



Adelaide Resources Limited

Quarterly Report

Period ending 31 March 2013

Adelaide Resources Limited
ABN: 75 061 503 375

Contact Details

69 King William Road,
Unley, South Australia 5061

PO Box 1210

Unley BC SA 5061

Tel: +61 8 8271 0600

Fax: +61 8 8271 0033

adres@adelaideresources.com.au

www.adelaideresources.com.au

Corporate Details

ASX Code: ADN

Issued Capital:

188,693,162 ordinary shares
3,160,834 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

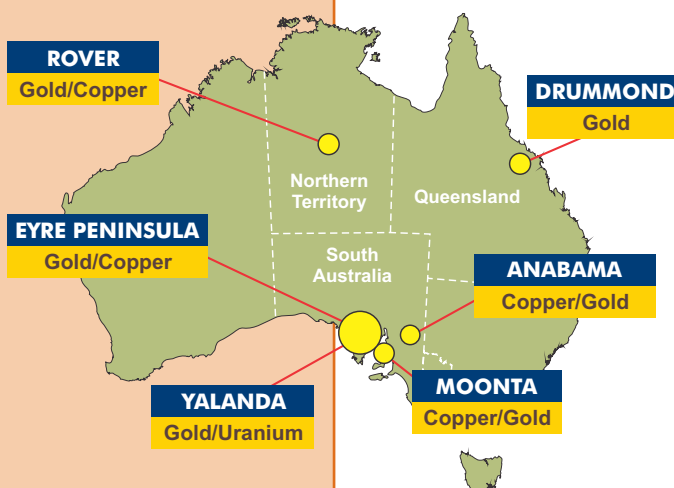
Highlights

Moonta Project, Olympic Copper-Gold Province – SA

- Aircore drilling program comprising 80 holes for 5212 metres completed at the Paskeville, Alford West and Wombat Prospects, all of which are 100% owned by the company.
- High grade mineralisation intersected at **Alford West Prospect** with intersections from the first six aircore holes including:
 - 10 metres at 1.03% copper and 0.40g/t gold** in ALWAC003,
 - 10 metres at 4.23% copper and 0.20g/t gold** in ALWAC006.
- The intersection of 10 metres at 4.23% in ALWAC006 is of **substantially higher grade than any of the historic intersections** achieved at the prospect. The copper-bearing phase is tentatively identified as the **valuable mineral chalcocite**.
- Further significant intersections achieved at the **Paskeville Prospect** with results including:
 - 8 metres at 2.01% copper and 0.19g/t gold** in PAC148,
 - 17 metres at 0.54% copper** in PAC148, and
 - 7 metres at 1.01% copper** in PAC151.
- Intervals of lower grade copper returned from the **Wombat Prospect**, with best results including:
 - 12 metres at 0.34% copper** in WOMAC009, and
 - 5 metres at 0.52% copper** to end of hole in WOMAC009.
- Assaying of further composite and resplit drill samples from all three prospects is currently underway, with **further results anticipated in the near future**.

Finance

- At 31 March 2013, the company had available funds of \$2.426 million.



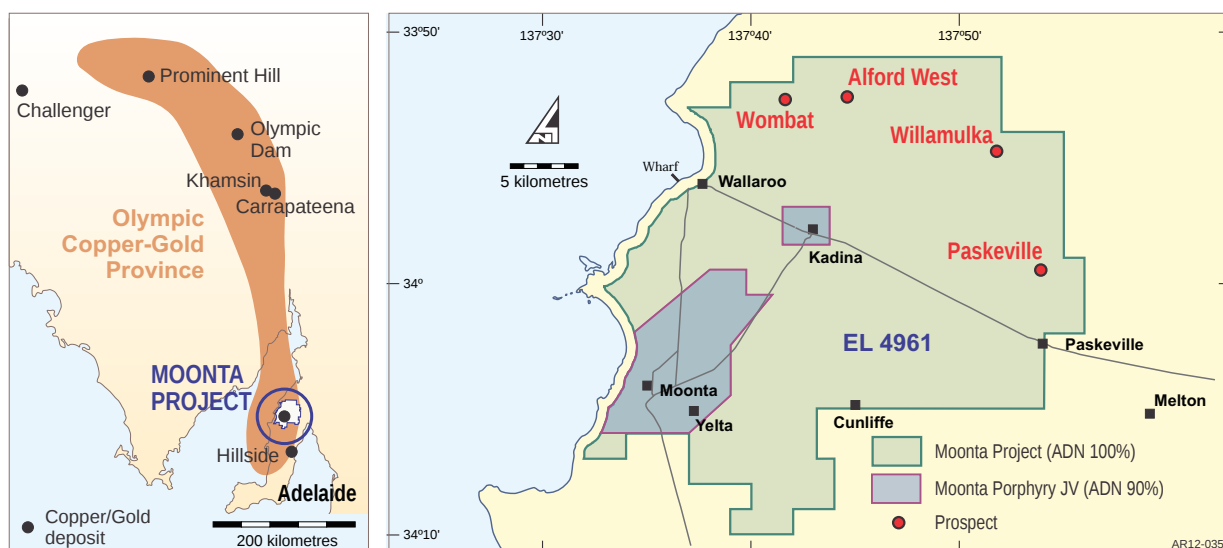


Figure 1: Moonta Copper Gold Project location plan.

Moonta Copper Gold Project, SA

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

Introduction – The Olympic Copper Gold Province

The Moonta Copper-Gold Project falls at the southern end of the Olympic Copper Gold Province, a world class mineral belt (*Figure 1*).

The province is highly prospective for Iron Oxide Copper Gold (IOCG) deposits, with Olympic Dam, Prominent Hill and Moonta-Wallaroo the three mines with past or current production. Significant deposits in the pre-development stage include Carrapateena and Hillside, while numerous other prospects are spread along the belt.

The pedigree of the Olympic Copper-Gold Province is evidenced by the presence of a number of large and emerging copper producers. A list of active companies in the belt includes BHPB, Rio Tinto, Fortescue Metals, Oz Minerals, Antofagasta, Xstrata, Straits Resources, Sandfire Resources and Rex Minerals,

Exploration ground within this belt is highly sought after. All land within the province where exploration is allowed is currently pegged, and even the waters of the Spencer Gulf are held under exploration licence applications.

The depth to the top of the rocks considered prospective for IOCG deposits varies significantly along the belt, and in many places the thicknesses of the overlying barren cover sediments exceeds 300 metres. Areas of shallow cover are present, particularly on the Yorke Peninsula where Adelaide Resources' project is located.

Moonta Project – history of exploration

Copper was first discovered in the Moonta-Wallaroo district in 1859, however systematic exploration for new deposits in the broader district really only commenced in 1959.

Since 1959, exploration in the district has been dominated by major mining houses, including Western Mining Corporation Ltd, North Broken Hill Ltd, Broken Hill South Ltd, Mount Isa Mines Ltd, BHP Ltd, and Phelps Dodge Corporation. Exploration by Western Mining Corporation and its joint venturers persisted for nearly three decades from 1960 to 1987, with a very significant exploration program completed.

In the period from 1988 to 1993, a joint venture between the Amalg Syndicate and Melita Mining NL focussed on producing copper and gold from the Poona and Wheal Hughes mines located near Moonta. This joint venture completed only modest regional exploration in the broader district.

Adelaide Resources entered into the Moonta Porphyry Joint Venture (MPJV – *Figure 1*) with

Amalg Resources prior to listing in 1996, with the 106km² MPJV one of the assets included in Adelaide Resources' Initial Public Offering. The company also secured a "first right of refusal" over the larger part of the tenement and in 2001 was able to exercise this right to acquire the bulk of the Project area and consolidate its ownership.

In 2002, Adelaide Resources formed a joint venture with major copper producer Phelps Dodge Corporation, which completed a significant exploration program of drilling, geochemistry and geophysics. Phelps Dodge withdrew from the joint venture in 2006 allowing Adelaide Resources to take control of the entire Project area. In 2009 Adelaide Resources recommenced its search for copper-gold deposits, delivering promising discoveries at Willamulka (2010/11) and Paskeville (2012), and achieving positive results at historic prospects like Wombat (2012) and Alford West (2013).

A timeline summarising the companies that have managed exploration of the Moonta Copper Gold Project during the modern era, together with a graph of historical copper prices over this period, is presented as *Figure 2*.

The history delivers Adelaide Resources a unique opportunity, as the majors who explored in the past were looking for giant deposits to satisfy their corporate goals. In the process they discovered promising prospects that were ultimately assessed as unlikely to meet their high project

evaluation hurdles. However these deposits may well prove large enough to be of significant value to Adelaide Resources, particularly given the higher metal prices of today.

Added to this scale opportunity is the tremendous monetary value the historical work undertaken by the majors represents. The company estimates that were it to repeat just the diamond and reverse circulation drilling done by WMC/NBH, it would cost in excess of \$20 million, and take years to complete.

Drilling Program

During the quarter, the company completed an 80 hole, 5212 metre, aircore drilling program on the Moonta Copper-Gold Project, with holes drilled at the Paskeville, Wombat and Alford West Prospects. A significant number of drill samples are currently being assayed, with *Table 1* listing significant copper and gold results at hand at the time of reporting.

Paskeville Prospect

A total of 43 aircore drillholes (PAC111-PAC153) for a total of 2967 metres were drilled at the Paskeville Prospect (*Figures 3 and 4*).

The aim of the drilling program was to determine the dip and strike of high grade copper mineralisation discovered in 2012 holes, and to complete first drill tests of a number of coincident geochemical and geophysical satellite targets located generally to the north west (*Figure 3*).

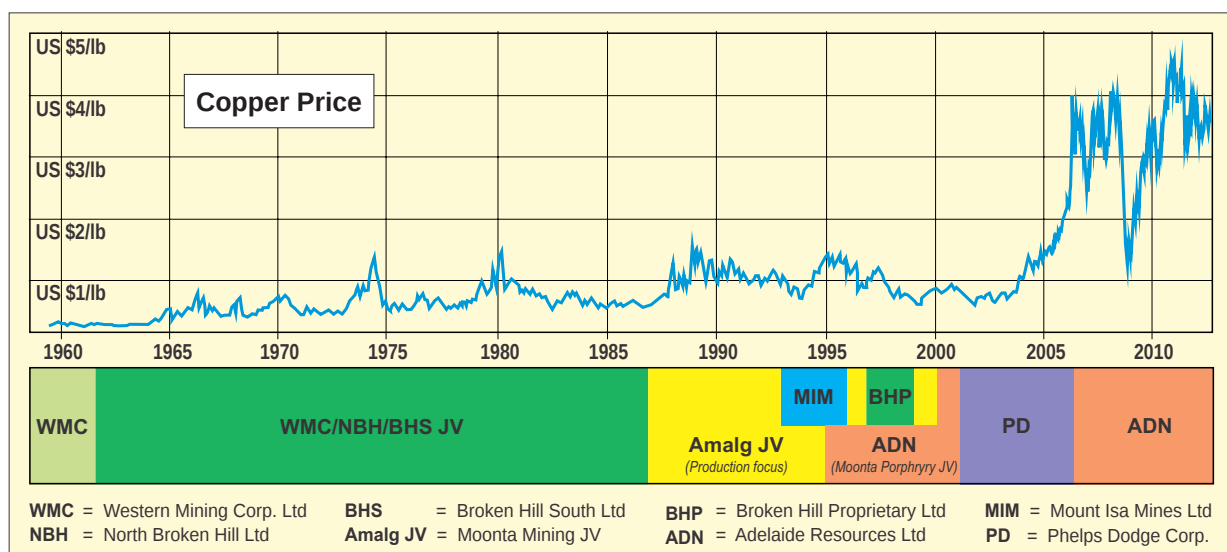


Figure 2: Moonta Project exploration history timeline.

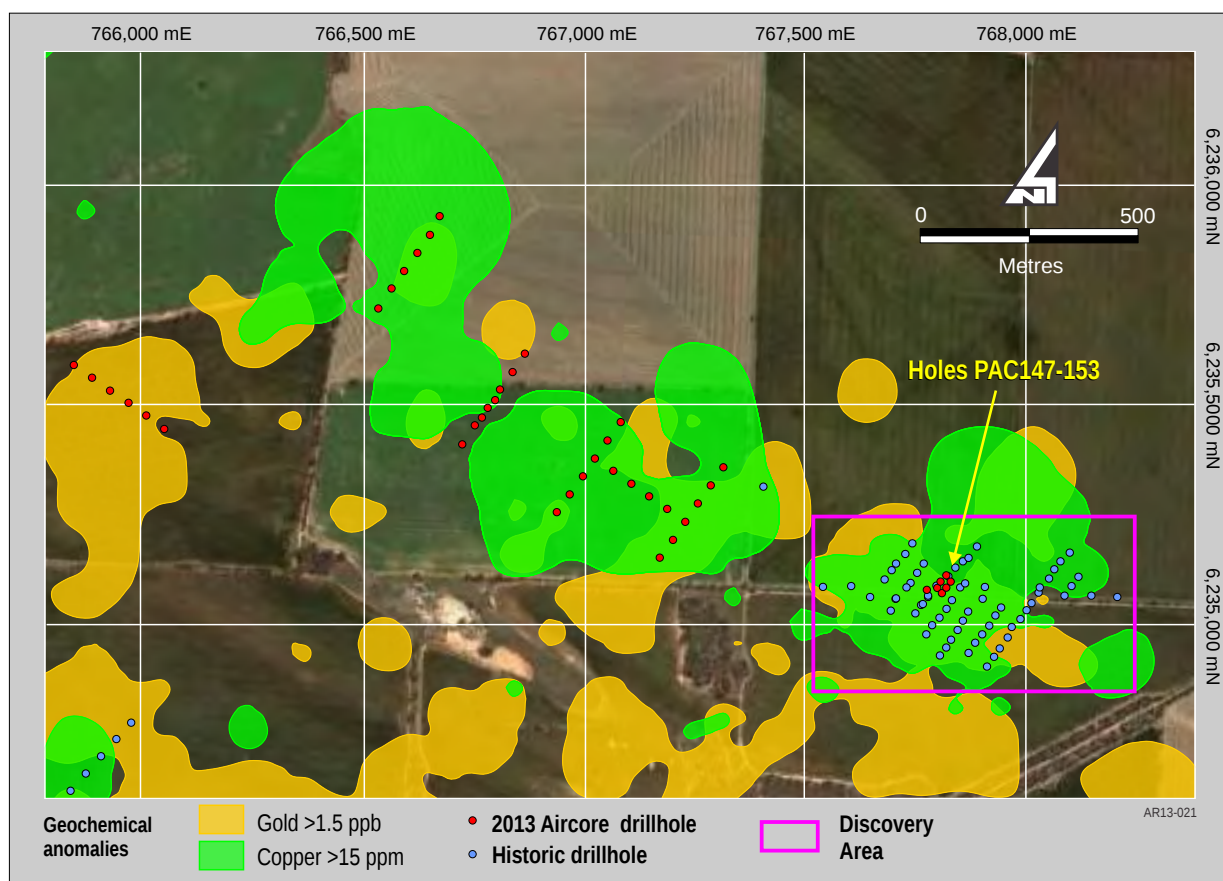


Figure 3: Paskeville Prospect drillhole location plan over contoured geochemical data Cu in calcrete.

Holes PAC147 to PAC153 were completed at the known body of mineralisation (Figure 4), with all seven of these holes intersecting copper. Figure 5 presents a cross section which includes new holes PAC147 to PAC149.

PAC147 intersected three main zones of mineralisation including 9 metres at 0.62%

copper from 38 metres, 7 metres at 0.51% copper from 48 metres, and 27 metres at 0.34% copper from 65 metres.

PAC148 returned 6 metres at 0.70% copper from 35 metres, 10 metres at 0.74% copper from 52 metres, 8 metres at 2.01% copper from 69 metres including 2 metres at 6.57% copper and 17.8g/t silver, and 17 metres at 0.54% copper from 82 metres to end of hole.

Hole PAC151 hit 17 metres at 0.57% copper from 38 metres, including 7 metres at 1.01% copper.

Malachite, azurite and chalcocite are the dominant copper minerals in weathered bedrock, while chalcopyrite and chalcocite are the dominant copper bearing phases at depth where they accompany pyrite.

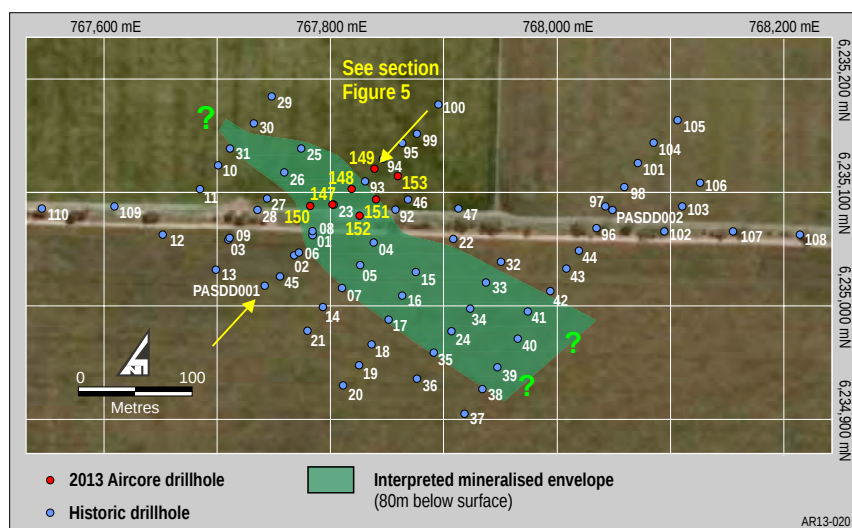


Figure 4: Paskeville Prospect Discovery Area summary plan.

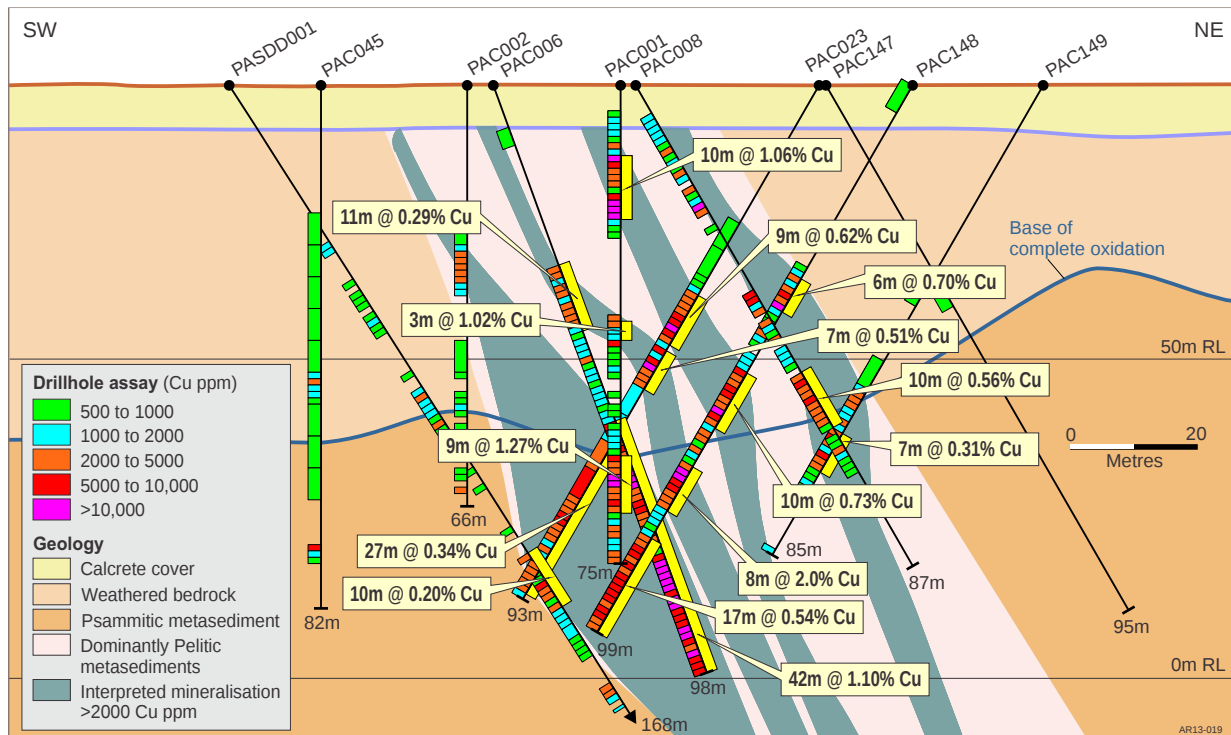


Figure 5: Paskeville Prospect cross-section including new drillholes PAC147, PAC148 and PAC149.

The mineralised zone at Paskeville is interpreted to comprise several steeply north east dipping, 5 to 20 metre thick, variably quartz veined copper rich lodes (Figure 5). It has been defined on nine cross sections covering 300 metres of the interpreted strike. The zone remains open at either end, has an interpreted true width of approximately 50 metres, extends at least 90 metres below surface, and is open at depth.

Holes PAC111 to PAC146 were completed to the north west along the interpreted strike of the mineralised zone to test previously undrilled coincident geochemical and geophysical targets (see Figure 3). Five metre composite sampling of drill chips has identified low grade copper mineralisation in several holes including PAC113 and PAC116, and low grade gold in hole PAC142. Assays from one metre resplits of these zones are pending.

Alford West Prospect

Historic drilling completed by Western Mining Corp and its joint venturers at Alford West intersected encouraging copper and molybdenum mineralisation in a geological setting closely analogous to the Wombat prospect. During an on-going review of historical exploration data, previously unknown data from

a drilling program completed at Alford West by the Moonta Mining Joint Venture came to light.

The Moonta Mining JV drilled 12 reverse circulation holes at Alford West as part of a modest exploration program completed on the broader Moonta tenement. Ten of the drill holes hit mineralisation with significant intersections including:

- 11 metres at 1.09% copper from 93 metres downhole in AL-4,
- 29 metres at 1.07% copper from 44 metres in AL-7, including 9 metres at 2.00% copper,
- 9 metres at 1.83% copper from 94 metres in AL-9, including 5 metres at 2.78% copper and 3.17g/t gold,
- 12 metres at 2.22% copper from 64 metres in AL-10, including 6 metres at 3.69% copper and 0.77 g/t gold, and
- 10 metres at 2.30% copper from 59 metres in AL-11.

Immediately after the Moonta Mining JV drilling program, the area was joint ventured to MIM which drilled just seven further holes at Alford West before making the assessment that the prospect was too small to meet its target parameters.

Adelaide Resources' interprets the historic exploration data from Alford West as confirming the presence of a large mineralised system sitting in an attractive geological setting. The prospect has delivered a number of high grade drill hits and the company believes there is clear potential to grow this discovery. Consequently, the requisite landowner and government approvals were quickly sought to allow a recommencement of on-ground exploration.

The collar locations of the historic Alford West holes can only be approximately determined, and the first goal of Adelaide Resources' drilling program was to confirm the location of the mineralisation. A total of 25 inclined aircore holes for 1486 metres were completed, with the collar locations of the new holes, together with the company's best estimate of the location of the historic drillholes, shown on *Figure 6*.

Assay results for the first six Alford West aircore holes drilled by Adelaide Resources are available. These six holes were drilled on two traverses in the western part of the area thought to have been tested by the historical drilling (*Figure 6*).

Very significant intersections of copper and gold have been achieved in two of the holes, while lower grade intervals of mineralisation are

present in three of the other holes. The company believes these results confirm that it has achieved its first goal of relocating the historical mineralisation.

Inclined aircore drillhole ALWAC003 intersected 10 metres at 1.03% copper and 0.40g/t gold commencing at a downhole depth of 50 metres. Inclined drillhole ALWAC006 achieved a shallower intersection of 5 metres at 0.92% copper and 0.15g/t gold from 45 metres downhole, and a substantial intersection of 10 metres at 4.23% copper and 0.20g/t gold commencing from 57 metres downhole (*Figure 7*).

The high grade intersection of 10 metres at 4.23% copper in ALWAC006 surpasses even the best historic intercept achieved at the prospect. The drill sample is fine grained and dark grey in colour, and the copper bearing mineral is considered likely to be chalcocite (Cu_2S) which was petrologically confirmed to be present in some of the historic intersections. Chalcocite contains 79.9% copper by weight and is one of the highest grade ore minerals of copper. Due to its exceptional grade, chalcocite has the capacity to produce very valuable copper concentrate product.

Geologically, transported cover sediments persist to a maximum vertical depth of

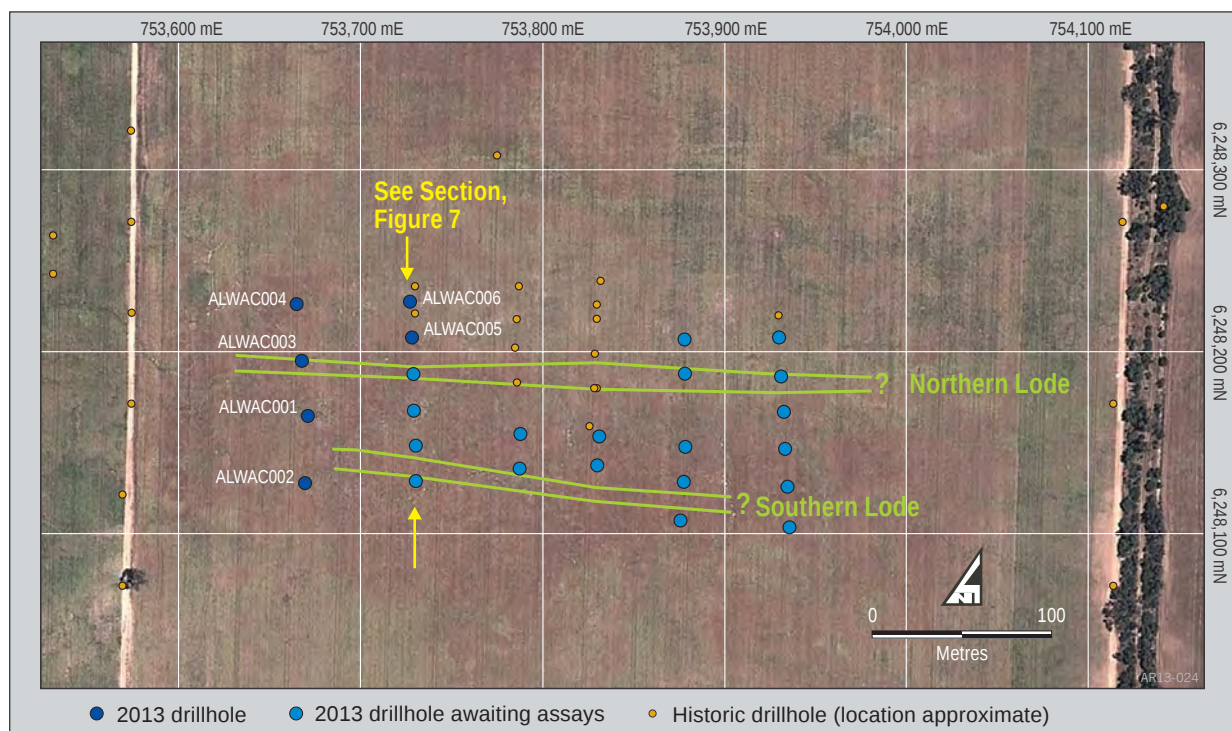


Figure 6: Alford West Prospect drillhole location plan.

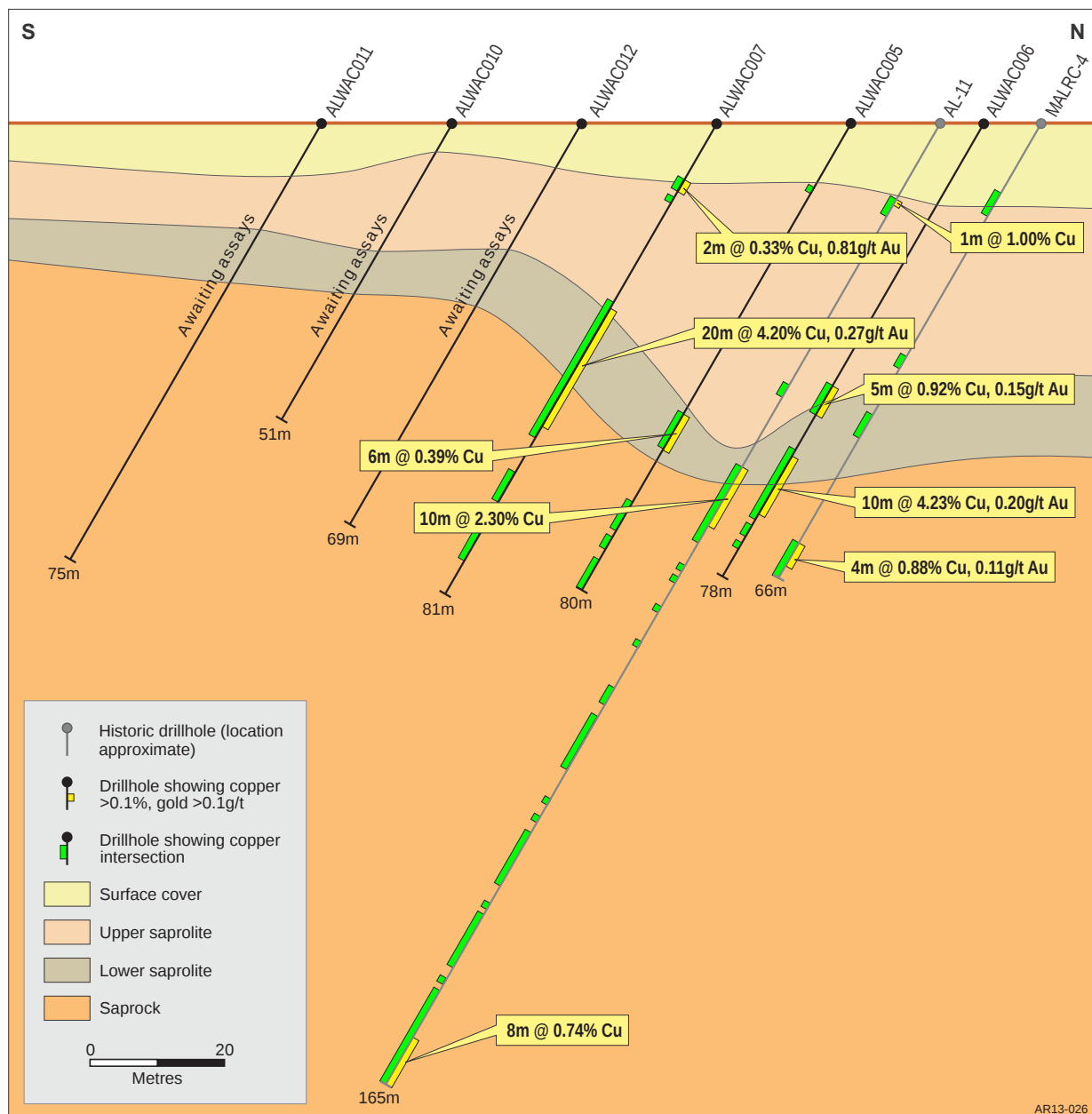


Figure 7: Alford West Prospect section looking west.

12 metres. Below the cover strongly weathered bedrock comprises both oxidised upper saprolite and un-oxidised lower saprolite.

Partially weathered bedrock, or saprock, is encountered below the saprolite horizons. Fresher bedrock lithologies, where intersected, are interpreted to be dominated by a variety of variably altered meta-sediments.

Drill samples from the remaining Alford West aircore holes are currently being assayed, with results anticipated in the near future.

Wombat Prospect

Last quarter the company announced that diamond hole WOMDD001 had returned an intersection of 66 metres at 1.04% copper from 236 metres downhole. The intersection in WOMDD001 is hosted by intensely weathered bedrock with copper often present as native copper metal.

Drilling at the Wombat Prospect during the quarter comprised 12 holes for 777 metres, with the goal of establishing whether potentially attractive grades of copper persist to near-surface depths.

Better intersections include 7 metres at 0.26% copper and 0.25g/t gold from 37 metres in WOMAC003, 12 metres at 0.34% copper from 48 metres in WOMAC009, and 5 metres at 0.52% copper from 70 metres to the end of hole also in WOMAC009. ■

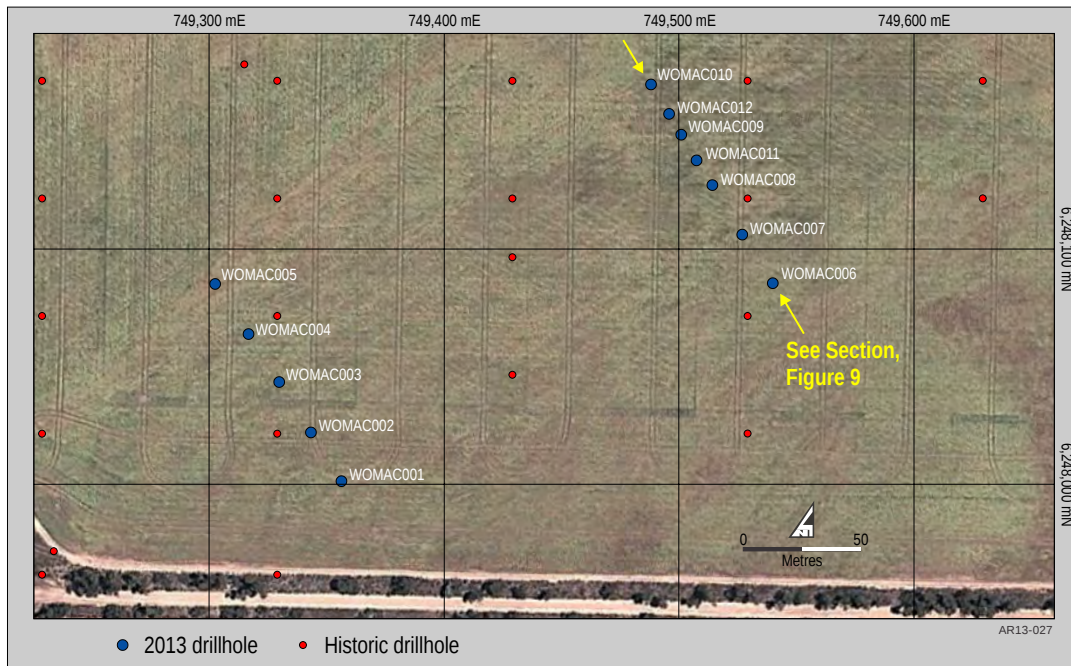


Figure 8: Wombat Prospect drillhole location plan.

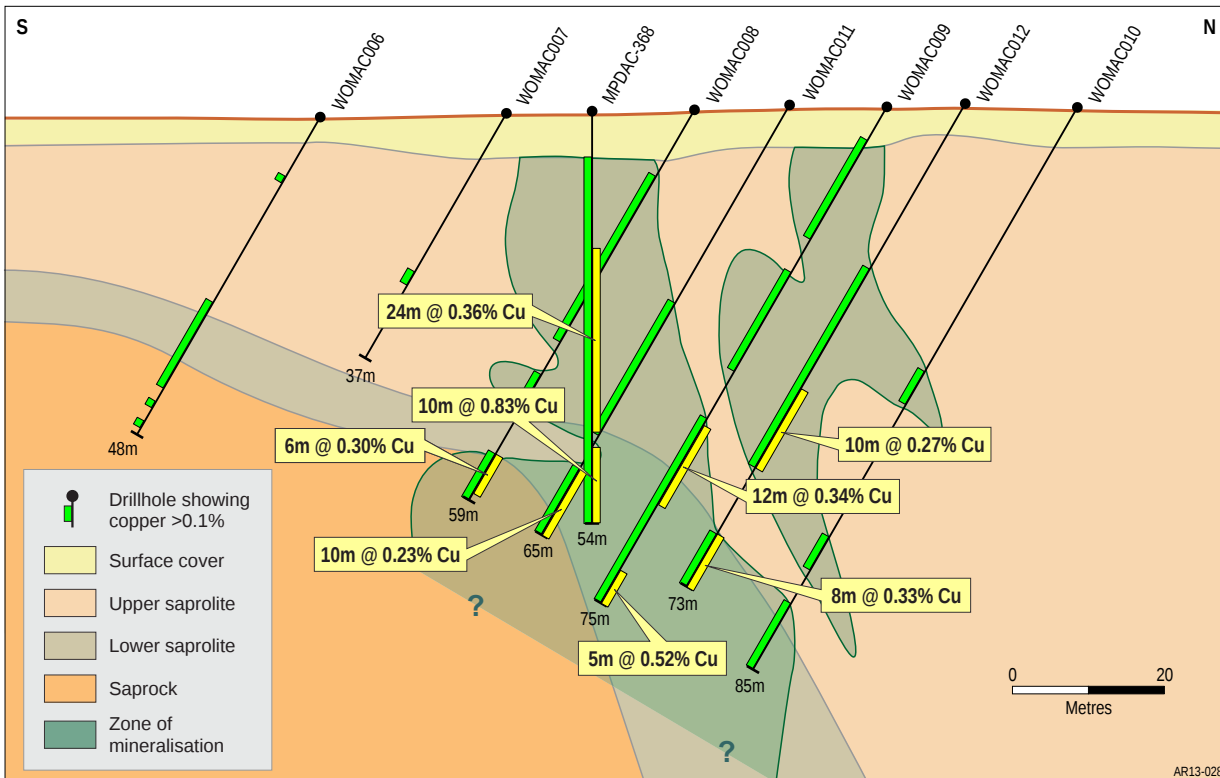


Figure 9: Wombat Prospect section looking west.

Table 1: Moonta Copper Gold Project drill intersections.

Prospect	Hole Name	Easting (mga94)	Northing (mga94)	Dip	Azimuth	Final Depth	From (m)	To (m)	Interval (m)	Cu %	Au g/t
PASKEVILLE	PAC113	767230	6235238	-60	215	96	50	60	10	0.20	~
	PAC116	767316	6235361	-60	215	102	50	60	10	0.26	~
	PAC142	766014	6235475	-90	~	80	30	35	5	0.06	0.14
	PAC147	767801	6235089	-60	215	93 <i>incl.</i>	38	47	9	0.62	0.07
							43	46	3	1.02	0.13
							48	55	7	0.51	0.02
							65	92	27	0.34	0.09
	PAC148	767810	6235101	-60	215	99 <i>incl.</i>	35	41	6	0.70	~
							52	62	10	0.74	0.03
							69	77	8	2.01	0.19
							70	72	2	6.57	0.50
							82	99	17	0.54	0.05
	PAC149	767822	6235117	-60	215	85	56	59	3	0.33	0.03
							63	70	7	0.31	0.08
	PAC150	767778	6235082	-60	215	91	25	50	25	0.29	0.02
							55	61	6	0.40	0.05
	PAC151	767820	6235089	-60	215	74 <i>incl.</i>	38	55	17	0.57	0.02
							38	45	7	1.01	0.01
							61	63	2	0.57	0.13
	PAC152	767812	6235078	-60	215	75 <i>incl.</i>	69	71	2	0.47	0.05
							35	55	20	0.32	0.03
							65	74	9	0.63	0.03
	PAC153	767832	6235103	-60	215	87	65	66	1	2.56	0.11
							40	55	15	0.38	0.03
ALFORD WEST	ALWAC003	753668	6248195	-60	180	80	81	82	1	1.20	0.16
							10	15	5	0.23	0.03
	ALWAC005	753728	6248208	-60	180	80	50	60	10	1.03	0.40
							11	12	1	0.71	0.03
							50	56	6	0.39	0.03
	ALWAC006	753727	6248227	-60	180	78 <i>incl.</i>	75	80	5	0.25	0.11
							45	50	5	0.92	0.15
							48	49	1	1.59	0.16
							57	67	10	4.23	0.20
WOMBAT	WOMAC002	749343	6248022	-60	148	73	60	62	2	5.93	0.18
							69	71	2	0.33	0.03
	WOMAC003	749330	6248043	-60	148	53	37	44	7	0.26	0.25
	WOMAC006	749540	6248085	-60	148	48	37	40	3	0.24	~
	WOMAC008	749514	6248127	-60	148	59	52	58	6	0.30	0.06
	WOMAC009	749501	6248149	-60	148	75	30	35	5	0.29	~
							48	60	12	0.34	0.03
							70	75	5	0.52	0.02
	WOMAC011	749507	6248138	-60	148	65	55	65	10	0.23	~
	WOMAC012	749496	6248157	-60	148	73	45	55	10	0.27	~
							65	73	8	0.33	0.01

Intersections calculated by averaging 1m or 5m composite chip samples. Copper determined by four acid digest followed by ICP-AES finish. Overrange copper (>1%) determined by AA finish. Gold determined by fire assay fusion followed by ICP-AES finish. Introduced QA/QC samples indicate acceptable analytical quality. Intersections are downhole lengths.

Yalanda Hill Joint Venture

Joint venturer and manager of the Yalanda Hill Joint Venture, Investigator Resources Ltd, completed a geochemical sampling program to collect infill samples around two anomalous features evident in a past reconnaissance soil sampling program.

The infill sampling program returned further anomalous results of equivalent magnitude to the original geochemistry at both targets, but failed to significantly advance their quality as exploration targets. ■

Other Projects

Due to the exploration team's solid focus on the Moonta Copper Gold Project during the quarter, no exploration was conducted on the company's other projects (Rover, Eyre Peninsula, Glenroy and Anabama). ■

Appointment of Exploration Manager

Mr Mark Manly was appointed to the key senior management position of Exploration Manager for Adelaide Resources during the quarter.



Mr Manly is a geologist with over 25 years of experience in the resources industry and holds an honours degree in Geology. He has explored for a diverse range of minerals including gold, copper, lead, zinc, silver, nickel, tin, uranium, iron ore, and oil and gas.

Mark was integral in the discovery of the Black Cat and Panther gold deposits near Coolgardie, and the Pinnacles gold deposit at Cue in Western Australia. He led teams that advanced prospects to mineral reserve status at the Nimingarra iron ore deposit in Western Australia, and the Flying Doctor and Potosi Extended lead-zinc prospects near Broken Hill in New South Wales. ■

issued capital

The company had 188,693,162 ordinary shares and 3,160,834 performance rights on issue at 31 March 2013. 500,000 options expired during the quarter. ■



Chris Drown – Managing Director
Signed on behalf of the
Board of Adelaide Resources Limited
Dated: 24 April 2013

finance and corporate

The company had \$2.426 million in cash and term deposits at 31 March 2013.

Exploration and evaluation expenditure by the company during the March quarter was \$354,000. Exploration and evaluation expenditure incurred during the March quarter by joint venture parties on tenements in which the company has an interest total \$25,082. ■

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. ■