



**QUARTERLY ACTIVITY REPORT**  
**For the Period Ended**  
**31 March 2009**

**Universal Resources Limited**  
**ACN 090 468 018**  
**[www.universalresources.com.au](http://www.universalresources.com.au)**

**Quarterly Report for the Period Ended 31 March 2009**

**SUMMARY**

**Corporate**

- **\$1.7M raised through fully underwritten rights issue.**
- **Converting Note interest paid in shares and cash.**
- **552,799,439 FPO shares on issue after rights issue and payment of interest.**
- **Expenditure reductions implemented from 1 October 2008.**
- **Renewed interest in funding for Roseby Project by financial institutions.**

**Exploration and Development**

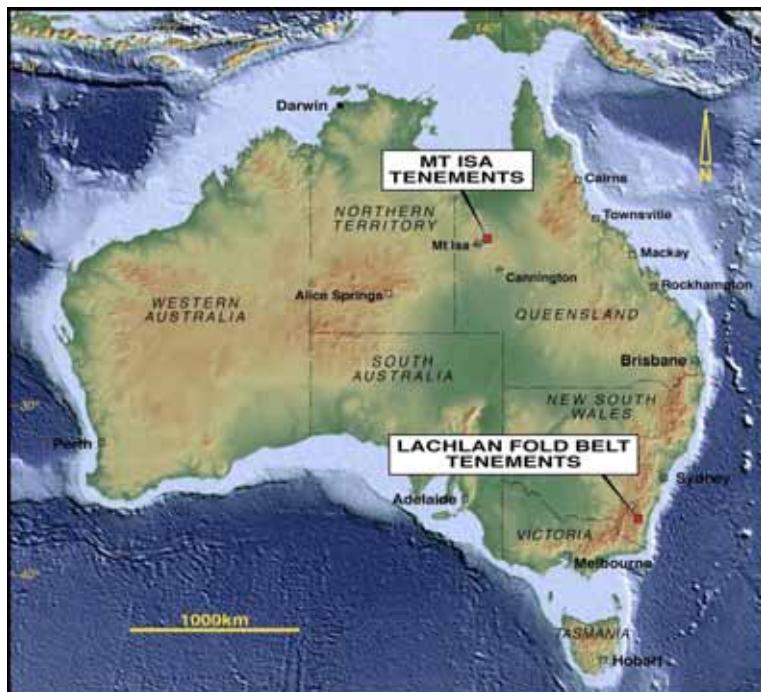
- **Recent increases in the copper price have triggered increased enquiries from potential providers of finance for the Roseby Copper Project. Discussions with a number of institutions are on-going.**
- **Dronfield Project farmed out to Syndicated Metals Limited.**
- **Spider Project uranium potential farmed out to Deep Yellow Limited. Base metal potential retained by Universal.**
- **Advanced negotiations for the farm-out of other non-core projects.**

## Quarterly Report for the Period Ended 31 March 2009

### DETAILED REPORT

#### 1. INTRODUCTION

Universal Resources Limited (**Universal** or the **Company**) is an Australian public listed company (**ASX Code: URL**) with substantial tenement holdings in two of Australia's major base and precious metal provinces: the Mt Isa Inlier in Queensland and the Lachlan Fold Belt in NSW (Figure1).



*Figure 1: Universal Project Locations*

Universal's major asset is the Roseby Copper Project, one of Australia's largest undeveloped open pit copper resources with 128.54 million tonnes of JORC compliant resources containing 878kT of copper and 239kOz of gold (refer to the table on page 7 for details).

A detailed feasibility study (DFS) of a 5 million tonnes per annum (Mtpa) mine, concentrator and associated infrastructure was completed in September 2008. That study indicated the Project was both technically feasible and economically viable based on the financial assumptions used in the study.

With the almost total collapse of credit markets around the world by late 2008, there was an associated major decline in metal prices, including copper. As a result, the Company deferred financing and development of the Project.

Recent improvements in metal prices may be a precursor to improved economic conditions generally and particularly in global credit markets.

The Roseby Project is in a fortunate position relative to many competing projects seeking development finance: it has a completed feasibility study, is located in Australia, with its stable political and social environment, a highly skilled mining workforce, well established infrastructure and the extremely favourable geological setting in the Mt Isa Inlier, host to many world class ore bodies, including deposits of copper, copper-gold, lead-zinc-silver and phosphate.

## 2. CORPORATE

### Capital Raising

On 14 January 2009 the Company announced its intention to raise additional funds for working capital purposes by way of a fully underwritten non-renounceable rights issue to existing shareholders on the basis of one new share for every two shares held on the record date, at an issue price of 1c per share. The issue was successfully completed on 25 February 2009 and raised \$1,720,112 before costs.

The funds raised by the issue are to be used for working capital and should, along with other measures being implemented, ensure the Company can survive through the current global financial crisis.

### Converting Notes

Following restructuring of the Converting Notes (**Notes**) in late 2008, there are, as of 1 January 2009, two classes of Notes:

- Notes bearing a 5% interest coupon, payable quarterly in cash, including:
  - 500 Notes maturing on 24 June 2009;
  - 12,180 Notes maturing on 27 June 2009;
- 139,500 Notes bearing a 10% interest coupon and maturing on 30 June 2011. Interest is payable quarterly in either cash or shares at an issue price equal to 90% of the volume weighted average price (VWAP) of the Company's shares traded on ASX on the five trading days prior to the end of the quarter.

All Notes have a face value of \$100.00. They are unlisted and unsecured.

March Quarter interest totalled \$359,605 of which \$32,646 was paid in cash and \$326,959 was paid in shares, resulting in the issue of 36,765,872 new shares.

### Issued Capital

At the conclusion of the rights issue and the payment of interest on the Converting Notes, the issued capital of the Company is as follows:

#### FPO Shares

|                                     |                    |
|-------------------------------------|--------------------|
| Pre-rights issue                    | 344,022,378        |
| Issued pursuant to the rights issue | 172,011,189        |
| Issued in payment of interest       | 36,765,872         |
| <b>TOTAL</b>                        | <b>552,799,439</b> |

#### Options

|                                |            |
|--------------------------------|------------|
| Directors and employee options | 18,835,000 |
|--------------------------------|------------|

*Note: these options expire on various dates up to 23 December 2013. All options have an exercise price of 15c per share.*

## **Payment Due To Oz Minerals Limited**

The Company has been negotiating with Oz Minerals Limited (**OML**) to defer payment of the final cash payment of \$2 million for the completion of the purchase of the Roseby Copper Project. Legal documentation and finalisation of the terms of the agreement are at an advanced stage and this matter is expected to be completed during the June Quarter.

## **Expenditure Reductions**

With an expectation that the current economic and market conditions are likely to continue until at least late 2009 and possibly well into the first half of 2010, the directors have taken a number of measures to reduce Company expenditures, including:

- A reduction of \$20,000 per annum in fees paid to non-executive directors;
- A decision not to appoint a replacement director for Mr Jim Walls, who died in office last year;
- A reduction of \$50,000 pa in combined salary/directors fees for Mr Ingram, the Chairman and Managing Director;
- A reduction of \$40,000 pa in combined salary/directors fees for Mr Hoyle, the Executive Director, Technical;
- A reduction in the annual contract fees paid to Mosman Management Pty Ltd for accounting, financial and Company Secretarial services;
- A reduction in staff numbers from six to four;
- Farming-out of non-core exploration projects;
- Reduction in exploration, feasibility and development expenditures where possible; and
- Minimising of general administrative costs wherever possible.

Most of these measures were effective from 1 October 2008.

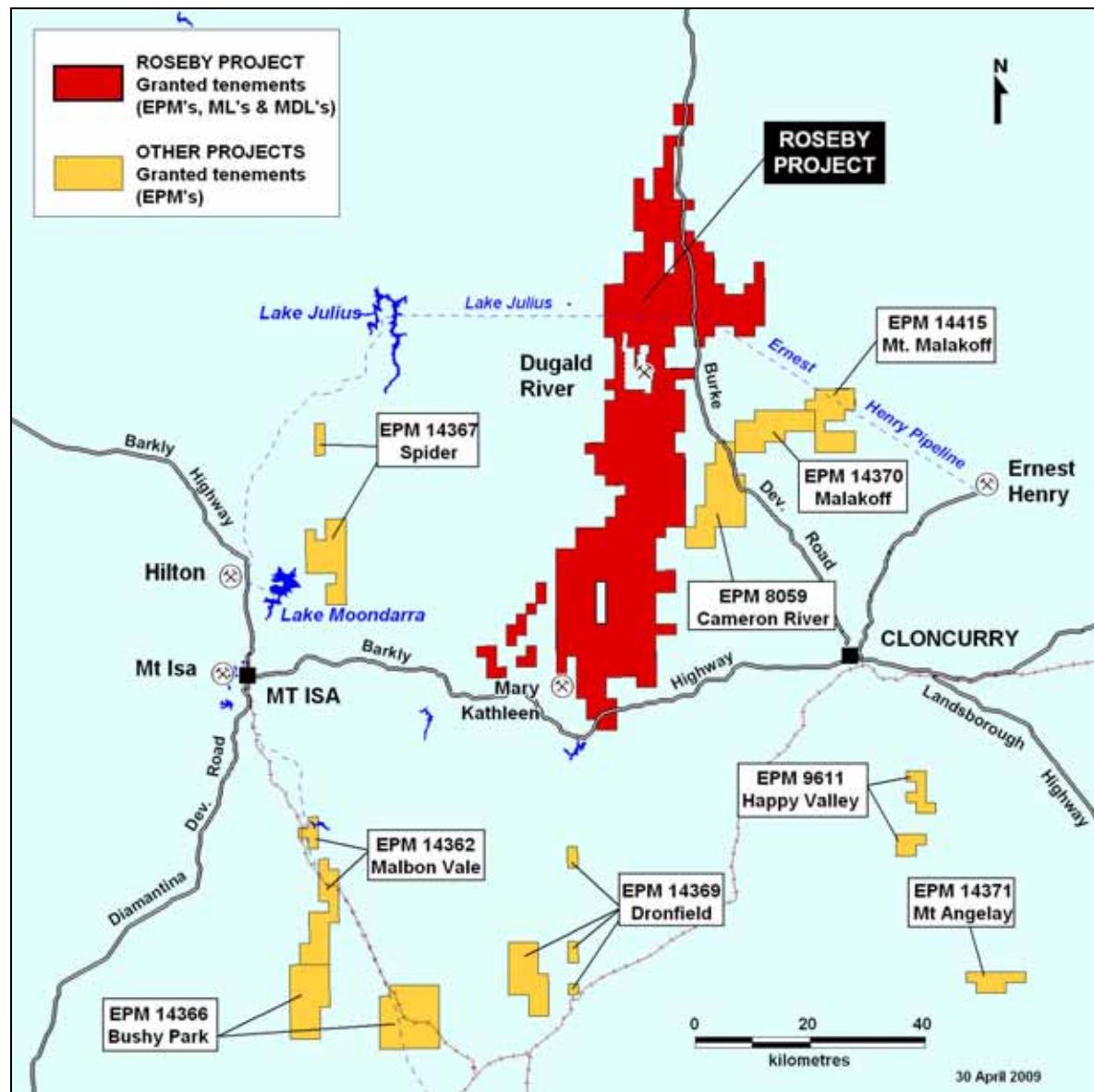
## **Future Directions**

Universal believes that the Roseby Copper Project is an extremely valuable asset, the preservation of which is vital to the future of the Company. Development opportunities for the Project are being pursued and evaluated with vigour.

Whilst credit markets remain difficult, the directors believe that financial market conditions are showing some tentative signs of recovery. A number of financial organisations have opened discussions with the company with a view to providing finance for the development of the Roseby Copper Project. The company is pursuing these discussions. However, it is important to realise that market conditions remain difficult and successful financing of the Roseby Project is likely to take some time to complete.

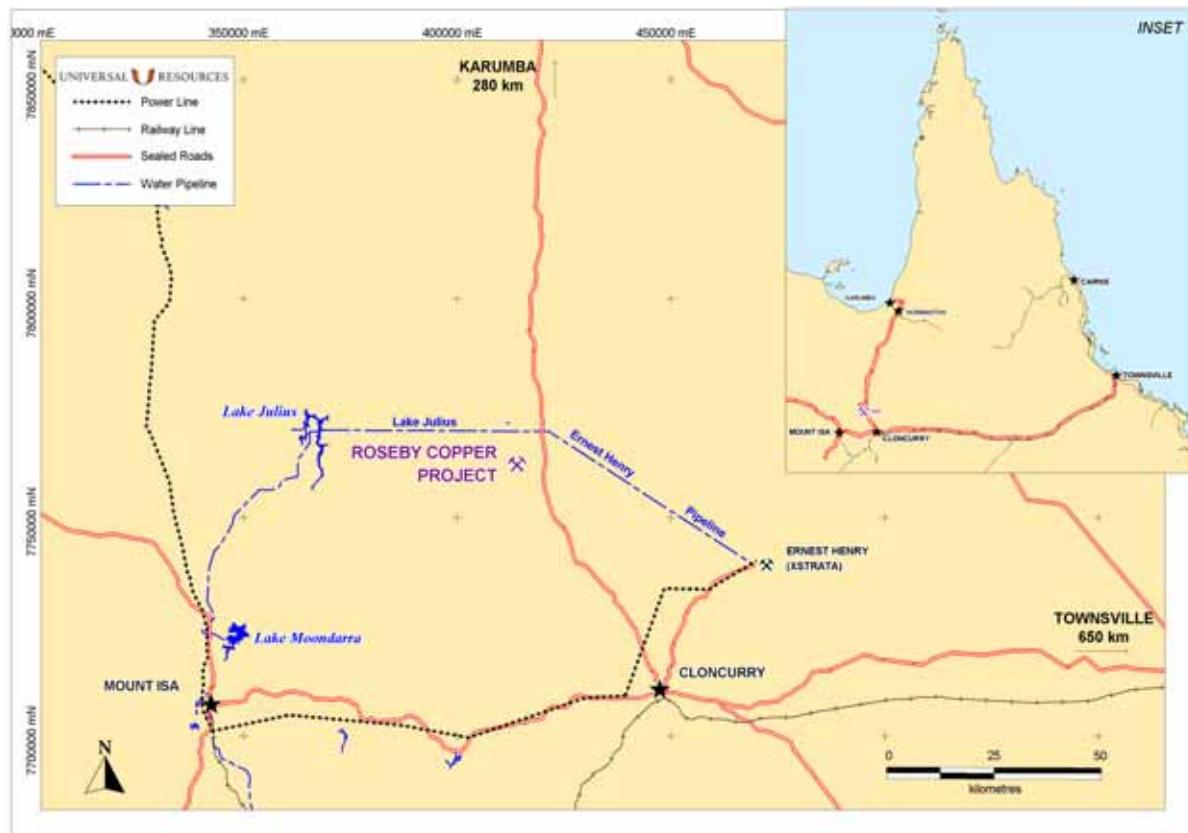
### 3. EXPLORATION AND DEVELOPMENT PROJECTS

Universal owns a large number of granted mining and exploration tenements in the Mt Isa Inlier covering an area of approximately 2,150km<sup>2</sup> (Figure 2). All tenements are held 100% by the company or its subsidiary, Roseby Copper Pty Ltd. The Roseby Copper Project is the most advanced project with a detailed feasibility study completed in September 2008.



*Figure 2: Mt Isa Inlier Projects and Infrastructure*

Following the relinquishment of EL 5812 (Collector), only one Exploration Licence (EL 5692, Burra) is now held in New South Wales (Figure 8). Universal holds a 90% interest in Burra, which is prospective for zinc dominant poly-metallic massive sulphide mineral deposits.



**Figure 3: Roseby Copper Project Location and Regional Infrastructure**

### Roseby Copper Project Development (Subject to an agreement with Mt Isa Mines Pty Ltd)

Universal's major asset is the Roseby Copper Project (**Roseby** or the **Project**), located in the Mt Isa Inlier geological province in North-west Queensland (Figures 1 to 3).

Universal acquired the Roseby tenement package from Pasminco, now Oz Mineral Limited (**OML**) in 2001. Since that time, the Company has focussed its activities on advancing the Project through evaluation and feasibility studies towards production. Results of a detailed feasibility study (DFS), of a 5Mtpa mining and processing operation were reported to ASX on 3 September 2008.

Details of the agreement with Mt Isa Mines Pty Ltd (Xstrata Copper) have previously been advised to shareholders.

Work on the Roseby Copper Project during the March Quarter has been limited to on-site environmental monitoring as part of the Company's program of long term site monitoring and management.

Some of the heaviest monsoonal and cyclonic rains experienced in the region fell during the recent "wet season" from December 2008 to April 2009 when over 2000mm were recorded at the nearby Dugald River. This abnormally wet season has required some re-thinking of some of the flood management structures to be incorporated in the Roseby site designs. New designs will be incorporated into a revised environmental management plan for the Project.

A review of the financial model using recent spot prices for copper, gold and the US\$/A\$ exchange rate has been encouraging, as indicated in the following table of key financial outcomes.

| FINANCIAL PARAMETER          | UNITS   | FINANCIAL MODEL          |                          |
|------------------------------|---------|--------------------------|--------------------------|
|                              |         | DFS                      | DFS                      |
|                              |         | 23 Oct 2008 <sup>1</sup> | 16 Apr 2009 <sup>2</sup> |
| Throughput                   | MT      | 5.0                      | 5.0                      |
| Pre-production Capital costs | A\$M    | 213                      | 213                      |
| Operating surplus            | A\$M    | 1,216                    | 510                      |
| C1 cash operating costs      | US\$/lb | 1.20                     | 1.38                     |
| NPV (8% discount rate)       | A\$M    | 466                      | 35                       |
| IRR                          | %       | 44                       | 12                       |

- The Detailed Feasibility Study (DFS) financial model using constant prices of US\$2.77/lb copper, US\$733/oz gold and an exchange rate of US\$0.62, as at 23 October 2008.*
- The DFS financial model using constant prices of US\$2.20/lb copper, US\$893/oz gold and an exchange rate of US\$0.73, as at 16 April 2009.*

The Company has received a number of enquiries pertaining to the potential provision of finance for the Roseby Project. Discussions with these groups are ongoing.

## Resources and Reserves

The total Mineral Resources and Ore Reserves for the Roseby Copper Project are summarised in the tables below. (Mineral Resources are inclusive of the Ore Reserves).

### Mineral Resources

The following Mineral Resources have been estimated using a lower cut-off grade of 0.3% copper and, because of the limited number of high values, without a top cut.

| DEPOSIT                      | RESOURCES AT 0.3% COPPER CUT-OFF |             |             |              |             |             |              |             |             |               |             |             | CONTAINED METAL |                |
|------------------------------|----------------------------------|-------------|-------------|--------------|-------------|-------------|--------------|-------------|-------------|---------------|-------------|-------------|-----------------|----------------|
|                              | MEASURED                         |             |             | INDICATED    |             |             | INFERRED     |             |             | TOTAL         |             |             |                 |                |
|                              | Tonnes                           | Grade       |             | Tonnes       | Grade       |             | Tonnes       | Grade       |             | Tonnes        | Grade       |             | COPPER          | GOLD           |
|                              | M                                | Cu %        | Au g/t      | M            | Cu %        | Au g/t      | M            | Cu %        | Au g/t      | M             | Cu %        | Au g/t      | t               | (Oz)           |
| <b>OXIDE DEPOSITS</b>        |                                  |             |             |              |             |             |              |             |             |               |             |             |                 |                |
| Blackard                     | 26.29                            | 0.64        | 0.01        | 17.87        | 0.63        | 0.01        | 2.09         | 0.58        | 0.01        | 46.25         | 0.63        | 0.01        | 293,000         | 16,190         |
| Legend                       |                                  |             |             |              |             |             | 6.13         | 0.6         | 0.01        | 6.13          | 0.6         | 0.01        | 36,597          | 1,942          |
| Longamundi                   |                                  |             |             |              |             |             | 10.40        | 0.66        | 0.01        | 10.40         | 0.66        | 0.01        | 69,037          | 3,632          |
| Great Southern               |                                  |             |             |              |             |             | 6.00         | 0.61        | 0.01        | 6.00          | 0.61        | 0.01        | 36,330          | 2,000          |
| Scanlan                      |                                  |             |             | 15.37        | 0.65        | 0.01        | 4.24         | 0.8         | 0.01        | 19.62         | 0.68        | 0.01        | 134,160         | 7,370          |
| Charlie Brown                |                                  |             |             |              |             |             | 0.70         | 0.40        | 0.01        | 0.70          | 0.40        | 0.01        | 2,820           | 230            |
| Caroline                     |                                  |             |             |              |             |             | 3.60         | 0.53        | 0.02        | 3.60          | 0.53        | 0.02        | 18,820          | 2,390          |
| <b>Sub-Total Oxides</b>      | <b>26.29</b>                     | <b>0.64</b> | <b>0.01</b> | <b>33.24</b> | <b>0.63</b> | <b>0.01</b> | <b>33.16</b> | <b>0.63</b> | <b>0.01</b> | <b>92.70</b>  | <b>0.64</b> | <b>0.01</b> | <b>590,764</b>  | <b>33,754</b>  |
| <b>SULPHIDE DEPOSITS</b>     |                                  |             |             |              |             |             |              |             |             |               |             |             |                 |                |
| Little Eva                   | 3.84                             | 1.04        | 0.13        | 22.81        | 0.75        | 0.13        | 3.72         | 0.73        | 0.15        | 30.37         | 0.78        | 0.14        | 237,690         | 132,230        |
| Lady Clayre zone A           |                                  |             |             |              |             |             | 2.87         | 0.92        | 0.50        | 2.87          | 0.92        | 0.50        | 26,414          | 45,829         |
| Lady Clayre zone F           |                                  |             |             |              |             |             | 0.83         | 0.76        | 0.51        | 0.83          | 0.76        | 0.51        | 6,333           | 13,480         |
| <b>Sub-Total Lady Clayre</b> |                                  |             |             |              |             |             | <b>3.70</b>  | <b>0.88</b> | <b>0.51</b> | <b>3.70</b>   | <b>0.88</b> | <b>0.51</b> | <b>32,747</b>   | <b>59,309</b>  |
| Bedford North                |                                  |             |             |              |             |             | 1.07         | 1.00        | 0.25        | 1.07          | 1.00        | 0.25        | 10,710          | 8,505          |
| Bedford South                |                                  |             |             |              |             |             | 0.70         | 0.83        | 0.24        | 0.70          | 0.83        | 0.24        | 5,793           | 5,288          |
| <b>Sub-Total Bedford</b>     |                                  |             |             |              |             |             | <b>1.77</b>  | <b>0.93</b> | <b>0.24</b> | <b>1.77</b>   | <b>0.93</b> | <b>0.24</b> | <b>16,503</b>   | <b>13,793</b>  |
| <b>Sub-Total Sulphides</b>   | <b>3.84</b>                      | <b>1.04</b> | <b>0.13</b> | <b>22.81</b> | <b>0.75</b> | <b>0.13</b> | <b>9.19</b>  | <b>0.83</b> | <b>0.31</b> | <b>35.84</b>  | <b>0.80</b> | <b>0.18</b> | <b>286,940</b>  | <b>205,332</b> |
| <b>ROSEBY TOTAL</b>          | <b>30.13</b>                     | <b>0.69</b> | <b>0.03</b> | <b>56.05</b> | <b>0.68</b> | <b>0.06</b> | <b>42.35</b> | <b>0.68</b> | <b>0.08</b> | <b>128.54</b> | <b>0.68</b> | <b>0.06</b> | <b>877,704</b>  | <b>239,086</b> |

### **Ore Reserves**

Ore Reserves are listed in the following table. These reserves have been estimated from pit optimisations developed using a copper price of US\$2.00 per pound and an A\$ exchange rate of US\$0.80. The Reserves may change if recalculated using current spot prices for copper and the exchange rate.

| DEPOSIT                         | PROVEN RESERVES |             |             | PROBABLE RESERVES |             |             | TOTAL RESERVES |             |             |
|---------------------------------|-----------------|-------------|-------------|-------------------|-------------|-------------|----------------|-------------|-------------|
|                                 | Mt              | Cu %        | Au g/t      | Mt                | Cu %        | Au g/t      | Mt             | Cu %        | Au g/t      |
| <b>Little Eva (sulphide)</b>    | 1.77            | 1.03        | 0.12        | 13.69             | 0.69        | 0.13        | <b>15.46</b>   | <b>0.73</b> | <b>0.13</b> |
| <b>Blackard (native copper)</b> | 17.03           | 0.67        | -           | 5.83              | 0.65        | -           | <b>22.85</b>   | <b>0.67</b> | -           |
| <b>Scanlan (native copper)</b>  | -               | -           | -           | 9.62              | 0.71        | -           | <b>9.62</b>    | <b>0.71</b> | -           |
| <b>ALL DEPOSITS</b>             | <b>18.80</b>    | <b>0.70</b> | <b>0.01</b> | <b>29.14</b>      | <b>0.69</b> | <b>0.06</b> | <b>47.93</b>   | <b>0.70</b> | <b>0.04</b> |

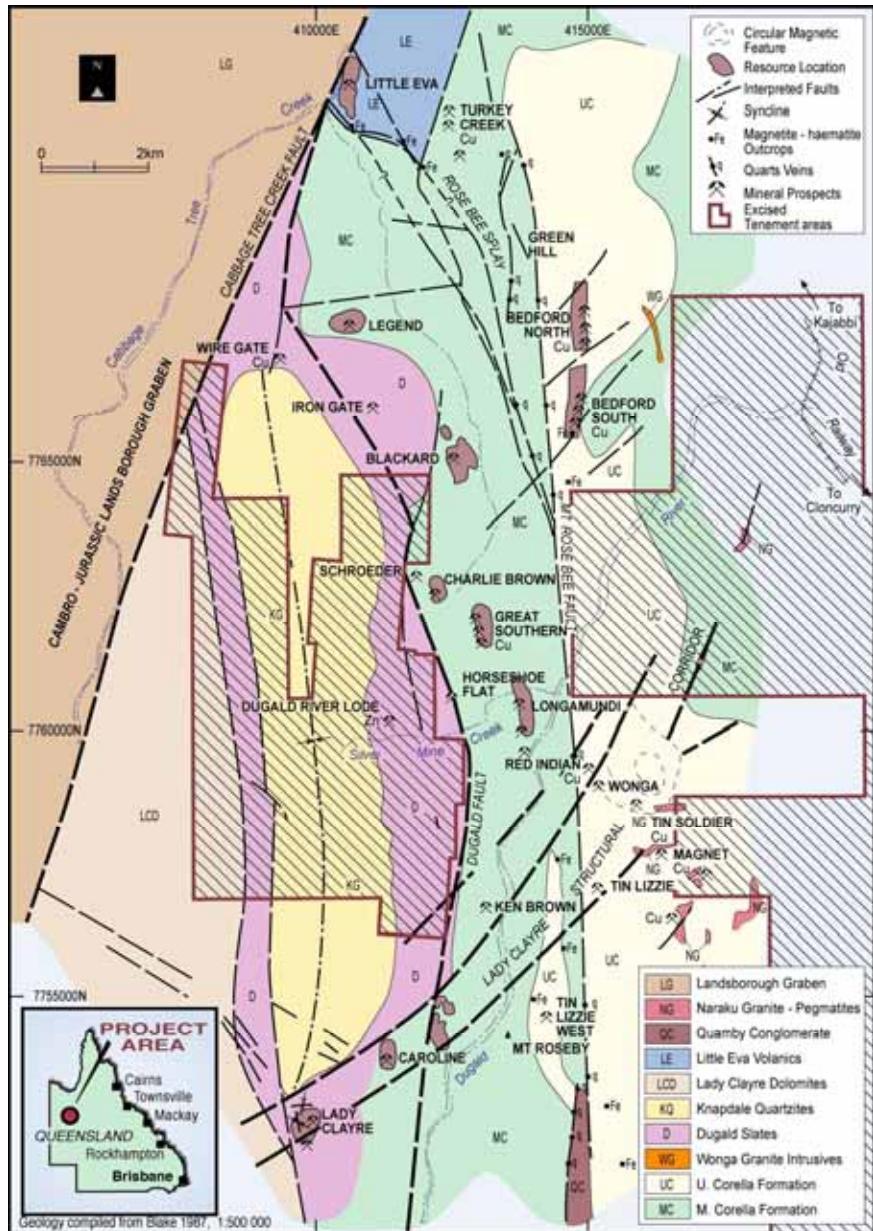
### **Roseby Development Timetable**

A firm development timetable will not be available until permitting and financing are finalised. It is anticipated that environmental approvals should be received ahead of the likely commencement of construction.

### **Roseby Exploration**

Field activity in this area has been extremely restricted by record rainfall and flooding during the Quarter which severely disrupted access and field programs. Environmental sampling and recording has recommenced and is expected to be completed during the current Quarter.

As outlined above, exploration and drilling to-date have identified resources totalling 128.5Mt grading 0.68% copper and 0.06g/t gold within the Roseby Project area. These resources are of two distinct styles of mineralisation: stratabound sedimentary copper deposits and hydrothermal copper-gold deposits. All deposits remain open at depth and along strike, creating excellent potential to increase the resource inventory by further exploration and drilling.



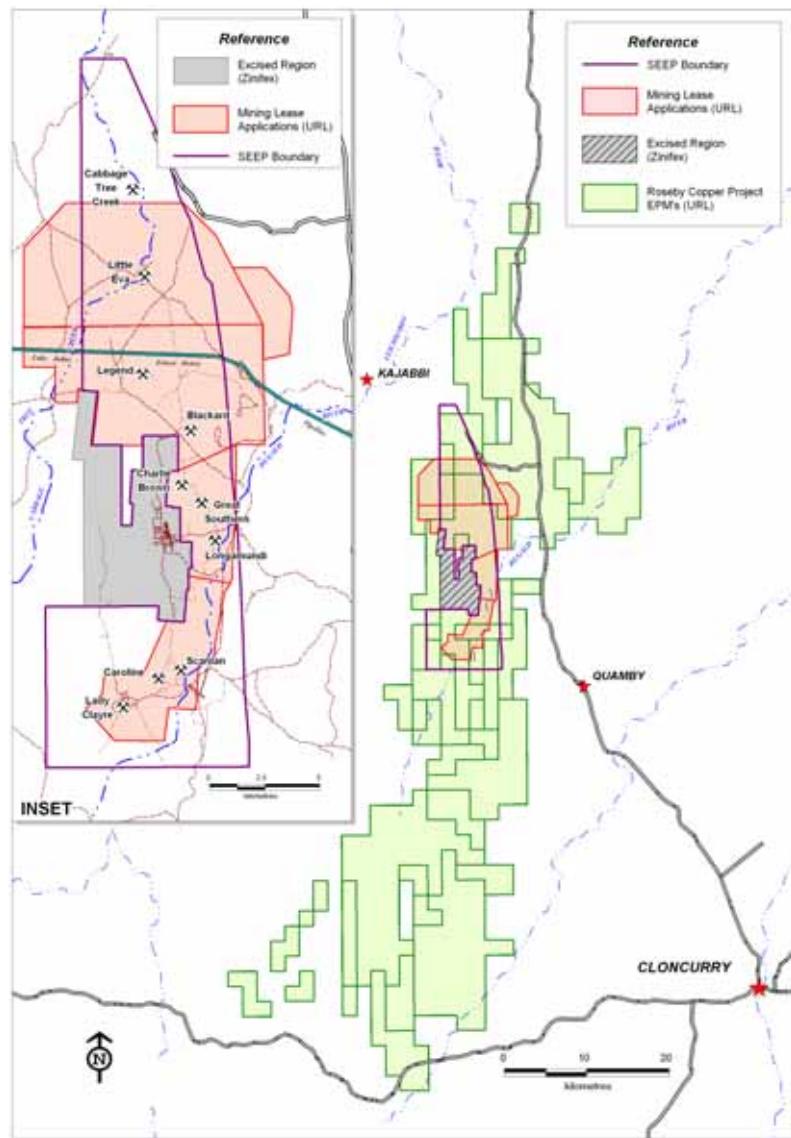
**Figure 4: Roseby Copper Project local area geology**

The two mineralising systems combine to form a large and regionally extensive mineralised field that encompasses the full strike length of known mineralisation within the Roseby Copper Project.

Although there has been a considerable amount of drilling on the ten deposits listed in the Resources Table (page 7), there has been little exploration of the numerous geological, geochemical and geophysical targets identified previously within the Roseby tenements. Consequently, the Company believes there is substantial potential for the discovery of new copper and copper-gold resources, particularly beneath and adjacent to known resources and to the east of the Mt Roseby Fault (Figure 4).

#### **SEEP Joint Venture (Xstrata Copper earning 51% interest in the SEEP Area)**

Details of the Xstrata Copper agreement have been reported previously. The SEEP area is shown in Figure 5.



**Figure 5: Roseby Project and SEEP Area**

#### **SEEP Exploration Activities (Based on information reported by Xstrata Copper)**

Xstrata has, during the March Quarter, compiled all exploration data collected over the 2008 field season and completed an annual report. Current work includes a prospectivity review of the geophysical and geochemical data within the SEEP area. Part of this review includes additional petrological work, multi-element analyses and a re-logging of a selection of cores from the Little Eva deposit.

#### **SEEP Expenditure**

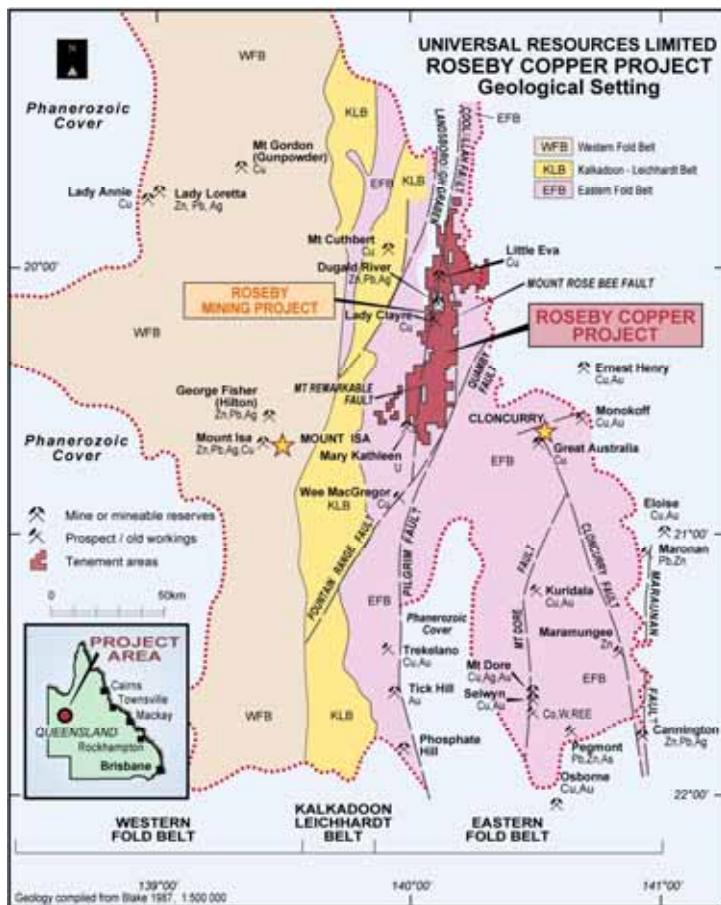
Sole funded SEEP Joint Venture expenditure by Xstrata Copper for the Quarter was \$171,358. Total expenditure by Xstrata Copper to 31 March is \$6,341,482.

#### **Mt Isa Regional Exploration (Universal 100%)**

The Proterozoic Mt Isa Inlier (Figure 6) hosts a number of large mineral deposits with a variety of commodities of world class significance.

Universal owns nine granted Exploration Permits for Minerals (EPM's) in the Mt Isa mineral province (Figure 2). Seven of these are prospective for copper-gold-(uranium) mineralisation and two for roll-front style uranium mineralisation.

Record rainfall and widespread flooding throughout the Mt Isa region was experienced throughout January and February.



**Figure 6: Mt Isa Inlier regional geology and major basemetals deposits**

### Joint Venture Agreements

Two letters of agreement for the farm-out of two projects were signed during the quarter and negotiations are advanced for the farm-out of a further three tenements.

#### **Spider EPM 14367 (100% Universal)**

The Spider Project is located approximately 20km NE from Mt Isa (Figure 7).

In February Universal announced that it had reached agreement with Deep Yellow Limited (**DYL**) on the terms of a farm-out agreement on the Spider Project located 20km NE of Mt Isa.

The principal commercial terms of the Earn-In Agreement are as follows:

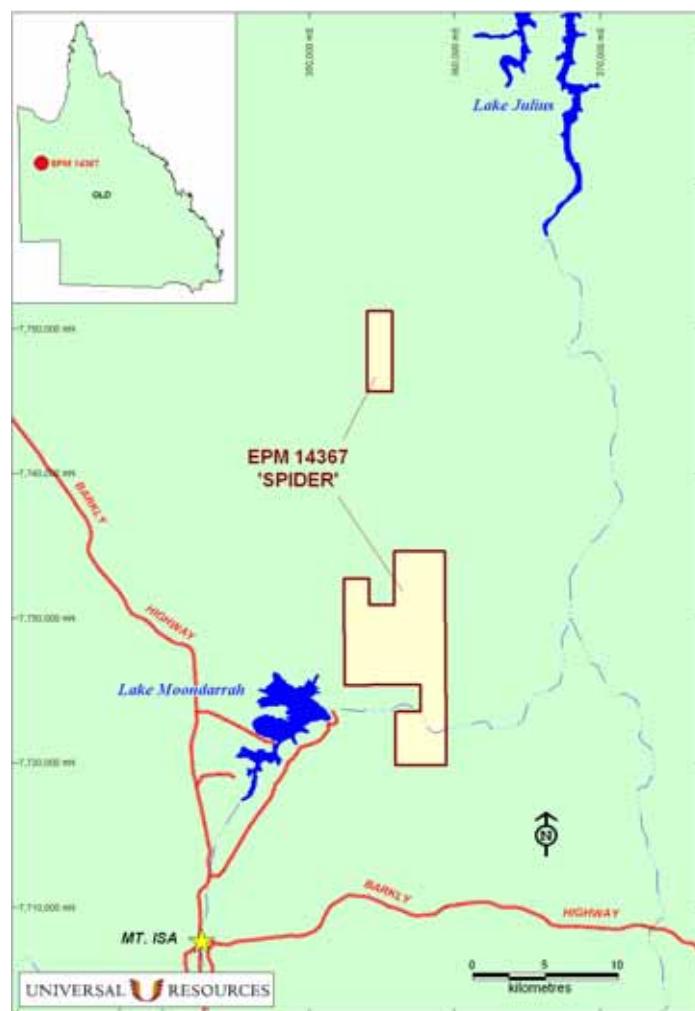
- DYL may earn up to an 80% interest in uranium and related minerals in the tenement. DYL's earned interest will not apply to base and precious metals or uranium that may occur as a bi-product from a deposit mined principally for its base and/or precious metal resources.
- DYL to commit to a minimum of \$100,000 exploration expenditure, including RC percussion drilling by 31 December 2009.
- DYL may elect to withdraw from the project after expending \$100,000; or a Joint Venture is formed between DYL (51%) and Universal (49%).
- DYL can earn an additional 29% interest in the Joint Venture by expending a further \$150,000 on exploration by 31 December 2010.

- If DYL earns to 80% equity, it will 20% free carry Universal to Bankable Feasibility Study (BFS) completion and decision to mine.
- If DYL elects to buy Universal's 20%, the payment will comprise a mix of ordinary shares in DYL and cash equal to 15% of the in situ value of all JORC Code uranium and related mineral resources known within EPM 14367 at the completion of the BFS.

The tenement contains a number of surface radiometric anomalies in Haslingden Group rocks, the host to all major uranium deposits and occurrences in the immediate Mt Isa area. The tenement is located 10km north of the Anderson deposit and southeast of the Valhalla, Skal and Bikini deposits, all of which are owned by other companies.

Historic exploration over the Spider tenement was typical of other work in the area and comprises surface trenching and shallow RC/diamond drilling. Surface values for grab samples range up to 4,000ppm U<sub>3</sub>O<sub>8</sub> with visible carnotite mineralisation seen at surface. Universal previously identified 17 surface anomalies of varying intensity that need to be evaluated further.

A field visit during the quarter by DYL to the two main anomalous areas, A25 and Big Dip, identified extensive zones of hematite-albitite-silica-carbonate alteration associated with XRF uranium values of 470ppm and 360ppm U<sub>3</sub>O<sub>8</sub> respectively.



**Figure 7: Spider Tenement Location**

A formal Joint Venture Agreement is nearing completion and should be signed during the June Quarter.



**A25 Prospect – Hematite-Albitite-Silica Altered Meta-sediment**



**A25 Prospect – Hematite-Albitite-Silica Altered Meta-sediment**



**Big Dip Prospect – Intense Hematite altered meta-sediment with silica-carbonate veins**

A letter of agreement was signed in February with Syndicated Metals Limited (**Syndicated**) (jointly the **Parties**) on the terms of a joint venture in which Syndicated may earn up to an 80% interest in Universal's wholly owned Dronfield tenement EPM 14369, located within the NW Queensland mineral province. A formal agreement is now being prepared for execution by the Parties.

#### **Dronfield EPM 14369 (100% Universal)**

A letter of agreement has been signed whereby Syndicated may earn up to an 80% interest in the Dronfield Project by undertaking the following expenditures:

- \$250,000 on exploration within 2 years, to earn a 40% equity interest
- A total of \$500,000 on exploration within 3 years to earn a 60% interest
- A total of \$1,000,000 on exploration within 4 years to earn 70% interest

Either party may then choose to contribute or dilute.

Should Universal choose to dilute, then Syndicated may sole fund a further \$1,000,000 on exploration over two years to increase its equity to 80% interest.

If Syndicated earns 80%, then Universal will be free carried to a decision to mine.

If either party's equity falls to 10% or less then that interest will be converted to a 1.5% net smelter return royalty.

A formal Joint Venture Agreement is expected to be completed and signed during the June Quarter.

EPM 14369 is located approximately 70km to the south east of Mount Isa and covers several copper, gold, molybdenum and uranium prospects as well as nine kilometres of strike length of the regional-scale Pilgrim Fault.

The Pilgrim Fault zone hosts the Kalman molybdenum-copper-rhenium-gold deposit located 10 kilometres to the north of EPM 14369. The most recent resource estimate released for the Kalman Deposit is 60.8 million tonnes at 0.32% Cu, 0.05% Mo, 1.19g/t Re and 0.15g/t Au. (Kings Minerals NL, ASX Announcement 10 September 2008).

Syndicated holds a 49% interest in EPM 13870 (the Kalman South Joint Venture) which adjoins the northern edge of EPM 14369 and hosts a substantial portion of the Kalman Deposit.

#### **Lachlan Fold Belt, NSW (Universal 90%)**

##### **Collector**

The Collector tenement (EL 5812) was relinquished following the withdrawal of joint venture partner Tri Origin Resources (TRO). Despite protracted negotiations, TRO had been unable to gain access to massive sulphide target areas at reasonable compensation rates.

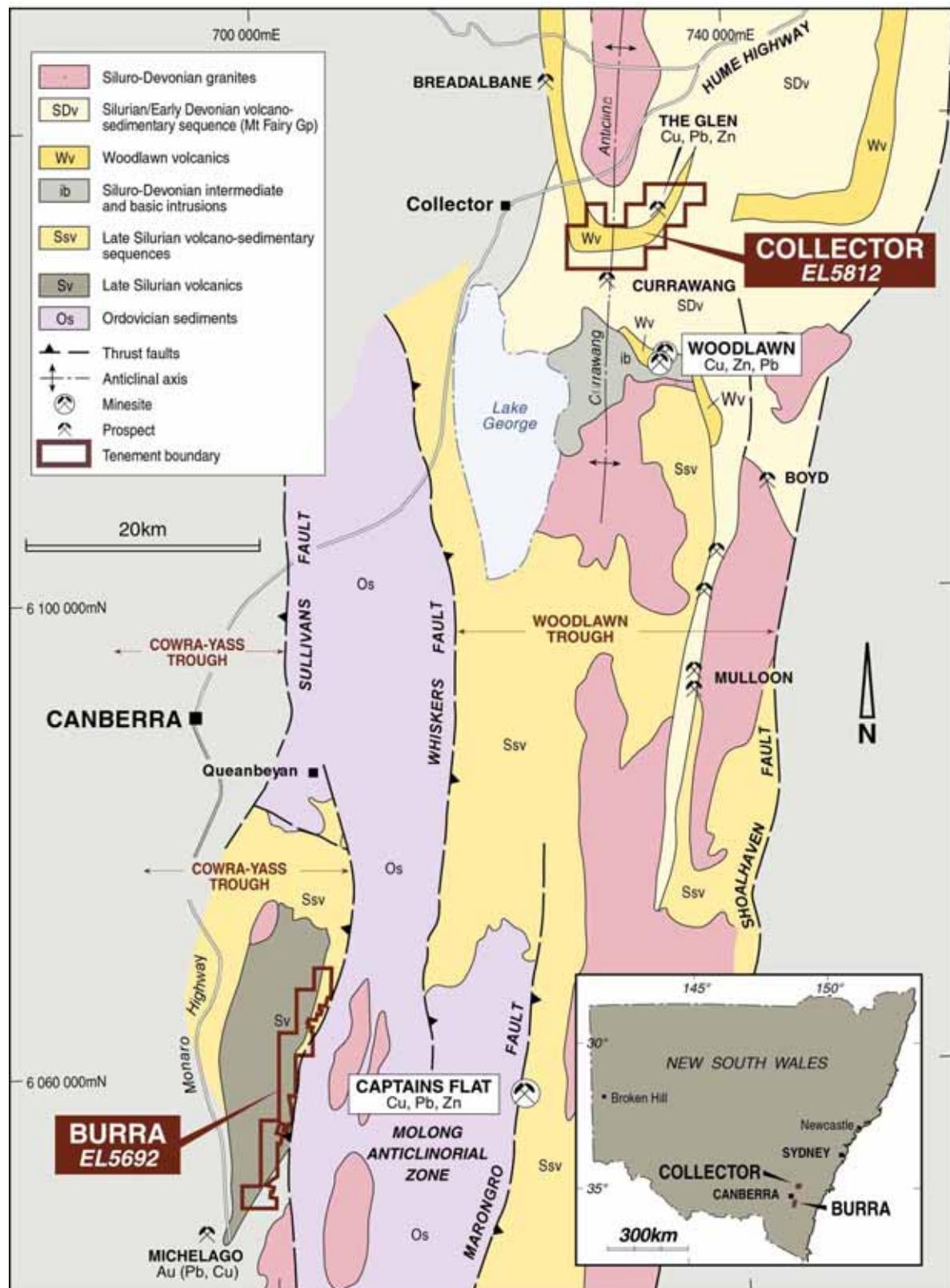
##### **Burra**

The Burra tenement is located 30km south of Queanbeyan, within the Lachlan Fold Belt (Figure 8). It hosts massive zinc sulphide mineralisation at London Bridge and a number of zinc dominant basemetal prospects elsewhere in the tenement.

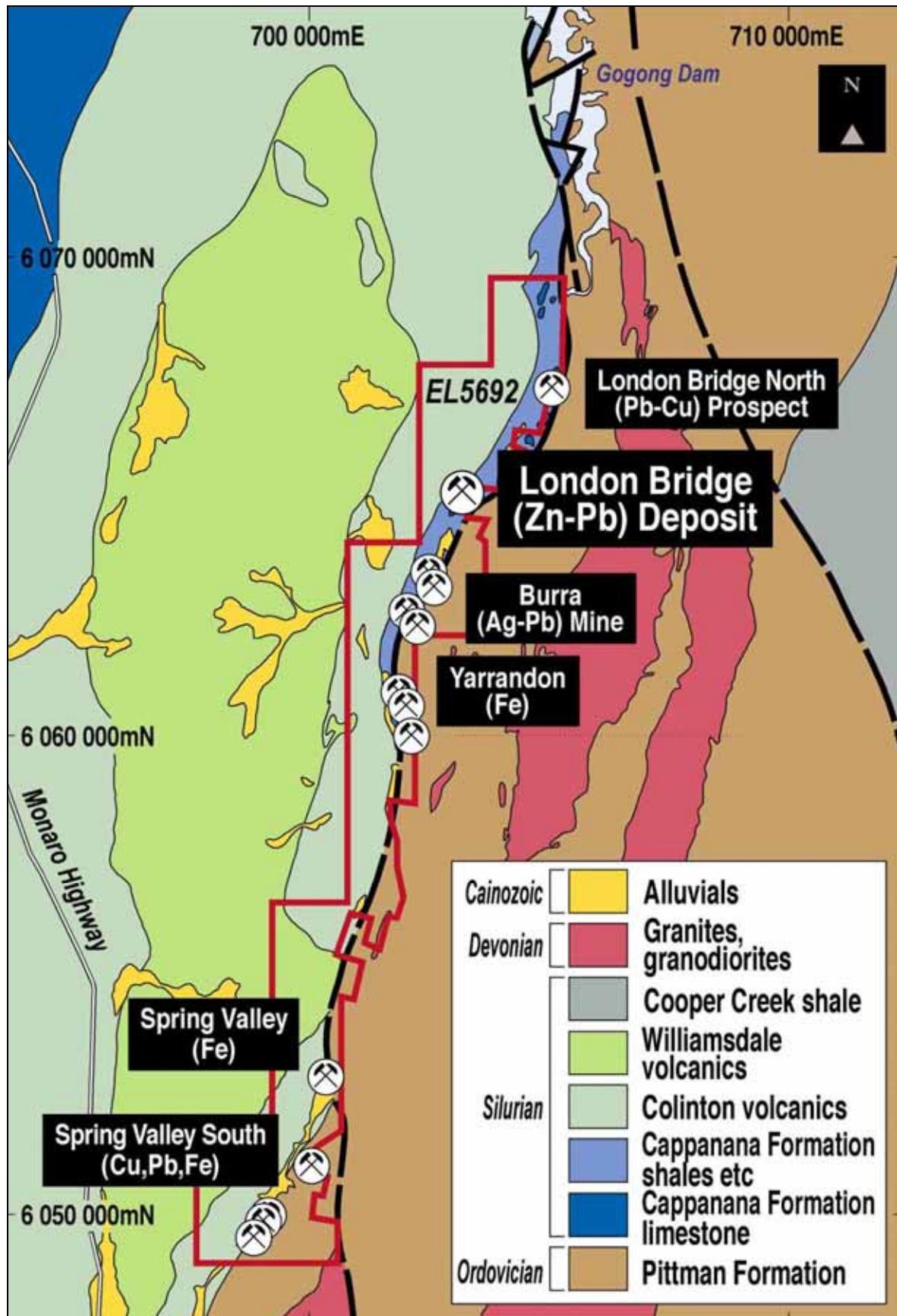
Joint venture partners are currently being sought for this tenement which has untested electrical geophysical targets spatially associated with known massive zinc sulphide mineralisation. These lie at the northern extremity of a 4 kilometre tract of good bedrock zinc anomalism within a sequence of volcano-metasediments comparable in age and kind

to the Woodlawn sequence (Figure 9). The area has had only limited drilling undertaken to date.

No field work was undertaken on this prospect during the quarter.



**Figure 8: Lachlan Fold Belt Geology and Tenements**



*Figure 9: Burra Project Geology and Zinc-Lead-Silver Prospects*

## 4. EXPLORATION EXPENDITURE

Cash at 31 March was \$2.14 million.

Expenditure on exploration and development for the June 2009 Quarter is estimated to be \$0.1 million.



**P. A. J. Ingram**  
Chairman and Managing Director

*Much of the information contained in this report that relates to mineral exploration results, Mineral Resources and Ore Reserves has previously been reported to ASX, based on reports by Competent Persons. Exploration data in this report that has not previously been reported to ASX has been compiled by Maurice Hoyle, a full-time employee and director of Universal Resources Limited. Mr Hoyle holds the degree of Bachelor of Science (Honours) in geology, is a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Society of Economic Geologists. Mr Hoyle has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hoyle consents to the inclusion in this report of the exploration results and information in the form and context in which it appears.*

---

### Board of Directors

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

### Company Secretary and CFO

Desmond Kelly

### Contacts

Peter Ingram or Des Kelly  
Ph. +61 8 9486 8400  
Email. [reception@universalresources.com.au](mailto:reception@universalresources.com.au)

### Stock Exchange Listing

The Company is listed on the Mining Board of Australian Securities Exchange (ASX): Code [URL](#)

### Share Registry

Computershare Investor Services Pty Ltd  
Level 2, Reserve Bank Building  
45 St Georges Tce  
Perth, Western Australia, 6000  
Ph. +61 8 9323 2000

+IRule 5.3

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

UNIVERSAL RESOURCES LIMITED

ABN

35 090 468 018

Quarter ended (“current quarter”)

31 March 2009

### Consolidated statement of cash flows

| <b>Cash flows related to operating activities</b>  | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(9 months)<br/>\$A'000</b> |
|--|------------------------------------|--|
| 1.1 Receipts from product sales and related debtors  |                                    |  |
| 1.2 Payments for (a) exploration and evaluation<br>(b) development<br>(c) production<br>(d) administration | (72)<br>(86)<br>(260)              | (962)<br>(983)<br>(883)                        |
| 1.3 Dividends received   |                                    |  |
| 1.4 Interest and other items of a similar nature received  | 9                                  | 85   |
| 1.5 Interest and other costs of finance paid   | (196)                              | (579)  |
| 1.6 Income taxes – refunded  |                                    |  |
| 1.7 Other  | 1                                  | (2)  |
| <b>Net Operating Cash Flows</b>  | <b>(604)</b>                       | <b>(3,324)</b>                                 |
| <hr/>  |                                    |  |
| <b>Cash flows related to investing activities</b>  |                                    |  |
| 1.8 Payment for purchases of: (a)prospects<br>(b)equity investments<br>(c) other fixed assets              |                                    |  |
| 1.9 Proceeds from sale of: (a)prospects<br>(b)equity investments<br>(c)other fixed assets                  |                                    |  |
| 1.10 Loans to other entities   |                                    |  |
| 1.11 Loans repaid by other entities  |                                    |  |
| 1.12 Other (Provide details if material)   |                                    |  |
| <b>Net investing cash flows</b>  |                                    |  |
| 1.13 Total operating and investing cash flows (carried forward)  | (604)                              | (3,324)  |

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

|      |  |              |                |
|------|--|--------------|----------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (604)        | (3,324)        |
| 1.14 | <b>Cash flows related to financing activities</b>          |              |                |
| 1.15 | Proceeds from issues of shares, options, etc.              | 1,720        | 1,720          |
| 1.16 | Proceeds from sale of forfeited shares                     |              |                |
| 1.17 | Proceeds from borrowings                                   |              |                |
| 1.18 | Repayment of borrowings                                    |              |                |
| 1.19 | Dividends paid   |              |                |
|      | Other  | (159)        | (159)          |
|      | <b>Net financing cash flows</b>                            |              |                |
|      | <b>Net increase (decrease) in cash held</b>                | <b>957</b>   | <b>(1,763)</b> |
| 1.20 | Cash at beginning of quarter/year to date                  | 1,161        | 3,881          |
| 1.21 | Exchange rate adjustments to item 1.20                     |              |                |
| 1.22 | <b>Cash at end of quarter</b>                              | <b>2,118</b> | <b>2,118</b>   |

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

|      |  | Current quarter<br>\$A'000         |
|------|--|------------------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 107                                |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10   |                                    |
| 1.25 | Explanation necessary for an understanding of the transactions   | <p>Salaries and superannuation</p> |

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

|     | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|-----|-----------------------------|------------------------|
| 3.1 | Loan facilities             | N/A                    |
| 3.2 | Credit standby arrangements | N/A                    |

+ See chapter 19 for defined terms.

**Estimated cash outflows for next quarter**

|                                | \$A'000    |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 100        |
| 4.2 Development                |            |
| <b>Total</b>                   | <b>100</b> |

**Reconciliation of cash**

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|---|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank  | 24                         | 9                           |
| 5.2 Deposits at call  | 2,094                      | 1,152                       |
| 5.3 Bank overdraft  |                            |                             |
| 5.4 Other (provide details)   |                            |                             |
| <b>Total: cash at end of quarter (item 1.22)</b>  | <b>2,118</b>               | <b>1,161</b>                |

**Changes in interests in mining tenements**

|   | Tenement reference   | Nature of interest         | Interest at beginning of quarter | Interest at end of quarter |
|---|----------------------|----------------------------|----------------------------------|----------------------------|
| 6.1 Interests in mining tenements relinquished, reduced or lapsed | EL 5812<br>EPM 14363 | Surrendered<br>Surrendered | 100%<br>100%                     | Nil<br>Nil                 |
| 6.2 Interests in mining tenements acquired or increased           | Nil                  |                            |                                  |                            |

---

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

---

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

|  | Total number   | Number quoted              | Issue price per security (see note 3) (cents)                              | Amount paid up per security (see note 3) (cents)  |
|--|--|----------------------------|--|---|
| 7.1 <b>Preference +securities (description)</b>  |  |                            |  |   |
| 7.2 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs, redemptions                               |  |                            |  |   |
| 7.3 <b>+Ordinary securities</b>  | 516,033,578  | 516,033,578                |  |   |
| 7.4 Changes during quarter<br>(a) Increases through issues   | 172,011,189  | 172,011,189                | \$0.01   | \$0.01  |
| 7.5 <b>+Convertible debt securities</b><br>Converting Notes 5% coupon maturing June 2009<br><br>Converting notes 10% coupon maturing 30 June 2011            | 12,680<br><br>139,500  |                            | \$100<br><br>\$100   | \$100<br><br>\$100  |
| 7.6 Changes during quarter<br>(a) Increases through issues <b>10% con. notes</b><br>(b) Decreases through securities matured, converted <b>5% con. notes</b> | 139,500  |                            | \$100  | \$100   |
| 7.7 <b>Options (description and conversion factor)</b>   | 2,385,000<br>1,000,000<br>800,000<br>5,000,000<br>3,650,000<br>6,000,000 | -<br>-<br>-<br>-<br>-<br>- | Exercise price<br>15 cents<br>15 cents<br>15 cents<br>15 cents<br>15 cents | Expiry date<br>14 September 2010<br>12 March 2012<br>5 September 2011<br>27 December 2012<br>30 June 2013<br>16 December 2013 |

---

+ See chapter 19 for defined terms.

|      |   |  |  |  |  |
|------|---|--|--|--|--|
| 7.8  | Issued during quarter                         |  |  |  |  |
| 7.9  | Exercised during quarter                      |  |  |  |  |
| 7.10 | Cancelled during quarter                      |  |  |  |  |
| 7.11 | <b>Debentures</b><br>( <i>totals only</i> )   |  |  |  |  |
| 7.12 | <b>Unsecured notes</b> ( <i>totals only</i> ) |  |  |  |  |

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: DESMOND KELLY Date: 30/04/2009  
 (Company Secretary)

Print name: Desmond Kelly

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

---

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity quarterly report

---

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

====

---

+ See chapter 19 for defined terms.