



Australian Securities Exchange Announcement

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Company Announcements Office
Australian Securities Exchange Limited
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“BURIED TREASURE” DISCOVERED IN HISTORIC MOONTA PROJECT DATA – CURRENT DRILLING PROGRAM EXTENDED TO TEST NEW TARGET.

Summary

- Adelaide Resources is one of only two smaller companies to explore the Moonta Copper Gold Project in the past five decades.
- Our current and future exploration efforts at Moonta present **a significant opportunity, enhanced by the digitisation of massive volumes of past exploration data** collected by major mining companies.
- **The value of this past data is very substantial.** We estimate that it would cost **over \$20 million to repeat just the diamond and reverse circulation drilling completed by one past explorer.**
- We have commenced a significant initiative to digitally capture the past data, with the **goal of identifying prospects which can contribute to the growing mineral inventory** of the Project.
- Even at this early stage, **the data capture initiative has already highlighted the Alford West Prospect** as one which satisfies this goal.
- Historic data shows **limited previous drilling at Alford West returned a number of outstanding copper and gold intersections** from shallow depths, including:
 - **29 metres at 1.07% copper** from 44 metres, including **9 metres at 2.00% copper**,
 - **9 metres at 1.83% copper** from 94 metres, including **5 metres at 2.78% copper and 3.17g/t gold**,
 - **12 metres at 2.22% copper** from 64 metres, including **6 metres at 3.69% copper and 0.77 g/t gold**, and
 - **10 metres at 2.30% copper** from 59 metres.
- Landowner and government approvals have been secured allowing **aircore drilling to be completed at Alford West as an immediate extension to the current drilling program** targeting the Paskeville and Wombat prospects.

Introduction

Adelaide Resources' 819km² Moonta Copper Gold Project falls in the Olympic Copper Gold Province (Figure 1), a geological belt of world class pedigree whose exploration is dominated by a number of large and emerging copper mining companies, with BHP Billiton, Rio Tinto, Antofagasta, Oz Minerals, and Sandfire Resources all currently active.

In conjunction with a drilling program currently underway at the Paskeville and Wombat prospects, the company has undertaken to digitally capture very extensive historical Moonta Project exploration data gathered by past explorers.

The aim of the historical data capture is to identify additional prospects which demonstrate potential to contribute to the growing inventory of copper-gold deposits present on the Project. This inventory already includes the Paskeville, Willamulka and Wombat prospects which have been the focus of much of the company's exploration activity in the last three years.

Exploration History.

Copper and gold production commenced in the Moonta Project area about 150 years ago with mining centred around the townships of Moonta and Kadina. However significant modern era exploration of the broader Moonta Project area really only began in 1959.

Since 1959, exploration in the district has been dominated by major mining houses, including Western Mining Corporation Ltd, North Broken Hill Ltd, Broken Hill South Ltd, Mount Isa Mines Ltd, BHP Ltd, and Phelps Dodge Corporation. Exploration by Western Mining Corporation and its joint venturers persisted for nearly three decades from 1960 to 1987, with a very significant exploration program completed.

In the period from 1988 to 1993, a joint venture between the Amalg Syndicate and Melita Mining NL focussed on producing copper and gold from the Poona and Wheal Hughes mines located near Moonta. This joint venture completed only modest regional exploration in the broader district.

Adelaide Resources entered into the Moonta Porphyry Joint Venture (MPJV – Figure 1) with Amalg Resources prior to listing in 1996, with the 106km² MPJV one of the assets included in Adelaide Resources' Initial Public Offering. The company also secured a "first right of refusal" over the larger part of the tenement and in 2001 was able to exercise this right to acquire the bulk of the Project area and consolidate its ownership.

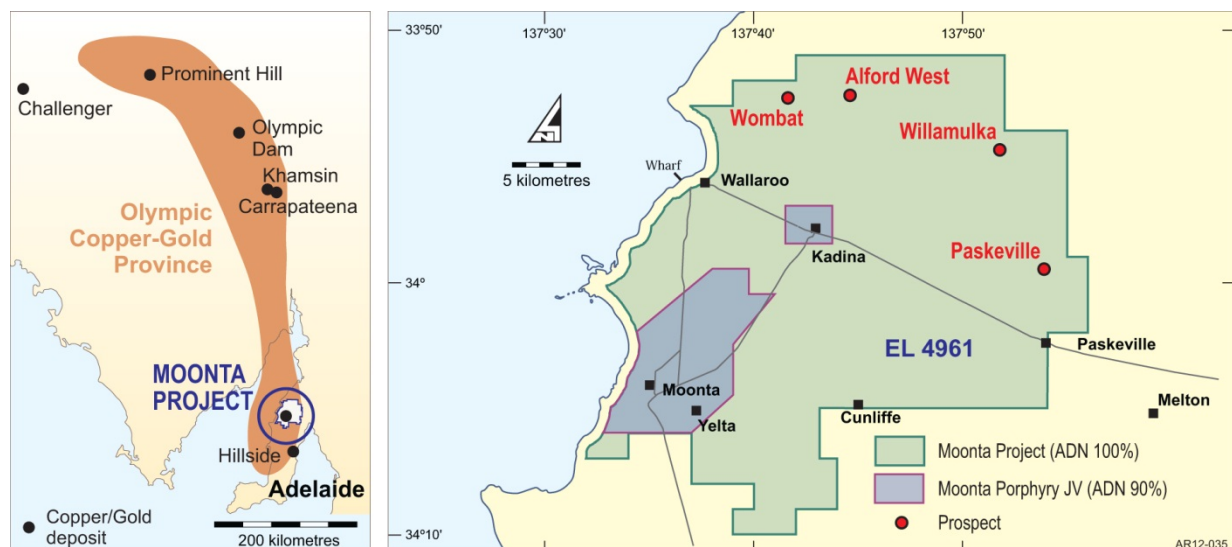


Figure 1: Moonta Copper Gold Project location.

In 2002, Adelaide Resources formed a joint venture with major copper producer Phelps Dodge Corporation, which completed a significant exploration program of drilling, geochemistry and geophysics. Phelps Dodge withdrew from the joint venture in 2006 allowing Adelaide Resources to take control of the entire Project area. In 2009 Adelaide Resources recommenced its search for copper-gold deposits, delivering promising discoveries at Willamulka (2010/11) and Paskeville (2012), and achieving positive results at historic prospects like Wombat (2012).

A timeline summarising the companies that have managed exploration of the Moonta Copper Gold Project during the modern era is presented as Figure 2.

Managing Director Chris Drown explains the significance of the Project's exploration history. "The companies that explored the broader Moonta Project for much of the five decades prior to Adelaide Resources' involvement were effectively all large cap and mid cap miners.

"This history delivers Adelaide Resources a unique opportunity, as the majors who explored in the past needed to find giant deposits to satisfy their corporate goals. In the process they discovered promising prospects that were ultimately assessed as unlikely to meet their high project evaluation hurdles. However these deposits may well prove large enough to be of significant value to Adelaide Resources, particularly given the higher metal prices of today.

"Added to this scale opportunity is the tremendous monetary value the historical work undertaken by the majors represents. Were we to repeat just the diamond and RC drilling done by WMC/NBH today, it would cost in excess of \$20 million, and take years to complete."

Historical Exploration Data Capture

Much of the historical data remains in hand or type written form in statutory reports submitted to the South Australian Mines Department. Adelaide Resources has commenced an initiative to digitally capture this old data.

Chris Drown further explains "Take for example the old WMC/NBH data. It sits in a report that is over 23,800 pages long. To put that into perspective, that is something like the number of pages in the last printed edition of the Encyclopaedia Britannica, so it's a mammoth task.

"The quality of this historical work however is first class. The exploration programs were designed and operated by a team of exceptional young geoscientists, many of whom have progressed to play leading and influential roles in the resources industry.

"Fully digitising this data will take us many months, but it represents such a valuable resource that we are committed to the task. Investing several months of desk time to capture millions of dollars of data is a sound investment. We are confident the old data will reveal 'buried treasure' - partially explored historic prospects that have the potential to contribute to our growing copper and gold inventory on the broader Moonta Project."

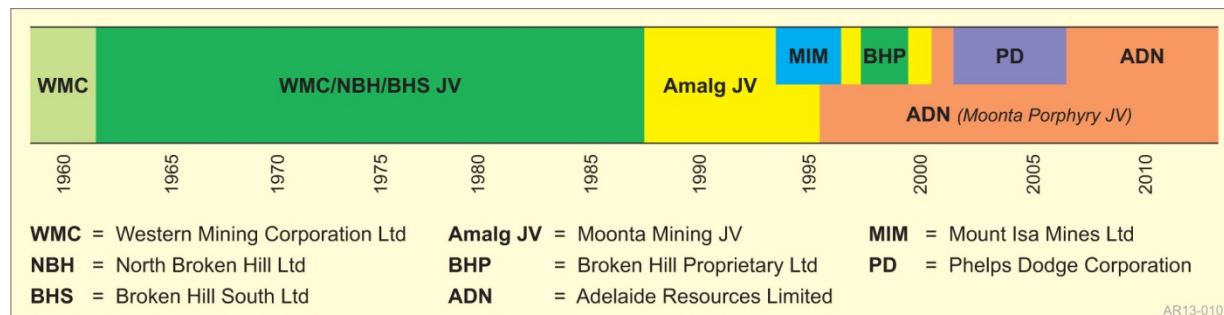


Figure 2: Moonta Copper Gold Project – Exploration history timeline.

Alford West Prospect.

Exemplary of the benefits to Adelaide Resources of the data capture initiative has been the early identification of the Alford West prospect (Figure 1). This 100% owned prospect was chosen as an initial focus for the data capture exercise as historic WMC/NBH drilling revealed encouraging intersections of copper and molybdenum in a geological setting closely analogous to the Wombat prospect.

During the data capture exercise, previously unknown drilling data from a program completed at Alford West by the Moonta Mining Joint Venture came to light. Although Moonta Mining concentrated its efforts on mining the Poona and Wheal Hughes deposits near Moonta, it drilled 12 reverse circulation holes at Alford West as part of a modest exploration program completed on the broader Moonta tenement.

Ten of the Moonta Mining drill holes hit mineralisation and significant intersections include:

- 11 metres at 1.09% copper from 93 metres downhole in AL-4,
- 29 metres at 1.07% copper from 44 metres in AL-7, including
- 9 metres at 2.00% copper,
- 9 metres at 1.83% copper from 94 metres in AL-9, including
- 5 metres at 2.78% copper and 3.17g/t gold,
- 12 metres at 2.22% copper from 64 metres in AL-10, including
- 6 metres at 3.69% copper and 0.77 g/t gold, and
- 10 metres at 2.30% copper from 59 metres in AL-11.

As explained by Mr Drown “Immediately after Moonta Mining drilled these 12 holes in 1993, the area was joint ventured to MIM. MIM drilled just seven further holes at Alford West before making the assessment that the prospect was too small to meet its target parameters.

“We take a different view to MIM. Instead we see a large mineralised system sitting in an attractive geological setting. It has already delivered a number of high grade drill hits, the system is open along strike, and clear potential to grow this discovery remains. This is exactly the type of ‘buried treasure’ we were hoping to find in the old data.”

Drilling Program

The past drilling at Alford West reveals the presence of two steeply north dipping, sub parallel, high grade copper-gold lodes (Figures 3 and 4). The two lodes are interpreted to strike

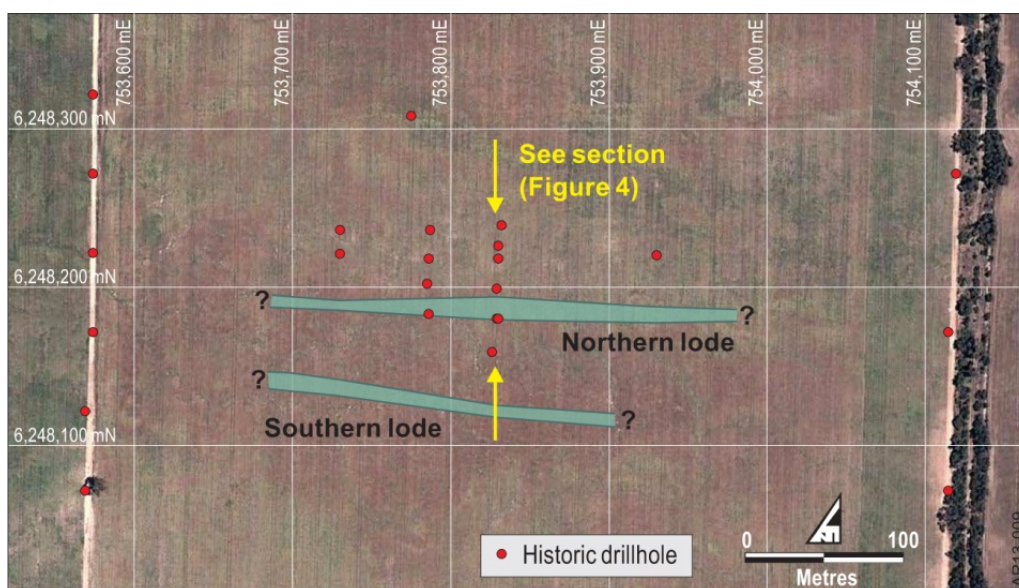


Figure 3: Alford West Prospect plan.

east-west and are spaced about 50 metres apart. Past petrological work confirms that the copper bearing minerals in the lodes include the sulphides chalcocite and minor chalcopyrite, with these phases associated with pyrite and hematite.

The company has moved quickly to recommence exploration at Alford West, and has secured the required landowner and government approvals to allow it to conduct its first aircore drilling program at the prospect.

The Alford West drilling will be done as an extension to the aircore program currently underway at the Paskeville and Wombat prospects, with the drill rig to move straight onto Alford West as soon as it finishes at Wombat.

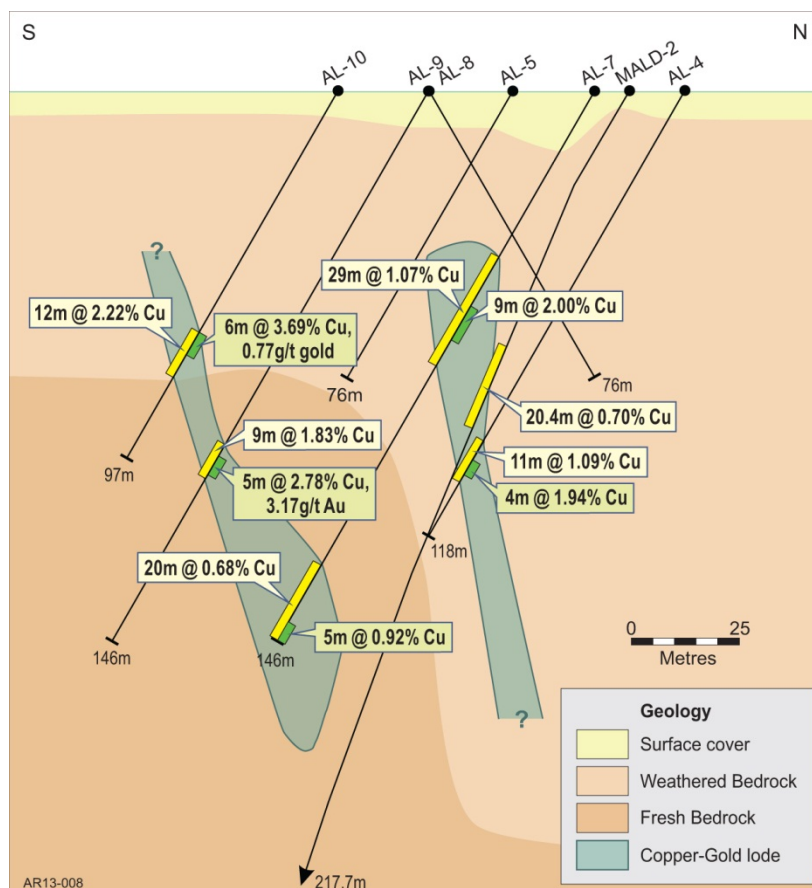


Figure 4: Alford West Prospect section.

The collar locations of the old Alford West holes can only be determined to an accuracy estimated to be +/- 10 metres, so the first goal of the drilling program is to confirm the precise location of the mineralisation. Following that, extra traverses of holes will be drilled in an effort to extend the known strike length of the two lodes.

Results of the drilling program at Alford West are anticipated to become available around early May, while results from the current drilling programs at Paskeville and Wombat are likely to be available in April.

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.