



QUARTERLY REPORT FOR THE PERIOD ENDED 31 MARCH 2003

HIGHLIGHTS

EXPLORATION

Burra

A seven hole RC drilling program at the Burra project in NSW intersected sulphide derived high grade zinc oxide mineralization at the London Bridge prospect. The best intersection was in hole RCB 003:

**16m (from 39m) @ 11.26% zinc
including – 11m (from 39m) @ 14.77% zinc**

Roseby – Exploration Joint Venture

Drilling at the Little Eva, Horseshoe Flat and Lady Clayre prospects commenced in April 2003. Results from this drilling should be available in May and June.

Roseby – Feasibility Joint Venture

A new resource estimate for the Blackard deposit increased the quality of the Resource (at a 0.5% cut-off) to mainly Measured and Indicated categories as follows:

| Mineralisation Type | Category | Tonnes (Mt) | Grade (% Cu) |
|---------------------|--------------|-------------|--------------|
| Native Copper | Measured | 13.7 | 0.78 |
| | Indicated | 7.9 | 0.73 |
| | Inferred | 3.4 | 0.71 |
| | Total | 25.0 | 0.76 |
| Malachite | Inferred | 1.8 | 0.66 |
| All | Total | 26.8 | 0.75 |

Resource estimation is based on a total of 282 holes and 25,784 metres of drilling, of which 130 holes and 13,898 metres were completed during the second half of 2002.

Gold has been recovered from the gravity tail flotation concentrate from the Blackard Deposit metallurgical samples.

RESEARCH REPORT

A research Report prepared by Montagu Stockbroking has been provided to the Company, is included with this report and is available on our web site. The report considers the company's shares to be significantly undervalued on the stock market.

QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2002

1. EXPLORATION

1.1 ROSEBY, QLD – *Universal 50%*

The Roseby Copper Project covers an area of 1,000 square kilometres 65 kilometres northwest of Cloncurry in the Mt Isa-Cloncurry field in Queensland. The Project involves two joint ventures:

- The Exploration Joint Venture which incorporates a number of exploration targets, including two significant deposits of copper-gold mineralisation of the Ernest Henry-Olympic Dam style; and
- The Feasibility Joint Venture, which contains seven oxide copper deposits with resources totalling 61.4 million tonnes at a grade of 0.74% Cu.

Universal holds a 50% interest in the two joint ventures and is the manager of and has the right to increase its interest in the Exploration Joint Venture to 70%. The Company's joint venture partner, Bolnisi Logistics Pty Ltd (Bolnisi), is the manager of and has the right to increase its interest in the Feasibility Joint Venture to 70%.

1.1.1 Exploration Joint Venture – *Universal increasing to 70%*

No field work has been undertaken since the December 2002 quarter due to the difficulties of access during the north Queensland wet season.

June Quarter Drilling

Drilling recommenced at Roseby on 15 April with a planned program of 2,500m of mainly RC drilling with some diamond core “tails” that will focus on three targets:

- Horseshoe Flat, to complete the 2002 program terminated due to excessive water flows without reaching the target;
- Little Eva, with the objective of testing the mineralised porphyry to a vertical depth of about 350m; and
- Lady Clayre, where the objective is to confirm the geometry of and controls on mineralisation outlined by previous work.

December Half Drilling

Subject to the results of the June quarter drilling programs, Universal proposes to undertake a more substantial program of approximately 10,000m of RC and RAB drilling in the second half of 2003, the objective of which will be to:

- increase resources at Little Eva by drilling strike and depth extensions to the current resource area;
- commence resource definition drilling at the Lady Clayre deposit; and
- undertake preliminary drill testing at the Bedford, Wonga-Tin Lizzie and Tin Lizzie West targets along the major mineralising conduit of the Mount Rose Bee Fault.

1.1.2 Feasibility Joint Venture – *Universal reducing to 30%* (as reported by Bolnisi Logistics Pty Ltd)

Summary

- A resource estimate has been completed for the Blackard deposit.
- Rougher/cleaner flotation tests have been completed and successful in producing high grade concentrates for each of the variability samples.
- Standard flotation conditions and reagents have continued to produce the highest recoveries.
- Gold values present in the Roseby Blackard deposit gravity tail flotation concentrate.
- A preliminary mining study for the Blackard deposit was completed and some budget mining costs sought from mining contractors.
- Negotiations have commenced regarding mains power supply.
- The Environmental Impact Statement submission is progressing.

Resources

A new resource estimate for the Blackard deposit was completed by consultants Hellman & Schofield Pty Ltd, of Sydney. Blackard is one of seven native copper deposits within the feasibility study joint venture. Pasmaenco established resources within these seven deposits of 62.3 million tonnes at a grade of 0.75% Cu.

The new resource estimate for Blackard is based on recent drilling which has confirmed the previous Pasmaenco indicated/inferred resource estimate and resulted in an upgrade of resource classification to be dominantly Measured and Indicated categories without any significant reduction in total contained metal. Details of the resource estimate at a 0.5% copper cut-off grade are tabulated below:

| Blackard Copper Deposit | | | |
|--------------------------------|-----------------|--------------------|---------------------|
| Mineralisation Type | Category | Tonnes (Mt) | Grade (% Cu) |
| Native Copper Domain | | | |
| | Measured | 13.7 | 0.78 |
| | Indicated | 7.9 | 0.73 |
| | Inferred | 3.4 | 0.71 |
| | Total | 25.0 | 0.76 |
| Malachite Domain | Inferred | 1.8 | 0.66 |
| All | Total | 26.8 | 0.75 |

Resource estimation is based on a total of 282 holes and 25,784 metres of drilling, of which 130 holes and 13,898 metres were completed by the Joint Venture during the second half of 2002.

The combined native copper resource consists dominantly of native copper with a contained metal equivalent of 190,000 tonnes of copper.

The inferred malachite resource overlies the native copper deposit. The viability of this malachite resource is yet to be determined.

Field activities have been restricted during the north Australian wet season, however planning for further drilling programs, together with preliminary pit design and environmental studies have been completed. Drilling is planned to commence at the nearby Legend and Great Southern oxide copper deposits in the second quarter of 2003.

Metallurgy

Metallurgical test work continued on material from 8 core holes drilled in the Blackard deposit at Roseby in June/July 2002.

Optimet Laboratories in Adelaide have completed a series of flotation tests on the fresh core material. The samples tested are a composite of material from the native copper zones from the 8 core holes plus the 19 individual composite samples of which the master composite is comprised. The native copper zone accounts for the majority of the material in the Roseby copper deposits and is the focus of the development of the Roseby Copper Project.

The tests followed on from the successful flotation test work conducted previously, to evaluate cleaner flotation of the rougher concentrates produced from each of the variability composites. The cleaner tests successfully upgraded the rougher concentrates to an average of 60% copper with overall copper recovery of 57% of the total contained copper. It has been estimated from previous work that approximately 60% of the total copper is present as native copper.

Acid leaching of the native copper concentrate was investigated. Sulphuric acid leaching in the presence of oxidizing agents such as ferric sulphate and with oxygen injection were tested. Acid consumption was high and dissolution of the copper was incomplete. Further work will continue to test other reagents and schemes.

To produce sufficient quantity of native copper concentrate for leach testing, 108 kilograms of gravity tail was bulk floated. Gravity separation and rougher/cleaner flotation results from this bulk master composite sample gave a calculated copper recovery of 57%, which is consistent with the average recoveries to cleaner concentrate for the variability rougher/cleaner flotation tests.

Engineering and Design

A preliminary mining study and pit design has been completed for the Blackard deposit using assumed process and mining costs based on test work to date. Further geotechnical work is required to determine the pit slopes for the pit, using the preliminary pit circumference determined from the design. At this stage conservative pit slopes have been assumed based on some early assessments of small sections of core. More specific geotechnical drilling is required.

The preliminary pit design has been used to obtain some budget mining costs from some contract mining companies. The data generated will be used to firm up financial evaluation of the Roseby Copper Project.

Engineering studies related to waste dump and tailings dam design have also commenced.

Negotiations for and evaluation of different power supply options for Roseby are continuing.

Permitting

An Environmental Impact Study has been commissioned and initial lodgements will be made to the Environmental Protection Agency in May 2003. The Company has also taken over the responsibility of environmental monitoring in the area from Pasmenco which includes dust and surface water sampling, weather station reporting and groundwater monitoring.

1.2 BURRA, NSW – *Universal 90%*

During the quarter, a program of RC drilling was undertaken at Burra, located 20 kilometres south of Queanbeyan, NSW.

Program

A 769 metre program of RC drilling was completed in the central eastern portion of the Burra Project tenement, EL 5692. Details of the holes are listed below (Figure 2).

| HOLE No | DEPTH (m) | AZIMUTH (Degrees Magnetic) | DIP (Deg.) | AMG CO-ORDINATES (m) | | RL (m) |
|---------|-----------|----------------------------|------------|----------------------|---------|--------|
| | | | | NORTH | EAST | |
| RCB 001 | 126 | 124.5 | 58 | 703246 | 6064789 | 752.3 |
| RCB 002 | 96 | 124.5 | 58 | 703263 | 6064777 | 754.5 |
| RCB 003 | 90 | 124.5 | 58 | 703233 | 6064736 | 752.2 |
| RCB 004 | 100 | 124.5 | 58 | 703217 | 6064747 | 749.6 |
| RCB 005 | 141 | 124.5 | 58 | 703301 | 6064808 | 751.0 |
| RCB 006 | 90 | 124.5 | 58 | 703282 | 6064823 | 749.8 |
| RCB 007 | 126 | 124.5 | 58 | 703355 | 6064858 | 742.5 |

Assays of one metre samples were undertaken by Australian Laboratory Services Pty Ltd in their Orange laboratory using the method OG46/AA46.

Objective

The program objective was to test part of a four kilometre long belt of zinc dominant polymetallic bedrock geochemical anomalism.

In particular, the program tested the London Bridge anomaly in the vicinity of old diamond drill hole DDH 4 (from the 1970's) which intersected 2.8m of massive sulphide mineralisation assaying 15.6% zinc and 0.68% lead. Surface outcrops of zinc mineralisation related to the anomaly assayed up to 26.3 % zinc.

RESULTS

Geological Setting

The London Bridge anomaly is part of a semi-continuous zinc anomaly trending approximately NS, overlying Silurian – Devonian felsic volcanic flows and fragmentals which are interbedded and/or interdigitated with marine sediments and carbonate lenses of the Colinton Volcanics and Cappanana Formation. These rocks have formed 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.

Volcanogenic Massive Sulphide (VMS) deposits of zinc-copper-lead-silver-gold have been mined at Woodlawn and Captains Flat. Targets within the Burra EL are considered to have potential to host similar deposits

Drill Results

Mineralised intersections in all holes with assays over 1% zinc are listed below.

| HOLE No | INTERSECTION (m) | | | ASSAYS | | |
|---------|------------------|----|--------|----------|----------|--------------|
| | FROM | TO | LENGTH | ZINC (%) | LEAD (%) | SILVER (gpt) |
| RCB 002 | 21 | 25 | 4 | 1.29 | 0.17 | |
| | 33 | 35 | 2 | 2.38 | 0.36 | |
| | 48 | 49 | 1 | 1.44 | 2.38 | |
| RCB 003 | 39 | 55 | 16 | 11.26 | 0.98 | 7 |
| | incl. 39 | 50 | 11 | 14.77 | 1.23 | 9 |

RCB 001 collared 12m NE of DDH 4 intersected zinc mineralisation up to 0.66% zinc adjacent to 3m of cavernous ground where mineralisation was anticipated to occur.

RCB 002 was drilled to intersect the target horizon 30m from surface and above DDH 4 and intersected at least 2m of zinc mineralisation > 1% (from 33m) adjacent to an 8m cavern in the anticipated mineralised zone.

RCB 003 was collared 50m S of DDH 4 and intersected the mineralised target in the oxide zone. Mineralogical studies have not yet been completed.

RCB 004 was drilled on section below RCB 003. It intersected anomalous zinc in the upper part of the hole and intersected a cavity in the main target zone.

RCB 005 and 006 were drilled on a section 50m N of DDH 4. They intersected broad zones of anomalous zinc and lead values of <1% grade.

RCB 007 tested a shale hosted ironstone outcrop located east of the London Bridge target and intersected anomalous zinc (up to 0.59%) in limonitic-pyritic black shale with clay zones.

Discussion

It appears that the zinc sulphide mineralisation intersected in DDH 4 may be near the lower and northern edge of a south plunging body of mineralisation. Drilling to the north and at depth failed to intersect significant mineralisation. Drilling to the south intersected high grade zinc-lead mineralisation in the oxide zone with an apparent width of 16m.

Mineralogical studies indicate the oxide mineralization to be derived from zinc and lead sulphides.

Further drilling will be required to test the target in the sulphide zone and further south.

1.3 EXPLORATION EXPENDITURE

As at 31 March 2003:

- March quarter exploration expenditure was \$293,000
- Working capital was \$1,831,000

Exploration expenditure during the June 2003 quarter is expected to be \$900,000, including an amount of \$500,000 payable to Pasma Australia Limited in June 2003 as part of the Roseby Project acquisition cost.

P. A. J. INGRAM (BSc, FAusIMM, MGSA, FAICD)
Chairman and Managing Director
28 April 2003

In accordance with the Australian Stock Exchange Limited Listing Rules 5.10, 5.12 and 5.13, technical information contained in this report has been compiled by a competent person who is a corporate member of the Australasian Institute of Mining and Metallurgy and who has consented in writing to the inclusion of such technical information in the form in which it appears in this report. The competent persons are listed below.

In relation to all technical matters other than for the Roseby Feasibility Joint Venture:

M. W. H. Hoyle who is also a Director of Universal Resources Limited.

In relation to the Roseby Feasibility Joint Venture:

Mr Graeme Rabone who is a geological consultant to Bolnisi Gold NL, the parent company of Bolnisi Logistics Pty Ltd (jointly referred to as 'Bolnisi');

Mr J S Skeet who is a consultant metallurgist and Development Manager for Bolnisi;

Dr P L Hellman of Hellman and Schofield Pty Ltd, Resource Consultants to Bolnisi.