



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Adelaide Resources Limited (the "Company") will be held at Level 16, 1 King William Street, Adelaide SA 5000 on Tuesday 21st November 2006 at 11.00 am

Ordinary Business

2006 Financial Report

To receive the financial report for the year ended 30 June 2006, together with the related directors' report and independent audit report.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following ordinary resolution:

"That the Remuneration Report for the financial year ended 30 June 2006 be adopted"

The vote on this resolution is advisory only and does not bind the directors of the company.

Resolution 2 – Re-election of Mr John Horan as a Director

To consider and, if thought fit, to pass the following ordinary resolution:

"That Mr John Horan, a director of the Company retiring in accordance with the Company's Constitution and, being eligible, offering himself for re-election, be re-elected as a director of the Company."

Resolution 3 – Re-election of Mr Paul Dowd as a Director

To consider and, if thought fit, to pass the following ordinary resolution:

"That Mr Paul Dowd, a director of the Company retiring in accordance with the Company's Constitution and, being eligible, offering himself for re-election, be re-elected as a director of the Company."

Special Business

Resolution 4 – Ratification of an Issue of Shares

To consider and, if thought fit, to pass the following ordinary resolution:

"That, for the purposes of Listing Rule 7.4 of the Australian Stock Exchange listing Rules and for all other purposes, the issue of 4,000,000 fully paid ordinary shares in the capital of the Company on 8 February 2006, in accordance with the attached Explanatory Statement, be approved."

Resolution 5 – Approval of Options for Mr Paul Dowd

To consider and, if thought fit, to pass the following ordinary resolution:

“That, for the purposes of rule 10.11 of the Listing Rules of the Australian Stock Exchange Limited and for all other purposes, the Company approves the issue to the non-executive director, Mr Paul Dowd, of 500,000 options to acquire ordinary shares in the Company in accordance with the attached Explanatory Statement and at an exercise price of 55 cents each.”

Other Business

To deal with any other business that may be brought forward in accordance with the Company’s Constitution and the Corporations Act 2001.

General Notes

Voting Exclusion Statement

The Company will disregard any votes cast on resolutions 4 and 5 on the basis set out below.

Resolution 4

The Company will disregard any votes cast on this resolution by the specified allottees (entities and persons) or any associate of those allottees.

Resolution 5

The Company will disregard any votes cast on this resolution by Mr Dowd or any of his associates.

However, the Company will not disregard any vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Explanatory Statement

The Explanatory Statement attached to this Notice of Annual General Meeting is hereby incorporated into and forms part of this Notice of Annual General Meeting.

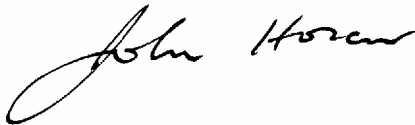
Voting Entitlements

Pursuant to Corporation regulations 7.11.37 made pursuant to Section 1074E(2)(g) of the Corporations Act 2001, the directors have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the Annual General Meeting will be as it appears in the share register at 6.30 pm CST on 19 November 2006.

Proxies

A shareholder has the right to appoint a proxy, who need not be a shareholder of the Company. If a shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. The Proxy Form must be deposited at the share registry of the Company, Computershare Investor Services Pty Limited, located at Level 5, 115 Grenfell Street, Adelaide SA 5000 or at the Company's registered office, 378 Unley Road Unley Park SA 5061 or by facsimile to Computershare on 61 8 8236 2305 or to the Company on 61 8 8271 0033 not later than 48 hours before the commencement of the meeting.

By order of the Board



John P Horan
Director / Company Secretary

Dated this 18th Day of October 2006.

EXPLANATORY STATEMENT

This Explanatory Statement sets out information in connection with the business to be considered at the 2006 Annual General Meeting of the Company.

Ordinary Business

The following items of ordinary business will be considered as resolutions at the meeting.

Resolution 1 - Adoption of Remuneration Report

The Corporate Law Economic Reform Programme (Audit Reform and Corporate Disclosure Act 2004 (Cth)) (CLERP 9) requires that a resolution be put to the members to adopt the remuneration report as disclosed in the directors' report. The vote on this resolution is advisory only and non-binding. The resolution gives the members the opportunity to ask questions or make comments concerning the remuneration report during the meeting.

Resolution 2 - Re-election of Mr John Horan as a Director

Mr Horan is a founding director of the Company, appointed in 1994. He is a Fellow of CPA Australia, a Fellow of the Chartered Institute of Secretaries in Australia, a member of the Finance and Treasury Association Limited and a member of the Australian Mining and Petroleum Law Association.

He has more than 40 years' experience in financial, corporate, technical and management areas of the mining industry and has been a director of a number of listed public companies in Australia and overseas.

Mr Horan is the chairman of Michelago Limited and Marengo Mining Limited, and chairman of a number of unlisted public companies.

The directors recommend that Mr Horan be re-elected as a director of the Company.

Resolution 3 - Re-election of Mr Paul Dowd as a Director

Mr Dowd was appointed as a director of the Company on 14 August 2006.

Mr Dowd, a mining engineer, has a professional career spanning more than 40 years. Until recently he was vice president of Newmont Australian Operations and managing director of Newmont Australia Limited, the Australian subsidiary of the world's second largest gold producer.

He was previously group executive – operations for Normandy Mining Limited with responsibility for the group's global managed mining interests, including eight Australian operations and four spread over Africa, Europe and Asia.

Prior to joining Normandy, Mr Dowd was general manager, Aurora Gold where he was responsible for Aurora Group operations and development, primarily in Indonesia and later also in Papua New Guinea. Previously he was head of the Victorian Mines and Petroleum departments.

Mr Dowd serves on several mining industry bodies and advisory councils and is a director of Regis Resources NL and Buka Gold Limited.

The directors recommend that Mr Dowd be re-elected as a director of the Company.

Resolution 4 - Ratification of an Issue of Shares

On 2 February 2006 the Company undertook a placement of 4,000,000 fully paid ordinary shares at a price of 50 cents per share to raise a (gross) amount of \$2,000,000.

Members approval of the placement is now sought. In accordance with Australian Stock Exchange Listing Rule 7.4, the following information is provided for members' consideration;

- The number of securities (shares) the Company issued was 4,000,000
- The shares were issued on 8 February 2006
- The shares were issued at a price of 50 cents per share
- The placement shares were issued to the allottees listed below, being clients of Bell Potter Securities Limited and "excluded offerees" in the context of Section 708 of the Corporations Act 2001.
- The shares issued under the placement rank pari passu with the Company's currently listed Australian Stock Exchange quoted fully paid ordinary shares coded ADN.
- Allotment of the shares took place on 8 February 2006.

The funds raised by the placement were directed to financing the Company's mineral sand, copper and uranium exploration, and for working capital.

If shareholders of the Company approve the placement pursuant to this Resolution 4, the placed shares will not count towards the 15% limit in respect of issues of equity securities which the directors of the Company may undertake without shareholder approval in a 12 month period under Australian Stock Exchange Listing Rule 7.1.

Details of the allottees under the placement as required by Australian Stock Exchange Listing Rule 7.5.4 are listed below:

Troy Resources NL	1,700,000
Ariki Investments Pty Limited	1,000,000
Eastern Porphyry Pty Ltd	100,000
Palazzo Nominees Pty Ltd	100,000
Ucan Nominees Pty Ltd	500,000
Mr Reginald Keene	100,000
Coolal Pty Ltd	100,000
Mr Maurice James Neil QC	100,000
Mrs Elsie May Buckley	100,000
Mr Trent Barry	200,000
	4,000,000

Resolution 5 - Approval of Options for Mr Paul Dowd

It is proposed that 500,000 options to acquire ordinary shares in the Company be issued to Mr Dowd. The options will expire on 14 November 2010, become exercisable one month after the date of the Annual General Meeting at which this resolution is considered by shareholders and will be exercisable at 55 cents.

The options will not be quoted on Australian Stock Exchange ("ASX"), will be transferable with the consent of the Board and will otherwise be issued on standard terms set out in the ASX Listing Rules insofar as treatment of the options in the case of reconstructions, bonus and rights issues.

Listing Rule 10.11 requires, subject to certain exceptions, shareholder approval for the issue of securities to a related party of the Company. Mr Dowd is a director of the Company. Accordingly, approval under Listing Rule 10.11 is sought for the grant of options to him. As approval of shareholders is being sought pursuant to Listing Rule 10.11, under Listing Rule 7.2 Exception 14, additional approval under Listing Rule 7.1 is not required. The Board has considered best practice for corporate governance and has concluded that in view of the Company's size and level of contribution by the directors, the issue of the options is appropriate, subject to approval by shareholders.

The Following information is provided to shareholders for the purposes of Listing Rule 10.13:

- i) The options will be issued to or as directed by Mr Dowd.
- ii) The options will be issued to or as directed by Mr Dowd no later than one month after the date of the Annual General Meeting or such later date as may be approved by ASX.
- iii) The options will be issued for no consideration and are exercisable at 55 cents.
- iv) The terms and conditions of the options are set out in Appendix A.
- v) No funds will be raised by the issue of the options. In the event of exercise of the options, funds raised will be based on multiplying the number of options exercised by the exercise price of those options.

Mr Dowd joined the Board as a non-executive director on 14 August this year. At last year's Annual General Meeting the Company's shareholders approved the granting of options to the four existing directors at an exercise price of 55 cents. The proposed grant to Mr Dowd will be at the same exercise price and expiry date as those of the other directors. The average daily closing price of the Company's shares on ASX since Mr Dowd's appointment to the date of this Notice of Meeting is 50.35 cents. Mr Dowd does not hold any securities in the Company at present.

APPENDIX A

Terms of Options

The following is a summary of the material terms of the options, subject to Resolution 5.

- The options are options to subscribe for ordinary shares in the capital of the Company;
- The exercise price of the options is 55 cents;
- Shares issued on exercise of the options will rank pari passu with all existing ordinary shares of the Company from the date of issue;
- The options may be exercised wholly or in part by notice in writing to the Company received at any time on or before 14 November 2010, together with payment for the exercise price and the option certificates, if any, for those options for cancellation by the Company;
- The Company will allot the number of shares the subject of any exercise notice, and apply at its cost for quotation of the shares so allotted;
- The option holder will be permitted to participate in new issues of securities of the Company on the prior exercise of the options, in which case the holder of the options will be afforded the period of at least 14 days notice prior to and inclusive of the books' closing date (to determine entitlements to the issue) to exercise the options;
- In the event of any reconstruction, including consolidation, subdivision, reduction or return of the issued capital of the Company:
 - the number of options, the exercise price of the options, or both will be reconstructed, as appropriate, in a manner consistent with the ASX Listing Rules, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the options which are not conferred on shareholders; and
 - subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the options will remain unchanged.

- If there is a pro rata issue, except a bonus issue, the exercise price of an option may be reduced according to the following formula:

$$O^n = O - E \frac{[P - (S + D)]}{N + 1}$$

Where:

O^n = the new exercise price of the option;

O = the old exercise price of the option;

E = the number of underlying securities into which one option is exercisable;

P = the average market price per security, weighted by reference to volume, of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date;

S = the subscription price for a security under the pro rata issue;

D = dividend due but not yet paid on the existing underlying securities, except those to be issued under the pro rata issue;

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

- If there is a bonus issue to the holders of shares in the Company, the number of shares over which the option is exercisable may be increased by the number of shares which the option holder would have received if the option had been exercised before the record date for the bonus issue.
- The terms of the options shall be changed if holders, whose votes are not to be disregarded, of ordinary shares in the Company approve of such a change. However, the terms of the options shall not be changed to reduce the exercise price, increase the number of options, or change any period for exercise of the options.
- In the event that a director ceases to be a director of the Company, for any reason, any options not exercised prior to that event will lapse.



Mark this box with an "X" if you have made any changes to your address details (see reverse)

All correspondence to:
Computershare Investor Services Pty Limited
GPO Box 1903 Adelaide
SA 5001 Australia
Enquiries (within Australia) 1300 556 161
(outside Australia) 61 3 9415 4000
Facsimile 61 8 8236 2305
www.computershare.com

Appointment of Proxy

I/We being a member/s of Adelaide Resources Limited and entitled to attend and vote hereby appoint

the Chairman
of the Meeting
(mark with an 'X')

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Adelaide Resources Limited to be held at Level 16, 1 King William Street, Adelaide on Tuesday, 21st November 2006 at 11.00 am and at any adjournment of that meeting.

Voting directions to your proxy - please mark



to indicate your directions

	For	Against	Abstain*
1. To adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect Mr John Horan as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr Paul Dowd as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of an Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of Options for Mr Paul Dowd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and
Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

In addition to signing the Proxy form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date

ADN

13PR

How to complete the Proxy Form

1 Your Address

This is your address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry or at www.computershare.com.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 11.00 am on Tuesday, 21st November 2006. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

IN PERSON	Registered Office - 378 Unley Road, Unley, South Australia 5061 Share Registry - Computershare Investor Services Pty Limited, Level 5, 115 Grenfell Street, Adelaide SA 5000 Australia
BY MAIL	Registered Office - 378 Unley Road, Unley, South Australia 5061 Share Registry - Computershare Investor Services Pty Limited, GPO Box 1903, Adelaide SA 5001 Australia
BY FAX	Registered Office - 61 8 8271 0033 Share Registry - 61 8 8236 2305