Quantum Resources Limited

ABN 84 006 690 348

REPORT TO SHAREHOLDERS
FOR THE HALF YEAR ENDED
31 DECEMBER 2008

THIS REPORT SHOULD BE READ IN CONJUNCTION WITH THE 2008 ANNUAL FINANCIAL REPORT

16 March 2009

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. A geological-mineral prospectivity review is underway with an objective of rationalising the Company's tenement package in order to focus meaningful and cost-effective exploration to the most promising projects that offer the best chances of a mineral deposit discovery of significant economic size and grade.

BASE METAL, URANIUM AND GOLD EXPLORATION

The Ware Range tenement holdings cover approximately 170 square kilometres in the Northern Territory and the Gardner Range tenement holdings cover approximately 650 square kilometres in Western Australia. The 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.

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. The planned drilling scheduled in the last quarter of 2008 was not achieved due to staff shortage and the unavailability of a drill rig. This drilling program will be re-scheduled at a later date pending review of the overall exploration program and schedule.

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, including 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.

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 and further work planned for the Millrose and Telfer 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 13 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 has been planned to follow-up the significant gold anomalous areas detected in the RAB holes. Drilling is provisional on the granting of an extension of term for tenement E27/175.

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 continuing with a view to developing an exploration program which will target the interaction of regional structural and lithological features in areas of recent cover when the tenement becomes available for exploration.

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.

Cullen Exploration has completed a review of its project priorities for 2009, and has decided it does not intend to undertake any further exploration on E53/988. This reflects both Cullen's own exploration budget constraints and the results of their last drilling campaign. As a result, the joint venture partners have agreed to surrender the tenement.

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. Newmont did not conduct any field work during the December 2008 quarter.

J I Gutnick
Chairman & Managing Director

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.

The Directors of Quantum Resources Limited present their report for the half year ended 31 December 2008.

1. Directors

The Directors of the Company in office during the half year and at the date of this Report are:

Mr Joseph Gutnick FAusIMM FAIM MAICD
Chairman and Managing Director

Dr David Tyrwhitt PhD(Geology) BSc(Hons) FSEG(USA) FAusIMM CPGeo
Non-Executive Director

Mr Mordechai Gutnick
Non-Executive Director

2. Review and Results of Operations

The Company recorded a net loss of $541,677 (2007: $538,601) for the half-year ended 31 December 2008.

Objectives

The Company's objective is to increase shareholder wealth through successful exploration activities whilst providing a safe workplace and ensuring best practice in relation to its environmental obligations.

Income Statement

Revenue

Quantum as a mineral exploration company does not have an ongoing source of income. Revenue received is normally from adhoc investment and tenement disposals, interest from cash in bank and loans receivable.

In the 2008 half-year, finance revenue has decreased from $5,601 in 2007 to $488 in 2008 due to the decrease in interest income.

Expenses

Expenses decreased from $544,202 for the 2007 half year to $542,165 for the 2008 half year. Exploration expenditure written off increased from $94,381 in 2007 to $371,951 in 2008. Administration costs decreased from $426,146 in 2007 to $128,719 in 2008. Other expenses decreased from $23,638 in 2007 to $11,630 in 2008 and finance costs increased from $37 in 2007 to $29,865 in 2008, being interest and other financing costs on debt finance.

The result is an operating loss for the Company of $541,677 in 2008 compared to $538,601 in 2007.

Balance Sheet

During the 2008 half-year the Company's cash balance decreased from $116,220 at 30 June 2008 to $17,127, receivables increased from $24,555 at 30 June 2008 to $30,308 and exploration costs capitalized decreased from $1,308,437 at 30 June 2008 to $1,131,431.

Trade and other payables reduced by $423,935 to $72,248 at 31 December 2008, whilst non-current borrowings (unsecured) increased to $684,356.

Cash Flow

During the half year to December 2008, the Company paid $36,462 in the normal course of operations and $124,119 for exploration costs, provided a loan of $14,000 and were repaid $75,000 by an other entity.

3. Events Subsequent to Balance Date

On 16 March 2009, the Company announced it intended to raise $2 million through a fully underwritten non-renounceable rights issue of ordinary shares on a one-for-one basis at an issue price of $0.005 per share. The rights issue will be fully underwritten by Wilzed Pty Ltd, a company of which the Chairman and Managing Director of Quantum is a Director. Shareholder approval for the underwriting will be sought at a shareholder meeting to be convened.

4. Auditor's Independence Declaration

The auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is attached to this Report.

Signed in accordance with a resolution of the Board of Directors at Melbourne this 16th day of March 2009.

J.I. Gutnick

J I Gutnick
Director

PKF

Chartered Accountants
& Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of Quantum Resources Limited for the half-year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

J A Mooney
Partner
PKF

16 March 2009
Melbourne

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Quantum Resources Limited
Condensed Income Statement
For the Half-Year Ended 31 December 2008

	Note	2008 $	2007 $
Continuing Operations			
Finance revenue	3	488	5,601
Revenue		488	5,601
Exploration expenditure written off		(371,951)	(94,381)
Administration expenses		(128,719)	(426,146)
Other expenses	3	(11,630)	(23,638)
Finance costs	3	(29,865)	(37)
Loss before income tax		(541,677)	(538,601)
Income tax expense		-	-
Loss for the period after tax from continuing operations		(541,677)	(538,601)
Loss attributable to members		(541,677)	(538,601)
Earnings per share		Cents	Cents
Basic loss per share for the half-year attributable to ordinary equity holders	4	(0.13)	(0.15)
Diluted loss per share for the half-year attributable to ordinary equity holders	4	(0.13)	(0.15)

The condensed income statement is to be read in conjunction with the accompanying notes to the condensed financial statements.

Quantum Resources Limited
Condensed Balance Sheet as at 31 December 2008

	Note	31 December 2008 $	30 June 2008 $
ASSETS			
Current Assets			
Cash and cash equivalents		17,127	116,220
Receivables		10,308	4,555
Other current assets		2,271	1,486
Total Current Assets		29,706	122,261
Non-Current Assets			
Receivables		20,000	20,000
Available-for-sale financial assets		73	175
Exploration expenditure		1,131,431	1,308,437
Plant and equipment		-	67
Total Non-Current Assets		1,151,504	1,328,679
TOTAL ASSETS		1,181,210	1,450,940
LIABILITIES			
Current Liabilities			
Trade and other payables		72,248	496,183
Total Current Liabilities		72,248	496,183
Non-Current Liabilities			
Borrowings (unsecured)		684,356	-
Total Non-Current Liabilities		684,356	-
TOTAL LIABILITIES		756,604	496,183
NET ASSETS		424,606	954,757
EQUITY			
Issued capital	5	54,670,187	54,670,187
Reserves		713,988	702,462
Accumulated losses		(54,959,569)	(54,417,892)
TOTAL EQUITY		424,606	954,757

The condensed balance sheet is to be read in conjunction with the accompanying notes to the condensed financial statements

Quantum Resources Limited
Condensed Cash Flow Statement for the Half Year Ended 31 December 2008

	2008 $	2007 $
Cash flows from operating activities		
Payments in the course of operations	(36,462)	(386,018)
Interest received	488	5,601
Net cash used in operating activities	(35,974)	(380,417)
Cash flows from investing activities		
Payments for exploration expenditure	(124,119)	(435,930)
Loans repaid by other entity	75,000	118,357
Loans to other entity	(14,000)	-
Net cash used in investing activities	(63,119)	(317,573)
Cash flows from financing activities		
Proceeds from issue of shares	-	670,000
Payment of share issue costs	-	(44,613)
Net cash provided by financing activities	-	625,387
Net increase/(decrease) in cash held	(99,093)	(72,603)
Cash and cash equivalents at beginning of period	116,220	128,845
Cash and cash equivalents at end of period	17,127	56,242

The condensed cash flow statement is to be read in conjunction with accompanying notes to the condensed financial statements.

Quantum Resources Limited
Condensed Statement of Changes in Equity for the Half-Year Ended
31 December 2008

	Issued Capital $	**Accumulated Losses $**	**Reserves $**	**Total Equity $**
At 1 July 2007	53,484,829	(53,372,424)	659,102	771,507
Loss for the period	-	(538,601)	-	(538,601)
Net gains on available-for–sale financial assets	-	-	2,651	2,651
Issue of share capital	670,000	-	-	670,000
Equity transaction costs	(44,613)	-	-	(44,613)
Share-based payments charge	-	-	23,500	23,500
At 31 December 2007	54,110,216	(53,911,025)	685,253	884,444
At 1 July 2008	54,670,187	(54,417,892)	702,462	954,757
Loss for the period	-	(541,677)	-	(541,677)
Net losses on available-for–sale financial assets	-	-	(49)	(49)
Share-based payments charge	-	-	11,575	11,575
At 31 December 2008	54,670,187	(54,959,569)	713,988	424,606

The condensed statement of changes in equity is to be read in conjunction with the accompanying notes to the condensed financial statements.

1. BASIS OF PREPARATION

(a) Reporting Entity

Quantum Resources Limited (the "Company") is a company domiciled in Australia. The condensed financial report of the Company as at and for the half-year ended 31 December 2008 comprises the Company only and has not been consolidated with any other entity.

The annual financial report of the entity as at and for the year ended 30 June 2008 is available upon request from the Company's registered office at Level 8, 580 St Kilda Road, Melbourne, VIC 3004 or at www.qur.com.au.

(b) Statement of compliance

The half-year financial report is a general-purpose condensed financial report for the half-year ended 31 December 2008, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "*Interim Financial Reporting*" and other mandatory professional reporting requirements.

The half-year financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual financial report of Quantum Resources Limited as at and for the year ended 30 June 2008.

It is also recommended that the half-year financial report be considered together with any public announcements made by Quantum Resources Limited during the half-year ended 31 December 2008 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The half-year financial report was approved by the Board of Directors on 16 March 2009.

(c) Summary of significant accounting policies

The accounting standards, estimation methods and measurement bases used in this report are the same as those used in the last Quantum Resources Limited Annual Report.

2. SEGMENT INFORMATION

The principal business and geographical segment of the Company is mineral exploration within Australia.

3. REVENUE AND EXPENSES

	2008 $	2007 $
Loss before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the Company:		
(i) Finance revenue		
Interest		
Other Entity	-	1,328
Other	488	4,273
Total finance revenue	488	5,601
(ii) Finance Costs		
Borrowing costs		
Other Entity	29,865	37
Total finance costs	29,865	37

3. REVENUE AND EXPENSES (Cont'd)

	2008 $	2007 $
(iii) Other Expenses		
Employee share option amortisation	11,575	23,500
Impairment of available-for-sale assets	55	138
Total other expenses	11,630	23,638

4. EARNINGS PER SHARE

Basic earnings per share

	2008 $	2007 $
Loss attributable to ordinary shareholders		
For the six months ended 31 December		
Loss for the period	(541,677)	(538,601)

	Number of shares	Number of shares
Weighted average number of ordinary shares		
For the six months ended 31 December	407,351,028	366,589,071

Diluted earnings per share

153,652,421 options at reporting date are not dilutive as the conversion would result in a reduced loss per share.

5. ISSUED CAPITAL

	Number of shares	$
Ordinary shares Issued and fully paid	407,351,028	54,670,187

Movements in ordinary shares on issue	Number of shares	$
Balance at 1 July 2008	407,351,028	54,670,187
Balance at 31 December 2008	407,351,028	54,670,187

6. COMMITMENTS

Exploration

Changes in existing commitments
As a result of the change in status of a number of tenements being granted since 30 June 2008, the amounts which may be required to be expended to retain tenements has changed. These commitments are as follows:

	31 December 2008 $	30 June 2008 $
Not later than one year	911,119	1,079,140
Later than one year but not later than five years	2,246,028	2,529,700
	3,157,147	3,608,840

7. CONTINGENT LIABILITY

There has been no change since 30 June 2008.

8. EVENTS SUBSEQUENT TO BALANCE DATE

On 16 March 2009, the Company announced it intended to raise $2 million through a fully underwritten non-renounceable rights issue of ordinary shares on a one-for-one basis at an issue price of $0.005 per share. The rights issue will be fully underwritten by Wilzed Pty Ltd, a company of which the Chairman and Managing Director of Quantum is a Director. Shareholder approval for the underwriting will be sought at a shareholder meeting to be convened.

9. GOING CONCERN

The Company has incurred a loss of $541,677 in the half-year to 31 December 2008 and has a deficiency of working capital of $42,542. These conditions indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Financial Report has been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Directors believe this basis to be appropriate as a result of the fully underwritten non-renounceable rights issue. Refer note 8. The Directors have reduced expenditure and have the ability to defer cash outflows until proceeds of the rights issue have been received. Should the Company be unable to continue as a going concern, it may be required to realise their assets and extinguish their liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Company be unable to continue as a going concern.

Quantum Resources Limited
Directors' Declaration

In the opinion of the Directors of Quantum Resources Limited ("the Company"):

(a) The accompanying financial statements and notes are in accordance with the Corporations Act 2001, including:

 (i) giving a true and fair view of the financial position of the Company as at 31 December 2008 and of its performance as represented by the results of its operations and cash flows for the half-year ended on that date; and

 (ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable for the reasons as set out in note 9.

Signed in accordance with a Resolution of the Directors at Melbourne this 16th day of March 2009.

J.I. Gutnick

J.I. Gutnick
Director

PKF

Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF QUANTUM RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Quantum Resources Limited, which comprises the condensed balance sheet as at 31 December 2008, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the entity.

Directors' Responsibility for the Half-Year Financial Report

The directors of Quantum Resources Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Quantum Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Quantum Resources Limited is not in accordance with the Corporations Act 2001 including:

(a) giving a true and fair view of the entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of Matter - Material Uncertainty Regarding Continuation As A Going Concern

Without qualification to the conclusion expressed above, attention is drawn to the following matter.

As referred to in Note 9 "Going Concern" to the financial statements, the entity incurred a loss for the half year ended 31 December 2008 of $541,677. At 31 December 2008 the entity had an excess of current liabilities over current assets amounting to $42,542. These conditions give rise to a material uncertainty which may cast significant doubt about the ability of the entity to continue as a going concern, and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report has been prepared on a going concern basis for the reasons set out in Note 9 and therefore does not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

PKF

J A Mooney
Partner

16 March 2009
Melbourne

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