



Quantum Resources Limited

ABN 84 006 690 348

31 January 2011

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

By E-Lodgement

REPORT FOR THE QUARTER ENDED 31 DECEMBER 2010

Quantum Resources Limited
ABN 84 006 690 348

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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

OVERVIEW

Regional Exploration

- 2010 sampling program concluded with 225 RadonX™ survey stations, 801 MMI soil samples, 71 rock chip samples and 4 heavy mineral stream samples collected.
- Rare Earth Element (REE) and uranium mineralisation confirmed within basement sediments at Mt Mansbridge. Further field work required to determine nature and extent of REE mineralised zone.
- Additional mineralisation identified adjacent to prominent airborne magnetic anomaly. Further field work required to determine significance.
- Ware Range Mine Management Plan approved and Aboriginal Areas Protection Authority Certificate site survey underway.
- Detailed planning for 2011 field programs currently underway.

SUMMARY

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 1,600 square kilometres in the Northern Territory and Western Australia.

During the quarter, field work at the Gardner Range project comprised the collection of approximately 801 mobile metal ion soil samples, 71 rock chip samples, 4 heavy mineral stream gravel samples and 225 RadonXTM survey stations. Due to unseasonal weather the ability to access all areas was restricted resulting in some areas not being sampled. These areas will be completed when field activities recommence in 2011.

Results confirmed the presence of uranium and rare earth mineralisation within the basement rocks (Killi Killi Beds) at the Mt Mansbridge occurrence and within the basal conglomerate of the Gardner Sandstone. Additional mineralisation was identified adjacent to a prominent airborne magnetic anomaly approximately 10 kilometres north of Mt Mansbridge. Detailed planning of field programs for 2011 is currently underway.

A Mining Management Plan for drilling at the Company’s Ware Range project was approved by the Northern Territory Department of Resources. An application was submitted for an Aboriginal Areas Protection Authority Certificate and the Company has been advised that the field survey aspect will likely be completed by the end of February 2011.

REGIONAL EXPLORATION

Gardner Range (Quantum 100%)

The Company holds tenements in the Gardner Range, 150 kilometres southeast of Hall’s Creek with potential rare earth elements, uranium and gold (Figure 1). The Gardner Range project consists of 3 granted tenements, E80-3410, E80-3411 and E80-3412. Historic exploration near Mt Mansbridge has identified up to 980 parts per million (“ppm”) U and 7% REE (rare earth elements) associated with the unconformity between the Gardner Sandstone and the underlying Killi Killi Formation.

Several companies are actively exploring within the region for uranium and REE’s as indicated on Figure 2, highlighting the prospectivity of the Company’s tenements for this type of mineralisation.

During 2010 the Company collected a total of 801 Mobile Metal Ion (MMI) soil samples, 71 rock chip samples, 4 heavy mineral stream gravel samples and 225 RadonXTM survey stations from three areas within the Gardner Range project (Figure 3). Due to unseasonal rains the planned program was not completed and several areas remain to be sampled. It is anticipated that these areas will be completed during follow-up work in 2011.

The three areas comprise a Western Area, associated with and adjacent to the known Mt Mansbridge uranium occurrence, a Central Area targeting a geological/geophysical feature and an Eastern Area targeting a geological structure.

Western Area

Rock chip sampling by the Company has confirmed the previously identified rare earth element mineralisation in basement sediments (Killi Killi Beds) at the known Mt Mansbridge prospect.

Values obtained by the Company confirm the presence of a mineralised zone and are considered significant to warrant further investigation. Previous exploration was designed

to target uranium only and as such the extent of the rare earth mineralisation is not known and in particular if it extends into the overlying Gardner Sandstone or is confined to the basement rocks. The style of mineralisation in the basement rocks may be of the quartz-xenotime style similar to Northern Uranium's Browns Range Project to the north. Mineralisation in the overlying Gardner Sandstone is likely to be confined to the basal conglomerate of similar style to Orion Metal's Killi Killi Project to the south (Figure 2). A program of conventional soil sampling in conjunction with more detailed geological mapping and rock chip sampling will be undertaken to provide more information on the nature and extent of the rare earth and uranium mineralisation prior to drill testing of identified targets.

MMI soil sampling has identified mineralisation that appears to be associated with a prominent airborne magnetic feature that occurs within the basement rocks (Killi Killi Beds) approximately 10 kilometres north of Mt Mansbridge (Figures 4, 5, 6, 7 8, 9 & 10). The mineralisation appears to be at the margins of the magnetic anomaly. The source and significance of the magnetic anomaly and associated mineralisation is not yet known, however the Company considers this feature to be potentially significant and worthy of further investigation. Additional conventional soil sampling and detailed geological mapping will be undertaken to resolve this anomaly.

Central Area

RadonX™, MMI soil and rock chip sampling did not identify anomalous results in this area. No additional work will be undertaken.

Eastern Area

The RadonX™ data identified weak anomalism that was found to weakly correlate with the MMI data. Of greater significance are several rare earth element trends identified in the MMI data within areas interpreted to be Gardner Sandstone (Figure 6, 9 & 10). Detailed geological mapping and rock chip sampling will be undertaken over these areas to determine the style of mineralisation and potential target areas for further work.

Drilling Program

Heritage clearance for drill testing of the Mt Mansbridge prospect has been approved. This drilling program was primarily designed to test the uranium mineralisation only. An amended heritage clearance application is being prepared to cover the proposed drill testing for REE mineralisation.

Ware Range (Quantum 100%)

The Ware Range project is located approximately 200km to the east of Halls Creek in the Northern Territory (Figure 1). The project consists of two granted exploration licences - EL25010, and EL27745. The tenement package was acquired as a result of geological similarities with the Gardner Range unconformity uranium concept. Other deposit styles such as channel, sediment or calcrete hosted uranium have only been subjected to minimal investigation despite their potential occurrence in this geological setting.

The Company completed a RadonX™ survey in September 2009 and followed this up with auger sampling and spectrometer surveying in December 2009. Interpretation of the results suggests that the radon must have a deeper source, possibly a palaeochannel. The Company believes the deposit model is likely to be similar to Langer-Heinrich Namibia which is palaeochannel-hosted with vanadium and evaporation of groundwater concentrating uranium below calcrete.

A field visit was undertaken during the December 2010 quarter, which confirmed potential for drill rig access.

A Mine Management Plan for drill testing of the calcrete occurrence has been approved by the Northern Territory Department of Resources. An application was submitted for an Aboriginal Areas Protection Authority Certificate and the Company has been advised that the ground survey is expected to be completed at the end of February 2011.

In addition to drilling, the Company intends to conduct soil sampling, geological mapping and rock chip sampling over several areas within the project. These areas are currently being reviewed together with planning of field work for Gardner Range.

Whiteheads Project (Quantum 80%)

Subsequent to the quarter the Company withdrew from the Whiteheads project in order to focus resources on the Gardner Range and Ware Range projects.

Officer Hill Joint Venture

Newmont Australia have joint ventured into Exploration Licence 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. This licence, located on Aboriginal Land, is currently under application hence no work has been undertaken.

Kalgoorlie North Joint Venture

The Kalgoorlie North Joint Venture comprises eight prospecting licences in the goldfields region of Western Australia. The licences are part of a non-managed joint venture with Fe Limited. The Company's interest in the joint venture is currently being reviewed.

Telfer Project

The Telfer project comprises one exploration licence E45/2401 located north of the Telfer Mine. The licence is currently under application hence no work has been undertaken.

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
31 January 2011

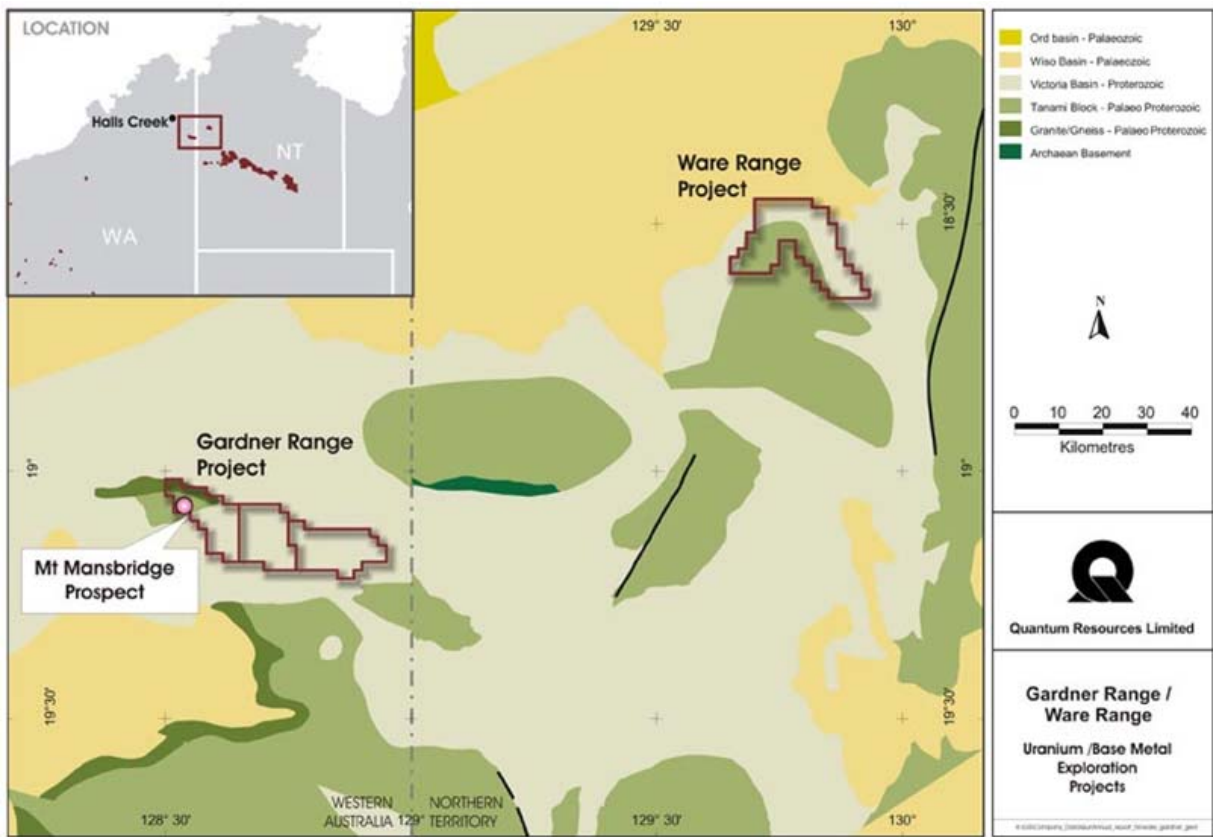


Figure 1: Location map for Gardner Range and Ware Range projects.

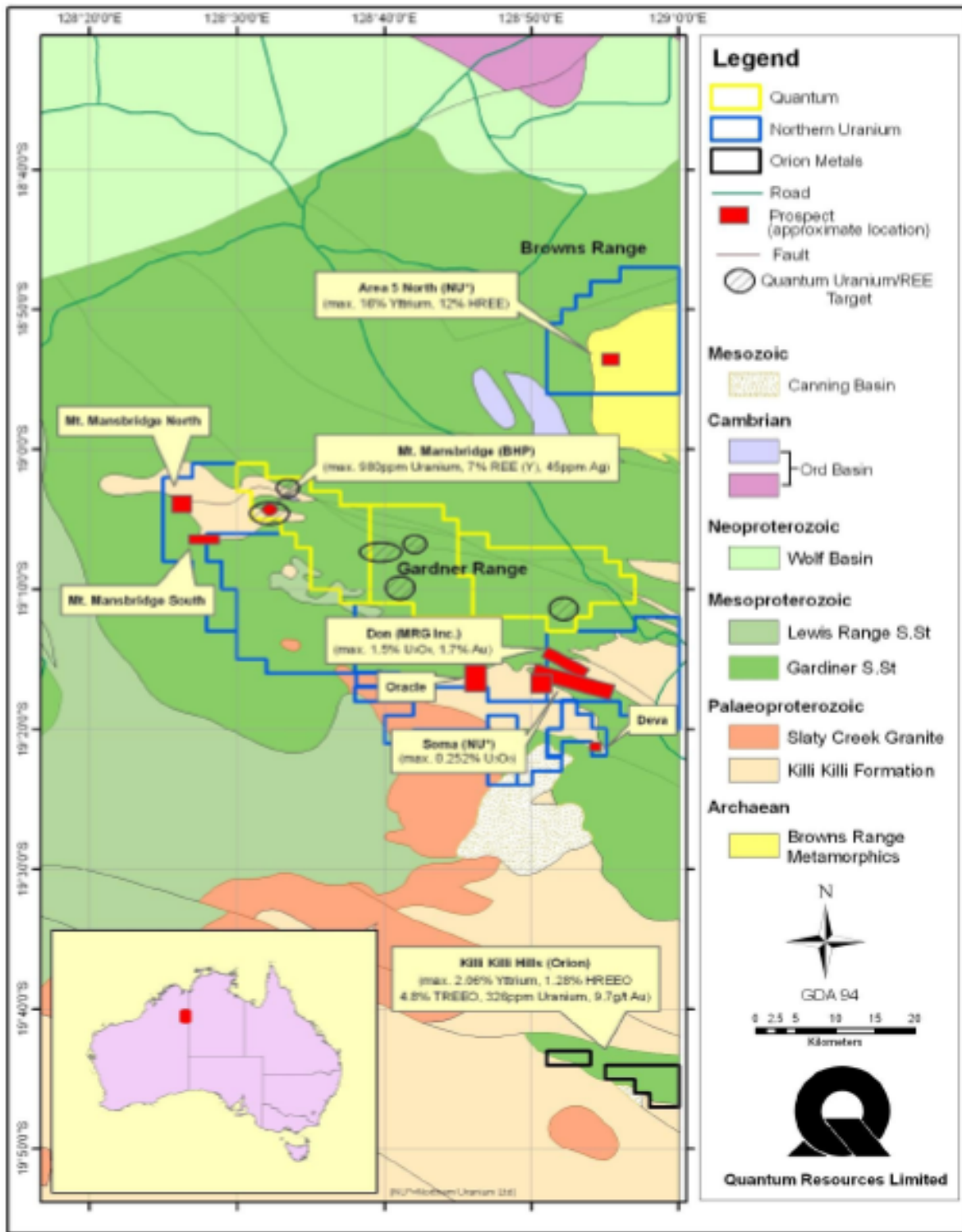


Figure 2: Gardner Range REE and uranium targets and regional previous discoveries.

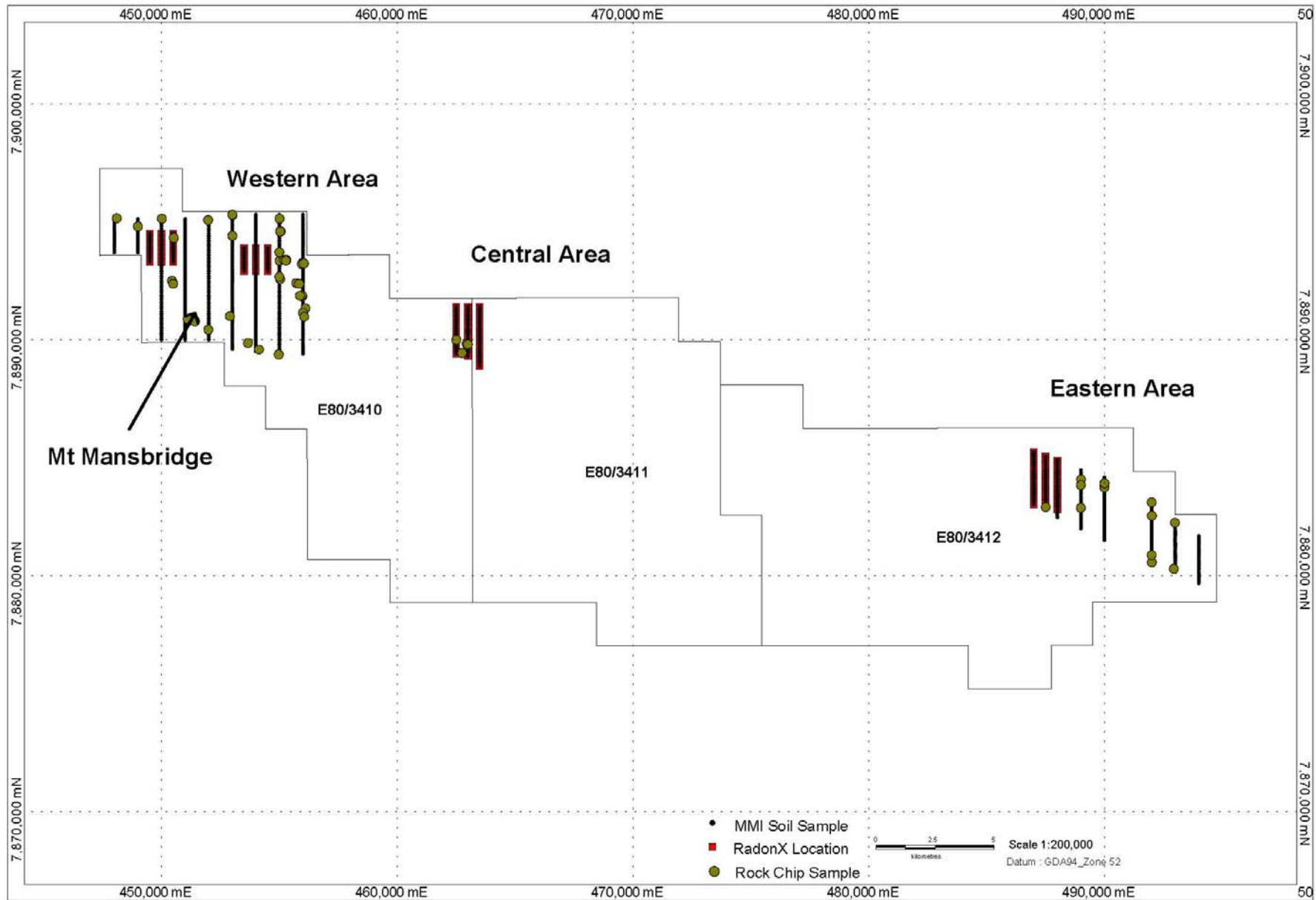


Figure 3: Location of MMI soil, RadonX™ and Rock Chip samples.

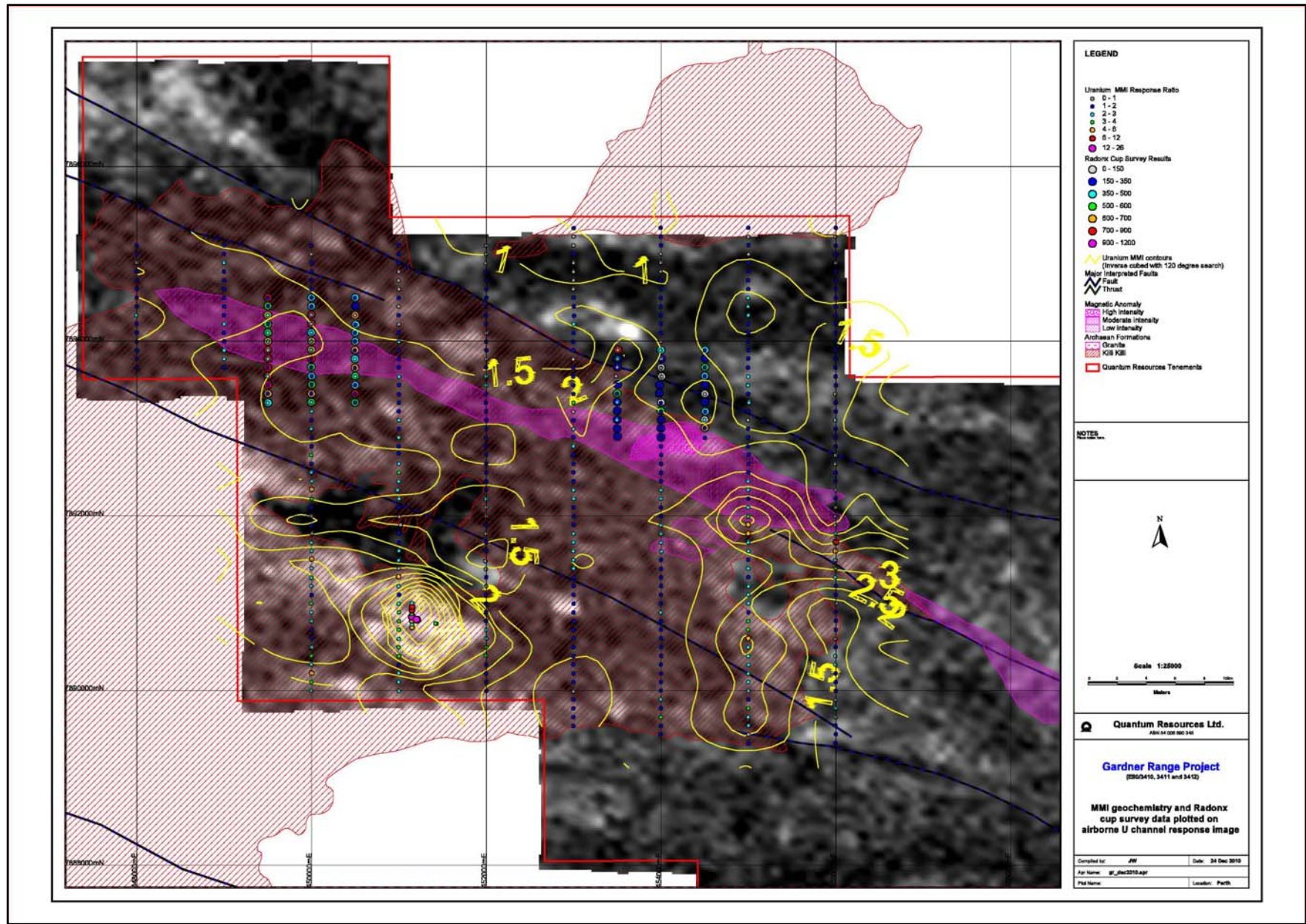


Figure 4: Western Area (Mt Mansbridge) showing uranium MMI response ratio and magnetic anomaly location. Datum GDA94_Zone 52

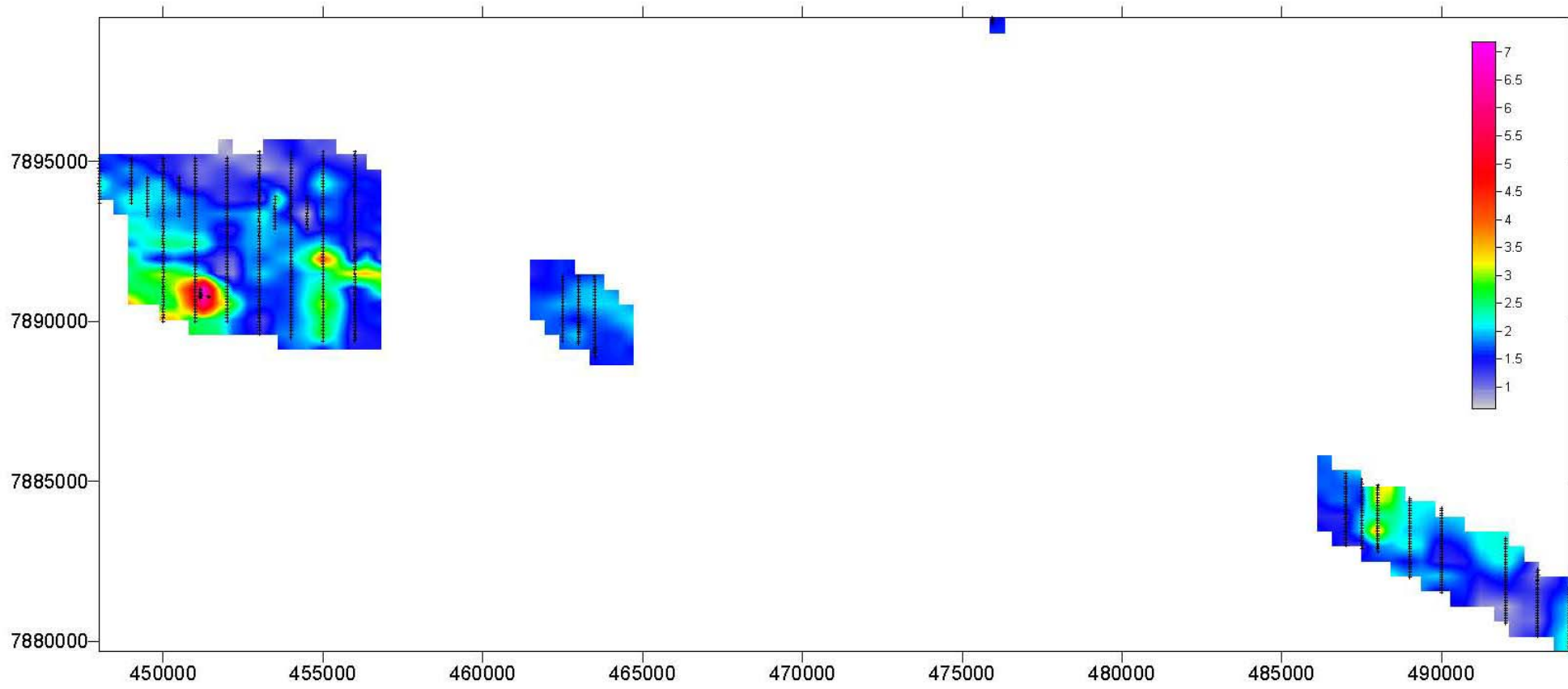


Figure 5: Gardner Range MMI Uranium Response Ratio. Datum GDA94_Zone 52

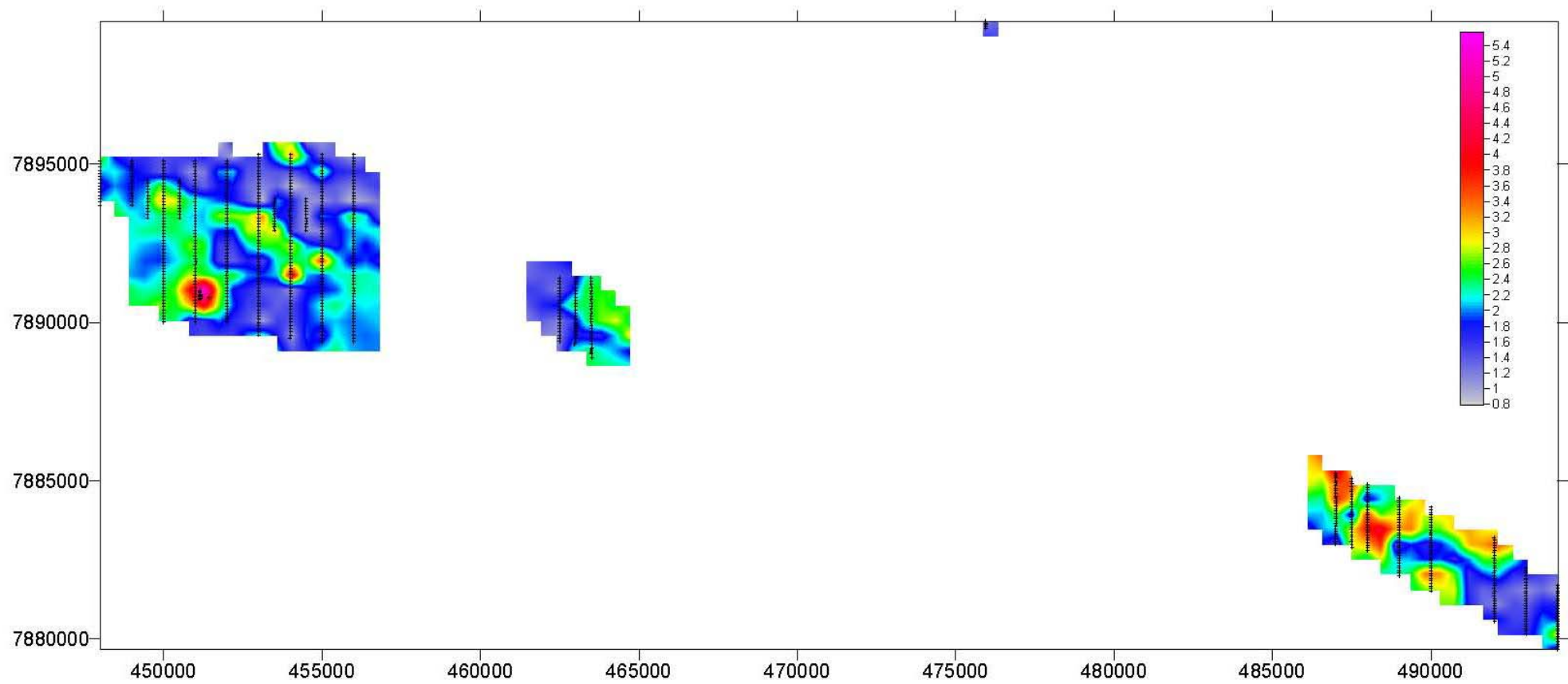


Figure 6: Gardner Range MMI Yttrium Response Ratio. Datum GDA94_Zone 52

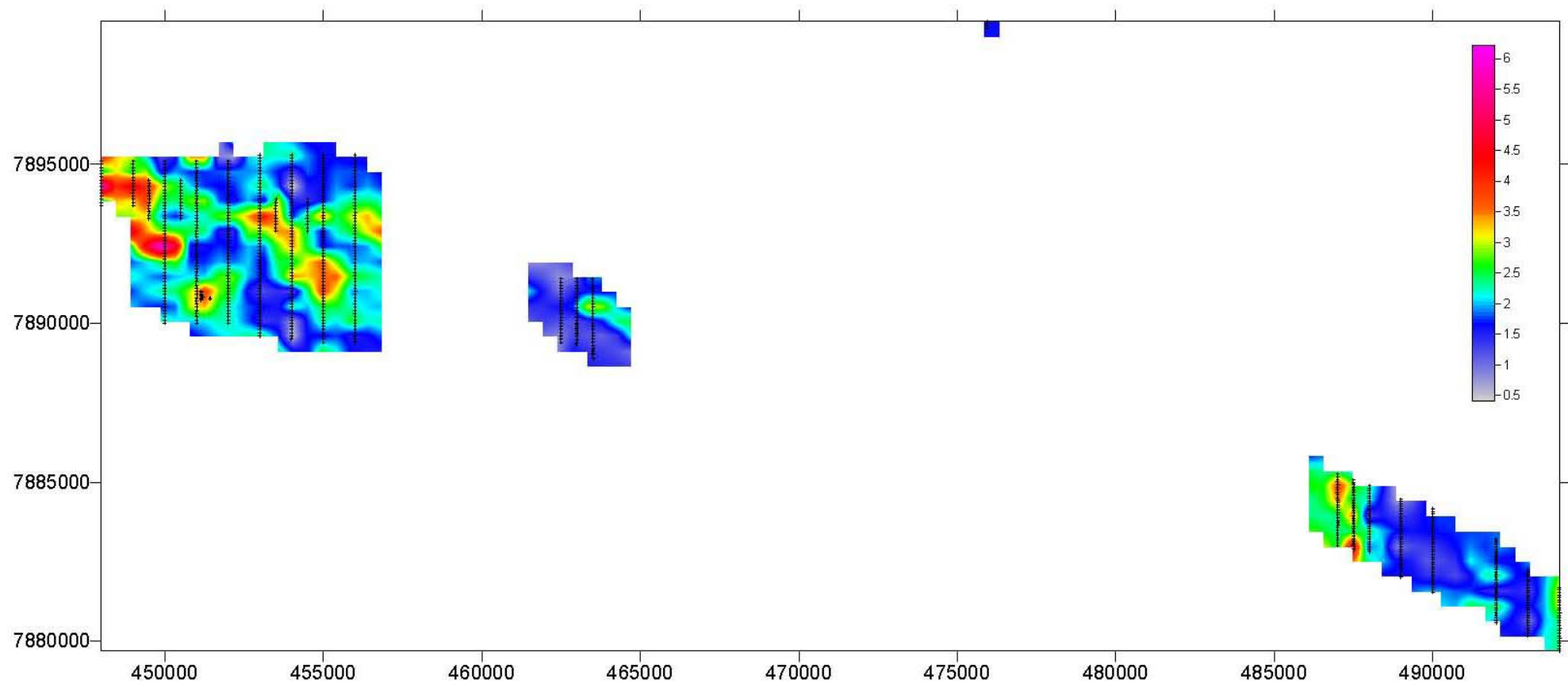


Figure 7: Gardner Range MMI Silver Response Ratio. Datum GDA94_Zone 52

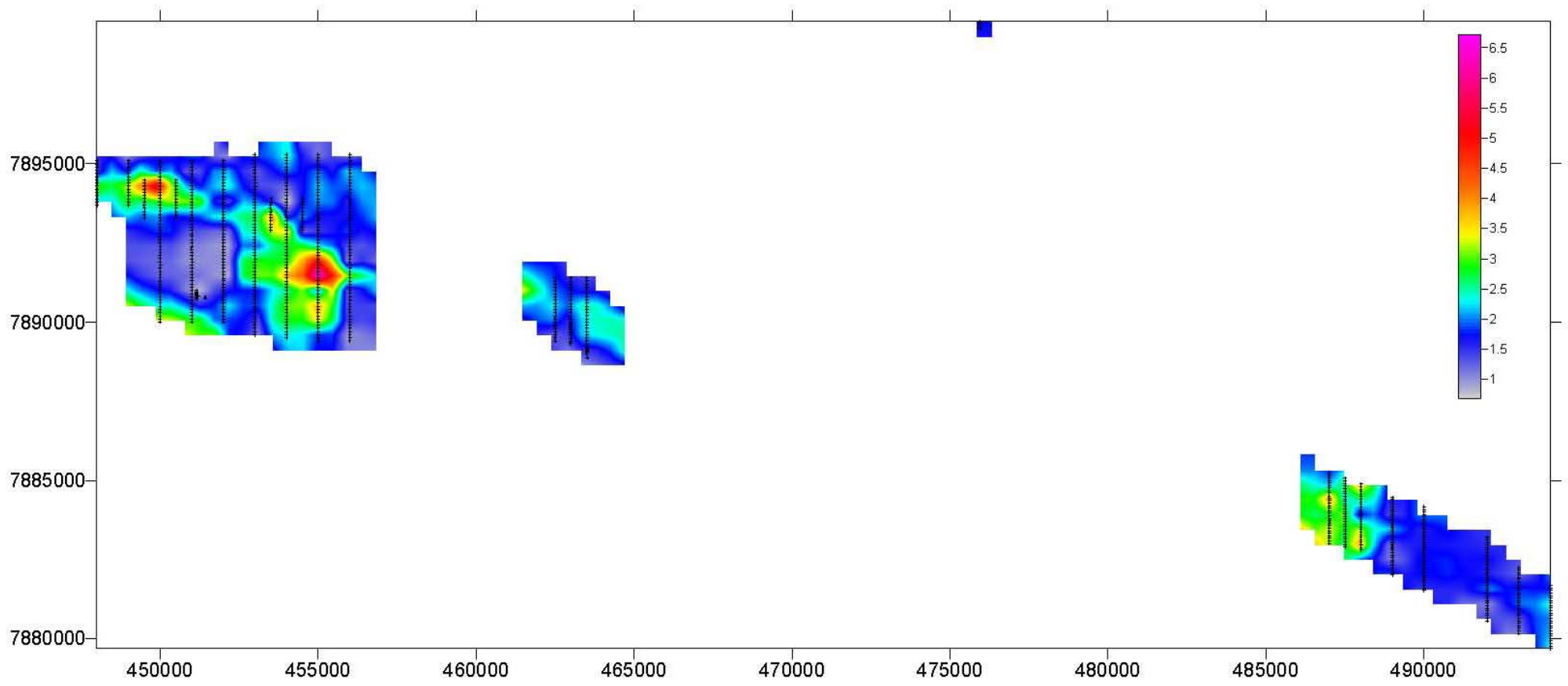


Figure 8: Gardner Range MMI Copper Response Ratio. Datum GDA94_Zone 52

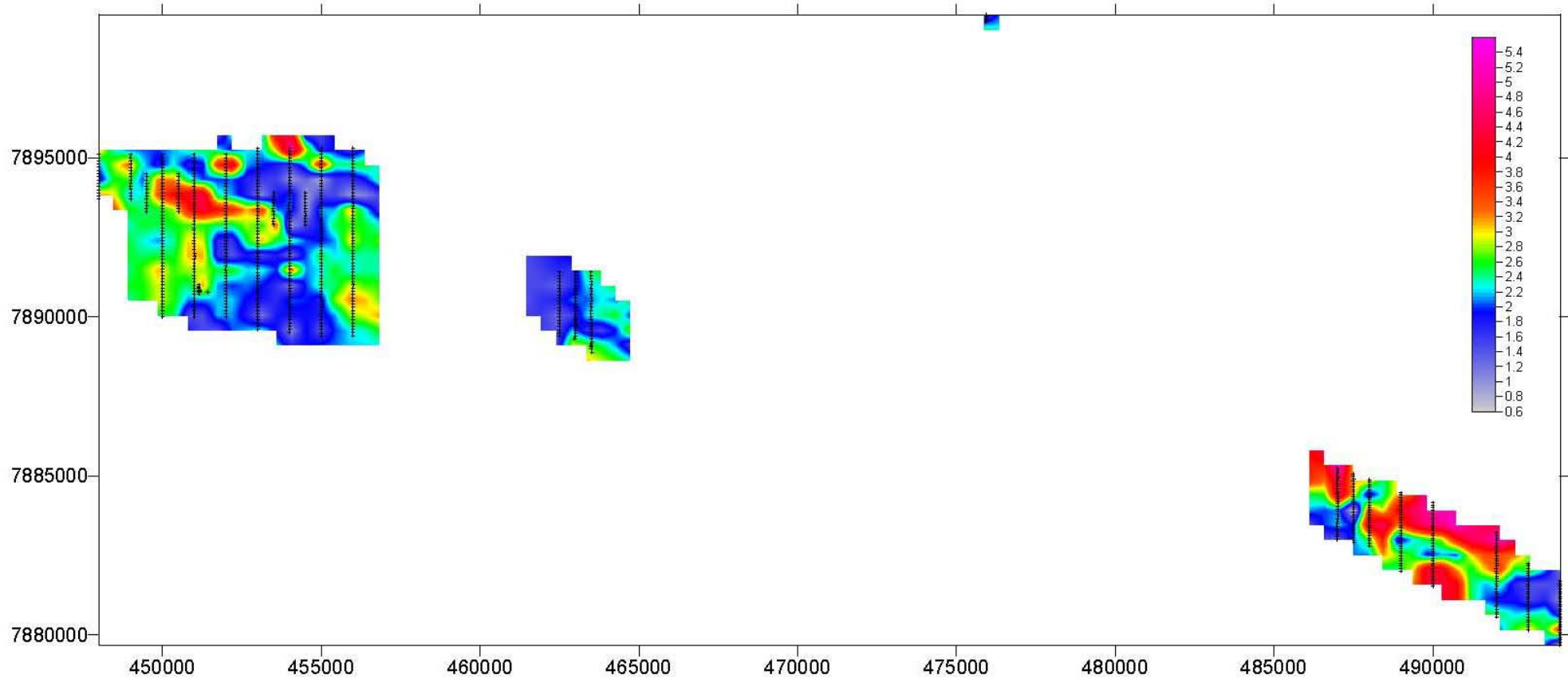


Figure 9: Gardner Range MMI Cerium Response Ratio. Datum GDA94_Zone 52

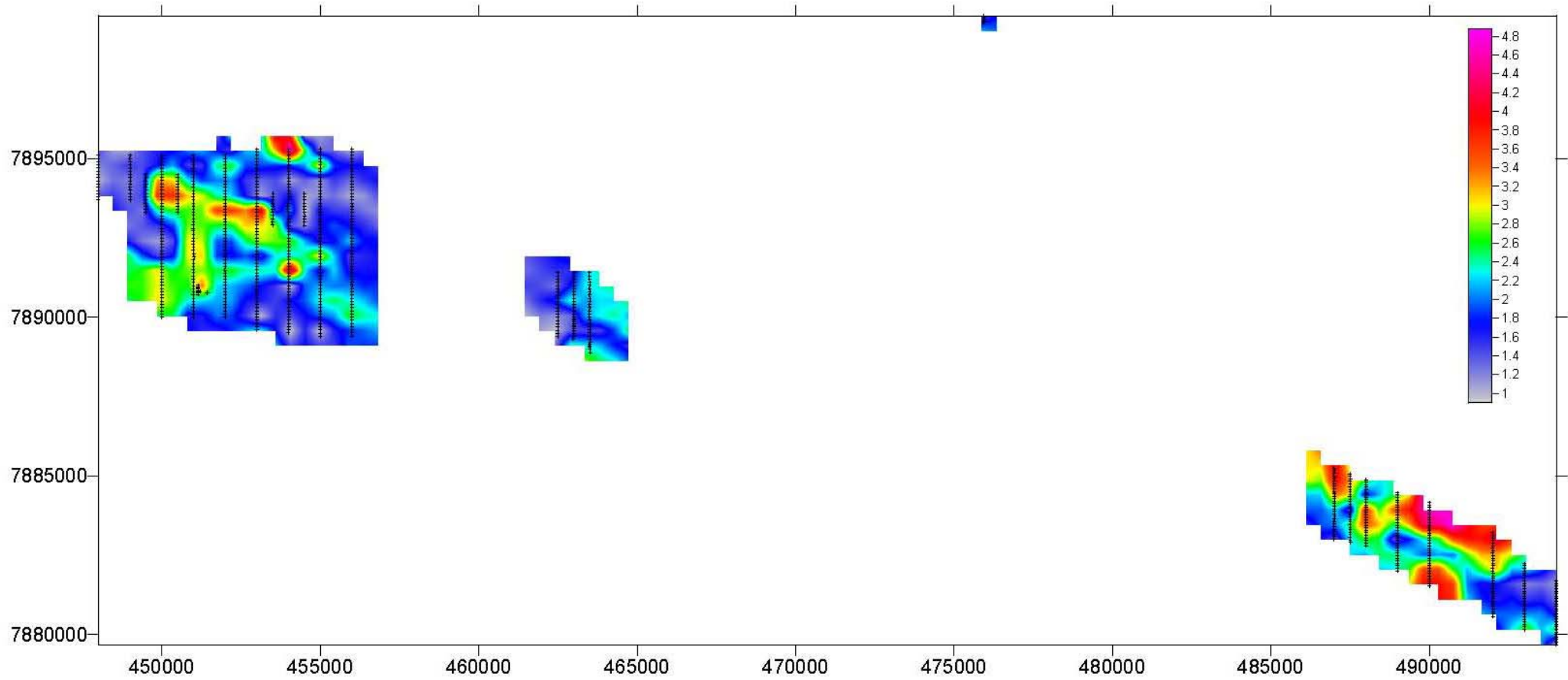


Figure 10: Gardner Range MMI Lanthanum Response Ratio. Datum GDA94_Zone 52

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 2010

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	(388)	(459)
(b) development	-	-
(c) production	-	-
(d) administration	(79)	(113)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	2
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	(466)	(570)
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)	(466)	(570)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(466)	(570)
	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	(466)	(570)
1.20	Cash at beginning of quarter/year to date	908	1,012
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	442	442

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

-

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

	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	100
4.2 Development	-
4.3 Production	-
4.4 Administration	65
Total	165

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	442	908
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	442	908

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	E27/175 P27/1612	Expired Surrendered	8 blocks 23 Ha	- -

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining
tenements acquired or
increased

-	-	-	-
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+ See chapter 19 for defined terms.

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 (description)	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	1,162 -	1,162 -		
7.5 +Convertible debt securities (description)	NIL			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	32,875,597 68,378,151 7,250,000	32,875,597 68,378,151 -	Exercise price \$0.09275 \$0.04275 \$0.06275	Expiry date 30/04/2012 30/11/2012 19/10/2011
7.8 Issued during quarter	-			
7.9 Exercised during quarter	1,162	1,162	\$0.09275	31/10/2010
7.10 Expired during quarter	43,747,511	43,747,511	\$0.09275	31/10/2010
7.11 Debentures (totals only)	NIL			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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 2011
(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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+ See chapter 19 for defined terms.