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Dear Sir/Madam

HIGH-GRADE INTERSECTIONS AT NIL DESPERANDUM

Recent drilling at the Nil Desperandum prospect has successfully intersected high-grade copper-gold mineralisation. The prospect is within the wholly owned Bushy Park tenement (EPM 14366), located approximately 68 kilometres south-east of Mt Isa in Queensland.

HIGHLIGHTS

A new structural interpretation of the Nil Desperandum copper deposits has been developed, based upon geological mapping of old mine workings and previous drilling results. Recent drill testing of the deposits intersected high-grade copper-gold mineralisation, confirming the new interpretation, and demonstrating that further drilling could significantly up-grade the status of this project.

High-grade mineralisation on the main northeast trending fault structure is present in lenses from 2 to 30m thick and averaging about 10m. These high-grade zones occur within a 40 metre thick zone of mineralisation with a strike length of up to 400 metres.

High-grade mineralisation was also intersected beneath the Lady Maria open-pit on a northwest-trending shear zone. Although no production records are available, it appears that substantial tonnages of copper ore were mined from the deposit.

Notable new drilling intersections include:

- NDR017 112 – 131metres; 19 metres @ 2.32% copper, 0.56 g/t gold
Incl. 113 -123 metres; 10 metres @ 3.53% copper, 0.86 g/t gold
- NDR021 21 – 27 metres; 6 metres @ 5.22% copper, 0.84 g.t gold
- NDR020 88 – 91 metres; 3 metres @ 1.21% copper, 0.09 g/t gold

Further drilling is planned.

DETAILED REPORT

Wholly owned tenements of the Company constituting the Mt Isa Regional and Roseby Projects are shown in Figures 1 and 2. These tenements secure a total area of approximately 2,790 square kilometres of ground within an approximately 75 kilometre radius of Mt Isa or Cloncurry, both of which are in the Mt Isa Inlier mineral province in North West Queensland.

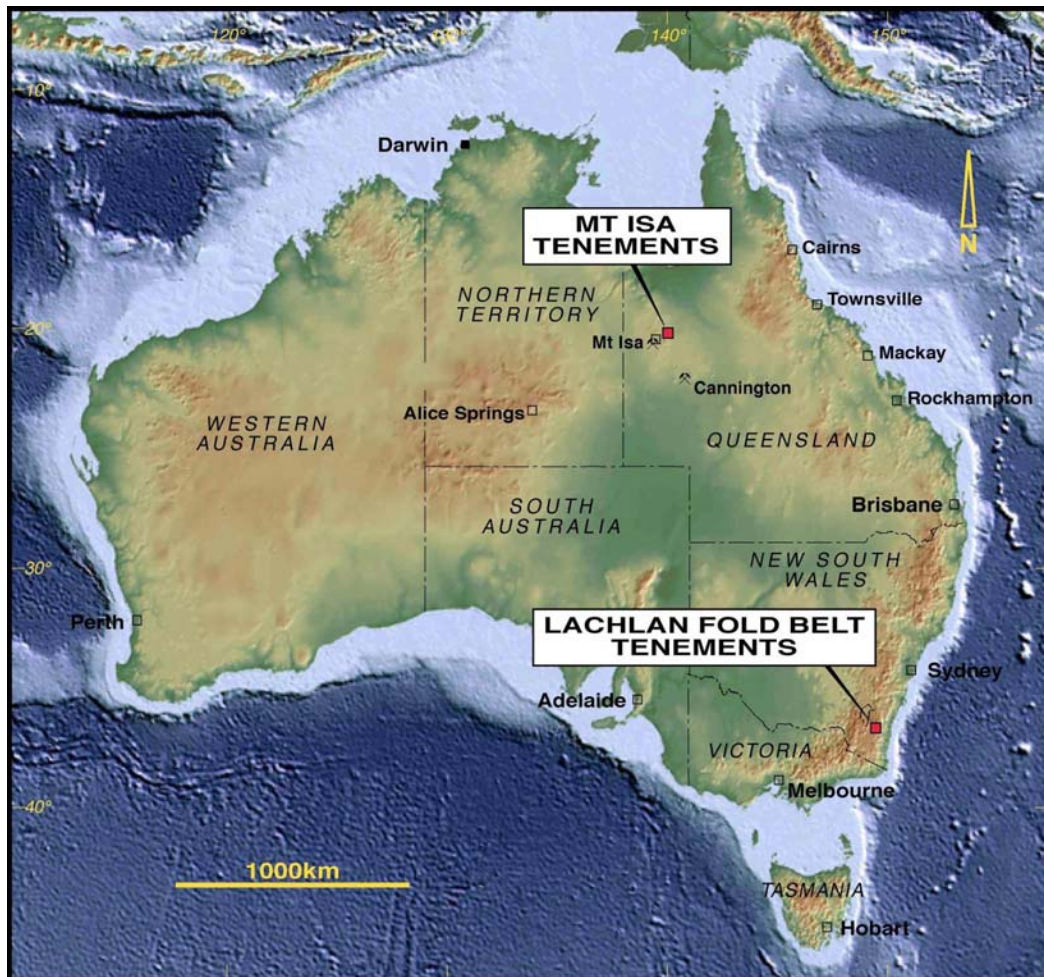


Figure 1. Universal Project Locations

The Mt Isa Inlier is host to a variety of major metal deposits including copper, copper-gold, zinc and silver, notably including very significant iron oxide-copper-gold deposits at Ernest Henry, Osborne and Selwyn within the Eastern Fold Belt of the Proterozoic Mt Isa Inlier.

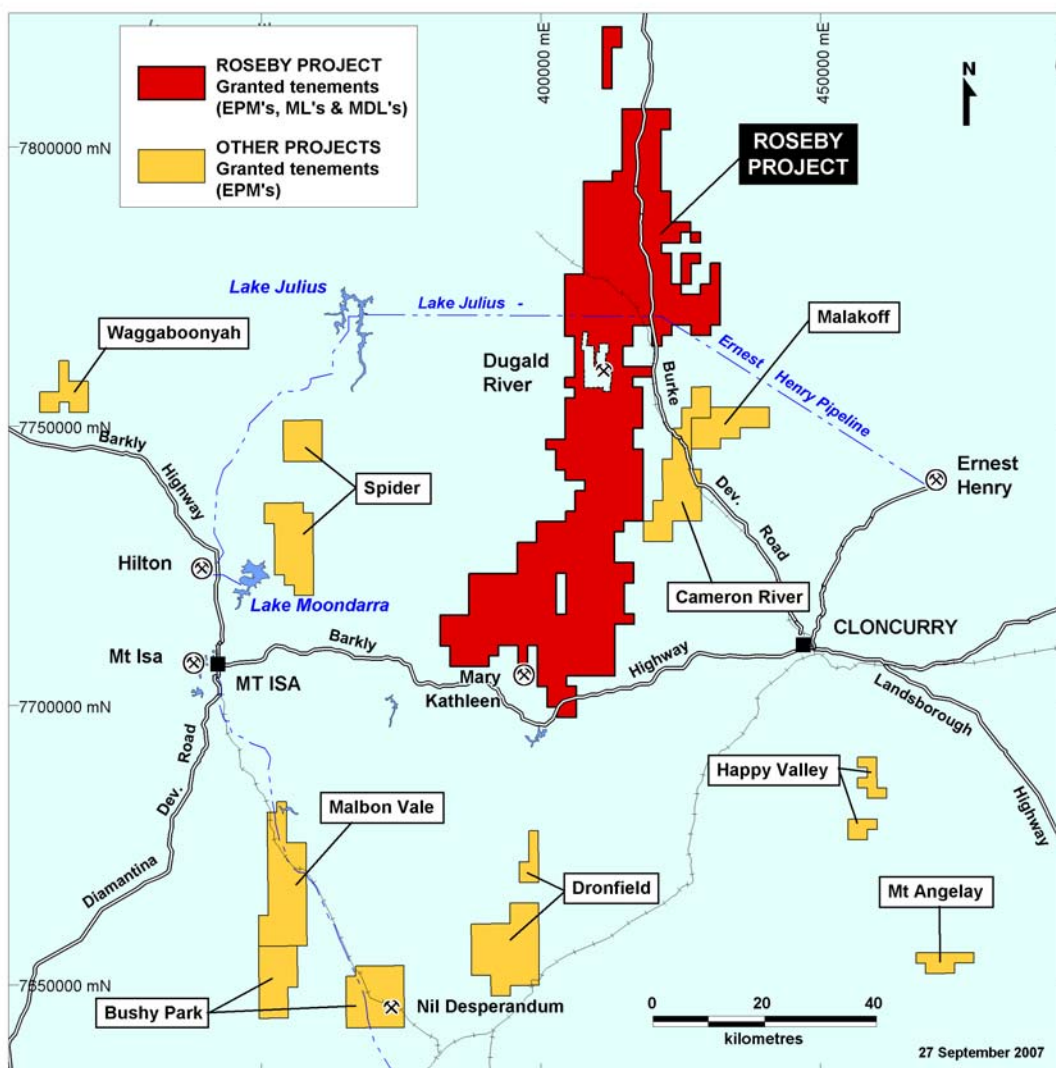


Figure 2. Universal's Tenements in the Mt Isa Inlier

EPM 14366 – Bushy Park

The location of the Bushy Park tenement is shown in Figure 2. The Nil Desperandum prospect is located approximately 68 kilometres southeast from Mt Isa and lies close to the road and railway line from Duchess to Mt Isa.

Regional Geology

The host sequence comprises strongly folded and regionally metamorphosed acid-intermediate and basic volcanics of the Proterozoic Argylla Formation which are intruded by a variety of oxidized granites. The prospect lies within a strongly developed set of sub-parallel northeast-trending major faults cross-cutting the regional fold system.

Prospect Geology and Mineralisation

The interpreted solid geology, derived from recent detailed mapping of the Nil Desperandum prospect, is shown in Figure 3.

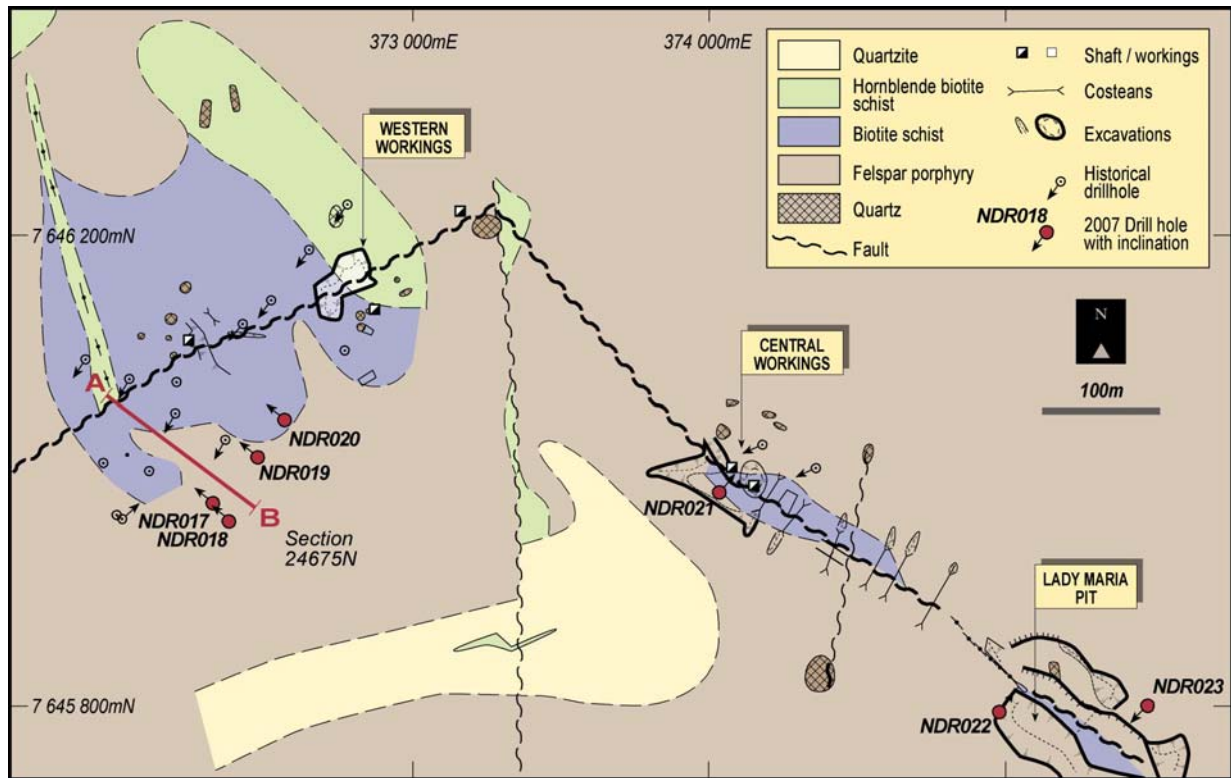


Figure 3. Interpreted Geology

Previous Work

Previous surface workings are centred upon three areas of sub-outcropping mineralisation:

- The Western workings;
- The Central Workings; and
- The Lady Maria pit.

These workings are located on two well-developed shear zones which are components of a conjugate NE and NW trending fault-set.

Historical drilling (16 RC holes for 2054 metres) primarily targeted mineralisation associated with the Western Workings.

Two drill-holes, testing the Central Workings, are unlikely to have intersected the main mineralised lode beneath the pits.

Geology and Mineralisation

Tightly folded felspar porphyritic meta-volcanics and variously altered hornblende-biotite schists, with associated minor quartzites, dominate the sequence at Nil Desperandum (Figure 3).

Mineralisation lies within hornblende-biotite schists located in or near the north-easterly and north-westerly-trending fault zones. Mapping suggests mineralisation has preferentially formed where the schists have a strong structural imprint. Mineralisation is interpreted to occur as sub-parallel pitching shoots or pipe-like deposits, confined within the steeply dipping faults. The host structures pinch and swell along strike and at depth.

Chalcopyrite, the main ore-forming mineral, and pyrite, are present as disseminations and veinlets within the hornblende-biotite schist host and are occasionally associated with discontinuous quartz veining. Magnetite alteration occurs as disseminations in the hornblende-biotite schist and mineralisation is considered to be of the IOCG type.

Drilling Programme

A 7-hole RC drilling program for 1033 metres was completed in July 2007. Drillhole collar and location details are provided in Table 1 below.

Four holes tested the Western Structure, one hole the Central Workings and two holes tested beneath the Lady Maria open-cut workings which are of substantial size, extending up to 200m in length and to 30m depth. Access close to the pit was constrained by the workings, making the testing of shallow mineralisation difficult.

Drillhole details are listed in Table 1.

Table 1: Nil Desperandum Prospect – Drillhole Collar Details

Hole No.	Prospect	Co-ordinates		Azimuth (AMG)	DIP (Degrees)	DEPTH (metres)
		AMG_N	AMG_E			
NDR017	NIL DESPERANDUM	7645964	372831	306	-60	181
NDR018	NIL DESPERANDUM	7645951	372849	306	-60	199
NDR019	NIL DESPERANDUM	7646007	372873	306	-60	169
NDR020	NIL DESPERANDUM	7646046	372890	306	-60	151
NDR021	LADY MARIA	7645980	373263	36	-60	67
NDR022	LADY MARIA	7645795	373500	36	-60	109
NDR023	LADY MARIA	7645800	373625	216	-55	157

Drilling Results

Drilling in the NE trending structure has confirmed the presence of shoots or pipes of high-grade mineralisation located within a 40 metre thick envelope of low-grade mineralisation:

- NDR017 112 – 131 metres; 19 metres @ 2.32% copper, 0.56 g/t gold
incl. 113 -123 metres; 10 metres @ 3.53% copper, 0.86 g/t gold
- NDR020 88 – 91 metres; 3 metres @ 1.21% copper, 0.09 g/t gold

Drilling on the northwest-trending shear intersected 6 metres of very high-grade mineralisation below the Lady Maria open-cut:

- NDR021 21 – 27 metres; 6 metres @ 5.22% copper, 0.84 g.t gold

The drilling of hole NDR 021 intersected mineralisation at a shallower depth than anticipated from structural mapping, suggesting a 45 degree south-westerly dip to the mineralisation rather than the 75 degrees measured in the pits.

Assay data for all holes is provided in Appendix 1.

Future Drilling Programs

Further drilling will be undertaken during the next quarter and will test both mineralised structures for shallow high-grade copper-gold deposits. Targetting of mineralisation will be augmented by down-hole electromagnetic surveys to locate zones of higher sulphide content.



Peter Ingram
Chairman and Managing Director

The information contained in this report that relates to exploration results has been compiled by Maurice Hoyle and John Bartlett, employees of Universal Resources Limited. Maurice Hoyle is a Fellow of the Australasian Institute of Mining and Metallurgy and John Bartlett is a Member of the Australasian Institute of Mining and Metallurgy. Maurice Hoyle and John Bartlett have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity which they are undertaking as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Maurice Hoyle and John Bartlett consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

APPENDIX 1

Drilling Results: Nil Desperandum Prospect

Hole ID	From	To	Interval Metres	Cu (%)	Au_gpt	Total Depth (m)
NDR017	112	131	19	2.32	0.56	181
<i>incl.</i>	113	123	10	3.53	0.86	
NDR017	138	141	3	0.93	0.05	
NDR017	147	149	2	0.58	0.03	
NDR017	155	157	2	0.68	0.03	
NDR017	160	161	1	1.26	0.01	
NDR018	130	154	24	0.51	0.10	199
NDR019	30	33	3	1.06	0.14	169
NDR019	107	108	1	0.64	0.08	
NDR020	30	33	3	0.77	0.09	151
NDR020	70	71	1	0.87	0.09	
NDR020	81	84	3	0.93	0.13	
NDR020	88	91	3	1.21	0.09	
NDR020	94	95	1	0.53	-0.01	
NDR021	21	27	6	5.22	0.84	67
NDR022	44	45	1	0.78	0.08	109
NDR022	61	62	1	0.59	0.02	
NDR023	101	102	1	0.64	0.02	157