

ASX Release

7 February 2017

Exploration Update – Thompson Bros Lithium Project

Quantum Resources Limited (ASX: “QUR” or “the Company”) is pleased to provide the following Exploration Update in relation to its Thompson Bros Lithium Project (“the Project”) in Manitoba, Canada.

Highlights:

- **Drill permits received for 2017 Winter Drilling Program (“the Program”) at Thompson Bros Lithium Project**
- **Budget finalised, drilling contractor selected and formal contracts signed**
- **Site works to commence immediately on ice road construction, trail and drill site building – estimated completion late February 2017**
- **Drill crews to be mobilised and ready to commence field operations immediately thereafter**
- **Goal to systematically test the known pegmatite to convert historical resource estimate into JORC compliant inferred resource**

Background – Summary of Work from 2016 Winter Exploration Program

A 2016 winter exploration program was conducted on the Thompson Brothers Property from November 1st to November 7th 2016. The primary focus of the exploration was to validate and expand on the previous 2016 campaign as well as other historical work undertaken on the property.

Samples from the Winter Exploration Program returned as high as 7,520ppm Li or 1.62% Li₂O. (refer ASX announcement dated *21 December 2016 – High Grade Lithium up to 1.62% and Mineralised Structure*). Lithium mineralisation was identified at multiple locations within the property, including further confirmation of extent of mineralisation at the main Thompson pegmatite.

Given the continued encouraging data being encountered and further validation of historical work, The Company made the decision to fast track a drilling program to confirm the historical, non-JORC compliant resource previously calculated on the Property.

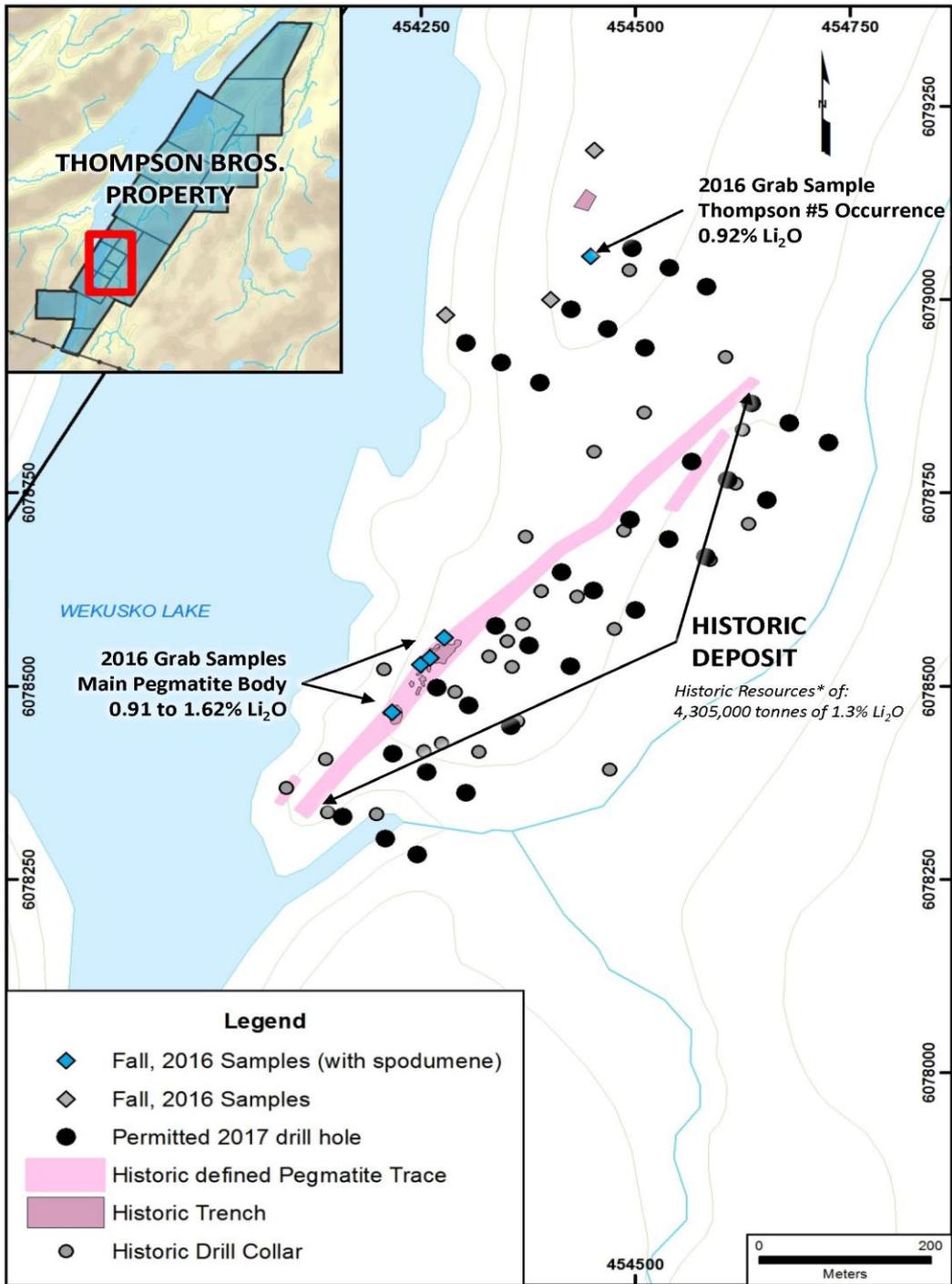
2017 Winter Drilling Program

Drill permits have been received from the relevant local and provincial departments to undertake the 2017 Winter Drilling Program at the Project. The goal of the Program is to convert the historical resource estimate into a JORC Compliant Inferred Resource.

The Company is planning to systematically test the pegmatite to follow much of the historic drilling. The Company is targeting drill holes which will test the extent of the mineralization of the previously intersected zones and possibly also test for down dip extension. It is anticipated that this drilling will allow an initial JORC Compliant Inferred Resource to be calculated for the Project.

Preliminary drill targets have been identified using historic drill hole information. The plan is to prepare pairs of drill holes along a series of section lines to intersect the pegmatite at varying depths along the strike length. Drill holes will step out 100 metres apart along section lines spaced 100 metres apart running northwest-southeast. The Program is to comprise sixteen NQ diamond drill holes along the approximately 800m strike of known mineralisation for a total of 3,200m of drilling.

Drill holes will be systematically geologically and geotechnically logged and assayed. Final data compilation, database creation, geological interpretation, and resource modelling will be completed in accordance with JORC regulations. A JORC compliant Technical Report will be completed which will include the data from the 2017 Program.



* A historic resource calculation made by B. Ainsworth, P. Eng. in 1998. This historic resource cannot be relied upon as it does not meet CIM or JORC definition standards but are reported here for historical purposes only. A Qualified Person has not done sufficient work to classify the historical estimate at the Thompson Bros. Property as current mineral resources

Figure One: 2017 Winter Drilling Program – Proposed Drilling Map

Ice Road and Lead Items

The Company will utilise a forestry and mining winter road to get the majority of the distance to the Project area. From there it is planned to reactivate the old drill road used by the 1997 drilling company. Other alternatives such as using the lake to mobilize to the Project area were dismissed due to the potential for thin ice.

To have the roads sufficiently prepared ahead of drilling, the Company has commenced building of the ice road to the Project site. Building of the road is anticipated to require approximately three to four weeks in advance of proposed drilling operations. This is to allow the winter road to be opened, which requires packing, flooding and time to freeze to an adequate strength.

The construction and drill crews will be based out of the local Tawow Lodge at the south end of Wekusko Lake. The lodge can accommodate large groups and has a logging shack ready to receive drill core from the Project. Following completion and assessment of the ice road, drilling operations are scheduled to immediately commence as the crews can be quickly mobilised to the Project.

(See Figure Two Overleaf)

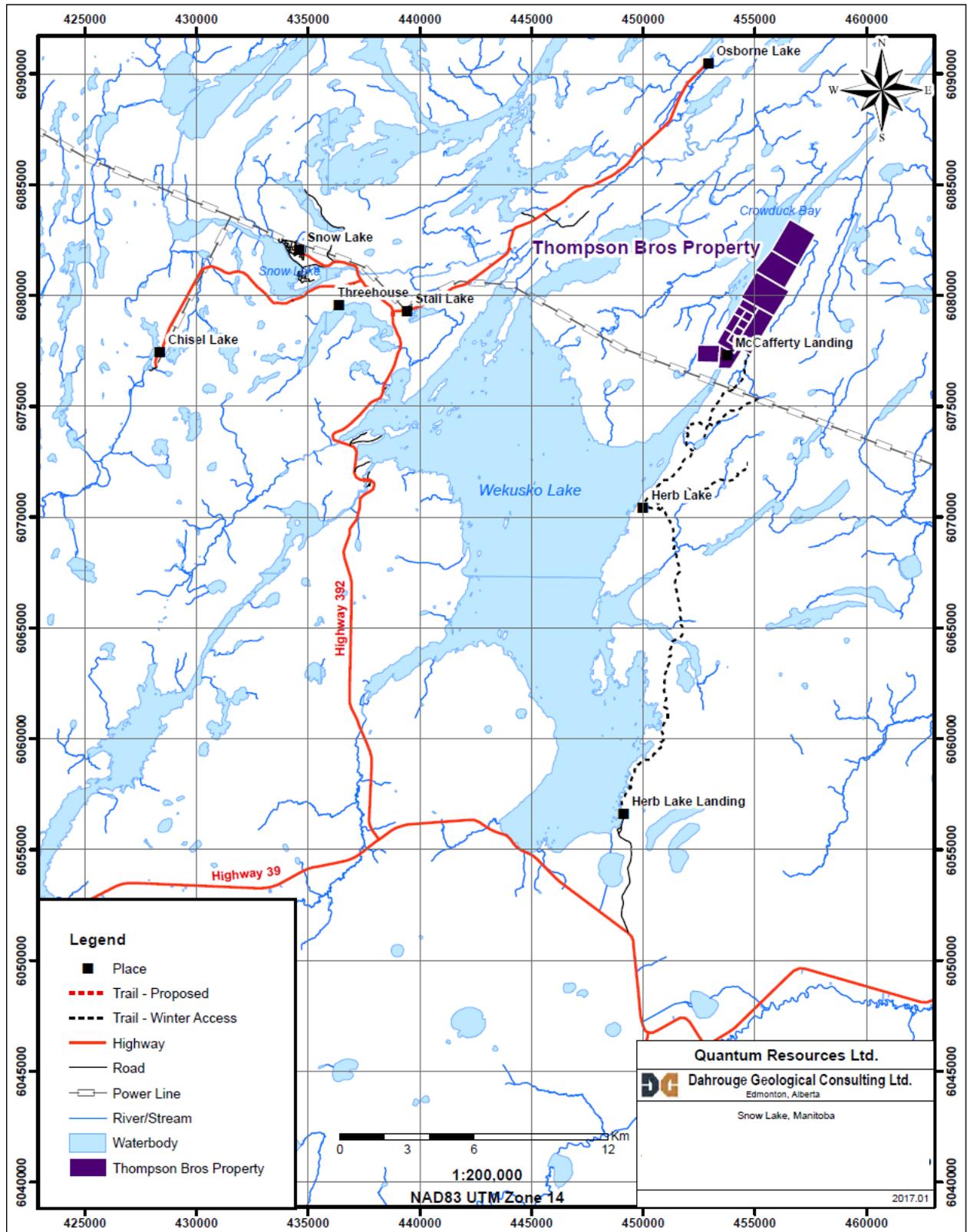


Figure Two. Thompson Bros Property Location Map with Proposed Trails and Winter Roads

The Company is pleased to commence the next stage of its development strategy to follow up on its previous encouraging results and to rapidly advance the Project. Following completion of its recent financing initiatives, the Company is in a strong financial position to fund its various objectives to increase shareholder value through the first half of 2017. QUR looks forward to further updates on what promises to be an exciting period of development for shareholders.

For and on behalf of the Board



Avi Kimelman

Director

About Quantum Resources Limited (ASX: "QUR" or the "Company"):

QUR own the rights to back in to earn up to 95% ownership interest of the Thompson Bros. Lithium Property from Ashburton Ventures Inc. by financing their commitments relating to their Option Agreement with Strider Resources Ltd.

The Thompson Bros. Lithium Property, located in Manitoba, Canada contains a historical **(NON-JORC COMPLIANT)** resource estimate of 4,305,000 tonnes of 1.3% Li₂O, open at depth and along strike. The 1998 resource calculation is historical and not JORC compliant as it was completed without the implementation of these requirements, and thus cannot be relied upon.