



## Australian Securities Exchange Announcement

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Tuesday 16 November 2010

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

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### ADELAIDE RESOURCES TO SEPARATE INTO TWO FOCUSED COMPANIES

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Adelaide Resources Limited (“the Company”) is today announcing its intention to separate the existing corporate entity into two focused companies (“Proposal”). The Company’s flagship Rover Project near Tennant Creek (NT) will continue to be held by Adelaide Resources as its sole exploration asset. It is intended that the Company’s other assets, predominantly South Australian based, will be spun-out into a separate ASX listed company, named Peninsula Resources Limited (“Peninsula”).

It is the aim of Adelaide Resources to effect a public float of Peninsula in the first half of 2011. The Company’s board initially estimates that an initial public offering of new shares in Peninsula will account for about 40% of Peninsula’s expanded capital. It is the intention of the Company that about half of the new company will eventually be delivered directly into the hands of shareholders through a return of capital, with a further roughly ten percent being retained by Adelaide Resources. The return of capital will be subject to receiving de-merger relief from the ATO, which will ensure that neither shareholders or the Company are disadvantaged from a tax viewpoint.

Peninsula will hold the following assets currently owned by Adelaide Resources and its controlled entities:

- The Moonta Copper-Gold Project located in South Australia on the Yorke Peninsula. Geologically, the Moonta Project falls in a belt running along the eastern margin of the Gawler Craton, an area highly prospective for copper-gold deposits and containing the world class Olympic Dam and Prominent Hill mining operations, as well as the exciting Hillside prospect owned by Rex Minerals Limited. Exploration by Adelaide Resources in 2010 intersected shallow copper and gold mineralisation at the Willamulka Prospect;
- The Company’s equity in the Corrobinnie Uranium Joint Venture with Quasar Resources Pty. Limited. Quasar has recently earned an initial 60% interest in the JV as a result of the expenditure of \$3million over a four year period; Recent exploration has discovered significant uranium anomalism in both palaeochannel and basement geological settings;
- The Eyre Peninsula Basement Project which covers those parts of the Company’s gold, copper and uranium prospective Eyre Peninsula tenement

package not subject to the Corrobinnie Uranium Joint Venture. Past exploration discovered gold at the Barns and Baggy Green prospects, and basement hosted uranium at the Ulysses and KO11S prospects;

- The Company's equity in the Yalanda Hill Joint Venture with Southern Uranium Limited, that is exploring for gold, uranium and other minerals on the Eyre Peninsula. The Joint Venture has delineated a number of gold and uranium geochemical anomalies in 2010 which deserve further investigation;
- The wholly owned Anabama Project located near Olary in South Australia. The company discovered copper mineralisation at the Dark Horse Prospect which requires further exploration; and
- Subject to the successful granting of the current application for an Exploration Permit, the Drummond Basin Project tenement in Queensland.

The Directors of the Company believe the Proposal, if successfully executed, will be beneficial to the Company by:

- Ensuring that the Company can fully participate in any consolidation of activities or tenements in the Tennant Creek area, which may take place as a result of the recommencement of mining activities in the area by one or more companies;
- Eliminating the capital allocation conflict between the Rover Project and the emerging South Australian projects intended to be floated as part of Peninsula;
- Assisting in the recognition by the market of the value in the Company's non-Rover assets by facilitating a focused and well funded ownership entity.

The Directors note the past success of this type of exercise when the Company vended its Warramboe iron ore assets into Iron Road Limited which then listed in June 2008. Eligible Adelaide Resources shareholders received the tax free distribution of the Company's Iron Road shares and options later in that year. The distributions of Iron Road shares and options, if exercised and held, now trade at the equivalent of about 21cents per Adelaide Resources share.

Andrew Brown, the Chairman of Adelaide Resources, noted that the Proposal "is a carefully considered corporate transaction designed to unlock value for shareholders and ensure that our company can properly decide its strategic destiny and those of its assets".

Further details of the Proposal, which will be subject to shareholder approval, including a definitive indication of capital structure, will be announced in due course.

Further information:

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