



8 April, 2008

Ms Lyn Sheppard  
Minerals and Energy Title Division  
GPO Box 3000  
Darwin NT 0801

via email

Dear Lyn,

**Re: Variation of Covenant EL 8921**

Exploration Licence 8921 "Rover North" is held by Adelaide Exploration Limited, a wholly owned subsidiary of ASX listed Adelaide Resources Limited.

As the expenditure covenant for EL 8921 for the year ending 7 March 2008 has not been met the titleholder makes application for a variation of covenant. Payment of \$50 has been made using a credit card over the phone today.

EL 8921, together with adjacent EL 7739 and ELA 22512 form the company's Rover Project. The project was acquired from Newmont Mining in 2005 and remains one of the Adelaide Resources most exciting exploration projects.

Substantial exploration programs, dominated by exploratory drilling but including ground magnetic and gravity geophysical surveys, have been conducted in each year since 2005. The focus of this effort has been on EL 7739 with only minor work completed to date on EL 8921. Diamond and RC drilling programs have been completed at three targets on EL 7739 with typical Tennant Creek style mineralised systems intersected at each target.

Last year the company achieved a significant drill intersection at the Rover 4 Prospect where an RC hole intersected 15 metres at 2.07% copper and 0.15 g/ gold in typical Tennant Creek type host rocks. Unfortunately the drill rig compressor suffered a major mechanical breakdown on the hole following the discovery hole and the company is currently attempting to secure a drill rig to continue the program.

The company's accounts show that in the period since the project was acquired in 2005 and to the end of February 2008, a total of \$1,995,484 had been spent on the Rover Project. This overall project expenditure is substantially greater than the

combined expenditure covenants on ELs 8921 and 7739 over the same period, and is evidence of the company's commitment to exploring the project.

Adelaide Resources remains keen to drill test a target on EL 8921 and a budget of \$50,000 has been put in place to do this drilling in 2008 as part of its broader exploration effort at Rover this year.

Please contact me should your department require any further information in regard to this application.

Yours sincerely

A handwritten signature in black ink, appearing to read 'CDrown', with a large, stylized loop at the end.

**Chris Drown**  
Managing Director