

One in the bag! What next?



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Speaker:
Keith Yates

A diversified minerals play!

May 2006



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Vital Statistics

- ASX Code: **ADN**
- Shares issued:
69.58 million
- Unlisted options:
4.67 million
- Cash:
\$4.2 million
- Shareholders: **~1300**
- Major Shareholders:
Troy Resources NL (17%)
Keith Yates (8.3%)
- 12 month trading:
19 to 72 cents
- Market capitalisation:
\$29.9 million (43 cents)



Board members left to right:
John den Dryver – Director
Chris Drown – Exploration Director
Keith Yates – Executive Chairman
John Horan – Director



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Mission

*To create shareholder value by
minerals discovery*





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Profile

- South Australian based diversified mineral explorer listed since 1996
- Experienced Board and Management - well funded
- Exciting mineral sands discovery in late 2005
- Range of projects - gold-copper, uranium, iron ore
- at promising stages
- Joint ventures with reputable majors

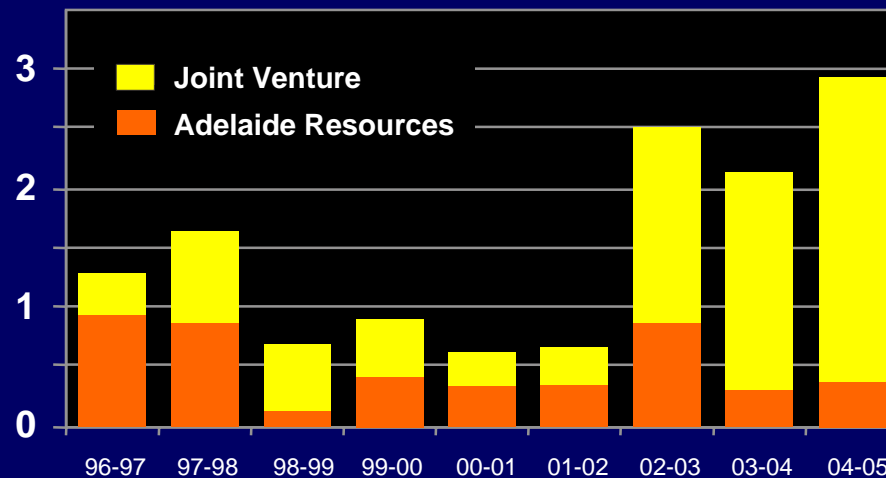


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Exploration Activity

*Exploration
Expenditure
(\$ million)*



40000

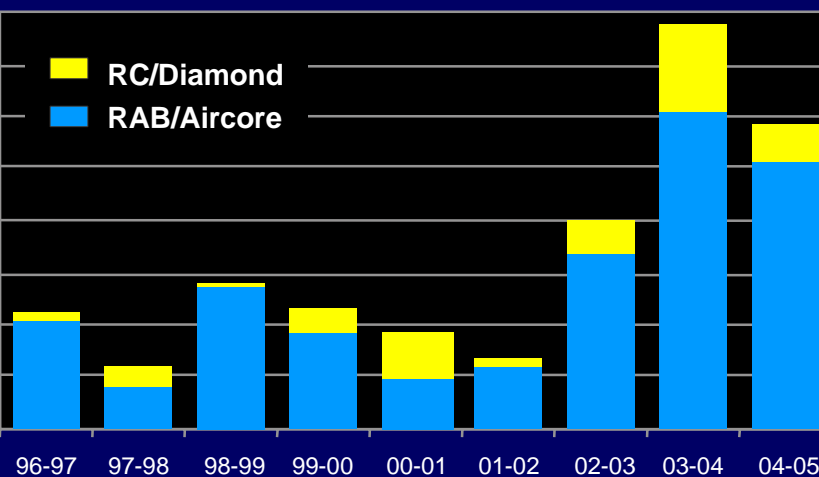
RC/Diamond
RAB/Aircore

30000

20000

10000

0



*Drilling
(metres)*



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Project Locations





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Tripitaka Mineral Sands Discovery

*With Iluka Resources Limited
spending \$1.0M to earn 51%
(expected mid 2006)*

*Resource drill-out
in progress*





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What are mineral sands?

- Mineral sands deposits are concentrations of heavy minerals generated by wave action on beaches
- These beaches can be modern day or as old as 40-50 million years
- The valuable components are typically zircon and the titanium bearing minerals rutile and illmenite





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Where are these minerals used?

Zircon Products





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Titanium Pigment Products

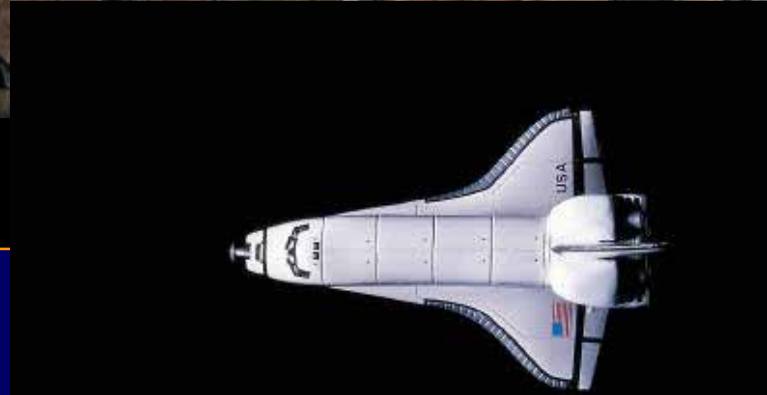




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Titanium Metal Products

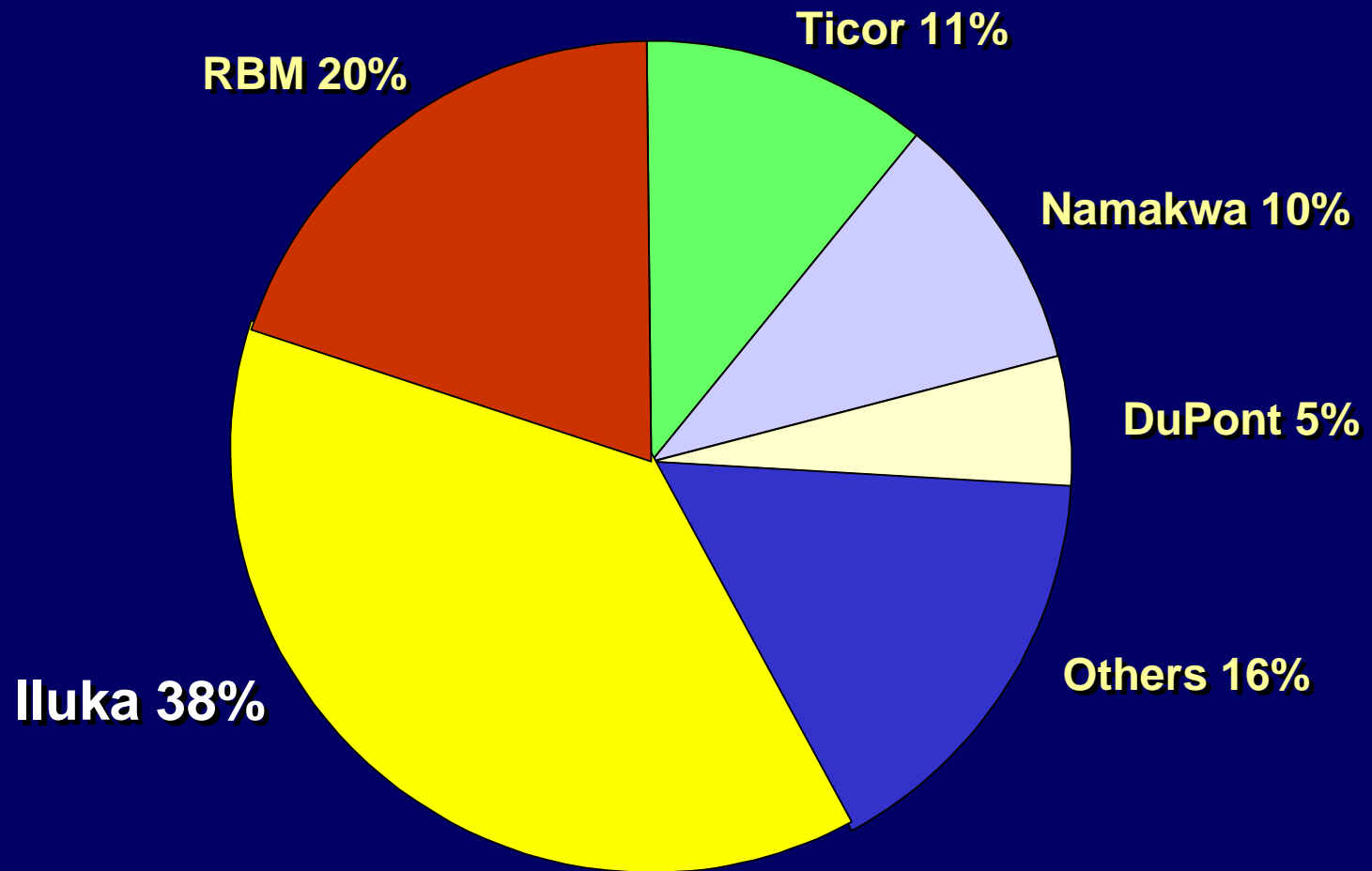




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Indicative Market Share - Zircon



(courtesy Iluka Resources)



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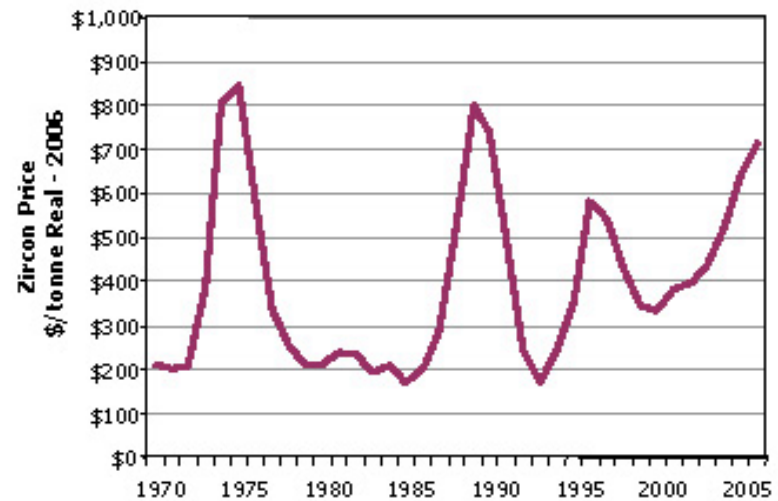


Zircon Market

Zircon Market Dynamics

- Supply remains very tight:
 - delay of some projects
 - flat/declining output from existing producers
- Supply shortage started in 2003 and will continue through 2006
 - stocks steadily drawn down
 - minimum stock levels for producers & consumers
- Steady price increases since 2002
- Changing pricing dynamics evident
- Trend towards annual volume and pricing negotiations

Historical Zircon Price \$US

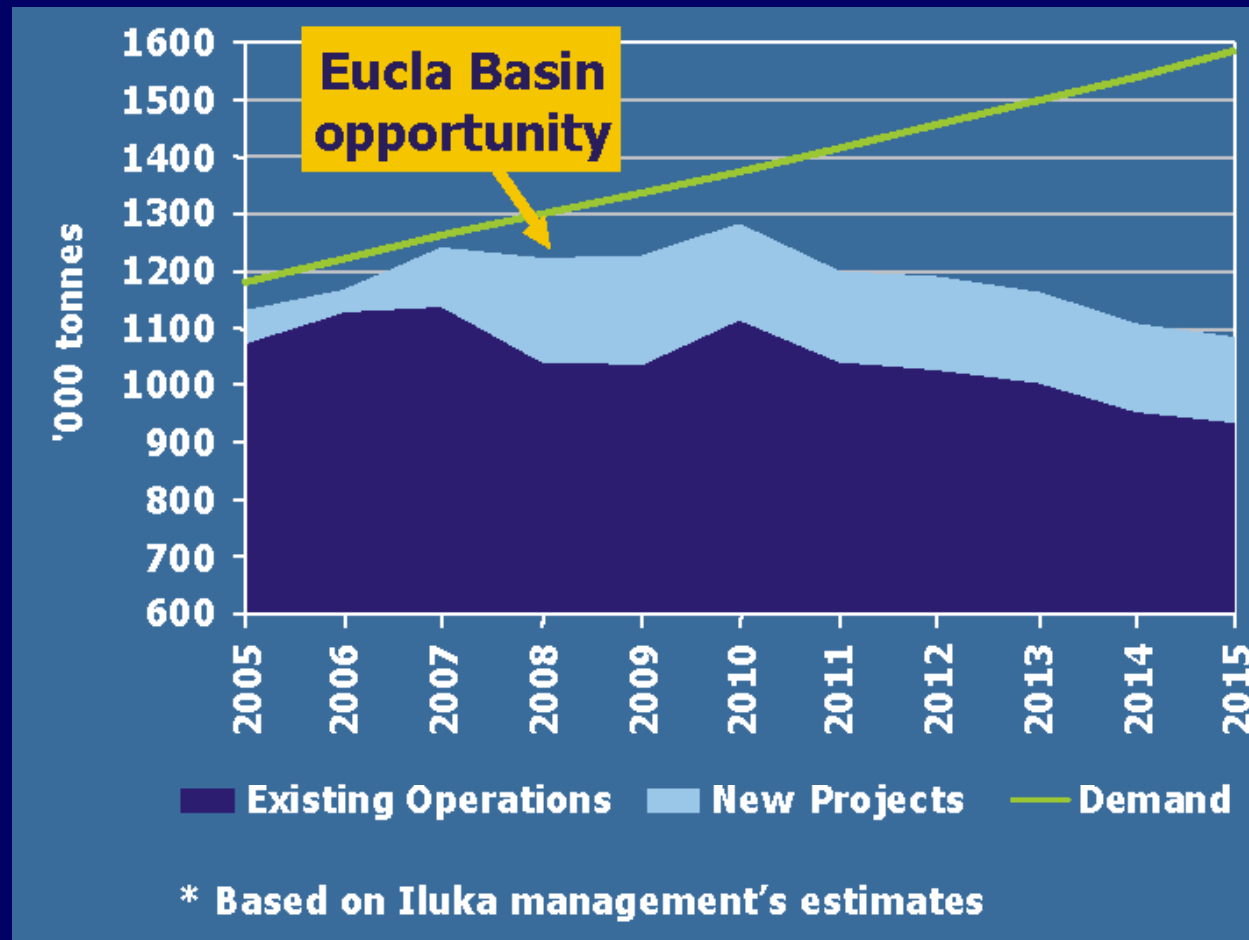




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Zircon Market Opportunity*



(courtesy
Iluka Resources)

Widening supply gap > 100,000 tonnes/annum



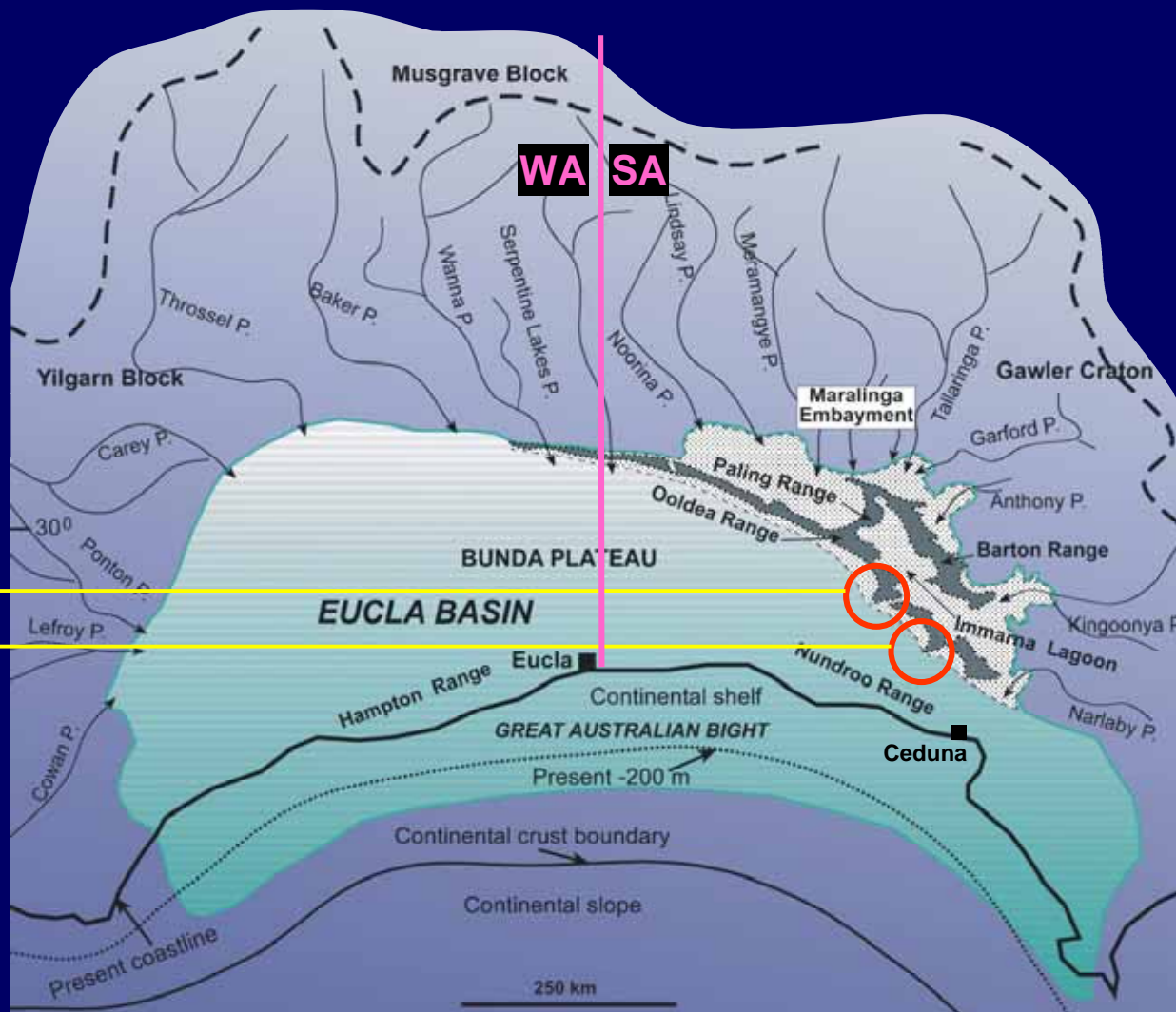
Adelaide Resources Limited



Eucla Basin - Potentially world's premier zircon source



Iluka discoveries
Tripitaka
Adelaide/Iluka

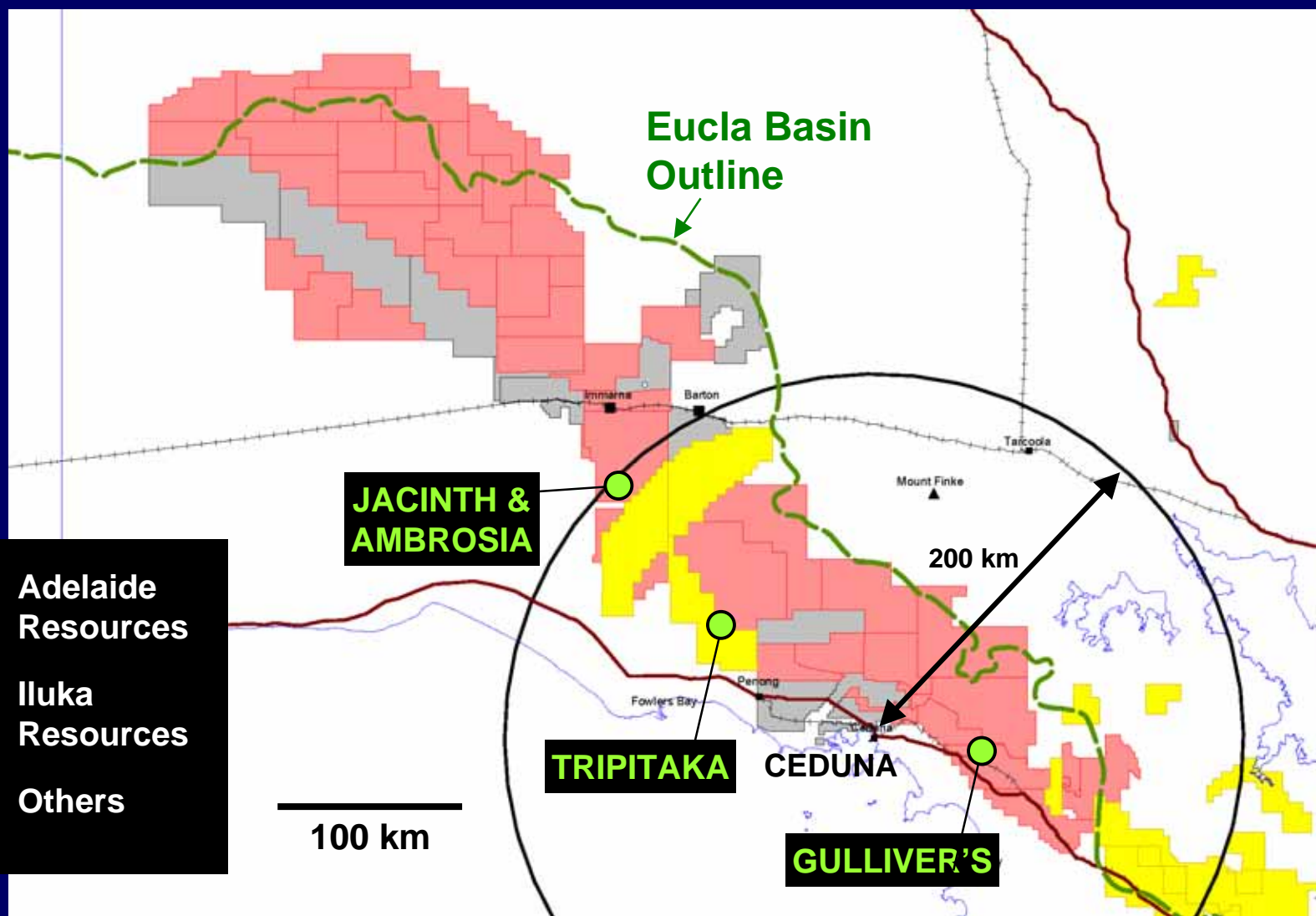




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Eucla Basin Tenements

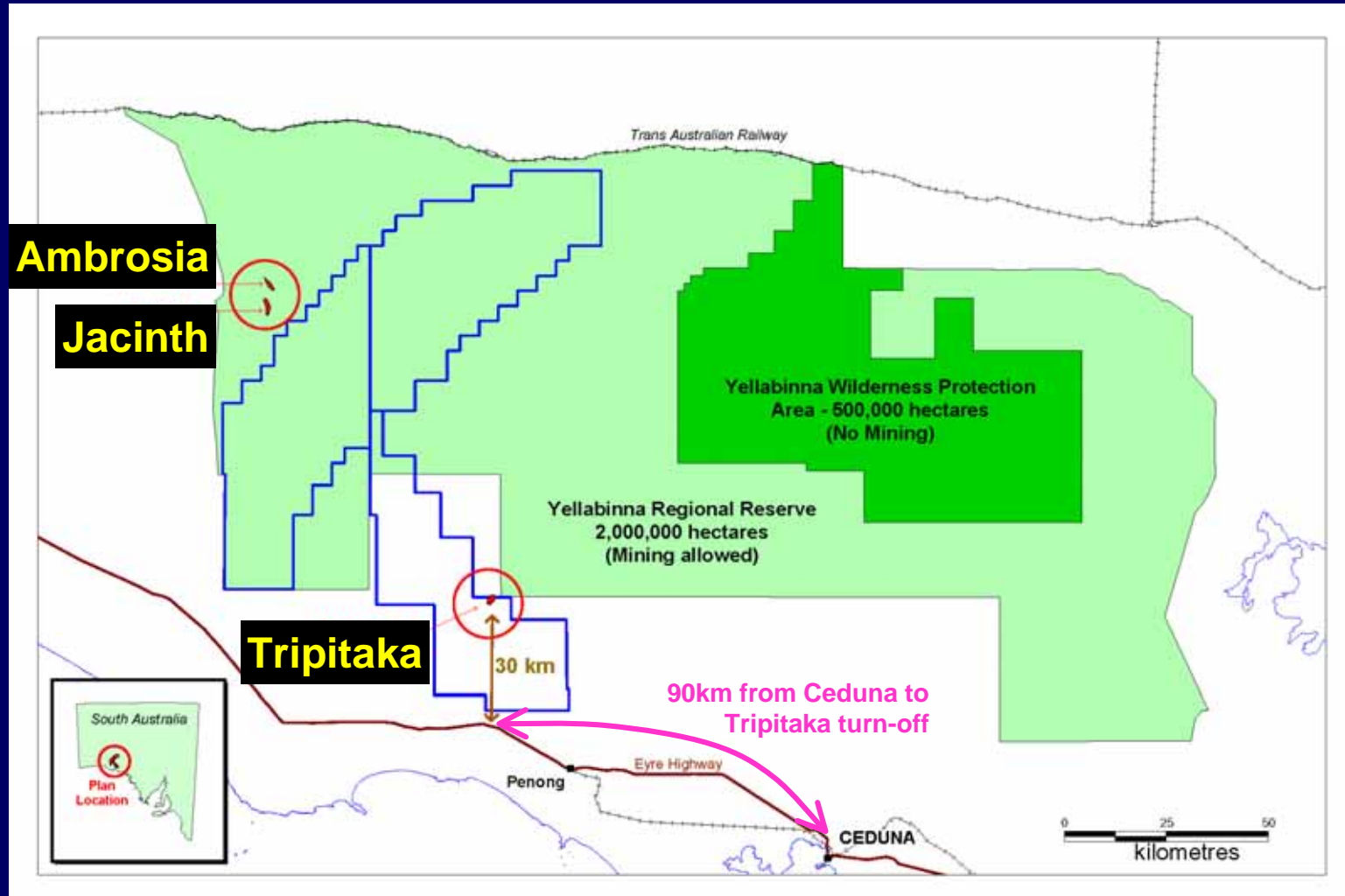




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Regional Location





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Colona Joint Venture

30 km

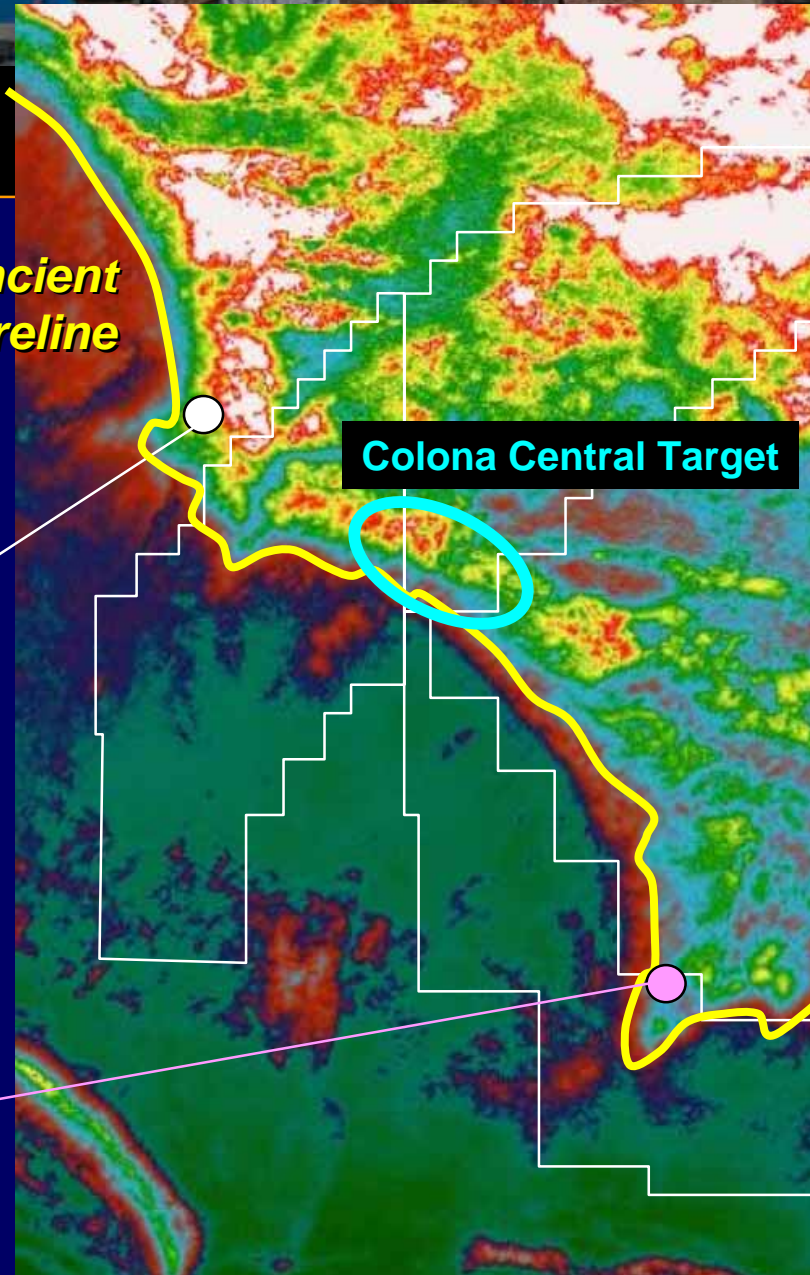
JACINTH AND
AMBROSIA DISCOVERIES
(Late 2004)

Shuttle Radar Topography
Mission (SRTM) data image

TRIPITAKA
DISCOVERY

Ancient
Shoreline

Colona Central Target

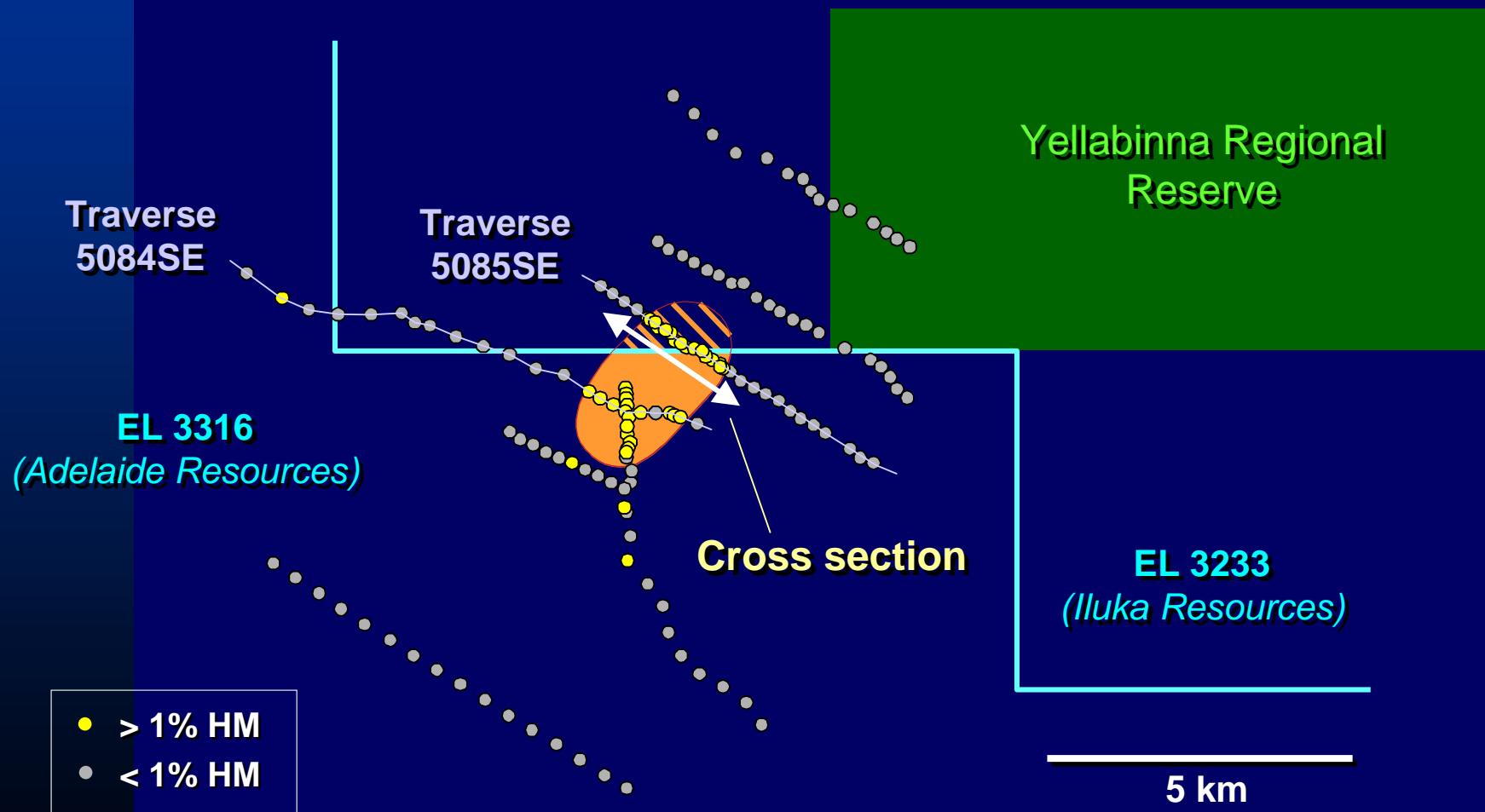




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Tripitaka Location

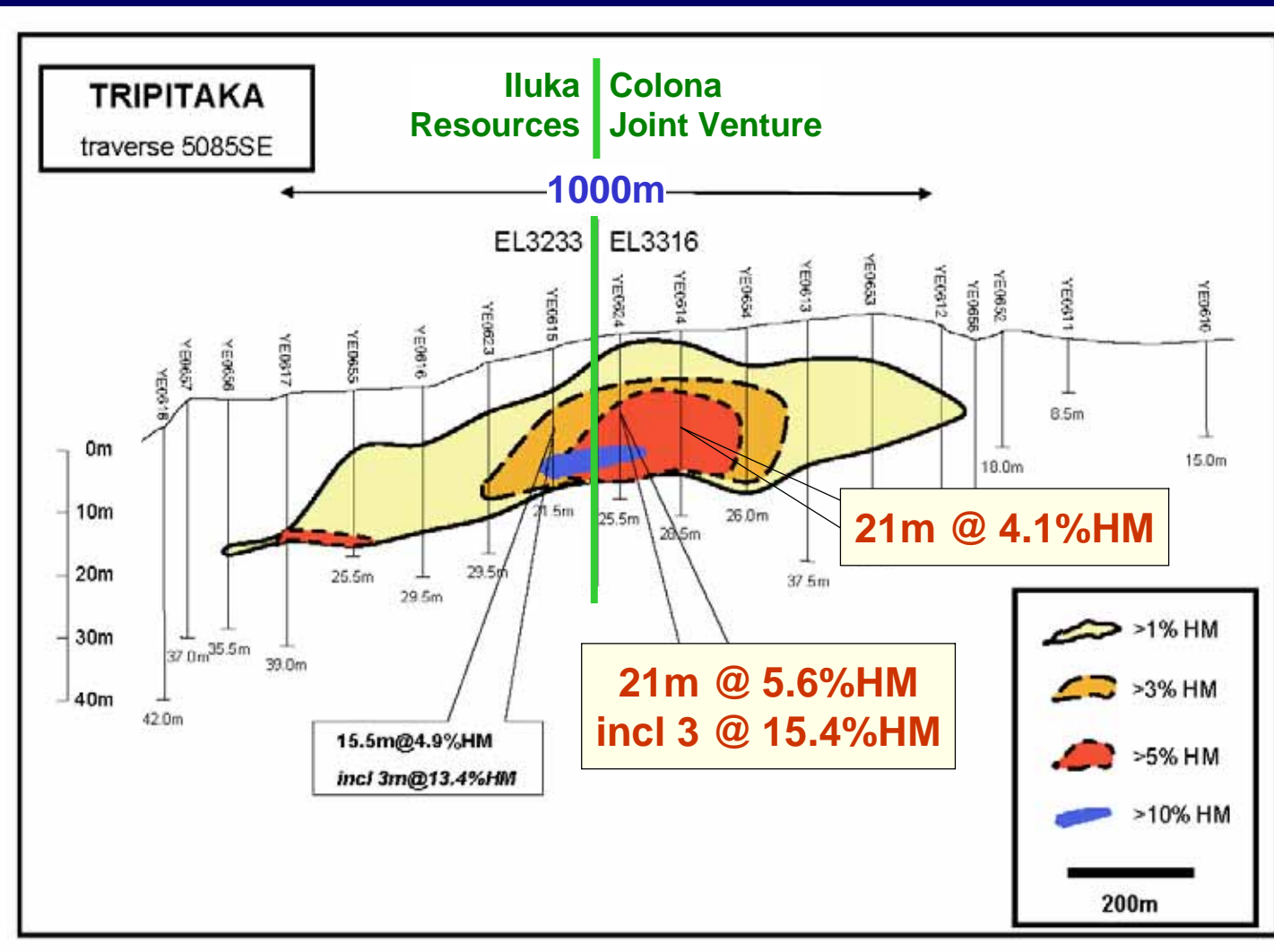




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Tripitaka - Section 5085SE - Looking North





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Significant Intersections (>1% HM) Line 5085SE

EL Holder	Hole	From (m)	To (m)	Interval (m)	%HM	%Clay (-53 microns)
Adelaide	YE0624	1.5	22.5	21.0	5.6	16.0
Adelaide	YE0614	1.5	22.5	21.0	4.1	19.8
Adelaide	YE0654	6.0	25.5	19.5	3.5	15.2
Adelaide	YE0613	6.0	22.5	16.5	1.9	16.8
Adelaide	YE0653	7.5	21.0	13.5	1.2	17.3
Adelaide	YE0612	10.5	15.0	4.5	1.2	15.2
Iluka	YE0656	22.5	24.0	1.5	1.2	3.6
Iluka	YE0617	21.0	22.5	1.5	5.8	2.2
Iluka	YE0655	9.0	24.0	15.0	1.9	12.2
Iluka	YE0616	9.0	22.5	13.5	1.6	11.8
Iluka	YE0623	7.5	24.0	16.5	2.7	10.6
Iluka	YE0615	6.0	21.5	15.5	4.9	10.2

Traverse	% Zircon	% Leucoxene*	% Ilmenite
5085SE	68	12	11

* The leucoxene percentage contains a rutile component yet to be defined.



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Eucla Basin Exploration 2006

*Eucla Basin >10 times global average
zircon content in HM assemblage*

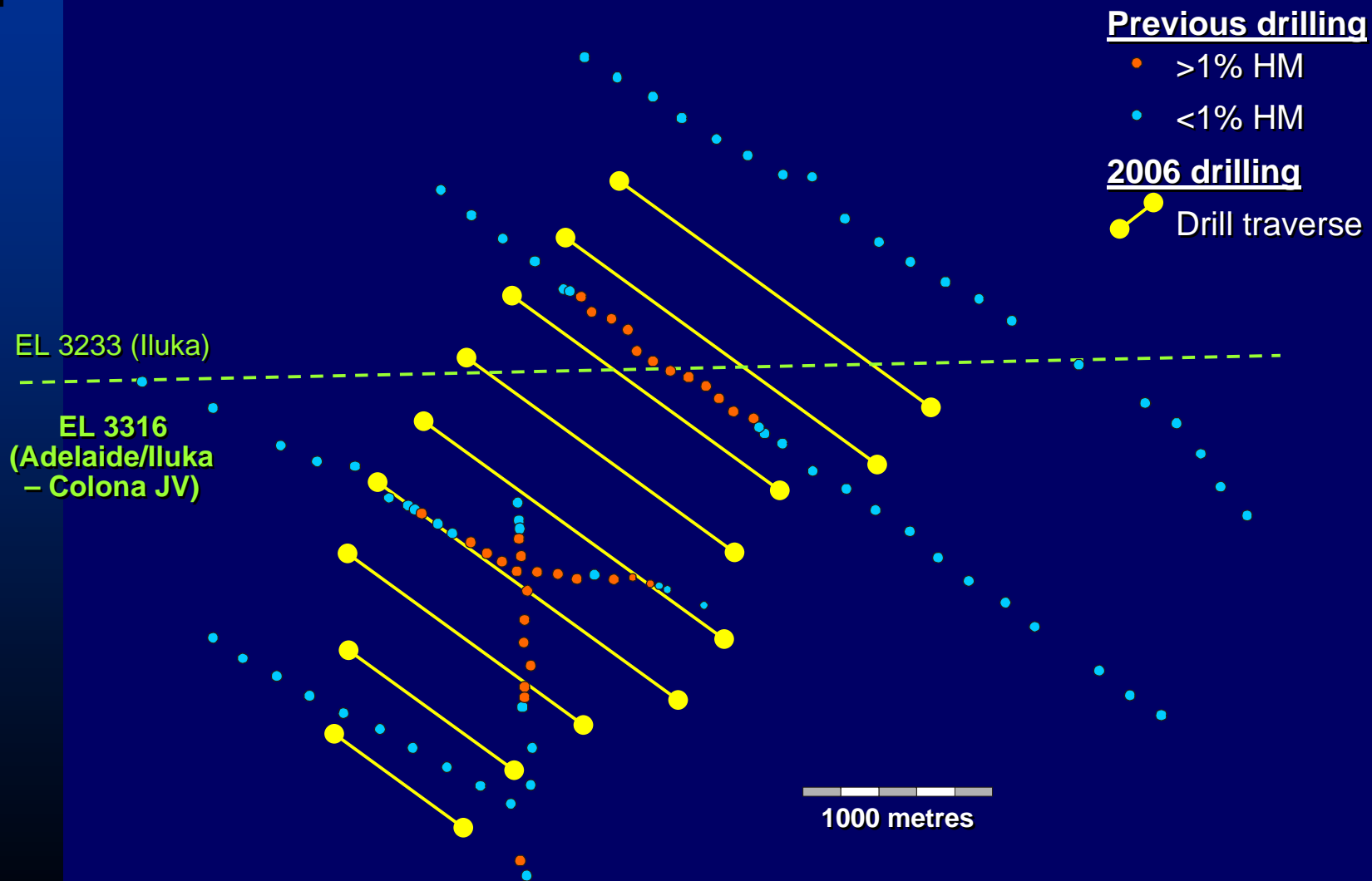




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2006 drilling (currently underway)

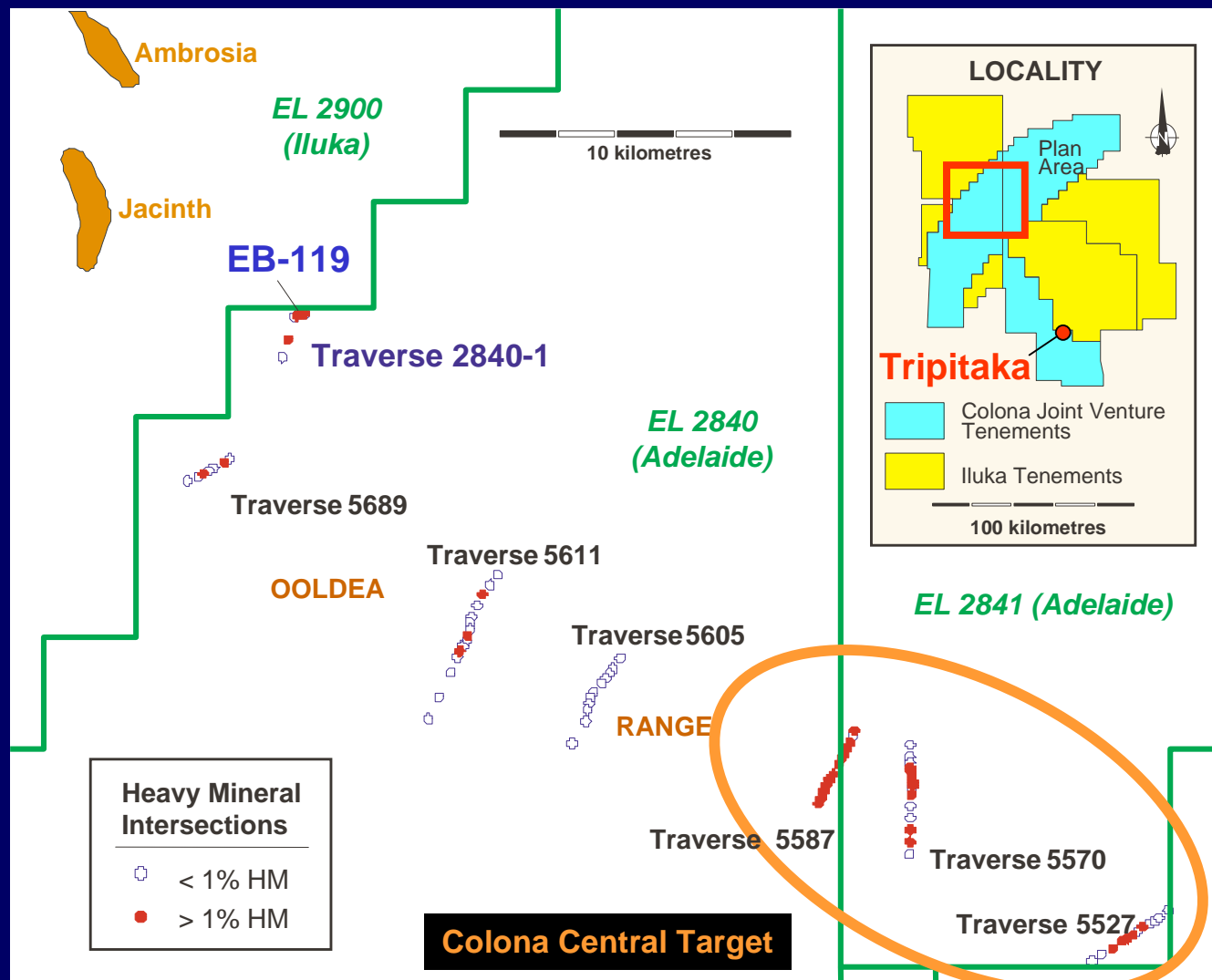




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Colona Central





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Colona JV - What next?

- Resource drill-out - completion in May
- Regional exploration near Tripitaka and Colona Central follows
- Laboratory analysis of samples and resource estimation
- Resource announcement expected end September qtr
- Iluka will earn 51% during this program
 - ADN will then contribute to hold 49%



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Indicative Comparison of Australian HMS Resources

Province	Company	MT	%HM	HM Mt	%Zircon	%Rutile	%Ilmenite ⁽⁶⁾	US\$/t conc ⁽⁷⁾	US\$/t in ground
Stradbroke Is ⁽¹⁾	Iluka	808	0.9%	7.04	11%	14%	45%	176	1.58
Murray Basin ⁽¹⁾	Iluka	387	11.5%	44.38	10%	13%	48%	167	19.19
Murray Basin ⁽²⁾	Bemax	2321	2.9%	67.49	10%	17%	53%	189	5.48
Murray Basin ⁽³⁾	Aust. Zircon	178	3.2%	5.74	19%	11%	66%	232	7.48
WA mid-west ⁽¹⁾	Iluka	851	5.2%	43.97	11%	6%	52%	146	7.57
WA south-west ⁽¹⁾	Iluka	529	8.2%	43.4	8%	1%	79%	125	10.26
WA south-west ⁽²⁾	Bemax	142	9.6%	13.85	9%		82%	128	12.28
WA south-west ⁽⁴⁾	Olympia Res.	82	3.2%	2.61	14%		75%	158	5.06
WA north-west ⁽⁵⁾	Gunson	690	1.4%	9.3	24%	6%	66%	248	2.50
Eucla Basin ⁽¹⁾	Iluka	172	4.6%	7.86	49%	5%	27%	387	17.81

Data Sources and Notes

- (1) - Iluka Resources Limited Concise Annual Report 2005
- (2) - Bemax Resources NL 2005 Annual Report
- (3) - Australian Zircon NL 2005 Annual Report
- (4) - Olympia Resources 2005 Annual Report - Assemblage information taken from Keysbrook Reserve
- (5) - Advised by Gunson Resources
- (6) - Includes various Ti minerals including leucoxene and HiTi Ilmenite which may sell for higher prices
- (7) - Based on 2006 prices as advised by TZ Minerals International

Commodity	US\$/tonne
Zircon	\$700
Rutile	\$450
Ilmenite	\$80



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What if Iluka's Jacinth / Ambrosia were gold deposits?

Using a gold price of US\$650/oz the combined in-ground zircon resources of Jacinth and Ambrosia would be equivalent to a **~4 mill oz** gold deposit.

And this in deposits that are very close to surface

Zircon only in-ground value ~\$A4 billion



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Eyre Peninsula Gold/Uranium Project

100% Adelaide Resources Limited

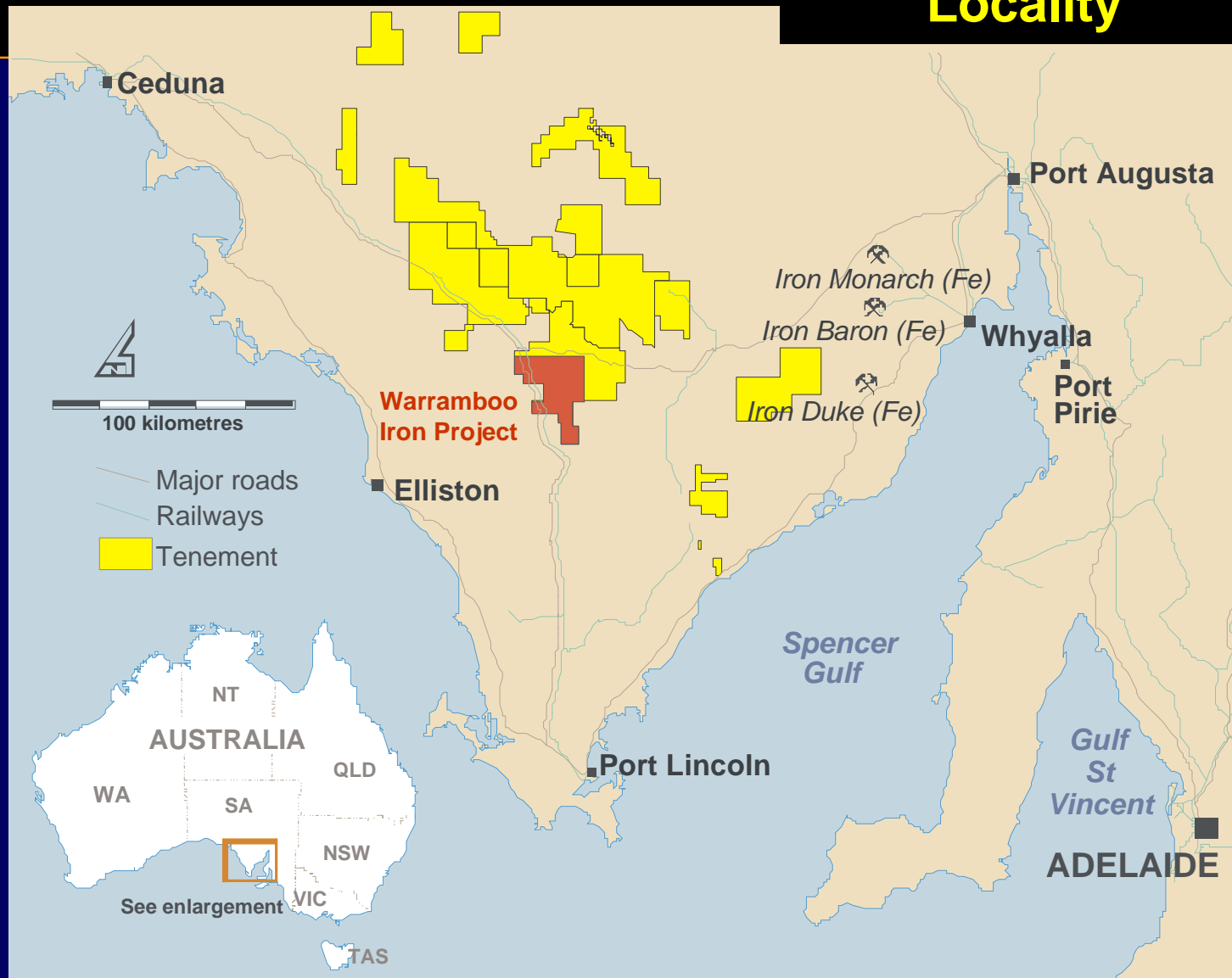




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Locality

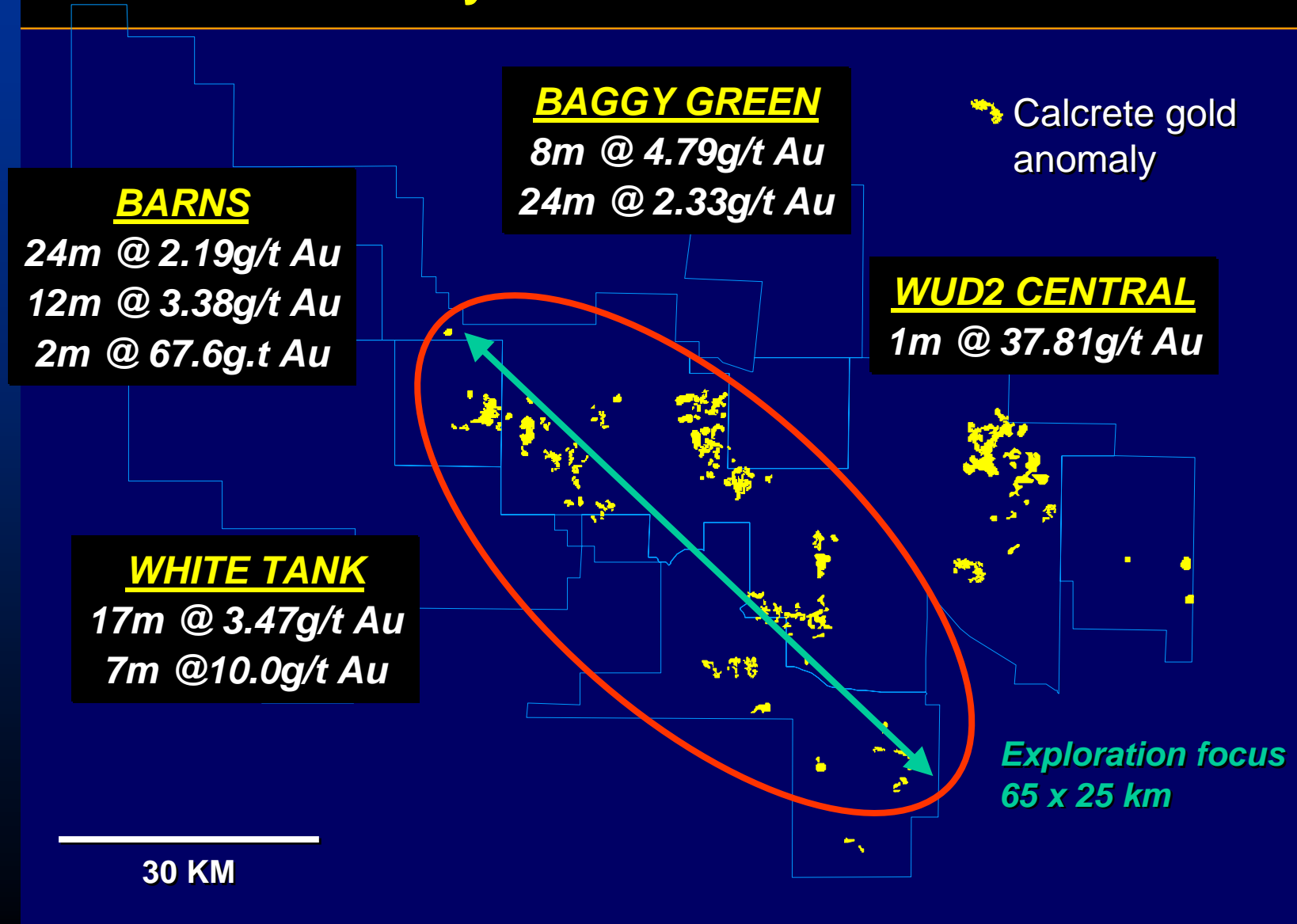




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Eyre Peninsula Gold

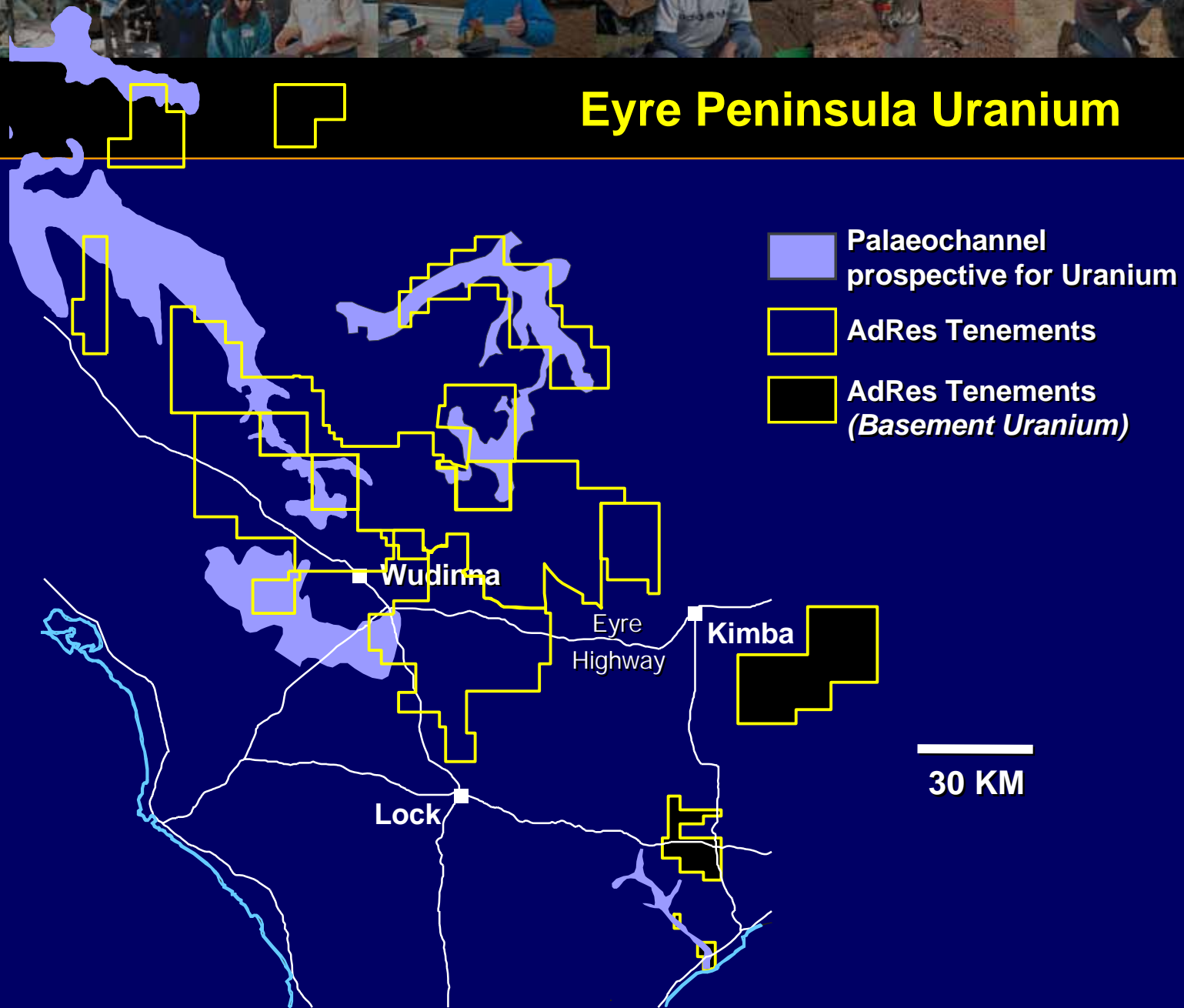




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Eyre Peninsula Uranium

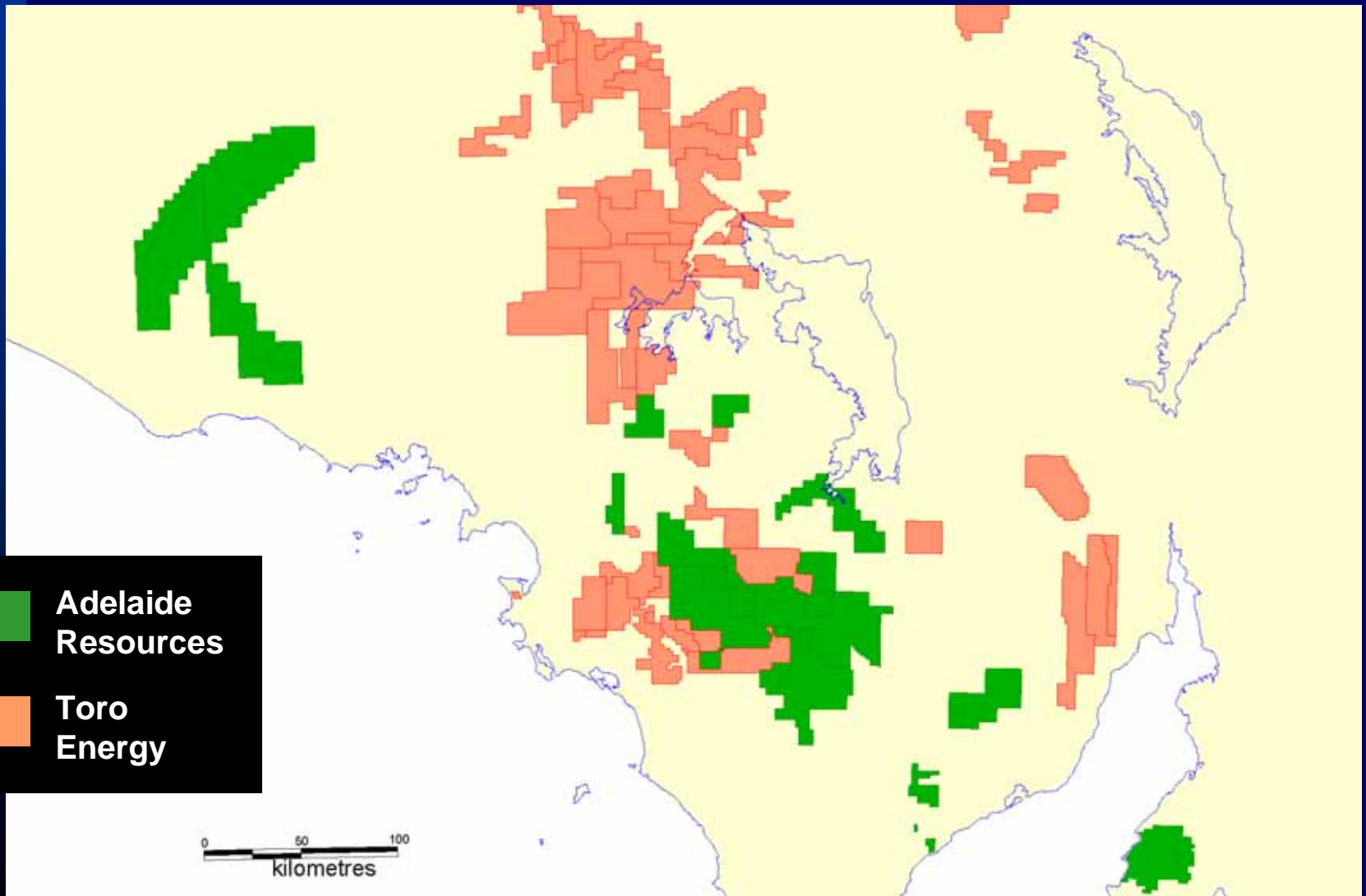




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Toro Energy Tenements

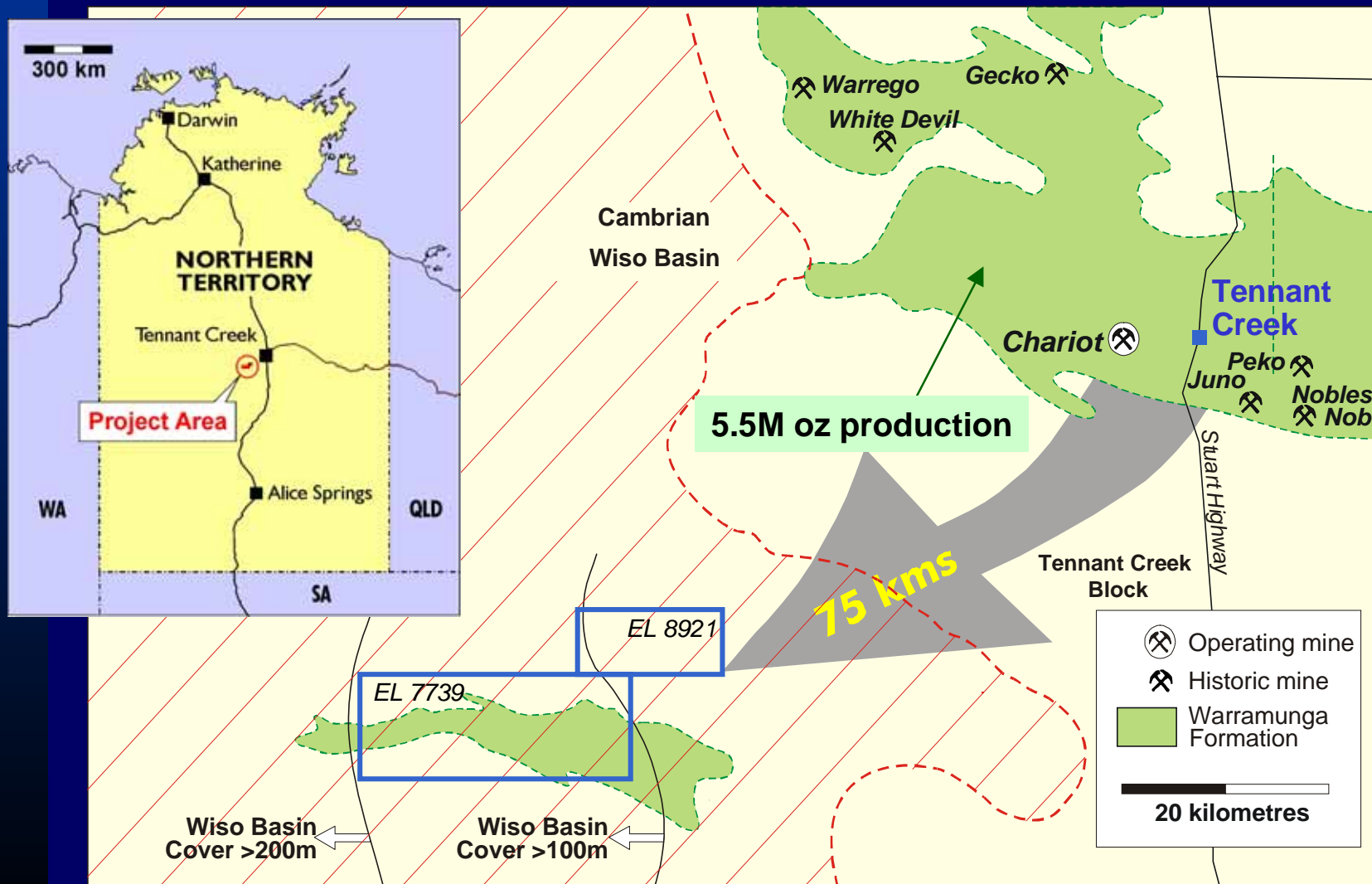




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Rover - Lifting the lid on a bonanza field!





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Tennant Creek - Major Producers

Mine	Tonnes	Au (g/t)	Au (oz)	Cu (t)
Warrego	6,750,000	6.6	1,475,000	178,000
Nobles Nob	1,996,000	17.3	1,110,000	—
Juno	452,000	56.1	815,000	1,000
White Devil	1,618,000	14.6	761,000	—
Peko	3,676,000	3.5	414,000	147,000

Tennant Creek orebodies are company makers!

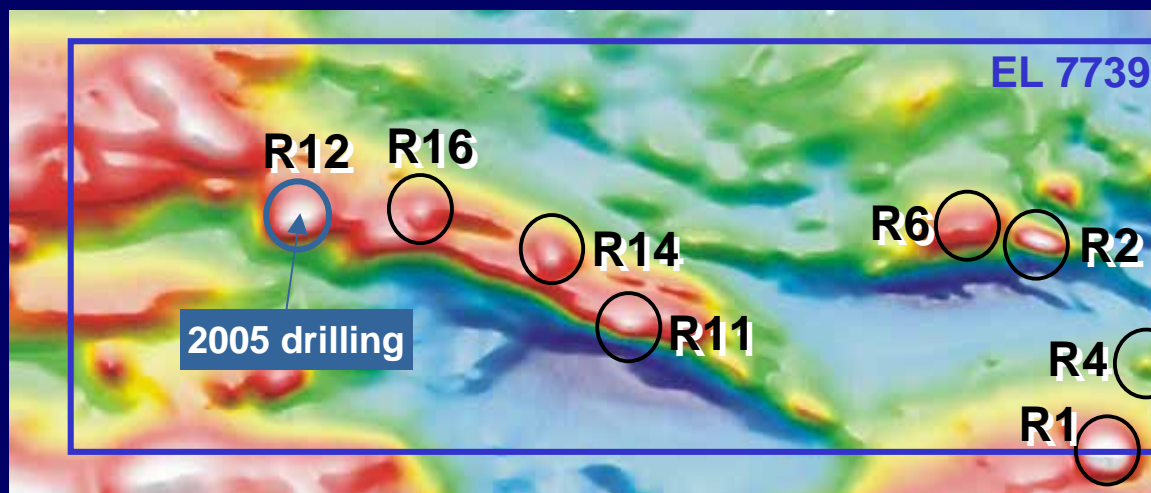
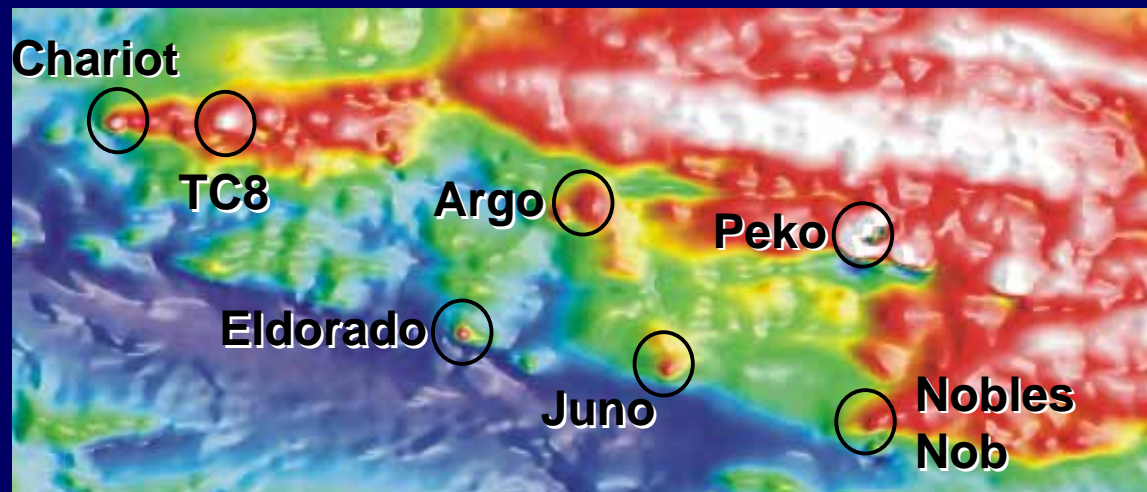


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Rover Project

Central Tennant
Creek Field
(2.5M ounces)



5 km

Rover Field
(? ounces)

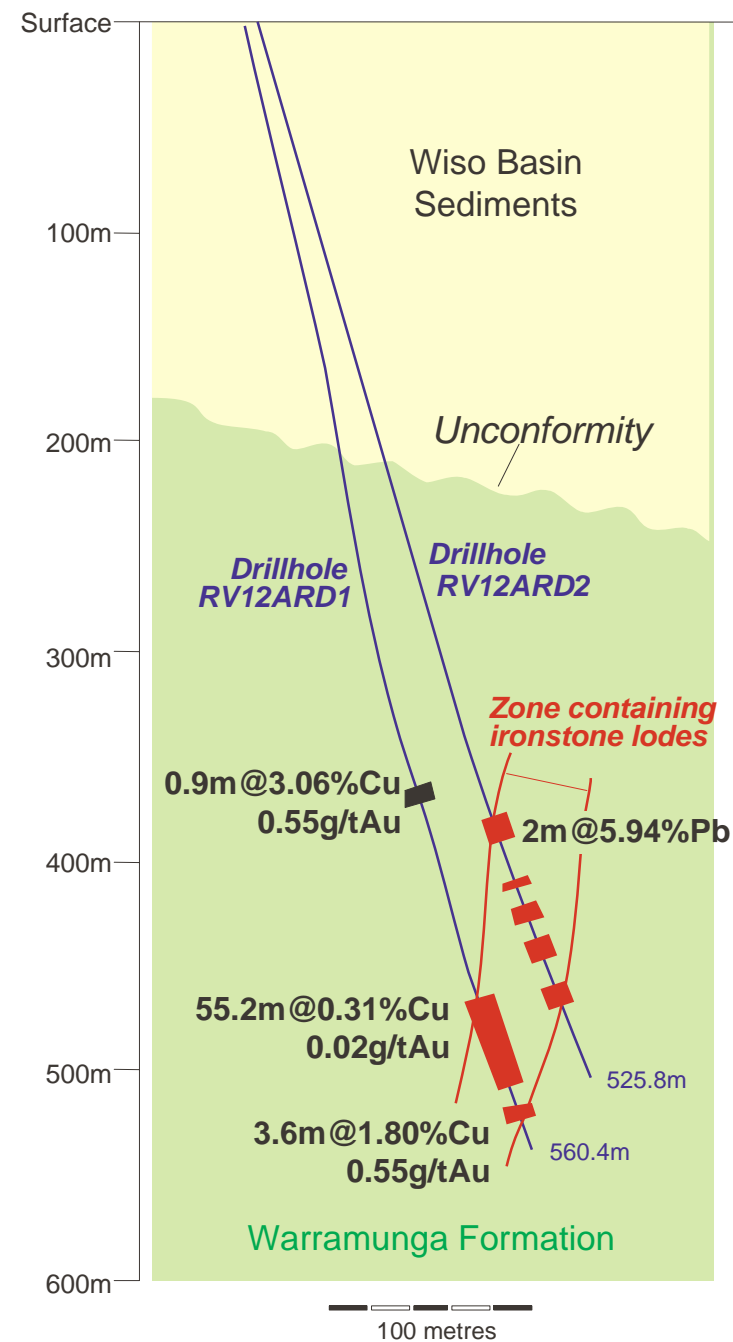
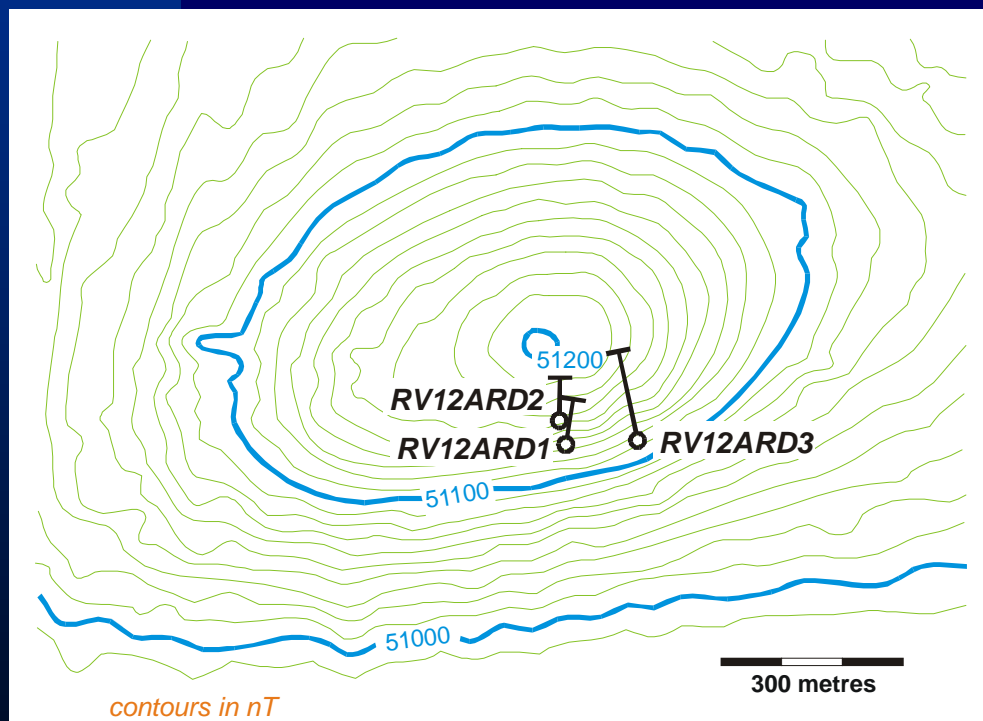


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R12 Section 339850E

R12 Magnetic contours





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Rover Project

*An exciting gold-copper play in a district renowned
for company making discoveries*

More drilling this year!





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What Next?

- Resource drilling of Tripitaka mineral sands discovery Iluka's highest Eucla Basin priority for 2006 (Mar 06)
- Eucla Basin exploration drilling (June 06)
- Drilling recommences at Rover gold/copper (Q3-06)
- Tripitaka resource estimate (Q3)
- Eyre Peninsula Uranium (watch this space)
- Ongoing programs at Moonta-Wallaroo and EP gold
- Warramboe Iron (watch this space)

"An active diversified mineral explorer"



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***Providing shareholders with discovery
opportunities!***



adelaideresources.com.au