



QUARTERLY ACTIVITY REPORT

**FOR THE PERIOD ENDED
30 JUNE 2005**

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QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2005

HIGHLIGHTS

CORPORATE

The hostile takeover bid by CopperCo Limited was terminated on 13 May 2005.

The strategic alliance entered into with Xstrata Copper has been completed following satisfaction of all Conditions Precedent and the investment of \$6.6 million in Universal by Xstrata.

Major shareholders in Universal are now:

CopperCo: 16.8%

Xstrata Copper: 13.2%

Westpac Nominees 8.8%

ROSEBY COPPER PROJECT

Feasibility Study

Drilling

A total of 129 holes for 18,042 metres of RC and diamond core drilling has been completed at the Blackard, Scanlan and Little Eva deposits in a program to upgrade resources to the measured and indicated categories for mine planning and reserve estimation. Core will be used for both geotechnical and metallurgical purposes.

Results have been encouraging with all deposits returning significant intersections and confirming the continuity and general tenor of mineralisation.

Metallurgy

Preliminary testwork on blended native copper and sulphide copper-gold mineralisation has achieved excellent results with no indication of negative impacts from blending upon recoveries.

Initial crushing and grinding, gravity and flotation concentration tests are currently in progress using drill core. These tests will provide the basis for completion of Stage 1 assessment of the project.

Engineering

Flow sheet development and preliminary estimation of capital and operating costs for Stage 1 of the study will be undertaken following completion of the current metallurgical program.

Mining

Preliminary mining studies will be undertaken following estimation of operating costs.

Environmental approvals and hydrological studies

Environmental studies are progressing well, with no major issues or impediments to mining identified to-date. Hydrological studies have identified several options for supply of process water. These will be tested following completion of Stage 1 of the study.

Stage 1 Completion

Stage 1 of the Study, to determine the most likely flowsheet, plant throughput rate and preliminary estimates of capital and operating costs, is expected to be completed by mid-August 2005.

DETAILED REPORT

1. CORPORATE

CopperCo Takeover Bid

The unsolicited takeover bid by CopperCo Limited was terminated on 13 May 2005 with CopperCo increasing its shareholding from 11.7% prior to launching the bid to 19.4%. Its shareholding interest has been diluted to 16.8% following the issue of shares to Xstrata Copper (see below).

Strategic Alliance with Xstrata Copper

The proposed alliance with Mt Isa Mines Ltd (Xstrata Copper) in relation to the Roseby Copper Project was approved by shareholders on 5 May 2005 and all conditions precedent subsequently satisfied. The company issued 30 million shares at 22c per share to Xstrata Copper as part of the arrangements entered into. As a result, Xstrata has become a 13.2% shareholder in Universal and the shareholding interest of CopperCo has been diluted to 16.8%. RAB Capital remains a substantial shareholder with 8.8%.

2. EXPLORATION AND FEASIBILITY STUDIES

Universal has granted mining tenements and applications for mining tenements in the major basemetal provinces of the Mt Isa region in Queensland and the Lachlan Fold Belt in NSW (Figure 1).

Exploration and feasibility studies at the Roseby Copper Project in the Mt Isa Inlier continued during the quarter with an increasing level of activity relative to previous quarters. Exploration at other projects in the company's portfolio has been maintained at a minimal level, sufficient to maintain tenements in good standing.

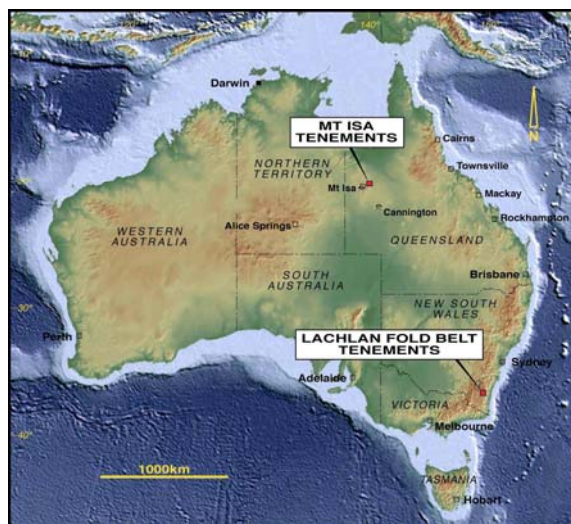


Figure 1. Universal's Project Locations

2.1 ROSEBY COPPER PROJECT (Universal 100% Interest)

2.1.1 INTRODUCTION

Universal holds granted mining tenements and applications for tenements in the Mt Isa Inlier of Queensland totalling 3,500 sq km, including over 1,100 sq km constituting the Roseby Copper Project (Figure 2).

Roseby is located approximately 90km NE from Mt Isa and 65km NW from Cloncurry. The project area is serviced by bitumen roads from Townsville, on the Queensland east coast, Kurumba, on the north coast, Cloncurry and Mt Isa. There is a rail link from Townsville to Cloncurry and the water pipeline from Lake Julius to Ernest Henry runs past the two largest deposits, Little Eva and Blackard (Figure 3).

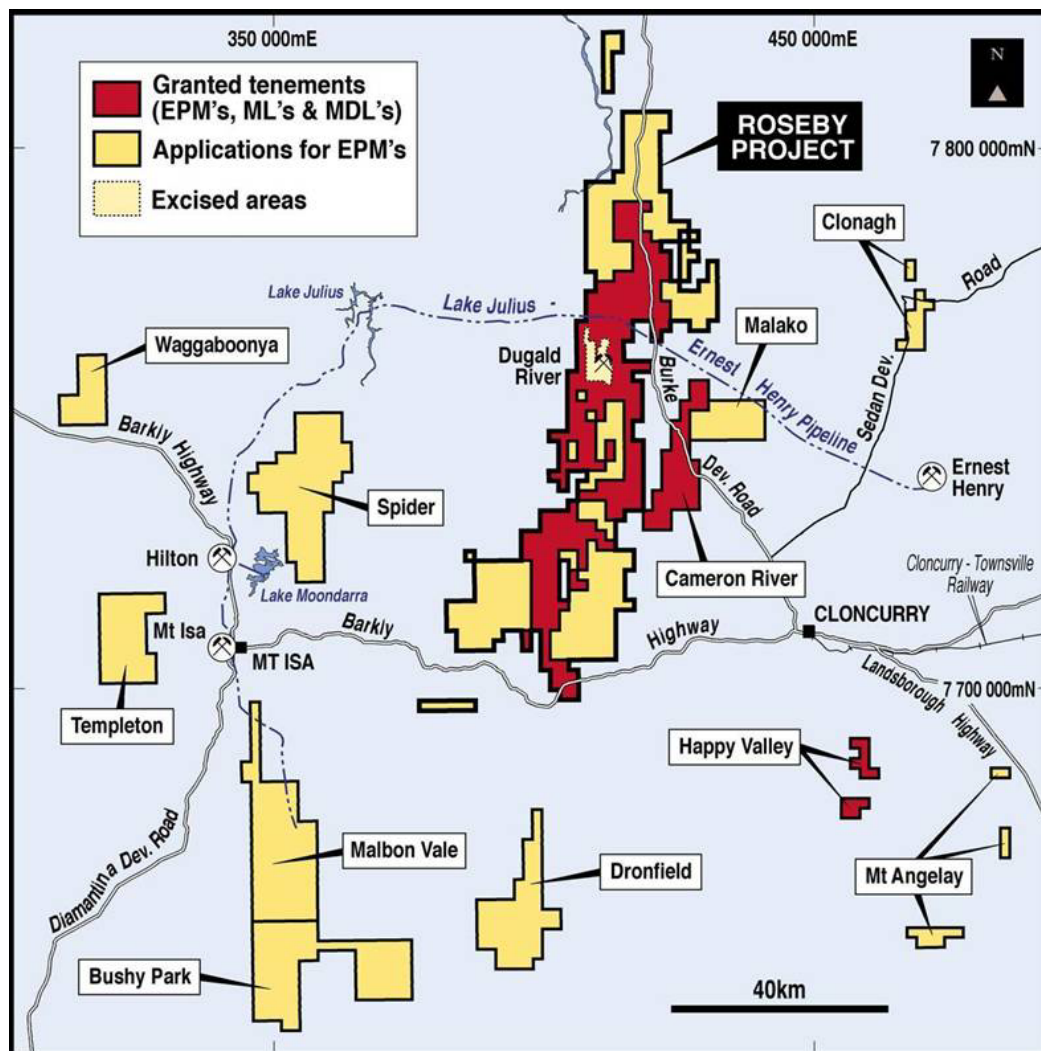


Figure 2. Mt Isa Region: Universal Projects and regional Infrastructure

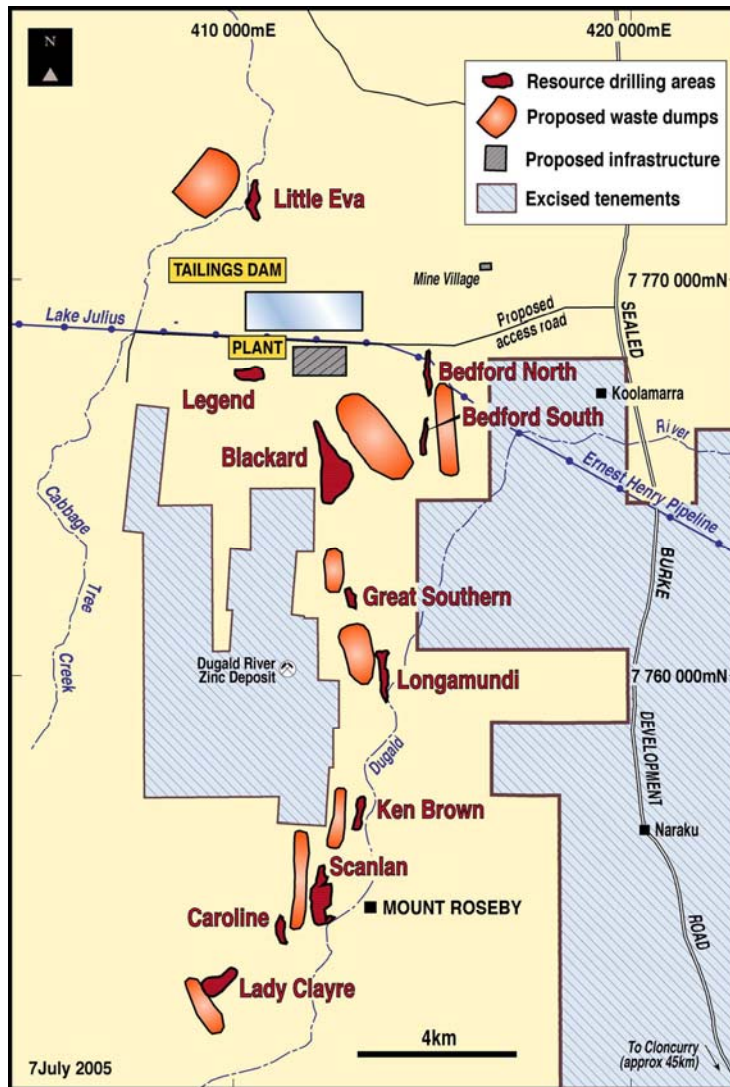


Figure 3. Roseby Project Area with Copper Deposits

2.1.2 ROSEBY RESOURCES (As at December 2004)

Combined oxide and sulphide resources at Roseby (all categories) total **82 million tonnes at 0.88% copper and 0.07gpt gold containing 720,000 tonnes of copper and 193,000 ounces of gold**. These resources are contained within twelve deposits (Figure 3), consisting of:

- Five (mainly) sulphide copper-gold deposits at Little Eva, Bedford North, Bedford South, Lady Clayre Zone A and Lady Clayre Zone F, with total Inferred Resources, at a 0.5% cut-off grade, of **21.5 million tonnes at 1.19% copper and 0.28gpt gold**; and
- Seven oxide/native copper deposits (Blackard, Scanlan, Great Southern, Longamundi, Legend, Charlie Brown and Caroline) which, at a 0.5% copper cut-off grade, total **60.6 million tonnes at 0.77% copper** in all resource categories.

Details of these resources are provided in Table 5, appended hereto.

2.1.3 WORK COMPLETED

A feasibility study to investigate the economics of establishing a combined oxide and sulphide mining and treatment operation at Roseby with a throughput of 7 to 10 Mtpa is in progress. If viable, such an operation would have annual production in excess of 50,000 tonnes per annum of copper and 20,000 ounces per annum of gold, making it one of the largest copper producers in Australia.

The following exploration and feasibility work was undertaken during the quarter.

Drilling

During the quarter, 18,042m of resource infill and extension drilling (including core holes for metallurgy and geotechnical data) was completed at Little Eva, Blackard and Scanlan (Table 1).

Table 1. Roseby Copper Project: Drilling completed during the June Quarter

DEPOSIT	HOLE NO'S	RC Percussion		Diamond Core		TOTAL	
		No of Holes*	Metres	No of Holes	Metres	No of Holes	Metres
LITTLE EVA	LE 196-253	58	7,936	6	923	58	8,859
BLACKARD	BC 400-454	55	7,666	0	0	55	7,666
SCANLAN	SC 122-137	16	1,517	0	0	16	1,517
TOTAL		129	17,119	6	923	129	18,042

* includes pre-collars for diamond core tails

Metallurgy

Metallurgical testwork, including gravity, flotation and grinding, was undertaken on samples from the Little Eva, Blackard, Lady Clayre and Bedford deposits, as follows.

1. Little Eva Low-Grade Sulphide Flotation Response

This program was undertaken on four composites of RC drill chips ranging in grade from 0.173% copper, 0.032gpt gold to 0.320% copper, 0.078gpt gold.

The objective was to determine the rougher flotation recovery of copper and gold from low-grade material to aid selecting lower cut off grades for mining.

All samples were tested at a grind size of 80% passing 75 microns.

2. Little Eva, Blackard and 1:1 Blended Flotation Response

(i). An initial program of 5 rougher flotation tests was carried out to:

- (a) examine the individual performance of Little Eva sulphides and Blackard oxides (native copper) and a 1:1 blend of the two;
- (b) examine the effect of flotation pH on the 1:1 blend.

(ii). Following evaluation of the results of (i) above, a program of 9 tests was conducted to examine the effect of grind size on flotation performance of each of the sulphide, oxide and 1:1 blended composites

3. Lady Clayre Sulphide Flotation Response

Two composites of RC Drill chips from Lady Clayre were subjected to rougher flotation tests to confirm earlier work undertaken by previous explorers. The composites were prepared so as to have average grades approximately 0.9% copper and 0.24 gpt gold. Tests were undertaken at a grind size of 80% passing 75 microns.

4. Bedford Sulphide Flotation Response

Two composites of RC drill chips from Bedford North were prepared for initial rougher flotation response. The composites were selected to average around 1.5% copper and were ground to 80% passing 75 microns. Actual grades were: 1.40% copper, 0.490 gpt gold and 1.58% copper, 0.333 gpt gold.

Other Feasibility Activities

In addition to the drilling and metallurgical work referred to above, the following feasibility related work was undertaken.

- Baseline flora and fauna surveys required for the EIS.
- Preliminary geotechnical assessment of old and recent drill core.
- Preliminary site layout and site investigations.
- Hydrological studies including water sampling and piezometer readings.
- Discussions with potential suppliers of infrastructure and services.
- Preparation of a draft Right to Negotiate agreement with the Kalkadoon People.

2.1.4 RESULTS

DRILLING

Little Eva

Little Eva is the largest of the hydrothermal copper-gold deposits located so-far at Roseby, with an Inferred Resource of **15 million tonnes at 1.2% copper and 0.2gpt gold**. The deposit is divided into three structurally distinct zones: Northern, Central and Southern (Figure 4), with the current resources confined to the Northern and Central Zones only.

Drilling during the quarter has concentrated on infilling within the Northern and Central Zones of mineralisation to increase the status of resources from Inferred to the Measured and Indicated categories. These resources can then be used to determine the mineable Reserves available for mine planning and financial modelling.

A total of 8,859m, including six core holes for 923m, have been drilled to collect geological and geotechnical information for mine planning and to provide core for

metallurgical purposes. Assay results were reported to ASX on 10 May and 10 June 2005.

A further 10,000m of RC and core drilling is required to complete the Little Eva resource drilling in the Central and Northern Zones. This does not include any drilling required to estimate resources in the Southern Zone.

Results to-date have been most encouraging, with previous interpretations of the geology and geometry of the deposits confirmed. Grades of intersections are also consistent with earlier drilling.

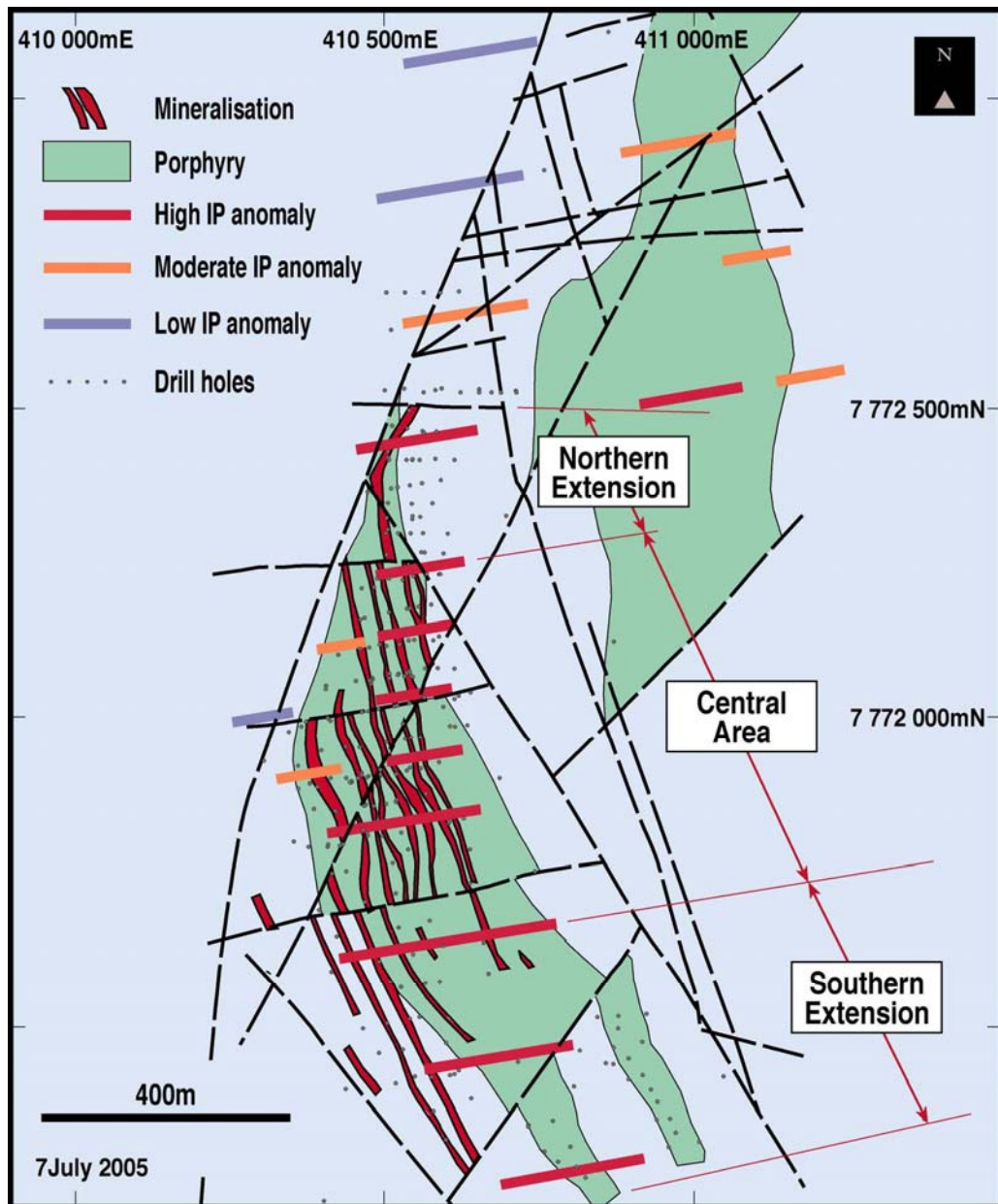


Figure 4. Little Eva Geology and Drilling

Blackard

The Blackard deposit is the largest of the stratabound copper deposits at **26.8 million tonnes grading 0.75% copper**. It consists predominantly of native copper with minor malachite and chalcocite in the oxidised zone from surface to between 100 and 250m vertical depth. Below the oxide zone, the deposit passes into primary copper minerals of bornite and chalcopyrite.

The deposit is around 2,000m long and up to 400m wide.

A total of 7,666m of infill drilling has been completed during the quarter to increase the Measured component of the resource (Figure 5).

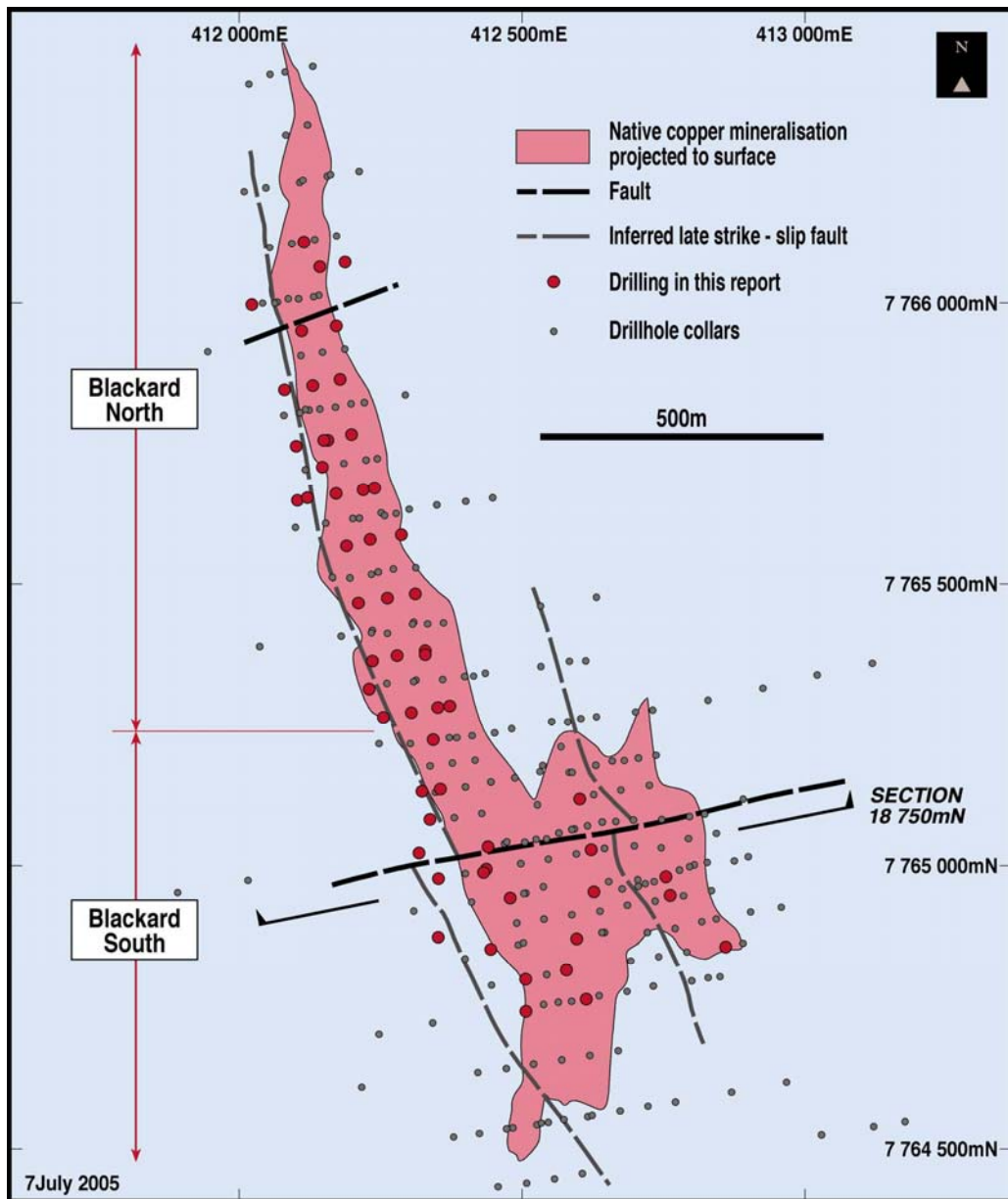


Figure 5. Blackard: Deposit Outline and Drilling

Results of these programs were reported to ASX on 22 and 30 June 2005. A further 5,000m of RC and core drilling is planned to complete the program.

Drilling completed to-date has confirmed the geological interpretation and the grade and continuity of the deposit and (Figure 6).

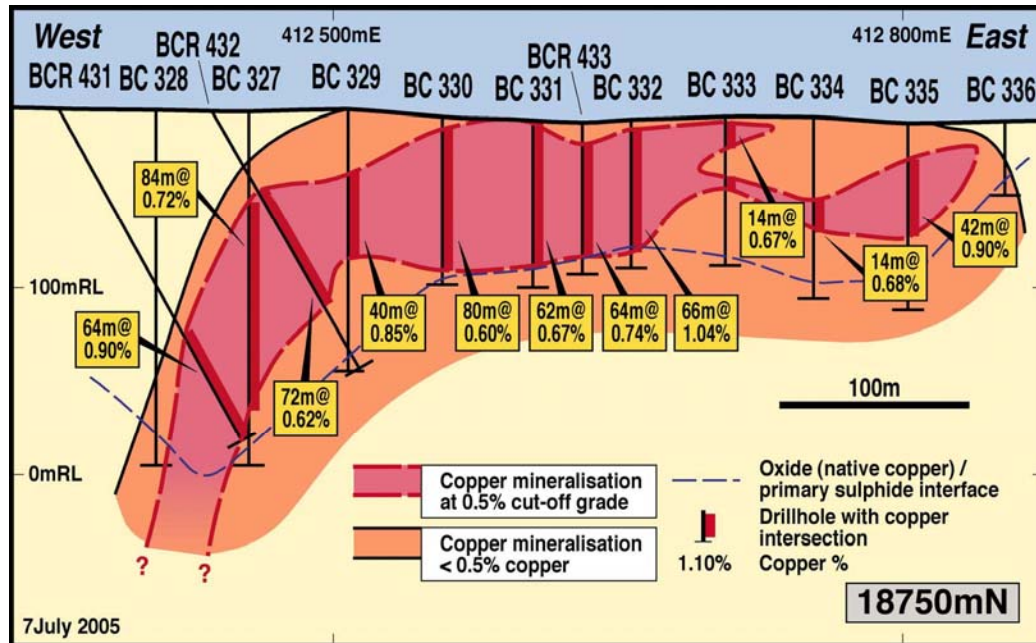


Figure 6. Blackard Deposit: Cross Section 18,750N

Scanlan

The Scanlan deposit, located approximately 10km south from Blackard, is around 1,500 metres long and has a current **Indicated Resource of 13.3 million tonnes grading 0.79% copper**, making it the second largest native copper deposit, after Blackard.

The deposit consists mainly of native copper within scapolite-biotite schist and is weathered and oxidised to vertical depths of up to 200 metres. Mineralisation is interpreted to be stratabound with the host strata folded to form a tight synclinal trough which is fault bounded to the west and flanked to the east by a shallow anticlinal structure.

Fifteen RC holes for 1,517m were drilled towards the end of the quarter to infill the current Indicated Resource. No results have been received at the date of this report

A further 5,000m of RC and core drilling is required to complete this program.

METALLURGY

Several metallurgical programs were undertaken during the quarter. Results of these were reported to ASX on 15 June 2005.

Little Eva

Low-grade Sulphides

Four composite samples from Little Eva low-grade mineralisation were prepared for rougher flotation testing. Composites assayed 0.17% to 0.32% copper and trace gold.

Flotation response was fast and, given the relatively low head grade, concentrate copper grade was reasonably high. In one case the first concentrate graded 15.4% copper at 83.5% copper recovery. Very little copper was left in the rougher tails, ranging from 0.01% to 0.03%, indicating excellent copper mineral liberation.

Gold selectivity with respect to copper was excellent. It appears that, despite very low grade in the composite, gold is also fully liberated and recoverable with the copper concentrates.

Flotation response, in these tests, is not sensitive to head grade.

Overall, the results of Little Eva low-grade flotation tests were extremely encouraging, suggesting the possibility of utilising a cut-off grade below the 0.5% currently used in resource estimates.

Little Eva Sulphide, Blackard Oxide and 1:1 Blended Mineralisation

A program of 14 rougher flotation tests was undertaken to assess the effects on flotation response of blending native copper and sulphide mineralisation.

Composite samples of Little Eva and Blackard deposits were used for the tests. Head assays of these composite samples are given in Table 2.

Table 2. Little Eva and Blackard composite assays

Sample	Assays			
	Cu %	Fe %	Au g/t	Total S
Blackard native copper	0.97	-	0.10	0.05
Little Eva sulphide	1.63	11.5	0.27	1.71

In rougher flotation tests on a 1:1 blend of sulphide and native copper mineralisation at pH levels in the range 8.0 to 11.0, best copper flotation performance was achieved at the natural pH of 8.0.

The effects of primary grind size on final copper recovery for the three composite samples tested are summarised in Table 3 below and show only minimal reduction in recovery from 75 microns to 150 microns.

Table 3. Summary of Rougher Flotation Tests on 1:1 Blended Mineralisation

Sample	Cu Recovery %			
	P ₈₀ = 75 µm	P ₈₀ = 90 µm	P ₈₀ = 106 µm	P ₈₀ = 150 µm
Sulphide Mineralisation	97.2	96.8	96.6	96.6
Oxide Native Copper Mineralisation	56.8	53.8	53.9	51.7
1:1 Blend	83.9	82.1	81.9	81.7

The effect of primary grind size on rougher concentrate copper grade-recovery relationships for the three composite samples tested are shown in Table 3 and 4 and described below:

- (a) Sulphide - The copper grade-recovery relationship became slightly poorer as the grind was coarsened from 80% passing 75 micron to 80% minus 150 micron.
- (b) Oxide - The grade-recovery relationship improved with coarsening of the primary grind size from 80% passing 75 micron to 80% passing 90 micron. However the copper grade-recovery relationship became poorer when the grind size was coarsened from 80% passing 106 micron to 80% passing 150 micron.
- (c) 1:1 Blend - the best copper grade-recovery relationship was obtained at a primary grind size of 80% minus 75 micron. There were only small changes in the copper grade-recovery relationship as the grind size was coarsened from 80% passing 90 micron to 80% minus 150 micron.

Table 4. Roseby Project: Rougher Flotation Concentrate Results For All Tests

Test No	Composite Type	pH	Grind Size*	Rougher Concentrate Assay				Recovery %		
				Cu %	Au gpt	Fe %	Total S %	Cu	Au	Fe
1	Sulphide	8	75	18.7	1.90	21.0	18.6	97.2	83.60	16.2
2	Oxide	8	75	6.1	0.20	3.8	0.3	56.8	46.10	8.0
3	1:1 blend	8	75	14.6	1.63	14.6	11.3	83.9	80.90	14.3
4	1:1 blend	9	75	13.8	1.13	14.2	10.9	82.6	76.40	14.6
5	1:1 blend	11	75	12.3	1.30	13.7	9.8	83.6	85.70	16.4
6	Sulphide	8	90	18.7	1.90	20.4	19.0	96.8	85.60	16.0
7	Oxide	8	90	8.8	0.12	3.3	0.4	53.8	24.70	4.9
8	1:1 blend	8	90	14.6	1.63	14.6	11.3	83.9	80.90	14.3
9	Sulphide	8	106	17.5	3.10	19.4	18.9	96.6	89.80	14.7
10	Oxide	8	106	9.5	0.13	3.4	0.5	53.9	23.90	4.5
11	1:1 blend	8	106	15.1	1.16	14.9	12.0	81.9	81.10	14.0
12	Sulphide	8	150	17.1	1.80	19.3	17.5	96.6	89.80	16.3
13	Oxide	8	150	9.0	0.11	3.4	0.4	51.7	23.10	5.1
14	1:1 blend	8	150	15.3	1.15	14.6	11.9	81.7	77.80	13.7

* microns – 80% passing

At a primary grind size of 80% passing 75 micron, the actual copper grade-recovery relationship for the 1:1 Blend was better than that calculated from results of separate tests on sulphide and oxide mineralisation. At the other grind sizes there was no significant difference between actual and calculated results. In other words, the 1:1 Blend gives copper flotation performance at least as good as the separate treatment of sulphide and oxide mineralisation.

These results strongly support Universal's belief that blended oxide and sulphide treatment of the Roseby copper deposits is an option open to the company. This, combined with a potentially coarser grind size indicated by these tests, may lead to lower capital and operating cost for the project. Further work will be required to confirm this.

Lady Clayre Sulphide

Two composites of Lady Clayre sulphide mineralisation (LCR 095 and 096) were subjected to rougher flotation tests to confirm earlier work undertaken by CRA Exploration Pty Ltd.

Flotation response of the two composites was variable, with excellent results for LCR 095 at 97.1% copper recovery and moderately lower recovery at 84% for LCR 096.

The latter result will be the subject of further investigations.

Flotation time was fast, particularly for LCR 095, and the grade of copper in the first concentrate was reasonably high. The final copper concentrate of this test, graded 6.48% Cu at 97.1% Cu recovery. Very little copper (0.03%) was left in the rougher tails.

Gold selectivity with respect to copper was excellent.

Test work undertaken by CRA Exploration gave similar results, with final cleaning taking the concentrate grade to 25% copper and 9gpt gold.

Bedford North

The rougher flotation response of Bedford North mineralisation, with copper recoveries around 98-99%, was outstanding.

Flotation response was fast and produced high copper grades in the first concentrate. The final copper concentrate in the two tests completed graded around 15% copper with a recovery of 99%. This is an outstanding result for a rougher flotation test, implying that the copper minerals were fully liberated and recoverable at the conventional grind of 80% passing 75 microns. Very little copper was left in the rougher tails of the two composites (0.01% and 0.03%).

Gold selectivity with respect to copper was reasonably good at around 80%.

OTHER FEASIBILITY WORK

.Mining Leases

Applications for Mining Leases (MLA's) have been lodged with the Queensland Department of Natural Resources. These MLA's cover the entire Roseby project development area incorporating all the deposits and sufficient land on which to locate waste dumps, processing plant, tailings dams, haulage roads, water resources and other mining related infrastructure.

Granting of the leases will be conditional upon the satisfaction by the Company of a number of matters including the securing of environmental approvals, the conclusion of compensation agreements with the Native Title Claimants and the entering into

compensation agreements with private land owners and lease holders affected by the proposed mining operation.

Environment

Final Terms of Reference for a voluntary Environmental Impact Statement (EIS) for the development of the Roseby Project has been agreed with the Environment Protection Authority (EPA).

Baseline soil and stream sediment surveys were completed by the Brisbane based environment group Australasian Resource Consultants Pty Ltd (AARC) during the quarter.

A broad network of environmental monitoring stations, samplers and gauges has been established within the project area to collect and record data. Further equipment will be installed as required. Dust and water bore monitoring is ongoing

Native Title

Heritage clearing of land covered by the MLA's has been completed.

Discussions with Kalkadoon Native Title Claimants (Kalkadoon People) for an agreement using the "Right to Negotiate" procedure were progressed during the quarter. However, a dispute has arisen within the Kalkadoon community and may become the subject of litigation in the Federal Court of Australia. No date has been set for a hearing of the dispute and the timing of an outcome to the dispute cannot be predicted. Failure to settle this dispute will impinge upon the company's ability to finalise agreements with the Claimants and therefore the grant of the Mining Lease Applications and the finalising of Permitting for the project.

Hydrology

No work other than water quality monitoring was undertaken during the quarter.

Geotechnical assessment

Geotechnical assessments of the three main deposits, Little Eva, Blackard and Scanlan, have commenced, with early emphasis being placed on the location and structure of the "Cooloolah Fault" immediately adjacent to the Little Eva deposit..

2.2. CAMERON RIVER AND HAPPY VALLEY (Universal 100% interest)

No field work was undertaken on these Queensland tenements during the quarter.

2.3. NSW PROJECTS (Universal 90% interest)

No field work was undertaken at Burar or Collector during the quarter.

A number of companies are currently evaluating data relating to these projects with a view to farming in to them.

2.4. EXPLORATION EXPENDITURE

June 2005 quarter exploration and feasibility related expenditure was \$2.1 million

Exploration and feasibility related expenditure during the September 2005 quarter is expected to be approximately \$3.5 million.

Cash at 30 June 2005 was \$7.2 million.



P. A. J. INGRAM (BSc, FAusIMM, MGSA, FAICD)
Chairman and Managing Director

The information contained in this report that relates to exploration results has been compiled by Leon Reisgys who is an employee of Universal Resources Limited and a Fellow of the Australasian Institute of Mining and Metallurgy and Member of the Australian Institute of Geoscientists. Leon Reisgys has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity which 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 Resources and Ore Reserves' (the JORC Code). Leon Reisgys consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information relating to metallurgical data is based upon reports prepared by Mr D Butcher, principal of metallurgical consultants NeoProTec Pty Ltd. Mr Butcher qualifies as a competent person as defined in the JORC Code and consents to the inclusion in this report of the matters based upon his reports in the form and context in which it appears.

Table 5. Roseby Project: Combined Oxide and Sulphide Resources (at 0.5% copper cut-off grade)

DEPOSIT	RESOURCES (0.5% copper cut-off)											
	MEASURED			INDICATED			INFERRED			TOTAL		
	Tonnes (M)	Grade		Tonnes (M)	Grade		Tonnes (M)	Grade		Tonnes (M)	Grade	
		Cu (%)	Au (gpt)		Cu (%)	Au (gpt)		Cu (%)	Au (gpt)		Cu (%)	Au (gpt)
OXIDE DEPOSITS												
Blackard	13.75	0.78	0.00	7.87	0.73	0.00	5.20	0.69	0.00	26.82	0.75	0.00
Legend				3.74	0.65	0.00				3.74	0.65	0.00
Longamundi				5.06	0.81	0.00				5.06	0.81	0.00
Great Southern				3.72	0.78	0.00				3.72	0.78	0.00
Scanlan				13.30	0.79	0.00				13.30	0.79	0.00
Ken Brown							4.00	0.80	0.00	4.00	0.80	0.00
Caroline							4.00	0.80	0.00	4.00	0.80	0.00
Sub-total oxides	13.75	0.78	0.00	33.69	0.76	0.00	13.20	0.76	0.00	60.64	0.77	0.00
SULPHIDE DEPOSITS												
High Grade Resources												
Little Eva							15.00	1.20	0.20	15.00	1.20	0.20
Lady Clayre zone A							3.60	1.19	0.55	3.60	1.19	0.55
Lady Clayre zone F							0.90	0.86	0.38	0.90	0.86	0.38
Bedford North							1.31	1.22	0.34	1.31	1.22	0.34
Bedford South							0.71	1.25	0.32	0.71	1.25	0.32
Sub-total sulphides							21.52	1.19	0.27	21.52	1.19	0.28
TOTAL RESOURCES	13.75	0.78	0.00	33.69	0.76	0.00	34.72	1.02	0.17	82.16	0.88	0.07