



# Quantum Resources Limited

ABN 84 006 690 348

27 July 2015

Manager Companies  
Australian Securities Exchange  
Level 6, 20 Bridge Street  
Sydney NSW 2000

*By E-Lodgement*

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## REPORT FOR THE QUARTER ENDED 30 JUNE 2015

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Quantum Resources Limited  
ABN 84 006 690 348

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Kew, VIC, 3101

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*Directors*

**Mr Mordechai Gutnick**  
Chairman

**Mr Ari Herszberg**  
Non-Executive Director

**Mr Eli Bernstein**  
Non-Executive Director

### **OVERVIEW:**

During the quarter the Company underwent several Board and Management changes. The new Board is now reviewing the Company's exploration portfolio and funding position. The Board will look to recapitalise the Company and at the same review other opportunities that could enhance shareholder value.

### **DETAILS:**

#### **Board changes during quarter**

During the quarter several Board and Management changes occurred.

In April 2015 Mr Ari Herszberg joined the Board, with Mr David Tyrwhitt and Mr Joseph Gutnick resigning accordingly in the quarter.

In May 2015 Mr Eli Bernstein joined the Board, with Mr Peter Lee resigning as Director, CFO and Company Secretary.

Mr Mordi Gutnick remained on the Board as Chairman.

Mr Patrick A Volpe was appointed Company Secretary in the quarter.

The Company moved its Registered Office and Principle Place of Business to Suite 506, Level 5, 1 Princess Street, Kew Victoria 3101.

The Company moved its Postal Address to Suite 3, 16 Cotham Road, Kew Victoria 3101.



## **EXPLORATION ACTIVITIES FOR THE QUARTER**

No exploration activities or field work was undertaken during the quarter.

Previous exploration on the Company's major licences is detailed below. The Company will be reviewing its exploration portfolio in the next quarter with the objective of determining the best strategy to enhance value from these assets.

### **Telfer Project**

- Magnetic and electromagnetic targets identified for geochemical drilling program.
- Continuing re-evaluation of the Chicken Ranch prospect.

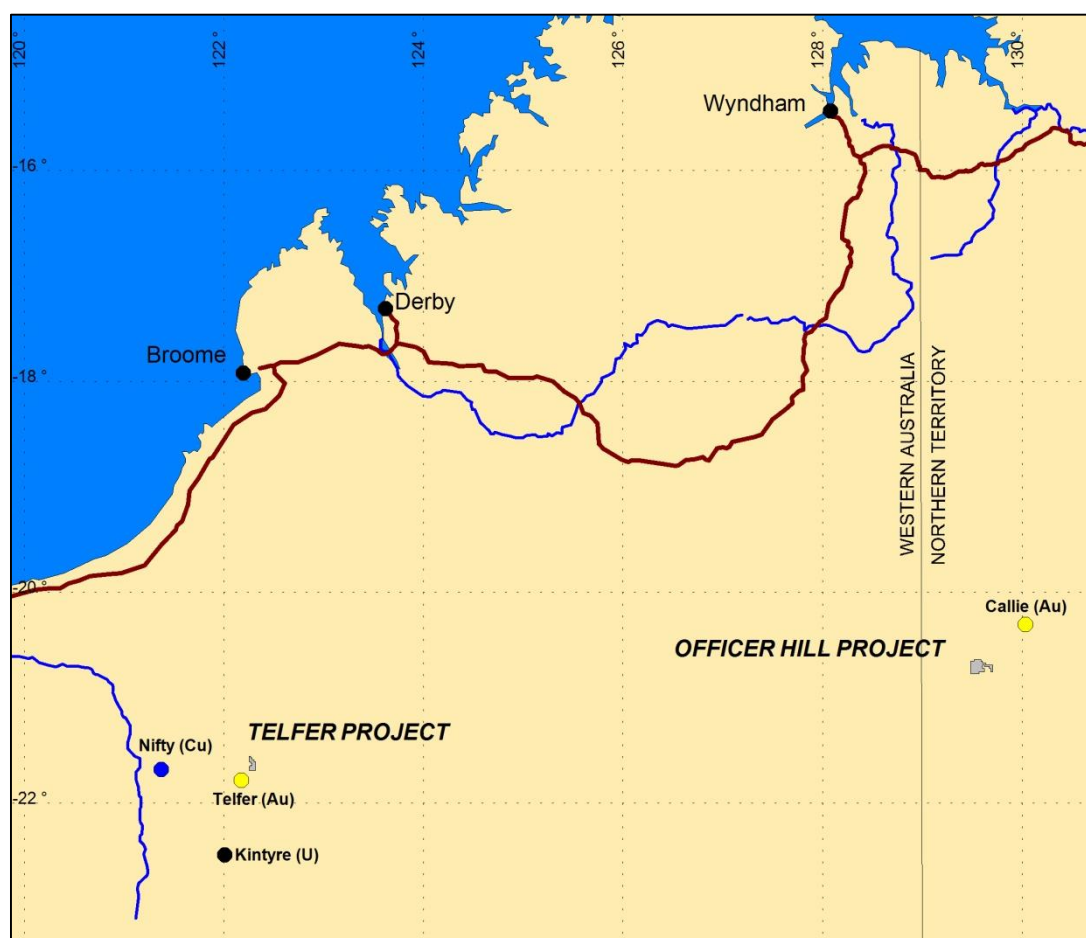
### **Tanami Project (Officer Hill)**

- Newmont Mining is managing the project to earn 75% by spending \$500,000 within three years and \$100,000 within Year 1.

No field work was undertaken during the quarter.

A summary of the Company's exploration assets and activities is provided below:

Quantum Resources Limited ("Quantum" or "the Company") is an Australian explorer with a suite of projects in Western Australia and the Northern Territory (Figure 1 & Table 1). The projects are all located on granted titles and are prospective for gold and base metals.



**FIGURE 1 – Project Location Plan**

## **TELFER PROJECT**

(Quantum 100%)

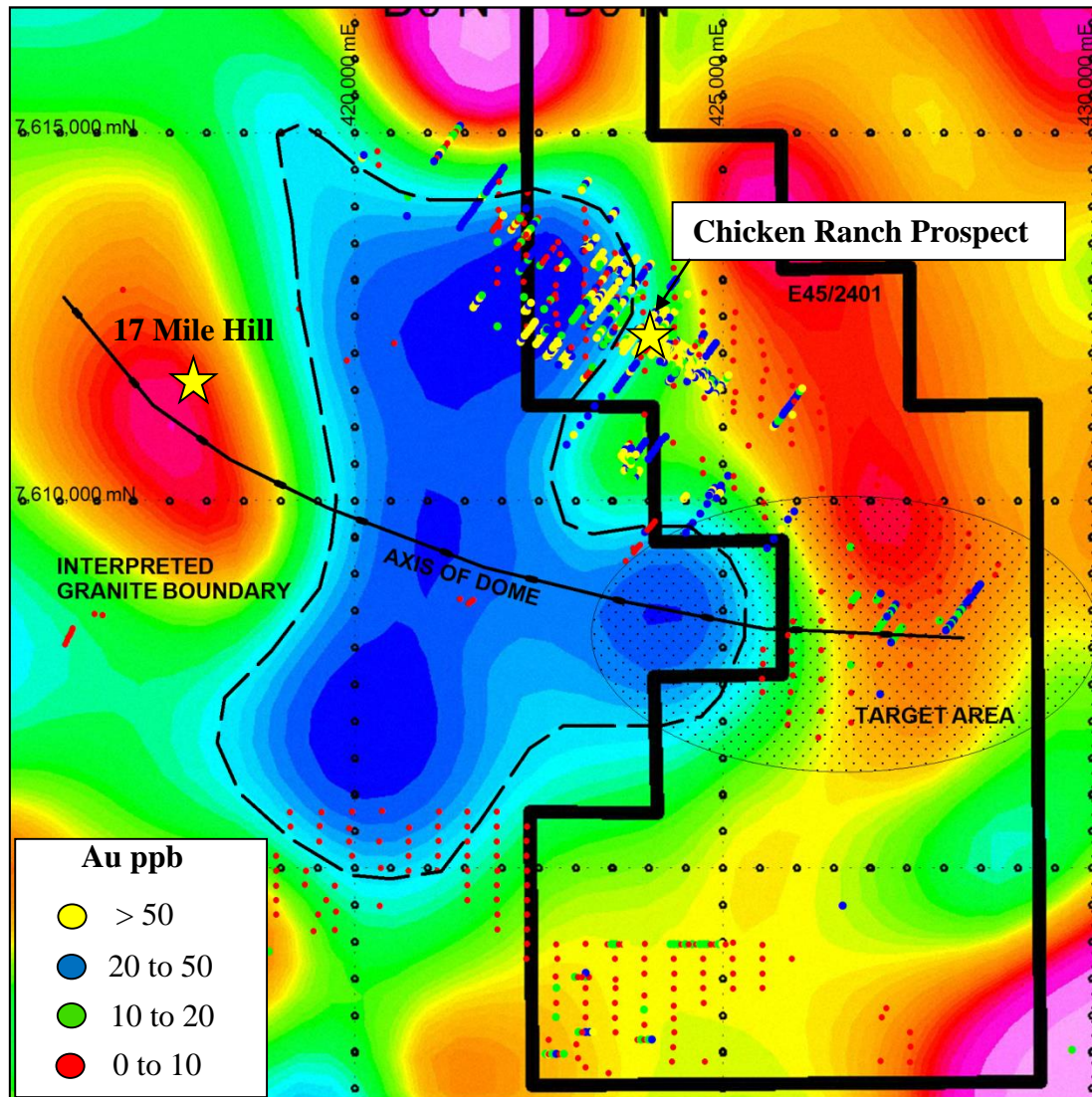
The Company's Telfer Project comprises a single exploration licence in a tightly held area 6km from the Telfer Gold Mine within the world class Paterson Province in Western Australia, which is host to significant deposits of various styles of mineralisation including the Telfer Mine, O'Callaghans tungsten and base metals skarn deposit, the Kintyre uranium deposit and the Nifty copper deposit. The Telfer deposit is one of Australia's largest deposits with a reported Ore Reserve of 6.3 million ounces of gold and 0.295 million tonnes of copper within a Mineral Resource of approximately 15 million ounces of gold (December 2013). The O'Callaghan's ore body, 10km south east of Telfer mine, is also owned by Newcrest and hosts significant resources of tungsten, copper, lead and zinc.

Reprocessing and interpretation of historic airborne electromagnetic and magnetic data by an external consultant identified the extension of a dome structure, which hosts the 17 Mile hill deposit, into the tenement area. The consultant identified a new target area associated with the structure and a potential granite intrusion satisfying a number of important exploration criteria in the Telfer region.

A limited amount of wide-spaced geochemical drilling has been undertaken in the target area (see Figure 2). The drill holes are relatively shallow and typically terminated at the base of the transported overburden. Geological logs reveal that anomalous gold values in some holes may be associated with lateritic residuum at the base of the transported overburden and have



not been adequately followed up. This is encouraging and represents an opportunity for immediate investigation through either extending the grid or drilling closer spaced holes to test the fresh bedrock.



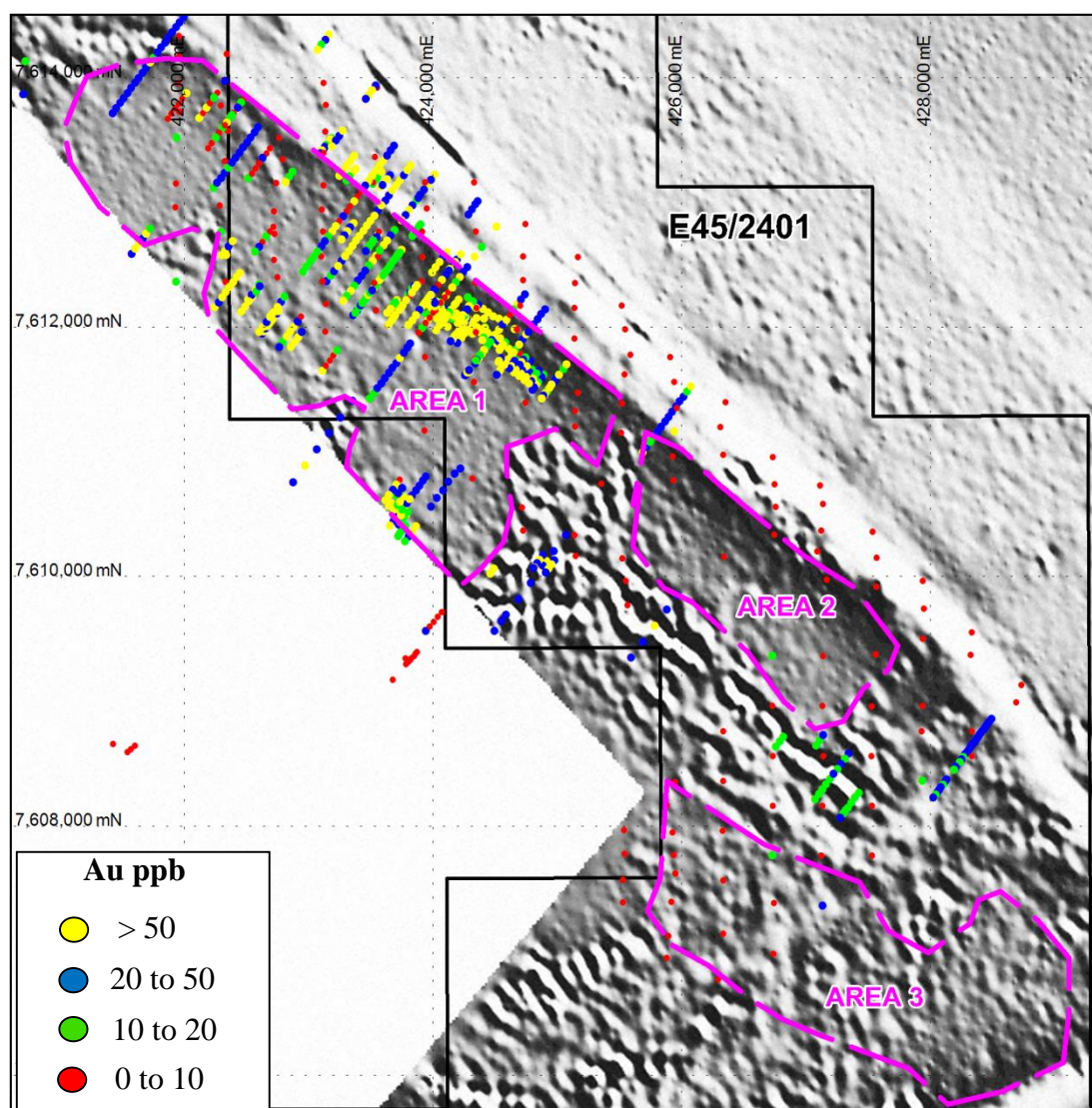
**FIGURE 2 – Major Features over E45/2401.**

Background image is 1VD Bouguer Gravity. GDA94.

### ***Magnetic Target Areas***

Further review of the drill hole geochemical assay data identified that maximum down-hole gold values are spatially associated with areas of subdued magnetic response such as Area 1 in Figure 3. The subdued magnetic response possibly represents destruction of magnetite due to hydrothermal alteration, which may be associated with mineralisation. Additional areas with a subdued magnetic response have been identified (eg Area 2 and Area 3), which have not been adequately drilled and are considered valid targets for reconnaissance geochemical drilling.



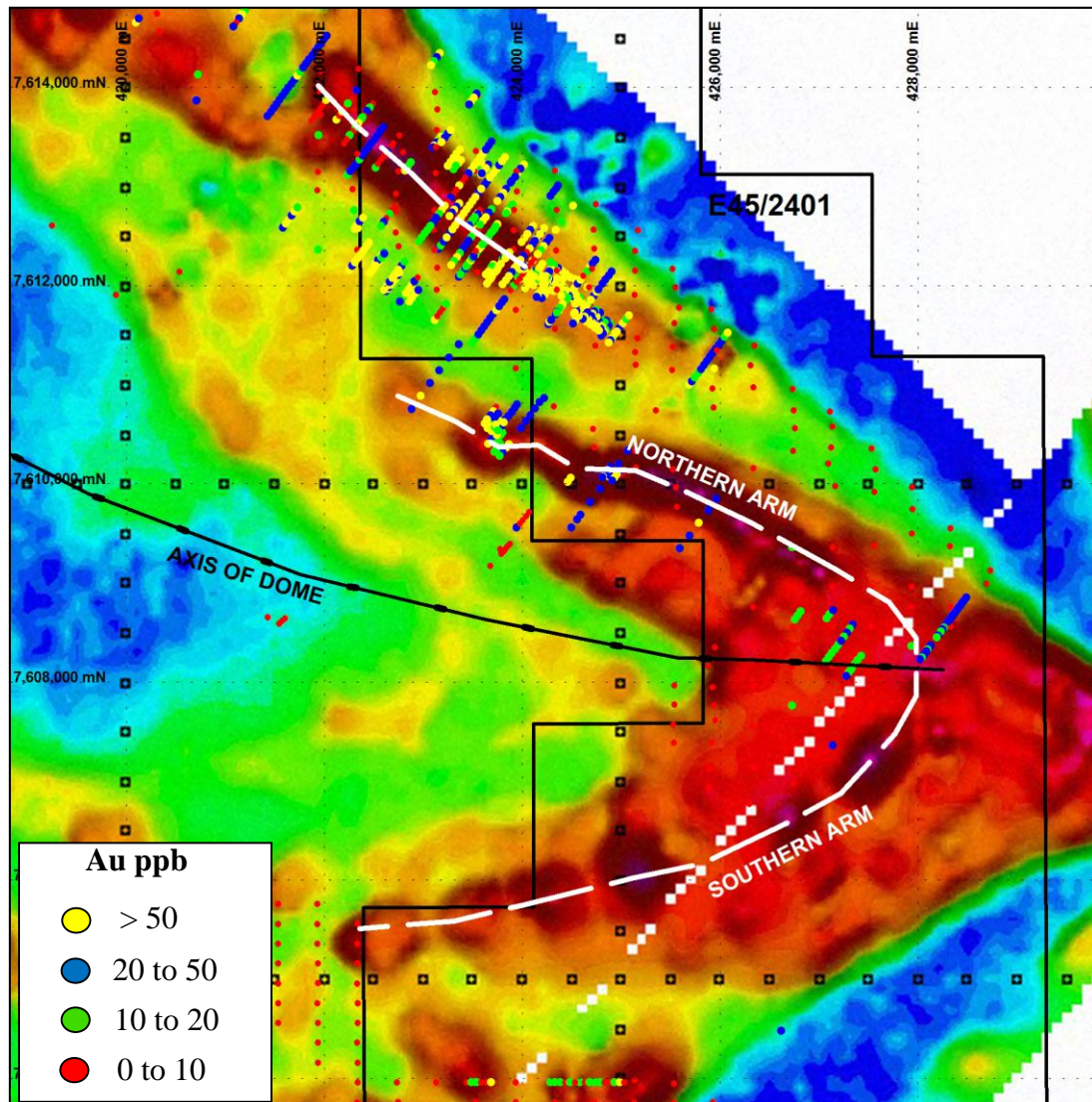


**FIGURE 3 – Historical Drilling over Reduced to Pole Magnetics. Areas of subdued magnetic response defined by pink polygons.**

### ***Electromagnetic Target Areas***

Historic airborne electromagnetic data (Time Domain Electromagnetic Survey) was reprocessed to produce a number of images. Figure 4 shows the Channel 10 survey data, which highlights the stratigraphy folding around the interpreted dome structure.

Maximum down-hole gold values appear to be associated with the northern arm of a conductive zone within the Punta Punta Formation. The southern arm has not been drilled and is considered a valid target for reconnaissance geochemical drilling.



**FIGURE 4 – Historical Drilling over Electromagnetics**

Background image is Channel 10 TDEM Survey Data. GDA94.

### ***Re-evaluation of Chicken Ranch Prospect***

Gold mineralisation at the Chicken Ranch prospect (Figure 2) is associated with deeply oxidised sediments of the Punta Punta Formation and includes mineralised intercepts of up to 7m @ 13 grams per tonne including a maximum of 1m @ 52 grams per tonne. The potential for the Punta Punta Formation to host economic mineralisation is considered high as shown by the Fallows Field deposit southwest of Telfer Mine. The Fallows Field deposit is hosted by Punta Punta Formation and in the 1980's Newcrest defined a mineral resource and mined approximately 50,000 ounces of gold.

Quantum considers a re-evaluation of the potential of the Chicken Ranch prospect to host economic mineralisation is warranted. This work continued during the quarter with compilation and validation of existing drilling data.



## **TANAMI (OFFICER HILLS JV) PROJECT**

(Quantum 100%, Newmont Option to earn up to 75%)

The Officer Hill JV Project is located within the Tanami geological province, which hosts world class orogenic gold deposits including the Granites gold deposits and the operating Callie Gold Mine owned by Newmont Mining (Figure 1). The Company holds a single Exploration Licence located 34 kilometres southwest of the Callie Gold Mine, which at the end of 2013 had 3.01 million ounces of gold reserves. The licence was granted on 29<sup>th</sup> July 2013 for a period of six years.

The project is prospective for gold mineralisation with historical drilling intercepts of 4 metres @ 4.64 g/t, multiple intervals of 1-4 g/t, and several wide intercepts of 0.1-1 g/t.

The project is being managed by Newmont under joint venture with the Company. Newmont are earning a 75% interest by spending \$500,000 within three years. Under the terms of the agreement Newmont must spend \$100,000 within the first 12 months.

Newmont advised that no field work was completed during the quarter.

*The information in this report that relates to exploration results is based on information compiled by Dr DS Tyrwhitt who is a Fellow 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 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 2012 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. Attached is a copy of the Company's Mining Exploration Entity Quarterly Report in accordance with Listing Rule 5.3.*



# Quantum Resources Limited

ABN 84 006 690 348

Table 1. Quantum Resources Limited Tenement Holdings

<b>Tenement</b>	<b>Project</b>	<b>State</b>	<b>% holding start of quarter</b>	<b>% holding end of quarter</b>
E45/2401	Telfer	Western Australia	100%	100%
EL23150 *	Tanami (Officer Hill)	Northern Territory	100%	100%

\* Farm out of 75% interest



# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

QUANTUM RESOURCES LIMITED

ABN

84 006 690 348

Quarter ended ("current quarter")

30 JUNE 2015

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (12 months) \$A'ooo
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(6)	(6)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(14)	(44)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (GST credits)	3	9
<b>Net Operating Cash Flows</b>		<b>(17)</b>	<b>(41)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans from other entities	14	36
1.11	Loans repaid by other entities	-	-
1.12	Other (Security deposits)	-	-
<b>Net investing cash flows</b>		<b>14</b>	<b>36</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(3)</b>	<b>(5)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(3)	(5)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	10
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	10
	<b>Net increase (decrease) in cash held</b>	(3)	5
1.20	Cash at beginning of quarter/year to date	12	4
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	9	9

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	-
1.24 Aggregate amount of loans to the parties included in item 1.10	14

1.25 Explanation necessary for an understanding of the transactions

LOANS FROM RELATED PARTIES

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

-

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	1,000	297
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	6
4.2 Development	-
4.3 Production	-
4.4 Administration	69
<b>Total</b>	<b>75</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	9	12
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>9</b>	<b>12</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

+ See chapter 19 for defined terms.

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b>	NIL			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>+Ordinary securities</b>	856,703,218	856,703,218		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -		
7.5	<b>+Convertible debt securities</b> (description)	NIL			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)	-	-	-	-
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> (totals only)	NIL			
7.12	<b>Unsecured notes</b> (totals only)	NIL			

+ See chapter 19 for defined terms.



## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 27 JULY 2015  
Company Secretary

Print name: PATRICK ANTONIO VOLPE

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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