



Adelaide Resources Limited

Quarterly Report

Period ending 31 march 2010

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

E: adres@adelaideresources.com.au
W: www.adelaideresources.com.au

Corporate Details

ASX Code: ADN

Issued Capital:
111,204,040 ordinary shares
4,025,000 unlisted options

Directors:

Non-executive Chairman:

Paul J Dowd

Managing Director:

Chris Drown

Non-executive Directors:

John Horan (*Company Secretary*)

John den Dryver

Andrew Brown

Keith Yates

Highlights

Rover Gold-Copper Project – NT

- Assays from four Rover 1 Prospect holes drilled in late 2009 to follow up R1ARD30 (55m @ 3.36% copper; 34m at 2.05% copper and 2.14g/t gold; and 47m at 1.51g/t gold) return further intersections.
- Drillhole R1ARD30-1 includes intervals of **57 metres at 3.16% copper** including **7 metres at 10.4% copper**, and **22 metres at 1.27% copper and 0.93g/t gold**.
- Drillhole WGR1D040-2 returned **15 metres at 5.72g/t gold and 1.73% copper** including **7 metres at 11.2g/t gold**, and **3 metres at 8.1g/t gold and 0.99% copper**.
- The 2010 exploration program is now underway with drilling to be completed at the Rover 1, Rover 4 and Rover 12 prospects.

Moonta Copper-Gold Project – SA

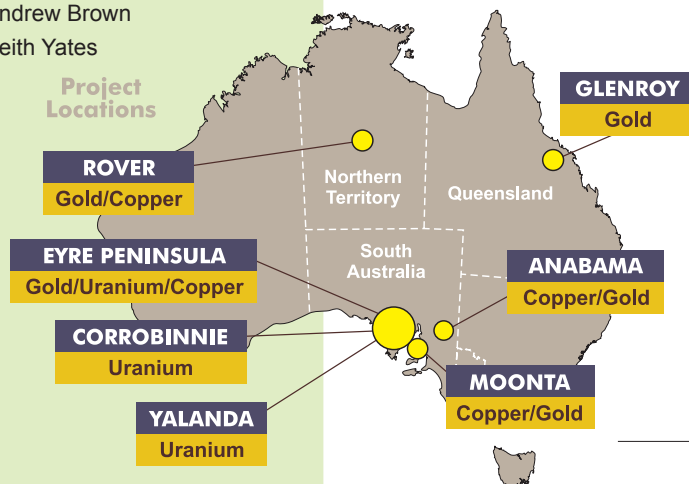
- A calcrete soil geochemistry program has delineated a number of **promising copper and gold anomalies**. Drill testing of the best targets is planned.

Corrobinnie Palaeochannel Uranium JV – SA

- Airborne electromagnetic surveying completed over headwaters of the Thurlga Palaeochannel where 2009 reconnaissance drilling encountered anomalous uranium. Further drilling is planned.

Finance

- At 31 March 2010, the company had available funds of \$8.906 million.



Rover Gold-Copper Project, NT

Adelaide Resources 100%

Assaying of the last of the exploration holes drilled in 2009 on the company's wholly owned Rover Project, located approximately 80 kilometres southwest of Tennant Creek in the Northern Territory (*Figure 1*), was completed. The analytical results confirm further excellent gold and copper intersections at the Rover 1 Prospect.

The 2010 exploration program is underway with a drilling dominated program anticipated to continue until late in the year. Drilling is planned at the Rover 1, Rover 4 and Rover 12 prospects.

Adelaide Resources acquired 100% ownership of the Rover Project from Newmont Australia Limited in 2005, with Newmont retaining a royalty/buy back right that it subsequently sold to Franco-Nevada Australia Pty Ltd. The buy back right is a once-only right that can be exercised if a single resource exceeding two million ounces of gold is defined on the project tenements.

Rover 1 Results

The Rover 1 Prospect straddles the southern boundary of Adelaide Resources' tenement EL 7739 and tenements owned by Westgold Resources Limited.

In December 2009, Adelaide Resources announced it had achieved highly significant

copper and gold intersections in drillhole R1ARD30, the first hole drilled by the company at the Rover 1 Prospect. Late in 2009, Adelaide Resources completed four additional drillholes at Rover 1, with assay results from these holes received during the quarter.

Drillhole R1ARD29

Hole R1ARD29 was collared from the same drill pad as R1ARD30 and trended to the northeast, away from R1ARD30 (see *Figure 2*). R1ARD29 passed into magnetite-haematite ironstone at a depth of 336.9 metres, and continued in ironstone with lesser intervals of chlorite altered sediment until a depth of 474.2 metres. Thereafter the hole encountered chlorite altered host sediments with rare ironstone and sulphide stringers.

Low grade copper and gold mineralisation is common in R1ARD29, with a best intersection of **16 metres at 1.20% copper** commencing at a depth of 555 metres.

Drillhole R1ARD30-1

R1ARD30-1 was drilled as a wedged daughter hole from R1ARD30. The wedge successfully departed the parent hole above the upper contact of the ironstone body at a depth of 330 metres, and then tested the ironstone and gold-prospective stringer zone beneath it.

Gyroscopic surveying of R1ARD30-1 shows the wedge stayed close to the parent hole (*Figure 2*). R1ARD30-1 intersected ironstone between 337 and 483.5 metres, then stringer zone to 552 metres.

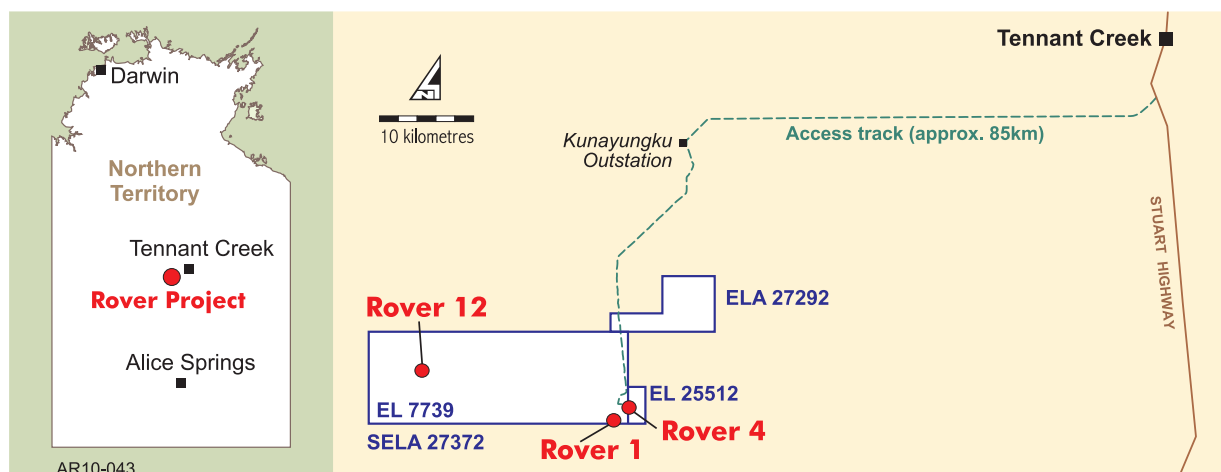


Figure 1: Rover Project Location

Three zones of significant mineralisation are present in R1ARD30-1, with these zones correlating with the three main zones of mineralisation encountered in the parent hole, R1ARD30.

An upper, copper dominant, zone assays

57 metres at 3.16% copper from 355 metres downhole.

This broad interval includes a number of very high grade zones, the best being

7 metres at 10.4% copper

and 0.76g/t gold from 389

metres downhole. A middle zone of mixed copper-gold mineralisation returned

22 metres at 1.27% copper

and 0.93g/t gold, while a lower

gold-dominant zone returned

18 metres at 1.09g/t gold.

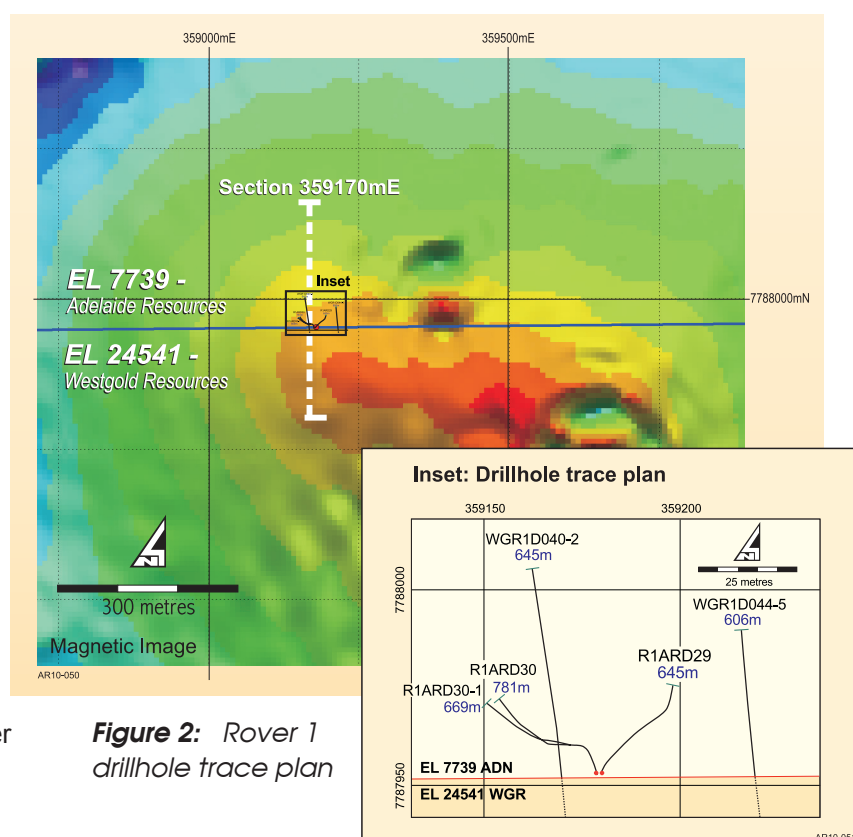


Figure 2: Rover 1 drillhole trace plan

Table 1: Rover 1 Prospect Significant Intersections

Drillhole Name	Easting	Northing	Dip	Azimuth	Final Depth	From (m)	To (m)	Interval (m)	Au g/t	Cu %	
R1ARD29	359180	7787953	-87	355	716.6	373	374	1	0.11	1.04	
						489	491	2	1.92	1.11	
						517	518	1	1.24	~	
						533	534	1	0.07	1.00	
						555	571	16	0.21	1.20	
R1ARD30-1	359179	7787953	-87	350	668.6	355	412	57	0.16	3.16	
						incl.	358	398	40	0.22	4.35
						incl.	373	376	3	0.40	6.99
						and	386	387	1	0.26	8.16
						and	389	396	7	0.76	10.4
							463	485	22	0.93	1.27
						incl.	471	485	14	1.29	1.71
						incl.	481	485	4	2.56	2.71
							514	515	1	1.15	0.14
	520	538	18	1.09	0.03						
WGR1D040-2	359199	7787732	-65	356.7	645.4	541	556	15	5.72	1.73	
						incl.	544	551	7	11.2	2.78
						and	541	550	9	8.32	2.67
							606	609	3	8.10	0.99

WGR1D040-2 was at a depth of 537 metres when it crossed into Adelaide Resources' tenement.

Gold determined by fire assay with AA finish. Copper determined by mixed acid digest followed by ICP-AES or AA finish. Assays based on 1 metre cut half NQ core. Core recovery for reported intervals is very high. Intersections are downhole lengths with grades weighted for specific gravity. True widths are not known.

Drillholes WGR1D040-2 and WGR1D044-5

With the cooperation of Westgold Resources, WGR1D040-2 and WGR1D044-5 were drilled as extensions, into Adelaide Resources' tenement, of north dipping holes originally drilled by Westgold (see Figure 2).

WGR1D040-2 was at a depth of 537 metres and in magnetite dominant ironstone when it crossed into Adelaide Resources' tenement. The ironstone persisted for 19 metres after which altered sediments with "stringers" of iron oxide and sulphide were encountered.

An upper, ironstone hosted, intersection of **15 metres at 5.72g/t gold and 1.73% copper** commences from 541m, and includes a higher grade sub-interval of **7 metres at 11.2g/t gold**. Assays for individual 1-metre samples range up to 26.2g/t gold. An overlapping sub interval of higher grade copper returned **9 metres at 2.67% copper**.

A lower intersection, hosted in the stringer zone, returned **3 metres at 8.1g/t gold and 0.99% copper** from 606m. Significantly, this second zone is located approximately 35 metres north of the tenement boundary confirming that attractive grades of mineralisation persist for an appreciable distance into Adelaide Resources' tenement. This has positive implications for the Rover 1 resource potential on Adelaide Resources' ground.

Figure 3 shows a cross section detailing the new intersections in R1ARD30-1 and WGR1D040-2, together with previously reported intersections in R1ARD30.

WGR1D044-5 crossed into Adelaide Resources' licence at a depth of 542 metres and approximately 50 metres east of WGR1D040-2. WGR1D044-5 intersected altered sediments and a single, narrow (15cm) ironstone at 553 metres downhole. Anomalous gold, copper and associated metals occur in and around the narrow ironstone with a best assay of 1 metre at 0.24g/t gold.

Significant intersections from the Rover 1 Prospect holes appear in Table 1.

Significance of Rover 1 Results

The presence of good gold grades in hole WGR1D040-2 is positive. Westgold Resources has reported very high grade gold intersections from just south of the tenement boundary, and the gold intersections in WGR1D040-2 confirm that high grade gold persists into Adelaide Resources' licence. The lower gold intersection in WGR1D040-2 falls 35 metres into Adelaide Resources' tenement, suggesting that the north-south dimensions of the zone containing mineralisation may be significant. This has positive implications for the resource potential of the Rover 1 deposit on Adelaide Resources' tenement.

Taken together, the five holes drilled to date on Adelaide Resources' tenement at Rover 1 indicate a possible westerly vector towards mineralisation, with attractive grades of gold and

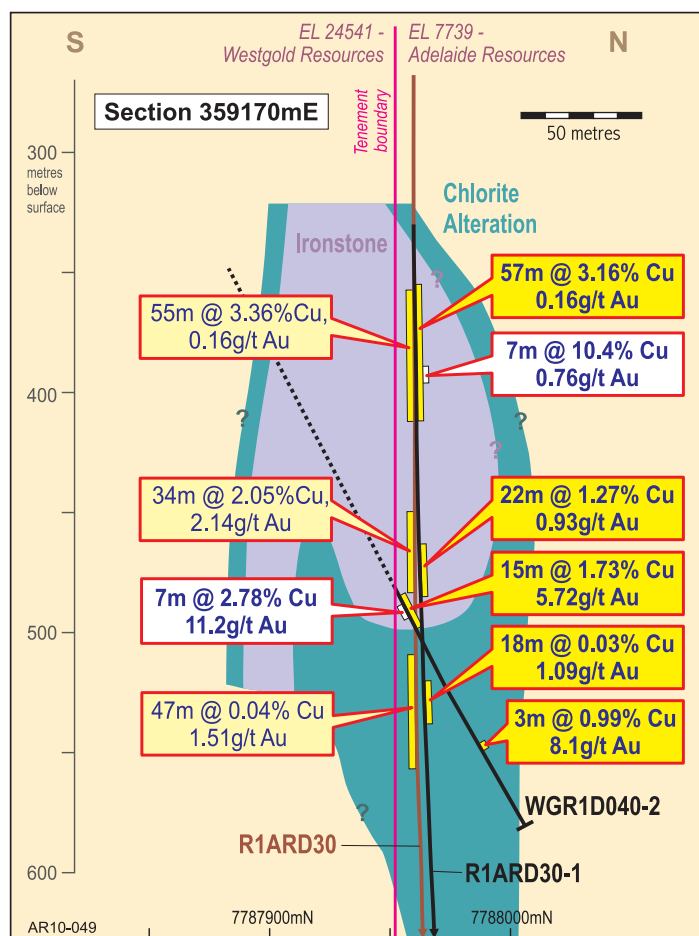


Figure 3: Rover 1 Section 359170

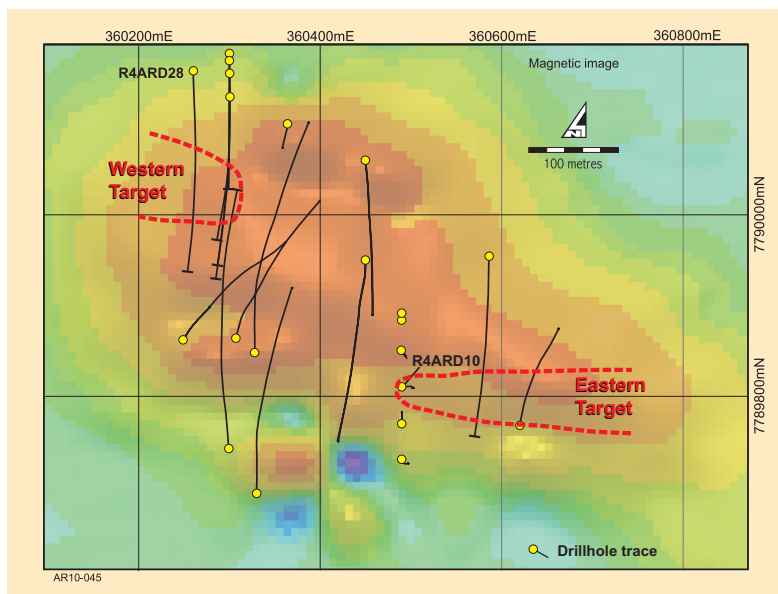


Figure 4: Rover 4 with targets outlined

copper present in western holes R1ARD30, R1ARD30-1 and WGR1D040-2, but low grades in eastern holes R1ARD29 and WGR1D044-5. This vector presents a target zone continuing west from the limit of current drilling.

Rover Project – 2010 Exploration Program

The company is undertaking an aggressive exploration program at the Rover Project in 2010. Drilling has recently commenced with the program anticipated to continue until late 2010.

Further drilling will be completed at the **Rover 1** prospect with the goal of scoping the resource potential for that part of the deposit that falls on Adelaide Resources' tenement. Drilling designed to test for extensions to gold and copper mineralisation intersected to date, and to search for the presence of bonanza grade gold mineralisation is planned. Initially drilling will focus on the region west of R1ARD30 where potential for further significant mineralisation is considered to be high.

Exploration to date at **Rover 4** has defined two targets within a large mineralised alteration system (*Figure 4*). A western target is confirmed in the vicinity of drillhole R4ARD28 which intersected significant mineralisation including a zone assaying 21 metres at 2.33% copper and 0.94g/t gold. A shallower eastern target is

located east of R4ARD10 which returned 15 metres at 2.07% copper. Testing of both of these targets is planned in 2010.

Drilling at the **Rover 12** prospect is also planned. Limited previous drilling at Rover 12 has returned low grade intersections of gold and copper, and confirmed that Rover 12 is a typical ironstone system. Modelling of magnetic geophysical data, when considered with the geology intersected in the previous drilling, indicates the Rover 12 ironstone system may be of comparable dimension to the Rover 1 ironstone body, with concomitant

potential to host discrete zones of higher grade mineralisation than that encountered to date. ■

Moonta Copper-Gold Project, SA

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

The Moonta Project is located in a belt that runs along the eastern margin of the Gawler Craton and is highly prospective for copper-gold deposits. The world class Olympic Dam and Prominent Hill deposits, together with the historical Moonta-Wallaroo copper-gold mining district secured in the company's project tenement, and recently discovered prospects such as Rex Minerals Limited's Hillside Prospect all occur in this belt.

During the quarter a surface geochemical calcrete sampling program was completed with samples collected in seven areas (*Figure 5*). A total of 1,280 samples were submitted for assay with a suite of elements including gold and copper analysed. Robust gold and copper geochemical anomalies were defined in five of the areas sampled.

Two anomalies, Willamulka and Prospect 4, are exemplary of the quality of the targets that have been defined by the calcrete sampling program.

Geochemical results from the Willamulka Prospect have defined a discrete, highly

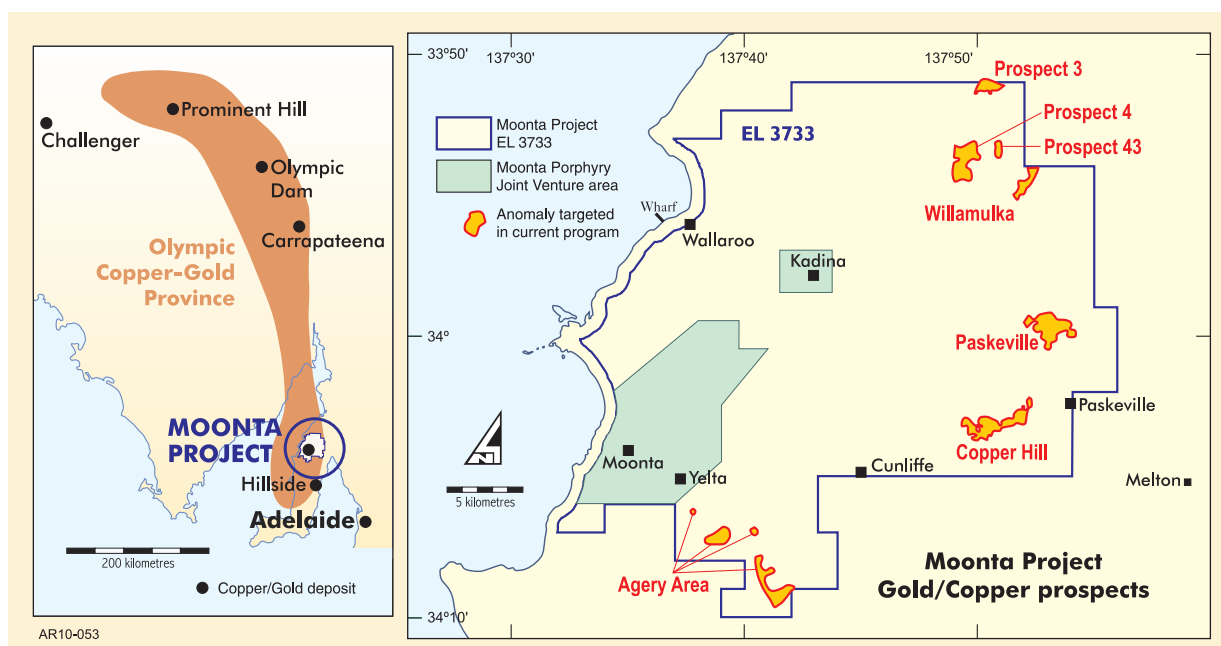


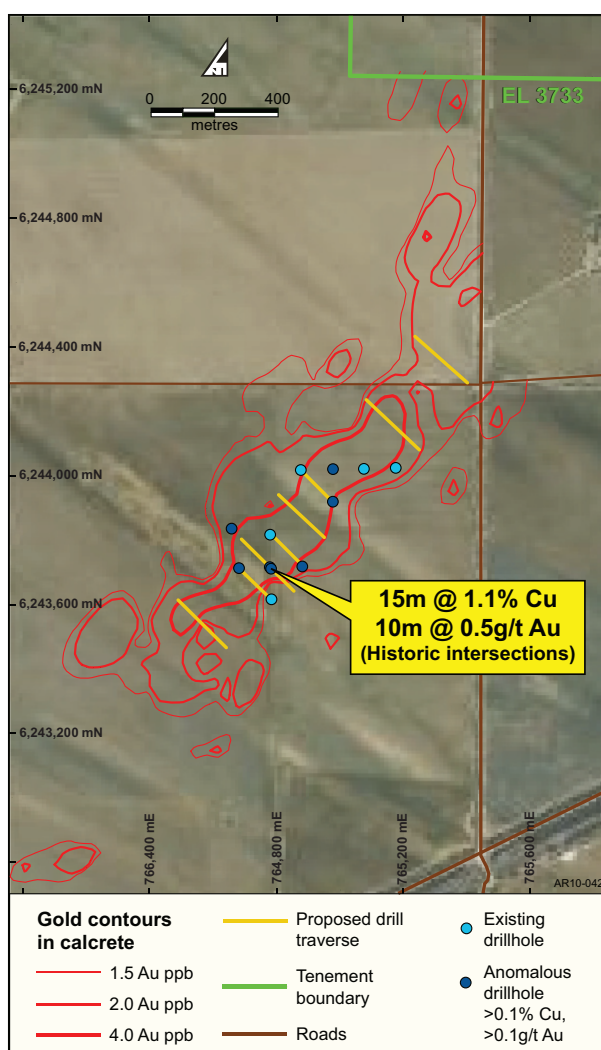
Figure 5: Moonta project

coherent, north-east trending linear zone of strongly anomalous gold and copper which persists for a strike length of 1,500 metres (Figure 6). Copper and gold values in individual calcrete samples rank as among the best in the district. Limited previous drilling at Willamulka has encountered significant mineralisation with one hole intersecting 15 metres at 1.1% copper from 8 metres downhole, and 10 metres at 0.5g/t gold from 46 metres, and Willamulka is considered a standout target.

Results of calcrete sampling at Prospect 4 are also positive. A zone of strongly anomalous copper and gold is semi-coincident with the contact between non-magnetic and weakly magnetic metasedimentary units. The strongest geochemical response occurs in the hinge zone of an interpreted fold structure. Previous drilling in the area has not tested the hinge zone target but has encountered metal on the fold limbs, with maximum results to 1 metre at 0.87% copper and 1 metre at 0.77g/t gold in separate holes.

Preparations to drill test Willamulka, Prospect 4, and possibly other targets are now underway, with the program to commence as soon as a drill contractor is secured. ■

Figure 6: Willamulka Prospect plan



Adelaide Resources 100%; Quasar Resources Pty Ltd earning 60%.

The Corrobinnie Uranium Joint Venture, a joint venture between Adelaide Resources and Quasar Resources Pty Ltd, is searching for “roll front” style uranium deposits hosted in ancient drainage systems, or palaeochannels, on the Eyre Peninsula of South Australia.

Last quarter it was reported that analysis of samples collected during a drilling program completed in 2009 had confirmed the presence of anomalous uranium in an attractive geological setting in the Thurlga Palaeochannel system.

To follow up these positive exploration results, the Joint Venture completed a 1,924.5 line kilometre airborne electromagnetic (AEM) survey over the southern part of the Thurlga Palaeochannel (*Figure 7*).

The airborne survey is to assist with the detailed mapping and interpretation of the

palaeochannel architecture. Processing and layered earth inversions of the airborne data have been carried out and interpretation of the results is underway.

A follow-up program of rotary mud drilling, a drilling technique commonly employed in the exploration and delineation of palaeochannel hosted uranium deposits, together with further reconnaissance aircore drilling, is planned for later in 2010.

The Corrobinnie Uranium Joint Venture agreement allows Quasar to earn a 60% interest in palaeochannel hosted uranium deposits present in an area of 5117 sq km, including a sub area of 2905 sq km where it would also earn a 60% interest in all minerals in the basement. Quasar can earn its interest by spending \$3 million over a four year period commencing 1 January 2007.■

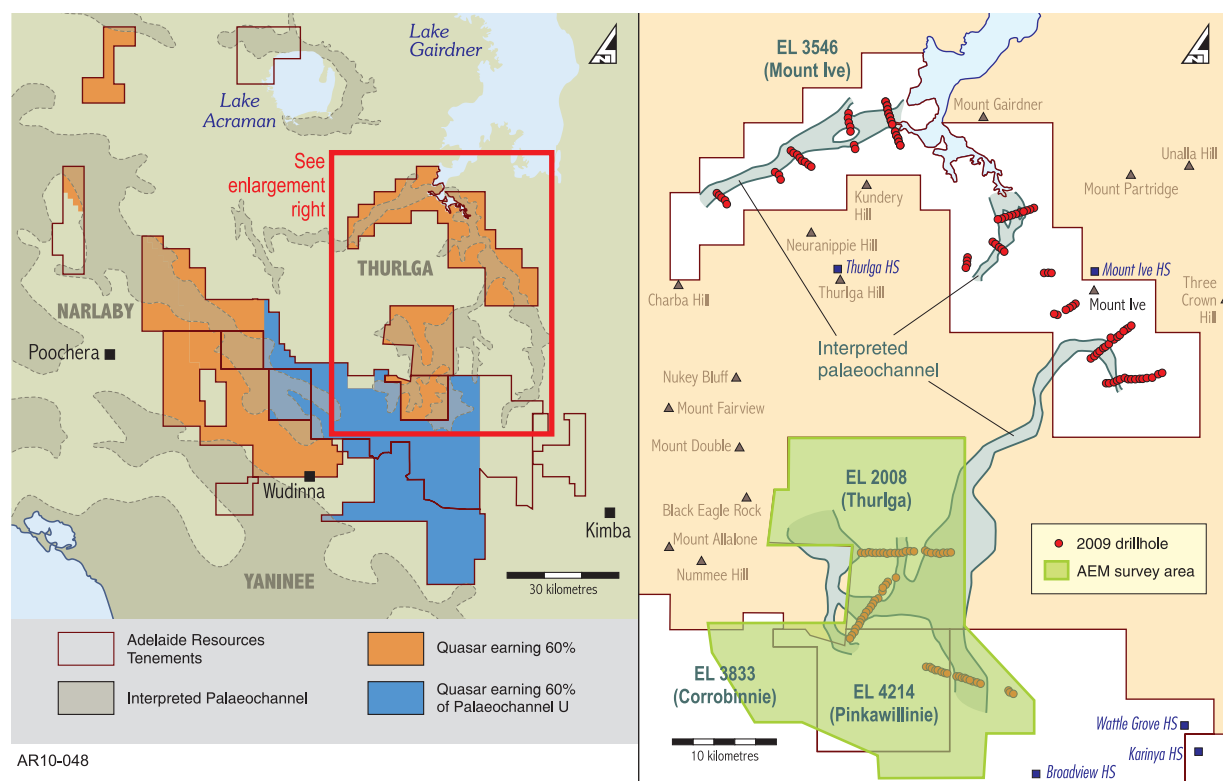


Figure 7: Corrobinnie Palaeochannel Uranium JV summary plan

Yalanda Hill Joint Venture, SA

Adelaide Resources 60%; Southern Uranium Limited 40% and earning 60%.

The Yalanda Hill Joint Venture is exploring for uranium and other minerals on three Exploration Licences on the eastern Eyre Peninsula in South Australia (Figure 8).

Joint Venture manager Southern Uranium Limited has pioneered the use in the district of the partial leach analysis of soil geochemical samples. This technique has delineated uranium and other metal anomalies on tenements owned by Southern Uranium adjacent to the Joint Venture licences.

A regional program of soil geochemistry, utilising the successful partial leach technology, is well advanced with samples collected from approximately 65% of the Joint Venture tenements. Assay results are anticipated in the coming weeks. A regional gravity survey is also planned to cover the entire area of the Joint Venture.

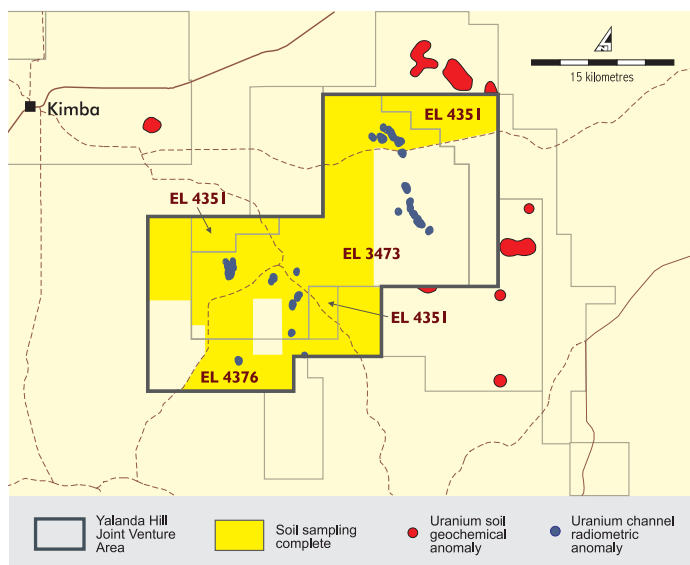


Figure 8: Yalanda Hill JV summary plan

Initial interests in the Yalanda Hill Joint Venture are Adelaide Resources Limited 60%; Southern Uranium Limited 40%. Southern Uranium is able to increase its equity to 60% through the expenditure of \$250,000 over a two year period commencing September 2009.■

issued capital

The company had 111,204,040 ordinary shares and 4,025,000 unlisted options on issue at 31 March 2010.■



Chris Drown – Managing Director
Signed on behalf of the
Board of Adelaide Resources Limited
Dated: 22 April 2010

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.■

finance

The company had liquidity of \$8.906 million at 31 March 2010 comprising liquid investments of \$0.217 million and cash and term deposits of \$8.689 million.

Exploration and evaluation expenditure by the company during the March quarter was \$0.384 million.

Exploration and evaluation expenditure incurred during the quarter by joint venture parties on tenements in which the company has an interest totalled \$0.211 million.■