



Australian Securities Exchange Announcement

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Company Announcements Office
Australian Securities Exchange Limited
PO Box H224
Australia Square NSW 1215

COPPER-GOLD DISCOVERY ON YORKE PENINSULA - SA

The Directors of Adelaide Resources are pleased to announce the discovery of further shallow copper and gold mineralisation at the Willamulka Prospect on the Moonta Copper-Gold Project tenement northeast of Kadina, located on the Yorke Peninsula of South Australia (Figures 1 and 2).

A recently completed hole, WAC60, has returned an intersection of 35 metres at 0.73g/t gold and 1.14% copper commencing from 29 metres downhole, a vertical depth below surface of approximately 25 metres. A sub-interval in the 35 metre zone returned 15 metres at 1.24g/t gold and 1.58% copper from a depth of 44 metres.

Other 2011 holes have also intersected significant intervals of mineralisation, with the drilling revealing a shallow body of low to moderate grade copper-gold mineralisation that is starting to demonstrate continuity in three dimensions. The best gold and copper intersections are located in the thickest, central part of the deposit.

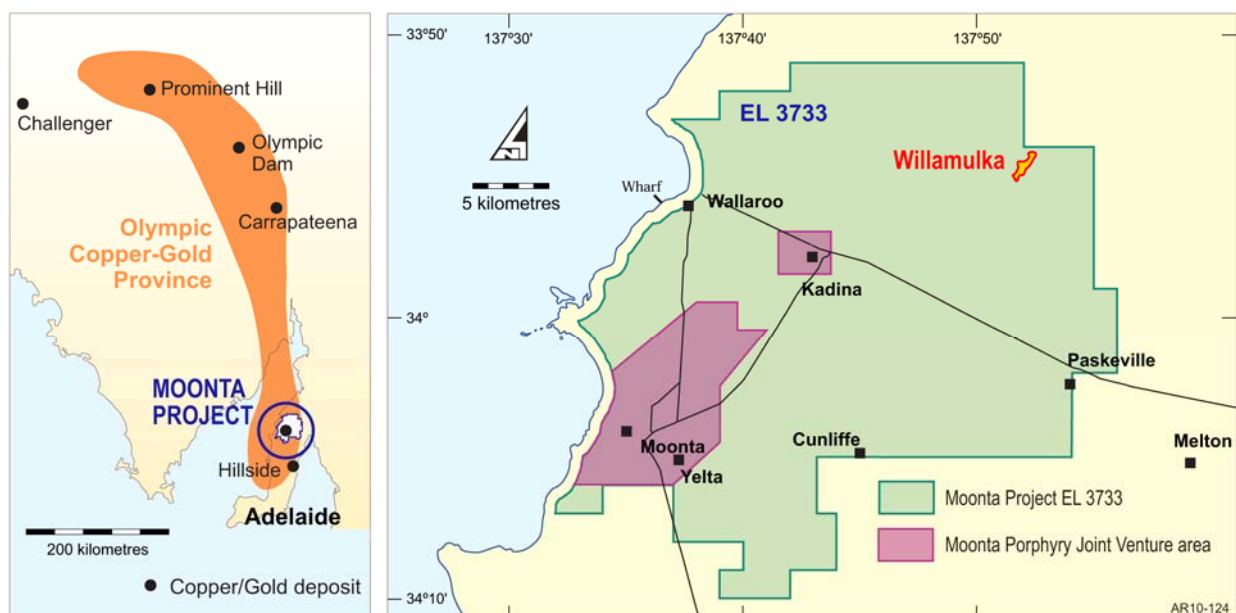


Figure 1: Moonta Copper-Gold Project location.

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Willamulka Prospect History

Limited historical drilling of a geochemical anomaly at Willamulka, completed by a previous joint venturer, encountered shallow copper mineralisation beneath sand and clay cover sediments. The best intersection then was 13 metres at 1.26% copper from 8 metres downhole in reverse circulation hole MPD-14 (shown on Figure 3), however a diamond hole (MPD-04-17) drilled approximately 200 metres below the shallow intersection failed to intersect mineralisation and the joint venture then directed its attention to targets elsewhere on the project tenement.

In 2010, Adelaide Resources re-evaluated the historical results at Willamulka and determined that potential remained. The company completed detailed geochemical sampling and conducted an aircore drilling program at Willamulka, intersecting copper and gold mineralisation on seven drill traverses testing a 900 metre section of the 1500 metre long geochemical feature. Significant 2010 drill intersections included 33 metres at 0.21g/t gold and 0.43% copper from 25 metres in drillhole WAC29 (Figure 3), and 23 metres at 0.73g/t gold and 1.01% copper from 48 metres to the end of the hole in WAC53, including 9 metres at 1.09g/t gold and 2.25% copper from 62 metres (Figure 4).

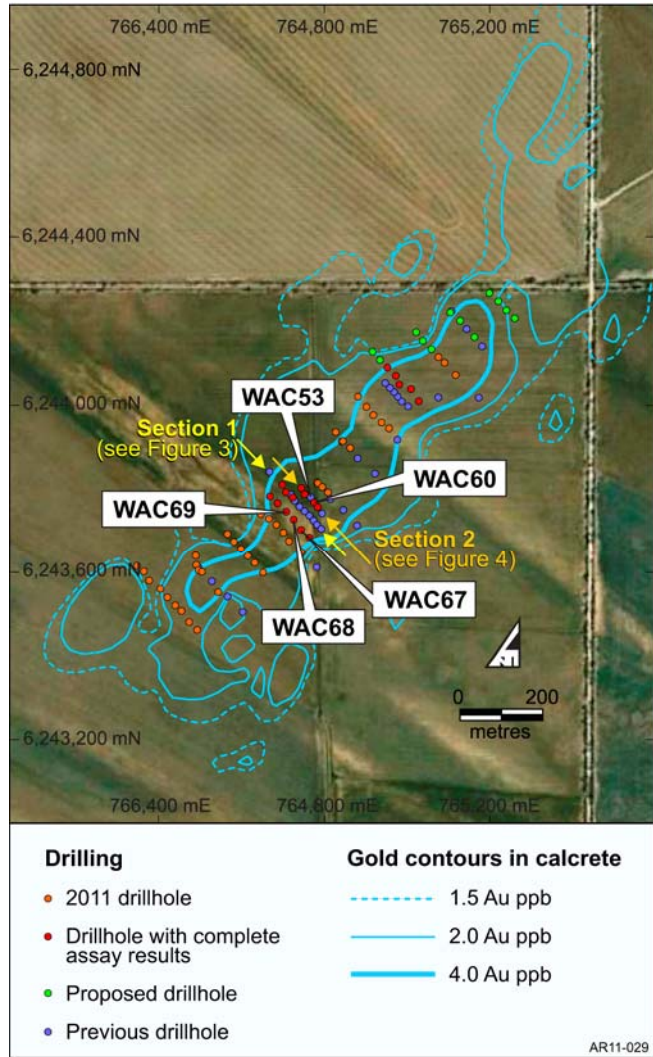


Figure 2: Willamulka Prospect Summary Plan.

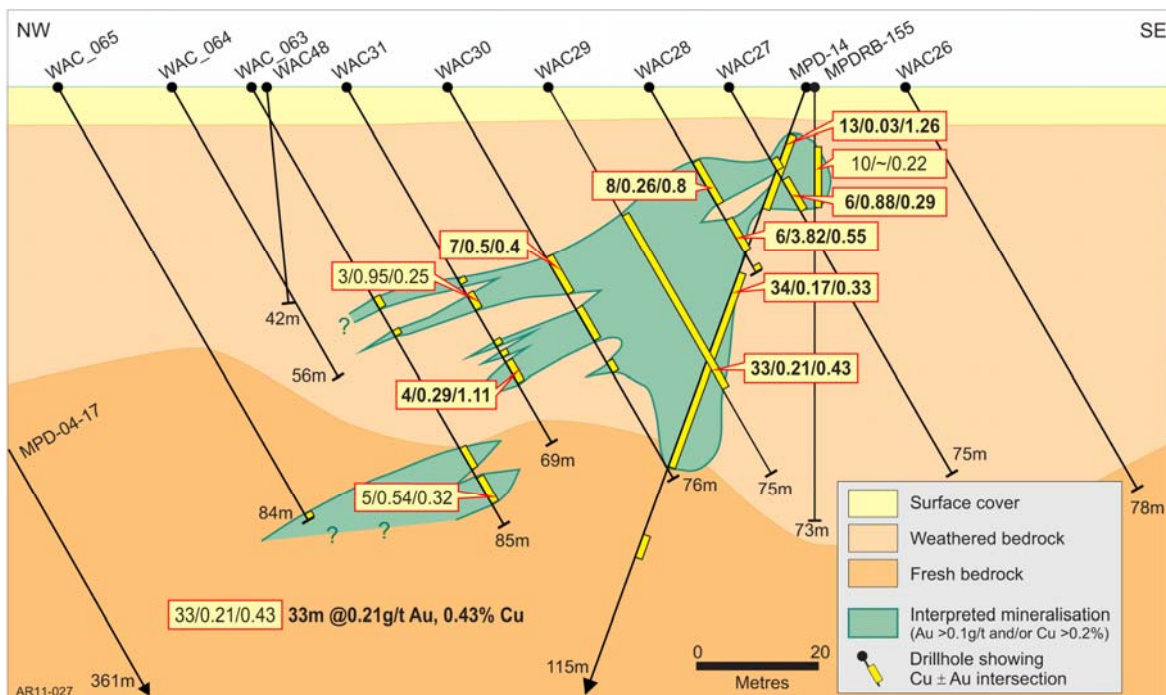


Figure 3: Willamulka Prospect Cross Section 1.

Current Program

WAC53 was in the last hole of the 2010 program and cropping activity precluded further work at Willamulka in 2010, however a follow-up program of aircore blade and hammer drilling commenced on 17 January in 2011 after the harvest was completed. The 2011 program to date comprises 59 holes, with analytical results for the first 18 holes now at hand. These results confirm further significant copper and gold intersections have been achieved.

Inclined drill hole WAC60 was drilled on the same section, and adjacent to WAC53 (Figure 2 and 4). WAC60 passed through cover sands and clays, which persist to a vertical depth of approximately seven metres, and then passed into weathered prospective basement interpreted to have been fine grained metasediment. WAC60 has returned an intersection of 35 metres at 0.73g/t gold and 1.14% copper commencing from 29 metres downhole, a vertical depth below surface of approximately 25 metres. A sub-interval in the 35 metre zone returned 15 metres at 1.24g/t gold and 1.58% copper from a depth of 44 metres. Other 2011 holes have also intersected gold and copper, with selected intersections listed in Table 1.

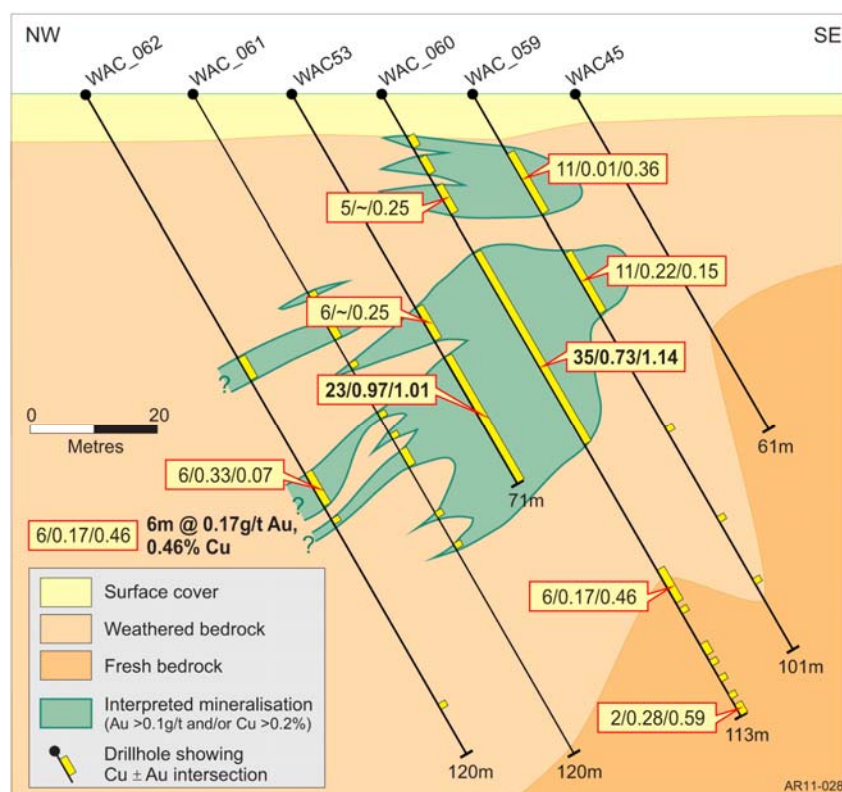


Figure 4: Willamulka Prospect Cross Section 2.

The drilling completed to date defines a “pod” of mineralisation with an apparent north-westerly dip considered likely to have a shallow plunge.

Broad mineralised intervals in holes WAC67, WAC68 and WAC69 (Figure 2 and Table 1) confirm that the copper-gold pod has a strike length of at least 100 metres, with the body open to both the northeast and southwest.

The current drilling program will test an 1100 metre section of the geochemical anomaly on nominally 100 metre spaced traverses, allowing design and planning of further exploration.

Comment

Commenting on the results, Adelaide Resources’ Managing Director, Chris Drown, said “These latest results increase our confidence that we have discovered a copper-gold deposit of potential significance at Willamulka.”

“The low to moderate grades encountered to date are compensated to a degree by the very shallow depth to the top to the mineralisation, while higher grades encountered in some holes, including WAC60, confirm that attractive higher grade is certainly present in places.”

“The pod of mineralisation, confirmed by assays to be present on three close-spaced sections so far, remains open to both the northeast and southwest. We are hopeful that further assays will show that the copper and gold pod extends into these areas.”

Table 1: Selected 2011 Willamaluka Prospect Drill Program Assays.

Drillhole Name	Northing (GDA94)	Easting (GDA94)	Dip	Azimuth	Final Depth (m)	From (m)	To (m)	Interval (m)	Au g/t	Cu %
WAC57	6244218	765123	-60	135	79	44	48	4	0.78	0.56
WAC58	6244237	765101	-60	135	82	75	81	6	0.16	0.29
WAC59	6243912	764931	-60	135	101	11	22	11	0.01	0.36
						29	40	11	0.22	0.15
WAC60	6243922	764921	-60	135	113 <i>incl.</i>	29	64	35	0.72	1.14
						44	59	15	1.24	1.65
						87	93	6	0.17	0.46
WAC62	6243956	764889	-60	135	120	48	52	4	0.23	0.09
						69	75	6	0.31	0.07
WAC63	6243940	764864	-60	135	85	70	74	4	0.07	0.37
						76	81	5	0.54	0.48
WAC67	6243859	764890	-60	135	120 <i>incl.</i>	32	45	13	0.16	0.81
						34	38	4	0.48	1.73
WAC68	6243882	764870	-60	135	114	19	53	34	0.14	0.46*
WAC69	6243900	764851	-60	135	120	56	64	8	0.73	0.06
						65	94	29	0.48	0.59

Au determined by nominal 30gm fire assay with ICP-AES finish – check samples determined by fire assay with AA finish. Cu determined by mixed acid digest followed by ICP-AES with over range samples determined using AA finish. Intersections are downhole lengths and true widths are not known.

* Copper results in WAC68 are preliminary and may change slightly when finalised.

Peninsula Resources IPO

The Moonta Copper-Gold Project is the lead project in the proposed float of Peninsula Resources Limited. Adelaide Resources resolved to commence the current drilling program in January 2011 to make full use of the window of opportunity afforded by the post harvest break in local agricultural activities, and to honour its previous commitment to shareholders to get back to work at Willamaluka at the earliest opportunity after the successful 2010 program was halted due to the cropping cycle.

Consequently, the current drilling program essentially represents a significant part of Peninsula's proposed year 1 exploration program at Moonta, and should the Peninsula Resources IPO be successful, Peninsula will reimburse Adelaide Resources for the costs of the 2011 exploration program completed prior to its listing.

Yours faithfully



Chris Drown
Managing Director

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 consults to the company on a full time basis. 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. Ph (08) 8271 0600 or 0427 770 653.