



4 December 2006

Company Announcements Office
Australian Stock Exchange Limited
PO Box 11224
Australia Square NSW 2000

Share Placement Raises \$3.5 million

The Directors of Adelaide Resources Limited (ASX: ADN) are pleased to announce that the Company has placed 7,000,000 ordinary shares with institutional clients of Lodge Corporate Services Pty Ltd at an issue price of \$0.50 per share. The placement will raise gross proceeds of \$3.5 million. It represents less than 15% of the Company's currently issued capital and consequently shareholder approval under ASX Listing Rule 7.1 will not be sought.

Following the placement the company will have 76,910,960 shares on issue and cash and liquid investments in excess of \$6 million.

The funds raised will primarily be directed to financing the Company's 49% share of the Colona Mineral Sand Joint Venture.

Following the announcement of an Inferred Resource estimate for the Tripitaka zircon deposit on 27 September 2006 the Colona Joint Venture parties are currently discussing the nature and scope of studies required to determine the role that Tripitaka may play in the orderly development of the zircon deposits discovered to date in the Eucla Basin. Funds raised from this placement will ensure that Adelaide Resources has financial capacity which is adequate to fund its 49% share of currently forecast joint venture expenditure.

The Eyre Peninsula uranium joint venture will be funded by Quasar Resources at the rate of \$750,000 per annum, while exploration of the Company's 100% owned uranium projects in South Australia will be maintained and other projects advanced in the normal course of business.

An Appendix 3B New Issue Announcement will be forwarded shortly and application will be made for quotation of the new shares.

Yours sincerely

John Horan
Director / Company Secretary

