

**NEWS RELEASE**

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**INCREASED VALUATION FOR OUTOKUMPU PROJECT**

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**Tax ruling increases recent KPMG valuation for Outokumpu to A\$44M – A\$122M**

**Universal Resources Limited** (ASX: URL, Universal) today announced an improved valuation of the Outokumpu (Kylahti) project in Finland based on a recent tax ruling.

Earlier this year, shareholders in Vulcan Resources Limited (Vulcan) received an Independent Report by KPMG (Corporate) describing the Scheme of Arrangement to effect the recent merger between Vulcan and Universal. The merger was successfully completed on 19 February 2010.

As one of the building blocks to bring the project into production, the group undertook a corporate restructure to permit the grouping and preservation of its tax losses and to avoid withholding tax or double taxation. The Company has now received a positive tax ruling that these benefits can be achieved.

KPMG included two valuation ranges in its Independent Report for the Outokumpu project, one based on including the tax losses and one that excluded Vulcan's tax losses in Finland. The report adopted the lower value as the outcome of the corporate restructure was at that time unknown.

Advice from Finnish authorities that Vulcan's tax losses in Finland will be preserved means that the more favourable valuation of **A\$44m – A\$122m** for the Outokumpu project should apply rather than the range adopted in the report of A\$21m – A\$80m<sup>1</sup>.

The significance of this information is its positive effect on the value of cash flows from the Outokumpu project and the increased certainty in the financial models, which are likely to be presented to potential financiers in April/May 2010.

Universal's Managing Director, Dr Alistair Cowden, said he was pleased to see the tax ruling work in favour of the project's valuation.

Universal's market capitalisation is currently A\$34m (at 15 cents per share) and the Company has approximately A\$17m in cash.

"The market ascribes a value to all our projects of about A\$14m – a fraction of KPMG's valuation for the Outokumpu project alone," he said.

"In our opinion, that demonstrates a lot of room for growth in the coming months."

**Universal's Project Portfolio**

Universal's project portfolio also includes one of the largest undeveloped open pit copper projects in Australia, the Roseby Copper Project near Mt Isa in Queensland.

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<sup>1</sup> In Euro the new range is €27.7 to €76.2m, from a previously range of €13m to €50m. The above valuation assumes an exchange rate of A\$1 = €1.6.

Resources at Roseby contain some 877,000 tonnes of copper and 239,000 ounces of gold in nine shallow deposits. A detailed feasibility study for a 5mtpa open pit mining operation on three deposits has been completed and the project is currently proceeding through permitting. The Company also holds significant nickel sulphide resources and nickel exploration tenements in Finland.

### **Shareholder Communications**

Supporting an ongoing commitment to shareholder communications, the Company has updated its corporate website with a new video message from the Managing Director.

A regular video newsletter will be circulated to all investors who sign-up to receive electronic updates on the website at [www.universalresources.com.au](http://www.universalresources.com.au).

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### **About Universal**

Listed ASX base metal companies Universal Resources Limited and Vulcan Resources Limited merged on 19 February 2010. It is intended to rename the merged group Altona Mining Limited (Altona). The group has two major copper assets and a clear strategy to build a profitable copper business producing from multiple mines in historic major copper mining camps.

The Company expects to commence mine development in Finland this year and is targeting production of in excess of 40,000t of copper annually by 2014 with significant additional gold, zinc, nickel and cobalt credits.

With two high quality advanced stage copper projects (Outokumpu in Finland and Roseby near Mt Isa in Queensland), over 1Mt of contained copper in Resources, near-term production, and a strong balance sheet, Altona is poised to deliver significant shareholder value.