



Adelaide Resources Limited

Quarterly Report

Period ending 31 December 2012

Adelaide Resources Limited
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Corporate Details

ASX Code: ADN

Issued Capital:

188,693,162 ordinary shares
3,660,834 unlisted options
and performance rights

Directors:

Non-executive Chairman:
Andrew Brown

Managing Director:
Chris Drown

Non-executive Directors:

John den Dryver
John Horan
Mike Hatcher

Company Secretary:
Nick Harding

Highlights

Moonta Copper Gold Project – SA

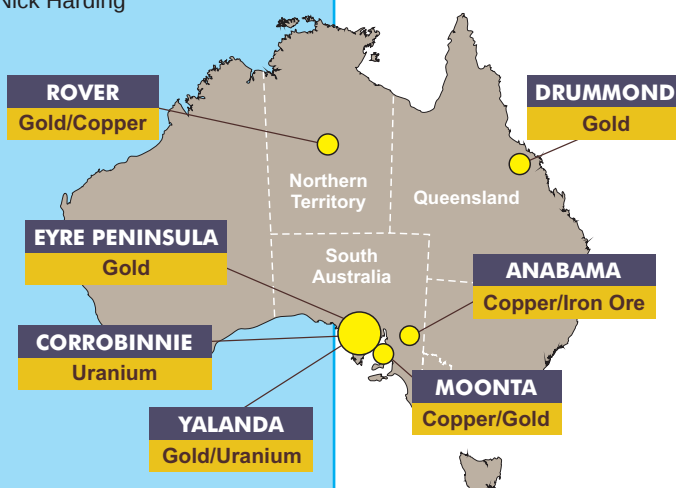
- **Wombat Prospect** hole WOMDD001 intersected **66 metres at 1.04% copper** from 236 metres downhole, including **12 metres at 1.64% copper** from 251 metres downhole.
- Second Wombat hole WOMDD002 intersected low grade mineralisation for over 130 metres, including intervals of **17 metres at 0.34% copper**, and **9 metres at 0.42% copper**.
- A diamond hole at the **Paskeville Prospect** intersected sporadic mineralised veins between 83.7 metres and 330 metres downhole. Intersections include **2 metres at 1.07% copper and 0.16g/t gold**, and **7 metres at 0.29% copper**.
- A program of **aircore drilling is scheduled to commence in February** to test a number of coincident geochemical and airborne electromagnetic anomalies generally northwest from the Paskeville Prospect area drilled to date.

Eyre Peninsula Project – SA

- **Adelaide Resources will regain 100% ownership** of the majority of its 4900 km² gold prospective Eyre Peninsula tenement holding following Quasar Resources Pty Ltd's withdrawal from the Corrobinnie Uranium Joint Venture.

Finance

- At 31 December 2012, the company had available funds of \$2.976 million.
- The company raised \$1.1 million through a share placement to professional and sophisticated investors during the quarter.



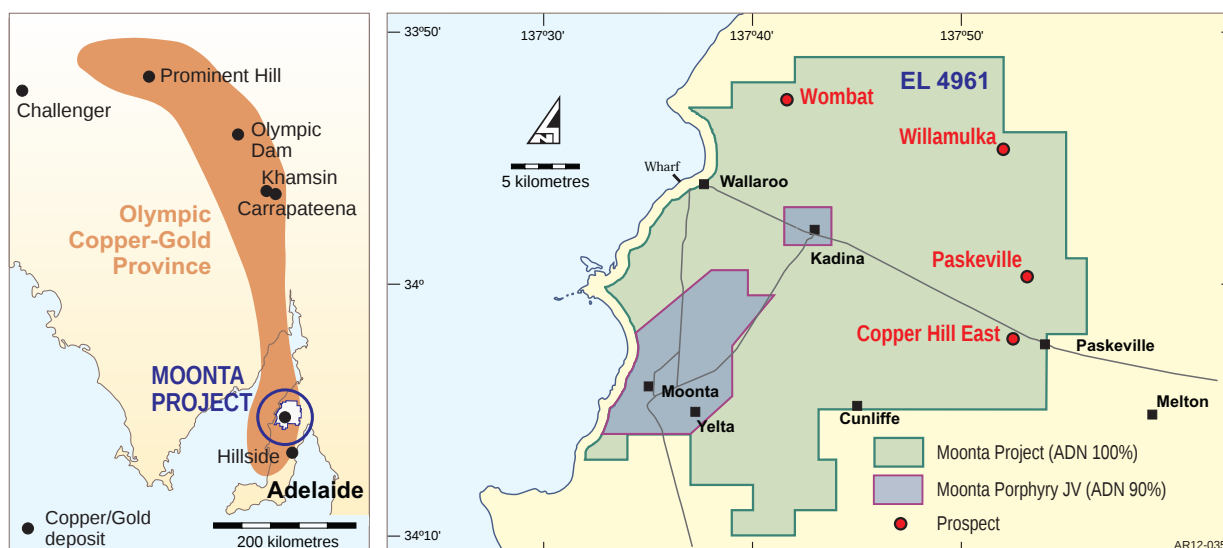


Figure 1: Moonta Copper Gold Project location plan.

Moonta Copper Gold Project, SA

Adelaide Resources 100% (except Moonta Porphyry JV area: Adelaide Resources 90%; Breakaway Resources Limited 10%).

The company's Moonta Project is located on the Yorke Peninsula of South Australia and falls in the world class Olympic Copper Gold Province, a geological belt that is highly prospective for copper and gold deposits of Iron Oxide Copper Gold (IOCG) style (*Figure 1*). From an economic viewpoint, copper is currently the most important metal won from the province.

The pedigree of the mineral assets in the Olympic Copper Gold Province, and its perceived outstanding prospectivity, is evidenced

by the presence of large mining companies like BHP Billiton Limited, Rio Tinto Limited, and Oz Minerals Limited, the latter which announced a new copper discovery called Khamsin near its Carrapateena Deposit on 21 January 2013.

Emerging copper producer Rex Minerals Limited is progressing feasibility studies on its Hillside Project, located 60 kilometres south of Adelaide Resources' Moonta Project, while recently copper producer Sandfire Resources NL entered into a joint venture with Argonaut Resources Limited to explore a tenement neighbouring Adelaide Resources' licence.

Adelaide Resources shares the view of these companies that exploration success in this belt can translate into outstanding growth opportunities for its shareholders.

Paskeville Prospect

The Paskeville Prospect is located in the eastern part of the project tenement and is 100% owned by Adelaide Resources (*Figure 1*). Drilling at Paskeville in 2012 (*Figure 2*) defined a coherent body of low to moderate grade mineralisation with a confirmed strike length of 300 metres and with widths varying from around

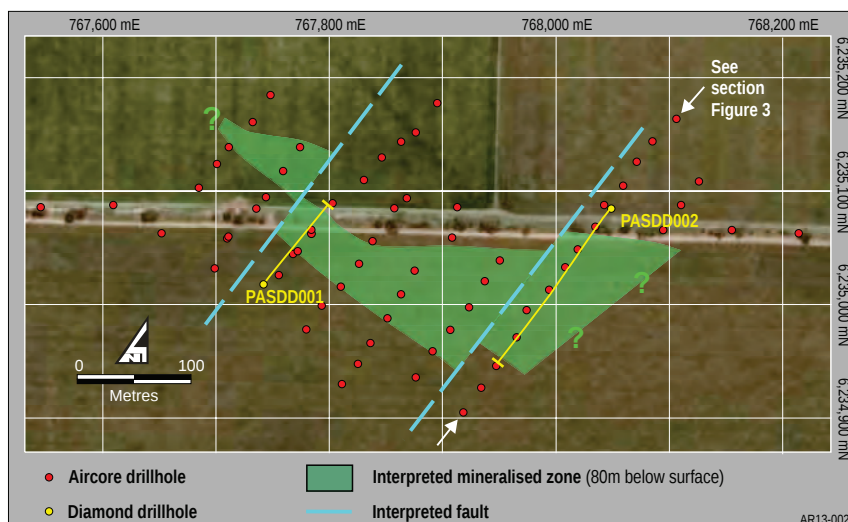


Figure 2: Paskeville Project Discovery Area summary plan.

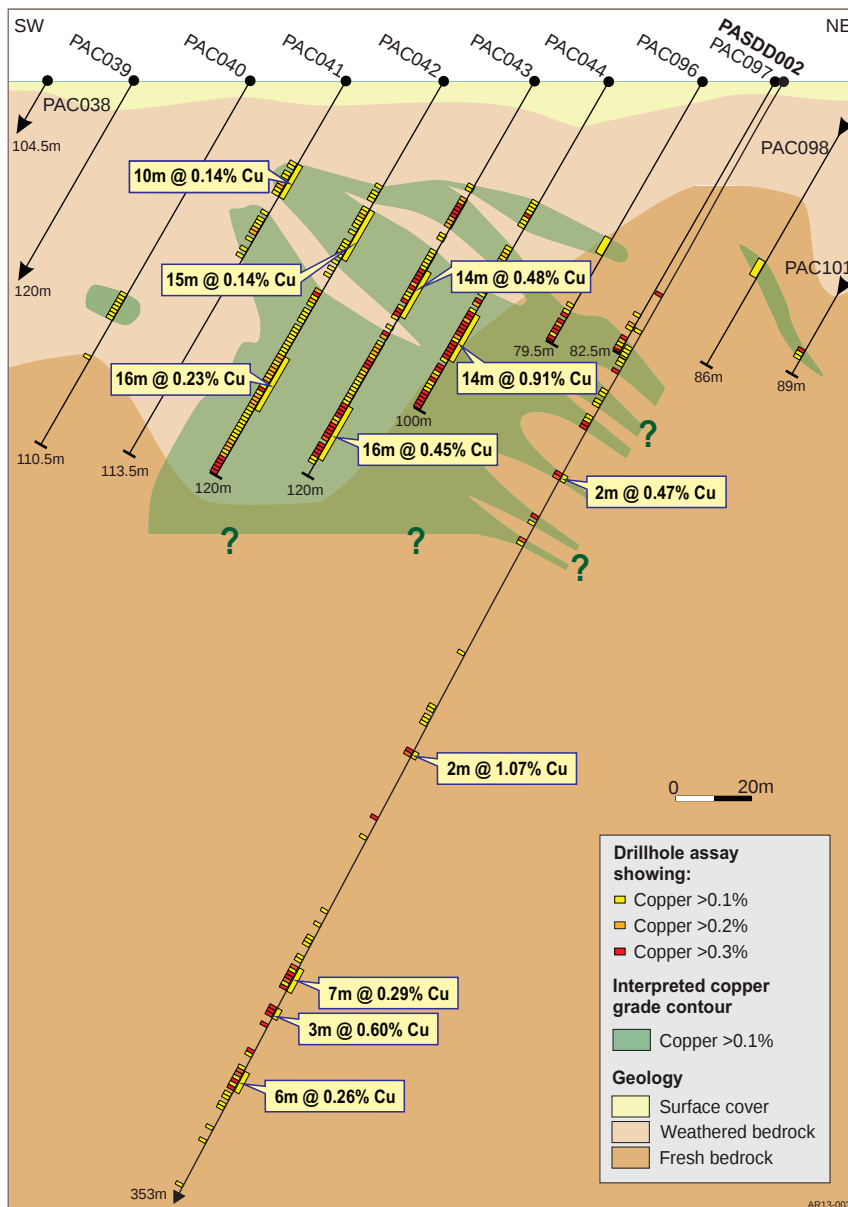


Figure 3: Paskeville Project section.

15 metres to over 130 metres. The mineralised body remains open along strike and at depth. Higher grade 2012 intersections include 10 metres at 1.06% copper, 9 metres at 1.27% copper, 7 metres at 1.16% copper, 42 metres at 1.10% copper, and 5 metres at 1.88% copper.

In late 2012, diamond drillhole PASDD002 was drilled to test beneath a traverse of aircore drillholes in the southeast of the prospect that had delineated a wide zone of copper mineralisation and demonstrated that copper grades were improving with depth (Figures 2 and 3).

PASDD002 was drilled to a final depth of 353.4 metres. Below the limit of weathering the hole

encountered a sequence of folded, carbonate altered and carbonate veined metasediments. The copper sulphide mineral chalcopyrite is present in veins that occur sporadically between 83.7 metres and 330 metres downhole, and rarely as disseminated grains in the host rock.

Structural measurements on the PASDD002 drill core show that the host rocks are folded but generally dip moderately to the northeast in the plane of the drillhole. Three sets of veins are present.

Assaying of drill core was completed in January 2013 and confirms that PASDD002 intersected numerous narrow intervals of low grade copper and gold mineralisation between 65 and 332 metres downhole, but that these zones are not of economic grade or width (Figure 3 and Table 1).

Whether or not the mineralised zones deep in PASDD002 join up with the shallower zone of copper defined by the aircore drilling remains unknown at this stage.

Wombat Prospect

Assaying of two 2012 diamond holes drilled at the 100% owned Wombat Prospect, located in the northwest of the Project tenement (Figures 1 and 4) confirms significant intervals of copper mineralisation are present in both holes (Table 1 and Figures 5 and 6). The two drillholes, WOMDD001 and WOMDD002, encountered zones of deep and intensely weathered clay-rich material which contains visible native copper mineralisation in places.

Initial assay results for WOMDD001 were released to the ASX on 26 November 2012. Check assays using a screened copper analytical method have now been completed and have improved grades, as the standard analytical method often underestimates grades when native copper is present. The results presented in *Table 1* supersede those released in November 2012.

Core recoveries in the deeply weathered zones in both holes ranged from good to poor, with some zones of significant core loss evident, most particularly in WOMDD001. Investigation of the analytical data finds no evidence that the variable core recoveries have resulted in any bias in metal assays, however confidence in the accuracy of the calculated intersection grades in areas of poorer core recovery is considered to be lower than would be the case if full core recoveries had been achieved. *Table 1* includes core recovery information.

WOMDD001 intersected 66 metres at 1.04% copper from 236 metres downhole, including an interval of 12 metres at 1.64% copper from 236 metres downhole. A narrow zone of 2 metres at 3.04% copper commences from 198 metres.

WOMDD002 contains a very broad interval of low grade copper mineralisation with better subzones including 17 metres at 0.34% copper from 155 metres, and 9 metres at 0.42% copper from 273 metres downhole.

The copper intersections in WOMDD001 and WOMDD002 are interpreted to be from the same mineralised body intersected in historic diamond holes MPD-05-21 and MPD-06-22, and in a number of shallow historic aircore holes at the prospect. Together the drilling suggests the mineralised zone at Wombat is subvertical, has a strike length of at least 300 metres, a vertical extent of at least 300 metres, and a true width of up to 35 metres.

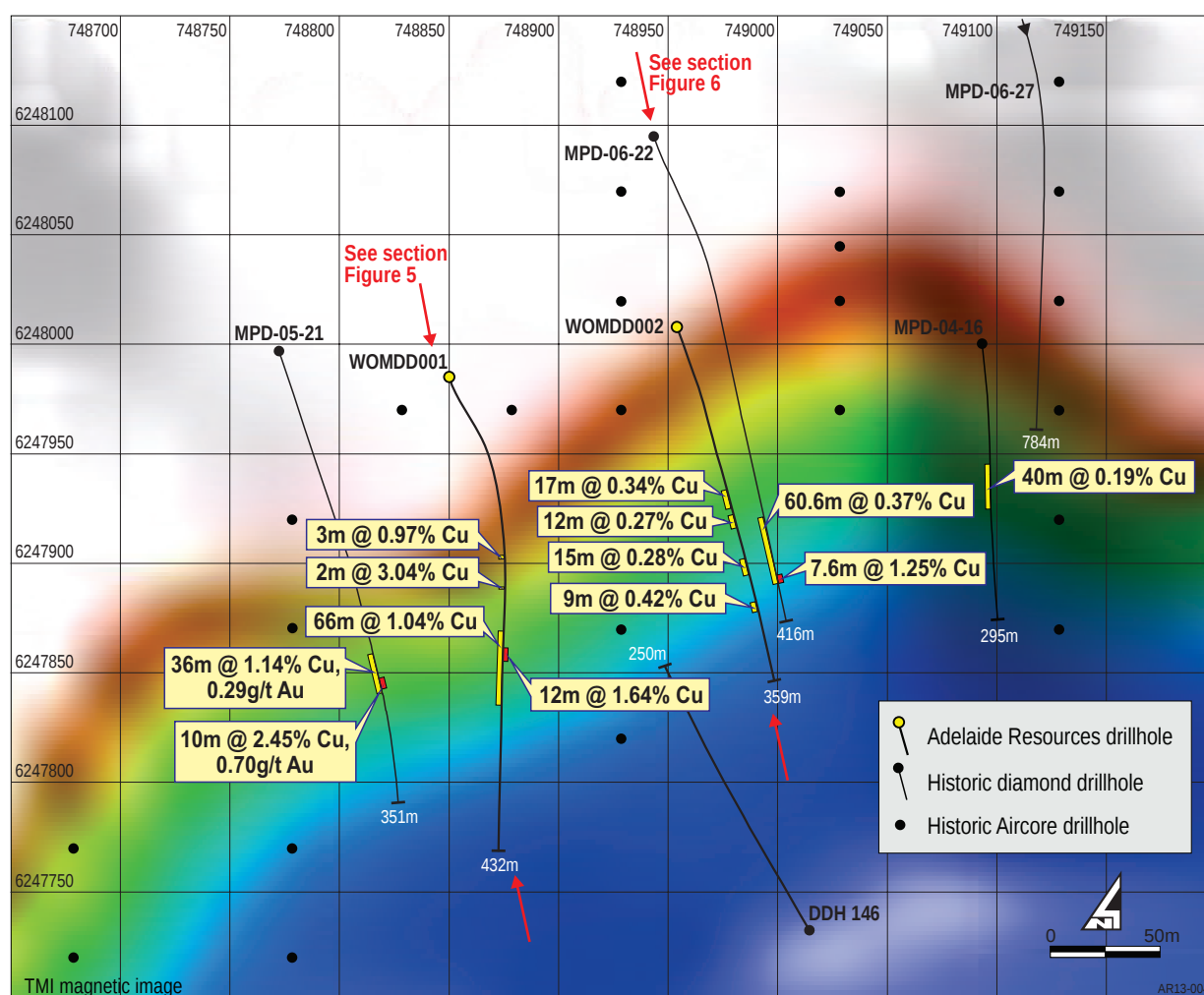


Figure 4: Wombat Prospect summary plan.

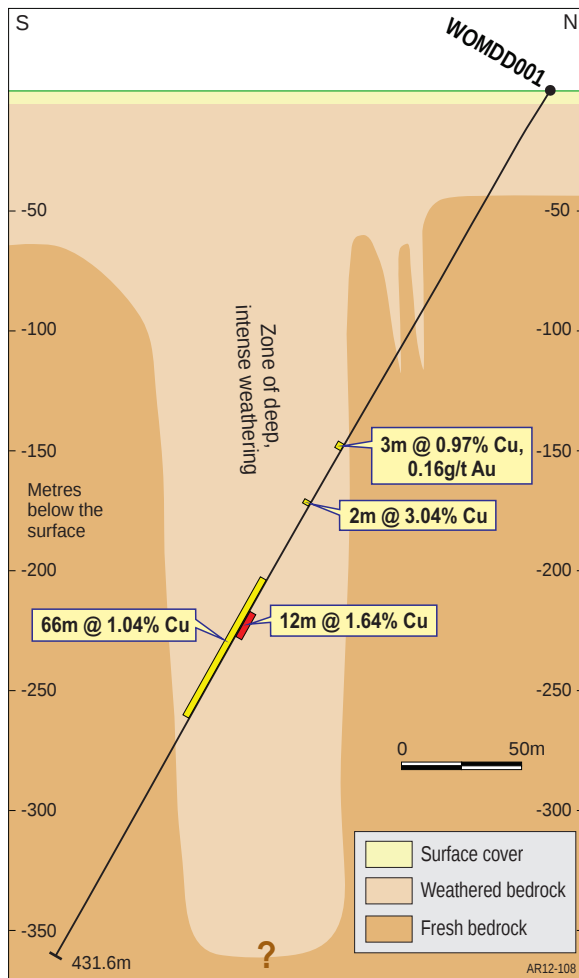


Figure 5: Wombat Prospect section 1.

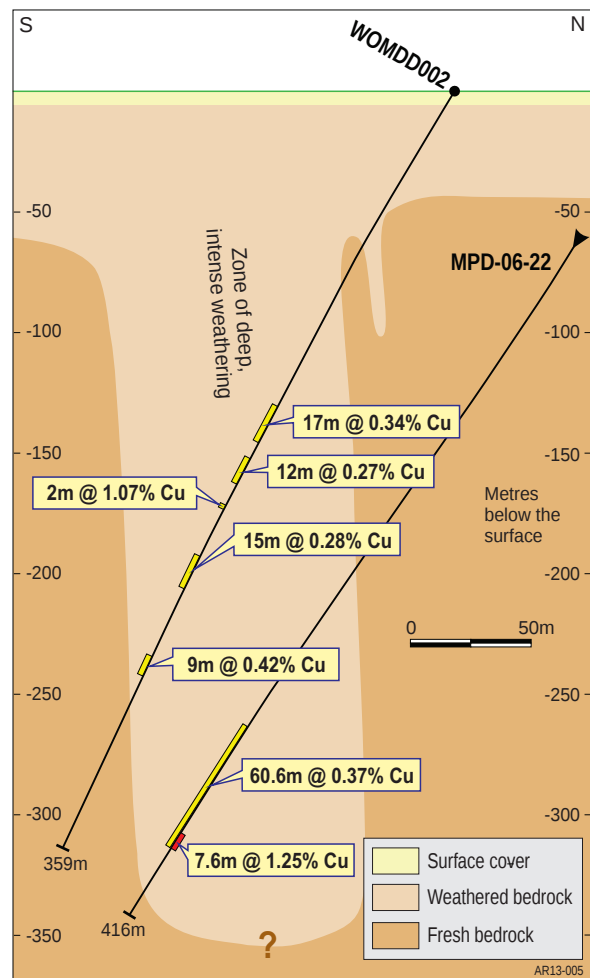


Figure 6: Wombat Prospect section 2.

Upcoming Exploration Program

An aircore drilling program is planned to commence in February to test a number of coincident geochemical and airborne electromagnetic targets located generally to the west and northwest of the area of the original Paskeville discovery (Figure 7).

Further diamond drilling is also planned but will be delayed until results from the February aircore drilling program at Paskeville are available, as these results may present additional worthy diamond hole targets. ■

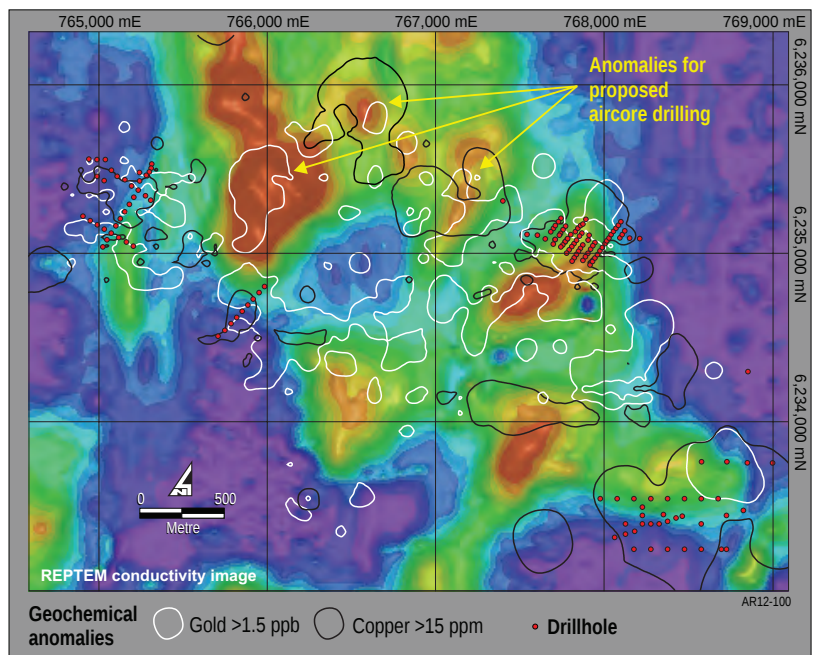


Figure 7: Paskeville Prospect showing anomalies for planned drilling.


Table 1: Moonta Project Drill Intersections.

Prospect	Hole ID	Easting (mga94)	Northing (mga94)	Az	Dip	Final Depth	From (m)	To (m)	Int (m)	Cu (%)	Au (g/t)	Core Recovery
PASKEVILLE	PASDD002	768048	6235085	215	-60	353.4	103	105	2	0.47	0.18	97%
							118	120	2	0.29	0.69	86%
							131	132	1	0.69	0.22	100%
							201	203	2	1.07	0.16	100%
							201	202	1	1.93	0.28	100%
							266	273	7	0.29	0.02	100%
							269	270	1	0.53	0.04	100%
							278	281	3	0.60	0.05	91%
							283	284	1	0.70	0.00	99%
							291	292	1	0.58	0.02	99%
							297	303	6	0.26	0.02	100%
WOMBAT	WOMDD001	748852	6247985	159.1	-60	431.6	75	78	3	0.33	0.06	100%
							85	87	2	0.52	0.15	100%
							91	93	2	0.43	0.02	100%
							102	104	2	0.34	0.05	100%
							166	173	7	0.59	0.09	99%
							170	173	3	0.97	0.16	98%
							177	183	6	0.25	0.04	67%
							195	200	5	1.37	0.04	79%
							198	200	2	3.04	0.06	77%
							236	302	66	1.04	0.03	63%
							236	237	1	5.68	0.02	17%
							243	244	1	3.10	0.02	51%
							251	263	12	1.64	0.02	55%
							256	262	6	2.34	0.01	51%
							266	267	1	1.56	0.03	74%
							278	279	1	1.73	0.01	80%
							295	296	1	11.5	0.02	35%
	WOMDD002	748953	6248009	159.1	-58	359.1	127	129	2	0.59	0.11	91%
							155	172	17	0.34	0.00	100%
							160	165	5	0.65	0.01	100%
							180	192	12	0.27	0.04	99%
							191	192	1	0.51	0.03	92%
							202	204	2	1.07	0.08	78%
							203	204	1	1.75	0.02	76%
							205	208	3	0.11	0.56	97%
							226	241	15	0.28	0.01	100%
							273	282	9	0.42	0.02	96%

Intersections calculated by averaging 1-metre HQ and NQ half core samples. Copper determined by four acid digest followed by ICP-AES finish. Overrange copper (>1%) determined by AAS finish. Gold determined by fire assay fusion followed by ICP-AES finish. Intersections are downhole lengths. True widths are unknown. Introduced QAQC samples indicate acceptable analytical precision and accuracy. Cutoff grade of 0.2% Cu with up to 3m of internal dilution applied.

* WOMDD001 copper intersections for intervals between 236 and 302 metres utilise screened copper assays and supercede results released to the ASX on 26 Nov 2012. Up to 2kg of sample is screened to 75um. Copper is determined for the <75um fraction by four acid digest followed by ICP-AES or AAS finish. Copper is determined for the >75um fraction by aqua regia digest followed by AAS. Final sample grade is determined by weighting the grades of the fine and coarse fractions.

Core recoveries in WOMDD001 and WOMDD002 range from good to poor. Eight completely lost 1m samples in WOMDD001 between 236m and 302m have been ascribed the average grade of their two adjacent samples. Calculated intersection grades in areas of poor core recovery should be considered as less accurate than in areas of good core recovery.

Eyre Peninsula Basement Project (including Corrobinnie Uranium Joint Venture) – SA

Adelaide Resources 100% (except Kimba Verran JV area: Adelaide Resources 90%; Olliver Geological Services Pty Ltd 10%).

The company has a large tenement position on the Eyre Peninsula of South Australia, with the region geologically prospective for gold and silver deposits hosted in basement rocks. Additionally the region is prospective for basement hosted uranium deposits, and for roll front uranium deposits hosted in ancient palaeochannel drainage systems.

The uranium play has been explored by the Corrobinnie Uranium Joint Venture (CUJV) with Quasar Resources Pty Ltd since January 2007. The CUJV covers part or all of nine essentially contiguous tenements, with the Joint Venture holding rights to all minerals over an area of 2101 km², and rights to palaeochannel hosted uranium mineralisation over an additional area of 2042 km² (Figure 8).

On 21 December 2012, Quasar advised of its intention to withdraw from the Corrobinnie Uranium Joint Venture. Under the withdrawal provisions Quasar's 67.46% interest in the Joint Venture will be transferred to Adelaide Resources for no consideration, effective 19 February 2013.

Quasar has spent in excess of \$4.3 million on exploration during the term of the Joint Venture, discovering uranium in two palaeochannels, anomalous uranium hosted in basement rocks, and anomalous gold also hosted in basement rocks.

Following completion of Quasar's withdrawal, Adelaide Resources' Eyre Peninsula Project will comprise 12 tenements securing a total area of 4906 km², of which 4585 km² will be 100% owned by Adelaide Resources and 321 km² will be 90% owned by Adelaide Resources.

Previous gold focused exploration by Adelaide Resources and its past joint venturers on the Eyre Peninsula discovered significant gold mineralisation at the Barns, Baggy Green and White Tank deposits, and identified numerous

other prospects and targets that remain to be evaluated. Additionally, three of the Eyre Peninsula tenements that will revert to 100% Adelaide Resources ownership following Quasar's withdrawal adjoin the exploration licence in which Investigator Resources Limited's Paris silver discovery is located.

The company believes that significant potential remains to discover attractive grades of gold mineralisation at deposits such as Baggy Green and Barns. Environmental approval has been obtained to complete drilling at the Baggy Green prospect, while efforts to satisfy Native Title legislative requirements are underway.

The company is also reviewing the silver potential of its tenement holding in light of the positive results neighbour Investigator Resources is achieving at its Paris discovery. ■

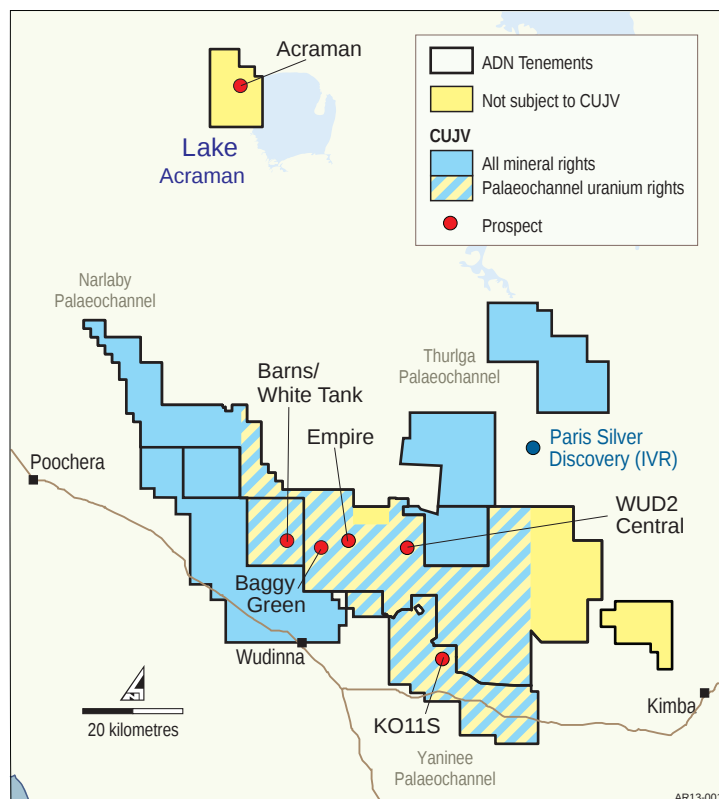


Figure 8: Eyre Peninsula Project including Corrobinnie Uranium Joint Venture location plan.

Drummond Gold Project, QLD

Adelaide Resources 100%.

The Drummond Basin in Queensland hosts a number of significant, high grade epithermal gold deposits, the most notable being the ~3 million ounce Pajingo Field which includes the Vera Nancy lodes. Adelaide Resources holds EPM 18090 which secures a 196 km² area in the northern Drummond Basin located approximately 70 kilometres east of the Pajingo Field (Figure 9).

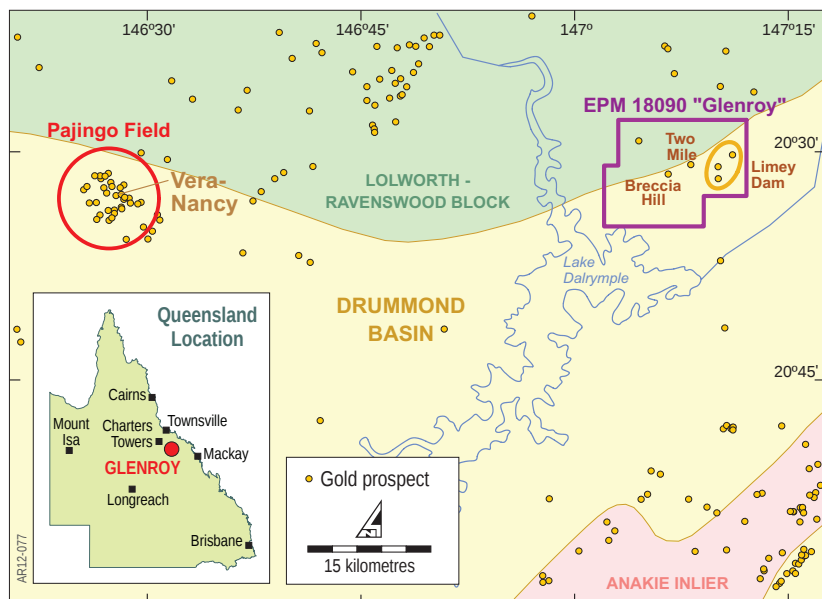


Figure 9: Glenroy tenement location plan.

A review of historical exploration at Glenroy confirms the presence of gold mineralised systems considered likely to be of the targeted epithermal style. At the Limey Dam prospect (Figure 10), soil sampling by past explorers delineated a cluster of gold anomalies in a five kilometre long, northeast trending corridor. Rockchip samples collected from quartz veins displaying typical epithermal textures commonly returned anomalous results with a best result of 3.15g/t gold. Limited drilling at Limey Dam returned 40 metres at 0.19g/t gold from 23 metres, 12 metres at 0.48g/t gold from surface and 14 metres at 0.38g/t gold from 42 metres.

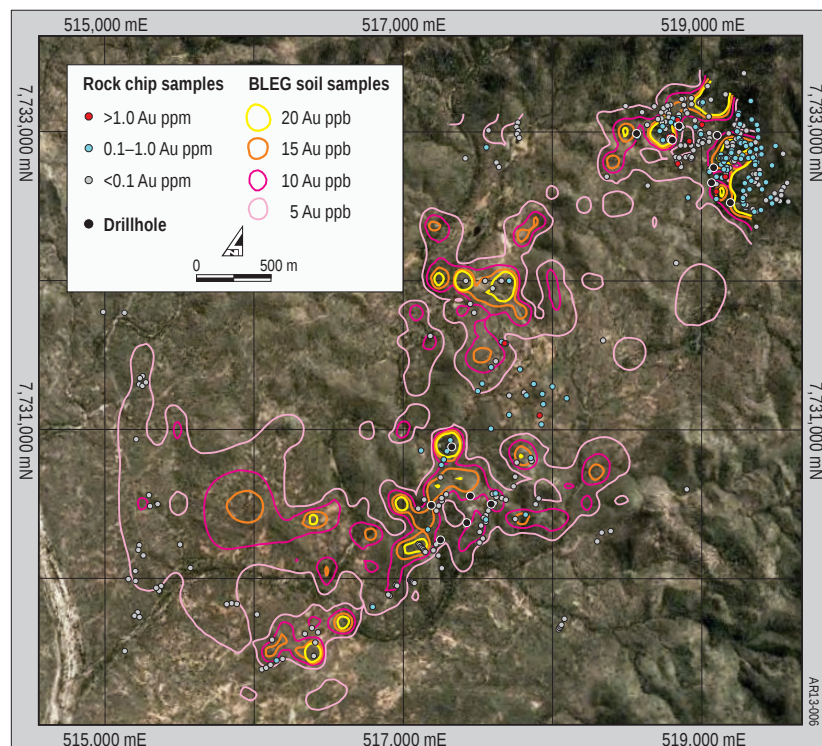


Figure 10: Limey Dam Prospect summary plan.

The company holds the view that the gold systems on EPM 18090, such as Limey Dam, have not been adequately tested and that by employing its knowledge of epithermal gold system geology a major discovery opportunity is presented. Following

completion of the past work compilation, a site inspection and field reconnaissance trip to aid in the design of an initial on-ground exploration program is planned. ■



Rover Gold Copper Project, NT

Adelaide Resources 100%

The Rover Project is situated 85 kilometres southwest of Tennant Creek in the Northern Territory. Mineral deposits in the Rover Field are essentially geologically identical to the copper and gold deposits located in the Tennant Creek Field, many of which have been profitably mined in the past.

The Rover Field is buried beneath 100 to 200 metres of sedimentary cover and its exploration is relatively immature when compared to the Tennant Creek Field. Despite this relative immaturity, significant gold and copper deposits and prospects have been discovered by Adelaide Resources and neighbour Westgold Resources Limited (recently merged with Metals X Limited).

Past drilling by the company discovered significant copper and gold mineralisation at the Rover 4 deposit and in that part of the Rover 1 deposit that extends into Adelaide Resources' project tenement. Additionally, drilling at earlier stage prospects has also returned promising copper and gold intersections, notably at Rover 12 and Rover 11 East. Evaluation of the Rover prospects is continuing. ■

Chris Drown – Managing Director
Signed on behalf of the
Board of Adelaide Resources Limited
Dated: 23 January 2013

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Chris Drown, who is a Member of The Australasian Institute of Mining and Metallurgy and who is Managing Director of the company. Mr Drown has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which 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'. Mr Drown consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Enquiries should be directed to Chris Drown, Managing Director. Ph (08) 8271 0600 or 0427 770 653. ■

issued capital

The company had 188,693,162 ordinary shares, 3,160,834 performance rights and 500,000 unlisted options on issue at 31 December 2012.

During the quarter 24,568,673 ordinary shares were issued under a placement to professional and sophisticated investors at an issue price of 4.5 cents per share raising approximately \$1.1 million before costs. A further 333,333 ordinary shares were issued to management personnel on the vesting of performance rights issued under the Adelaide Resources Limited Employee Performance Rights Plan.

Also during the quarter 2,250,000 performance rights were issued to management personnel under the Adelaide Resources Limited Employee Performance Rights Plan, while 1,000,000 performance rights previously issued under the Plan lapsed. ■

finance and corporate

The company had \$2.976 million in cash and term deposits at 31 December 2012.

Exploration and evaluation expenditure by the company during the December quarter was \$590,000. Exploration and evaluation expenditure incurred during the December quarter by joint venture parties on tenements in which the company has an interest total \$33,307. ■