



27 February 2006

Company Announcements Office
Australian Stock Exchange Limited
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DRILLING UPDATE

Adelaide Resources Limited is pleased to advise the following update on three March Quarter drilling programs:

- **Colona Mineral Sands Joint Venture.**

A detailed drilling program sufficient to enable the estimation of a mineral resource at the Tripitaka heavy mineral sand (HM) discovery in the Eucla Basin of South Australia is scheduled to commence in the third week of March. It is anticipated that the resource drill-out will take at least two months to complete. Subsequent analysis of drill samples and the following resource estimation process is planned for completion in the quarter ending 30 September.

Mineral assemblage analysis of the heavy fraction from Tripitaka samples collected in 2005 indicates an exceptionally high zircon content of up to 68%. Zircon is currently the highest value component in a heavy mineral deposit and the high value Tripitaka assemblage is outstanding in a global context.

- **Moonta-Wallaroo Copper-Gold Joint Venture.**

A diamond drilling program testing a number of targets is currently in progress at Moonta Wallaroo on Yorke Peninsula, South Australia. Principal amongst these targets is the Wombat Prospect which was discovered in 2005.

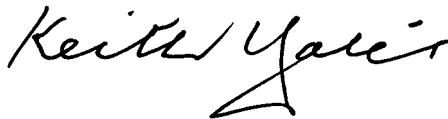
Drill holes have been positioned 200 metres along strike from 2005 drill hole MPD-05-21 which returned an encouraging mineralised interval of 10 metres at 2.45% copper and 0.7 g/t gold within a broader interval assaying 36 metres at 1.14% copper and 0.29 g/t gold. The drilling program will extend into March with receipt of assay results anticipated to be available for reporting in April.

- **Eyre Peninsula Gold Project.**

A reverse circulation drilling program is planned to test geophysical targets located in the immediate vicinity of the company's Barns and Baggy Green gold discoveries on Eyre Peninsula in South Australia. Barns and Baggy Green have returned numerous encouraging gold intersections in past drilling and the region in which they occur is considered to be highly prospective for further gold mineralisation.

A drill contractor has been appointed and the rig is currently scheduled to be on site in late March.

Yours sincerely

A handwritten signature in black ink that reads "Keith Yates". The signature is written in a cursive style with a large, stylized initial 'K'.

Keith Yates
Executive Chairman

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by K R Yates, who is a Fellow of the Australasian Institute of Mining and Metallurgy, and qualifies as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

For further information please contact Keith Yates or Chris Drown on (08) 8271 0600