



Adelaide Resources Limited

***NON-RENOUNCEABLE
RIGHTS ISSUE***

PROSPECTUS

For a non-renounceable pro rata entitlement issue to Eligible Shareholders of up to approximately 114,539,906 Shares at an issue price of \$0.03 per Share on the basis of 1 New Share for every 2 Shares held on the Record Date to raise approximately \$3.436 million before expenses, and 57,269,953 Options on the basis of 1 free attaching Option for every 2 Shares issued with each Option having an exercise price of \$0.05 and a 2-year term expiring 30 September 2016.

This offer closes at 5pm ACDT on Thursday 30 October 2014. Valid acceptances must be received before that date.

IMPORTANT NOTICE

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents, or are in doubt as to the course you should follow, you should consult your stockbroker, accountant or professional adviser.

The Shares offered by this Prospectus should be considered speculative.

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CORPORATE DIRECTORY

DIRECTORS

Michael Hatcher	Non-Executive Chairman
Chris Drown	Managing Director
John den Dryver	Non-Executive Director
Jonathan Buckley	Non-Executive Director

COMPANY SECRETARY

Nick Harding

REGISTERED AND PRINCIPAL OFFICE

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Unley, South Australia 5061
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WEBSITE

www.adelaideresources.com.au

ASX CODE

ADN

AUDITORS

Deloitte Touche Tohmatsu
11 Waymouth Street
Adelaide, South Australia 5000

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
Adelaide, South Australia 5000

ABN/ACN

75 061 503 375 / 061 503 375

IMPORTANT INFORMATION

This Prospectus is dated 29 September 2014 and was lodged with ASIC on that date. Neither ASIC nor the ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Shares or New Options (New Securities) will be issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. Shares and Options issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) to Eligible Shareholders and has been prepared in accordance with Section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In preparing this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisors to whom investors may consult.

The Company will apply to the ASX for Official Quotation of the New Securities offered pursuant to this Prospectus.

Eligible Shareholders should read this Prospectus in its entirety and seek professional advice where necessary. The New Securities the subject of this Prospectus should be considered speculative.

An application for New Securities by Eligible Shareholders will only be accepted by following the instructions on the Entitlement and Acceptance Form accompanying this Prospectus as described in section 2.7 of this Prospectus. An application for Additional Shares and Options will only be accepted by completing the relevant section of the Entitlement and Acceptance Form or by making payment of the Application Monies via BPAY as described in section 2.7 of this Prospectus.

No person is authorised to give any information or make any representation in connection with the Offer described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus.

FOREIGN SHAREHOLDERS

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, it would not be lawful to make such an offer or invitation.

NEW ZEALAND

The New Securities are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

COMPETENT PERSON STATEMENT

The information in this Prospectus 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 Prospectus of the matters based on his information in the form and context in which it appears.

CHAIRMAN'S LETTER

29 September 2014

Dear Shareholders,

On behalf of the Board, I am pleased to invite you to participate in this Entitlement to New Shares and free attaching New Options in Adelaide Resources Limited (the Offer). This Entitlement provides you with the opportunity to maintain your equity interest in the Company, and to participate in the growth of the Company.

Adelaide Resources' objective is to deliver shareholder value through successful exploration programs leading to the definition of viable mineral resources. While the small resources market has been tough by any measure we have continued our aggressive exploration programs and because of the quality of our exploration tenements we are confident that we are on track to achieve our objective.

Our flagship, 819 sq. km. Moonta Copper Gold Project is one of the most heavily mineralised areas in the country. A multitude of old shafts, some to almost a kilometre below surface, attest to the district's heritage as one of the world's major sources of copper from 1859 to 1923 and its potential to host world class copper/gold deposits. At surface up to 10 metres of sand and clay obscure the copper and gold mineralisation so the Company has developed sensitive geochemical techniques that can "look through" the cover to detect mineralisation below. Our recent discoveries at Alford West, Willamulka and Paskeville demonstrate the effectiveness of the geochemical technique and show there is a lot more copper to be found at Moonta.

It is proposed that the funds raised by the Offer will principally be used to complete drilling programs that will advance our Moonta prospects. Included is a plan to drill the Company's first deeper holes at two well defined mineralised zones at the Alford West prospect, both of which have already delivered numerous shallow copper and gold intersections from lodes that show every chance of continuing to greater depth.

Aircore drilling will be completed to firm up our geological understanding of other newly discovered promising mineralised zones at Alford West preparatory to deeper drilling, while the recently delineated and highly regarded Tomahawk copper soil anomaly is also in our drill sights.

The Drummond Project in Queensland continues to impress with the confirmation that epithermal gold-bearing systems similar to the nearby >3 million ounce Pajingo Gold Deposit are present. The quality of this target was validated by a \$100,000 grant from the Queensland Government Collaborative Drilling Initiative, which is designed to encourage the testing of new exploration concepts with economic and technical merit by directly supporting companies to drill high quality exploration targets. We plan to direct some of the funds raised to meeting drilling costs on the Drummond Project.

This Offer gives Eligible Shareholders the opportunity to invest in New Securities. The offer is a non-renounceable rights issue of 1 New Share for every 2 Shares held at the Record Date at an issue price of \$0.03 per New Share to raise approximately \$3,436,000 (before offer costs). For every 2 New Shares issued will come 1 free attaching New Option exercisable at \$0.05 per share and with a 2-year term expiring on 30 September 2016.

Under the Offer, as an Eligible Shareholder you are entitled to subscribe to the number of New Shares (Entitlement) set out in your personalised Entitlement and Acceptance Form enclosed with this Prospectus. The New Share issue price of \$0.03 represents a 14% discount to the closing Share price on ASX (being \$0.035) as at 24 September 2014, a 25% discount to the 20-day VWAP⁽¹⁾, and a 10% discount to the TERP⁽²⁾.

Options offer potentially significant value to investors, particularly in smaller resource companies where exploration success leads to high price volatility. Using a standard Black Scholes valuation method, and using the price and term of the New Options together with measures of share price volatility and risk-free interest rates, the free attaching New Options are conservatively assessed as having a value equivalent to 0.5 cents per New Share, effectively reducing the New Share price to \$0.025 per share. Taking into account the New Option valuation the issue price represents a 28% discount to the closing Share price on 24 September 2014, a 37% discount to the 20-day VWAP, and a 24% discount to the TERP.

Additionally, the Company will apply to the ASX for the Official Quotation of the New Options, allowing them to be traded during their term.

All Directors of the Company who own Shares have indicated that they will be taking up their full Entitlement, and we are encouraged that we have received indications from some of the Company's largest shareholders that they also intend to take up their full Entitlement or a substantial part of their Entitlement.

⁽¹⁾ VWAP - volume weighted average price.

⁽²⁾ TERP - theoretical ex-rights price of Shares assuming the Offer is successfully completed and all Shares under the Offer are issued.

Entitlements to New Securities can be accepted in full, in part, or in excess of Entitlements by completing and returning the Entitlement and Acceptance Form which accompanies this Prospectus together with your cheque or bank draft for the total amount payable or by making payment of Acceptance Monies by BPAY in accordance with the instructions set out in the Offer documents and on the Entitlement and Acceptance Form.

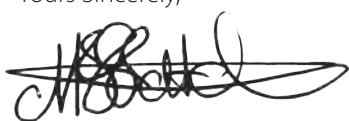
Eligible Shareholders can apply for additional New Securities in excess of their entitlement, subject to the discretion of the Board with regards to the scale back and allocation of any New Securities applied for in excess of entitlements.

Application Monies for the New Securities must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable in this Prospectus for the important dates of the Offer.

The Offer is not underwritten and the Company will work to place any Shortfall of New Securities. The Offer is non-renounceable and therefore your Entitlement is not tradable on the ASX or otherwise transferable.

On behalf of the Directors I would like to thank you for your continued support and invite you to seriously consider this investment opportunity.

Yours Sincerely,



Mike Hatcher
Non-Executive Chairman
Adelaide Resources Limited

TIMETABLE OF IMPORTANT DATES

Announcement of Issue (and lodge Appendix 3B)	Monday	29 September 2014
Lodgement of Prospectus with ASIC	Monday	29 September 2014
Notice to Shareholders containing Appendix 3B information and timetable	Tuesday	30 September 2014
Shares commence trading on an ex rights basis	Thursday	2 October 2014
Record Date for the Offer	Tuesday	7 October 2014
Prospectus and Entitlement and Acceptance Form despatched to Shareholders	Friday	10 October 2014
Opening Date of the Offer	Friday	10 October 2014
Closing Date of the Offer	Thursday	30 October 2014
New Securities quoted on a deferred settlement basis	Friday	31 October 2014
Advise ASX of any Shortfall	Wednesday	5 November 2014
Issue Date (deferred settlement trading ends)	Friday	7 November 2014
New Securities commence trading on a normal T+3 basis	Monday	10 November 2014
Expected date of despatch of holding statements for New Securities	Friday	14 November 2014

These dates are indicative only and subject to change without notice. The Company may extend the period of the Offer or bring forward the Closing Date at their discretion. This may have a consequential effect on the other dates.

1. INVESTMENT SUMMARY

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of the Prospectus.

1.1 The Offer

This Prospectus invites Eligible Shareholders to participate in a pro-rata non-renounceable entitlement issue of approximately 114,539,906 New Shares at an issue price of \$0.03 per New Share, on the basis of 1 New Share for every 2 Shares held as at the Record Date of 7 October 2014 with the issue of 1 free attaching 2-year New Option for every 2 New Shares allotted. Each New Option is exercisable at \$0.05 per share and expires on 30 September 2016.

The Offer is not underwritten and there is no minimum subscription to the Offer.

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares and New Options to be granted Official Quotation on the ASX. Official Quotation of the New Securities is expected to occur on 31 October 2014.

The Directors may at any time decide to withdraw this Prospectus and the Offer of New Securities made under this Prospectus, in which case the Company will return all Application Monies (without interest) within 28 days of giving notice of such withdrawal.

1.2 New Share terms

Upon issue, each New Share will rank equally with all existing Shares then on issue. A summary of the rights and liabilities attaching to the New Shares is set out in section 5.1.

1.3 New Option terms

A summary of the rights attaching to the New Options is set out in section 5.2.

1.4 Acceptance of Entitlement to New Shares

The number of New Securities to which an Eligible Shareholder is entitled and the total amount an Eligible Shareholder would have to pay if they choose to take up all of their rights to subscribe for New Securities is shown on the Entitlement and Acceptance Form accompanying this Prospectus. This Prospectus is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Securities. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Securities can be accepted in full, in part or in excess of your Entitlement by completing and returning the Entitlement and Acceptance Form which accompanies this Prospectus together with your cheque or bank draft for the total amount payable or making payment of Acceptance Monies by BPAY in accordance with the instructions set out in section 2.7 and on the Entitlement and Acceptance Form. Acceptance Monies should be rounded up to the nearest cent.

Application Monies for the New Securities must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer.

1.5 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer to:

Exploration including further drilling	\$2,900,000
Working capital	\$386,000
Costs of Offer	\$150,000
Total	\$3,436,000

In the event that the Offer is not fully subscribed, the proportion of the proceeds applied to exploration will be scaled back so that the total amount raised will be applied first to the costs of the Offer, then to working capital and the balance to exploration.

1.6 Investment Highlights

Moonta Copper Gold Project

Recent exploration on the flagship Moonta Copper Gold Project, located in South Australia's world-class Olympic Copper Gold Province, has delineated numerous targets. Exploration drilling at the Alford West Prospect has discovered four zones of copper-gold mineralisation which remain open at depth and show potential to deliver mineral resources with further drilling. The innovative and low cost application of Field Portable X-Ray Fluorescence geochemistry has delineated a new high quality drill target at Tomahawk, while the on-going capture of vast historic exploration data is also identifying additional exploration opportunities.

Drummond Epithermal Gold Project

Early stage exploration in the Drummond Basin in northern Queensland has confirmed the presence of epithermal gold mineralisation in a geological setting closely analogous to the nearby >3 million ounce, high grade Pajingo goldfield. Field work has identified the South West Limey Dam prospect as a gold bearing epithermal system, and through the Queensland Government's Collaborative Drilling Initiative, the Company has recently won funding to assist in its maiden drilling program on the project.

Eyre Peninsula Gold Project

The Company's large Eyre Peninsula Gold Project in South Australia falls in the Central Gawler Gold Province, a region enjoying a renaissance in exploration activity following recent gold focussed transactions and the discovery of a significant silver resource in a tenement adjacent to the Company's ground. Adelaide Resources has recently announced a new joint venture to explore one of the project's tenements, and it retains 100% equity in the Barns, Baggy Green and White Tank gold prospects.

Rover Gold Copper Project

The Tennant Creek district of the Northern Territory has produced over 5.5 million ounces of gold and over 480,000 tonnes of copper. The Rover Field is located south west of Tennant Creek and also hosts Tennant Creek style mineral deposits. The Company's Rover Project captures the majority of the Rover Field and includes the wholly owned Rover 4 deposit and part of the Rover 1 deposit. That part of Rover 1 not owned by the Company is scheduled for development by a third party in 2016/17 potentially resulting in opportunities for Adelaide Resources.

Funds raised through the Offer will be directed to:

- Reverse circulation or diamond drilling on the Moonta Copper Gold Project to test for deeper mineralisation at two well defined mineralised zones at the Alford West prospect;
- Additional aircore drilling at two less well defined mineralised zones at Alford West aimed at developing them to the stage where deeper drilling can be confidently planned;
- Aircore drilling elsewhere on the Moonta Copper Gold Project to complete the Company's first drill tests at the recently defined and exciting Tomahawk anomaly;
- Completing further innovative low-cost exploration on the Drummond Epithermal Gold Project and to assist in meeting the Company's share of the costs to undertake the QLD Government co-funded maiden drilling program at South West Limey Dam;
- Drill testing of structural targets at gold deposits on the Eyre Peninsula and trials to advance the application of ground breaking biogeochemical exploration research;
- Geological modelling and re-evaluation of the Rover 4 and Rover 1 deposits on the Rover Project to assist in delivering downstream value;
- Meeting on-going fixed exploration and working capital costs and costs associated with the Offer.

A more detailed breakdown of the application of funds is set out in section 2.2.

1.7 Risk Factors

Investing in the Company involves risk. There are factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, are dependent on the policies adopted and approaches taken by regulatory authorities, or cannot otherwise be mitigated. If you are unsure about subscribing for New Securities, you should first seek advice from your stockbroker, accountant, financial or other professional advisor.

The following sets out a summary of some of the key risks relevant to the Company and its operations.

Risk	Details
Exploration and production	Tenements in which the Company has an interest are at various stages of exploration. There can be no assurance that exploration of the project areas will result in the discovery of an economic reserve.
Access to land	The Company will experience delays and cost overruns in the event it is unable to access the land required for its operations. This may be as a result of weather, environmental restraints, native title, harvesting, landholder's activities or other factors.
Environmental	Mining and exploration activities are strictly regulated by environmental legislation and government authorities. There is a risk that environmental regulation may prevent or impede the Company's activities.
Native Title and Aboriginal Heritage	Native title claims and Aboriginal heritage issues may have a material adverse impact on the Company's activities and may hinder or prevent its exploration and future mining activities or increase the cost of those activities.
Mineral resource and reserve estimates	Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate.
Metal prices	International factors including inflation, exchange rates, supply and demand impact on metal prices. If the price of metals seriously declines in the future, this will materially impact on the Company's ability to continue with its projects.
Competition	Other companies may have competitive advantages such as superior resources, new technology, new production processes, or access to key infrastructure. The Company may be unable to successfully compete against such other companies.
Future capital requirements	The available funds of the Company may not be sufficient to cover expenditure that may be required to execute its planned operations. There is no assurance that the Company will be able to obtain additional financing when required in the future.
Regulatory and legislative	Any changes in the laws and regulations under which the Company operates may adversely impact the Company's activities, planned projects and financial results.

The New Securities offered under this Prospectus carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on the ASX. The past performance of the Company should not necessarily be considered a guide to its future performance.

Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the New Shares.

Further details regarding risks which may affect the Company in the future are contained in section 6.

1.8 Directors Intentions in respect of Entitlements

As at the date of this Prospectus, some of the Directors of the Company have either a direct or indirect interest in Shares. Set out below is a table summarising the Entitlement of each Director (based on their current holding) and how they intend to treat their Entitlement.

Director	Current Shares	Entitlement	Intentions
M I Hatcher	100,000	50,000	Take up entitlement
C G Drown	2,507,491	1,253,746	Take up entitlement
J J den Dryver	76,667	38,334	Take up entitlement
J P Buckley ⁽¹⁾	Nil	Nil	

⁽¹⁾ J P Buckley appointed 7 April 2014. Adherence to the Company's Securities Trading Policy has precluded Mr Buckley from acquiring any Shares.

All Directors may or may not purchase additional Shares prior to the Record Date, and, subject to receipt of Shareholder approval, may or may not apply for New Shares and New Options in any Shortfall.

1.9 Applying for Additional Shares and Options

Entitlements not taken up may become available as Additional Shares and Options. Eligible Shareholders may, in addition to their Entitlements, apply for New Securities over and above their Entitlement at the Offer Price (**Additional Shares and Options**) regardless of the size of their present holding.

It is an express term of the Offer that applicants for Additional Shares and Options may be bound to accept a lesser number of Additional Shares and Options allocated to them than applied for. If a lesser number is allocated to them, excess Application Monies will be refunded without interest. The Company reserves the right to scale back any applications for Additional Shares and Options in their absolute discretion.

The Directors also reserve the right to issue any New Securities not allocated under the Offer within 3 months following the Closing Date at a price equal to the Offer Price.

1.10 Shortfall and Dilution of Shareholder's Interests

The Offer is not underwritten.

In addition to the process outlined in section 2.7, the Company intends to actively seek to place any Shortfall of New Securities not subscribed for by Eligible Shareholders.

Shareholders should be aware that to the extent that they do not accept their Entitlements in full, a Shortfall will arise and all or part of any Shortfall may be placed by the Company to other parties in which case their interest in the Company may be significantly diluted. Further the Offer is not being extended to Shareholders with registered addresses outside of Australia and New Zealand and the holdings of those Shareholders in the Company will be diluted by the Offer. Given the terms of the Offer, the interests of a Shareholder in the Company may be diluted by up to 33.3% in the event that they are not eligible to participate or elect not to accept their Entitlement in full if the Offer is fully subscribed or alternatively, any Shortfall is fully placed.

Acceptance of Entitlements or the placement of any Shortfall may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the Corporations Act, which restrict a person and their associates from having a relevant interest in the Company of not more than 20%, subject to a number of exemptions.

2. DETAILS OF THE OFFER

2.1 Offer to Eligible Shareholders

This Prospectus invites Eligible Shareholders to participate in a pro-rata non-renounceable entitlement issue of up to approximately 114,539,906 New Shares at an issue price of \$0.03 per New Share on the basis of 1 New Share for every 2 Shares held on the Record Date and 1 New Option on the basis of 1 free attaching Option for every 2 New Shares issued with each New Option having an exercise price of \$0.05 and a 2-year term expiring on 30 September 2016 to raise up to approximately \$3.436 million before expenses. Only those Shareholders shown on the share Register at 5pm ACDT (Adelaide time) on the Record Date with a registered address in Australia and New Zealand will be entitled to participate in the Offer.

As at the date of this Prospectus, the Company has 229,079,813 Shares and 3,800,000 Performance Rights on issue.

All the New Shares offered under this Prospectus will rank equally with the Shares on issue as at the date of this Prospectus. Please refer to section 5.1 of this Prospectus for further information regarding the rights and liabilities attaching to the New Shares. Please refer to section 5.2 of this Prospectus for further information regarding the rights and liabilities attaching to the New Options.

The Company has applied to the ASX for the New Securities to be granted Official Quotation on the ASX, which is expected to occur on 31 October 2014. Participants (as defined in the ASX Settlement Operating Rules) cannot deal in the New Securities either as principal or agent until Official Quotation is granted.

2.2 Purpose of the Offer

This purpose of the Offer is to raise up to \$3.436 million.

It is anticipated that the funds raised from the Offer will be applied as follows:

Project	Proposed Work	Budget
Moonta Copper Gold Project	• Staged program of step-down RC/diamond drilling to test Larwood and Bruce mineralised zones down-dip of aircore defined shallow mineralisation.	\$2,010,000 (assumes full program implemented).
	• Next stage infill aircore drilling at Six Ways and Blue Tongue.	
	• Aircore drilling at Tomahawk to test large, high magnitude copper anomaly defined by 2014 FPXRF geochemistry survey.	
	• On-going FPXRF surface geochemistry across the Project area.	
	• On-going digital capture and assessment of historical exploration data across the Project area.	
Drummond Epithermal Gold Project	• Systematic FPXRF pathfinder soil geochemistry survey with associated rock chip sampling and prospecting around Limey Dam.	\$390,000 (additional to \$100,000 funded by QLD Govt CDI scheme).
	• Program of RC drilling to test epithermal gold targets at South West Limey Dam.	
Eyre Peninsula Gold Project	• Program of RC drilling at Baggy Green and/or Barns deposits.	\$250,000
	• Regional biogeochemistry trials	
Rover Gold Copper Project	• Office based interpretations of existing exploration data to re-evaluate the Rover prospects including the Rover 4 and Rover 1 deposits.	\$60,000
Fixed Exploration	• Fixed exploration includes the costs of meeting annual tenement rentals and other statutory charges; tenement administration; annual aboriginal agreement costs; exploration software licencing fees etc.	\$190,000
Exploration Sub-Total		\$2,900,000
Working Capital		\$386,000
Costs of the Offer		\$150,000
TOTAL		\$3,436,000

NOTE: Use of funds based on full subscription of \$3.436 million.

The preceeding table is a statement of current intentions as at the date of this Prospectus. It is anticipated that these funds will be applied over the next 12 months.

The proposed use of funds is subject to ongoing review and evaluation by the Company. As with any budget, the actual use of funds raised under the Offer may change depending on the outcome of the programs as they proceed. The Board reserves the right to alter the way in which funds are applied on this basis.

To the extent that funds raised pursuant to this Prospectus are insufficient to meet the Company's proposed use of funds as described above, funds raised will be applied in the following order of priority:

- Expenses of the Offer
- Working capital and fixed exploration costs
- Exploration costs

The Company does not seek to raise a minimum amount under the Offer. In the event that insufficient funds are raised to meet the expenses of the Offer, the Company intends to use its existing working capital to meet the expenses of the Offer.

2.3 Important Dates

Announcement of Issue (and lodge Appendix 3B)	Monday	29 September 2014
Lodgement of Prospectus with ASIC	Monday	29 September 2014
Notice to Shareholders containing Appendix 3B information and timetable	Tuesday	30 September 2014
Shares commence trading on an ex rights basis	Thursday	2 October 2014
Record Date for the Offer	Tuesday	7 October 2014
Prospectus and Entitlement and Acceptance Form despatched to Shareholders	Friday	10 October 2014
Opening Date of the Offer	Friday	10 October 2014
Closing Date of the Offer	Thursday	30 October 2014
New Securities quoted on a deferred settlement basis	Friday	31 October 2014
Advise ASX of any Shortfall	Wednesday	5 November 2014
Issue Date (deferred settlement trading ends)	Friday	7 November 2014
New Securities commence trading on a normal T+3 basis	Monday	10 November 2014
Expected date of despatch of holding statements for New Securities	Friday	14 November 2014

These dates are indicative only and subject to change without notice. The Company may extend the period of the Offer or bring forward the Closing Date at their discretion. This may have a consequential effect on the other dates.

2.4 Minimum Subscription

There is no minimum subscription in respect of the Offer.

2.5 No Trading of Entitlements

Entitlements to New Securities pursuant to the Offer are non-renounceable and accordingly Eligible Shareholders may not dispose of or trade any part of their Entitlement.

2.6 Opening and Closing Dates

The Offer will open for receipt of acceptances at 9.00am ACDT on Friday 10 October 2014 and will close at 5.00pm ACDT on Thursday 30 October 2014, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 3 Business Days prior to Closing Date.

2.7 Entitlements and Acceptance

Eligible Shareholders may accept their Entitlement either in whole, in part or in excess of their Entitlement. The number of New Securities to which you are entitled (**Entitlement**) is shown in the Entitlement and Acceptance Form which accompanies this Prospectus.

In determining Entitlements, any fractional entitlement will be rounded up to the nearest whole number.

You may participate in the Entitlement Offer as follows:

(a) Take up your Entitlement in full and apply for Additional Shares and Options

If you are an Eligible Shareholder and wish to take up all of your Entitlement and apply for Additional Shares and Options in excess of your Entitlement, please:

- complete the Entitlement and Acceptance Form which accompanies this Prospectus by inserting the number of New Securities for which you wish to accept the Entitlement Offer under this Prospectus plus the number of Additional Shares and Options (being more than your Entitlement as specified on the Entitlement and Acceptance Form); and
- forward the completed Entitlement and Acceptance Form together with your cheque or bank draft for the total amount payable (including the amount payable for the Additional Shares and Options) in the reply paid envelope to reach the Company's Share Registry, so that it is received by no later than 5.00pm ACDT on the Closing Date or such later date as the Directors determine.

(b) Take up your Entitlement in full

If you are an Eligible Shareholder and wish to take up all of your Entitlement, please:

- complete the Entitlement and Acceptance Form which accompanies this Prospectus in accordance with the instructions set out on the form; and
- forward the completed Entitlement and Acceptance Form, together with your cheque or bank draft for the amount shown on your Entitlement and Acceptance Form in the reply paid envelope to reach the Company's Share Registry, so that it is received by no later than 5.00pm ACDT on the Closing Date or such later date as the Directors determine.

(c) Take up some of your Entitlement

If you are an Eligible Shareholder and wish to take up only some of your Entitlement, please:

- complete the Entitlement and Acceptance Form which accompanies this Prospectus by inserting the number of New Securities for which you wish to accept the Entitlement Offer under this Prospectus (being less than your Entitlement as specified on the Entitlement and Acceptance Form); and
- forward the completed Entitlement and Acceptance Form together with your cheque or bank draft for the total amount payable in the reply paid envelope to reach the Company's Share Registry, so that it is received by no later than 5.00pm ACDT on the Closing Date or such later date as the Directors determine.

(d) Payment

Cheques and bank drafts, in Australian currency, should be made payable to "Adelaide Resources Limited" and crossed "not negotiable". You should ensure that sufficient funds are held in the relevant account(s) to cover the Acceptance Monies. If the amount of your cheque for Acceptance Monies is insufficient to pay in full for the number of whole New Securities for which you have applied in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of New Securities which equates to your cleared Acceptance Monies (and to have that number of New Securities on your Entitlement and Acceptance Form). If your cheque does not clear due to insufficient funds in your account, your Application will be rejected.

Payment will only be accepted in Australian currency and cheques, bank drafts, money orders and BPAY payments must be drawn on an Australian bank.

(e) BPAY

If you intend to pay for the New Securities by BPAY, there is no need to return the Entitlement and Acceptance Form (but you must ensure that your payment is received by no later than 5.00pm ACDT on the Closing Date or such later date as the Directors determine). If you elect to make payment using BPAY, you must contact your bank, credit union or building society to make payment of the Acceptance Monies from your cheque or savings account. Refer to the Entitlement and Acceptance Form for the Biller Code and Customer Reference Number. Eligible Shareholders who have multiple holdings will have multiple Customer Reference Numbers.

(f) Do nothing

You may do nothing, in which case your Entitlement will lapse. However, if you are an Eligible Shareholder and you do nothing, then New Securities representing your Entitlement may be allocated to an Eligible Shareholder who applies for Additional Shares and Options or to other third parties procured by the Directors in exercising their discretion in placing any Shortfall.

You should also note that, if you do not take up your Entitlement, then although you will continue to own the same number of Shares, your percentage shareholding in the Company will decrease.

(g) General

If you have any queries concerning your Entitlement, please contact the Share Registry on 1300 556 161 (within Australia) or +61 3 9415 4000 (outside Australia) or contact your stockbroker or professional advisor.

Entitlement and Acceptance Forms accompanying cheques or bank draft may be lodged at any time before the Closing Date. Applications received after the Closing Date may not be accepted. The Company will not be responsible for postal or delivery delays.

The Offer Price of \$0.03 for each New Share is payable in full on acceptance of part or all of your Entitlement. No consideration is payable for the free attaching New Option.

Completed Entitlement and Acceptance Forms and accompanying cheques should be forwarded to the following address:

Computershare Investor Services Pty Ltd
GPO Box 2987
Adelaide, SA 5001

The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Acceptance Monies will be held in trust in a subscription account until allotment of the New Securities. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Acceptance Monies will be retained by the Company irrespective of whether allotment takes place. No stamp duty, brokerage or handling fees are payable by the Applicant for the New Securities offered by this Prospectus.

Eligible Shareholders should obtain independent advice on the taxation implications arising out of their participation in the Offer.

2.8 Additional Shares and Options

Eligible Shareholders who have subscribed for their Entitlement in full may apply for Shares and Options in addition to their Entitlement. Please refer to section 2.7 (a) of this Prospectus for further information as to how to apply for Additional Shares and Options above your Entitlement.

It is possible that there will be few or no Additional Shares and Options available, depending on the level of acceptance of Entitlements by Eligible Shareholders. There is therefore no guarantee that in the event that Additional Shares and Options are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

In the event all Entitlements are not taken up, the Directors reserve the right to allocate any Additional Shares and Options at their absolute discretion. The Company may issue to an Applicant a lesser number of Additional Shares and Options or not proceed with the issuing of all or part of the Additional Shares and Options. If the number of Additional Shares and Options is less than the number applied for, surplus Application Monies will be refunded without interest.

2.9 Shortfall

Any Entitlements and Additional Shares and Options not taken up by Eligible Shareholders may become available as Shortfall which may be placed by the Company. The offer of any Shortfall is a separate offer made pursuant to the Prospectus (Shortfall Offer).

The Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place any Shortfall at their discretion within 3 months after the close of the Offer. Shares offered pursuant to the Shortfall Offer will be issued at the same issue price as the Shares offered to Eligible Shareholders under the Offer.

Any issue of Shares and Options to Directors under the Shortfall will be subject to the receipt of Shareholder approval.

2.10 Allotment of Shares and Options

The New Securities and Additional Shares and Options are expected to be allotted by no later than 14 November 2014. New Securities allotted pursuant to the placement of the Shortfall under section 2.9 may be allotted within 3 months after the Closing Date. Until the issue and allotment of the New Securities under this Prospectus has occurred, the Application Monies will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on the Application Monies will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the New Securities takes place.

2.11 Application for Official Quotation

On the same date as announcing the Offer, the Company applied to the ASX for the New Securities to be issued pursuant to this Prospectus to be listed for Official Quotation by the ASX. If granted, quotation of the New Securities will commence as soon as practicable after the allotment of the New Securities to Applicants.

If the ASX does not grant Official Quotation of the New Securities offered pursuant to this Prospectus within three months after the date of this Prospectus (or such period as varied by ASIC), the Company will not allot any New Securities and will repay all Application Monies for the New Securities within the time period prescribed under the Corporations Act, without interest.

A decision by the ASX to grant Official Quotation of the New Securities is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or of the New Securities now offered for subscription.

2.12 Underwriting

The Offer is not underwritten.

2.13 Overseas Shareholders

The Company has not made investigations as to the regulatory requirements that may prevail in the countries outside of Australia and New Zealand in which the Company's Shareholders reside.

The distribution of this Prospectus in places outside of Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with those restrictions may violate applicable securities laws.

The Company has decided that it is unreasonable to make offers under this Prospectus to Shareholders with registered addresses outside Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Securities they would be offered and the legal and regulatory requirements in those places and costs of complying with those requirements. Based on the Share Register of the Company as at 31 August 2014, the number of New Securities that Shareholders with registered addresses outside Australia and New Zealand would be entitled to subscribe for if they were Eligible Shareholders would be approximately 703,982 New Securities (representing approximately 0.6% of the Offer).

Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale, and no New Securities will be issued, to Shareholders having a registered address outside Australia and New Zealand (**Excluded Shareholders**).

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance of the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

All rights that would have been offered to Excluded Shareholders will be allowed to lapse and will form part of the Shortfall.

3. INFORMATION ON ADELAIDE RESOURCES' PROJECTS

3.1 Introduction

- Adelaide Resources is a well established exploration company with a consistent track record of mineral discovery and a tight copper-gold commodity focus.
- The Company has a highly experienced Board of Directors with complementary technical, financial and corporate skills leading a dedicated and efficient exploration team.
- It has a portfolio of largely 100% owned exploration projects located in pedigreed Australian geological terrains.
- The Company has discovered and retains 100% ownership of a number of copper and/or gold deposits that show potential to develop into significant mineral resources with further successful exploration.
- Adelaide Resources is an industry leader in the innovative use of exceptionally cost efficient Field Portable X-Ray Fluorescence exploration technology which coupled with access to substantial volumes of historical exploration data is generating a pipeline of future exploration opportunities.
- Funding is sought to now advance a range of exploration opportunities, with the bulk of the funds to be dedicated to drilling programs to establish resource potential at its discoveries and to complete first pass tests of exciting new targets.

3.2 Summary

Adelaide Resources is an active exploration company with projects located in some of the most prospective geological terrains in Australia, including the Olympic Copper Gold Province in South Australia, the Drummond Basin in Queensland, the Tennant Creek District in the Northern Territory, and the Central Gawler Gold Province in South Australia (*Figure 1*). The majority of its projects are wholly owned.

The Company has an established track record of mineral discovery and has found deposits covering a range of commodities including gold, copper-gold, mineral sands and iron ore during its history. Some of these discoveries have been greenfields finds, while others have resulted through the recognition of significant opportunities left by previous explorers.

This successful record has continued in recent years, with significant discoveries made on the Moonta Copper Gold Project in South Australia. Principal among these discoveries is the Alford West Prospect where aircore drilling in 2013 and 2014 has returned numerous copper-gold intersections which confirm the presence of an extensive mineral system that shows potential to establish an economically viable copper resource.

The company is an innovative explorer with a willingness to adopt new technologies and thinking in its bid to discover economic resources. Exemplary of this approach is the application of Field Portable X-Ray Fluorescence geochemistry, an exploration method that is delivering a new suite of drill targets in an extremely cost efficient manner.

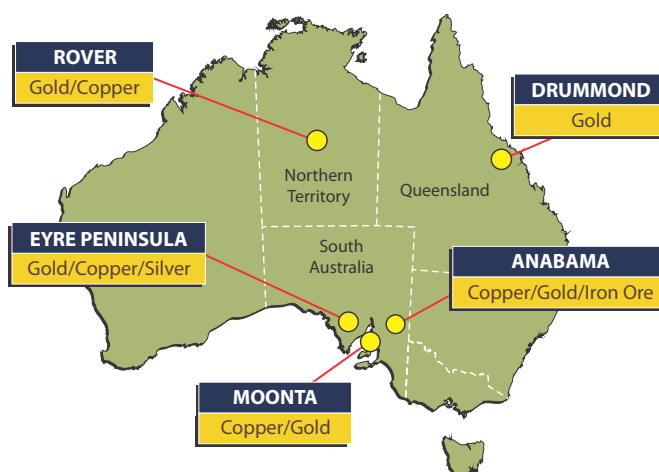


Figure 1: Adelaide Resources project locations.

While the Company's main goal remains the generation of Shareholder value through the discovery, delineation and development of economic resources, it also seeks to deliver value through transactions where appropriate. The Company recognised the potential for magnetite deposits on the Eyre Peninsula in 2000, and vended the project to Iron Road Limited in 2008 in exchange for a significant shareholding in that company. These shares were distributed to Adelaide Resources' Shareholders, succeeding in the creation and distribution of significant tax-effective value into the hands of the Company's owners.

3.3 Moonta Copper Gold Project – South Australia

3.3.1 LAND POSITION

The Moonta Copper Gold Project tenement, EL 4961, covers an area of 819 km² on the northern Yorke Peninsula of South Australia (*Figure 2*).

The majority of the tenement (713km²) is owned 100% by Adelaide Resources. The Company holds 90% equity (and holds a right to acquire 100% equity) in the 106km² Moonta Porphyry Joint Venture with Minotaur Exploration Limited. A number of small production leases owned by third parties fall within EL 4961 and are excised from the Company's tenement.

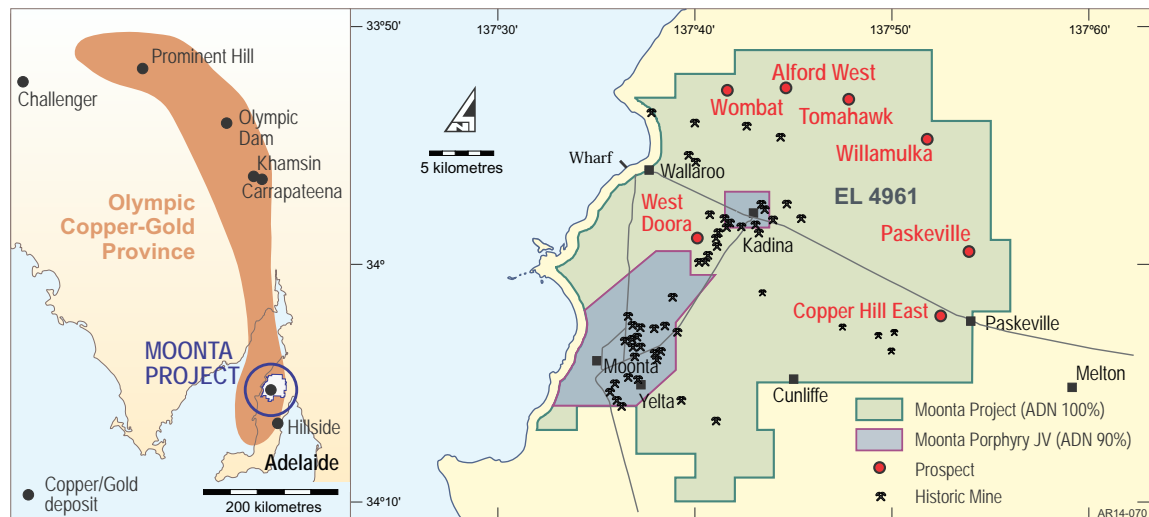


Figure 2: Moonta Copper Gold Project location.

3.3.2 GEOLOGICAL SETTING – THE OLYMPIC COPPER-GOLD PROVINCE

The Moonta Copper Gold Project falls near the southern end of the world class Olympic Copper-Gold Province in South Australia (*Figure 2*). The Olympic Copper-Gold Province is highly prospective for Iron Oxide Copper Gold (IOCG) deposits, with Olympic Dam, Prominent Hill and Moonta-Wallaroo the three mines with past or current production. Significant deposits in the pre-development stage include Carrapateena, Khamsin and Hillside, while numerous other prospects are spread along the belt.

Approximately 75% of Australia's known copper resources are contained within the Olympic Copper-Gold Province evidencing its substantial endowment. Exploration ground within the belt is highly sought after and held by with a range of large and emerging copper producers including BHPB, Fortescue Metals, Oz Minerals, Antofagasta, Glencore Xstrata, Straits Resources, Sandfire Resources and Rex Minerals.

The IOCG deposits in the Olympic Copper Gold Province are thought to have formed around 1590 million years ago and are genetically related to the Hiltaba Suite granites. Mineralisation is associated with often intense alteration (or metasomatism) of the host rocks, with metasomatic products including bodies of magnetite-hematite bearing iron-rich rock.

The depth to the top of the rocks considered prospective for IOCG deposits varies significantly along the belt, and in many places the thicknesses of the overlying barren cover sediments exceeds 300 metres. However, the depth of cover on the Moonta Copper Gold Project is normally less than 10 metres, and while it has obscured deposits and delayed their discovery, it is thin enough to allow the application of a broad range of cost-efficient exploration methods including surface geochemistry and shallow aircore drilling.

The Moonta Project includes the Alford Copper Belt, a zone displaying intense alteration and structure immediately south and east of a large body of Hiltaba granite (*Figure 3*).

3.3.3 PROJECT HISTORY AND CURRENT STATUS

Copper was first discovered on Yorke Peninsula in 1859, leading to the establishment of substantial mining operations at Moonta and Kadina, and smelting and export facilities at Wallaroo. Together these towns formed the famous "Copper Triangle" which was crucially important in the development of the early South Australian economy.

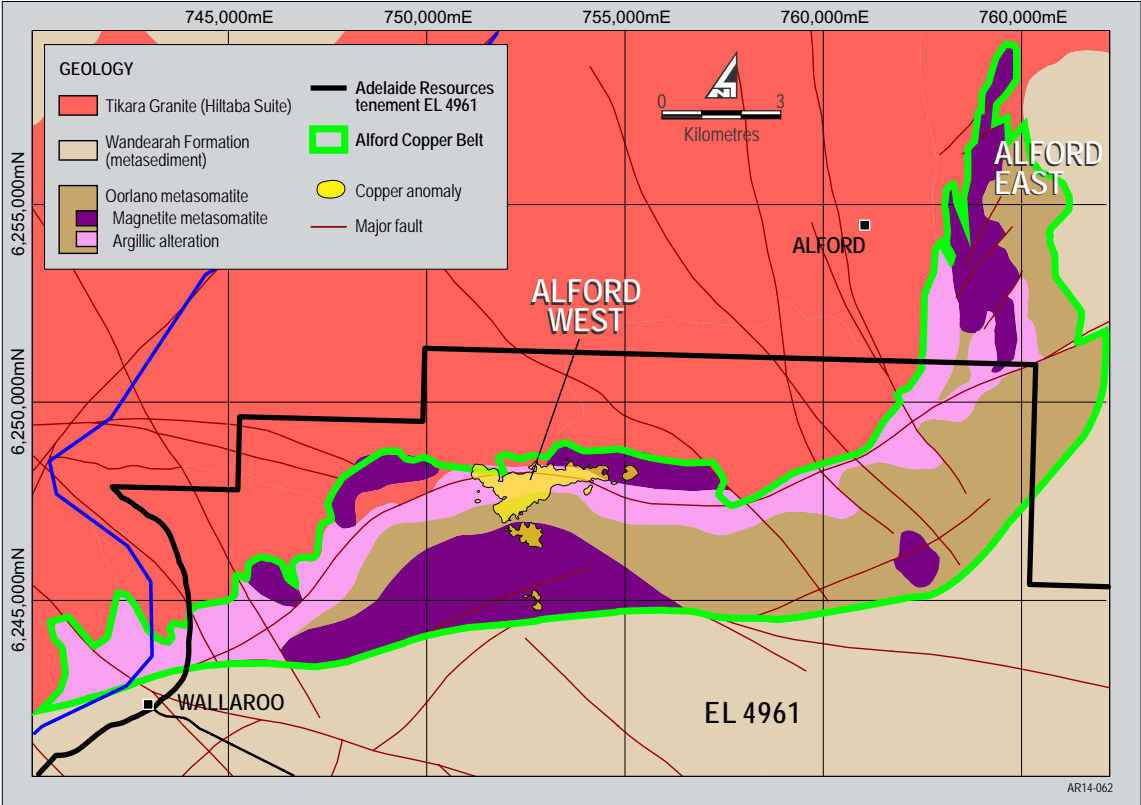


Figure 3: Alford Copper Belt interpreted basement geology.

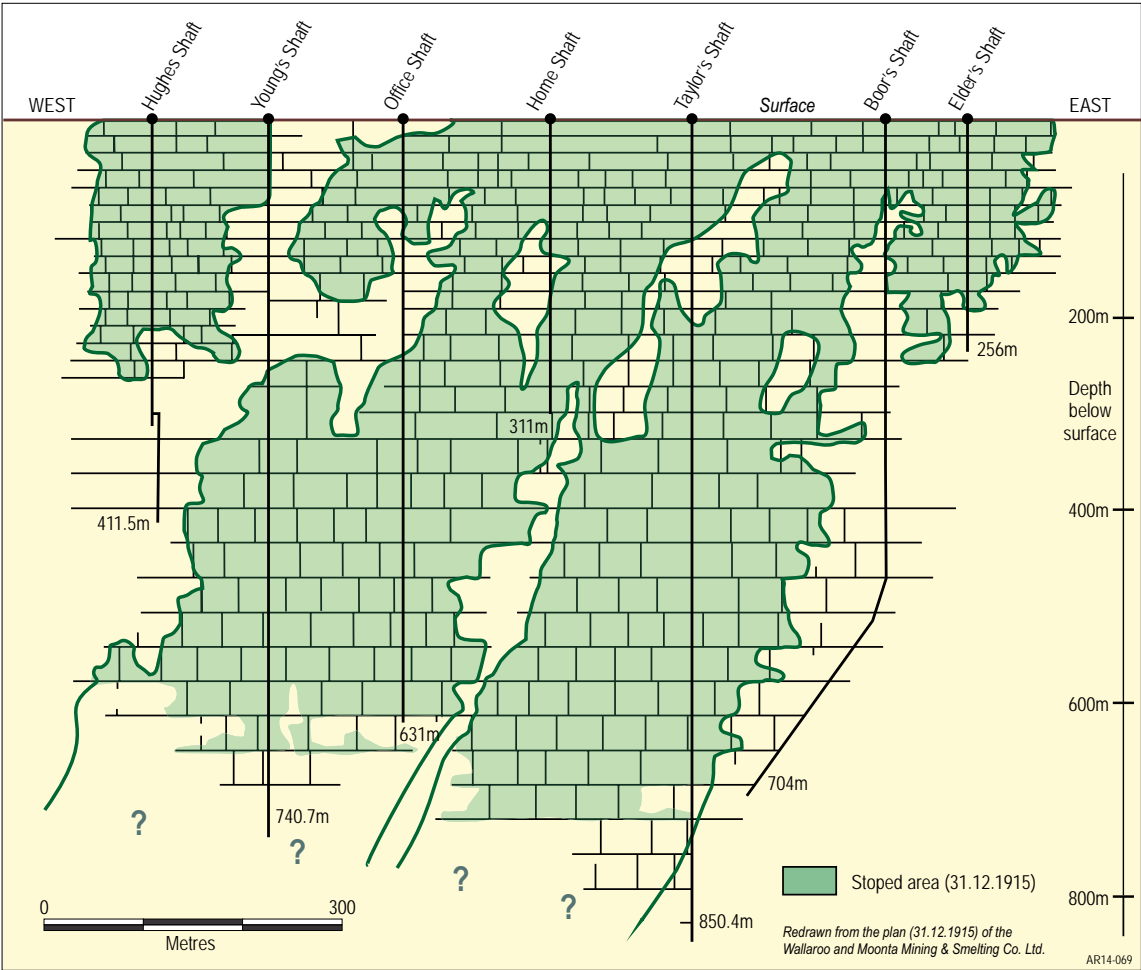


Figure 4: Long projection of the Wallaroo Main Lode, 1915.

A characteristic of the deposits at both Kadina and Moonta, confirmed by past mining records, are the dimensions and continuity of the mineralised lodes. For example, the Main Lode of the Wallaroo Mines (somewhat confusingly located at Kadina) comprised a series of steeply plunging, high grade ore shoots that were mined from the surface to depths of over 900 metres. *Figure 4* shows a long projection of the Wallaroo Main Lode including shafts and level development, and the areas or ore stoped up until 31 December 1915. The stoped out areas reflect the steeply plunging ore shoots.

Mining of the Wallaroo Main Lode continued after 1915 and old reports record that on the 2980 foot level (908 metres below surface) the Main Lode varied in width from 4 to 30 feet (1.2 to 9.1 metres), assayed 3.5% copper, and was mined over a horizontal distance of 1970 feet (600 metres).

Similar steeply plunging ore shoots were present in the majority of the historical mines in the district, reflecting a fundamental geological structural control on mineralisation that is likely to be repeated at new discoveries.

Since 1959, exploration in the district has been dominated by major mining houses, including Western Mining Corporation Ltd, North Broken Hill Ltd, Broken Hill South Ltd, Mount Isa Mines Ltd, BHP Ltd, and Phelps Dodge Corporation. In the period from 1988 to 1993, a joint venture between the Amalg Syndicate and Melita Mining NL focussed on producing copper and gold from the Poona and Wheal Hughes mines located near Moonta.

Adelaide Resources entered into the Moonta Porphyry Joint Venture (then with Amalg Resources) prior to listing in 1996, with the 106 km² MPJV one of the assets included in Adelaide Resources' Initial Public Offering. The Company also secured a "first right of refusal" over the larger part of the tenement and in 2003 exercised this right to acquire the bulk of the Project area and consolidate its ownership.

In 2002, Adelaide Resources formed a joint venture with major copper producer Phelps Dodge Corporation, which completed a significant exploration program of drilling, geochemistry and geophysics. Phelps Dodge withdrew from the joint venture in 2006 allowing Adelaide Resources to take control of the entire Project area.

The long and active exploration history of the district has generated a substantial volume of past exploration information including data generated from geochemical and geophysical surveys, and from past exploratory drilling. The Company estimates the present day cost of repeating the exploration programs completed by previous explorers would be in excess of \$50 million demonstrating the significant value of this part work.

A timeline summarising the companies that have managed exploration of the Moonta Copper Gold Project during the modern era, together with a graph of historical copper prices over this period, is presented as *Figure 5*.

Adelaide Resources recommenced its search for copper-gold deposits on the Moonta Project in 2009, delivering promising discoveries at Willamulka (2010/11) and Paskeville (2012). Its assessment of the historical exploration data from the Project highlighted what are now referred to as the Larwood and Bruce Zones at Alford West, with both returning significant exploration results in 2013 and 2014. Aircore drilling in 2014 discovered two more zones of mineralisation at Alford West (Six Ways and Blue Tongue). Ongoing assessment of the historical exploration data in 2014 has also identified the West Doora prospect as a significant body of mineralisation.

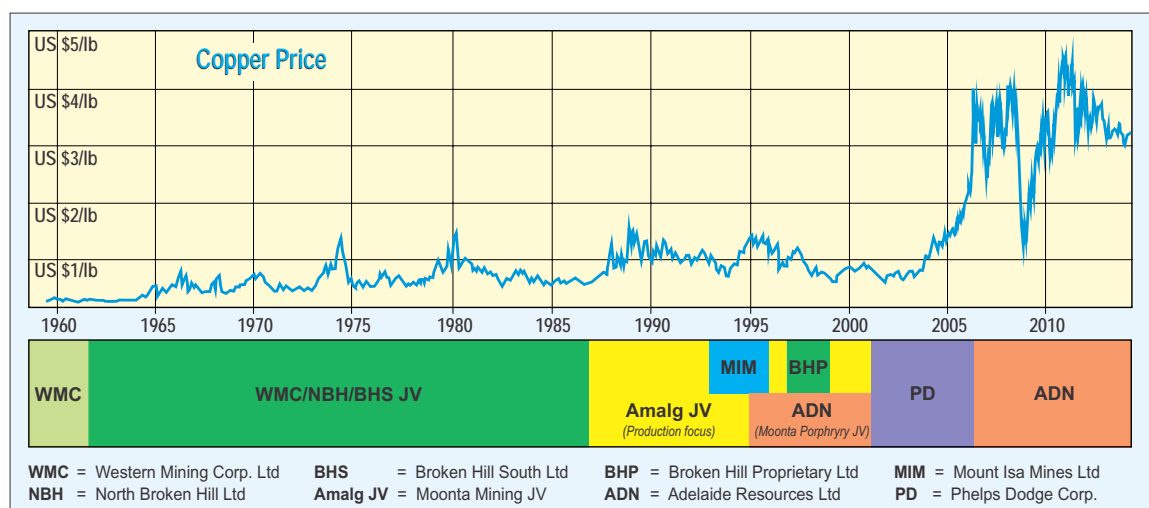


Figure 5: Moonta Copper Gold Project – Exploration history timeline.

In 2013, Adelaide Resources pioneered the use of highly cost efficient Field Portable X-Ray Fluorescence (FPXRF) geochemistry in the district. FPXRF was instrumental in the discovery of the Blue Tongue Zone at Alford West and in 2014 outlined a second exciting target at Tomahawk.

Alford West Prospect

The Alford West Prospect (*Figure 2*) was first recognised through a review of historical exploration data which confirmed that limited past drilling had intersected attractive grades of copper and gold mineralisation beneath a large copper geochemical anomaly defined by shallow auger drilling completed in the 1960s.

In April 2013, the Company completed an initial aircore drilling program of 25 holes over part of the prospect (now called the Larwood Zone), with a number of holes returning high grade intersections including 20 metres at 4.20% copper and 0.27g/t gold from 32 metres in ALWAC007, and 45 metres at 1.56% copper and 1.83g/t gold from 13 metres in ALWAC008. *Figure 6* presents a summary of the prospect's status in April 2013.

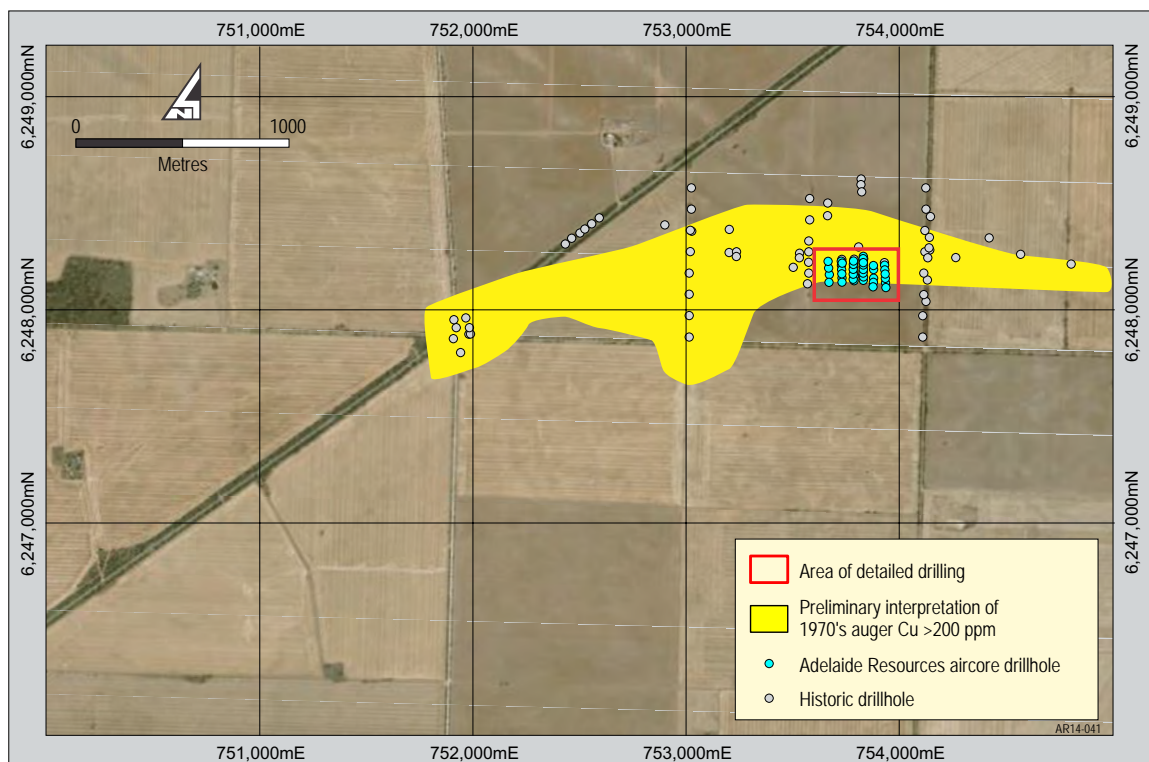


Figure 6: Alford West Prospect status April 2013.

Following these outstanding initial exploration results, additional aircore drilling was completed at the Larwood Zone and over part of a second zone called Bruce, with further significant intersections returned from each. Successful trials of Field Portable X-Ray Fluorescence (FPXRF) geochemistry were conducted, and all available historical shallow auger geochemical and deeper drilling data from the prospect area was digitally captured.

In late 2013 the FPXRF geochemical survey was extended to cover the broader prospect environs. This program discovered the significant "Blue Tongue" anomaly south of the area covered by the 1960s auger geochemistry, significantly increasing the overall size of the geochemical anomaly which defines the prospect.

In 2014 a program of further aircore drilling was completed to systematically cover the enlarged prospect area. This drilling discovered a new zone of copper mineralisation at "Six Ways", returned a number of further attractive drill intersections from the Larwood and Bruce Zones, and confirmed the Blue Tongue anomaly to be sourced by underlying copper mineralisation.

Figure 7 presents a summary of the current status of the Alford West prospect, and *Table 1* a listing of significant drill intersections from the various mineralised zones achieved by Adelaide Resources and past explorers.

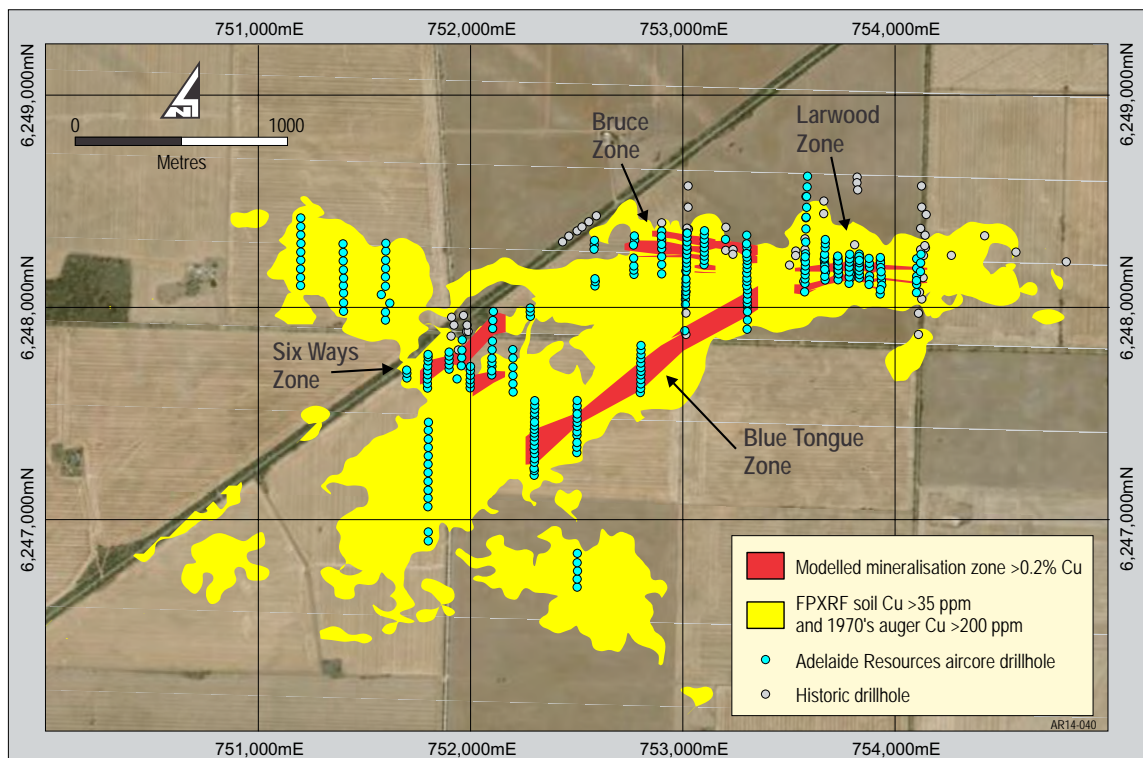


Figure 7: Alford West Prospect current status.

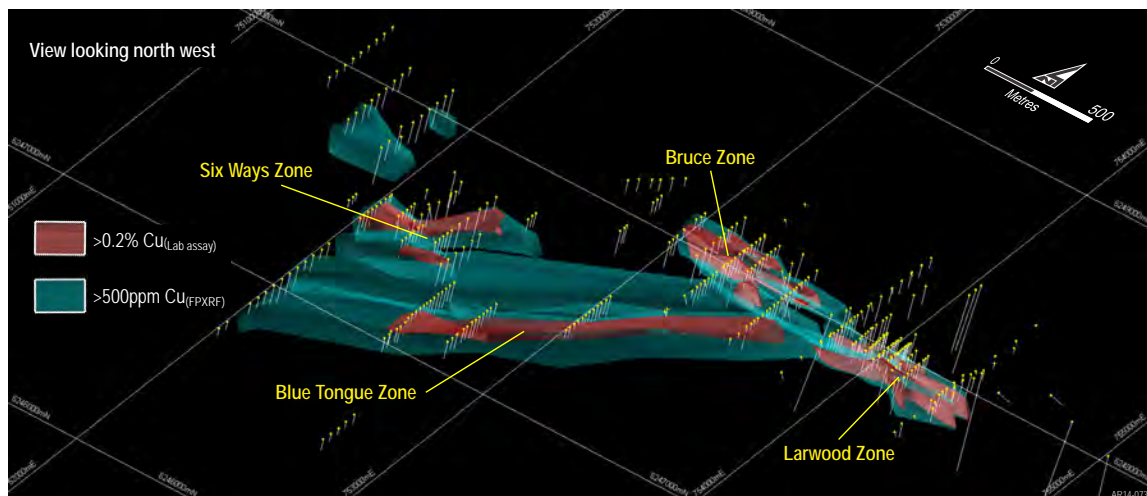


Figure 8: Alford West Prospect 3-D mineralisation model.

The Company has constructed a 3-D model of the prospect incorporating the results of all of its aircore drilling (Figure 8), and drawn the following conclusions:

- The Alford West Prospect is a single, large Iron Oxide Copper-Gold style mineralised system that extends over three kilometres in an east-west direction.
- There are four internal zones within the broader system that show potential to contribute to a mineral resource. These are named Larwood, Bruce, Six Ways and Blue Tongue. All four zones remain open at depth.
- The dimensions of the currently modelled lodes confirm that potential for a substantial mineral resource exists, if deeper exploratory drilling successfully demonstrates the mineralised zones persist to depth.

The Larwood and Bruce Zones both extend for 600 metres along strike and have sub-vertical dips. Mineralisation reaches thicknesses of up to 50 metres in places in each zone and both zones remain open at depth along their 600 metre strike lengths.

Aircore drill density at both Larwood and Bruce is sufficient to confidently interpret the strike, dip and boundaries of the mineralised lodes allowing accurate design of deeper drill holes to establish resource potential.

Table 1: Alford West drill intersections summary.

Zone	Hole Name	Hole Type	Easting (mga94)	Northing (mga94)	RL (msl)	Dip	Azi-muth (mga94)	Depth (m)	From (m)	To (m)	Interval (m)	Cu %	Au g/t
Larwood Zone (North Lode)	ALWAC003	Aircore	753668	6248195	35.2	-60	180	80	51	58	7	1.86	0.45
	ALWAC006	Aircore	753727	6248227	35.7	-60	180	78	56	71	15	2.89	0.15
	ALWAC007	Aircore	753729	6248188	34.8	-60	180	80	32	52	20	4.20	0.27
	ALWAC019	Aircore	753878	6248207	36.1	-60	180	72	34	42	8	0.42	1.62
	ALWAC038	Aircore	753784	6248212	35.5	-60	180	90	36	56	20	1.76	0.33
	ALWAC039	Aircore	753785	6248228	35.9	-60	180	99	69	93	24	0.41	0.16
	ALWAC043	Aircore	753732	6248195	34.7	-60	180	90	40	51	11	2.33	0.68
	ALWAC044	Aircore	753731	6248218	35.1	-60	180	90	46	64	18	2.22	0.17
	ALWAC047	Aircore	753667	6248209	34.5	-60	180	93	69	83	14	0.98	0.15
	ALWAC048	Aircore	753667	6248231	35.1	-60	180	83	60	76	16	2.38	0.18
	ALWAC056	Aircore	753576	6248213	34.3	-60	182	123	70	103	33	0.44	0.14
	ALWAC102	Aircore	754119	6248208	40.0	-60	180	79	53	65	12	0.30	0.06
	ALWAC252	Aircore	753876.5	6248230.2	36.8	-60	180	100	57	100	43	0.53	0.14
	ALWAC253	Aircore	753830.3	6248220.3	36.6	-60	180	80	44	65	21	1.19	0.42
	MALD2	Diamond	753830	6248226	36.0	-60	180	217.7	62.3	85.7	16.6	0.60	0.13
	MALRC1	RC	753786	6248218	35.6	-60	180	72	42	61	19	1.19	0.16
	MALRC2	RC	753787	6248236	36.1	-60	150	108	89	108	19	0.36	0.19
	AL4	RC	753832	6248239	37.0	-60	180	118	91	106	15	0.86	ND
	AL7	RC	753830	6248218	36.6	-60	180	146	43	74	31	0.98	ND
	AL11	RC	753730	6248221	35.5	-60	180	165	59	72	13	1.81	ND
Larwood Zone (South Lode)	ALWAC008	Aircore	753788	6248155	34.2	-60	180	60	13	58	45	1.56	1.83
	ALWAC016	Aircore	753878	6248129	34.4	-60	180	60	6	33	27	0.68	0.28
	ALWAC017	Aircore	753876	6248107	33.9	-60	360	44	13	36	23	0.86	0.64
	ALWAC036	Aircore	753783	6248167	34.7	-60	180	79	10	24	14	2.60	0.70
									39	69	30	0.41	0.30
									37	53	16	0.35	0.25
	MALD3	Diamond	753785	6248202	35.2	-60	180	214.7	70	84	14	0.67	0.08
	MALRC3	RC	753786	6248183	34.9	-60	180	69	48	65	17	0.65	0.10
	AL7	RC	753830	6248218	36.6	-60	180	146	125	146	21	0.67	ND
	AL9	RC	753830	6248180	36.0	-60	180	146	90	104	14	1.27	ND
Bruce Zone	ALWAC087	Aircore	753017	6248248	32.0	-60	182	72	15	27	12	0.41	1.44
	ALWAC089	Aircore	753018	6248287	32.5	-60	182	72	22	72	50	0.44	0.05
	ALWAC090	Aircore	753019	6248308	31.8	-60	182	72	41	64	23	0.68	0.10
	ALWAC186	Aircore	752899	6248276	32.6	-60	180	82	71	82	11	0.94	0.17
	ALWAC258	Aircore	753199.9	6248319.5	33.8	-60	180	101	70	80	10	1.02	0.04
	ALWAC259	Aircore	752899.9	6248295.7	32.7	-60	180	69	48	68	20	0.35	0.46
	ALWAC261	Aircore	752772.9	6248315.0	34.7	-60	180	89	77	89	11	1.52	0.04
	ALWAC285	Aircore	752766.7	6248292.5	34.2	-60	180	50	41	50	9	2.75	0.15
	DDH132	Diamond	753201	6248375	36.0	-55	180	303.7	146.9	158.1	11.2	1.02	ND
Six Ways Zone	ALWAC171	Aircore	752100	6247720	26.3	-60	180	108	7	30	23	1.47	<0.01
	ALWAC238	Aircore	751798	6247723	25.7	-60	180	68	6	31	25	0.63	<0.01
	ALWAC269	Aircore	751997.4	6247619.8	27.0	-60	180	67	25	48	23	0.69	<0.01
	ALWAC273	Aircore	751998.2	6247701.0	26.7	-60	180	56	34	56	22	1.33	0.03

ALWAC series holes (drilled by Adelaide Resources Limited)

Intersections calculated by averaging 1-metre 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. List restricted to intersections >2.5m% Cu or 2.5gm Au. Introduced QA/QC samples indicate acceptable analytical quality. Intersections are downhole lengths - true widths are not known.

Blue italicised series holes (drilled by previous explorers)

Drillhole collar locations estimated from historical data - accuracy +/- 25m. Copper analytical methods are not recorded but include AA for some samples. Gold analytical methods are unknown. ND = not determined. Results of any QA/QC completed unknown. Cut-off grade of 0.2% Cu or 0.2g/t gold applied with up to 2m internal dilution. List restricted to intersections >2.5m% Cu or 2.5gm Au. Diamond drillholes commonly suffered significant core loss in mineralised zones, with possible low-biasing of assayed grade. Intersections are downhole lengths - true widths are not known.

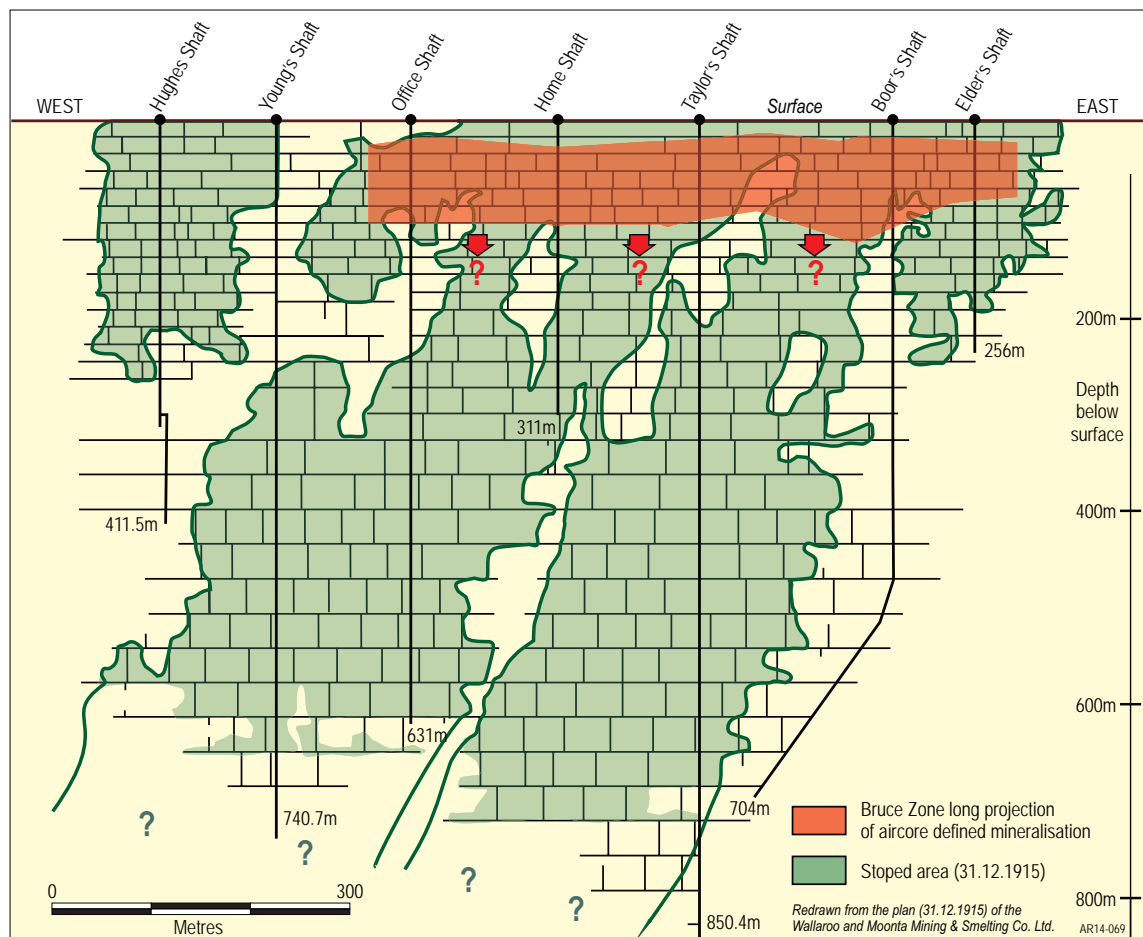


Figure 9: Bruce Zone 3-D model superimposed on Wallaroo Main Lode long projection.

While both the Six Ways and Blue Tongue Zones show promise to contribute to a broader mineral inventory, confidence in the interpretation of the strike and dip of these zones is somewhat lower than at Larwood and Bruce, and further shallow drilling will be required prerequisite to deeper drill tests.

Confidence that mineralisation at the four zones at Alford West will continue to depth is enhanced by the large lateral extent of the system and the presence of mineralisation in limited historical deeper reverse circulation and diamond drill holes at the Larwood and Bruce Zones.

The typically steeply plunging ore shoot morphologies at historical mines in the district add to this confidence. Figure 9 shows a long projection of the 3-D Bruce Zone model, built using the Company's aircore drill results, superimposed on the Wallaroo Main Lode long projection. If the Bruce, Larwood and other mineralised zones at Alford West do display the same steeply plunging shoot character, the potential to grow these deposits down-plunge is significant.

FPXRF geochemistry – The Tomahawk Anomaly

The successful role played by surface FPXRF geochemistry in the delineation and discovery of the Blue Tongue Zone of copper mineralisation at Alford West prompted the Company to expand the area of the FPXRF survey, with an initial focus on the Alford Copper Belt. In 2014 the Company announced the delineation of the Tomahawk anomaly, located about 5 kilometres east of the Alford West prospect (Figure 10).

The Tomahawk anomaly is comparable in size to the FPXRF soil copper anomaly sourced by the broader 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 Alford West while limited shallow historical aircore drilling at Tomahawk encountered anomalous copper and gold. Taking into account all available exploration data, Tomahawk is assessed to be a high quality target worthy of exploratory aircore drilling.

Historic data capture – The West Doora deposit

The review of often hand written old exploration records led to recognition of the opportunity at Alford West, and the Company is continuing its capture and assessment of old data with the goal of identifying further opportunities. The West Doora prospect (Figure 2) has emerged as another target displaying potential.

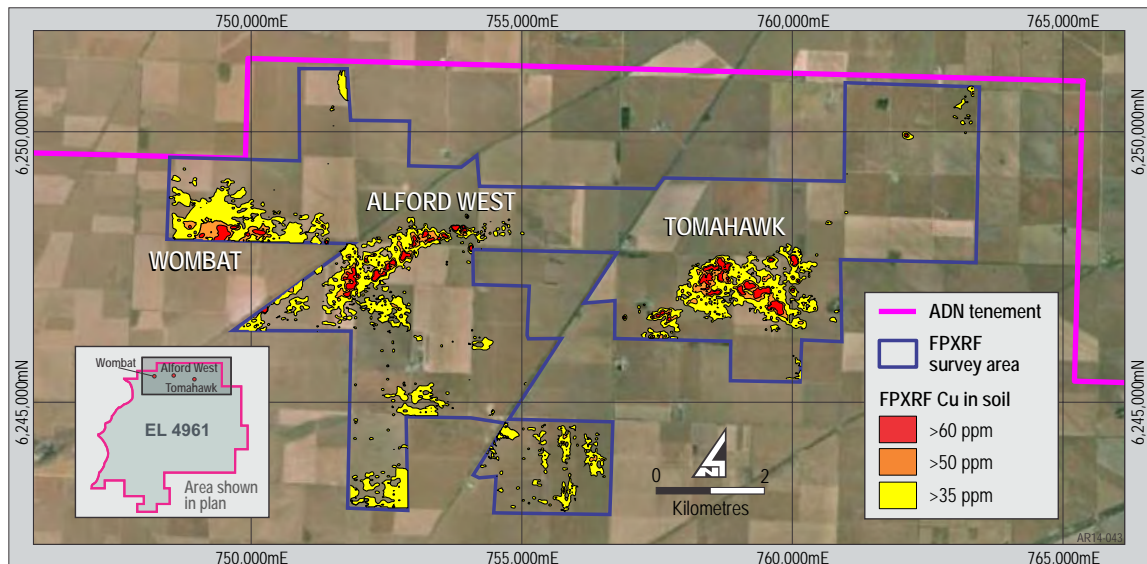


Figure 10: FPXRF survey area (June 2014) showing Tomahawk anomaly.

The WMC/NBH joint venture drilled 41 holes at West Doora between 1966 and 1974, intersecting copper from depths as shallow as 20 metres below surface. Significant intersections include 7.31 metres at 2.29% copper from 224.03 metres in DDH 38, and 71.02 metres at 0.82% copper from 276.15 metres in DDH 114.

Mineralisation occurs in two main zones. The Eastern Zone is interpreted as a series of stacked narrow lodes, while the Western Zone includes a thick mineralised body with internal zones that reach horizontal widths of up to 50 metres.

3.3.4 PROPOSED PROGRAM AND BUDGET ALLOCATION

The Company recognises that potentially economic deposits can display a significant range of tonnage, grade and other parameters. None the less, for guidance, it believes that deposits of approximately 50 million tonnes grading about 1% copper equivalent, or deposits of about 20 million tonnes grading about 2% copper equivalent, are likely to constitute resources warranting development, and its goal is to establish such a resource position on the Moonta Project.

The Company is proposing the following program of exploration at the Moonta Copper Gold project, with the program design being guided by the goal of discovering a deposit that meets the Company's broad economic target parameters at the project. Elements of the program include:

- A staged program of deeper reverse circulation or diamond drilling to test for depth extensions of the Larwood and Bruce Zones at Alford West. A number of early holes are planned to test approximately 50 metres down dip of the aircore holes, followed by an assessment of the economic significance of the results prior to committing to deeper tests. Completion of the full program would see the drilling of up to 8000 metres of reverse circulation or up to 4800 metres of diamond drilling.
- Additional aircore at Six Ways and Blue Tongue at Alford West to increase confidence in the strike and dip of these zones preparatory to the design of deeper RC or diamond drill tests, and the Company's first aircore drilling to determine the source of the recently delineated Tomahawk FPXRF soil copper geochemical anomaly.
- An ongoing program of FPXRF soil geochemistry and historical data capture to delineate new drill targets

The Company has estimated a budget of \$2.01 million to complete this work.

Of the total, \$1.2 million is allocated to the deep drilling program at the Larwood and Bruce Zones at Alford West, and assumes the receipt of positive results which will warrant completion of the full program.

Aircore drilling at Tomahawk, and at the Six Ways and Blue Tongue Zones at Alford West is budgeted to cost \$600,000. The on-going FPXRF soil geochemistry and historic data capture initiatives are together estimated to cost \$210,000.

3.4 Drummond Epithermal Gold Project

3.4.1 LAND POSITION

Adelaide Resources holds 100% equity in EPM 18090 and EPMA 25660 which together secure 270 km² of ground in the northern Drummond Basin in Queensland (*Figure 11*). There are no third party interests, royalties or other encumbrances on either of the tenements

3.4.2 GEOLOGICAL SETTING – THE DRUMMOND BASIN

The Drummond Basin in Queensland hosts a number of significant, high grade epithermal gold deposits, the most notable being the ~3 million ounce Pajingo Field.

The Company's Drummond Epithermal Gold Project tenements secure volcanic dominated stratigraphy of the Drummond Basin just south of the interpreted boundary with older Mt Windsor Volcanics and intrusives of the Lolworth-Ravenswood Block, a geological setting similar to that seen at the Pajingo Field, located about 70 kilometres to the west (*Figure 11*).

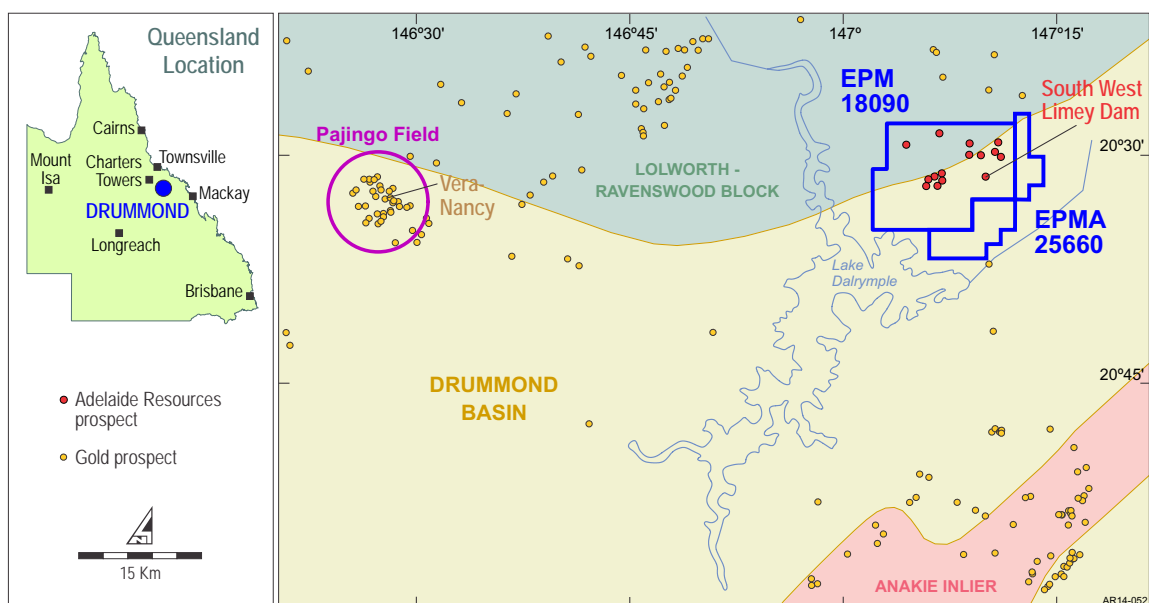


Figure 11: Drummond Epithermal Gold Project location plan.

An epithermal gold deposit is one in which gold mineralisation is deposited relatively close to the ground surface from hot volcanic fluids. The fluids are estimated to range in temperature from less than 100°C to about 300°C and, during the formation of a deposit, can appear at the surface as hot springs and geysers. Gold is carried in solution and is deposited when the water approaches the land surface and boils. Epithermal deposits are formed during periods of active volcanism around the margins of continents, a geological situation that existed in the Drummond Basin during the Late Devonian to Carboniferous.

Epithermal deposits exhibit a number of characteristic geological features including specific vein textures, alteration assemblages and the presence of associated pathfinder metals, all of which vary depending upon the vertical position in the system. A general model of an epithermal deposit is shown in *Figure 12*.

3.4.3 PROJECT HISTORY AND CURRENT STATUS

Previous explorers located gold mineralised systems on the area secured by EPM 18090. At the Limey Dam prospect (*Figure 11*), historical soil sampling delineated a cluster of gold anomalies in a five kilometre long, northeast trending corridor. Rock chip samples collected from outcropping quartz veins returned anomalous gold values with a best result of 3.15g/t gold. Limited drilling at Limey Dam returned 40 metres at 0.19g/t gold from 23 metres, 12 metres at 0.48g/t gold from surface and 14 metres at 0.38g/t gold from 42 metres.

Commencing in 2013 the Company completed a highly successful first exploration program on EPM 18090 "Glenroy", which included rock chip sampling, trial FPXRF pathfinder soil geochemistry, and a petrological study of vein and host rock materials.

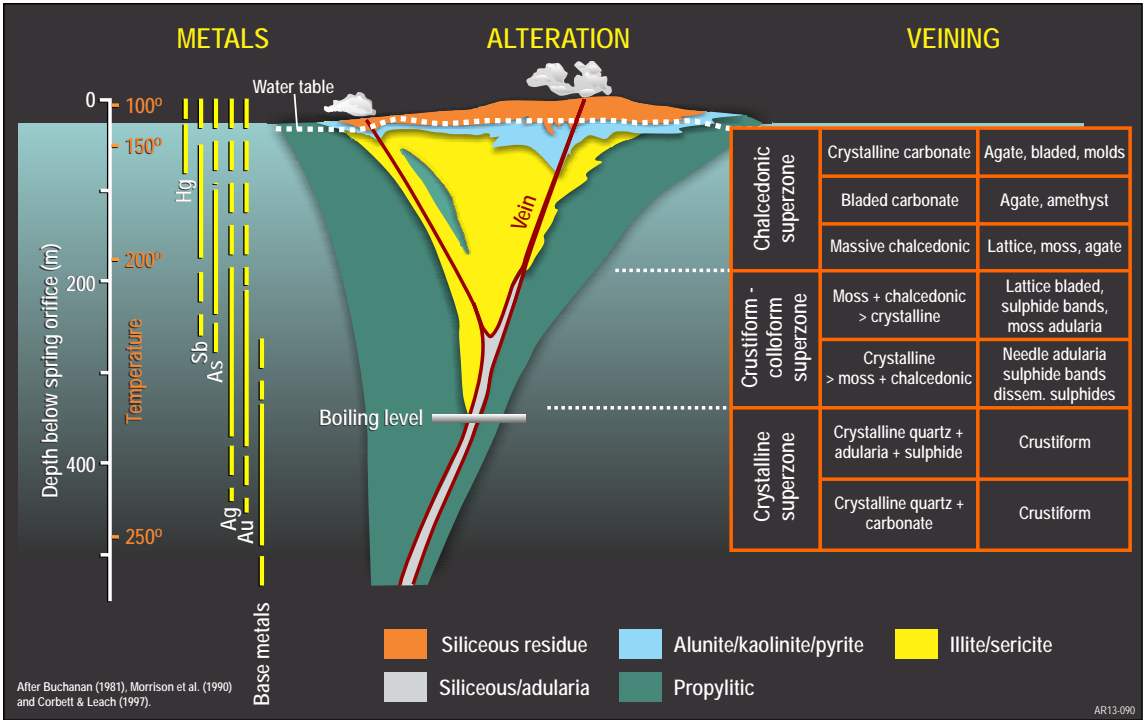


Figure 12: Geological model of an epithermal gold system.

Assaying of rock chips confirmed the presence of anomalous gold and epithermal pathfinder metals, including one sample from the South West Limey Dam prospect which returned 55.4g/t gold (Figure 13).

The FPXRF soil geochemistry trials showed that the method is able to successfully define epithermal gold pathfinder metal anomalies at a resolution sufficient to allow the direct targeting of drill holes.

FPXRF sampling conducted on a semi-systematic grid at the South West Limey Dam prospect revealed a large and coherent arsenic anomaly containing internal narrow high magnitude zones (Figure 14). Initial traverses of FPXRF soil geochemistry at other prospects indicate the presence of similar strongly anomalous arsenic in areas that show every chance of developing into further highly regarded anomalies with systematic sampling.

The petrological study confirmed the presence of signature epithermal textures including colloform and crustiform banding and bladed calcite textures considered indicative of fluid boiling in mineralised veins. Alteration mineral assemblages typically seen in epithermal systems were also observed in the volcanic host rocks.

In 2013, the Queensland Government announced collaborative drilling funding as part of its "Future Resources Program". The Collaborative Drilling Initiative (CDI) is designed to encourage the testing of new exploration concepts with economic and technical merit by directly supporting companies to drill high quality exploration targets in greenfield and under-explored areas of Queensland to stimulate the discovery of a new generation of mineral and energy resources.



Figure 13: Rock chip sample from South West Limey Dam assaying 55.4g/t gold.

Adelaide Resources applied through the Collaborative Drilling Initiative for funding to complete a program of up to 2800 metres of reverse circulation drilling to test an epithermal gold target at the South West Limey Dam prospect delineated by the 2013 FPXRF soil geochemistry survey.

The Company's application was successful with the Queensland Government to contribute up to a maximum of \$100,000 to fund 50% of the direct drilling costs of the exploration program. Adelaide Resources will fund the remainder of the drilling costs, along with associated expenses such as field personnel and assaying charges. A condition of the Collaborative Drilling Initiative funding agreement requires that the program of drilling is completed by 13 April 2016.

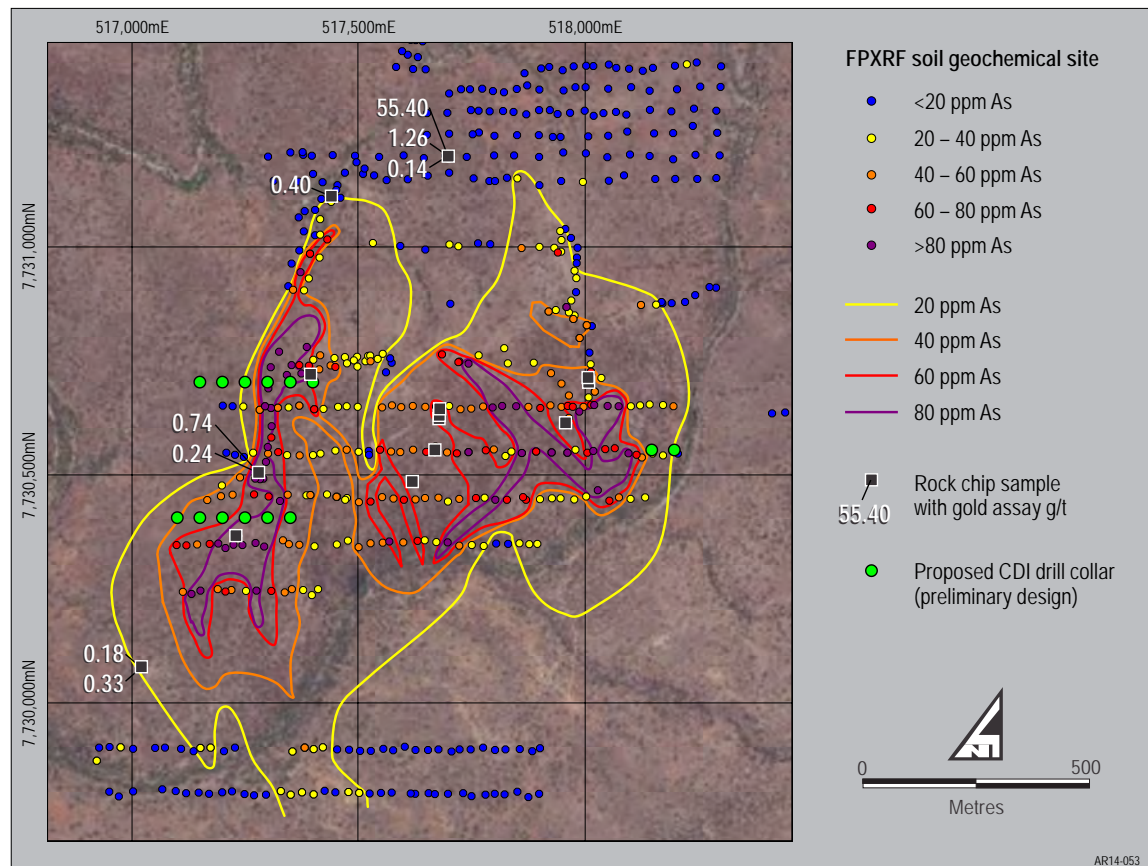


Figure 14: South West Limey Dam prospect summary plan.

3.4.4 PROPOSED PROGRAM AND BUDGET ALLOCATION

The Company proposes to complete further programs of surface FPXRF soil geochemistry and rock chip sampling in 2014 and early 2015 with the goal of completing a systematic coverage of the area that includes the Limey Dam group of prospects to allow the design of the CDI funded drill holes to be "fine tuned".

Drilling is scheduled to follow with the goal of completing the CDI funded program before the onset of the northern wet season in late 2015, thereby allowing the 13 April 2016 CDI funding deadline to be met.

The Company estimates the cost of the surface geochemical program to be \$70,000, and the cost of meeting its share of the CDI co-funded drill program to be \$320,000 (exclusive of the QLD Government's \$100,000 contribution).

3.5 Eyre Peninsula Gold Project

3.5.1 LAND POSITION

Adelaide Resources holds equity in 12 tenements capturing 4415 km² of ground on the northern Eyre Peninsula in South Australia (*Figure 15*). The majority of the area (4094 km²) is 100% owned. Newcrest Mining holds a 1.5% NSR royalty over a number of the project tenements.

In August 2014 the Company announced it had entered into a Farm-in and Joint Venture Agreement (the Thurlga Joint Venture) with neighbouring explorer Investigator Resources Limited (IVR) to explore one of the project tenements. IVR can earn 75% equity in the 333 km² tenement by spending \$750,000 by 30 June 2017.

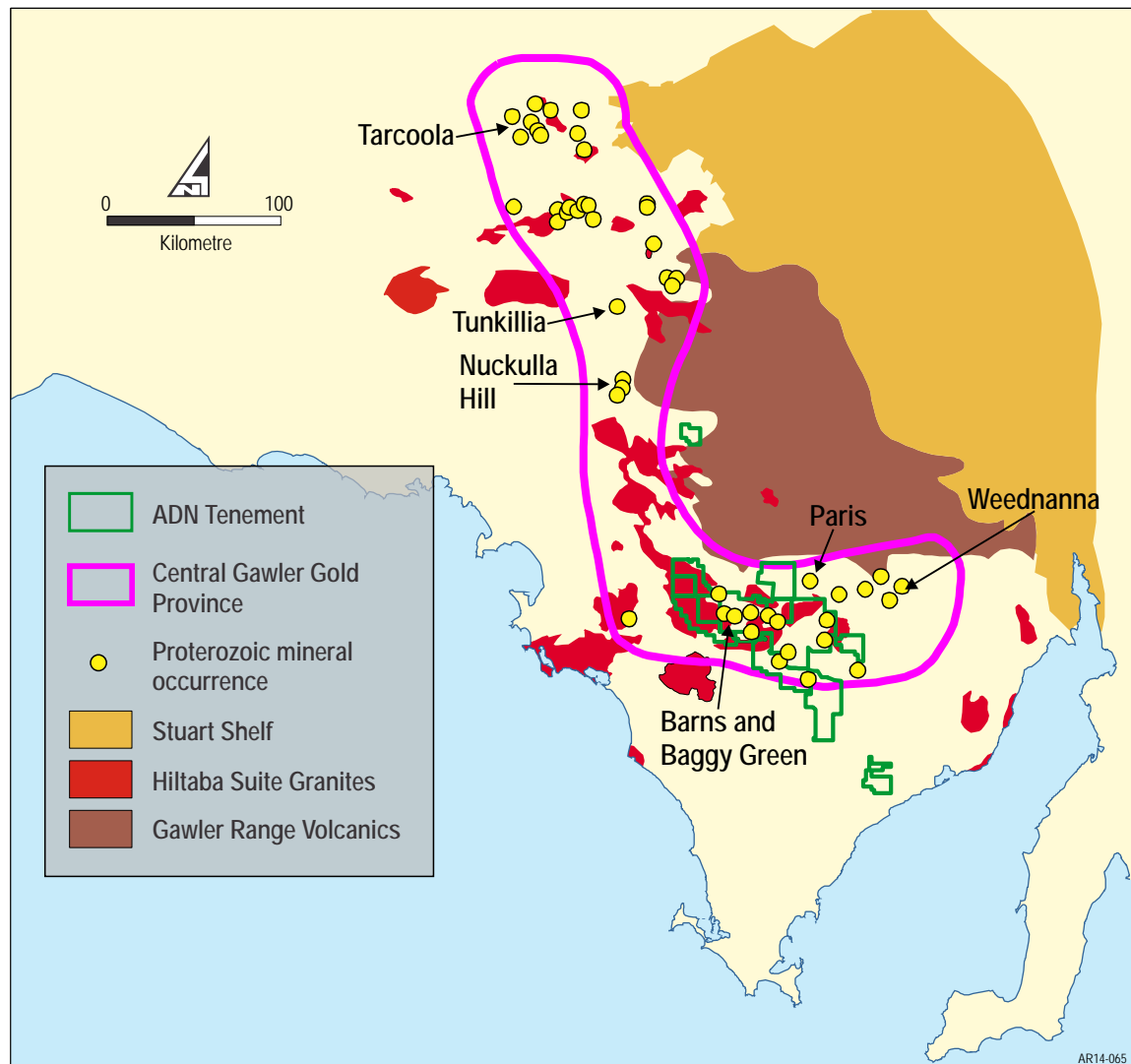


Figure 15: Central Gawler Gold Province showing location of Eyre Peninsula Gold Project

3.5.2 GEOLOGICAL SETTING – THE CENTRAL GAWLER GOLD PROVINCE

The Eyre Peninsula Gold Project falls largely in the Central Gawler Gold Province, a 450 kilometre long arcuate belt which contains numerous mineral deposits and prospects which formed around 1590 million years ago and which are related to the extensive Hiltaba/Gawler Range Volcanic tectonothermal event (*Figure 15*).

Gold deposits in the Central Gawler Gold province include the Barns and Baggy Green deposits (100% owned by Adelaide Resources), and the 878,000 ounce Tunkillia and 97,000 ounce Tarcoola deposits owned by third parties.

Silver and base metal deposits also formed during the 1590Ma event. The 20 million ounce Paris Silver Deposit, owned by Investigator Resources Limited, is situated on a tenement adjacent to the Company's Eyre Peninsula Gold Project.

3.5.3 PROJECT HISTORY AND CURRENT STATUS

Part of the current Eyre Peninsula Gold Project has been held by Adelaide Resources since its listing in 1996, forming one of the assets included in the Company's Initial Public Offering.

The Company completed surface calcrete geochemistry across the project, discovering numerous gold anomalies (*Figure 16*). Follow-up drilling of a number of these anomalies confirmed they are sourced by underlying gold mineralisation.

The Barns gold deposit was discovered in 2000, with significant intersections including 12 metres at 3.38g/t gold from 67 metres in RCBN-123, and 35.49 metres at 1.80g/t gold from 115 metres in PDBN-134.

Intersections from White Tank, discovered in 2003, include 7 metres at 10.03g/t gold from 63 metres in RHBN-234, and 17 metres at 3.47g/t gold from 60 metres in RHBN-248.

Baggy Green was found in 2004 with notable intersections including 8 metres at 4.79g/t gold from 34 metres in WUD6-770, and 5 metres at 9.01g/t gold from 66 metres in BGRC-865.

All three deposits dip moderately to the northwest and display large, zoned alteration haloes. The Company's prospects share some geological characteristics with the large Tropicana gold deposit located in Western Australia including similar alteration assemblages, structural controls and deposit morphology. Much of the gold at Tropicana is hosted in high grade shoots developed within the principal southwest dipping mineralised plane (*Figure 17*).

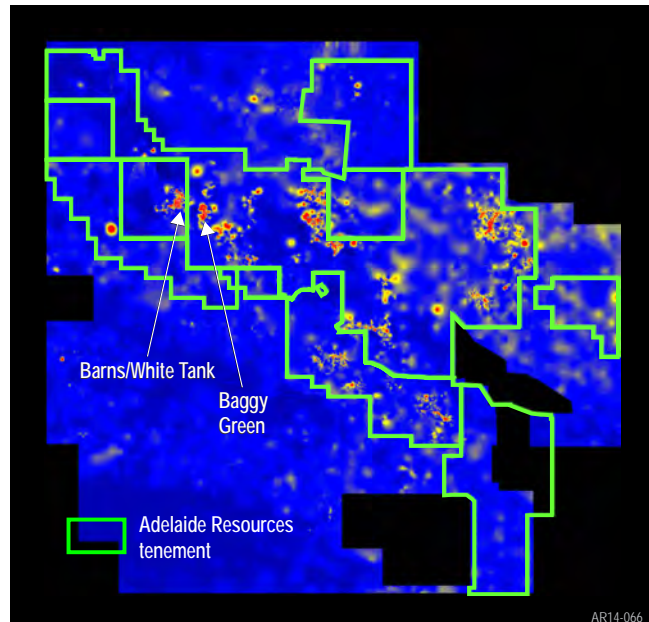


Figure 16: Regional gold in calcrete geochemistry image.

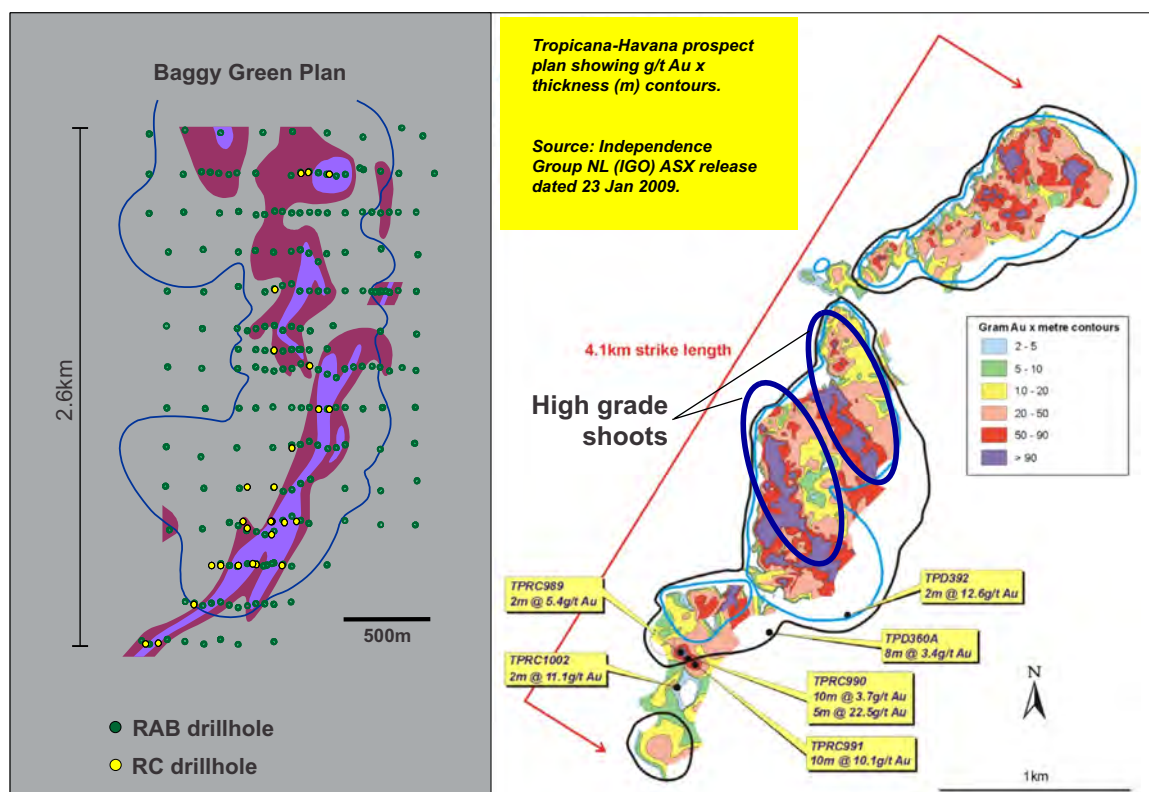


Figure 17: Baggy Green Prospect plan.

Barns, White Tank and Baggy Green are also likely to include high grade shoots of gold with close spaced drilling at the White Tank prospect confirming such shoots are present (Figure 18). The discovery of similar high grade shoots of gold at Barns or Baggy Green could transform these into economic deposits.

Barns, White Tank and Baggy Green were discovered by testing calcrete geochemical gold anomalies, however calcrete sampling is considered ineffective over a large part of the project due to a lack of calcrete media.

In 2013, CSIRO scientist Dr Mel Lintern published ground breaking results of research he had completed into the biogeochemical behaviour of gold. Dr Lintern showed that eucalypts have an ability to transport gold from the sub-surface and deposit it as “nanonuggets” in leaves, which can then be sampled and assayed to reveal the presence of sub-surface gold.

One of Dr Lintern’s research field sites was the Company’s Barns Prospect, and the recognition that the biogeochemical gold transport process is occurring locally presents a possible new technique that can be applied to exploring the large area of the project where previous calcrete sampling proved ineffective.

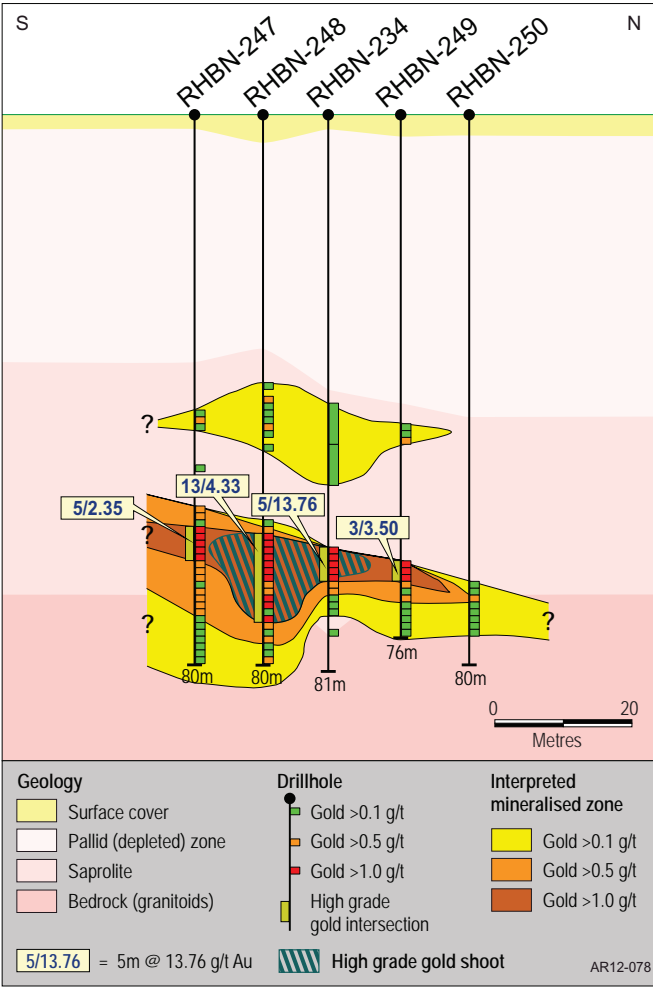


Figure 18: White Tank Prospect drill section.

3.5.4 PROPOSED PROGRAM AND BUDGET ALLOCATION

The Company plans to complete a program of RC drilling to test for the presence of high grade gold shoots at Barns and Baggy Green, with holes sited around existing high grade intersections that may be evidencing the presence of such shoots.

It is also planned to complete field biogeochemical trials aimed at developing a cost efficient sampling and analytical protocol to extend Dr Lintern’s exciting research into a commercial exploration method that can be applied to the large areas of the project where calcrete sampling is ineffective.

A budget of \$200,000 has been prepared for the RC drilling, and a budget of \$50,000 is proposed for the biogeochemical trails.

3.6 Rover Gold Copper Project

3.6.1 LAND POSITION

Adelaide Resources holds 100% equity in two tenements which secure 287 km² of ground in the Rover Field located southwest of Tennant Creek in the Northern Territory (Figure 19).

Franco-Nevada retains a Royalty or alternatively, a Buy Back Right over the project. The Buy Back Right is a once only right to acquire a 70% interest in the project should a resource of at least 2 million ounces of gold be established on the project. The Buy Back Right cannot be triggered by definition of a copper resource.

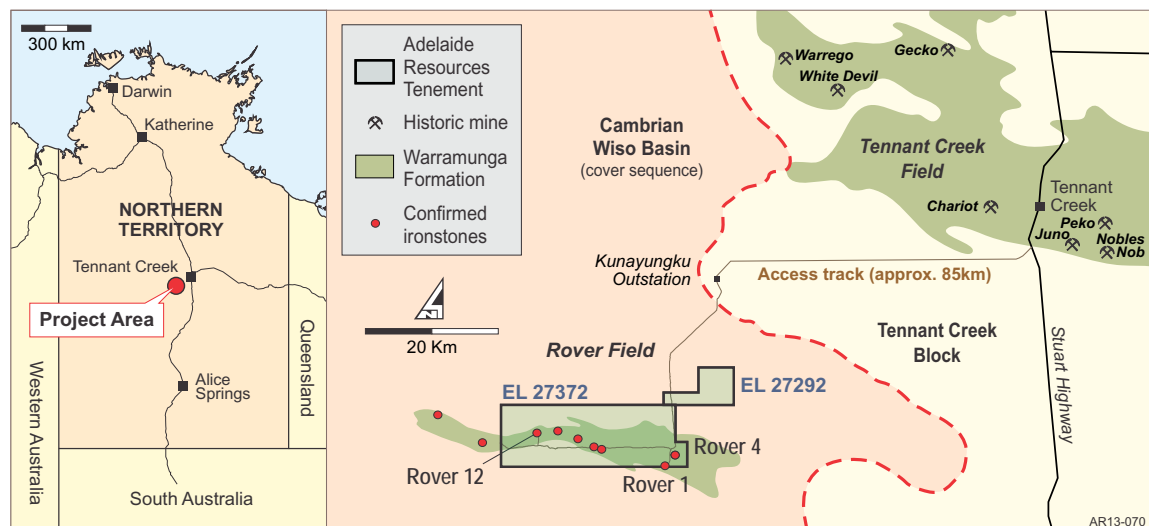


Figure 19: Rover Project location plan.

3.6.2 GEOLOGICAL SETTING – THE TENNANT CREEK DISTRICT

Gold was first mined at Tennant Creek in the 1930s with the field producing over 5.5 million ounces of gold and nearly 500,000 tonnes of copper since that time. Mineral deposits in the Rover Field are geologically identical to the Tennant Creek deposits.

At both Rover and Tennant Creek, copper-gold mineralisation is hosted in magnetite-hematite ironstones and their associated alteration haloes (Figure 20). Deposit grades are often exceptionally high. The White Devil deposit produced about 750,000 ounces of gold from 1.6 million tonnes of ore averaging 14.6g/t gold; while the Juno deposit produced 815,000 ounces of gold from just 450,000 tonnes of ore grading 56.1g/t gold.

The prospective rocks of the Rover Field are buried beneath 100-200 metres of barren cover sediments of the Wiso Basin, however the magnetite-bearing ironstone bodies that host mineralisation source magnetic anomalies that can be detected using airborne or ground magnetic surveys.

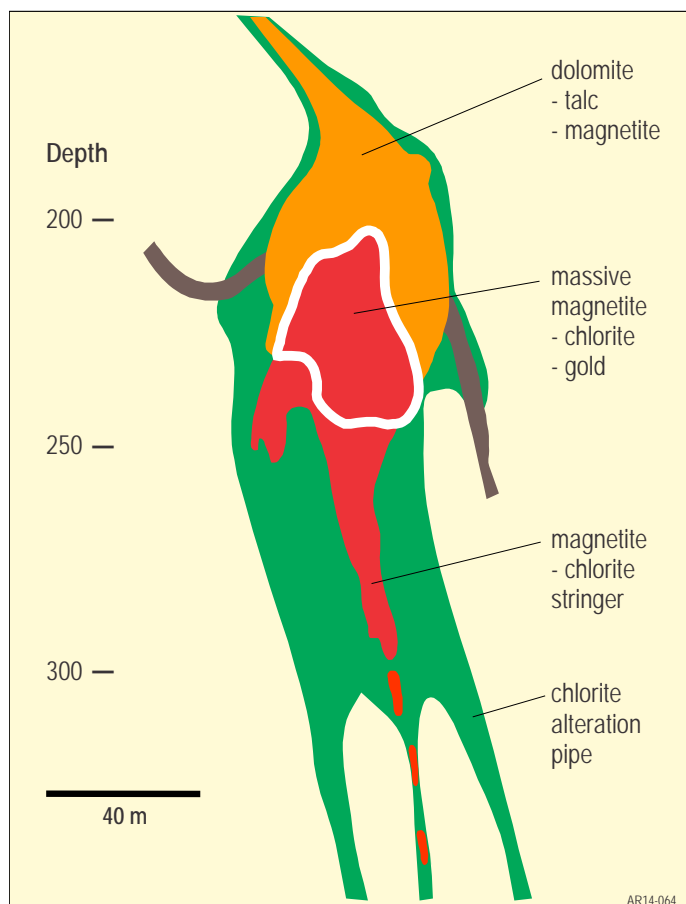


Figure 20: Anatomy of a Tennant Creek deposit – Juno section.

All ironstone systems located to date at Rover, and many of the deposits at Tennant Creek, owe their discovery to the drill testing of magnetic anomalies.

3.6.3 PROJECT HISTORY AND CURRENT STATUS

Exploration of the Rover Field was initiated by Peko Mines Ltd in 1971 after recognizing the similarity of the Rover magnetic anomalies to those of the Tennant Creek Field. The most prominent magnetic anomaly, at Rover 1, was Peko's main focus and was targeted by numerous diamond drill holes. This work returned several high grade gold and copper intersections including 15 metres at 17.3g/t gold and 0.7% copper and 20 metres at 5.2g/t gold and 1.7% copper.

Peko (and its joint venturer Shell Company of Australia) went on to discover nine ironstone systems at Rover, with drilling at all but Rover 1 limited to only a handful of holes. The initial exploration phase at Rover ended in 1982 and the project entered a 23 year period of inactivity until the mid 2000s.

Rover 1 is located immediately south of the Company's tenement boundary, and in recent years neighbouring explorers have established a resource of 1.22 million ounces (gold equivalent) at the deposit. Its current owner, Metals X Limited, is completing feasibility studies in preparation for first production it anticipates occurring in the 2016/17 financial year.

Adelaide Resources acquired 100% equity in the two Rover Field tenements from Newmont Australia Limited in 2005, with the licences capturing six of the nine known Rover Field ironstone systems (Figure 19).

Adelaide Resources has completed programs of ground magnetics and gravity, airborne magnetics, and diamond drilling at a number of targets. This work discovered the Rover 4 deposit and an extension of the Rover 1 deposit where it crosses the tenement boundary into the Company's ground.

The Rover 4 prospect (Figure 21) is located in the southeast of the project tenements about 2.2 kilometres northeast of Rover 1. Drilling by the Company intersected significant copper and gold in two main areas at Rover 4, with significant intersections including 21 metres at 2.33% copper and 0.94g/t gold from 379 metres in R4ARD28, and 22 metres at 1.87% copper and 1.30g/t gold from 212 metres in R4ARD40.

Rover 4 includes the shallowest known mineralisation in the Rover

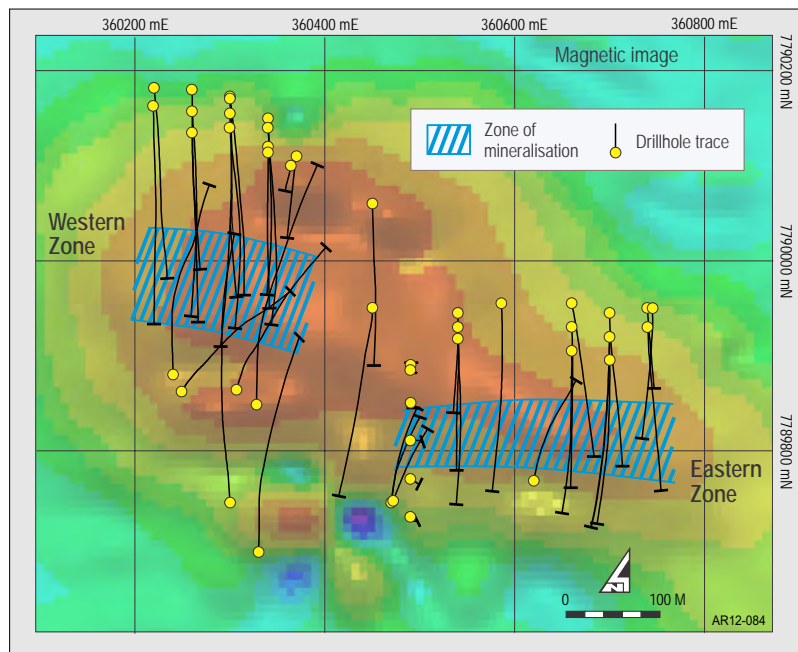


Figure 21: Rover 4 Prospect summary plan.

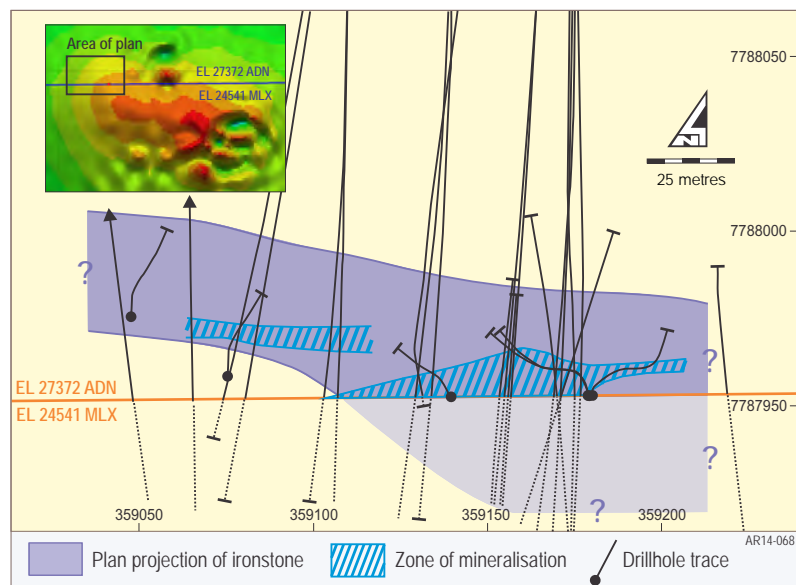


Figure 22: Rover 1 Prospect summary plan.

Field, with mineralisation in the eastern part of the deposit commencing at about 150 metres below surface. The mineralisation remains open in various directions.

The majority of the Rover 1 deposit falls in tenements now owned by Metals X Limited, however the Company owns part of the deposit where drilling has confirmed mineralisation crosses over the tenement boundary into Adelaide Resources' ground (*Figure 22*).

Drilling returned a number of outstanding intersections in Adelaide Resources' tenement including 55 metres at 3.36% copper and 0.16g/t gold from 357 metres, and 34 metres at 2.05% copper and 2.14g/t gold from 450 metres in R1ARD30, and 26 metres at 3.87% copper and 0.22g/t gold from 445 metres in R1ARD35.

Both Rover 4 and Adelaide Resources' part of the Rover 1 are considered too small to warrant development in their own right, however may have value as a secondary ore source for a mill processing Rover Field ores.

Mineralisation at both Rover 4 and Rover 1 remains open in various directions presenting future exploration opportunities, while a number of other promising earlier stage prospects are present on the Rover Project, including the Rover 12 prospect which has delivered a number of narrow high grade copper and gold drill intersections.

3.6.4 PROPOSED PROGRAM AND BUDGET ALLOCATION

The Company's effort to deliver shareholder value from the Rover asset continues. A modest budget of approximately \$60,000 is included to complete office based assessment of the exploration data, using recently acquired interpretive software tools and skills, to re-evaluate the Rover 4 and Rover 1 deposits and to continue efforts to attract third party interest.

4 EFFECT OF THE OFFER ON THE COMPANY

4.1 Effect on Financial Position

To illustrate the effect of the issue on the Company, a pro-forma statement of financial position has been prepared based on the audited statement of financial position as at 30 June 2014.

The pro-forma statement of financial position shows the effect of the Offer as if the Offer under this Prospectus had been made on 30 June 2014 and assumes that the Offer is fully subscribed.

The accounting policies adopted in preparation of the pro-forma statement of financial position are consistent with the policies adopted and as described in the Company's financial statements for the full year ended 30 June 2014.

The significant effects of the Offer (assuming the Offer is fully subscribed) will be:

- to increase cash reserves and issued capital by approximately \$3.436 million (before cash expenses of the Offer which are estimated to be \$150,000) assuming a \$0.03 per share subscription price;
- to increase the number of issued ordinary shares by 114,539,906 to 343,619,719 shares on issue;
- the issue of 57,269,953 options to subscribe for ordinary shares in the Company at \$0.05 per share on or before 30 September 2016.

The pro-forma statement of financial position has not been subject to an audit or review.

PRO-FORMA STATEMENT OF FINANCIAL POSITION

	Audited 30/06/14 \$	Share Issue Proceeds \$	Pro-forma 30/06/14 \$
CURRENT ASSETS			
Cash and cash equivalents	1,376,050	3,286,197	4,662,247
Trade and other receivables	219,542	–	219,542
TOTAL CURRENT ASSETS	1,595,592	3,286,197	4,881,789
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	10,478,639	–	10,478,639
Plant and equipment	177,347	–	177,347
Other financial assets	92,500	–	92,500
TOTAL NON-CURRENT ASSETS	10,748,486	–	10,748,486
TOTAL ASSETS	12,344,078	3,286,197	15,630,275
CURRENT LIABILITIES			
Trade and other payables	195,507	–	195,507
Provisions	38,447	–	38,447
TOTAL CURRENT LIABILITIES	233,954	–	233,954
NON-CURRENT LIABILITIES			
Provisions	47,975	–	47,975
Other liabilities	270,744	–	270,744
TOTAL NON-CURRENT LIABILITIES	318,719	–	318,719
TOTAL LIABILITIES	552,673	–	552,673
NET ASSETS	11,791,405	3,286,197	15,077,602
EQUITY			
Issued capital	34,058,144	3,286,197	37,344,341
Reserves	1,512,703	–	1,512,703
Accumulated losses	(23,779,442)	–	(23,779,442)
TOTAL EQUITY	11,791,405	3,286,197	15,077,602

4.2 Capital Structure and Potential Dilution

The share capital structure of Adelaide Resources Limited immediately following the Offer, on the basis that the Offer is fully subscribed (excluding rounding of Entitlements), will be as follows:

Shares	Number	%
Ordinary Shares on issue at the date of this Prospectus	229,079,813	66.7
Maximum number of New Shares under this Prospectus	114,539,906	33.3
Total	343,619,719	100

Options	Number	%
Options on issue at the date of this Prospectus	0	0
Maximum number of New Options under this Prospectus	57,269,953	100
Total	57,269,953	100

Performance Rights	Number	%
Performance Rights on issue at the date of this Prospectus	3,800,000	100
Total	3,800,000	100

Performance Rights Plan

The Group has an ownership-based compensation plan for executives, employees and consultants. In accordance with the provisions of the Adelaide Resources Limited Performance Rights Plan, Directors may issue performance rights to the company executives, employees and consultants. The performance rights are granted for no consideration and entitle the holder to be issued one fully paid ordinary share per performance right upon vesting, as long as the holder remains employed by the Company. The performance rights are not listed, carry no rights to dividends and no voting rights.

Potential Dilution

If an Eligible Shareholder does not take up their Entitlement in full, this will result in their percentage holding in the Company being diluted by the Offer. The maximum possible dilution to an Eligible Shareholder's interest in the Company would be 33.3%.

5 RIGHTS ATTACHING TO NEW SHARES AND TERMS AND CONDITIONS OF ATTACHING FREE OPTIONS

5.1 Rights and Liabilities attaching to New Shares

The rights attaching to ownership of the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours.

The following is a summary of the principal rights of holders of the New Shares, subject to any special rights attaching to any class of share at a future time. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's Shareholders.

5.1.1 VOTING

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Adelaide Resources Share held by them.

5.1.2 DIVIDENDS

The New Shares will rank equally with all other issued Shares in the capital of the Company and will participate in dividends out of profits earned by the Company from time to time. Subject to the rights of holders of Shares with any special preferential or qualified rights attaching to them, the profits of the Company are divisible amongst the holders of Shares paid in proportion to the total Adelaide Resources Shares on issue. The Directors may from time to time pay to Shareholders such interim dividends as in their judgement the position of the Company justifies.

5.1.3 TRANSFER OF THE SHARES

Other than for a transfer regulated by ASX Settlement, a transfer of Shares may be affected by an instrument of transfer approved under the Corporations Act or by an instrument of transfer in any usual form or by another form approved by the Directors or recognised by the ASX Listing Rules.

5.1.4 REFUSAL TO REGISTER

The Board may refuse to register any transfer of Shares which would result in contravention or failure to observe any State, Territory or Commonwealth law.

The Board may refuse to register any transfer of Shares upon which the Company has a lien.

The Directors are required to refuse to register a transfer of Restricted Securities or where the Listing Rules otherwise so require.

Otherwise, except as provided in the Constitution, the Directors shall not refuse to register or give effect to any transfer in registrable form.

5.1.5 WINDING UP

Upon accepting the Entitlement to New Shares and paying the Acceptance Monies, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the Corporations Act.

5.1.6 FUTURE INCREASES IN CAPITAL

The allotment and issue of any New Shares is under the control of the Directors. Subject to the Listing Rules, the Company's Constitution and the Corporations Act, the Directors may allot or otherwise dispose of New Shares on such terms and conditions as they see fit.

5.1.7 VARIATION OF RIGHTS

At present, the Company has only ordinary Shares on issue. If the shares of another class are issued, the rights and privileges attaching to ordinary Shares could only be altered with the approval of a resolution

passed at a separate general meeting of the holders of ordinary Shares by a three quarter majority of such holders or the written consent of the holders of at least three quarters of the ordinary Shares.

5.1.8 SALE OF NON-MARKETABLE HOLDINGS

The Company may take steps in respect of non-marketable holdings of Adelaide Resources Shares to effect an orderly sale of those Shares in the event that holders do not take steps to retain their holdings in accordance with the Constitution and the ASX Listing Rules.

5.1.9 GENERAL MEETING

Each holder of Shares will be entitled to receive notice of and to attend and vote at general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.

For more particular details of the rights attaching to ordinary Shares in the Company, investors should refer to the Constitution of the Company.

5.2 Terms and Conditions of attaching free New Options

The attaching free New Options offered pursuant to this Prospectus will be issued on the following terms and conditions:

5.2.1 CONSIDERATION

The New Options are issued as part of the Offer on the basis of 1 New Option for every 2 New Shares issued. No further consideration other than the payment of the Offer Price will be payable by Eligible Shareholders for the New Options.

5.2.2 TERMS OF EXERCISE

The exercise price of each New Option is \$0.05 (**Exercise Price**).

The New Options will expire on 30 September 2016 (**Expiry Date**).

Subject to and conditional upon any adjustment in accordance with the conditions set out below, each New Option entitles the holder to subscribe for one fully paid Share upon payment of the Exercise Price prior to the Expiry Date.

The New Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price per New Option to the Company at any time on or after the date of issue and allotment of the New Options, and on or before the Expiry Date.

On the valid exercise of the New Options and payment of the Exercise Price, the Company will issue Shares ranking pari passu with the then issued Shares.

5.2.3 TRANSFERABILITY

The New Options are transferable.

5.2.4 RIGHTS TO PARTICIPATE

Holders of New Options do not have any right to participate in new issues of securities in the Company made to Shareholders generally. The Company will, where required pursuant to the Listing Rules, provide holders of New Options with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the New Options, in accordance with the requirements of the Listing Rules.

Holders of New Options do not participate in any dividends unless the New Options have been exercised and the resultant Shares are issued prior to the record date to determine entitlements to the dividend.

5.2.5 RECONSTRUCTIONS

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:

- (a) the number of New Options, the Exercise Price, or both will be reconstructed (as appropriate) in a manner consistent with the Listing Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of New Options which are not conferred on Shareholders; and
- (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the New Options will remain unchanged.

5.2.6 BONUS ISSUES

If there is a bonus issue to the holders of Shares in the Company, the number of Shares over which the New Options is exercisable may be increased by the number of Shares which the holder of the New Options would have received if the New Options had been exercised before the record date for the bonus issue.

The terms of the New Options may only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the New Options must not be changed to reduce the Exercise Price, increase the number of New Options or change any period for exercise of the New Options.

5.2.7 PRO RATA ISSUES

If the Company makes a rights issue (other than a bonus issue), the Exercise Price of the New Options will be reduced according to the following formula:

$$A = O - \frac{E \times [P - (S + D)]}{(N + 1)}$$

Where:

- A = the new exercise price of the New Option;
- O = the old exercise price of the New Option;
- E = the number of underlying securities into which one New Option is exercisable;
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex right date or the ex entitlements date;
- S = the subscription price for a security under the pro rata issue;
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

5.2.8 QUOTATION

The Company will make an application to the ASX for quotation of the New Shares and the New Options.

6 RISK FACTORS

6.1 Introduction

An overview of the key risks that may have a material adverse impact upon the future performance of the Company and the value of the Shares are described in this Prospectus and include those risks set out in this Section. The Company gives no assurances or guarantees of future performance or profitability, or payment of dividends.

The list of risk factors in this section should not be taken as exhaustive of the risks faced by the Company or by investors in Adelaide Resources. There may be other material risks which are not disclosed in this document because they were not known by the Company or were not considered to be material at the date of this Prospectus.

Some of the risks may be mitigated by the use of safeguards and appropriate systems and controls. However, many risks that may affect the Company are outside the control of the Company and its subsidiaries.

This Section does not take into account the investment objectives, financial circumstances or particular needs of individual Shareholders. It is important that Shareholders carefully read this Prospectus in its entirety (particularly the risks set out in this Section, consider their personal circumstances (including financial and taxation issues) and seek independent professional advice before deciding whether to subscribe for New Shares and the attaching free New Options.

Set out below are some of the key risks that have been identified as potentially affecting the performance and value of the Shares and the ability of the Company to potentially pay dividends in the future. The past performance of the Company is not necessarily representative of the future performance of the Company the Company or the value of the Shares.

6.2 Risks specific to Adelaide Resources

6.2.1 EXPLORATION AND PRODUCTION

Tenements in which the Company has an interest are at various stages of exploration and potential investors should understand that mineral exploration is a high risk undertaking. There can be no assurance that exploration of the project areas described in this Prospectus, or any other permits that the Company may acquire an interest in, will result in the discovery of an economic mineral reserve. Even if an apparently viable reserve is identified, there is no guarantee that it can be commercially exploited.

Even if the Company recovers potentially commercial minerals, there is no guarantee that the Company will be able to successfully transport the minerals to commercially viable markets or sell the minerals to customers to achieve a commercial return.

In addition, with respect to operations, the Company operates in some remote locations within Australia and challenging geographical conditions. Therefore some exploration and development costs maybe higher in such jurisdictions due to a number of factors including limitations on the number of available suppliers of services required by Adelaide Resources, climatic and geographical conditions. The Company has an internal review process for all exploration and drilling programs. The Company also has a transparent review and auditing process for all tenders received. However, no assurances can be given that the Company will be successful in mitigating all of these risks and there is a risk that exploration costs may escalate beyond budget anticipations.

6.2.2 ACCESS TO LAND

The Company will experience delays and cost overruns in the event it is unable to access the land required for its operations. This may be as a result of weather, environmental restraints, native title, harvesting, landholder's activities or other factors.

The Company's exploration activities are also dependent upon the grant, or as the case may be, the maintenance or renewal of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintenance, renewal and granting of tenements often depends on the Company being successful in obtaining required statutory approvals. There is no assurance that the Company will be granted all the mining tenements for which it has applied or that licences, concessions, leases, permits or consents will be renewed as and when required or that new

conditions will not be imposed in connection therewith. To the extent such approvals, consents or renewals are not obtained, the Company may be curtailed or prohibited from continuing with its exploration activities or proceeding with any future exploration or development.

6.2.3 ENVIRONMENTAL

Mining and exploration activities are strictly regulated by environmental legislation and government authorities. There is a risk that environmental regulation may prevent or impede the Company's activities. It is possible that environmental approvals for Adelaide Resources' projects are not granted or are delayed. If this occurred it may materially affect the Company's ability to explore and develop its projects and therefore its investment outlook.

Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by Adelaide Resources, or non-compliance with environmental laws or regulations. The Company proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage. There is also a risk that the environmental laws and regulations may become more onerous, making the Company operations more expensive.

6.2.4 NATIVE TITLE AND ABORIGINAL HERITAGE

Adelaide Resources' mineral tenements and other entitlements to property and minerals may be affected by native title claims, unregistered agreements, transfers or unknown defects in title. Native title claims and Aboriginal heritage issues may have a material adverse impact on the Company's activities and may hinder or prevent its exploration and future mining activities or increase the cost of those activities.

6.2.5 MINERAL RESOURCE AND RESERVE ESTIMATES

The Company does not presently have any JORC Code compliant resources on its tenements. In the event that a resource is delineated, this would be an estimate only. Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

6.2.6 METAL PRICES

International factors such as inflation, exchange rates, supply and demand and political and economic events, amongst other things, impact on metal prices, particularly in the current global economic market. As the Company is currently not in production, future revenue that may come from the sale of any mineral products and the Company's future profits are related to and influenced by the market price of the commodity.

If the price of metals seriously declines in the future, this will materially impact on the Company's ability to continue with its projects and the Company may be forced to discontinue some or all of its operations.

The Company gives no assurance that the fluctuations in the commodity prices will not affect timing and viability of the projects.

6.2.7 COMPETITION

Upon commencement of production, the Company would be subject to competition from other mineral producers. Competitors include current miners and future entrants into the market. Other companies may have competitive advantages such as superior resources, new technology, new production processes, or access to key infrastructure. The Company may be unable to successfully compete and may suffer material adverse consequences such as loss of market share and customers.

6.3 General Risks

6.3.1 FUTURE CAPITAL REQUIREMENTS

The available funds of the Company may not be sufficient to cover expenditure that may be required to execute the projects or planned operations of the Company or to expand its operations or projects or for other capital expenditure, further exploration or feasibility studies or otherwise in the Company's operations. The Company may need to raise additional equity or debt funds in the future to finance these activities and requirements.

There is no assurance that the Company will be able to obtain additional financing when required in the future, or that the terms and time frames associated with such funding will be acceptable to Adelaide Resources, particularly having regard to the current uncertain economic environment and the effect that metal prices may have on future production and earnings performance. This may have an adverse effect on the Company's ability to achieve its strategic goals and have a negative effect on its financial results.

6.3.2 IMPAIRMENT OF ASSETS

Exploration and evaluation assets are assessed for impairment when facts and circumstances (as defined in AASB 6 "Exploration for and Evaluation of Mineral Resources") suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. The recoverable amount of the exploration and evaluation assets (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment, reclassified to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

6.3.3 COUNTERPARTY RISK

There is a risk, which is higher in the current uncertain economic environment, that contracts and other arrangements which the Company is party to and obtains a benefit from, will not be performed by the relevant counterparties if those counterparties become insolvent or are otherwise unable to perform their obligations. The Company and its projects may suffer material adverse consequences such as increased costs and delayed projects.

6.3.4 INSURANCE

Adelaide Resources has various insurances covering its business. However, certain risks are not covered by insurance due to limitations or exclusions in insurance policies or because the Company has decided not to insure against certain risks because of high premiums or for other reasons. Mining accidents, cave-ins, business interruption, compensation claims, environmental effects, fires, floods earthquakes and various other events may not be adequately covered by insurance. Uninsured events or limited insurance coverage could significantly increase the costs of the Company if such uninsured events were to occur.

6.3.5 LITIGATION

The Company may be subject to litigation and other claims. This could result in negative publicity and/or additional expenditure.

6.3.6 KEY PERSONNEL

Adelaide Resources' success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including sub-contractors. Although the Company enters into employment and incentive arrangements with its personnel to secure their services, it cannot guarantee the retention of their services.

There can be no assurance given that there will be no detrimental impact on the Company if one or more of these people cease their engagement. The Company's inability to recruit additional appropriately skilled

and qualified personnel to replace these key personnel could have an adverse effect on the Company. There can be no guarantee that personnel with the appropriate skills will be available within the Company's required timeframes.

6.3.7 HEALTH AND SAFETY

The businesses of the Company are subject to strict health and safety laws and regulations. The Company may become liable for past and current conduct which violates such laws and regulations. Penalties for breaching health and safety laws can be significant and include criminal penalties.

Victims of workplace accidents may also commence civil proceedings against the Company. These events might not be insured by the Company or may be uninsurable. In addition, any changes in health and safety laws and regulations may increase compliance costs for the Company. Such an event would negatively impact the financial results of the Company.

6.3.8 REGULATORY AND LEGISLATIVE

Any changes in the laws and regulations under which the Company operates may adversely impact the Company's activities, planned projects and financial results. These laws and regulations include mining and exploration-related laws, laws requiring permits and licences, environmental regulations and health and safety laws and regulations. In Adelaide's experience changes in legislation have generally produced more regulatory requirements resulting in increased compliance costs for the Company.

6.3.9 PAST TRANSACTIONS

Previous transactions undertaken by the Company which involved the acquisition or disposal of assets may continue to bear risks associated with the possibility of warranty or other claims in connection with such transactions to which it was a party.

6.4 Risks associated with the Offer

6.4.1 DILUTION

The Rights Issue will result in the issue of New Shares with attaching free New Options. If you do not participate in the Rights Issue or you do not take up your full Entitlement, your percentage holding in the Company (held at the Record Date) may be reduced, by both the take up of New Shares by other Shareholders and investors, and upon the exercise of the attached free New Options. The extent of dilution will depend upon the extent to which the Offer is taken up, and the New Options are exercised, resulting in an increase in the Company's issued share capital.

6.4.2 COMPLETION OF RIGHTS ISSUE

There is no guarantee that all the New Shares under this Offer will be taken up by the Eligible Shareholders. As noted in this Prospectus, the Directors may also not be able to place some or all of any Shortfall under this Rights Issue. Accordingly, the Company may not raise all of the funds proposed to be raised under the Rights Issue.

This may have an adverse effect on the Company's ability to achieve its strategic goals and may have a negative effect on its financial results.

6.4.3 SHARE PRICE

Post this Rights Issue, there is no certainty that the Company will achieve an improvement of its share price. Due to the occurrence of adverse changes in the business or unforeseen circumstances, or general market conditions, the Shares may depreciate in value and Shareholder wealth may decline.

6.5 Speculative nature of investment

Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the New Shares.

Whether or not future income will result from projects undergoing exploration, programmes are dependent on the successful results of that exploration and on the subsequent establishment of

development and production operations or sale of the projects. Factors including costs, equipment availability, and mineral prices affect successful project development as does the design and construction of efficient exploration facilities, competent operation and management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced consultants.

In particular, changes in global economic conditions (including changes in interest rates, inflation, foreign exchange rates and labour costs) as well as general trends in the Australian and overseas equity markets may affect Adelaide Resources' operations and particularly the trading price of the Shares on the ASX.

7 ADDITIONAL INFORMATION

7.1 Continuous Disclosure Obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically as a listed company, the Company is subject to the Listing Rules which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its Shares.

The Board of Directors have adopted a policy of compliance with the Listing Rules which sets out the obligations of the Directors, officers and employees to ensure the Company satisfies the continuous disclosure obligations imposed by the Listing Rules and the Corporations Act. The policy provides information as to what a person should do when they become aware of information which could have a material effect on the Company's Securities and the consequences of non-compliance.

7.2 Legal framework of this Prospectus

As a disclosing entity, the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are quoted enhanced disclosure (ED) securities and the Securities are in a class of securities that were quoted ED securities at all times in the 3 months before the date of this Prospectus.

This Prospectus is a 'transaction specific prospectus'. In general terms, a transaction specific prospectus is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to the ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether to invest or not invest.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at the ASX and copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

7.3 Information available to Shareholders

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- (a) the annual audited financial report for the Company for the year ending 30 June 2014 and lodged with the ASX on 29 September 2014;
- (b) any other financial statements or continuous disclosure notices given by the Company to the ASX in the period starting immediately after lodgement of the annual financial report of the Company for the period ended 30 June 2014 and ending on the date of lodgement of this Prospectus with ASIC.

Copies of ASX announcements made by the Company may be obtained on the ASX website or the Company's website at www.adelaideresources.com.au

The highest and lowest recorded market sale prices of the Company's Shares quoted on the ASX during the period of 3 months to the date of the announcement of the Offer were \$0.052 and \$0.034 respectively.

The closing price of the Company's Shares on the ASX on 24 September 2014 was \$0.035. The issue price of \$0.03 represents a 25% discount to the 20-day volume weighted average price up to 24 September 2014.

The Company currently has no listed Options.

7.4 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.5 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisors before investing in the New Shares and attaching free New Options.

Taxation consequences will depend on an individual's particular circumstances. Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences connected with an investment in the New Shares and attaching free New Options referred to in this Prospectus.

7.6 Interests of Directors

(a) Directors' Holdings

As at the date of this Prospectus, the Adelaide Resources Directors had the following relevant interests in the Securities of the Company. Interest includes those Securities held directly and indirectly.

Director	Position	Number of Adelaide Resources Shares	Number of Adelaide Resources Unlisted Performance Rights
M I Hatcher	Chairman	100,000	Nil
C G Drown	Managing Director	2,507,491	1,500,000 ⁽¹⁾
J J den Dryver	Non-Executive Director	76,667	Nil
J P Buckley ⁽²⁾	Non-Executive Director	Nil	Nil

⁽¹⁾ vest on the achievement of a number of KPI's by 30 September 2014.

⁽²⁾ J P Buckley appointed 7 April 2014. Adherence to the Company's Securities Trading Policy has precluded Mr Buckley from acquiring any Shares.

The table above does not take into account any New Shares the Directors may acquire under the Offer. It is the intention for all Directors to subscribe for all of their respective Entitlements offered to them under this Prospectus. All Directors may or may not purchase additional Shares prior to the Record Date.

(b) Remuneration of Directors

Details of remuneration provided to Directors and their associated entities for the current financial year and previous two financial years ended 30 June 2013 and 30 June 2014 are as follows:

Director	Financial Year End \$	Salary and Fees \$	Post Employment Superannuation \$	Performance Rights \$	Total \$
M I Hatcher	2015 ⁽¹⁾	14,302	1,359	-	15,661
	2014	57,208	5,292	-	62,500
	2013	35,000	3,150	-	38,150
C G Drown	2015 ⁽¹⁾	80,702	-	9,463	90,165
	2014	272,635	-	60,443	333,078
	2013	253,963	-	113,748	367,711
J J den Dryver	2015 ⁽¹⁾	8,730	829	-	9,559
	2014	34,920	3,230	-	38,150
	2013	35,000	3,150	-	38,150
J P Buckley ⁽²⁾	2015 ⁽¹⁾	8,730	829	-	9,559
	2014	8,148	754	-	8,902
	2013	-	-	-	-
J P Horan ⁽³⁾	2015 ⁽¹⁾	-	-	-	-
	2014	13,580	1,256	-	14,836
	2013	35,000	3,150	-	38,150
A J Brown ⁽⁴⁾	2015 ⁽¹⁾	-	-	-	-
	2014	-	-	-	-
	2013	62,500	-	-	62,500

⁽¹⁾ The amounts shown for the financial year ending 30 June 2015 relate to remuneration provided to Directors and their associated entities as at the date of this Prospectus

⁽²⁾ J P Buckley appointed 7 April 2014

⁽³⁾ J P Horan resigned 20 November 2013

⁽⁴⁾ A J Brown resigned 25 June 2013

The Company has a service agreement with an entity associated with C G Drown set at a daily rate of \$1,250 for a minimum of 210 days per annum and which currently expires on 16 November 2014, to perform the duties of Managing Director of the Company.

The Constitution of the Company provides that the Non-Executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting (which is currently \$350,000 per annum).

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of their ordinary duties as a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

(c) Directors' Interests

Except as disclosed in this Prospectus, no current Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- i) the formation or promotion of the Company; or
- ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- iii) the Offer.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Offer.

The Company has paid insurance premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings while acting in the capacity of a Director.

7.7 Expenses of the Offer

The total expenses of the Rights Issue are estimated to be \$150,000 comprising legal and due diligence costs, printing, ASX and ASIC fees, corporate advisory charges and other administrative expenses.

7.8 Subsequent Events

There has not arisen, at the date of this Prospectus, any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- i) the operations of the Company;
- ii) the results of those operations; or
- iii) the state of affairs of the Company.

7.9 Privacy

By submitting an Entitlement and Acceptance Form for the New Securities you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through Computershare Investor Services Pty Limited (Computershare), an external service provider. The Company requires Computershare to comply with the National Privacy Principles when performing these services. The Company's register is required under the Corporations Act to contain personal information about you such as your name and address and number of Shares and Options held. In addition the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletter and notifications to the Australian Tax Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- i) when you agree to the disclosure;
- ii) when used for the purposes for which it was collected;
- iii) when disclosure is required or authorised by law;
- iv) to other members in the Adelaide Resources group of companies;
- v) to your broker;
- vi) to external service providers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and Computershare, except in limited circumstances. If you wish to access, update or correct your personal information held by Computershare or by the Company, please contact our respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

7.10 Consents

Each of the parties referred to in this section:

- i) does not make, or purport to make, any statement in this Prospectus or on which a statement made in this Prospectus is based, other than as specified in this section; and
- ii) has had no involvement in the preparation of this Prospectus, (unless expressly stated to the contrary in this section);
- iii) has not authorised or caused the issue of this Prospectus; and
- iv) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

Deloitte Touche Tohmatsu has given its written consent to the incorporation by reference to the audited 2014 annual financial statements and to all statements referring to the audited 2014 annual financial statements in the form and context in which they are included, and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Each of the following has consented to being named in this Prospectus in the capacity as noted below and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC:

- i) Computershare Investor Services Pty Limited as the share registry to the Company; and
- ii) Deloitte Touche Tohmatsu as the Company's auditors.

8 DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.



Chris Drown

Managing Director

Dated: 29 September 2014

9 DEFINITIONS AND GLOSSARY

Terms and abbreviations used in this Prospectus have the following meaning:

A\$ and \$ means Australian dollars, unless otherwise stated.

Acceptance means an acceptance of Entitlements.

ACDT means Australian Central Daylight Time.

Application Monies mean the amount payable by the Applicant for the number of New Shares and where applicable Additional New Shares subscribed for by the Applicant under the Offer.

Additional Shares and Options means Shares and Options in addition to an Eligible Shareholder's Entitlement for which an Applicant applies for pursuant to an Entitlement and Acceptance Form.

Applicant means a person who submits an Entitlement and Acceptance Form.

Application means a valid application by an Eligible Shareholder to subscribe for New Shares and attaching free New Options and where applicable Additional Shares and Options.

ASX Settlement means ASX Settlement Pty Ltd (ABN 49 008 504 532).

ASX Settlement Operating Rules means the operating rules of the settlement facility provided by ASX Settlement as amended from time to time.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the financial market operated by it, as the context requires.

Audited statement of financial position as at 30 June 2014 means the consolidated statement of financial position contained in the 2014 annual report audited by Deloitte Touche Tohmatsu dated 29 September 2014 and announced to ASX on the same date.

Auditors means Deloitte Touche Tohmatsu.

Board means the Board of Directors of Adelaide Resources Limited.

Business Day means a day other than a Saturday or Sunday on which banks are open for business in Adelaide, South Australia or as specified by ASX.

Closing Date means Thursday 30 October 2014 (unless extended).

Company means Adelaide Resources Limited (ABN 75 061 503 375).

Computershare means Computershare Investor Services Pty Limited (ACN 078 279 277)

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the Directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder whose details appear on the Register as at the Record Date and who is not an Excluded Shareholder.

Entitlement means the entitlement of an Eligible Shareholder to apply for Shares pursuant to the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Excluded Shareholder means a Shareholder who does not reside in Australia or New Zealand.

Group means the Company and each of its wholly owned subsidiaries.

JORC Code means the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves drawn up by the Joint Ore Reserves Committee (JORC) of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia. It is a professional code of practice that sets minimum standards for Public Reporting of minerals Exploration Results, Mineral Resources and Ore Reserves according to the levels of confidence in geological knowledge and technical and economic considerations.

Law means the Corporations Act or any relevant and applicable law in Australia.

Listing Rules means the Listing Rules of ASX.

Mineral Resource has the meaning given to it in the JORC Code.

New Options means the new Options offered under this Prospectus.

New Securities means the New Shares and New Options offered under this Prospectus.

New Shares means the Shares offered under this Prospectus

Offer means the non-renounceable entitlement offer of New Securities pursuant to this Prospectus.

Offer Price means \$0.03 for each New Share applied for.

Official List means the Official List of the ASX.

Official Quotation means quotation on the Official List.

Opening Date means Friday 10 October 2014.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus dated 29 September 2014 as modified or varied by any supplementary prospectus made by the Company and lodged with ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus.

Record Date means 5pm ACDT on Tuesday 7 October 2014.

Register means the register of the Company's Shareholders.

Rights and **Rights Issue** means the right by eligible Shareholders to take up New Shares and attaching free New Options under the Offer.

Securities has the same meaning as in Section 92 of the Corporations Act

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means the registered holder of a Share in the Company.

Share Registry means Computershare Investor Services Pty Limited (ACN 078 279 277).

Shortfall means those New Shares and attaching free New Options for which valid applications have not been received by the Closing Date under the Rights Issue.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in section 1.10 of this Prospectus.

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Adelaide Resources Limited

ABN 75 061 503 375

For all enquiries:

Phone:



(within Australia) 1300 556 161

(outside Australia) 61 3 9415 4000

Web:



www.investorcentre.com/contact


└ 000001 000 ADN
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:



See over for details of the Offer and how to make your payment

Non-Renounceable Rights Issue — Entitlement and Acceptance Form

 **Your payment must be received by 5:00pm (ACDT) Thursday 30 October 2014**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Registration Name

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares. If you apply to accept your full Entitlement, you can also apply for Additional New Shares with attaching free New Options. For every two New Shares issued you will be issued one New Option (with the Option to be quoted on ASX) with an exercise price of \$0.05 per Option and an expiry date of 30 September 2016.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Prospectus dated 29 September 2014.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the slip with BPAY payment.

By Mail: Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque or bank draft payable in Australian dollars to "Adelaide Resources Limited". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the slip below as indicated. Receipts will not be forwarded. Funds cannot be debited directly from your account.


Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Offer →

STEP 1

Registration Name & Offer Details

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

 For your security keep your SRN/
HIN confidential.

Entitlement No: 12345678


Offer Details: Existing shares entitled to participate as at
7 October 2014:

Entitlement to New Shares
on a 1 for 2 basis:

Amount payable on acceptance
at \$0.03 per New Share:

STEP 2


Make Your Payment



Billers Code: 999999
Ref No: 1234 5678 9123 4567 89

Contact your financial institution to make your
payment from your cheque or savings account.

Pay by Mail:

 Make your cheque, money order or bank draft payable to
"Adelaide Resources Limited".

Return your cheque with the below slip to:
Computershare Investor Services Pty Limited
GPO BOX 2987 Adelaide South Australia 5001 Australia

Lodgement of Acceptance
If you are applying for shares and your payment is being made by BPAY®, you do not need to return the slip below. Your payment must be received by no later than 5:00pm (ACDT) Thursday 30 October 2014. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor Adelaide Resources Limited accepts any responsibility for loss incurred through incorrectly completed BPAY® payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received by this time.

If you are paying by cheque, bank draft or money order the slip below must be received by CIS by no later than 5:00pm (ACDT) Thursday 30 October 2014. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the slip below with cheque attached. Neither CIS nor the Company accepts any responsibility if you lodge the slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here

Adelaide Resources Limited Acceptance Payment Details

Entitlement taken up:

Number of additional New
Shares applied for:

Amount enclosed at \$0.03 per
New Share:

A\$



Entitlement No: 12345678

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Payment must be received by 5:00pm (ACDT) Thursday 30 October 2014

Contact Details

Contact
Name

Daytime
Telephone

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$