

ROSEBY COPPER PROJECT UPGRADE OF PLANT TO 5 MTPA IMPROVES PROJECT ECONOMICS

Universal Resources Limited (“URL” or the “Company”) is pleased to report an upgrade of the Roseby Copper Project to a throughput of 5 million tonnes per annum (5Mtpa) following a review of the Project by GR Engineering Services (GRES), the company selected to build the plant on the basis of a guaranteed maximum price contract.

As a result of the upgrade, the Project is now expected to generate an average operating surplus of around \$112 million per annum, an increase of 34.8% over the original DFS. Project NPV is estimated to increase by 11.3% to \$355 million.

The purpose of the review was to determine:

- The most suitable tonnage and blend of ores to gain maximum economic benefit from the SAG mill to be acquired for the operation;
- Modifications to the plant required to fully utilise the mill capacity; and
- Additional capital expenditure required to implement the recommended modifications and any change to the mining schedule.

GRES have concluded that, with minimal additional capital expenditure, the plant could be upgraded to a throughput of 5Mtpa utilising a blend of 60% soft native copper ores and 40% of harder sulphide ores, improving milling characteristics and significantly increasing copper production.

Results of the revised and upgraded operation are summarised in the following table.

	Units	March 08 DFS	Upgraded DFS	Improvement
Throughput	Mtpa	4.0	5.0	25.0%
Ore blend	Oxide:sulphide	72.5:27.5	60:40	-
Copper production (in concentrates)	Av Tpa	20,475	26,052	27.2%
Gold production (in concentrates)	Av Oz pa	4,740	6,956	46.8%
Mine life	Years	12.5	9.6	23.2%
Capital costs	A\$M	196.7	212.8	8.2%
LOM operating surplus	A\$M	1,037	1,075	3.6%
Average annual operating surplus	A\$Mpa	83	112	34.8%
Net Present Value (8.5% discount)	A\$M	319	355	11.3%
Internal Rate of Return	%	36	37	2.8%
Capital payback period	Years	2.2	2.1	4.5%

Financial outcomes are derived from the base case financial model, which uses the forward curves for copper price, gold price and US\$/A\$ exchange rate.

Universal directors believe the more robust financial outcomes of the revised operation will make the project increasingly attractive to potential financiers.

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