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Australian Securities Exchange Announcement

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Excellent Results Upgrade Bruce Zone at Alford West – SA.

Highlights

- Laboratory assays confirm **excellent drill intersections** have been achieved in recent holes targeting the Bruce Zone at the Alford West Prospect, with the new results **some of the best achieved at the Bruce Zone to date.**
- Drillhole ALWAC285 made an un-bottomed intersection of **9 metres at 2.75% copper and 0.15g/t gold** from a downhole depth of 41 metres. The hole finished in bonanza grade copper with the **final 2 metres assaying 8.99% copper and 0.44g/t gold**.
- Drillhole ALWAC261 intersected an un-bottomed interval of **11 metres at 1.52% copper and 0.04g/t gold** from 77 metres downhole. This hole also ended in very high grade with the **final 2 metres assaying 3.23% copper.**
- Drillhole ALWAC258 returned **26 metres at 0.65% copper** from 56 metres downhole, including **10 metres at 1.02% copper** from 70 metres.
- **Molybdenum is present at grades that may be economically significant**. ALWAC260 intersected an un-bottomed **16 metres at 0.20% molybdenum** from 71 metres, some of the highest grade molybdenum yet encountered at the Bruce Zone.
- Assaying of drill samples from recent holes drilled at the Six Ways Zone is nearing completion with **further significant mineralised intervals anticipated.**

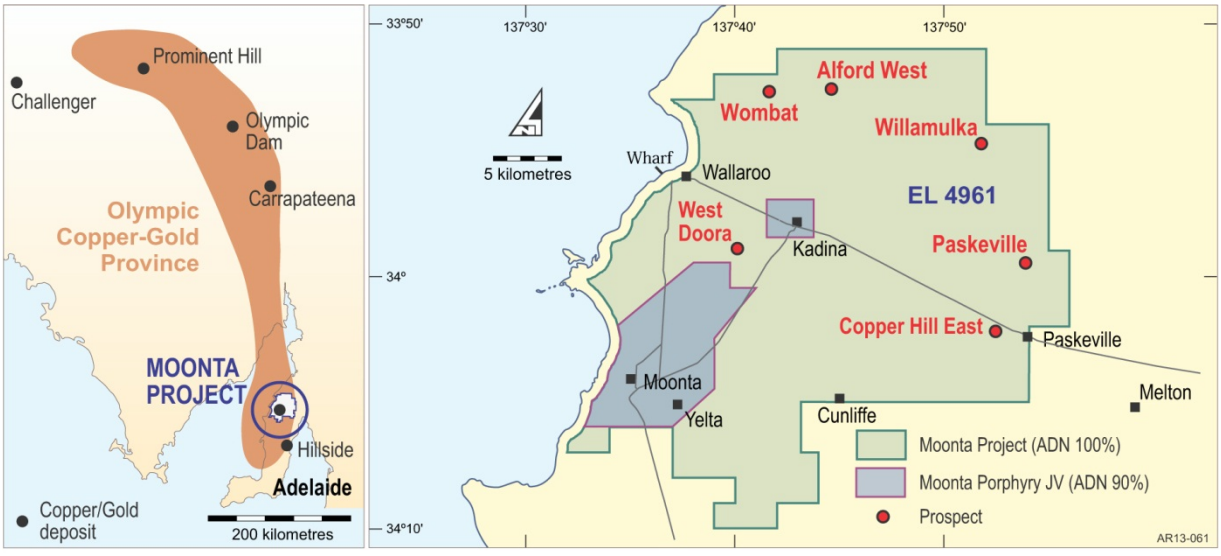

Figure 1: Moonta Copper-Gold Project location.

Introduction

The Alford West Prospect[1] is located in the northern part of the Moonta Copper-Gold Project tenement which is situated on the Northern Yorke Peninsula of South Australia (Figure 1). The Moonta Project falls towards the southern end of the world class Olympic Copper-Gold Province, and captures the historical copper mining and processing centres at Moonta, Kadina and Wallaroo which together form the famous "Copper Triangle" mining district.

On 1 May 2014 the company released a new mineralisation model for the Alford West Prospect[2]. The Bruce Zone is one of four zones defined in the model that show potential to contribute to a mineral resource. The Bruce Zone is interpreted to comprise a number of east-west trending, sub-parallel lodes. It is also characterised by significant associated molybdenum mineralisation.

A preliminary version of the mineralisation model was used to design a number of the holes drilled in the second stage of the recently completed aircore drilling program at the prospect, with 12 holes targeting the Bruce Zone (Figure 2).

Laboratory assaying of drill samples from these holes is now complete and confirms that excellent mineralised intersections have been achieved in several holes. Table 1 (see page 5) presents a list of intersections from the recently drilled Bruce Zone holes.

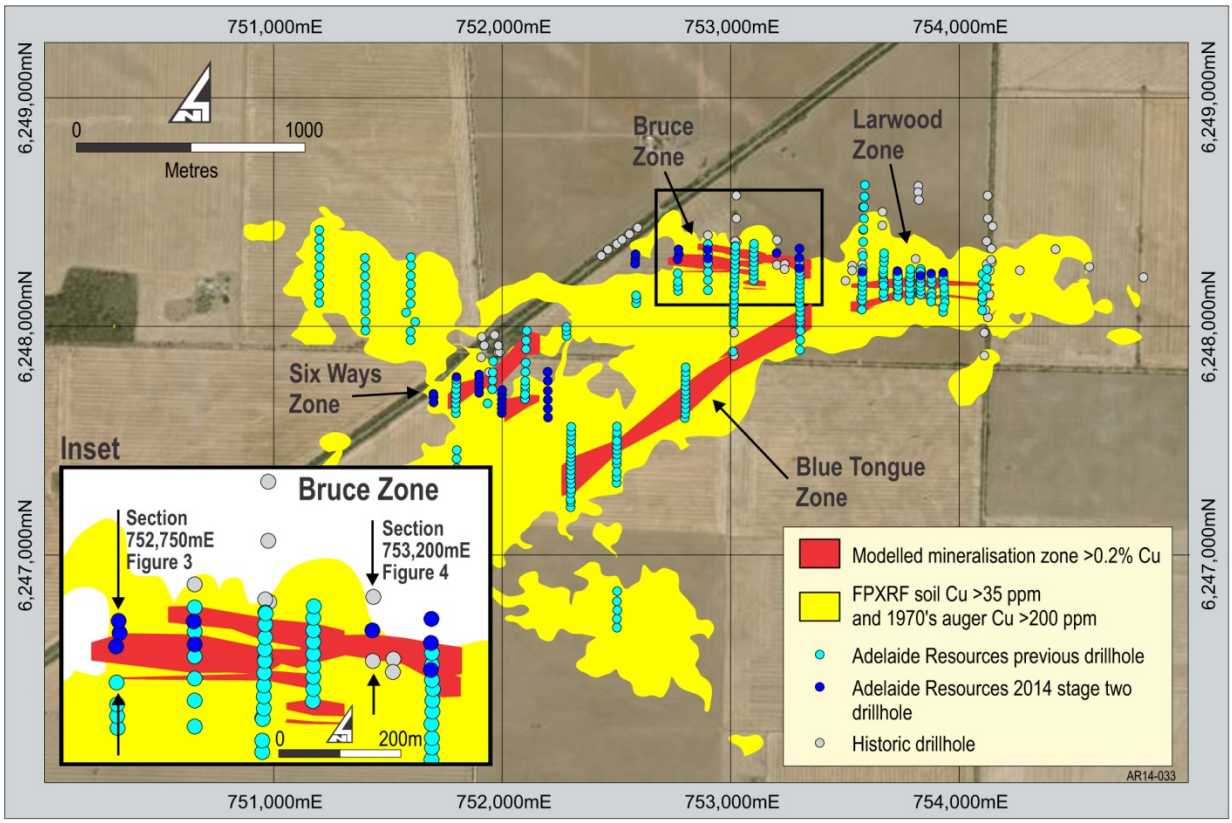

Figure 2: Alford West Prospect drillhole locations and copper geochemistry.

Section 752,750mE

Four aircore holes (ALWAC241 to ALWAC244), targeting the peak of a copper anomaly evident in historic 1970's auger geochemistry, were drilled in the first stage of aircore drilling in 2014 on section 752,750mE, however none of these holes returned significant mineralisation. The recently constructed mineralisation model for Alford West predicted that these first four holes may have been positioned too far south, and so ALWAC261, ALWAC262 and ALWAC285 were drilled during stage two of the 2014 program to test the model derived target.

ALWAC261 and ALWAC285 are now confirmed to have made two of the best intersections yet returned from the Bruce Zone (Figure 3).

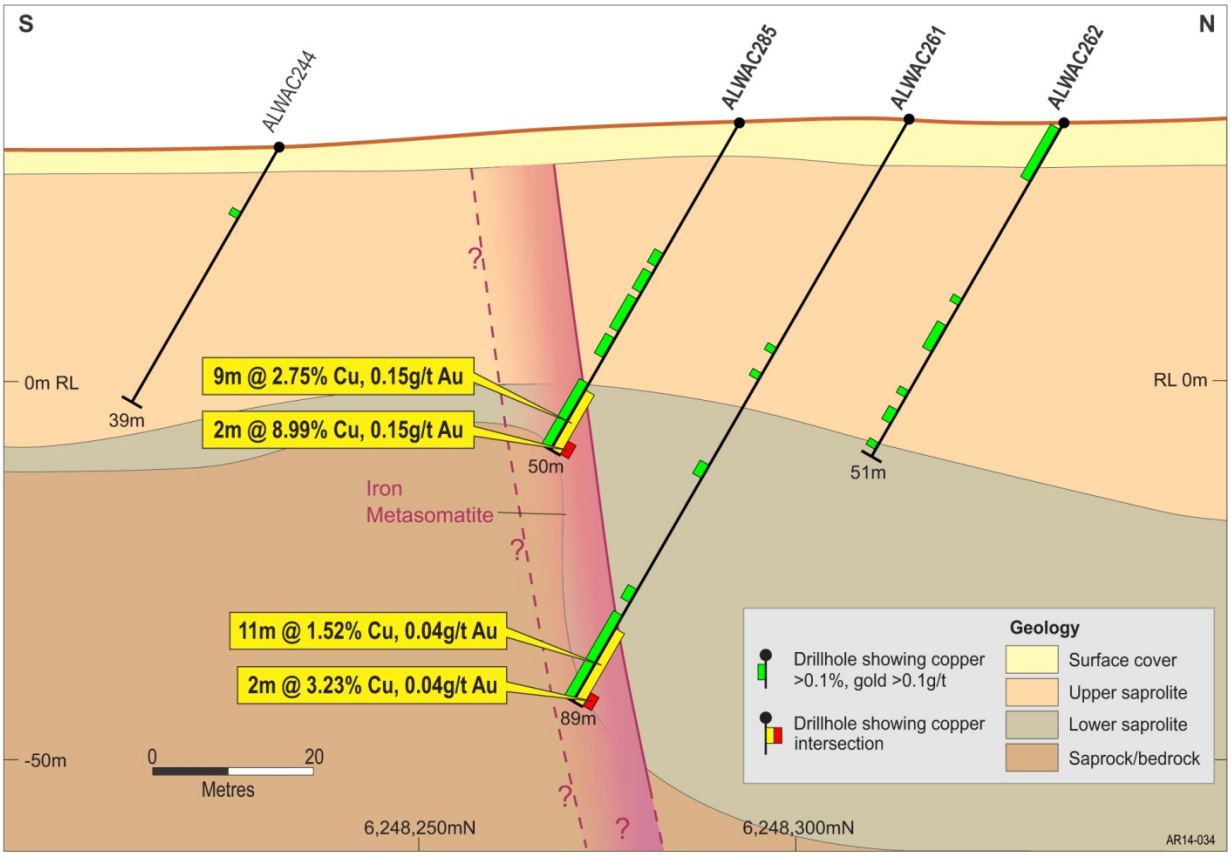

Figure 3: Alford West Prospect Section 752,750mE looking west.

ALWAC261 passed into high grade copper mineralisation at a depth of 77 metres, intersecting 11 metres at 1.52% copper and 0.04g/t gold. The hole remained in mineralisation to its final depth, with the last two metres of the hole returning a very high grade of 3.23% copper.

ALWAC285 was collared 20 metres to the south of ALWAC261 and is interpreted to have hit the same lode approximately 30 metres up-dip. ALWAC285 returned 9 metres at 2.75% copper and 0.15g/t gold from 41 metres downhole. This intersection also persisted to the end of the hole, with the final two metres returning bonanza grade copper of 8.99%.

The samples at the end of both holes are iron-rich, and the host rock is interpreted to be an iron metasomatite, an alteration product that formed during the mineralising event and which represents the “iron oxide” component of an Iron Oxide Copper Gold deposit.

The copper bearing phase in the intersection in ALWAC261 is interpreted to be the valuable sulphide chalcocite, however its position deep in the lower saprolite suggests it is not the product of supergene enrichment which occurs close to the upper boundary of the lower saprolite elsewhere at Alford West. ALWAC261 therefore provides strong evidence that appreciable primary grade is present at depth at Alford West, and that chalcocite may be present as a primary phase as it is in other IOCG deposits in South Australia.

The Bruce Zone remains open for at least 200 metres to the west of Section 752,750mE, the southern boundary of the lode has not been reached on section, and it remains open at depth. Additional drilling to better define the lode boundaries on 752,750mE and to test along strike and at depth for extensions is warranted.

Section 753,200mE
Two historical diamond holes (DDH132 and DDH136) drilled by WMC/NBH fall on this section, with encouraging intersections of copper returned in inclined hole DDH132, and a low grade intersection achieved in vertical hole DDH136 (Figure 4).

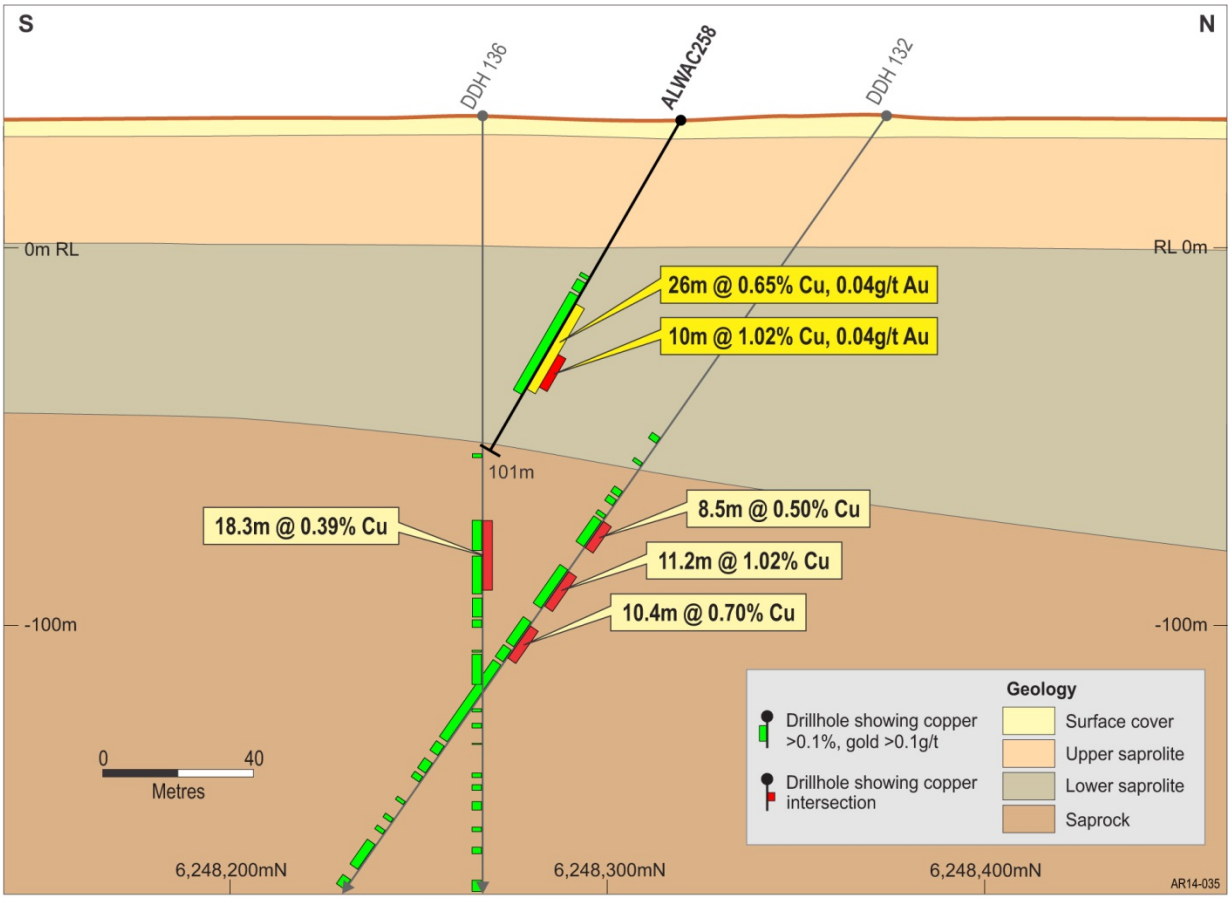

Figure 4: Alford West Prospect Section 753,200mE looking west.

The Alford West mineralisation model predicted that the lodes should be sub-vertical and ALWAC258 was drilled to test this target up-dip of the intersections in DDH132.

ALWAC258 intersected 26 metres at 0.65% copper from 56 metres downhole, including a 10 metre sub-zone assaying 1.02% copper in the target position, thereby extending the zone of mineralisation intersected in DDH132 approximately 60 metres in the up-dip direction. The intersections on this section are also considered unlikely to be enriched by supergene processes, and are reflective of likely primary grades.

Significant molybdenum intersected
The Bruce Zone also contains molybdenum of potential economic significance in places. Molybdenum mineralisation is associated with copper although spatially the two metals are not always exactly coincident. Hole ALWAC260, collared at 752898mE, 6248335mN and drilled to the south at -60°, intersected 16 metres at 0.20% molybdenum from 71 metres, with the intersection persisting to the end of the hole. This is one of the highest grade molybdenum intersections yet returned from the Bruce Zone.

The company also drilled further holes at the Six Ways Zone at Alford West during the second stage of the recently completed aircore program. Field Portable X-Ray Fluorescence (FPXRF) scans of the drill samples from the Six Ways holes was completed during the drilling program and indicate that additional zones of mineralisation can be anticipated. Laboratory assaying of these holes is underway, with results likely to be released in the coming days.

Table 1: *Intersections in 2014 stage two holes – Bruce Zone.*

Hole Name	Easting (mga94)	Northing (mga94)	RL	Dip	Azimuth	Depth (m)	From (m)	To (m)	Interval (m)	Cu %	Au g/t
ALWAC258	753199.9	6248319.5	33.8	-60	180	101	48	52	4	0.28	0.05
							56	82	26	0.65	0.04
						incl.	**70**	**80**	**10**	**1.02**	**0.04**
ALWAC259	752899.9	6248295.7	32.7	-60	180	69	48	68	20	0.35	0.46
						incl.	50	56	6	0.59	0.76
ALWAC261	752772.9	6248315.0	34.7	-60	180	89	**77**	**89**	**11**	**1.52**	**0.04**
						incl.	**78**	**81**	**3**	**2.26**	**0.05**
						and	**87**	**89**	**2**	**3.23**	**0.05**
ALWAC284	753299.2	6248252.4	33.5	-60	360	77	18	32	14	0.26	0.12
							35	37	2	0.29	0.07
							49	62	13	0.39	0.11
						incl.	56	57	1	1.21	0.15
ALWAC285	752766.7	6248292.5	34.2	-60	180	50	**41**	**50**	**9**	**2.75**	**0.15**
						incl.	**44**	**50**	**6**	**3.73**	**0.22**
						incl.	**48**	**50**	**2**	**8.99**	**0.44**

Intersections calculated by averaging 1metre chip grab 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 or 0.2g/t gold applied with up to 2m internal dilution. Introduced QA/QC samples indicate acceptable analytical quality. Intersections are downhole lengths – true widths are not known.

Chris Drown
Managing Director

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

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. 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 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 1 May 2014 titled "New Mineralisation Model for the Alford West Prospect – SA."

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.*	• Aircore drilling was used to obtain 1m grab samples of an average weight of 1.0kg which were pulverised to produce sub samples for lab assay (30g charge for gold fire assay, and 0.25g charge for a suite of 22 metals including copper for ICP-AES). • A second nominal 200g grab sample was collected for FPXRF scan using an Innov-X FPXRF (Olympus) analyser. • No sample preparation of the FPXRF scan samples was completed. • FPXRF Instrument calibration completed on on-going basis during survey using standardisation discs. • Only laboratory assay results were used to compile the table of intersections that appears in the report
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).*	• Drill method includes aircore blade in unconsolidated regolith, and aircore hammer (slimline RC) in hard rock. • Hole diameters are 90mm.
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.*	• Qualitative assessment of sample recovery and moisture content of all drill samples is recorded. • Sample system cyclone cleaned at end of each hole and as required to minimise down-hole and cross-hole contamination. • No relationship is known to exist between sample recovery and grade.
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.*	• All samples were geologically logged by on-site geologist, with lithological, mineralogical, weathering, alteration, mineralisation and veining information recorded. The holes have not been geotechnically logged. • Geological logging is

		qualitative. • Chip trays containing 1m geological sub-samples are photographed at the completion of the drilling program. • 100% of any reported intersections (and of all metres drilled) have been geologically logged.
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 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.*	• Samples averaging 1.0kg were collected for laboratory assay using a trowel. • Dry samples were homogenised by mixing prior to sampling. • Laboratory sample preparation includes drying and pulverising of submitted sample to target of P80 at 75um. • No samples checked for size after pulverising failed to meet sizing target in the sample batches relevant to the report. • Duplicate samples were introduced into sample stream by the Company, while the laboratory completed double assays on many samples. • Both Company and laboratory introduced duplicate samples indicate acceptable analytical accuracy. • Laboratory analytical charge sizes are standard sizes and considered adequate for the material being assayed. • 200g FPXRF samples collected in the same way laboratory samples were collected. • No sample preparation employed for FPXRF samples. • No duplicates included in FPXRF stream • Comparison of FPXRF scans with laboratory assay of sample twins shows FPXRF scans underestimate copper content by an average factor of approximately 40%.
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*	• Standard laboratory analyses completed for gold (fire assay) and copper (4 acid digest with ICP-AES) and over range (>1%) copper (4 acid digest with AA

	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.*	finish). • The laboratory analytical methods are considered to be total. • FPXRF is a total analytical technique appropriate for Cu at the concentrations encountered in the natural geological environment. • FPXRF instrument is an Olympus Innov-X 4000 with reading times set at 45 seconds. • For laboratory samples the Company introduced QA/QC samples at a ratio of one QA/QC sample for every 24 drill samples. The laboratory additionally introduced QA/QC samples (blanks, standards, checks) at a ratio of greater than 1 QA/QC sample for every 4 drill samples. • Both the Company introduced and laboratory introduced QA/QC samples indicate acceptable levels of accuracy and precision have been established. • Comparison of FPXRF scans with laboratory assay of sample twins shows FPXRF scans underestimate copper content by an average factor of approximately 40%. • Standards and blanks were introduced into the FPXRF sample stream at the start of each hole. • No calibration factors have been applied to any FPXRF results.
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.*	• A Company geologist has checked the calculation of the quoted intersections in addition to the Competent Person. • No twinned holes were drilled in the program the subject of the report. • FPXRF sample scans and drill hole collar, geological logs, and selected laboratory sampling intervals are digitally captured on site prior to verification and incorporation into the Company database.

		Laboratory assay data is merged into the database upon receipt. The database files are backed-up five times per week. Chip tray samples of drilled geological material are collected for each drill hole and stored long term at the Company's premises. • No adjustments have been made to either laboratory or FPXRF assay data.
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.*	• Drill hole collars were surveyed using DGPS with an accuracy of +/- 0.5 metres. • GDA94 (Zone 53) • Hole collar RLs were surveyed using DGPS with an accuracy of +/- 1.5 metres.
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.*	• Along line drill hole spacing generally either 20 metres or 40 metres, which is considered adequate coverage to allow confident interpretation of lithological and grade continuity. • No sample compositing has been applied.
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 should be assessed and reported if material.*	• Drill lines oriented north-south across E-W trending lodes. The angle of incidence is not considered to result in biased sampling.
Sample security	• *The measures taken to ensure sample security.*	• Company staff collected all laboratory and FPXRF samples. • Samples submitted to the laboratory samples were transported and delivered by Company staff.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data*	• FPXRF analytical performance is reviewed by comparison against laboratory assays on an on-going basis.

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*	• The area the subject of this report falls within EL 4961, which is 100% owned by Peninsula Resources limited, a wholly owned subsidiary of

	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.*	Adelaide Resources Limited. • There are no non govt royalties, historical sites or environmental issues. Underlying land title is Freehold land which extinguishes native title. • Compensation agreements are in place with the relevant agricultural landowners. • 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, Amalg Resources, 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-Mo-Pb 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:* o *Easting and northing of the drill collar* o *Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill collar.* o *Dip and azimuth of the hole.* o *Down hole length and interception depth.* o *Hole length.* • *If the exclusion of this information is justified on the basis 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.*	• The required information on drill holes which returned material intersections is incorporated into Table 1 of the report. Tabulated intersections calculated using a 0.2% Cu or 0.2g/t Au lower cutoff grade, and containing up to 2m of internal dilution. • The collar locations of program drill holes the subject of the report are shown on Figure 2 of the report, with MGA94 co-ords listed in Table 1 of the report.
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*	• Intersections are calculated by simple averaging of 1m assays. • Where sub-intervals of higher grade are contained in an intersection, the higher grade portion is also disclosed in the report. • No metal equivalents are reported.

	some detail. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
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').*	• The envelopes to mineralised zones are interpreted to be sub-vertically dipping and E-W striking. The geometry of internal zones of mineralisation is unknown. • The footnote to Table 1 of the report states that intersections are downhole lengths and that true widths are unknown.
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.*	• Appropriate plans and sections with scales appear as Figures 1 to 4 in the report. A tabulation of intersections appears as Table 1 of the 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.*	• The criteria used to determine if an intersection is listed in Table 1 is disclosed in the footnote to the table.
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.*	• There is no other meaningful or material exploration data that has been omitted from the 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.*	• The report advises that further exploration results from additional drilling completed at other mineralised zones is pending, and that a follow-up stage of deeper drilling in the area the subject of the report is warranted.