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Quarterly Report

Period ending 30 September 2011

Adelaide Resources Limited
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Corporate Details

ASX Code: ADN

Issued Capital:

144,665,368 ordinary shares
2,550,000 unlisted options &
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

Rover Gold Copper Project – NT

- Rover 4 drill intersections include **28 metres at 1.62% copper** (including **15 metres at 2.37% copper**), and **2 metres at 11.79g/t gold**.
- Rover 1 Drilling has confirmed **copper mineralisation and the host ironstone system extends further to the west** than previously defined, with assaying of samples in progress.
- Drilling at the early stage Rover 12 Prospect intersects **visible copper sulphides and ironstones**.

Corrobinnie Uranium Joint Venture – SA

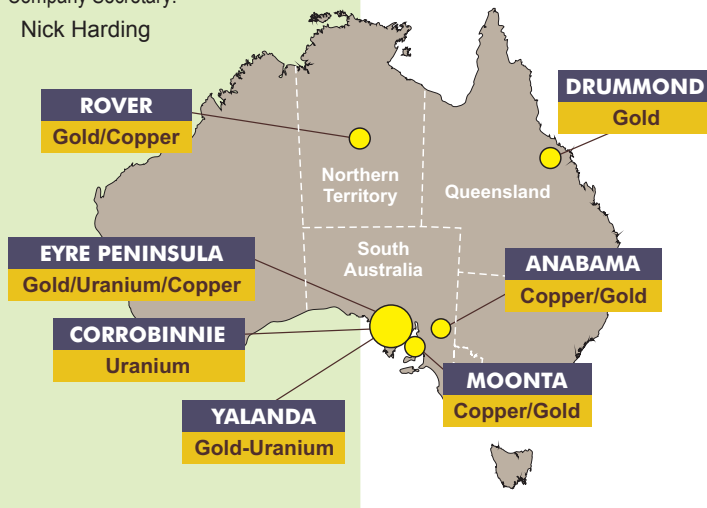
- **12,000 metre aircore drilling program underway**. Program includes follow-up drilling around previously discovered uranium in the Thurlga Palaeochannel.

Moonta Copper Gold Project – SA

- Significant drilling and geochemical exploration program planned for commencement in January 2012.

Finance

- **On-market share buyback program established** to allow the discretionary purchase and retirement of up to 10% of the Company's issued shares.
- At 30 September 2011, the Company had available funds of \$6.713 million.



2011 Annual General Meeting
Adelaide Resources Limited
 2011 Annual General Meeting will be held at the Stamford Plaza Adelaide, 150 North Terrace Adelaide, SA on Tuesday 22 November at 11.00 am (Adelaide time).

Rover Gold Copper Project, NT

Adelaide Resources 100%

The Rover Project is located in the Tennant Creek region of the Northern Territory (*Figure 1*), a district with a strong history of gold and copper mining based upon the profitable exploitation of a number of very high grade deposits.

Two drilling rigs operated during the Quarter, with drilling completed at the Rover 4, Rover 1 and Rover 12 Prospects.

Rover 4 Prospect

Drilling in 2011 at Rover 4 totals fourteen holes for 5368 metres (*Figure 2*). Drilling has been completed to test a number of key target areas such as the eastern and western extensions of the identified ironstone and alteration system, and to test for continuity of mineralisation in the eastern and central parts of the prospect. All but one of the 2011 holes have intersected the jasper-dolomite-haematite-magnetite alteration system which now has a confirmed strike length of 600 metres and remains open to both the east and west.

A number of holes have encountered strong visible copper sulphide mineralisation. Assay results for the first eight holes have been received (*see Table 1*).

A broad zone of copper mineralisation intersected in hole R4ARD52 includes an interval of 28 metres at 1.62% copper commencing from a downhole depth of 221 metres. This intersection includes a highly

coherent sub-interval of 15 metres at 2.37% copper commencing from 225 metres downhole.

R4ARD52 is one of three holes (R4ARD52, R4ARD53 and R4ARD55) drilled on a section to test for continuity of mineralisation between hole R4ARD20 (9 metres at 1.57% copper and 1.09g/t gold from 228 metres) and R4ARD10 (15 metres at 2.07% copper from 221 metres). Assays for R4ARD53 and R4ARD55 do not include significant concentrations of copper or gold.

The R4ARD52 intersection supports the interpretation that mineralisation is continuous between the central and eastern zones at Rover 4 (*Figure 2*). Significantly, this zone of mineralisation is the shallowest yet discovered within the entire Rover Field.

Drill hole R4ARD46, located on the eastern most traverse drilled at Rover 4 to date (*Figure 2*), intersected encouraging gold mineralisation including intersections of 4 metres at 1.67g/t gold from 229 metres, and 2 metres at 11.79g/t gold from 245 metres. R4ARD46 is located 40 metres east of R4ARD40 which intersected an upper zone of 15 metres at 1.70% copper and 1.49g/t gold and a lower zone of 22 metres at 1.87% copper and 1.30g/t gold.

Overall the Rover 4 system exhibits a west to northwest plunge. The style of the alteration/mineralisation defined to date is comparable to the upper parts of a typical Tennant Creek style mineralising system and the possibility remains that depth extensions will be identified with further drilling. The Eastern Zone appears to be more gold endowed than the copper-dominant

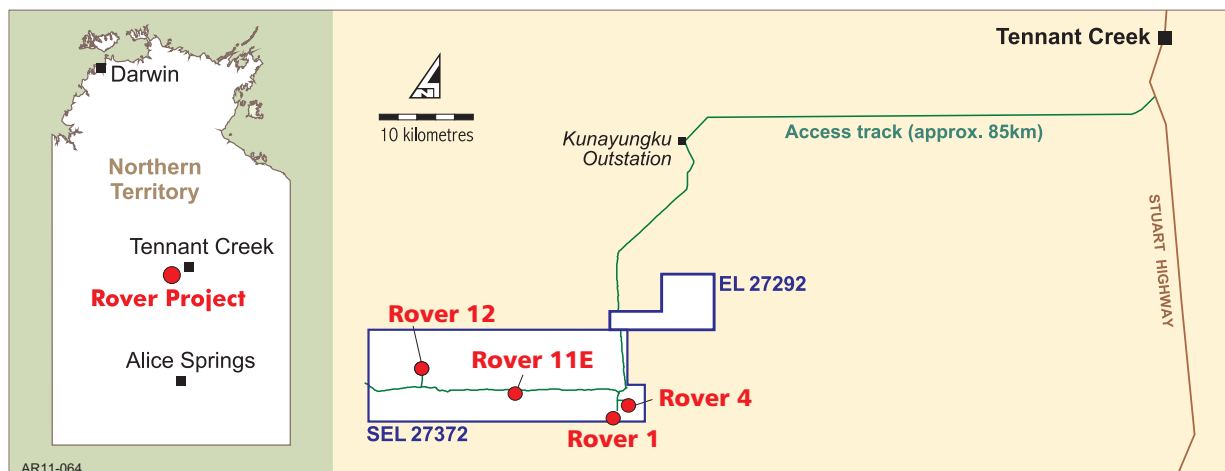


Figure 1: Rover Project Location.

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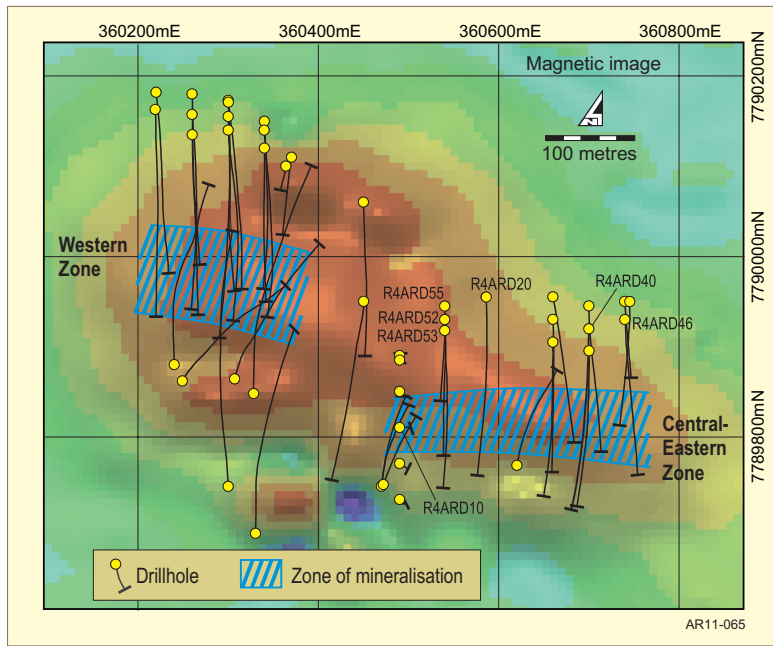


Figure 2: Rover 4 Plan.

The sub-vertical holes have confirmed the main Western Zone ironstone system has a strike of at least 180 metres on Adelaide Resources' tenement, and remains well developed and open to the west (Figure 3).

The third Rover 1 hole (R1ARD56) was drilled to test for a continuation into Adelaide Resources' ground of a high grade gold zone encountered in 2010 drillhole R1ARD41-1 (6m at 78.7g/t gold and 1.00% copper) which fell immediately south of the licence boundary. The hole intersected ironstone but passed below the target. It is planned to complete a wedged daughter hole to test the original target position following completion of a gyroscopic survey.

Western Zone, with both zones exhibiting good continuity of mineralisation. Drilling is continuing at Rover 4.

Rover 1 Prospect

Three holes for 1872 metres have been drilled at Rover 1, with assaying of all three holes currently in progress.

Two sub-vertical holes (R1ARD51 and R1ARD54) were drilled to test for westerly extensions to the ironstone/stringer zone system. Both holes intersected significant intervals of magnetite and hematite ironstone, and underlying sulphidic stringer systems. An interval of copper sulphide mineralisation was intersected in the upper part of the ironstone in hole R1ARD51.

Rover 12 Prospect

The Rover 12 magnetic anomaly is comparable in size to the Rover 1 anomaly, and Rover 12 is potentially a similar sized ironstone system to Rover 1. Drilling at Rover 12, located in the western part of the Rover Project (Figure 1) includes a parent hole and two daughter holes, one of which is in progress. The parent hole

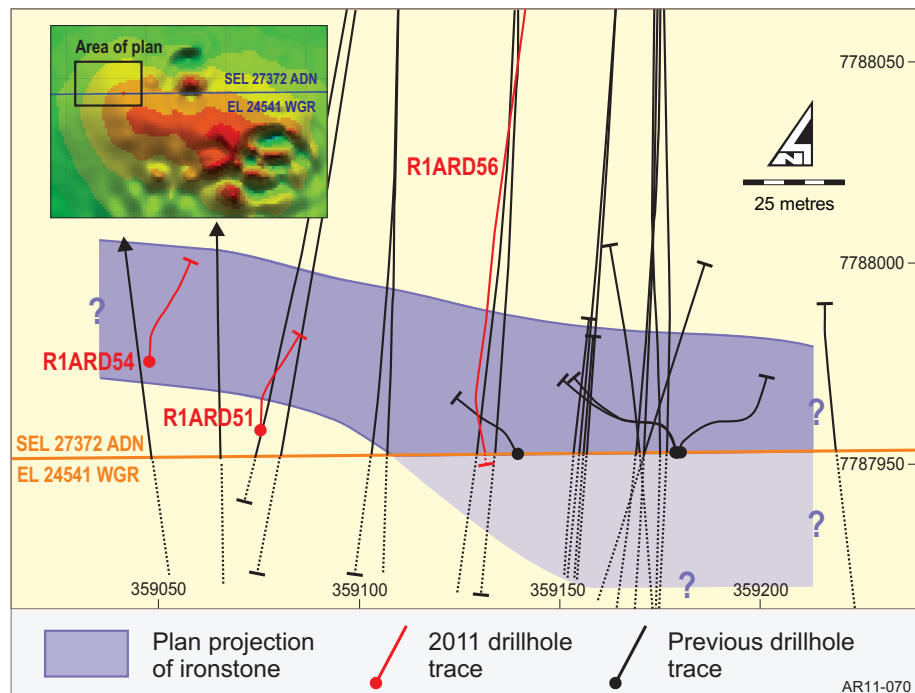


Figure 3: Rover 1 Plan.

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Table 1: Rover 4 Significant Assays.

Drillhole Name	Easting (mga94)	Northing (mga94)	Dip	Azimuth	Final Depth	From (m)	To (m)	Interval (m)	Au g/t	Cu %
R4ARD46	360740	7789930	-65	173.77	388.17	229	233	4	1.67	1.10
						237	238	1	1.94	0.61
						245	247	2	11.79	0.09
						273	275	2	0.07	1.62
						281	282	1	2.29	0.03
						290	291	1	1.08	0.04
R4ARD47	360340	7790150	-64	175.27	447.29	351	353	2	0.03	1.18
						385	387	2	1.14	1.09
						392	393	1	1.82	0.91
R4ARD48	360340	7790140	-64	175.27	450.44	314	326	12	0.29	1.36
						362	363	1	1.04	0.10
R4ARD49	360220	7790182	-66	173.77	495.30	402	407	5	0.16	1.13
R4ARD50	360240	7789880	-67.5	356.77	498.40	485	486	1	0.12	1.35
R4ARD52	360540	7789930	-67	176.77	390.55 <i>incl.</i>	221	249	28	0.04	1.62
						225	240	15	0.03	2.37
						305	306	1	1.32	0.23
						307	308	1	1.08	1.36

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 core samples of NQ2 core. Core recovery for reported intervals is very high. Intersections are downhole lengths with grades weighted for specific gravity. True widths are not known.

intersected a wide zone of strongly altered host sediments, but only 15 centimetres of copper sulphide bearing ironstone. The daughter holes have intersected up to 20 metres of magnetite ironstone with finely disseminated copper sulphide present in places. Geological logging and processing of the Rover 12 holes preparatory to cutting and assaying is currently in progress.

Rover 11 East Prospect

Gravity surveying is recognised as one of the key geophysical tools available for targeting Tennant Creek style deposits, with the denser ironstone/dolomite alteration systems discernible from the less dense host sediments. During the Quarter detailed gravity surveys were read over a number of prospects on the Rover Project.

At the Rover 11 East target, a discreet density anomaly was identified to the east of two holes drilled at the prospect in the past (Figure 4). The previous holes both intersected zones of anomalous metal. The density anomaly at Rover 11 East presents a compelling exploration target and is planned for testing later in 2011.■

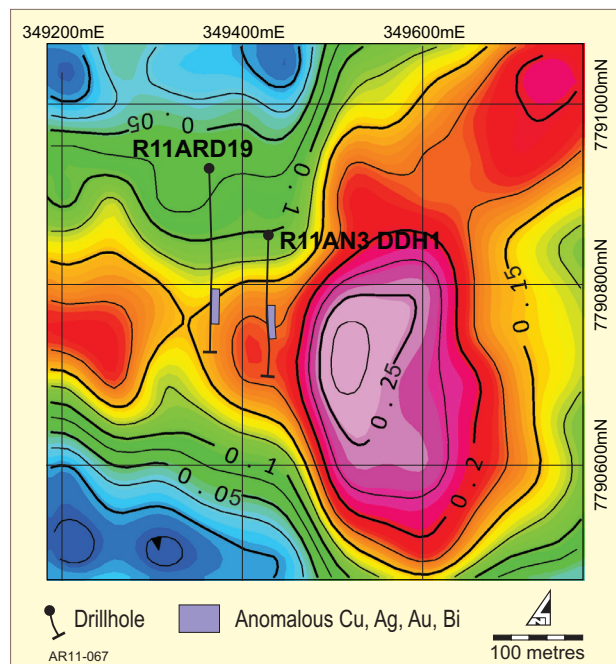


Figure 4: Rover 11 East Residual Gravity Plan.

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Moonta Copper Gold Project, SA

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

The Moonta Copper Gold Project is located on the Yorke Peninsula of South Australia at the southern end of the world class Olympic Copper Gold Province, and secures the historic "Copper Triangle" mining district near Moonta and Kadina (Figure 5).

Planning is underway for a substantial exploration program scheduled to commence in January 2012.

Diamond/reverse circulation drilling program

Aircore drilling completed earlier in 2011 at the Willamulka Prospect (Figure 6) confirmed the presence of shallow low-moderate grade copper-gold mineralisation.

Copper-gold mineralisation (defined as samples assaying greater than 0.2% copper or 0.1g/t gold) is continuous over 16 adjacent drill traverses indicating a total mineralised strike length of 1200 metres. Shoot A, a body of mineralisation of significant thickness and a confirmed strike length of 550 metres, is present in the southwestern part of the mineralised zone (Figure 6).

Shoot A remains open at depth over the southwestern 300 metres and the northeastern 150 metres of its 550 metre extent, and well defined targets warranting drilling exist in these areas. Shoot A is also interpreted to plunge at a shallow angle to the southwest, presenting a further robust target area below the depth limit of current drilling.

Testing of these targets will be completed using either reverse circulation or diamond drilling methods which can penetrate deeper than aircore drilling.

At the Wombat Prospect (Figures 5 and 7), historical vertical shallow aircore drilling intersected promising mineralisation in weathered rock over a 500 metre strike length. Seven inclined diamond holes were

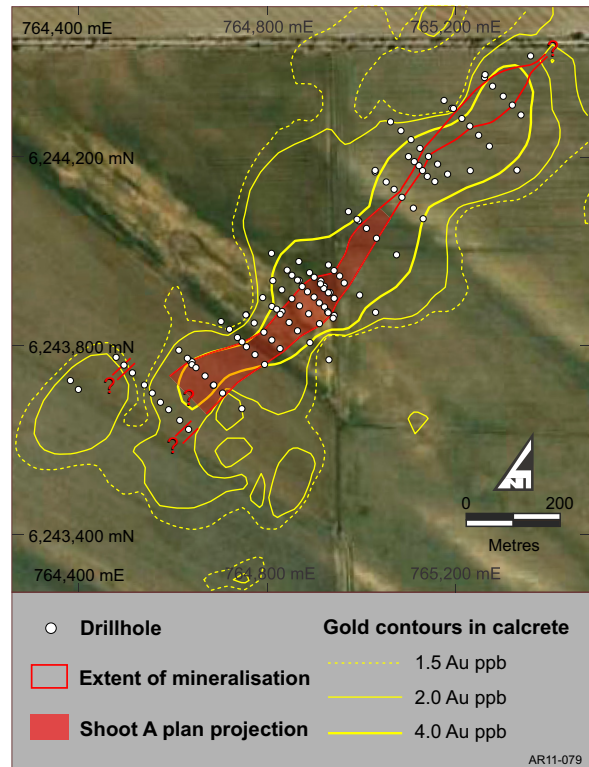


Figure 6: Willamulka Prospect Summary Plan.

completed to test beneath the aircore holes, with drill hole MPD-05-21 intersecting 36 metres at 1.14% copper and 0.29g/t gold from 239 metres. Zones of strongly anomalous copper are also present in several other diamond holes.

The intersection in MPD-05-21 confirms that significant mineralisation is present below the region tested by aircore drilling, while the

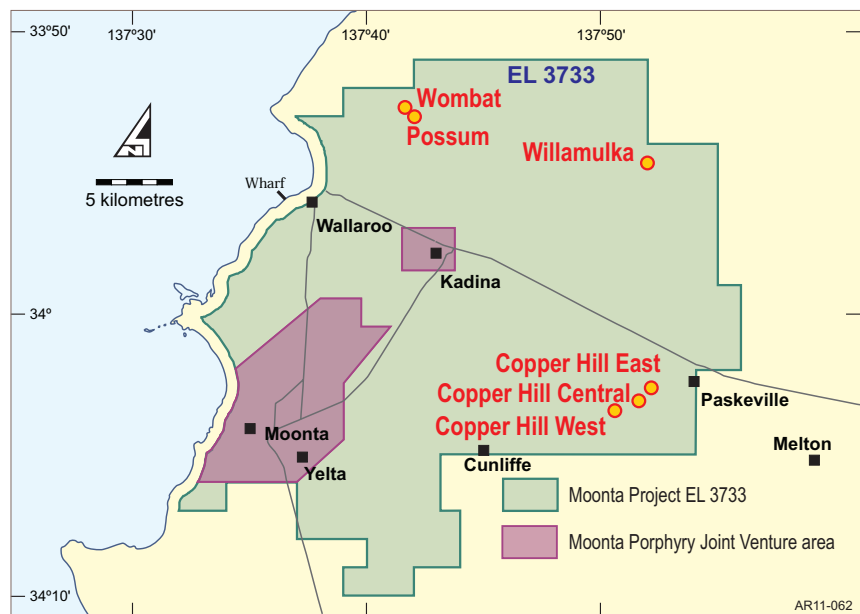


Figure 5: Moonta Project Location Plan.

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spacing of the seven past diamond holes does not preclude the presence of a shoot of mineralisation. Additional diamond or reverse circulation drilling is planned to test around the intersection in MPD-05-21 in early 2012.

RAB/aircore drilling program

At Copper Hill West (Figures 5 and 7), previous vertical aircore drilling intersected what appears to be a coherent zone of shallow copper mineralisation with a strike of 750 metres. Better intersections including 19 metres at 0.93% copper from 6 metres downhole in MPDAC-341, and 26 metres at 0.66% copper from 6 metres in MPDAC-170. These intersections are comparable to those achieved in Shoot A at Willamulka, and closer spaced RAB/aircore drilling is planned to test for higher grades and confirm continuity.

Surface calcrete geochemistry, completed earlier in 2011 also defined further high quality targets at Copper Hill Central and Copper Hill East (Figures 5 and 7). The Copper Hill East anomaly includes samples in which both gold and copper concentrations match or exceed the metal concentrations in geochemical samples that define the Willamulka Anomaly.

Limited shallow historical drilling completed in the Copper Hill East area, while not directly testing the peak geochemical response, contain copper assays above 0.2% Cu and gold above 0.1g/t Au confirming the presence of sub-surface mineralisation.

A further quality anomaly, named Possum, is located immediately south of the Wombat Prospect. The size of the Possum anomaly exceeds the anomaly associated with Wombat, while the concentrations of copper in the surface geochemical samples are comparable with those in samples from Wombat. Only three previous holes have been drilled in the Possum area, with anomalous copper encountered.

Aircore drilling at Copper Hill East, Copper Hill Central, and Possum is planned for early 2012 subject to successful landholder access negotiations.

Surface calcrete geochemistry

A modest program of surface calcrete sampling is planned to determine whether a number of promising, but incompletely sampled, copper anomalies will develop into additional drill worthy targets. ■

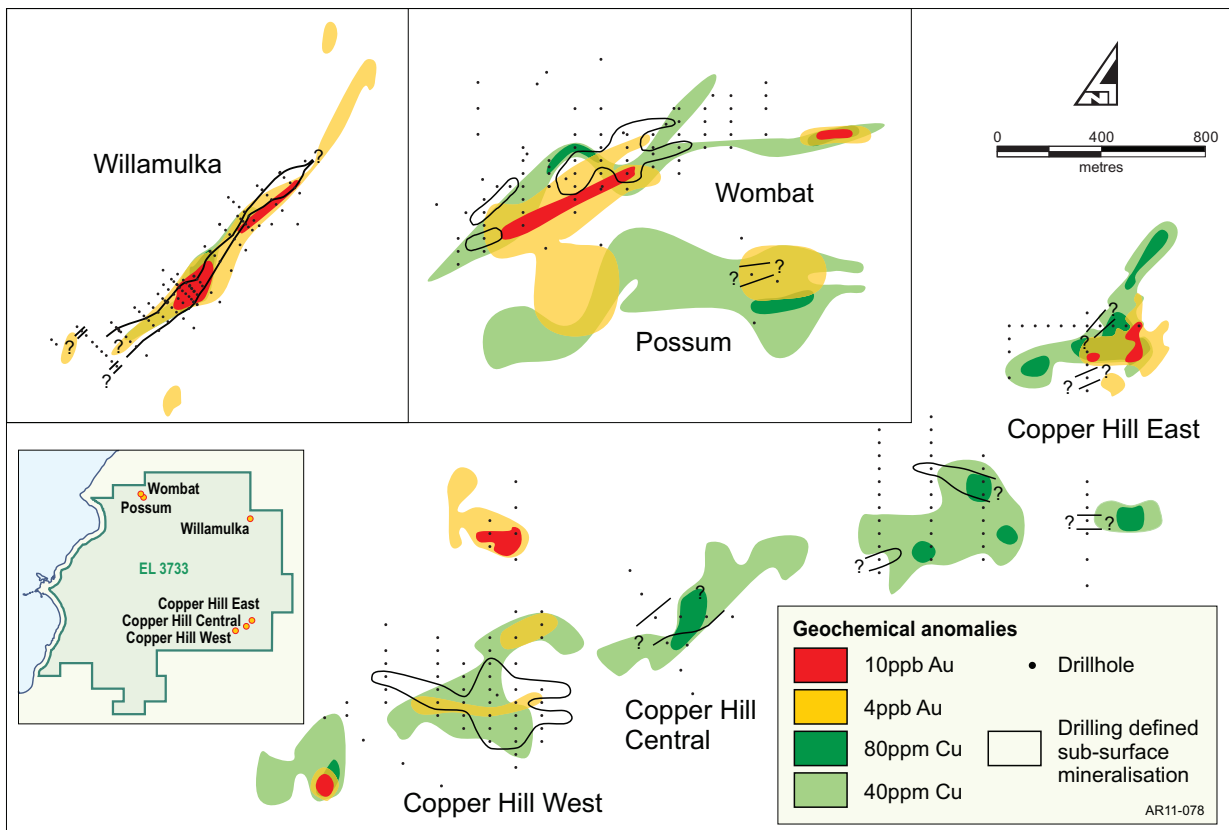


Figure 7: Comparison of geochemical anomalies at the Willamulka, Wombat, Possum and Copper Hill prospects.

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Corrobinnie Uranium Joint Venture, SA

Adelaide Resources diluting to 33%;
Quasar Resources Pty Ltd increasing to 67%.

The Corrobinnie Uranium Joint Venture (“CUJV”), between Quasar Resources Pty Ltd and Adelaide Resources, is searching for uranium on the northern Eyre Peninsula of South Australia. Quasar acts as the manager and operator of the CUJV.

A 12,000 metre aircore drilling program commenced in mid October. Drilling will test a number of priority target areas in the Thurlga and Narlaby Palaeochannels, including follow-up drilling at targets identified by previous CUJV drilling programs (Figure 8).

Gamma probe logging of the holes will be carried out, while a portable XRF instrument, which directly detects uranium, is being used in the field to compliment the gamma logging. Assay samples for multi-element geochemical analysis are also being collected.

A number of relatively close spaced drill traverses are planned to follow-up highly anomalous uranium intersected in 2009 and 2010 CUJV drilling programs in the Thurlga Palaeochannel (Figure 9). Previous intersections in the area include 6 metres at 260ppm U_3O_8 from 28 metres downhole in CBM0007, 8 metres at 106ppm U_3O_8 from 28 metres in CBA005, and 4 metres at 169ppm U_3O_8 from 28 metres in CBA004.

The mineralisation encountered in the Thurlga Palaeochannel is hosted in chemically reduced, coarse grained porous sand sequences which lie beneath a lower layer of reduced clay and an upper layer of oxidised sand. The presence of uranium mineralisation in this geological setting is considered typical of sediment hosted “roll-front” styles of mineralisation, the Joint Venture’s principal deposit target style.

Results from the drilling program are anticipated to become available over the next two months. The CUJV also plans to complete a short program

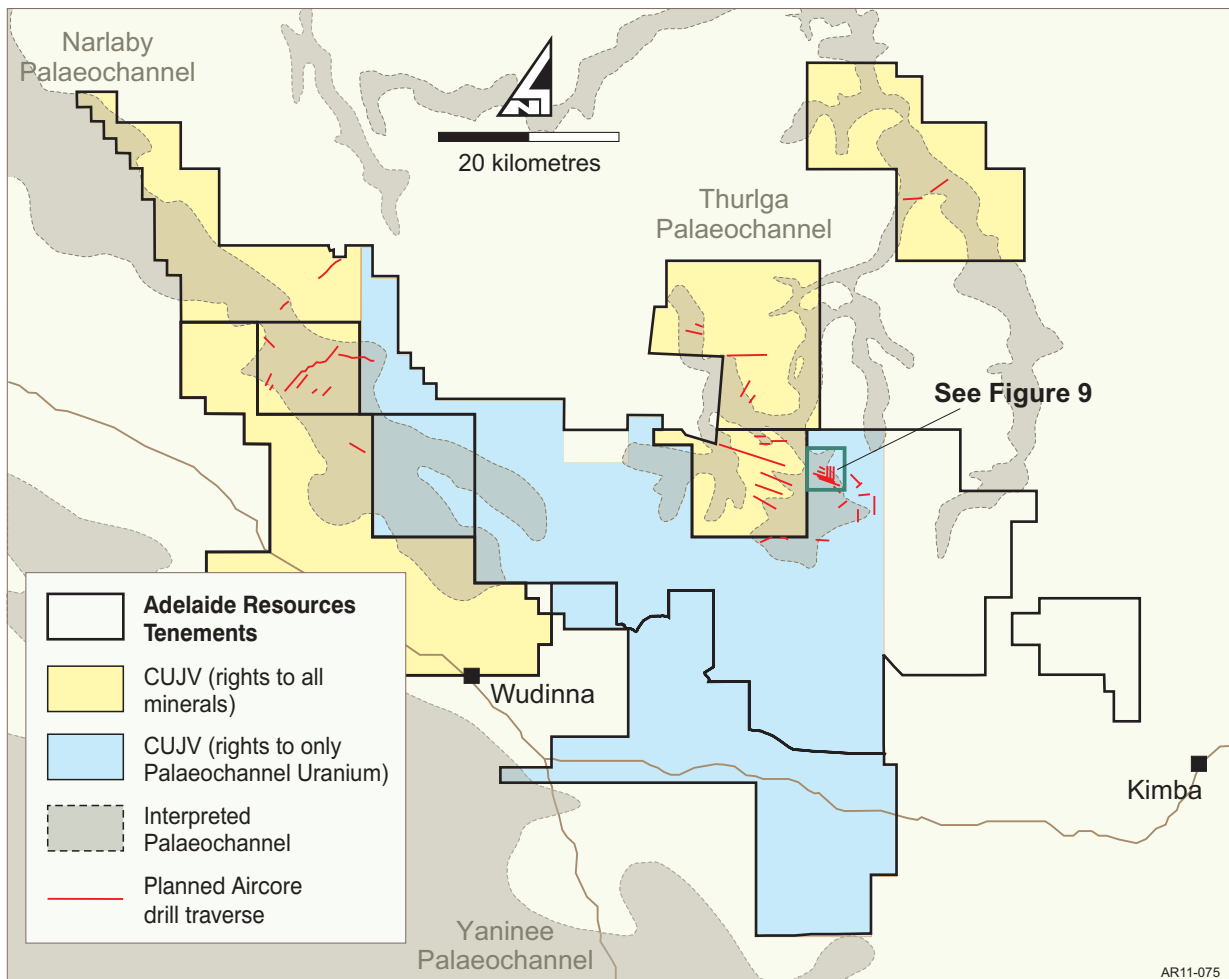


Figure 8: Corrobinnie Uranium Joint Venture Location Plan.

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of reverse circulation drilling later in 2011 to test for basement hosted uranium beneath previous aircore holes that intersected anomalous uranium in weathered rock.

The CUJV commenced in January 2007, and in October 2010 Quasar reached the \$3 million expenditure threshold required to earn a 60% equity interest. In keeping with Adelaide Resources' strategy of utilising joint venture funding to further its uranium exploration projects, the Company elected not to contribute to the proposed \$1 million 2011 exploration program and therefore to dilute its interest. Assuming Quasar expends the proposed 2011 budget, Adelaide Resources' equity in the CUJV will fall from 40% to approximately 33% by year end. Should Adelaide's equity ever be diluted to 25% it shall be free carried through to Decision to Mine. ■

finance and corporate

The Company has liquidity of \$6.713 million at 30 September 2011 comprising cash and term deposits of \$6.498 million and liquid investments of \$0.215 million.

Exploration and evaluation expenditure by the Company during the September Quarter was \$1.676 million. Exploration and evaluation expenditure incurred during the September Quarter by joint venture parties on tenements in which the Company has an interest totalled \$65,374.

On 12 October 2011 the Company announced a share buyback program for the on-market repurchase of up to 10% of its ordinary shares as a part of a strategy of capital management



Chris Drown – Managing Director
Signed on behalf of the
Board of Adelaide Resources Limited
Dated: 27 October 2011

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. ■

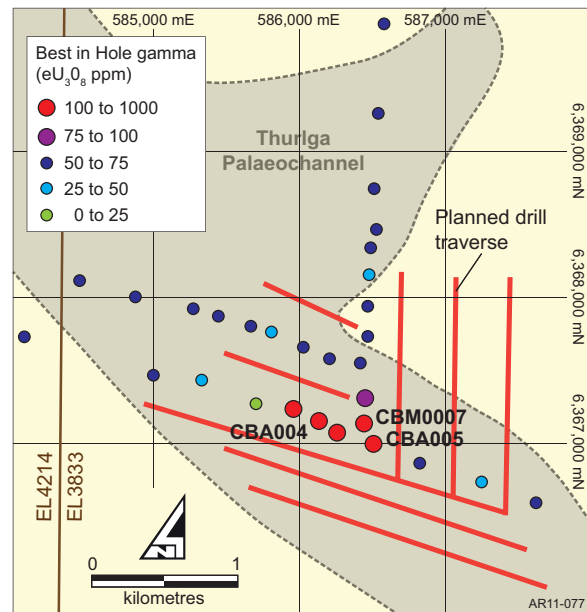


Figure 9: Thurlga Palaeochannel Summary Plan.

and to maximise the value of the Company's assets in the hands of shareholders. The Board considers that, as a result of recent risk aversion in financial markets, the Company's shares do not reflect the current value of its projects. The share buyback program will have no impact on the Company's exploration programs at the Rover and Moonta projects in the Northern Territory and South Australia respectively.

The quantum of share purchases made under the program will depend upon Board and management assessment of value relative to the share price at the time shares are available for repurchase. The Company is not obligated to repurchase any shares over the 12 month period that the buyback program is in place, and it will only purchase shares during periods allowed by the Company's Security Trading Policy. ■

issued capital

The Company had 144,665,368 ordinary shares, 550,000 unlisted options, and 2,000,000 unlisted performance rights on issue at 30 September 2011. ■

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