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Dear Sir/Madam,

MARY KATHLEEN-GODKIN URANIUM PROJECT

The directors of Universal Resources Limited (Universal) wish to comment upon Universal's tenure of EPM 10833 where it lies adjacent to the former Mary Kathleen uranium open cut mine, located approximately 60 kilometres east of the major mining centre of Mt Isa in the Northwest Mineral Province of North-West Queensland. EPM 10833 forms part of Universal's wholly-owned 3,600 square kilometre tenement holding within the highly mineralised Mt Isa – Cloncurry region (Figures 1 and 6).

HIGHLIGHTS

- Universal holds tenements adjacent to and along strike of the former Mary Kathleen uranium mine
- Production from the mine totalled 9.2 million tonnes grading approximately 0.13 % uranium oxide. A similar tonnage of tailings will have been generated during treatment.
- The Mary Kathleen minesite is designated a restricted area to current or future mining and exploration activities. Exploration activity within EPM 10833 is not restricted
- Photographic interpretation indicates that approximately 20% of the Mary Kathleen tailings storage facility and a large proportion of former evaporation pond facilities fall within Universal's exploration permit EPM 10833.
- Historical recoveries, calculated from available published data, ranged from approximately 76 to 94 percent.
- Rare earths were not recovered in the ore treatment process.
- The tailings storage facility is anticipated to contain significant amounts of uranium and rare earths.
- Rare earth mineralisation associated with uranium mineralisation was reported previously by Universal within adjacent tenements, with peak values as documented below:

Mt Harold

- **4.76% uranium, 2.07% cerium, 3.04% lanthanum, 0.78% yttrium;**

Mt Harold South

- **3.59% uranium, 1.42% cerium, 2.33% lanthanum, 0.50% yttrium;**

Godkin and Godkin Extended

- **2.96% uranium, 0.72% cerium, 0.94% lanthanum, 0.18% yttrium (Godkin);**

DETAILED REPORT

The location of Universal's wholly owned Mt Isa Regional and Roseby Project tenements is shown in Figures 1 and 6. These tenements secure a total area of approximately 3,600 square kilometres of ground within a 75 kilometre radius of Mt Isa and/or Cloncurry in the richly metal-endowed Mt Isa Inlier of North West Queensland.

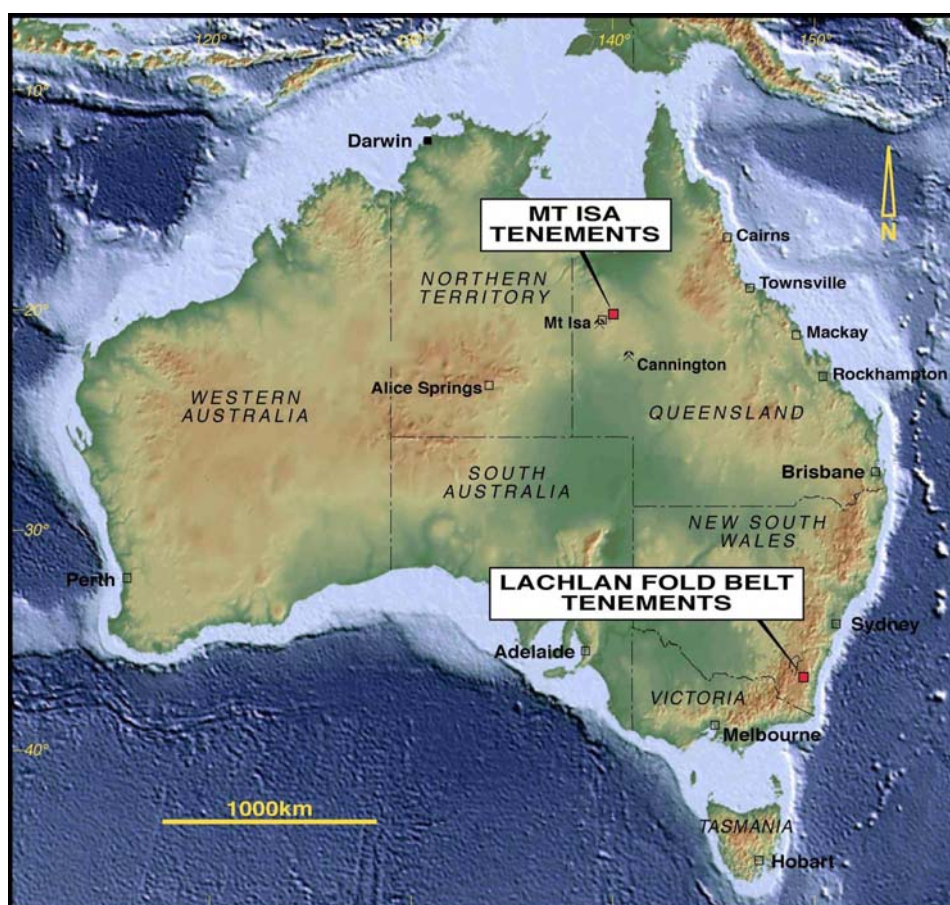


Figure 1. Universal Project Locations

Regional Geology

The Mt Isa Inlier is host to a variety of major metal deposits including copper, copper-gold, zinc, silver, abundant small to moderate gold deposits and a plethora of uranium occurrences. Significant uranium deposits occur at Mary Kathleen, Valhalla and Skal.

Uranium and rare earth mineralisation at Mary Kathleen is hosted by skarnified calc-silicate breccias of the Corella Formation (Figure 2). Skarn alteration and brecciation of the host rock first occurred during Wonga granite batholith intrusion towards the termination of the Corella Formation sedimentation. The uranium and rare earth mineralisation hosted by the breccias is attributed to the much later Isan Orogeny. The association of rare earth elements (lanthanum, cerium, yttrium, thorium and boron) with Uranium at the Mary Kathleen deposits is well established, having been reported as one of the largest light rare earth accumulations within Australia.

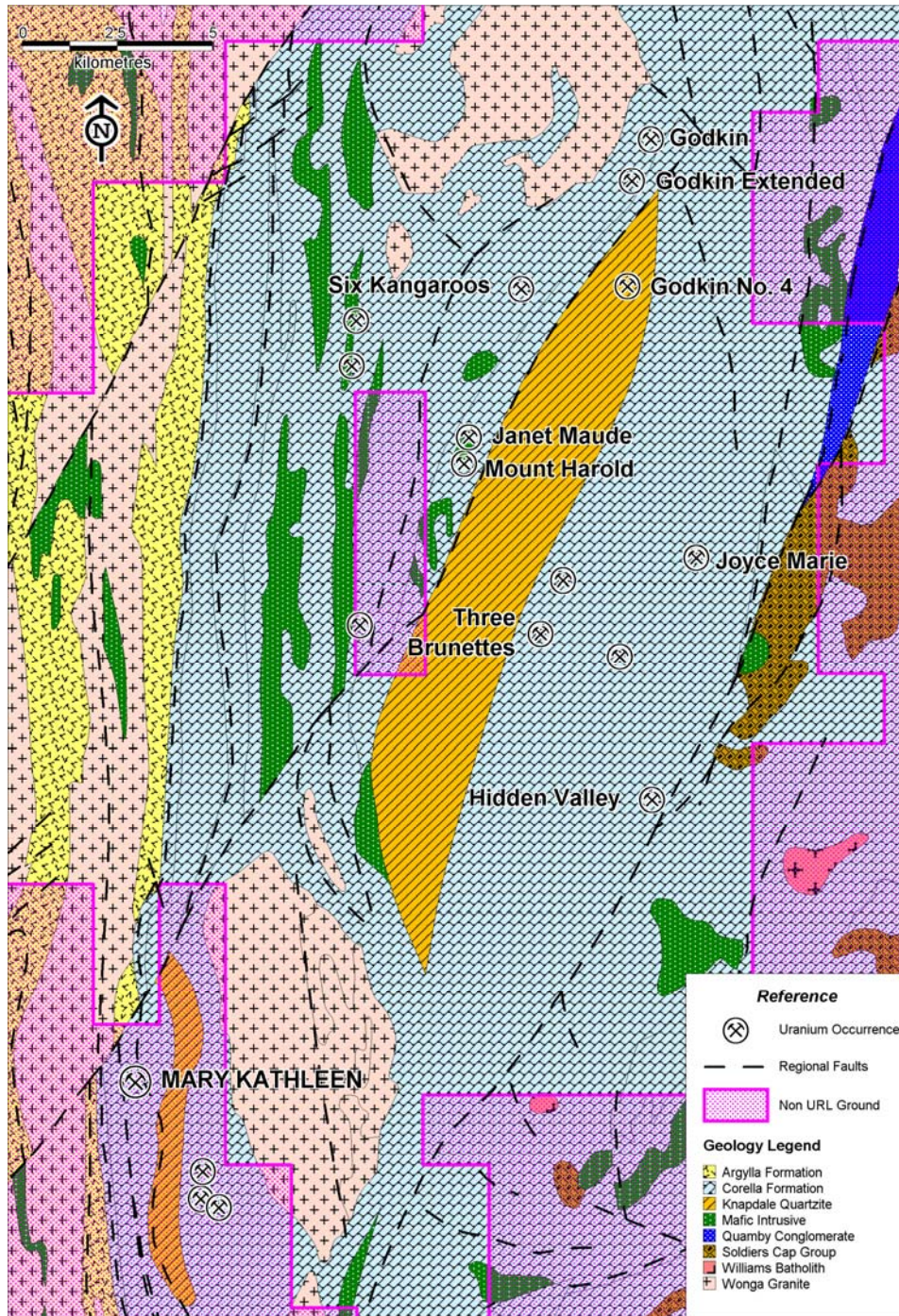


Figure 2. Regional Geology image with interpreted structural overlay showing Mary Kathleen site and Universal Resources prospects

Mary Kathleen Mineralisation

Uraniferous ores comprised allanite and uraninite, associated with oxides and silicates of light rare earth elements, occurring within hydrothermally altered, brecciated, calc-silicate skarns.

Two periods of production are recorded:

- 1958 – 1963: 2.9 million tonnes at 0.15% U_3O_8 treated for 4090 tonnes of uranium oxide recovered
- 1975 – 1982: 6.3 million tonnes at 0.10% U_3O_8 treated for 4800 tonnes of uranium oxide recovered

Calculated recoveries of uranium oxide therefore ranged from 76 to 94% U_3O_8 .

Radiometric sorting was utilised in the first production period and is said to have increased the feed grade from 0.17% to 0.24 % uranium oxide.

Total recorded production is stated at: 9.2 million tonnes at 0.13 % U_3O_8 , for a total of 8890 tonnes of U_3O_8 produced at a calculated average recovery of approximately 83%.

No rare earth extraction was undertaken since no markets could be established for the products.

Location and Tenure

The location of the Mary Kathleen open cut, tailings storage facility, liquor evaporation ponds and waste dumps as interpreted from aerial photographs, and their spatial relationship to Universal's EPM's 10833, 14535, 14545 and 11004 are shown in Figure 3.

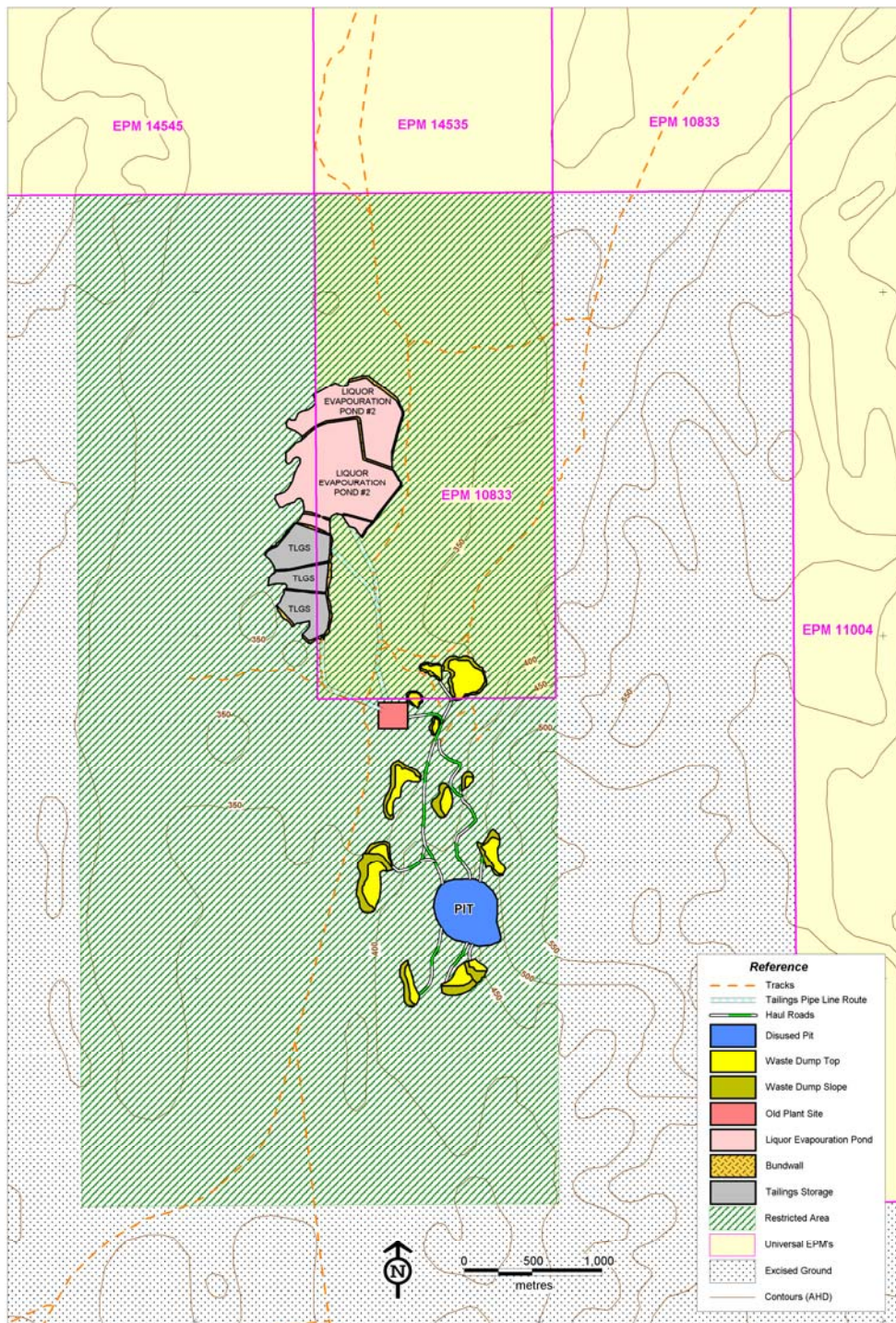


Figure 3. Mary Kathleen Minesite Infrastructure

No granted tenements lie within the restricted Mary Kathleen minesite area bordering EPM 10833 and there is an embargo currently in place on any form of tenure in that restricted area. EPM 10833 was granted prior to the restriction on tenure coming into force, therefore exploration may proceed under the normal terms and conditions imposed upon such permit areas until or unless the ground is relinquished.

As can be seen in Figure 3 above, EPM 10833 secures a significant portion of the former infrastructure, including approximately 20% by area, and possibly more by volume, of the tailings storage facility and a large area of the liquor evaporation pond sites.

Radiometric and Aeromagnetic Data

The location of Mary Kathleen is shown on Figures 4 and 5 which are images prepared from archival aeromagnetic and radiometric data respectively. Interpretation of these figures suggests a continuation of the Mary Kathleen host rocks and structures into Universal's tenements northwards from the former minesite. Both figures show a number of uranium prospects which are currently under exploration by Universal. As previously noted the Mount Harold, Janet Maude, Godkin, Three Brunettes and a number of other uranium prospects lie proximal to the well-defined north-east trending Cameron Fault which passes close to the former Mary Kathleen minesite. This fault appears to be highly significant in the localisation of a number of known uranium and rare-earth prospects. Figure 5 is an image of the uranium response channel and shows the distribution of uranium anomalies between Mary Kathleen and the Godkin granite intrusion areas. A strong anomaly is evident over the Mary Kathleen minesite. Several of Universal's uranium prospects lie coincident with well-defined anomalies on the image. All the anomalies are regarded as high priority targets for the current exploration program.

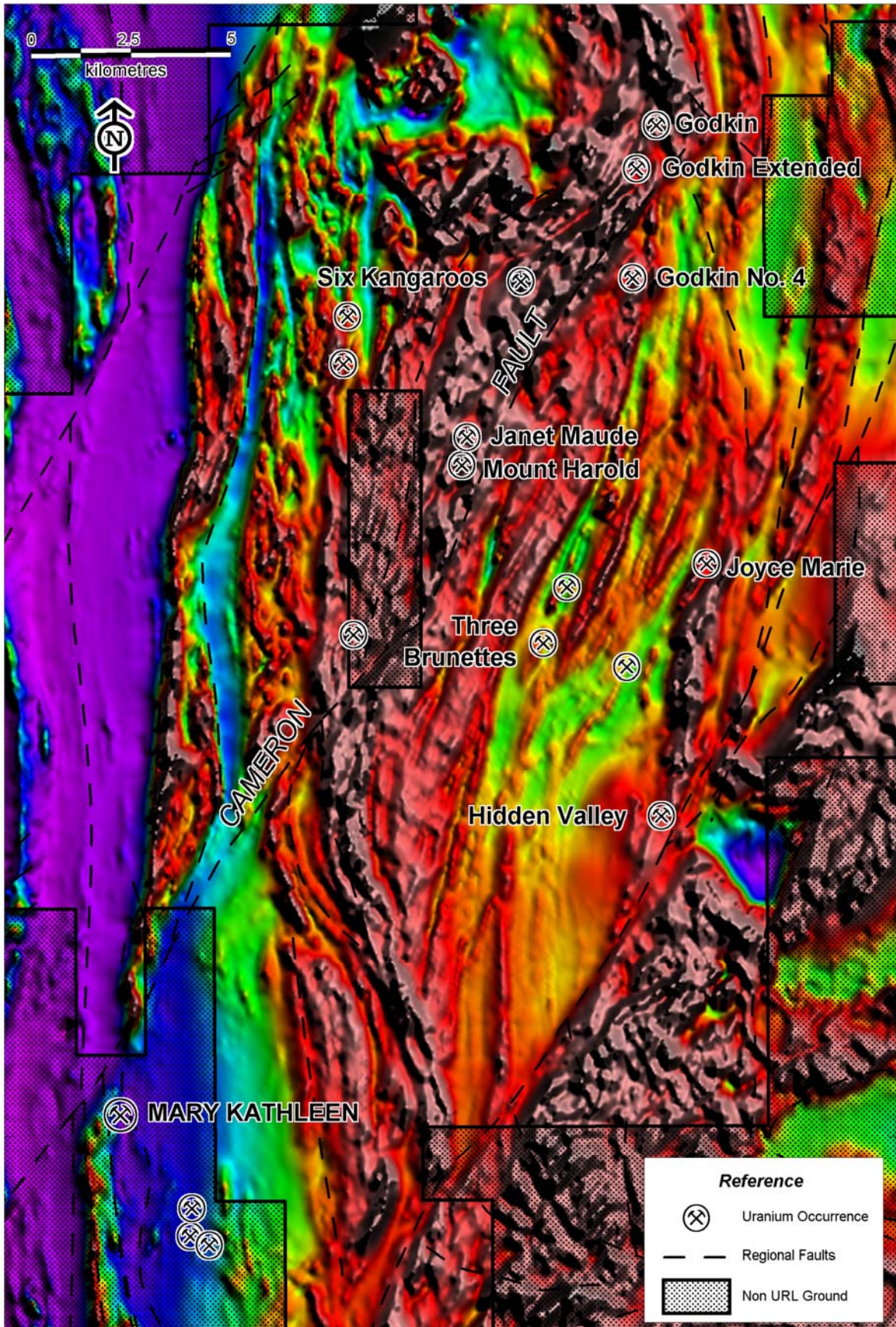


Figure 4. Aeromagnetic image with interpreted structural overlay showing relationship between Mary Kathleen and Universal Resources prospects

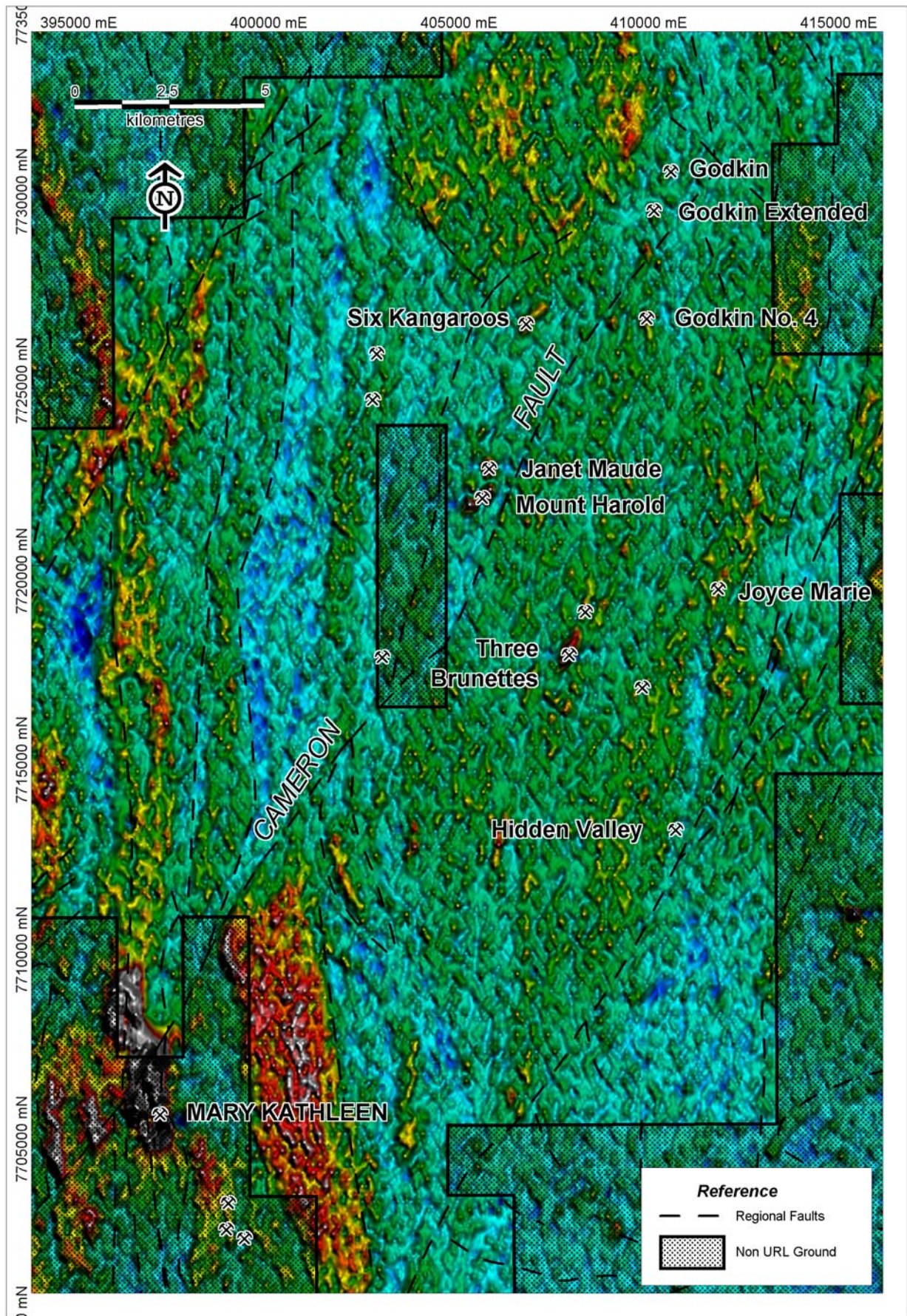


Figure 5. Uranium Channel Response image with interpreted structural overlay showing relationship between Mary Kathleen and Universal Resources uranium prospects.

Whilst the quality of the airborne geophysical images in Figures 4 and 5 shown above is good, the relatively wide spacing and low resolution of the airborne survey are seen as impediments to uranium and copper-gold targeting and therefore new surveys of key areas are warranted.

Current and Future Work Program

Figure 6 shows the distribution of known uranium occurrences and anomalies within Universal's tenements. Exploration priorities are strongly focussed upon the Mary K Group project area and the Malakoff (Glen Isla, Mountain Bore) areas. Aboriginal cultural heritage clearance work programme is imminent on the Malakoff prospect areas in preparation for Aircore / RC drill testing of existing uraniumiferous roll-front targets.

The Dronfield and Spider uranium and radiometric anomalies (Figure 6) are also regarded as high priority targets. Reconnaissance of these areas is expected to commence during May.

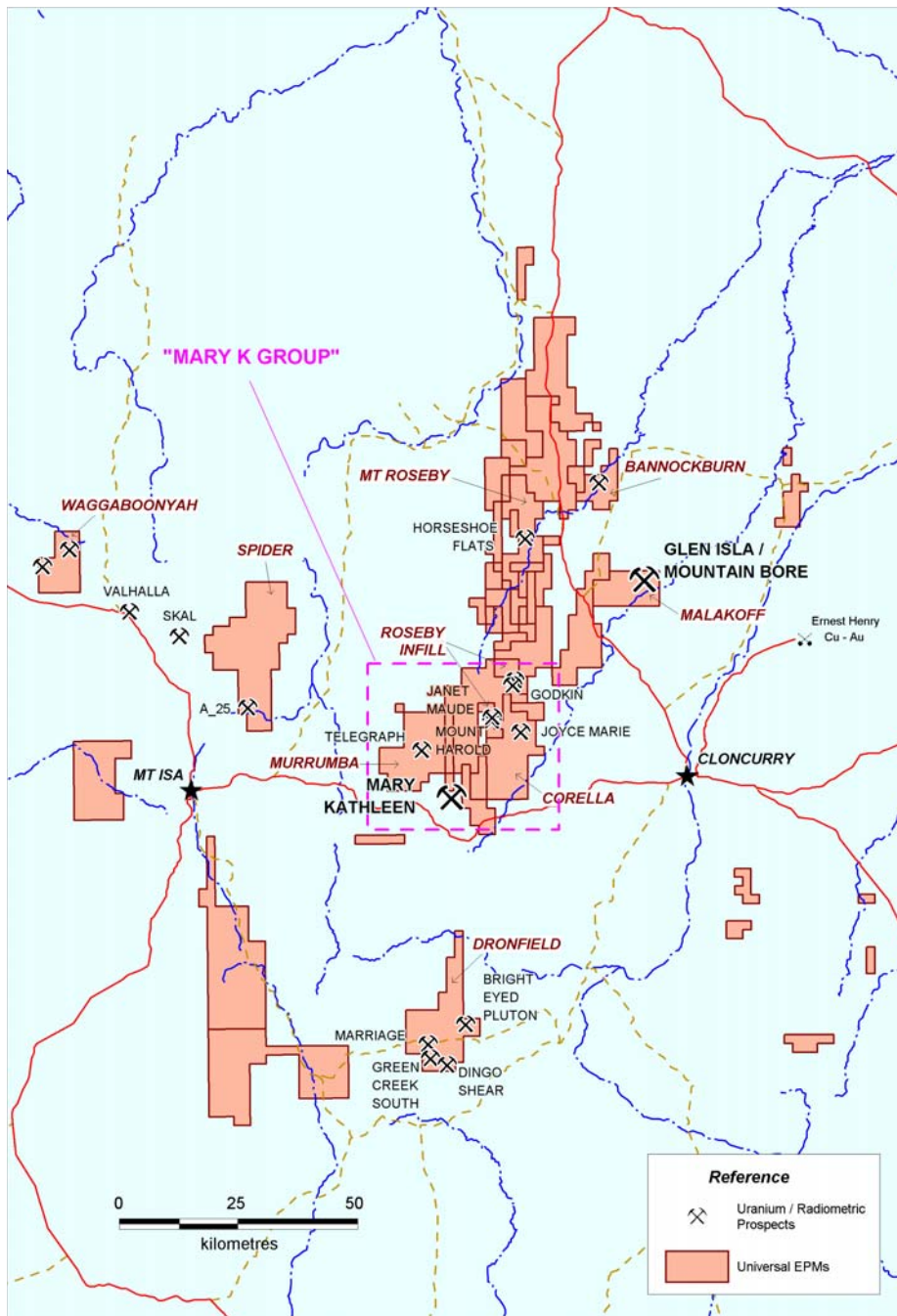


Figure 6 . Uranium Prospects in Universal's Mt Isa Tenements

In the 'Mary Kathleen Group' project area, fieldwork includes more detailed assessment of the mineralisation discovered to date and the geological assessment and ranking of all the known uranium prospects. The geological and geophysical modelling of this style of mineralisation is continuing and will be utilised to define new areas for follow-up mapping and sampling.

A low-level, closely spaced, high resolution airborne magnetic and radiometric survey, of selected areas secured by Universal between the Mary Kathleen and the Godkin granite plutons, is planned for the immediate future. Discussions with potential survey contractors are in progress. These surveys are expected to produce very high quality data and to be of excellent value in the targeting of both uraniumiferous and iron-oxide copper-gold mineralisation.

Orientation soil sampling programmes are in progress over key areas in the Mary K Group project area to assist in the determination of uranium threshold values in soils. Detailed radiometric surveys are being run concomitantly to provide further anomalies for detailed sampling and definition prior to drilling. This work is expected to be ongoing throughout April.



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.