



NuPower Resources Limited

ABN 91 120 787 859

Non Renounceable Rights Issue Prospectus

24 May 2011

For a pro-rata non-renounceable rights issue by NuPower Resources Limited (“NuPower”) to Eligible Shareholders, of 1 New Share for every 4 Shares held at 5.00 pm (Sydney time) on the record date of 2 June 2011, at an issue price of 3.2 cents per New Share to raise approximately \$2,491,668 before expenses.

Eligible Shareholders may apply for New Shares in excess of their full entitlement.

This offer is not underwritten.

CLOSING DATE: 5.00pm (Sydney time) on 23 June 2011 (or such later date as the Directors, in their absolute discretion and subject to compliance with the Corporations Act and Listing Rules, may determine). Valid acceptances must be received prior to this time.

An investment in the securities offered by this Prospectus should be considered as speculative.

This Prospectus is not for general circulation or distribution, and has or will be issued, circulated and/or distributed only to Eligible Shareholders. The offer to participate in the Rights Issue is made personally to Eligible Shareholders to whom the Prospectus has been issued, distributed or circulated.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents, or are in doubt as to the course that you should follow, you should consult your stockbroker or professional advisor.

Important Information

Important notice

You should read this entire Prospectus carefully. It is important that you consider the risk factors (see Section 6) that could affect NuPower's financial performance, before deciding on your course of action.

This Prospectus is dated 24 May 2011. A copy of this Prospectus was lodged with ASIC on 24 May 2011. No New Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. New Shares pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

Applications for New Shares offered pursuant to this Prospectus may only be submitted on an original Entitlement and Acceptance Form which accompanies this Prospectus. The Entitlement and Acceptance Form sets out an Eligible Shareholders' Entitlement to participate in the Offer. Eligible Shareholders who do not take up their Entitlement will have their existing interest in NuPower diluted. Please refer to Section 3 for details of how to accept the Offer. NuPower will apply for the New Shares offered pursuant to this Prospectus to be listed on the ASX.

NuPower has not authorised any person to give information, or to make any representation in connection with this Prospectus which is not contained in the Prospectus or is inconsistent with it. Any information or representation not so contained, or inconsistent with the information in this Prospectus, may not be relied on as having been authorised by NuPower in connection with this Prospectus.

Some words in the Prospectus have defined meanings. The definitions appear in Section 10 at the end of this Prospectus. References to dollars are in Australian dollars unless otherwise indicated.

This Prospectus contains an offer to Eligible Shareholders in Australia or in New Zealand of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. In making representations in this Prospectus regard has been had to the fact that NuPower is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. Please refer to Section 1.17 for further information concerning the nature of this Prospectus.

Neither ASIC nor the ASX take any responsibility for the contents of this Prospectus, or the merits of the investment to which this Prospectus relates.

Foreign Shareholders and Foreign jurisdictions

The New Shares being offered under this Prospectus are being offered to Eligible Shareholders with registered addresses in New Zealand in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (New Zealand).

No member of the public in New Zealand may accept the offer under this Prospectus except in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (New Zealand). This Prospectus is not an investment statement or offer memorandum under New Zealand laws and has not been registered, filed with or approved by any New Zealand regulatory authority or under any relevant law in New Zealand. This Prospectus may not contain all the information that an investment statement or prospectus under New Zealand laws is required to contain.

This Prospectus does not constitute an offer in any place where it would not be lawful to make such an offer, nor does it constitute an offer to any person to whom it would not be lawful to make an offer. Ineligible Foreign Shareholders are not entitled to participate in this Rights Issue.

Future Performance

Except as required by law, and only then to the extent required, neither NuPower nor any other person guarantees the future performance of NuPower or any return on any investment made pursuant to this Prospectus. Any investment in the New Shares should be considered as speculative.

Chairman's letter

24 May 2011

Dear Shareholder,

This Prospectus details your entitlement to the recently announced additional capital raising by way of a shareholder's rights issue and the areas where the funds will be applied. I would like to invite you to participate.

You will be aware that this raising follows a \$3.2 million placement to "sophisticated investors" undertaken on your company's behalf by Blackswan Equities. The Placement was completed in two tranches; tranche 1 placed 40 million shares raising \$1.28 million and was completed utilising the company's 15% capacity. The second tranche placing 60 million shares, raising \$1.92 million remains subject to shareholder approval at a general meeting of shareholders to be held on 8 June 2011. Shareholders have received separate correspondence regarding this shareholder meeting.

This Prospectus constitutes the second part of the funding exercise announced on 20 April 2011. It will raise, approximately \$2.49 million, bringing the total new funding up to \$5.69 million before expenses. As a consequence, NuPower will be in a position to undertake a thorough geological and metallurgical assessment of the projects outlined in the body of this Prospectus.

The projects have been identified from both ground observation and library research by Company geological staff. Many of the tenements were originally seen as hosting targets for uranium, but are now viewed as highly prospective for additional commodities, including high grade phosphate (>25% P2O5) and rare earths.

The highlights of the Rights Issue are;

Eligible Shareholders will be able to subscribe for one New Share for each four Shares currently held.

The price of each New Share will be 3.2 cents per Share (the same price as the Placement).

The issue will not be renounceable. If you do not take up your Entitlement, NuPower may place your Entitlement in accordance with the Prospectus.

Eligible Shareholders who take up their full Entitlement may apply for additional New Shares that may become available if there is a shortfall in New Shares applied for.

NuPower will be able to place the shortfall at not less than the price of 3.2 cents per New Share;

The Rights Issue is not underwritten.

Your Board of Directors recommends this rights issue to you in the belief that the program outlined in this document will deliver shareholder value in the near and medium term.

Yours sincerely



I.G. (Mick) Muir
Executive Chairman

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Summary of Important Dates

The indicative timetable for the Offer is as follows:

EVENT	DATE
Announcement of Rights Issue	20 April 2011
Date of Lodgement of Prospectus with ASIC	24 May 2011
Lodgement of Prospectus and Appendix 3B with the ASX	24 May 2011
Notice sent to Shareholders containing Appendix 3B details, and indicative timetable	26 May 2011
“Ex” Date - the date on which Shares commence trading without the Entitlement to participate in the Offer.	27 May 2011
Rights Issue Record Date to determine Entitlements	2 June 2011
Prospectus for the Rights Issue with the Entitlement and Acceptance Form sent to Eligible Shareholders	8 June 2011
Opening Date	8 June 2011
Closing Date for acceptances and receipt of applications under the Rights Issue	23 June 2011
Commencement of deferred settlement period. New Shares commence trading on a deferred settlement basis	24 June 2011
Shortfall notification to the ASX	28 June 2011
Allotment of New Shares and despatch of holding statements for New Shares. Deferred settlement period ends.	1 July 2011
Date of quotation of New Shares and normal ASX trading T+3 for New Shares issued under the Rights Issue is expected to commence	4 July 2011
Closing Date for acceptance and receipt of applications for Shortfall Shares	29 July 2011
Last date for the issue of New Shares comprised of Shortfall Shares	29 July 2011

- 1) The above dates are indicative only and may change without notice.
- 2) Subject to the Listing Rules the Directors reserve the right to either extend the Closing Date of the Offer (by giving at least six Business Days notice to the ASX prior to the Closing Date) at their discretion, or place or arrange to place the Shortfall Shares. An extension of the Offer will have the consequential effect on the anticipated date of issue and normal trading of the New Shares issued under this Prospectus.

Definitions

Throughout this Prospectus, various words and phrases have been capitalised and defined, rather than used in full on each occasion. The definitions of these capitalised words are set out in Section 10.

1. Details of the Offer

1.1 Offer of New Shares and Entitlement

This Prospectus invites Eligible Shareholders to participate in a pro-rata non-renounceable Rights Issue on the basis of 1 New Share for every 4 Shares held at 5.00 pm (Sydney time) on the Record Date of 2 June 2011, at an issue price of 3.2 cents per New Share (the “Offer”).

As at the date of this Prospectus, 311,458,483 Shares are on issue (this includes the 40,000,000 Shares issued under tranche 1 of the Placement but does not include the 60,000,000 Shares to be issued, subject to Shareholder approval being obtained at the general meeting of Shareholders to be held on 8 June 2011, under tranche 2 of the Placement or the 5,000,000 Fee Options (with an expiry date of 24 months from the date of issue and an exercise price of \$0.035 per Fee Option) to be issued to Blackswan Equities as part of its fee for managing the Placement). The number of New Shares available to be issued under the Rights Issue is 77,864,621.

If all of the Eligible Shareholders take up their Entitlements in full the Rights Issue will raise approximately \$2.49 million, before expenses of the Rights Issue.

The Rights Issue will open for receipt of acceptance at 9.00 am (Sydney time) on 8 June 2011 and will close at 5.00pm (Sydney time) on 23 June 2011, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules may determine. **You should allow sufficient time to ensure that your Entitlement and Acceptance Form reaches the Share Registry by the specified time.**

The Rights Issue is being made on a non renounceable basis, meaning that Entitlements may not be transferred or sold.

1.2 What is my Entitlement?

The number of New Shares to which you are entitled is shown in the accompanying Entitlement and Acceptance Form. In the calculation of any Entitlement, fractions will be rounded up to the nearest whole number and for this purpose holdings in the same name will be aggregated for calculation of Entitlements.

You may elect:

- To subscribe for all of your Entitlement applications exceeding your Entitlement will be deemed to be for your maximum Entitlement and any surplus Application Monies will be returned, without interest unless you have applied for Shortfall Shares;
- to subscribe for Shortfall Shares, if you subscribe for your maximum Entitlement;
- to subscribe for part of your Entitlement – any part of your Entitlement not taken up will lapse and form part of the Shortfall Shares; or
- to not take up any of your Entitlement – you are not required to take any action and your Entitlement will lapse and be dealt with in accordance with Section 1.3.

Please see Section 3 for more information about subscribing for all, part or none of your Entitlement and the Entitlement and Acceptance Form for instructions on how to complete the Entitlement and Acceptance Form to fulfil your above election.

1.3 Shortfall Shares

In addition to being able to apply for New Shares in the manner described herein, Eligible Shareholders who subscribe for their full Entitlement will also have the opportunity to apply for New Shares that are not subscribed for in the Offer ("**Shortfall Shares**"), subject to the limitations set out in Section 4.

The Company will ensure that no person, entity or Shareholder will, through the allocation of Shortfall Shares, acquire a holding of Shares of, or (in the case of existing Shareholders) increase their holding to, an amount in excess of 19.9% of all of the Shares on issue following completion of the Offer.

1.4 Use of funds

It is intended that the gross proceeds of the Rights Issue will be applied as set out below for the period ending 30 June 2013:

Table 1: Use of Funds	Refer to Section	A\$
Expenses associated with this capital raising		210,000
Working capital & corporate and administration expenses		501,668
Arganara phosphate exploration expenditure	Section 2.2.1	720,000
Lucy Creek phosphate exploration expenditure	Section 2.2.2	300,000
Warrabri phosphate exploration expenditure	Section 2.2.3	140,000
Strangways exploration expenditure	Section 2.3	120,000
Additional exploration on NuPower's existing tenements	Section 2.4	200,000
Lagoon Creek Joint Venture expenditure	Section 2.4	300,000
TOTAL		2,491,668

See Section 2 for a more detailed description of NuPower's key projects and exploration programs.

The use of funds outlined in the table above is a statement of current intentions as at the date of this Prospectus. Intervening events and new circumstances have the potential to ultimately affect the way funds are expended. The Directors reserve the right to alter the way the funds are expended accordingly.

The Offer is not underwritten. If less than 77,864,621 New Shares are issued pursuant to this offer, then NuPower will raise less than \$2.49 million. In this case, it is intended that the gross proceeds of the issue will be applied as set out below.

Table 2: Use of Funds if less than full amount raised	A\$
Expenses associated with this capital raising	The first \$210,000
Arganara phosphate exploration expenditure	The next \$400,000
Lucy Creek phosphate exploration expenditure	The next \$150,000
Warrabri phosphate exploration expenditure	The next \$100,000
Strangways exploration expenditure	The next \$120,000
Lagoon Creek Joint Venture expenditure	The next \$300,000
Additional exploration on NuPower's existing tenements	The next \$200,000
Pro rata across all projects and corporate administration expenses	The next \$1,011,668
TOTAL	\$2,491,668

NuPower does not seek to raise a minimum amount under this Rights Issue. In the event that insufficient funds are raised to carry out the administration and corporate activities, based on forecasting, the Company is able to use its existing working capital to cover these costs for at least the next 12 months.

1.5 Opening Date and Closing Date

The Rights Issue will open at 9.00am (Sydney time) on 8 June 2011 (“**Opening Date**”) and close at 5.00pm Sydney time on 23 June 2011 (or such later dates as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine) (“**Closing Date**”).

Completed Entitlement and Acceptance Forms must be received by the Share Registry by the Closing Date, together with payment, in Australian dollars, for the amount of the application.

1.6 Who is entitled to participate in this Offer?

The New Shares being offered under this Prospectus are being offered to Eligible Shareholders including those with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

1.7 Offer not made to Ineligible Foreign Shareholders

NuPower believes it is unreasonable to extend the Offer to Ineligible Foreign Shareholders. NuPower has formed this view having considered:

- (a) the number of Shareholders outside of Australia and New Zealand;
- (b) the number and value of the securities that would be offered to those Shareholders; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Offer under this Prospectus is not made to Ineligible Foreign Shareholders (as defined in Section 10).

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Shareholders holding Shares on behalf of persons who are resident outside of Australia or New Zealand are responsible for ensuring that subscribing for the New Shares under the Rights Issue does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will constitute a representation that there has been no breach of such regulations. Where the Prospectus has been received by a Shareholder domiciled in a country outside Australia or New Zealand and where that country’s securities code or legislation prohibits or restricts in any way the making of the Offer, then the Prospectus and accompanying Entitlement and Acceptance Form are provided for information purposes only.

All Entitlements that would have been offered to Ineligible Foreign Shareholders will be allowed to lapse and they will form part of the Shortfall Shares.

1.8 Issue and Allotment of New Shares

Until the issue and allotment of the New Shares, the Application Monies will be held on trust in a separate bank account opened and maintained for that purpose only. Any interest earned on the Application Monies will be for the benefit of NuPower and will be held by it irrespective of whether issue and allotment of New Shares takes place. No allotment of New Shares will take place until the proceeds of the Rights Issue have been received. NuPower expects that the New Shares will be issued no later than 1 July 2011.

The New Shares will be issued fully paid and, from the date of issue, will rank equally in all respects with existing Shares. By returning your Entitlement and Acceptance Form, you agree to comply with the NuPower Constitution in respect of New Shares issued to you.

1.9 ASX Quotation

NuPower will make an application for quotation to the ASX within seven (7) days following the date of this Prospectus for official quotation of the New Shares.

Official quotation on the ASX, if granted, of the New Shares will commence as soon as practicable after statements of holdings of the New Shares are despatched.

If approval for official quotation is not granted by ASX within three months after the date of this Prospectus, NuPower will not allot or issue any New Shares and will repay all Application Monies (where applicable) within the time prescribed under the Corporations Act, without interest.

That the New Shares have been admitted to quotation on ASX is not to be taken in any way as an indication of the merits of NuPower, the Offer or the New Shares.

1.10 Risks associated with not accepting your Entitlement

It is important that Eligible Shareholders understand the risks associated with not accepting their Entitlements.

If you elect not to accept your Entitlement in full under this Prospectus, your shareholding in NuPower may be diluted. Please carefully consider whether to accept your Entitlement and, if you are in doubt as to whether to accept, you should consult your independent professional investment advisor.

1.11 Market prices of NuPower Shares on ASX

A summary of the sale prices of NuPower Shares on ASX during the last 3 months until the last trading day on ASX immediately prior to lodgement of this Prospectus with ASIC is set out below:

Table 3: NuPower Share Price History	High (\$)	Low (\$)	Volume weighted average price (\$)
One Month	\$0.041	\$0.037	\$0.04
Three Months	\$0.046	\$0.030	\$0.04

The last market sale price of Shares on 24 May 2011 (which was the last day of trading before lodgement of the Prospectus with ASIC) was \$0.037

1.12 No brokerage or stamp duty payable on subscription under Entitlement

No brokerage or stamp duty will be payable by you in respect of a subscription for New Shares under your Entitlement.

1.13 Tax Implications

NuPower makes no representation and provides no advice in relation to the tax consequences for any Shareholder taking up their Entitlement under the Offer. Eligible Shareholders should seek independent professional taxation advice about the tax consequences of taking up the Entitlement.

1.14 CHESS

NuPower will not be issuing share certificates. NuPower will apply to the ASX to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by NuPower. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that NuPower will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number (HIN) or Shareholder Reference Number (SRN) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in NuPower during the preceding month.

1.15 Enquiries

Any question related to the Offer should be directed to the Company Secretary, Anthony Schildkraut on (02) 9262 4235.

1.16 Placement

On 20 April 2011 the Company announced that it would be undertaking a placement of 100,000,000 Shares ("**Placement Shares**") at an issue price of \$0.032 per Placement Share to raise \$3,200,000 ("**Placement**"). 40,000,000 Placement Shares were issued on 2 May 2011 under the Company's Listing Rule 7.1 placement capacity. At a General Meeting to be held on 8 June 2011, Shareholders will be asked to ratify the issue of these 40,000,000 Placement Shares and to approve the issue of a further 60,000,000 Placement Shares. The allottees of the Placement Shares are clients of Blackswan Equities and are "sophisticated investors" and/or "professional investors" for the purposes of section 708 of the Corporations Act. Only the allottees of the 40,000,000 Placement Shares issued under tranche 1 of the Placement are eligible to participate in the Rights Issue as the issue of those Placement Shares occurred prior to the Record Date.

The total proceeds of \$3,200,000 from the Placement will be utilised primarily to fund exploration programs focused on the Company's three phosphate projects in the Georgina Basin of the Northern Territory of Australia.

1.17 Legal framework and application of the Corporations Act to this Prospectus

For the purpose of Part 1.2A of the Corporations Act, NuPower is a “disclosing entity”. NuPower is subject to the continuous and periodic reporting and disclosure obligations as a disclosing entity. Broadly, these obligations require:

- the preparation of yearly and half yearly financial statements, and a report on the operations of NuPower during the relevant accounting period together with an audit or review report by NuPower’s auditor; and
- continuous and immediate notification to the ASX of any information concerning NuPower which it possesses or becomes aware of and which a reasonable person would expect to have a material effect on the price or value of the Shares, subject to certain exceptions.

As a "disclosing entity", the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to disclosure documents for an offer of securities which are quoted enhanced disclosure ("ED") securities and the securities are in a class of securities that were quoted ED securities at all times in the 12 months before the issue of this Prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the provisions of the Listing Rules as in force from time to time which apply to disclosing entities, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 12 months before the issue of this Prospectus.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

The New Shares to be issued under this Prospectus are in a class of securities that were quoted on the stock market of the ASX at all times in the 12 months before the issue of this Prospectus.

The Company will be making an application to ASX for quotation and listing on the ASX of the New Shares to be issued under this Prospectus (along with an application for quotation of the Placement Shares.)

NuPower will provide a copy of each of the following documents, free of charge, to any person who asks for it during the period from the date of this Prospectus until the Closing Date:

- the annual financial report for the year ending 30 June 2010; (being NuPower's most recent full year financial report lodged with ASIC before the date of this Prospectus);
- the annual audit reviewed financial report for the half year ended 31 December 2010 (being NuPower’s most recent half year financial report lodged with ASIC before the date of this Prospectus); and
- any continuous disclosure notices given by NuPower after the lodgement of the annual financial report for the year ending 30 June 2010 and before the lodgement of the copy of this Prospectus with ASIC.

Table 4: Continuous Disclosure Notices

Date	Headline
13/05/2011	Becoming a substantial holder
06/05/2011	Notice of General Meeting/Proxy Form
02/05/2011	Section 708 Cleansing Notice
02/05/2011	Appendix 3B
29/04/2011	Quarterly Activities Report
29/04/2011	Quarterly Cashflow Report
20/04/2011	Placement and Shareholder Entitlement Offer
15/04/2011	Trading Halt
11/04/2011	Georgina Basin Phosphate Projects Update
24/03/2011	Change of Director's Interest Notice
14/03/2011	Half Yearly Accounts
04/03/2011	Eva Resorce Statement
28/01/2011	Exploration Update
28/01/2011	Quarterly Cashflow Report
28/01/2011	Quarterly Activities Report
17/12/2010	Securities Trading Policy
23/11/2010	Chairman's Address to Shareholders
23/11/2010	Results of Meeting
23/11/2010	Exploration Update
29/10/2010	Quarterly Cashflow Report
29/10/2010	Quarterly Activities Report
25/10/2010	Cobar II Exploration Results
22/10/2010	Notice of Annual General Meeting/Proxy Form
15/10/2010	Response to ASX Query
27/09/2010	Annual Report to shareholders

All requests for copies of the above documents should be addressed to the Company Secretary. The above information may also be obtained from NuPower's website at www.nupowerresources.com.au.

1.18 No prospective financial forecasts

NuPower is an exploration company. Given the speculative nature of exploration, mineral development and production, there are significant uncertainties with forecasting future revenue. On this basis the Directors believe that reliable forecasts cannot be prepared and accordingly have not included forecasts in this Prospectus.

2. Overview of NuPower

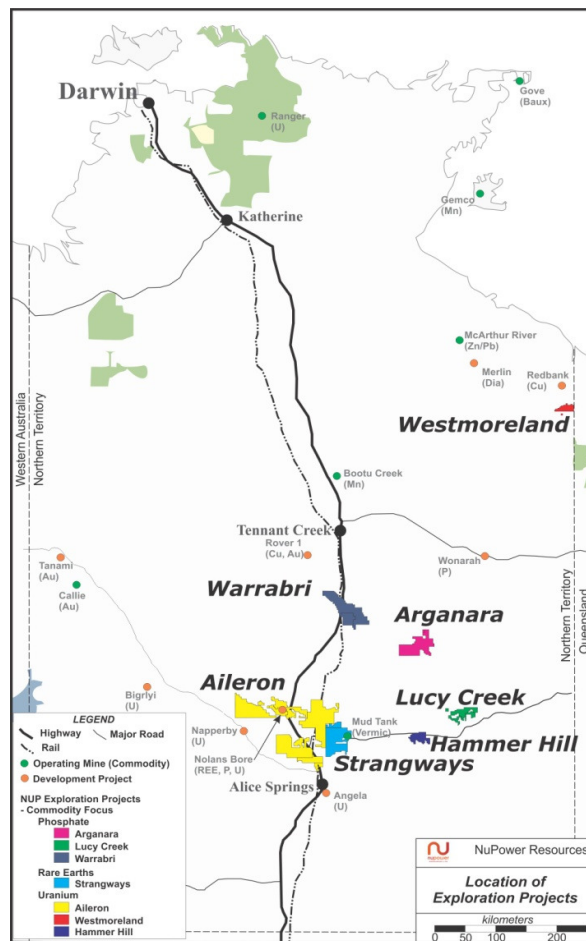
2.1 Background

NuPower is a mineral exploration company that operates within the Northern Territory of Australia. Until recently, the Company was focused on uranium exploration which resulted in the delineation of 1.43Mlbs of uranium at Eva and identification of palaeochannel uranium mineralisation in the Aileron project. Geological assessment and our exploration activities have identified areas within the portfolio that are prospective for other commodities, including phosphate and rare earth elements.

Your company's immediate goal is to focus on the exploration and further delineation of phosphate mineralisation on three projects – Lucy Creek, Arganara and Warrabri. NuPower will also continue with its exploration of its uranium and rare earth projects.

NuPower listed on the ASX in March 2007 and its corporate office is located in Sydney, New South Wales, with a regional exploration office in Darwin, Northern Territory. NuPower's assets include 25 exploration licences and 2 mineral leases in the Northern Territory.

NuPower has developed specific project groupings defined by its exploration results and through development of a geological understanding of the regions in which NuPower explores.



Map 1: NuPower's Northern Territory Project Areas and Tenements

2.2 NUPOWER PHOSPHATE PROJECTS

INTRODUCTION

NuPower holds in its own name or has applied for 9 exploration licenses in 3 separate project areas covering Cambrian sediments on the margins of the Georgina Basin that are highly prospective for phosphate.

The 3 project areas represent a pipeline of projects at varying stages of development;

Arganara Project where reconnaissance work and previous scout drilling have identified encouraging phosphate grades at two widely separated stratigraphic levels. Rum Jungle has intersected near-surface phosphate mineralisation that has the potential to result in Direct Shipping Ore (DSO) phosphate mineralisation, immediately adjacent to Arganara

Lucy Creek Project where exploration to date has discovered near-surface phosphate mineralisation with potential to result in DSO material, with some 45km along strike of unexplored potential. and

Warrabri Project is conceptual, based on geology, low grade phosphate mineralisation identified by the NTGS in a water bore and elevated groundwater geochemistry thought to be indicative of phosphate,

REGIONAL GEOLOGY

The projects are located on the margin of and in the basal part of the Georgina Basin, an extensive Cambrian sedimentary basin that occupies much of the central-eastern part of the NT and extends eastwards into Queensland as far as Mt Isa. Numerous other phosphate occurrences and deposits held by other entities are located around the margins of the basin at a similar stratigraphic position including the Phosphate Hill deposit (1400Mt @ 17.5% P₂O₅) in Queensland, which is in production, and a number of deposits in the Northern Territory including Wonarah (330Mt @ 18.9% P₂O₅) and Arruwurra (131Mt @ 18.6% P₂O₅) which are at the pre-feasibility stage plus Highland Plains (56Mt @ 16% P₂O₅), Alexandria (15Mt @ 10% P₂O₅), Alroy (5Mt @ 20% P₂O₅) and Buchanan Dam (8Mt @ 20% P₂O₅).

2.2.1 Arganara Project

TENEMENTS AND LOCATION

The project comprises 4 licences, EL24726 Arganara, EL25664 Mt Alone, EL27987 Newlands Bore and ELA 28648 George Creek with a total area of 1400 square kilometers. It lies 300km northeast of Alice Springs, 20km north of the Sandover Highway and 130km east of the Darwin-Alice Springs rail line.

GEOLOGY AND PHOSPHATE MINERALISATION

At Arganara late Proterozoic-Cambrian conglomerates, sandstones and siltstones of the Andagera Formation are overlain by prospective Early-Mid Cambrian Arthur Creek Formation consisting of calcareous, carbonaceous siltstones that are phosphatic towards the base with interbedded limestones, dolostones, chert and gypsum.

Phosphate had been discovered previously at two locations, Limestone Bore and Anomaly L. At Limestone Bore in the south, drilling by VAM in the 1970's intersected encouraging phosphate mineralization in 3 holes:

Hole_ID	Intersection P2O5	From (m)
L2	2.7m @ 21.8%	25.9
L4	20.1m @ 9.1%	38.1
Incl.	9.1m @ 14.7%	38.1
L5	7.3m @ 6.0%	28.0

NuPower has shown that variable phosphate mineralisation at Limestone Bore is hosted within the Arthur Creek Formation siltstone. Samples taken by NuPower assayed between 1.21 and 17% P2O5 with 6 samples assaying 10% P2O5 or better. This phosphatic horizon is open along strike to the northwest and southeast, however a portion of the prospective zone cannot be accessed due to Aboriginal Sacred Sites.

In the north of the Arganara licence, at Anomaly L, RTZ reportedly took a number of rock chip samples that assayed between 20% and 40.7% P2O5. NuPower has confirmed that phosphate mineralisation occurs in the area with samples from the base of small outliers of the Arthur Creek Formation assaying 31.8% and 37.6% P2O5. Further phosphate mineralisation was found a kilometer west of Anomaly L where 3 NuPower samples assayed in the range of 15.2-27% P2O5 from a unit that appears to be up to 5m thick.

Phosphate mineralisation at Anomaly L occurs at the base of the Arthur Creek Formation, in the same stratigraphic position as the recently announced phosphate discovery (Barrow Creek 1) of Rum Jungle Resources, which is located immediately to the west of the Arganara licence boundary where the drilling included;

- APAC 119: 3m @ 31.2% P2O5 from 14m; and
- APAC070: 5m @ 27.2% P2O5 from 14m.

The phosphate at Limestone Bore may occur at a higher stratigraphic level and therefore it appears that there may be at least two prospective stratigraphic horizons.

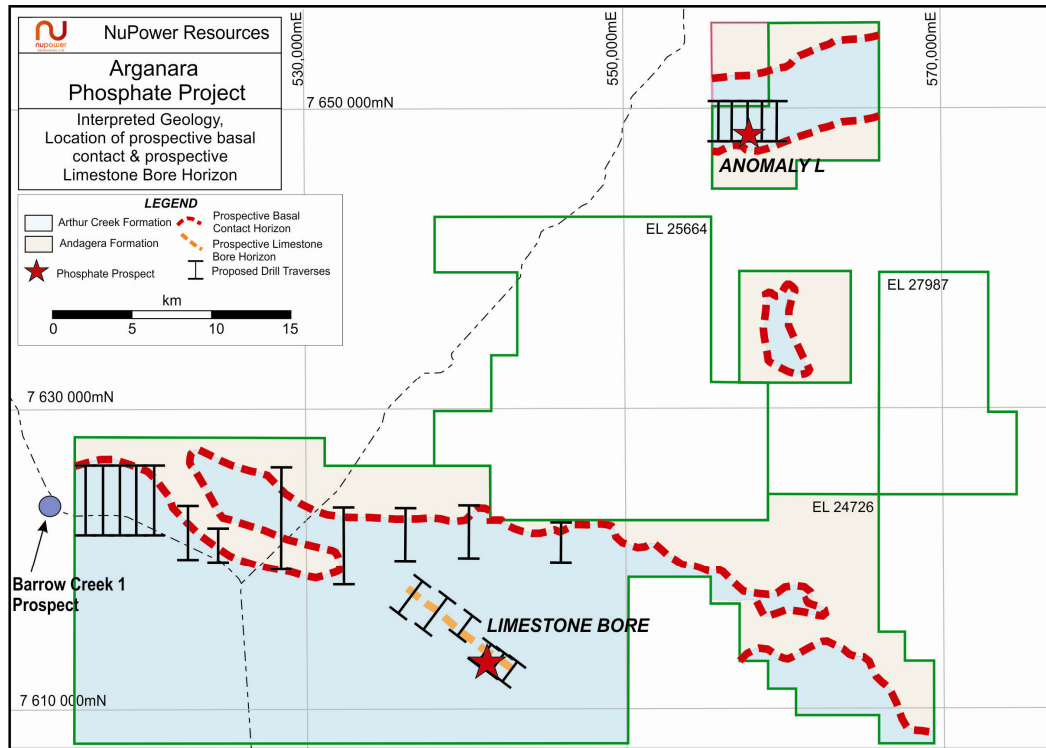
Previous discoveries of phosphate mineralisation at Arganara have been followed up with reconnaissance mapping and sampling that confirm significant grades (15 – 41% P2O5) at surface in often highly weathered rocks and it is apparent that at least two prospective horizons may be present. The basal horizon at Anomaly L, is the same stratigraphic unit returning significant near-surface intersections from drilling by Rum Jungle immediately west of the Arganara license boundary. Indications from fieldwork are that the cover to potential phosphate mineralisation in much of the project area may be shallow.

A broad spaced, shallow (maximum 50m depth) scout drill program will be undertaken in 2011 to test:

- the strike extent of phosphate mineralisation (up to 32% P2O5) from the adjacent licence discovered by Rum Jungle into the western part of the Arganara licence.
- 10km of strike extent of the Limestone Bore phosphatic horizon.
- the basal contact north and northwest of Limestone Bore; and
- the basal contact in the vicinity of Anomaly L

Encouraging results would be followed up in 2012 with infill drilling.

The Arganara Project has excellent potential for large tonnages of moderate grade (15 – 25% P2O5) phosphate mineralisation amenable to on-site beneficiation and significant tonnages of high-grade (>25% P2O5) DSO material that would be sufficient to start-off a small scale operation.

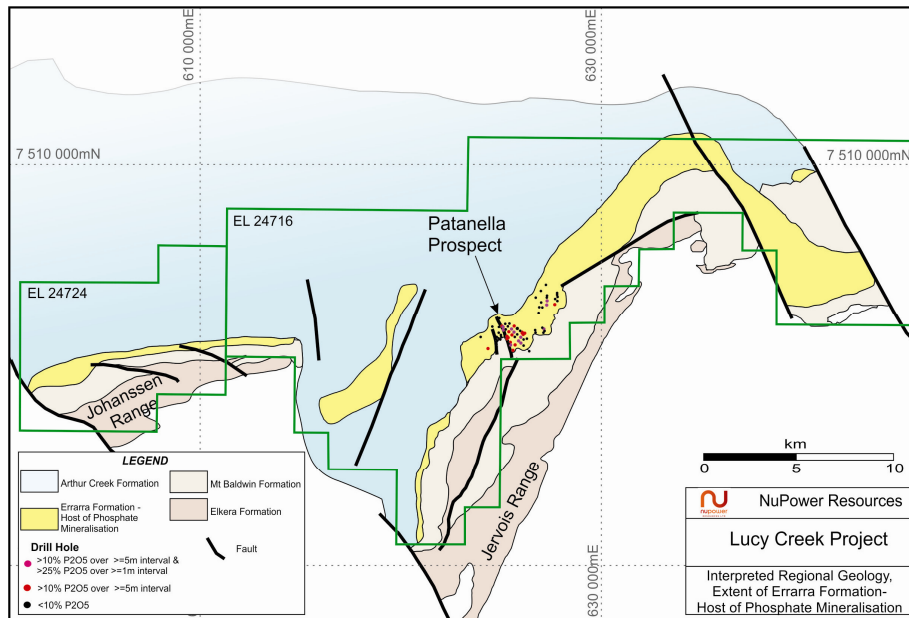


Map 2: Arganara Project – Interpreted geology showing location of horizons prospective for phosphate and proposed scout drilling program.

2.2.2 Lucy Creek Project

TENEMENTS AND LOCATION

The Lucy Creek Project consists of 2 granted exploration licences, EL24716 and EL24724 in NuPower’s name and 1 granted exploration tenement held by Arafura Resources Limited (“Arafura”) where NuPower has uranium rights. The project is located 30km north of the Plenty Highway and 270km east-northeast of Alice Springs as shown in Map 1. The focus of the phosphate exploration is on the two tenements held by NuPower, EL24716 and EL24724, covering a total area of 442 square kilometres.



Map 3: Lucy Creek Project – Interpreted geology showing extent of the prospective Errarra Formation and location of Patanella prospect.

GEOLOGY AND PHOSPHATE MINERALISATION

At Lucy Creek the host to the phosphate mineralisation, the Early Cambrian Errarra Formation, rests unconformably on Mt Baldwin sandstones but is generally only poorly exposed along the base of the Mt Baldwin dip slope on the western and northern flanks of the Jervois and Johanssen Ranges (Map 3). The formation is about 130m thick comprising a thin basal unit of granule conglomerate overlain by two dolostone units, separated by a silty sandstone unit. The sequence dips 5-10° to the west, has a potential strike length of up to 45km within both tenements and a strike width of 1.5-2.0km of near-surface material within 50m of the surface.

Exploration to date has concentrated on the Patanella Prospect where drilling has identified significant phosphate mineralisation over a 4km strike length including the following moderate to high-grade (15% and 25% P2O5 respectively) intersections from the original 5m composites and 1m splits of these composites;

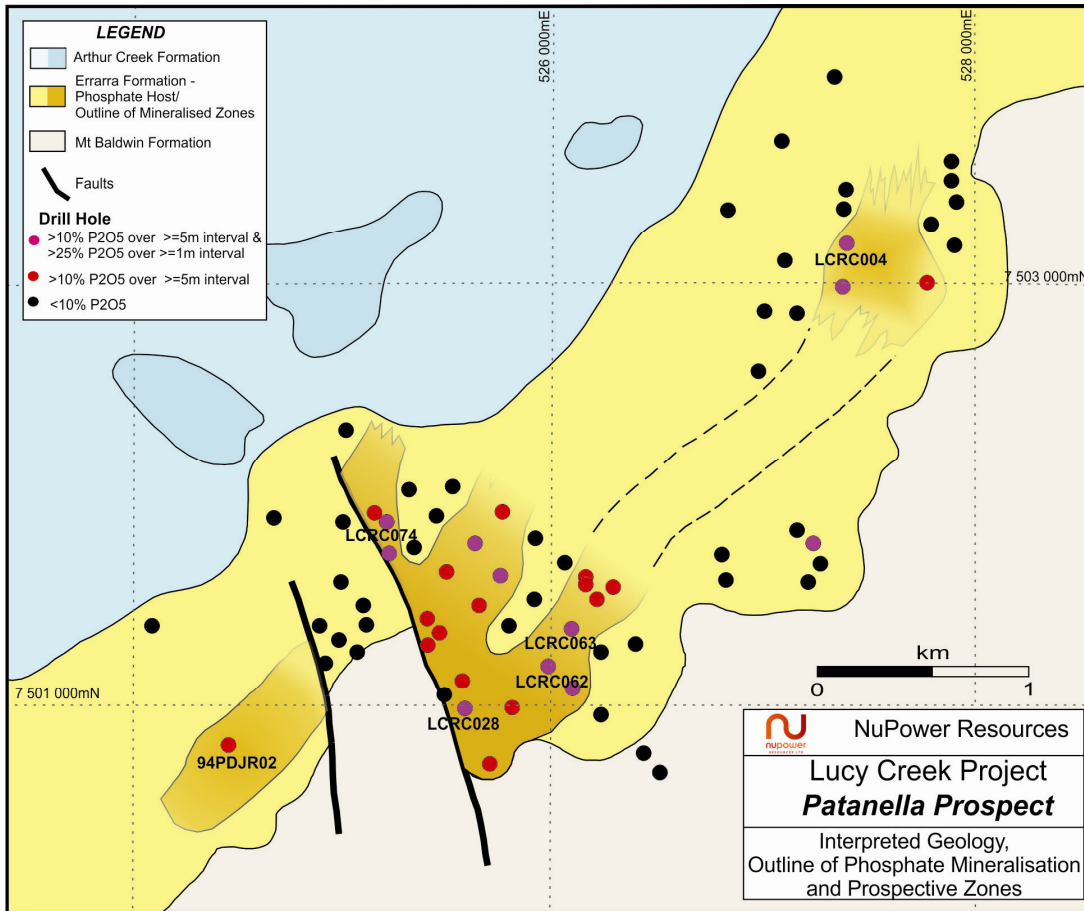
Lucy Creek Drillhole Phosphate Intersections

NuPower Resources Limited					
LUCY CREEK PHOSPHATE PROJECT					
HOLE NO	East_MGA	North_MGA	ORIGINAL 5m COMPOSITES	Intervals from 1m Re-Assaying >15% P2O5	Intervals from 1m Re-Assaying >25% P2O5
LCRC 003	627393	7502999	NOT AVAILABLE	8m @ 18.1% P2O5 from 25m	incl 1m @ 25.2% P2O5 from 29m
LCRC 004	627411	7503205	10m @ 21.7% from 30m	7m @ 25.4% P2O5 from 31m	incl 4m @ 30.0% P2O5 from 32m
LCRC 016	627234	7501789	NOT AVAILABLE	4m @ 18.4% P2O5 from 35m	incl 1m @ 27.0% P2O5 from 36m
LCRC 023	626166	7501580	16m @ 15.7% from 15m	4m @ 21.5% P2O5 from 17m and 1m @ 17.3% P2O5 from 24m and 2m @ 15.6% P2O5 from 29m	
LCRC 028	625598	7500994	10m @ 16.3% from 35m	5m @ 28% P2O5 from 37m	incl 4m @ 30.6% P2O5 from 37m
LCRC 061	626084	7501089	5m @ 23.0% from 5m	6m @ 23.1% P2O5 from 4m	incl 2m @ 28.4% P2O5 from 5m
LCRC 062	625965	7501204	10m @ 17% from 5m	4m @ 30.9% P2O5 from 8m	4m @ 30.9% P2O5 from 8m
LCRC 063	626090	7501373	10m @ 22.0% from 15m	2m @ 19% P2O5 from 4m	7m @ 27.4% P2O5 from 17m incl 4m @ 30.9% P2O5 from 19m and 1m @ 28.6% P2O5 from 37m
LCRC 065	625617	7501783	NOT AVAILABLE	2m @ 22.2% P2O5 from 25m	
LCRC066	625491	7501636	NOT AVAILABLE	1m @ 18.7% P2O5 from 26m	
LCRC 067	625421	7501367	NOT AVAILABLE	1m @ 19.6% P2O5 from 19m 1m @ 15.1% P2O5 from 22m 1m @ 16.6% P2O5 from 24m	
LCRC 068	625739	7501622	10m @ 18% from 40m	1m @ 16.2% P2O5 from 30m and 8m @ 20.1% P2O from 41m	incl 1m @ 26.6% P2O5 from 47m
LCRC 069	625641	7501487	NOT AVAILABLE	3m @ 18.7% P2O5 from 19m	
LCRC 074	625212	7501879	10m @ 32% from 20m 5m @ 17% from 35m 10m @ 16% from 45m	12m @ 29.5% P2O5 from 18m, and 8m @ 34.2% P2O5 from 22m 5m @ 16.2% P2O5 from 35m 3m @ 20.5% P2O5 from 44m and 3m @ 20.4% P2O5 from 51m	12m @ 29.5% P2O5 from 18m and 8m @ 34.2% P2O5 from 22m incl 1m @ 27.7% P2O5 from 45m
LCRC 084	626225	7501259	NOT AVAILABLE	2m @ 15.9% P2O5 from 24m	
LCRC 085	626219	7501527	NOT AVAILABLE	1m @ 21.0% P2O5 from 17m	
LCRC 089	625218	7501744	10m @ 16.8% from 15m 5m @ 17.2% from 35m 10m @ 17.4% from 50m	8m @ 24.4% P2O5 from 17m 2m @ 20.2% P2O5 from 36m 10m @ 18.6% P2O5 from 50m	incl 2m @ 30.3% P2O5 from 18m and 1m @ 25.4% P2O5 from 22m incl 1m @ 27.1% P2O5 from 53m and 1m @ 26.2% P2O5 from 57m

The Patanella mineralisation has similarities with other phosphate deposits within the Georgina Basin as it is spatially associated within an embayment within the paleo-coast line controlled by a NNW striking fault zone and is peripheral to a palaeo-coast parallel ridge.

The main zone of phosphate mineralisation identified to date is located against the eastern side of the NNW fault zone and splits into 3 distinct zones, all open along strike. The most significant of these extends some 2km to the north east from LCRC063 to the mineralisation identified in the vicinity of LCRC004 (Map 4).

Further potential for phosphate mineralisation exists on the western side of the NNW fault zone as evidenced by the 15m @ 12.7% P2O5 including 5m @ 21.8% P2O5 of mineralisation intersected in drill hole PD94JR02.



Map 4: Lucy Creek Project, Patanella Prospect – Outline of phosphate mineralisation delineated to date together with drilling results and prospective zones.

Assays of deleterious elements are low and preliminary studies of the mineralogy indicate that fluorapatite is the main phosphate phase present, in common with other economic deposits.

The Errarra Formation which hosts the mineralisation at Lucy Creek is exposed intermittently over a strike length of up to 45km which includes the Patanella Prospect.

The work program during 2011 is proposed to focus on:

- drill testing the potential extensions of mineralisation at the Patanella prospect over a 6km strike length; and
- reconnaissance exploration including potential drilling along the remaining 39km of untested strike length of the prospective Errarra Formation.

The Lucy Creek Project has excellent potential for large tonnages of moderate grade phosphate amenable to on-site beneficiation and significant tonnages of high-grade DSO material with further exploration required. The Darwin-Alice Springs railway is some 250km to the west of Lucy Creek which is a similar distance to that of the Wonarah phosphate project (Map 1).

2.2.3 Warrabri Project

TENEMENTS AND LOCATION

The Warrabri Project comprises 3 adjacent granted exploration licences, EL26226, EL26227, EL26228, covering 1,716 square kilometers. The project straddles the Stuart Highway and the Darwin-Alice Springs railway, and is 100km south of Tennant Creek and 300km northeast of Alice Springs. Under Northern Territory mining legislation, licences comprising the Warrabri project may be subject to partial surrender. Specific areas for surrender have yet to be determined by the Company.

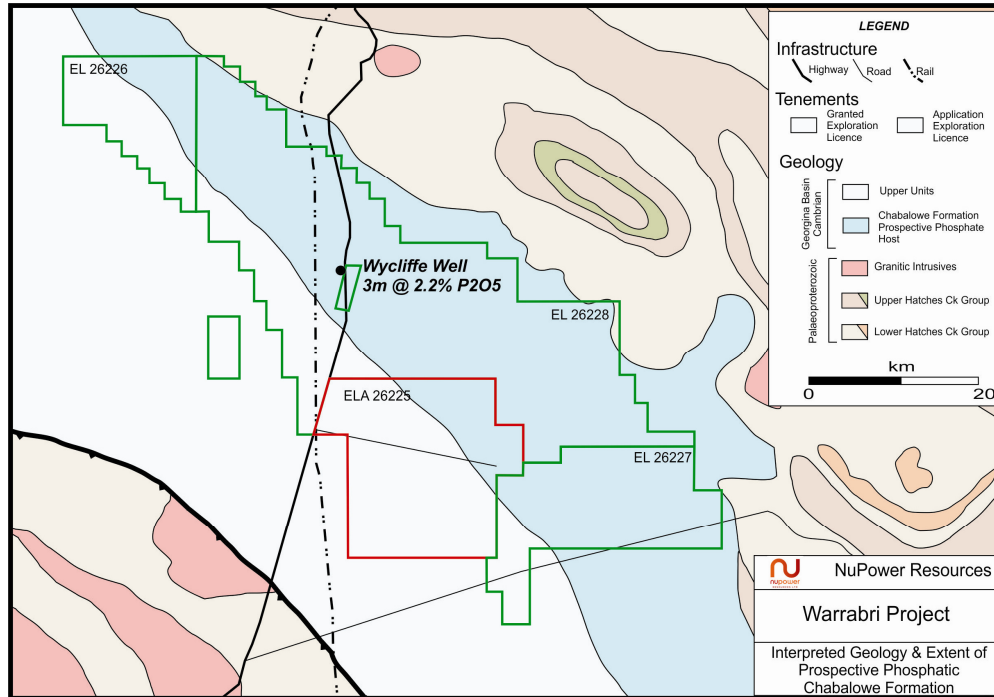
GEOLOGY AND PHOSPHATE MINERALISATION

Exploration at Warrabri is conceptual due to the very limited and weathered outcrop of Georgina Basin sediments and shallow recent cover. The Chabalowe Formation, which comprises dolomitic sandstones and siltstones has been mapped south of the project area, and is interpreted to extend north westwards into the project area. It is likely to be the lateral equivalent of the Arthur Creek Formation, which hosts the phosphate mineralisation at Arganara and Barrow Creek 1. If this is the case, the sediments of the prospective Chabalowe Formation may be present over a strike length of up to 80km with a potential width of 12km (Figure 5).

This interpretation is supported firstly by an Northern Territory Geological Survey report of cuttings from a drill hole at Wycliffe Well that assayed 3m @ 2.2% P₂O₅ from 3m (Map 5). Secondly, south of the project area where the Chabalowe Formation outcrops, ground waters are anomalous in Selenium (Se), Arsenic (As), Nickel (Ni), Cobalt (Co), Molybdenum (Mo) and Copper (Cu). Phosphate deposits elsewhere are known to contain trace amounts of a wide range of elements and it is considered here that these anomalies in the ground water are derived from phosphate units within this Chabalowe Formation. Sampling of groundwater within the project area has shown a similar range of anomalous elements supporting this interpretation.

In 2011 the Company proposes to test the region with a first-pass series of broadly spaced shallow (maximum 50m) holes on broadly spaced lines across the proposed strike of the Chabalowe Formation positioned firstly to pass through the positions of the station bores with anomalous ground waters, in closest proximity to the Stuart Highway.

This project has the potential to host the closest sedimentary phosphate deposit to the transport corridor in the Northern Territory.



Map 5: Warrabri Project - Interpreted Geology showing extent of the Chabalowe Formation, considered prospective for phosphate mineralisation.

2.3 NuPower Strangways Rare Earth Project

TENEMENTS AND LOCATION

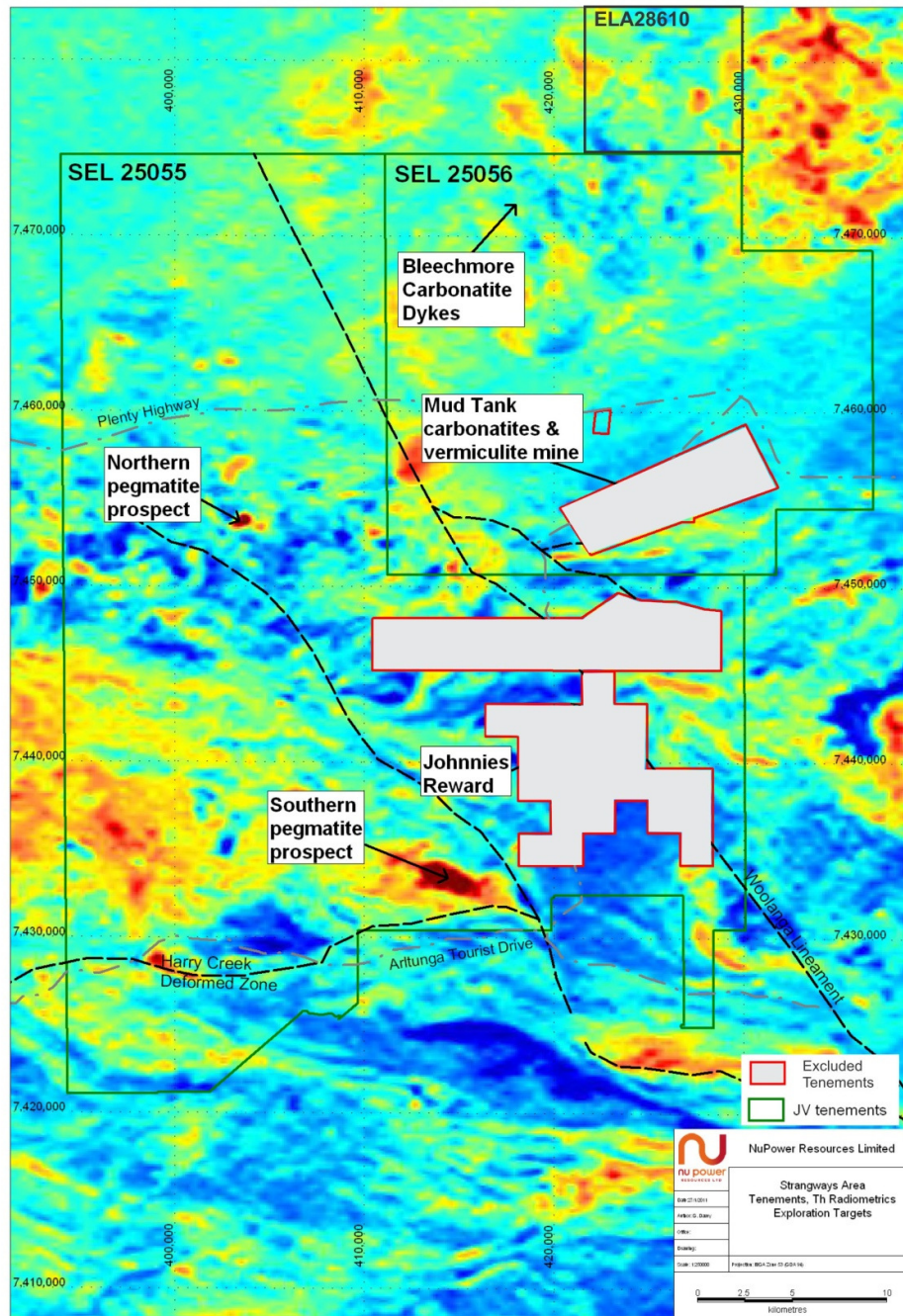
The Strangways Rare Earth Project comprises two Joint Venture titles with Maximus Resources Limited (“**Maximus Resources**”), SEL25055 Strangways and SEL25056 Bleechmore and two NuPower titles, EL26376 Mueller Creek and ELA28610 Mt Bleechmore. The total area is 1848.8 square kilometres

The main area of interest is covered by SELs 25055 and 25056 held by Flinders Mines Limited. Exploration is being done by NuPower under joint venture with Maximus Resources who purchased the non-diamond rights for these tenements from Flinders.

The area is located approximately 90 kilometres northeast of Alice Springs, straddling the Plenty Highway and Arltunga Road.

GEOLOGY AND RARE EARTH ELEMENT MINERALISATION

Rare Earth Element (“**REE**”) mineralisation associated with carbonatites and pegmatites within the high grade Strangways Metamorphic Complex has been identified within the Strangways Project. Two important faults pass through the area, the Harry Creek Deformed Zone and the Woolanga (Map 6). The latter structure is a long-lived crustal scale feature and has been inferred to be a control on the intrusion of the Mud Tank and Bleechmore Dyke carbonatites located within the area.



Map 6: Strangways REE Project showing location of tenements and prospects

Previous exploration has included diamond exploration by several companies, base metal and gold exploration and vermiculite exploration. This has included stream sediment sampling (not assayed for REE), trenching, ground magnetics and gravity and drilling in the Mud Tank to Bleechmore Dykes area, but there has been no exploration primarily targeting REE.

Carbonatites have long been known to occur at Mud Tank (surrounded by but not included within SEL 2506), and they are currently being mined for vermiculite, the weathering product of the mica within carbonatite. Only two shallow rotary air blast (“RAB”) holes have been drilled to test the structure

which controls the Mud Tank carbonatites west of Mud Tank, one of which returned 5m @ 2210ppm Cerium, 1440ppm Lanthanum.

The Bleechmore Dykes consist of four carbonatite dykes that measure up to 20m wide and at least 200m long in an area of very poor outcrop. A total of 274 very shallow holes were drilled at this prospect for vermiculite exploration and assaying for REE was nonexistent to sporadic with only a few samples assayed for a full suite of elements. It appears that most drill samples assayed showed elevated levels of Ce and or La, including 20m @ 2340ppm Cerium (Ce), 832ppm Lanthanum (La) and 15m @ 1540ppm Cerium (Ce), 860ppm Lanthanum (La) with a maximum Cerium (Ce) assay of 0.935%. A limited number of surface rock samples from here have been assayed for REE, the best results being 2880ppm Cerium (Ce), 1460 Lanthanum (La), 1220 Neodymium (Nd), 318 Praseodymium (Pr), 241 Samarium (Sm), 12.8 Ytterbium (Yb), 59.7 Europium (Eu), 128 Gadolinium (Gd), 78 Dysprosium (Dy), equivalent to 0.64% REE.

These values are regarded as highly interesting given the small amount of exploration in the area. Several of the better intersections have not been followed up with infill drilling and are open in several directions.

As the carbonatites at Mud Tank and at the Bleechmore Dykes prospect contain accessory magnetite and a large magnetic ring structure surrounds the Bleechmore Dykes prospect, this has been interpreted as the subsurface manifestation of a large carbonatitic alkaline intrusive. These features, together with a number of other magnetic features within the area have been subject to little exploration.

The work program planned for this area consists of completion of the compilation and interpretation of available data, detailed geological mapping and geochemical sampling, probable detailed airborne magnetics and radiometrics and scout RAB drilling.

Two clusters of REE enriched pegmatites have been found to date during brief reconnaissance mapping and follow up of airborne radiometric anomalies identified. The larger southern cluster lies near the intersection of the Harry Creek Deformed Zone and a structure parallel to the Woolanga Lineament. It is underlain by biotite gneiss and granulite that have been invaded by a swarm of radioactive pegmatites ranging in size from narrow sills to large irregular bodies. The northern cluster contains a number of sills and dykes up to at least 20m. Limited rockchip sampling of the southern cluster returned an average of 0.45% REE with a maximum of 0.93% REE with anomalous rubidium, strontium and scandium. Seven rock chip samples from the northern cluster averaged 0.28% REE with a maximum of 0.47% REE.

There is considerable scope for the discovery of other pegmatite bodies of large areal extent hosting REE mineralisation. Further planned exploration consists of detailed geological mapping and sampling, probable detailed airborne magnetic and radiometric surveys, ground radiometric surveying and scout drilling.

It appears that there has been little previous exploration targeting REE in the Strangways tenements, although some very encouraging assays have been reported. NuPower regards the Strangways tenements as highly prospective for REE in carbonatites and pegmatites.

2.4 NuPower's Uranium Projects

INTRODUCTION

Whilst the Company maintains a strong portfolio of uranium projects, the Directors recognise that there has been a significant shift in both commercial and political sentiment to the sector and therefore uranium exploration is of lesser priority for NuPower in 2011.

The Company maintains two project areas, in the Northern Territory;

- Westmoreland on the Northern Territory side of the Queensland border; and
- Aileron in central Australia.

WESTMORELAND PROJECT

The Westmoreland Project consists of 3 areas, the Eva Mining lease MLN585 (11.7 hectares), Cobar II Mining Lease MLN578 (6.3 hectares) and Exploration Licence EL23573 Lagoon Creek (189 square kilometres).

Eva

The Eva uranium-gold deposit was drilled by the Company in 2009 and the following separate mineral resources compliant with the JORC Code were announced in 2011.

Category	Tonnes	Grade U ₃ O ₈	U ₃ O ₈ Tonnes	U ₃ O ₈ M Lbs
Inferred	105,300	0.05%	60	0.13
Indicated	430,500	0.14%	590	1.30
Total	535,800	0.12%	650	1.43

using a 0.02% U₃O₈ cut off.

Category	Tonnes	Grade Au	Au kg	Au Oz
Inferred	14,000	3.07g/t	40	1400
Indicated	87,600	3.88g/t	340	10,900
Total	101,600	3.77g/t	380	12,300

using a 1.2g/t Au cut off.

The gold resource lies mostly within the uranium resource.

The mineralisation occurs as replacements, disseminations and fracture fillings of secondary uranium oxide minerals and gold in andesites of the Clifffdale Volcanics and microgranite of the Nicholson Granite Complex immediately beneath the Westmoreland Conglomerate unconformity. Eva is thought to be of the unconformity uranium deposit type with similarities to the Coronation Hill deposit in the Alligator Rivers region.

NuPower intends to undertake metallurgical test work on samples from Eva in 2011 to assess the viability of potential treatment methods.

Lagoon Creek

The Lagoon Creek title covers the southwest strike extension of the North East Westmoreland Dyke Zone from Queensland. The project is a 50/50 joint venture with Lagoon Creek Resources who are operators of the joint venture.

Drilling along the strike of the North East Westmoreland and El Hussen structures in zones previously tested by earlier explorers has not intersected economic grades of mineralisation. A detailed airborne radiometric survey identified various uranium anomalies, but the results of the follow up of some of these have been disappointing. Regional stream sediment sampling generated some minor multi-element anomalies. Follow up of this work and the anomaly of previous explorers is incomplete.

Cobar II

At Cobar II uranium mineralisation is confined to narrow and discontinuous shear zones in basalts of the Seigal Volcanics, unconformably overlying Westmoreland Conglomerate.

In 2010 the Company drilled 7 holes to test the mineralised structure in the vicinity of Blackwells Workings. This showed that the better uranium mineralisation is confined to a small shoot of hydrothermal breccia developed above the unconformity that was most probably the focus of the earlier miners. No significant mineralised intersections were found and no further work is planned.

AILERON PROJECT

The Aileron Project area comprises 14 exploration licenses covering 8498 square kilometers in the Aileron region centred 100km north of Alice Springs and bisected by the Stuart Highway. Three are held by Arafura in which NuPower holds the uranium interest, two are held by NuPower in which NuPower has only the uranium interest while Arafura holds the remaining metals, eight are held by NuPower with interests in all metals and there is one joint venture licence.

The project was initiated on the transfer of licences with potential to host palaeochannel uranium mineralisation to NuPower from Arafura during the demerger process. NuPower then acquired further areas with additional palaeochannel potential and where there is interest in the basement for other styles of mineralisation.

A regional airborne electromagnetic (AEM) survey identified important structural troughs along the southern flanks of the Yalyirambi Ranges and the southern margin of the Ti Tree Basin and evidence of palaeochannels eroded out of the basement beneath Burt Plain with thick sequences of unconsolidated Cainozoic sediments which are prospective for secondary sandstone-hosted uranium. Scout rotary mud drill holes confirmed the interpretation of the AEM survey and intersected traces of uranium in reduced horizons of sands and silts with local organic trash, confirming the validity of the exploration model. The more prospective parts of these structures have been retained and more drilling is warranted.

Four regional multi-element groundwater anomalies in the Aileron project are thought to be derived from potential mineralisation in the basement beneath shallow cover. Compilation of open file data, together with the use of AEM, gravity and magnetic surveys is in progress to refine targets for follow up.

The information in this section of the Prospectus relates to exploration results and geological interpretation by Mr. Warrick Rafferty (MSc). Mr. Rafferty is a Member of Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (Australia). ("JORC Code"). Mr. Rafferty consents to the inclusion in this Section of the Prospectus of information based on his results and interpretation in the form and context in which it appears.

The information in this release that relates to Mineral Resources of Eva Project is based on information reported by Mr. Ian Taylor, who is a member of Australian Institute of Geoscientists. Mr. Taylor is employed by Mining Associates Pty Ltd of Brisbane, Australia. Mr. Taylor has sufficient experience in resource modeling which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (Australia). Mr. Taylor consents to the inclusion in this Section of the Prospectus of information based on information reported by him in the form and context in which it appears.

This report contains forward looking statements. The actual results could differ materially from a conclusion forecast or projection in the forward-looking information.

3. Actions Required by Eligible Shareholders

The following alternatives are available to Eligible Shareholders.

3.1 Taking up all of your Entitlement

If you wish to take up all of your Entitlement, complete the accompanying Entitlement and Acceptance Form for New Shares in accordance with the instructions set out in that form.

You should then forward your completed Entitlement and Acceptance Form together with your Application Money or alternatively make your payment via Electronic Funds Transfer (“EFT”) in accordance with Section 3.5 to reach the Share Registry no later than 5.00pm (Sydney time) on 23 June 2011.

3.2 Taking up all of your Entitlement and applying for Shortfall Shares

If you wish to take up more than your Entitlement, complete the accompanying Entitlement and Acceptance Form for New Shares as detailed in this Section 3, and follow the other steps required in Section 4.

3.3 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up only part of your Entitlement, follow the instructions on the accompanying Entitlement and Acceptance Form to apply for the number of New Shares you wish to take up. The balance of your Entitlement will lapse and will then form part of the Shortfall Shares that may issued to other parties in accordance with this Prospectus.

3.4 Acceptance of terms

All applications for New Shares must be made on the Entitlement and Acceptance Form. Any application will be treated as an offer from the applicant to acquire New Shares on the terms and conditions set out in the Prospectus. The Directors reserve the right to reject any applications for New Shares.

3.5 Payment

Entitlement and Acceptance Forms must be accompanied by payment in full \$0.032 per New Share subscribed for.

Payments must be made by 5.00pm (Sydney time) on 23 June 2011, and must be in Australian currency and by:

- cheque drawn on and payable at any Australian bank; or
- bank draft drawn on and payable at any Australian bank.

Cheques or bank drafts must be made payable to ‘NuPower Resources Limited – Rights Issue’ and crossed ‘Not Negotiable’. Cash payments and money orders will not be accepted and receipts for payment will not be provided.

Alternatively, payment can be made via EFT by following the instructions on the enclosed Entitlement and Acceptance Form. Note it is the responsibility of the applicant to ensure funds submitted through EFT are received by 5.00pm (Sydney time) on 23 June 2011.

3.6 Send to

Completed Entitlement and Acceptance Forms and accompanying payments must be returned to the Share Registrar at the following address and received no later than 5.00pm (Sydney time) on 23 June 2011.

By mail:

NuPower Resources Limited
c/- Security Transfer Registrars Pty Ltd
PO Box 535
Applecross WA 6953

By delivery:

NuPower Resources Limited
c/- Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153

A reply paid envelope is enclosed for your convenience. If mailed in Australia, no postage stamp is required.

4. Subscription Shortfall

4.1 How to apply for Shortfall Shares

Eligible Shareholders who take up their Entitlement in full will also have the opportunity to apply for Shortfall Shares.

Shortfall Shares will be issued at the same price and on the same terms as the New Shares and an Eligible Shareholder may only make an application for Shortfall Shares if they apply for their maximum Entitlement.

Shortfall Shares will only be issued if the Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions (see Section 4.3 below regarding the allocation and placement of any Shortfall Shares). If NuPower receives applications for Shortfall Shares that would result in the Offer being oversubscribed then the Company will not accept such oversubscriptions and will reject applications at its absolute discretion.

The Directors reserve the right to reject any application for Shortfall Shares or to allot a lesser number of Shortfall Shares than applied for. Application Monies received but not applied towards subscriptions for Shortfall Shares will be refunded as soon as practicable. No interest will be paid on Application Monies held and returned. Furthermore, the Company will not issue Shortfall Shares where to do so would result in a breach of the Corporations Act or the Listing Rules.

4.2 Completion of Entitlement and Acceptance Form

All acceptances for New Shares and Shortfall Shares offered under this Prospectus must be made on the personalised Entitlement and Acceptance Form and accompanied by payment of Application Monies in accordance with instructions set out on that form. An Eligible Shareholder may only make an application for Shortfall Shares if the Shareholder applies for their maximum Entitlement of New Shares under the Offer.

4.3 Placement of Shortfall Shares

Under an exception to the Listing Rule 7.1 requirement for shareholder approval to an issue of securities in excess of 15% of the Company's issued share capital, NuPower may issue any Shortfall Shares that are not successfully subscribed for by Eligible Shareholders ("**Shortfall Shares Balance**"), at the discretion of the Directors, provided that:

- the price at which New Shares in the Shortfall Shares Balance are issued is not less than the issue price for the New Shares under the Offer; and
- New Shares in the Shortfall Shares Balance (or any number of them) are issued within three (3) months of the Closing Date.

If there is such a shortfall, then the Board reserves the right to utilise this exception to Listing Rule 7.1, in which case, the Board may:

- seek bids from institutions and other prospective investors for the New Shares comprising the Shortfall Shares Balance; and
- determine the issue price and allot the New Shares on the basis of those bids.

NuPower may pay fees or commissions determined at the time of offering or issuing New Shares in the Shortfall Shares Balance. The allocation of New Shares in the Shortfall Shares Balance will be made at the Company's discretion, having regard to applications received by Eligible Shareholders and the fees or commissions that may be required to be paid to institutions and other prospective investors when placing Shortfall Shares.

5. Effect of the Rights Issue on NuPower

5.1 Principal effect of Rights Issue

If all of the Eligible Shareholders take up their Entitlement in full, then the principal effect to the Rights Issue on NuPower will be that:

- (a) the cash reserves and contributed equity of NuPower will increase by approximately \$2,491,668 before deducting the expenses of the Rights Issue;
- (b) the number of NuPower shares on issue will increase by 77,864,621, and
- (c) the equity of Eligible Shareholders who do not participate in the Rights Issue and of Ineligible Foreign Shareholders will be diluted.

5.2 Impact on capital structure

At the date of this Prospectus, NuPower has 311,458,483 Shares on issue. The settlement of the second tranche of the Placement, announced on 20 April 2011, remains subject to Shareholder approval at a meeting scheduled for 8 June 2011. If Shareholder approval is received, an additional 60,000,000 Shares will be issued prior to any settlement under this Prospectus, bringing the total Shares on issue to 371,458,483. The Shares issued under the second tranche of the Placement are not eligible to participate under the Offer being made in this Prospectus because they will be issued after the Record Date.

If all of the Eligible Shareholders take up their Entitlements under the Offer in full the New Shares issued pursuant to this Prospectus will be 77,864,621. This is approximately 25% of the expanded issued capital excluding any Shares issued under the second tranche of the placement discussed above or 21% if they are included. The total Shares on issue after the Rights Issue will be 449,323,104 if Shareholder approval is received to issue Shares under the second tranche of the placement, reducing to 389,323,104 if Shareholder approval is not received.

NuPower has no Options on issue at the date of this Prospectus and is not proposing to issue any under this Prospectus. Options will be issued under the mandate agreement for the placement of up to 100,000,000 Placement Shares, of which the second tranche, totaling 60,000,000 Placement Shares, remains subject to Shareholder approval as at the date of this prospectus. 5,000,000 Fee Options will be issued to Blackswan Equities as part of its fee for managing the Placement with a strike price of 3.5 cents per share and an expiry date of 24 months from the date of issue. These Fee Options will not be listed.

The pro-forma capital structure of NuPower following the Rights Issue is set out below assuming Shareholder approval is received for the second tranche of the Placement:

Table 5: Issued Capital Post Rights Issue

Issued Capital	
Existing Shares	311,458,483
Second Tranche of Placement (subject to Shareholder approval)	60,000,000
New Shares to be issued pursuant to this Prospectus	77,864,621
Total Shares on issue following the Rights Issue	449,323,104
Fee Options to be issued	5,000,000

5.3 Unaudited Pro-forma Statement of Financial Position

Presented below are an audit reviewed Statement of Financial Position as at 31 December 2010 of the Company and an unaudited pro-forma Statement of Financial Position that has been prepared on the basis that there have been no material movements in the assets and liabilities of NuPower between 31 December 2010 and completion of the Rights Issue, except:

- (a) the successful conclusion of all requirements to complete the Placement of 100,000,000 Shares at 3.2 cents per Share to raise \$3.2 million before expenses.
- (b) the Rights Issue of 77,864,621 New Shares at \$0.032 each to raise approximately \$2,491,668 before expenses;
- (c) estimated expenses of the Placement and Rights Issue of approximately \$210,000 to be offset against contributed equity.
- (d) In accordance with Accounting Standard AASB 2, expensing an amount of \$100,000 as the fair value estimate of the Fee Options to be issued upon the successful completion of the Placement. , and
- (e) expensing operating and exploration expenditure of \$446,000 to reflect the cost of operating for the March 2011 quarter.

Table 6: Audit Reviewed Statement of Financial Position and Unaudited Pro-forma Statement Of Financial Position

	31 December 2010 (audit reviewed)	Pro-forma (Unaudited)
Current assets		
Cash and cash equivalents	1,431,521	6,467,189
Trade and other receivables	87,201	87,201
Total current assets	1,518,722	6,554,390
Non-current assets		
Plant and equipment	142,389	142,389
Total non-current assets	142,389	142,389
Total assets	1,661,111	6,696,779
Current liabilities		
Trade and other payables	398,405	398,405
Borrowings	10,939	10,939
Total current liabilities	409,344	409,344
Non-current liabilities	-	-
Total non-current liabilities	-	-
Total liabilities	409,344	409,344
Net assets		
Equity		
Contributed equity	23,669,392	29,151,060
Reserves	-	100,000
Accumulated losses	(22,417,625)	(22,963,623)
Total equity	1,251,767	6,287,437

Notes to pro-forma statement of financial position

- (a) Assumes estimated costs of the Placements and Rights Issue of \$210,000
- (b) Current assets – Cash and cash equivalents

	31 December 2010	Unaudited Pro-forma
Cash at Bank and in hand	1,431,521	6,467,189
Pro-forma adjustments		
Balance as at 31 December 2011		1,431,521
Operating expenditure for the quarter ending 31 March 2011		(446,000)
Proceeds from the Placement		3,200,000
Proceeds from the Rights Issue		2,491,668
Payments relating to the Rights Issue and Placement		(210,000)
		6,467,189

- (c) In the event Directors place Shortfall Shares as outlined in Section 1.3, commissions and management fees for New Shares may be incurred. Where a commission or management fee is incurred, the costs incurred for the Rights Issue will increase resulting in a decrease in Cash and Contributed Equity.
- (d) Contributed equity

	31 December 2010	Unaudited Pro-forma
Shares	271,454,483	449,323,103

Movements in ordinary share capital

Date	Details	Number of Shares	Issue price \$	\$
31 December 2010	Balance	271,454,483		23,669,392
2 May 2011	Issue of Shares under Tranche 1 of the Placement	40,000,000	0.032	1,280,000
	Pro forma adjustments			
	Issue of shares under Tranche 2 of the Placement	60,000,000	0.032	1,920,000
	Issue of New Shares pursuant to this Prospectus	77,864,621	0.032	2,491,668
	Less Issue Costs			(210,000)
		449,323,104		29,151,060

Notes to audited reviewed 31 December 2010 statement of financial position

- (a) The 31 December 2010 Statement of Financial Position has been prepared utilising the statutory interim financial report of the Company for the half-year ended 31 December 2010 lodged with the ASX. This information should be read in conjunction with the 31 December 2010 statutory interim financial report lodged with the ASX which includes a review opinion by the Company's auditors BDO Audit (NSW-VIC) Pty Ltd.
- (b) It should also be noted, as stated in the 31 December 2010 statutory interim financial report, that the Directors believe for the Company to continue as a going concern and to continue its exploration activities into the future it will need to successfully raise sufficient capital to fund costs involved in renewing tenements and continuing exploration activity.

6. Risk Factors

- 6.1** The securities offered under this Prospectus should be considered speculative because of the nature of NuPower's activities and are subject to a number of risks which may impact respective future financial performance and the market price at which the New Shares and Shares trade.

Whilst the Directors recommend that Eligible Shareholders take up their entitlement, there are however numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, others are outside of NuPower's control and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which the New Shares and Shares will trade.

Therefore, investors who acquire New Shares may be exposed to a number of risks. Broadly, these risks can be classified as risks general to investing in the share market and risks specific to an investment in Shares and NuPower's underlying business.

This Section sets out the identified major risks associated with investing in New Shares. This list is not exhaustive and Eligible Shareholders should read this Prospectus in its entirety before making an investment decision. Eligible Shareholders should also have regard to their own investment objectives and financial circumstances, and should consider seeking appropriate independent investment advice before deciding whether to invest in the New Shares.

6.2 Risks relating specifically to Uranium exploration and mining

Whilst the Directors are not proposing to prioritise exploration on NuPower's portfolio of uranium exploration targets with the proceeds of the Rights issue, there are a number of risks specific to investing in a company involved in uranium mining and exploration.

(a) Approval process for uranium mining

Uranium mining is subject to regulation by State, Northern Territory and Federal governments in relation to exploration, development, production, export, taxes, royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radiological substances and other matters. The cost of compliance with such laws and regulations may ultimately increase the cost of exploring, drilling, developing, constructing, operating and closing mines and other production facilities. These approvals are more rigorous than for mining of other mineral commodities. There is a risk if economic deposits of uranium are discovered, the government approvals and licences required to export the deposit may not be granted, or may be significantly delayed or make mining of the deposit uneconomic.

By virtue of the Atomic Energy Act (1953) and the Northern Territory (Self Government Act) (1978)(Cth), uranium in the Northern Territory is the property of the Commonwealth.

The Northern Territory (Self Government) Act 1978 (Cth) granted executive powers to the Northern Territory Minister for Mines and Energy ("**Minister**") with respect to mining and minerals, but not including the mining of uranium unless pursuant to an agreement or arrangement between the Northern Territory and the Commonwealth. By an agreement executed by the Commonwealth and the Northern Territory on 22 March 1979, the Northern Territory was given the power to grant exploration licences to explore for uranium. Any other dealing with tenements involving uranium, that is, applications for the grant of an exploration retention licence or a mineral lease or any renewal application transfer or other dealing with

such tenure must be referred by the Minister to the Commonwealth under the Mining Act (NT).

(b) Competition from alternative energy and public perception

Nuclear energy is in direct competition with other sources of energy which include gas, coal and hydro-electricity. Furthermore, any potential growth of the nuclear power industry (with any attendant increase in the demand for uranium) beyond its current level will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity.

The nuclear industry in Australia is currently subject to negative public opinion due to political, technological and environmental factors. This may have an adverse impact on the demand for uranium and increase the regulation of uranium mining.

One of the arguments in favour of nuclear energy is its lower emissions of carbon dioxide per unit of power generated compared to coal and gas. Alternative energy systems such as wind or solar also have low levels of carbon emissions, however to date these sources have not been deemed economic for large scale electrical power generation. Technology changes may occur that make alternative energy systems more efficient and reliable.

6.3 Risks specific to an investment in mining

(a) Exploration and mining risk

Mineral exploration is a high-risk undertaking. There can be no assurance that mineral exploration will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

The business of exploration, project development and mining contains risks and depends on successful exploration and/or acquisition of resources, design and production and processing facilities. In particular exploration is a speculative endeavour and certain circumstances, cost over-runs and other unforeseen events can hinder mining operations.

(b) Drilling and operational risks

The operation of the Company may be disrupted by a variety of risks and hazards which are beyond the control of NuPower, including environmental hazards, industrial accidents, technical failures, regulatory changes, labour disputes, unusual or unexpected rock formations, geotechnical rock failures, flooding and extended interruptions due to inclement or hazardous weather conditions, fire, explosions and other incidents.

(c) Title and Native Title

Interests in tenements in Australia are governed by the respective State and Northern Territory legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, NuPower could lose title to or its interests in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. Additionally, laws and regulations may be subject to change over time. The Northern Territory Parliament recently passed the *Mineral Titles Act 2010 (NT)*. This act will commence some time in 2011 at which time it will replace the Mining Act (NT).

Both the *Native Title Act 1993* (Cth), related State and Northern Territory native title legislation and Aboriginal land rights and Aboriginal heritage legislation may affect NuPower's ability to gain access to prospective exploration areas or obtain production titles.

Compensatory obligations may be necessary in settling native title claims if lodged over any tenements acquired by NuPower. The existence of outstanding registered native title claims means that the grant of a tenement in respect of a particular tenement application may be slightly delayed or thwarted pending resolution of future act procedures in the Native Title Act and status of the tenements acquired by NuPower. At this stage, it is not possible to quantify the impact (if any) which these developments may have on the operation of NuPower.

(d) Environmental risk

NuPower's projects and operations are subject to State, Northern Territory and Federal laws and regulation regarding environmental hazards and discharge of hazardous waste and materials and prescribed materials under the *Atomic Energy Act 1953* (Cth). NuPower is committed to conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations but the potential for liability is ever present.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent NuPower from being able to develop potentially economically viable mineral deposits.

(e) Occupational health and safety risk

NuPower is committed to providing a healthy and safe environment for its personnel, contractors and visitors. NuPower provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational health and safety management systems.

(f) Other factors

In addition to the risks outlined above, NuPower's operating performance and profitability is sensitive to a number of other specific factors. These include, but are not limited to:

- the discovery and/or acquisition of economically recoverable mineral reserves;
- access to adequate capital for project development;
- design and construction of efficient mining and processing facilities within capital expenditure budgets;
- obtaining consents and approvals necessary for the conduct of exploration and mining;
- favourable weather conditions for exploration and mining activities; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately qualified, skilled and experienced employees, contractors and consultants.

6.4 General investment and economic risks

A number of factors outside of NuPower's control may significantly impact NuPower, its performance and the market price of Shares. These factors include:

(a) Investment and economic risk

Economic factors both in Australia and internationally beyond the control of NuPower, such as changes in commodity prices, interest rates, inflation, exchange rates, taxation, changes in government policy and legislation, may negatively impact on the operational performance of NuPower.

NuPower's revenues, expenses and cash flows could be negatively affected by any of these factors, which in turn may affect the price of the New Shares and Shares.

No assurances can be made that NuPower's performance will not be adversely affected by any such market fluctuations or factors. None of NuPower or its Directors or any other person guarantees the performance of NuPower or the market price at which its Shares trade.

The New Shares are to be quoted on the ASX where their price may rise or fall.

The New Shares issued under the Rights Issue carry no guarantee in respect of profitability, dividends, return of capital or the price at which they trade on ASX. The value of the New Shares will be determined by the market and will be subject to a range of factors beyond the control of NuPower and its Directors including the demand and availability of Shares.

There can be no guarantee that an active market in New Shares will develop or the market price of the Shares will not decline. An investment in New Shares should be considered speculative.

(b) Government policy

NuPower's capacity to explore and mine, as well as industry profitability generally, can be affected by changes in government policy which may be beyond the control of NuPower.

(c) Commodity price risk

The demand for and price of commodities are highly dependent on a variety of factors, including the level of forward selling by producers, costs of productions, general economic conditions, inflation levels, interest rates and exchange rates.

These factors may adversely impact on NuPower's ability to fund operations, exploration, evaluation and development activities.

(d) Future capital needs and additional funding

The future capital requirements of NuPower will depend on many factors. There can be no guarantee that NuPower will be able to raise additional capital to meet future funding requirements.

Any inability to obtain additional finance, if required, would have a material adverse effect on NuPower's business and its financial condition and performance.

(e) Taxation risk

Variations in the taxation laws of Australia could impact NuPower's financial performance and interpretation of taxation law could change, leading to a change in taxation treatment of investments or activities.

(f) Changes in regulatory environment

Changes to laws and regulations or accounting standards which apply to NuPower from time to time could adversely impact the operating and financial performance and cash flows of NuPower.

7. Additional Information relating to NuPower

7.1 Litigation and material disputes

As at the date of this Prospectus, NuPower is not involved in any legal or administrative proceedings and the Directors are not aware of any claim or threatened claim against NuPower which may result in material legal proceedings.

Native title claims have been made in respect of areas that include tenements controlled by NuPower. NuPower is unable to determine the likelihood of these claims being successful.

7.2 Rights attaching to Shares

The New Shares to be issued pursuant to this Prospectus will rank equally in all respects with existing Shares. Full details of the rights attaching to Shares are set out in the NuPower Constitution, a copy of which can be inspected at the Company's registered office.

The following is a summary of the rights which attach to the Company's existing Shares:

a) Voting rights

Each member entitled to vote in person or by proxy, representative or attorney has one vote on a show of hands and on a poll one vote for each Share held in the capital of the Company. Members holding partly paid Shares have such number of votes on a poll as bears the same proportion to the total of such shares registered in the member's name as the amount of the issue price thereof paid up bears to the total issued price. Each member is entitled to notice of, and to attend and vote at, general meetings.

In the event of a breach of any escrow agreement entered into by the Company under the Listing Rules in relation to any Shares which are classified under the Listing Rules or by ASX as restricted securities, the member holding the Shares in question shall cease to be entitled to any voting rights in respect of those Shares for so long as the breach subsists.

b) Dividend rights

The Directors may from time to time declare a dividend to be paid to the members entitled to the dividend. The dividend as declared shall be payable on all Shares, except that a partly paid share confers an entitlement only to the proportion of the dividend which the amount paid (not credited) on the Shares is of the total amounts paid and payable (excluding amounts credited).

In the event of a breach of any escrow agreement entered into by the Company under the Listing Rules in relation to any shares which are classified under the Listing Rules or by ASX as restricted securities, the member holding the shares in question shall cease to be entitled to any dividends or distribution in respect of those shares for so long as the breach subsists.

c) Rights on winding up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the members in kind the whole or any part of the property of the Company, and may determine how the division is to be carried out as between the Shareholders or different classes of members.

Subject to the rights of the members (if any) entitled to shares with special rights in a winding up, all moneys and property that are to be distributed among members on a winding up shall be so distributed in proportion to the shares held by them respectively, irrespective of the amount paid up or credited as paid up on the shares.

d) Transfer of shares

Subject to the NuPower Constitution, the Corporations Act, any other laws and the Listing Rules, Shares in the Company are freely transferable.

e) Future increases in capital

Subject to the NuPower Constitution, the Directors may issue, allot or grant options for, or otherwise dispose of, Shares in the company, and decide:

- the persons to whom shares are issued or options are granted;
- the terms on which shares are issued or options are granted; and
- the rights and restrictions attached to those shares or options.

f) Variation of rights

If at any time the share capital of the Company is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied whether or not the Company is being wound up with the consent in writing of three quarters of the issued shares of that class or if authorised by a special resolution at a separate meeting of the holders of shares of that class.

g) ASX Listing Rules

As the Company is admitted to the official list of ASX, then despite anything in the NuPower Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the NuPower Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the NuPower Constitution to contain a provision or not to contain a provision the NuPower Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the NuPower Constitution is or becomes inconsistent with the Listing Rules, the NuPower Constitution is deemed not to contain that provision to the extent of the inconsistency.

7.3 Expenses of the Rights Issue

The approximate expenses of the Rights Issue (excluding GST where applicable) are as follows;

Expenses	Amount
Legal fees	10,000
ASIC lodgment fees	2,010
ASX listing fees	17,990
Share Registry expenses	10,000
Printing, mailing and sundries	10,000
Provision for fees and commissions*	160,000
Total	210,000

*A provision of \$210,000 has been included for fees and commissions that may be payable on the placement of any Shortfall Shares, as outlined in this Prospectus

7.4 Interests of NuPower Directors and promoters

Other than as set out below or elsewhere in this Prospectus, no Director or promoter of NuPower (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interest in:

- the formation or promotion of NuPower;
- property acquired or proposed to be acquired by NuPower in connection with its formation or promotion of the Rights Issue; or
- the Rights Issue,

and, other than as set out below or elsewhere in this Prospectus, no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- any Director of NuPower to induce him to become or to qualify as a director of NuPower; or
- any Director or promoter of NuPower (or entity in which they are a partner or director) for services which he or she has provided in connection with the formation or promotion of NuPower or the Rights Issue.

The Directors and their related entities have the following interests in the Shares and the Options as at the date of this Prospectus.

Directors' interests include interest they have in Shares registered in the name of other persons. Directors holding Shares will be entitled to participate in the Offer on the same basis as other Eligible Shareholders.

Table 7: Directors' Interests

Director	Shares Held Directly or Indirectly	Unquoted Options Held Directly or Indirectly
Irvin (Mick) Graham Muir	6,718,335 ¹	nil
Ian John Kowalick	1,333,335 ²	nil
Robert William Owen	928,335 ³	nil
John Carl Jackson	100,000 ⁴	nil

1. 6,250,000 Shares are held directly by Irwin Graham Muir. 458,335 Shares are held indirectly through Nancy Helen Muir and Muir Enterprises Pty Ltd

2. All held indirectly as Joint Trustee for I J Kowalick Superannuation Fund

3. 528,335 shares by Yvonne Owen and 400,000 by the R.W & Y Superannuation Fund

4. All held by Stephanie Jackson

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Rights issue.

Details of remuneration provided to Directors and their associated entities during the past two financial years are as follows:-

Financial Year to 30 June 2009			
Director	Directors' Fees/ Salary/Superannuation	Equity (\$)	Total (\$)
Appointment date	(\$)		
I G (Mick) Muir 14 August 2006	104,640	-	104,640
Ian Kowalick 14 August 2006	52,320	-	52,320
Robert William Owen 6 May 2009	8,720	-	8,720
John Carl Jackson 8 July 2009	-	-	-

Financial Year to 30 June 2010			
Director	Directors' Fees/ Salary/Superannuation	Equity (\$)	Total (\$)
	(\$)		
I G (Mick) Muir	159,140	-	159,140
Ian Kowalick	52,320	-	52,320
Robert William Owen	52,320	-	52,320
John Carl Jackson	52,350	-	52,320

Period from 1 July 2010 to date			
Director	Directors' Fees/ Salary/Superannuation	Equity (\$)	Total (\$)
	(\$)		
I G (Mick) Muir	132,617	-	132,617
Ian Kowalick	43,600	-	43,600
Robert William Owen	43,600	-	43,600
John Carl Jackson	40,000	-	40,000

All compensation arrangements for Directors are determined at Board level after taking into account the competitive rates prevailing in the market place. Non-executive Directors currently receive \$48,000 per annum

plus statutory superannuation. The Executive Chairman receives \$146,000 per annum plus statutory superannuation. There is no direct link between remuneration paid to any non-executive Directors and corporate performance. There are no termination or retirement benefits for non-executive Directors other than statutory superannuation.

NuPower has entered into Deeds of Indemnity, Access and Insurance with each of the Directors whereby the company has agreed to indemnify and insure the Directors against certain risks the Director is exposed to as a Director of the Company, and agrees to provide access to Company records.

7.5 Privacy Notification

By filling out the Entitlement and Acceptance Form to apply for New Shares, you are providing personal information to NuPower.

The *Privacy Act 1988* (Cth) regulates the way NuPower collects, uses, disposes, keeps secure and gives people access to their personal information.

NuPower collects, holds and uses that personal information in order to process your application and to administer your shareholding in NuPower, including:

- setting up and maintaining a register of shareholders in accordance with the Corporations Act;
- paying dividends to you should NuPower at a later date declare a dividend;
- communicating with Shareholders, including sending annual reports, notices of meetings and any other documents which NuPower wishes to send to you as a Shareholder;
- carrying out general administration including monitoring, auditing, evaluation, modelling data, dealing with complaints and answering queries; and
- complying with its legal and regulatory obligations.

If you do not provide the information in the Entitlement and Acceptance Form, NuPower may not be able to process or accept your application for New Shares.

Your personal information may be provided to NuPower's agents or service providers.

The types of agents and service providers that may be provided with your personal information include:

- the Share Registry for ongoing administration of the share register;
- printers and mail houses for the purposes of preparation and distribution of documents to you and for handling mail; and
- professional service providers such as lawyers, accountants, auditors and other professional advisers for the purpose of administering, and advising on, the New Shares and for any associated actions.

Your personal information may be provided to certain third parties. The types of third parties that may be provided with your personal information and the circumstances in which your personal information may be disclosed include:

- your financial adviser or broker (other than your tax file number information) in connection with services provided to you by your adviser or broker;
- government, regulatory authorities or other people when permitted or required by law, such as ASIC or people inspecting the Share register in accordance with the Corporations Act;
- ASX; and
- in certain circumstances and with safeguards to respect your privacy, potential or actual purchasers of an interest in NuPower or NuPower's business or any part thereof.

You have the right to gain access to your personal information held by, or on behalf of, NuPower, subject to certain exemptions under the law. You may be required to pay a reasonable charge in order to access your personal information. You can request access to your personal information by telephoning or writing to the Company Secretary as follows:

NuPower Resources Limited
Company Secretary
PO Box R1753 Royal Exchange
Sydney NSW 1225

7.6 Taxation implications

NuPower recommends that Eligible Shareholders obtain their own independent taxation advice regarding the possible taxation implications of the Rights Issue.

8. General Additional Information

8.1 Interests of advisers

Other than as set out below or elsewhere in this Prospectus, all persons named in this Prospectus have performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, do not have, and have not had in the two years before the date of this Prospectus any interests in:

- the formation or promotion of NuPower;
- property acquired or proposed to be acquired by NuPower in connection with its formation or promotion of the Rights Issue; or
- the Rights Issue,

and, other than as set out below or elsewhere in this Prospectus, no amounts have been paid or agreed to be paid and no other benefit has been given or agreed to be given to any persons named in this Prospectus as having performed a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, in connection with the formation or promotion of NuPower of this Rights Issue.

Blakiston & Crabb has acted as Australian legal adviser to NuPower in relation to the Rights Issue. Their fees for this work up to the date of lodgement of this Prospectus will be approximately \$6,500 (+GST). Blakiston & Crabb receives further fees for additional work done determined on the basis of hours spent at its ordinary hourly rates. Blakiston & Crabb have provided other professional services to the Company during the last two years for which the Company has paid fees totalling approximately \$19,520 (+GST).

BDO Audit (NSW-VIC) Pty Ltd (“BDO”) are the Company's auditors. BDO have provided audit services to the Company during the last two years for which the Company has paid or will pay fees totalling approximately \$91,200 (+GST).

8.2 Consents to statements in the Prospectus and consents to be named

BDO has given and, at the time of lodging this Prospectus with ASIC, has not withdrawn, its written consent to be named in this Prospectus as NuPower's Auditors in the form and context in which it is named in this Prospectus. BDO has also given and, at the time of lodging this Prospectus with ASIC, has not withdrawn, its written consent to the inclusion in Section 5.3 of this Prospectus of the audit reviewed statement of financial position of NuPower as at 31 December 2010 and to all references to the auditor's review report and the statement of financial position in the form and context in which those references appear in this Prospectus and has not withdrawn such consents before lodgement of this Prospectus with the ASIC.

Blakiston & Crabb has given and, at the time of lodging this Prospectus with ASIC, has not withdrawn, its written consent to be named in this Prospectus as Australian legal adviser to NuPower in relation to the Rights Issue in the form and context in which it is named in this Prospectus and has not withdrawn such consent before lodgement of this Prospectus with the ASIC.

Mr. Warrick Rafferty has given, and at the time of lodging this Prospectus with ASIC has not withdrawn, his written consent to being named in this Prospectus as a Competent Person in the form and context he is named and the inclusion in this Prospectus of all statements and information relating to the interpretation of exploration results and geological results conducted by him as a Competent Person to the Company and to all references to those statements and information in the form and context in which they appear.

Mr. Ian Taylor has given, and at the time of lodging this Prospectus with ASIC has not withdrawn, his written consent to being named in this Prospectus as a Competent Person in the form and context he is named and to the inclusion in this Prospectus of all statements and information relating to mineral resources in respect of the Company's Eva Project based on information reported by him as a Competent Person to the Company and to all references to those statements and information in the form and context in which they appear.

Each of BDO Audit (NSW-VIC) Pty Ltd, Blakiston and Crabb, Mr Warrick Rafferty and Mr Ian Taylor jointly and severally:

- do not make the Offer;
- have not authorised or caused the issue of this Prospectus;
- do not make or purport to make, any statement in this Prospectus, or any statement in which a statement in this Prospectus is based, other than as specified above; and
- to the maximum extent permitted by law, expressly disclaim and take not responsibility for any part of this Prospectus other than the reference to their name or as otherwise specified above.

Blackswan Equities Limited has had no involvement in the preparation of any part of the Prospectus other than being named as lead manager of the Placement. Blackswan Equities Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for any part of the Prospectus.

Security Transfer Registrars Pty Ltd has had no involvement in the preparation of any part of the Prospectus other than being named as lead manager of the Placement. Security Transfer Registrars Pty Ltd has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for any part of the Prospectus.

9. Authorisation

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC, or to the Directors knowledge, before any issue of New Shares pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each NuPower Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

The Prospectus is signed for and on behalf of NuPower by:



I G (Mick) Muir
Executive Chairman
NuPower Resources Limited

10. General Additional Information

Defined Terms

In this Prospectus and in the Entitlement and Acceptance Form, unless the context otherwise requires, the following terms have the meanings listed:

A\$ or \$	Australian dollars.
Application Monies	The monies received from persons applying for New Shares pursuant to the terms of the Rights Issue.
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited ABN 98 008 504 532
ASX Settlement Rules	The ASX Settlement Operating Rules as amended from time to time, of ASX Settlement Pty Ltd ABN 49 008 504 532
Blackswan Equities	Blackswan Equities Limited ABN 26 129 623 383
Board	Board of Directors of NuPower at the date of this Prospectus.
Business Day	Has the meaning given to that term in the Listing Rules
CHESS	Has the meaning attributed to that term in the ASX Settlement Rules
Closing Date	5.00pm (Sydney time) on 23 June 2011, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine.
Corporations Act	<i>Corporations Act 2001 (Cth).</i>
Director	A director of NuPower.
Eligible Shareholder	A Shareholder on the Record Date whose registered address is in Australia or New Zealand.
Entitlement	An Eligible Shareholder's entitlement under the Rights Issue to subscribe for New Shares.
Entitlement and Acceptance Form	The entitlement and acceptance form accompanying this Prospectus.
Fee Option	An Option with an expiry date of 24 months from the date of issue and an exercise price of \$0.035 per Fee Option granted by NuPower to Blackswan Equities following completion of the Placement as part of Blackswan Equities' fee for managing the Placement.
Ineligible Foreign	Either:

Shareholder	<p>(1) a Shareholder whose address in the register of members of NuPower is outside Australia and outside New Zealand; or</p> <p>(2) a person who is, or is holding for the account or benefit of, a person who is a US person or in the United States.</p>
JORC Code	Australasian Code for Reporting of Mineral Resources and Ore Reserves.
Listing Rules	The listing rules of the ASX
New Share	A Share that is issued under the Rights Issue pursuant to this Prospectus
NuPower or Company	NuPower Resources Limited ABN 91 120 787 859
NuPower Constitution	The constitution of NuPower
NuPower Options or Options	The right granted by Nu Power to subscribe for unissued Shares
NuPower Shares or Shares	A fully paid, ordinary share issued in the share capital of NuPower
Offer	The offer to Eligible Shareholders to subscribe for New Shares under the Rights Issue pursuant to this Prospectus.
Placement	The placement announced by NuPower on 20 April 2011 of 100,000,000 Shares at an issue price of \$0.032 per Share, to be issued in two tranches.
Placement Shares	The 100,000,000 Shares, to be issued in two tranches, at an issue price of \$0.032 per Share placed under the Placement.
Prospectus	This prospectus dated 24 May 2011 for the pro-rata non-renounceable rights issue of up to 77,864,621 New Shares on the basis of one (1) New Share for every four (4) Shares held on the Record Date, at an issue price of \$0.032 per New Share, for the purpose of raising approximately \$2,491,668 less expenses of the Rights Issue.
Record Date	5.00pm (Sydney time) on 2 June 2011
Rights Issue	A pro rata non-renounceable offer to Eligible Shareholders to subscribe for New Shares at the price of \$0.032 per New Share on the basis of one New Share for every four Shares held at the Record Date for the purpose of raising approximately \$2,491,668 less expenses of the Rights Issue.
Section	A section of this Prospectus.

Share Registry	Security Transfer Registrars Pty ABN 95008894488
Shareholders	A registered holder of a Share.
Shortfall Shares	Those New Shares offered under the Rights Issue but not applied for by Eligible Shareholders under their Entitlement.
US or United States	The United States of America, its territories and possessions, any State of the United States and the District of Columbia.
US Person	Has the meaning given to that term in Regulation S under the US Securities Act

Interpretation

In this Prospectus and in the Entitlement and Acceptance Form, unless the context otherwise requires:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a natural person includes any company partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a section is a reference to a section of this Prospectus;
- (f) a reference to a statute, regulation, proclamations, ordinances or by-laws includes a reference amending, consolidating or replacing it, whether passed by the same or another government agency with legal power to do so, and by a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under statute;
- (g) headings and boldings are for convenience only and do not affect the interpretation of this Prospectus;
- (h) a reference to time, unless otherwise stated, is a reference to Sydney time;
- (i) a reference to writing includes email and facsimile transmissions; and
- (j) the words “resource” and “reserve”, whether capitalised or not have the same meaning as in the JORC Code.

NuPower Corporate Directory

Directors	Irvin (Mick) G Muir Executive Chairman
	Ian Kowalick Non-Executive Director
	Robert Owen Non-Executive Director
	John Jackson Non-Executive Director
Company Secretary	Anthony Schildkraut
Registered Office	Level 3, 80 Clarence Street Sydney NSW 2000 Telephone: +612 9262 4235 Facsimile: +612 9262 6301
Website	www.nupowerresources.com.au
*Share Registry	Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross WA 6153
Stock exchange	Australian Stock Exchange Limited (Home Branch – Perth) ASX Code: NUP
Solicitors	Blakiston & Crabb 1202 Hay Street West Perth WA 6005
Auditors	BDO Audit (NSW-VIC) Pty Ltd Level 19, 2 Market Street Sydney NSW 2000

* This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only