

NORTHERN TERRITORY EXPLORATION EXPENDITURE FOR MINERAL TENEMENT

Section 1. Tenement type, number and operation name: (One licence only per form even if combined reporting has been approved)

Type	SEL
Number	25055
Operation Name (optional)	Strangways

Section 2. Period covered by this return:

Twelve-month period:		If Final Report:	
From	13/06/09	From	
To	12/06/10	To	
Covenant for the reporting period:		\$50,000	

Section 3. Give title of accompanying technical report:

Title of Technical Report	Group Annual Report, SEL25055 & SEL25056, Period Ending 12/06/10
Author	Warrick Rafferty

Section 4. Locality of operation:

Geological Province	Arunta Block
Geographic Location	Strangways Ranges

Section 5. Work program for the next twelve months:

Activities proposed (please mark with an "X"):		<input checked="" type="checkbox"/> Drilling and/or costeaning
<input type="checkbox"/> Literature review		<input type="checkbox"/> Airborne geophysics
<input checked="" type="checkbox"/> Geological mapping		<input type="checkbox"/> Ground geophysics
<input checked="" type="checkbox"/> Rock/soil/stream sediment sampling		<input type="checkbox"/> Other:
Estimated Cost:		\$200,000

Section 6. Summary of operations and expenditure:

Please include salaries, wages, consultants fees, field expenses, fuel and transport, administration and overheads under the appropriate headings below. Mark the work done for the appropriate subsections with an "X" or similar, except where indicated. Complete the right-hand columns to indicate the data supplied with the Technical Report. Note overheads are not to exceed 15% of total.

Do not include the following as expenditure (if relevant, these may be discussed in Section 7):

- | | | |
|--------------------------|------------------|----------------------------------|
| • Insurance | • Transfer costs | • Land Access Compensation |
| • Company Prospectus | • Title Search | • Meetings with Land Councils |
| • Rent & Department Fees | • Legal costs | • Payments to Traditional Owners |
| • Bond | • Advertising | • Fines |

Exploration Work type	Work Done (mark with an "X" or provide details)	Expenditure	Data and Format Supplied in the Technical Report	
			Digital	Hard copy
Office Studies				
Literature search	x	\$1,894.23		
Database compilation				
Computer modelling				
Reprocessing of data	x	\$3,450.72		
General research	x	\$2,906.78		
Report preparation	x	\$752.83		
Other (specify) - Admin	x	\$5,674.73		
Subtotal		\$14,679.29		
Airborne Exploration Surveys (state line kms)				
Aeromagnetics		kms		
Radiometrics		kms		
Electromagnetics		kms		
Gravity		kms		
Digital terrain modelling		kms		
Other (specify)		kms		
Subtotal		\$		
Remote Sensing				
Aerial photography				
LANDSAT				
SPOT				
MSS				
Other (specify)				
Subtotal		\$		
Ground Exploration Surveys				
Geological Mapping				
Regional				
Reconnaissance				
Prospect				
Underground				
Costean				
Ground Geophysics				
Radiometrics				
Magnetics				
Gravity				
Digital terrain modelling				
Electromagnetics				
SP/AP/EP				
IP				
AMT/CSAMT				
Resistivity				
Complex resistivity				
Seismic reflection				
Seismic refraction				
Well logging				
Geophysical interpretation				
Petrophysics				
Other (specify)				

Geochemical Surveying and Geochronology					
<i>(state number of samples)</i>					
Drill (cuttings, core, etc.)					
Stream sediment					
Soil					
Rock chip					
Laterite					
Water					
Biogeochemistry					
Isotope					
Whole rock					
Mineral analysis					
Laboratory analysis (type)					
Petrology					
Other (specify)					
Ground Exploration Subtotal				\$26,560.31	
Drilling (state number of holes & metres)					
Diamond		holes		metres	
Reverse circulation (RC)		holes		metres	
Rotary air blast (RAB)		holes		metres	
Air-core		holes		metres	
Auger		holes		metres	
Other (specify)		holes		metres	
Subtotal				\$	
Other Operations					
Costeaning/Trenching					
Bulk sampling					
Mill process testing					
Ore reserve estimation					
Underground development (describe)					
Mineral processing					
Other (specify)					
Subtotal				\$	
Access and Rehabilitation					
Track maintenance					
Rehabilitation					
Monitoring					
Other (specify)					
Subtotal				\$	
TOTAL EXPENDITURE				\$41,239.60	

Section 7. Comments on your exploration activities:

Although there was no on-ground field work carried out in Year 4, NuPower prepared various maps and studied the historical data including data provided by Maximus Resources in preparation for Year 5 exploration work.

A short on-ground reconnaissance work program was conducted finding that a large (3km) radiometric anomaly within the central part of the Strangways project which is underlain by extensive pegmatite that had elevated radiometric anomalies (probably uranium and thorium), which gives the rise to the possibly other metals.

Therefore it was recommended to renegotiate our agreement to include such metals as NuPower, through the joint venture, originally had the right to explore for the energy minerals uranium, thorium and coal, however after further negotiations Maximus Resources have agreed that NuPower will also have the right to explore for all metals (diamonds are retained by Flinders Diamonds Ltd).

NuPower also compiled the geochemistry from the previous year rating the anomalies for follow up work in Year 5 which will consist of infill stream sediment sampling, geological mapping and geochemistry to follow up the multi element stream sediment anomalies as well as Scout rotary mud drilling of selected targets along the Ti Tree-Waite Basin Trough drilling of the radiometric anomaly within the central part of the Strangways project which is underlain by extensive pegmatite subject to funding and availability of a drill rig.

I certify that the information contained herein, is a true statement of the operations carried out and the monies expended on the above mentioned tenement during the period specified as required under the *Northern Territory Mining Act* and the Regulations thereunder.

☒ I have attached the Technical Report

1. Name: Mick Muir

2. Name:

Position: Chairman

Position:

Signature:

Signature:

Date: 14 September 2010

Date: