



2 May 2008

Dear Shareholder

Re: Quarterly Report for Period Ended 31 March 2008

Please find enclosed a copy of the company's March 2008 Quarterly Report.

During the quarter the company executed a sale agreement with Iron Road Limited to vend the Warrambo Iron Project into that company in anticipation of it's listing on the Australian Securities Exchange. The Warrambo Iron Project is to be Iron Road's flagship project.

In consideration for Warrambo, Iron Road issued Adelaide Resources 21 million shares. Following the listing of Iron Road, Adelaide Resources intends to seek shareholder approval to distribute these securities to its shareholders by way of an in-specie return of capital. The distribution would see Adelaide Resources shareholders receive approximately one Iron Road share for every four Adelaide Resources shares. Your Board has sought advice to ensure that any in-specie return of capital would be achieved without creating a tax liability for you or the company.

Iron Road opened its Initial Public Offering (IPO) on Monday 28 April. Adelaide Resources shareholders wishing to invest directly in Iron Road's IPO may do so via two methods detailed in an announcement released to the ASX on 21 April, and summarised in the Quarterly Report enclosed herein.

In relation to the further delay in the completion of the PFS for Tripitaka Adelaide Resources is pressing Iluka to apply the necessary resources to expeditiously complete the study in the June quarter.

In other news your directors are encouraged with the results returned from a uranium exploration drilling program conducted on Eyre Peninsula during the quarter. Highly anomalous uranium mineralisation has been intersected at both the Ulysses and KO11S prospects, with Ulysses assessed as being of particular interest.

To the best of the company's knowledge, Ulysses and KO11S represent the first bedrock hosted uranium prospects known in the central Gawler Craton of South Australia and the presence of similar but untested uranium targets in the company's large strategic land holding in this region is a positive.

We anticipate progress on a number of other exploration fronts in the coming quarter and look forward to informing you of these endeavours in due course.

Yours sincerely

Paul J Dowd
Chairman