
NEWS

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NEW TIMETABLE FOR ADELAIDE RESOURCES'

DISTRIBUTION OF IRON ROAD SHARES

A new timetable has been set for shareholders of Adelaide Resources Limited (ASX code: "ADN") to receive 21 million fully paid ordinary shares in iron ore explorer, Iron Road Limited, which listed on the ASX in June this year.

In its notice of Annual General Meeting (AGM) released today, Adelaide Resources advised that shareholders owning its shares at the close of business on 17 November 2008, will be eligible to participate in the distribution. They will receive one Iron Road share for every four Adelaide Resources shares held.

Shareholders voted overwhelmingly in favour of the distribution of the Iron Road shares at a meeting held in August. However, delays in receipt of tax rulings from the Australian Taxation Office meant that the share distribution was postponed.

Adelaide Resources will now use its AGM to seek shareholder approval to additionally distribute 10.5 million options in Iron Road, also by way of an in-specie return of capital. Adelaide Resources acquired the Iron Road options last month as its full entitlement under a non-renounceable entitlement issue.

The Iron Road options have an exercise price of 20 cents and an expiry date of 30 September 2010. The options will be distributed to Adelaide Resources' shareholders on the basis of one Iron Road option for every eight Adelaide Resources shares held on the close of business on 17 November.

The Iron Road transaction reflects Adelaide Resources' strategy to focus on its portfolio of flagship gold and copper projects in South Australia and the Northern Territory, reinforced by last week's decision to sell all of its mineral sands interests in SA to Iluka Resources for \$5 million.

Adelaide Resources had announced its intention to complete the in-specie distribution of its Iron Road holding as part of its spin-out into Iron Road of the Warramboe iron ore exploration project on SA's Eyre Peninsula. The Company's holding represents about 39% of Iron Road's issued scrip.

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The in-specie distribution of both the Iron Road shares and options remains contingent upon receipt of favourable de-merger tax rulings. However, the Company is now confident that it will receive advice from the ATO in the coming weeks in time for the 17 November vote and the new distribution timetable.

“We are pleased to be able to offer the Iron Road options, free into the hands of our shareholders, in addition to the ordinary Iron Road shares. It was always our intension that shareholders be able to participate in the options scheme,” Adelaide Resources’ Managing Director, Mr Chris Drown, said.

“We have chosen to seek shareholder approval for the options distribution at our AGM on 17 November, as this is the most cost efficient way of seeking shareholder consent.”

“The Company’s shareholders and directors alike have been frustrated by the delay in the distribution of the Iron Road shares, but I trust that the free Iron Road options will compensate shareholders in some way for these delays,” Mr Drown said

Under the revised timetable, Adelaide Resources expects the distribution of both the Iron Road shares and options to be completed in the first week of December.

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