UNIVERSAL RESOURCES

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Dear Sir/Madam,

HIGH GRADE COPPER-GOLD DRILLING

The directors of Universal Resources Limited (Universal) are pleased to report the imminent commencement of a drilling program to test high grade copper-gold targets within Universal's wholly owned Bushy Park tenement (EPM 14366), located approximately 68 kilometres south-east of Mt Isa in North West Queensland.

HIGHLIGHTS

Good copper–gold mineralisation is evidenced by a number of historical surface workings, including opencut workings, at the Nil Desperandum prospect within the Bushy Park tenement. Limited test drilling, undertaken historically, has partially tested the mineralised system, locating highly encouraging intersections of copper and gold mineralisation to downhole depths of 166 metres:

- **ND010: 20 metres at 2.40% copper, 0.27 gpt gold from 111 metres**
  Incl. 6 metres at 5.26% copper, 0.77 gpt gold from 111 metres

- **ND 012: 12 metres at 1.06% copper, 0.07 gpt gold from 125 metres**
  Incl. 5 metres at 4.29% copper, 0.63 gpt gold from 113 metres

- **ND013: 11 metres at 2.11% copper, 0.27 gpt gold from 155 metres**

- **ND005: 3 metres at 3.32% copper, 1.41 gpt gold from 29 metres**

A 1000 metre, 8 RC drillhole program to test this mineralisation and to examine the structural controls to the mineralisation will be undertaken shortly.

It is also planned to complete ground transient electromagnetic surveys in this area to integrate with the results of the drilling programme.

DETAILED REPORT

The location of Universal's wholly owned Mt Isa regional and Roseby Project tenements is shown in Figures 1 and 2. These tenements secure a total area of approximately 3,400 square kilometres of ground within an approximately 75 kilometre radius of Mt Isa and /or Cloncurry in the Mt Isa Inlier mineral province in North West Queensland.

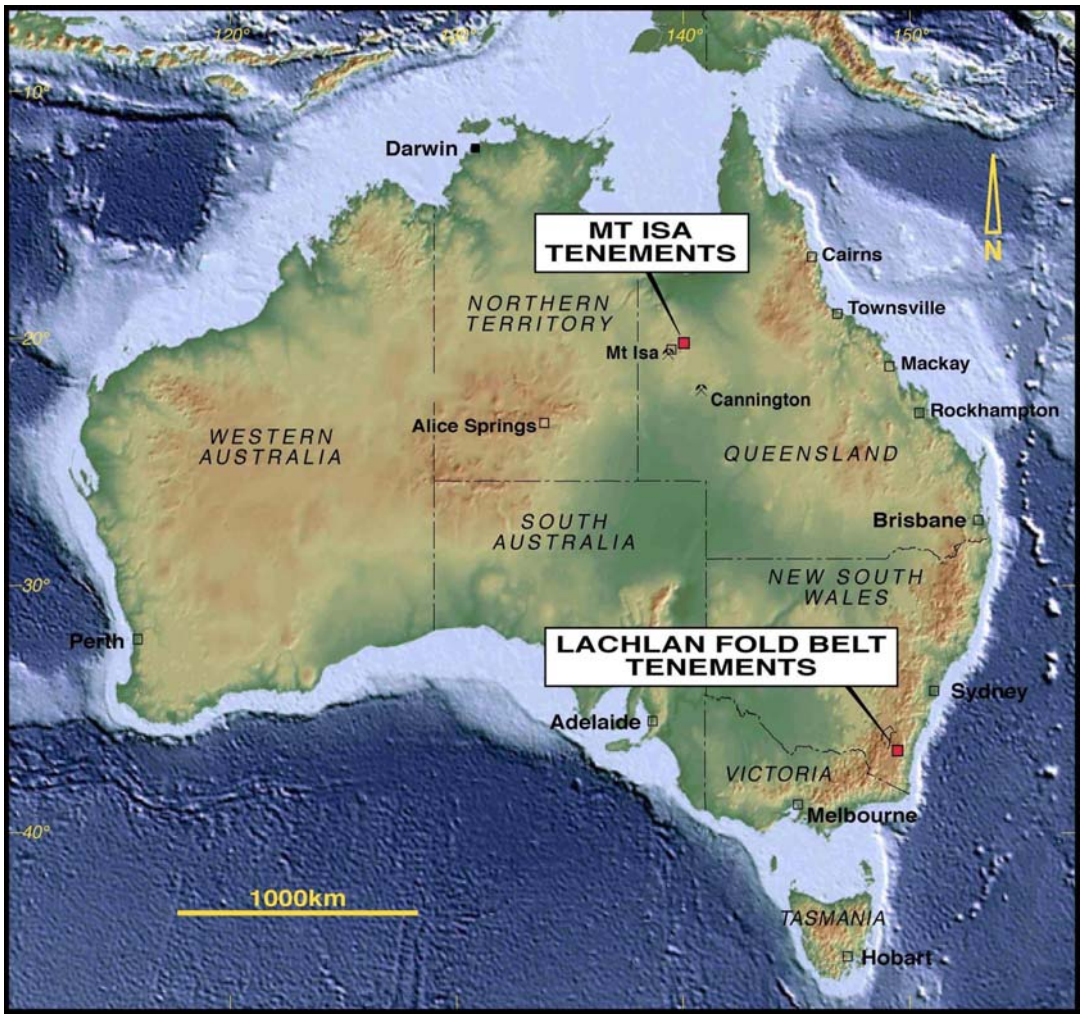

Figure1. Universal Project Locations

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 shows the distribution of Universal's tenements within the Mt Isa Inlier.

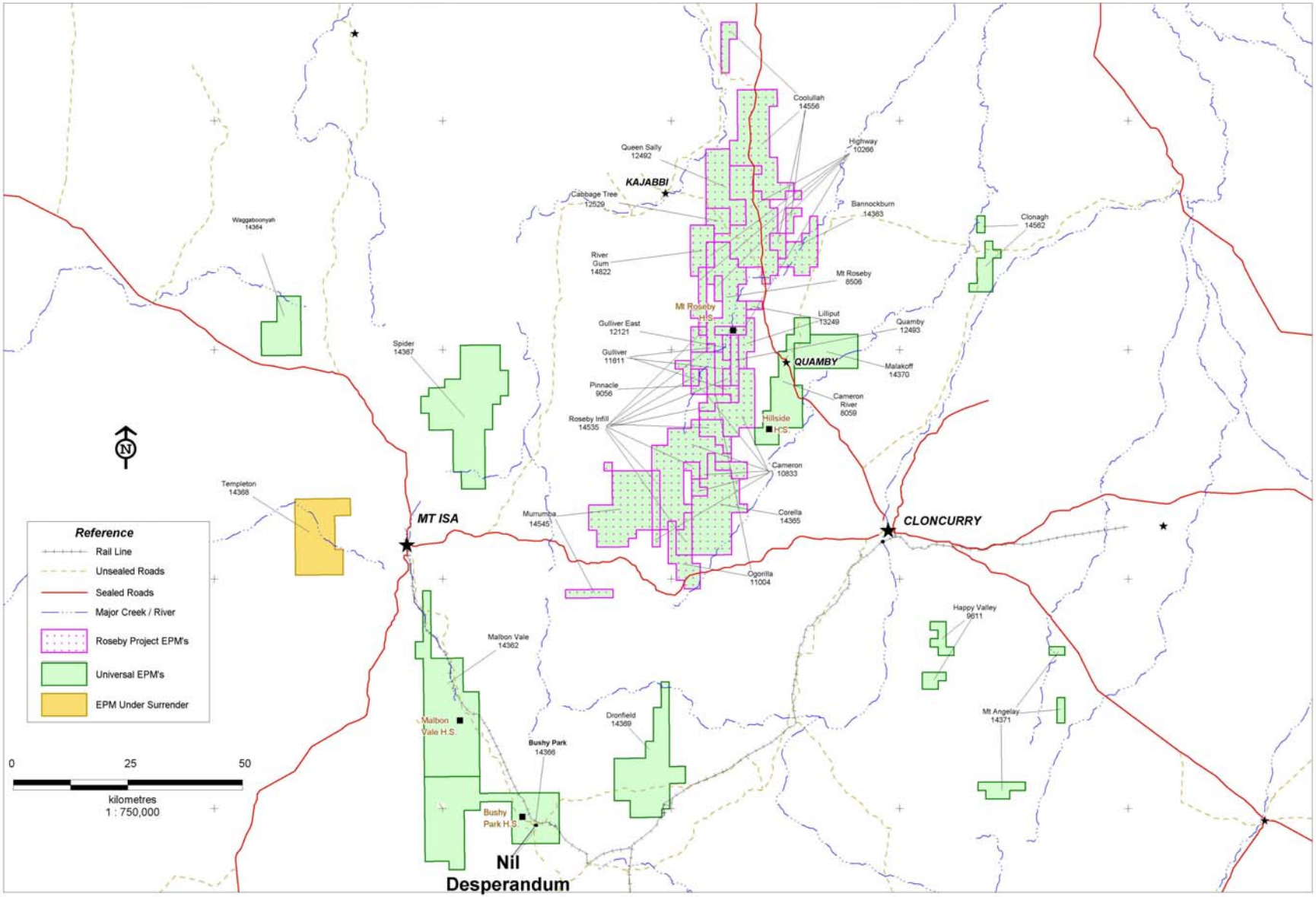

Figure 2. Universal's Mt Isa Inlier Tenements

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 of Mt Isa, lying immediately adjacent to the Mt Isa –Duchess line of rail and road.

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 sub-parallel set of 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.

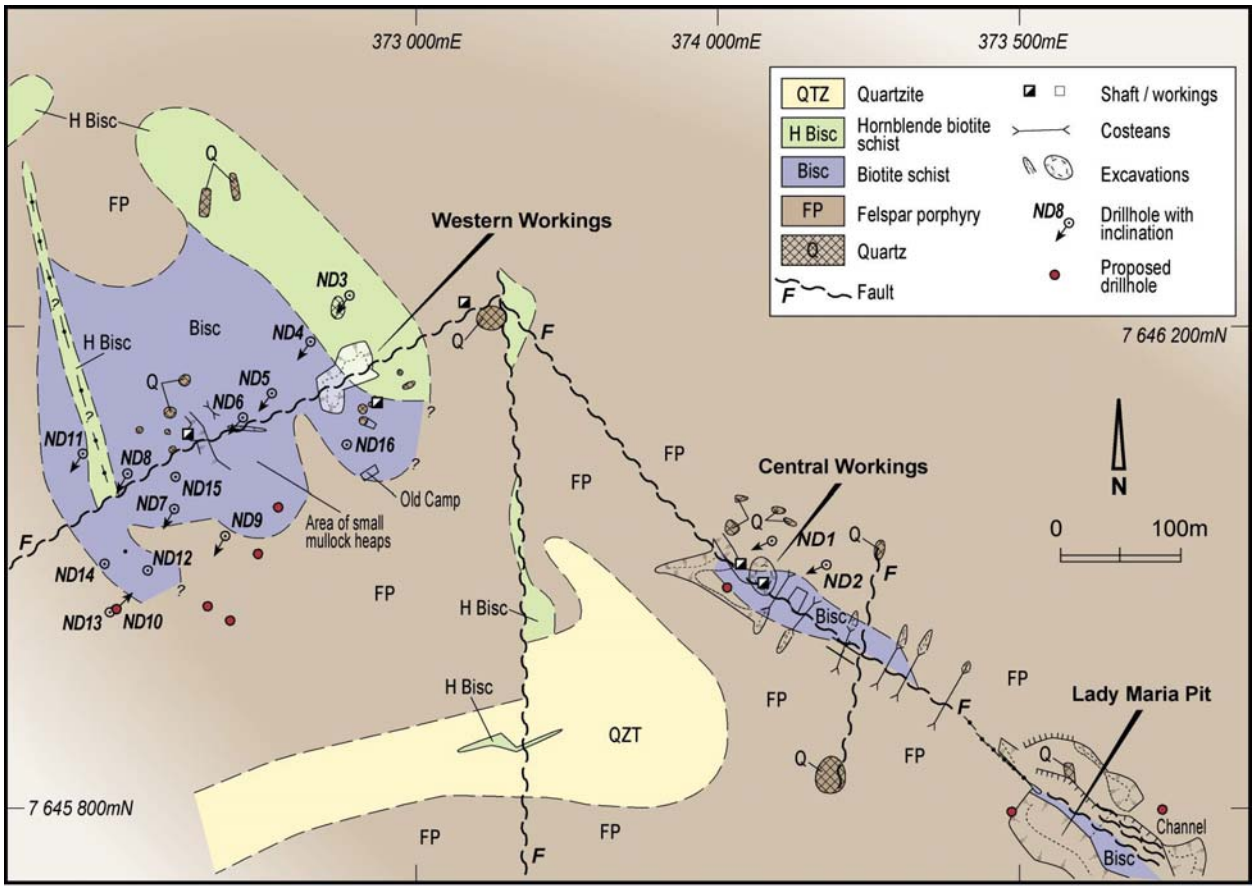

Figure 3. Interpreted Geology

Previous Work

Historical surface work has centred upon three areas of surface mineralisation viz. the Western and Central Workings and the Lady Maria pit. These are located on two strong structural features comprising conjugate NE and NW fault systems.

Previous drilling comprising 16 RC holes for 2054 metres has primarily targeted the Western Workings area. Two drillholes, testing the Central Workings, appear to have been poorly directed and are regarded as being unlikely to have intersected the main mineralised lode beneath the pits.

Geology and Mineralisation

Felspar porphyritic (meta-volcanic) rocks dominate the sequence associated with minor quartzites and variously altered biotite and hornblende biotite schists (Figure 3).

Mineralisation is associated with the biotite and hornblende-biotite schists, especially where these have a strong structural imprint within northeasterly and northwesterly-trending fault zones. Mineralisation is present as disseminations and veinlets of chalcopyrite and pyrite, occasionally associated with discontinuous quartz veining. The host structure and attendant mineralisation appears to pinch and swell along strike and at depth. Previous drilling recorded some good results (Table 1). Mineralisation is interpreted as forming sub-parallel pitching shoots or pipe-like deposits up to 20 metres wide, confined within steeply dipping major fault zones. Mineralisation outside of the fault zones appears to be weak.

Table 1. Historical Drill Intercepts at different cut-off grades.

Hole_ID	From	To	Interval	Cu_pct	Au_ppm
2% Copper - lower cut off					
ND007	88	90	2	6.36	0.56
ND010	**111**	**117**	**6**	**5.26**	**0.77**
ND012	98	100	2	2.39	0.79
ND012	**113**	**118**	**5**	**4.29**	**0.63**
ND013	101	103	2	4.22	0.34
ND013	**159**	**166**	**7**	**2.51**	**0.35**
1% Copper - lower cut off					
ND005	**29**	**32**	**3**	**3.32**	**1.41**
ND006	40	43	3	1.80	0.25
ND007	88	91	3	4.81	0.67
ND010	**111**	**131**	**20**	**2.40**	**0.27**
ND012	96	100	4	1.78	0.54
ND012	**125**	**137**	**12**	**1.06**	**0.07**
ND013	101	103	2	4.22	0.34
ND013	138	141	3	1.44	0.24
ND013	**155**	**166**	**11**	**2.11**	**0.27**

Of particular interest is a zone of high grade copper-gold sulphide mineralisation intersected in drillholes ND010, ND012 and ND013. Drilling of adjacent sections was relatively unsuccessful but was of limited extent and warrants further investigation.

Following Universal's mapping and sampling program this mineralisation is interpreted to be controlled by a NE trending structure, inferring that historical drilling adjacent to drillholes ND010, ND012 and ND013 has been essentially along strike of the main mineralised zone and therefore failed to adequately test the mineralised structure. Mineralisation is interpreted to comprise a moderately SW plunging shoot within a northeast trending, steeply SE dipping shear zone.

Summary

The drilling program has been designed to assess previous drilling results and to test the newly interpreted structural controls to mineralisation within the major NE and NW trending fault zones hosting the mineralised schists. It will also commence the down dip testing of the mineralisation beneath the Central Workings and the Lady Marie open cut excavations. The results of this drilling program will be released when all assay data become available and have been assessed.

Michael Hulmes
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.