

# QUARTERLY ACTIVITIES REPORT

## *for the period ended 30 September 2011*

Three new projects were acquired recently to provide Power Resources with a Western Australian focus. The portfolio comprises ground prospective for a number of different commodities.

On 30 June 2011, the Company 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”.

On 13 September 2011 the Company acquired a 90% interest in two Western Australian exploration projects; the Linden (Good Hope) Gold Project (PL 39/5062), and the Pelt Well Gold and Tin-Tantalum Project (E 09/1616). These two projects were acquired for a total cash consideration of \$20,000 and the vendors’ 10% interest will be free carried until completion of a feasibility study and a decision to mine.

Pelt Well in the north is prospective for a number of commodities, principally gold, tin and tantalum. Further south the Linden (Good Hope) project covers historical workings and is highly prospective for gold mineralisation.

Location

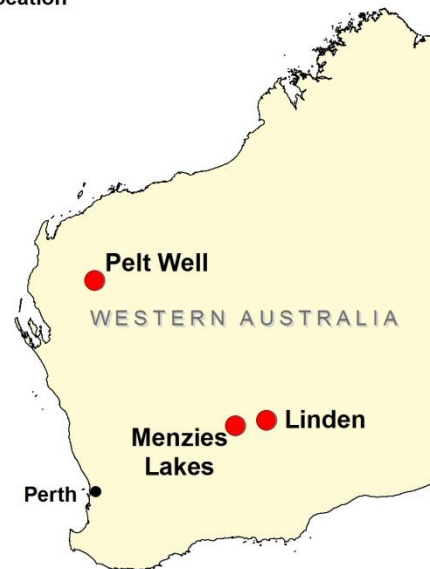


Figure 1 – Location of the recently acquired projects.

### **MENZIES LAKES URANIUM PROJECT**

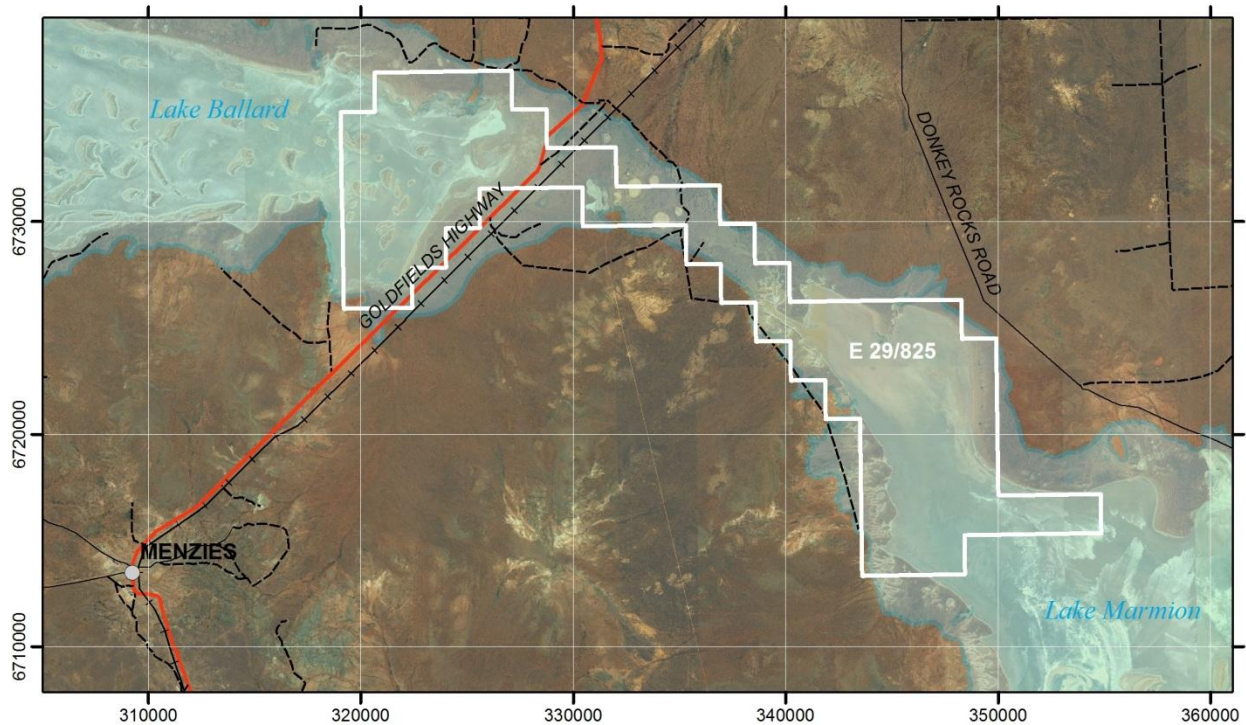
The Menzies Lakes Uranium Project is located to the northeast of the town of Menzies, in the Eastern Goldfields of Western Australia (Figure 2). One exploration licence application (E 29/825) covers more than 200 km<sup>2</sup>.

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.



**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).

## **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.

### **Geology**

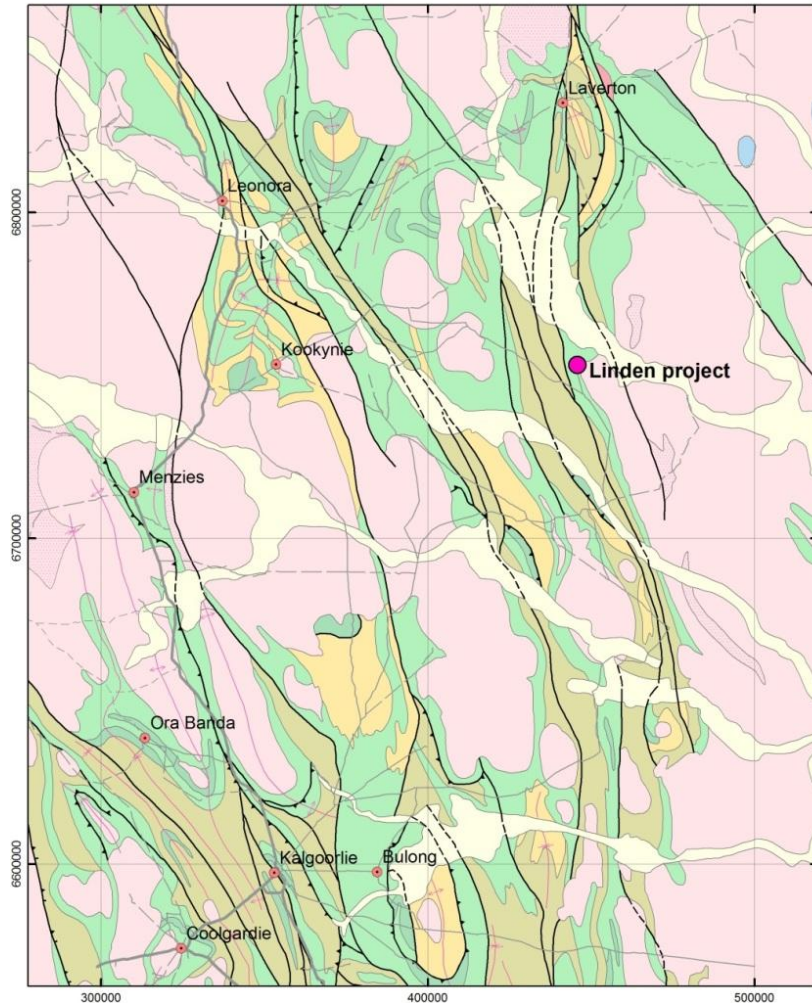
The gold mining district of Linden is located within the Archaean Eastern Goldfields Granite-Greenstone Superterrane of Western Australia (Figure 3).

Within the Linden (Good Hope) licence area, outcrop is poor but is dominated by Archaean monzogranite. An east-west valley appears to be underlain by amphibolite. Whether this

amphibolite is a large xenolithic raft or is a fragment of green-stone hornfelsed by the granite is unclear. Regardless, the contrast between the mafic rocks and the granite has become the locus for mineralisation that has been exploited.

At and near the contact of the granitic and mafic rocks, a series of north-south trending pyritic “lenticular bedded cherty lithology” units (here interpreted to be a mineralised shear zone) interact with small intrusions of porphyritic diorite. East-west trending, subvertical, pyritic quartz veins cross-cut the “cherts”. Chlorite and carbonate alteration is evident throughout these rocks.

The gold deposits of the Linden mining area are mostly contained in quartz-stringer-lode formations within shear zones through mafic to ultramafic volcanic host rocks. The deposits are generally small but high grade. Several shear zones have been identified within the project area on which are located several small prospector style shafts, illustrating the control of shearing on mineralisation.



**Figure 3** - Location of the Linden (Good Hope) Project within the granite-greenstone belts of the Eastern Goldfields Superterrane. Pink = granite, green & dark green = mafic rocks, khaki = sedimentary rocks, yellow = felsic rocks, white = palaeodrainage system.

### Historic workings

The old workings comprise 3 shallow shafts and a number of small trenches. The prospect has been known previously as “Water Reserve Find” and “Good Hope”. Government records show that 30 tons of ore yielded 1 oz per ton from a structure around 1 metre thick.

Historic sampling of quartz-pyrite altered rocks from local waste dumps recorded grades of up to 16 g/t Au.



## THE PELT WELL GOLD AND TIN/TANTALUM PROJECT

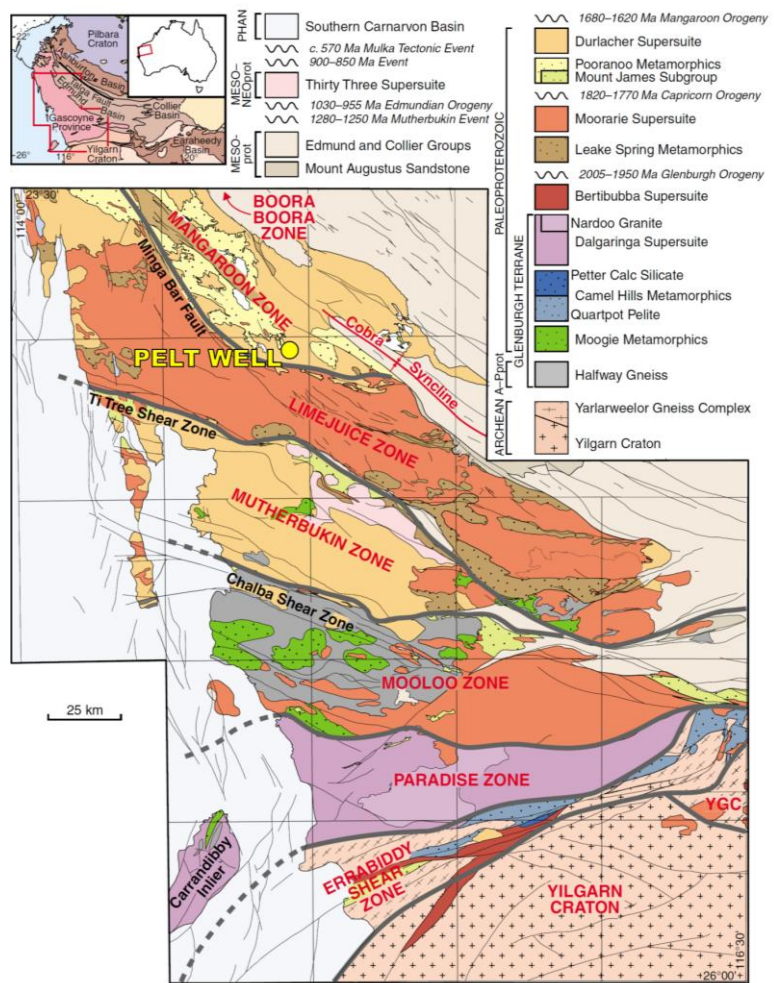
The Pelt Well Project is located approximately 250 km east-northeast of the town of Carnarvon in Western Australia. The Project is contained by Exploration Licence E 09/1616.

### Geology

The Pelt Well Project is located in the Mangaroon Zone of the Gascoyne Complex of central-western Western Australia (Figure 5). The Gascoyne Complex is an intricate sequence of granitic and medium- to high-grade metamorphic rocks located at the western end of the Capricorn Orogen. It represents crust that has gone through a complex tectonic history comprising the collision of the Pilbara and Yilgarn cratons and subsequent reactivation and deformation.

The local geology of the Pelt Well Project (Figure 6) consists of migmatites and granites cross-cut by late-stage pegmatite dykes. Substantial shearing has occurred throughout the area but is more intense in the southern part of the licence and further south.

Recent detailed studies by the Geological Survey of Western Australia are only just coming to grips with the geological complexity and history of the Gascoyne Complex. The region was not systematically mapped prior to the mid-1970s. As such, the region is in its infancy with regard to systematic exploration coverage. This, combined with application of breakthroughs in the understanding of the geo-logical development of the region, is likely to yield new discoveries.



**Figure 5** – The location of the Pelt Well Project (yellow) within the Gascoyne Complex. Pelt Well is within the Mangaroon structural-metamorphic zone. (After Sheppard et al. 2010, “Explanatory notes for the Gascoyne Province”, GSWA, 336p.)

## Prospectivity and historic work in the area

The project was acquired by the vendor on receipt of a local fossicker's information regarding a zone of rich gold mineralisation located to the east of Pelt Well. A preliminary examination of the area did not locate this zone but did locate a series of small pits along a one metre wide pegmatite over some 80 m strike length.

### Gold

Pelt Well is located in the same sequence as and some distance along strike from the historic Star of Mangaroon gold mine, the largest gold producer in the Gascoyne region. The mine operated between 1960 and 1983, producing 7,464 oz of gold from 5,357 tonnes of ore at an average grade of 34.8 g/t gold. The Star of Mangaroon is considered to be a shear-related, stacked system of auriferous high-grade quartz veins. A similar style of mineralisation is considered prospective on the Pelt Well project.

Perturbation of the regional stress field is suggested by reorientation of the regional foliation within the licence area. This may be indicative of a significant structural feature that could represent a trap for shear-hosted gold mineralisation. Further assessment of this feature is required.

### Tin/tantalum

The mineralogy of the worked pegmatite at Pelt Well appears to be suitable for the occurrence of tin and tantalum mineralisation. Whilst records of these workings could not be located, a Mineral Claim (09/717) was pegged in 1970 to the northwest of Pelt Well, demonstrating exploration of the pegmatites in the immediate area.

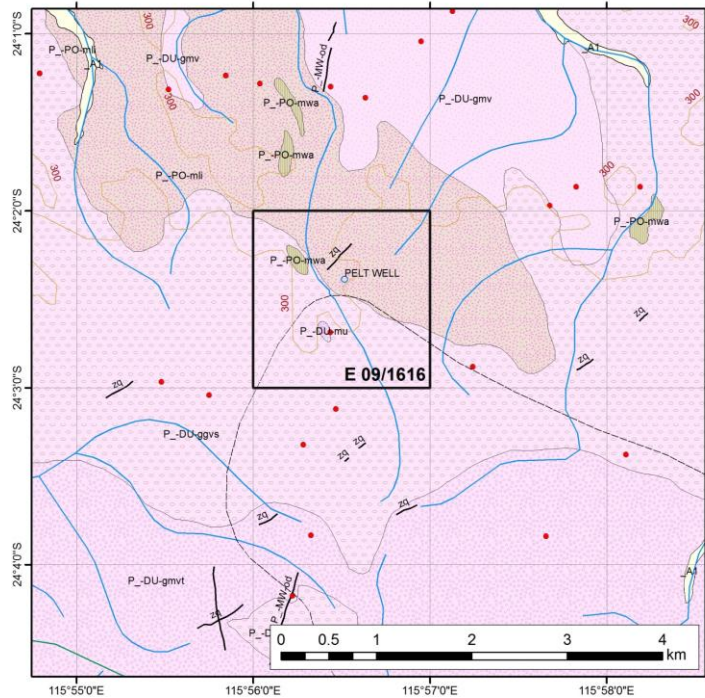


Figure 6 – Geology of the Pelt Well project area, comprising granites and migmatites cross-cut by shear zones. Pelt Well is located within outcropping Pooranoo Metamorphics.

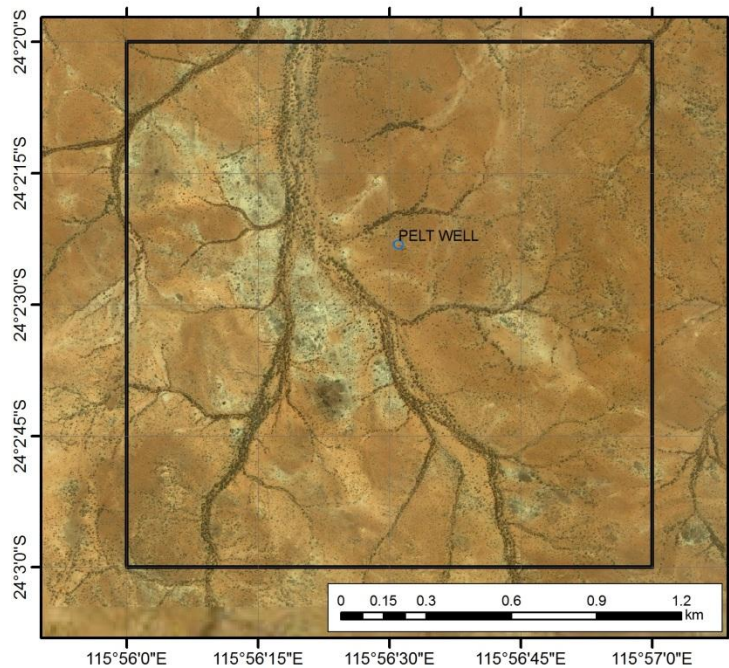


Figure 7 - Satellite imagery over the Pelt Well Project area.

## Exploration Potential

Recent breakthroughs in understanding the development of the Gascoyne Complex combined with local observations show that the Pelt Well prospect has significant potential for:

- shear hosted gold mineralisation; and
- pegmatite-hosted tin/tantalum mineralisation.

Both styles of mineralisation have the potential to develop into small to moderate-sized deposits within the licence area. A focused exploration programme will quickly determine whether significant mineralisation has developed with the project area.

## EXPLORATION PROGRAMMES

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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.