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SUBSTANTIAL HIGH GRADE COPPER INTERSECTIONS ACHIEVED IN FIRST ALFORD WEST PROSPECT DRILL HOLES

Highlights

- **Assay results reveal the intersection of high grade mineralisation** in Adelaide Resources' maiden drill program at the Alford West Prospect, located on the Moonta Copper Gold Project in South Australia.
- Intersections from the first six aircore holes drilled at the prospect include:

  10 metres at 1.03% copper and 0.40g/t gold from 50 metres in ALWAC003
  5 metres at 0.92% copper and 0.15g/t gold from 45 metres in ALWAC006, and
  10 metres at 4.23% copper and 0.20g/t gold from 57 metres in ALWAC006

- The intersection of 10 metres at 4.23% in ALWAC006 is of **substantially higher grade than any of the historic intersections** achieved at the prospect. The copper-bearing phase is **tentatively identified as the valuable mineral chalcocite**.
- Assaying of further drill samples from the Alford West Prospect is currently underway, with results anticipated in the near future.

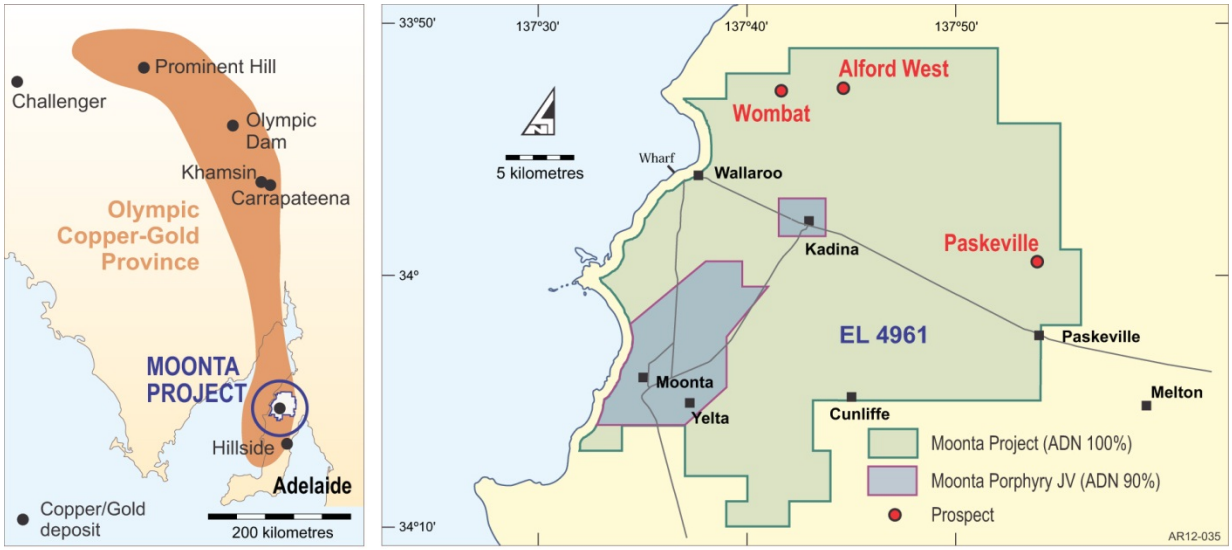

Figure 1: Moonta Copper Gold Project location.

Introduction

A total of 25 aircore drill holes (ALWAC001 to ALWAC025) for a total of 1486 metres have recently been completed at the 100% owned Alford West Prospect, located on Adelaide Resources' Moonta Copper Gold Project on the Yorke Peninsula in South Australia (*Figure 1*). The Alford West drilling formed part of a larger program that also tested the Paskeville and Wombat Prospects.

On 18 March 2013, Adelaide Resources announced that it had uncovered significant historical exploration results at the Alford West Prospect, and moved quickly to put in place the relevant approvals required to commence exploration. The historic drilling achieved a number of outstanding copper and gold intersections including:

- 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.

The past drilling at Alford West is interpreted to reveal the presence of two steeply north dipping, sub parallel, high grade copper-gold lodes that strike east-west and are spaced about 50 metres apart.

The collar locations of the historic Alford West holes could only be approximately located and the first goal of Adelaide Resources' drilling program was to confirm the location of the mineralisation. The collar locations of Adelaide Resources' recent 25 aircore holes, together with the company's best estimate of the location of the historic drillholes, is shown on Figure 2.

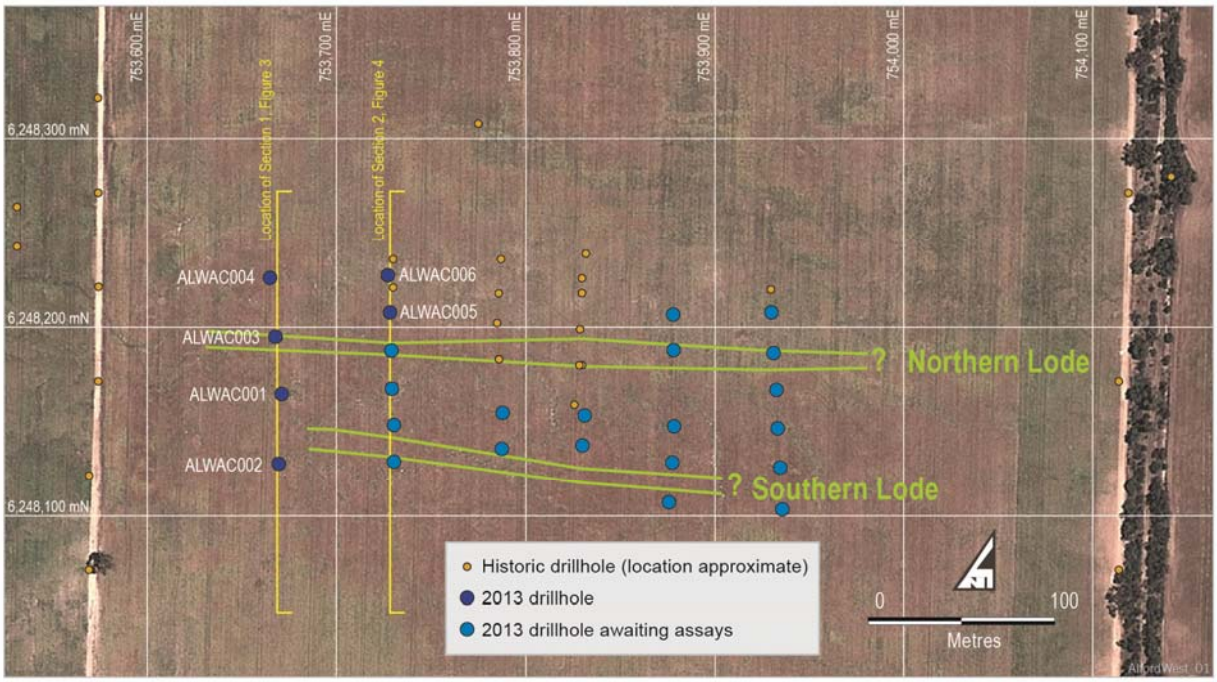

Figure 2: Alford West Prospect drillhole location plan.

New Results

Assay results for the first six Alford West aircore holes drilled by Adelaide Resources are now available. These six holes were drilled on two traverses in the western part of the area thought to have been tested by the historical drilling (Figures 2, 3 and 4).

Very significant intersections of copper and gold have been achieved in two of the holes, while lower grade intervals of mineralisation are present in three of the other holes. The company believes these results confirm that it has achieved its first goal of relocating the historical mineralisation.

Inclined aircore drillhole ALWAC003 intersected 10 metres at 1.03% copper and 0.40g/t gold commencing at a downhole depth of 50 metres (*Figure 3*). Inclined drillhole ALWAC006 achieved a shallower intersection of 5 metres at 0.92% copper and 0.15g/t gold from 45 metres downhole, and a substantial intersection of 10 metres at 4.23% copper and 0.20g/t gold commencing from 57 metres downhole (*Figure 4*). Table 1 summarises all mineralised intersections returned from holes ALWAC001 to ALWAC006.

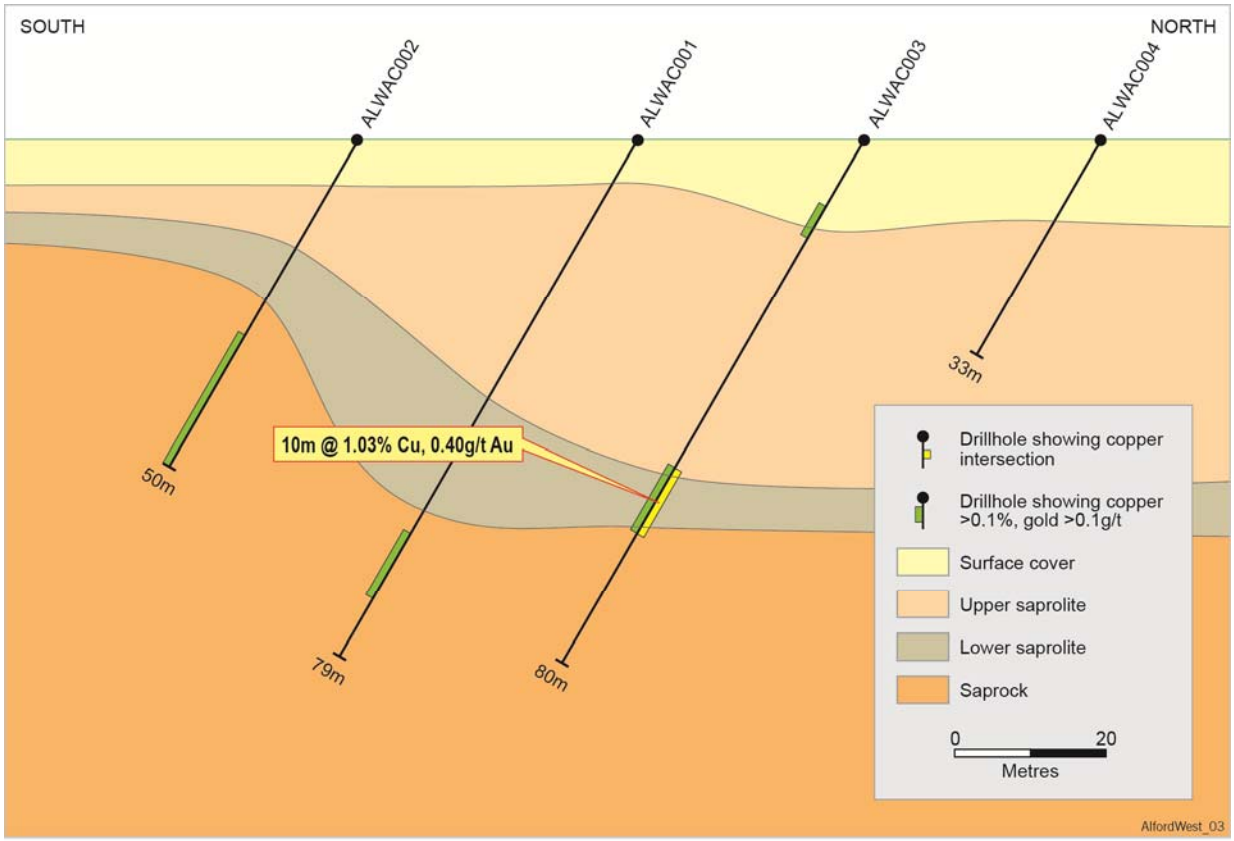

Figure 3: Alford West Prospect Section 1 looking west.

The high grade intersection of 10 metres at 4.23% copper in ALWAC006 surpasses even the best historic intercept achieved at the prospect. The drill sample is fine grained and dark grey in colour, and the copper bearing mineral is considered likely to be chalcocite (Cu_2S) which was petrologically confirmed to be present in some of the historic intersections. Chalcocite contains 79.9% copper by weight and is one of the highest grade ore minerals of copper. Due to its exceptional grade, chalcocite has the capacity to produce very valuable copper concentrate product.

Geologically, transported cover sediments persist to a maximum vertical depth of 12 metres. Below the cover strongly weathered bedrock comprises both oxidised upper saprolite and un-oxidised lower saprolite.

Partially weathered bedrock, or saprock, is encountered below the saprolite horizons. Fresher bedrock lithologies, where intersected, are interpreted to be dominated by a variety of variably altered meta-sediments.

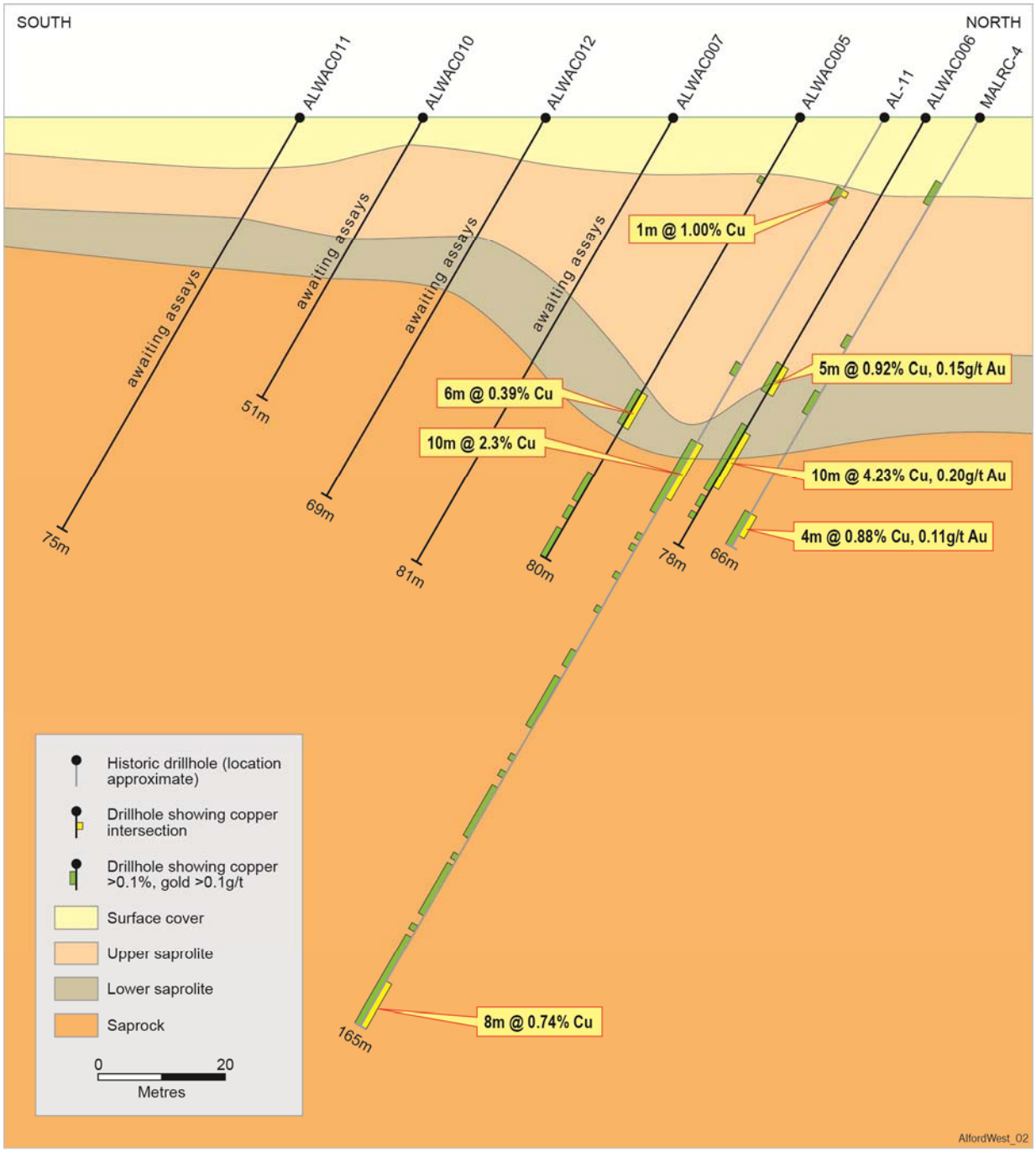

Figure 4: Alford West Prospect Section 2 looking west.

Two historical holes, AL-11 and MALRC-4, are shown on the same drill section that recent drillhole ALWAC006 falls on (Figure 4). Both these historic holes achieved copper intersections that are, in all likelihood, from the same zone of mineralisation intersected in ALWAC006. The collar positions of the two historic holes are considered to be only approximate due to uncertainty inherent in the historical data caused by the prior explorers' use of a local prospect grid that cannot be definitely placed in the Map Grid of Australia 1994 (MGA94) coordinate system used by Adelaide Resources.

Comment

Commenting on these first Alford West results, Adelaide Resources' Managing Director Chris Drown said

"We are very confident that we have achieved our first goal of successfully relocating the Alford West mineralisation indicated in the historic reports.

"The historic holes at Alford West include some very attractive grade intersections, but our new intersection of 10 metres at 4.23% copper in hole ALWAC006 is exceptional, and is probably up there with the best hits returned from the Moonta district.

"The shallow depth to the top of the mineralisation, and the likelihood that the copper-bearing phases include the valuable mineral chalcocite, are also highly encouraging attributes.

"We now await further assays from the Alford West Prospect with great interest."

Hole Name	Easting (mga94)	Northing (mga94)	Dip	Azimuth (m)	Final Depth (m)	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)
ALWAC001	753671	6248165	-60	180	79	60	70	10	0.16	0.01
ALWAC002	753670	6248128	-60	180	50	30	50	20	0.15	0.01
ALWAC003	753668	6248195	-60	180	80	10	15	5	0.23	0.03
						50	**60**	**10**	**1.03**	**0.40**
ALWAC005	753728	6248208	-60	180	80	11	12	1	0.71	0.03
						50	56	6	0.39	0.03
						65	70	5	0.11	0.04
						71	73	2	0.18	0.05
						75	80	5	0.25	0.11
ALWAC006	753727	6248227	-60	180	78	**45**	**50**	**5**	**0.92**	**0.15**
					incl.	48	49	1	1.59	0.16
						57	**67**	**10**	**4.23**	**0.20**
					incl.	60	62	2	5.93	0.18
						69	71	2	0.33	0.03

Table 1: Alford West Prospect significant intersections.

Intersections calculated by averaging 1m or 5m composite chip samples. Copper determined by four acid digest followed by ICP-AES finish. Overrange copper (>1%) determined by AA finish. Gold determined by fire assay fusion followed by ICP-AES finish. Introduced QA/QC samples indicate acceptable analytical quality. Intersections are downhole lengths.

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.