
NEWS

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FOR IMMEDIATE RELEASE
Thursday 22 March 2007

HIGHLY ANOMALOUS VALUES IN ADELAIDE RESOURCES'

FIRST URANIUM FORAY ON UNEXPLORED S.A. PROJECT

Further drilling is to be undertaken for uranium on a previously unexplored area of South Australia's Eyre Peninsula after initial assay results returned "highly anomalous" intersections.

The decision to expand the drilling program on the Ulysses prospect east of Wudinna was announced by 100% project owner, listed Adelaide Resources Limited today, after assay results from the first 9 of 23 holes drilled, were received.

Uranium intersections from RAB and aircore drilling include:

- **1m at 330 parts per million (ppm) U₃O₈ from 39m**
- **3m at 149 ppm U₃O₈ from 43m**
- **5m at 165 ppm U₃O₈ from 32m**
(including 1m at 230 ppm U₃O₈ from 36m), and
- **1m at 248 ppm U₃O₈ from 41m.**

Adding to the Company's decision to further drill was the success it encountered in adopting an innovative exploration method for determining the first drill targets at Ulysses.

Adelaide Resources (ASX "ADN") used detailed airborne radiometric data to select a relatively subtle uranium channel anomaly at Ulysses, believing that as uranium was likely to be depleted in surface soils, such anomalies may reflect significant mineralisation at depth.

"This is a most encouraging result from our maiden uranium drilling program on Eyre Peninsula," Adelaide Resources' Executive Chairman, Mr Keith Yates, said today.

"These highly anomalous uranium intersections are contained in shallow weathered basement at no more than 50 metres below surface and in virgin terrain not previously explored for basement uranium," Mr Yates said.

"As a guide to the significance of these results, Adelaide Resources is targeting basement hosted deposits with grades of around 1000 ppm (0.10%) U₃O₈ or higher.

“While the magnitude of the initial uranium assays returned from Ulysses to date is below the Company’s target grade, they are none-the-less highly anomalous and hence most encouraging.

“This is a very promising result from such early exploration in a hitherto unexplored area.

“It is indicative of the presence of a virgin uranium system deserving of further exploration.”

A diversified minerals explorer, Adelaide Resources announced in January this year it would focus strongly on uranium and mineral sands exploration.

The Ulysses drilling is part of a wholly funded 4,600 metre basement campaign by Adelaide Resources – its first in the Australian uranium sector – that will this year involve the Company in more than \$1 million worth of uranium exploration at the northern end of South Australia’s Eyre Peninsula.

Its other uranium targets include:

- A radiometric anomaly associated with a large gravity anomaly at the KO11 South prospect, 30 kilometres east of Wudinna
- A basement drilling program targeting anomalously high concentrations of uranium and thorium at Ethiopia, 45 kilometres northwest of Cowell, and
- A 70-hole rotary mud drilling program funded by JV partner, Quasar Resources Pty Ltd, in cover sediments containing palaeochannels within northern Eyre Peninsula.

The Ulysses intersections were part of a total program of more than 100 holes drilled in recent weeks by Adelaide Resources at Ulysses, KO11 and Ethiopia – the first uranium targets selected for drill testing within its more than 9,000 square kilometres of prospective acreage across Eyre Peninsula.

On another front, Adelaide Resources is exploring and potentially developing the world-class Tripitaka zircon project on the western outskirts of Eyre Peninsula, in joint venture with Iluka Resources Limited.

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