

29 July 2011

The Manager
Companies Announcement Office
Australian Securities Exchange
Exchange Centre
20 Bridge St
SYDNEY NSW 2000

Dear Sir,

QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2011

Menzies Lakes Uranium Project

Power Resources has applied for Exploration Licence 29/825 in the North Coolgardie Mineral Field. The licence is considered prospective for uranium, and has been named the “Menzies Lakes Uranium Project”.

Location

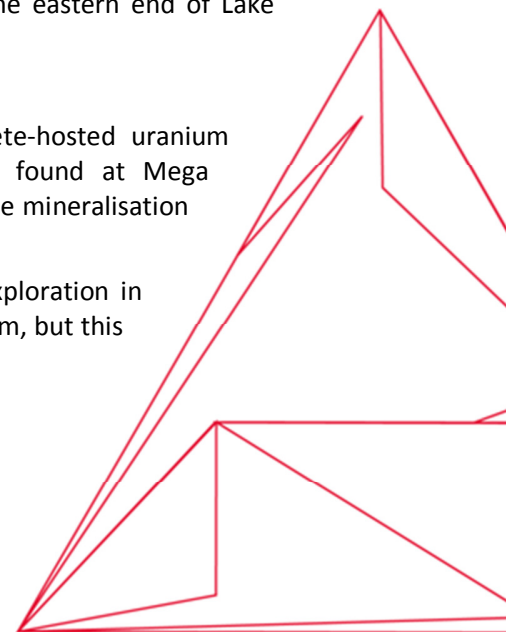
The Menzies Lakes Uranium Project is located to the northeast of the town of Menzies, in the Eastern Goldfields of Western Australia. One exploration licence application (E 29/825) covers more than 200 km².

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 1).

Prospectivity

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.



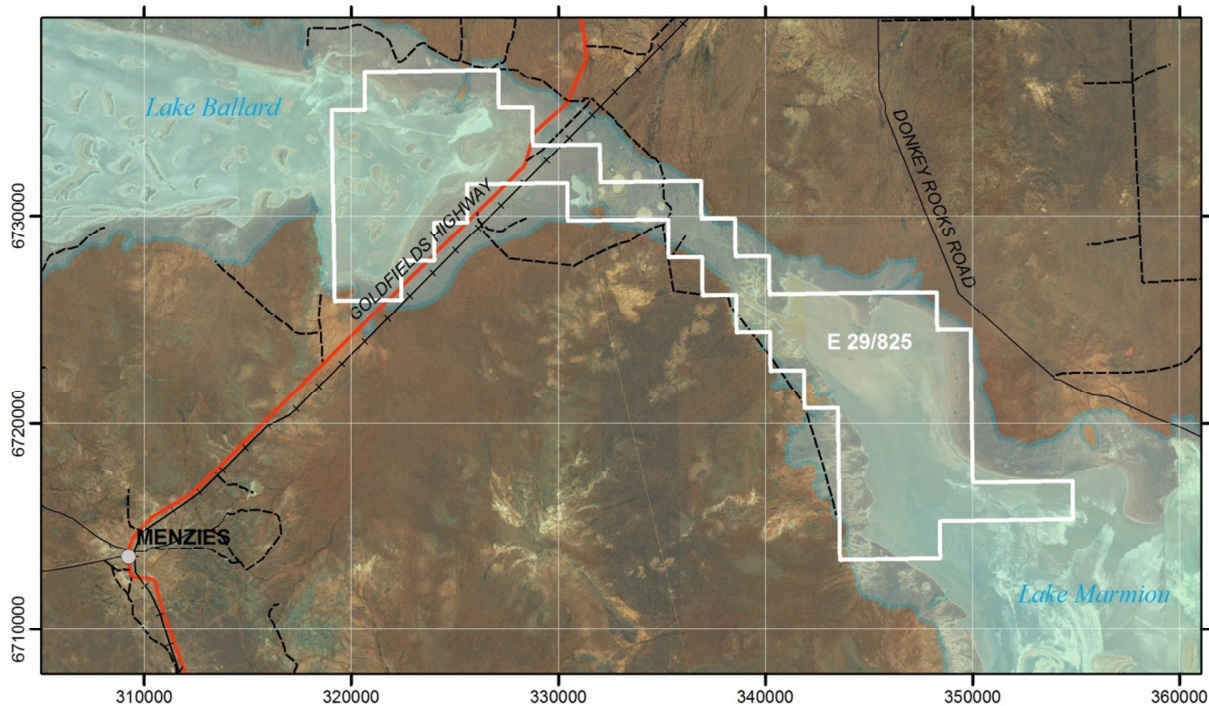


Figure 1 - The Menzies Lakes Uranium Project, showing the tenement outline and the distribution of the uranium-prospective lake-related sediments defining the palaeodrainage system (blue).

Initial exploration

Initial exploration will involve heritage surveys, compilation of a GIS database and analysis of historical exploration data, and ground reconnaissance and sampling.

Project generation

The Company continues its programme of project generation, examining various options in Australia and overseas.

Yours faithfully,

David Zukerman
 Company Secretary
 Power Resources Limited