



31st October 2012

ASX Code: NUP

Current Capital Details

Shares on issue: 511.8 million

Share Price: \$0.015

Market cap: \$7.6 million

Directors

Chairman

Robert Owen

Managing Director

Andrew Johnstone

Non-Executive Directors

Ian Kowalick

Sam Herszberg

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.

Quarterly Activities Report - September 2012

Highlights

- **Maiden JORC Inferred Phosphate Resource Defined at Arganara**
310Mt @ 15% P₂O₅ (10% cutoff)
- **Share Placement Completed Raising \$1million**

During the September 2012 quarter NuPower announced the definition of a Maiden JORC Inferred Resource at its flagship Arganara Project in the Northern Territory. The **310Mt @ 15% P₂O₅ Arganara Resource** is the second largest phosphate resource in the Northern Territory and is a globally significant phosphate resource. The Resource is well located close to transport infrastructure including the Darwin to Alice Springs rail line. It contains many drill intersections above 30% P₂O₅ which indicate Arganara could support a Direct Shipping Ore (DSO) quarrying operation.

At Arganara, NuPower has also defined a 27km long corridor of phosphate mineralisation that extends from Arganara to Limestone Bore (Figure2), this includes the Arganara Resource. Drilling in the mineralised corridor has returned consistent high grade mineralisation including numerous intersections above 20% P₂O₅ and some over 30% P₂O₅. NuPower anticipates that with further exploration this area could greatly add to the size of the Arganara Resource base. Phase 1 metallurgical test work has commenced on the Arganara Resource, with initial results expected in Q4 2012.

In conjunction with the drilling at Arganara, NuPower has collected soil samples from areas east of Rockhole Bore on the Arganara Project (see Figure 1). The results indicate phosphate extends to the east of Rockhole Bore and NuPower has commenced a second soil survey post quarter, to further investigate the extent of the mineralisation.

During August, NuPower successfully completed a placement of 62.5 million shares at 1.6 cents to raise \$1million to further advance the Arganara Project.

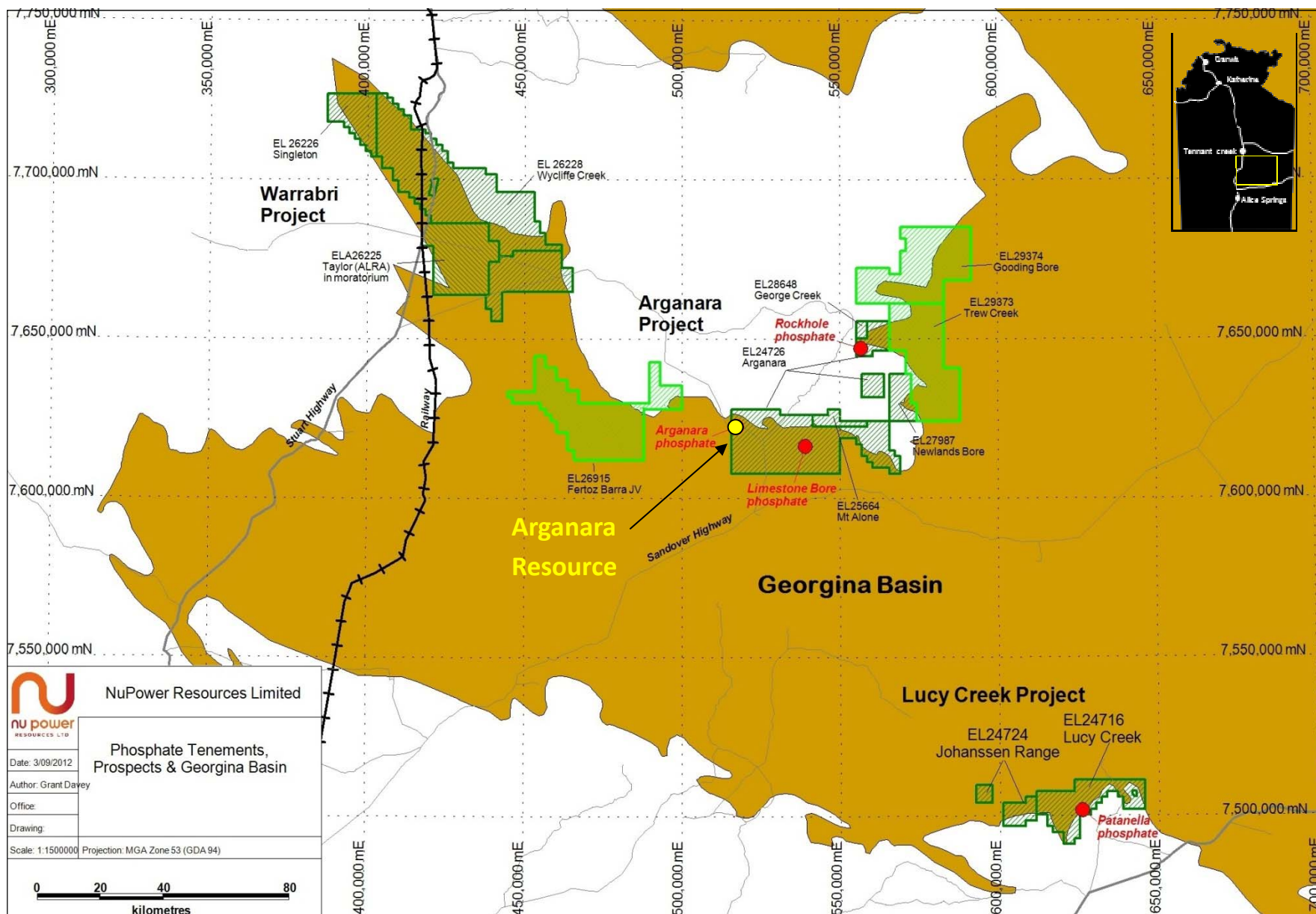


Figure 1: Nupower Northern Territory Phosphate Project Tenements (green): Arganara, Lucy Creek and Warrabri.

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ARGANARA PROJECT – Phosphate

During the September 2012 quarter, NuPower received the remainder of the assays from its 249 hole Arganara Prospect Phase 3 Reverse Circulation (RC) drill program. This facilitated the calculation of the Arganara Maiden Inferred Resource. The Phase 3 program was designed to extend and infill the 2011 Phase 1 drill program to an adequate drill density in order to allow the JORC Compliant Resource to be calculated.

Arganara Inferred JORC Resource

The Arganara Inferred Resource was estimated by MPR Geological Consultants in August 2012. The Resource was reported in accordance with the Joint Ore Reserves Committee Code (JORC) and is tabulated below. The Resource Estimates are based on Labrotory (ALS Brisbane) XRF assays from 387 RC drill holes for 14,480 metres of drilling. The majority of the Resource area has been tested by 400m by 200m or 600m by 200m spaced drilling. A smaller area has been drilled at 200m by 200m spacing. The Resource extends over an area approximately 5.8 km east-west by 5.4 km north-south (Figure 2) with an average thickness of 7m. Resources were estimated by ordinary kriging of one metre down-hole composited grades within a mineralised domain capturing continuous zones of mineralisation grading above nominally 10% P₂O₅ and assume a density of 1.7 t/bcm.

Cut off P ₂ O ₅ %	T Mil	P ₂ O ₅ %	Al ₂ O ₃ %	CaO %	Fe ₂ O ₃ %	K ₂ O %	MgO %	MnO %	Na ₂ O %	SiO ₂ %	TiO ₂ %	U ppm	LOI %
5	360	14	7.4	19	5.8	1.6	0.80	0.18	0.17	46	0.41	15	3.7
10	310	15	7.3	20	5.8	1.5	0.80	0.18	0.18	45	0.40	15	3.7
15	120	18	6.6	24	4.9	1.3	0.73	0.16	0.18	39	0.35	15	3.5
20	4	23	5.2	31	5.5	1.1	0.62	0.27	0.17	31	0.28	12	3.2

The Arganara Inferred Resource includes a current high grade component of **4Mt @ 23% P₂O₅ at 20% Cut-off** which is restricted to the small area of 200m by 200m drilling. With further infill drilling across the Resource, NuPower believes the high grade DSO component (+30% P₂O₅) of the Resource has the potential to be significantly expanded. The Resource is flat lying with only a 10m to 20m variation in depth to mineralisation over 5km. The Resource dips very gently from north to the south.

Approximately 30% of the holes drilled in the Arganara Resource gave intersections of potential DSO grade. A significant number of these intersections were from depths of 15m or less. Three examples of shallow high grade intersections, with 25% P₂O₅ cut-off, are:

5m @ 29.3% P₂O₅ from 14m, 3m @ 29.6% P₂O₅ from 15m, 3m @ 30.6% P₂O₅ from 9m

These results indicate that there is potential to begin a shallow mining operation at Arganara by targeting DSO grade phosphate.

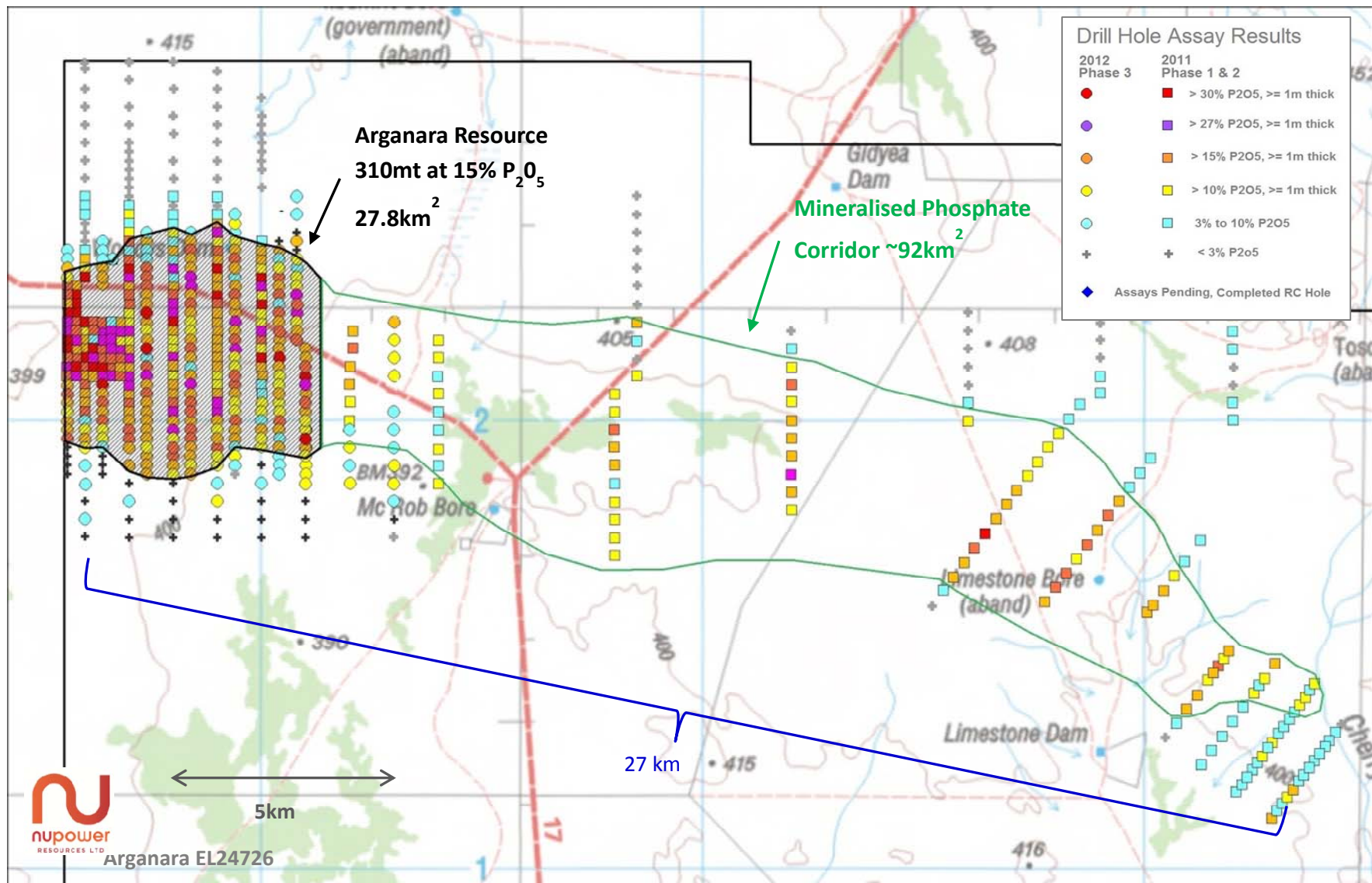


Figure 2: Arganara Drilling, Phase 1 & 2 (square dots) and Phase 3 (round dots), colour = grade of P₂O₅ as per legend. Black shaded area represents the surface extent of the Arganara Inferred Resource. The green polygon represents the eastern phosphate corridor which extends to Limestone Bore.

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Rockhole Bore (Formally Anomaly L)

Historically, rock chip samples at the Rockhole Bore have returned assays up to 40.7% P_2O_5 . In 2010 NuPower conducted a site visit to Rockhole Bore and confirmed the historical results with phosphate rock chip assays up to 37.6% P_2O_5 .

Sample	East	North	P_2O_5 (%)
20147	555458	7647990	24.1
20148	555438	7647985	22.7
20149	555403	7648090	17.2
20150	556259	7647667	31.8
20151	556327	7647712	37.6

2010 NuPower Surface Rock Chip Samples from Anomaly L

The orientation soil sampling program completed in mid 2012 at Arganara showed that the phosphate mineralisation is detectable with this method. As well as phosphate, several other elements including Pb, Zn, As, U, Ce, La, Sr are also anomalous over the phosphate mineralisation.

Recent results from Rockhole Bore show anomalous phosphate extends for some distance along the base of the Arthur Creek Formation to the northeast and east of the outcropping mineralisation (Figure 3). Soil sampling has been shown to be a rapid and cost-effective way of defining drill targets. The teal diamonds in Figure 3 show the proposed second phase of soil geochemistry at Rockhole Bore.

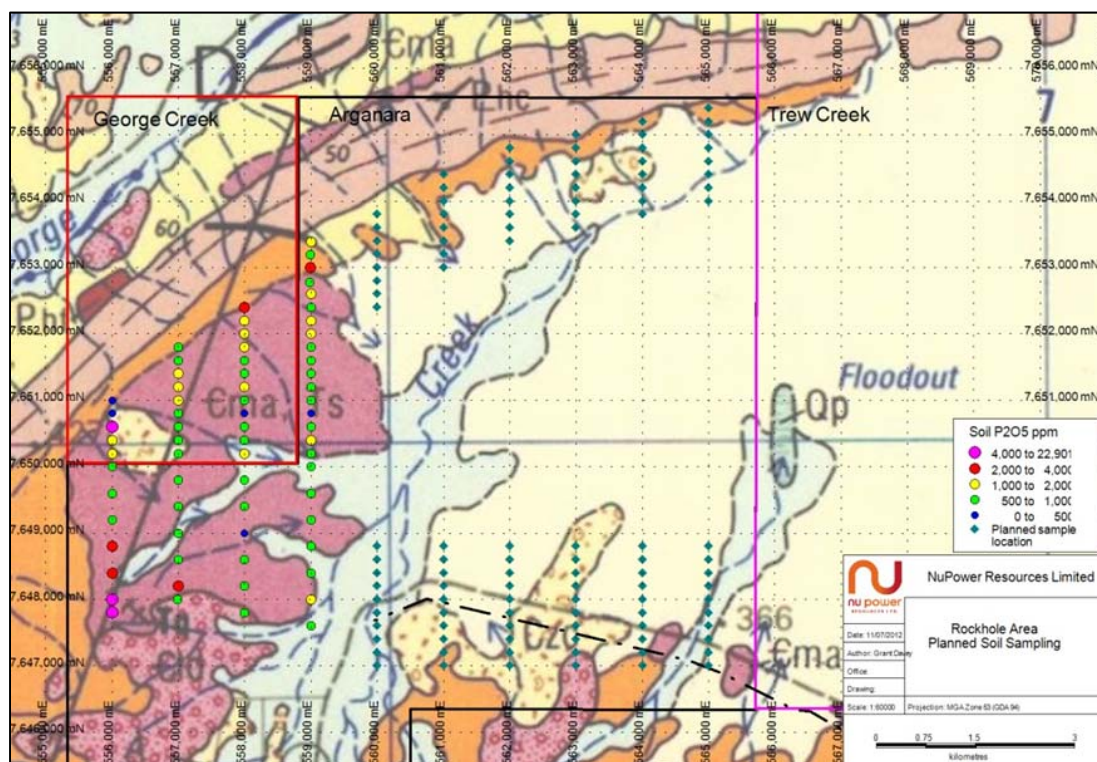


Figure 3, Rockhole Bore Soil Geochemistry (dots), results show phosphate extends away from known outcropping mineralisation. Proposed survey extension shown as (teal diamonds)

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NuPower- Fertoz 'Barra Joint Venture'

The Barra JV Exploration Licence EL26915 is located between NuPower's Arganara and Warrabri Phosphate Projects (see Figure 1). Arganara Phosphate mineralisation is hosted by the Arthur Creek Formation and or equivalents of the Georgina Basin. Interpretation by NuPower indicates the Arthur Creek Formation extends west from Arganara through the new Barra JV exploration license EL26915 before trending north west towards NuPower's wholly owned Warrabri Project licenses, where phosphate has been reported in NT Geological Survey historical drill records. NuPower aims to complete a Rotary Air Blast (RAB) drill program on exploration license EL26915 targeting phosphate in early 2013.

LUCY CREEK PROJECT– Phosphate

NuPower believes the Lucy Creek Phosphate Project has the potential to deliver additional high grade Phosphate mineralisation to the Company's operations. In 2009, drilling intersected 30% P_2O_5 at the Patanella prospect, with positive intersections including:

- LCRC004: 7m @ 25.4% P_2O_5 from 31m including 4m @ 30.00% P_2O_5 from 32m
- LCRC028: 5m @ 28.0% P_2O_5 from 37m including 4m @ 30.60% P_2O_5 from 37m
- LCRC062: 4m @ 30.9% P_2O_5 from 8m
- LCRC063: 7m @ 27.4% P_2O_5 from 17m including 4m @ 30.90% P_2O_5 from 19m
- LCRC074: 12m @ 29.5% P_2O_5 from 18m including 8m @ 34.2% P_2O_5 from 22m

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

Recently completed Soil sampling at Lucy Creek has returned anomalous phosphate along the base of the Errarra Formation extending away from Patanella. Patanella mineralisation is hosted by the Errarra Formation. The soil results justify further drilling. There is over 35km of prospective host Errarra Formation at Lucy Creek.

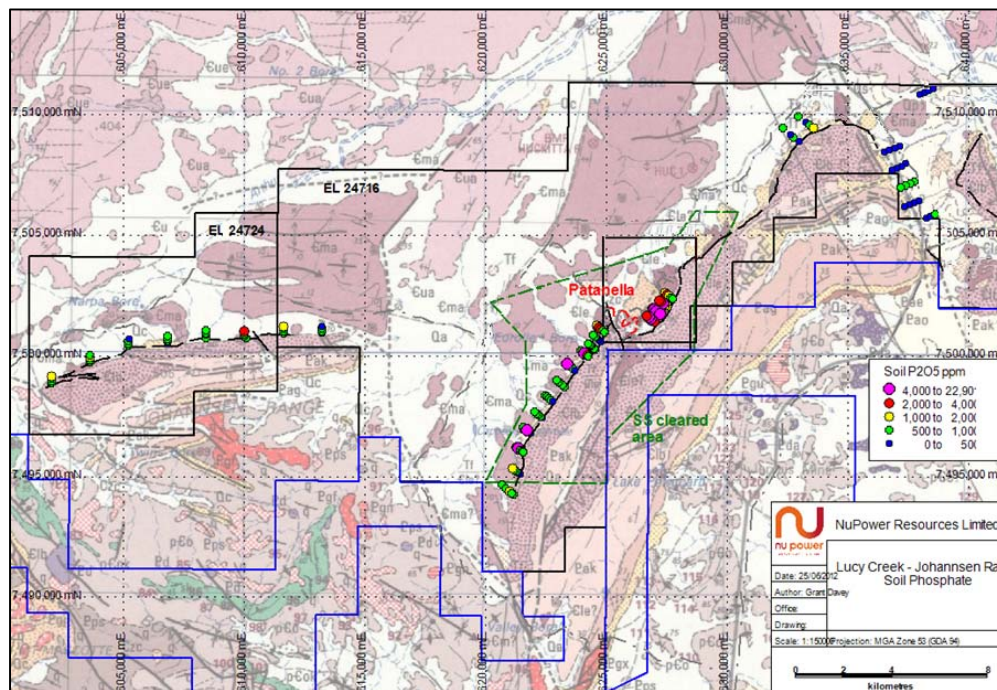


Figure 4: Lucy Creek Soil Geochemistry (dots), results show phosphate is present at base of Errarra Formation, host to the Patanella high grade phosphate mineralisation.

WARRABRI PROJECT – Phosphate

Following the success of soil geochemistry surveys at Rockhole Bore and Lucy Creek, a Warrabri soil sampling program has been scheduled for Q4 2012. Drilling at Warrabri is now planned for 2013. A Mine Management Plan is prepared and ready to be submitted for this work program. An Indigenous land clearance has been completed.

Upcoming drilling and sampling activities 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 in close proximity to the Stuart Highway and the Darwin to Alice Springs rail line, with the Project having logistical advantages over existing Phosphate projects in the region.

STRANGWAYS PROJECTS – Rear Earth Elements (REE's)

NuPower has elected to exit the Strangways JV following assessment of the area by Company geologist and consultants in early 2012.

AILERON PROJECT AREAS – Channel Uranium

NuPower has elected to renegotiate the JV and management terms for a number of the tenements within the Aileron Project. Efforts have been made to preserve Uranium rights with no ongoing costs to NuPower. In addition, a number of NuPower's wholly owned tenements have been relinquished after assessment and field checking of any outstanding anomalies in early 2012 returned negative results.

WESTMORELAND PROJECT – Uranium

EVA and Cobar Mining Leases

No work completed during quarter.

Lagoon Creek JV – NUP 50%

Nupower is pleased to report that post quarter end, the Westmorland VTEM survey was completed with the Company awaiting results. A VTEM helicopter electromagnetic survey was commissioned over the entire Lagoon Creek exploration licence. The aim of the survey is to find extensions or zones of blind mineralisation adjacent to existing Uranium prospects previously identified and to explore beneath or in the cover sequences that lie across large areas of the Lagoon Creek tenement. VTEM surveys are able to identify conductive bodies that may be related to Uranium or other styles of conductive mineralisation with enough detail to enable direct targeting with drilling.

CORPORATE

In August 2012 NuPower successfully completed a capital raising to secure an additional \$1,000,000 of funding. This has allowed the commencement of metallurgical test work on Arganara Resource.

The Company continues to streamline its operations in an effort to conserve cash for the continued exploration and development of the Arganara Project.

Post quarter end, NuPower announced a 1 for 4 rights issue @ 1.6 cents. Funds raised will be used primarily for the development of the Arganara Project.

Over the quarter, Mr John Jackson resigned as a non executive director of the company to focus on his executive activities and Mr Samuel Herszberg was appointed to the Board.

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.