



REPORT FOR THE QUARTER ENDED 31 MARCH 2005

HIGHLIGHTS

- Jackson Project review at Southern Cross near completion
- Quantum farmin to Tanami Regional Gold Project complete
- Positive outcome anticipated from meeting with traditional landholders

INTRODUCTION

Quantum Resources Limited ("Quantum" or "the Company") is an Australian gold explorer with a suite of projects whose tenements cover in excess of 4,000 square kilometres in Western Australia and the Northern Territory. The Whiteheads, Jackson and St Ives projects are the major focus of exploration within Western Australia, whilst in the Northern Territory, its tenements are strategically located within lithologies and structural sites with geological similarities to the major gold mining centres of the Tanami region. In addition, tenement holdings covering an area of 15,000 square kilometres have been acquired through a farmin exploration agreement.

PROJECT REVIEWS

Whiteheads Project (Quantum earning 80%)

The Whiteheads Project is located at the northern end of the Gindalbie Greenstone Belt, 60 kilometres northeast of Kalgoorlie. The area is host to mafic to felsic volcanics, sediments, and altered intrusive porphyries between two major terrane-bounding faults.

Exploration completed included an investigation in to the geochemistry of selected bottom of hole samples taken from RAB drillholes within the Whiteheads area. This project was instigated to help identify the main lithological groups and their relationship to gold mineralisation. The results from this research are pending and will be available next quarter.

St. Ives Project (Quantum 100%)

The Company holds one exploration tenement and four exploration applications covering approximately 162 square kilometres of the prospective Lake Lefroy area, 60 kilometres south of Kalgoorlie. The tenements are located to the east of the main Boulder- Lefroy shear system which is the major host to the gold mineralisation from the mines of the Kambalda / St Ives area through to Kalgoorlie. The tenements are yet to be granted and target generation and project review is continuing.

Jackson Project (Quantum 100%)

The project area covers 756 square kilometres of the Barlee-Marda Greenstone Belt which has seen a renewed focus by a number of mining and exploration companies. The review of this area, including previous exploration is due for completion in April 2005 and preliminary results highlight several target areas which require initial field investigation and possible drilling in covered areas.

Tanami Regional Gold Project (Quantum 100%)

The Company currently holds tenements covering approximately 1,580 square kilometres in the highly prospective Tanami region of the Northern Territory and has recently acquired, under joint venture, an additional 15,000 square kilometres of prospective gold tenements.

A meeting was held with the traditional Aboriginal landholders in early March 2005 in order to discuss its exploration application and seek consent to enter into negotiations with the Central Land Council with regard to ELA23150 to ELA23153.

These ELA's relate to the Officer Hills, Madam Pele and Hordern Hills prospects respectively. Previous explorers have returned anomalous gold values from shallow drilling in each of these areas and the Company is looking forward to following up these and other potential target areas.

The Company believes that it was well represented and is establishing a good relationship with the traditional owners and is confident a positive outcome will result in the granting of the consent. This will enable an agreement to be negotiated with the Central Land Council.

Wallbrook Project / Kalgoorlie North (Jackson Gold earning 80%)

The Company's Wallbrook Project is a joint venture in which Jackson Gold is earning an 80 % interest in exploration license 31/571. Jackson Gold has defined over 204,000 ounces of gold at its Wallbrook Project which is approximately two kilometres south east of the joint venture tenement. Jackson Gold have announced recently that they are about to embark on a major campaign of drilling to upgrade their resources in order to commence mining studies. E31/571 lies adjacent to Jackson's Crusader Deposit, and new geological models indicate potential mineralised structures may continue to the west and north west into E31/571. The results from the soil sampling program completed in the December 2004 quarter returned several anomalous gold values with a peak value of 26 parts per billion (ppb) gold against a background of 4.8 ppb gold. A review of the soil results seem to indicate that there may be a similar structural trend to the Wallbrook mineralisation and the anomalous results coincide with an area covered by shallow transported material. Further investigation of these areas is required to determine the significance of these results.

CORPORATE

During the quarter, the Company issued 19.7 million shares at a price of 2.5 cents each raising \$492,500.

The technical information in this report has been reviewed and approved by Mr C. Taylor who is a member of the Australasian Institute of Mining and Metallurgy and has approximately 20 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
28 April 2005

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")

31 March 2005

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	YTD (6 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(186)	(361)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(165)	(380)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	3
1.5	Interest and other costs of finance paid	-	(3)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	11	61
Net Operating Cash Flows		(339)	(680)
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)	(339)	(680)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(339)	(680)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	492	492
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	270	615
1.17	Repayment of borrowings	(222)	(222)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net financing cash flows		540	885
Net increase (decrease) in cash held		201	205
1.20	Cash at beginning of quarter/year to date	5	1
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	206	206

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	39
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

Quarter ended 31 December 2004.
An amount of \$208,700 advanced to the Company by a Director related entity has been used to repay a third party.

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	Refer attached details	Refer attached details
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	-
Total	100

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	206	5
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	206	5

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 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 (description)	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	310,597,528	310,597,528	-	-
7.4 Changes during quarter				
(a) Increases through issues	19,700,000	19,700,000	-	-
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities (description)	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options (description and conversion factor)	1,400,000	-	Exercise price \$0.08	Expiry date 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
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures (totals only)	-	-		
7.12 Unsecured notes (totals only)				

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: 28 April 2005
(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 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 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 31.03.2005
(referred to in this Statement as the "Current Quarter")

ADDITIONAL INFORMATION

Item 1.7 Other

During the March 2005 Quarter, monies were received for GST refund of \$11,000.

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 3.1 Loan Facilities

Mr. Gutnick has confirmed that based on the Company's present and projected cash flows (and anticipated support from its financiers over that time) he should have access to sufficient funds to be in a position to assist the Company to meet its commitments. Mr. Gutnick has invited the Company, as and when funds are required, to apply to him for relevant funds. Mr. Gutnick will then, at his absolute discretion, determine whether he is willing or able to assist the Company.

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 covert to one fully paid share.

Unlisted

1,400,000 Options maturing 24 March 2010, issued under the 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.

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>REQUIRING ALLO</u>			
E 29/504	Granted	0.00%	100.00%