

QUARTERLY ACTIVITIES REPORT

for the period ended 31 December 2011

Three new projects were acquired during the second half of 2011 to provide Power Resources with a Western Australian focus. The portfolio comprises ground prospective for a number of different commodities:

- The *Menzies Lakes* project is prospective for calcrete-hosted uranium mineralisation.
- The *Linden (Good Hope)* project is prospective for gold mineralisation and covers historical workings.
- The *Pelt Well* project in the north is prospective for a number of commodities, principally gold, tin and tantalum.

MENZIES LAKES URANIUM PROJECT

The Menzies Lakes Uranium Project is located to the northeast of the town of Menzies, in the Eastern Goldfields of Western Australia (Figure 2). One exploration licence application (E 29/825) covers more than 200 km².

The lease area focuses on a 16 km length of palaeochannel linking the eastern end of Lake Ballard to the northern end of Lake Marmion (Figure 2).

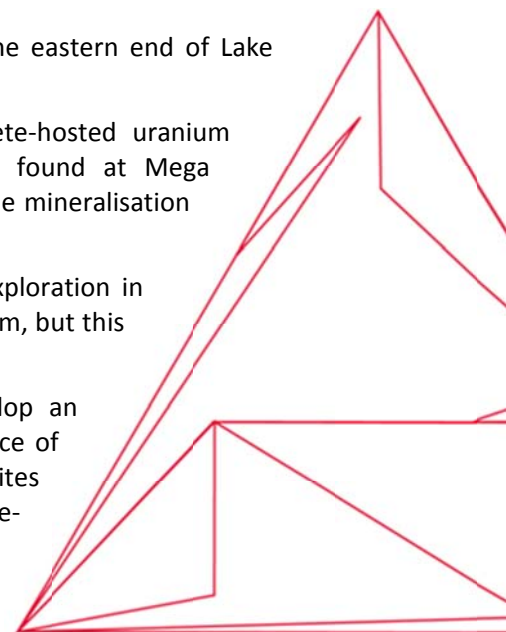
The Menzies Lakes Uranium Project is highly prospective for calcrete-hosted uranium mineralisation. In particular, playa lake styles of mineralisation as found at Mega Uranium's Lake Maitland project, and channel calcrete styles, such as the mineralisation at BHP's Yeelirrie deposit, are the main targets.

A literature review shows limited exploration for uranium, with no exploration in recent times. Earlier efforts identified localised strong uranium anomalism, but this sampling was not comprehensive, with many areas left unexplored.

A reconnaissance visit was undertaken during the quarter to develop an exploration programme over the licence area. Geologically, the presence of outcropping calcrete deposits (Figure 3) and of uranium-bearing granites highlights that two of the key ingredients for Yeelirrie-style calcrete-hosted uranium mineralisation are present at Menzies Lakes.



Figure 1 – Location of the recently acquired projects.



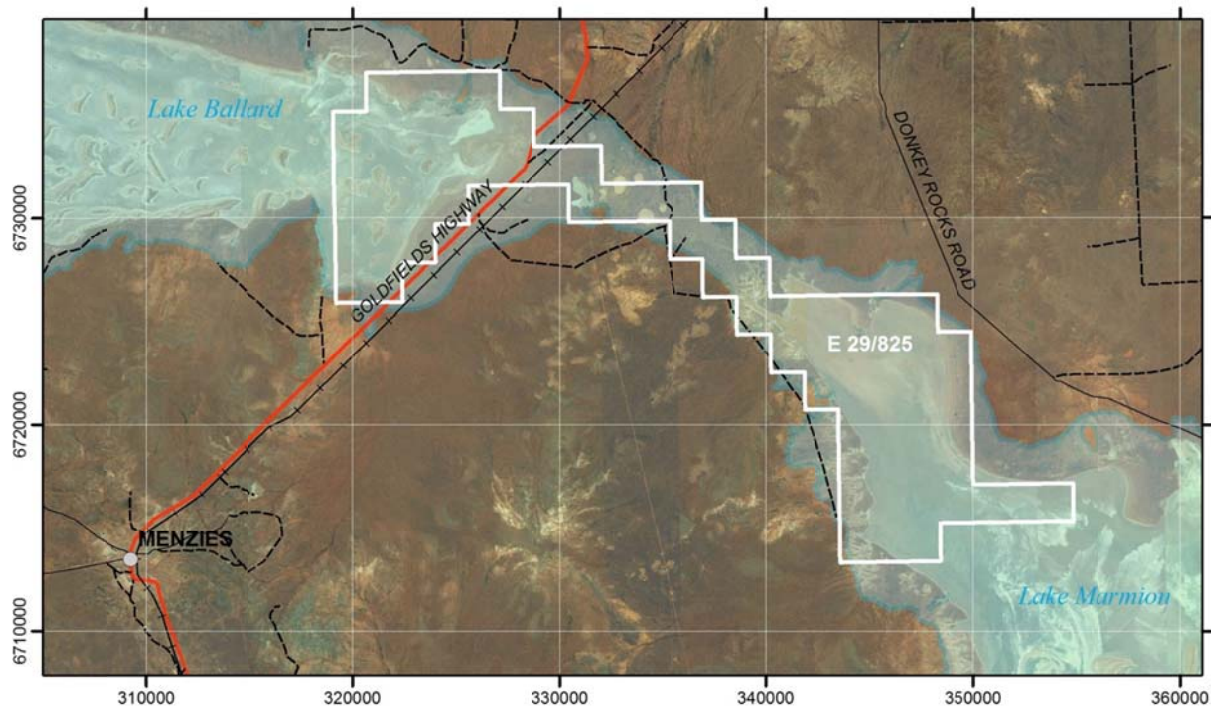


Figure 2 - The Menzies Lakes Uranium Project, showing the tenement outline and the distribution of the uranium-prospective lake-related sediments defining the palaeodrainage system (blue).

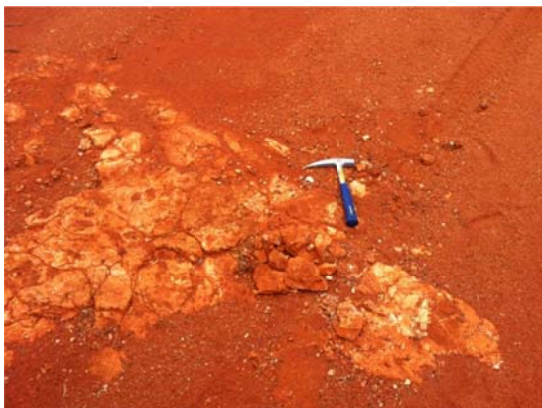


Figure 3 – Outcropping calcrete near Lake Marmion



Figure 4 – Gypsiferous dunes and salt pan at Lake Ballard

THE LINDEN (GOOD HOPE) GOLD PROJECT

The Linden (Good Hope) project area is highly prospective for mesothermal gold mineralisation. Historic workings highlight mineralised outcrops and through-going shear zones, showing suitable host rocks for gold in an area already favourable for the development of such deposits.

Linden (Good Hope) is contained by tenement Prospecting Licence 39/5062. It is located in the Linden mining district some 120 km southeast of the town of Leonora in the Eastern Goldfields region of Western Australia.

THE PELT WELL GOLD AND TIN/TANTALUM PROJECT

The Pelt Well prospect has significant potential for shear hosted gold mineralisation and pegmatite-hosted tin/tantalum mineralisation. A focused exploration programme will quickly determine whether significant mineralisation has developed within the project area.

The Pelt Well Project is located approximately 250 km east-northeast of the town of Carnarvon in Western Australia. The Project is contained by Exploration Licence E 09/1616.

EXPLORATION PROGRAMMES

Initial exploration programmes on both the Linden (Good Hope) and Pelt Well licences will involve documenting in detail the local geology and distribution of mineralisation throughout each licence area. This will include:

- Detailed geological mapping
- Rock chip sampling and assays
- Petrology

At Menzies Lakes, initial exploration will involve heritage surveys, compilation of a GIS database and analysis of historical exploration data, and ground reconnaissance and sampling.

These programmes are expected to fully assess the potential of each project area. If successful they will generate a series of drill targets that will be the focus of further, more detailed exploration.

David Zukerman
Company Secretary
Power Resources Limited

Competent Person Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Matthew Painter of Kalgoorlie Mine Management Pty Ltd, who is a member of The Australian Institute of Geoscientists. Dr Painter has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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 Resource and Ore Reserves". Dr Painter consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Power Resources Ltd's planned exploration programme and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Power Resources Ltd believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.