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Australian Securities Exchange Announcement

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ALFORD COPPER BELT EXPLORATION UPDATE – YORKE PENINSULA, SA .

- The Alford West prospect falls in a zone we term the “Alford Copper Belt”, with exploration completed in the last 12 months by Adelaide Resources Limited and Sandfire Resources NL suggesting it to be one of the country’s most exciting emerging copper plays.

- The Alford Copper Belt extends for 22 kilometres across the Company’s tenement and will be a focus in the Company’s search for new deposits. Access negotiations with landowners whose farms cover this belt are progressing well, with significant areas now available for exploration in 2014.

- Processing of 1970’s auger geochemical data has confirmed a continuous 3.5 kilometre long copper anomaly that defines the Alford West prospect. Adelaide Resources’ drilling has so far tested 1.1 kilometres of the anomaly and excellent potential exists to expand the deposit dimensions along strike in early 2014. A landowner access agreement covering the strike extensions is also now in place.

- Receipt of laboratory assays for the last 29 “Stage Two” program aircore drill holes at Alford West continue to support the interpretation that a continuous zone of mineralisation extends over the entire 1100 metres of the target zone drilled by Adelaide Resources to date.

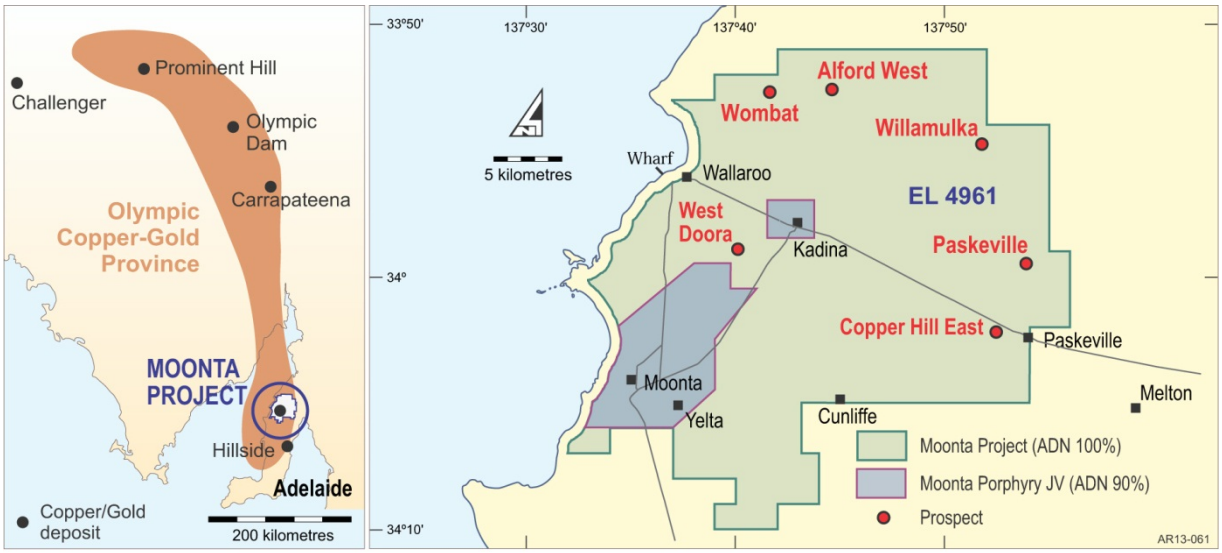

Figure 1: Moonta Copper-Gold Project location.

Introduction

The wholly owned Alford West prospect is located in the northern part of Adelaide Resources' Moonta Copper-Gold Project tenement on the Yorke Peninsula of South Australia (Figure 1). The district includes the historical mining centres at Moonta and Kadina and these towns, together with Wallaroo which housed smelting and export facilities, defined the famous "Copper Triangle".

Geologically, the Copper Triangle of the Yorke Peninsula falls at the southern end of the world-class Olympic Copper-Gold Province, an arcuate belt of Proterozoic rocks that are highly prospective for Iron-Oxide Copper Gold style deposits.

A review of historical exploration data in early 2013 identified the Alford West prospect as having significant potential. Adelaide Resources has completed two aircore drilling programs at Alford West this year, drilling a total of 122 holes (8140 metres) on 11 traverses that test an 1100 metre long section of the target zone. Many of the holes drilled by Adelaide Resources in 2013 intersected copper and/or gold mineralisation, including wide, high grade intersections confirming that the prospect represents a significant mineral discovery.

The Alford Copper Belt

While copper-gold mineralisation is widespread on the Moonta Project, the Company believes that a sinuous, 3 kilometre wide belt that extends across the Company's tenement has outstanding prospectivity. This belt, referred to as the "Alford Copper Belt", can be geophysically traced from under the Spencer Gulf in the west, for 22 kilometres across Adelaide Resources' tenement, and then north into a tenement adjacent to the Company's Moonta Project (Figure 2).

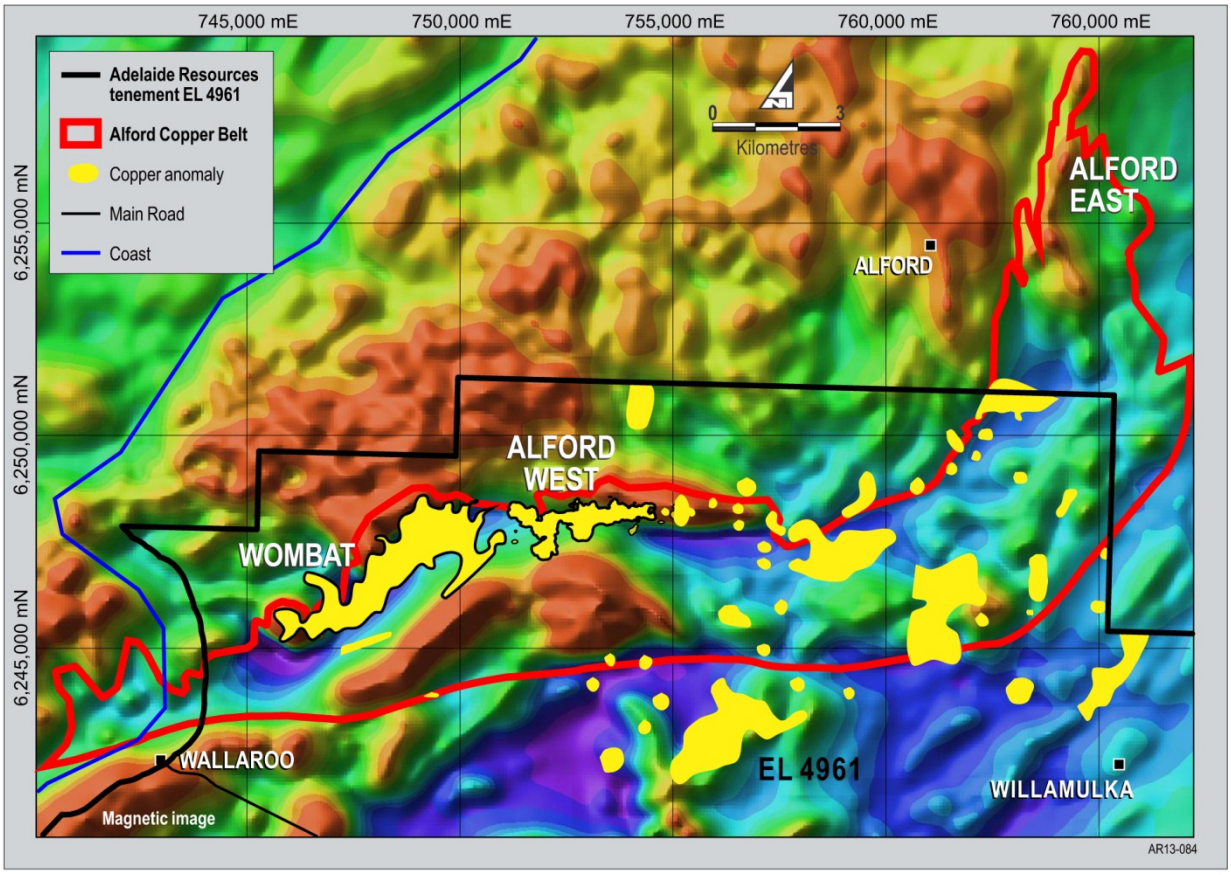

Figure 2: Alford Copper Belt.

The Alford Copper Belt is already known to host the Alford West and Wombat copper-gold prospects on Adelaide Resources' tenement, while Sandfire Resources NL, which holds an option to joint venture an adjacent tenement with titleholder Argonaut Resources NL, reported in its June 2013 Quarterly Report that exploration at the Alford East prospect indicates a large anomalous copper and gold mineralised system with IOCG associations.

Geologically, the belt follows the contact of a Hiltaba Suite granite intrusive (Figure 3). Hiltaba granites are believed to be critical to the genesis of the iron oxide copper-gold deposits in the Olympic Copper-Gold Province, providing heat to drive ore fluid circulation and likely also contributing the metals that ultimately form the mineral deposits.

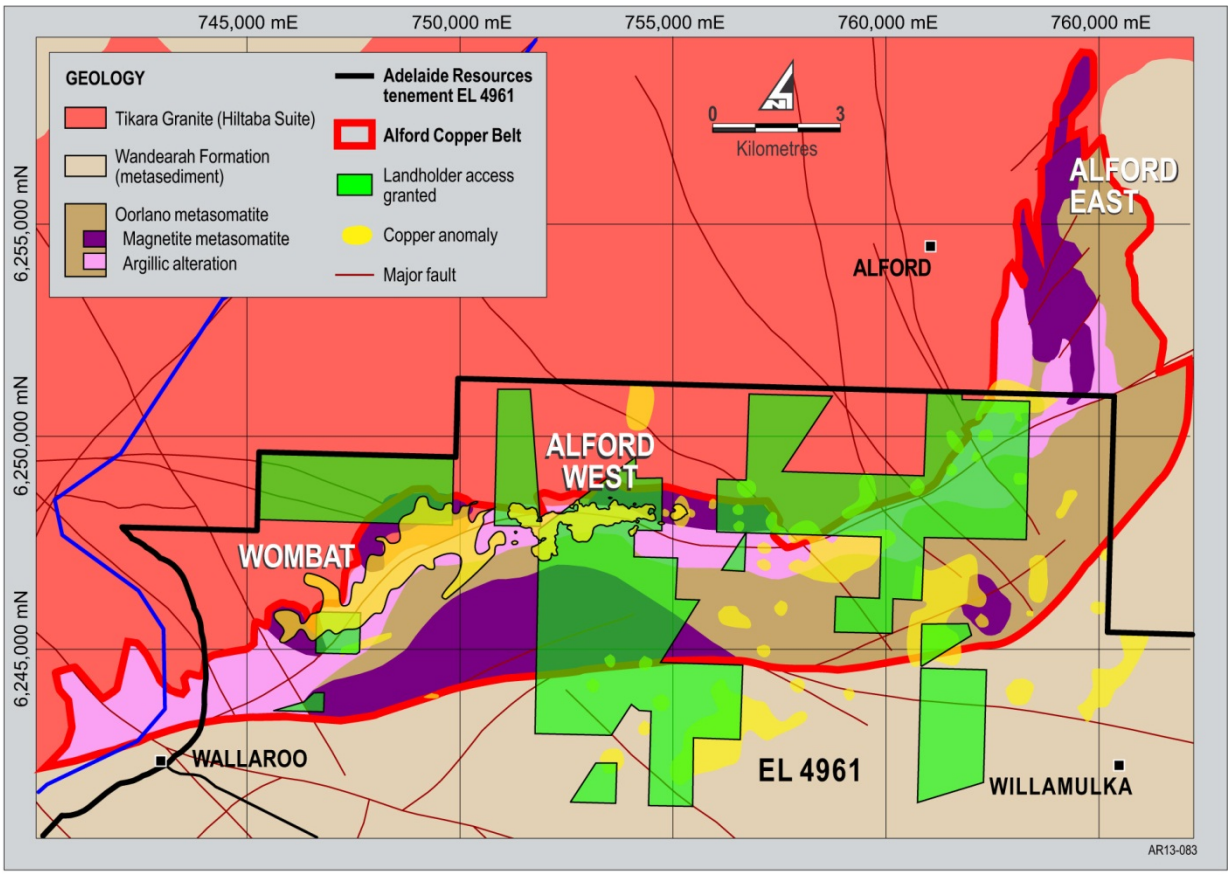

Figure 3: Interpreted basement geology.

The Alford Copper Belt is characterised by complex structure, with numerous faults and shear zones interpreted to be present within it. It was also the focus of intense hydrothermal, or "metasomatic", alteration that in places produced clays ("argillic alteration"), and in others bodies rich in iron oxide ("magnetite metasomatite") shown on Figure 3.

In addition to significant further exploration scheduled to progress the Alford West prospect after completion of the 2013 grain harvest, the Company also plans to focus a large part of its effort to discovering new deposits in the Alford Copper Belt. In this regard, a nine kilometre section of the belt extending from Alford West to the boundary of the Company's tenement has seen only limited previous exploration drilling and represents a prime target area.

The Company has recently been negotiating access agreements with the landowners whose farms fall over the Alford Copper Belt. Access is now confirmed for significant areas of the belt allowing exploration to be conducted in 2014 (Figure 3), and the Company is confident further ground will become available for exploration as landowner discussions progress.

1970's Alford West Auger Geochemistry
The Alford West target was originally identified by a program of shallow auger geochemical drilling completed by a joint venture between Western Mining Corporation and North Broken Hill Limited in the 1970's.

Auger drilling uses a helical screw blade, or "flight" to cut and transport unconsolidated material from depth to the surface where it can be sampled. Auger drilling is limited to fairly shallow depths, typically less than 20 metres. At Alford West, the 1970's auger holes had an average depth of 10 metres, however this was often deep enough to penetrate through the thin cover sediments that blanket the prospect and provide an assay sample of the weathered basement rocks that host mineralisation in the district.

Hand written records of the 1970's Alford West auger drilling were lodged with the South Australian Department of Mines and Energy and copies are available to modern explorers, however the data had not been digitally captured allowing a thorough analysis. Consequently, Adelaide Resources has completed the task of digitising all historical auger data from the Alford West area.

Figure 4 presents contours of the maximum copper assay achieved in each of 998 auger holes drilled at Alford West. The 1100 metre long section of the target where Adelaide Resources has completed its detailed aircore drilling in 2013 is also shown on Figure 4.

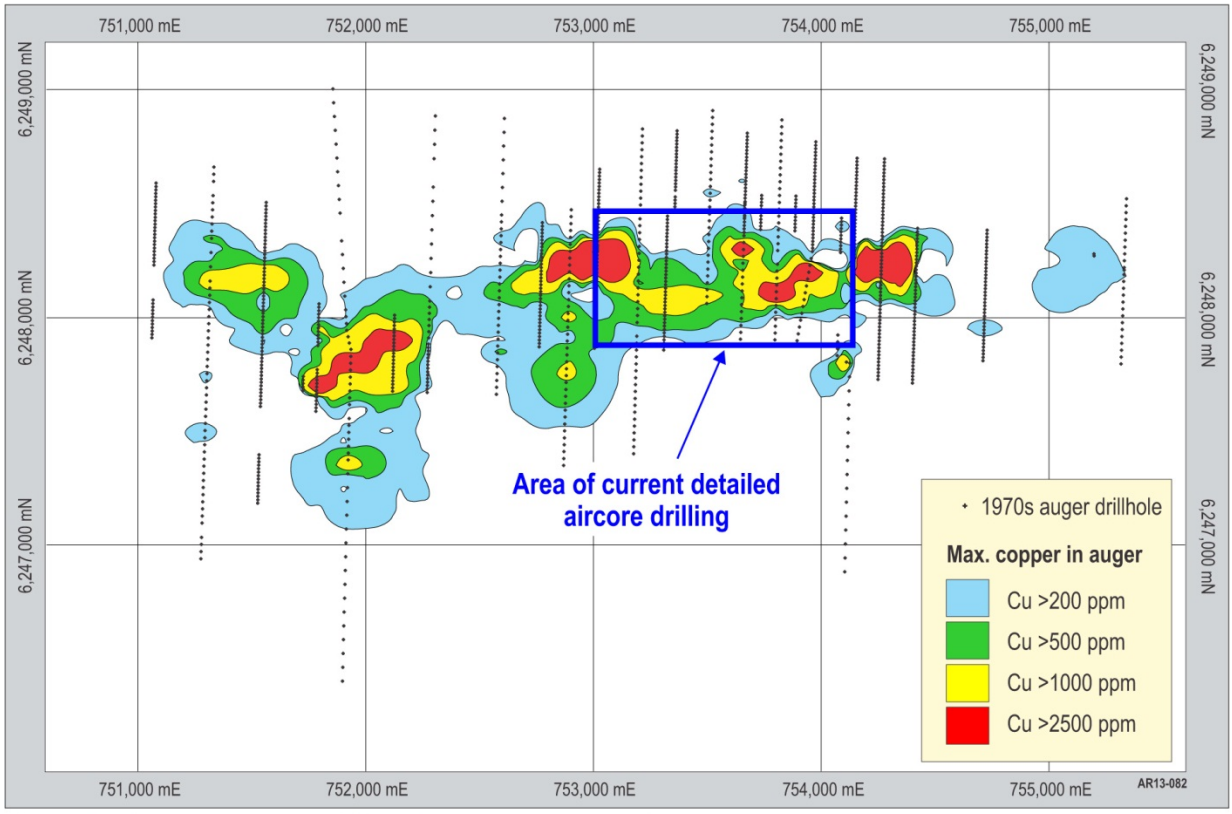

Figure 4: Alford West contoured historic auger copper geochemistry.

The auger geochemistry contours define a continuous copper anomaly at greater than 200 ppm which extends for a strike length of 3500 metres. Five sub-zones of higher magnitude copper anomalism (greater than 1000ppm - the yellow and red anomalies) occur within the broader +200ppm copper anomaly.

The Company's aircore drilling has to date only tested part of one, and all of a second, of these higher magnitude sub-zones. Deeper drilling completed by past explores on the sub-zones that remain to be drilled by Adelaide Resources is also very limited, and the Company believes that the potential to discover additional mineralisation beneath these geochemical features remains high.

Landholder approvals to access the strike extensions at Alford West are now in place and exploration activities are planned to commence once the 2013 harvest is complete.

Alford West Stage Two Drilling Results.
Assaying and assessment of the final 29 Stage Two holes drilled at Alford West in 2013 has now been completed.

Cropping activities resulted in restrictions to the areas that could be accessed when completing the final 29 Stage Two holes. Notwithstanding these restrictions one new drill traverse was completed and additional holes were drilled on five existing drill lines. The collar locations of the 29 holes are shown on Figure 5, together with historical drill collars and the collars of holes drilled earlier in 2013 by Adelaide Resources.

The new traverse of drilling was completed on section 753,100mE to test for the eastern extension of mineralisation intersected on the western-most line drilled to date. Holes on existing drill lines were completed to redrill historical holes whose locations are not precisely known, to infill or extend coverage of mineralised zones, and to test a previously undrilled magnetic anomaly located north of the main mineralised zones.

Aircore holes on the new traverse, 753,100mE encountered often broad intervals of mineralisation, including a number of low to moderate grade intersections. For example,

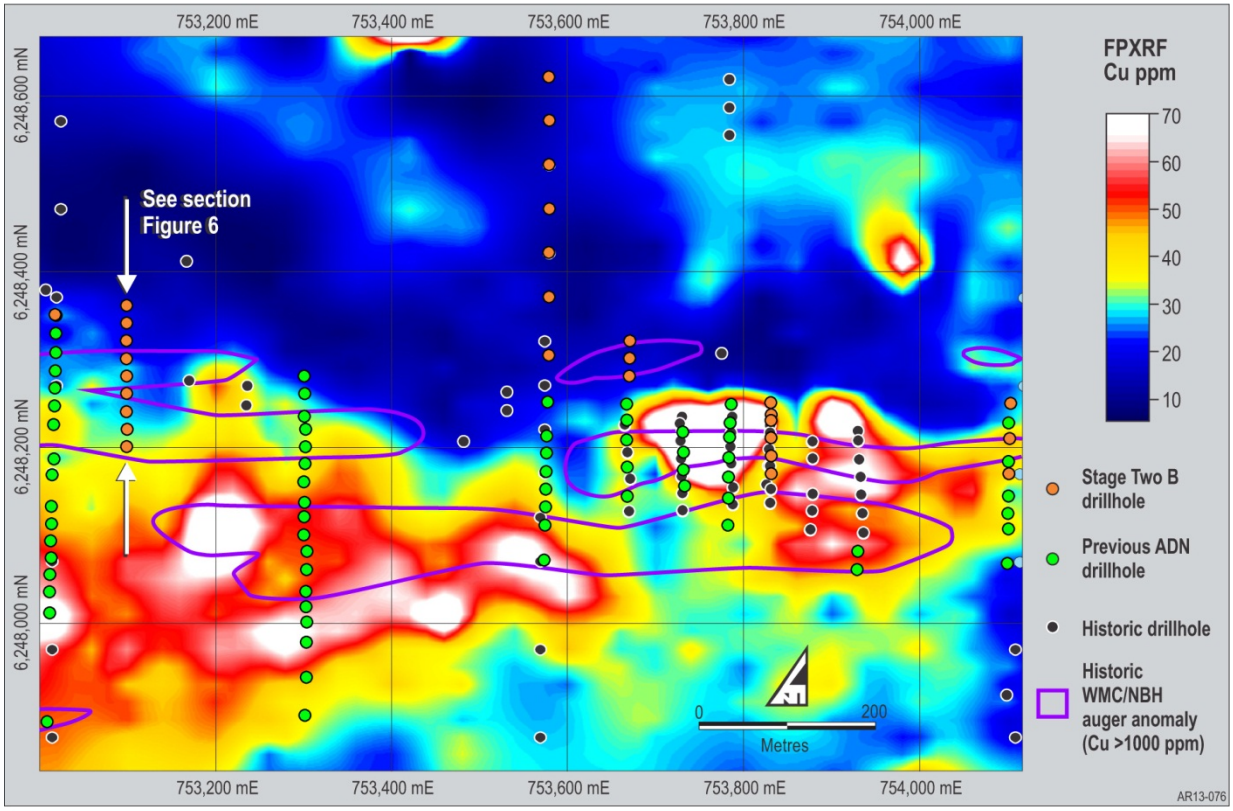

Figure 5: Alford West Prospect summary plan.

drillhole ALWAC115 intersected 7 metres at 0.36% copper and 0.94g/t gold from 20 metres downhole, and a deeper zone assaying 7 metres at 0.86% copper from 32 metres (Figure 6).

A number of the infill and extension holes drilled on pre-existing drill lines also intersected low to moderate grade zones of copper dominant mineralisation, with occasional narrow higher grade zones. For example hole ALWAC107 intersected 14 metres at 0.49% copper and 0.13g/t gold from 63 metres downhole, including 2 metres at 1.15% copper and 0.23g/t gold from 65 metres. The holes testing the northern magnetic anomaly intersected magnetite-bearing rock types but encountered no significant copper or gold. Table 1 presents a list of intersections from the final 29 Stage Two holes.

Importantly, the results from the final 29 Stage Two holes continue to support the interpretation of an 1100 metre zone of continuous copper-gold mineralisation at Alford West. The mineralised zone remains open at depth and along strike in both directions.

Further exploration and drilling at Alford West will be delayed until the harvesting of cereal crops in the prospect paddocks has been completed, which in typical years occurs around the end of December. Land access agreements have been executed with relevant landholders allowing this work to be undertaken.

The hiatus in drilling activity and the receipt of all 2013 drill results presents an opportunity to commence a detailed interpretation of Alford West. This interpretation will include three dimensional modelling of the prospect geology and the mineralisation discovered to date, with the results to be used to assist in the design of the 2014 drilling program.

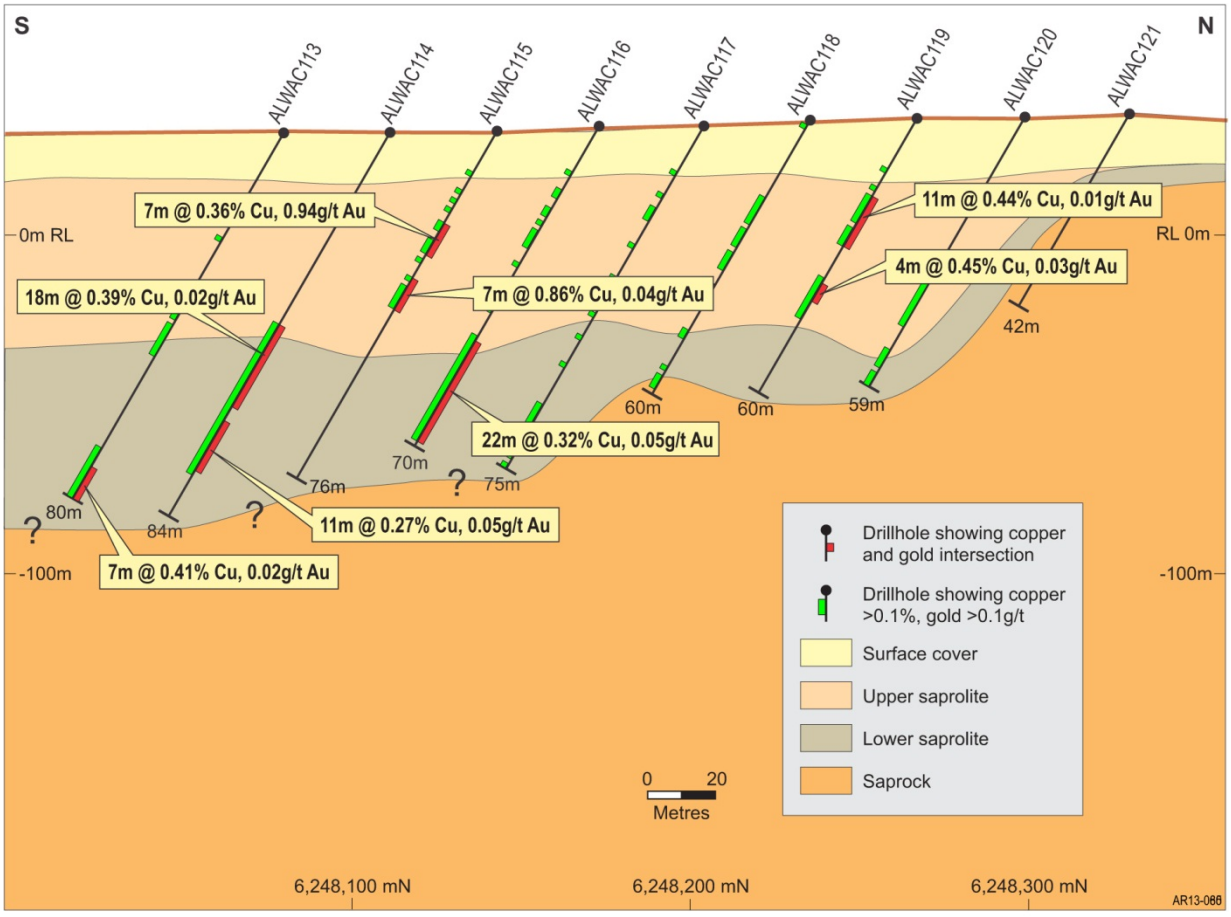

Figure 6: Alford West Prospect Section 753,100 mE looking west.

Table 1: *Alford West Prospect latest drill program assays.*

Hole Name	Easting (mga94)	Northing (mga94)	RL (msl)	Dip	Azimuth	Final Depth	From (m)	To (m)	Interval (m)	Cu %	Au g/t
ALWAC094	753020	6248349	33.8	-60	180	93	46	57	11	0.57	0.10
						incl.	48	52	4	0.82	0.06
							69	76	7	0.38	0.03
ALWAC102	754119	6248208	40.0	-60	180	79	53	65	12	0.30	0.06
						incl.	56	58	2	0.75	0.12
ALWAC104	753830	6248171	36.2	-60	180	85.5	58	60	2	0.01	0.65
						incl.	59	60	1	0.01	1.02
							65	66	1	0.18	1.24
							85	85.5	0.5	0.81	0.53
ALWAC106	753830	6248209	36.8	-60	180	75	42	48	6	0.66	0.10
						incl.	42	45	3	1.18	0.18
ALWAC107	753830	6248231	35.4	-60	180	94	63	77	14	0.49	0.13
						incl.	65	67	2	1.15	0.23
ALWAC113	753100	6248200	31.7	-60	180	80	73	80	7	0.41	0.02
						incl.	78	80	2	0.76	0.02
ALWAC114	753100	6248220	31.8	-60	180	84	42	60	18	0.39	0.02
						incl.	52	53	1	1.92	0.10
							63	74	11	0.27	0.05
ALWAC115	753100	6248240	32.1	-60	180	76	20	27	7	0.36	0.94
						incl.	26	27	1	0.19	6.51
							32	39	7	0.86	0.04
						incl.	33	36	3	1.29	0.08
ALWAC116	753101	6248260	33.0	-60	180	70	47	69	22	0.32	0.05
ALWAC119	753100	6248320	34.5	-60	180	60	17	28	11	0.44	0.01
						incl.	17	20	3	0.83	0.01
							36	40	4	0.45	0.03

Intersections calculated by averaging 1-metre 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. Cut-off grade of 0.2% Cu and/or 0.2g/t Au applied with up to 2m internal dilution for principal intersections. Introduced QA/QC samples indicate acceptable analytical quality. Intersections are downhole lengths.

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.

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