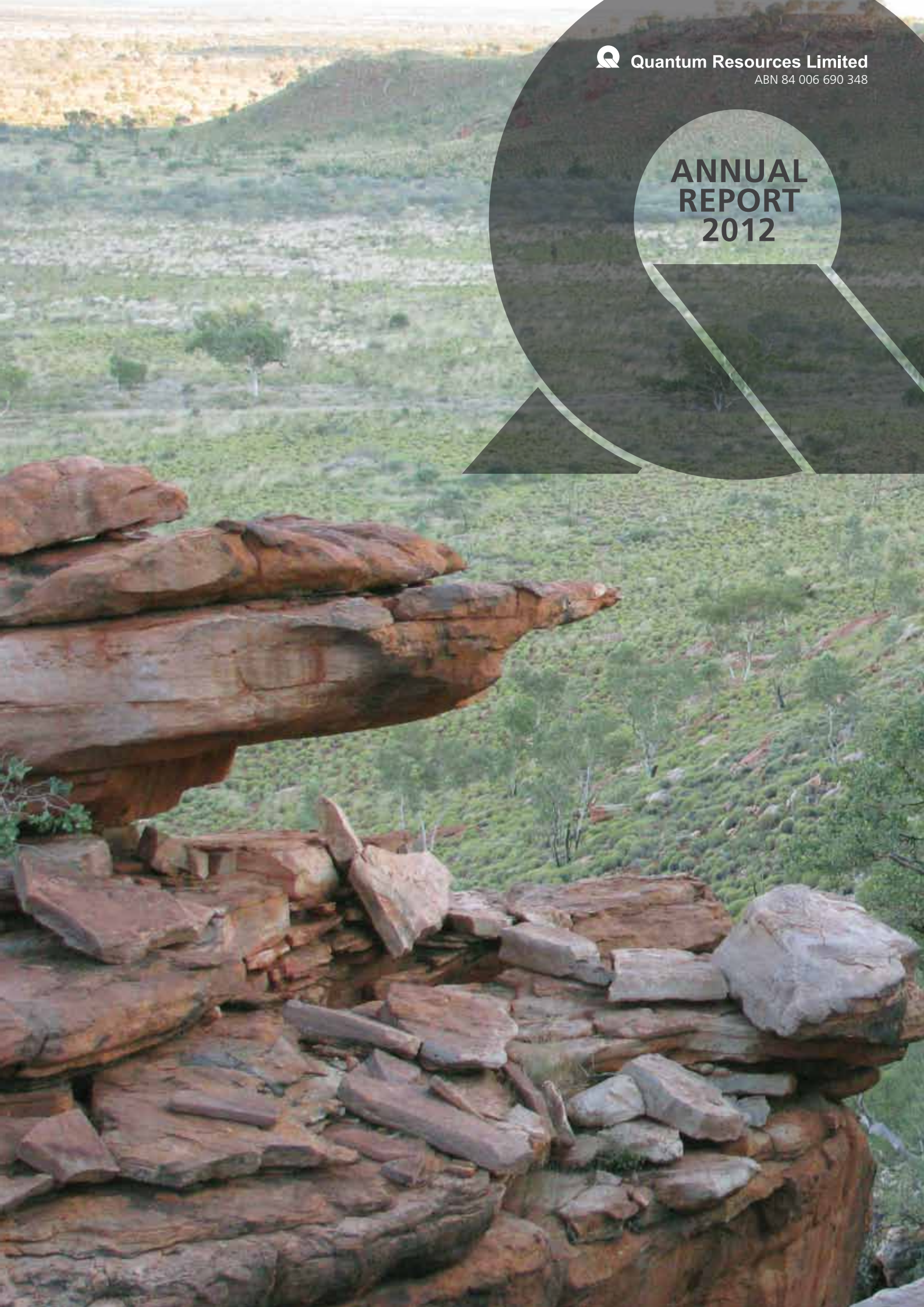




Quantum Resources Limited

ABN 84 006 690 348

**ANNUAL
REPORT
2012**



CONTENTS

1	CHAIRMAN'S REPORT
5	DIRECTORS' REPORT
13	AUDIT INDEPENDENCE DECLARATION
14	STATEMENT OF COMPREHENSIVE INCOME
15	STATEMENT OF FINANCIAL POSITION
16	STATEMENT OF CHANGES IN EQUITY
17	STATEMENT OF CASH FLOWS
18	NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
35	DIRECTORS' DECLARATION
36	INDEPENDENT AUDITOR'S REPORT
38	CORPORATE GOVERNANCE
41	TENEMENTS LIST
42	AUSTRALIAN SECURITIES EXCHANGE INFORMATION
	CORPORATE INFORMATION



CHAIRMAN'S REPORT

Dear Shareholder

Quantum Resources Limited ("Quantum" or "the Company") is an Australian base metal, uranium and gold explorer with a suite of projects whose granted tenements cover approximately 476 square kilometres in the Northern Territory and Western Australia. During the year, several work programs for tenements in Western Australia were completed.

Gardner Range Project (Quantum 100%)

The Company holds tenements in the Gardner Range, approximately 100 to 200 kilometres to the southeast and east of Hall's Creek with potential for base metals, uranium and gold. The Gardner Range project consists of 3 granted tenements, E80-3410, E80-3411 and E80-3412. Exploration for uranium by BHP Exploration in the 1980's discovered uranium mineralisation at Mt Mansbridge. Uranium results of up to 980 parts per million ("ppm") were found to be associated with the unconformity between the Gardner Sandstone and underlying Killi Killi Beds.

The 2011 work program has built upon the 2010 results and includes additional Mobile Metal Ion ("MMI") plus residual soil geochemical sampling, rock chip sampling, a stream sampling orientation program for uranium and REE bearing minerals and a greater emphasis on geological mapping in order to define host stratigraphy.

The 2011 program was planned to commence in May, but was postponed until August due to the Tjurabalan traditional owners deciding surveys were required over the proposed work areas prior to commencement of exploration activities. The East Kimberley Region experienced one of the wettest northern wet seasons on record and as consequence access roads in to Ringer Soak and the Gardner Range work areas were impassable until July, greatly delaying these heritage surveys.

Equally stream gravel and geochemical sampling is much less effective and efficient when ground conditions are still wet.

Quantum Resources technical personnel reviewed the all geophysical data in light of the 2010 sampling results. Targets within the three main working areas were reviewed and new targets identified. On advice from the Kimberley Land Council, and in light of the very confined areas cleared for work programs in 2010, larger areas were identified for work clearance surveys to give Quantum Resources access to a greater proportion of the project's tenements.

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

These samples confirmed the previous findings and increased understanding of the hydrothermal system. The sample results together with factors such as a measured zone of low electrical conductivity and an enhanced radiometric response confirm the existence of a distinct hydrothermal cell in the Mt Mansbridge area.

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.

One significant exploration implication of the Company's mineralisation model is that elevated values of light rare earth elements in the Gardner Sandstone may indicate uranium and heavy rare earth elements at depth. This interpretation is suggested by the fact that mineralisation above the basal portion of the Gardner Sandstone records a decline in uranium and heavy rare earth elements with increasing distance from the exit point of the fluid pathway. Preliminary assessment of grade and occurrence of mineralisation will require a program of drilling.

Orientation stream sediment sampling to define rare earth distribution was completed and it was found that the coarse fraction of the active streams is most effective. This exploration method can be applied to stream sediments draining the unconformity to detect additional hydrothermal centres.

CHAIRMAN'S REPORT continued

Telfer Project (Quantum 100%)

In 1990-1992 Mt Burgess Mining Ltd and Carpentaria Exploration Ltd conducted an extensive program of geological mapping, trenching, RAB drill testing with a limited program of shallow RC drilling. Ground geophysical surveys were also employed for target definition. Open file reports at the WA Department of Mines and Petroleum detail over 300 pages of exploration activity.

Previous exploration at the Chicken Ranch Prospect identified gold mineralisation over a one kilometre strike length with anomalous surface rock chip samples collected from outcrop and shallow trenches ranging from 0.5 g/t to a maximum 14.25 g/t gold with associated 110 g/t silver and 0.08% copper. A chip channel sample in a trench graded 35 g/t gold over 0.5 metre with an adjoining sample of 5.3 g/t over 1 metre. Highlights of the drilling program include 7 metres @ 13.64 g/t gold and 4 metres @ 21.8 g/t gold from a depth of 29-33 metres.

Newcrest Mining Ltd's Telfer Gold Mine is located approximately 10 km south of the project area. The Telfer Gold Mine is host to one of Australia's largest gold deposits with a reported ore reserve of 11.9 million ounces of gold and 0.510 million tonnes of copper within a mineral resource of approximately 18.5 million ounces gold.

Two fault zones have been identified which bring sections of the Telfer Formation, the rock unit hosting the Telfer orebodies, into contact with the surrounding siltstone and dolomite. Most of the mineralisation discovered appears to be directly related to these faults. Quantum believes these thrust zones are similar to those long recognised at both Main Dome and West Dome at the Telfer Mine.

The licence is currently under application hence no field exploration has been completed by the Company.

Base Metal & Gold Exploration

Officer Hill Joint Venture

The Officer Hill JV Project is located within the Tanami geological province, which hosts world class orogenic gold deposits. Company holds a single Exploration Licence Application located 34 kilometres southwest of Newmont Mining's Callie Gold Mine

The project is prospective for gold mineralisation with historical drilling intercepts of 4 metres @ 4.64 g/t, numerous short intervals of 1-4 g/t, and several wide intercepts of 0.1-1 g/t indicate that there is potential for the project area to host steeply plunging shoots such as those at the Tanami Gold Mine.

The project has been joint ventured to Newmont who are progressing the licence to grant and will be managing the exploration. Newmont are earning a 75% interest by spending \$500,000 within three years. Newmont must spend \$100,000 within the first 12 months.

The licence is currently under application hence no field exploration has been completed by the Company.

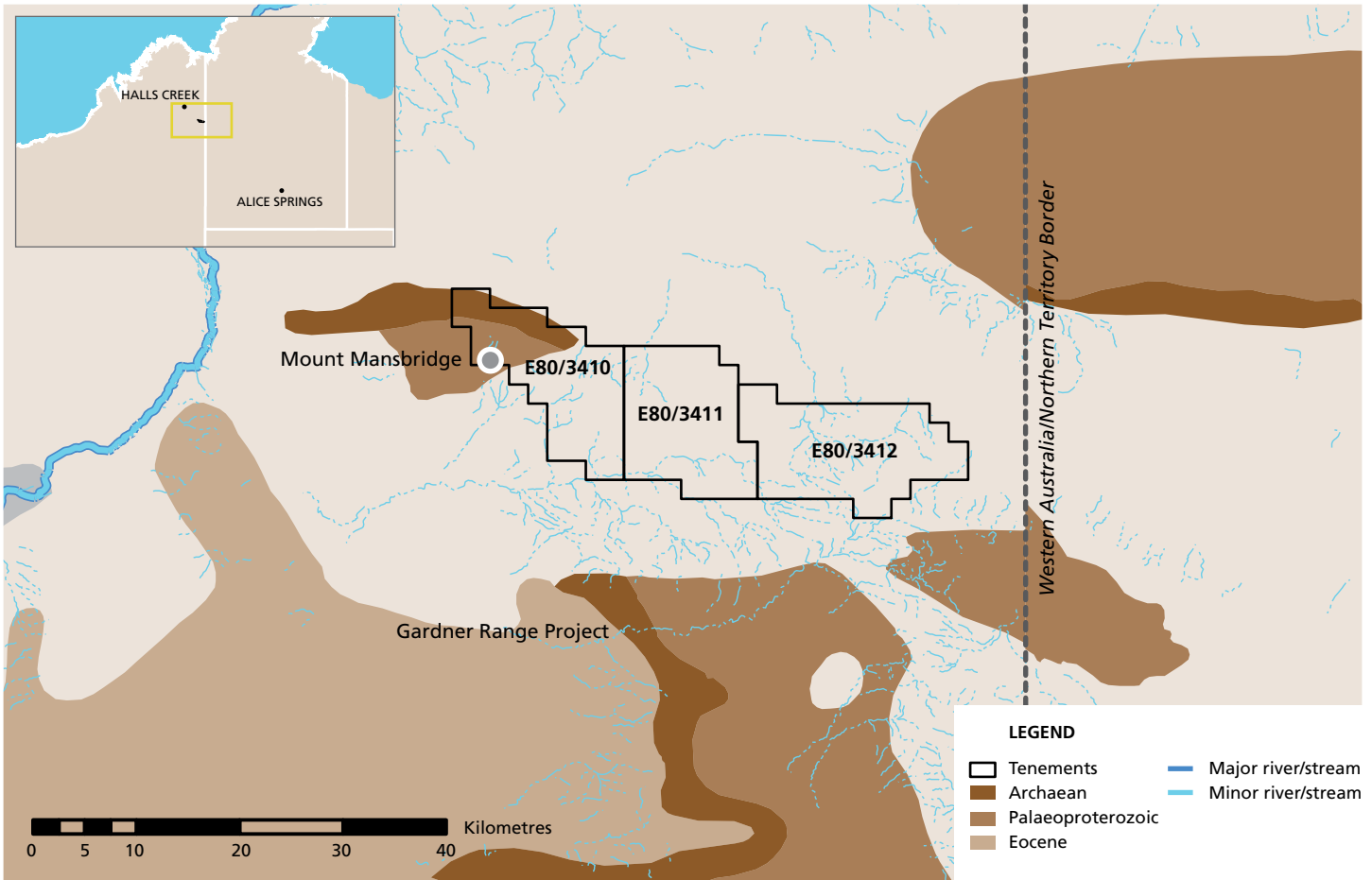


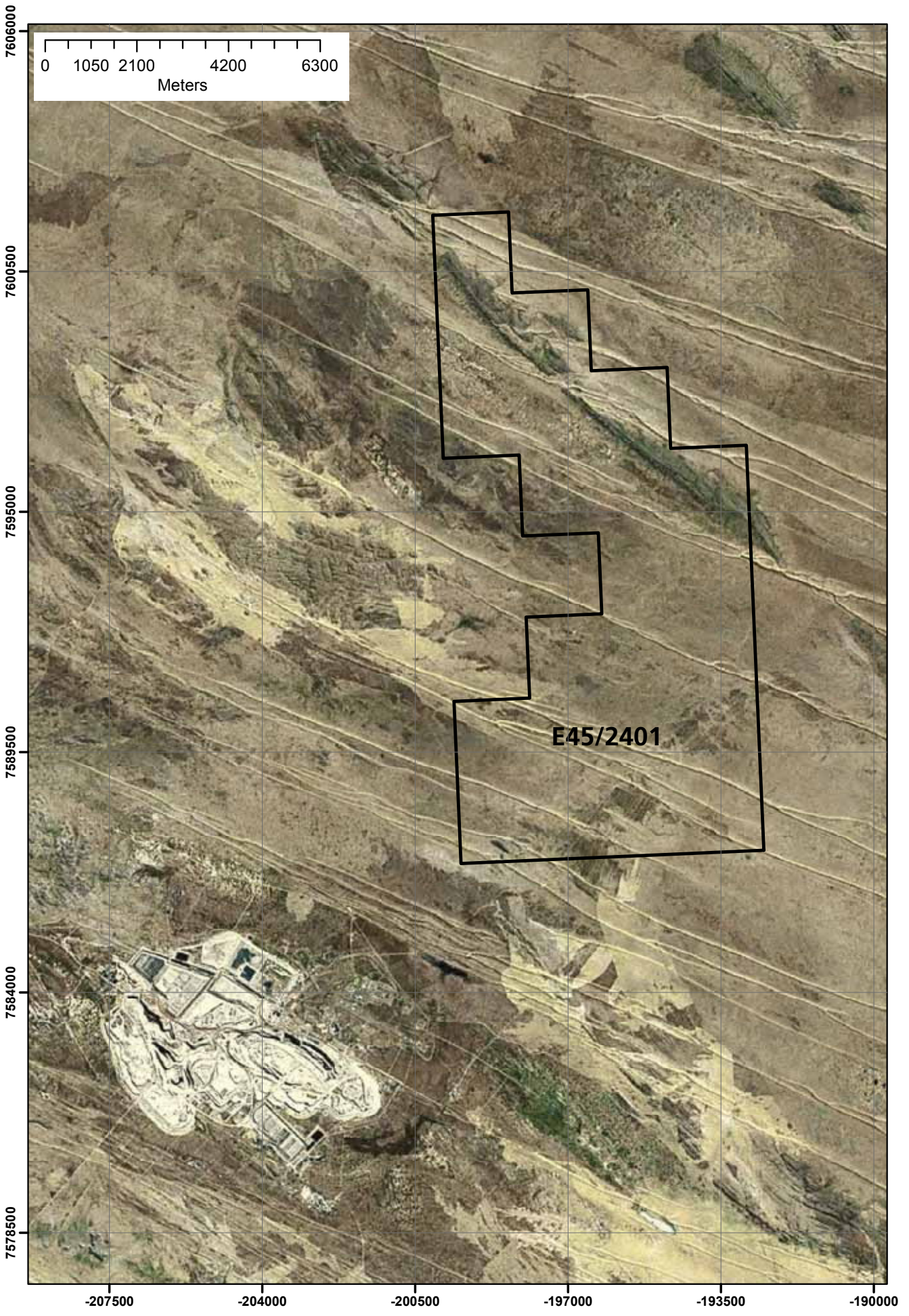
J I GUTNICK

Chairman and Managing Director

The information in this report that relates to Exploration Results is based on information compiled by Dr DS Tyrwhitt who is a member of the Australasian Institute of Mining and Metallurgy. Dr DS Tyrwhitt is a consulting geologist employed by DS Tyrwhitt & Associates Pty Ltd. Dr DS Tyrwhitt has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr DS Tyrwhitt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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.





DIRECTORS' REPORT

The Directors of Quantum Resources Limited present their report for the year ended 30 June 2012.

1. Directors

The Directors of the Company in office since 1 July 2011 and up to the date of this Report are:

Mr Joseph Gutnick FAusIMM FAIM MAICD
Chairman and Managing Director

Mr Gutnick is a leading mining industry entrepreneur. He has been a Director of the Company since 1987. He is currently President and Chief Executive Officer of numerous listed public companies in both Australia and North America including Legend International Holdings, Inc., Golden River Resources Corporation, Northern Capital Resources Corp, Aurum, Inc. and Consolidated Gems, Inc and Great Central Resources Corp, Executive Chairman, Managing Director and Chief Executive Officer of North Australian Diamonds Limited and Top End Uranium Ltd, and Executive Chairman of Paradise Phosphate Limited. Mr Gutnick has been responsible for overseeing the discovery of the Plutonic gold deposit, and the discovery, development and operation of the world class Bronzewing and Jundee gold mines in Australia. He was awarded the Diggers award at the 1997 Diggers and Dealers Industry Awards and is a former Director of the World Gold Council. He was a Director of Astro Diamond Mines N.L. from October 1988 to October 2007, Hawthorn Resources Limited from July 1987 to November 2007, Acadian Mining Corporation from October 2009 to February 2010 and Royal Roads Corporation from November 2009 to February 2010. Age 60

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

Dr Tyrwhitt has been a Director of the Company since 1999. He has more than 50 years experience in the mining industry. He is currently a Director of Legend International Holdings, Inc., Hawthorn Resources Limited, Golden River Resources Corporation and Northern Capital Resources Corp. In the past five years, Dr Tyrwhitt was Director of Bassari Resources Ltd. He worked for over 20 years with Newmont Mining Corporation in Australia, South East Asia and the United States. During this time, he was responsible for the discovery of the Telfer Gold Mine in Western Australia. He was Chief Executive of Newmont Australia Limited between 1984 and 1988 and Chief Executive Officer of Ashton Mining Limited between 1988 and 1991 and a Director of Astro Diamond Mines N.L. from November 1996 to May 2008. He established his own consultancy in 1991 and worked with Normandy Mining Limited on a number of mining projects in South East Asia. Age 74

Peter Lee
Executive Director – appointed 30 April 2012

Mr Lee has over 30 years commercial experience and is currently Chief Financial Officer and Company Secretary of several listed public companies in Australia and North America. He is a Director, Chief Financial Officer and Secretary of Golden River Resources Corp, a Delaware corporation, Secretary of Aurum, Inc; Chief Financial Officer and Secretary of Northern Capital Resources Corp and Great Central Resources Corp, Consolidated Gems, Inc., and Chief Financial Officer and Company Secretary of North Australian Diamonds Limited, Top End Uranium Ltd and Quantum Resources Limited and Secretary of Paradise Phosphate Limited, all listed on Australian Securities Exchange. Mr Lee is also a Director of Acadian Mining Corporation. In the past five years, Mr Lee was a Director of Royal Roads Corporation. Mr Lee is a Member of the Institute of Chartered Accountants in Australia, a Fellow of Chartered Secretaries Australia Ltd., a Member of the Australian Institute of Company Directors and holds a Bachelor of Business (Accounting) from Royal Melbourne Institute of Technology. Age 55

Directors who ceased to hold office

Craig Michael – resigned 30 April 2012

Mr Michael has over 12 years experience as a geology professional in the mining and resources industry. He is currently a Director of North Australian Diamonds Ltd and Top End Uranium Ltd, Director and Chief Executive Officer of Aurum, Inc. and Electrum International, Inc. and Executive General Manager of Legend International Holdings, Inc. His previous work was with Oxiana Ltd, an international mining company with operations in South East Asia and Australia. Mr Michael was based in Laos in senior management positions both as a Mine Geologist and Resource Geologist at the Sepon Copper Gold Project. Prior to his time with Oxiana, he was a Mine Geologist at Sons of Gwalia's Carosue Dam Gold Project in Western Australia where he also conducted his first class honours thesis on their flagship Karari gold deposit. Age 34

DIRECTORS' REPORT continued

2. Principal Activities and Review and Results of Activities

The principal activity of the Company during the financial year was mineral exploration. There has been no significant change in the nature of these activities during the financial year.

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.

The key opportunity for the Company during the year has been the advancement of its exploration projects; however this was hampered by the difficulty in sourcing consultants, drilling rigs, field supplies and field infrastructure allowing it to commence a field program.

Statement of Comprehensive Income

As an exploration company, Quantum does not have an ongoing source of revenue. Its revenue stream is normally from ad-hoc tenement disposals, sale of fixed assets and interest received on cash in bank.

In the current year, revenue has decreased from \$11,160 in 2011 to \$10 in 2012. During 2011, the Company sold its interest in several exploration licences.

Costs and expenses have increased from \$172,228 in 2011 to \$404,167 in 2012. Exploration expenditure provided for or written off amounted to \$46,937 in 2011 compared to \$240,693 in 2012 as a result of the write-down of non-prospective tenement interests and exploration expenditure incurred. Administration expenses increased from \$125,291 in 2011 to \$163,474 in 2012. Finance expense was \$156 in 2011 compared to finance expense of \$256 in 2012 as a result of a lower cash balance during the 2012 year. As a result, the Company made a net loss after tax of \$161,224 in 2011 compared to a net loss after tax of \$404,413 in 2012.

Statement of Financial Position

At 30 June 2012, the Company had cash at bank of \$4,584 (2011: \$372,684). During the year, the Company increased its receivables and other current assets from \$689 to \$13,967 and capitalized exploration expenditure decreased by \$1,654 to \$1,281,980 which is a result of exploration expenditure incurred of \$239,039 incurred on granted tenements offset by a write-off of costs incurred on tenements not yet granted and/or surrendered of \$240,693. At 30 June 2012, the Company had total liabilities of \$274,496.

As a result, the Company had, at 30 June 2012, negative working capital of \$255,945 (positive working capital 2011: \$134,096) and net assets of \$1,027,900 (2011: \$1,432,313).

Cash Flow

During the year, the Company paid \$83,449 (2011: \$133,912) for operating activities and \$284,651 (2011: \$505,862) for investing activities with the key components being payments for exploration expenditure of \$290,151 (2011: \$515,824), offset by loan from other entity \$5,500 (2011: \$nil).

3. Significant Change in State of Affairs

The Directors are of the opinion that other than that disclosed in the Principal Activities section of the Directors' Report, there have not been any significant changes in the state of affairs of the Company during the year under review.

4. Dividends

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of dividend since the end of the previous financial year and up to the date of this Annual Report.

5. Events After The End Of The Financial Year

There has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature which in the opinion of the Directors of the Company, has significantly affected or may significantly affect:

- the operations of the Company;
- the results of those operations; or
- the state of affairs of the Company

in financial years subsequent to this financial year.

6. Future Developments and Results

There are no likely developments of which the Directors are aware which could be expected to significantly affect the results of the Company's operations in subsequent financial years not otherwise disclosed in this Annual Report.

7. Options

At the date of this Report, the Company had on issue the following options over fully paid ordinary shares.

i) Listed

Number	Maturity date	Issue price	Exercise price	Exercise period
68,378,151	30 November 2012	A\$0.02	A\$0.04275	Anytime after 1 July 2003

During the year and up to the date of this Report, no options have been issued and no options have been exercised. Optionholders have no rights to participate in an issue of shares unless they convert their options. The names of all the persons who currently hold options are entered on a register maintained for the Company, by Link Market Services Limited. In accordance with the Corporations Act 2001, this Register may be inspected free of charge.

As a result of the rights issue in 2009, the exercise price of options was recast in accordance with ASX Listing Rules. During the year and up to the date of this Report, 32,875,597 listed options with a maturity date of 30 April 2012 and 7,250,000 unlisted options with a maturity date of 19 October 2011 have lapsed. Optionholders have no rights to participate in an issue of shares unless they convert their options. The names of all the persons who currently hold options are entered on a register maintained for the Company. In accordance with the Corporations Act 2001, this Register may be inspected free of charge.

There were no options granted to Directors and Officers of the Company during the year and up to the date of this report.

DIRECTORS' REPORT continued

8. Directors' Interests in Shares and Options

The relevant interest of each Director in the number of fully paid ordinary shares and options over fully paid ordinary shares of the Company disclosed by that Director to the Australian Securities Exchange as at the date of this Report is:

Director	Relevant interest	
	Ordinary shares	Options
J I Gutnick	282,243,675	65,281,557
D S Tyrwhitt	-	-
P J Lee	-	-

9. Meetings of Directors

The number of meetings of Directors held, including meetings of Committees of the Board, during the financial year including their attendance was as follows:

	Board	
	Eligible to attend	Attended
J I Gutnick	2	2
D S Tyrwhitt	2	1
C A Michael	2	2
P J Lee	-	-

All matters that would usually fall to a Remuneration and Audit Committee are to be handled by the full Board, due to the size and composition of the Board.

10. Company Secretary

Mr Peter Lee is the Company Secretary of the Company. Mr Lee is a Member of the Institute of Chartered Accountants in Australia, a Fellow of Chartered Secretaries Australia Ltd., a Member of the Australian Institute of Company Directors and holds a Bachelor of Business (Accounting) from Royal Melbourne Institute of Technology. He has over 30 years commercial experience and is currently Chief Financial Officer and Company Secretary of several listed public companies in Australia and a Director, Chief Financial Officer and Secretary of a US Corporation listed on the over the counter market in the USA, Chief Financial Officer and Secretary of a further several US Corporations listed on the over the counter market in the USA and a Director of a company listed on Toronto Stock Exchange. Age 55

11. Indemnification of Directors, Officers and Auditors

The Company has entered into an Indemnity Deed with each of the Directors and certain former Directors which will indemnify them against liability incurred to a third party (not being the Company or any related company) where the liability does not arise out of conduct including a breach of good faith. The Indemnity Deed will continue to apply for a period of 10 years after a Director ceases to hold office and a Director's Access and Insurance Deed with each of the Directors pursuant to which a Director can request access to copies of documents provided to the Director whilst serving the Company for a period of 10 years after the Director ceases to hold office. There will be certain restrictions on the Directors' entitlement to access under the deed.

The Company has not, during or since the financial year, indemnified or agreed to indemnify an auditor of the Company or of any related body corporate against a liability incurred as an auditor.

12. Environment

The exploration activities of the Company are conducted in accordance with and controlled principally by Australian state and territory government legislation. The Company has exploration land holdings in Western Australia and Northern Territory. The Company employs a system for reporting environmental incidents, establishing and communicating accountability, and rating environmental performance. During the year data on environmental performance was reported as part of the monthly exploration reporting regime. In addition, as required under various state and territory legislation, procedures are in place to ensure that the relevant authorities are notified prior to the commencement of ground disturbing exploration activities.

The Company is committed to minimising the impact of its activities on the surrounding environment at the same time aiming to maximise the social, environmental and economic returns for the local community. To this end, the environment is a key consideration in our exploration activities and during the rehabilitation of disturbed areas. Generally rehabilitation occurs immediately following the completion of a particular phase of exploration. In addition, the Company continues to develop and maintain mutually beneficial relationships with the local communities affected by its activities.

13. Non-Audit Services

During the year, BDO, the Company's auditor, has not performed any other services in addition to their statutory duties.

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is attached to the Directors' Report.

14. Remuneration Report - Audited

i) Overview of Remuneration Policies

The Company is managed by AXIS Consultants Pty Ltd ("AXIS Consultants") pursuant to a Service Deed dated 25 November 1988. In accordance with the arrangement with AXIS Consultants, it provides company secretarial, finance, geology, exploration, IT and other services to the Company. As a result, the Company has no employees.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company, including Directors of the Company and other Executives. Remuneration levels for Directors of the Company are competitively set to attract and retain appropriately qualified and experienced Directors. The Remuneration Committee obtains independent advice on the appropriateness of remuneration packages given trends in comparative companies and the objectives of the Company's remuneration strategy, when appropriate.

The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders.

The remuneration structures take into account:

- the capability and experience of the Directors;
- the Directors' ability to control the Company's performance;
- the Company's performance including:
 - the Company's earnings
 - the growth in share price and returns on shareholder wealth.

DIRECTORS' REPORT continued

The Company's performance during the current year and over the past four years has been as follows:

	2012	2011	2010	2009	2008
	\$	\$	\$	\$	\$
Revenue	10	11,160	2,871	424,757	8,261
Net loss	(404,413)	(161,224)	(268,602)	(1,038,135)	(1,045,468)
Basic loss per share (cents)	(0.05)	(0.02)	(0.03)	(0.25)	(0.28)
Diluted loss per share (cents)	(0.05)	(0.02)	(0.03)	(0.25)	(0.28)
Net assets	1,027,900	1,432,313	1,593,429	1,862,340	954,757

The Directors do not believe the financial or share price performance of the Company is an accurate measure when considering remuneration structures as the Company is in the mineral exploration industry. Companies in this industry do not have an ongoing source of revenue, as revenue is normally from ad-hoc transactions.

The more appropriate measure is the identification of exploration targets, identification and/or increase of mineral resources and reserves and the ultimate conversion of the Company from explorer status to mining status.

ii) Service Agreements with AXIS Consultants Pty Ltd

Messrs JI Gutnick, PJ Lee, CA Michael and Dr DS Tyrwhitt do not have a contract for their services as Directors. Their remuneration and fees are paid to them by AXIS Consultants Pty Ltd (other than Dr Tyrwhitt), based on amounts agreed by the Company.

Mr PJ Lee, Company Secretary, does not have a contract of employment with the Company. His services are provided to the Company through the service arrangements with AXIS Consultants Pty Ltd. This service contract with AXIS Consultants Pty Ltd is for an unlimited term and is capable of termination on two months notice.

iii) Non-Executive Directors

Total remuneration for all Non-Executive Directors, last voted upon by shareholders at the 1999 AGM, is not to exceed \$200,000 per annum. Non-Executive Directors' base fees are presently up to \$20,000 per annum per Director. Non-Executive Directors do not receive performance related remuneration. Directors' fees cover all main board activities and membership of board committees. Non-Executive Directors do not receive any benefits on retirement.

iv) Performance-Linked Remuneration

Performance linked remuneration focuses on long-term incentives and was designed to reward key management personnel for meeting or exceeding their objectives.

Share-based compensation

During the year, 2,500,000 options granted to key management personnel on 19 October 2006, lapsed un-exercised. During the current year and the prior year, no options were granted to Directors or executives and no options vested.

v) Details of Directors, Executives and Remuneration

As noted in section (i), management services are provided to the Company by AXIS Consultants Pty Ltd. AXIS Consultants Pty Ltd pays the Chairman and Managing Director's remuneration and Non-Executive Directors' fees on behalf of the Company, based on pre-agreed amounts. AXIS Consultants invoices the Company for remuneration

paid to the Company's Executives (not being Directors) based on the time the Executive spends in servicing the requirements of the Company. AXIS Consultants has provided the following information in regard to the amounts invoiced to the Company for the Directors and Executives in respect of all remuneration (as that term is defined in the Corporations Act 2001) received by the Directors and/or Executives in connection with the management of the affairs of the Company.

The names of the Directors and Executives in office during the year are as follows:

a) Directors

- J I Gutnick – Chairman and Managing Director
- C A Michael – Executive Director (appointed 5 October 2010, resigned 30 April 2012)
- D S Tyrwhitt – Non Executive Director
- P J Lee – Executive Director (appointed 30 April 2012)

b) Executives

- P J Lee – Chief Financial Officer and Company Secretary
- M Kammermann – Exploration Manager

Details of the nature and amount of each major element of remuneration of each Director of the Company and each Executive of the Company are:

Directors	Primary		Post-employment	Equity compensation	Total	s300A (1)(e)(i)	s300A (1)(e)(vi)
	Salary & fees	Non-monetary benefits	Super-annuation benefits	Value of options		Proportion of remuneration performance related	Value of options as proportion of remuneration
	\$	\$	\$	\$	\$	%	%
J I Gutnick							
2012	25,000	-	2,250	-	27,250	0.00	0.00
2011	25,000	-	2,250	-	27,250	0.00	0.00
D S Tyrwhitt							
2012	20,000	-	-	-	20,000	-	-
2011	20,000	-	1,800	-	21,800	0.00	0.00
P J Lee (appointed 30 April 2012)							
2012	3,333	-	300	-	3,633	0.00	0.00
2011	-	-	-	-	-	0.00	0.00
C A Michael (appointed 5 October 2010, resigned 30 April 2012)ⁱ							
2012	16,667	-	1,500	-	18,167	0.00	0.00
2011	15,000	-	1,350	-	16,350	0.00	0.00
Total all Directors							
2012	65,000	-	4,050	-	69,050		
2011	60,000	-	5,400	-	65,400		

DIRECTORS' REPORT continued

Executives	Primary		Post-employment	Equity compensation	Total	s300A (1)(e)(i)	s300A (1)(e)
	Salary & fees	Non-monetary benefits	Super-annuation benefits	Value of options		Proportion of remuneration performance related	(vi) Value of options as proportion of remuneration
	\$	\$	\$	\$	\$	%	%
P J Lee							
2012	10,451	-	941	-	11,392	0.00	0.00
2011	20,000	-	1,800	-	21,800	0.00	0.00
M Kammermann							
2012	9,689	-	872	-	10,561	0.00	0.00
2011	-	-	-	-	-	-	-
C A Michael ⁱ							
2012	-	-	-	-	-	0.00	0.00
2011	5,000	-	450	-	5,450	0.00	0.00
Total all Executives							
2012	20,140	-	1,813	-	21,953		
2011	25,000	-	2,250	-	27,250		
Total all Directors and Executives							
2012	85,140	-	5,863	-	91,003		
2011	85,000	-	7,650	-	92,650		

i) Appointed as a Director on 5 October 2010. Remuneration split between Directors and Executives remuneration accordingly.

There were no STI cash bonuses, post-employment prescribed benefits, termination benefits or insurance premiums paid during 2012 or 2011.

End of Remuneration Report – Audited

Signed in accordance with a resolution of the Board of Directors at Melbourne this 28th day of September 2012.

J. I. Gutnick

J I Gutnick
Director

AUDIT INDEPENDENCE DECLARATION



Tel: +61 3 9603 1700
Fax: +61 3 9602 3870
www.bdo.com.au

Level 14, 140 William St
Melbourne VIC 3000
GPO Box 5099 Melbourne VIC 3001
Australia

DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF QUANTUM RESOURCES LIMITED

As lead auditor of Quantum Resources Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

James Mooney
Partner

BDO East Coast Partnership
Melbourne, 28 September 2012

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 215, an Australian company limited by guarantee. BDO East Coast Partnership and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Revenue	3	10	11,160
Exploration impaired	9	(240,693)	(46,937)
Administration expenses		(163,474)	(125,291)
Loss from continuing operations		(404,157)	(161,068)
Finance expense	4	(256)	(156)
Loss before income tax		(404,413)	(161,224)
Income tax expense	5	-	-
Loss for the year		(404,413)	(161,224)
Other comprehensive income for the year, net of income tax			
Net change in fair value of available-for-sale financial asset		-	-
Total comprehensive loss for the year		(404,413)	(161,224)
Loss attributable to members of Quantum Resources Limited		(404,413)	(161,224)
Total comprehensive loss attributable to members of Quantum Resources Limited		(404,413)	(161,224)
Basic loss per share (cents per share)	6	(0.05)	(0.02)
Diluted loss per share (cents per share)	6	(0.05)	(0.02)

The notes on pages 18 to 34 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	Note	2012 \$	2011 \$
Assets			
Current assets			
Cash and cash equivalents	12	4,584	372,684
Receivables	7	13,967	689
Total current assets		18,551	373,373
Non-current assets			
Receivables	7	-	12,038
Plant and equipment	8	1,865	2,545
Exploration and evaluation expenditure	9	1,281,980	1,283,634
Total non-current assets		1,283,845	1,298,217
Total assets		1,302,396	1,671,590
Liabilities			
Current liabilities			
Trade and other payables	10	274,496	239,277
Total current liabilities		274,496	239,277
Total liabilities		274,496	239,277
Net assets		1,027,900	1,432,313
Equity			
Issued capital	11	56,604,226	56,604,226
Reserves		-	713,940
Accumulated losses		(55,576,326)	(55,885,853)
Total equity		1,027,900	1,432,313

The notes on pages 18 to 34 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	Issued capital \$	Option premium reserve \$	Share-based payment reserve \$	Accumulated loss \$	Total equity \$
Balance at 1 July 2010	56,604,118	619,690	94,250	(55,724,629)	1,593,429
Loss for the year	-	-	-	(161,224)	(161,224)
Other comprehensive loss for the year, net of income tax	-	-	-	-	-
Total comprehensive loss for the year, net of tax	-	-	-	(161,224)	(161,224)
Transactions with owners in their capacity as owners:					
Issue of shares, net of transaction costs	108	-	-	-	108
Balance at 30 June 2011	56,604,226	619,690	94,250	(55,885,853)	1,432,313
Balance at 1 July 2011	56,604,226	619,690	94,250	(55,885,853)	1,432,313
Loss for the year	-	-	-	(404,413)	(404,413)
Other comprehensive loss for the year, net of income tax	-	-	-	-	-
Total comprehensive loss for the year, net of tax	-	-	-	(404,413)	(404,413)
Transactions with owners in their capacity as owners:					
Expiry of options	-	(619,690)	(94,250)	713,940	-
Balance at 30 June 2012	56,604,226	-	-	(55,576,326)	1,027,900

The notes on pages 18 to 34 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(83,459)	(135,072)
Interest received		10	1,160
Net cash used in operating activities	12	(83,449)	(133,912)
Cash flows from investing activities			
Payments for exploration expenditure		(290,151)	(515,824)
Proceeds from sale of exploration licences		-	10,000
Payments for security deposit		-	(6,038)
Refund of security deposit		-	6,000
Loans from other entity		5,500	-
Net cash used in investing activities		(284,651)	(505,862)
Cash flows from financing activities			
Proceeds from issue of equity securities, on exercise of options		-	108
Net cash from/(used in) financing activities		-	108
Net decrease in cash and cash equivalents		(368,100)	(639,666)
Cash and cash equivalents at 1 July		372,684	1,012,350
Cash and cash equivalents at 30 June	12	4,584	372,684

The notes on pages 18 to 34 are an integral part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

1. Summary of significant accounting policies

Quantum Resources Limited (the 'Company') is a company domiciled in Australia. The financial statements of the Company as at and for the year ended 30 June 2012 comprise the Company only and has not been consolidated with any other entity.

The financial statements were authorised for issue by the Board of Directors on 28 September 2012.

a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 as appropriate for profit orientated entities. The financial report of the Company complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board.

The principal standards and interpretations that have been adopted for the first time in these financial statements are:

- *AASB 124 Related Party Transactions (Amendment)*
The AASB has issued an amendment to AASB 124 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationships of an entity.
- *AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process*

AASB 7 Financial Instruments: Disclosures.

The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative into context.

The adoption of these amendments has not resulted in any changes to the Company's accounting policies and have no effect on the amounts reported for the current or prior periods.

The standards and interpretations may have an impact on the Company in the future reporting periods but are not yet effective. None of these is expected to have a significant effect on the Company's financial statements, except for AASB 9 *Financial Instruments*, which becomes mandatory for the Company's 2016 financial statements and could change the classification and measurement of financial assets. The Company does not plan to adopt this standard early and the extent of the impact has not been determined.

Basis of measurement

The financial statements have been prepared on the historical cost basis.

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 Company has incurred a loss of \$404,413 in the year to 30 June 2012, had net cash operating outflow of \$83,449 for the year ended 30 June 2012 and has negative working capital of \$255,945 at 30 June 2012. These conditions indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Directors believe this basis to be appropriate. In order to continue as a going concern, the Company will be required to raise further capital to meet its commitments. In considering whether the Company is a going concern, the Directors note that the Company has been planning an equity raising to raise funds for its operational needs and the Company believes it will be in a position to announce full details shortly. The planned capital raising will be via a rights issue of ordinary shares and it is anticipated that it will be on the basis of one new share for every four shares held at a price of \$0.03 which will raise approximately \$490,000. Documentation for the rights issue is currently being prepared. Based on the forecasted cashflows of the Company, the Directors are satisfied that adequate plans are in place and that the Company will be able to raise sufficient cash for a minimum of 12 months from the date of signature of the financial report to the date of signature of the financial report for the year ending 30 June 2013. The Directors are confident of doing so due to the success the Company has previously had raising capital. 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.

Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

Critical accounting estimates

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Exploration and evaluation

Note 1(i) contains information about the assumptions and risk factors relating to exploration, evaluation and development expenditure impairment.

Share-based payment transactions

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions.

b) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue

Interest is brought to account as income over the term of each financial instrument on an effective interest basis.

c) Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

Deferred income tax is provided for in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

d) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included with other receivables or payables.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 continued

1. Summary of significant accounting policies continued

e) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash generating units.

f) Cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and investments in money market instruments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

g) Trade receivables

Trade receivables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

h) Plant and equipment

Plant and equipment is carried at cost, less accumulated depreciation and impairment. Costs include all expenditure that is directly attributable to acquisitions of the asset.

Depreciation is provided on a straight line basis on all depreciable tangible assets at a rate calculated to allocate their cost based on their estimated useful lives. Profits and losses on disposal of plant and equipment are taken into account in determining the operating result for the year.

The assets' residual values and useful lives (being 2 to 5 years) are reviewed and adjusted as appropriate at each balance sheet date. An asset carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its recoverable amount (see note 1(e)).

i) Exploration, evaluation and development expenditure

Exploration, evaluation and development expenditure, including costs of acquisition in relation to separate areas of interest for which rights of tenure are current, are brought to account in the year in which they are incurred and are carried at cost.

The exploration expenditure will be carried forward as an asset where:

- i) it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest or by its sale; or
- ii) exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves.

Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Where there has been a decision to proceed with development, accumulated expenditure is amortised over the life of the associated resource once mining operations commence.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

The key points that are considered in this review include:

- planned drilling programs;
- environmental issues that may impact the underlying tenements; and
- the estimated market value of assets at the review date.

Information used in the review process is rigorously tested to externally available information as appropriate.

j) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing operating loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. They are recognised initially at fair value and subsequently at amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition.

l) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are not included in the cost of the acquisition as part of the purchase.

m) Transfer from reserves

The balance of the share option reserve is transferred to accumulated losses once the options have expired.

2. Segment reporting

Operating segment information is disclosed on the same basis as information used for internal reporting purposes by the Board of Directors. At regular intervals, the board is provided management information for the Company's cash position, the carrying values of exploration permits and a Company cash forecast for the next twelve months of operation. On this basis, no segment information is included in these Financial Statements.

All operating revenue has been derived in Australia. All exploration and evaluation assets are held in Australia.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 continued

3. Revenue

	2012 \$	2011 \$
Gain from sale of exploration licences	-	10,000
Interest income	10	1,160
Total revenue	10	11,160

4. Finance expenses

	2012 \$	2011 \$
Bank charges	(256)	(156)
Total finance expense	(256)	(156)

5. Income tax

	2012 \$	2011 \$
Total tax expense comprises		
Current tax expense	-	-
Deferred tax expense	-	-
	-	-

Reconciliation between tax expense and pre-tax accounting loss

	2012 \$	2011 \$
Loss before tax	(404,413)	(161,224)
Income tax benefit on loss at Australian tax rate of 30% (2011: 30%)	121,324	48,367
Sundry items	-	3,000
Capitalised exploration and evaluation expenditure	(496)	101,346
Movement in other temporary differences	10,354	11,254
	131,182	163,967
Under provided in prior periods	(124,715)	(31,822)
Current year losses for which no deferred tax asset was recognised	(6,467)	(132,145)
Income tax expense	-	-

Deferred tax assets and liabilities

	Assets		Liabilities	
	2012 \$	2011 \$	2012 \$	2011 \$
Capitalised exploration and evaluation expenditure	-	-	(384,594)	(385,090)
Accruals	6,600	5,700	-	-
Capital raising costs	6,170	17,423	-	-
Tax losses	6,507,938	6,370,289	-	-
Deferred tax assets/(liabilities)	6,520,708	6,393,412	(384,594)	(385,090)
Set off of deferred tax liabilities	(384,594)	(385,090)	384,594	385,090
Net deferred tax assets	6,136,114	6,008,322	-	-
Net deferred tax assets not recognised	6,136,114	6,008,322	-	-
Net deferred tax assets	-	-	-	-

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits.

	2012 \$	2011 \$
Unused tax losses for which no deferred tax asset has been recognised	21,693,125	21,234,297
Potential tax benefit @ 30%	6,507,938	6,370,289

6. Loss per share

	2012	2011
Basic loss per share (cents)	(0.05)	(0.02)
Diluted loss per share (cents)	(0.05)	(0.02)

The loss used for the purposes of calculating basic and diluted loss per share are as follows:

	2012 \$	2011 \$
Loss attributable to ordinary shareholders (basic)	(404,413)	(161,224)
Loss attributable to ordinary shareholders (diluted)	(404,413)	(161,224)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 continued

6. Loss per share continued

The weighted average number of shares used for the purposes of calculating diluted loss per share reconciles to the number used to calculate basic loss per share as follows:

	2012 Shares	2011 Shares
Weighted average number of shares		
Basic loss per ordinary share denominator	814,703,218	814,702,694
Effect of share options on issue	-	-
Diluted loss per ordinary share denominator	814,703,218	814,702,694

For the years ended 30 June 2011 and 30 June 2012, options were not considered to be dilutive as the conversion would result in a reduced loss per share. The options were therefore excluded from the weighted average number of shares in the calculation of loss per share.

7. Trade and other receivables

	2012 \$	2011 \$
Other receivables	1,929	689
Security deposits	12,038	12,038
	13,967	12,727
Current	13,967	689
Non-current	-	12,038
	13,967	12,727

The Company's exposure to credit risk related to trade and other receivables are disclosed in note 15.

8. Plant and equipment

	Field and plant equipment \$	Total \$
Cost		
Balance at 1 July 2010	3,390	3,390
Additions	-	-
Disposals	-	-
Balance at 30 June 2011	3,390	3,390
Balance at 1 July 2011	3,390	3,390
Additions	-	-
Balance at 30 June 2012	3,390	3,390
Accumulated depreciation		
Balance at 1 July 2010	(167)	(167)
Depreciation for the year	(678)	(678)
Balance at 30 June 2011	(845)	(845)
Balance at 1 July 2011	(845)	(845)
Depreciation for the year	(680)	(680)
Disposals	-	-
Balance at 30 June 2012	(1,525)	(1,525)
Carrying amounts		
At 1 July 2010	3,223	3,223
At 30 June 2011	2,545	2,545
At 1 July 2011	2,545	2,545
At 30 June 2012	1,865	1,865

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 continued

9. Exploration and evaluation expenditure

	2012 \$	2011 \$
Balance at beginning of year	1,283,634	945,814
Expenditure incurred	239,039	384,757
Amount written off	(240,693)	(46,937)
Carrying amount at end of year	1,281,980	1,283,634

10. Trade and other payables

	2012 \$	2011 \$
Trade payables and accruals	51,385	58,688
Payables due to other entity	223,111	180,589
	274,496	239,277

11. Capital and reserves

Ordinary share capital

	2012 No. shares	2011 No. shares	2012 \$	2011 \$
Balance at beginning of year	814,703,218	814,702,056	56,604,226	56,604,118
Issue of shares arising from exercise of options (\$0.09275 per share)	-	1,162	-	108
Balance at end of year	814,703,218	814,703,218	56,604,226	56,604,226

Holders of ordinary shares are entitled to one vote per share at shareholder meetings. In the event of winding up of the Company, ordinary shareholders are fully entitled to any proceeds of liquidation subject to prior entitlement.

Options

32,875,597 options expired on 30 April 2012.

68,378,151 options are on issue at an exercise price of \$0.04275 per option which, if exercised, will entitle the option holder to one ordinary fully paid share in the Company for each option. Options not exercised by 30 November 2012 will lapse.

7,250,000 employee options expired on 19 October 2011.

12. Cash and cash equivalents

	2012 \$	2011 \$
Cash at bank and on hand	4,584	372,684
Cash and cash equivalents	4,584	372,684
Cash and cash equivalents in the Statement of Cash Flows	4,584	372,684

The Company's exposure to interest rate risk is disclosed in note 15.

Reconciliation of cash flows from operating activities

	2012 \$	2011 \$
Loss for the year	(404,413)	(161,224)
Adjustments for		
Gain on sale of exploration tenement licences	-	(10,000)
Exploration impaired	240,693	46,937
Depreciation	680	678
Net cash used in operating activities before change in assets and liabilities	(163,040)	(123,609)
Change in trade and other receivables	(1,240)	1,750
Change in trade and other payables	80,831	(12,053)
Net cash used in operating activities	(83,449)	(133,912)

13. Contingencies

Cash deposits of \$12,038 (2011: \$12,038) have been provided to the Department of Business, Industry and Resource Development of Northern Territory for the purposes of guaranteeing the Company's performance in accordance with Northern Territory mining law. The performance relates to the requirement that the Company adheres to the terms and conditions of its Exploration Licences, which inter alia requires site requisition. However, the Directors do not anticipate the Department of Business, Industry and Resource Development of the Northern Territory will exercise these guarantees as the Company adheres to all conditions of its Licences.

14. Commitments

Exploration expenditure

The Company has to perform minimum exploration work and expend minimum amounts of money on its tenements. The overall expenditure requirement tends to be limited in the normal course of the Company's tenement portfolio management through expenditure exemption approvals and expenditure reductions through relinquishment of parts or the whole of tenements deemed non prospective. Should the Company wish to preserve interest in its current tenements the amount which may be required to be expended is as follows:

	2012 \$	2011 \$
Due within one year	478,332	243,711
Due later than one year and not later than five years	340,263	2,640
Due later than five years	-	-
	818,595	246,351

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 continued

15. Financial instruments

The Company's activities expose it to a variety of financial risks, market risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects of the financial performance of the entity.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange risk, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company does not operate internationally and therefore its exposure to foreign exchange risk arising from currency exposures is limited. The Company is not exposed to equity security price risk and holds no equity investments. The Company is not exposed to commodity price risk as the Company is still carrying out exploration.

Interest rate risk

Interest rate risk arises from investment of cash at variable rates. The Company's income and operating cash flows are not materially exposed to changes in market interest rates.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	Carrying amount	
	2012 \$	2011 \$
Variable rate instruments		
Cash and cash equivalents	4,584	372,684
	4,584	372,684

An increase of 100 basis points (decrease of 100 basis points) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2011. The following table summarises the sensitivity of the Company's financial assets (cash) to interest rate risk:

	Carrying amount \$	Profit or loss		Equity	
		100 bp increase \$	100 bp decrease \$	100 bp increase \$	100 bp decrease \$
30 June 2012					
Variable rate instruments					
Cash and cash equivalents	4,584	46	(46)	46	(46)
	4,584	46	(46)	46	(46)
30 June 2011					
Variable rate instruments					
Cash and cash equivalents	372,684	3,727	(3,727)	3,727	(3,727)
	372,684	3,727	(3,727)	3,727	(3,727)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company has no significant concentration of credit risk. Credit risk arises from cash and cash equivalents held with the bank and financial institutions and receivables due from other entities. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

The maximum exposure to credit risk is the carrying amount of the financial asset. The maximum exposure to credit risk at the reporting date was:

	2012	2011
	\$	\$
Cash and cash equivalents	4,584	372,684
Receivables	13,967	689
Security deposits	-	12,038
	18,551	385,411

Impairment loss

The aging of the Company's current receivables at the reporting date was:

	At 30 June 2012		At 30 June 2011	
	Gross	Impairment	Gross	Impairment
	\$	\$	\$	\$
Current	1,929	-	689	-
31 – 60 days	-	-	-	-
61 – 90 days	-	-	-	-
91 days and over	12,038	-	-	-
	13,967	-	689	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 continued

15. Financial instruments continued

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's liquidity risk arises from operational commitments. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Management aims at maintaining flexibility in funding by regularly reviewing cash requirements and monitoring forecast cash flows.

The following are the contractual maturities of financial liabilities:

	Carrying amount	Total contractual cash flows	6 months or less	6 to 12 months
	\$	\$	\$	\$
30 June 2012				
Financial liabilities				
Trade and other payables	274,496	274,496	274,496	-
	274,496	274,496	274,496	-
30 June 2011				
Financial liabilities				
Trade and other payables	239,277	239,277	239,277	-
	239,277	239,277	239,277	-

Included within the carrying amount of trade and other payables at 30 June 2012 is \$223,111 owed to other entities.

Fair value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair value determined in accordance with the accounting policies referred to in note 1. Fair value approximates carrying value due to the short term nature of these instruments.

Capital management

The Company's policy in relation to capital management is for management to regularly and consistently monitor future cash flows against expected expenditures for a rolling period of up to 12 months in advance. The Board determines the Company's need for additional funding by way of either share placements or loan funds depending on market conditions at the time. Management defines working capital in such circumstances as its excess liquid funds over liabilities, and defines capital as being the ordinary share capital of the Company.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

16. Key management personnel

The names of the key management personnel in office during the year are as follows:

- J I Gutnick – Chairman and Managing Director
- D S Tyrwhitt – Non-Executive Director
- C A Michael – Executive Director, resigned 30 April 2012
- P J Lee – Director, Chief Financial Officer and Company Secretary, appointed a Director on 30 April 2012
- M Kammerman – Exploration Manager

Key management personnel compensation comprises:

	2012 \$	2011 \$
Short-term employee benefits	85,140	85,000
Post-employment benefits	5,863	7,650
Share-based payments	-	-
	91,003	92,650

Equity instrument disclosures relating to key management personnel

Options over equity instruments

No options were provided as remuneration and no shares were issued on exercise of any options.

The number of options over ordinary shares in the Company held during the financial year by each director of Quantum Resources Limited and other key management personnel of the Company, including their personally related parties are set out below:

30 June 2012	Held at beginning of year	Granted	Other changes*	Exercised	Held at end of year
J I Gutnick					
Expiring 19 Oct 2011	2,000,000	-	(2,000,000)	-	-
Expiring 30 Apr 2012	31,176,678	-	(31,176,678)	-	-
Expiring 30 Nov 2012	65,281,557	-	-	-	65,281,557
D S Tyrwhitt					
	-	-	-	-	-
P J Lee					
Expiring 19 Oct 2011	2,500,000	-	(2,500,000)	-	-
C A Michael					
	-	-	-	-	-
M Kammerman					
	-	-	-	-	-
	100,958,235	-	(35,676,678)	-	65,281,557

* Other changes represent options that expired or were forfeited during the year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 continued

16. Key management personnel continued

30 June 2011	Held at beginning of year	Granted	Other changes*	Exercised	Held at end of year
J I Gutnick					
Expiring 31 Oct 2010	42,864,483	-	(42,864,483)	-	-
Expiring 19 Oct 2011	2,000,000	-	-	-	2,000,000
Expiring 30 Apr 2012	31,176,678	-	-	-	31,176,678
Expiring 30 Nov 2012	65,281,557	-	-	-	65,281,557
D S Tyrwhitt	-	-	-	-	-
M Z Gutnick					
Expiring 31 Oct 2010	532	-	(532)	-	**
Expiring 19 Oct 2011	2,000,000	-	(2,000,000)	-	**
P J Lee					
Expiring 19 Oct 2011	2,500,000	-	-	-	2,500,000
C A Michael	-	-	-	-	-
	145,823,250	-	(44,865,015)	-	100,958,235

* Other changes represent options that expired or were forfeited during the year.

** M Z Gutnick resigned as Non-Executive Director on 5 October 2010 and is not considered Key Management Personnel after that date.

Equity holdings and transactions

The number of ordinary shares in the Company held during the financial year by each director of Quantum Resources Limited and other key management personnel of the Company, including their personally related parties are set out below:

30 June 2012	Held at beginning of year	Received on exercise of options	Other changes	Held at end of year
J I Gutnick	282,243,675	-	-	282,243,675
D S Tyrwhitt	-	-	-	-
P J Lee	511	-	-	511
C A Michael	-	-	-	-
M Kammerman	-	-	-	-
	282,244,186	-	-	282,244,186
30 June 2011				
J I Gutnick	287,963,905	-	(5,720,230)	282,243,675
D S Tyrwhitt	-	-	-	-
M Z Gutnick	9,672,022	-	(9,672,022)	*
P J Lee	511	-	-	511
C A Michael	-	-	-	-
	297,636,438	-	(15,392,252)	282,244,186

* M Z Gutnick resigned as Non-Executive Director on 5 October 2010 and is not considered Key Management Personnel after that date.

Other transactions

Loans to key management personnel

There were no loans made to directors or other key management personnel of the Company during the year.

17. Employee benefits

Share-based payments

At the 2005 annual general meeting, the Company established the Quantum Resources Limited 2005 Share Option Plan which allows employees, Directors, officers or consultants of the Company or an associated body corporate and other such persons nominated by the Directors to participate in the plan. Grants of events of options made under this plan are as follows:

On 19 October 2006, 10,100,000 options were issued at an exercise price of \$0.06275 and the unexercised options expired on 19 October 2011.

The number and weighted average exercise price of share options is as follows:

	2012		2011	
	Weighted average exercise price \$	Number of options	Weighted average exercise price \$	Number of options
Outstanding at 1 July	0.06275	7,250,000	0.06275	7,250,000
Forfeited during the year	0.06275	(7,250,000)	0.06275	-
Outstanding at 30 June	0.06275	-	0.06275	7,250,000

18. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 16 to the financial statements.

Transactions with other entities

AXIS Consultants Pty Ltd ('AXIS'), a company of which Mr J I Gutnick and Dr D S Tyrwhitt are Directors, provided management and geological services to the Company for the year.

	Transaction value for the year ended 30 June		Balance outstanding at 30 June	
	2012 \$	2011 \$	2012 \$	2011 \$
<i>Paid or payable to other entity</i>				
Management and geological services	223,405	226,688	217,611	180,589
Advance repayment	5,500	-	5,500	-
	228,905	226,688	223,111	180,589

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 continued

19. Auditor's remuneration

	2012	2011
Audit services	\$	\$
BDO ¹		
Audit and review of financial reports	36,300	31,285
Total auditor's remuneration	36,300	31,285

¹ BDO East Coast Partnership formally traded as PKF East Coast Practice.

20. Subsequent events

Other than the matters outlined elsewhere in these financial statements, no matters or circumstances have arisen since the end of the financial year that have a significant effect on the Company.

DIRECTORS' DECLARATION

The Directors of Quantum Resources Ltd (the 'Company') declare that:

- (a) In the Directors' opinion the financial statements and notes set out on pages 14 to 34 and the Remuneration report in the Directors' Report set out on pages 9 to 12, are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Company's financial position as at 30 June 2012 and of its performance, for the financial year ended on that date; and
 - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards adopted by the International Accounting Standards Board (IASB) as disclosed in note 1; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 by the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2012.

Signed in accordance with a resolution of the Directors.

Dated at Melbourne this 28th day of September 2012.



J I Gutnick

Chairman and Managing Director

INDEPENDENT AUDITOR'S REPORT



Tel: +61 3 9603 1700
Fax: +61 3 9602 3870
www.bdo.com.au

Level 14, 140 William St
Melbourne VIC 3000
GPO Box 5099 Melbourne VIC 3001
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Quantum Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Quantum Resources Limited, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Quantum Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

BDO East Coast Partnership ABN 83 236 985 725 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 215, an Australian company limited by guarantee. BDO East Coast Partnership and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.



Opinion

In our opinion:

- (a) the financial report of Quantum Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(a).

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1(a) "Going Concern" in the financial report, which indicates that for the year ended 30 June 2012 the company incurred a loss of \$404,413 and had net cashflows from operations of \$83,449. At 30 June 2012, the company reported net current liabilities of \$255,945. These conditions along with other matters described in Note 1 (a) give rise to a material uncertainty which may cast significant doubt about the ability of the company to continue as a going concern, and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 12 of the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Quantum Resources Limited for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership

James Mooney
Partner

Melbourne, 28 September 2012

CORPORATE GOVERNANCE

The main corporate governance practices that the Board of Quantum Resources Limited had in place during the year were:

1. Board of Directors

i) Board Responsibilities

The Board's role is to maximize wealth creation and shareholder value in the Company. It assumes responsibility for overseeing the affairs of the Company by ensuring that they are carried out in a professional and ethical manner and that business risks are effectively managed. The primary responsibilities of the Board include the following:

- To oversee the Company, including its control and accountability systems.
- To appoint and remove the Chief Executive Officer (or equivalent).
- To ratify the appointment and, where appropriate, the removal of the Chief Financial Officer (or equivalent) and the Company Secretary.
- To have input into and final approval of management's development of corporate strategy and performance objectives.
- To review and ratify systems of risk management and internal compliance and control, codes of conduct, legal compliance and any other regulatory compliance.
- To monitor senior management's performance and implementation of strategy, and ensuring appropriate resources are available.
- To approve and monitor the progress of major capital expenditure, capital management, and acquisitions and divestitures.
- To approve and monitor financial and other reporting to shareholders and the market.
- To monitor the Board composition, Director selection, Board processes and performance and ensure Directors have an understanding of the Company's business.
- To monitor and influence the key standards of the Company including ethical standards, reputation and culture.
- To review and approve executive remuneration.
- To approve annual budgets.

ii) Board Composition

While the Company's Constitution fixes the maximum number of Directors at twelve, the Board currently comprises two Executive Directors and one Non-Executive Director. The Company does not have a majority of independent Directors. The Chairman of the Company is a Director and Shareholder of Edensor Nominees Pty Ltd, which is a substantial shareholder of the Company, and is not independent in accordance with the ASX Corporate Governance Council definitions and recommendations. In considering the best interests of the Company and its shareholders, the Board believes that the background and experience of the Chairman should not preclude him from the office of Chairman of the Board on the grounds of him being a Director and Shareholder of a substantial shareholder. The Chairman is also the Managing Director. The Board believes the experience in the industry that the Company operates in that Mr. JI Gutnick brings to the Company is invaluable and is in the best interests of all shareholders. The Board considers Dr D S Tyrwhitt to be independent.

To ensure that it has the right mix of management skills and technical expertise to meet the challenges of its business, the Board regularly reviews its composition. The Board believes that at the current stage of the Company's development, the composition is adequate. However, it continues to assess the need to enhance the membership of the Board and is cognisant of the ASX Corporate Governance Council definitions and recommendations.

iii) Appointment/retirement of Directors

The Company's Constitution requires that all Directors other than the Managing Director submit themselves for re-election every three years with not less than one third of the Board retiring by rotation. Directors appointed during the period since the last Annual General Meeting of the Company must submit themselves for election at the next Annual General Meeting. Accordingly, Mr. PJ Lee is required to retire at the 2012 Annual General Meeting and Dr DS Tyrwhitt is required to retire at the 2012 Annual General Meeting by rotation and may seek re-election.

iv) Board Meetings

The full Board meets formally to conduct appropriate business. The Board uses resolutions in writing signed by all Directors to deal with matters requiring decisions between meetings.

v) Directors' Remuneration

Total remuneration for the Executive Director includes an annual salary and other entitlements. Attendance at and participation in Board and Committee meetings are considered among the duties of the Executive Director. Non-Executive Directors receive fees for attending Board and Committee meetings. Pro-rata fees are paid to Non-Executive Directors who serve for less than a full year. None of the Directors or the Chief Financial Officer & Company Secretary has letters of appointment.

vi) External Advice to Directors

The Company recognises that in the exercise of their responsibilities there may be occasions when Directors may wish to seek independent professional advice. With the prior consent of the Chairman, advice can be obtained at the Company's expense and is to be made available to the whole Board.

vii) Performance Evaluation of Board and its Members

During the year, the Board completed a performance evaluation of the Board, its members and executives.

2. Board Committees

The Board has Committees to address the areas of remuneration and audit.

i) Remuneration Committee

The Company does not have a Remuneration Committee. All matters that would usually fall to a Remuneration Committee are handled by the full Board. The Board considers that it is appropriate for the Company at this time not to have a Remuneration Committee and for remuneration issues to be handled by the full Board, given the size of the Board. As the Remuneration Committee functions are carried out by the Board, the Company does not comply with the Remuneration Committee membership criteria set out in the CGC Principles and Recommendations. The Company uses short-term and long-term incentives as part of an executive's remuneration package. The Board meets to review remuneration policies and practices of the Company, to ensure that they meet current market conditions. The Board draws on the experience of Senior Management and where appropriate, seeks the advice of external consultants. The Remuneration Committee has a formal charter and this is followed by the Board in its deliberations.

ii) Audit Committee

The Company does not have an Audit Committee. All matters that would usually fall to an Audit Committee are handled by the full Board. The Board considers that it is appropriate for the Company at this time not to have an Audit Committee and for audit issues to be handled by the full Board. The Company has adopted a formal Audit Committee Charter and this is followed by the Board in its deliberations. The Board monitors internal control policies and procedures designed to safeguard the Company's assets and to maintain the integrity of financial reporting. As the Audit Committee functions are carried out by the Board, the Company does not comply with the Audit Committee membership criteria set out in the CGC Principles and Recommendations.

iii) Nomination Committee

The Company does not have a Nomination Committee. The Board believes that with only three Directors on the Board, the Board itself is the appropriate forum to deal with this function. In considering the nomination of new board members, the Board consider the skill set and experience of existing board members and the skills required for a balanced board.

3. Diversity

The Company established a formal written policy on diversity and it is posted on its website. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Board is made up of three males and no females. Further, the senior management persons are male and there are no female senior management persons. From a Board perspective, the Company, with its current board membership, already meets a number of the diversity guidelines. As noted elsewhere in the Remuneration Report and this Corporate Governance section, the Company is managed by AXIS Consultants Pty Ltd pursuant to a Service Agreement and thus does not have any employees. Accordingly, other than the membership of the Board, and senior management (who are employed by AXIS and supplied through the Service Agreement), diversity is not relevant to the Company.

CORPORATE GOVERNANCE continued

4. Role of Management

Day to day management of the Company's activities and the implementation of Board strategy, policy and decisions is delegated to management. This includes the following:

- To develop and recommend internal control and accountability systems for the Company and if approved, ensure compliance with such systems.
- To prepare mission systems, corporate strategy and performance objectives for approval by the Board of Directors.
- To prepare systems of risk management and internal compliance and controls, codes of conduct, legal compliance and any other regulatory compliance and if approved, ensure compliance with such systems.
- To monitor employees' performance, recommend appropriate resources and review and approve remuneration.
- To prepare all required financial reports, tax returns, budgets and any other appropriate financial reports, meet all statutory deadlines, monitor performance against budgets.
- To prepare recommendations on acquisitions and divestments of assets.
- To implement decisions of the Board of Directors on key standards of the Company covering such areas as ethical standards, reputation and culture of the Company and influence and provide guidance for employees on these areas.
- To protect the assets of the Company.

5. Risk Management

The Company continues to monitor its operations to identify the greatest areas of potential risk to minimise any adverse effects on the Company's strategic, operational and financial activities.

i) Environment

Details of the environmental policy and other related matters are provided in the Environment section of the Directors' Report.

ii) Occupational Health and Safety

The Company is committed to providing a safe and healthy working environment for all staff. It considers that safety is a collective responsibility and ensures that

regular training in safe working methods is undertaken and encourages participation and involvement in the development of workplace safety programs. Individual employees and employees of contractors are required to practice safe working habits, to take all reasonable care to prevent injury to themselves and their colleagues and to report all hazards and accidents.

New staff and contractors (where appropriate) are required to undergo an induction program to familiarise themselves with policies, procedures and work practices prior to commencing work. All staff are covered against injury under the various Workers' Compensation Acts.

iii) Financial Reporting

The Managing Director and Chief Financial Officer and Company Secretary sign off to the Board of Directors in respect to the annual financial statements and risk management policies as required by law and the ASX Corporate Governance Council "Principles of Good Corporate Governance and Best Practice Recommendations".

6. Code of Conduct

i) Ethical Standards

The Company operates under a code of conduct that sets out the ethical standards under which the Company operates when dealing with internal and external parties. This code requires parties (including Directors and executives) to act with integrity, fairness and honesty in all dealings and to treat other parties with dignity at all times. They are required to:

- not discriminate against any staff member or potential employee;
- carry out their duties in respect to the law at all times;
- use the Company's assets responsibly;
- respect the confidentiality of the Company's business dealings; and
- take responsibility for their own actions and for the consequences surrounding their own actions.

ii) Share Trading

In July 2010, the Company amended its policy following the release of changes to the ASX Corporate Governance Guidelines. It is the Company's policy to encourage Directors, employees and related parties to own Shares in the Company. The trading in shares policy strongly reinforces the obligations of Directors

TENEMENTS LIST

and employees, both of the Company and AXIS Consultants Pty Ltd, under the Corporations Act 2001 and the Australian Securities Exchange Listing Rules in relation to trading in Company shares. The acquisition and sale of Company shares by Directors and employees is prohibited in periods of fourteen (14) days prior to the announcement of the Company's quarterly reports, and thirty (30) days prior to the announcement of the Company's half yearly and full year reports to the Australian Securities Exchange. Directors, employees and related parties can seek permission from the Chairman to purchase or sell shares outside these periods. Directors and Executives can only seek permission to trade in shares in the blackout period in cases of extreme financial hardship. In the case of the Chairman, he must seek permission from a Director or the Company Secretary. The policy also sets out that there should be no speculative trading. Directors and employees are required to report share trading to the Company Secretary.

7. Continuous Disclosure Compliance

The Company's continuous disclosure compliance procedure enables it to meet its obligations and to ensure that all matters, which may require announcement to the Australian Securities Exchange, are brought to the attention of Directors immediately.

8. Communicating with Shareholders

The Board ensures that shareholders are kept informed of all major developments that affect their shareholding or the Company's state of affairs through quarterly, half-yearly, annual and ad hoc reports. All shareholders are encouraged to attend the Annual General Meeting to meet the Chairman and Directors and to receive the most updated report on Company activities. The auditors of the Company attend the annual general meeting for the purpose of answering any questions on the annual financial statements and audit thereof, properly brought before the meeting.

The Company maintains a website at <http://www.qur.com.au> to provide shareholders with up to date information on the Company's activities. Shareholders may also communicate with the Company through its e-mail address quantum@axisc.com.au.

The Company does not web-cast shareholder meetings and does not believe that at this stage the cost-benefit of web casting is worthwhile to a Company of its size.

TENEMENTS WHOLLY OWNED

GARDNER RANGE

E 80/3410

E 80/3411

E 80/3412

TELFER

E 45/2401

TENEMENTS SUBJECT TO JOINT VENTURES

TANAMI (OFFICER HILL)

EL 23150

AUSTRALIAN SECURITIES EXCHANGE INFORMATION

As at 20 September 2012, the following information applied:

1. Substantial Shareholders

Substantial shareholders disclosed in substantial shareholder notices to the Company:

Name	Number of Fully Paid Ordinary Shares held
Wilzed Pty Ltd*	200,659,182
AXIS Consultants Pty Ltd	84,880,000
Edensor Nominees Pty Limited**	72,592,482

* Mr J I Gutnick is a Director and Shareholder of Wilzed Pty Ltd.

**Mr J I Gutnick is a Director and Shareholder of Edensor Nominees Pty Limited.

2. Fully Paid Ordinary Shares

The number of holders of fully paid ordinary shares in the Company is 2,309. On a show of hands every holder of fully paid ordinary shares present or by proxy, shall have one vote. Upon a poll, each share shall have one vote. The distribution of holders of fully paid ordinary shares is as follows:

Category		Number of Shareholders
Holding between	1 – 1,000 Shares	790
Holding between	1,001 – 5,000 Shares	475
Holding between	5,001 – 10,000 Shares	140
Holding between	10,001 – 100,000 Shares	497
Holding more than	100,001 Shares	407

The number of holders with less than a marketable parcel of fully paid ordinary shares is 1,916. The Company's fully paid ordinary shares are quoted on the Australian Securities Exchange using the code QUR.

The top 20 shareholders are as follows:

Name	Number of Fully Paid Ordinary Shares held	Percentage interest
Wilzed Pty Ltd	200,659,182	24.63%
Axis Consultants Pty Ltd	84,880,000	10.42%
Newmont Mining Finance Pty Ltd	64,253,609	7.89%
National Nominees Limited	23,174,063	2.84%
Mr Ralph Erwin Tonkin	19,700,000	2.42%
Mr Trevor Steele	17,000,000	2.90%
Pt Arafua Mining Limited	15,500,000	1.90%
Ms Nada Saade	13,061,024	1.60%
Jomot Pty Ltd	10,453,146	1.28%
Edensor Nominees Pty Limited	8,338,873	1.02%
Rocket Science Enterprises Pty Ltd <Lissa Superannuation A/C>	7,130,000	0.88%
Central West Electrical Pty Ltd <Bech S/F A/C>	7,117,647	0.87%
Mr Joseph Issa & Mr Phillippe Issa	7,100,000	0.87%
Mr Raul Used <The Raul Used Family A/C>	6,800,000	0.83%
Snowy Plains Pty Ltd	6,620,000	0.81%
Holmberg Nominees Pty Ltd <N L Burton P/L S/F No 2 A/C>	6,000,000	0.74%
Central West Electrical Pty Ltd <Bech Family A/C>	6,000,000	0.74%
Global House Limited	6,000,000	0.74%
H Nominees Pty Ltd	5,915,351	0.73%
Mr Philip Steane	5,500,000	0.68%
Mr Paul Raymond Moloney	5,407,840	0.66%
Mr Zalman Gutnick	5,039,989	0.62%

Listed Options Maturing 30 November 2012 Over Fully Paid Ordinary Shares

The number of holders of options maturing on 30 November 2012 over fully paid ordinary shares issued by the Company is 275. Optionholders may attend and speak at general meetings of the Company. However, they have not entitlement to vote upon the business before the meeting either by show of hands or by poll. The distribution of holders of options is as follows:

Category	Number of Optionholders
Holding between 1 – 1,000 Options	161
Holding between 1,001 – 5,000 Options	74
Holding between 5,001 – 10,000 Options	12
Holding between 10,001 – 100,000 Options	20
Holding more than 100,001 Options	8

The Company's options maturing on 30 November 2012 over fully paid ordinary shares are quoted on the Australian Securities Exchange using the code QUROB.

AUSTRALIAN SECURITIES EXCHANGE INFORMATION

continued

The top 20 optionholders are as follows:

Name	Number of Options held	Percentage interest
Chabad House Of Caulfield Pty Ltd	64,936,241	94.97%
Mr John G Kellas	742,980	1.09%
Miss Sanaz Ghasimzadeh	400,000	0.58%
JP Morgan Nominees Australia Limited <Cash Income A/C>	390,200	0.57%
Bonos Pty Ltd	302,000	0.44%
Jandamint Pty Ltd	200,000	0.29%
Mr Zalman Gutnick	200,000	0.29%
Mr Yehuda Hoch	145,316	0.21%
Est Frank Rodi <Rodi Super Fund A/C>	100,000	0.15%
Mr Roy Peter Wiseman	90,534	0.13%
M/S Judith Edna Brandt	62,500	0.09%
Mrs Susan Margaret West	53,500	0.08%
Mr Zdenek Havlicek	50,000	0.07%
Conrad Joseph Lawrence Goodger	46,150	0.07%
Mr Peter Gasparini	40,000	0.06%
Mr Douglas James Brown	35,000	0.05%
Graham J Bench Pty Limited <Super Benefit Fund A/C>	34,912	0.05%
Dr Lakshika Swarnapalee Bogoda & Mr Kapila Raja Bogoda <Lakraj Service A/C>	34,500	0.05%
Mr Russell James Barker <Barker Family A/C>	20,000	0.03%
Mr Anthony Warwick Whatmore	20,000	0.03%
Mr Thomas Joseph Heaney & Mrs Shirley Margaret Heaney	20,000	0.03%
Mr Michael Simmons	17,500	0.03%
Chuter Nominees Pty Ltd	17,500	0.03%
Mr John Traian	17,000	0.02%

CORPORATE INFORMATION

Directors

Joseph Gutnick
David Tyrwhitt
Peter Lee

Company Secretary

Peter Lee

Registered Office and Domicile

Level 8, 580 St. Kilda Road
Melbourne Victoria 3004
Australia

T: +61 3 8532 2840
F: +61 3 8532 2805
E: quantum@axisc.com.au
W: www.qur.com.au

Legal Form

A public company limited by shares

Country of Incorporation

Australia

Share Registry

Link Market Services Limited
Level 9, 333 Collins Street
Melbourne Victoria 3000
Australia

T: 1300 554 474 or + 61 3 9615 9999
F: +61 3 8614 2903

Shareholder Information

Manager Investor Relations
T: +61 3 8532 2840
F: +61 3 8532 2805
E: quantum@axisc.com.au
W: www.qur.com.au

Auditors

BDO East Coast Partnership
Level 14, 140 William Street
Melbourne Victoria 3000
Australia

Australian Securities Exchange Listing Code

QUR
QUROB

Bankers

Westpac
Level 6, 360 Collins Street
Melbourne Victoria 3000
Australia





Quantum Resources Limited

Level 8, 580 St. Kilda Road
Melbourne VIC 3004
Australia

T +61 3 8532 2840
F +61 3 8532 2805
E quantum@axisc.com.au
W www.qur.com.au

