



Quarterly Activities Report December 2011

Highlights

- Arganara Phase 1 and Phase 2 Drilling Completed
- 357 holes for 12,600m drilled over 68 days
- Assays for Arganara Phase 1 Program returned from ALS
- **4.4 x 4km of High Grade Phosphate defined**
- **Phosphate remains open to East and South**
- VTEM survey commenced – Lagoon Creek JV
- MMP submitted for drilling at Lucy Creek Phosphate
- Clearance completed for Warrabri Phosphate exploration

During the December Quarter 2011 NuPower completed Arganara Phase 1 and 2 drill programs. The total 2011 drill program comprised 357 holes for just over 12,600m. The aim of the program was to both confirm extensions of high grade phosphate mineralization extending east from the Barrow Creek 1 JORC resource onto NuPower's wholly owned Arganara Tenement and also test if Phosphate extended across to Limestone Bore located 30km further to the East. Historical drilling at Limestone Bore has previously discovered economic phosphate grades.

In December 2011 the first assay results from the drilling were received from the Phase 1 program, and they confirmed high grade phosphate was present at Arganara. Complete assays from the Phase 1 program were released post quarter in January 2012, the results clearly show high grade phosphate is extending 4.4 km into NuPower's tenement, and remains open to the East and South (see Figure 1). The Phase 2 drill program assays are expected by the end of January 2012.

31st January 2012

ASX Code: NUP

Capital Details

Shares on issue: 449.3 million

Share Price: \$0.035

Market cap: \$15.7 million

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.

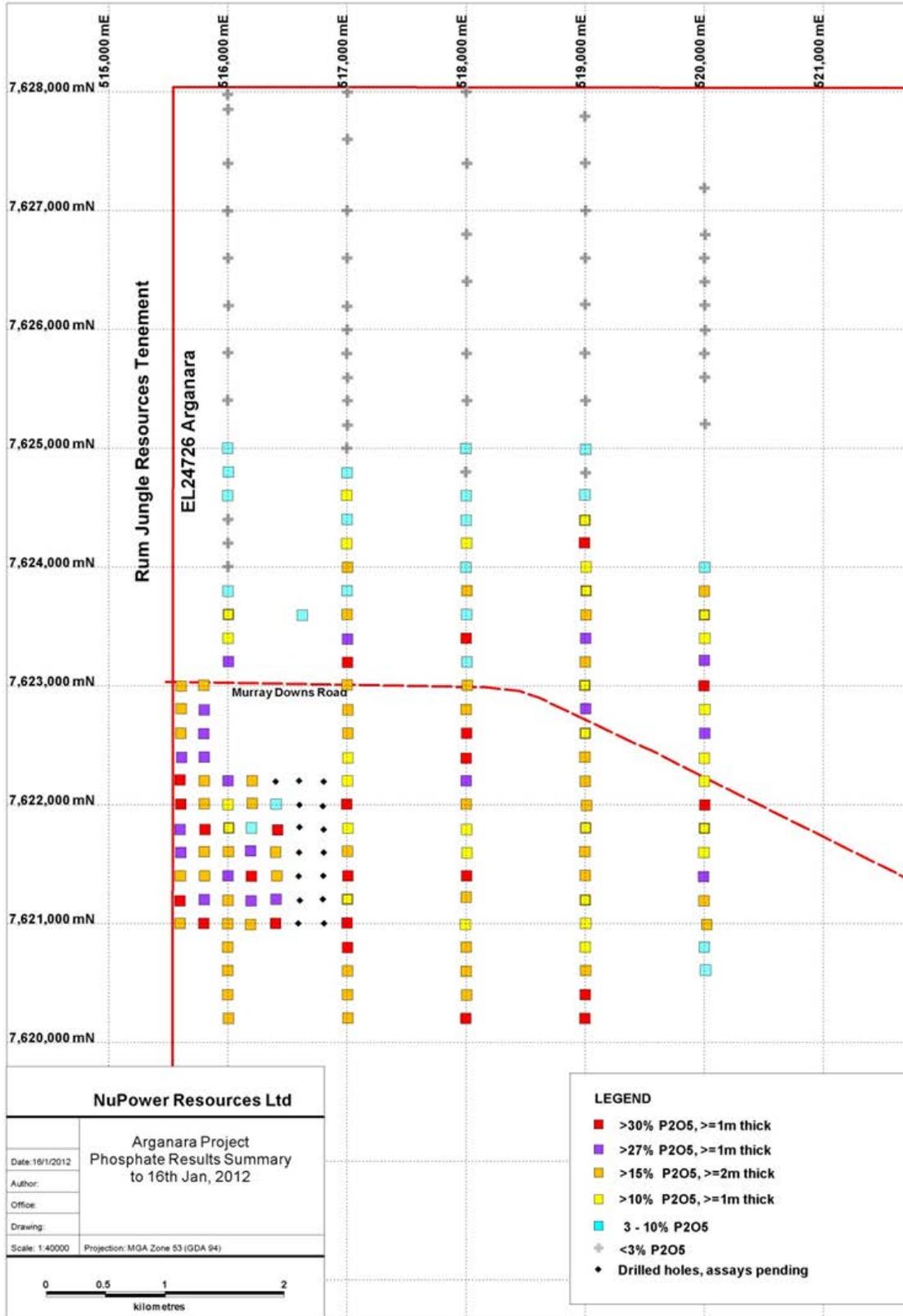


Figure 1: Arganara Phase 1 Drilling Results

The Phase 2 program consisted of a number of wider spaced fences of holes designed to map phosphate mineralisation from Arganara to Limestone Bore. The Phase 2 program covered an area with a strike length of over 25km, the fences of holes in the Phase 2 program are on average 2km to 4km apart. A key strategy behind the 2011 drill program has been to define a phosphate footprint to show the potential size of the phosphate mineralisation and to assist in targeting drilling in 2012.

Also during the quarter, preparation took place for exploration drilling to commence on both the Lucy Creek and Warrabri Phosphate projects following the wet season in 2012. The Lucy Creek project clearly has potential to deliver additional high grade Phosphate mineralisation. In 2009 drilling by Nupower hit a number of 30% P₂O₅ intersections at the Patenella prospect which will be the starting point for work at Lucy Creek, with an aim to again define a large phosphate foot print which later can be converted into a resource.

ARC180: 5m @ 29.3% P₂O₅ from 14m including 2m @ 33.9% P₂O₅
ARC200: 6m @ 26.7% P₂O₅ from 25m including 3m @ 32.5% P₂O₅
ARC354: 6m @ 25.8% P₂O₅ from 24m including 2m @ 32.9% P₂O₅
ARC074: 10m @ 21.7% P₂O₅ from 9m including 1m @ 32.7% P₂O₅
ARC075: 5m @ 28.6% P₂O₅ from 20m including 2m @ 34.6% P₂O₅
ARC185: 7m @ 24.8% P₂O₅ from 34m including 2m @ 35.3% P₂O₅
ARC080: 4m @ 22.7% P₂O₅ from 14m including 1m @ 32.3% P₂O₅
ARC187: 3m @ 27.0% P₂O₅ from 14m including 2m @ 31.4% P₂O₅
ARC086: 6m @ 24.8% P₂O₅ from 20m including 2m @ 30.4% P₂O₅
ARC181: 6m @ 25.5% P₂O₅ from 13m including 2m @ 31.9% P₂O₅
ARC197: 5m @ 25.7% P₂O₅ from 24m including 2m @ 30.3% P₂O₅

(15% cutoff, includes up to 2m @ 10% internal dilution)

Table 1: Selection of intersections from Arganara phase 1 drill program

ARGANARA – Phosphate

During the December Quarter, NuPower completed Phase 1 and Phase2 Drill programs at Arganara, approximately 350km north north-east of Alice Springs in the Northern Territory of Australia (Figure 1). The program was designed to show extensions to define a phosphate footprint adjacent to the JORC Barrow Creek 1 phosphate resource.

Field Work commenced on the 6th of September 2011 and finished on the 12th of November 2011 which marked the completion of Phase 1 and Phase 2 Arganara reverse circulation RC drill programs. A total of 357 holes for 12,602m were drilled during the programs, which took 68 days to complete.

2011 Arganara Drill Program

The Phase 1 program was designed to test the eastern extension of the Barrow Creek 1 phosphate resource discovered immediately to the west of the NuPower Arganara tenement. Five north south 1km spaced lines with holes generally at 200m spacing along them was considered the best balance

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between detail and cost, to assess the potential of the area and define a clear phosphate footprint. Infill drilling at 200 x 200m spacing was also completed during Phase 1 which aimed at showing mineralisation is consistent between the wider spaced 1km lines. Assays have clearly confirmed the presence of high grade phosphate mineralisation over an area 4.4km by 4km and mineralisation remains open both to the East and South. Figure 1 shows the current extent of the Arganara Phosphate footprint, while Table 1 is a collection of some of the best intersections from the Arganara Phase 1 drilling.

The Phase 2 program which followed immediately after Phase 1 was designed to further test easterly extensions of phosphate mineralisation along the prospective northern margin of the Georgina Basin, extending from Arganara eastward for approximately 26km. Drilling in this area was completed along north south lines generally spaced 4km apart with holes at 400m spacing along each line. The Phase 2 program also targeted Limestone Bore located 27km east south east of NuPower Phase 1 drilling. At Limestone Bore historic drilling by VAM in the 1970s intersected phosphate mineralisation and initial Nupower exploration confirmed the results with surface rock chip assays up to 17% P₂O₅. Drilling at Limestone Bore area was completed along north east trending lines spaced between 1 and 2km apart. Holes were drilled at either 200 or 400m spacing's along these lines.

Low Ecological Services was engaged during the quarter to provide a base line environmental report. Their initial field work commenced in early October 2011.

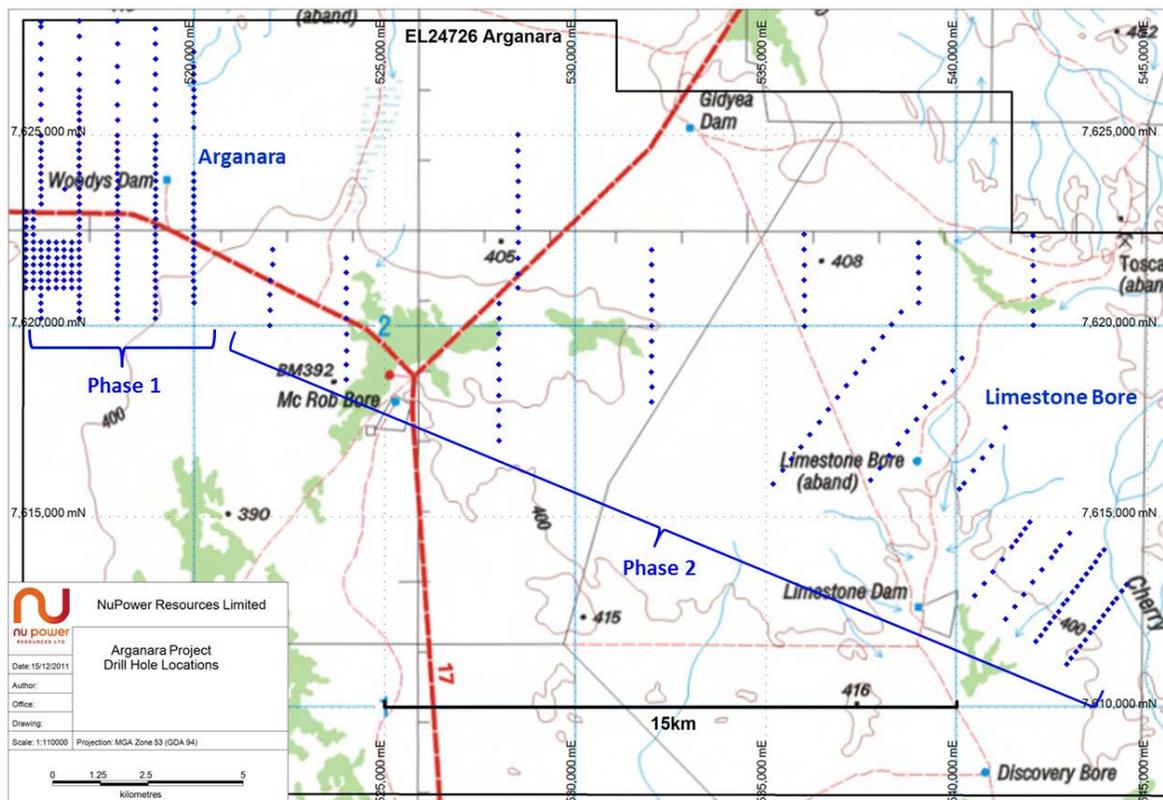


Figure 2: Phase 1 and Phase 2 drill programs

LUCY CREEK – Phosphate

A drilling program for Lucy Creek was finalised during the quarter, designed to cover the Errarra formation, host to the Patanella Prospect Phosphate. A Mine Management Plan (MMP) was submitted to the Northern Territory Government in December to allow exploration to commence following the wet season in April 2012. A number of exploration fences of drill holes are planned along strike of the known Patanella Phosphate mineralisation. The Errarra formation extends for over 20km to the North East of Patanella, and also outcrops to the West of Patanella. See Figure 3.

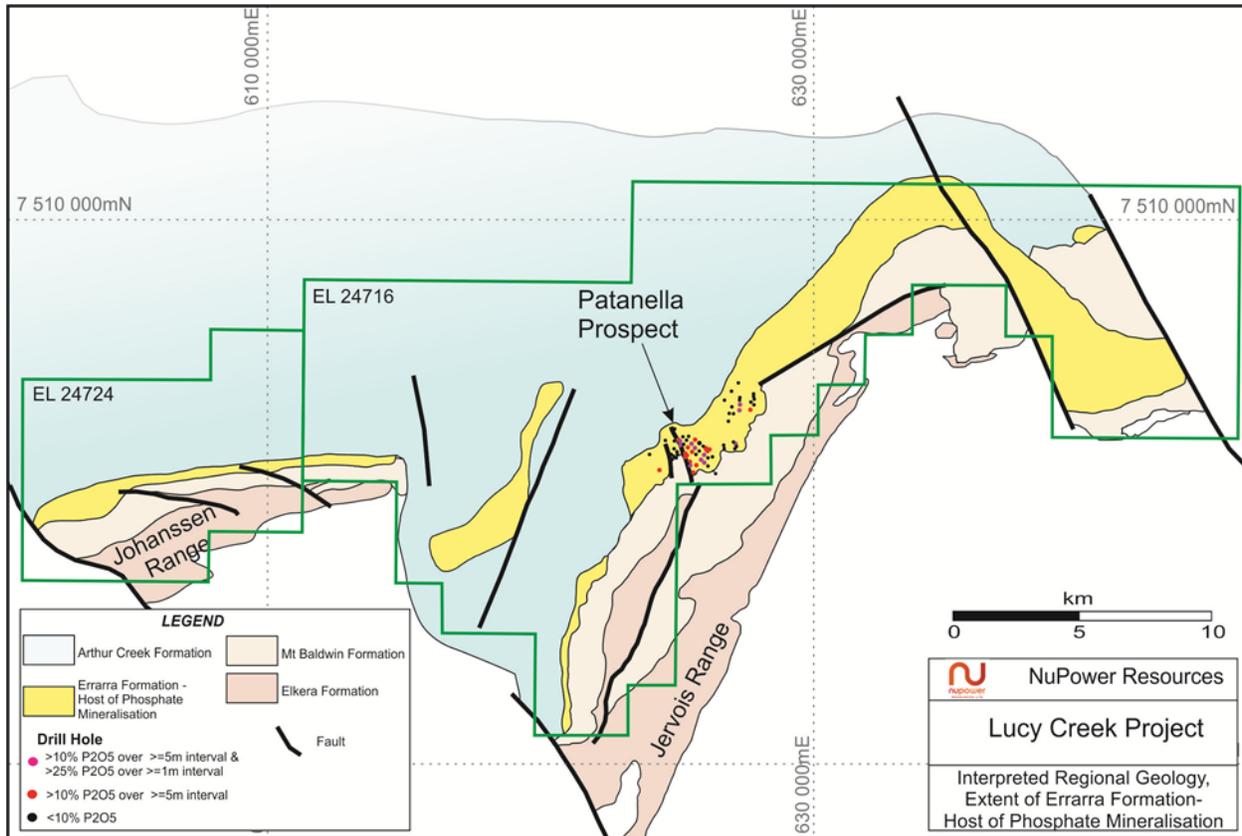


Figure 3: Lucy Creek 2012, Yellow - Errarra Formation to be targeted for Phosphate during 2012

In 2009 NuPower completed an exploration drill program at Patanella. Re-assays of 1m splits of 5 meter composites from the RC reverse circulation program confirmed the existence of significant high grade phosphate mineralisation with the potential for Direct Shipping Ore (DSO). The best intersections include;

- LCRC004: 7m @ 25.4% P₂O₅ from 31m including 4m @ 30.0% P₂O₅**
- LCRC028: 5m @ 28.0% P₂O₅ from 37m including 4m @ 30.6% P₂O₅**
- LCRC062: 4m @ 30.9% P₂O₅ from 8m**
- LCRC063: 7m @ 27.4% P₂O₅ from 17m including 4m @ 30.9% P₂O₅**
- LCRC074: 12m @ 29.5% P₂O₅ from 18m including 8m @ 34.2% P₂O₅**

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

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WARRABRI – Phosphate

In preparation for an initial exploration program to be undertaken at Warrabri during 2012, a site clearance survey was completed over the tenement in November 2011, and clearance documents were received in late December. An MMP for a shallow RAB drill program is being compiled. Drilling will primarily focus on the Chabalowe formation or equivalents to confirm the presence of phosphate in the area and assess its economics in terms of grade/thickness and ultimately extent.

Historically reported phosphate at Warrabri is close to the Stuart Highway and the Darwin to Alice Springs rail line. The project has logistical advantage over existing Phosphate projects in the region.

STRANGWAYS – Rare Earth Elements (REE's)

Results from samples collected in 2011 are still pending and are now expected during the first quarter of 2012. NuPower has commenced a review of the whole region around Strangways for rare earths and other exotic mineral systems with a view to being able to quickly and accurately capitalize on any opportunities if they present.

AILERON PROJECT AREAS – Channel Uranium

No work completed during the quarter. Some minor statutory relinquishments took place as required. Some consideration has been given during the quarter to simplify existing JV agreements with a view to reduce costs associated with this project.

WESTMORELAND PROJECT – Uranium

EVA and Cobar Mining Leases

A routine environmental monitoring site trip was completed during the quarter. Samples were collected at both the Eva and Cobar Mining leases and have been sent for analysis.

Lagoon Creek JV – NUP 50%

During the quarter a VTEM helicopter electromagnetic survey was commissioned and commenced over the entire Lagoon Creek exploration licence EL23573. The aim of the survey is to find extensions or zones of blind mineralisation adjacent to existing uranium prospects previously identified and also explore beneath or in the cover sequences that lie across large areas of the Lagoon Creek tenement. Unfortunately, early onset of the wet season stopped the survey before completion during November. The remaining survey will be completed once the wet season abates late in the first quarter or early in the second quarter of 2012. VTEM surveys can identify conductive bodies that may be related to uranium or other styles of conductive mineralisation with enough detail to enable direct targeting with drilling.

SUCCESSFUL TENEMENT APPLICATIONS

Over the quarter the company was successful in its applications for three additional tenement areas. EL28648 George Creek extending our Arganara project footprint, with EL28728 Joppita Bore and EL28543 Mt Lucy associated with the wider NuPower exploration portfolio in Central Australia.

CORPORATE

The AGM of the company was held on the 18th of November 2011. All resolutions were passed by shareholders on a show of hands.

I look forward to advising our shareholders of our progress over the coming year as the company looks to progress its exciting exploration portfolio.

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.