

Australian Securities Exchange Announcement

5 June 2014

Tomahawk - another high quality drill target defined in the Alford Copper Belt – Moonta Copper-Gold Project, SA.

Adelaide Resources Limited (ADN) is pleased to report that the ongoing program of Field Portable X-Ray Fluorescence (FPXRF) soil geochemistry on the Moonta Copper-Gold Project has defined another large, high magnitude, copper geochemical anomaly called Tomahawk (Figure 1). The key findings are:

- The Tomahawk soil copper anomaly falls in the highly prospective Alford Copper Belt and is about 5 kilometres east of the Alford West Prospect.
- The Tomahawk anomaly is comparable in size to the FPXRF soil copper anomaly associated with the Alford West Prospect, and **the concentration of copper in soils at Tomahawk matches or exceeds the highest levels seen at Alford West.**
- The gravity geophysical signature at Tomahawk is very similar to that seen at the well mineralised Alford West and Wombat prospects, presenting independent corroborative support to the impressive soil geochemistry results.
- Tomahawk occurs in a geologically complex area where major interpreted shear/fault structures likely to have been active during the regional mineralisation event intersect.
- Limited shallow historical aircore drilling encountered anomalous copper and gold, confirming the presence of sub-surface mineralisation.
- **Taking into account all available exploration data, we assess Tomahawk to be a high quality target worthy of exploratory drilling.**

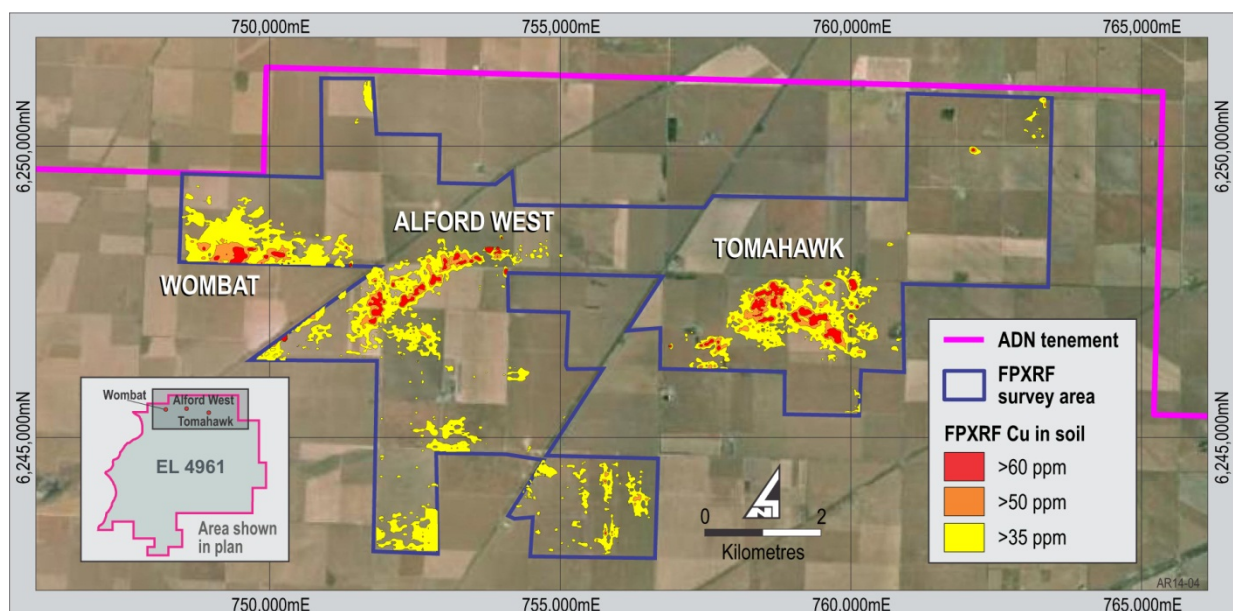


Figure 1: FPXRF survey area showing copper in soil contours.

Background

Research in May 2013 into the application of an innovative soil geochemical sampling method using Field Portable X-Ray Fluorescence (FPXRF) technology on the Moonta Copper-Gold Project (Figure 2) confirmed the method's ability to rapidly define copper soil anomalies for minimal cost. Due to this cost efficiency it is possible to survey at a very dense pattern which provides high resolution geochemical coverage allowing direct drill targeting.

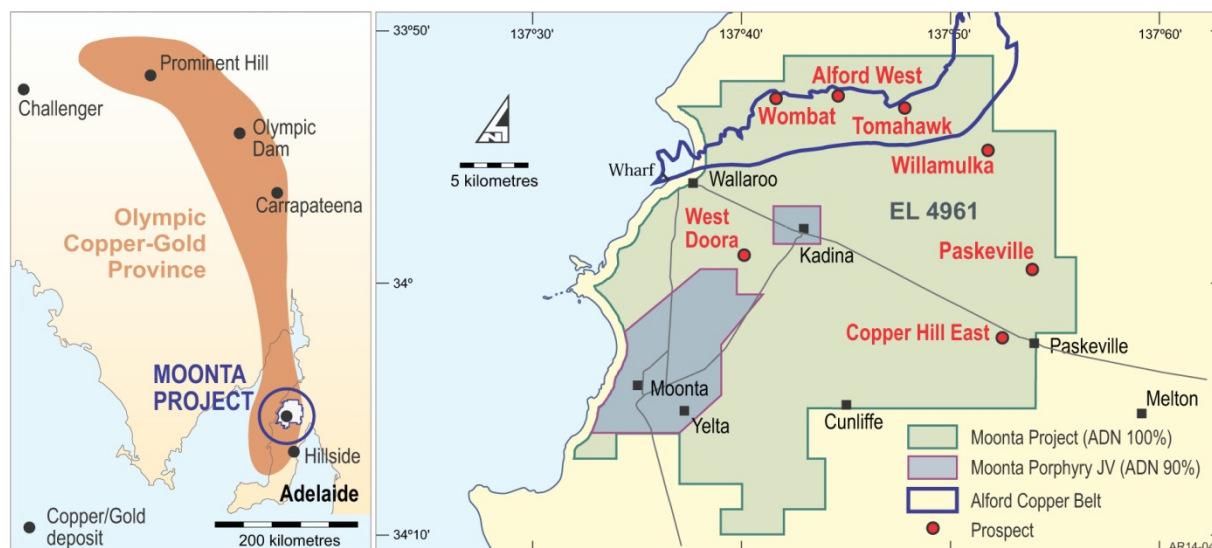


Figure 2: Moonta Copper-Gold Project location.

The initial FPXRF trials were conducted at the Alford West Prospect and successfully defined copper anomalies in transported surficial soils directly overlying drill confirmed mineralisation at the Larwood Zone. In December 2013 the trial was extended, with the method responsible for discovering the soil anomaly sourced by the Blue Tongue Zone of copper mineralisation at Alford West. Following the success of the 2013 FPXRF trials, application of the new method has been further extended with an on-going program of FPXRF geochemical surveying conducted in 2014.

The company believes that a belt of highly altered and mineralised bedrock that lies immediately south and east of the contact of a Hiltaba Suite granite pluton in the northern part of the Moonta Project tenement is particularly prospective for copper-gold deposits of Iron Oxide Copper-Gold (IOCG) style (Figure 2). We term this belt the Alford Copper Belt, and the expanded program of FPXRF geochemistry has been prioritised to focus on this area.

To date, in excess of 24,400 soil sites have been read with the FPXRF method, with samples nominally spaced at 25 metres on lines spaced 100 metres or 50 metres apart. The area that has been sampled to date is shown on Figure 1.

The Tomahawk Copper Anomaly

Recent FPXRF Geochemistry

The expanded FPXRF program has delineated a large and high magnitude copper anomaly called Tomahawk. It is located approximately 5 kilometres east of the Alford West Prospect and has now been defined at a highly detailed sample pattern of 50 metres by 25 metres.

As can be seen in Figure 1, the Tomahawk anomaly is of a similar dimension and of a slightly higher copper tenor to the FPXRF anomaly associated with the Alford West Prospect.

At the 35ppm copper level, the Tomahawk anomaly has dimensions of approximately 2400 metres by 800 metres (Figure 3). It includes a core comprising two robust, distinct high

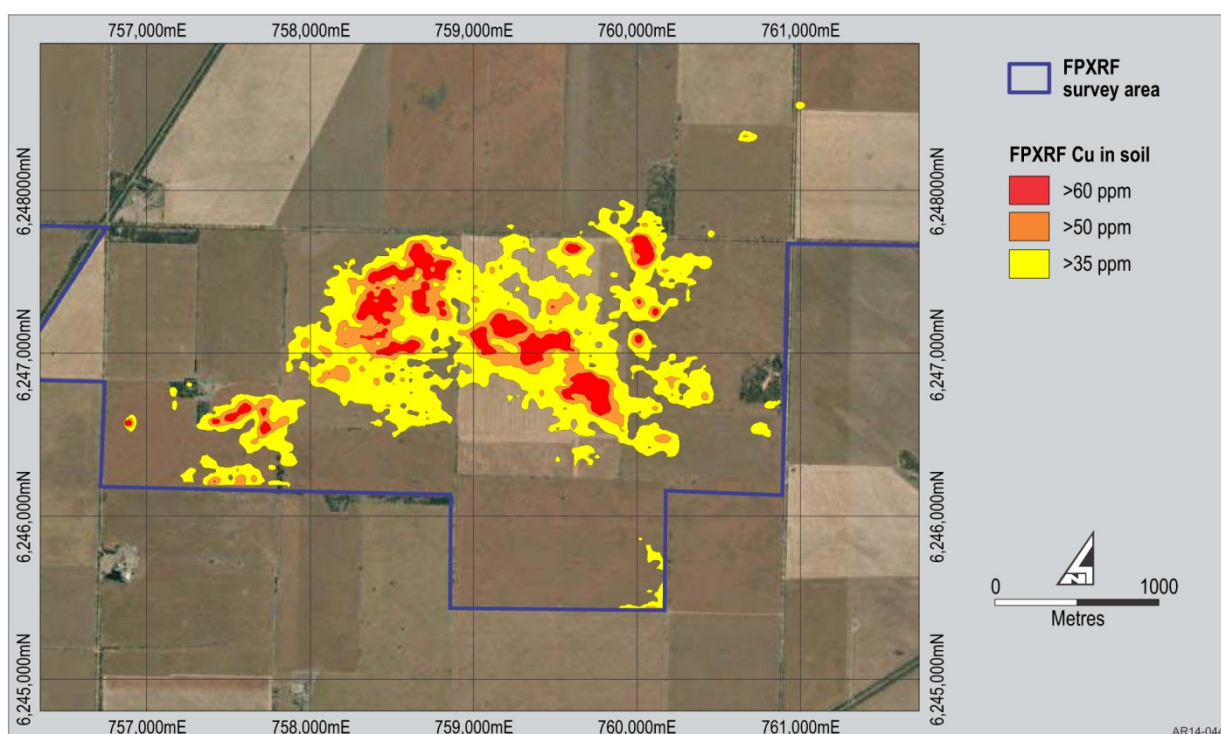


Figure 3: Tomahawk Prospect showing copper in soil contours.

magnitude zones where soils contain over 50ppm copper. The eastern of these zones is a 1000 metre long northwest striking linear feature about 250 metres wide. The western zone trends for 800 metres, is up to 400 metres wide, and has a northeast strike.

Together with copper, Tomahawk has anomalous bismuth, lead, nickel, selenium, yttrium and zinc which are metals often found at elevated levels in other IOCG deposits.

Gravity Geophysics

Historical geophysical gravity data from the Moonta Project reveals that the western zone of the Tomahawk anomaly is associated with a distinctive northeast trending gravity response. This distinctive gravity feature is of very similar character and orientation to the gravity response associated with the Alford West and Wombat Prospects to the west. While the cause of the distinctive gravity responses at each of the three prospects is unknown, the coincidence of copper-gold mineralisation with gravity features at both Alford West and Wombat suggests an association, and the presence of a similar gravity feature at Tomahawk is considered a positive indicator.

Geological Interpretation

The eastern core zone in the Tomahawk soil anomaly strikes northwest, while the western core zone strikes northeast. Copper-gold deposits having both these orientations are known within the district. The Moonta Lodes, The Blue Tongue and Six Ways Zones at Alford West, and the Willamulka Prospect all strike northeast; while the Wallaroo Lodes and the Paskeville Prospect strike northwest. The strike of the two core zones is therefore a positive feature.

A geological interpretation based on available magnetic data indicates that Tomahawk occurs in a complex geological area where a number of large fault/shear structures are present (Figure 4). The soil anomaly is developed in the area where northeast trending structures intersect with strong northwest trending structures.

Structures such as these are likely to have formed a “plumbing system” for mineralising fluids during the time copper-gold deposits were forming in the district. Structural intersections, such as those seen around Tomahawk, may have focused fluid flow and hence mineralisation.

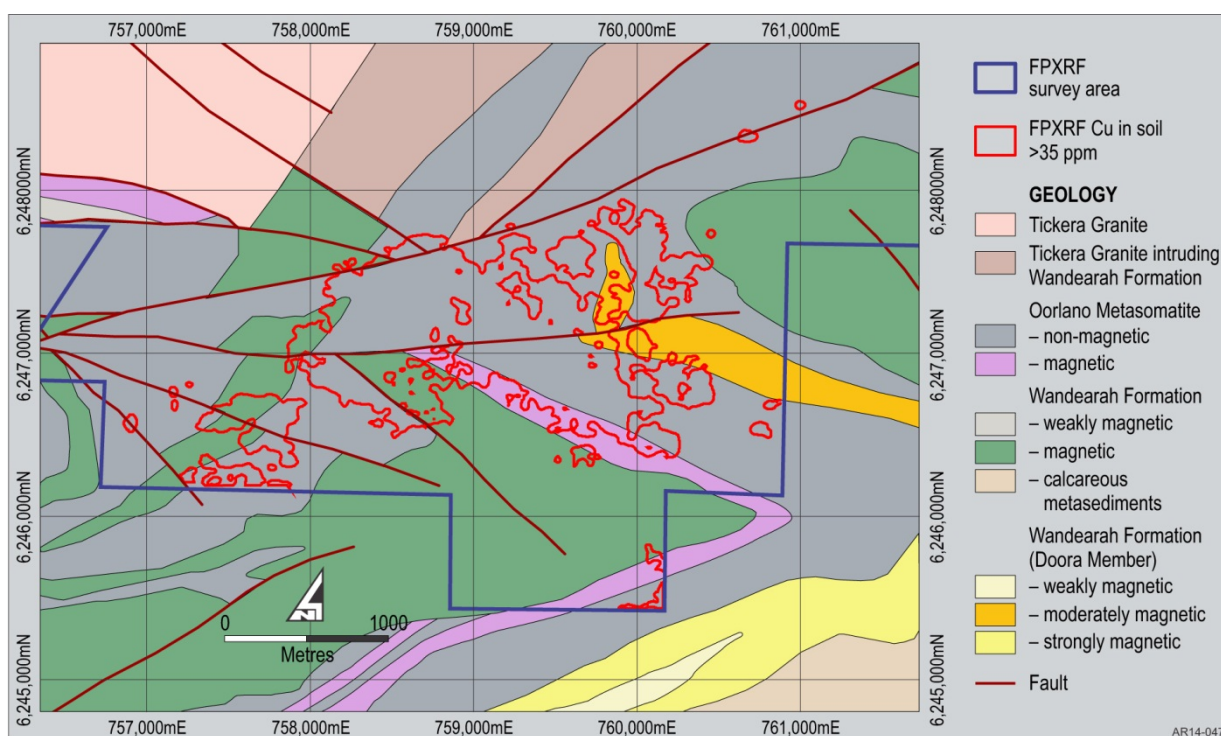


Figure 4: Tomahawk Prospect showing FPXRF copper in soil >35ppm over interpreted geology.

Historical exploration

The area around Tomahawk has seen some historical exploration completed by the WMC/NBH JV, BHP Minerals and Phelps Dodge Australasia Incorporated.

Historical geochemistry includes broad spaced calcrete sampling completed in the 2000's by BHP and Phelps Dodge, and shallow auger drilling done in the 1970's. The calcrete sampling indicated the presence of an area of anomalous copper around Tomahawk, however sample spacings of 400 x 800 metres did not provide high resolution to the geochemical feature.

The WMC/NBH JV drilled approximately 250 shallow auger holes on traverses in the general vicinity of Tomahawk. A number of holes returned assays greater than 500ppm copper with several assaying greater than 0.1% copper. These results are above the threshold value of 200ppm copper in auger used to define the geochemical target at the Alford West Prospect.

Phelps Dodge drilled 45 aircore holes around Tomahawk. Hole depths ranged from 3 metres to 51 metres, averaging 27.5 metres. Assays reach a maximum of 4 metres at 0.12% copper in MPDAC-310 from 42 metres downhole, while 15 holes include samples assaying over 500ppm copper. The highest gold assay of 60ppb was from the deepest sample in hole MPDAC-285. These results confirm the presence of mineralisation at Tomahawk.

Samples from the Phelps Dodge drilling are held by Adelaide Resources, and observation of the drill chips suggest the majority of holes tested only oxidised upper saprolite, a regolith horizon which often displays partial to complete geochemical depletion at prospects like Alford West. Although the drill chips are weathered, possible evidence of hydrothermal alteration is present together with quartz-tourmaline veining which also occurs at Alford West.

In 1974, the WMC/NBH JV drilled a single diamond core hole (DDH158) near the southeast margin of the Tomahawk anomaly. Weakly anomalous copper to 320ppm was reported in samples from DDH158, and zones in the hole were interpreted to be hydrothermally altered.

Figure 5 presents a summary of the historical calcrete sampling, auger geochemistry and deeper drilling at Tomahawk.

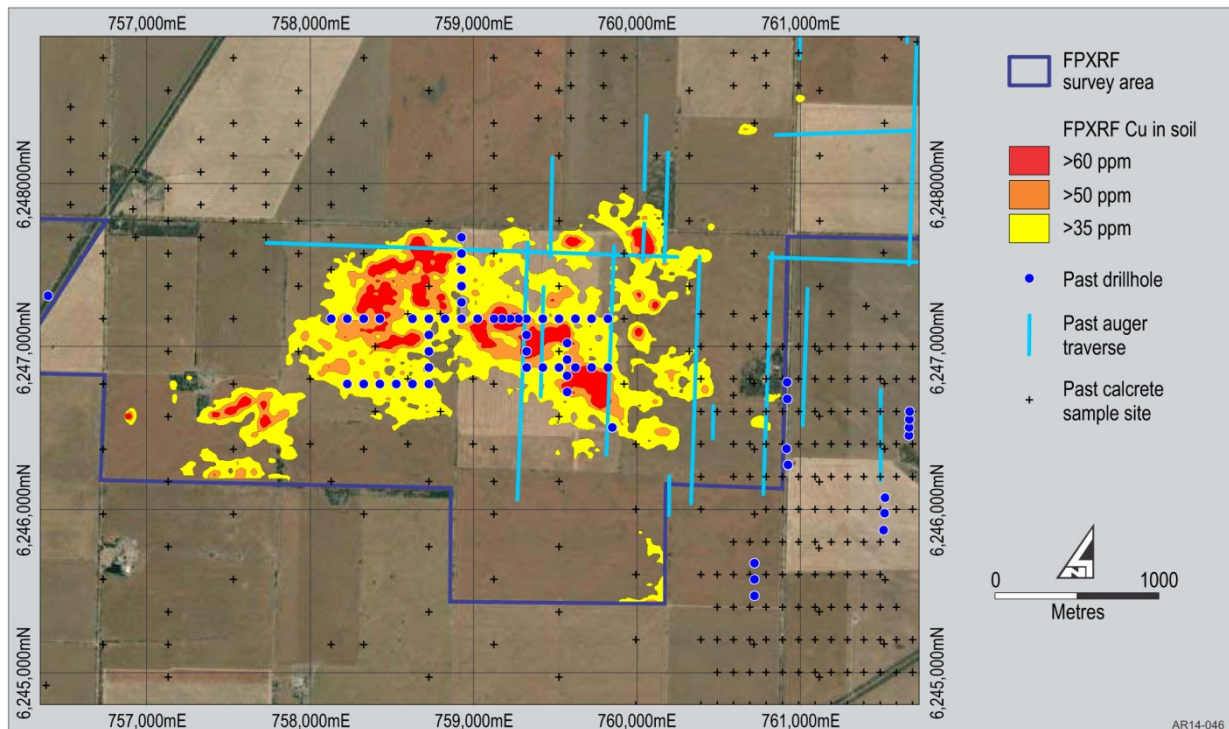


Figure 5: Tomahawk Prospect showing past drillholes, auger traverses and calcrete sample sites.

Conclusion

Tomahawk is defined by an FPXRF soil copper anomaly of a size and magnitude directly comparable to the soil copper anomaly sourced by significant mineralisation at Alford West. It is associated with a distinctive gravity geophysical signature similar in character to gravity features associated with the mineralised Alford West and Wombat prospects. Tomahawk occurs in the highly prospective Alford Copper Belt in an area where we interpret a number of large intersecting fault/shear structures to be present.

Our assessment of limited shallow historical drilling completed by Phelps Dodge is that it confirms the presence of an underlying copper-gold mineralised system, but that this drilling has not adequately tested the target as the majority of holes did not penetrate below potentially geochemically depleted upper saprolite.

Tomahawk is therefore regarded as another high quality target in the Alford Copper Belt on the Moonta Project, and is considered worthy of future exploration including drill testing.

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 Mark Manly, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Manly is a full time employee of Adelaide Resources Limited. Mr Manly 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 Manly 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.

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 <i>in situ</i> soil analysis. - No sample preparation of the soils was completed. - Instrument calibration completed on on-going basis during survey using standardisation discs. - Sampling methods used for historic aircore holes are unknown. - Samples from an historic diamond hole were taken by collecting drill sludge.
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).	Historical drill methods include aircore and diamond coring.
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.	Sample recovery from historic holes is not recorded.
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.	Historic holes were geologically logged. The logs are qualitative in nature. Holes were logged in their entirety.
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 indicate

	<i>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>	acceptable analytical accuracy for FPXRF samples. • Sampling methods, any QAQC procedures, and any measures taken to ensure sample representativity for historic holes is not recorded.
Quality of assay data and laboratory tests	• <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, blanks and duplicates introduced at a ratio of 1 QAQC sample for every 40 survey samples. • No calibration factors have been applied to results reported. • Adelaide Resources cannot quantify the appropriateness of quality of assay data for historical holes, but believes it is likely to be high as the companies involved were competent and professional.
Verification of sampling and assaying	• <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>	• The historical drillhole assay results mentioned in the report are taken from reports of historical exploration lodged with the SA Government.
Location of data points	• <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>	• FPXRF sample location points are collected using a Trimble Juno 3D GPS with autonomous accuracy of +/- 5 meters. • Surveying of historic aircore drill collars and calcrete samples was done by GPS with an accuracy of +/- 15 metres. • Locations of historic auger geochemistry traverses and a diamond drillhole mentioned in the report are estimated from historical records and have an assumed accuracy of +/- 50 metres. • GDA94 (Zone 53)

<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>	• FPXRF analyses taken at 25m intervals on lines spaced at 50 metres. • The high density of sample points is sufficient to establish continuity of the anomaly.
<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 north-south. 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>	• FPXRF readings are made in-situ. No sample is collected.
<i>Audits or reviews</i>	• <i>The results of any audits or reviews of sampling techniques and data</i>	• May 2013 trial survey confirmed copper anomalies above known mineralisation. • January 2014 drill testing of the Blue Tongue anomaly confirmed the FPXRF method could locate anomalies above sub-surface copper 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 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.
<i>Exploration done by other parties</i>	• <i>Acknowledgement and appraisal of exploration by other parties.</i>	• The general area the subject of this report has been explored in the past by various companies including Western Mining Corporation/ North Broken Hill, BHP Minerals and Phelps Dodge Corporation. The report includes a review of the past exploration data generated by these companies.
<i>Geology</i>	• <i>Deposit type, geological setting and style of mineralisation.</i>	• 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.
<i>Drill hole Information</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: - 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.	A plan showing the collar locations of historic drillholes as reported to the SA Government is included as Figure 5 in the report.
<i>Data aggregation methods</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. - 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.	No data aggregation methods have been employed.
<i>Relationship between mineralisation widths and intercept lengths</i>	- 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 relationship between mineralisation widths and intercept lengths reported for historic holes is unknown.
<i>Diagrams</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.	Plans detailing location, geochemical, geological and historical exploration summaries are included in the report.
<i>Balanced Reporting</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.	All FPXRF geochemical data were gridded and contoured.
<i>Other substantive</i>	Other exploration data, if meaningful and material, should be reported including (but not limited to):	The report includes a section detailing previous exploration

<i>exploration data</i>	<i>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>	data. There is no data considered material that has not been reported.
<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>	• Further exploration including aircore drill testing of the newly defined copper geochemical anomaly the subject of the report is proposed.