



Adelaide Resources Limited

Quarterly Report

Period ending 31 December 2013

Adelaide Resources Limited
ABN: 75 061 503 375

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Corporate Details

ASX Code: ADN

Issued Capital:
229,079,813 ordinary shares
2,250,000 performance rights

Directors:

Non-executive Chairman:
Mike Hatcher

Managing Director:
Chris Drown

Non-executive Director:
John den Dryver

Company Secretary:
Nick Harding

Highlights

Moonta Copper-Gold Project – SA

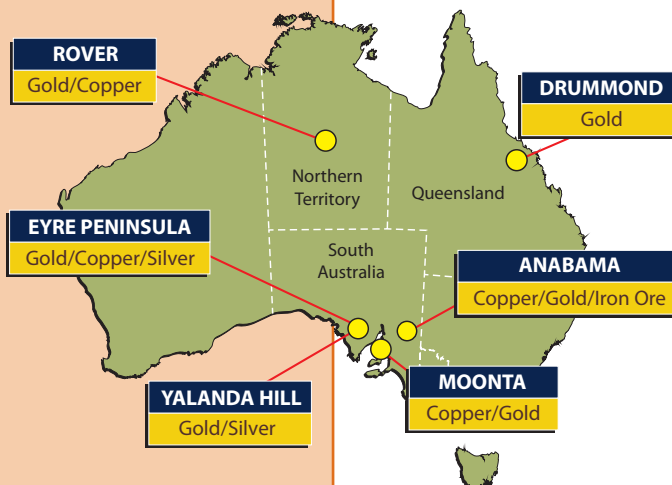
- At **Alford West** 2013 drilling tested 1100 metres of the 3500 metre long target, with high grade copper and gold intersected in many holes. **Potential to define a valuable mineral resource is considered to be high.**
- **Aircore drilling program commenced in January** 2014 at Alford West to test along strike from the 2013 drilling.
- December 2013 soil geochemical survey around Alford West Prospect discovers **significant new drill target called Blue Tongue.**
- The previously untested 1000 metre long **Blue Tongue anomaly will also be drilled in the current program.**
- Landowner agreements in place allowing **ongoing soil geochemistry** surveying in the **Alford Copper Belt.**

Drummond Epithermal Gold Project – QLD

- Rock chip sampling confirms **widespread anomalous gold** in vein material, with maximum result of **55.4g/t gold from South West Limey Dam** prospect.
- Vein textures and presence of signature epithermal pathfinder elements like arsenic **confirm target epithermal mineralisation style.**
- **Successful trial FPXRF soil geochemistry** defines arsenic anomalies demonstrating its value in future exploration.

Finance

- At 31 December 2013, the company had available funds of \$2.947 million.



Moonta Copper-Gold Project, SA

Adelaide Resources 100% (except Moonta Porphyry JV area: Adelaide Resources 90%; Minatour Exploration Limited 10%).

Introduction

The Moonta Copper-Gold Project is located on the Yorke Peninsula of South Australia (*Figure 1*). The project tenement covers 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 project 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.

Alford West Prospect

The Alford West Prospect¹ is defined by a 3500 metre long copper anomaly evident in shallow auger drilling completed in the 1970’s by past explorers (*Figure 2*). Limited historical deeper diamond and reverse circulation drilling intersected copper and gold mineralisation beneath the auger geochemical anomaly, with a number of high grade zones of copper found.

In 2013, Adelaide Resources completed aircore drilling over an 1100 metre interval of the target zone. A total of 122 holes were

drilled for 8140 metres with widespread copper and gold mineralisation intersected. Standout intersections from the 2013 drilling include:

- 7 metres at 1.86% copper and 0.45g/t gold from 51 metres in ALWAC003,
- 15 metres at 2.89% copper and 0.15g/t gold from 56 metres in ALWAC006,
- 20 metres at 4.20% copper and 0.27g/t gold from 32 metres in ALWAC007,
- 45 metres at 1.56% copper and 1.83g/t gold from 13 metres in ALWAC008,
- 15 metres at 1.04% copper and 0.33g/t gold from 21 metres in ALWAC016,
- 10 metres at 1.69% copper and 1.24g/t gold from 25 metres in ALWAC017,
- 15 metres at 1.04% copper and 0.33g/t gold from 21 metres in ALWAC016,
- 14 metres at 2.60% copper and 0.70g/t gold from 10 metres in ALWAC036,
- 20 metres at 1.76% copper and 0.33g/t gold from 36 metres in ALWAC038,
- 11 metres at 2.33% copper and 0.68g/t gold from 40 metres in ALWAC043,
- 18 metres at 2.22% copper and 0.17g/t gold from 46 metres in ALWAC044,
- 16 metres at 2.38% copper and 0.18g/t gold from 60 metres in ALWAC048,
- 12 metres at 0.41% copper and 1.44g/t gold from 15 metres in ALWAC087, and
- 11 metres at 1.11% copper and 0.03g/t gold from 42 metres in ALWAC090.

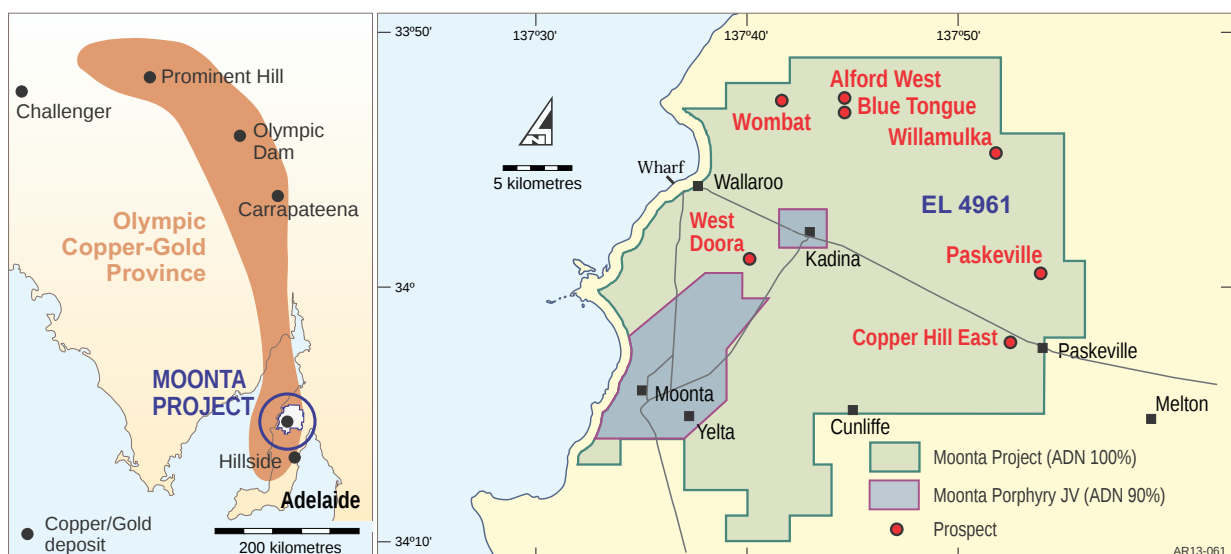


Figure 1: Moonta Copper-Gold Project location plan.

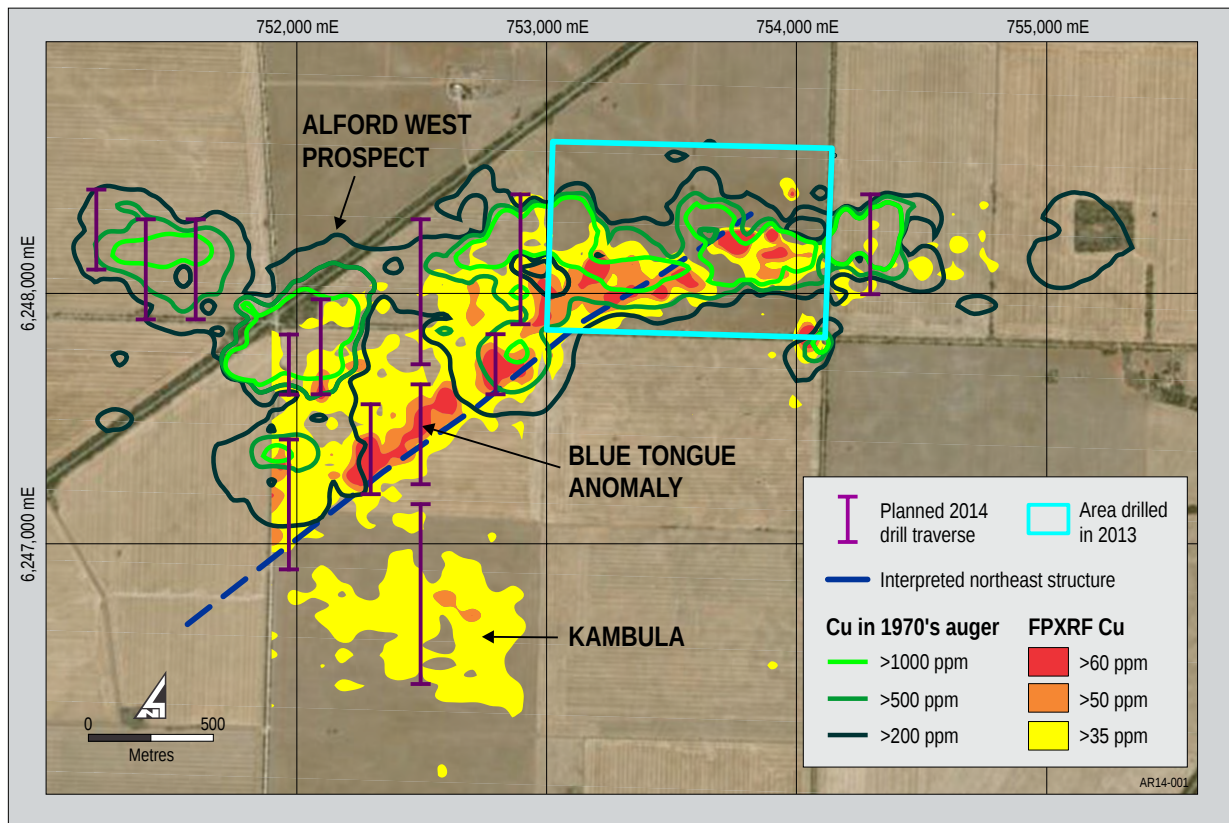


Figure 2: Alford West Prospect: 1970's auger and 2013 FPXRF geochemistry with planned drill traverses.

FPXRF soil geochemistry

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. Following completion of the annual cereal harvest in early December 2013, the company commenced a new program of FPXRF surveying to extend geochemical coverage at Alford West from the trail survey area into adjacent paddocks.

By mid December 2013, FPXRF analysis of a further 3546 sample locations had been completed², with the newly sampled areas located immediately east, west and south of the trail survey area (*Figure 3*).

Copper anomalism in soils associated with the Alford West deposit is confirmed to extend to both the east and west of the trial area, 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.

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.

A second, lower magnitude, copper anomaly was also defined by the December 2013 FPXRF survey. This feature, called Kambula, is located directly south of Blue Tongue (*Figure 2*). No historical auger, aircore, reverse circulation or diamond drill holes are known to have tested Kambula.

Following the success of the FPXRF geochemical method in defining the Blue Tongue and Kambula targets, an ongoing program of FPXRF soil geochemistry remains underway to

evaluate other areas around Alford West and in the broader Alford Copper Belt. *Figure 3* shows the areas where landholder access agreements have been signed together with the area where FPXRF sampling had been completed by mid-December.

Aircore drilling program

Interpretation of the 2013 drill results from Alford West suggests that mineralisation is continuous over the 1100 metre zone tested to date, with the mineralisation remaining open to the east, west and at depth.

Aircore drilling recommenced at the Alford West Prospect on 20 January 2014. Initially, approximately 120 aircore holes are planned on 13 new traverses shown on *Figure 2*. Eight of these traverses will extend coverage of the Alford West Prospect along strike from the area drilled in 2013, with these lines designed to test either 1970's auger or 2013 FPXRF geochemical anomalies. Four traverses are planned to test the Blue Tongue FPXRF

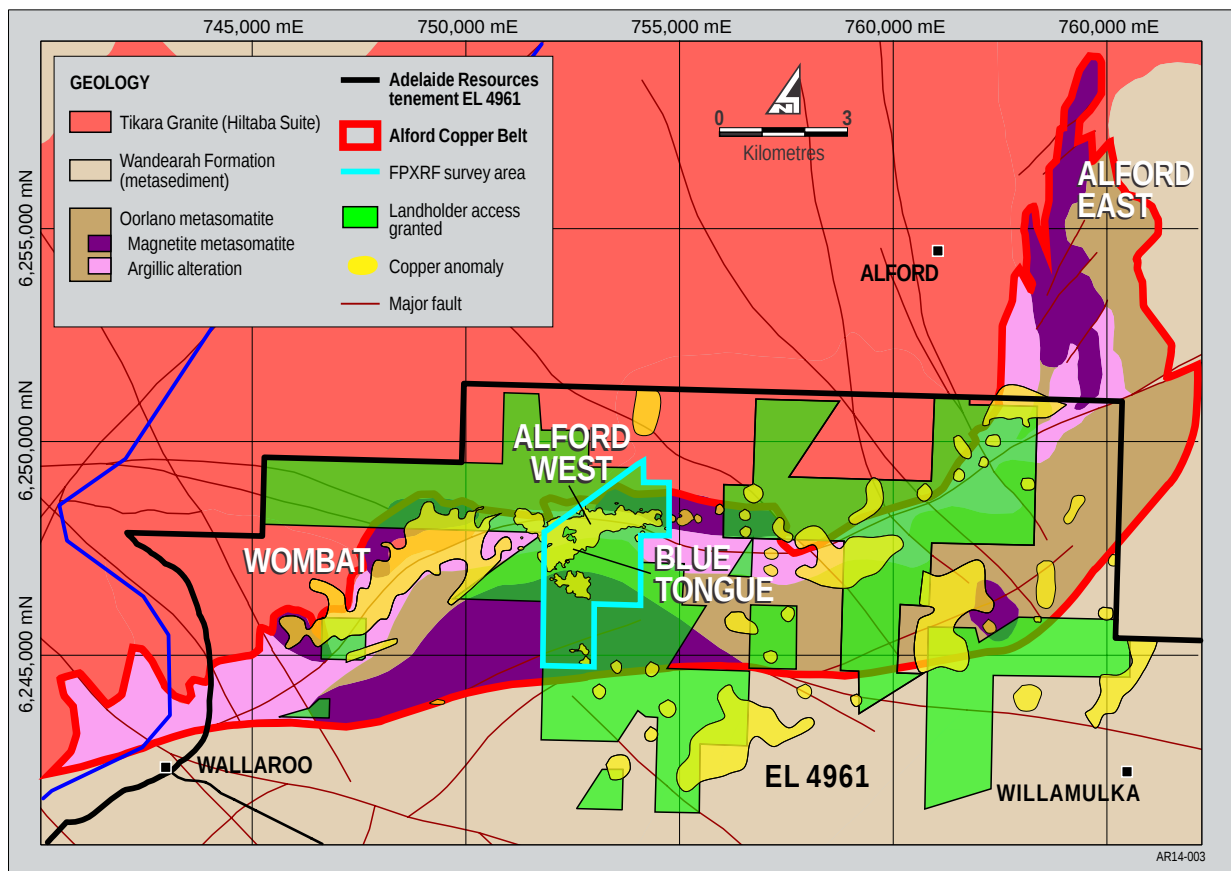


Figure 3: Alford Copper Belt interpreted basement geology, copper anomalies, 2013 FPXRF surveyed area and the areas of granted access.

anomaly, while a single traverse is planned across the Kambula FPXRF feature.

Additional drill lines will be planned once results from the initial 13 traverses are received and assessed. The current program is likely to take two to three months to complete and will total about 12,000 metres, adding significantly to the 8140 metres of aircore drilling completed at Alford West in 2013.

The new holes will be inclined at 60 degrees and drilled to the south. Drill samples will be geologically logged and scanned on-site using FPXRF instruments. Samples from anomalous intervals identified by the FPXRF scanning will then be then assayed at a commercial laboratory using standard analytical methods. ■

Drummond Epithermal Gold Project – QLD

Adelaide Resources
100%

Introduction

Adelaide Resources Limited holds 100% of EPM 18090 “Glenroy”, located approximately 90 kilometres southeast of Charters Towers in Queensland. EPM 18090 covers an area of 196 km² and geologically straddles the interpreted boundary between the Permo-Carboniferous Drummond Basin and the older Mt Windsor Volcanics and intrusives of the Lolworth-Ravenswood Block (Figures 4 and 5).

The Drummond Basin hosts a number of significant gold deposits of low sulphidation epithermal style, including the Pajingo Field some 60 kilometres west of the Glenroy tenement. The Pajingo Field has produced in excess of 3 million ounces of high grade gold, largely from the Vera Nancy lodes.

The favoured host rocks for known epithermal gold deposits in the Drummond Basin are ascribed to the “Cycle 1” volcanics, which comprise a package of largely felsic volcanics and associated subvolcanic intrusives. The Cycle 1 volcanics are interpreted to be well developed within EPM 18090 (Figure 5).

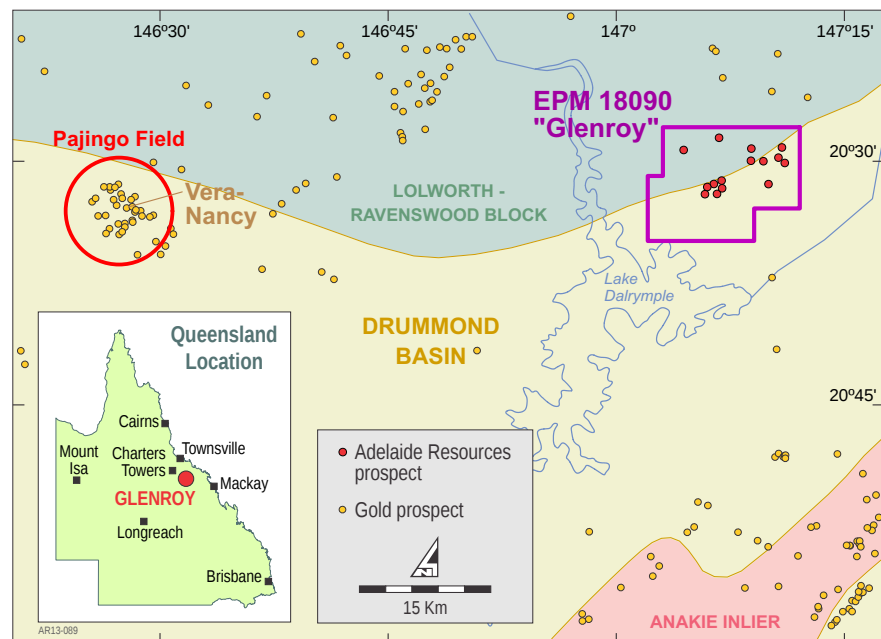


Figure 4: Glenroy tenement location plan.

Historical Exploration

Several companies have explored the Glenroy area in the past, discovering the Stones Creek, Stuart's Pocket, Breccia Hill and Limey Dam group prospects.

Previous exploration programs included geological mapping, soil and rock chip sampling, and minor drilling. The work confirmed that the Drummond Basin rocks in the Glenroy tenement contain substantial gold-bearing vein systems of a reported character similar to that associated with the other known low sulphidation epithermal gold deposits in the Drummond Basin.

Adelaide Resources personnel completed their first field visit to the Glenroy tenement during the quarter, completing rock chip sampling and trial FPXRF soil geochemical surveying.

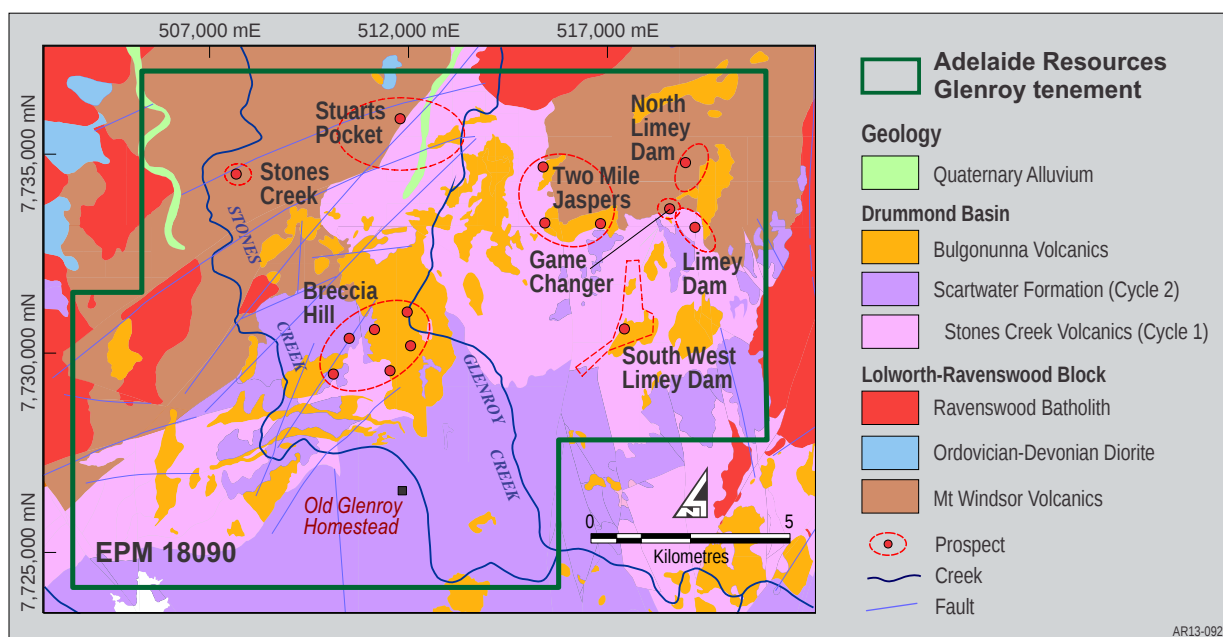


Figure 5: Glenroy tenement showing prospects and interpreted basement geology.

Rock chip results

The highest grade rock chip sample, taken at South West Limey Dam, assays 55.4g/t gold, 8.98g/t silver and contains anomalous antimony and tellurium. An adjacent sample from the same vein assays 1.26g/t gold with anomalous arsenic. Review of historical rock chip results confirms that the 55.4g/t gold sample is the highest grade rock chip sample collected from the project area. The vein which returned the 55.4g/t gold assay shows colloform banding (*Figure 6*), which is a signature epithermal vein texture.

A sample from Limey Dam assays 5.06g/t gold, 1.82g/t silver and also contains anomalous antimony and tellurium. Other anomalous gold (> 0.1g/t gold) and silver rock chips were collected at Limey Dam, South West Limey Dam, Breccia Hill and Two Mile Jaspers.

Significant rock chip results are shown in *Table 1*.

FPXRF soil geochemistry

A total of 1259 FPXRF soil analyses were completed to trial the application of the method in the Glenroy geological setting. Field Portable X-Ray Fluorescence (FPXRF) instruments struggle to read gold to the detection levels required in exploration, but are capable of reading arsenic and possibly other epithermal pathfinder elements to useful levels.



Figure 6: Rock sample assaying 55.4g/t gold from South West Limey Dam prospect.

At South West Limey Dam, FPXRF analyses of in-situ soils reveal a strong arsenic geochemical feature with the >20ppm arsenic contour defining an anomalous area with dimensions of approximately 1300 metres by 600 metres (*Figure 7*).

Included within the broad anomaly are tightly constrained linear zones of higher magnitude

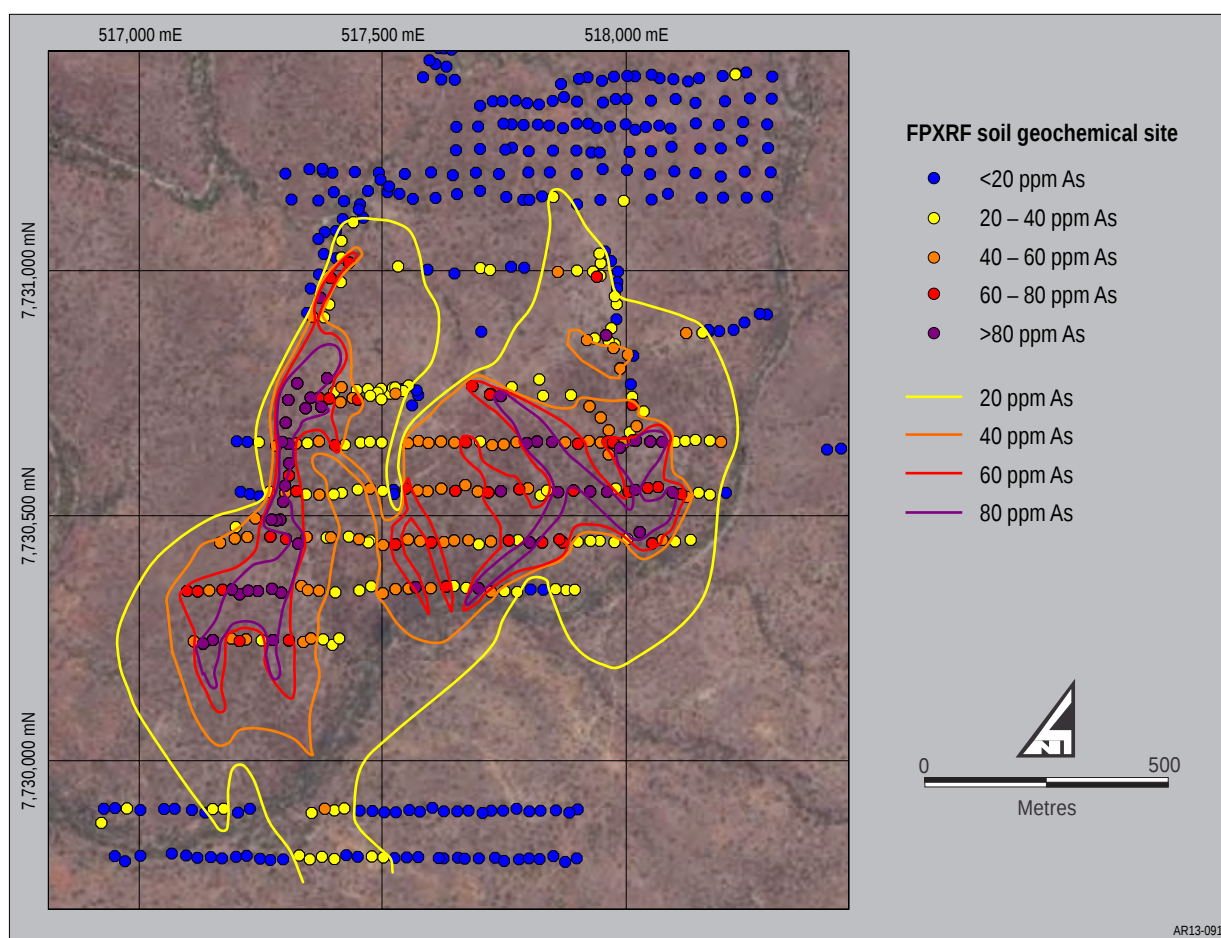


Figure 7: South West Limey Dam prospect FPXRF arsenic soil geochemistry.

Table 1: Glenroy tenement selected rock chip assays.

Sample Number	Prospect Name	Easting (mga94)	Northing (mga94)	Au (g/t)	Ag (g/t)	Epithermal Pathfinder Elements (ppm)			
						As	Bi	Sb	Te
G1	Two Mile Jaspers	515460	7733258	0.16	0.08	17.8	1.07	16.6	0.06
G24	Limey Dam	519030	7733100	0.01	0.03	14.9	2.42	2.2	1.04
G25	South West Limey	517625	7731500	0.98	0.73	16.8	0.32	4.0	1.92
G26	South West Limey	517727	7732252	0.05	0.40	28.8	1.99	3.2	3.82
G28	South West Limey	517441	7731111	0.40	0.09	2.3	0.02	12.5	0.24
G31	South West Limey	517700	7731200	0.14	0.03	3.6	0.01	13.7	0.14
G32	South West Limey	517700	7731200	55.40	8.98	2.2	0.04	5.7	11.30
G33	South West Limey	517700	7731200	1.26	0.30	35.8	0.12	12.4	0.25
G35	Breccia Hill	511352	7730597	0.43	1.16	20.6	0.09	2.4	0.56
G60	South West Limey	517020	7730070	0.18	2.24	821.0	0.07	29.4	<0.05
G61	South West Limey	517030	7730070	0.33	1.11	23.4	0.02	9.6	<0.05
G62	South West Limey	517230	7730360	0.04	0.76	133.0	0.19	11.3	<0.05
G64	South West Limey	517280	7730500	0.74	0.67	83.5	0.05	5.5	<0.05
G65	South West Limey	517280	7730500	0.24	0.20	76.4	0.11	4.4	<0.05
G77	Limey Dam	519272	7732912	5.06	1.82	3.4	<0.01	6.9	0.27
G78	Limey Dam	519243	7732953	0.15	0.11	4.9	<0.01	3.5	<0.05
G79	Limey Dam	519266	7732945	0.37	0.17	5.6	<0.01	5.9	<0.05

Assayed sample weights range from 0.35kg to 2.99kg. Gold determined by fire assay with ICP-AES finish on 30g nominal sample weight. Over range gold (>10g/t) determined by fire assay with AAS finish on 30g nominal sample weight. Other metals determined by HF-HNO₃-HClO₄ acid digestion, HCl leach followed by ICP-AES and ICP-MS analysis. Laboratory introduced standards indicate acceptable analytical quality.

anomalism, with a peak value of 220 ppm arsenic in soil.

Strong arsenic results were also achieved at North Limey Dam, while at Breccia Hill the FPXRF soil geochemistry trial revealed a tightly constrained zone of arsenic with possible elevated silver, arsenic, antimony, mercury, selenium and bismuth.

Interpretation

The 1259 sample trial FPXRF survey at Glenroy has successfully defined anomalies in epithermal pathfinder metals, most particularly arsenic, suggesting that a systematic application of the technique could quickly lead to the definition of new prospects and direct drill targets. The presence of anomalous to high grade gold in rock chips, the associated pathfinder metals

such as arsenic, and the style and form of the mineralised veins are indicative of the presence of epithermal mineralising systems and suggest the tenement is highly prospective for this attractive style of mineralisation.

The characteristics of the Breccia Hill and Limey Dam group of prospects are consistent with epithermal systems that have been only partially eroded, raising the possibility of the preservation of significant gold mineralisation below surface.

The company is considering which of the various options available to it to progress exploration of the Glenroy tenement will deliver greatest value to shareholders. Such options include further self-funded exploration or the introduction of a third party through a joint venture or similar transaction. ■

Anabama Copper-Gold-Iron Ore Project – SA

Adelaide Resources 100%

Introduction

EL 4969 “Anabama” is located south of Olary in eastern South Australia (*Figure 8*).

In 2007 Adelaide Resources discovered copper dominant mineralisation at the Dark Horse Prospect located in the western block of the two block tenement. Intersections included 40 metres at 0.20% copper, including 6 metres at 0.57% copper and 0.25% zinc. Surficial gossanous material at Dark Horse can be traced for over three kilometres indicating that a sizable sulphide bearing system is present.

Mineralisation at the Dark Horse Prospect is hosted in geological structures that cut host sediments to the Anabama Granite and which can be traced back into the granite in magnetic images. The granite is interpreted to have been critical to the genesis of mineralisation at Dark Horse and elsewhere in the district.

Airborne magnetic data also shows that an approximately two kilometre long strike length of the Braemar Iron Formation is secured by the tenement at Ironstone Dam. The iron ore (magnetite) potential of the Braemar Iron

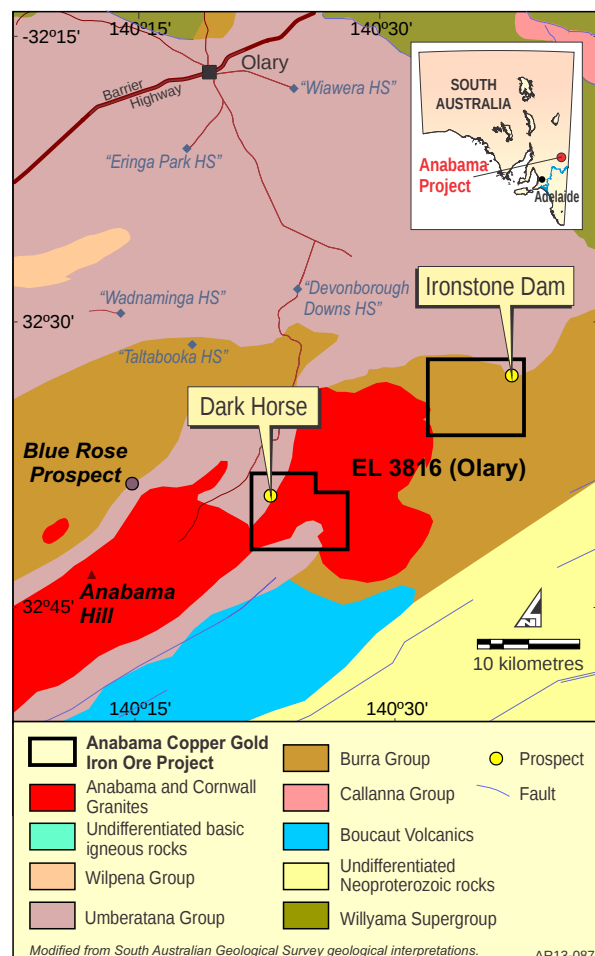


Figure 8: Anabama Project interpreted basement geology.

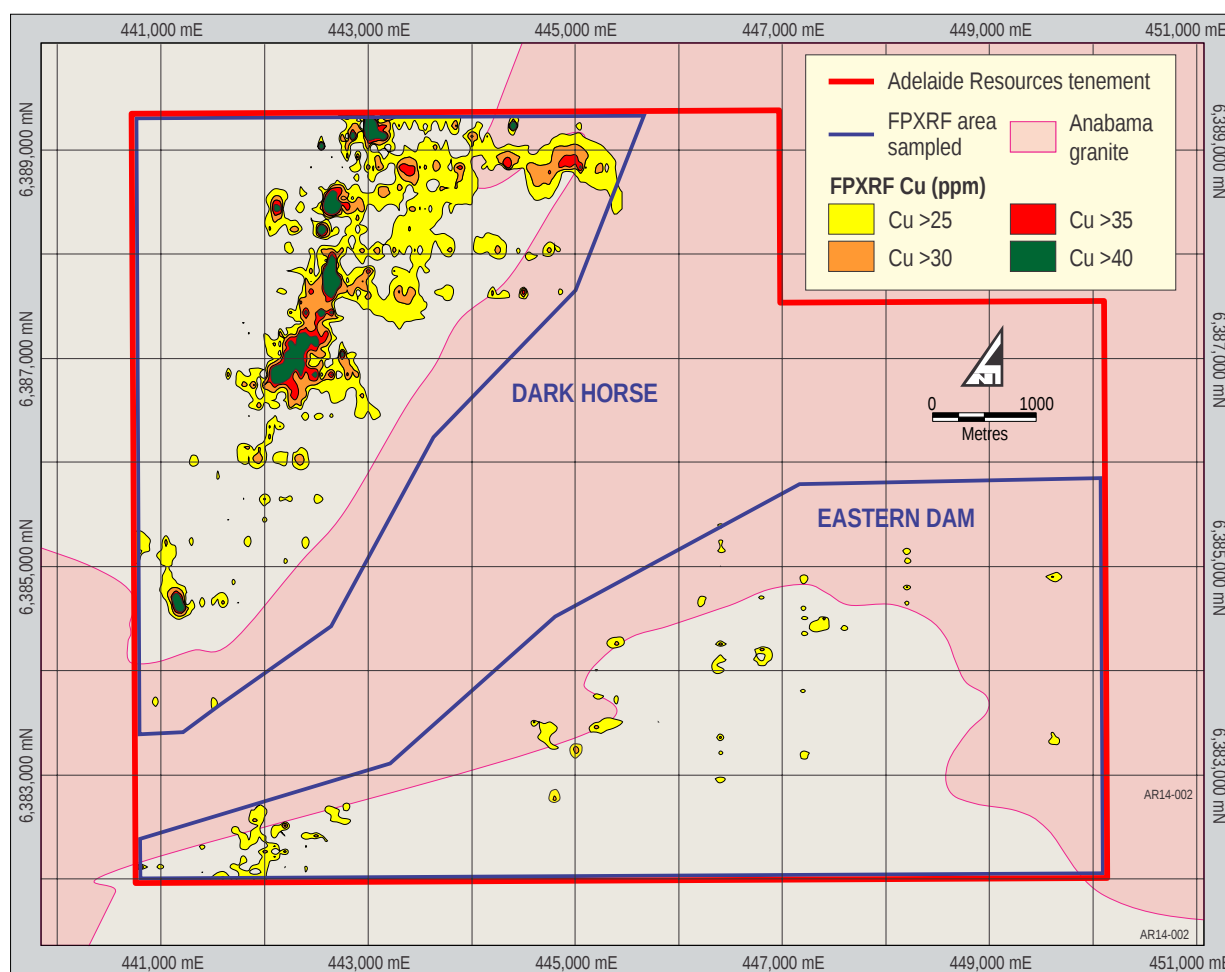


Figure 9: Anabama Project Dark Horse and Eastern Dam prospects FPXRF copper geochemistry.

Formation is being investigated by a number of companies in the region.

FPXRF soil geochemistry

During the quarter, an FPXRF soil geochemical sampling program was completed over the Dark Horse and Eastern Dam areas in the western tenement block (Figure 9).

A total of 4682 readings were taken with samples spaced at 25 metres on lines spaced between 100 and 400 metres.

At Dark Horse the FPXRF survey defined a north-northeast trending cluster of copper anomalies extending over a strike length of 3000 metres (Figure 9), with the anomalies coinciding with the presence of the surficial gossanous float. No significant anomalies were defined in the Eastern Dam area. ■

Eyre Peninsula Gold Project – SA

Adelaide Resources 100% (except Kimba Verran JV area: Adelaide Resources 90%; Olliver Geological Services Pty Ltd 10%).

The company's Eyre Peninsula Project secures a large ground position in the Central Gawler Gold Province of South Australia. The company discovered gold mineralisation at the Barns, Baggy Green and White Tank prospects in the past. In addition to gold the project is considered prospective for copper, silver and graphite.

Efforts to secure environmental and Native Title approvals to allow exploration to be undertaken at Baggy Green and the Empire copper target progressed during late 2013 and are likely to be finalised by end March 2014. ■

issued capital

The company had 229,079,813 ordinary shares and 2,250,000 performance rights on issue at 31 December 2013.

During the quarter 333,334 ordinary shares were issued to management personnel on the vesting of performance rights issued under the Adelaide Resources Limited Employee Performance Rights Plan.■



Chris Drown – Managing Director
Signed on behalf of the
Board of Adelaide Resources Limited
Dated: 22 January 2014

finance and corporate

The company had \$2.947 million in cash and term deposits at 31 December 2013.

Exploration and evaluation expenditure by the company during the December quarter was \$377,000. Exploration and evaluation expenditure incurred during the December quarter by joint venture parties on tenements in which the company has an interest total \$11,600.

Founding director Mr John Horan retired as a Non-Executive Director at the conclusion of the 2013 Annual General Meeting held on 20 November 2013.■

Competent Person Statement and JORC 2012 notes

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, acting as the Company's Managing Director. 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.

¹ *The information relating to Adelaide Resources' past exploration results at Alford West and its assessment of exploration completed by past explorers was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*

² *See ADN's ASX release dated 18 December 2013 titled "New Drill Target Defined Near Alford West Prospect – SA".*

³ *The information relating to Adelaide Resources' exploration results from the Drummond Epithermal Gold Project, and its assessment of exploration completed by past explorers was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*

Enquiries should be directed to Chris Drown, Managing Director. Ph (08) 8271 0600 or 0427 770 653.■

This table relates to the Anabama Project Information in Adelaide Resources' December 2013 Quarterly Report.

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	<i>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.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>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.</i>	- 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 ongoing basis during survey using standardisation discs.
Drilling Techniques	<i>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).</i>	No drilling was completed during the exploration program.
Drill Sample Recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the sample.</i> <i>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.</i>	No drilling was completed during the exploration program.
Logging	<i>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.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i>	No drilling was completed during the exploration program.



<i>Sub-sampling techniques and sample preparation</i>	• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	• No sample preparation was completed as analysis was conducted on in-situ soil material. • No sub-sampling was completed.
<i>Quality of assay data and laboratory tests</i>	• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>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.</i>	• 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 and blanks introduced at a ratio of 1 QAQC sample for every 54 survey samples. • No calibration factors have been applied to results reported.
<i>Verification of sampling and assaying</i>	• <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical or electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i>	• No drilling was completed during the exploration program.
<i>Location of data points</i>	• <i>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.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i>	• Sample location points are collected using a Trimble Juno 3D GPS with autonomous accuracy of +/- 5 metres. • GDA94 (Zone 54)
<i>Data spacing and distribution</i>	• <i>Data spacing for reporting of Exploration Results</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i>	• Analyses taken at 25m intervals on lines spaced between 100 and 400 metres. 100 metre line spacing employed where anomalies were defined.

<i>Orientation of data in relation to geological structure</i>	• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	• Sample lines oriented east-west (Dark Horse) or north-south (Eastern Dam). Line and sample spacing are adequate to define sizable geochemical anomalies of any orientation with confidence.
<i>Sample security</i>	• <i>The measures taken to ensure sample security.</i>	• In-situ readings were made and no samples collected.
<i>Audits or reviews</i>	• <i>The results of any audits or reviews of sampling techniques and data</i>	• Previous trial survey confirmed copper anomaly above drill confirmed 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
<i>Mineral tenement and land tenure status</i>	• <i>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.</i> • <i>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.</i>	• The area the subject of this report falls within EL 4969, which is 100% owned by Peninsular Resources limited, a wholly owned subsidiary of Adelaide Resources Limited. • There are no third party agreements, non government royalties, historical sites or environmental issues. Underlying land title is Pastoral Leasehold. • EL 4961 falls wholly within the area of Native Title Claim SAD33/2012. • EL 4961 is in good standing.



<i>Exploration done by other parties</i>	<i>Acknowledgement and appraisal of exploration by other parties.</i>	- In the Dark Horse area, Dominion Mining Limited drilled 20 RAB holes on two traverses encountering moderately anomalous Cu and Zn. The South Australian Department of Mines and Energy drilled two holes with no anomalous results. - In the Eastern Dam area Placer Exploration Ltd and the South Australian Department of Mines and Energy drilled one hole each with no anomalous results.
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	Mineral deposits in the region are considered to be structurally controlled hydrothermal deposits genetically related to the Ordovician Anabama Granite.
<i>Drill hole Information</i>	<i>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:</i> <i>Easting and northing of the drill collar</i> <i>Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill collar.</i> <i>Dip and azimuth of the hole.</i> <i>Down hole length and interception depth.</i> <i>Hole length.</i> <i>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.</i>	No drilling was completed as part of the program.
<i>Data aggregation methods</i>	<i>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.</i> <i>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.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	- No data aggregation methods were utilised. - No metal equivalent reporting was done.



<i>Relationship between mineralisation widths and intercept lengths</i>	• <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>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').</i>	• No drilling was completed during the exploration program
<i>Diagrams</i>	• <i>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.</i>	• A plan showing contoured copper geochemistry appears as Figure 9 in the report.
<i>Balanced Reporting</i>	• <i>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.</i>	• Copper geochemical data from all sites surveyed was gridded to produce Figure 9.
<i>Other substantive exploration data</i>	• <i>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.</i>	• Copper anomalism is coincident with zones of subdued magnetic response and the presence of sulphide pseudomorphs in surficial float.
<i>Further work</i>	• <i>The nature and scale of planned further work (eg tests of lateral extensions or depth extensions or large scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	• The company has not yet planned any further exploration.