

## ASX/MEDIA RELEASE

24 March 2010

### MAJOR DRILL INTERCEPT AT ROSEBY PROJECT 235m at 0.45% Copper

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**Drilling results highlight the possibility of transforming the Roseby Project into a very large low-grade copper project capable of producing up to 50,000 tonnes of copper per annum.**

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**Universal Resources Limited** (ASX: URL) ("Universal") today announced positive drilling results from the Company's 100%-owned Roseby Copper Project ("Roseby") near Mt Isa in Queensland, Australia.

Results include: **BCD859: 235m at 0.45% copper or 315m at 0.37% copper both from 2m depth** using 0.1% cut-off grade (Table 1).

Under an Agreement dated 11 March 2005 Mt Isa Mines (Xstrata) may earn 51% of an area beneath and around the large copper resources at Roseby by expending \$15 million or completing a Detailed Feasibility Study by 30 June 2012. Xstrata have advised their expenditure to 28 February 2010 is \$7.5 million.

Recent drilling by Xstrata at the Blackard deposit (46.25 million tonnes at 0.63% copper\*) has discovered exceptional thicknesses of modest grade copper mineralisation.

Grades are relatively uniform and the large intercepts are not the result of individual high grades averaged over great widths. Drillhole results at different cut-offs are given in Appendix 1 and maps and cross sections are in Appendix 2.

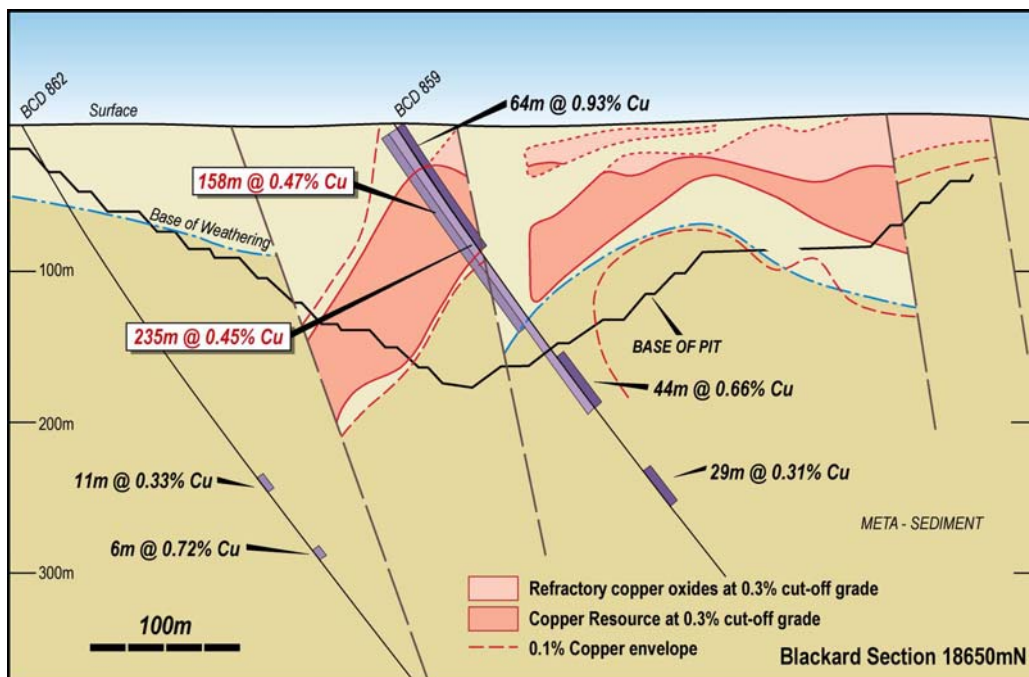
Universal's Managing Director, Dr Alistair Cowden, said a major driver for the recently completed merger between Vulcan and Universal was the belief that Roseby was an under-appreciated copper asset with potential to become one of the larger copper deposits in Australia.

"This drilling is a very exciting demonstration of that potential," he said.

"The merger brings Vulcan's cash and near-term earnings potential in Finland to bear on what we believe can be a much larger project."

A key result from today's news is drillhole BCD859, shown on the diagram below. The cross section illustrates the potential for expanding the current Resources and Reserves through both the application of lower cut-off grades and also the potential additional sulphide Resources beneath the currently reported Resources. The geometry of this mineralisation is unknown. There is very little deep drilling at Roseby with only 57 holes in the 35 km long field being deeper than 200m downhole.

\* See ASX release by Universal dated 18 April 2008.



**Figure 1:** Cross section at Blackard illustrating thick continuous sulphide mineralisation that can be captured by expanding planned pits. Detailed shallow Resource drilling not shown for clarity of presentation.

Universal previously reported drill results at a 0.3% cut-off grade and the project has been optimised at a copper price of US\$2/lb. The continued strength of the copper price, currently US\$3.35/lb, supports the use of higher prices and permits lower cut-off grades to be used.

Prior drilling results beneath the known resources, have been re-evaluated and using a 'bulk' approach and a 0.1% cut-off grade the following exceptional drill intercepts have been identified; **BCD 850: 198m at 0.84% copper, BCD854: 158m at 0.49% copper and BC273: 126m at 0.33% copper** at the Blackard deposit (Appendix 2).

A similar impact can be seen at the Little Eva deposit where 4 separate intercepts can be considered as a single intercept; **LER521: 172m at 0.72% copper and 0.12g/t gold**.

While the immediate focus of the new company (post-merger) is to bring the Outokumpu copper project in Finland towards a decision to develop the mine next quarter, the strategy at Roseby is to re-evaluate the project to consider whether potential production can be expanded to 40,000tpa copper.

Over the next quarter a plan for re-optimising the Roseby Project in the new copper price paradigm will be developed. This will be complemented by a drilling programme to expand Resources and convert inferred to indicated Resources. The immediate focus will be to materially increase the project NPV, to increase scale and to reduce capital costs per tonne of proposed copper production.

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## APPENDIX 1: 2009 Drilling Results

**Table 1:** Drill results at 0.1% copper cut-off grade.

Hole	From (m)	Width (m)	Cu (%)
BCD859	2	315	0.37
	2	235	0.45
	170	67	0.49
	284	24	0.33
	314	3	0.43
BCD862	256	5	0.27
	336	21	0.28
BCD863	0	26	0.43
BCD864	476	6	0.20
	607	15	0.27

Significant intercepts calculated using 0.1% Cu lower cut-off, 3m minimum intercept and 5m maximum internal waste for all intervals less than 158m width.

Note that Mineralisation within an intercept at Blackard falls into 3 metallurgical classifications:

- 1) Refractory oxide mineralisation. Generally in the first 0.30 metres copper occurs in a mixture of iron oxides and secondary copper oxides. In the Roseby DFS this material is excluded from reserves as the proposed flow sheet would fail to deliver suitable recoveries. Such material will be stockpiled during mining for possible treatment by alternative methods.
- 2) Mineralisation in weathered rock. Recoverable copper occurs as finely disseminated copper metal in very soft weathered rock. It generally gives a 60-65% recovery at an average grade of 0.6% copper. The residual copper is locked in silicate minerals and not available for recovery. At lower head grades the recovery is likely to be lower.
- 3) Mineralisation in fresh rock. Copper occurs in conventional sulphide mineralisation in hard fresh rock beneath the defined resources in weathered rock. Recoveries are high at 90-95%.

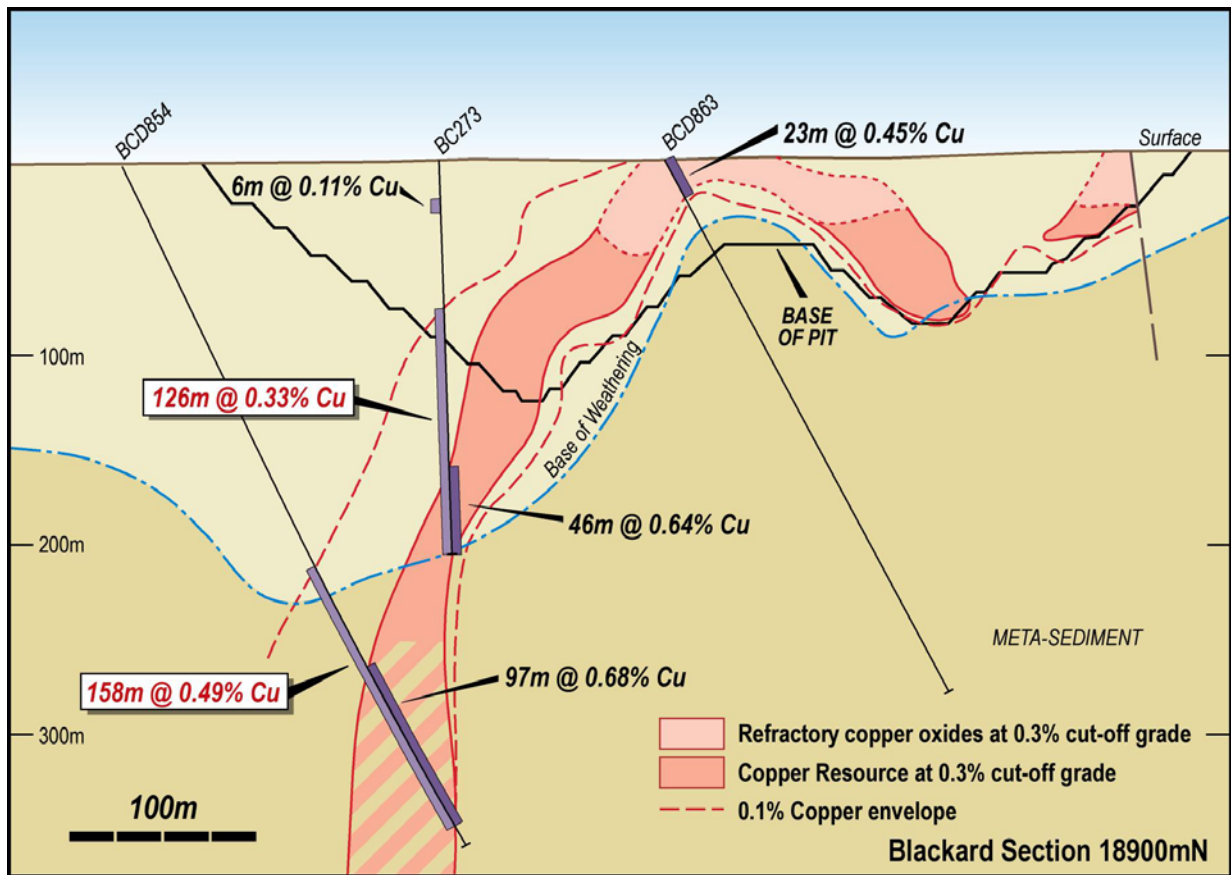
These factors are all used in optimisations to determine mineralisation reports to Ore Reserves.

**Table 2:** Drill results at 0.3% copper.

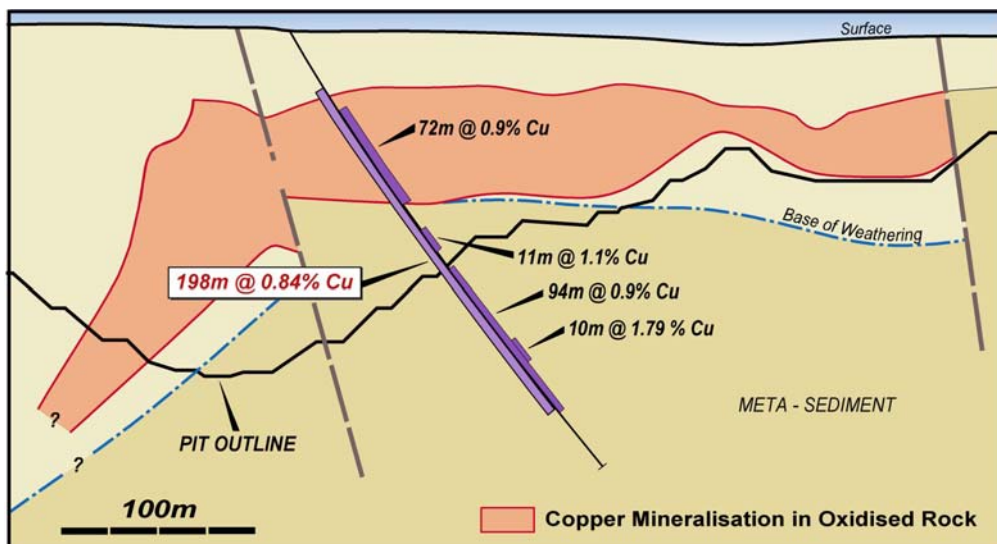
Hole	From (m)	Width (m)	Cu (%)
BCD859	34	64	0.93
	192	44	0.66
	288	29	0.31
BCD862	285	11	0.33
	351	6	0.72
BCD863	0	23	0.45
BCD864	539	4	0.35
	607	4	0.54

Significant intercepts calculated using 0.3% Cu lower cut-off, 3m minimum intercept and 5m maximum internal waste.

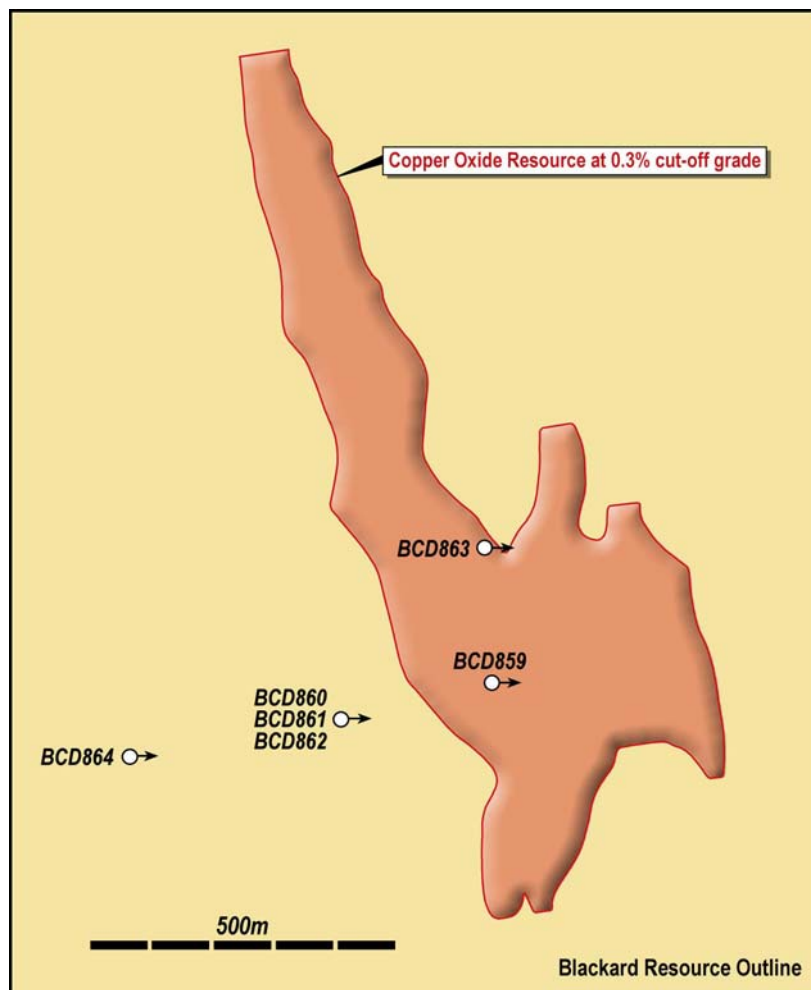
**APPENDIX 2: Cross Sections and Maps**



**Figure 2:** Cross section 18900mN at the Blackard deposit illustrates the large interval (80m) of low grade mineralisation in weathered rock above the current Resource outline. Detailed resource drilling not shown for clarity of presentation.



**Figure 3:** Cross section 18750mN illustrates the thick zones (126m) of sulphide mineralisation in drillhole BCD850 beneath the resource hosted in weathered rock. Detailed shallow resource drilling not shown for clarity of presentation.



**Figure 4:** Location of recent drillholes at Blackard in relation to the current Resource outline.

### Competent Person Statement

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled and reviewed by Dr Alistair Cowden BSc (Hons), PhD, MAusIMM, MAIG and Mr Maurice Hoyle BSc (Hons), FAusIMM, MSEG who are full time employees of the Company and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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'. Dr Alistair Cowden and Mr Maurice Hoyle consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.*