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Australian Securities Exchange Announcement

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

New Drill Target Defined Near Alford West Prospect – SA.

Adelaide Resources Limited is pleased to report that a recently commenced Field Portable X-Ray Fluorescence (FPXRF) soil geochemical survey has defined a robust new copper anomaly adjacent to the Alford West Prospect, located on the Moonta Copper-Gold Project on the Yorke Peninsula of South Australia (Figure 1).

The new target, called “Blue Tongue”, emerged when FPXRF sampling was conducted in recently harvested paddocks located immediately south of the Alford West Prospect. The northeast trending Blue Tongue geochemical anomaly extends for approximately 1000 metres and occurs as a coherent zone of anomalous copper that is equivalent in magnitude to the FPXRF soil copper anomalies associated with the Alford West mineralisation.

The Blue Tongue target has not previously been drill tested, has several other positive geological attributes, and represents a worthy new drill target that can compliment the nearby Alford West Prospect where drilling is scheduled to recommence in mid-January 2014.

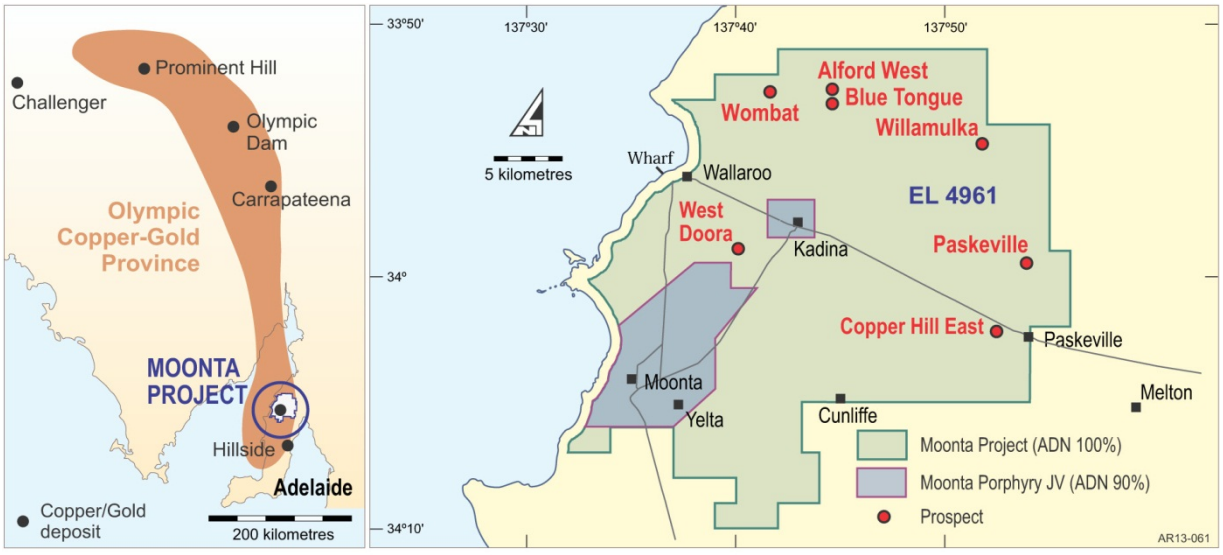

Figure 1: Moonta Copper-Gold Project location.

New Blue Tongue Drill Target
A 926 sample trial FPXRF survey was completed at Alford West in May 2013, with the survey successfully defining copper anomalism in surficial soils directly overlying drill confirmed mineralisation.

On 5 December 2014, the company announced that it had commenced a new program of FPXRF surveying to extend geochemical coverage at Alford West from the trail survey area into adjacent paddocks.

Up until 12 December 2013, FPXRF analysis of a further 3546 sample locations had been completed, with the newly sampled areas located immediately east, west and south of the trail survey area (Figure 2). Appendix 1 presents a summary of the FPXRF geochemical method.

As anticipated, the copper anomaly associated with the Alford West deposit is confirmed to extend to both the east and west of the trial area, with the FPXRF dataset to be used in conjunction with historical 1970's auger geochemistry in the design of further aircore drilling planned to commence in mid-January.

However, the most striking feature delineated by the new survey is a linear, northeast striking anomaly immediately south of Alford West. This new anomaly has been called Blue Tongue and its location is shown on Figure 2.

Blue Tongue persists as a coherent zone of copper anomalous soils over a strike length of approximately 1000 metres. The magnitude of the copper anomalism in soils at Blue Tongue is comparable with copper levels in the soils which lie directly above significant copper mineralisation at Alford West.

No historical aircore, reverse circulation or diamond drill holes are known to have tested the Blue Tongue anomaly. A single traverse of shallow auger holes drilled in the 1970's crosses the northeastern limit of the Blue Tongue feature, with the bottom 3.66 metres of one of these holes assaying 0.14% copper from 8.53 metres downhole (Figure 2).

Study of airborne magnetic images from the Alford West Prospect environs reveals the presence of a break in the magnetic pattern which is interpreted to be due to a northeast striking fault or shear structure. This structure is coincident with the southern margin of the Blue Tongue anomaly (Figure 2). Northeast striking structures are important in the Moonta district as they can be sites of mineralisation, with the historically mined Moonta Lodes and the Willamulka deposit associated with structures having this orientation.

The presence of a coherent geochemical anomaly of comparable magnitude to the soil anomalies sourced by significant mineralisation at Alford West; the supporting historical auger results; and the possible association with an interpreted northeast trending structure are all positive attributes, making Blue Tongue an attractive drill target.

Increased Land Access in Alford Copper Belt
Negotiation of access agreements with additional landholders who own property in the Alford Copper Belt have been completed in recent weeks, adding to the area available for exploration in the New Year.

Significant areas for which access has been gained include two land sections where anomalous auger geochemical results associated with the western part of the Alford West target occur. The southern of these sections also includes the southwestern extension of the structure coincident with the new Blue Tongue anomaly. The areas where agreements have been signed allowing future exploration access are shown on Figure 3, with FPXRF geochemical surveying planned in these areas.

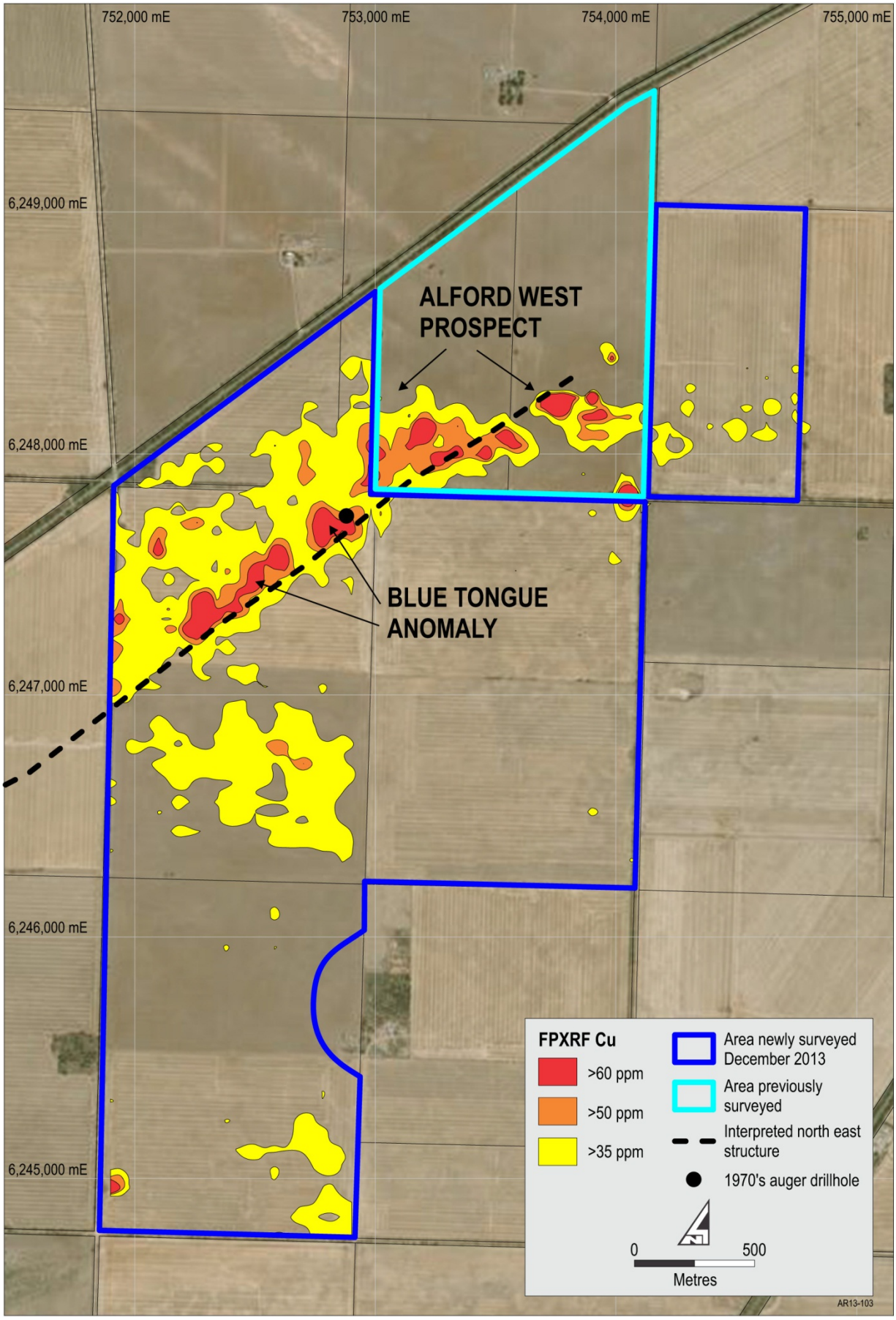

Figure 2: Alford West Prospect showing area of FPXRF surveying, and the newly discovered Blue Tongue anomaly.

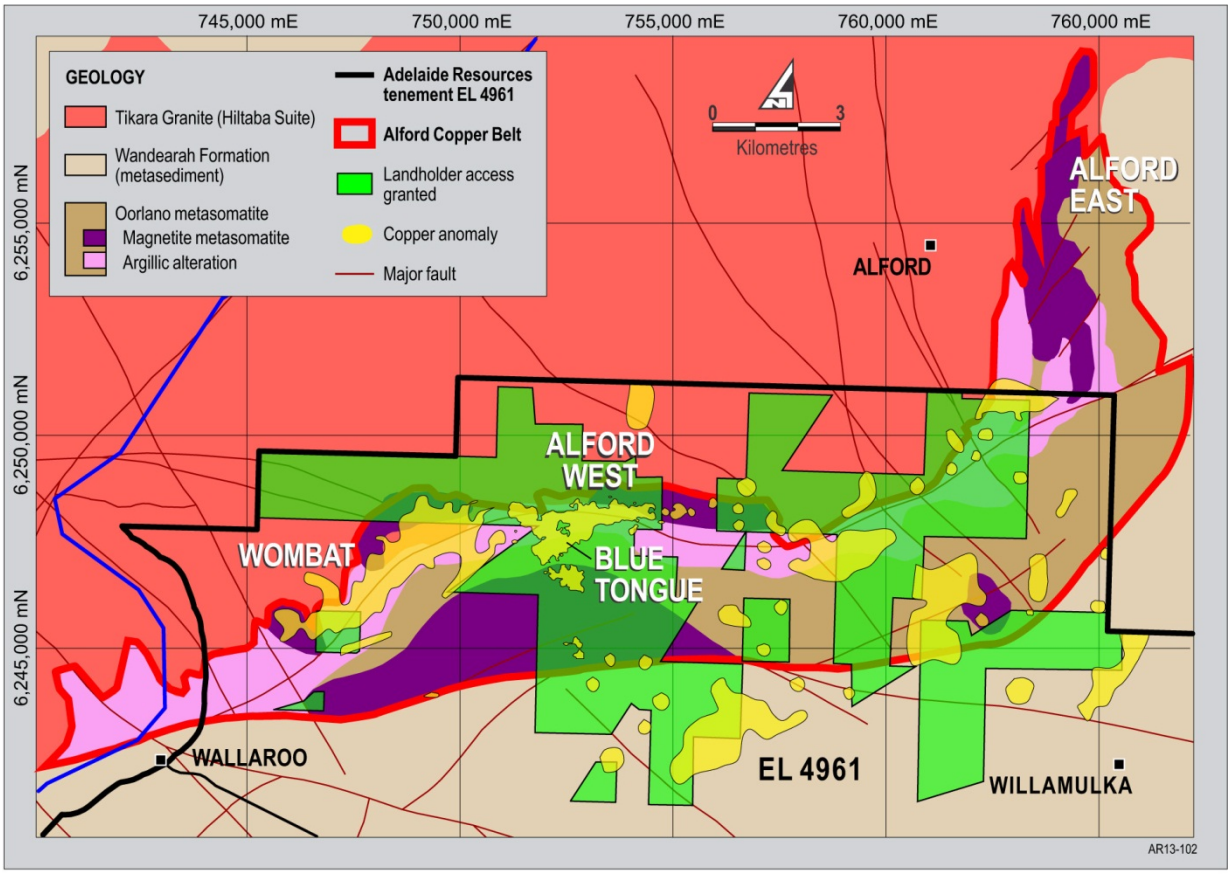

Figure 3: Alford Copper Belt interpreted basement geology, copper anomalies and granted access areas.

Chris Drown
Managing Director

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Chris Drown, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Drown is employed by Drown Geological Services Pty Ltd and consults to the Company on a full time basis. Mr Drown has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 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.

Appendix 1: The FPXRF Exploration Method

FPXRF surveying is a geochemical technique that utilises a portable analytical instrument to directly read elemental concentrations in surface soils. The instrument is placed directly on the surface and the non-destructive analysis of a small volume of soil completed by XRF (Figure 4). XRF analysis is a long established analytical method however prior to the advent of portable instruments was confined to commercial laboratories.

FPXRF instruments are well suited to copper exploration programs, as the concentration of copper in the natural environment, and in media such as soils, is often above the lower detection limit of the machine.

While FPXRF instruments can read gold, it generally occurs in nature at concentrations below the lower detection limit of the instrument. However, this is not considered to be a shortcoming at the Moonta Project as copper and gold occur naturally together in deposits in the district.

The location of the FPXRF soil sample points are determined using Global Position System (GPS) technology, with a data recorder marrying positional and analytical data streams. Data generated from an FPXRF survey is then gridded and imaged as any other geochemical dataset would be.

The FPXRF method allows the rapid collection of data as a large number of sample sites, in excess of 300, can be read in a single day. Conventional soil sampling programs may see about 50 samples collected in a day. FPXRF assay data is also delivered in real time while a conventional soil sampling program would take weeks to complete due to laboratory assay turn-around times.

Figure 4: FPXRF surveying.

The consequence of the rapid collection times and real time data delivery make FPXRF highly cost efficient, allowing dense sampling patterns to be completed. The end result is a cheap new geochemical dataset that can be used to complement other exploration data during the search for new mineral deposits.

1 JORC CODE, 2012 EDITION – TABLE 1

1.1 Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or hand held XRF instruments, etc) These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Two Hand-held Innov-X FPXRF (Olympus) analysers used to obtain surficial *in situ* soil analysis. • No sample preparation of the soils was completed. • Instrument calibration completed on on-going basis during survey using standardisation discs.
Drilling Techniques	• *Drill type (air core, reverse circulation, open-hole hammer, rotary air blast , auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face sampling bit or other type, whether core is orientated and if so, by what method, etc).*	• N/A
Drill Sample Recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the sample.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of coarse/fine material.*	• N/A
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• N/A
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and*	• No sample preparation was completed as analysis was conducted on in-situ soil material. • Duplicate analyses

	appropriateness of the sample preparation technique. • *Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	indicate acceptable analytical accuracy.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and mode, reading times, calibration factors applied and their derivation, etc.* • *Nature and quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• XRF is a total analytical technique appropriate for Cu as natural soil concentrations are above the lower detection limit of the instrument. • Olympus Innov-X 4000 with reading times set at 45 seconds. • QAQC data includes standards, blanks and duplicates introduced at a ratio of 1 QAQC sample for every 34 survey samples. • No calibration factors have been applied to results reported.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical or electronic) protocols.* • *Discuss any adjustment to assay data.*	• N/A
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Sample location points are collected using a Trimble Juno 3D GPS with autonomous accuracy of +/- 5 meters. • GDA94 (Zone 53)
Data spacing and distribution	• *Data spacing for reporting of Exploration Results* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classification applied.* • *Whether sample compositing has been applied.*	• Analyses taken at 20m intervals on lines spaced at 100 metres. Line spacing infilled to 50 metres where anomalies were defined.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this*	• Sample lines oriented north-south. Line and sample spacing are adequate to define sizable geochemical anomalies of any orientation with

	should be assessed and reported if material.	confidence.
Sample security	• *The measures taken to ensure sample security.*	• N/A
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data*	• May 2013 trial survey confirmed copper anomalies above known mineralisation.

1.2 Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section may apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements of material issues with third parties such as joint ventures, overriding royalties, native titles interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The area the subject of this report falls within EL 4961, which is 100% owned by Peninsular Resources limited, a wholly owned subsidiary of Adelaide Resources Limited. • There are no third party agreements, non govt royalties, historical sites or environmental issues. Underlying land title is Freehold land which extinguishes native title. • EL 4961 is in good standing.
Exploration done by other parties	• *Acknowledgement and appraisal of exploration by other parties.*	• The general area the subject of this report has been explored in the past by various companies including Western Mining Corporation, North Broken Hill, MIM Exploration, BHP Minerals, and Phelps Dodge Corporation. The Company has reviewed past exploration data generated by these companies.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Deposits in the general region are considered to be of Iron Oxide Copper Gold affinity, related to the 1590Ma Hiltaba/GRV tectonothermal event. Cu-Au mineralisation is structurally controlled and associated with significant metasomatic alteration of host rocks.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *Easting and northing of the drill collar*	• N/A

	○ *Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill collar.* ○ *Dip and azimuth of the hole.* ○ *Down hole length and interception depth.* ○ *Hole length.* • *If the exclusion of this information is justified on the axis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/ or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in some detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• N/A
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• N/A
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See report.
Balanced Reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• N/A
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, ground water, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• See report.
Further work	• *The nature and scale of planned further work (eg tests of lateral extensions or depth extensions or large scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• See report.