



Adelaide Resources Limited

Quarterly Report

Period ending 30 June 2013

Adelaide Resources Limited
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Corporate Details

ASX Code: ADN

Issued Capital:

205,155,610 ordinary shares
2,935,834 performance rights

Directors:

Non-executive Chairman:
Mike Hatcher

Managing Director:
Chris Drown

Non-executive Directors:
John den Dryver
John Horan

Company Secretary:
Nick Harding

Highlights

Shareholder Share Purchase Plan

- Adelaide Resources Limited currently has a Shareholder Share Purchase Plan open whereby eligible shareholders can acquire new shares in the company at an attractive price and with no brokerage fees. **Applications from shareholders wishing to participate in the offer must be received by 12 August.**

Moonta Project, Olympic Copper-Gold Province – SA

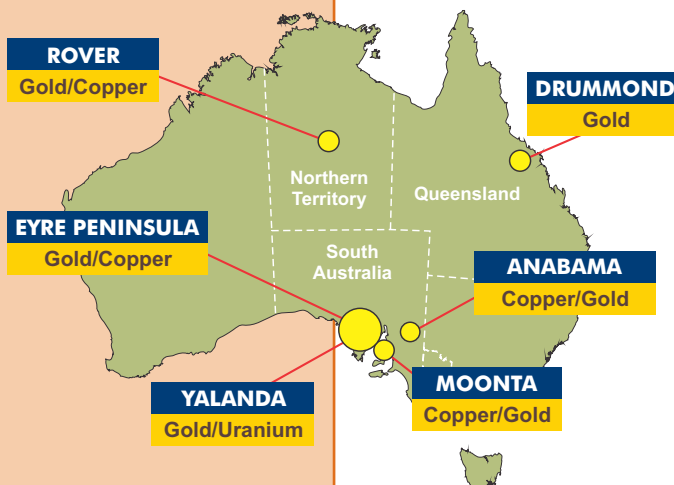
- High grade mineralisation drilled in numerous aircore holes at the 100% owned **Alford West Prospect**. Intersections include:
 - 7 metres at 1.86% copper and 0.45g/t gold** in ALWAC003,
 - 15 metres at 2.89% copper and 0.15g/t gold** in ALWAC006,
 - 20 metres at 4.20% copper and 0.27g/t gold** in ALWAC007,
 - 45 metres at 1.56% copper and 1.83g/t gold** in ALWAC008,
 - 15 metres at 1.04% copper and 0.33g/t gold** in ALWAC016,
 - 10 metres at 1.69% copper and 1.24g/t gold** in ALWAC017,
 - 8 metres at 0.42% copper and 1.62g/t gold** in ALWAC019,
 - 7 metres at 1.02% copper and 0.06g/t gold** in ALWAC019
 - 14 metres at 2.60% copper and 0.70g/t gold** in ALWAC036,
 - 20 metres at 1.76% copper and 0.33g/t gold** in ALWAC038, and
 - 11 metres at 2.33% copper and 0.68g/t gold** in ALWAC043.
- Laboratory and preliminary Field Portable XRF assays confirm a **strike length of at least 1100 metres**, with the mineralisation remaining **open at depth and along strike** in both directions.
- Alford West is now considered to represent **an outstanding opportunity to define a potentially significant mineral resource.**

Finance

- At 30 June 2013, the company had available funds of \$2.864 million.

Corporate

- Mr Mike Hatcher appointed Chairman following the resignation of Mr Andrew Brown.



Shareholder Share Purchase Plan

Adelaide Resources Limited currently has a Shareholder Share Purchase Plan (SPP) open whereby eligible shareholders can acquire new shares in the company at an attractive price and with no brokerage fees.

All shareholders should have received the offer documentation in the post. Applications from shareholders wishing to participate should be received by the scheduled closing date of 12 August.

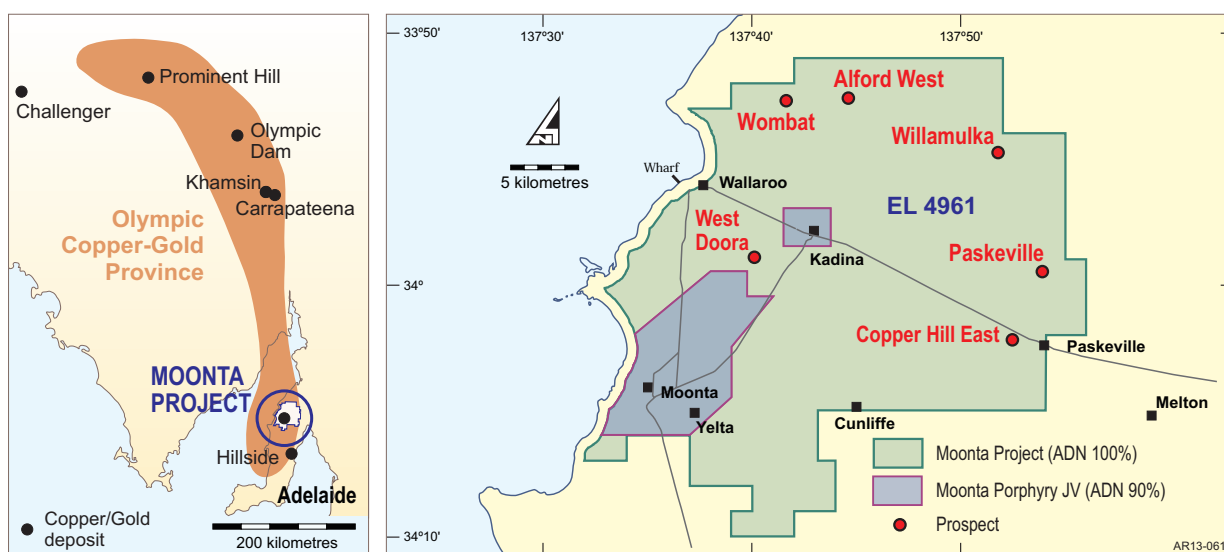


Figure 1: Moonta Copper Gold Project location plan.

Moonta Copper Gold Project, SA

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

Introduction

The Moonta Copper-Gold Project falls at the southern end of the world class Olympic Copper Gold Province (*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 BHP Billiton, Rio Tinto, Fortescue Metals, Oz

Minerals, Antofagasta, GlencoreXstrata, Straits Resources, Sandfire Resources and Rex Minerals. Consequently, exploration ground within the province is highly sought after and all land where exploration is allowed is currently pegged.

The depth to the top of the rocks considered prospective for IOCG deposits varies significantly along the belt, and in many places the thickness 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.

Adelaide Resources holds a 100% interest in the majority of the Moonta Copper Gold Project, with all prospects that are currently highly ranked by the company's exploration team located in the wholly owned part of the tenement. The company holds a 90% interest in the area covered by the Moonta Porphyry Joint Venture (*Figure 1*).

Alford West Prospect

During the Quarter excellent exploration results were achieved at the Alford West Prospect (Figure 1), and Alford West is now considered to represent an outstanding opportunity to define a potentially significant mineral resource.

Historic Exploration

The Alford West Prospect is defined by a 3200 metre long geochemical anomaly where historic, north-south oriented traverses of shallow auger drilling completed during a past joint venture between Western Mining Corporation and North Broken Hill returned samples assaying in-excess of 200ppm copper (Figure 2).

Many of the auger holes within the anomaly intersected significant copper mineralisation at shallow depths. Maximum individual assays range up to 13.0% copper, while many auger holes bottomed in mineralisation ranging in grade up to about 0.3% copper.

Historic deeper drilling at Alford West was completed by several companies, with highly encouraging copper and molybdenum mineralisation intersected in several holes. Gold was not routinely determined in the majority of the historic holes.

Historical intersections of note included:

- 11.2m at 1.02% Cu from 146.9m downhole in DDH132
- 9m at 0.95% Cu from 104m in DDH224
- 106m at 0.12% Mo from 119.8m in DDH129
- 11m at 1.09% Cu from 93m in AL-4,
- 29m at 1.07% Cu from 44m in AL-7,
- 9m at 1.83% Cu from 94m in AL-9,
- 12m at 2.22% Cu from 64m in AL-10,
- 10m at 2.30% Cu from 59m in AL-11,
- 19m at 1.19% Cu from 42m in MALRC-1.

Adelaide Resources' 2013 Exploration

To date, Adelaide Resources has drilled 93 aircore holes for 6032 metres at Alford West. The company's drillholes are located on ten north-south drill traverses that test a total strike length of 1100 metres (Figure 3).

Adelaide Resources' maiden drilling program, which commenced in March, comprised 25 holes for 1485 metres on six traverses. Mineralisation was intersected on each of the six traverses, with the mineralised zones remaining open to both the east and west, and at depth. The

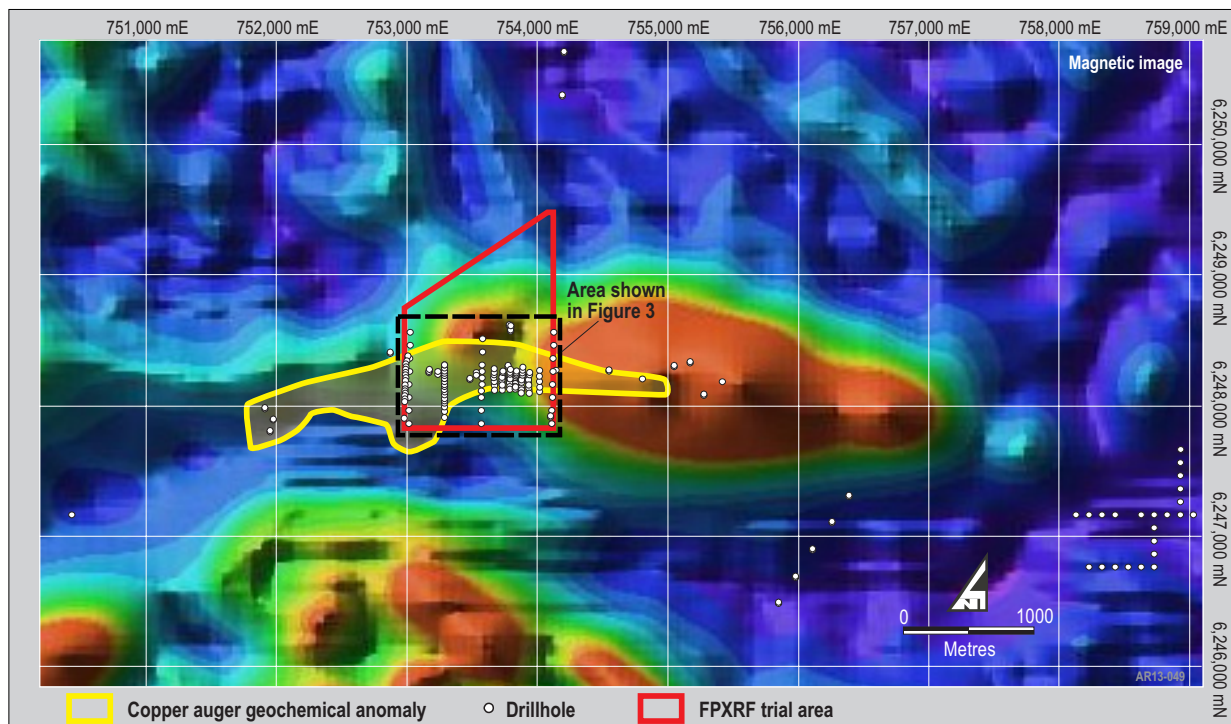


Figure 2: Broader Alford West Prospect showing auger copper anomaly, drillholes and trial FPXRF survey area.

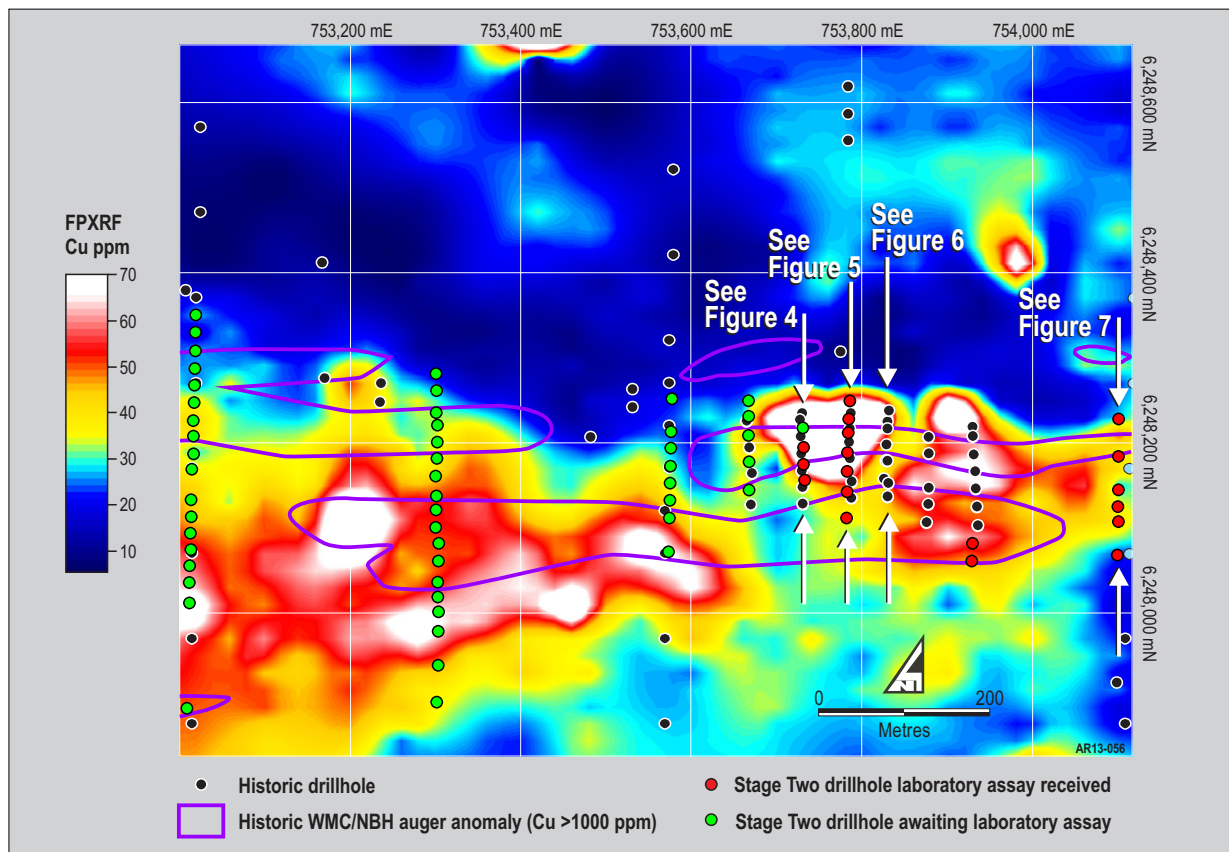


Figure 3: Alford West Prospect summary plan.

presence of significant gold mineralisation at Alford West was also confirmed. Several of the maiden program holes achieved very significant intersections of copper and gold, including:

- 7m at 1.86% Cu and 0.45g/t Au from 51m in ALWAC003,
- 15m at 2.89% Cu and 0.15g/t Au from 48m, including 10m at 4.23% Cu and 0.20g/t Au from 57m in ALWAC006,
- 20m at 4.20% Cu and 0.27g/t Au from 32m, including 11m at 6.81% Cu and 0.40g/t Au from 32m in ALWAC007,
- 45m at 1.56% Cu and 1.83g/t Au from 13m, including 6m at 3.79% Cu and 5.33g/t Au from 19m, and 5m at 1.37% Cu and 5.55g/t Au from 33m in ALWAC008,
- 15m at 1.04% Cu and 0.33g/t Au from 6m in ALWAC016,
- 10m at 1.69% Cu and 1.24g/t Au from 25m in ALWAC017, and
- 8m at 0.42% Cu and 1.62g/t Au from 34m, and 7m at 1.02% Cu and 0.06g/t Au from 65 metres in ALWAC019.

A second round of drilling (Stage Two) commenced in late May 2013 and to date comprises an additional 68 holes for 4547 metres. The Stage Two drilling program has the following goals:

- extending drill coverage of the target zone along strike;
- infill drilling on existing traverses to allow confident interpretation of lode dips; and
- drill in areas of historic drilling as the precise locations of the historic holes is unknown, and to obtain samples for gold assay as this metal was not routinely determined.

Field Portable X-Ray Fluorescence (FPXRF) analysis of samples from the Stage Two holes has been performed to provide preliminary indications of the presence of mineralisation, with samples from FPXRF defined copper bearing zones then submitted to a commercial analytical laboratory for assay using standard methods.

Laboratory assaying and assessment of the results from 18 Stage Two holes have

been completed, returning further significant intersections including:

- 14m at 2.60% Cu and 0.70g/t Au from 10m, including 3m at 10.49% Cu and 0.35g/t Au from 18m in ALWAC036,
- 20m at 1.76% Cu and 0.33g/t Au from 36m, including 10m at 3.02% Cu and 0.28g/t Au from 37m in ALWAC038,
- 11m at 2.33% Cu and 0.68g/t Au from 40m, including 5m at 4.64% Cu and 0.76g/t Au from 42m in ALWAC043.

Samples from the remaining 49 Stage Two holes completed to date have been submitted for laboratory assay. Preliminary FPXRF analysis of drill samples from these holes indicate zones of mineralisation have been intersected on all drill traverses, and further copper intersections of significance are anticipated.

Table 1 lists copper and gold intersections achieved in the first 43 aircore holes drilled

by Adelaide Resources at Alford West. Cross sections for four drill traverses are included as Figures 4 to 7, with the location of these sections shown on Figure 3.

Geology of Alford West

Transported cover sediments are present in all holes drilled to date. The cover is relatively thin, ranging in vertical depth from 5 metres to a maximum depth of 12 metres.

Below the cover strongly weathered bedrock comprises both oxidised upper saprolite and un-oxidised lower saprolite. The saprolite horizons are dominantly clay with varying amounts of iron oxide and quartz.

Partially weathered bedrock, or saprock, is encountered below the saprolite horizons, and often persists to the maximum depths of individual holes. Fresher bedrock lithologies comprise variably altered meta-sediments. In places the bedrock contains significant amounts

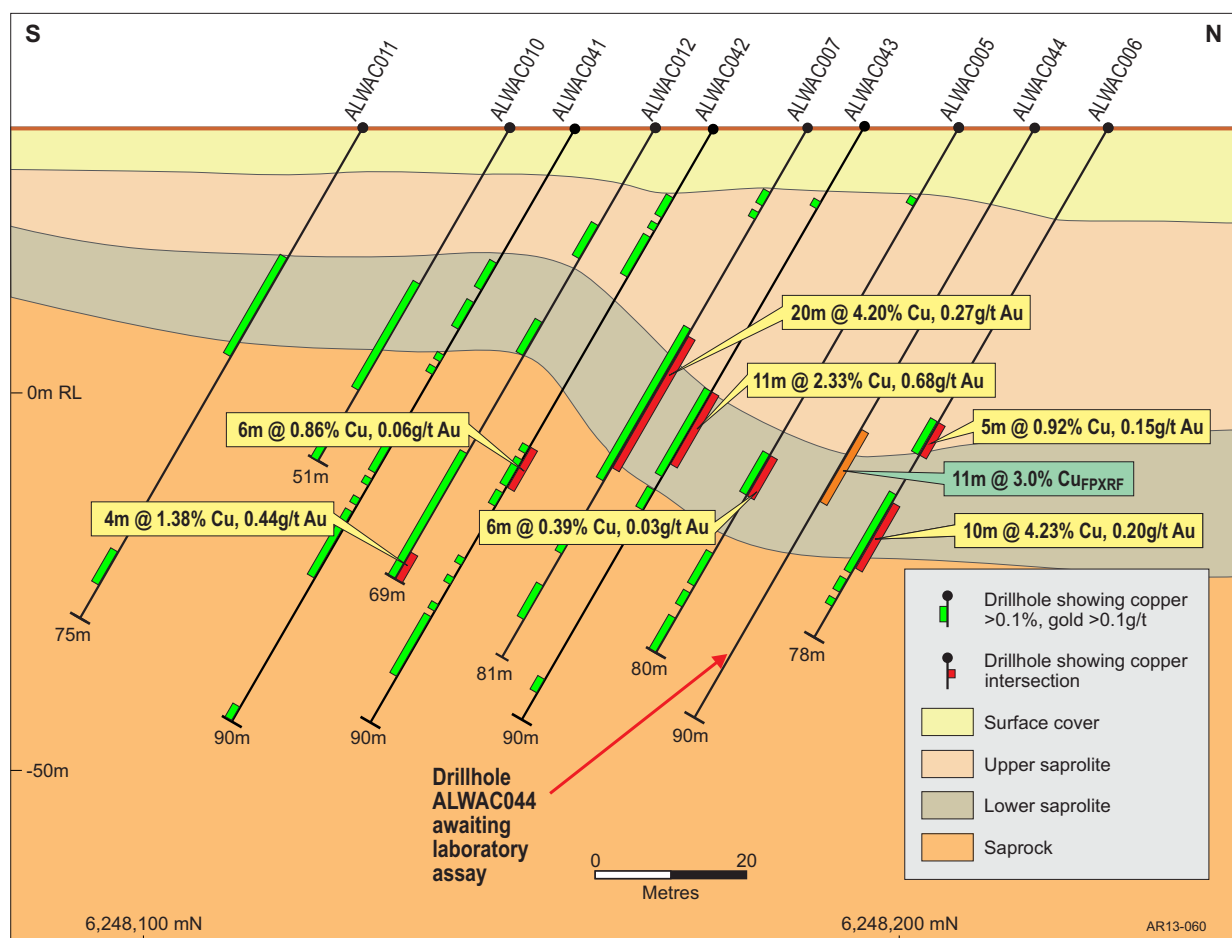


Figure 4: Alford West Prospect Section 753,730 mE looking west.

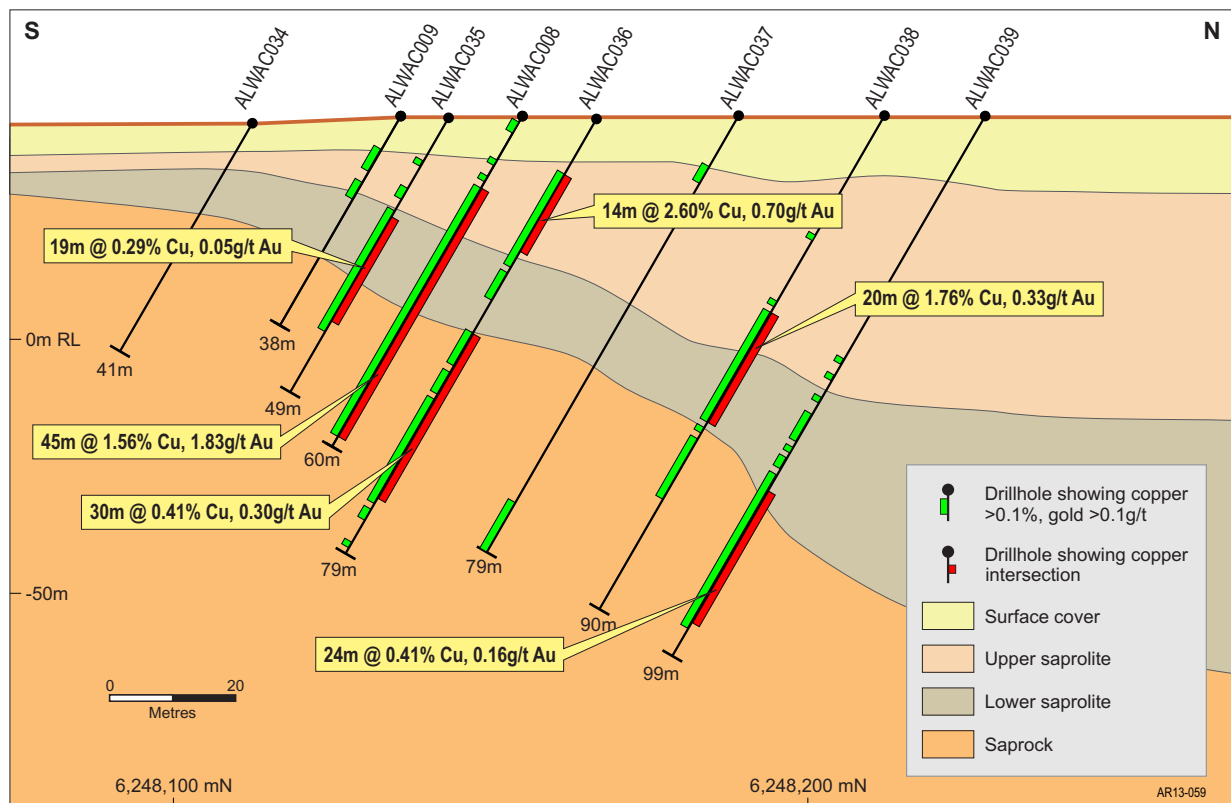


Figure 5: Alford West Prospect Section 753,785 mE looking west.

of hematite which is interpreted to be strong iron alteration, or metasomatism, that typifies iron-oxide copper gold deposits.

Drilling on some traverses is detailed enough to allow interpretations of the nature of the Alford West mineralisation to be made. The emerging geological understanding of the deposit will significantly assist in informing the design of the ongoing exploration program at Alford West.

A zone of high grade mineralisation, defined for example by holes between ALWAC007 and ALWAC006 (Figure 4), commences at a depth of about 25 metres and dips shallowly north. Petrological descriptions of material taken from historical holes which intersected this zone indicate the main copper bearing mineral is chalcocite (Cu_2S). This high grade mineralisation displays characteristics consistent with it being a zone of supergene enrichment developed below a copper depleted upper saprolite horizon. The grade of 1-metre samples from this zone can be very high, varying up to a maximum of about 14% copper.

The primary mineralisation that gives rise to the high grade supergene zone is currently

interpreted to be steeply north dipping. The grade of 1-metre samples from the primary zone vary up to a maximum of about 3% copper. Previous petrological studies on samples interpreted to be from the primary zone confirm the presence of chalcocite and minor chalcopyrite.

Another zone of significant mineralisation, defined for example by holes between ALWAC035 and ALWAC036 (Figure 5) behaves differently in the weathered zone. Copper mineralisation effectively persists to the base of cover with no significant geochemical depletion evident. The dominant copper bearing mineral in the weathered zone is the copper carbonate malachite.

Primary mineralisation below the copper carbonate zone is interpreted to be steeply dipping, with historical geological observations recording copper present as the sulphide mineral chalcopyrite. The grade of 1-metre samples from the primary zone vary up to a maximum of about 6% copper. Significant grades of gold may accompany copper in this zone, with individual sample assays over 1g/t gold relatively common.

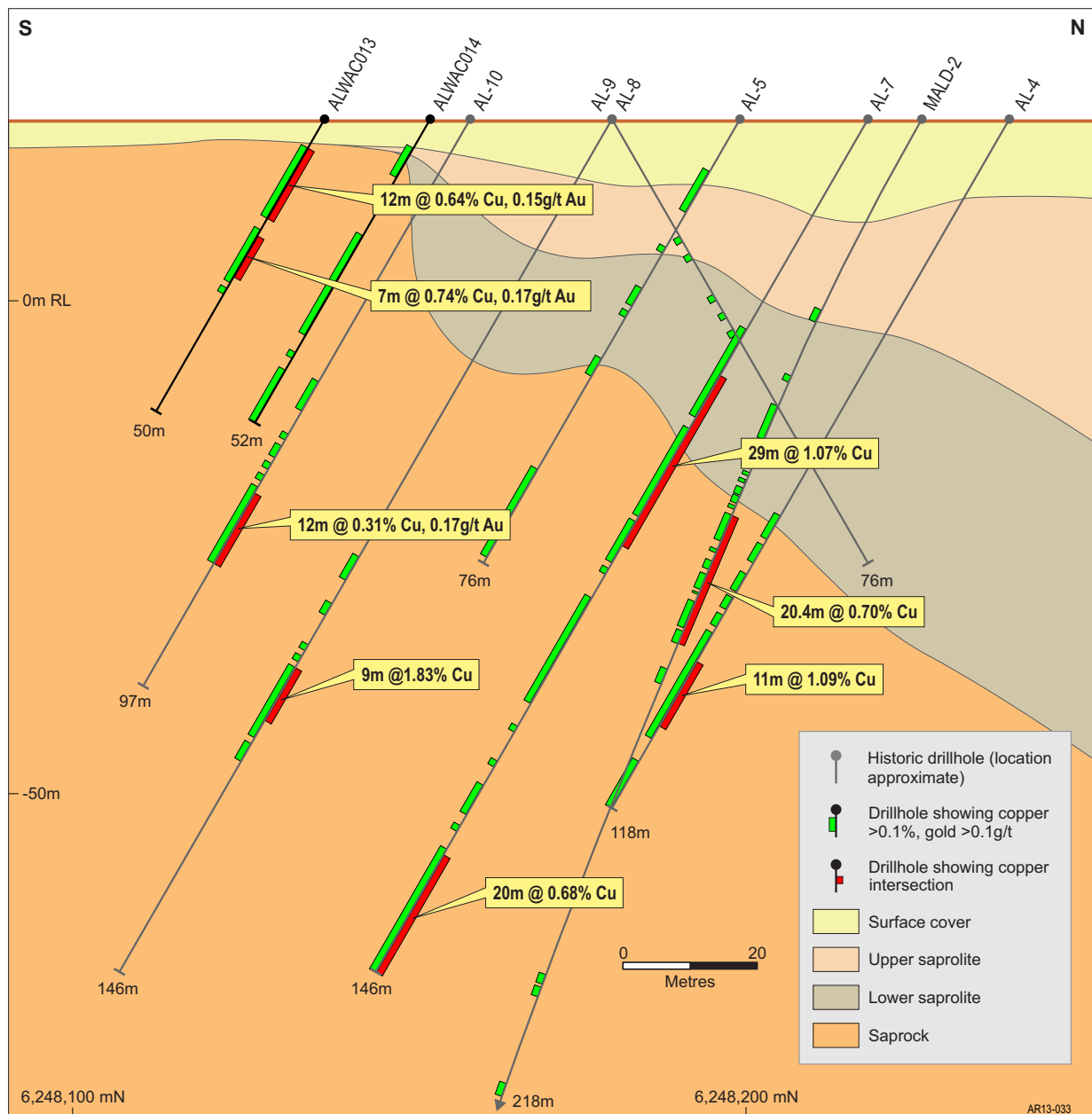


Figure 6: Alford West Prospect Section 753,830 mE looking west.

FPXRF surface geochemical survey

In May 2013, Adelaide Resources completed a trial Field Portable X-Ray Fluorescence (FPXRF) surface geochemical soil sampling program over part of the Alford West prospect (Figure 2). The aim of the trial survey was to determine if the FPXRF technique could successfully generate meaningful anomalies that replicated the historical auger results and could be confidently used to directly target further drilling at the prospect.

The trial FPXRF survey totaled 959 analyses of surface soils. Sample sites were located on 100

metre spaced lines with readings made every 20 metres along line. Infill readings reduced the line spacing to 50 metres across the most prospective area as defined by historic auger and recent aircore drilling.

Analyses were taken for 32 elements, including copper, using an Olympus-InnovX instrument. The instrument has a lower detection limit of about 5ppm to 7ppm for copper.

The survey successfully outlined a broad copper anomaly defined by samples assaying greater than about 30 ppm copper (see background image on Figure 3). The FPXRF anomaly is

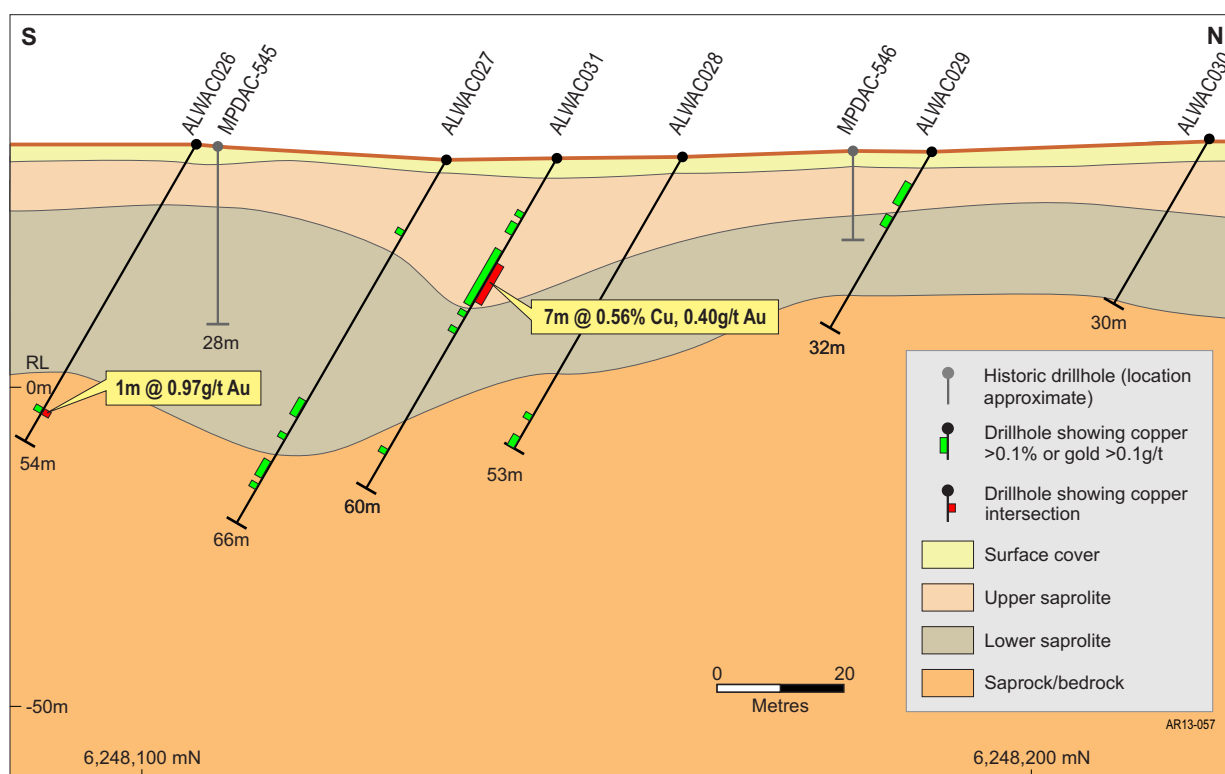


Figure 7: Alford West Prospect Section 754, 100 mE looking west.

generally coincident with the historical auger anomaly, and while surface and regolith factors will have acted upon the soils, the FPXRF survey method provides a very cost efficient and non-intrusive technique to rapidly define drill targets in great detail.

Historic Exploration Data capture

A significant effort has been mounted to increase the rate of digital capture of highly valuable and voluminous historical exploration data from the Moonta Project, with priority given to first acquiring all drilling data from the general Alford West area.

Historical drilling at Alford West includes approximately 1670 shallow geochemical auger holes, 20 diamond core holes, 41 reverse circulation holes, and 26 aircore holes. The majority of the old auger and deeper drilling information has now been entered and validated with the remainder likely to be captured in the next week or two.

Following completion of the Alford West area, the data capture exercise will next focus on the West Doora prospect drilling data. The West Doora prospect is located south west of Kadina (*Figure 1*) and returned a number of significant copper intersections. ■

Table 1: Alford West Prospect 2013 Drill Program Assays.

Hole Name	Easting (mga94)	Northing (mga94)	RL (msl)	Dip	Azimuth	Final Depth	From (m)	To (m)	Interval (m)	Cu %	Au g/t
ALWAC003	753668	6248195	35	-60	180	80	12	13	1	1.35	0.07
							51	58	7	1.86	0.45
							incl. 52	58	6	2.14	0.40
ALWAC005	753728	6248208	35	-60	180	73	11	12	1	0.71	0.03
							50	56	6	0.39	0.03
							77	80	3	0.32	0.15
ALWAC006	753727	6248227	36	-60	180	78	45	50	5	0.92	0.15
							incl. 48	49	1	1.59	0.16
							incl. 56	71	15	2.89	0.15
ALWAC007	753729	6248188	35	-60	180	80	incl. 57	67	10	4.23	0.20
							10	12	2	0.33	0.81
							32	52	20	4.20	0.27
ALWAC008	753788	6248155	34	-60	180	60	incl. 32	43	11	6.81	0.40
							and 45	46	1	5.33	0.33
							13	58	45	1.56	1.83
ALWAC009	753788	6248136	34	-60	180	38	incl. 18	25	7	3.61	4.66
							and 28	37	9	1.79	3.19
							and 43	52	9	2.11	1.00
ALWAC010	753730	6248148	34	-60	180	51	and 19	25	6	3.79	5.33
							and 33	38	5	1.37	5.55
							6	10	4	0.26	0.03
ALWAC011	753730	6248168	35	-60	180	69	50	51	1	0.60	0.33
							50	57	7	0.33	0.04
							65	69	4	1.38	0.44
ALWAC012	753830	6248137	34	-60	180	50	incl. 5	17	12	0.64	0.15
							incl. 5	9	4	1.42	0.13
							20	27	7	0.74	0.17
ALWAC013	753831	6248153	35	-60	180	52	incl. 23	26	3	1.22	0.18
							23	25	2	1.05	0.05
							35	37	2	0.23	0.01
ALWAC014	753879	6248148	35	-60	180	57	40	52	12	0.31	0.17
							50	54	4	0.12	0.15
							6	33	27	0.68	0.28
ALWAC015	753878	6248129	34	-60	180	60	incl. 6	21	15	1.04	0.33
							40	48	8	0.23	0.03
							13	36	23	0.86	0.64
ALWAC016	753876	6248107	34	-60	360	44	incl. 25	35	10	1.69	1.24
							7	9	2	0.45	0.05
							50	55	5	0.3	0.02
ALWAC017	753878	6248188	36	-60	180	66	34	42	8	0.42	1.62
							incl. 38	42	4	0.14	2.28
							59	60	1	2.19	0.05
ALWAC018	753878	6248207	36	-60	180	72	incl. 65	72	7	1.02	0.06
							71	72	1	3.92	0.22
							48	22	34	0.17	0.09
ALWAC019	753934	6248147	36	-60	180	48	22	34	12	0.17	0.09

Table 1: Alford West Prospect 2013 Drill Program Assays (cont.).

Hole Name	Easting (mga94)	Northing (mga94)	RL (msl)	Dip	Azimuth	Final Depth	From (m)	To (m)	Interval (m)	Cu %	Au g/t
ALWAC022	753936	6248104	35	-60	180	59	6	9	3	0.22	0.01
							31	49	18	0.32	0.01
ALWAC023	753930	6248208	36	-60	180	55	21	27	6	0.31	~
							50	56	6	0.87	0.21
							<i>incl.</i> 52	55	3	1.48	0.10
ALWAC026	754100	6248069	38	-60	180	54	48	49	1	~	0.97
ALWAC027	754101	6248108	36	-60	180	66	55	57	2	0.27	0.20
ALWAC031	754100	6248125	36	-60	180	60	19	26	7	0.56	0.4
							<i>incl.</i> 21	22	1	0.76	2.57
ALWAC033	753930	6248082	35	-60	180	45	6	8	2	0.28	0.02
							31	32	1	0.08	0.77
ALWAC035	753783	6248143	34	-60	180	49	17	36	19	0.29	0.05
ALWAC036	753783	6248167	35	-60	180	79	10	24	14	2.60	0.70
							<i>incl.</i> 10	14	4	0.88	1.69
							<i>and</i> 18	21	3	10.49	0.35
							39	69	30	0.41	0.30
ALWAC037	753783	6248189	35	-60	180	79	<i>incl.</i> 55	58	3	1.63	0.44
							10	11	1	0.74	0.01
ALWAC038	753784	6248212	35	-60	180	90	76	78	2	0.26	0.01
							36	56	20	1.76	0.33
							<i>incl.</i> 36	37	1	0.36	2.86
							<i>and</i> 37	47	10	3.02	0.28
ALWAC039	753785	6248228	36	-60	180	99	60	64	4	0.33	0.05
							55	60	5	0.36	0.08
							69	93	24	0.41	0.16
ALWAC041	753733	6248157	34	-60	180	90	20	22	2	0.27	~
							47	49	2	0.50	0.01
							58	65	7	0.29	0.02
ALWAC042	753732	6248175	34	-60	180	90	11	12	1	0.13	0.77
							16	19	3	0.24	0.03
							48	54	6	0.86	0.06
							<i>incl.</i> 51	53	2	1.70	0.10
							72	82	10	0.28	0.10
ALWAC043	753732	6248195	35	-60	180	90	11	12	1	0.23	0.91
							40	51	11	2.33	0.68
							<i>incl.</i> 40	43	3	1.35	1.35
							<i>and</i> 42	47	5	4.64	0.76
							84	86	2	0.44	0.03

Intersections calculated by averaging 1-metre 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. Cut-off grade of 0.2% Cu and/or 0.2g/t Au applied with up to 2m internal dilution for principal intersections. Introduced QA/QC samples indicate acceptable analytical quality. Intersections are downhole lengths.

Yalanda Hill Joint Venture

Adelaide Resources 37.76%;
Investigator Resources Limited 62.24%.

Joint venturer and manager of the Yalanda Hill Joint Venture, Investigator Resources Ltd, completed a geochemical sampling program to collect infill samples at one anomalous feature evident in a past reconnaissance soil sampling program. Results of the infill sampling are not yet at hand. ■

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). ■

issued capital

The company had 205,155,610 ordinary shares and 2,935,834 performance rights on issue at 30 June 2013.

During the quarter 16,462,448 ordinary shares were issued under a placement to professional and sophisticated investors at an issue price of 7.3 cents per share raising approximately \$1.2 million before costs. ■

finance and corporate

The company had \$2.864 million in cash and term deposits at 30 June 2013.

Exploration and evaluation expenditure by the company during the June quarter was \$461,000. Exploration and evaluation expenditure incurred during the June quarter by joint venture parties on tenements in which the company has an interest total \$5,000.

On 25 June 2013 Mr Mike Hatcher was appointed Chairman of Adelaide Resources Limited following the resignation of Mr Andrew Brown. ■



Chris Drown – Managing Director
Signed on behalf of the
Board of Adelaide Resources Limited
Dated: 29 July 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. ■