COMPANY / OPERATOR: Quantum Resources Limited

PROJECT: Barrow Creek

TENEMENT: EL25290

REPORTING PERIOD: 23 July 2007 to 22 July 2008

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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 km². (Figure 1).

<table>
<thead>
<tr>
<th>TENEMENT</th>
<th>DATE OF GRANT</th>
<th>STATUS</th>
<th>AREA (km²)</th>
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<tr>
<td>EL25290</td>
<td>23-07-2007</td>
<td>Live</td>
<td>222 km²</td>
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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 tectonostratigraphic 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.
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 Arrinthurunga 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

<table>
<thead>
<tr>
<th>Location</th>
<th>Work Done</th>
<th>Result</th>
<th>Conclusion</th>
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<tr>
<td>Barrow Creek,</td>
<td>Preliminary review of published literature</td>
<td>Understanding of the geology and mineral potential of the area under EL25290</td>
<td>Results will be complimented with comprehensive review of published research and open file reports</td>
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</table>

5.2 Geological & Geophysical data review
During the reporting 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. BIBLIOGRAPHY: