr Craig Michael
Director / Executive General Manager

Senior Management

Mr Peter Lee
CFO & Company Secretary

Mr Mike Kammernann
Exploration Manager

OVERVIEW

Gardner Range Project

- An integrated study of the Gardner Range Project has been completed by QUR's Research Manager.
- The study integrates geochemical, geophysical and geological data to define exploration targets for 2012.
- EL80/3410, 3411 and 3412 have been identified as potential hosts of hydrothermal rare earth element mineralization. An exploration program will be designed to prioritise mineralisation potential of these tenements.



REGIONAL EXPLORATION

Gardner Range Update

A multidisciplinary study of all available Gardner Range exploration results has led to a reprioritisation of the Company's targets in these tenements. Based on this study the Company considers that rare earth elements offer the most potential for being present in economic quantities.

Elevated rare earth element assays from the contact between the Killi Killi Beds and overlying basal conglomerates of the Gardner Sandstone provide evidence for hydrothermal rare earth element mineralisation. The magnitude of total rare earth element contours in the soil samples of the Company's Gardner Range prospect are of the same order as the main anomaly reported by Northern Minerals at the Browns Range project.

The Company is encouraged by the rare earth element results to date and an exploration program will be designed to define the nature and extent of potential mineralisation.

Gardner Range Background (Quantum 100%)

The 2011 field program has been designed to follow up on the anomalies identified in the previous year prior to selecting drill targets. During the September quarter 2011, the company collected over 1,000 samples, as summarised in the table below:

Sample Type	Number of Samples
Conventional soil geochemical	765
Mobile Metallic Ion (MMI)	115
Stream sediment	84
Rock chip	78

All samples have been submitted for assay. Early results for soil geochemistry at the Mt Mansbridge prospect indicate anomalous regions of the rare earth element Yttrium. The main anomaly pictured in Figure 2 extends over approximately 500m. A detailed interpretation of the results will be conducted once the remainder of the sample assays are returned from the laboratory.

Telfer Project

The Company holds a single Exploration Licence Application E45/2401 located 6km to the northeast of the Newcrest Mining Ltd Telfer gold mine (Figure 3). The Telfer gold mine is host to one of Australia's largest gold deposits with a reported ore reserve of 18.0 million ounces of gold and 0.685 million tonnes of copper within a mineral resource of approximately 27 million ounces gold. The O'Callaghan's ore body, 10km south east of Telfer mine, is also owned by Newcrest and hosts significant resources of tungsten, copper, lead and zinc.

Previous drilling within the tenement identified gold mineralisation at the Chicken Ranch Prospect, which include results of 6m @ 15.8g/t gold. Evaluation of the historical drilling data has highlighted the fact that the spacing and depth extent of the holes sampled only the shallow, possibly supergene enriched, saprolite.

Subject to the Exploration Licence being granted, the Company will re-evaluate the historical



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data with a view to defining an appropriate exploration program.

A Heritage Agreement is required prior to the licence being granted and the Company has been advised by the Western Desert Lands Aboriginal Corporation (WDLAC) that the application is currently being assessed. The Company was asked to present to WDLAC during the quarter as part of their assessment process. As a result of the company's presentation, the native title parties agreed to continue negotiations. A draft of an agreement has been provided by the WDLAC legal representatives and is currently under consideration. Once the agreement is finalised the licence application can proceed to grant under the Mining Act.

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

J I GUTNICK
Chairman & Managing Director
31 January 2012

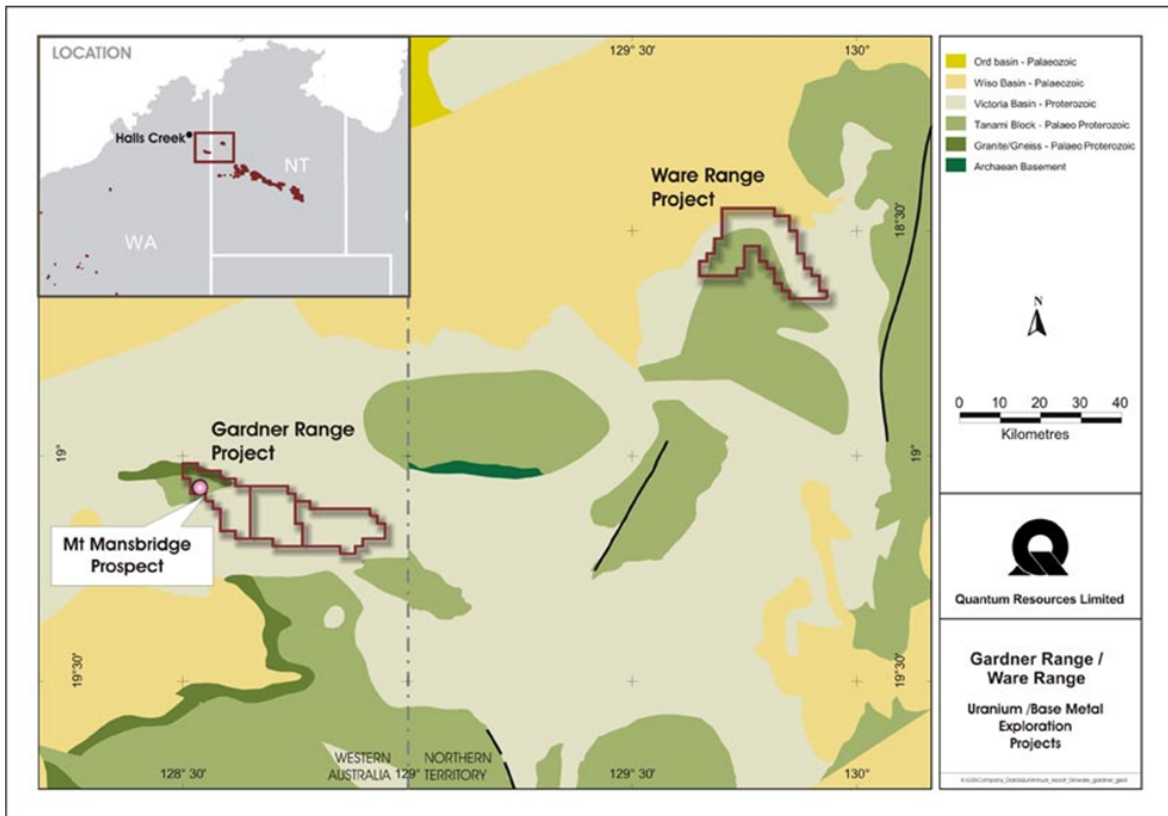


Figure 1 Quantum Resources Gardner and Ware Range Tenements

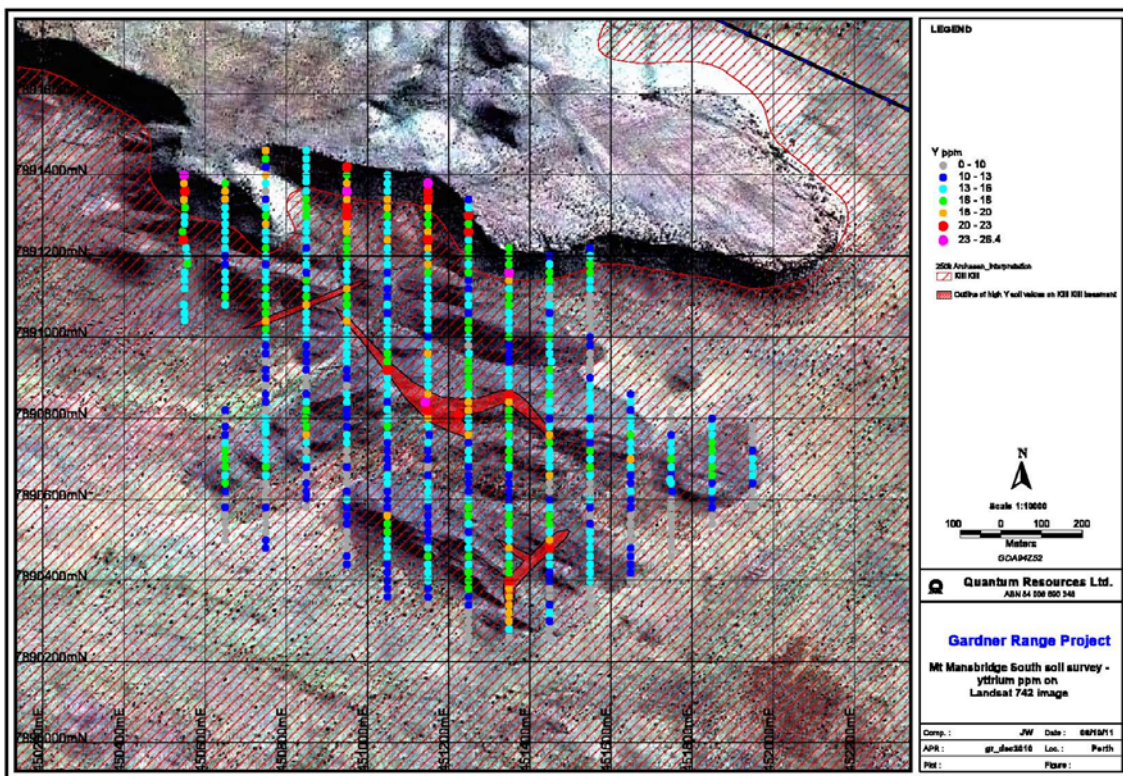


Figure 2 Mount Mansbridge prospect soil geochemistry results for Yttrium. Anomalous zones marked in red.

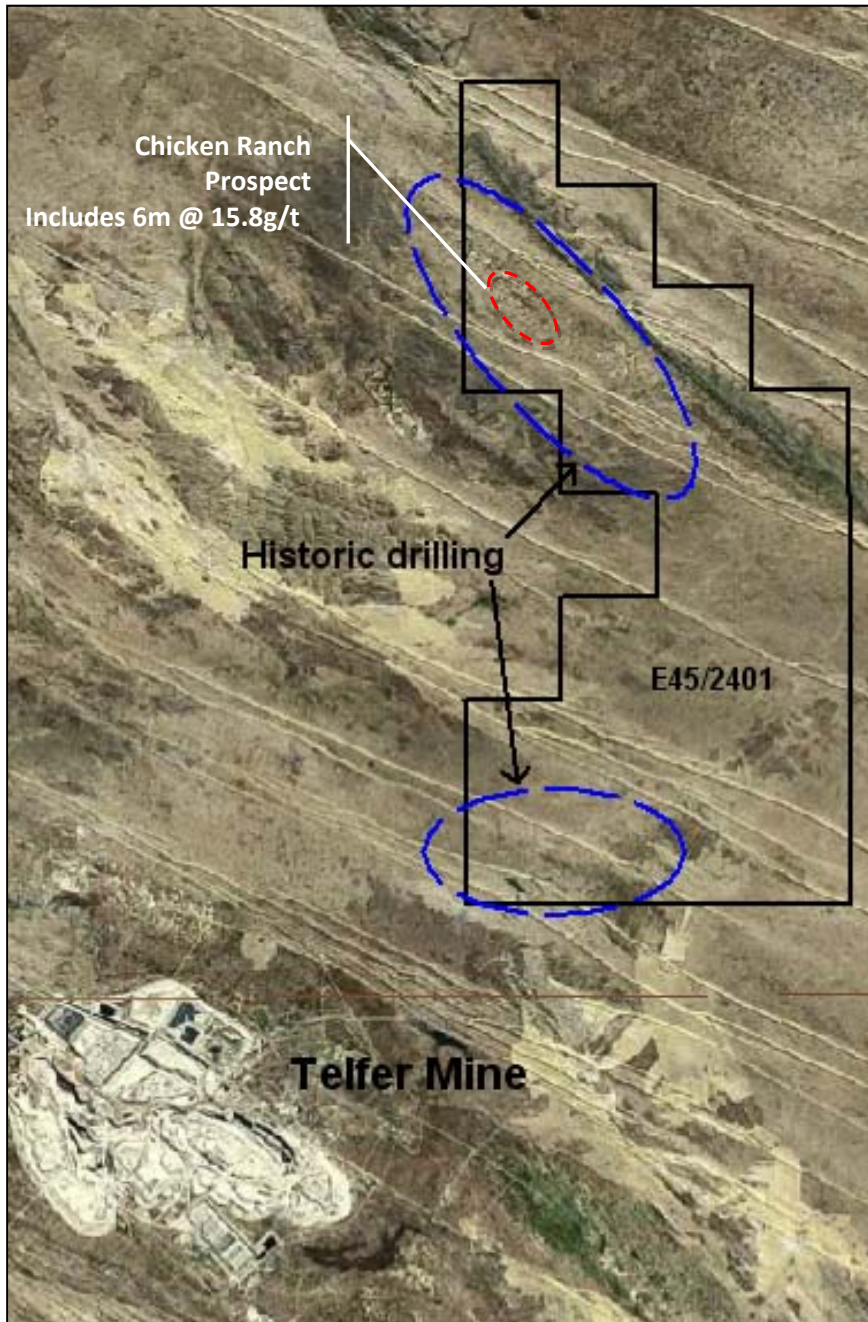


Figure 3 Quantum Resources Telfer Tenement

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

QUANTUM RESOURCES LIMITED

ABN

84 006 690 348

Quarter ended ("current quarter")

31 DECEMBER 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(36)	(253)
(b) development	-	-
(c) production	-	-
(d) administration	(37)	(93)
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 (GST credits)	13	24
Net Operating Cash Flows	(60)	(322)
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 (Security deposits)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(60)	(322)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(60)	(322)
	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	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(60)	(322)
1.20	Cash at beginning of quarter/year to date	111	373
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	51	51

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	5
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

-

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

-

+ See chapter 19 for defined terms.

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	20
4.2 Development	-
4.3 Production	-
4.4 Administration	10
Total	30

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	51	111
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	51	111

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	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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>	NIL			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	814,703,218	814,703,218		
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>	NIL			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	32,875,597 68,378,151	32,875,597 68,378,151	<i>Exercise price</i> \$0.09275 \$0.04275	<i>Expiry date</i> 30/04/2012 30/11/2012
7.8	Issued during quarter	-			
7.9	Exercised during quarter	-			
7.10	Expired during quarter	7,250,000	-	\$0.06275	19/10/2011
7.11	Debentures <i>(totals only)</i>	NIL			

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)	NIL	
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 31 JANUARY 2012
(Director/Company secretary)

Print name: PETER 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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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