




**2003
ANNUAL
REPORT**

UNIVERSAL  RESOURCES

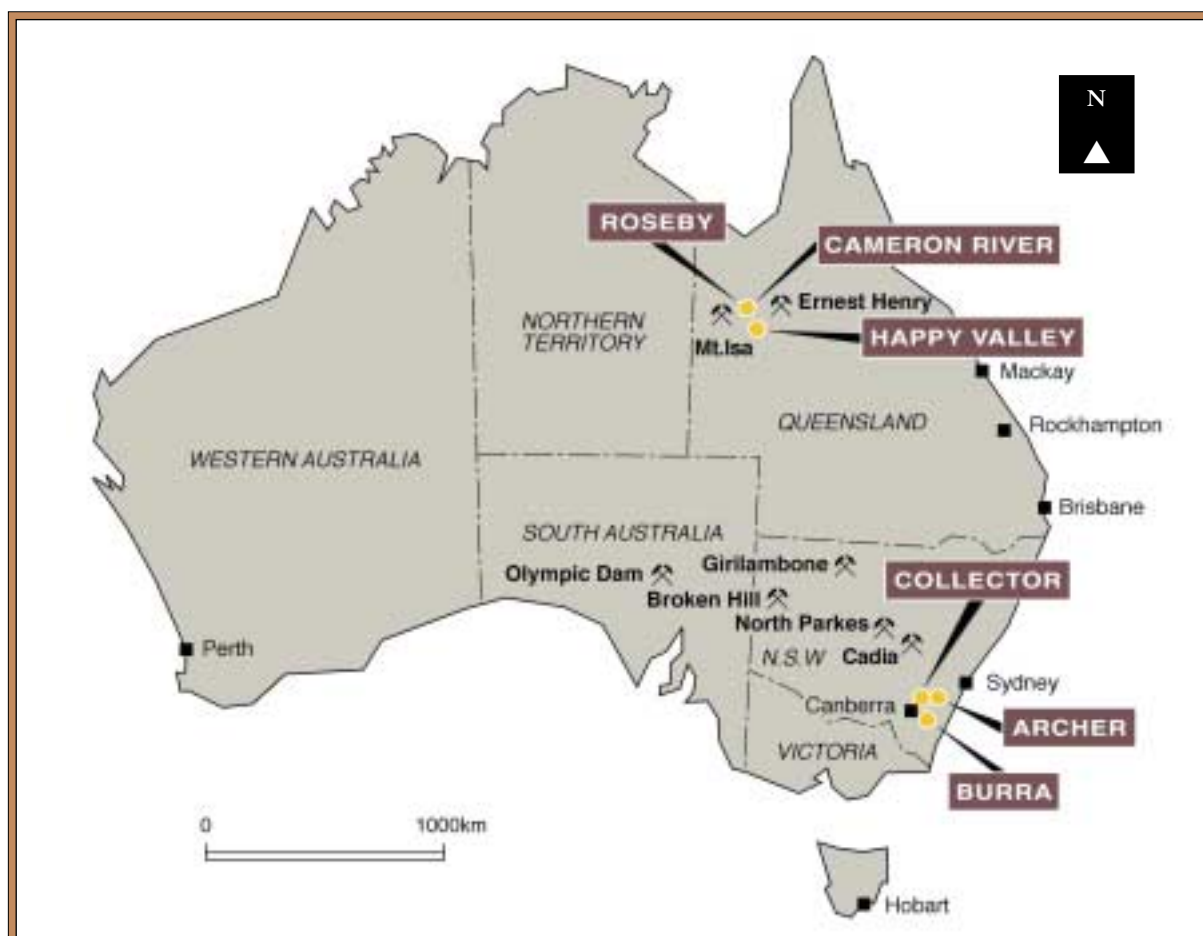


Universal Resources Limited

ACN 090 468 018

www.universalresources.com.au

Figure 1. PROJECT LOCATIONS



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COMPANY PARTICULARS

Directors:

P A J Ingram – Chairman and Managing Director
M W H Hoyle – Exploration Director
C T Ansell
K J Foots
J A Walls

Company Secretary:

D J Kelly

Principal & Registered Office in Australia:

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35 Havelock Street
West Perth WA 6005
PO Box 1466
West Perth WA 6872
Telephone: 61 8 9486 8400
Facsimile: 61 8 9486 8700
Email: universal@universalresources.com.au
Website: www.universalresources.com.au

Country of Incorporation:

Australia

Share Registry:

Computershare Investor Services Pty Ltd
Level 2 Reserve Bank Building
45 St Georges Terrace
Perth WA 6000
Telephone: 61 8 9323 2000
Facsimilie: 61 8 9323 2033

Auditor:

Horwath Perth
128 Hay Street
Subiaco WA 6008
Telephone: 61 8 9380 8400
Facsimile: 61 8 9380 8499

Bankers:

National Australia Bank
Hay Street
West Perth WA 6005

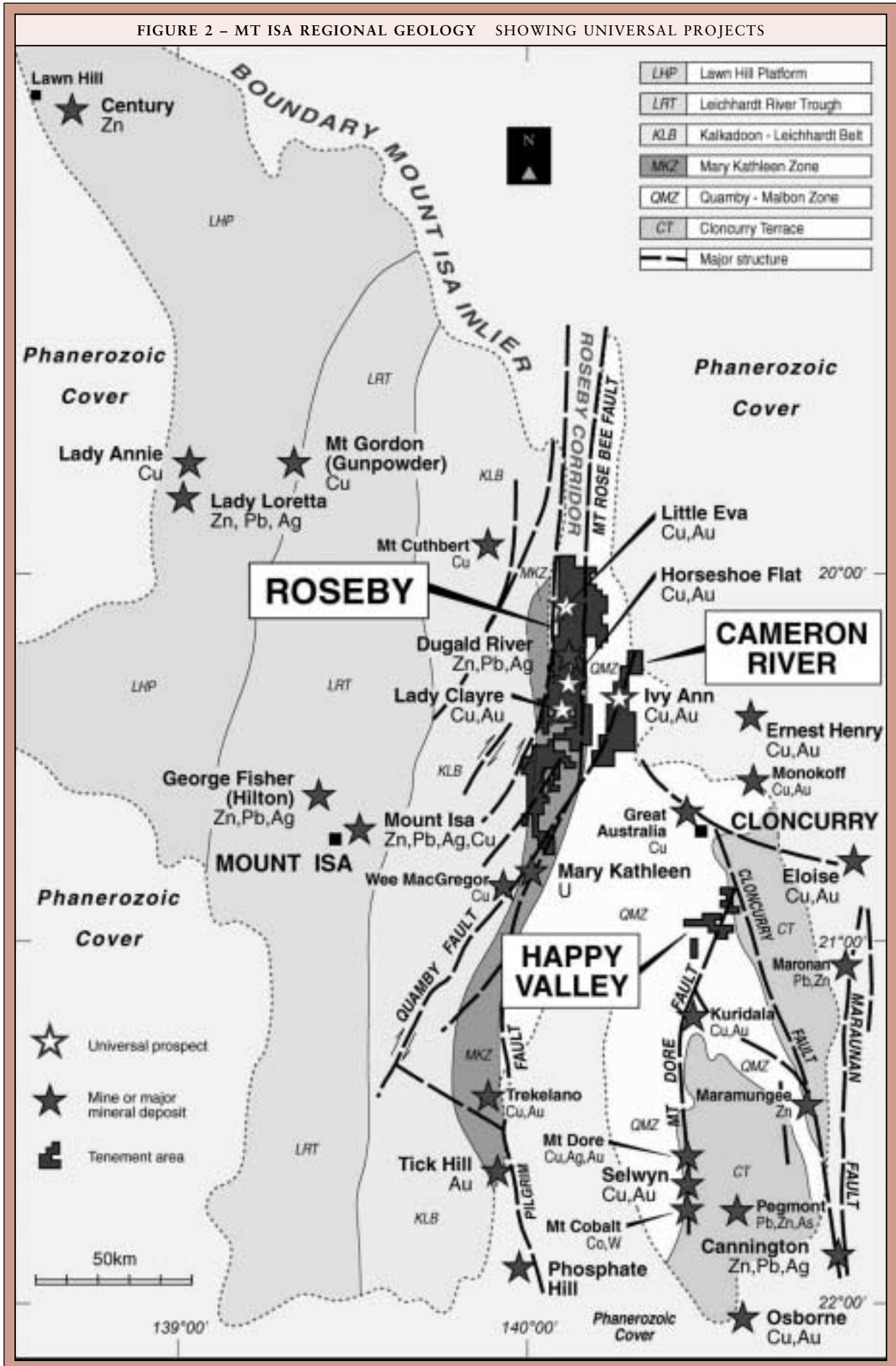
Solicitor:

Blakiston & Crabb
1202 Hay Street
West Perth WA 6005
Telephone: 61 8 9322 7644
Facsimile: 61 8 9322 1506

Stock Exchange Listing:

The Company is listed on the Mining Board of the Australian Stock Exchange Limited (“ASX”)
ASX Codes: Shares URL
Options URLO

FIGURE 2 – MT ISA REGIONAL GEOLOGY SHOWING UNIVERSAL PROJECTS



CHAIRMAN'S LETTER

Dear Shareholder

It is with pleasure that, on behalf of my fellow directors, I present to you the company's fourth Annual Report.

We have had both a challenging and satisfying year, having listed on the Australian Stock Exchange in September 2002 and undertaken several successful drilling campaigns at the Roseby project in Queensland and Burra in NSW.

High-grade copper-gold resources in two deposits within the Roseby Exploration Joint Venture have increased to 11.6 million tonnes at 1.07% copper and 0.25 gpt gold with contained metal in these resources totalling 123,600 tonnes of copper and 94,500 ounces of gold.

Potential to increase these resources is considered to be very high.

The Company is currently undertaking a conceptual scoping study of mining and treating two million tonnes of Roseby sulphide ore per year. The study results will be used to guide future exploration and the general framework for a detailed feasibility study to be undertaken when sulphide resources are sufficiently large to support a 7-8 year mine life.

Our joint venture partner at Roseby, Bolnisi Logistics Pty Ltd, as manager of the Roseby Feasibility Joint Venture, has progressed the native copper feasibility study during the year, including: infill drilling at Blackard to raise the quality of the Blackard resource to largely Measured category, extensive metallurgical testing, environmental studies, mining studies and preliminary engineering and infrastructure requirements. We believe this study may be completed in the first half of 2004.

At Burra, the company intersected a significant body of oxidised zinc-lead-silver mineralisation derived from massive sulphides. Further testing of this deposit will be undertaken in 2004.

Early in September the company raised an additional \$765,000 of working capital through a placement of 8.5 million shares at an issue price of \$0.09 per share.

Universal is adequately funded to undertake its immediate exploration programs. However, the success of this year's programs indicates a need for further funds to be raised to adequately progress our projects in a timely manner.

We look forward to a successful year ahead for the company.

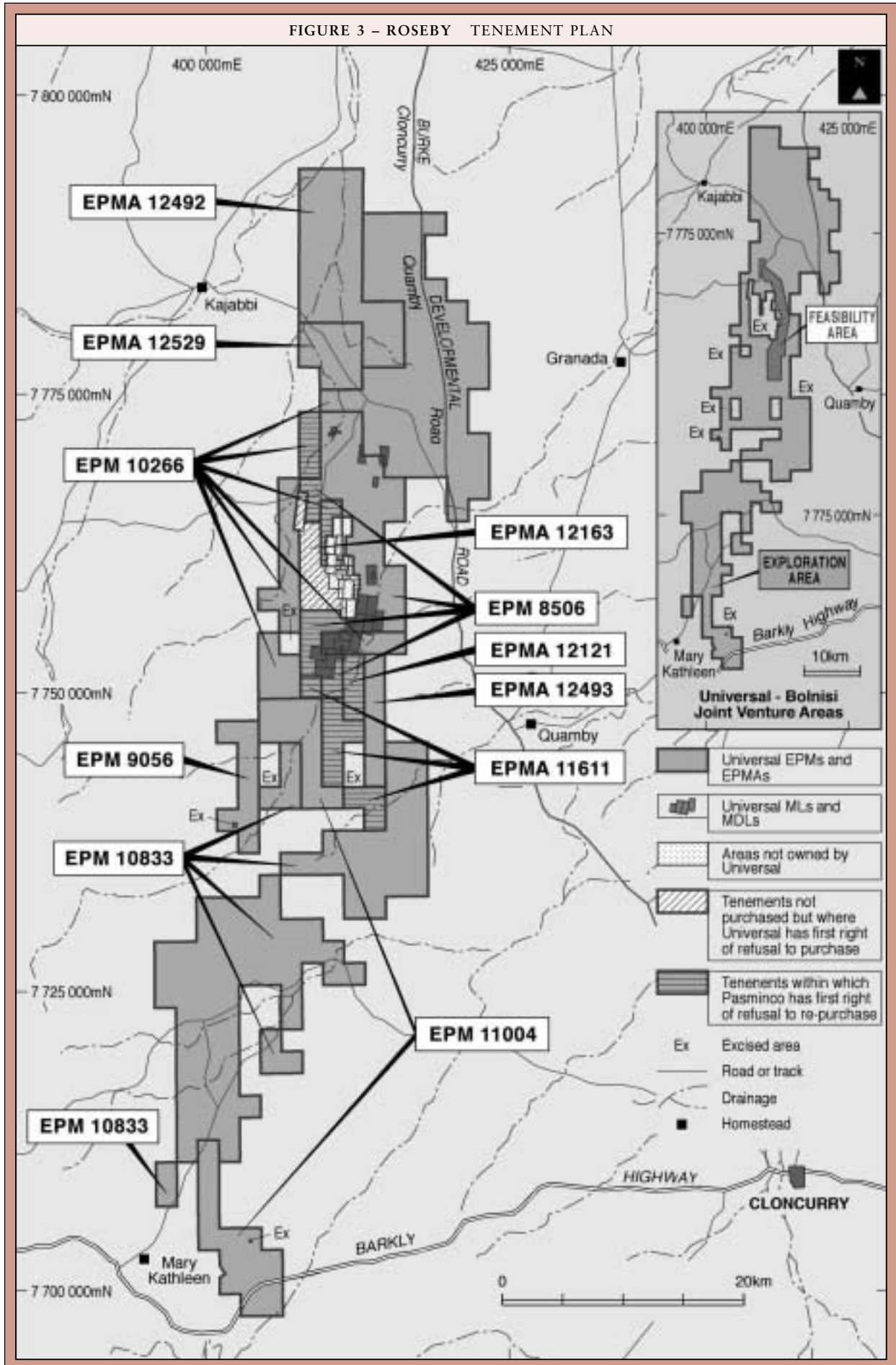
The company's Annual General Meeting will be held on 12 November 2003 at the Celtic Club, Ord St, West Perth, WA. I encourage you to attend the meeting or, if unable to attend, to forward your proxy to reach the Company not later than 48 hours prior to the Meeting. The official notice of meeting is included with this report.

Yours faithfully



Peter Ingram
CHAIRMAN

FIGURE 3 - ROSEBY TENEMENT PLAN



REPORT ON OPERATIONS

1. CORPORATE

The Company's successful Initial Public Offering was completed in August, raising \$4,000,000, and resulted in the Company listing on ASX on 3 September 2002.

Expenditure for the year to 30 June 2003 totalled \$3,238,871, including \$2,006,230 expended on mineral exploration and project acquisitions and \$1,232,641 on share issue, administration and other costs. The resulting loss for the year was \$483,470 (\$369,308 in 2002). Current assets at 30 June totalled \$823,696 (\$269,279).

Since year-end the Company has raised a further \$765,000 (less costs) for working capital through the issue of 8,500,000 fully paid ordinary shares at 9 cents per share, providing the Company with sufficient funds to meet its short-term objectives.

2. EXPLORATION

2.1 INTRODUCTION

Considerable progress has been made over the past year in the evaluation of the Company's highly prospective exploration portfolio in Australia (Figure 1). In particular, there have been substantial improvements in the status of the Roseby copper-gold project in the Cloncurry district of NW Queensland. Additionally, the Burra project in NSW has been upgraded as a consequence of the successful drilling program undertaken in February this year. Unfortunately, exploration at Archer and in the southern part of Collector in NSW has not been successful, although there remains scope for the discovery of significant poly-metallic mineralisation through on-going exploration – particularly in the vicinity of the massive sulphide deposit within the Collector tenement.

The Feasibility Study of the Roseby native copper resources, managed by Bolnisi Logistics Pty Ltd (Bolnisi), has been progressed satisfactorily during the year despite a delay to the expected completion due to the time frame required to obtain environmental approvals for the project. It is now anticipated that the study should be completed in the first half of 2004.

2.2 ROSEBY (UNIVERSAL 50% INTEREST)

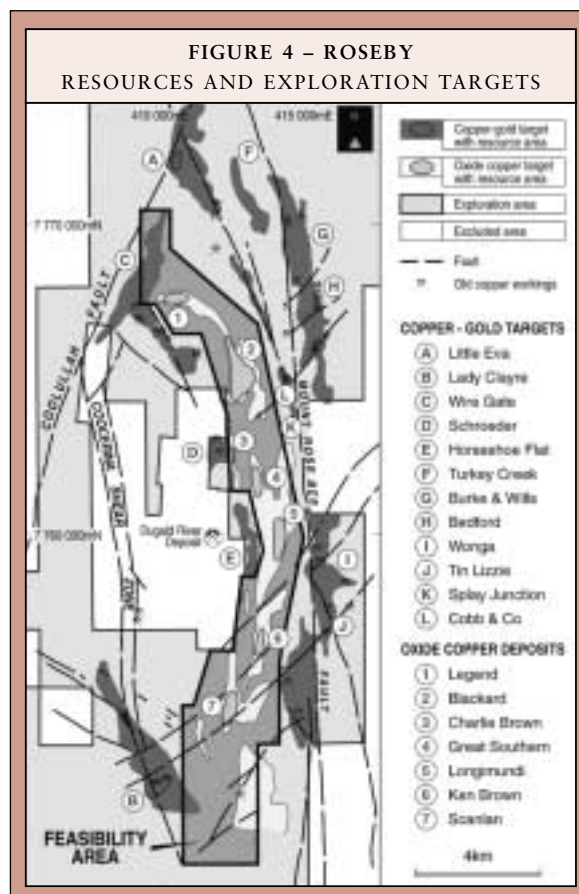
The Roseby project, covering nearly 1000sq km of highly prospective ground located between Mt Isa and Cloncurry, in NW Queensland (Figure 2), is the subject of two joint ventures with Bolnisi Logistics Pty Ltd (Figure 3):

- the Exploration Joint Venture, aimed at delineating large tonnage resources of Ernest Henry style copper-gold mineralisation; and
- the Feasibility Joint Venture, aimed at completing a feasibility study of the extensive oxide copper resources, of the Zambian copperbelt style, by October 2005.

THE EXPLORATION JOINT VENTURE (Universal Increasing to 70% Interest)

The Roseby Exploration Joint Venture (EJV) relates to the Exploration Area (EA) involving approximately 95% of the total Roseby tenement area (Figures 3 and 4). Universal is sole funding \$5 million of exploration expenditure over five years (to 31 October 2006) to increase its interest in the EJV from 50% to 70%. As at 31 August 2003, some \$1.5 million had been spent).

Principal focus of the EJV is the exploration of a number of composite geological, geophysical and geochemical targets for hydrothermal iron associated copper-gold deposits (Figure 4), typified by the Ernest Henry and Olympic Dam orebodies. Worldwide, there are numerous examples of 'large' to 'giant' deposits (>\$5 billion in situ value) represented in this class.



REPORT ON OPERATIONS

(continued)

During the year, Universal has undertaken substantial exploration within the Exploration Area, including geological mapping at the Little Eva and Lady Clayre deposits to better understand the controls on mineralisation, systematic rock chip sampling of the seven zones of out-cropping copper-gold mineralisation at Lady Clayre and the major targets along the Mt Rose Bee Fault and 6,342 m of RC drilling at Little Eva, Lady Clayre and Horseshoe Flat.

Results of these programs have been extremely encouraging, substantially enhancing both the current resource inventory and the prospectivity of the area.

Resources

Global Inferred Resources (at a nominal cut-off grade of 0.5% copper) within the EA now total 38.6 million tonnes containing over 200,000 tonnes of copper and 137,000 ounces of gold.

At *Little Eva*, the global Inferred Resource has been estimated at 35 million tonnes grading 0.46% copper and 0.07 gpt gold within which there is a high-grade resource of 8 million tonnes at 1.01% copper and 0.12 gpt gold (80,800 tonnes of copper and 30,900 ounces of gold). These resources were calculated at a nominal cut-off grade of 0.5% copper.

At *Lady Clayre*, the initial Inferred Resource for Zone A mineralisation is estimated at 3.6 million tonnes at 1.19% copper and 0.55 gpt gold (42,800 tonnes of copper and 63,600 ounces of gold). These resources were also calculated at a nominal 0.5% copper cut-off grade.

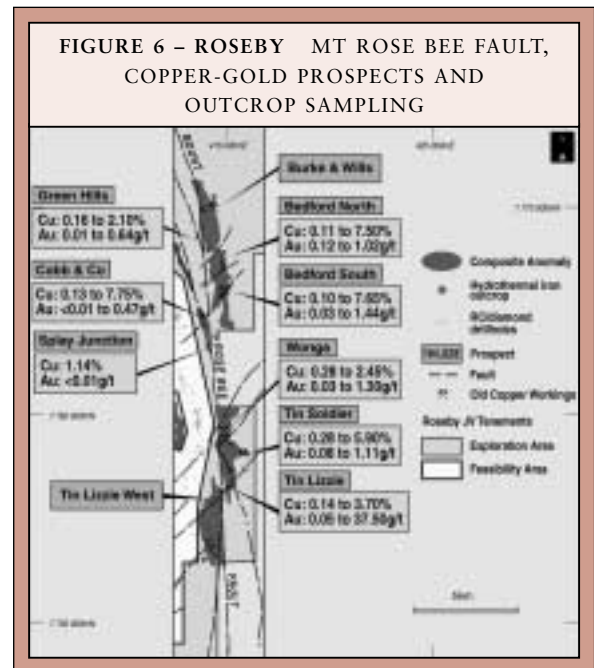
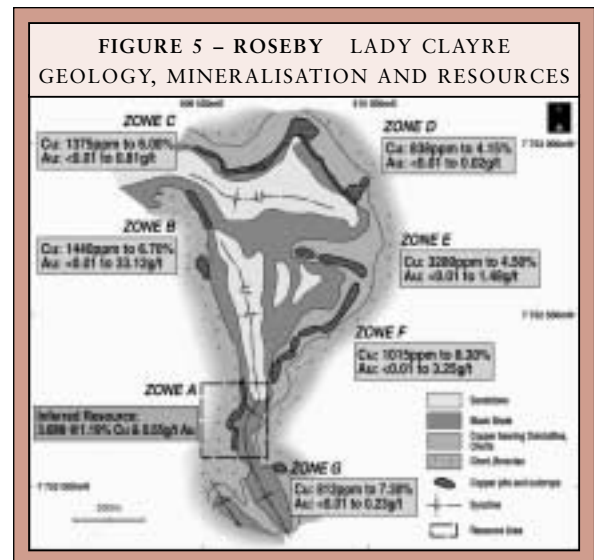
Future Programs

Scoping Study

A scoping study of mining and treating around 2 million tonnes per annum of sulphide copper-gold mineralisation is in progress. The results of this study will establish the parameters for further resource estimates and drilling priorities within the EA and will provide a basis for planning a detailed feasibility study once sufficient resources have been delineated.

Drilling

Mapping and rock chip geochemical sampling at Lady Clayre (Figure 5) and along the Mt Rose Bee Fault (Figure 6) have defined a large number of high priority drill targets with outcropping or near-surface copper mineralisation and high gold values (up to 37.5 gpt). These targets, which range from 0.5 km to over 5 km in strike length, will be drill tested in the second half of 2003 and through calendar 2004, with the aim of significantly increasing the resource base within the EA.



Feasibility Study

Should the drilling programs outlined above prove successful the Company will commence a formal feasibility study into the potential mining and processing of sulphide ores from Little Eva, Lady Clayre and other similar deposits which may be located within the EA. This study will evaluate ore reserves, mining rates, treatment processes, infrastructure requirements, operating and capital costs and an economic analysis of the potential operation. It will also evaluate options for integrating the sulphide and oxide copper operations to enhance the economics of each.

REPORT ON OPERATIONS

(continued)

FEASIBILITY JOINT VENTURE (Universal 50% Reducing to 30%)

The Roseby Feasibility Joint Venture (FJV) relates to the Feasibility Area (FA) involving approximately 5% of the total Roseby tenement area (Figure 3). Bolnisi is sole funding a feasibility study of sufficient quality and detail as to be suitable for a bank for the purpose of providing finance for any proposed development of the resources within the FA. The study must be completed by 31 October 2005 and Bolnisi must spend a minimum of \$1.25 million each year of the study until completion or Bolnisi elects not to continue with the study. If these conditions are met, Bolnisi will increase its interest in the FJV to 70% and Universal's interest will reduce to 30%.

Mineralisation

Mineralisation within the FA is dominated by oxidised stratabound copper mineralisation in which the major copper mineral is *native copper*. Other minerals include chalcocite, bornite, malachite and cuprite. Primary mineralisation is predominantly bornite and pyrite associated with carbonate veinlets. Some 25 to 30% of the copper is associated with clays and micas.

Mineralisation outcrops discontinuously over a +20km strike of metasedimentary rocks (Figure 4). It is thought that the copper mineralisation was originally of the Zambian Copperbelt style of stratiform mineralisation which has subsequently been remobilised by a combination of folding, igneous intrusion (mainly granitic) and weathering.

Resources

Seven deposits have been drilled sufficiently to define formal resources totalling 59.6 million tonnes at 0.76% copper, mainly native copper. These, listed in Table 1, have been calculated using a copper cut-off grade of 0.5%.

Malachite resources of 1.8million tonnes at 0.66% copper are located within cupriferous clay overlying the main Blackard deposit and are not included in the mining study.

Drilling undertaken in July at the Longamundi and Great Southern deposits is expected to add to the global resource base.

Feasibility Studies

Bolnisi is at an advanced stage of evaluating the metallurgical, mining, environmental, social, infrastructure and financial aspects of a potential 5 million tonnes per annum mining operation of oxide ore from the FA.

Whilst no firm date has been set for completion of the study, it is anticipated that the major components of the study should be available in the first half of 2004.

TABLE 1 – NATIVE COPPER RESOURCES IN THE ROSEBY FEASIBILITY AREA

DEPOSIT	Tonnes (M)	Grade (% Copper)	Category
Legend	3.3	0.65	Indicated
Blackard	25.0	0.76	Measured, Indicated and Inferred
Great Southern	3.6	0.80	Inferred
Longamundi	6.4	0.69	Inferred
Ken Brown	4.0	0.80	Inferred
Caroline	4.0	0.80	Inferred
Scanlan	13.3	0.79	Indicated
TOTAL	59.6	0.76	Mixed

REPORT ON OPERATIONS

(continued)

2.3 CAMERON RIVER (UNIVERSAL 100%)

Cameron River is located approximately 40 kilometres northwest of Cloncurry and 15 kilometres southeast of Roseby (Figure 2). The area is prospective for copper-gold mineralisation of the Ernest Henry style.

A Cultural Heritage and Access Agreement was signed by the Company and the Kalkadoon Native Title claimants in September 2003.

Geology and Mineralisation

The Cameron River tenement covers Middle Proterozoic Corella Formation sediments and volcanics over a 17 kilometre strike length and includes a tight, northerly plunging anticlinal fold structure sandwiched between the Quamby fault in the west and the Naraku Granite batholith to the east. The Quamby Fault is a major regional structure that appears to link the Mt Rose Bee Fault to the Pilgrim Fault, creating a system over 300 kilometres long with numerous mineral occurrences along its length. The Quamby Fault also carries gold mineralisation at the Quamby Gold mine.

Copper-gold mineralisation, mainly sulphides below about 15m depth, is known over most of the 17 kilometre mineralised strike and is associated with a metamorphosed sequence of iron and lime rich sediments and basic volcanics.

The combination of well-developed regional structures, reactive magnetite, copper-gold bearing rocks and intrusions of the Naraku granite creates a very prospective environment for the formation of bulk copper-gold deposits within the tenement.

The best mineralisation intersected to date (Table 2) occurs between the old workings at Ivy Ann and Ivy Ann North in a shallow north plunging fold nose with an associated induced polarization (I.P.) anomaly some 400-500m in strike length (Figure 7). This anomaly may represent a sulphide accumulation at relatively shallow depth within the fold structure.

Drilling north of this zone also located copper intercepts up to 30 metres at 1.18% copper and 76 metres at 0.49% copper.

A re-evaluation of all previous exploration data has been completed and the highest priority targets identified for further drilling.

Forward Program

This prospect has been sparsely drilled. It warrants detailed drilling to test the strike and depth potential of the known mineralisation.

A 400 metre RC drilling program, to depths of 80-100m, has been planned for the December quarter, 2003.

FIGURE 7 – CAMERON RIVER
IVY ANN – IVY ANN NORTH PROSPECT

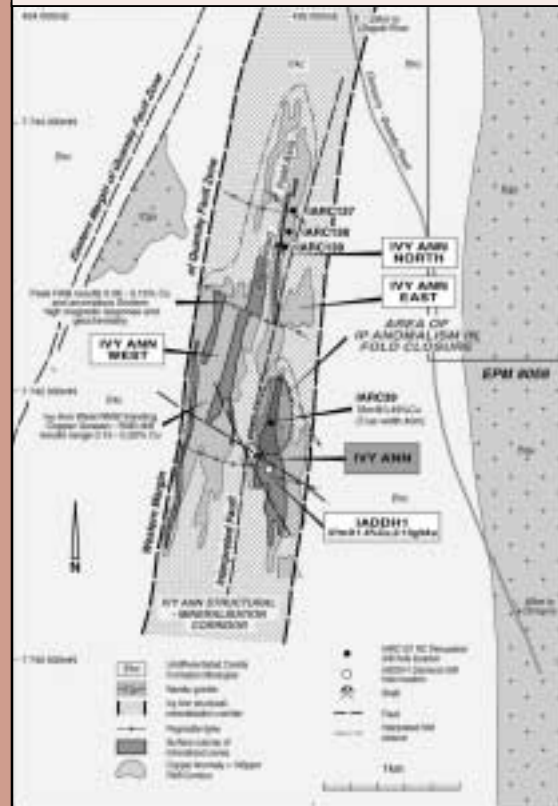


TABLE 2 – IVY ANN – IVY ANN NORTH
SIGNIFICANT DRILL INTERSECTIONS

Hole No.	Mineralised Intersection
IADDH1	37m at 1.40% copper 0.13 gpt gold
IARC 039	76m at 0.49% copper
IARC 047	4m at 8.85% copper 1.33 gpt gold

REPORT ON OPERATIONS

(continued)

2.4 BURRA (UNIVERSAL 90%)

The Burra project is located 30 km south of Queanbeyan in NSW (Figure 8). The tenement covers freehold land and the Company is not aware of any Native Title claims over the area.

Geology and Mineralisation

Zinc-lead-silver mineralisation at Burra occurs within Siluro-Devonian felsic volcanic rocks interbedded with marine sediments and carbonate lenses of the Colinton Volcanics and Cappanana Formation. These rocks have been deposited in a fault bounded basin and are similar in lithology and age to the volcanic and sedimentary sequences in the Woodlawn-Captains Flat trough lying some 15-20 kilometres to the east. Mineralisation is interpreted to be similar to and probably the same age as massive sulphide mineralisation at Captains Flat and Woodlawn.

A 4 kilometre strike length of zinc, lead and arsenic anomalism has been defined by soil and bedrock sampling. Numerous outcrops of mineralisation (gossans and carbonates) in the anomalous area carry strong metal values peaking at 26% zinc and 5% lead. Historic workings for lead and silver occur sporadically over several kilometres of strike length within the same stratigraphic package.

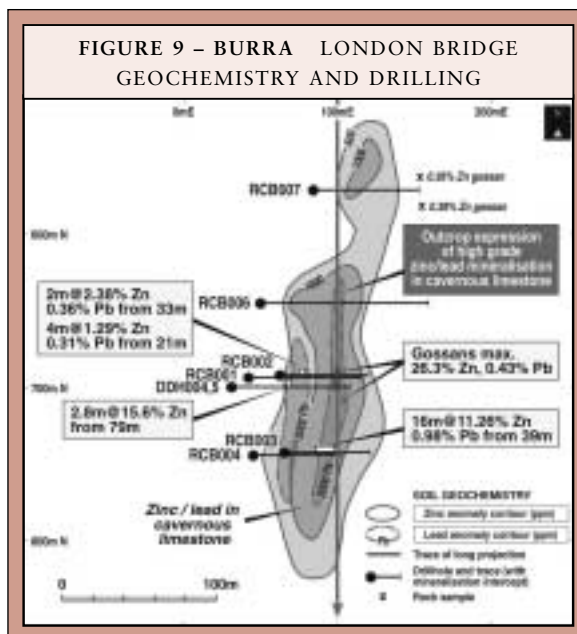
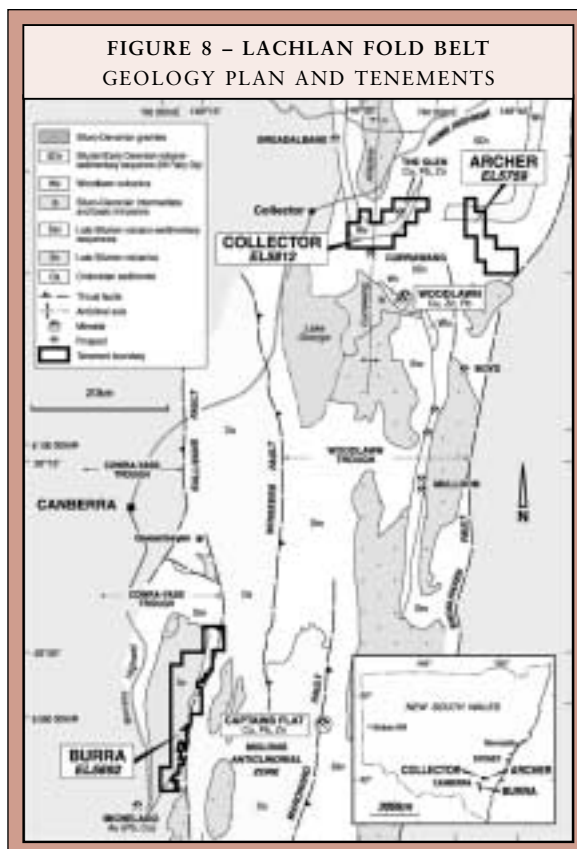
At the London Bridge prospect (Figure 9), high grade zinc mineralisation (2.8m at 15.6% zinc and 0.68% lead) in massive sulphide was intersected in DDH4 down dip from the high grade surface zinc referred to above.

DDH1, some 3km south of DDH4, intersected a substantial width of disseminated zinc and lead mineralisation and has not been followed up as yet.

Follow-up drilling (769m) in February 2003 tested the main London Bridge mineralisation at shallow depths with mixed results. High-grade zinc mineralisation was intersected in hole RCB 003 (11m at 14.77% zinc and 1.23% lead) whilst other holes intersected lower grade mineralisation or cavernous ground with poor sample recovery in the target zones. Deeper drilling is required to test the sulphide zone.

Forward Program

The Burra project has the potential to host a large, high-grade, stratabound zinc-copper-lead-silver-gold deposit and further exploration is warranted. It is anticipated that follow-up drilling will be undertaken in 2004.



REPORT ON OPERATIONS

(continued)

2.4 COLLECTOR (UNIVERSAL 90%)

Collector is located some 25 kilometres southwest of Goulburn and 12 kilometres north of the abandoned Woodlawn mine in NSW (Figure 8).

Geology and Mineralisation

Collector is on the overturned eastern limb of the south plunging Currawang anticline. Extrusive acid volcanics, fragmentals and metasediments of the Siluro-Devonian aged Woodlawn Volcanics and De Drack Formation at Collector are also the host sequence for the Woodlawn deposit.

Exploration targets are distributed along a 2 kilometre strike length where massive sulphide mineralisation has been located by surface and subsurface exploration. Three well defined bulls-eye magnetic anomalies are spatially associated with high level bedrock zinc anomalism, with a peak value of 14.6% zinc recorded from gossanous RAB chips near The Glen (Figure 8).

These targets have only been partially tested by drilling with the deeper holes intersecting massive sulphide mineralisation up to 50 metres true thickness carrying ubiquitous but low grade zinc-copper values (Table 3).

Hole No.	Mineralised Intersection	From (m)
DDHC2	109.0m at 1.8% zinc	83.2
	<i>Incl. 6.8m at 9.45% zinc</i>	89.2
	94.4m at 2.0% zinc	210.7
	<i>Incl. 20.5m at 4.0% zinc</i>	210.7
	223.0m at 0.38% copper <i>within a similar zone to the zinc mineralization</i>	54.0
DDHC3	81.8m at 1.24% zinc	93.7
	<i>Incl. 4.3m at 4.43% zinc</i>	103.1
	<i>4.6m at 5.32% zinc</i>	138.4

A RAB bedrock sampling program over exploration targets to which the Company has access failed to locate encouraging mineralisation and some of these areas have been relinquished.

Forward Program

It is anticipated that further work, including drilling, will be undertaken in 2004.

2.5 ARCHER (UNIVERSAL 90%)

Archer is located about 15 kilometres northeast of the Woodlawn VMS deposit and 20 kilometres south of Goulburn in NSW (Figure 8).

Geology and Mineralisation

The Archer tenement covers a north plunging syncline on the western margin of the Captains Flat-Goulburn Trough within Siluro-Devonian metasediments and volcanics. These rocks are intruded by granites and granodiorites that have formed skarn rocks in close proximity to the intrusions.

Pyritic gossans, base metal geochemical anomalies and bulls-eye magnetic anomalies (Ryan, Astrid and Terry Hie) within the skarn-bearing sequence have been delineated by geological, geochemical and magnetic mapping.

Previous drilling intersected high values at Ryans (2 metres at 6% zinc and 8 metres at 1.4% copper) but low values at the other targets. A program of surface sampling, at Terry Hie and Astrids, using the Mobile Metal Ion (MMI) partial dissolution technique, designed to detect mineralisation through transported overburden, was completed in late 2002. The survey covered the Terry Hie and Astrids magnetic anomalies and defined several targets.

Results from these programs highlighted the prospectivity of the tenement for hydrothermal copper-gold-magnetite mineralisation associated with several of the identified magnetic-geochemical anomalies.

Forward Program

It is anticipated that further drilling of this project will be undertaken in 2004.

NOTE: Information within this report that relates to mineralisation and/or resources and reserves accurately reflects information prepared by competent persons (as defined by the Australasian Code of Reporting of Identified Mineral Resources and Ore Reserves), including reports by M W H Hoyle, an employee of the company who is a Fellow of the Australasian Institute of Mining and Metallurgy with more than 5 years experience in the field of activity in which he is reporting.

TENEMENT SCHEDULE

Number	Name	Interest	Expenditure Commitments (\$)		
			0-1 Year	2-5 Years	5+ Years
ROSEBY (QLD) EXPLORATION JOINT VENTURE					
EPM 8506	Mt Roseby	50%	50,000	200,000	–
EPM 9056	Pinnacle	50%	40,000	160,000	–
EPM 10266	Highway	50%	50,000	200,000	–
EPM 10833	Cam Riv	50%	50,000	200,000	–
EPM 11004	Ogorilla	50%	20,000	80,000	–
EPMA 11611	Gulliver	50%	0	0	
EPMA 12121	Gulliver East	50%	0	0	
EPMA 12492	Queen Sally	50%	0	0	
EPMA 12493	Quamby	50%	0	0	
EPMA 12529	Cabbage Tree	50%	0	0	
MDL 12	Little Eva	50%	0	0	–
MDL 80	Roseby	50%	0	0	–
MDL 81	Bedford	50%	0	0	–
MDL 82	Green Hills	50%	0	0	–
MDL 83	Insur No. 1 and 2	50%	0	0	–
MDL 84	Insurance No. 3	50%	0	0	–
MS 3072	Little Eva	25%	0	0	
ML 2600	Dugald River 58	50%	0	0	–
ML 2647	Lady Clayre / Rodex 1	50%	0	0	–
ML 2648	Lady Clayre / Rodex 2	50%	0	0	–
ML 2649	Lady Clayre / Rodex 3	50%	0	0	–
ML 2650	Lady Clayre / Rodex 4	50%	0	0	–
ML 2651	Lady Clayre / Rodex 5	50%	0	0	–
ROSEBY (QLD) FEASIBILITY JOINT VENTURE					
EPM 8506	Mt Roseby	50%	0	0	–
ML 2581	Scanlan 1	50%	0	0	
ML 2582	Scanlan 2	50%	0	0	
ML 2583	Scanlan 3	50%	0	0	
ML 2584	Scanlan 4	50%	0	0	
ML 2585	Scanlan 5	50%	0	0	
ML 2652	Rodex 6	50%	0	0	
ML 2653	Rodex 7	50%	0	0	
ML 2654	Rodex 8	50%	0	0	
ML 2655	Rodex 9	50%	0	0	
ML 7497	Longamundi	50%	0	0	
ML 90048	Longamundi 2	50%	0	0	
ML90052	Scanlan 7	50%	0	0	
ML 90053	Scanlan 8	50%	0	0	
ML 90054	Scanlan 9	50%	0	0	
ML 90055	Caroline Revised	50%	0	0	
ML 90056	Rodex 10	50%	0	0	
MF 13961	Longamundi	50%	0	0	
TOTAL ROSEBY PROJECT			210,000	840,000	–

TENEMENT SCHEDULE

(continued)

Number	Name	Interest	Expenditure Commitments (\$)		
			0-1 Year	2-5 Years	5+ Years
CAMERON RIVER (QLD)					
EPM 8059	Cameron River	100%	52,000	208,000	–
HAPPY VALLEY (QLD)					
EPM 9611	Cut Snake	100%	20,000	80,000	–
COLLECTOR (NSW)					
EL 5812	Collector	90%	36,000	144,000	–
BURRA (NSW)					
EL 5692	Burra	90%	53,500	214,000	–
ARCHER (NSW)					
EL 5759	Archer	90%	44,000	176,000	–
TOTAL OTHER PROJECTS			205,500	822,000	–
TOTAL COMPANY			415,500	1,662,000	–

DIRECTORS' REPORT

for the year ended 30 June 2003

Your directors present their report on Universal Resources Limited ("Universal" or the "Company") for the financial year ended 30 June 2003.

DIRECTORS

The following persons were directors of the Company during the whole of the financial year and up to the date of this report.

P A J Ingram	Chairman and Managing Director
M W H Hoyle	Exploration Director
C T Ansell	Non-Executive Director
J A Walls	Non-Executive Director
K J Foots	Non-Executive Director

PRINCIPAL ACTIVITIES

The principal continuing activities of the Company during the year consisted of mineral exploration and evaluation and acquisition of exploration tenements. There were no changes in its activities during the financial year.

DIVIDENDS

No dividends have been paid or declared since the end of the previous financial year and no dividends have been recommended by directors.

RESULT FOR THE YEAR

	2003	2002
	\$	\$
Loss from ordinary activities after income tax expense	458,248	369,308

REVIEW OF OPERATIONS

During the period the Company continued its principal activities of mineral exploration and development.

Operations included:

- The successful raising of \$4,000,000 by the issue of 20,000,000 ordinary shares at 20 cents each together with one attaching option granted free for every two shares issued at an exercise price of 20 cents and with an expiry date of 10 July 2005.
- The successful listing of the Company on the Australian Stock Exchange on the 3 September 2002.
- The undertaking of several successful exploration programs by the Company and its joint venture partners at the Roseby and Burra projects, where significant mineralisation was outlined by drilling (refer to Report on Operations on pages 3 to 10 hereof).

There were no other significant changes in the state of affairs of the Company.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No other matter or circumstance has arisen since 30 June 2003 that has significantly affected, or may significantly affect:

- the Company's operations in future financial years, or
- the results of those operations in future financial years, or
- the Company's state of affairs in future financial years, other than the raising by way of placement of 8.5 million new shares to raise \$765,000 (less costs).

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Further information as to likely developments in the operations of the Company and the likely results of these operations would, in the opinion of the directors, be prejudicial to the interests of the Company.

ENVIRONMENTAL REGULATION

The Company is subject to environmental regulations in respect of its exploration activities in Australia, as prescribed by various State Government Departments dealing with minerals exploration, mining and the environment. The Company has not been advised of any breach of its environmental obligations and, to the best of the knowledge of the directors, the Company has complied with all environmental requirements of the various regulations to which it is subject.

DIRECTORS' REPORT

for the year ended 30 June 2003 (continued)

INFORMATION ON DIRECTORS

Name	Director's Experience	Special Responsibilities
<p>P A J Ingram BSc, FAusIMM, MGSA, FAICD</p>	<p>Peter Ingram is a geologist with over 38 years experience in the mining and mineral exploration industries within Australia, including over 25 years experience in Public Company management. In addition to previously being the Managing Director of Metana Minerals NL, Chairman of Glengarry Resources NL and a director of Dragon Mining NL, Eastmet Limited and Marlborough Resources NL, Mr Ingram was a founding councillor of the Association of Mining and Exploration Companies (AMEC). He is an Honorary Life Member and past President of AMEC.</p>	<p><i>Chairman and Managing Director</i></p>
<p>M W H Hoyle BSc(Hons), FAusIMM</p>	<p>Maurice (Maurie) Hoyle is an economic geologist with over 39 years experience in the mining and exploration industries in Australia and overseas. Much of this time has been spent working in a managerial capacity for three major international companies and several junior mining companies. During the past 21 years Mr Hoyle has established two successful exploration management consultancies offering services in senior project management, prospect to minescale evaluations, corporate assessments, bankable feasibility studies and due diligence work over a wide spectrum of commodities.</p>	<p><i>Exploration Director</i></p>
<p>C T Ansell FCA, MAICD</p>	<p>Mr Ansell is a Fellow of the Institute of Chartered Accountants and a professional company director. He has been a director of various mining companies for 22 years and is currently Chairman of Dragon Mining NL and a director of Croesus Mining NL and De Grey Mining Limited.</p>	<p><i>Non-Executive Director</i></p>
<p>K J Foots BE(min)(Qld), CPA, FAusIMM, MCIMM, FAICD</p>	<p>Mr Foots has worked extensively in copper and coal mining in Australia, the USA and Canada. Mr Foots was for many years employed by BHP Utah Coal Limited as Chief Mining Engineer, Manager of Operations and Senior Vice President. Mr Foots is a past President of Queensland Mining Council and past Chairman of the Australian Coal Association. He is Chairman of Lake Resources Limited, Little Digger Mining Ltd, and a director of 202 Ltd, Australian Coal Research Limited, Uniquest Pty Ltd, and Aquatec Environmental Ltd.</p>	<p><i>Non-Executive Director</i></p>
<p>J A Walls BSc(Geoph Eng), MSEG</p>	<p>Mr Walls worked for 16 years as a geophysicist in the oil exploration industry in both the USA and Australia, becoming Australian Area Manager in 1968 for a major international geophysical contractor servicing Australian and international oil companies. In 1970 Mr Walls became involved in mineral exploration and has been involved in several exploration discoveries, including the Yaamba Basin oil shale deposits in Queensland. Mr Walls established his own drilling company in 1973. He is a director of Australian Consolidated Exploration Pty Ltd and Marlborough Resources Limited. He is now an Australian citizen.</p>	<p><i>Non-Executive Director</i></p>

PARTICULARS OF DIRECTORS' INTERESTS IN SHARES AND OPTIONS OF THE COMPANY
(at time of signing this document)

	Ordinary Shares	Options
P A J Ingram & M W H Hoyle as tenants in common	80,100	40,050
P A J Ingram	4,710,000	2,355,000
M W H Hoyle	3,064,000	1,532,000
C T Ansell	680,000	310,000
K J Foots	200,000	100,000
J A Walls	700,000	350,000

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's directors held during the year ended 30 June 2003 and the numbers of meetings attended by each Director.

	Number held whilst in Office	Number Attended
<i>Number of meetings attended by:</i>		
P A J Ingram	9	9
M W H Hoyle	9	9
C T Ansell	9	9
J A Walls	9	8
K J Foots	9	7

The Directors have formed an Audit committee comprising a Director Mr C Ansell and Company Secretary Mr D Kelly. The committee was formed on 20 June 2003 and did not meet during the period ended 30 June 2003.

DIRECTORS AND EXECUTIVES EMOLUMENTS

Shareholders have approved Directors Fees in total of \$150,000 per annum.

Directors may be paid consulting fees at commercial rates calculated according to the amount of time spent on Company business. All directors may receive consulting fees on an hourly basis which are paid from time to time for specialist services beyond normal duties.

Both executives and non-executives are entitled to take part in the Universal Resources Limited Employee Share Option Plan. No shares or options have been issued pursuant to this plan. No director is paid any amounts dependent on the performance of the Company.

Details of the nature and amount of each element of the emoluments of each Director of Universal Resources Limited and each of the officers of the Company who received the highest emoluments are set out in the following tables.

Name	Director's Fees \$	Superannuation \$	Total \$
Non-Executive Directors of Universal Resources Limited			
C T Ansell	25,000	2,250	27,250
K J Foots	25,000	-	25,000
J A Walls	25,000	-	25,000

Executive Directors of Universal Resources Limited

P A J Ingram	4,167	-	4,167
M W H Hoyle	4,167	-	4,167

Name	Salary \$	Motor Vehicle \$	Superannuation \$	Total \$
Executive Directors of Universal Resources Limited				
P A J Ingram	125,000	4,160	11,625	140,785
M W H Hoyle	100,000	6,507	9,375	115,882

Other Executives of Universal Resources Limited

D J Kelly – Company Secretarial Services				25,000
D J Kelly – Other administrative services				6,491

Other Executives are officers who are involved in, concerned in, or who take part in, the management of the affairs of the Company.

DIRECTORS' REPORT

for the year ended 30 June 2003 (continued)

OPTIONS

At the date of this report there were on issue 29,356,789 options to acquire fully paid ordinary shares in Universal Resources Limited. These options have an expiry date of 10 July 2005 and are exercisable at 20 cents.

No person entitled to exercise any option has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

DIRECTORS' AND OFFICERS' INSURANCE

During the year the Company paid a premium to insure the directors and officers of the Company. Under the terms of the policy the Company cannot publish amounts paid for premiums or the extent of the liabilities insured.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of the proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under Section 237 of the Corporations Act 2001.

AUDITOR

Horwath Perth continues in office in accordance with Section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors.



Peter Ingram
CHAIRMAN

This 19th day of September 2003 at Perth,
Western Australia

CORPORATE GOVERNANCE STATEMENT

The directors are responsible for protecting the rights and interests of the shareholders through the implementation of sound strategies and action plans and development of an integrated framework of controls over the Company's resources, functions and assets.

GENERAL

The Company has two formally constituted committees of the Board of Directors, namely the Audit and Remuneration Committees, which were formed on the 20 June 2003. The Audit Committee consists of one non-executive director (Mr C Ansell – Chairman) and the Company Secretary (Mr D Kelly who is not a full time employee of the Company). The Remuneration Committee consists of Messrs Ansell, Foots and Walls. The directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of further special committees. The Board as a whole is able to address the governance aspects of the full scope of the Company's other activities and to ensure that it adheres to appropriate ethical standards. The full Board also meets as a nomination committee.

This statement outlines the main corporate governance policies which the directors have adopted.

COMPOSITION OF THE BOARD

The Board comprises five directors. The names, qualifications and relevant experience of each director is included in the Directors' Report.

The Company's Constitution provides that it shall at all times have at least three and not more than nine directors. There is no requirement for any director's shareholding qualification.

As the Company's activities increase in size, nature and scope the size of the Board will be reviewed periodically and the optimum number of directors required to supervise adequately the Company's activities determined within the limitations imposed by the Constitution.

BOARD MEMBERSHIP

The Board has no nomination committee. Members of the Board have been brought together to represent a blend of qualifications, skills and experience, both nationally and internationally, required to manage a Company operating within the mining industry.

APPOINTMENT AND RETIREMENT OF NON-EXECUTIVE DIRECTORS

The Company's Constitution provides that directors are subject to retirement in rotation, by order of length of appointment, and are eligible for re-election by shareholders at the Annual General Meeting of the Company.

DUTIES OF DIRECTORS

Directors are expected to accept all duties and responsibilities associated with the running of a public company, to act in the best interests of the Company and to carry out their duties and responsibilities with due care and diligence.

Directors are required to take into consideration conflicts when accepting appointments to other boards. Accordingly, directors wishing to accept appointment to other boards must first seek approval from the Board, approval of which will not be unreasonably withheld.

INDEPENDENT PROFESSIONAL ADVICE

The Board has determined that individual directors may in appropriate circumstances engage outside advisers at the Company's expense. The engagement of an outside adviser is subject to the prior approval of the Board which will not be unreasonably withheld.

COMPENSATION ARRANGEMENTS

The maximum aggregate amount payable to non-executive directors as directors' fees has been set at \$150,000. The Constitution provides that directors fees can only change pursuant to a resolution at a general meeting.

The Board is responsible for reviewing and negotiating the compensation arrangements of senior executives and consultants.

AUDIT COMMITTEE

The Board formed an audit committee on the 20 June 2003. Prior to this date the full Board met to address these issues.

CORPORATE GOVERNANCE STATEMENT

(continued)

INTERNAL MANAGEMENT CONTROLS

The Company's assets are located in Australia. Control over the operations of the Company is exercised by the Managing Director and the Exploration Director.

The Board also monitors the performance of outside consultants engaged from time to time to complete specific projects and tasks.

IDENTIFYING SIGNIFICANT BUSINESS RISK

The Board monitors regularly the operational and financial performance of the Company's activities. It monitors and receives advice on areas of operational and financial risk, and considers strategies for appropriate risk management. All operational and financial strategies adopted are aimed at improving the value of the Company's shares, however, the directors recognise that mineral exploration is inherently risky.

TRADING IN SECURITIES

It is an offence under the law to trade in securities of a company when in possession of confidential and price sensitive information which has not been released to the public through the normal procedures of the Australian Stock Exchange Limited.

If directors, employees or consultants wish to trade shares then the following procedures apply:

- In the case of the Chairman he shall consult with his senior executives of the Company to determine if there is Confidential Information of which he is or should be aware. If advised that there is he shall not trade in the Company's securities.
- In the case of all other directors and senior consultants they shall consult with the Chairman to determine if there is Confidential Information of which they are or should be aware. If advised that there is they shall not trade in the Company's securities.

FINANCIAL REPORT

Statement of Financial Performance

For the year ended 30 June 2003

	Note	2003 \$	2002 \$
Revenue from ordinary activities	3	105,133	12,622
Depreciation expense	4(a)	(42,355)	(2,266)
Employee benefits expense		(353,268)	-
Other expenses from ordinary activities		(167,758)	(379,664)
Loss from ordinary activities before income tax expense	4	(458,248)	(369,308)
Income tax expense	5	-	-
Loss from ordinary activities after income tax expense		(458,248)	(369,308)
Total changes in equity other than those resulting from transactions with owners as owners		(458,248)	(369,308)
Basic loss per share (cents)		(0.9)	(1.1)
Diluted loss per share (cents)		(0.9)	(1.1)

The above statement of financial performance should be read in conjunction with the accompanying notes.

FINANCIAL REPORT

(continued)

Statement of Financial Position

As at 30 June 2003

	Note	2003 \$	2002 \$
Current assets			
Cash assets	6	694,124	14,757
Receivables	7	99,098	39,547
Other	8	30,474	214,975
Total current assets		823,696	269,279
Non-current assets			
Receivables	9	35,640	36,120
Property, plant and equipment	10	174,527	11,116
Intangible assets	11	4,656,953	3,194,873
Total non-current assets		4,867,120	3,242,109
Total assets		5,690,816	3,511,388
Current liabilities			
Payables	12	107,427	964,417
Other	13	5,605	-
Total current liabilities		113,032	964,417
Non-current liabilities			
Other	14	18,215	-
Total non-current liabilities		18,215	-
Total liabilities		131,247	964,417
NET ASSETS		5,559,569	2,546,971
Equity			
Contributed equity	15	7,220,038	3,749,191
Accumulated losses	16	(1,660,469)	(1,202,220)
TOTAL EQUITY		5,559,569	2,546,971

The above Statement of Financial Position should be read in conjunction with the accompanying notes

FINANCIAL REPORT

(continued)

Statement of Cash Flows

For the year ended 30 June 2003

	Note	2003 \$	2002 \$
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		136,726	-
Payments to suppliers and employees (inclusive of goods and services tax)		(1,025,063)	(188,032)
Interest received		97,869	8,495
Interest paid		(411)	(44)
Net cash outflows from operating activities	25	(790,879)	(179,581)
Cash flows from investing activities			
Payments for property, plant and equipment		(181,946)	(1,271)
Payments for acquisition of exploration properties		500,000	(54,336)
Expenditure on exploration		(2,506,230)	(257,154)
Other payments – security deposits		-	(5,000)
Net cash outflows from investing activities		(2,188,176)	(317,761)
Cash flows from financing activities			
Proceeds from borrowings		20,000	-
Repayment of borrowings		(20,000)	-
Proceeds from share issues		3,982,000	457,700
Share issue transaction costs		(323,578)	-
Proceeds received pursuant to share issue – prepaid		-	18,000
Net cash inflows from financing activities		3,658,422	475,700
Net increase/(decrease) in cash		679,367	(21,642)
Cash at the beginning of the financial year		14,757	36,399
Cash at the end of the financial year	25(a)	694,124	14,757

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

FINANCIAL REPORT

(continued)

Notes to the Financial Statements

1. Summary of significant accounting policies

The financial report is a general purpose financial report prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001. The accounting policies adopted in preparing the financial report have been consistently applied by the Company except as otherwise indicated. Unless otherwise stated, policies adopted in the preparation of the financial report are consistent with those of the previous accounting period.

Set out below is a summary of significant accounting policies adopted in the preparation of the financial report.

(a) Basis of Preparation

The financial report has been prepared on the basis of historical costs and except where stated does not take into account current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The Company has not adopted a policy of revaluing its current assets on a regular basis. Non-current assets are to be revalued from time to time as considered appropriate by the Directors and are not stated at amounts in excess of their recoverable amounts.

(b) Depreciation

Depreciation is calculated using the diminishing value and prime cost methods and is brought to account over the estimated economic life of the plant and equipment. The average rates used are 20% for furniture, 22.5% for motor vehicles, 36% for computer equipment and 100% for items of less than \$300 cost.

(c) Income Tax

The Company adopts the liability method of tax effect accounting whereby the income tax expense shown in the Statement of Financial Performance is based on the loss from ordinary activities before income tax adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of loss from ordinary activities before income tax and taxable income are brought to account as either a provision for deferred income tax or an asset described as future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

FINANCIAL REPORT

(continued)

Notes to the Financial Statements

Summary of significant accounting policies (continued)

(d) Exploration and Development Costs

The Company's policy with respect to exploration and development costs is to use the area of interest method. Under this method exploration and development costs are carried forward on the following basis:

- (i) Each area of interest is considered separately when deciding whether, and to what extent, to carry forward or write off exploration, evaluation and development costs.
- (ii) Exploration and development costs related to an area of interest are carried forward provided that rights to tenure of the area of interest are current and that one of the following conditions is met:

- such development costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale; or
- exploration and/or evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing.

Exploration and development costs accumulated in respect of each particular area of interest include only net direct expenditure.

- (iii) The Company has minimum annual expenditure commitments to maintain its tenements in good standing. These expenditure commitments are disclosed at Note 22.

The directors believe that the Company will maintain the tenements in good standing for at least the next 12 months.

- (iv) The carrying values of mineral tenements are reviewed annually by directors where results of exploration and/or evaluation of an area of interest are sufficiently advanced to permit a reasonable estimate of the amount expected to be recouped through successful development of the area of interest or by its sale. Expenditure in excess of this estimate is written off to the Statement of Financial Performance in the period in which the review occurs. The carrying values of mineral tenements are carried forward and amortised over the expected useful life of each project.

(e) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within two working days, net of outstanding bank overdrafts.

(f) Acquisition of Assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition.

FINANCIAL REPORT

(continued)

Notes to the Financial Statements

Summary of significant accounting policies (continued)

(g) Earnings Per Share

(i) Basic Earnings Per Share

Basic earnings per share is determined by dividing the loss from ordinary activities after income tax expense by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will arise from the exercise of options outstanding during the year.

(h) Comparative Figures

Where necessary, comparative figures have been adjusted to conform with the presentation in the current year.

(i) Trade Receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectibility of trade debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off. A provision for doubtful debts is raised where some doubt as to collection exists.

(j) Trade Creditors

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Restoration and Rehabilitation

Expenditures relating to ongoing rehabilitation and restoration programs are provided for or charged to the Statement of Financial Performance as incurred.

Costs are estimated on the basis of current undiscounted costs, current legal requirements and current technology.

2. Segment information

(a) Business segments

The Company operates predominantly in one industry. Its principal activities are those of prospecting and mineral exploration.

(b) Geographical segments

The Company operates only in Australia.

FINANCIAL REPORT

(continued)

Notes to the Financial Statements	2003 \$	2002 \$
3. Revenue		
Revenue from outside the operating activities		
Interest income	97,869	4,559
Rent income	7,264	8,063
	105,133	12,622
Revenue from ordinary activities		
	105,133	12,622
4. Operating loss		
(a) Net gains and expenses		
Loss from ordinary activities before income tax expense includes the following specific net gains and expenses:		
Gains		
Amortisation		
Amortisation of lease incentive	2,802	-
Expenses		
Depreciation		
Plant and equipment	42,355	2,266
(b) Individually significant items		
Printing and stationery	20,882	29,709
Consultants fees	45,651	112,920
Director fees (including executive directors remuneration)	306,083	125,000
Exploration expenditure written-off	97,441	-
Individually significant items after income tax	470,057	267,629
5. Income tax		
The aggregate amount of income tax attributable to the financial year differs from the amount calculated on the operating loss, and is reconciled as follows:		
Operating loss from ordinary activities before income tax	(458,248)	(369,308)
Prima facie tax benefit at 30% (2002:30%)	(137,474)	(110,792)
To which is added back the tax effects of:		
Non allowable items	-	951
Timing differences	(444,220)	(54,958)
Future income tax benefit not brought to account	581,694	164,799
Income tax expense	-	-

FINANCIAL REPORT

(continued)

Notes to the Financial Statements

5. Income tax (continued)

The potential tax benefit of tax losses amounting to \$1,006,311 (2002: \$424,618) have not been brought to account in these financial statements as realisation of the benefit cannot be regarded as being assured beyond any reasonable doubt. The potential future income tax benefit will be obtainable if:

- (a) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit of the deductions for the loss to be realised; or
- (b) the Company continues to comply with the conditions for deductibility imposed by income tax law; and
- (c) no changes in income tax legislation adversely affects the Company in realising the benefit of the deduction for the loss.

Franking credits available at 30 June 2003 \$nil (2002: \$nil).

	2003	2002
	\$	\$
<hr/>		
6. Current assets – cash		
Cash at bank and on hand	694,124	11,613
Deposits at call	-	3,144
	<hr/> 694,124	<hr/> 14,757
7. Current assets – receivables		
Trade debtors	-	5,961
Other debtors	99,098	33,586
	<hr/> 99,098	<hr/> 39,547
Other debtors is a refund due from the Australian Taxation Office for Goods and Services Tax.		
8. Current assets – other		
Prepayments	30,474	214,975
	<hr/> 30,474	<hr/> 214,975
9. Non-current assets – receivables		
Security deposits	35,640	36,120
	<hr/> 35,640	<hr/> 36,120

FINANCIAL REPORT

(continued)

Notes to the Financial Statements

	2003	2002
	\$	\$
10. Non-current assets – property, plant and equipment		
Plant and equipment		
Plant and equipment – at cost	145,423	19,197
Less: accumulated depreciation	(37,996)	(8,081)
Total plant and equipment	107,427	11,116
Motor vehicles		
Motor vehicles – at cost	77,237	-
Less: accumulated depreciation	(10,137)	-
Total plant and equipment	67,100	-
Total property, plant & equipment	174,527	11,116

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant & equipment at the beginning and end of the current financial year are as set out below:

	Plant & equipment	Motor vehicles	Total
	\$	\$	\$
Carrying amount at the beginning of the financial year	11,116	-	11,116
Additions	128,529	77,237	205,766
Depreciation expense	(32,218)	(10,137)	(42,355)
Carrying amount at the end of the financial year	107,427	67,100	174,527

11. Non-current assets – intangibles

	2003	2002
	\$	\$
Exploration Properties		
Balance at the beginning of the year	3,194,873	596,715
Acquisition costs	500,000	2,259,839
Exploration expenditure incurred	1,059,521	338,319
Exploration expenditure written off	(97,441)	-
	4,656,953	3,194,873

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas.

FINANCIAL REPORT

(continued)

Notes to the Financial Statements

	2003	2002
	\$	\$
12. Current liabilities – payables		
Accrued creditors	69,759	446,417
Tenement Acquisition Future Payment	-	500,000
Annual leave	12,741	-
Other creditors	24,927	18,000
	107,427	964,417

13. Current liabilities – other		
Lease incentive	5,605	-

14. Non-current liabilities – other		
Lease incentive	18,215	-

The lease incentive relates to furniture and fittings provided by the lessor of Universal Resources Ltd registered office located in West Perth. This is amortised over the life of the lease.

15. Contributed Equity		
A. Share capital		
Ordinary shares		
Fully paid – 56,713,578 (2002: 36,713,578)	7,220,038	3,749,191

B. Movements in ordinary share capital			
	No. of		
	Shares	Issue Price	\$
Balance as at 30 June 2001	21,590,601		1,637,294
Shares issued for working capital	3,094,998	0.1000	309,500
Shares issued in satisfaction of asset purchase	12,027,979	0.1500	1,804,197
Less: Capital raising costs			(1,800)
Balance as at 30 June 2002	36,713,578		3,749,191
Shares issued (note D.)	20,000,000	0.200	4,000,000
Less: Capital raising costs			(529,153)
Balance as at 30 June 2003	56,713,578		7,220,038

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

FINANCIAL REPORT

(continued)

Notes to the Financial Statements

15. Contributed Equity (continued)

C. Options

No. of Ordinary shares subject to Option	Expiration Date	Exercise Price
29,356,789	10 July 2005	20 cents

All options were issued free. Movements in the number of options during the past two years were as follows:

Details	No. Options	Exercise Price
Balance as at 30 June 2000	-	
Issued to existing shareholders	9,995,300	20 cents
Issued in satisfaction of asset purchase	300,000	20 cents
Issued in satisfaction of asset purchase	500,000	20 cents
Balance as at 30 June 2001	10,795,300	
Issued for working capital	2,047,499	20 cents
Issued in satisfaction of asset purchase	6,013,990	20 cents
Balance as at 30 June 2002	18,856,789	
Attached to share issue (note D.)	10,000,000	20 cents
Issued to Corporate Advisor pursuant to letter agreement	500,000	20 cents
Balance as at 30 June 2003	29,356,789	

There are no unissued shares under options at the date of this report other than those referred to above. The options do not entitle the holder to participate in any share issue of any other body corporate.

D. Share issue

On 7 June 2002 Universal lodged with the Australian Securities and Investment Commission ("ASIC") a prospectus for a partially underwritten Initial Public Offering (IPO) of shares and options. The offer closed 2 August with subscriptions totalling \$4 million and the company listed on ASX on 3 September 2002.

	2003 \$	2002 \$
16. Accumulated losses		
Accumulated losses at the beginning of the financial year	(1,202,221)	(832,913)
Loss from ordinary activities after income tax	(458,248)	(369,308)
Accumulated losses at the end of the financial year	(1,660,469)	(1,202,221)

FINANCIAL REPORT

(continued)

Notes to the Financial Statements

17. Financial instruments

(a) Credit Risk Exposure

The credit risk exposure of the Company to financial assets which have been recognised in the Statement of Financial Position is not materially different from the carrying amount net of any provision for doubtful debts.

(b) Interest Rate Risk Exposure

The Company's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the Company intends to hold the fixed rate assets and liabilities to maturity.

2003

	Note	Floating interest rate	Fixed interest maturing in:			Non- Interest Bearing	Total
			1 year or less	1 year to 5 years	over 5 years		
Financial assets							
Cash	6	693,724	-	-	-	400	694,124
Receivables	7, 9	-	-	-	-	99,098	99,098
		693,724	-	-	-	99,498	793,222
Weighted average interest rate		1.00%	-	-	-	-	
Financial liabilities							
Payables	12	-	-	-	-	107,427	107,427
		-	-	-	-	107,427	107,427
Weighted average interest rate		-	-	-	-	-	
Net financial assets/ (liabilities)		693,724	-	-	-	(7,929)	685,795

FINANCIAL REPORT

(continued)

Notes to the Financial Statements

17. Financial instruments (continued)

2002

	Note	Floating interest rate	Fixed interest maturing in: 1 year or less	1 year to 5 years	over 5 years	Non- Interest Bearing	Total
Financial assets							
Cash	6	14,657	-	-	-	100	14,757
Receivables	7, 9	-	-	-	-	290,642	290,642
		14,657	-	-	-	290,742	305,399
Weighted average interest rate		1.00%	-	-	-	-	-
Financial liabilities							
Payables	12	-	-	-	-	964,417	964,417
		-	-	-	-	964,417	964,417
Weighted average interest rate		-	-	-	-	-	-
Net financial assets/ (liabilities)		14,657	-	-	-	(673,675)	(659,018)

(c) Net Fair Value of Financial Assets and Liabilities

The net fair value of financial assets and financial liabilities of the Company approximate their carrying value.

	2003 \$	2002 \$

18. Remuneration of directors

Income paid or payable, or otherwise made available, to directors by the Company and related parties in connection with the management of affairs of the Company.

306,083	143,000
----------------	---------

The number of directors whose income from the Company was within the specified bands, are as follows:

	No. 2003	No. 2002
\$ 20,000 to \$ 29,999	3	4
\$ 40,000 to \$ 49,999	-	1
\$120,000 to \$129,999	2	-

FINANCIAL REPORT

(continued)

Notes to the Financial Statements

19. Remuneration of executives

	2003	2002
	\$	\$
Income received or due and receivable from the Company and related parties by executive officers, including directors, whose income was at least \$100,000.	<u>265,001</u>	<u>-</u>

The number of executive officers, including directors, whose remuneration from the Company and related parties was within the specified bands are as follows:

\$120,000 to \$129,999	<u>2</u>	<u>-</u>
------------------------	----------	----------

20. Remuneration of auditors

Amounts received or due and receivable by the auditors for:

Auditing the financial reports of Universal Resources Limited	8,297	9,079
Other services	<u>6,222</u>	<u>5,856</u>
	<u>14,519</u>	<u>14,935</u>

Horwath Perth were appointed the company auditors 30 November 1999.
Rotation of Partners is due 30 November 2006.

21. Contingent liabilities

Under the terms of the Roseby Acquisition Agreements with Pasminco and Lake Gold and the sale agreement with Bolnisi the Company has a contingent liability of \$2,280,250. See note 22 (b) (i).

The company also has a liability for royalties contingent on projects advancing into production. See Note 22 (b) (i) and (iii).

The Company accepts that a contingent liability exists in relation to expenditure commitments for restoration and rehabilitation in relation to any applications for exploration licenses granted. No amounts are currently carried in the financial accounts for this.

FINANCIAL REPORT

(continued)

Notes to the Financial Statements

22. Commitments for expenditure

Minimum Tenement Expenditure

- (a) The Company accepts there may be a liability for minimum annual expenditure commitments in relation to maintaining exploration licenses over mineral tenements in good standing. Quantifiable amounts for granted tenements or those with some certainty are disclosed below.

	2003	2002
	\$	\$
STATE GOVERNMENT AUTHORITY:		
Not later than 1 year ¹	314,000	503,242
Later than 1 year but not later than 5 years ^{1,2}	1,256,000	1,642,464
Later than 5 years	-	-
JOINT VENTURE COMMITMENTS:		
Not later than 1 year ¹	0	224,041
Later than 1 year but not later than 5 years	3,442,212	4,021,166
Later than 5 years	-	-
	5,012,212	6,390,913

¹ Expenditure commitments contain amounts that have been proposed to be spent but not yet approved by the Department of Mines and Natural Resources.

² Tenements are subject to renewal annually and thus commitments in excess of 12 months are subject to the Company wishing to retain the properties, and of maintaining them in good standing by meeting the minimum annual expenditure requirement. Commitments beyond one year are estimated by the Company.

FINANCIAL REPORT

(continued)

Notes to the Financial Statements

22. Commitments for expenditure (continued)

(b) Capital Expenditure Commitments

The Company has agreed to capital expenditure commitments in relation to agreements for purchase of mineral tenements as follows:

i) Roseby Agreements

Under the terms of the Roseby Acquisition Agreements with Pasminco and Lake Gold and the sale agreement with Bolnisi the Company has certain outstanding commitments and contingent liabilities as follows:

- Contingent upon the first to occur of:
 - completion of a first favourable feasibility study into mining an ore-body or bodies on the Roseby tenements; or
 - the commencement of commercial mining on the tenements;The payment to Pasminco of \$2,000,000 and to Lake Gold of \$280,250 to be shared by the Company and Bolnisi pro rata to the equity interests each company has in the area of the proposed mining operation the subject of the first favourable feasibility study or the commercial mining operation; and
- Royalty payments to Pasminco and Lake Gold totalling 1.5% of the net smelter return derived from mining operations on the Roseby tenements, to be shared pro rata by Bolnisi and the Company.

Under the terms of the Joint Venture Agreement with Bolnisi, Universal has the right but not the obligation to sole fund exploration expenditure (within the exploration area) of up to \$5 million over a maximum of 5 years ending on 31 October 2006 provided the following minimum annual expenditure is met:

- \$ 750,000 each year to 31 October 2006.
The Company's expenditure at Roseby is currently ahead of the minimum requirements.

ii) Downmill Pty Ltd ("Downmill") and Nosebi Mining and Management Pty Ltd ("Nosebi")

Pursuant to the terms of the agreements to purchase EL's 5812 (Collector), 5759 (Archer) and 5692 (Burra) from Downmill and Nosebi (the "Vendors"), the Vendors retain a 10% interest in each tenement, free carried in each case by the Company to the point where a decision to mine is made. Universal must meet the applicable expenditure commitment required to maintain the tenements in good standing.

FINANCIAL REPORT

(continued)

Notes to the Financial Statements

22. Commitments for expenditure (continued)

iii) Royalties

All tenements held by the Company are subject to the payment of production royalties to the respective State Governments. The rate of such royalties varies depending upon the State, the minerals produced and sold and other factors.

In addition to the royalty payable in relation to the Roseby Project, the company has a liability to pay net smelter return royalties to other tenement vendors, contingent upon those tenements being mined in the future, as follows:

- Cameron River – 2%
- Happy Valley – 2%

23. Related parties

The Directors of the Company during the financial period were:

P A J Ingram	Chairman and Managing Director
M W H Hoyle	Exploration Director
C T Ansell	Non-Executive Director
J A Walls	Non-Executive Director
K J Fooks	Non-Executive Director

Remuneration of directors

Information on remuneration of directors is disclosed in note 17.

Related party disclosures

Other Transactions with Directors

The following related party transactions occurred during the financial year.

Hoylex Industries Pty Ltd, a company of which Mr M W H Hoyle is a director, has provided management services at a discount to normal commercial terms prior to the appointment of Mr Hoyle as an executive of the Company. The total amount paid to Hoylex Industries Pty Ltd during the financial year was \$3,000, exclusive of GST (this amount is included in remuneration – see Note 15).

During the year the company purchased a motor vehicle from Mr Peter Ingram at its market value of \$35,000 plus stamp duty of \$2,026.30.

FINANCIAL REPORT

(continued)

Notes to the Financial Statements

23. Related Parties (continued)

Interests in the shares and options of the Company held by directors and their director related entities as at 30 June 2003.

Ordinary Shares

Director	Opening balance	Acquired during year	Disposed during year	Closing Balance
P A J Ingram & M W H Hoyle as tenants in common	80,100	-	-	80,100
P A J Ingram	4,700,000	10,000	-	4,710,000
M W H Hoyle	2,970,000	-	-	2,970,000
M W H Hoyle (indirectly)	94,000	-	-	94,000
C T Ansell	610,000	70,000	-	680,000
J A Walls	500,000	-	-	500,000
J A Walls (indirectly)	200,000	-	-	200,000
K J Foots	200,000	-	-	200,000

Options over Ordinary Shares

Director	Opening balance	Acquired during year	Disposed during year	Closing Balance
P A J Ingram & M W H Hoyle as tenants in common	40,500	-	-	40,500
P A J Ingram	2,350,000	5,000	-	2,355,000
M W H Hoyle	1,485,000	-	-	1,485,000
M W H Hoyle (indirectly)	47,000	-	-	47,000
C T Ansell	305,000	5,000	-	310,000
J A Walls	250,000	-	-	250,000
J A Walls (indirectly)	100,000	-	-	100,000
K J Foots	100,000	-	-	100,000

During the year no director options were cancelled or expired.

24. Events occurring after balance date

On 9 August 2003 Universal lodged with the Australian Securities and Investment Commission ("ASIC") a prospectus for an issue of 8,500,000 fully paid ordinary shares. The offer closed fully subscribed.

The directors are satisfied the company has adequate working capital.

FINANCIAL REPORT

(continued)

Notes to the Financial Statements

	2003	2002
	\$	\$
25. Reconciliation of loss from ordinary activities after income tax expense to net cash outflow from operating activities		
(a) Reconciliation of cash balance comprises:		
- Cash on hand	400	100
- Cash at bank	693,724	11,513
- Deposits on call	-	3,144
Total cash on hand	694,124	14,757
(b) Reconciliation of loss from ordinary activities after income tax expense		
Loss from ordinary activities after income tax expense	458,248	369,308
Depreciation	(42,355)	(2,266)
Deferred exploration expenditure written off	(97,441)	-
Increase in receivables	59,072	217,653
(Increase) decrease in payables	407,819	(405,114)
Increase in prepayments	21,074	-
Increase in provision for annual leave	(15,538)	-
Net cash outflow from operating activities	790,879	179,581
26. Earnings per share		
Basic loss per share (cents per share)	(0.9)	(1.1)
Diluted loss per share (cents per share)	(0.9)	(1.1)
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	56,713,578	32,130,215
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	56,713,578	32,130,215

FINANCIAL REPORT

(continued)

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 23 to 41:

- (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Company's financial position as at 30 June 2003 and its performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



P A J Ingram

CHAIRMAN

Dated at Perth on this 19th day of September 2003.

**Horwath Perth**

ABN 13 412 308 092

Chartered Accountants

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**Independent audit report to members of
Universal Resources Limited****Scope***The financial report and directors' responsibility*

The financial report comprises the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Universal Resources Limited (the company), for the year ended 30 June 2003.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.



Audit opinion

In our opinion, the financial report of Universal Resources Limited is in accordance with:

(a) the Corporations Act 2001, including:


- (i) giving a true and fair view of the company's financial position as at 30 June 2003 and of its performance for the year ended on that date; and
- (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

Dated the 19th day of September 2003.

HORWATH PERTH

Chartered Accountants

HORWATH PERTH


GLYN O'BRIEN

Partner

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report.

SHAREHOLDINGS

SUBSTANTIAL SHAREHOLDERS

The following substantial shareholders have lodged notices with the Company as at 31 August 2003.

Holdings	Ordinary shares
Peter Anthony Ingram	4,790,100
Maurice Wolfe Holt Hoyle & Hoylex Industries Pty Ltd	3,144,100

CLASS OF SHARES AND VOTING RIGHTS

At 31 August 2003, there were 536 holders of the ordinary shares of the Company. The voting rights attaching to the ordinary shares, set out in clause 12.7 of The Company's Constitution, are:

Subject to any special rights or restrictions for the time being attaching to any class of Shares.

- on a show of hands, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder has one vote; and
- on a poll every person present who is a Shareholder or a proxy, attorney, or Representative of a Shareholder shall, in respect of each fully paid 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 a fraction of a vote for each partly paid Share. The fraction shall be equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable, excluding amounts credited, provided that amounts paid in advance of a call are ignored when calculating a true proportion.

At 31 August 2003, there were options over 29,356,789 unissued ordinary shares. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised.

ON-MARKET BUY-BACK

There is no current on-market buy-back.

DISTRIBUTION OF SHARE HOLDERS

(as at 31 August 2003)

Category	Number of holders	
	Ordinary shares	Options
1 – 1,000	1	1
1,001 – 5,000	15	150
5,001 – 10,000	158	49
10,001 – 100,000	288	142
100,000 and over	74	56
	<hr/>	<hr/>
	536	398

There were 16 holders holding less than a marketable parcel of ordinary shares.

UNQUOTED SECURITIES

The number of unquoted shares and options on issue as at 3 September 2003 was 8,338,885 ordinary shares and 5,169,443 options.

ASX ADDITIONAL INFORMATION

(continued)

RESTRICTED SECURITIES

The following securities are restricted securities as at 3 September 2003:

Restriction period applied by ASX	Ordinary shares	Options	Date of release
	8,338,885	5,169,443	2 September 2004

TWENTY LARGEST SECURITY HOLDERS

(as at 31 August 2003)

Holder name	Ordinary Shares		Options	
	Number	%	Number	%
Pasminco Australia Ltd	6,666,666	11.75	3,333,333	11.35
Peter Anthony John Ingram	4,700,000	8.29	2,350,000	8.00
Maurice Wolfe Holt Hoyle	2,970,000	5.24	1,485,000	5.06
Lake Gold Pty Ltd	1,927,980	3.40	963,990	3.28
Smew Pty Ltd			948,212	3.23
John Stephen Nitschke	1,380,000	2.43	690,000	2.35
Dalkeith Resources Pty Ltd <Super A/C>			625,000	2.13
Inxs Pty Ltd			600,000	2.04
Broken Ridge Pty Ltd	1,100,000	1.94	550,000	1.87
Mrs Gladys Irene Adams			512,000	1.74
ANZ Nominees Limited	1,046,000	1.84		
Becamal Pty Ltd	1,000,000	1.76	500,000	1.70
Dalkeith Resources Pty Ltd			500,000	1.70
Dr Peter John Woodford	851,000	1.50		
Eastrose Pty Ltd	850,000	1.50	430,000	1.46
Peter Alfred Ternes	850,000	1.50		
Nosebi Mining & Management Pty Ltd	800,000	1.41	400,000	1.36
Donald Norman Coultas	750,000	1.32		
William Carr	700,000	1.23		
F H Nominees Pty Ltd	700,000	1.23		
Josteni Pty Ltd	660,000	1.16		
Dominion Metals Pty Ltd	650,000	1.15		
Stillwater Holdings Pty Ltd	630,000	1.11		
Campbell Theodore Ansell	610,000	1.08		
Cairnglen Investments Pty Ltd	591,666	1.04	392,500	1.34
ANZ Nominees Ltd			365,000	1.24
Barbara Hoehl Milech			350,000	1.19
Invesco Nominees Pty Ltd			338,000	1.15
Josteni Pty Ltd			330,000	1.12
Leonard & Janet Corser			325,000	1.11
Total	29,433,312	51.88	15,988,035	54.42

OTHER INFORMATION

Universal Resources Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of Universal Resources Limited ACN 090 468 018 (“Company”) will be held at 12 Noon on Wednesday 12 November 2003 at The Celtic Club, 48 Ord Street West Perth WA 6005, for the purpose of transacting the following business referred to in this Notice of Annual General Meeting (“Notice”).

A Proxy Form accompanies this Notice.

GENERAL BUSINESS

ANNUAL ACCOUNTS

To receive and consider the financial statements of the Company for the year ended 30 June 2003, consisting of the Statements of Financial Performance, the Statement of Financial Position, Statements of Cash Flows, the Directors’ Report, Directors’ Declaration and Auditors’ Report.

RESOLUTION 1: RE-ELECTION OF MR KEN FOOTS AS A DIRECTOR

To consider and, if thought fit, to pass the following resolution as an **ordinary** resolution:

“That Mr Ken Foots, being a director of the Company who retires in accordance with the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company.”

RESOLUTION 2: RATIFICATION OF SHARE ISSUE

To consider and, if thought fit to pass the following as an ordinary resolution:

“That for the purpose of Listing Rule 7.4 of the Listing Rules of the Australian Stock Exchange Limited and for all other purposes, shareholders ratify the issue of up to 8,500,000 fully paid ordinary shares in the capital of the Company at an issue price of 9.0 cents per share, (details of which are set out in the Explanatory Statement) to clients of participant organisations of the Australian Stock Exchange Ltd and Private Investors.

The Company will disregard any votes cast on this resolution by any of the allottees and any associates of the allottees.

However, the Company need not disregard a vote if it is cast by any of the allottees as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act 2001(Cth).

IMPORTANT NOTES

1. For further information and explanation on the above resolution, please refer to the “Explanatory Statement” which is annexed to and forms part of this Notice of General Meeting.
2. The resolutions are required pursuant to the provisions of the Listing Rules of the Australian Stock Exchange Ltd, the Constitution of the Company and the Corporations Act 2001.

BY ORDER OF THE BOARD

D J Kelly
COMPANY SECRETARY

Dated: 19th September 2003

NOTICE OF ANNUAL GENERAL MEETING

(continued)

PROXIES

- Votes at the general meeting may be given personally or by proxy, attorney or representative.
- A shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies to attend and vote at this meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholders voting rights.
- A proxy may but need not be a shareholder of the Company.
- The instrument appointing of a proxy must be in writing, executed by the appointor or his/her attorney duly authorised in writing or, if such appointer is a corporation, either under seal or under hand of an officer or his/her attorney duly authorised.
- The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the Registered office of the Company at least 48 hours prior to the meeting. For the convenience of shareholders a Proxy Form is enclosed.

For the purposes of section 1074E(2) of the Corporations Act 2001 and regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding ordinary shares at the close of business on 10 November 2003 will be entitled to attend and vote at the Annual General Meeting.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to assist shareholders with their consideration of the resolution proposed for the General Meeting of Universal Resources Limited (“the Company”) to be held on Wednesday 12 November 2003 at the Celtic Club Inc, 48 Ord Street, West Perth, Western Australia 6005 at 12.00 noon.

RESOLUTION 2: RATIFICATION OF SHARE ISSUE

On 9 September 2003 the Company issued a Prospectus for the issue of up to 8,500,00 shares at an issue price of 9.0 cents each to clients of member companies of the Australian Stock Exchange Ltd and private investors for working capital purposes and to fund further exploration at the Company’s projects in Australia, particularly at the Roseby Project in Queensland. The shares are to be issued pursuant to the Company’s capacity to issue up to 15% of its issued capital without shareholder approval.

Shareholder ratification of the issue of these shares is now sought pursuant to ASX Listing Rule 7.4 to reinstate the Company’s capacity to issue up to 15% of the issued capital in any 12 month period without shareholder approval.

For the purpose of the ASX Listing Rule 7.5, the following information is provided in relation to Resolution 2

- (a) the number of Shares to be allotted and issued is 8,500,000 Shares;
- (b) the Shares are to be issued at a price of 9.0 cents each;
- (c) the Shares will rank pari passu with the existing fully paid ordinary shares in the capital of the Company;
- (d) the Shares are to be issued to clients of member companies of the Australian Stock Exchange Ltd and private investors for working capital purposes and to fund future exploration.

PROXIES

Members can return their proxy appointments to the Company by facsimile on the facsimile number set out on the proxy form.

NOTES

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UNIVERSAL  RESOURCES

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