QUANTUM RESOURCES LIMITED

ACN 006 690348

BARROW CREEK
NORTHERN TERRITORY

EXPLORATION LICENCE
EL25290

ANNUAL REPORT

FOR THE PERIOD

23 JULY 2007 TO 22 JULY 2008

BY

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DUE DATE: 23 AUGUST 2008

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Quantum Resources Limited, Melbourne

TENEMENT REPORT INDEX

COMPANY / OPERATOR:	Quantum Resources Limited
PROJECT:	Barrow Creek
TENEMENT:	EL25290
REPORTING PERIOD:	23 July 2007 to 22 July 2008
AUTHOR:	A. Raza, G. McGoldrick, C. Ashcroft & V. Bryner
DUE DATE:	23 August 2008
STATE:	Northern Territory
LATITUDE:	21° 53' 17"S
LONGITUDE:	134° 32' 30"E
AMG mN:	7578275mN
AMG mE:	451899mE
1:250,000 SHEET:	Barrow Creek SD 53-06, Alcoota SF53-10
1:100,000 SHEET:	Home of Bullion 5754, Laurapulla 5854 Utopia 5853
MINERAL DISTRICT:	Barrow Creek Region
COMMODITY:	Pb, Zn, Phosphate
KEY WORDS:	Georgina Basin, Barrow Creek, Tomahawk Beds, Dulicie Sandstone, Base Metals, Phosphate

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1. SUMMARY OF EXPLORATION ACTIVITY

This report describes exploration activities carried out on EL25290 in the southwestern part of the Georgina Basin between 23 July 2007 and 22 July 2008. A preliminary published literature study was carried out during the year to assist with planning of future geological investigation.

2. TENEMENT STATUS

Quantum Resources Limited is holder of EL25290 which covers an area of 222 km^2. (Figure 1).

TENEMENT	DATE OF GRANT	STATUS	AREA (km^2)
EL25290	23-07-2007	Live	222 km^2

3. LOCATION AND ACCESS

Exploration Licence 25290 is located ~75 km southeast of Barrow Creek, a township 284 km north of Alice Springs on the Stuart Highway. Being remotely located access to the tenement is by cross country travel with the four-wheel drive vehicle either from the Stuart or Sandover Highways. Note that the region becomes un-driveable during the rainy season between October and March. (Figure 2)

4. GEOLOGY

4.1 Regional Geology

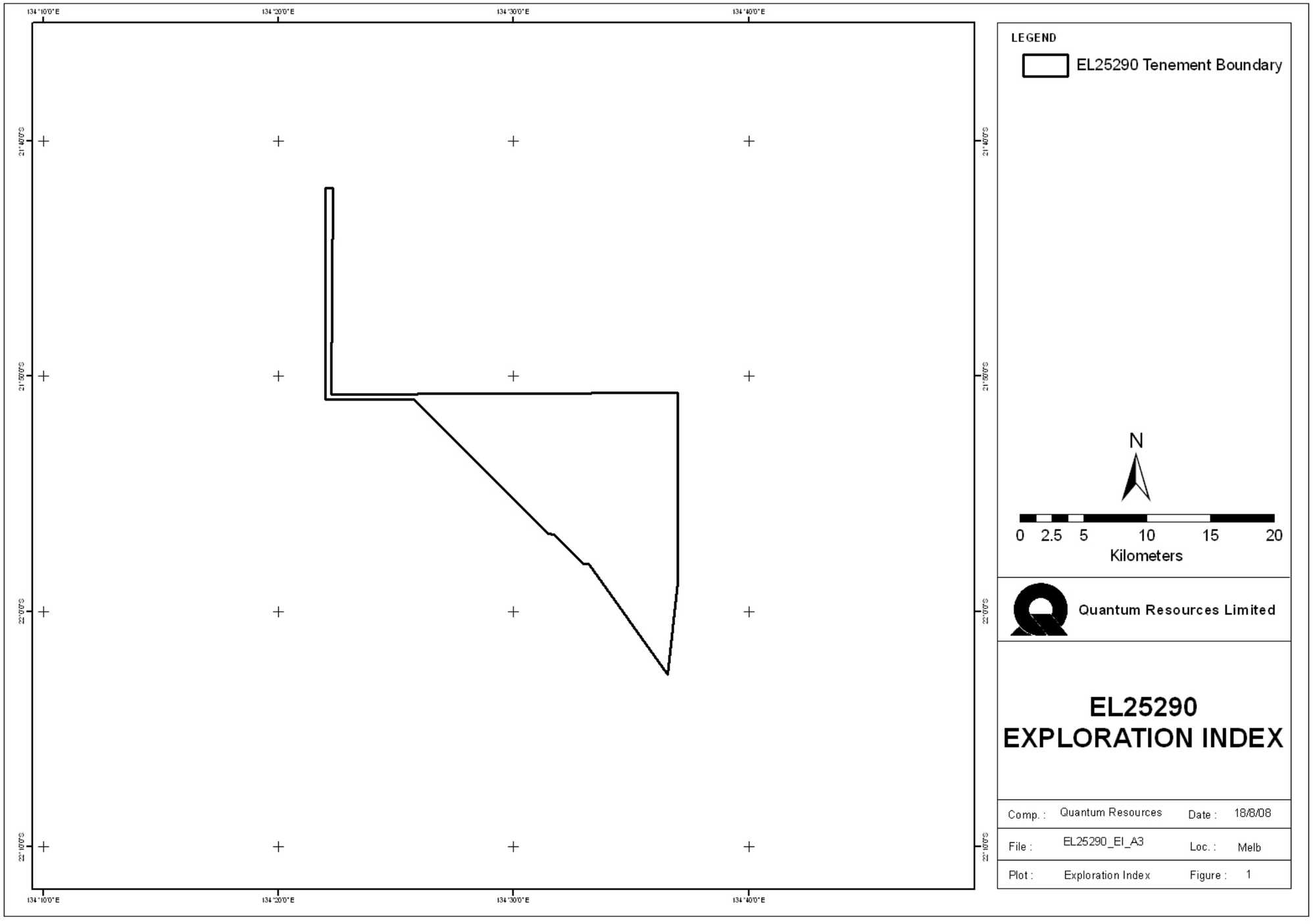
The tenement is a part of the Barrow Creek and Alcoota 1:250 000 map sheets. The major tectanostratigraphic units of the region are the northern Arunta Inlier, Davenport Province of the Tenennant Creek Inlier and the southwestern and southern parts of the Georgina and Wiso Basins respectively (Haines et al., 1991).

4.2 Local Geology

The geology of the tenement consists of two Palaeozoic formations belonging to the Georgina Basin succession and overlying Quaternary cover. These formations are Tomahawk Beds and Dulcie Sandstone (Figure 3). The geological description of the formations given below has been derived from Haines et al., 1991.

4.2.1 Tomahawk Beds

The Tomahawk Beds consist of medium to coarse grained, cross bedded, quartzarenite and lithic quartzarenite interbedded with micaceous siltstone, shale and minor quartz-rich dolostone. The coarse grained lithologies near the base of the formation host abundant glauconite.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134°20'0"E
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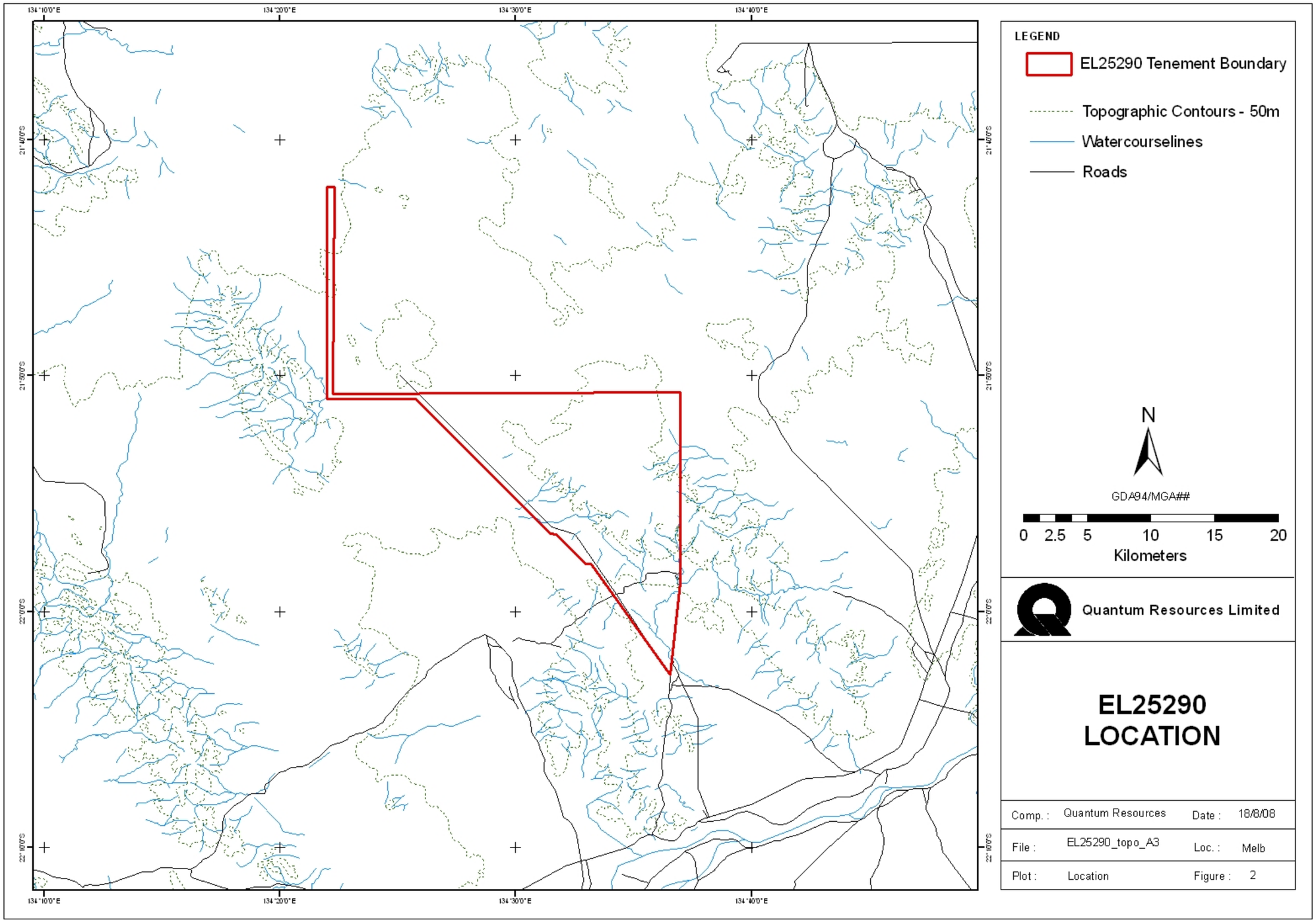
21°40'0"S
21°50'0"S
22°0'0"S
22°10'0"S
LEGEND
EL25290 Tenement Boundary
N
0 2.5 5 10 15 20
Kilometers
Quantum Resources Limited
EL25290
EXPLORATION INDEX
Comp. : Quantum Resources
Date : 18/8/08
File : EL25290_EI_A3
Loc. : Melb
Plot : Exploration Index
Figure : 1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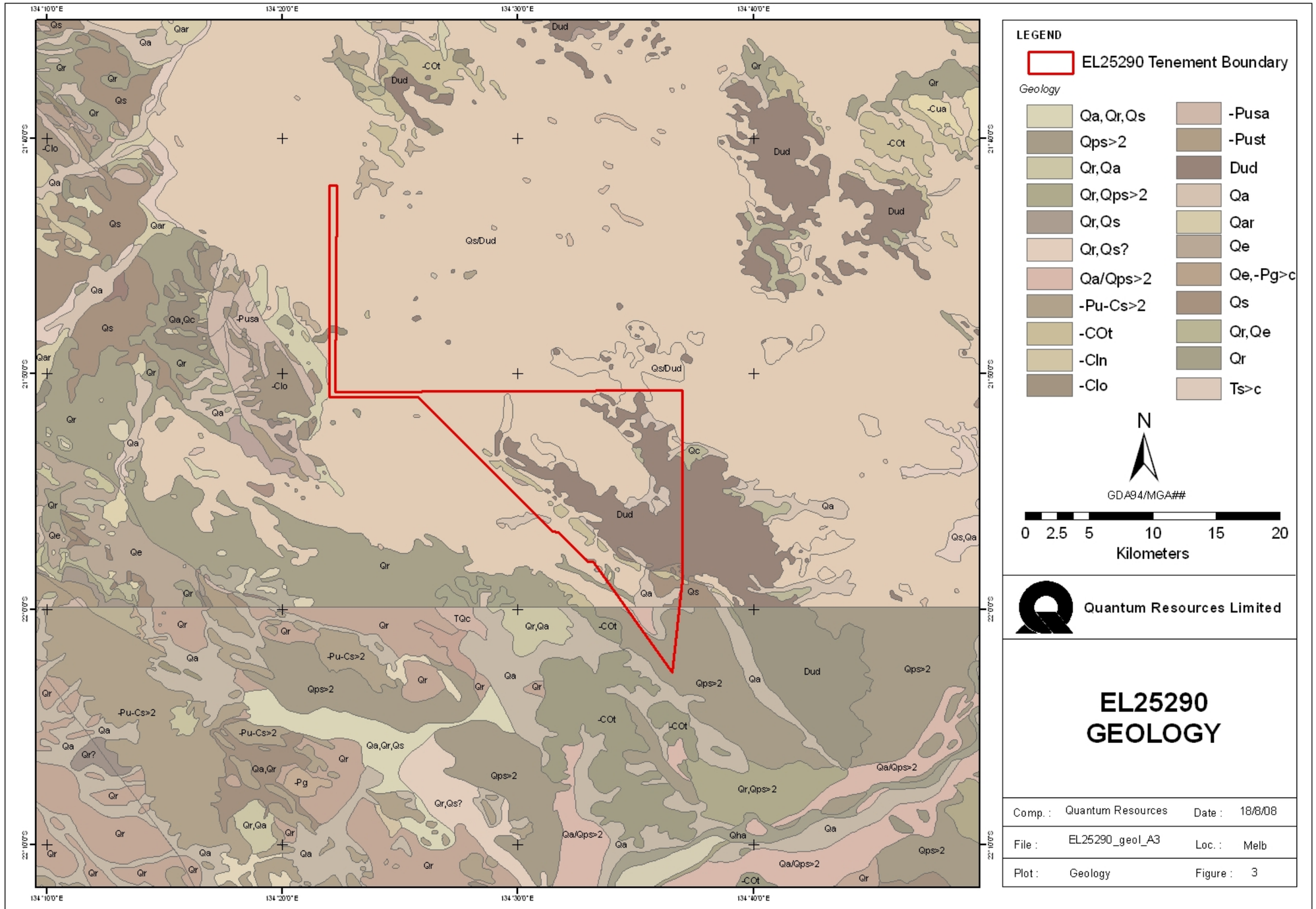
134°40'0"E
21°40'0"S
21°50'0"S
22°0'0"S
22°10'0"S
LEGEND
EL25290 Tenement Boundary
Topographic Contours - 50m
Watercourselines
Roads
N
GDA94/MGA##
0 2.5 5 10 15 20
Kilometers
Quantum Resources Limited
EL25290
LOCATION
Comp. : Quantum Resources
Date : 18/8/08
File : EL25290_topo_A3
Loc. : Melb
Plot : Location
Figure : 2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134°20'0"E
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134°40'0"E
21°40'0"S
21°50'0"S
22°0'0"S
22°10'0"S
Qs
Qar
Qa
Qr
Qe
Qc
Dud
-COt
-Clo
-Pusa
-Cua
Qa,Qc
Qs/Dud
Qr,Qa
Qr,Qs
Qr,Qs?
Qa,Qr,Qs
Qa,Qr
Qr,Qe
Qr,Qps>2
Qa/Qps>2
-Pu-Cs>2
Qps>2
TQc
-Pg
Qha
Qs,Qa
Qr?
LEGEND
EL25290 Tenement Boundary
Geology
Qa, Qr, Qs
Qps>2
Qr, Qa
Qr, Qps>2
Qr, Qs
Qr, Qs?
Qa/Qps>2
-Pu-Cs>2
-COt
-Cln
-Clo
-Pusa
-Pust
Dud
Qa
Qar
Qe
Qe,-Pg>c
Qs
Qr, Qe
Qr
Ts>c
N
GDA94/MGA##
0 2.5 5 10 15 20
Kilometers
Quantum Resources Limited
EL25290
GEOLOGY
Comp. : Quantum Resources
Date : 18/8/08
File : EL25290_geol_A3
Loc. : Melb
Plot : Geology
Figure : 3

Most of the Tomahawk Beds were deposited under open marine, well circulated, intertidal to subtidal environments, however, the presence of glauconite in units near the base of the formation suggest their deposition in restricted marine conditions. The Tomahawk Beds rest disconformably over Arrinthrunga Formation and disconformably overlain by the Devonian Dulcie Sandstone.

4.2.2 Dulcie Sandstone

The Devonian non-marine Dulcie Sandstone is the most widely exposed unit in the tenement and is the youngest formation of the Georgina Basin. It consists of strongly crossbedded, well sorted, fine to medium grained, medium to very thickly bedded quartzarenite. The accessory minerals present in arenite are tourmaline, muscovite, kaolinite and oxides.

The basal part of the formation was accumulated under lacustrine conditions, however, the upper part of the formation has been characterised as an aeolian deposit. The formation rests unconformably over the Cambrian/Devonian Tomahawk Beds.

4.3. Exploration Targets

The mineral prospects in the Neoprotoerozoic to Palaeozoic Georgina Basin are base metal and phosphate plays. There are known occurrences of Pb-Zn mineralization throughout the Basin sequence representing wide range of styles. Similarly economically significant phosphate deposits have been discovered at various localities particularly in the central and eastern parts of the basin.

5. EXPLORATION

5.1 Summary

Location	Work Done	Result	Conclusion
Barrow Creek, Northern Territory	Preliminary review of published literature	Understanding of the geology and mineral potential of the area under EL25290	Results will be complimented with comprehensive review of published research and open file reports

5.2 Geological & Geophysical data review

During the reporting a period preliminary review of published literature has been undertaken to assess the area's mineral potential. This is to be supplemented by detail review of published material and information from open file reports. On completion of this task a comprehensive exploration plan will be.

5.3 Recommendation for further work

After a review of pre-existing exploration and published research work, it is suggested that field mapping of the areas of interest should be carried out to define suitable target regions for further geological and geochemical investigation.

6. BIBLOGRAPHY:

Haines P.W., Bagas L., Wyche S., Simons B. and Morris D.G., 1991: Barrow Creek, Northern Territory. 1:250 000 Geological Map Series Explanatory Notes, SF 53-6. Northern Territory Geological Survey, Darwin.