



Quarterly Activities Report September 2011

Highlights

- **Arganara Phosphate Phase 1 Drill Program Commenced**
- **Two Drill Rigs On Site at Arganara, Lab Results Pending**
- **New Chairman, Mr. Robert Owen Appointed**
- **Placement Completed to Finalise \$5.6 Million Capital Raising**

During the September 2011 quarter NuPower commenced the phase one drilling program on its portfolio of phosphate prospects at Arganara in the Northern Territory of Australia, following completion of capital raising activities in August.

Exploration at NuPower's other phosphate projects, Lucy Creek and Warrabri is now expected to commence during the first half of 2012. This delay will enable NuPower to execute a second phase of drilling at Arganara before usual summer conductions halt operations for the year. The phase two program at Arganara will follow on directly from the phase one program.

At Arganara, NuPower is aiming to define a large phosphate footprint from the current phase one and upcoming phase two drill programs. The phase one program is targeting extensions of phosphate from known resources on adjacent tenements. While the phase two program is aimed at extending the phase one program towards the south east and across the NuPower's Limestone Bore prospect where previous explorers have intersected economic phosphate grades.

28th October 2011

ASX Code: NUP

Capital Details

Shares on issue: 449.3 million

Share Price: \$0.037

Market cap: \$16.6 mil

Directors

Chairman

Robert Owen

Managing Director

Andrew Johnstone

Non-Executive Directors

Ian Kowalick

John Jackson

Mick Muir

Company Secretary

Anthony Schildkraut

Phosphate Projects

Arganara

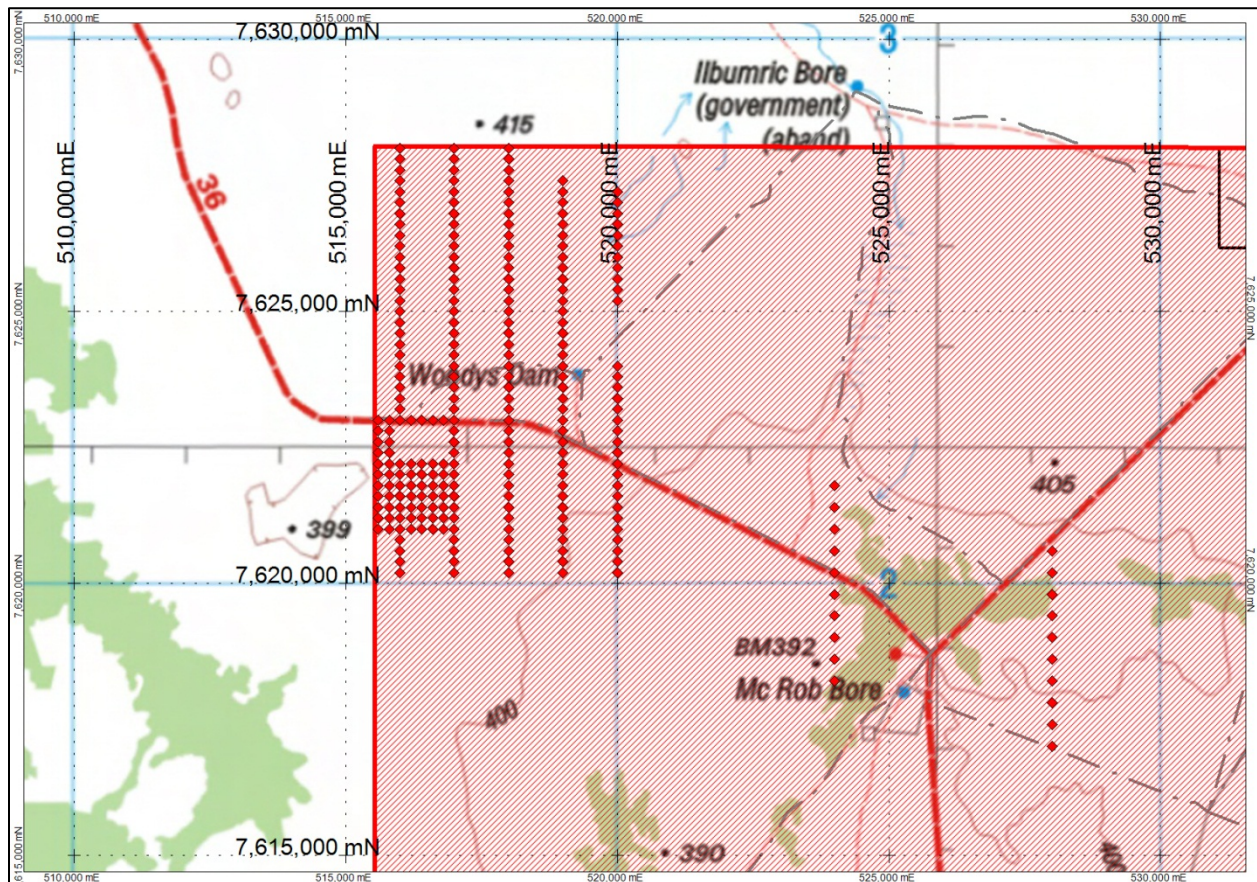
Lucy Creek

Warrabri

NuPower Resources Limited is a Northern Territory based exploration company. Our vision is to become a successful exploration and mining company with superior cash flows.

ARGANARA – Phosphate

During the September quarter, NuPower commenced a phase one drill program at Arganara approximately 350km north north-east of Alice Springs in the Northern Territory of Australia (Figure 1). The program is aimed at defining a phosphate footprint adjacent to the Barrow Creek 1 phosphate resource. Previous exploration on the Arganara tenements by NuPower has confirmed phosphate mineralisation originally discovered by earlier explorers at both Anomaly L and Limestone Bore.



**Figure 1: Western part of NuPower's Arganara Exploration License (EL) 24726 shown in Red.
Proposed phase one drill holes shown as red dots.**

Exploration by NuPower is designed to prove continuity between Barrow Creek 1 and the known phosphate located on NuPower's Arganara tenement. Figure 2 shows the interpreted prospective Basal Phosphate horizon following possibly an ancient Georgina Basin shoreline.

Phase one drilling commenced on the 6th of September 2011, with a 280 hole 6000m program. In addition to semi regional fences of holes, a more detailed grid of holes was planned alongside the tenement boundary to examine the consistency of Phosphate mineralisation extending onto the Nupower tenement from the Barrow Creek 1 resource.

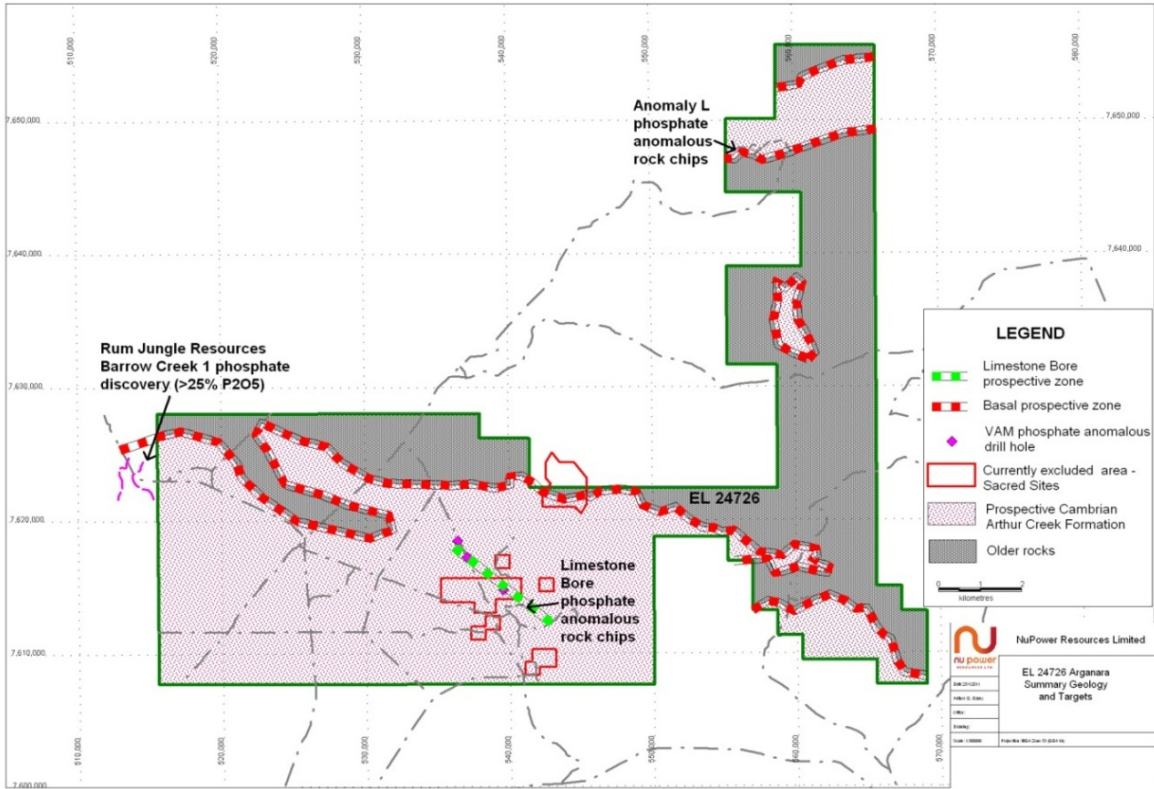


Figure 2: Interpreted prospective basal phosphate zone show in Red, and proximity to Limestone ore and Anomaly L

A fully self-contained exploration camp has been established at Arganara to support the drilling program, and includes a communication room, kitchen shower block with toilets and air-conditioned accommodation blocks.



Arganara Field Camp



Morning Operations Meeting – Arganara Camp

Low Ecological Services was engaged during the quarter to provide a base line environmental report, which commenced in early October.

Hand held XRF units have been utilised to assist with sampling and to facilitate decisions on hole completion depth, along with defining the extent of the phosphate in order to save drilling barren holes outside of the mineralised envelope.

Mechanical issues have caused some drilling delays during the quarter and has resulted in a second drill rig being commissioned to speed up production in early October. During the September quarter, 57 holes were drilled for 1727m, with an average daily rate of ~71m. Post quarter production rates have increased considerably with the introduction of the second rig.

During the quarter, a second phase of drilling was designed and submitted to the NT Government for approval. The aim of the second phase of drilling is to primarily extend and infill the phase one program. The plan was submitted during the quarter with final approval expected in October.

Along with slow drilling there have also been some delays with analysis of samples beyond the control of NuPower. NuPower has been in contact with the labs in an effort to speed up analysis times. Unfortunately, labs are advising the high general volumes of samples they are currently processing will continue to impact on turnaround times.



NuPower Drilling for Phosphate – Arganara NT

LUCY CREEK – Phosphate

Design of a focused infill drilling program to cover the Patanella Prospect (see figure below) was completed during the quarter. A number of exploration fences of holes have also been added to the program to explore along the strike of the known Patanella Phosphate mineralisation. This program is now expected to take place early in the second quarter of 2012.

NuPower previously completed an exploration drill program at Patanella in 2009. Re-assays of 1m splits of previously reported 5 meter composite samples from the 2009 RC drilling program has confirmed the existence of significant thicknesses of high grade phosphate mineralisation with the potential for Direct Shipping Ore (DSO). Due to the addition of a second phase of drilling at Arganara, the Lucy Creek program has been delayed to early 2012, subject to weather.

The highest grade intersections include;

LCRC0047m @ 25.4% P2O5 from 31m including 4m @ 30.00% P2O5 from 32m

LCRC0285m @ 28.0% P2O5 from 37m including 4m @ 30.60% P2O5 from 37m

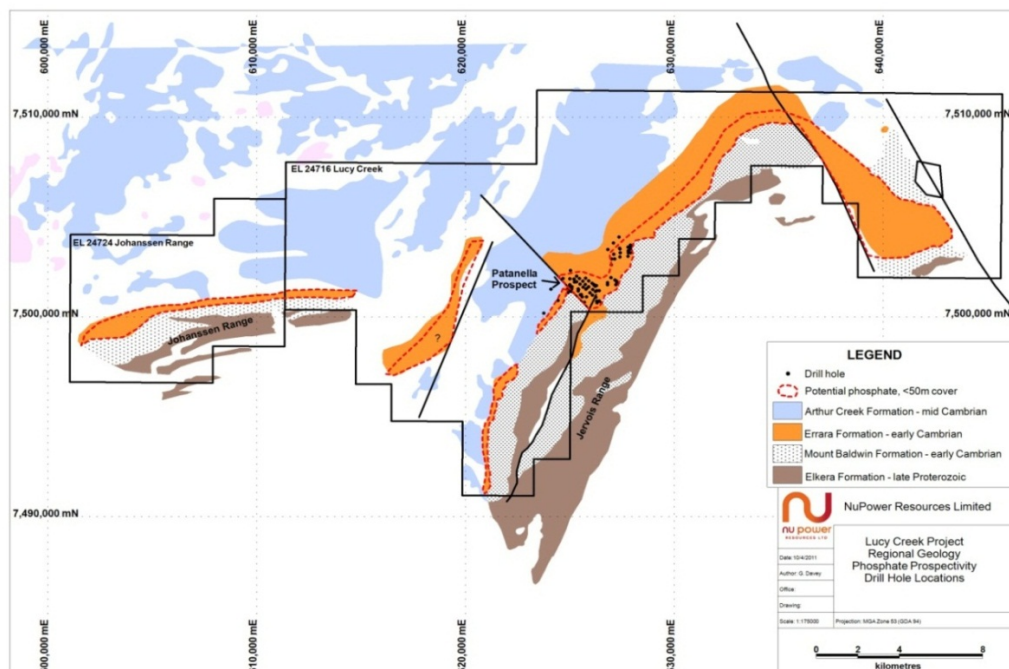
LCRC0624m @ 30.9% P2O5 from 8m

LCRC0637m @ 27.4% P2O5 from 17m including 4m @ 30.90% P2O5 from 19m

LCRC07412m @ 29.5% P2O5 from 18m including 8m @ 34.2% P2O5 from 22m

(Intersections calculated using a 15% with 2m internal dilution and 25% cut-off with no internal dilution).

The prospective horizon for phosphate is expected to extend more than 20km along strike from Patanella and is thought to present at the company's adjacent Johanssen Range lease.



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WARRABRI – Phosphate

Over the quarter NuPower continued review and preparation for an initial exploration program to be undertaken at Warrabri, following planned drilling at Lucy Creek in 2012.

In preparation site clearance surveys are expected to commence in October.

The historically reported presence of phosphate at Warrabri, close to the Stuart Highway and the Darwin to Alice Springs rail line, gives this project a potentially unique logistical advantage over existing Phosphate projects in the region.

Exploration at Warrabri, following clearance surveys, will primarily focus on shallow exploration drilling on the Chabalowe formation or equivalents in an effort to initially confirm the presence of phosphate in the area and secondly, assess its economics in terms of grade/thickness and ultimately extent.

STRANGWAYS – Rear Earth Elements (REE's)

A number of rock chip samples were collected and dispatched for analysis in the previous quarter, including mineralogy. Results are still pending and are now expected in November 2011.

AILERON PROJECT AREAS – Channel Uranium

Review of water sampling results along with ground survey results continued during the quarter.

WESTMORELAND PROJECT – Uranium

EVA Mining Lease

Planning for an environmental monitoring site trip was initiated during the quarter.

Lagoon Creek JV – NUP 50%

Over the quarter a Joint Venture meeting took place to finalise the work program for 2011. This meeting followed the commissioning and review of a conceptual target report to both review the exploration results to date, and identify new targets for the coming field season. Unfortunately the report failed to define any significant new targets, limited by only assessing previous historical work, regional surveys, government mapping and recent JV results. Post quarter NuPower suggested new targets might be revealed by using ground penetrating geophysical techniques such as airborne electromagnets (VTEM) to define blind targets worth drill follow up. This proposal is currently being reviewed by the Joint Venture partners.

CORPORATE


The Company finalised the placement of shortfall shares arising under the Non-Renounceable Rights Issue. A total of 35,521,375 fully paid ordinary shares were placed to professional or sophisticated investors at 3.2 cents per share, raising \$1.128 million before issue costs. This placement successfully concluded the capital raising exercise, totaling \$5.69 million to fund the Company's exploration programs going forward.

During the quarter founding Chairman, Mick Muir resigned from the Executive Chairman's position at NuPower. Mr. Muir will remain as a non-executive Director. Mr Robert Owen, formally a non-executive Director of NuPower was elected as the new Chairman. Mr Robert Owen brings a wealth of knowledge, experience and wisdom to the position, as the company focuses on developing its phosphate assets.

Over the quarter, NuPower added further depth to its geological team with the appointment of an experienced geologist to the position of Resource Development Manager, The primary focus of this position is on developing NuPower's significant phosphate projects.

The NuPower Statutory Accounts were audited and finalised over the quarter and were released on the 21st of September 2011. These may be viewed on the company's website www.NuPowerresources.com.au

Signed:



Andrew Johnstone
Managing Director

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Andrew Johnstone, who is a Member of the Australian Institute of Geoscientists. Andrew Johnstone has sufficient experience 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'. Andrew Johnstone, who is an officer of the Company, consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This release contains forward-looking statements. The actual results could differ materially from a conclusion, forecast or projection in the forward-looking information. Certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information.