Adelaide Resources Limited

Quarterly Report

Period ending 30 june 2009

Adelaide Resources Limited
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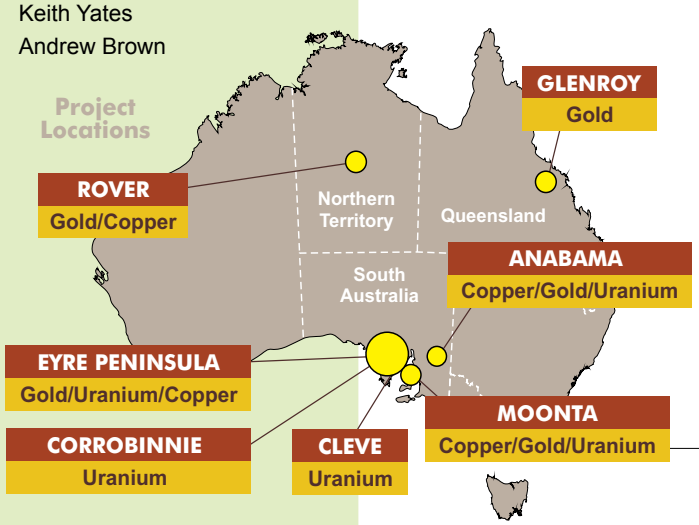
Corporate Details

ASX Code: ADN

Issued Capital:
83,156,035 ordinary shares
4,300,000 unlisted options

Directors:
Non-executive Chairman:
Paul J Dowd
Managing Director:
Chris Drown
Non-executive Directors:
John Horan *(Company Secretary)*
John den Dryver
Keith Yates
Andrew Brown



Highlights

Rover Gold-Copper Project - NT

- **Encouraging result with visible copper mineralisation intersected in varying concentrations over an 81 metre downhole interval from 306 to 387 metres in new drillhole R4ARD21 testing western part of Rover 4 prospect.**
- Mineralisation is predominantly hosted in an 80 metre interval of magnetite-rich ironstone – the first occurrence of this rock type at Rover 4, and analogous to the host rock of many Tennant Creek gold-copper deposits.
- Gold and copper assays are anticipated before the end of August.
- The promising results at Rover 4 have prompted the company to extend the drilling program by a further 1800 metres, with drilling of the first follow-up hole anticipated to commence in the next week.

Photo of copper mineralised drillcore from hole R4ARD21, Rover 4 Prospect.

New Gold Project (Glenroy) - QLD

- Initiative to build a new gold project underway with application lodged for an exploration tenement prospective for epithermal gold-silver mineralisation in Queensland's Drummond Basin.

Finance

- At 30 June 2009, the company had available funds of $6.383 million.

Rover Gold-Copper Project, NT

Adelaide Resources 100%

The Rover Project is currently the company's flagship project. It is located in the Tennant Creek region of the Northern Territory, a district with a proud gold and copper mining history built largely from the profitable exploitation of a number of very high grade deposits.

The region is currently undergoing a renaissance in exploration activity with Adelaide Resources being one of a number of well funded companies currently exploring for the next mineable deposit in this district of high pedigree.

The Rover Field, located about 80 kilometres southwest of Tennant Creek township, comprises a basement domain that is geologically closely analogous to the productive Tennant Creek Field. Barren cover sediments blanket the Rover Field to depths of 100 metres or greater, and exploration is largely geophysically controlled.

Adelaide Resources holds a commanding ground position in the Rover Field. The company's wholly owned Rover Project tenements secure the majority of the area where "Tennant Creek style" iron-oxide hosted gold-copper systems are confirmed to be present.

The tenements were acquired from Newmont Australia Limited in 2005, with Newmont retaining a royalty/buy back right which 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 2 million ounces of gold is defined on the project tenements.

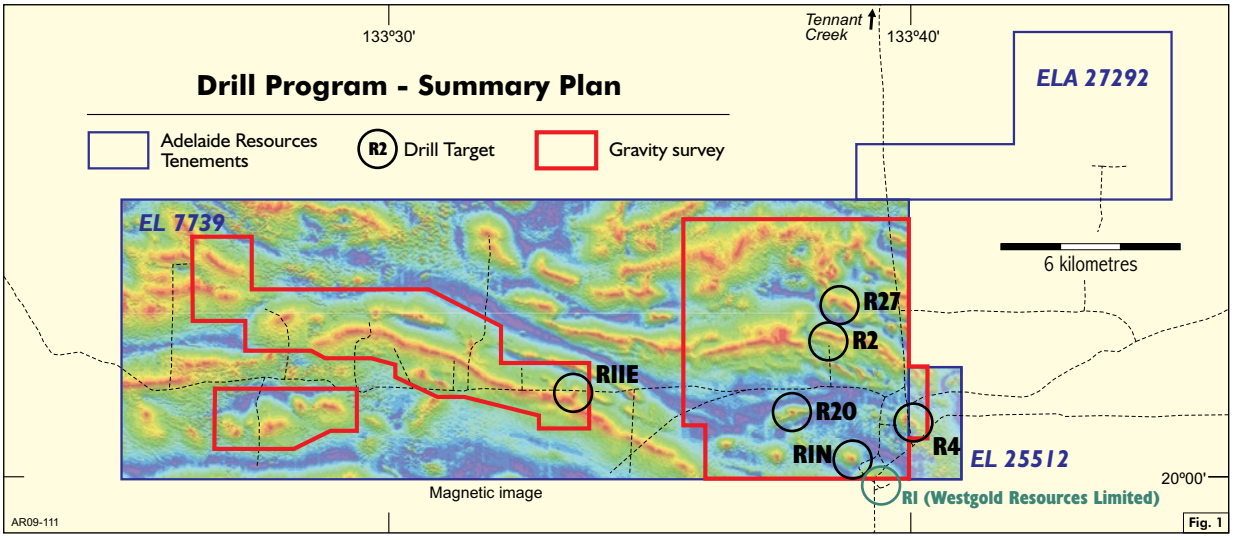
Drilling Program Underway

A drilling program is currently underway at Rover and follows completion of site clearances and the acquisition and interpretation of project scale geophysical surveys undertaken in late 2008 and the first half of 2009.

To date six diamond core holes for a total depth of 2552.36 metres have been completed at a range of targets including the Rover 4 and Rover 11 East prospects, and at three previously undrilled regional targets (Figure 1). All of these targets are located in the eastern part of the tenement where cover depths are shallowest.

Positive results from the Rover 4 Prospect

Previous drilling at Rover 4 has intersected encouraging intervals of gold and copper hosted by either a large haematite-jasper-dolomite body, or in sulphide veined and altered sediments situated below the body.



The company's past exploration at Rover 4 was restricted to the western half of the prospect where granted title existed. On 1 May 2009, Exploration Licence 25512, which covers the eastern part of the prospect, was granted giving Adelaide Resources access to the entire prospect for the first time.

Following the grant of EL 25512, and interpretation of new magnetic and gravity data covering the prospect, two new holes have recently been completed at the Rover 4 prospect.

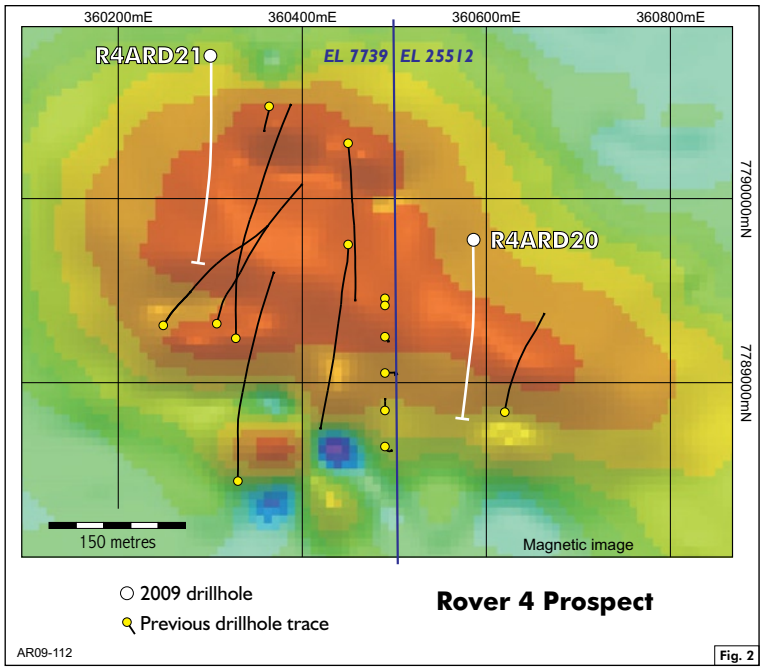
Both the recent holes, R4ARD20 and R4ARD21, have intersected visible copper sulphides, with the most encouraging intersection encountered in R4ARD21.

Cutting of the diamond core to prepare samples for analysis is now underway with both gold and copper assay results expected to be available by the end of August. Priority will be afforded to samples from R4ARD21.

R4ARD21 tested the prospect west of all previous drilling (Figure 2) with the hole drilled from north to south at a set up angle of –61 degrees. The drillhole passed into a magnetite dominant lode at a downhole depth of 304 metres and continued in magnetic rock until a depth of 384 metres.

Chalcopyrite, the main copper sulphide mineral found at Tennant Creek, is visible in varying concentrations between 306 and 387 metres down hole, extending through the ironstone lode rocks into underlying chlorite altered sediments.

The magnetite-dominant nature of the host rock in R4ARD21 is considered significant. This rock type is closely analogous to the magnetite-rich lodes that form the host of most of the copper-gold mineralisation mined in the Tennant Creek Field.



The magnetite ironstone intersected in R4ARD21 remains open to the south, west and north. The magnetic body has been geophysically modelled as a steep (sub-vertical) body and is currently interpreted to be plunging to the west. Further drilling is required to confirm the orientation of the body and the extent and tenor of copper-gold mineralisation present in the system.

Photo of mineralised drillcore from R4ARD21. The dark mineral is magnetite and the brassy mineral is sulphide, largely chalcopyrite. This photo illustrates well developed sulphide mineralisation and is one of a number of different styles of visible copper mineralisation present in R4ARD21. Potential gold content is unknown at this stage. The photo is not representative of the entire intersection which generally has a lower average sulphide content. Note: Diameter of core is ~51mm.

Hole R4ARD20, located approx. 350 metres south east of R4ARD21, was drilled into the sparsely tested eastern part of the prospect. R4ARD20, also drilled from north to south with a set up angle of –62 degrees, encountered a dolomite-jasper-haematite "lode" between 194 and 237 metres downhole, before intersecting a long interval of altered sediments in the footwall.

Chalcopyrite is present throughout the lode zone in R4ARD20, while occasional chalcopyrite-bearing sulphide veins and stringers are evident in the altered sediments beneath the lode. The sediment hosted sulphide stringers observed in R4ARD20 are similar to veins in other holes at the prospect which contain anomalous gold, and the company will cut and sample both the lode and the stringers in R4ARD20 for gold and copper assays.

The positive results in the two recent holes at Rover 4 have prompted the company to now commit to an expanded drilling program and budget at Rover 4. A further four holes for 1800 metres will be completed at the prospect. Design of the follow-up holes is underway, with the first hole to test for a continuation of the mineralised magnetite lode on the same section as R4ARD21. The first follow-up hole is anticipated to commence within a week.

Rover 11 East Prospect

A single hole drilled in 1977 at the Rover 11 East prospect intersected a 47 metre downhole interval of low grade copper and gold hosted by a haematite-magnetite-jasper-dolomite lode. Interpretation of recently acquired geophysical data suggested that the 1977 hole had probably passed to the east of the core of the anomaly.

Recently, drillhole R11ARD19 retested the target and intersected demonstrably more magnetic lode than the historical drillhole. R11ARD19 has confirmed the presence of a steeply north dipping 'Tennant Creek-style' lode system.

Copper sulphides are visible throughout the lode in hole R11ARD19. The lode zone will be cut and sampled and submitted for assay following sampling of the Rover 4 holes.

Regional Targets

The current Rover drilling program also tested several previously undrilled magnetic and gravity anomalies.

The Rover 1 North target is located about 900 metres northwest of the Rover 1 prospect where Westgold Resources Limited have discovered high grade gold and copper mineralisation (Figure 1). Program drillhole R1NARD22 failed to intersect a source to the Rover 1 North magnetic anomaly but intersected a promising sequence of highly altered sediments likely to be associated with a nearby ironstone body.

R1NARD22 hole has been cased with PVC to enable downhole magnetic probing to more accurately target the anomaly source.

Drillholes at Rover 2 and Rover 27 (Figure 1) intersected magnetite-bearing volcanic rocks which almost certainly account for the magnetic anomalies. Careful logging and study of the core from these two prospects is required to determine if any further work is warranted.

A fourth regional target, Rover 20, is currently being drilled, with the drillhole not yet at target depth.

The program drillholes at Rover 2, Rover 27 and Rover 1 North are being partly funded

Core logging on-site at Rover.

through the Northern Territory Government's "Bringing Forward Discovery" initiative. Under the terms of the agreement, 50 percent of the drill contract costs, to a maximum of $100,000, of the recent holes drilled at these three prospects, will be met by the NT Government.

Gravity Survey

A ground based gravity acquisition program, comprising 4607 gravity stations, was completed during the quarter. The area of the survey is shown on the regional Rover plan (Figure 1) earlier in this report.

Together with magnetics, gravity is regarded as a fundamental geophysical dataset that reveals project scale structure, while also having the potential to identify discrete anomalies that may warrant drill testing. For example, the Rover 4 prospect is associated with a gravity anomaly modelled as being sourced by the large and relatively dense magnetite-haematite-dolomite-jasper lode rocks present at the prospect.

Interpretation of the eastern block of gravity is complete, while evaluation of the recently completed western blocks are now underway.■

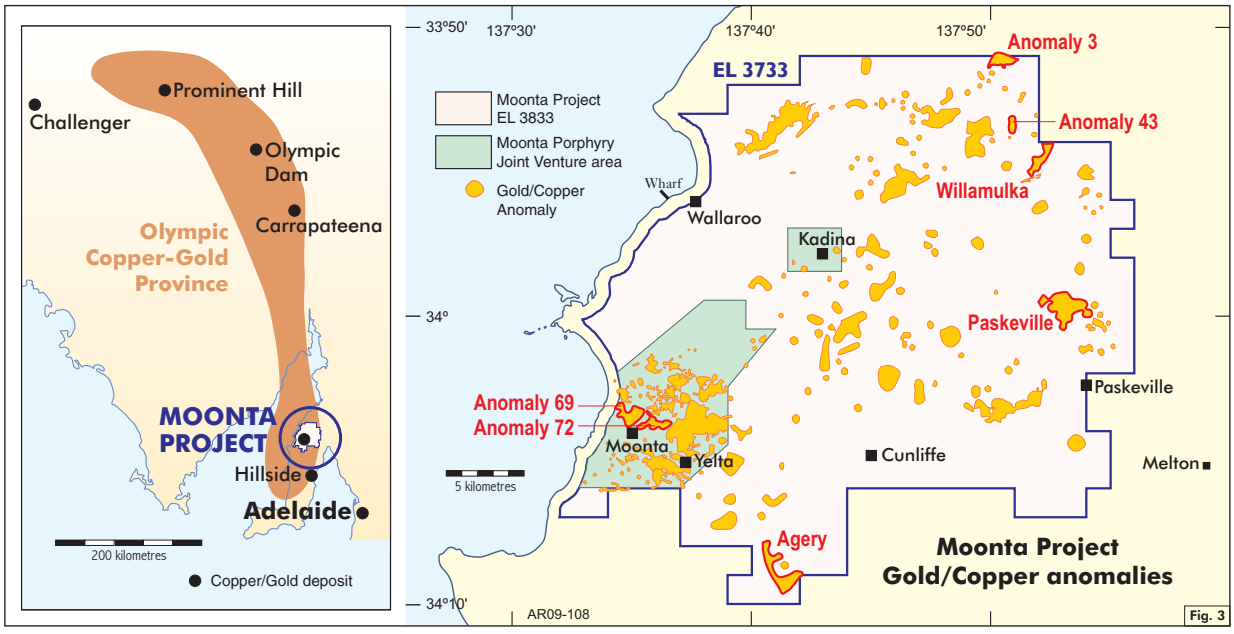
Moonta Copper-Gold-Uranium Project, SA

Adelaide Resources 100%

The Moonta Region on the Yorke Peninsula has been an area of geological importance for South Australia since the discovery of copper and gold in 1861. The company's Moonta Project is a key asset located within the Olympic Copper-Gold Province (Figure 3). The Olympic Copper-Gold Province hosts the Prominent Hill and Olympic Dam deposits, and also exciting exploration prospects such as the Hillside copper discovery announced by Rex Minerals Limited in early 2009. The Hillside prospect is located near Adelaide Resources' ground on the Yorke Peninsula.

A detailed review of historical exploration data from Moonta has identified 95 gold-copper anomalies, the highest ranked of which are scheduled for follow-up exploration in the coming quarter.

One high quality gold anomaly identified during the review is the Paskeville anomaly, located in the east of the tenement. The Paskeville anomaly is a large (3.5 x 1.2km), coherent undrilled gold in calcrete anomaly, with coincident anomalous copper and silver. Future work will likely comprise infill geochemical



sampling of the anomaly followed by bedrock RAB/aircore drilling.

The Willamulka Prospect, located in the northeast of the project, represents a more advanced target. Willamulka is a 2.3km long gold and copper in calcrete anomaly tested by very limited drilling. While only a modest number of holes have been drilled in the past, significant intersections of copper and gold, including 15 metres at 1.1% copper from 8 metres, and a deeper intersection of 10 metres at 0.50 g/t gold from 46 metres in the same drillhole, indicate that the prospect has significant remaining potential.

Other highly ranked targets include Anomalies 69 and 72 located to the north and northwest of Moonta, Agery in the south of the tenement and Anomalies 3 and 43 in the north of the tenement.

Relatively non-intrusive surface geochemical sampling is anticipated to begin in the September Quarter, with drilling likely to be undertaken following the harvesting of cereal crops at the end of the year.

Adelaide Resources holds 100 percent equity in the majority of Exploration Licence 3733. That part of the tenement subject to the Moonta Porphyry Joint Venture, with Breakaway Resources Limited, is owned 90 percent by Adelaide Resources. The company has an option to acquire Breakaway's residual 10 percent interest.■

Corrobinnie Palaeochannel Uranium Joint Venture

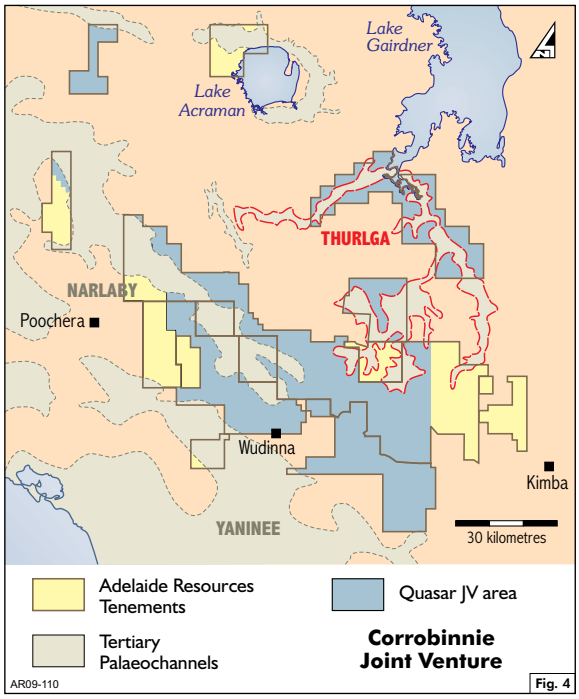
Adelaide Resources 100%; Quasar Resources Pty Ltd earning 60%.

Preparations for the completion of a 180 hole aircore drilling program to test for uranium in the Thurlga Palaeochannel are underway, with pre-program environmental and exploration work approvals lodged with the relevant regulatory bodies.

The Thurlga palaeochannel is one of three currently recognised ancient drainage systems, or palaeochannels, on the joint venture tenements (Figure 4). The significant extent of the Thurlga palaeochannel has only been recognised in the last few years and as such it has remained unexplored for uranium until now. The Thurlga channel system drained an area which included rocks with high background uranium contents which could have served as a source of uranium for re-precipitation in roll-front style deposits further downstream.

The aircore drilling method has been selected as a means to effectively test for the existence and extent of sediments that may potentially host roll-front style uranium deposits, and to determine the oxidation state of these sediments. Drill samples will be collected and submitted for analysis to determine if uranium is present.

Timing of the drilling program is contingent on receipt of regulatory approvals, anticipated in the next two months.■



Cleve Uranium Project, SA

Adelaide Resources 90%

During the quarter a 45 hole, 1332 metre, RAB/aircore drilling program was completed to search for unconformity style uranium mineralisation on the Cleve tenement, located on south-eastern Eyre Peninsula in South Australia.

Drillholes were completed on six 500-metre spaced traverses with holes nominally spaced 150 metres apart along traverses (Figure 5).

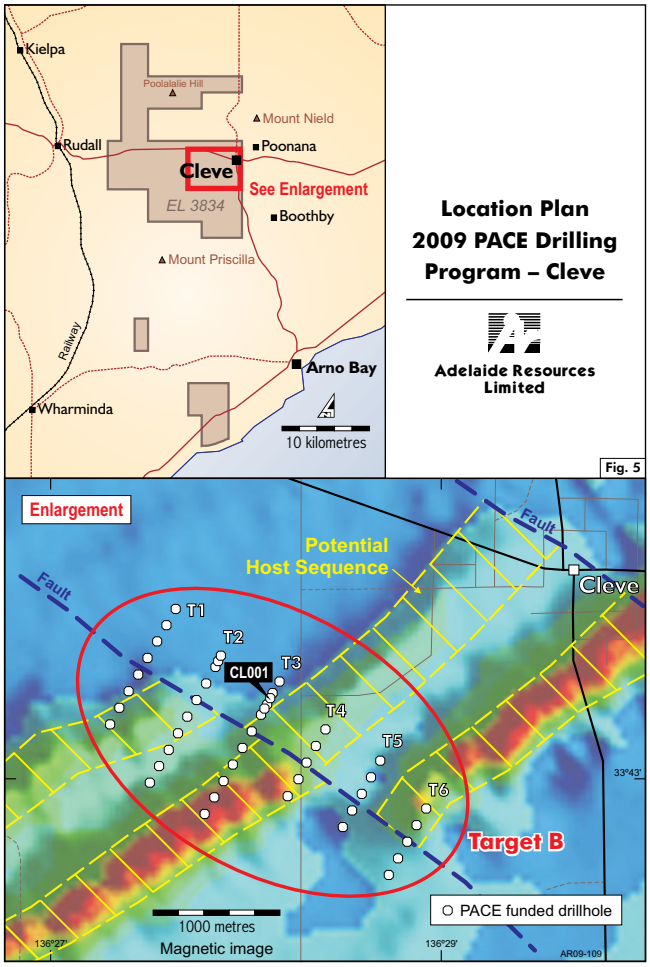
The drilling program tested a conceptual target called "Target B". The company interpreted that fault displaced basement rock types that could form permissive host sequences would be found below unconformably overlying conglomerates and sandstones.

The exploration program proved the validity of the conceptual model confirming the presence of the unconformity and of attractive potential host rock lithologies in the basement, including iron formations and graphite-bearing schist.

Analysis of the drill samples returned weakly anomalous uranium in two holes, with the best result being 1 metre at 54.1 ppm uranium (60.5 ppm U_3O_8) from a downhole depth of 8 metres in hole CL001. The uranium anomaly in CL001 occurs at the interpreted unconformity between overlying quartz pebble conglomerate and basement iron formation.

Drilling of closer spaced holes to follow-up the anomalous holes failed to return further anomalous uranium, while other metals are at background levels in the program holes.

Although the drilling program returned results that supported the conceptual geological model, the low tenor and restricted extent of the uranium anomalism intersected at Target B is not considered to warrant further exploration. Several other targets present on the project are being reviewed before a decision on future exploration is made.



The Cleve drilling program was financially supported through the South Australian Government's "PACE" program, with 50 percent of the drilling contractor costs met by the SA Government.■

Eyre Peninsula Gold-Copper-Uranium Project, Anabama Copper Project, Yalanda Uranium Project, SA

Adelaide Resources 100%

The company has resolved to pursue joint ventures to fund further exploration on these projects, with discussions with a number of potential joint venturers currently underway.

The projects, which represent large tenement holdings, are prospective for gold, copper and uranium with each having identified targets warranting further exploration.■

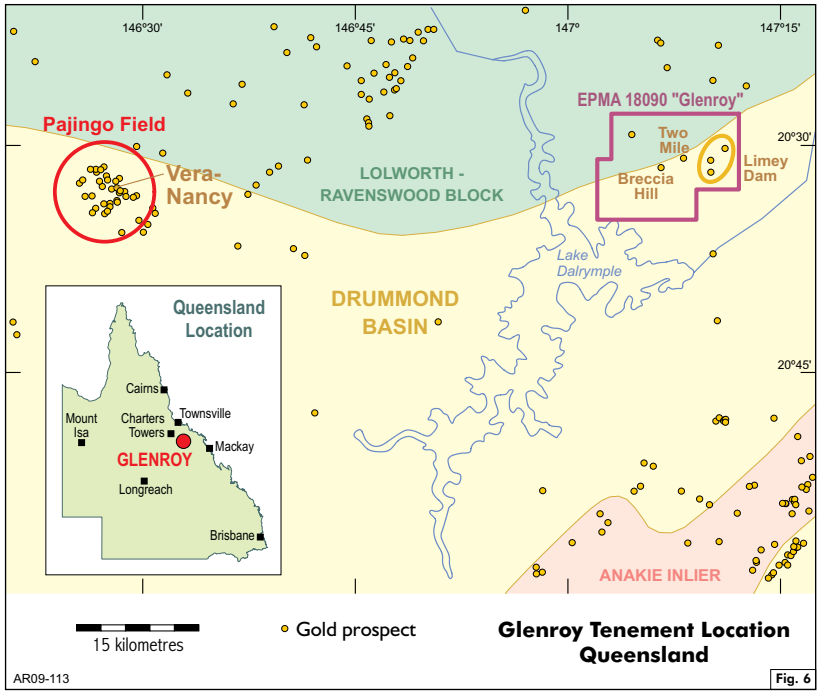
New Exploration Project - Glenroy

Drummond Basin, Queensland

Adelaide Resources 100%

An application for a new EPM (Exploration Permit Minerals) was lodged in May with Queensland's Department of Mines and Energy covering prospective ground on the northern margin of the Drummond Basin (Figure 6). The application marks the start of an initiative to build a new gold project in this prospective region.

The ground secured is prospective for epithermal gold-silver mineralisation of similar style to the Vera-Nancy deposit on the Basin margin further to the west. Previous explorers of this new project area, named Glenroy, have recorded widespread gold anomalism associated with well-developed epithermal veining, alteration and brecciation.■



issued capital

The company had 83,156,035 ordinary shares and 4,300,000 unlisted options on issue at 30 June 2009.■

finance

The company had liquidity of $6.383 million at 30 June 2009 comprising liquid investments of $0.203 million and cash and term deposits of $6.180 million.

Exploration and evaluation expenditure by the company during the June quarter was $0.419 million.

Exploration and evaluation expenditure incurred during the quarter by joint venture parties on tenements in which the company has an interest totalled $0.018 million.■

Chris Drown - Managing Director
Signed on behalf of the
Board of Adelaide Resources Limited
Dated: 30 July 2009

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.■