



Australian Securities Exchange Announcement

19 July 2007

Tripitaka Prefeasibility Study Significantly Advanced

Adelaide Resources previously released a Tripitaka progress report on 29 March 2007 subsequently inserted in its Quarterly Report for the period ending 31 March 2007.

Since then significant advances have been made with the Tripitaka prefeasibility study and the company is pleased to report on this progress as follows:

- **Appointment of Prefeasibility Study Manager**

The Colona Joint Venture (Iluka Resources Limited 51%, Adelaide Resources Limited 49%) has appointed Parsons Brinckerhoff ("PB"), a major international engineering consulting group, as Study Manager. The work will be managed through the Adelaide Office of PB where mineral sand project experience has been gained through recent involvement in Australian Zircon's Mindarie operation in South Australia.

- **Approval of Prefeasibility Study Budget**

The joint venture recently approved a total budget of \$3.5 million for the prefeasibility study, around 30% of which has been expended to date. Adelaide Resources' share of this total budget is at \$1.1 million. This breakdown is based on the Company's 30.6% share of the total estimated heavy mineral content of the Inferred Resource for the entire deposit.

It is anticipated the study will be completed in the first quarter of calendar 2008. Subject to a satisfactory completion of the prefeasibility study, the joint venture will make a decision in relation to the Definitive Feasibility stage of the project.

- **In-fill Drilling for Indicated Resource Estimation**

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. 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.

Processing of drill samples is well advanced, with completion of assaying and commencement of bulk mineral assemblage analysis scheduled for the current quarter.

- **Water Supply**

An airborne electromagnetic survey has been flown over an area surrounding Tripitaka to define the extent of palaeochannels which are potential sources of underground water for a mining operation.

This survey has 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.

- **Metallurgical Testwork**

As an adjunct to the resource drilling a series of holes were drilled to provide samples for metallurgical testwork.

These samples are currently undergoing wet concentrator plant testwork at the Brisbane laboratories of Roche Mineral Technologies Pty Ltd. Heavy mineral concentrates resulting from this work will then be tested at Iluka's Capel W.A. mineral separation plant facilities to determine mineral recoveries in dry milling and to establish final product qualities and marketability.

- **Baseline Environmental Studies**

A baseline flora study has commenced with a complementary fauna study scheduled to start in the current quarter.

- **Additional Components**

The study will contain additional components relating to mining and infrastructure, including road access, power supply and mine site facilities.

- **Permitting and Approvals**

Mine permitting processes specified by the South Australian Government are scheduled to commence in the current quarter with the pegging of Mineral Claims. The pegging of these claims is a precursor to a Mining Lease Application.

- **Native Title Agreement**

Discussions have commenced with the Far West Coast claimant group in relation to a mining agreement under Part 9B of the South Australian Mining Act.

The Study Manager will provide a report on the completed study including a description of the scope, estimated cost and schedule for the definitive feasibility stage.



Keith Yates
Executive Chairman

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 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).

The report is issued in the form and context in which it appears with the written consent of Mr Yates, who is Executive Chairman of Adelaide Resources Limited. Mr Yates, through his consulting company, has a long term employment contract with the Company.