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MORE MINERAL SANDS EXPLORATION RESULTS

NEXT MONTH - ADELAIDE RESOURCES CHAIRMAN

New laboratory results are expected to be announced next month from the analyses of additional drill samples from the Colona Joint Venture' (Adelaide Resources and Iluka Resources) mineral sands discovery announced last week.

Adelaide Resources' Chairman, Mr Keith Yates, told shareholders at the Company's annual general meeting in Adelaide today that the exciting **Tripitaka** discovery had confirmed that the Eucla Basin in the far west of South Australia was "firmly on track to becoming a world-class zircon rich mineral sands province."

The joint venture partners announced on Friday that a continuous zone of zircon-rich mineralised sands approximately 800 metres wide and up to 15 metres thick, had been discovered in EL 3316, about 180 kilometres northwest of Ceduna.

Mr Yates said the exciting Tripitaka laboratory results were received from one drill traverse to date, although visible mineralisation had been intersected on other lines spaced one kilometre apart to the north and south.

"Most importantly, a bulk concentrate from the analysed traverse showed an indicative 63% zircon content which is very high by world standards," he said.

"It is anticipated that the laboratory analyses for the drill samples from holes on the remaining traverses will be announced in December.

"Detailed infill drilling of Tripitaka – sufficient for resource estimation – is planned for early in 2006."

"Hunting in a good paddock"

"We are hunting in a good paddock and the game has just begun," Mr Yates told shareholders. "Overall, the results to date are highly encouraging – not only for Tripitaka but also for the chances of additional discoveries elsewhere as exploration progresses in the large, strategically situated, joint venture area."

Mr Yates said that Tripitaka aside, Adelaide Resources had interests in a range of projects which had advanced to a stage where drilling was resulting in encouraging intersections.

“In this regard Adelaide Resources has never been better positioned and we are enthusiastic about the discovery potential of a number of projects where drilling is in progress or imminent,” he said.

In March this year, the acquisition from Newmont Australia Limited of the **Rover Gold-Copper Project**, near Tennant Creek in the Northern Territory was negotiated.

“This project is exciting because it is focussed on a potentially fertile outlying sector of the Tennant Creek Goldfield which, as a result of a 23 year hiatus in activity, is substantially under-explored,” Mr Yates said.

“The results of the limited drilling to date clearly demonstrate its potential,” he said.

“The Tennant Creek area has a history of producing bonanza gold deposits which, by virtue of their high grades, have proved to be company-makers for their discoverers.

“These are our exploration targets at Rover and economic modelling shows that if we discover a deposit comparable to the top four historic mines at Tennant Creek, we will have an orebody potentially mineable even at depths of 200 metres or more.”

Mr Yates said diamond drilling to test the Rover 12 magnetic anomaly commenced in October and the geology and assay results from the first hole clearly confirmed that this sizeable magnetite body had a chemical signature indicative of mineralised ironstones in the Tennant Creek field.

The second hole has been completed and assays are awaited, while a third hole has been collared.

“Tennant Creek orebodies occupy only part of their larger ironstone hosts. As a result a number of holes must be drilled to provide a statistically acceptable chance of intersecting a high grade gold section,” Mr Yates said.

“Weather conditions permitting, drilling of up to 3,000 metres is planned in the current program with the initial focus on Rover 12,” he said.

In Adelaide Resources’ **Moonta-Wallaroo Joint Venture** with the Phelps Dodge / Red Metal Alliance, Mr Yates said application of a combination of calcrete geochemistry and gravity surveys was beginning to pay dividends.

“At the **Wombat Prospect** near Wallaroo, one of only three diamond core holes intersected a promising interval of 10 metres at 2.45% copper and 0.7 g/t gold within a 36 metre zone at 1.14% copper,” he said.

“Further drilling to test Wombat and nearby impressive anomalies is planned to commence in December following the harvest season, and to continue into the first quarter at 2006.”

“Mounting momentum in exploration program”

“In the three projects, I have discussed so far we have achieved either a discovery or positive leads,” Mr Yates said.

“As a consequence our exploration has mounting momentum which will carry on into 2006,” he said.

“We are now seeing the benefits of a deliberate drive for quality in our exploration portfolio, the forging of joint venture relationships with major mining companies and persistence which is normally inevitable for grassroots exploration success.

“A significant step-change over the past three years has placed us in the sound position of having a number of quality projects in an advanced state, any one of which could feasibly turn-up a discovery to complement Tripitaka.

“Our stated mission to create shareholder value by minerals discovery is firmly on track.”

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