
NEWS

• RELEASE •

Monday 21 April, 2008

SA-WA PROJECTS IN NEW IRON ORE IPO

LODGED BY IRON ROAD LIMITED

Australia's newest iron ore float is underway in an initial \$5 million venture aimed at developing projects in South Australia and Western Australia.

The Initial Public Offer for **Iron Road Limited**, comprising 25 million 20 cent ordinary shares, includes the iron ore assets of diversified South Australian explorer Adelaide Resources Limited (ASX code "ADN") which have been vended into the float.

Adelaide Resources will now primarily concentrate on its copper, gold, mineral sand and uranium prospects in South Australia and the Northern Territory.

The formal lodgement of the Iron Road prospectus with ASIC included the announcement that high profile Victorian based business identity, Dr John McKee, will Chair the new iron ore venture.

Dr McKee is a former Finance Director of Shell Oil South Africa, Chief Operating Officer of Santos, and Corporate Finance Director of Telstra.

His government appointments have included Chairman of the State Energy Commission of Western Australia, Co-ordinator General of the State Development Ministry of WA, Resources Advisor to the SA Government and Commonwealth Government appointee as Australian Resources Representative to the OECD in Paris.

He will be supported in the Iron Road IPO by Managing Director and mining engineer, Mr Andrew Stocks, previously Managing Director and CEO of Siberia Mining Corporation.

Leading Iron Road's asset charge is its acquisition from Adelaide Resources of 100% ownership of the flagship EL 3699 Warramboe iron ore project on Eyre Peninsula in SA. A 663 square kilometre iron ore tenement, it contains magnetite-bearing gneiss units at three distinct prospects – Warramboe, Kopi and Hambidge – with the magnetite units having a cumulative strike length in excess of 50 kilometres.

issued through

FIELD PUBLIC RELATIONS PTY LTD ABN 74 008 222 311

231 South Road, MILE END SA 5031

Ph: 08 8234 9555 Fax: 08 8234 9566

admin@fieldpr.com.au

Tests completed on Davis Tube concentrates of Warramboe magnetite have returned an exceptionally high value average iron grade of 70.4%.

“South Australia is considered the birthplace of the Australian iron ore industry and Eyre Peninsula is well endowed with iron ore mineralisation,” Dr McKee said.

“Commercial iron ore resources exist immediately south of Warramboe, near Lock, as well as large-scale operating mines to the east, near Whyalla,” he said.

“Significantly, the region enjoys good quality infrastructure including port, rail, power and water. Warramboe is known for its superior mineral qualities and high grade concentrate potential with low impurities.

“Iron Road’s goal is to build up a resource inventory at Warramboe to warrant stand-alone production.”

The company is confident of securing a drilling contractor to commence an exploration campaign at Warramboe soon after Iron Road’s planned listing on the ASX early in June, with \$2.4 million assigned to the project’s exploration schedule in the first two years.

Additional WA iron ore targets

Iron Road has also acquired a significant iron ore landholding in Western Australia, close to Portman Mining’s Windarling mine – a direct ship hematite ore operation currently exporting eight million tonnes a year.

The Windarling Peak project comprises a total of seven granted and applied for exploration and prospecting licences 85 kilometres north of Koolyanobbing.

Two projects in the Murchison region – Wanmulla northeast of Cue and Rose Hill, northeast of Mt Magnet - are also included in the float portfolio.

Dr McKee said it was intended any development of economic deposits by Iron Road would feed the rapidly expanding pellet and concentrate markets of Asia, Europe and the Middle East.

“We will be developing our assets at a time the iron ore price has increased 353% in the past five years,” Dr McKee said.

“With demand curves showing every fundamental sign of long-term sustainability, Iron Road’s IPO and listing is timely and exhibits strong upside potential.

“The company will only have 54.15 million shares on offer – a position in this commodity cycle which offers shareholders excellent leverage to exploration success.”

Adelaide Resources' shareholders to benefit

The Iron Road Offer, which is not underwritten, will open on 28 April and is scheduled to close on 26 May, with a planned ASX listing on 9 June. No oversubscriptions will be accepted.

Iron Road has issued 21 million shares to Adelaide Resources for consideration of the Warramboos project

Adelaide Resources' Managing Director, Mr Chris Drown, said the company would seek shareholder approval to distribute these shares to its shareholders by way of an in-specie return of capital following the listing of Iron Road. Adelaide Resources shareholders would receive about 1 Iron Road share for every 4 Adelaide Resources shares held.

"Should Iron Road trade at its offer price of 20 cents per share upon listing, Adelaide Resources' holding will equate to 5 cents of value in every Adelaide Resources share. The in-specie distribution will place this value directly into the hands of our shareholders." Mr Drown said.

"In addition, 7.5 million of the shares on Offer – 30% of the IPO – will be offered to Adelaide Resources' shareholders on a priority basis.

"This provides further opportunity for our shareholders to participate in a move that unlocks the value of a long-held iron ore asset."

International private equity investor – The Sentient Group, which has more than US\$500 million of funds invested globally in metal, mineral and energy assets - will be a cornerstone investor in Iron Road holding a 19.9% interest in the new company upon its listing.

Options package post-float

The prospectus also proposes that shortly after listing, Iron Road would complete an entitlement issue of options to its shareholders, on the basis of one option for every two Iron Road shares held.

The option entitlement will be non-renounceable. Options will be issued at 1.0 cent each with an exercise price of 20 cents and an expiry date approximately 2 years following the issue of the options.

The option scheme will not be enacted until Adelaide Resources has completed its proposed in-specie distribution of its Iron Road holding to its shareholders, ensuring Adelaide Resources' shareholders can participate in the scheme.

Prospectus

Anyone who wants to acquire shares in Iron Road will need to complete the application form that will be in the prospectus lodged with ASIC on 18 April 2008. Copies of the prospectus can be obtained by contacting Iron Road on

ph (08) 9322 2700 or by downloading a copy from
www.ironroadlimited.com.au

Anyone wishing to acquire shares in Iron Road should consider the prospectus in deciding whether to acquire the shares.

MEDIA CONTACT:

Chris Drown
Adelaide Resources Limited
(08) 8271 0600 / 0427 770 653

Kevin Skinner
Field Public Relations
(08) 8234 9555 / 0414 822 631

Andrew Stocks
Iron Road Limited
(08) 9322 2700 / 0403 226 748