



**Adelaide Resources Limited**

# Investor update

October 2014



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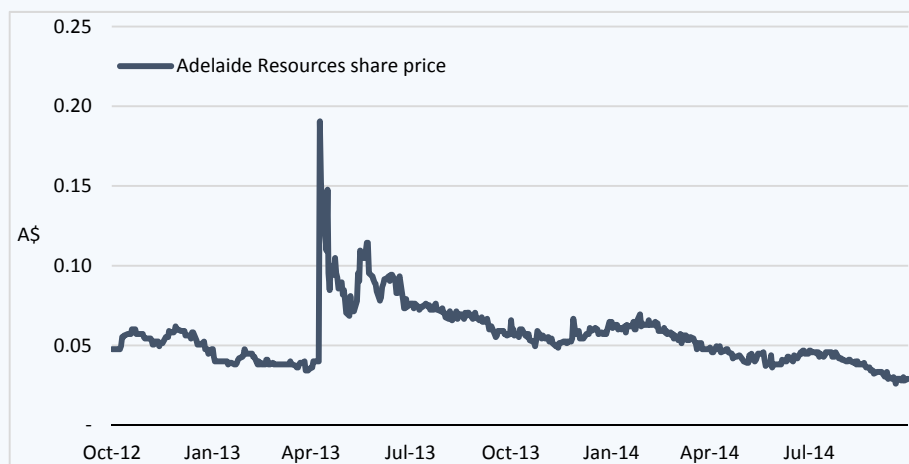


# Corporate snapshot

## Clean capital structure with solid support from shareholders, well positioned for future growth

- Highly technical, experienced and established Board and Senior Management team
- Focused, quality portfolio of projects in pedigreed mining regions
- Key ground position in Olympic Copper Gold Province through the Moonta Copper Gold Project
- High quality emerging epithermal gold opportunity at Drummond Project
- Clean capital and operating structure differentiates Adelaide Resources from peers
- Track record of sensible cash management
- Proceeds from current entitlement offer will largely be used for exploration at Moonta and Drummond

<b>ASX ticker</b>	<b>ADN</b>
First listed on ASX	September 1996
<b>Ordinary shares on issue</b>	<b>229.1m</b>
Unlisted securities	3.8m performance rights
<b>Share price (as at 20 Oct. 2014)</b>	<b>A\$0.029</b>
12 month trading band	A\$0.026 to A\$0.073
<b>Market capitalisation</b>	<b>A\$6.6m</b>
<b>Shareholders (as at 30 Sept. 2014)</b>	<b>2,468</b>
% of shares held by top 20	31.7%
<b>Cash on hand (as at 30 June 2014)</b>	<b>A\$1.4m</b>



# Non-renounceable entitlement offer

## Targeting A\$3.463m to fund aggressive exploration including further drilling

- Adelaide Resources is seeking to raise up to A\$3.436m through a 1 for 2 non-renounceable entitlement offer at A\$0.03 per new share
- Eligible shareholders receive 1 free attaching option for every 2 new shares issued
- The capital raising is fully supported by the Board and Management team, with all eligible directors taking up their full pro rata entitlements
- Funds raised will be used to support further exploration including drilling programs primarily at the Moonta Copper Gold Project

Use of funds	
Moonta Copper Gold Project	A\$2,010,000
Drummond Epithermal Gold Project	A\$390,000
Eyre Peninsula Gold Project	A\$250,000
Rover Gold Copper Project	A\$60,000
Fixed exploration	A\$190,000
Working capital and offer costs	A\$536,000
<b>TOTAL</b>	<b>A\$3,436,000</b>

*The Shares and Options are being offered by ADN pursuant to the Prospectus dated 29 September 2014 available from the Company's website or from the ASX website. The information contained in this presentation is not intended to be comprehensive and should be read in conjunction with the full text of the Prospectus. A shareholder wishing to acquire Shares and Options can do so by completing the Entitlement and Acceptance Form in the Prospectus.*

# Key entitlement offer details and structure

## The attaching options offer participants a strong incentive to take up entitlements

<b>Offer structure</b>	<b>1 for 2 pro-rata entitlement offer with 1 free attaching option for every 2 new shares issued</b> <ul style="list-style-type: none"> <li>Raising up to A\$3.436m with approximately 114.5m new shares to be issued</li> <li>Use of entitlement offer structure ensures that all existing shareholders have the opportunity to participate in the equity raising and avoid any dilution in their holdings</li> <li>Capital raising supported by Board and Management with all eligible directors to take up their full pro rata entitlements</li> <li>Existing shareholders are invited to apply for more than their pro-rata entitlement</li> </ul>	
<b>Pricing</b>	<b>Offer price of A\$0.03 per share</b> <ul style="list-style-type: none"> <li>Provides opportunity for shareholders to purchase Adelaide Resources shares at a material discount to market price</li> <li>14% discount to closing price of A\$0.035 per share as at 26 September 2014</li> <li>25% discount to the 20-day volume weighted average price ("VWAP") as at 26 September 2014</li> <li>10% discount to the theoretical ex-rights price ("TERP") assuming all shares under the offer are issued</li> </ul>	
<b>Option details</b>	<b>Offer includes free attaching options</b> <ul style="list-style-type: none"> <li>Exercise price of A\$0.050 and a 2-year term expiring 30 September 2016</li> <li>Potentially significant value to shareholders, particularly in smaller resource companies where exploration success leads to high price volatility</li> <li>Conservative Black Scholes valuation of 1.0 cents for the options (0.5 cents per share) effectively reduces offer price to A\$0.025</li> <li>Effective discounts of 28% to the closing price of \$0.035 cents per share as at 26 September 2014, 37% discount to 20-day VWAP as at 26 September 2014, and a 24% discount to TERP as at 26 September 2014 assuming all shares under the offer are issued.</li> </ul>	
<b>Timetable<sup>1</sup></b>	Entitlement offer opening date	10 October 2014
	Entitlement offer closing date	30 October 2014
	Entitlement offer allotment date	7 November 2014

1. 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

# The Board and Senior Management

Deep technical expertise across key disciplines provides outstanding platform for discovery success

## The Board



### **Mike Hatcher Non-Executive Chairman** *Geologist*

- Geologist with over 40 years experience
- Extensive experience in greenfield and brownfield mineral exploration, mine development and production in Australia and internationally
- Previously Chief Geologist for Normandy Mining / Newmont's Australian mines



### **John den Dryver Non-Executive Director** *Mining Engineer*

- Over 30 years of operational and corporate management experience
- Former Executive Director of North Flinders Mines, now Director of his own mining consultancy firm
- Part of small team that discovered the Granites Gold Mine in the Northern Territory



### **Jonathan Buckley Non-Executive Director** *Corporate Finance*

- Over 25 years of corporate finance experience
- Previously held positions in several financial firms in the UK before establishing PhillipCapital Australia's corporate advisory business
- Founding director of several fund management businesses

## Senior Management



### **Chris Drown Managing Director (also on Board)** *Geologist*

- Geologist with over 25 years of experience
- Has had a major role in operations since being appointed Exploration Manager just after listing
- Managing Director since 2007
- Invaluable experience with mineralisation, deposit types and geographies of current prospects



### **Nick Harding CFO & Company Secretary** *Corporate Finance and Accounting*

- Over 25 years experience in corporate finance and accounting roles in the resources industry
- Specific experience includes senior finance roles for WMC Resources (where he was the head of finance at Olympic Dam for 5 years), Normandy Mining and Newmont



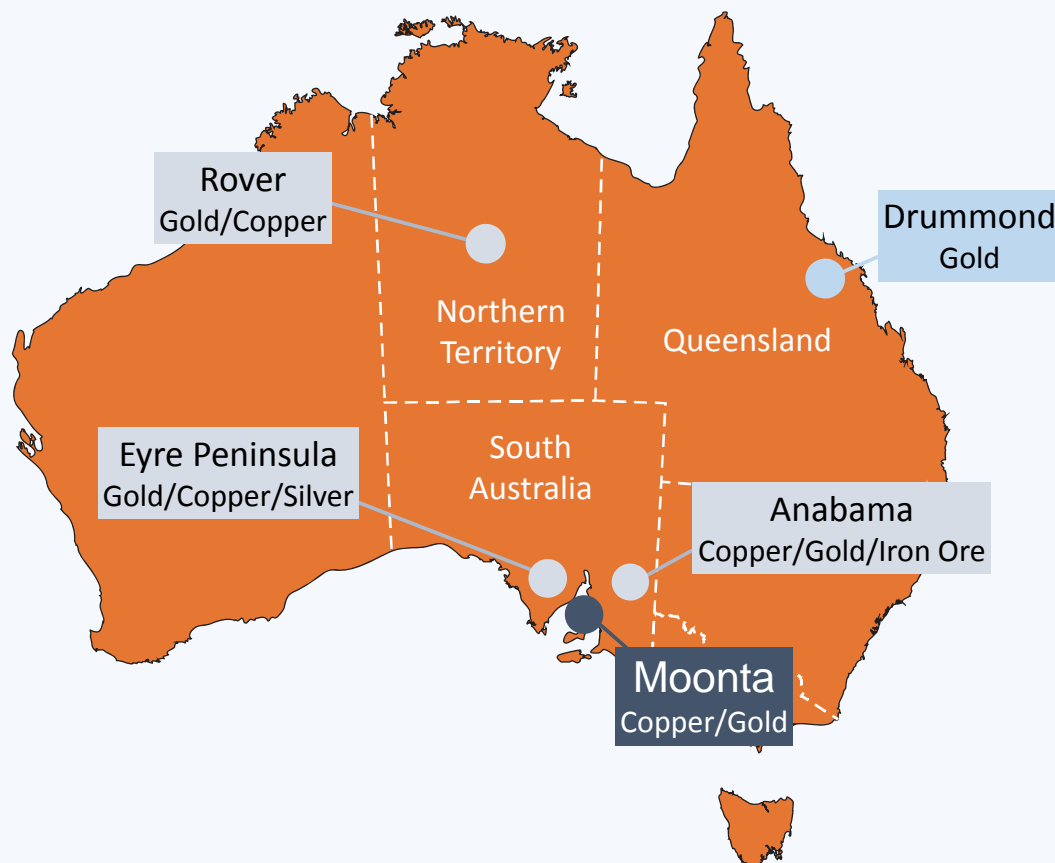
### **Mark Manly Exploration Manager** *Geologist*

- Geologist with 25 years of exploration experience
- Previously Chief Geologist at Phoenix Copper and Regional Exploration Manager for Perilya
- Integral in the discovery of the Black Cat, Panther and Pinnacles gold deposits in Western Australia

# Company projects

## Quality suite of copper and gold prospects and a team that can deliver

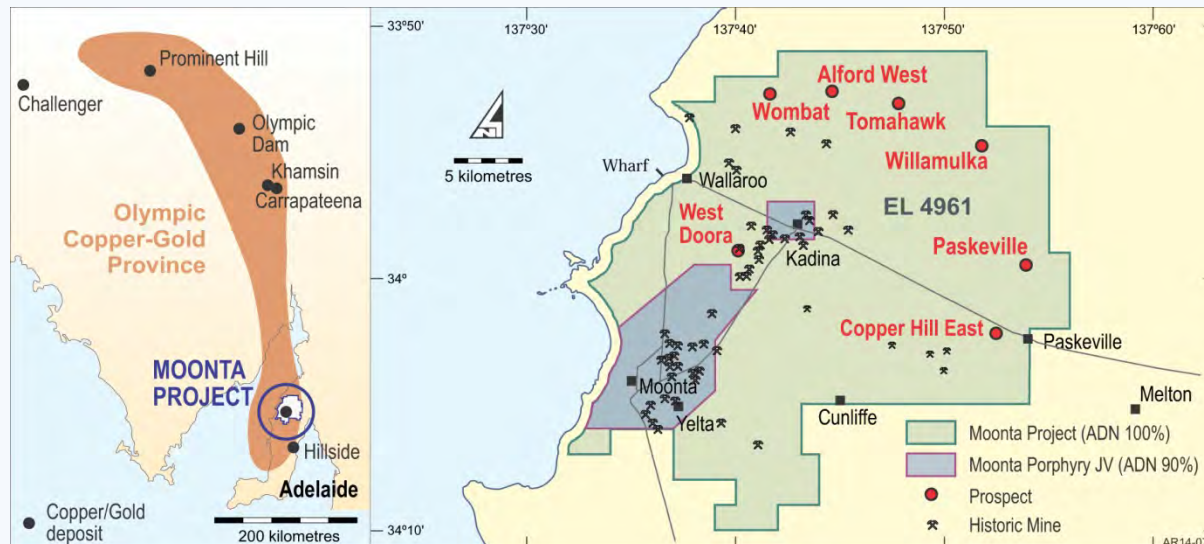
- Strict copper and gold focus
- Recognised discovery track record
  - Greenfield finds and the identification of opportunities left by past explorers
- Board and senior management team with strong technical grounding and a wealth of experience
- Highly prospective Moonta Project in South Australia is the main focus of current operations
- Classic epithermal gold target defined on Drummond Project
- Diverse suite of other projects located in well established geological provinces



# Moonta Copper Gold Project

**819km<sup>2</sup> 100% owned tenement<sup>1</sup> within highly mineralised Moonta-Wallaroo district on South Australia's Yorke Peninsula**

- In the Olympic Copper-Gold Province ("OCGP"), a world class copper belt
  - Resource majors, copper producers and established mines proliferate
- A major past copper-gold production district with multiple deposits
- Alford West is currently the focus, with additional high quality prospects including Willamulka, Wombat, West Doora, Copper Hill, Paskeville and Tomahawk also identified
- Transitioning from exploration to delineation phase

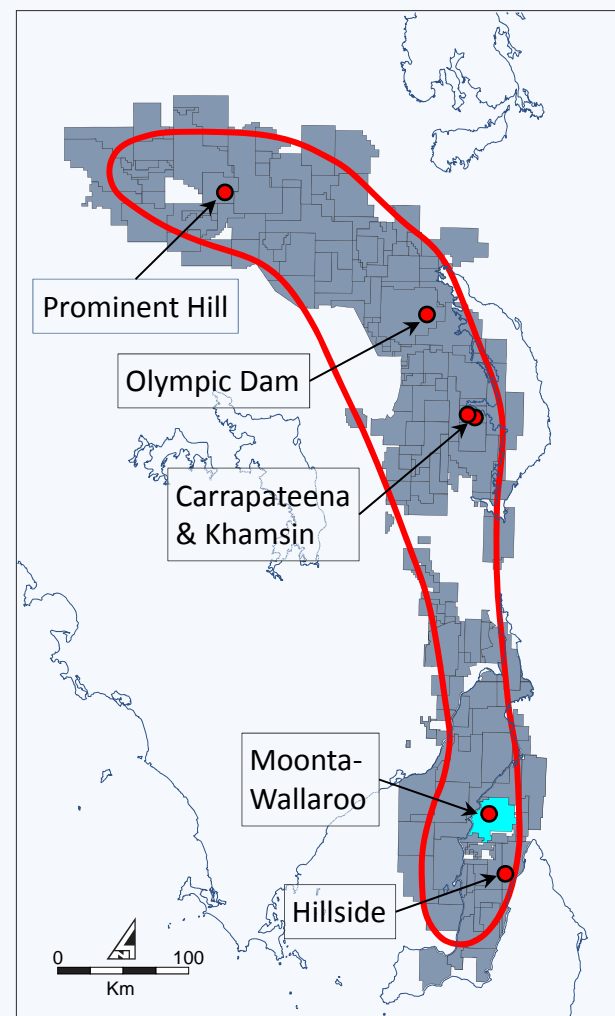


Note: 1. Except for Moonta Porphyry JV area – Adelaide Resources 90% / Minotaur Exploration 10%. Adelaide Resources has right to acquire Minotaur Exploration's 10%

# Olympic Copper-Gold Province

## Heavily pegged world-class province of Iron Oxide Copper Gold (“IOCG”) style deposits

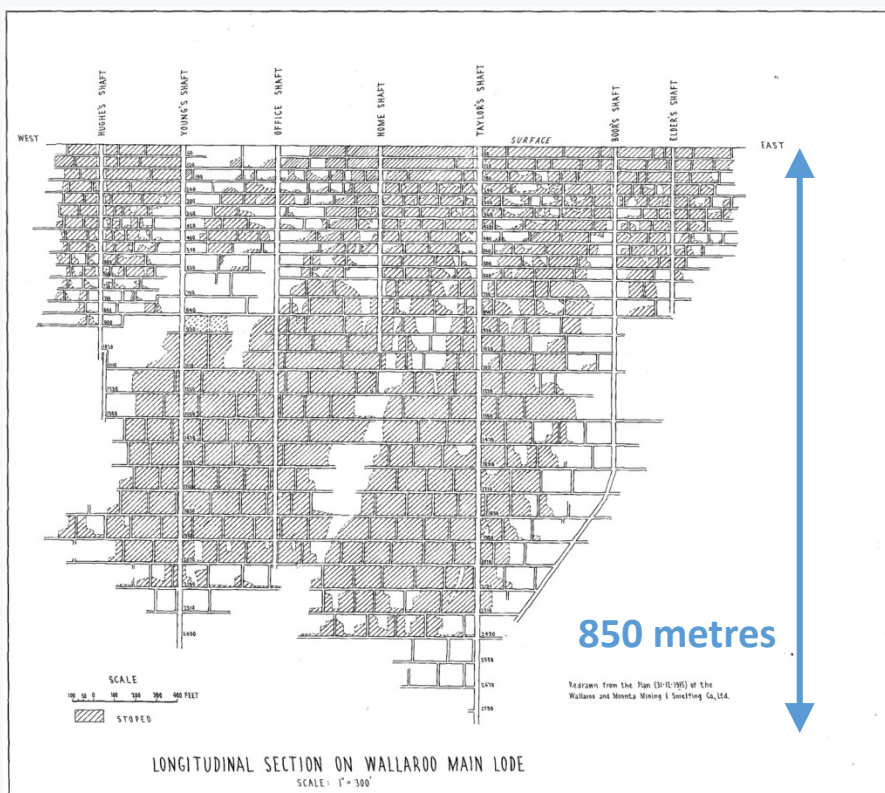
- The best endowed copper belt in Australia
  - c.75% of the known copper Resources in Australia
- Current Mineral Resources include:
  - Olympic Dam 10,103Mt at 0.78% Cu and 0.34g/t Au
  - Prominent Hill 186Mt at 1.1% Cu and 0.7g/t Au
  - Khamsin 202Mt at 0.6%Cu and 0.1g/t Au
  - Hillside 337Mt at 0.6% Cu and 0.14g/t Au
  - Carrapateena 800Mt at 0.8% Cu and 0.3g/t Au
- Major miners and copper producers dominate the area
  - BHP Biliton
  - Antofagasta
  - OZ Minerals
  - Sandfire Resources
  - Fortescue
  - GlencoreXstrata
  - Straits Resources
- Historical production in Moonta-Wallaroo of 373kt Cu and 79koz Au



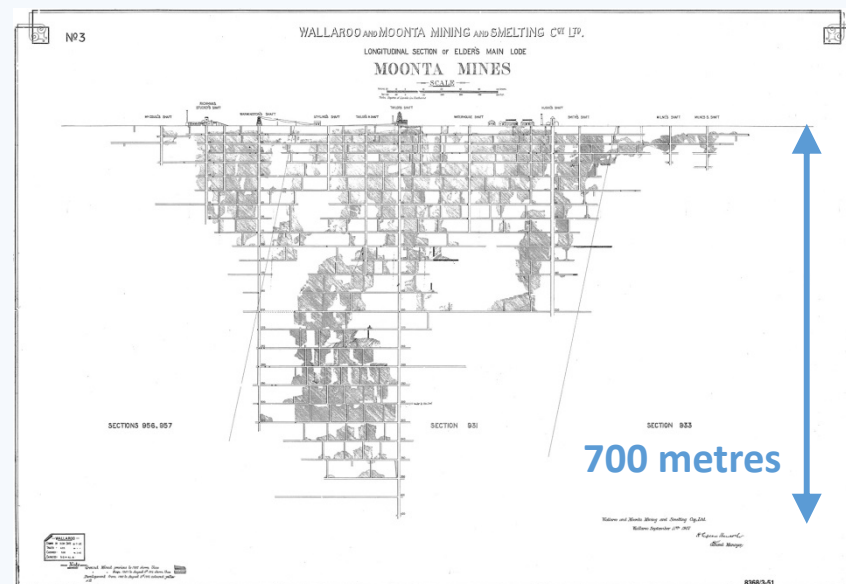
# Significant depth in Moonta-Wallaroo district deposits

Historic production grade estimated to be c.3% Cu

Long Section of the Wallaroo Mine  
(at Kadina) in 1917



Long Section of Elders Main Lode  
(at Moonta) in 1907

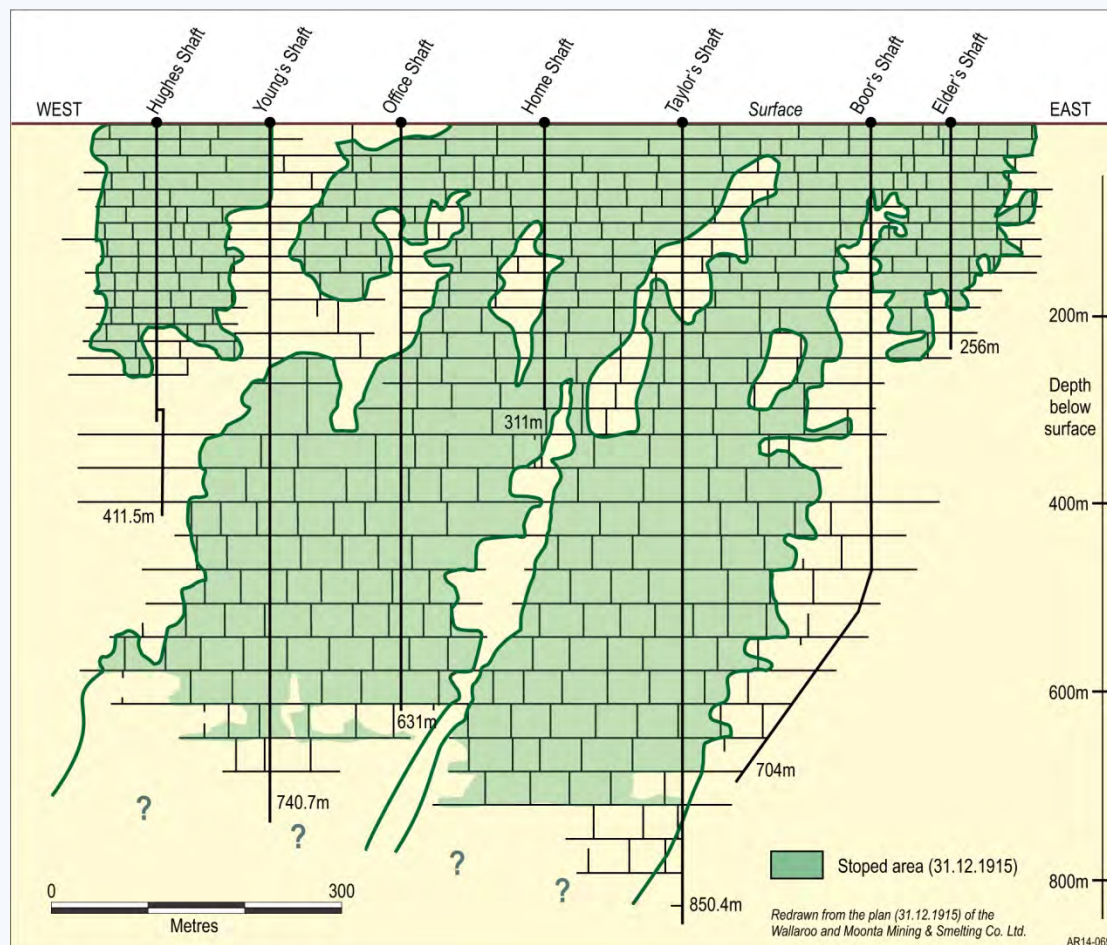


# Ore shoot significance in Moonta-Wallaroo district

**Historic deposits typified by steeply plunging ore shoots – likely to be repeated in new discoveries**

- Historic records confirm steeply plunging ore shoots are the norm in the Moonta-Wallaroo district
- Mineralisation is likely to persist to significant depths down plunge
- Deposits have a good chance of commencing at shallow depths
  - Allows cost efficient discovery using geochemistry and aircore drilling

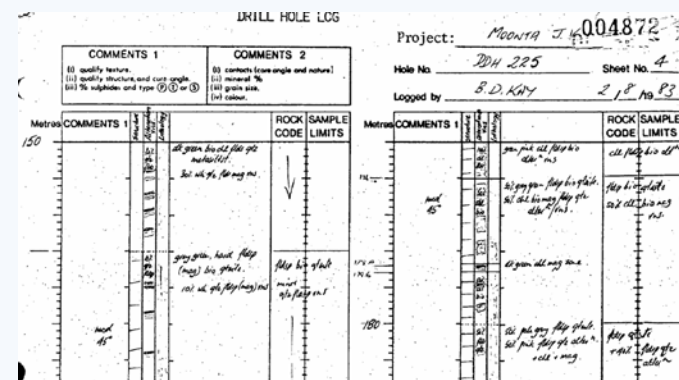
**Long Section of the Wallaroo Mine (at Kadina) in 1917**



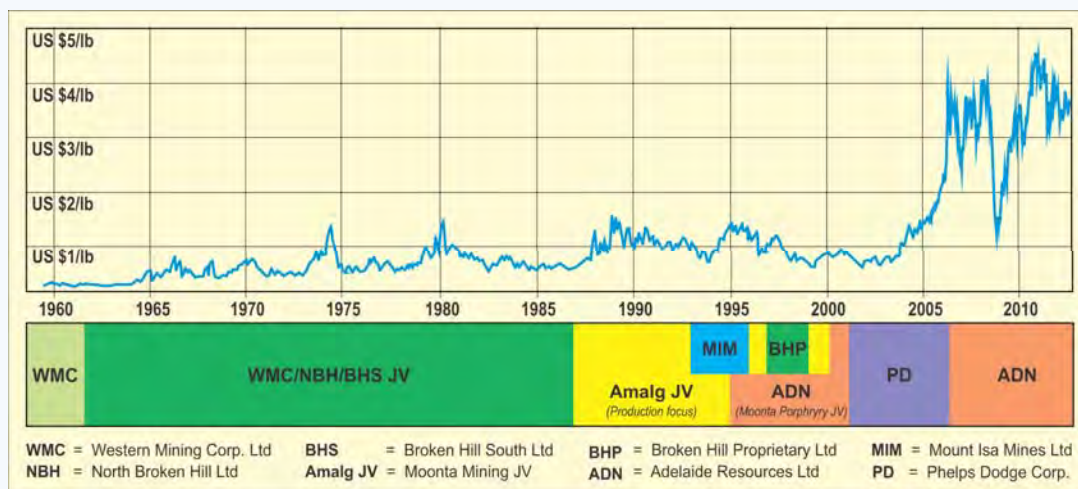
# The equivalent of A\$50m of historical Moonta Project data

In a period of unprecedented copper prices, historical Moonta Project exploration data is helping to uncover new opportunities

- Historical exploration in the Moonta Project area has been dominated by well funded companies of high repute
- The data holds a staggering value to Adelaide Resources
  - Estimated that to repeat the drilling, geochemistry and geophysics done on the project in the past would cost upwards of A\$50m in today's terms
- Adelaide Resources is undertaking a program of focused digitisation of the available data



SAMPLE NO.	FROM	TO	DEPTH	SCu	SPb	SNi	SN	SCo	Ag
AA057944	1059'	1062'	3'	.750	.005	.015	.010	.015	<2.0
45	1062'	1065'	3'	.625	"	.030	.005	.020	"
46	1065'	1068'	3'	.345	"	.010	"	.010	"
47	1068'	1071'	3'	.600	"	"	.010	"	"
48	1071'	1074'	3'	1.000	"	"	"	.005	"
49	1074'	1077'	3'	2.200	"	"	"	"	"
AA057985	1077'	1080'	3'	3.300	"	"	"	.015	"
86	1080'	1083'	3'	.900	"	.005	.005	"	"
87	1083'	1086'	3'	3.150	"	"	"	.020	"
88	1086'	1089'	3'	1.500	"	.010	"	.015	"
89	1089'	1092'	3'	9.250	"	.030	.015	.020	"
90	1092'	1095'	3'	.625	"	.005	.005	.015	"
91	1095'	1098'	3'	.460	"	.015	"	"	"
92	1098'	1112'	14'	.405	"	"	"	"	"
93	1112'	1115'	3'	.450	"	.010	.010	.010	"
94	1115'	1118'	3'	1.800	.040	.015	.075	"	"
95	1118'	1121'	3'	1.350	.015	"	.035	.015	"
96	1121'	1124'	3'	.300	.005	"	.020	"	"
97	1124'	1127'	3'	.550	"	"	.015	.010	"
98	1127'	1130'	3'	.125	"	.020	.010	"	"
99	1130'	1133'	3'	.250	"	"	"	"	"
AA058000	1133'	1136'	3'	1.750	"	.060	"	.015	"
01	1136'	1139'	3'	.310	.010	.050	"	.020	"
02	1139'	1142'	3'	.190	.005	.045	"	"	"
03	1142'	1145'	3'	.130	"	.050	.005	.025	"



## Adelaide's goal on the Moonta Copper Gold Project

The Company recognises that potentially economic deposits can display a significant range of tonnage, grade and other parameters.

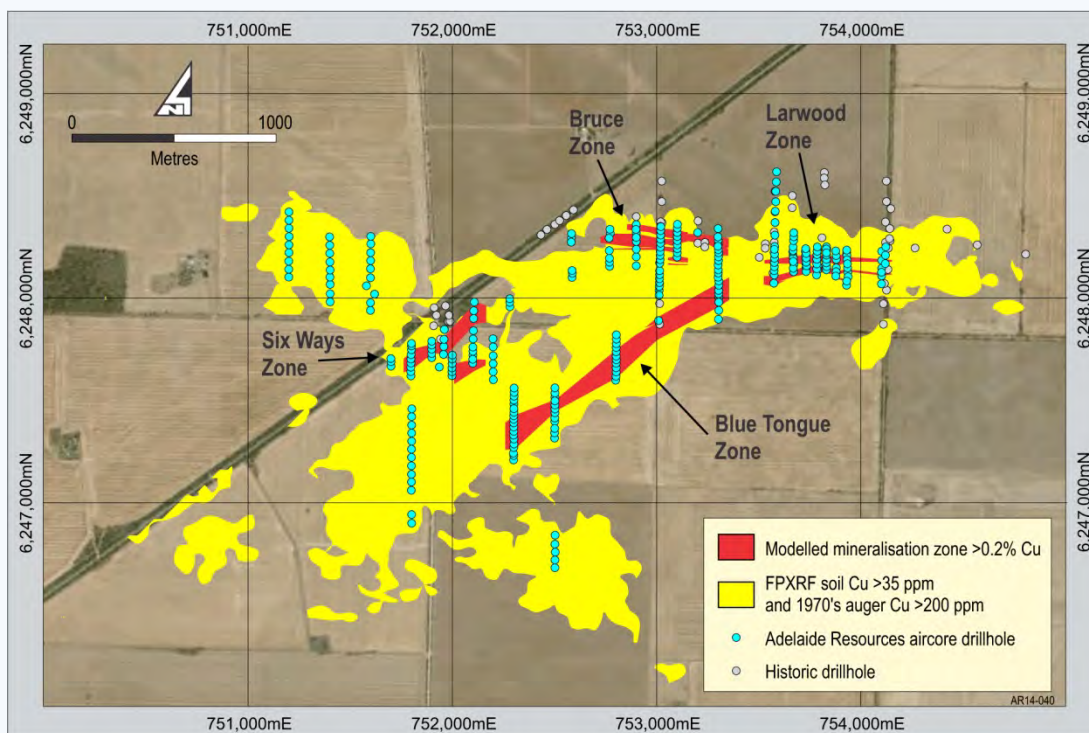
None the less, for guidance, it believes that deposits of approximately 50 million tonnes grading about 1% copper equivalent, or deposits of about 20 million tonnes grading about 2% copper equivalent, are likely to constitute resources warranting development, and its goal is to establish such a resource position on the Moonta Project.

# Alford West – current status

As positive results continue to flow, exploration has now crossed another significant milestone on the path from discovery to development

- Overall target size significantly increased through innovative application of FPXRF soil geochemistry and capture of historic auger geochemistry
- ADN aircore drilling (283 holes) completed over much of the expanded target area
- Important geological controls on the deposit understood
- Four internal zones recognised that can contribute to a mineral resource
- We can see that exceptional potential to define a valuable resource exists

Current drill coverage of the expanded Alford West target

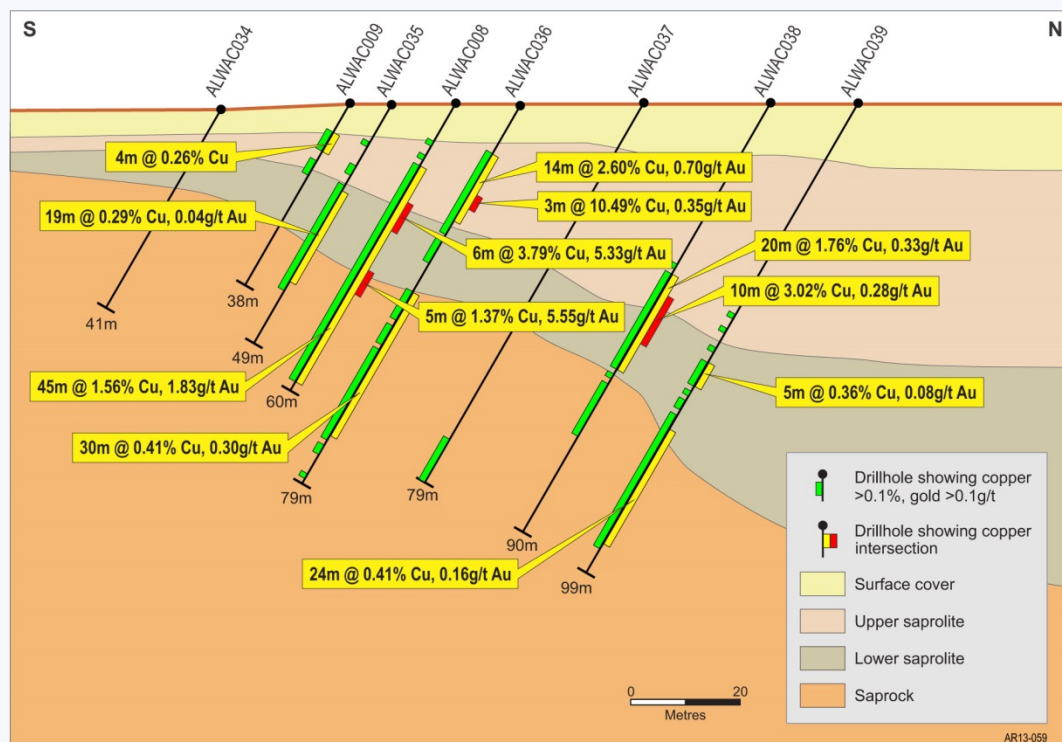


# Alford West – high grades from Larwood Zone

## Initial target area in 2013 – mineralisation continuity confirmed over 600 metre strike length

- ALWAC007 intersects 20m at 4.20% Cu from 32m downhole, including:
  - 11m at 6.81% Cu from 32m
- ALWAC008 intersects 45m at 1.56% Cu and 1.83g/t Au from 13m downhole, including:
  - 6m at 3.79% Cu
  - 5.33g/t Au from 19m
- ALWAC048 intersects 16m at 2.38% Cu from 60m downhole, including:
  - 4m at 7.03% Cu from 67m
- Two mineralised lodes present

### Drill section 753,785mE

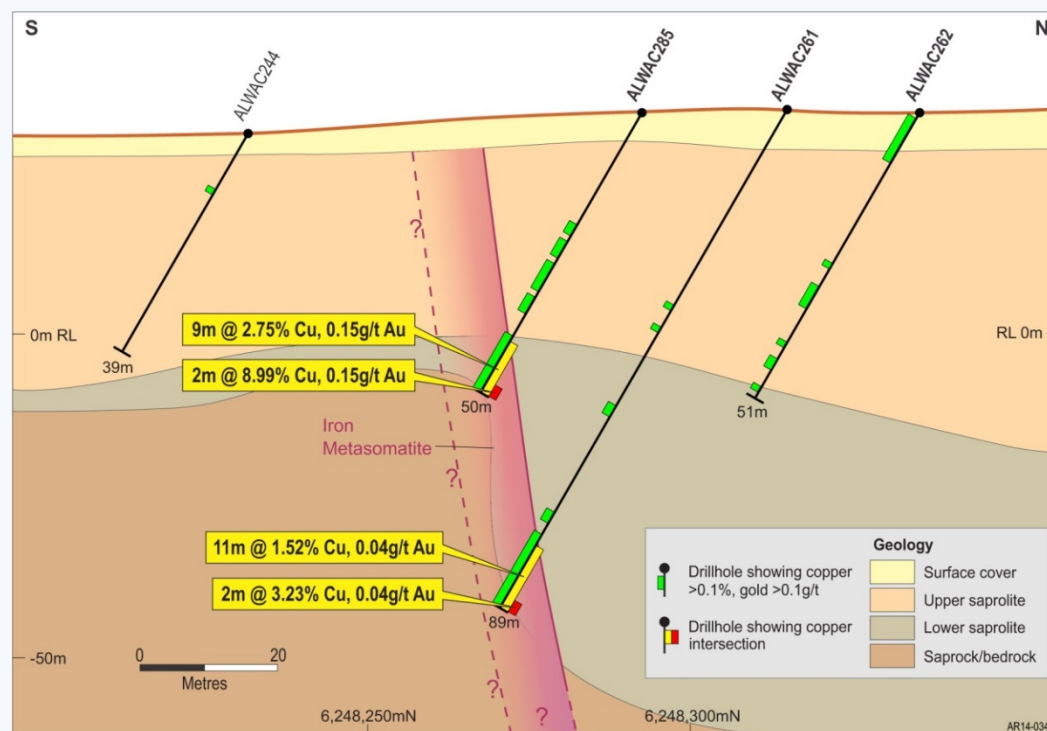


# Alford West – Bruce Zone successfully extended along strike

## 2014 results some of the best achieved at the Bruce Zone to date

- ALWAC261 intersects 11m at 1.52% Cu from 78m downhole, including:
  - 2m at 3.23% Cu from 87m to EOH
- ALWAC285 intersects 9m at 2.75% Cu from 41m downhole, including:
  - 2m at 8.99% Cu from 48m to EOH
- Potentially ore grade molybdenum also present. ALWAC260 intersects 16m at 0.20% Mo from 71m to EOH
- Recent holes targeted using new mineralisation model, demonstrating its predictive ability

Drill section 752,750mE

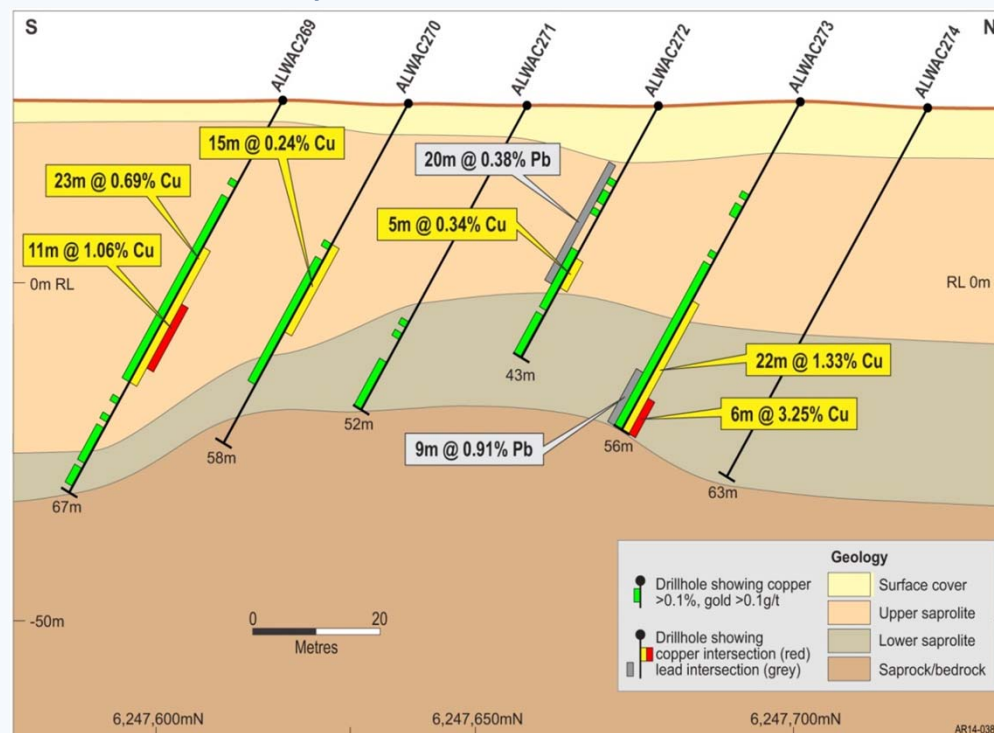


# Alford West – discovery of new Six Ways Zone

## 2014 drilling discovered a new high grade copper zone southwest of 2013 drilling

- ALWAC171 intersects 24m at 1.47% Cu from 7m downhole, including:
  - 11m at 2.23% Cu from 10m
- ALWAC269 intersects 23m at 0.69% Cu from 25m downhole, including:
  - 11m at 1.06% Cu from 34m
- ALWAC273 intersects 22m at 1.33% Cu from 34m downhole, including:
  - 6m at 3.25% Cu from 50m to EOH
- Strongly anomalous lead also present (samples to 3.3% Pb)

Drill section 752,000mE

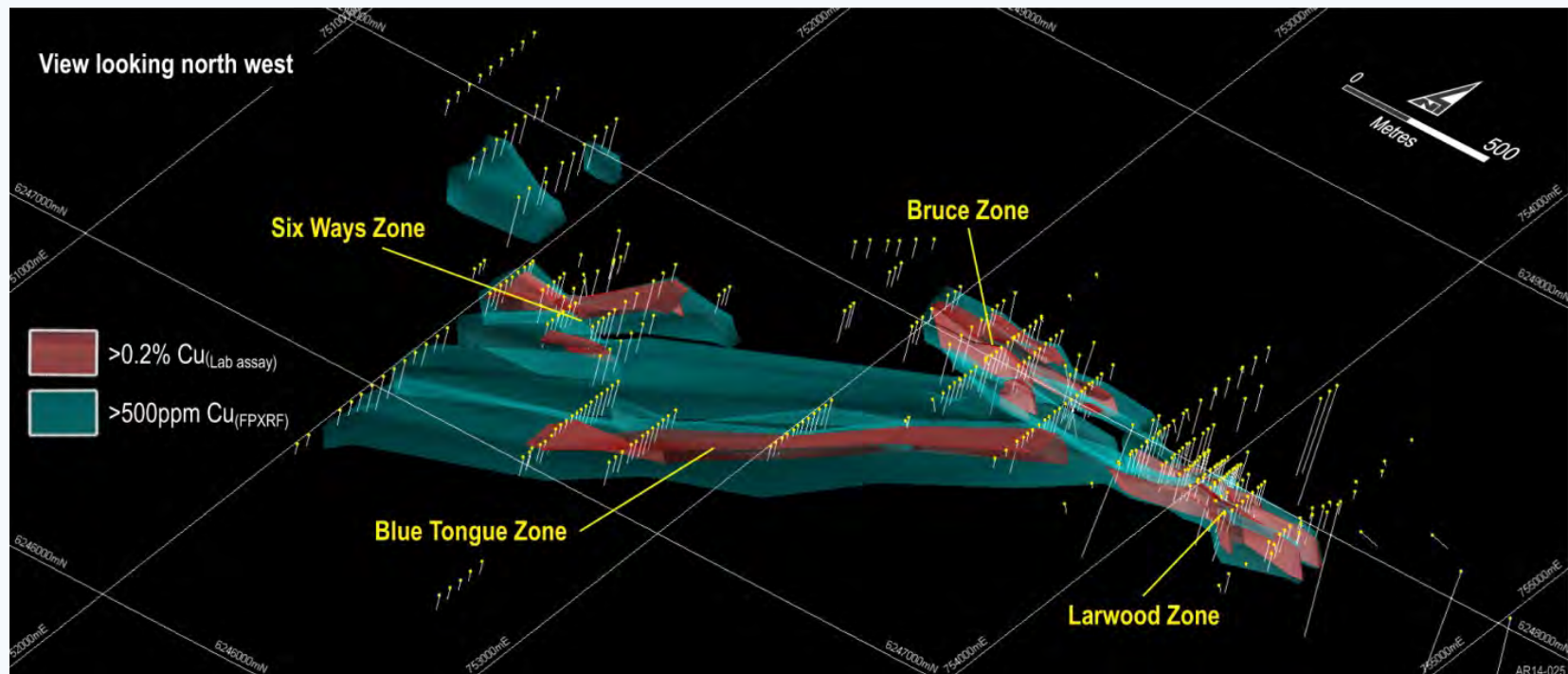


# Alford West – new 3D mineralisation model

## 3D model shows that the four recognised zones are all part of one giant IOCG system

- Four internal zones show potential to contribute to a mineral resource
- All four zones remain open at depth (and along strike for some zones)
- Dimensions confirm a future mineral resource could be significant

### Current 3D Alford West model

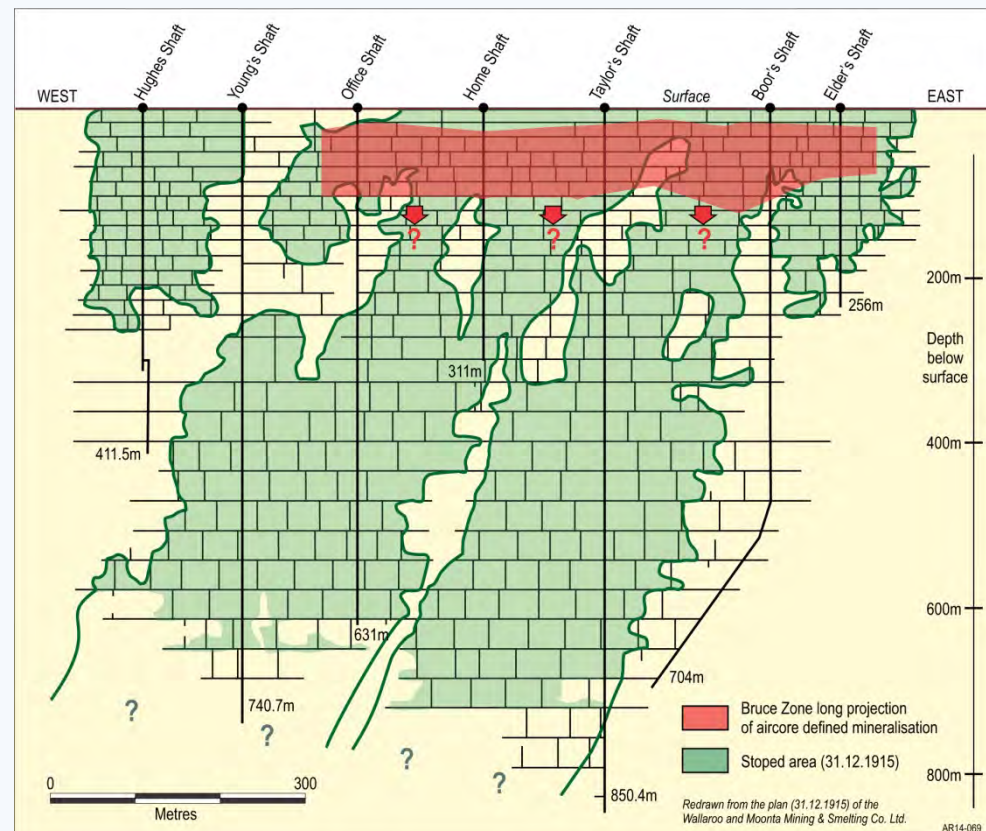


# Alford West – significant depth potential

If the Larwood, Bruce, Six Ways and Blue Tongue Zones have the same steeply plunging shoot morphologies commonly seen in the district, significant potential exists to substantially grow these discoveries to depth.

- Larwood Zone has 600m strike length, open at depth
- Bruce Zone has 600m strike length, open at depth
- Six Ways Zone has ~500m strike length, open at depth
- Blue Tongue Zone has 1,400m strike length, open at depth

Scaled long projection of aircore defined 3-D mineralisation model of Bruce Zone superimposed on Wallaroo Main Lode long projection.

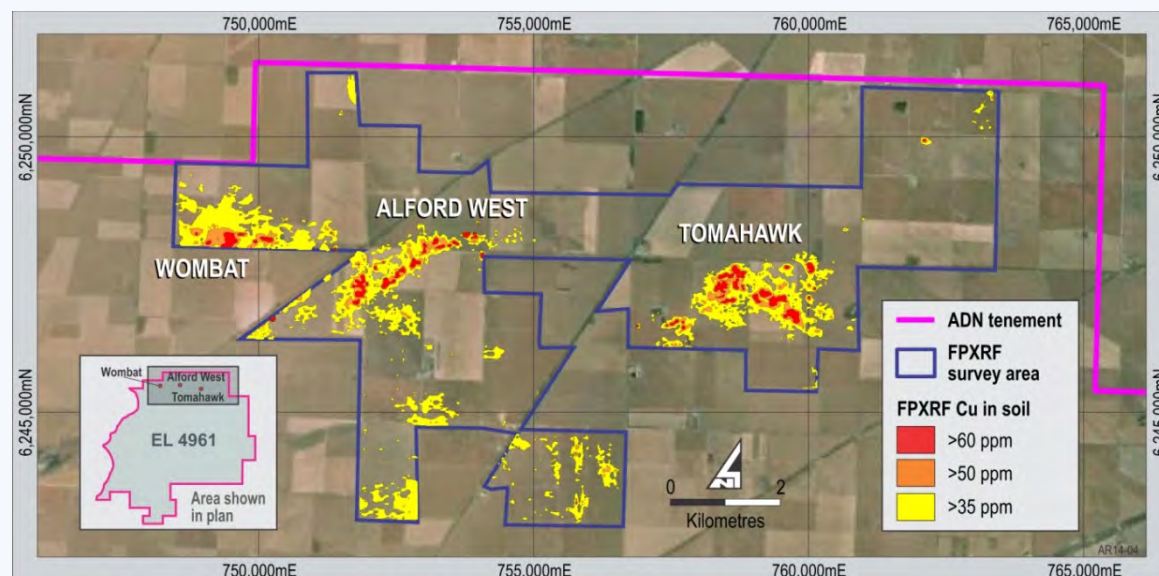


# Generative exploration – FPXRF geochemistry

## Innovative FPXRF geochemistry presents cost-effective target generation method

- 2013 trials at Alford West confirmed that FPXRF delineated soil anomalies sourced by known underlying mineralisation
- FPXRF is exceptionally cost effective and time efficient
  - FPXRF cost/sample is estimated to be about 6% of the cost of conventional geochem. Results are in real time allowing immediate follow-up
- FPXRF is adding significant new targets
  - Blue Tongue anomaly (now confirmed to be sourced by copper mineralisation)
  - Highly regarded Tomahawk anomaly – same size and magnitude as Alford West FPXRF anomaly

### Contours of FPXRF soil copper geochemistry

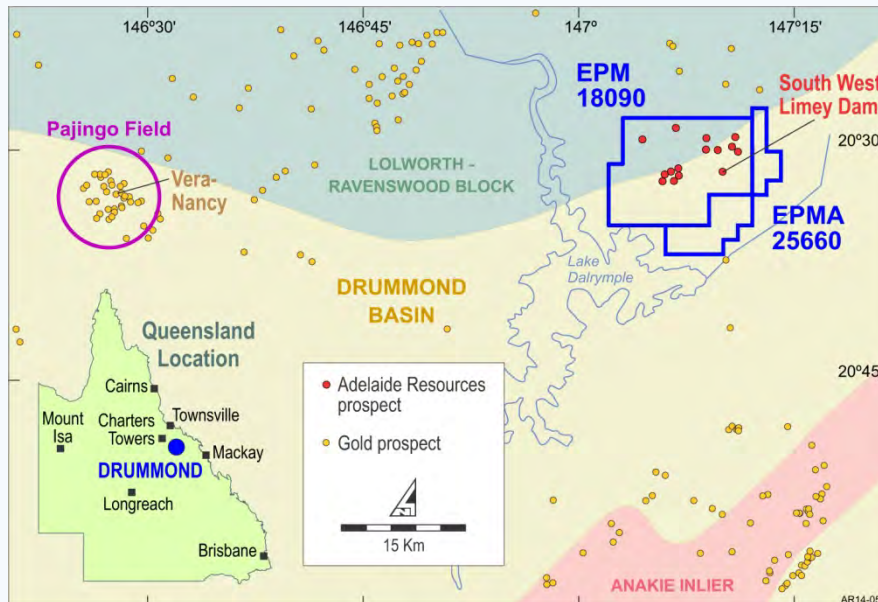


# Drummond Epithermal Gold Project

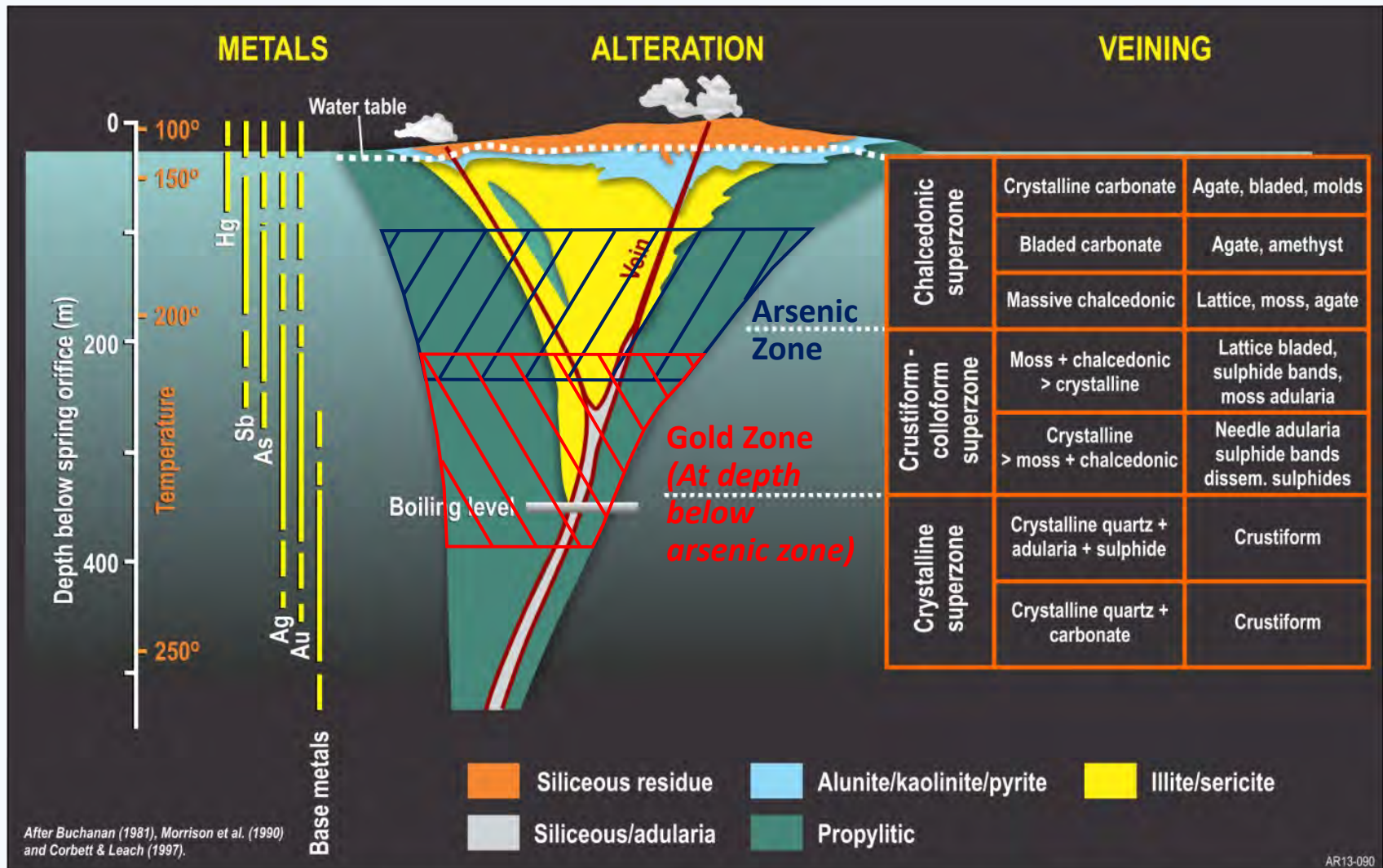
## Rock chip sampling confirms widespread anomalous gold in vein material

- 100% owned, 270 sq km project
- Maximum rock chip of 55.4g/t gold from South West Limey Dam Prospect
- Signature epithermal pathfinder elements and vein textures present
- Successful program of FPXRF soil geochemistry defines gold pathfinder (arsenic) anomalies

### Location



# Geological Model of an Epithermal Gold System



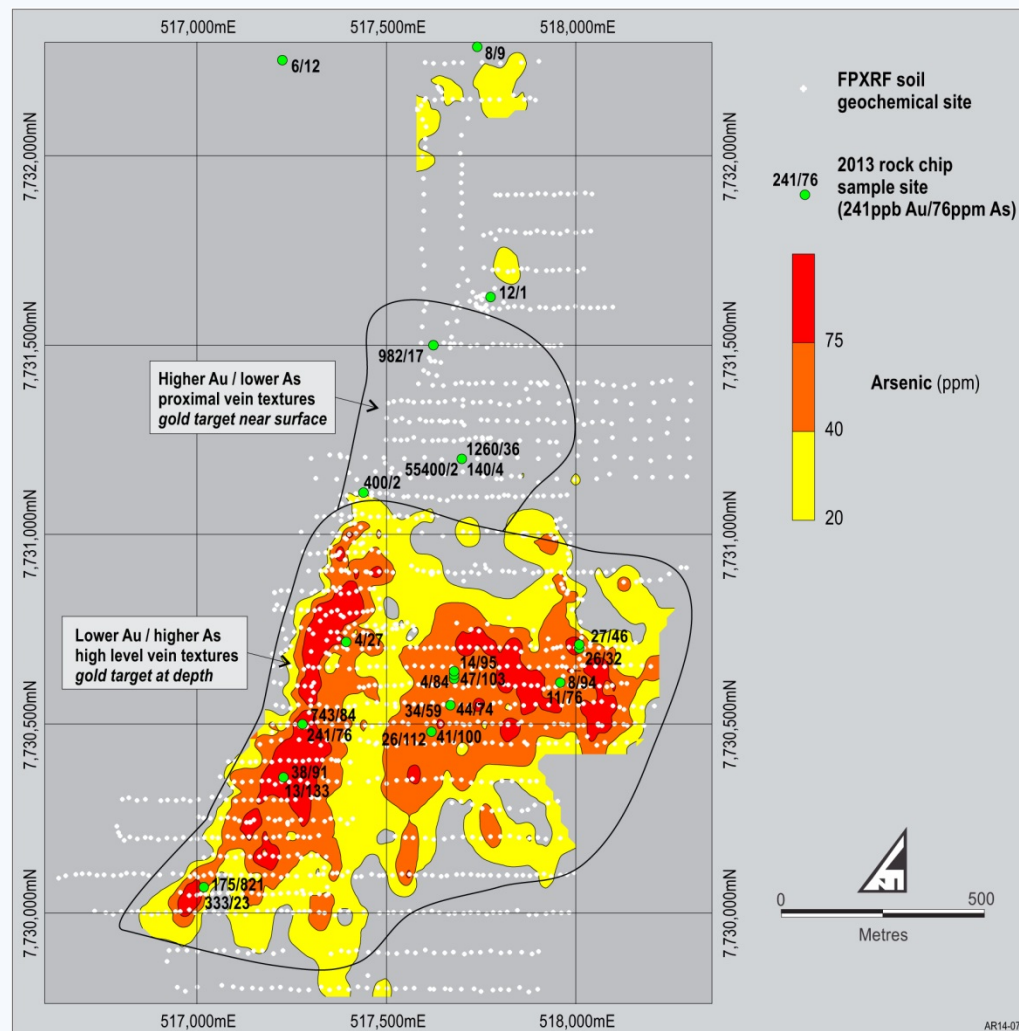
AR13-090

(After Buchanan (1981), Morrison et al. (1990) and Corbett & Leach (1997)).

# South West Limey Dam Prospect

## Large target displaying classic epithermal features

- Petrology on rock chips confirms epithermal character.
- Large, high magnitude FPXRF arsenic anomaly on higher ground to south. Anomalous but only low grade gold in rock chips.
- Arsenic drops off and gold in rock chips increases to north where land surface is lower.
- Vein textures corroborate geochemical story.
- Large gold target preserved at depth below arsenic anomaly, and closer to surface in area just north of arsenic anomaly.**
- \$100,000 co-funding to test this target awarded by QLD Govt, through its Collaborative Drilling Initiative.**

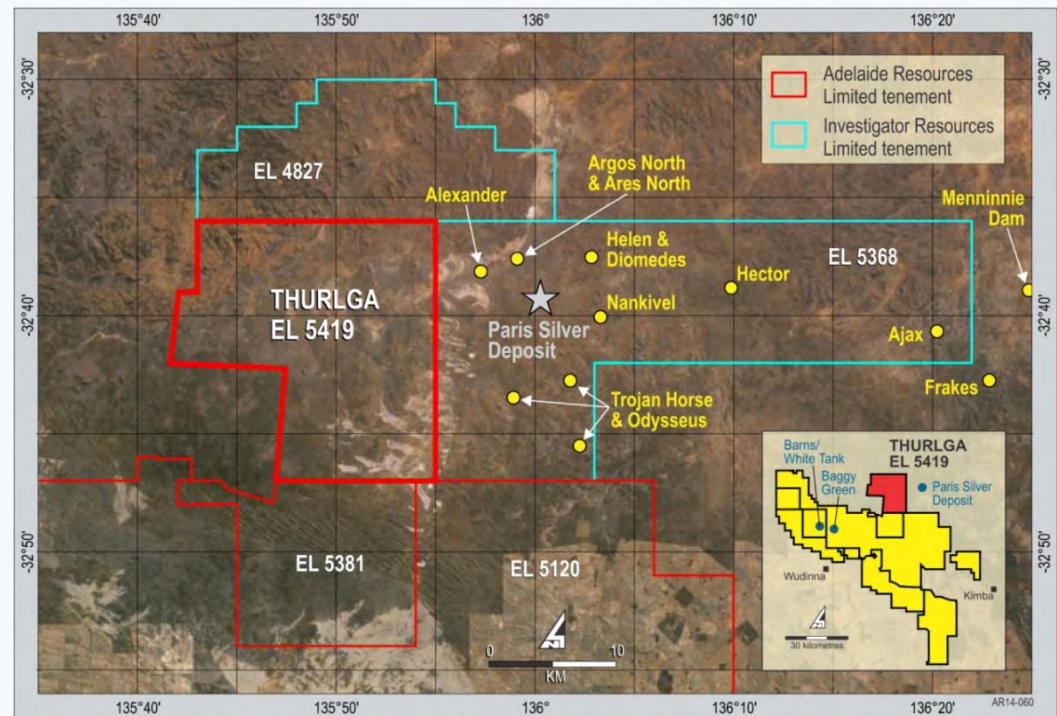


# Eyre Peninsula Project – New Thurlga JV

## Eyre Peninsula region has been delivering positive exploration results

- Recently announced Thurlga Joint Venture with Investigator Resources (ASX:IVR) will see a recommencement of exploration effort on Eyre Peninsula Project
- Investigator Resources can earn 75% by spending A\$750,000 by 30 June 2017
- Adelaide Resources retains 100% of the Barns, Baggy Green and White Tank gold deposits

### Location



**Paris Inferred Mineral Resource**  
**5.9MT @ 110g/t Ag, 0.6% Pb**

*(see Investigator Resources ASX release dated 15 October 2013 titled "Maiden Resource Estimate for Paris Silver Project, South Australia")*

# Future focus and program

## Alford West and surrounding prospects to remain the major focus

- Recent results at Drummond confirm it as a high quality secondary prospect

c.75% of focus and capital

### Moonta Copper-Gold Project

Commencing

Deep drilling (RC / diamond) at Larwood and Bruce Zones at Alford West

1Q 2015

Aircore drilling at Tomahawk, and at Six Ways and Blue Tongue Zones at Alford West

1Q 2015

On-going FPXRF soil geochemistry across project tenement to define new targets

4Q 2014

On-going digital capture/assessment of historical exploration data to define new targets

Underway

### Drummond Epithermal Gold Project

Systematic FPXRF soil geochemistry and rock chip sampling

Underway

RC / diamond drilling at South West Limey Dam prospect

3Q 2015

### Other Projects

Eyre Peninsula Gold Project – airborne geophysics and soil geochem on Thurlga JV (Investigator)

4Q 2014

Eyre Peninsula Gold Project – biogeochemical orientation program

4Q 2014

Eyre Peninsula Gold Project – RC drilling at Baggy Green/Barns gold prospects

3Q 2015

Rover Gold-Copper Project – internal review of Rover 1 and Rover 4 deposits

Underway

c.25% of focus and capital

# Disclaimer, Competent Person's statement and JORC statements

## Disclaimer

The information in this presentation is published to inform you about Adelaide Resources Limited ("Adelaide Resources" or the "Company") and its activities. Some statements in this presentation regarding estimates or future events are forward looking statements. They involve risk and uncertainties that could cause actual results to differ from estimated results. All reasonable effort has been made to provide accurate information, but we do not warrant or represent its accuracy and we reserve the right to make changes to it at any time without notice. To the extent permitted by law, Adelaide Resources accepts no responsibility or liability for any losses or damages of any kind arising out of the use of any information contained in this presentation. Recipients should make their own enquiries in relation to any investment decisions.

## Competent Person's statement

The information in this presentation that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Chris Drown, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Drown is employed by Drown Geological Services Pty Ltd and consults to the Company on a full time basis, acting as the Company's Managing Director. Mr Drown has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Drown consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## JORC Code 2012 statements

The information relating to Adelaide Resources' past exploration to 30 November 2013 and its assessment of exploration completed by past explorers was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information relating to Adelaide Resources' exploration since 1 December 2013 has been reported in compliance with the JORC Code 2012. See ADN's ASX releases dated 18 December 2013 titled "New Drill Target Defined Near Alford West Prospect – SA."; dated 12 February 2014 titled "Another New Drill Target Defined Near Alford West – SA."; dated 6 March 2014 titled "Maiden Drilling Intersects Copper At Blue Tongue – SA."; dated 11 March 2014 titled "Alford West Drilling Delivers Second High Grade Copper Target Zone – SA."; dated 3 April 2014 titled "Petrology Study Highlights Drummond Project Potential – QLD."; 9 April 2014 titled "Further Encouraging Alford West Results – SA."; dated 1 May 2014 titled "New Mineralisation Model for the Alford West Prospect – SA."; dated 5 May 2014 titled "Significant Intersections from Larwood Zone at Alford West – SA."; dated 7 May 2014 titled "Excellent Results Upgrade Bruce Zone at Alford West – SA."; dated 12 May 2014 titled "High Grade Hits Improve Six Ways Zone at Alford West – SA."; dated 5 June 2014 titled "Tomahawk - another high quality drill target defined in the Alford Copper Belt – Moonta Copper-Gold Project, SA."; dated 4 August 2014 titled "Drummond Gold Project wins Collaborative Drilling Initiative funding."; dated 11 August 2014 titled "Review Of Historical Data Confirms West Doora as Significant IOCG Prospect – Moonta Project."; dated 18 August 2014 titled "Thurlga Joint Venture with Investigator Resources Limited to explore for new Eyre Peninsula deposits.", and dated 14 October 2014 titled "FPXRF survey grows Drummond Epithermal Gold Target – QLD."