



## Australian Securities Exchange Announcement

14 June 2007

### Adelaide Resources to List its Uranium Assets in an IPO of Eyre Energy Limited

#### Key Points:

- **Eyre Energy to acquire all of Adelaide Resources' uranium tenements, including those subject to a joint venture with Quasar Resources Pty Ltd ("Quasar").**
- **Eyre Energy to raise \$10 million and list on the ASX.**
- **Adelaide Resources shareholders to receive a priority allocation in the IPO.**
- **Adelaide Resources to distribute Eyre Energy shares in-specie, while maintaining a strategic holding.**

Adelaide Resources Limited (ASX:ADN) intends to proceed with an IPO to list its 100% owned subsidiary Eyre Energy Limited ("Eyre Energy") on the Australian Securities Exchange and will seek to raise \$10 million to fund focused uranium exploration. It is planned that the prospectus will be lodged with ASIC during July, with the listing to occur in the quarter ending 30 September.

The move will allow Adelaide Resources to focus on its world class Tripitaka Zircon Project ("Tripitaka"), which is the subject of a joint venture with Iluka Resources Limited. Tripitaka has a defined resource and is currently undergoing a pre-feasibility study. Adelaide Resources will also maintain its gold, base metals and iron ore exploration efforts including the Rover copper gold project in the Northern Territory and the Barton (nickel), Warrambo (iron ore) and Anabama (copper) projects in South Australia.

Adelaide Resources shareholders who hold a minimum of 8,000 shares seven days after lodgement of the prospectus with ASIC will qualify for a priority allocation in the Eyre Energy IPO. Allocation of Eyre Energy shares under the priority offer will be entirely at the directors' discretion. Adelaide Resources will also seek to conduct an in-specie distribution of around 80% of its holding in Eyre Energy within two months after the listing. Further details of the priority allocation and in-specie distribution will be released once finalised.

Eyre Energy will have 17 tenements covering 9,125 square km on the Gawler Craton in South Australia (see Figure 1), some of which are being farmed into by Quasar. Quasar, an affiliate of Heathgate Resources (the operator of the Beverley Uranium Mine), is a partner of choice and under the guidance of its Managing Director, Geoff McConachy, was recently responsible for discovering the Four Mile Uranium Deposit, which is widely recognised as the most significant uranium discovery in Australia in over 20 years. Eyre Energy will benefit from Quasar's undertaking to spend \$3 million on uranium exploration over the next four years to earn a 60% interest in certain tenements and parts of tenements. However, Eyre Energy will retain 100% of the rights to the minerals in the basement over a large part of the joint venture area.

The tenements to be held by Eyre Energy are highly prospective for uranium mineralisation hosted in Tertiary palaeochannels and unconformity, shear/vein and IOCGU style uranium deposits hosted in the basement. Furthermore, the board and management of Eyre Energy have extensive knowledge of the long-held tenement package and have identified targets containing known uranium mineralisation that are ready for immediate drilling. For example, uranium mineralisation has been known from the Moonta Wallaroo district for over a century. In addition, recent first-pass drilling by Adelaide Resources intersected highly anomalous uranium values in a virgin basement setting at the 100% owned Ulysses prospect near Wudinna.

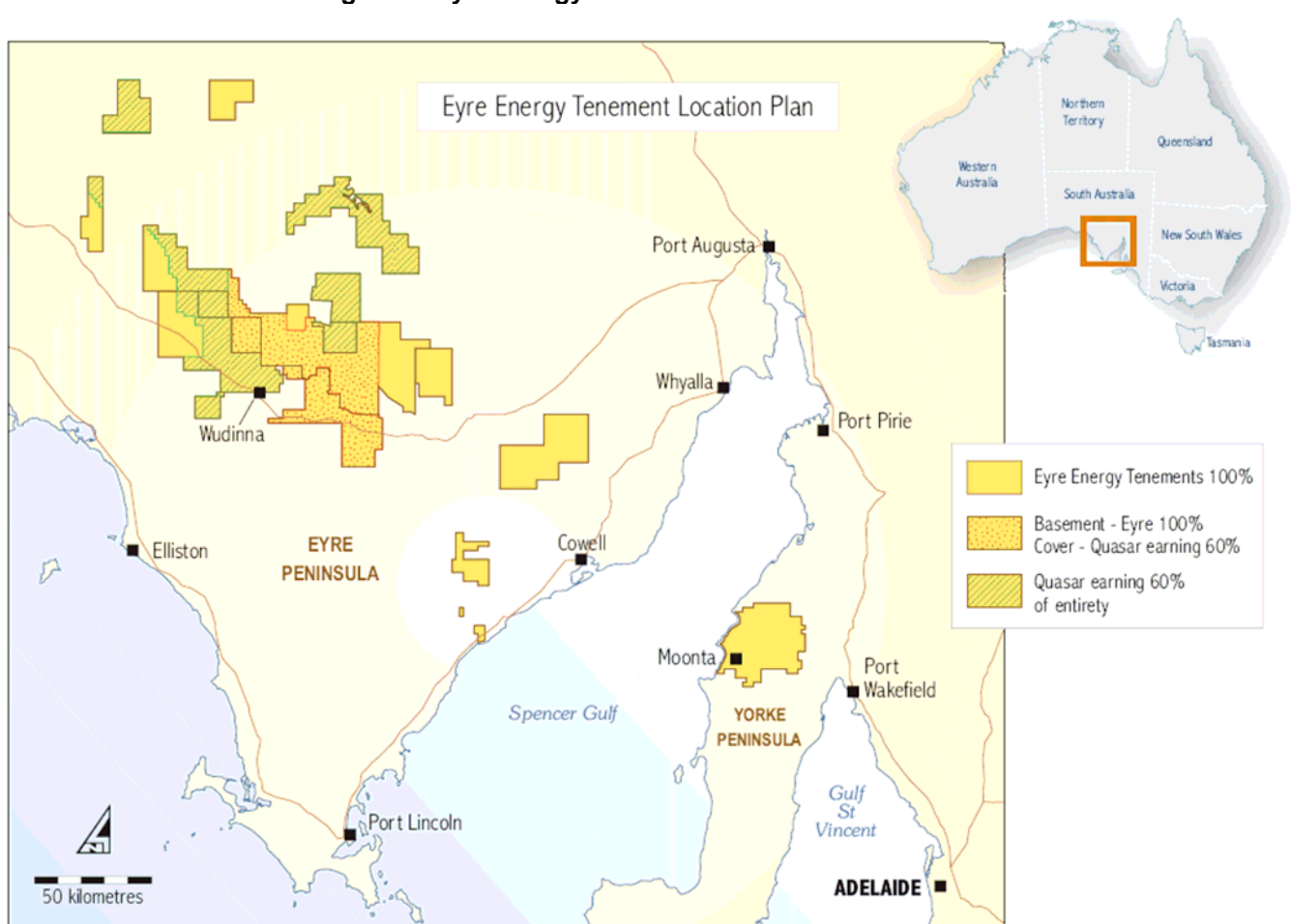
Eyre Energy will have a strong board consisting of:

Non-executive Chairman  
Managing Director  
Non-executive Director  
Non-executive Director

Keith Yates – Executive Chairman of Adelaide Resources  
Chris Drown  
Geoff McConachy – Managing Director of Quasar Resources  
John Horan – Non-executive Director of Adelaide Resources

Mr. Chris Drown has been appointed as Managing Director. Chris is an exploration geologist with 22 years experience in the minerals industry, and since 1997 has been exploration manager and later, exploration director, for Adelaide Resources, responsible for the company's uranium and other metals exploration. Chris has also worked with Western Mining Corporation Limited and Aberfoyle Resources Limited.

**Figure 1: Eyre Energy Tenement Location Plan**



**Keith Yates**

Executive Chairman

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*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Keith Yates who is a Fellow of the Australasian Institute of Mining and Metallurgy, and who has sufficient experience relevant to the style of mineralisation, the type of deposit under consideration, and the activity he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves (the JORC Code). This report is issued in the form and context in which it appears with the written consent of the Competent Person, who is Executive Chairman of the Company.*