



Australian Securities Exchange Announcement

Thursday 28 October 2010

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

QUASAR RESOURCES EARNS EQUITY IN CORROBINNIE URANIUM JV - SA

Quasar Resources Pty Ltd (Quasar) has advised Adelaide Resources Limited that its total sole funded expenditure on the 4,632 sq. km. Corrobinnie Uranium Joint Venture has reached \$3 million, the expenditure threshold required for it to earn its initial interest.

The rights Quasar has now earned include a 60% interest in all minerals present within a sub-area of the Joint Venture totalling 2,398 sq. km., together with a 60% interest in any palaeochannel hosted uranium deposits within a second sub-area totalling 2,234 sq. km. (Figure 1).

Adelaide Resources may now elect to contribute to ongoing expenditure and hold its 40% equity position; contribute or dilute on a program by program basis; or immediately revert to a 25% equity free carried to a Decision to Mine. If Adelaide follows the dilution path its interest may not be diluted below 25% at which time it will be free carried to a Decision to Mine.

Adelaide Resources will determine which of the above options it will choose after all results from recently completed Joint Venture exploration programs are at hand and have been evaluated.

The Corrobinnie Uranium Joint Venture is exploring for uranium deposits on northern Eyre Peninsula in South Australia. The Joint Venture's principal targets are deposits hosted within palaeochannel systems, with basement hosted deposits of uranium and other minerals forming secondary target styles.

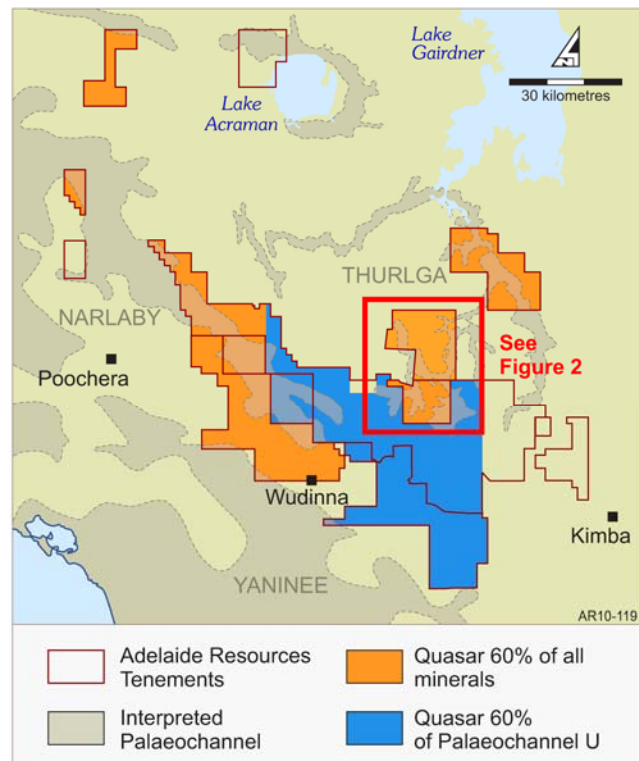


Figure 1: Corrobinnie Palaeochannel Project Location Plan

In 2009, promising results were achieved in an initial reconnaissance aircore drilling program targeting the Thurlga Palaeochannel. The 2009 aircore program revealed the presence of attractive geology in the palaeochannel fill sediments, including beds of highly porous, chemically reduced sands. Most importantly, assaying of drill samples on one traverse confirmed the presence of strongly anomalous uranium in several holes, and included intersections of 4 metres at 169 ppm U_3O_8 and 3 metres at 197 ppm U_3O_8 .

In early 2010, the Joint Venture flew an airborne electromagnetic (AEM) survey over the southern part of the Thurlga Palaeochannel to assist in mapping the distribution and morphology of the ancient drainage system.

In recent months two further drilling programs targeting the Thurlga Palaeochannel have been completed (Figure 2). An aircore drilling program commenced in July to investigate unexplored parts of the palaeochannel, while a rotary mud drilling program commenced in September to follow-up the positive results achieved in the 2009 and the recent aircore programs.

The recent aircore drilling program comprised a total of 108 holes for 4,185 meters. Assayed drill samples show uranium anomalism is present in some palaeochannel sediments, while zones of anomalous uranium hosted in weathered basement rocks have also been discovered.

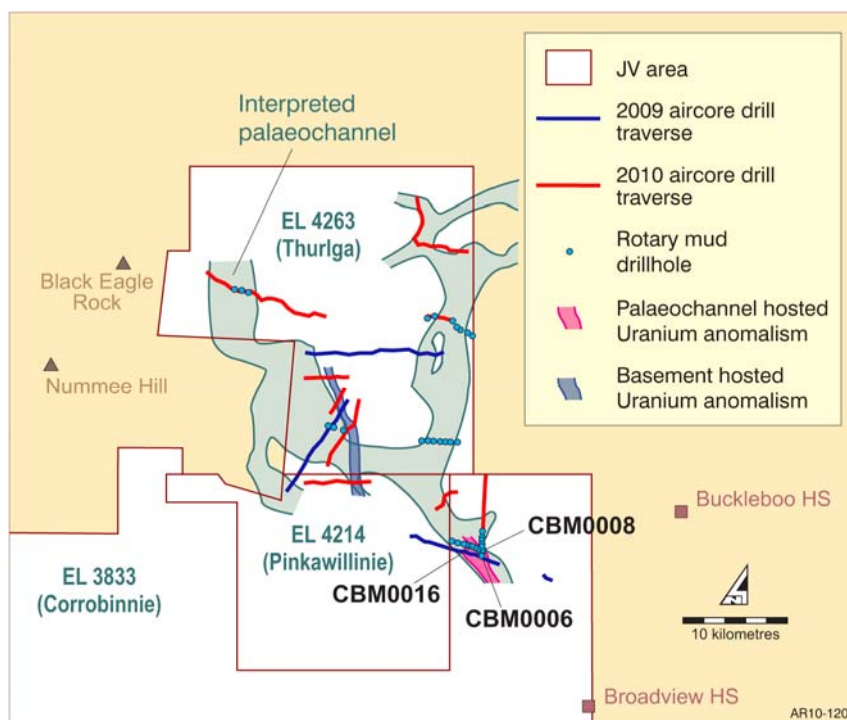


Figure 2: Thurlga Palaeochannel Summary Plan

The most significant basement hosted occurrence is an interpreted 7 kilometre long zone of uranium anomalism hosted in weathered gneiss. It is defined by four recent lines of coarse spaced aircore drillholes and a fifth line of aircore holes drilled in 2009 (Figure 2). Assays in drillholes on separate lines range up to 1 metre at 162ppm U_3O_8 , and 1 metre at 163 ppm U_3O_8 .

The recently completed rotary mud drilling program totalled 36 holes for 2094 metres, with holes designed to follow-up anomalous uranium results returned in palaeochannel settings in the two aircore programs. The rotary mud drilling technique is commonly employed in the exploration and delineation of uranium deposits hosted in unconsolidated sediments, such as palaeochannel hosted deposits.

Table 1: Rotary mud drilling program – Intervals of significant equivalent uranium grade

Drillhole Name	Northing (gda94)	Easting (gda94)	Total Depth	From (m)	To (m)	Interval (m)	eU ₃ O ₈ %	Grade x Thickness
CBM0006	586455.1	6367314	64	38.95	39.70	0.75	0.020	0.015
CBM0008	586420.4	6367553	53	25.95	26.85	0.90	0.032	0.028
CBM0016	585818.6	6367769	47	41.15	41.70	0.55	0.018	0.010

All holes drilled vertically. Calculations of the equivalent uranium grade are derived from down hole logging with a natural gamma sonde with calibrations obtained from data collected at the PIRSA Calibration Facility at Glenside, Adelaide, using the two-pit method (Wenk & Dickson, 1981). Intersections are downhole widths and true widths are not known.

Three of the rotary mud holes (CBM0006, CBM0008 and CBM0016) intersected significant zones of equivalent uranium grade (estimated from downhole gamma logging – Table 1). The three holes were drilled in the vicinity of the 2009 aircore drillholes that returned the most significant palaeochannel hosted uranium results in that program, further highlighting the prospectivity of this area (Figure 2).

Quasar Resources Pty Ltd will remain manager of the Joint Venture. A Joint Venture committee will now be established and will make recommendations for further exploration programs and budgets for consideration by the two participating companies.



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.