

QUANTUM RESOURCES LIMITED

(ASX: QUR)

23 August 2017

ASX and Media Release

Company Update on Thompson Brothers Lithium and Halycon High Purity Alumina progress

Thompson Brothers Lithium

Quantum non-executive director, Mr Olaf Frederickson recently returned from a site visit to the Thompson Brothers lithium project in northern Manitoba, Canada.

The Company is pleased to announce field observations by Mr Frederickson have confirmed the very high quality nature of the pegmatite and the abundant spodumene easily identifiable within the mineralised bodies. Mr Frederickson was also able to establish the existence of two well established spodumene rich pegmatite zones where the existing historic resource (pre JORC) was based on only one.

The main purpose of the visit was to assess the project in terms of geology and logistics and to make a determination of our ability to complete this first phase of exploration within the current summer period. As part of the visit, Mr Frederickson travelled to site and carried out some preliminary reconnaissance mapping and rock chip sampling to gain a better understanding of the tenor of the project.

As reported previously on 4 April 2017, outstanding intersections and grades of Li₂O including **11.6m @ 1.43% Li₂O from 35.4m** and **5.43m @ 1.55% Li₂O from 19m** are evident in the first two holes out of the 6 holes drilled in the recent campaign. Figure 1 shows a map with a historically defined pegmatite outline (in pink) from which a historic resource (non JORC compliant) of 4.3 million tonnes @ 1.3% Li₂O was reported.

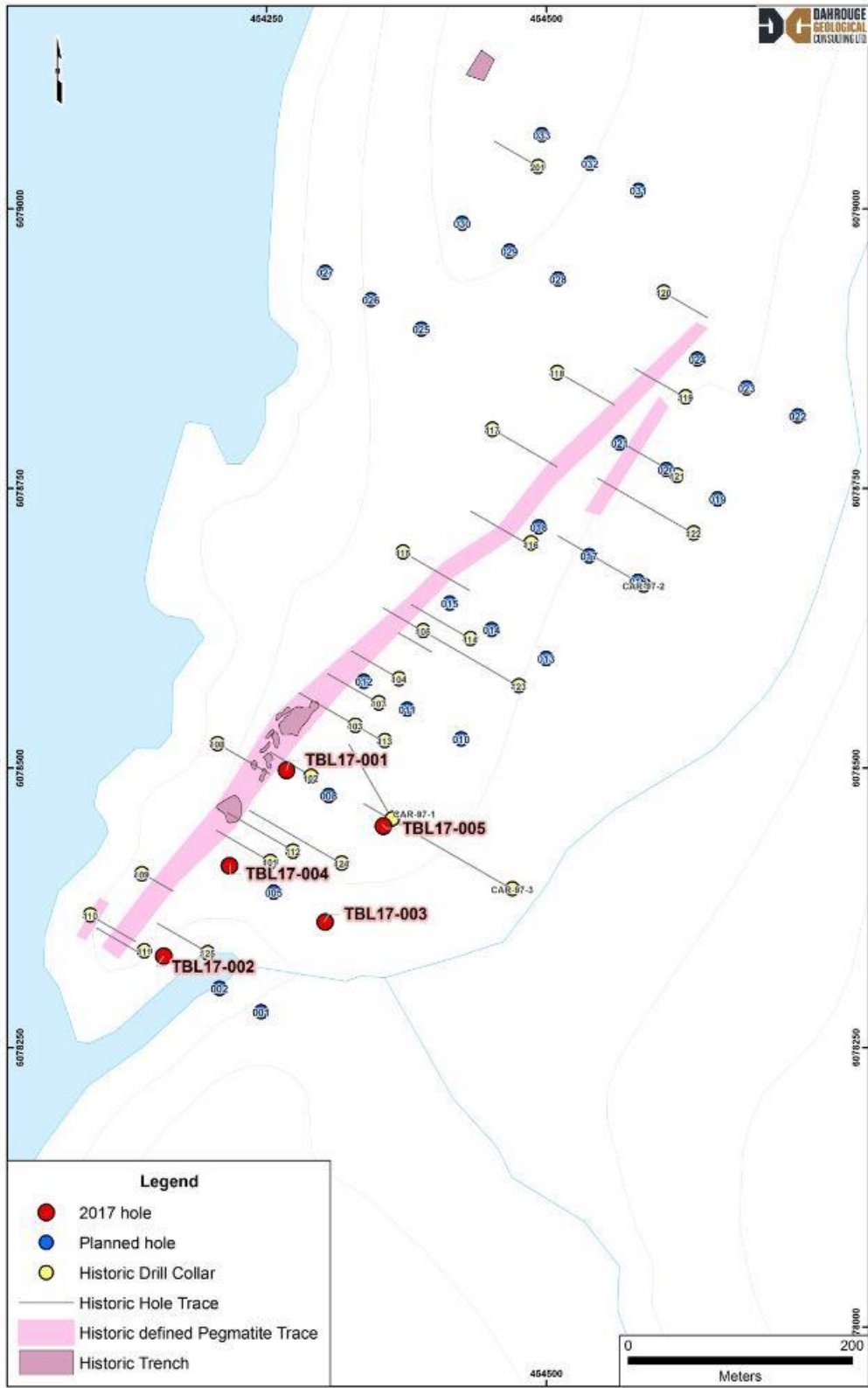


Figure 1. Plan of historically defined pegmatite

The following series of images taken by Mr Frederickson serve to visually demonstrate the nature of the project. Figure 2 shows traces of the paths walked with pegmatite outcrop shown in red circles and pegmatite float shown in yellow circles.

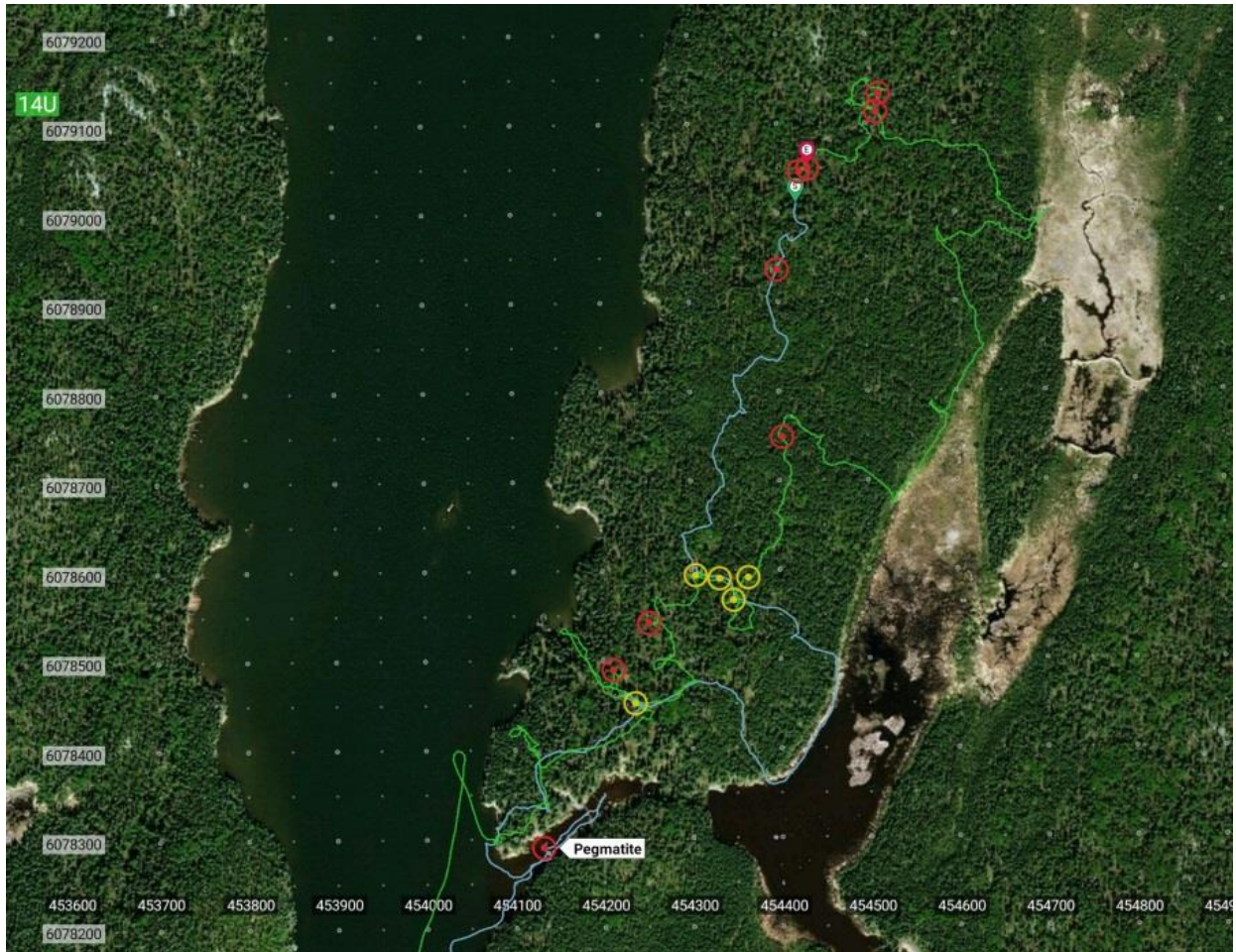


Figure 2. Plan showing traverse path and location of pegmatite outcrop and float

In addition to the pegmatite body that the historic resource was based on, a second sub parallel body in the northwest of the area was identified with spodumene rich pegmatite outcrop mapped over a 300m length remaining open at both ends.

The two pegmatites appeared very similar with a high content of spodumene throughout although the northwestern body contained significant potassium feldspar giving it a pink appearance as opposed to the main body which was predominantly white. The following photos are images of the northwestern body with pink pegmatite followed by the main body with white pegmatite. In all images, significant amounts of green spodumene can be easily identified.



The next few images show the scale of outcrop from which the previous samples were taken found in several locations within the project area and a final image of the site taken from the water.









Mr Frederickson feels the quality of the Thompson Brothers pegmatites rival if not are better than those found in both PLS Pilgangoora project or the GXY Mt Cattlin project in Western Australia and intersections from the initial two holes support this belief.

The excellent initial results combined with this recent evidence demonstrating the potential of the project has the Company excited to progress exploration and definition of deposits in the area. The Company will seek to properly identify the extent of the mineralisation which is currently open at both ends of both bodies.

Quantum will be taking a much more direct role in management of the project from now on and expects to progress exploration and resource definition activities in a much more expedient and cost effective manner than has been done to date.

Acquisition of High Purity Alumina (HPA) Project in Western Australia

The Company initiated due diligence investigations for the potential acquisition of the Halcyon High Purity Alumina (HPA) project on 8th June 2017. Due diligence investigations have been progressing well with the company now in receipt of review documents from GEOS Mining and Minerals consultants on the Tambellup Kaolin Project and a review of the Griffin Process by Dr Leon Lorenzen for metallurgical and process engineering. The company is still progressing a high level financial analysis as well as legal and marketing reviews. Once all due diligence investigations are complete and compiled, a summary with recommendations will be presented to the board for a final decision.

Ends.

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 80% ownership interest of the Thompson Bros. Lithium Project from Ashburton Ventures Inc. by financing their commitments relating to their Option Agreement with Strider Resources Ltd.

Quantum confirms its commitment to its Thompson Bros Lithium project which has shown encouraging exploration results including significant interceptions of high-grade lithium.

The Thompson Bros. Lithium Project, 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. These estimates are historical estimates and are not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the historical estimates as mineral resources and/or reserves in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the historical estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code.

Competent Person Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Olaf Frederickson. Mr Frederickson is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code").