

UNIVERSAL RESOURCES LIMITED

ABN 35 090 468 018

PROSPECTUS

For a pro-rata non-renounceable rights issue of approximately 172,011,189 New Shares on the basis of 1 New Share for every 2 Shares held on the Record Date at an issue price \$0.01 per New Share, to raise up to \$1,720,112.

UNDERWRITERS
SOVEREIGN GOLD NL
EXTRA RUN INVESTMENTS LIMITED
TULLA GROUP PTY LTD
COLVIC PTY LTD

The Rights Issue closes at 5.00pm Perth time (WDT) on 25 February 2009.

IMPORTANT NOTICE

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser. Investment in securities offered by this Prospectus should be considered speculative.

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Summary of Important Dates*

Announcement of Rights Issue	14 January 2009
Lodge Prospectus with ASIC	19 January 2009
Shares quoted ex-rights	22 January 2009
Record Date to determine Entitlements	29 January 2009
Opening Date and dispatch of Prospectus	4 February 2009
Closing Date	25 February 2009
Notification to ASX of undersubscriptions and Underwriter notified of number of New Shares to be subscribed for by Underwriter	2 March 2000
Allotment of New Shares and dispatch of holding statements	5 March 2009

*These dates are indicative only. The Directors reserve the right to vary the key dates, without prior notice and subject to compliance with the Listing Rules.

IMPORTANT NOTICE

Shareholders should read this Prospectus in its entirety and, if in doubt, should consult their professional advisers before deciding whether to accept their Entitlements. This Prospectus is dated 19 January 2009. A copy of this Prospectus was lodged with the ASIC on 19 January 2009. No responsibility for the contents of this Prospectus is taken by ASIC. No applications for New Shares will be accepted nor will New Shares be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

In preparing this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act 2001 and that certain matters may reasonably be expected to be known to investors and professional advisers who investors may consult. No person is authorised to give any information or to make any representation in connection with the Rights Issue described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion and are set out in Section 5 of this Prospectus.

CORPORATE DIRECTORY

DIRECTORS

Peter Ingram (Chairman and Managing Director)
Maurice Hoyle (Executive Director (Technical))
Jason Brewer (Non-Executive Director)
Bruce Fulton (Non-Executive Director)

SECRETARY

Desmond Kelly

REGISTERED OFFICE

Level 2
91 Havelock Street
WEST PERTH WA 6005
Telephone: +61 8 9486 8400
Facsimile: +61 8 9486 8700
Email: universal@universalresources.com.au
Website: www.universalresources.com.au

SOLICITORS TO THE ISSUE

Blakiston & Crabb
1202 Hay Street
WEST PERTH WA 6005

UNDERWRITERS

Sovereign Gold NL
Level 19, 2 Market Street
SYDNEY NSW 2000

Extra Run Investments Limited
c/- Merrill Lynch (Australia) Nominees Pty Limited
Level 19, 120 Collins Street
MELBOURNE VIC 3000

Tulla Group Pty Ltd
Level 3, 5-13 Rosebery Avenue
ROSEBERY NSW 2018

Colvic Pty Ltd
PO Box 139
COOGEE NSW 2034

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 2 Reserve Bank Building
45 St Georges Terrace
PERTH WA 6000

Telephone: +61 8 9323 2000
Facsimile: +61 8 9323 2033

BRIEF INSTRUCTIONS

For Current Shareholders

What You May Do

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. You may:

- Accept your Entitlement in full or part; or
- Allow the whole of the Entitlement to lapse.

If You Wish To Take Up All or Part Of Your Entitlement

Complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out in the form. Forward your completed Entitlement and Acceptance Form, together with your cheque for the amount shown on the form or for such lesser amount as you wish to apply for, so as to reach the Company's share registry no later than 5:00pm Perth time (WDT) on 25 February 2009 (except where payment is via BPAY® in which case payment must be made by no later than 4.00pm WDT on 25 February 2009 or such earlier cut off time that your own financial institution may implement with regard to electronic payments).

Entitlements Not Taken Up

If you decide not to accept all or part of your Entitlement pursuant to the Rights Issue, you are not required to take any action. The New Shares not accepted will be dealt with in accordance with the Underwriting Agreement.

Section 1 **DETAILS OF THE RIGHTS ISSUE**

1.1 **Rights Issue**

This Prospectus invites Eligible Shareholders to participate in a pro-rata non-renounceable Rights Issue of 172,011,189 New Shares on the basis of one New Share for every two Shares held on the Record Date at an issue price \$0.01 per New Share, to raise approximately \$1,720,112.

The Rights Issue will raise approximately \$1,720,112 (less expenses of the Rights Issue estimated to be \$138,813).

As at the date of this Prospectus, 344,022,378 Shares are on issue.

Existing holders of Options will not be entitled to participate in the Rights Issue. However, they may exercise their Options prior to the Record Date if they wish to participate in the Rights Issue.

Existing holders of Converting Notes will not be entitled to participate in the Rights Issue. However, they may convert their Notes prior to the Record Date if they wish to participate in the Rights Issue.

The Company currently has the following unquoted Options on issue:

Number	Exercise price	Expiry date
2,385,000	\$0.15	14 September 2010
1,000,000	\$0.15	12 March 2012
800,000	\$0.15	5 September 2011
5,000,000	\$0.15	27 December 2012
3,650,000	\$0.15	30 June 2013
6,000,000	\$0.15	23 December 2013

Accordingly, in the event that all these Options are exercised prior to the Record Date, this Prospectus will also offer to those shareholders a further 9,417,500 New Shares to raise a further \$94,175.

The Company currently has 152,180 Converting Notes on issue, each with a face value of \$100. 139,500 of these notes are maturing on 30 June 2011 with a coupon rate of 10%, 12,180 notes are maturing on the 27 June 2009 with a coupon rate of 5% and 500 notes are maturing on the 24 June 2009 with a coupon rate of 5%. The notes may convert prior to the expiry date at 18 cents per share. On the maturity date the notes convert at either 18 cents per Share, if the Share price is 18 cents or greater, or at a price equal to the volume weighted average price of the Company's shares traded on the Australian Securities Exchange over the five trading days prior to the maturity date, if the Share price is less than 18 cents..

Accordingly, in the event that all these Converting Notes are converted prior to the Record Date, this Prospectus will also offer to those shareholders a further 42,272,222 New Shares to raise a further \$422,722.

1.2 Purpose of the Rights Issue and Use of Funds

The funds raised will be applied towards the following:

- (a) funding the costs of the Rights Issue; and
- (b) working capital.

The application of the \$1,720,112 raised under the Rights Issue is summarised as follows:

Use of Funds	Amount (\$)
Expenses of the Rights Issue	\$138,813
Working Capital	\$1,581,299
TOTAL	\$1,720,112

There is no minimum subscription, so funds raised will first be applied to the expenses of the rights issue and then to working capital.

Any additional funds raised from the participation of shareholders in the Rights Issue as a result of their exercising any of the 18,835,000 Options or 152,180 Converting Notes currently on issue will be applied towards the Company's working capital and administration expenses.

1.3 No Rights Trading

Entitlements to New Shares pursuant to the Rights Issue are non-renounceable and accordingly, Eligible Shareholders may not dispose of or trade any part of their Entitlement.

1.4 Minimum Subscription

There is no minimum subscription.

1.5 Opening and Closing Dates

The Rights Issue will open for receipt of acceptances at 9.00am Perth time (WDT) on 4 February 2009 and will close at 5.00pm Perth time (WDT) on 25 February 2009 (except where payment is via BPAY® in which case payment must be made by no later than 4.00pm WDT on 25 February 2009 or such earlier cut off time that your own financial institution may implement with regard to electronic payments), or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 6 Business Days prior to the Closing Date.

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1.6 Underwriting

The Rights Issue is fully underwritten by Sovereign Gold NL, Extra Run Investments Limited, Tulla Group Pty Ltd and Colvic Pty Ltd. A summary of the material terms of

the Underwriting Agreement, including rights of termination, are set out in Section 4.9.

No brokerage or stamp duty will be payable by investors.

1.7 Entitlements and Acceptance

The number of New Shares to which you are entitled is shown in the accompanying Entitlement and Acceptance Form.

In determining entitlements, any fractional entitlement will be rounded up to the nearest whole number.

Acceptance of Entitlement in Full

If you are an Eligible Shareholder and wish to take up **all** of your Entitlement under the Rights Issue, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form.

Partial Acceptance of Entitlement

If you are an Eligible Shareholder and wish to take up **part** of your Entitlement pursuant to the Rights Issue, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form and insert the number of New Shares for which you wish to accept the Offer (being less than your Entitlement as specified on the Entitlement and Acceptance Form).

Acceptance of Terms

All applications for New Shares must be made on the Entitlement and Acceptance Form. Any application will be treated as an offer from the applicant to acquire New Shares on the terms and conditions set out in the Prospectus. The Directors reserve the right to reject any applications for New Shares.

Please ensure the completed Entitlement and Acceptance Form and your cheque is received by the Company's Share Registry at:

By Delivery: Computershare Investor Services Pty Ltd Level 2 Reserve Bank Building 45 St Georges Terrace PERTH WA 6000	By Post: Computershare Investor Services Pty Ltd Locked Bag 2508 PERTH WA 6001
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not later than 5.00pm Perth time (WDT) on 25 February 2009 or such later date as the Directors advise. Cheques should be made payable to "**Universal Resources Limited – Rights Issue Account**" and crossed "Not Negotiable". Please note that payment via BPAY must be made by no later than 4.00pm WDT on 25 February 2009. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the applicant to ensure that funds are submitted through BPAY by the date and time mentioned above. If you elect to pay via BPAY, you must follow the instructions for

BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

Non-Acceptance of Entitlement

If you do not wish to take up any part of your Entitlement under the Rights Issue, you are not required to take any action. If you decide not to accept all or part of your Entitlement, the New Shares not accepted will be dealt with in accordance with the Underwriting Agreement.

Enquiries

If you have any queries regarding your Entitlement, please contact Computershare Investor Services Pty Ltd by telephone on +61 8 9323 2000 or your stockbroker or professional adviser.

1.8 Rights Issue Shortfall

If you decide not to accept all or part of your Entitlement pursuant to the Rights Issue, you are not required to take any action. The New Shares not accepted will form part of the Shortfall and will be dealt with in accordance with the Underwriting Agreement. In these circumstances, you will receive no benefit.

1.9 Issue and Allotment of New Shares

The New Shares are expected to be issued and allotted by no later than 5 March 2009. Until issue and allotment of the New Shares under this Prospectus, the acceptance money will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on the acceptance money will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the New Shares takes place.

1.10 ASX Listing

The Company will make application to ASX within 7 days following the date of this Prospectus for official quotation of the New Shares to be offered pursuant to this Prospectus.

If approval is not granted by ASX within 3 months after the date of this Prospectus, the Company will not allot or issue any New Shares and will repay all application monies as soon as practicable, without interest.

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the New Shares now offered for subscription.

1.11 No Issue of New Shares after 13 months

No New Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

1.12 Overseas Investors

The Company is of the view that it is unreasonable to make an offer under this Prospectus to Eligible Shareholders outside of Australia and New Zealand having regard to:

- (a) the number of Eligible Shareholders registered outside of Australia and New Zealand;
- (b) the number and value of the securities to be offered to Eligible Shareholders registered outside of Australia and New Zealand; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Company is not required to make offers under the Prospectus to Eligible Shareholders registered outside of Australia and New Zealand..

1.13 Market Prices of Shares on ASX

The highest and lowest closing market sale prices of Shares on ASX during the 3 months immediately preceding the date of this Prospectus and the respective dates of those sales were \$0.032 on 20 October 2008 and \$0.016 on 29 December 2008. The latest available market sale price of Shares on ASX immediately before the date of issue of this Prospectus was \$0.025 on 16 January 2009.

1.14 Privacy Act

The Company collects information about each application from an Application Form for the purposes of processing the application and, if the application is successful, to administer the applicant's security holding in the Company.

By submitting an Application Form, each applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers (including mailing houses), the ASX, the ASIC and other regulatory authorities.

If an applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your application.

Section 2 EFFECT OF THE RIGHTS ISSUE ON THE COMPANY

2.1 Principal Effects

The principal effects of the Rights Issue (assuming full subscription) are:

- (a) the Company's cash funds will increase by approximately \$1,720,112 less expenses of the Rights Issue, which are estimated to be approximately \$138,813; and
- (b) the total number of Shares on issue will be 516,033,567 (assuming no Options currently on issue are exercised and no Converting Notes are converted to Shares). Assuming all Options currently on issue are exercised, a further 9,417,500 New Shares will be offered pursuant to this Prospectus. Assuming all Converting Notes currently on issue are converted, a further 42,272,222 New Shares will be offered pursuant to this Prospectus.

2.2 Capital Structure

The pro-forma capital structure of the Company following the Rights Issue (assuming full subscription) pursuant to this Prospectus is set out below:

Issued Capital	Number
Existing Shares	344,022,378
Maximum number of New Shares to be issued pursuant to this Prospectus (assuming no Options or Notes are exercised/converted)*	172,011,189
Shares after this Rights Issue	516,033,567

** Note: Assuming all Options currently on issue are exercised, a further 9,417,500 New Shares will be offered pursuant to this Prospectus. Assuming all Converting Notes currently on issue are converted, a further 42,272,222 New Shares will be offered pursuant to this Prospectus.*

The Company also has the following unquoted Options on issue:

Number	Exercise Price	Expiry Date
2,385,000	\$0.15	14 September 2010
1,000,000	\$0.15	12 March 2012
800,000	\$0.15	5 September 2011
5,000,000	\$0.15	27 December 2012
3,650,000	\$0.15	30 June 2013
6,000,000	\$0.15	23 December 2013

The Company currently has 152,180 converting notes on issue, each with a face value of \$100, 139,500 of these notes are maturing on 30 June 2011 with a coupon rate of 10%, 12,180 notes are maturing on the 27 June 2009 with a coupon rate of 5% and 500

notes are maturing on the 24 June 2009 with a coupon rate of 5%. The notes may convert prior to the expiry date at 18 cents per share. On the maturity date the notes convert at a price equal to either 18 cents per Share, if the Share price is 18 cents or greater, or at a price equal to the volume weighted average price of the Company's shares traded on the Australian Securities Exchange over the five trading days prior to the maturity date, if the Share price is less than 18 cents.

2.3 **Consolidated Balance Sheet**

Set out as follows is an unaudited pro forma Consolidated Balance Sheet as at 30 November 2008 adjusted to reflect:

- the Rights Issue of 172,011,189 New Shares; and
- the costs of the Rights Issue of \$138,813 (including underwriting fees of \$86,005).

Balance Sheet
Pro-forma Reflecting Proposed Rights Issue

	Unaudited Accounts as at 30 November 2008 \$	Pro-Forma Consolidated 30 November 2008 \$
CURRENT ASSETS		
Cash and cash equivalents	1,328,809	2,910,108
Receivables	150,508	150,508
B		
TOTAL CURRENT ASSETS	1,479,317	3,060,616
NON-CURRENT ASSETS		
Receivables	186,386	186,386
Property, plant and equipment	280,247	280,247
Capitalised exploration expenditure	14,832,524	14,832,524
TOTAL NON-CURRENT ASSETS	15,299,157	15,299,157
TOTAL ASSETS	16,778,474	18,359,773
LIABILITIES		
CURRENT LIABILITIES		
Trade and Other Payables	2,216,950	2,216,950
Borrowings	732,387	732,387
Provisions	100,738	100,738
TOTAL CURRENT LIABILITIES	3,050,075	3,050,075
NON-CURRENT LIABILITIES		
Provisions	73,103	73,103
TOTAL NON-CURRENT LIABILITIES	73,103	73,103
TOTAL LIABILITIES	3,123,178	3,123,178
NET ASSETS	13,655,296	13,655,296
EQUITY		
Issued capital	56,276,562	57,857,861
Reserves	462,823	462,823
Accumulated losses	(43,084,089)	(43,084,089)
TOTAL EQUITY	13,655,296	15,236,595

Notes to the pro-forma consolidated balance sheet:

1. The Pro Forma Balance Sheet includes \$1,720,112 (less Rights Issue costs of \$138,813) received by virtue of the Rights Issue.
2. No existing Options are exercised prior to the Record Date for this Rights Issue. If all Options are exercised prior to the Record Date, cash will increase by a further \$2,825,250 (derived from the exercise of the Options) and contributed equity would increase by a similar amount plus an amount of \$94,175 if all Option holders exercised their Options prior to the Record Date and took up their Entitlements.

No existing Converting Notes are converted prior to the Record Date for this Rights Issue. If all Converting Notes are converted prior to the Record Date, no money will be received from the conversion, cash will increase by \$422,722 and contributed equity will increase by a similar amount if all Converting Note holders convert their Converting Notes prior to the Record Date and take up their Entitlements.

3. The Company has been negotiating with Oz Minerals Limited to defer, for two years from the signing of formal documentation, the final payment of \$2,000,000 for the purchase of the Roseby Copper Project. A number of matters relating to this transaction remain to be finalised in the formal documentation. The amount stated in current liabilities includes the amount of \$2,000,000 based on current negotiations with Oz Minerals Limited in reference to a deferred payment.
4. No account is taken of any transactions between 30 November 2008 and the date of this Prospectus. The Pro Forma reflects only the transactions the subject of this Prospectus.

Section 3 RISK FACTORS

3.1 Introduction

This Section identifies the areas the Directors regard as the major risks associated with participation in the Rights Issue. Investors should be aware that an investment in the Company involves many risks, which may be higher than the risks associated with an investment in other companies. Intending investors should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to apply for New Shares.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business and its involvement in the mining and exploration industry. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the proposed business of the Company. The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of.

3.2 Risk Factors

(a) Future Capital Requirements and Viability of the Roseby Project

The Company's activities will require substantial expenditures. The funds raised through the Offer will not be sufficient to successfully achieve all the objectives of the Company's long-term business strategy.

The development of the Roseby Project into a commercially viable mine cannot be assured. Development projects, such as the Roseby Project, have no operating history upon which to base estimates of future commercial viability. The Company announced on 3 September 2008 an upgrade of its March 2008 feasibility study on the Roseby Project which was positive on that date. However, if the feasibility study was updated using current copper and gold prices and the current \$A/\$US exchange rate, the economics would likely be less favourable and therefore it is unlikely that the Company would be able to attract funding for the Roseby Project in the current market.

If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer and current funding there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional capital on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to shareholders and any debt financing, if available, may involve restrictive covenants, which limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(b) **Exploration Success**

The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high risk undertakings.

There can be no assurance that exploration of the project areas or any other tenements that may be acquired in the future will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

(c) **Exploration, Operation and Development Risks**

By its nature, the business of exploration, mineral development and production which the Company may continue to participate in contains risks.

Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in the operation of mines and the conduct of exploration programs.

Prosperity depends on the successful exploration and/or acquisition of reserves, development of a commercial process route for processing the ore, design and construction of efficient processing facilities, competent operation and management and efficient financial management. For its part, exploration is a speculative endeavour, the development of a commercial process route cannot be assured while mining operations can be hampered by force majeure circumstances, environmental considerations and cost overruns for unforeseen events.

Whether income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development. The design and construction of efficient processing facilities, the existence of competent operational management and prudent financial administration, as well as the availability and reliability of appropriately skilled and experienced consultants also can affect successful project development.

(d) **Mineral Reserve and Resource Estimates**

Mineral reserves and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(e) **Government Policy and Permits**

In the ordinary course of business, mining companies are required to seek governmental permits for exploration, expansion of existing operations or for the commencement of new operations. Obtaining the necessary governmental permits can be a complex and time-consuming process involving several layers of government and regulatory bodies and often involving public hearings and costly undertakings on the part of the Company. The duration and success of permitting efforts are contingent upon many variables not within the Company's control. Environmental protection permitting, including the approval of reclamation plans, may increase costs and cause delays depending upon the nature of the activity to be permitted and the interpretation of applicable requirements implemented by the permitted authority. There can be no assurance that all necessary permits will be obtained and, if obtained, that the costs involved will not exceed those estimated by the Company. It is possible that the costs and delays associated with the compliance with such standards and regulations could become such that the Company would not proceed with the development or operation of a mine or mines.

The Company's mining operations and exploration activities and any future mining operations are subject to extensive federal, state and local laws and regulations governing exploration, development, production, exports, taxes, labour standards, occupational health and safety, solid and hazardous waste handling and disposal, monitoring, protection and remediation of the environment, reclamation, mine safety, toxic substances, air and water quality and other matters. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that the Company would not progress with exploration, development or continue the operation of a mine or mines.

The Company expects it will be required to expend significant resources, both financial and managerial, to comply with environmental protection laws, regulations and permitting requirements. The Company believes that this is currently in substantial compliance with all applicable environmental laws and regulations.

There can be no assurance that additional significant costs and liabilities will not be incurred to comply with current and future requirements. Moreover, it is possible that future developments, such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder, and claims for damage to natural resources, property and persons resulting from the Company's operations, could require the Company to modify or curtail its operations or could result in substantial costs and liabilities.

(f) **Native Title**

The Company currently has a native title agreement in place for all of the tenements currently held by the Company.

Both the Native Title Act 1993 (Commonwealth), related State native title legislation and aboriginal land rights and aboriginal heritage legislation may affect the Company's ability to gain access to prospective exploration areas or obtain production titles. Compensatory obligations may be necessary in settling any additional native title claims if lodged over any tenements currently held by the Company or acquired by the Company. The level of impact of these matters will depend, in part, on the location and status of the tenements acquired by the Company. At this stage, it is not possible to quantify the impact (if any) which these developments may have on the operations of the Company.

(g) **Commodity Price Risk and Exchange Rate Risk**

In the future, the Company's revenue will come from sale of product. Therefore, its earnings will be closely related to the price and arrangements it enters into for selling of its products. Product prices fluctuate and are affected by factors including the relationship between global supply and demand for copper and gold, forward selling by producers, the cost of production and general global economic conditions.

Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand issues. These factors may have an adverse affect on the Company's exploration, development and production activities as well as its ability to fund those activities.

A decline in the market prices of copper and gold may also require the Company to write down its mineral reserves and resources which would have a material and adverse effect on its earnings and profitability. Should any significant write-down in reserves and resources be required, material write-down of the Company's investment in the affected mining properties and increased amortisation, reclamation and closure expenses may be required.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(h) **Environmental Risks**

The Company's operations and projects are subject to State and Federal laws and regulation regarding environmental hazards and discharge of hazardous waste and materials. The Company intends to conduct its activities in an environmentally responsible manner, in accordance with applicable laws and regulations.

As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds.

The potential for liability is an ever-present risk. The Company cannot give any assurance that despite its precautions, breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially or adversely affect its financial condition and its results from operations.

(i) **Potential Losses through Uninsured or Uninsurable Risks**

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, ground or slope failures, fires, floods, earthquakes and other environmental occurrences, as well as political and social instability that could result in damage to or destruction of mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining caused by industrial accidents or labour disputes or changes in regulatory environment, monetary losses and possible legal liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company.

(j) **Competition for Qualified Skilled Personnel**

The Company's ability to continue operations and successfully put its projects into production is dependent upon using the services of other appropriately experienced personnel or entering into agreements with resources contracting companies that can provide such expertise. Given the increased competition in the mining industry for qualified skilled personnel, especially in Australia where the Company operates, there can be no assurance that the Company will be able to acquire or retain the necessary qualified skilled personnel to continue its operations or put its mineral deposit properties into production on terms it considers acceptable.

(k) **General Risks Associated with Mining**

When compared with many industrial and commercial operations, mining and mineral processing projects are relatively high risk. This is particularly so where new technologies are employed.

Each orebody is unique. The nature of the mineralisation, the occurrence and grade of the ore, as well as its behaviour during mining and processing can never be wholly predicted. Estimations of the tonnes, grade and overall mineral content of a deposit are not precise calculations, but are based on interpretation and on samples from drilling which, even at close drill hole

spacing, represent a very small sample of the entire orebody. Reconciliation of past production and reserves, where available can confirm the reasonableness of past estimates, but cannot categorically confirm the accuracy of future projections.

The applications of metallurgical testwork results and conclusions to the process design, recoveries and throughput depend on the accuracy of the testwork and the assumption that the sample tests are representative of the orebody as a whole. There is a risk associated with the scale-up of laboratory and pilot plant results to a commercial scale and with the subsequent design and construction of any plant.

Mining project revenues are subject to variations in metal prices and exchange rates. Annual price variations can be significant and future trends and timing are difficult to predict with accuracy.

(l) Conflicts of Interest

Certain Directors of the Company are also directors and officers of other companies engaged in mineral exploration and development and mineral property acquisitions and investments. Accordingly, mineral exploration opportunities or prospects of which such persons become aware will not necessarily be made available to the Company. The directors and officers intend, however, to allocate these to such companies on the basis of prudent business and judgement and the relative financial abilities and needs of the Company to participate. Although such persons have been advised of their fiduciary duties to the Company, there exist actual and potential conflicts of interest among these persons and situations could arise in which their obligations to or interests in other company could detract from their efforts on behalf of the Company.

3.3 General Risks

(a) Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

(b) Share Market Risk

The market price of Shares can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration companies in particular. Neither the Company nor its Directors warrant the future performance of the Company or any return on investment in Shares.

(c) Joint Venture Parties, Agents and Contractors

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

(d) **Reliance on Key Personnel and Employees**

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. To manage its growth, the Company must attract and retain additional highly qualified management, technical, sales and marketing personnel and continue to implement and improve operational, financial and management information systems. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

(e) **International Business Risks**

The Company intends to sell its products in a number of countries. There are inherent risks associated with doing business on an international level. Some of those risks can adversely impact the Company's business and financial performance and include unexpected changes in regulatory requirements, taxation, tariffs, duties and other trade barriers; foreign exchange controls which restrict or prohibit the repatriation of funds; technology export or import restrictions or prohibitions and longer payment cycles and problems in collecting accounts receivable. The Company has limited experience in managing international operations.

(f) **Expansion**

The Company will be actively seeking opportunities for growth in its core business areas. While the efforts of the Company have the potential to generate substantial returns in the longer term, there can be no certainty that these returns will be forthcoming. Should future sales not reach the levels anticipated, this could materially impact upon the Company's profitability.

Section 4 ADDITIONAL INFORMATION

4.1 Legal Framework of this Prospectus

The Company is a "disclosing entity" under the Corporations Act and is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically as a listed company, the Company is subject to the Listing Rules of ASX which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its Shares.

4.2 Applicability of Corporations Act

As a "disclosing entity", the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are quoted enhanced disclosure ("ED") securities and the securities are in a class of securities that were quoted ED securities at all times in the 3 months before the issue of this Prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the provisions of the Listing Rules as in force from time to time which apply to disclosing entities, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 12 months before the issue of this Prospectus.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

The New Shares to be issued under this Prospectus are in respect of a class of Shares that were continuously quoted securities at all times in the 3 months before the issue of this Prospectus.

4.3 Information Available to Shareholders

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- (a) the Annual Financial Report of the Company for the year ending 30 June 2008; and
- (b) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Annual Financial Report of the Company for the year ending 30 June 2008 and before the issue of this Prospectus:

Date	Description of Announcement
19/01/09	December 2008 Quarterly Report and Appendix 5B
14/01/09	\$1.7 Million Underwritten Rights Issue
23/12/08	Restructure of Converting Notes
23/12/08	Appendix 3B and 3Yx3
03/12/08	Amended Constitution
26/11/08	Results of Meeting
26/11/08	2008 Annual General Meeting Chairman's Address
26/11/08	Restructure of Converting Notes
19/11/08	Sydney Mining Congress presentation
17/11/08	Mining The Isa Presentation
14/11/08	Change of Director's Interest Notice
31/10/08	Mining 2008 Resources Convention
31/10/08	Quarterly Activities and Cashflow Report
29/10/08	Brochure for Mining 2008 conference - Brisbane
23/10/08	Annual Report to shareholders

4.4 **Rights Attaching to New Shares**

The New Shares to be issued pursuant to this Prospectus will rank equally in all respects with existing Shares in the Company. Full details of the rights attaching to the Company's Shares are set out in its Constitution, a copy of which can be inspected at the Company's registered office.

The following is a summary of the rights which attach to the Company's existing Shares:

(a) **Voting Rights:**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares (at present there is only one class of Shares), at meetings of Shareholders of the Company:

- (i) Each Shareholder entitled to vote may vote in person or by proxy, attorney or representative.
- (ii) On a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote.
- (iii) On a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares, shall have such number of votes as bears the same proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited).

(b) **Dividend Rights:**

Subject to the rights of holders of Shares issued with special, preferential or qualified rights (at present there are none), the Directors may determine that a dividend is payable, fix the amount and the time for payment of the dividend and authorise the payment or crediting of the dividend by the Company to, or at the direction of, each Shareholder entitled to that dividend.

(c) **Rights on Winding Up:**

Subject to the rights of holders of Shares with special rights in a winding up, on a winding up of the Company all assets that may be legally distributed among members will be distributed in proportion to the number of Shares held by them irrespective of the amount paid up or credited as paid up on the Shares.

(d) **Transfer of Shares:**

Subject to the Constitution and to any restrictions attached to a member's Shares, a member may transfer any of the member's shares by a proper ASTC transfer, a written transfer in any usual form or in any other form approved by the Directors, or any other electronic system established or recognised by the Listing Rules.

The Directors may decline to register a transfer of Shares (other than by ASTC transfer) where:

- (i) the Listing Rules or ASTC Settlement Rules permit or require the Company to do so; or
- (ii) the transfer is in breach of the Listing Rules or any escrow agreement relating to restricted securities entered into by the Company under the Listing Rules.

(e) **Future Increases in Capital:**

The allotment and issue of any Shares is under the control of the Directors. Subject to the Listing Rules, the Corporations Act and any special rights conferred on the holder of any Shares, the Directors may allot or otherwise dispose of Shares on such terms and conditions as they see fit.

(f) **Variation of rights:**

Under the Corporations Act 2001, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares. If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the Shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three quarters of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of that class.

(g) **ASX Listing Rules:**

If the Company is admitted to the Official List of ASX, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

4.5 Interest of Directors

Directors' Holdings

At the date of this Prospectus the relevant interests of each of the Directors in the Shares and Options of the Company are as follows:

Directors	Shares		Options	
	Direct	Indirect	Direct	Indirect
Peter Ingram	Nil	4,950,187 ⁽¹⁾ 80,100 ⁽²⁾	Nil	5,000,000 ⁽³⁾
Maurice Hoyle	Nil	672,453 ⁽⁴⁾ 80,100 ⁽²⁾	1,000,000 ⁽⁵⁾	4,000,000 ⁽⁶⁾
Jason Brewer	Nil	Nil	Nil-	1,000,000 ⁽⁶⁾
Bruce Fulton	Nil	Nil	Nil	1,000,000 ⁽⁶⁾

Notes:

- (1) 4,950,187 Shares are held by Calyerup Pty Ltd (The St Cecelia S/F A/C) of which Mr Ingram is a beneficiary and a director.
- (2) 80,100 Shares are held by Peter Anthony Ingram & Maurice Wolfe Hoyle as tenants in common.
- (3) 5,000,000 Options exercisable at \$0.15 and expiring 27 December 2012 held by Calyerup Pty Ltd (The St Cecelia S/F A/C) of which Mr Ingram is a beneficiary and a director..
- (4) 672,453 Shares are held by Hoylex Industries Pty Ltd ATF Hoyle Super Fund of which Mr Hoyle is a director.
- (5) 1,000,000 Options, each with an exercise price of \$0.15 and expiring 12 March 2012.
- (6) 4,000,000 Options, each with an exercise price of \$0.15 and expiring 23 December 2013 and held in the name of Hoylex Industries Pty Ltd ATF Hoyle Superfund of which Mr Hoyle is a director.
- (7) 1,000,000 Options, each with an exercise price of \$0.15 and expiring 23 December 2013 and held in the name of Claudine Maynard – partner of Mr Brewer.
- (8) 1,000,000 Options, each with an exercise price of \$0.15 and expiring 23 December 2013 and held in the name of MapleFern Pty Ltd of which Mr Fulton is a director and shareholder.

Remuneration of Directors

Details of remuneration provided to Directors and their associated entities during the past two financial years are as follows:

Financial year up to 30 June 2007			
Director	Directors' Fees/Salaries \$	Other Remuneration (including superannuation) \$	Total \$
P A J Ingram	116,630	137,415	254,045
M Hulmes	244,499	83,284	327,783
C T Ansell	45,000	9,849	54,849
J A Walls ¹	40,000	4,449	44,449

Financial year up to 30 June 2008			
Director	Directors' Fees/Salaries \$	Other Remuneration (including superannuation and options) \$	Total \$
P A J Ingram	205,704	230,452	436,156
M W H Hoyle	198,000	36,841	234,841
J P Brewer	32,536	5,671	38,207
B Fulton	24,349	3,031	27,380
J A Walls ¹	40,000	6,062	46,062
C T Ansell ²	45,000	7,081	52,081
M Hulmes ³	355,174	41,227	396,401

Notes:

- (1) Mr J A Walls ceased to be a director on 30 September 2008.
(2) Mr CT Ansell resigned as a director on 31 December 2007.
(3) Mr M Hulmes resigned as Managing Director on 6 September 2007.

For period 1 July 2008 to 19 January 2009			
Director	Directors' Fees/Salaries \$	Other Remuneration (including superannuation) \$	Total \$
Peter Ingram	98,210	24,144	122,354
Maurice Hoyle	129,000	18,057	147,057
Jason Brewer	11,250	1,012	12,262
Bruce Fulton	39,159	-	39,159
J A Walls	10,000	0	10,000

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material

contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Rights Issue.

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors a sum not exceeding \$300,000, to be divided among the non-executive Directors as determined by the Directors and in default of agreement, then in equal shares.

Directors are entitled to be paid reasonable travelling, hotel and other expenses incurred by them in the performance of their duties as directors.

The Company has entered into Deeds of Indemnity, Access and Insurance on standard terms with each of the Directors. These deeds indemnify the Directors in respect of certain liabilities and legal expenses incurred by them whilst acting as Directors and insure them against certain risks they are exposed to as Directors.

The Company has entered into employment agreements with Maurice Hoyle and Peter Ingram. Pursuant to those agreements each of Mr Hoyle and Mr Ingram are provided a vehicle maintained by the Company and also for the reimbursement of expenses properly incurred by them. Mr Hoyle's salary is \$198,000 per annum (inclusive of superannuation) and Mr Ingram's salary is \$205,700 per annum (inclusive of superannuation).

4.6 **Interests of Named Persons**

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or

- the Rights Issue.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Rights Issue.

- Blakiston & Crabb have acted as solicitors to the Company in relation to this Prospectus. In respect of their work on this Prospectus, the Company will pay approximately \$18,000 for these professional services. Blakiston & Crabb have provided other professional services to the Company during the last two years for which the Company has paid or will pay fees totalling approximately \$49,827.
- Computershare Investor Services Pty Ltd is the Company's share registry and has provided share registry services to the Company during the last two years amounting to approximately \$106,100. The Company will pay Computershare Investor Services Pty Ltd an amount of \$26,893 in relation to the costs of the Rights Issue.
- Sovereign Gold NL has acted as an Underwriter for which it will receive an underwriting fee of 5% of the amount underwritten by it pursuant to the Underwriting Agreement. The Underwriting Agreement is summarised in Section 4.9. Sovereign Gold NL has not provided any other services to the Company during the last two years and accordingly the Company has not paid Sovereign Gold NL any other amounts other than as disclosed in this paragraph.
- Extra Run Investments Limited has acted as an Underwriter for which it will receive an underwriting fee of 5% of the amount underwritten by it pursuant to the Underwriting Agreement. The Underwriting Agreement is summarised in Section 4.9. Extra Run Investments Limited has not provided any other services to the Company during the last two years and accordingly the Company has not paid Extra Run Investments Limited any other amounts other than as disclosed in this paragraph.
- Tulla Group Pty Ltd has acted as an Underwriter for which it will receive an underwriting fee of 5% of the amount underwritten by it pursuant to the Underwriting Agreement. The Underwriting Agreement is summarised in Section 4.9. Tulla Group Pty Ltd has not provided any other services to the Company during the last two years and accordingly the Company has not paid Tulla Group Pty Ltd any other amounts other than as disclosed in this paragraph.
- Colvic Pty Ltd has acted as an Underwriter for which it will receive an underwriting fee of 5% of the amount underwritten by it pursuant to the Underwriting Agreement. The Underwriting Agreement is summarised in

Section 4.9. Colvic Pty Ltd has not provided any other services to the Company during the last two years and accordingly the Company has not paid Colvic Pty Ltd any other amounts other than as disclosed in this paragraph.

The amounts disclosed above are exclusive of any amount of GST payable by the Company in respect of those amounts.

4.7 Expenses of the Rights Issue

The approximate expenses of the Rights Issue are \$138,813. These expenses are payable by the Company.

(a)	Legal fees	\$18,000
(b)	ASIC lodgement fees	\$2,010
(c)	ASX listing fees	\$5,905
(d)	Printing, mailing and sundries	\$26,893
(e)	Underwriters Fees	\$86,005
Total		\$138,813

4.8 Consents

Computershare Investor Services Pty Limited has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Each of the parties referred to in this Section 4.8:

- (a) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this Section 4.8; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 4.8.

Each of the following has consented to being named in this Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:

- (a) Blakiston & Crabb as solicitors to the Rights Issue;
- (b) Sovereign Gold NL as an Underwriter to the Rights Issue;
- (c) Extra Run Investments Limited as an Underwriter to the Rights Issue;
- (d) Tulla Group Pty Ltd as an Underwriter to the Rights Issue; and

- (e) Colvic Pty Ltd as an Underwriter to the Rights Issue.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

4.9 Underwriting Agreement

Pursuant to an Underwriting Agreement dated 14 January 2009 (as varied by a deed of variation to the Underwriting Agreement dated 15 January 2009) between the Company and the Underwriters, the Underwriters have agreed to underwrite all of the Rights Issue pursuant to this Prospectus in the following proportions:

<i>Underwriter</i>	<i>Amount</i>
Sovereign Gold NL	\$756,112
Extra Run Investments Limited	\$700,000
Tulla Group Pty Ltd	\$194,000
Colvic Pty Ltd	\$70,000
TOTAL	\$1,720,112

Each Underwriter will receive an underwriting fee of 5% of the amount underwritten by it as noted above as well as out of pocket expenses (up to a maximum of \$1,000).

The Company has given warranties and covenants to the Underwriters which are usual in an agreement of this nature.

The Underwriting Agreement provides that an Underwriter may terminate the Underwriting Agreement and its obligations thereunder at any time without cost or liability to the Underwriter upon the occurrence of any one or more of the termination events ("**Termination Event**") including:

- (a) the Underwriter becomes aware of any information in the Prospectus or any of the other documents circulated or filed in relation to the Rights Issue which is materially untrue or incorrect or materially misleading in its context;
- (b) the Underwriter becomes aware of any material contravention by the Company of any law in force in Australia relating to corporations, securities or the Listing Rules or its Constitution;
- (c) the Company fails to comply with or is in default under any of the material terms and conditions of the Underwriting Agreement or materially breaches any warranty or covenant given or made by the Company under it;
- (d) the Company is wound up, a meeting is called to consider a resolution for winding up, or proceedings are commenced or threatened for the winding up, of the Company;
- (e) the Company enters into a scheme or arrangement for the benefit of creditors;

- (f) the Company is placed under official management or a receiver or manager, or receiver and manager, of any of its assets is appointed;
- (g) if the shares in the Company become subject either in whole or part to a takeover scheme or takeover announcement as those terms are used in the Corporations Act; or
- (h) the Rights Issue is not closed for acceptances by 4 May 2009.

4.10 Underwriter's interests in the Company

The following table shows each Underwriter's current shareholding in the Company as at the date of this Prospectus.

Underwriter	Shares	% of Total Shares
Sovereign Gold NL	0	0
Extra Run Investments Limited	0	0
Tulla Group Pty Ltd	38,800,000 ⁽¹⁾	11.2
Colvic Pty Ltd	0	0
TOTAL	38,800,000	11.2

Note:

1. Held by Tulla Resources Group Pty Ltd a related entity of Tulla Group Pty Ltd

The table below shows the voting power of the Underwriters where all Eligible Shareholders elect not to take up their Entitlement and each Underwriter takes up all of their respective underwriting proportion as set out in Section 4.9.

Underwriter	Shares	% of Total Shares⁽²⁾
Sovereign Gold NL	75,611, 189	14.6
Extra Run Investments Limited	70,000,000	13.6
Tulla Group Pty Ltd	58,200,000 ⁽¹⁾	11.3
Colvic Pty Ltd	7,000,000	1.4
TOTAL	210,811, 189	40.8

Note:

1. Including the Shares held by Tulla Resources Group Pty Ltd a related entity of Tulla Group Pty Ltd.
2. Assuming no Options are exercised prior to the Record Date and assuming no Converting Notes are converted.

Section 5 **DEFINED TERMS**

"\$" means an Australian dollar;

"**Applicant**" means a person who has made a valid application pursuant to an Application Form;

"**Application Form**" means the Entitlement and Acceptance Form;

"**Application**" means an application for New Shares;

"**ASIC**" means the Australian Securities & Investments Commission;

"**ASX**" means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Business Day**" means every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day;

"**Closing Date**" means 5.00pm Perth time (WDT) on 25 February 2009;

"**Colvic Pty Ltd**" means Colvic Pty Ltd ACN 062 108 516 of PO Box 139, Coogee, New South Wales;

"**Company**" means Universal Resources Limited ABN 35 090 468 018;

"**Constitution**" means the Company's constitution as altered or amended from time to time;

"**Corporations Act**" means the Corporations Act 2001 (Cth);

"**Directors**" means the directors of the Company;

"**Eligible Shareholder**" is a shareholder of the Company whose details appear on the Company's register of shareholders as at the Record Date;

"**Entitlement**" means the entitlement of an Eligible Shareholder to participate in the Rights Issue, as shown on the Entitlement and Acceptance Form;

"**Entitlement and Acceptance Form**" means the entitlement and acceptance form accompanying this Prospectus;

"**Extra Run Investments Limited**" means Extra Run Investments Limited a company incorporated in the British Virgin Islands and having registration number 674590 of c/- Merrill Lynch (Australia) Nominees Pty Limited Level 19, 120 Collins Street, Melbourne, Victoria;

"**GST**" means any tax, import or other duty raised on the supply of goods and services and imposed by the Commonwealth or a State or Territory of Australia;

"**Listing Rules**" means the Listing Rules of ASX;

"**New Share**" means a share offered pursuant to the Rights Issue on the terms in Section 1.1;

"**Offer**" means an offer of securities pursuant to this Prospectus;

"**Option**" means an option to acquire one Share;

"**Prospectus**" means this prospectus dated 19 January 2009;

"**Record Date**" means 5.00 p.m. Perth time (WDT) on 29 January 2009;

"**Register of Shareholders**" means the register of Shareholders kept by the Company in accordance with section 169 of the Corporations Act;

"**Rights Issue**" means the issue pursuant to this Prospectus of a pro-rata non renounceable rights issue of 172,011,189 New Shares on the basis of 1 New Share for every 2 Shares held on the Record Date at an issue price of \$0.01 per New Share, to raise approximately \$1,720,112;

"**Roseby Project**" means the Roseby Copper Project and the tenements related to the project as listed in the Company's annual report for 2008;

"**Share**" means an ordinary fully paid share in the capital of the Company;

"**Shareholder**" means a person or body corporate registered in the Register of Shareholders as the holder of one or more Shares and includes any person or body corporate who is a member of the Company in accordance with or for the purposes of the Corporations Act;

"**Shortfall**" means the New Shares forming Entitlements, or parts of Entitlements, not accepted by Eligible Shareholders;

"**Sovereign Gold NL**" means Sovereign Gold NL ACN 008 963 639 of Level 19, 2 Market Street, Sydney, New South Wales;

"**Tulla Group Pty Ltd**" means Tulla Group Pty Ltd ACN 125 246 611 of Level 3, 5-13 Rosebery Avenue, Rosebery, New South Wales;

"**Underwriters**" means Sovereign Gold NL, Extra Run Investments Limited, Tulla Group Pty Ltd and Colvic Pty Ltd;

"**Underwriting Agreement**" means the underwriting agreement dated 14 January 2008 between the Company and the Underwriters as amended by a deed of variation dated 15 January 2009 between the same parties; and

"**WDT**" means Western Daylight Time.

Section 6 DIRECTORS' RESPONSIBILITY STATEMENT & CONSENT

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of New Shares pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 19 January 2009

A handwritten signature in cursive script, appearing to read 'P. Ingram', is positioned above a horizontal line.

Peter Ingram
Director