



Australian Securities Exchange Announcement

3 April 2014

Petrology Study Highlights Drummond Project Potential – QLD.

A petrological study completed on rock samples from the Drummond Basin Project “Glenroy” tenement (Figure 1) corroborates the company’s interpretation that highly prospective epithermal gold mineral systems are present.

Epithermal gold deposits are often high grade, forming very attractive exploration targets, so confirmation that epithermal processes have occurred within an exploration area is of great significance. Epithermal processes produce characteristic vein textures and alteration mineral assemblages that can be observed in thin sectioned rock samples.

A total of thirteen rock samples from Glenroy, displaying veining and possible hydrothermal alteration, were studied in thin section by consultant petrologist Mason Geoscience Pty Ltd. The consulting petrologist observed that **“The mineralogies and textures suggest the veins formed by crystallisation of hydrothermal fluid at moderately low temperatures in a shallow crustal epithermal environment.”**

Vein textures are described as including massive, weakly banded and thinly colloform banded space-filling veins, with very fine grains of gold observed in one sample. One vein includes evidence of fluid boiling, another important characteristic of prospective epithermal systems.

The study also found that the mineralised host rocks formed as acid to intermediate volcanics and volcanoclastics, including andesite which is commonly found in epithermal settings. The host rocks have suffered high intensity pervasive alteration resulting in phyllic, intermediate phyllic and argillic assemblages which are characteristic of epithermal mineral systems.

The vein textures and alteration assemblages observed in the Glenroy samples are identical to those described in the orebodies that comprise the >3 million ounce Pajingo Gold Field.

Some of these key epithermal characteristics in the Glenroy samples are illustrated in the following thin section photographs.

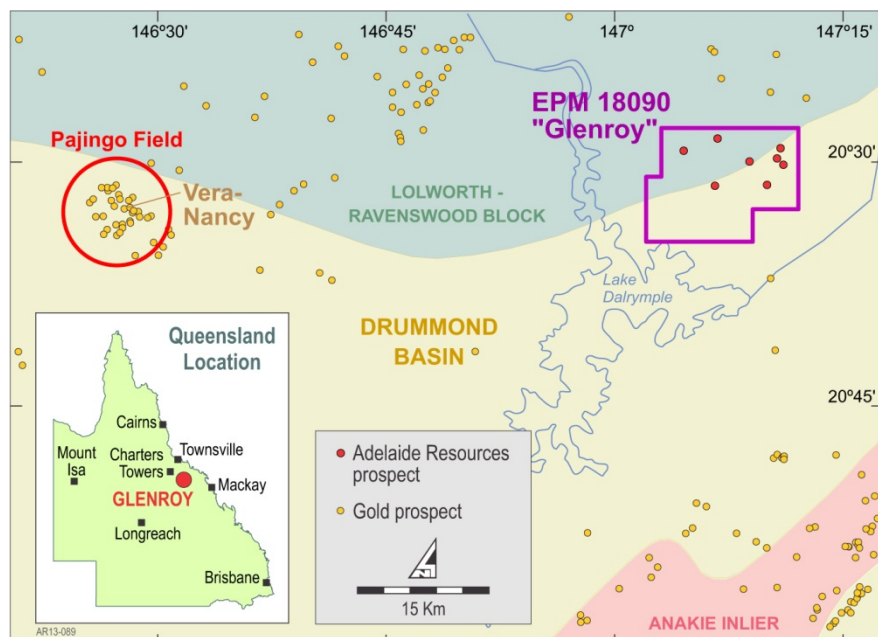


Figure 1: Glenroy tenement location plan.

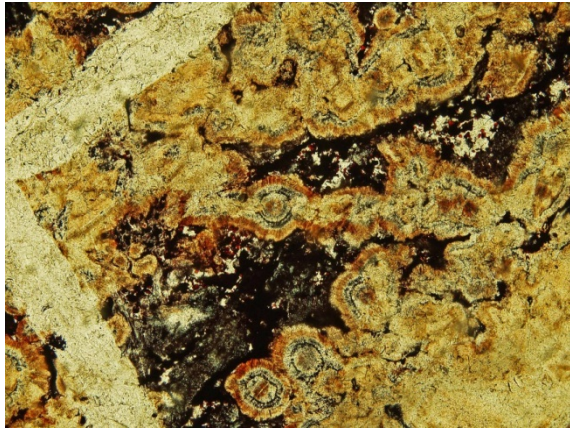


Plate 1: Quartz-rich vein rock illustrating its colloform microtexture. The colloform texture is enhanced by reddish staining of weathering origin. (*Jaspers Prospect 515460mE, 7733258mN. Photo approx. 2mm wide*).

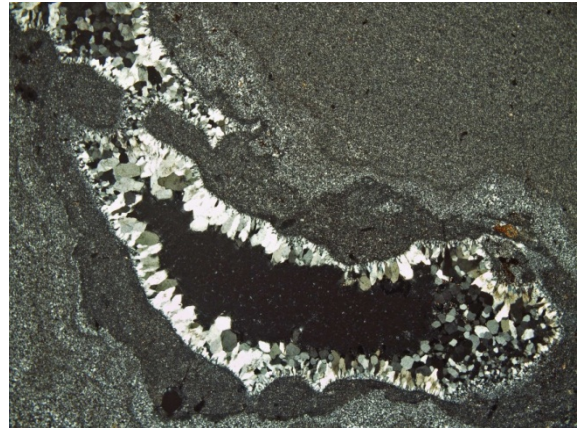


Plate 2: Very fine-grained banded quartz +/- sericite vein rock. Crustiform quartz (white to grey) lines vughs in some late-formed laminae. (*SW Limey Dam Prospect 517020mE, 7730070mN. Photo approx. 7mm wide*).

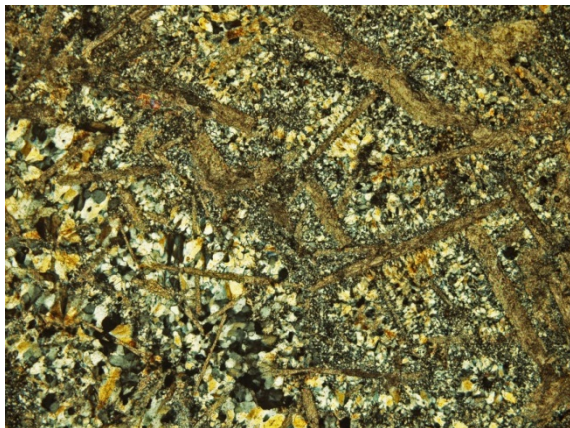


Plate 3: Breccia cement with bladed calcite crystals (elongated brown grains) that indicate boiling may have occurred during crystallization, a characteristic epithermal process. (*SW Limey Dam Prospect 517625mE, 7731500mN Photo approx. 4.5mm wide*).



Plate 4: This view from a quartz-sericite-gold band captures three tiny grains of gold (top left, centre, bottom right) that are between 5 and 10 microns in size. (*SW Limey Dam Prospect 5177005mE, 7731200mN Photo approx. 1mm wide*).

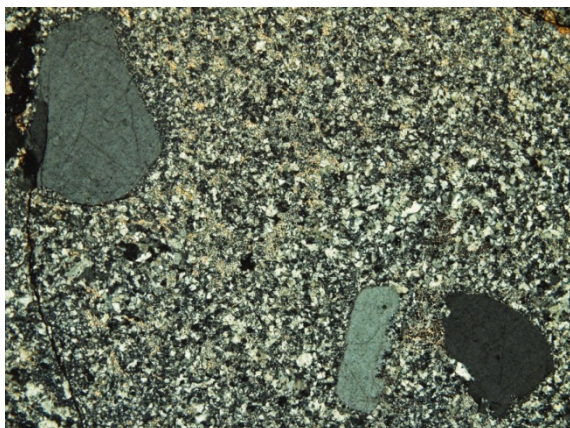


Plate 5: The groundmass of this acid volcanic has suffered pervasive phyllic hydrothermal alteration and has been replaced by fine quartz (white to grey) and sericite (tiny yellowish flecks). (*Gamechanger Prospect 518565mE, 7733625mN Photo approx. 4.5mm wide*).

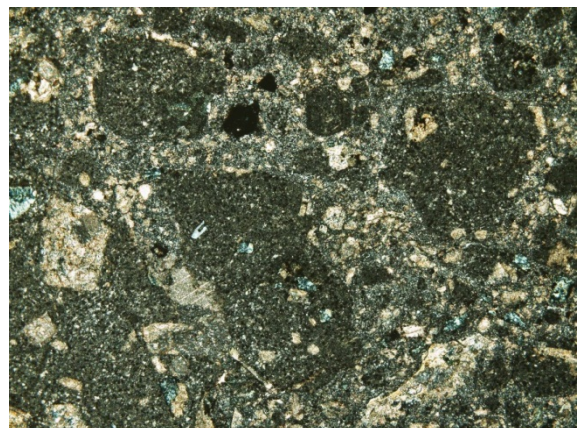


Plate 6: View of altered andesitic tuff with abundant angular andesitic lava fragments in a fine-grained altered matrix comprising albite-chlorite-sericite-calcite-rutile(?)-pyrite. (*SW Limey Dam Prospect 517776mE, 7731627mN Photo approx. 4.5mm wide*).

Adelaide Resources considers that the consulting petrologist's study presents compelling support for the company's assessment that significant epithermal systems are present on the Glenroy tenement, and that the licence is highly prospective for high grade epithermal gold deposits.

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.



Chris Drown
Managing Director

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Competent Person Statement

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.

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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Petrological samples were collected from surface exposures. Petrological samples were selected to get a range of veining and alteration styles.
Drilling Techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> The report does not include drilling results.
Drill Sample Recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The report does not include drilling results.
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The report does not include drilling results.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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 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 	<ul style="list-style-type: none"> The report does not include drilling or sampling analytical results.

	<p>sampling.</p> <ul style="list-style-type: none"> • Whether sample sizes are appropriate to the grain size of the material being sampled. 	
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • The report does not include assay results.
Verification of sampling and assaying	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • The report does not include assay results.
Location of data points	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Coordinates of sample locations are disclosed in the report. • GDA94 (Zone 53)
Data spacing and distribution	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Number, location and distribution of petrological samples is considered sufficient to result in an unbiased assessment.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • 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 should be assessed and reported if material. 	<ul style="list-style-type: none"> • Number, location and distribution of petrological samples is considered sufficient to result in an unbiased assessment.
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • Samples were hand delivered to the consultant by company personnel.
Audits or reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data 	<ul style="list-style-type: none"> • No audits or reviews have been completed.

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	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • The area the subject of this report falls within EPM 18090, which is 100% owned by Adelaide Exploration Pty Ltd, a wholly owned subsidiary of

	<p>along with any known impediments to obtaining a license to operate in the area.</p>	<p>Adelaide Resources Limited.</p> <ul style="list-style-type: none"> • There are no third party agreements, non govt royalties, or historical sites known. Underlying land title is Pastoral leasehold. The tenement area is covered by a Native Title claim. Part of the tenement falls within Restricted Area 206 – Burdekin Falls Dam Catchment. • EPM 18090 is in good standing.
<p>Exploration done by other parties</p>	<ul style="list-style-type: none"> • Acknowledgement and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> • The general area the subject of this report has been explored in the past by various companies including Cormepar Minerals, Otter Exploration, Hunter Resources, Poseidon Gold, Dalrymple Resources and MIM Exploration. The Company has reviewed past exploration data generated by these companies.
<p>Geology</p>	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> • Deposits in the general region are considered to be of low sulphidation epithermal vein style.
<p>Drill hole Information</p>	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ Easting and northing of the drill collar ○ 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. 	<ul style="list-style-type: none"> • The report does not include drilling results.
<p>Data aggregation methods</p>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • The report does not include drilling results.
<p>Relationship</p>	<ul style="list-style-type: none"> • These relationships are particularly important in the 	<ul style="list-style-type: none"> • The report does not include

<i>between mineralisation widths and intercept lengths</i>	<p><i>reporting of Exploration Results.</i></p> <ul style="list-style-type: none"> • <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> 	drilling results.
<i>Diagrams</i>	<ul style="list-style-type: none"> • <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> 	<ul style="list-style-type: none"> • Photomicrographs illustrating various petrological features are included in Plates 1 to 6 in the report.
<i>Balanced Reporting</i>	<ul style="list-style-type: none"> • <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> 	<ul style="list-style-type: none"> • The report does not include drilling, geochemical or geophysical results.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <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> 	<ul style="list-style-type: none"> • The petrological observations and interpretations support the model that the tenement is prospective for epithermal gold deposits.
<i>Further work</i>	<ul style="list-style-type: none"> • <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 is considering various options to progress exploration of the Glenroy tenement, including further self-funded exploration or the introduction of a third party through a joint venture or similar transaction.