
NEWS

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Adelaide Resources announces further progress with S.A. mineral sands project pre-feasibility study

Adelaide Resources Limited (ASX: ADN) today announced further progress towards a development decision on the Tripitaka zircon deposit on South Australia's Eyre Peninsula.

Latest developments include the approval by the Colona joint venture partners - Iluka Resources and Adelaide Resources - of a \$3.5 million budget for the pre-feasibility study into the Tripitaka development.

Adelaide Resources' Executive Chairman, Mr Keith Yates, said today that significant advances had already been made with the pre-feasibility study, with around 30% of the total budget expended to date.

"It is anticipated the study will be completed in the first quarter of calendar 2008 when, subject to a satisfactory completion of the pre-feasibility study, the joint venture will make a decision in relation to the definitive feasibility stage of the project," Mr Yates said.

Appointment of Pre-feasibility Study Manager

Adelaide Resources also announced that the joint venture had appointed Parsons Brinckerhoff ("PB"), a major international engineering consulting group, as Study Manager for the Tripitaka project.

The study work will be managed through the Adelaide Office of PB where mineral sands project experience has been gained through recent involvement in Australian Zircon's Mindarie operation, also in South Australia.

In-fill Drilling for Indicated Resource Estimation

Mr Yates said another major drill program had just been completed at Tripitaka.

"Processing of drill samples from this program is well advanced, with completion of assaying and commencement of bulk mineral assemblage analysis scheduled for the current quarter," he said.

"A total of 422 holes for 10,739 metres were drilled in the deposit of which 301 holes for 7,437 metres were drilled on the joint venture tenement, EL 3316.

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“These holes nominally spaced at 200 metres by 50 metres and locally at 100 metres and down to 25 metre spacing have been completed over the extent of the Tripitaka deposit and are designed to facilitate the upgrading of the existing Inferred Resource to the higher JORC Code category of Indicated.”

The joint venture partners have also flown an airborne electromagnetic survey over an area surrounding Tripitaka to define the extent of palaeochannels which are potential sources of underground water for a mining operation.

Mr Yates said this survey had defined promising targets for drill testing some of which are located near previous mineral exploration drill holes which intersected potential sand aquifers.

“The water exploration drilling program to test these targets is scheduled to be undertaken in the current quarter pending the timely completion of an Aboriginal heritage survey,” he said.

Other Tripitaka activity outlined today by Adelaide Resources included

- **Metallurgical Test work**
- **Baseline Environmental Studies**
- **Additional Components**
- **Permitting and Approvals**
- **Native Title Agreement**

(See attached Adelaide Resources ASX statement)

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