

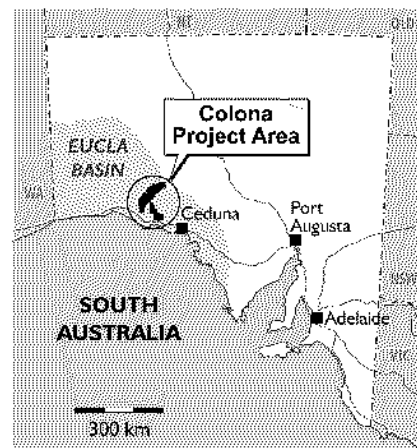


Australian Stock Exchange Announcement

27 September 2006

INITIAL RESOURCE ESTIMATE FOR TRIPITAKA ZIRCON DEPOSIT, South Australia

Adelaide Resources is pleased to advise that an Inferred Mineral Resource estimate has been completed by Iluka Resources Limited for the Tripitaka zircon rich mineral sand deposit in the Eucla Basin, South Australia. Full details appear in the Iluka Resource Statement (Attachment 1) released today.



The total Inferred Resource across the two tenements is 1 million tonnes of heavy minerals (HM) containing approximately 650,000 tonnes of zircon. The HM grade for the entire resource is 2.4% while the zircon proportion of the HM assemblage ("zircon proportion") is an extraordinary 65%.

The Colona Joint Venture sector of the deposit contains approximately 600,000 tonnes of HM at an average in-situ grade of 2.3% and zircon proportion of 63%. This equates to around 390,000 tonnes of contained zircon, the current spot price of which is in the order of \$US750 per tonne.

As is evident on the accompanying plan and cross-sections in the Resource Statement, the dimensions of Tripitaka are over 3 km long by up to 1 km wide. The depth of sand to the top of the mineralisation is generally less than 10 metres while the base of the deposit averages about 25 metres below surface.

As anticipated the proportion of zircon in the HM assemblage at 65% is extraordinarily high and very likely the highest in the world for an existing resource of its size or greater. It is the highest discovered in the Eucla Basin to date and adds strong endorsement to the already established zircon endowment of the Eucla Basin.

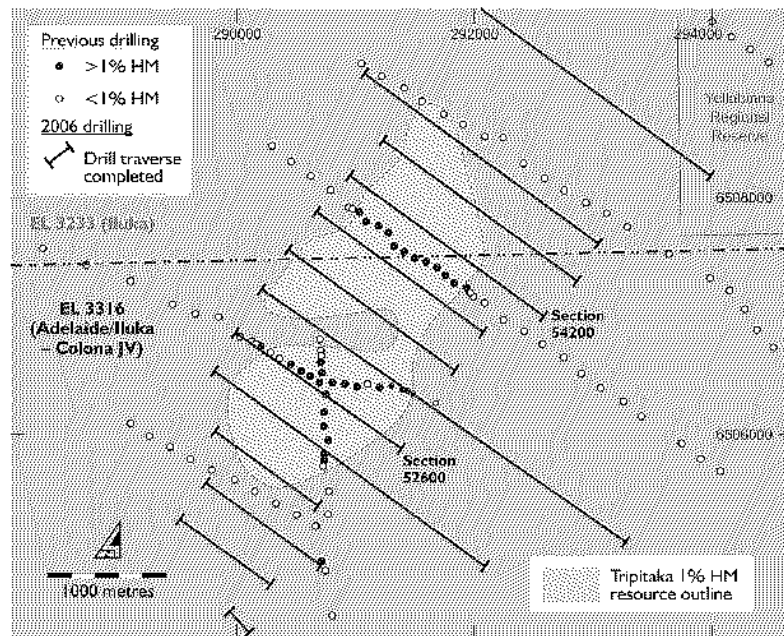
A summary of the Iluka resource statement is as follows:

Tripitaka Inferred Resource

	Material Tonnes (million)	HM (%)	Clay (%)	HM Tonnes (million)	Zircon (%)	Rutile (%)	Ilmenite (%)
Colona Joint Venture	28	2.3	14.8	0.6	63	6	7
Iluka 100%	14	2.7	11.8	0.4	67	4	13
Total	42	2.4	13.8	1.0	65	5	9

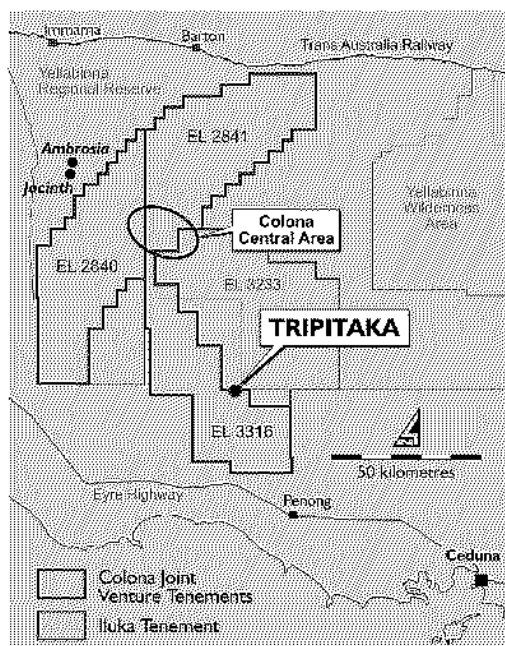
• Rounding may generate differences in the last decimal place

The estimate is based on holes drilled on a 400 metre by 50 metre grid. In view of the exceptional zircon content in the heavy mineral assemblage a 1% HM cut-off was used in the estimation process. Similar procedures have been adopted in resource estimation for Iluka's 100% owned Jacinth and Ambrosia deposits which both have similar geological character and setting.



The estimates were subjected to Iluka's internal audit procedures as well as to an external audit by Snowden Mining Industry Consultants.

The results of analyses to date, including heavy mineral grainsize and clay content, are very encouraging and indicate that the resource has the potential to generate mineral concentrates using conventional processing technology.



Tripitaka was discovered by Iluka, the manager of the Colona Joint Venture, in November 2005. On 14 September 2006 Adelaide Resources announced that Iluka had earned a 51% interest in the Colona Joint Venture and that the company intended to contribute its 49% share of currently forecast expenditure.

The deposit straddles the boundary of Exploration Licences EL 3316 (Colona Joint Venture) and EL3233 (100% Iluka) 100 km north-west of the part of Ceduna in South Australia (see locality map). It is accessed by road from Ceduna for about 130 km of which 90 km is the sealed Eyre Highway. Tripitaka lies within the Euria Pastoral Lease about 1.5 km outside the boundary of the Yellabinnia Regional Reserve.

The joint venture parties will meet in the near future to agree on the nature and scope of studies required to determine the role that Tripitaka can play in the orderly development of the substantial zircon resources widely distributed in the Eucla Basin. Although it is smaller than Jacinth or Ambrosia it has in its favour proximity to established infrastructure and the exceptional zircon content of its mineral assemblage.

Definition of the Tripitaka resource adds further weight to the already compelling case that the Eucla Basin is shaping as a future world class zircon producing province.

The Colona Joint Venture is maintaining a continuing exploration program with drilling in the Colona Central area currently in progress.

A handwritten signature in black ink, reading "Keith Yates". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Keith Yates
Executive Chairman

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Ian Warland and Iluka Resources staff on behalf of the Colona Joint Venture. Ian Warland is a Member 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).

Ian Warland is a full-time employee of Iluka Resources and consents in writing to the issue of this report in the form and context in which it appears.

Attachment -1

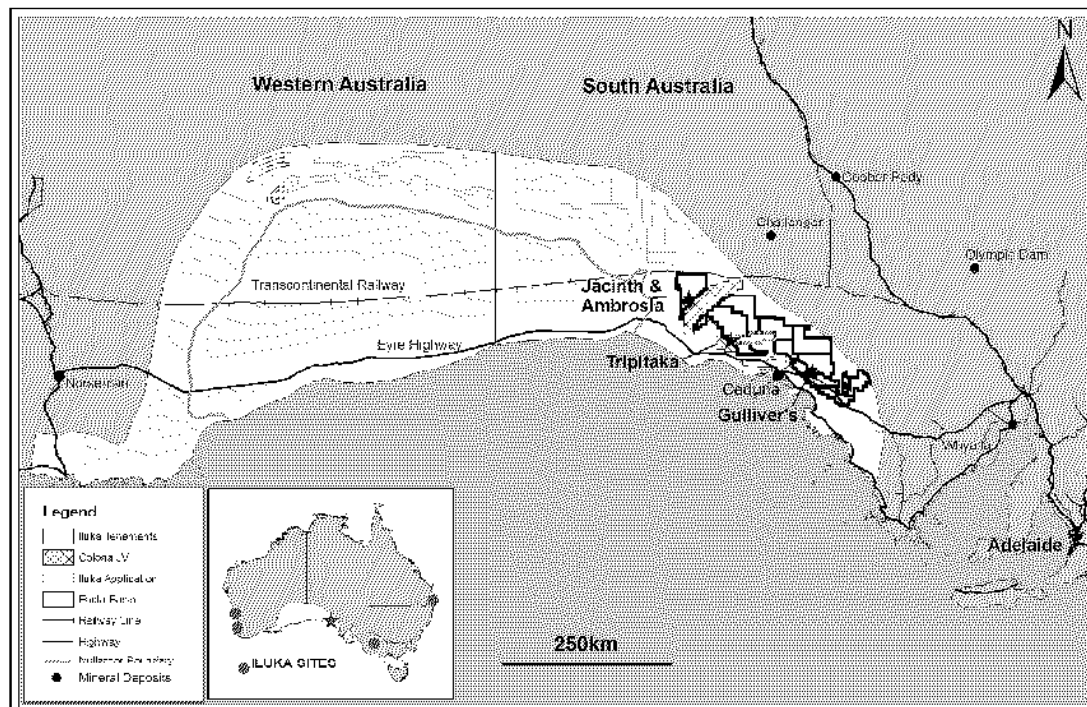
TRIPITAKA MINERAL RESOURCE STATEMENT

Iluka completed detailed drilling on a 400 metre by 50 metre grid basis across the Tripitaka deposit earlier in the year. The data from this work has generated sufficient information to estimate an Inferred Resource for Tripitaka. Several regional drill traverses were also completed to test the extent of the mineralisation in the vicinity of Tripitaka.

The geological character and setting of Tripitaka is similar to Iluka's Jacinth and Ambrosia deposits, located approximately 90 kilometres to the north-west (Figure 1). Tripitaka's mineralisation is within unconsolidated sands above the water table and is thought to be mainly aeolian in character, overlying a sequence of beach sands. The deposit is divided into a northern and southern zone separated by a crystalline basement high. Traverses 54200 and 52600, through the northern and southern zones of the Tripitaka deposit are shown as cross sections in Figures 3 and 4, respectively.

Iluka has completed sufficient work on this deposit to report the resource in accordance with the 2004 JORC Code. The Inferred Mineral Resource estimate is outlined below in Table 1.

Figure 1: Tripitaka Deposit Location Map



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Table 1: Tripitaka Inferred Mineral Resource Estimate (1% HM Cut-off)

	Material Tonnes (millions)	HM (%)	Clay (%)	HM Tonnes (millions)	Zircon (%)	Rutile (%)	Ilmenite (%)
Iluka (100%)	14	2.7	11.8	0.4	67	4	13
Colona JV	28	2.3	14.8	0.6	63	6	7
Total	42	2.4	13.8	1.0	65	5	9

Notes on Table 1:

- HM represents Heavy Mineral (Grains with a specific gravity > 2.9).
- clay is material smaller than 53 microns in size.
- zircon, rutile, and ilmenite are estimates of the percentage levels within the in situ HM tonnes based on laboratory test work.
- rounding may generate differences in the last decimal place.

Resource Model Background

Earlier in the year eleven traverses were drilled across the Tripitaka deposit using one of the Company's air core drilling rigs for resource delineation. 305 holes were drilled vertically, for a total of about 7,900 metres and sampled at 1.0 metre increments. Drilling density is shown below in Figure 2 and approximates a 400 x 50 metre grid. The samples were logged by Company geologists on site and then sent to the Iluka's laboratory for heavy mineral determination. Boreholes were located using differential GPS equipment with sub-metre resolution. Collar elevations were assigned from a digital terrain model derived from 90m SRTM (Shuttle Radar Topography Mission) satellite imagery.

A total of 27 composite samples were selected, across all mineralised drill sections, for mineralogical analysis. This was conducted at Iluka's laboratories where in-house QAQC procedures were applied.

Figure 2: Detailed plan of the Tripitaka Deposit

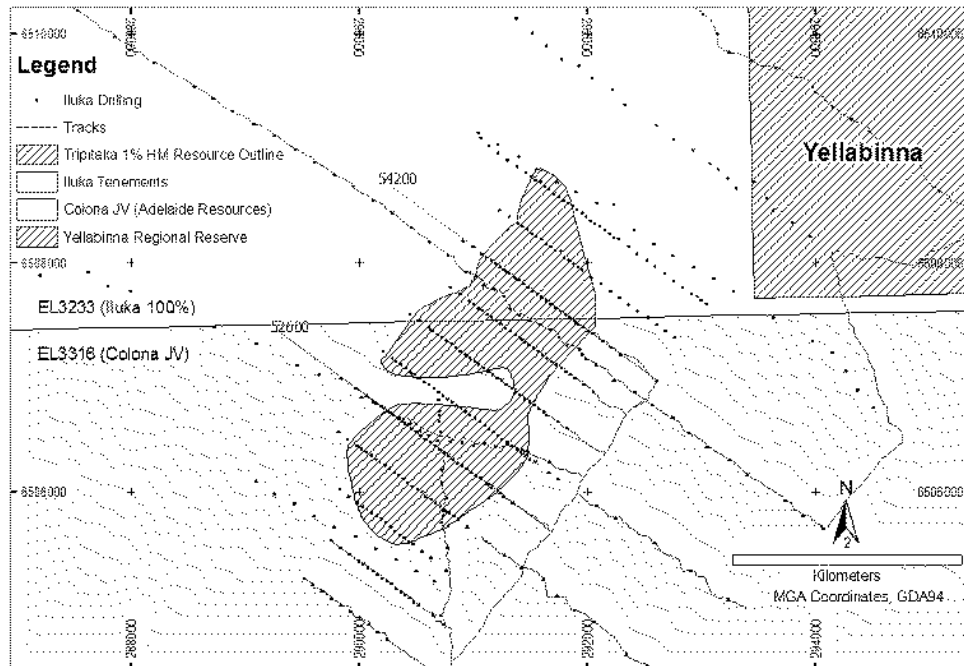


Figure 3: Traverse 54200 Cross Section

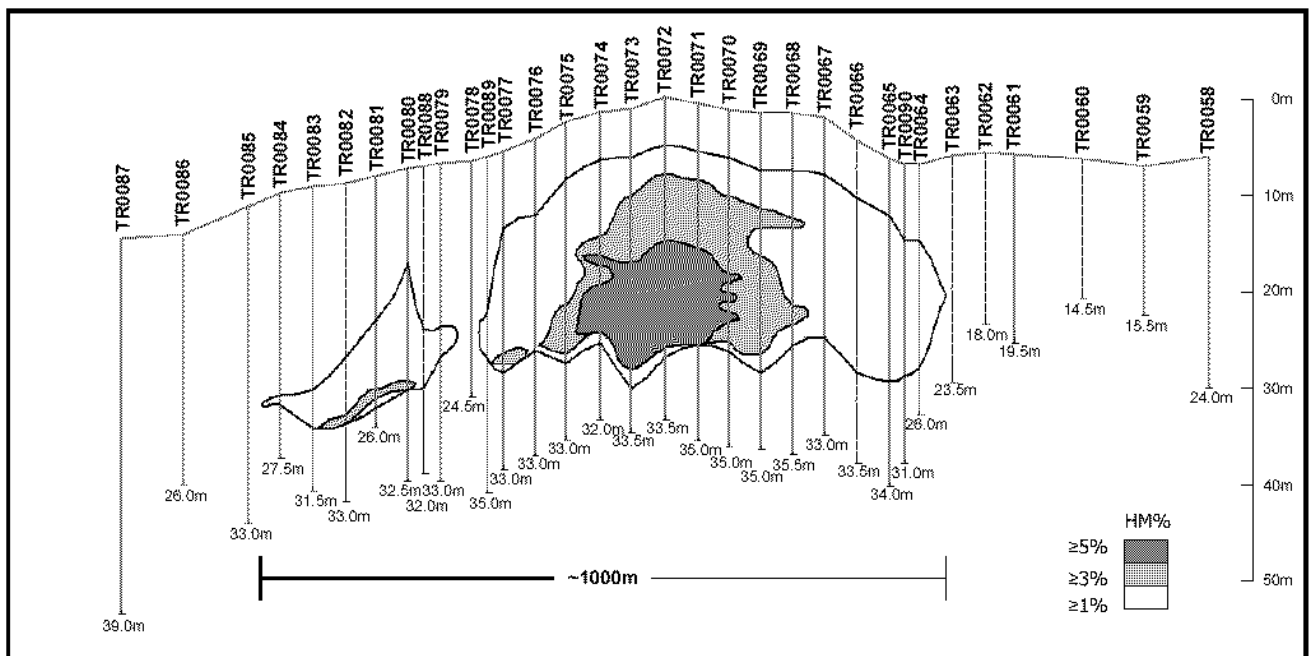
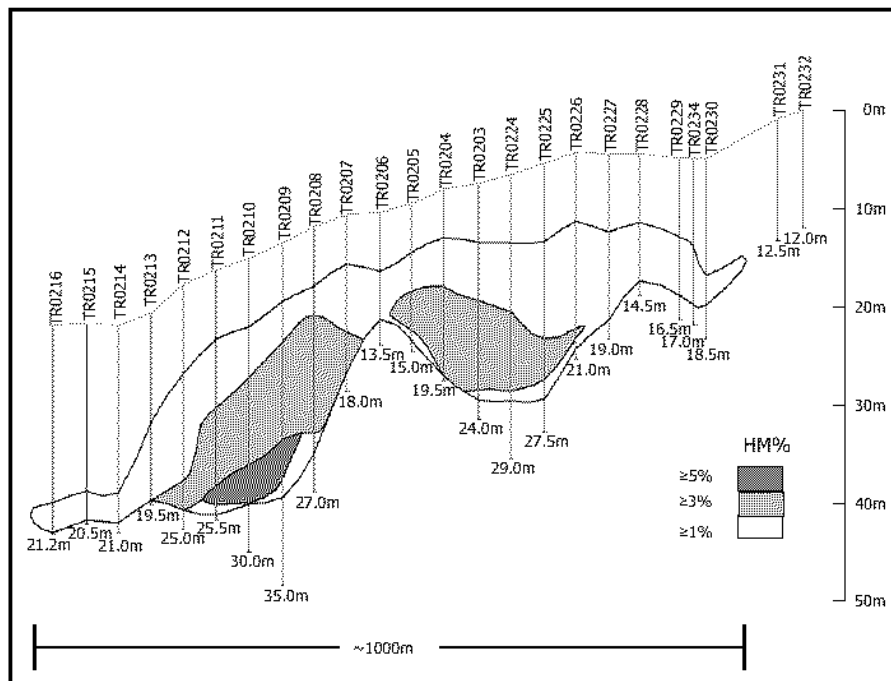


Figure 4: Traverse 52600 Cross Section



Tripitaka Resource Model

There have been no previous resource estimates for the Tripitaka deposit. A geological resource model has been constructed using the Datamine software. The model was constructed using constraints as per normal Company practice. Block estimation techniques were aligned to the deposit strike and other geological parameters as interpreted by Company geologists. The bulk density for the model was estimated using the Iluka standard formula based on operational experience gained from mining this style of mineralisation.

Preliminary economic evaluations of a number of cut-off alternatives suggest that a resource estimate based on a 1% Heavy Mineral cut-off is valid given the very high zircon content in the HM assemblage. Due to the relatively wide spaced drilling, the Mineral Resource has been categorised as Inferred.

The resource estimate has been audited internally as well as independently by Snowden Mining Industry Consultants.

The results of analyses to date are very encouraging and indicate that the resource has the potential to generate mineral concentrates using conventional processing technology.

The estimate of the Mineral Resource is based on information compiled by Iluka staff under the direction of Ian Warland who is a member of The Australasian Institute of Mining and Metallurgy and a full time employee of Iluka. Ian Warland has sufficient experience which is relevant to this style of mineralisation and type of deposit to qualify as a Competent Person as defined in the 2004 Edition of the JORC Code and consents in writing to the inclusion in the report of the matters based on information in the form and context in which it appears.