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Australian Securities Exchange Announcement

Wednesday 29th October, 2014

ROCK CHIPS TO 9.32g/t GOLD CORROBORATE EMERING SOUTH WEST LIMEY DAM TARGET MODEL, DRUMMOND PROJECT – QLD.

- Assay results for new surface rock chip samples from the **South West Limey Dam** prospect on the Drummond Project corroborate the emerging mineralisation model of a **large gold target zone** preserved at depth below an extensive soil pathfinder metal anomaly to the south of the prospect, and a near-surface gold target to the north.
- New surface **rock chip assays** from the north end of the South West Limey Dam prospect, where the "Gold Zone" is considered to be close to surface, include **9.32g/t gold, 6.33g/t gold, 2.75g/t gold, 2.41g/t gold, 1.86g/t gold and 1.33g/t gold,** adding to the exceptional 2013 result of **55.4g/t gold**.
- Rock chips from the south of the prospect, where the "Gold Zone" is likely to be preserved at depth, contain lower gold but significant arsenic with results including **345ppm arsenic, 249ppm arsenic and 120ppm arsenic**.
- FPXRF soil geochemistry and rock chip sampling at the **Central Limey Dam** and **North Limey Dam** prospects also delivered positive results. **Significant FPXRF arsenic anomalism** was mapped in soils at Central Limey Dam, while rock chips at North Limey returned up to **1.08g/t gold**.
- The program has **confidently defined targets** to be tested following the end of the wet season with co-funding through the QLD Government's Collaborative Drilling Initiative.

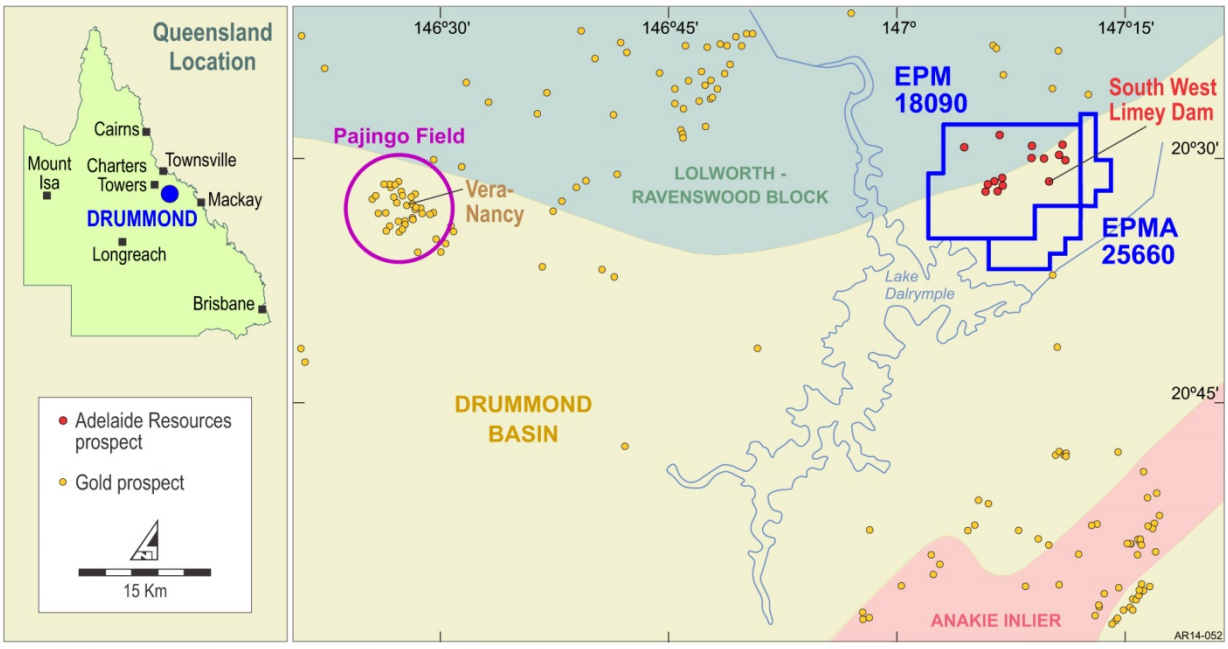

Figure 1: Drummond Epithermal Gold Project location plan.

INTRODUCTION

Adelaide Resources Limited holds 100% equity in two adjacent tenements which secure 270 square kilometres in the Drummond Basin in Queensland (Figure 1). The project is located approximately 90 kilometres southeast of Charters Towers in Queensland, and about 60 kilometres east of the Pajingo Field.

The Drummond Basin hosts a number of significant gold deposits of epithermal style, including the Pajingo Field which has produced in excess of 3 million ounces of high grade gold. The company's project tenements are located on the interpreted northern boundary of the Drummond Basin, a similar gross geological setting to the Pajingo Field (Figure 1).

Adelaide Resources has recently completed a second program of FPXRF soil geochemistry and rock chip sampling on EPM 18090 with the objective of clearly defining gold targets to be drill tested in 2015 utilising co-funding awarded by the Queensland Government through its Collaborative Drilling Initiative(1).

Epithermal deposits are formed during periods of active volcanism around the margins of continents, a geological situation that existed in the Drummond Basin in the past. A characteristic of epithermal deposits is the vertical zonation of vein textures, gold and silver, and of pathfinder metals (Figure 2). Such deposits include a "Gold Zone" which sits lower in the system than zones of enriched pathfinder metals like arsenic, but higher in the system than zones where base metals like copper and lead are deposited.

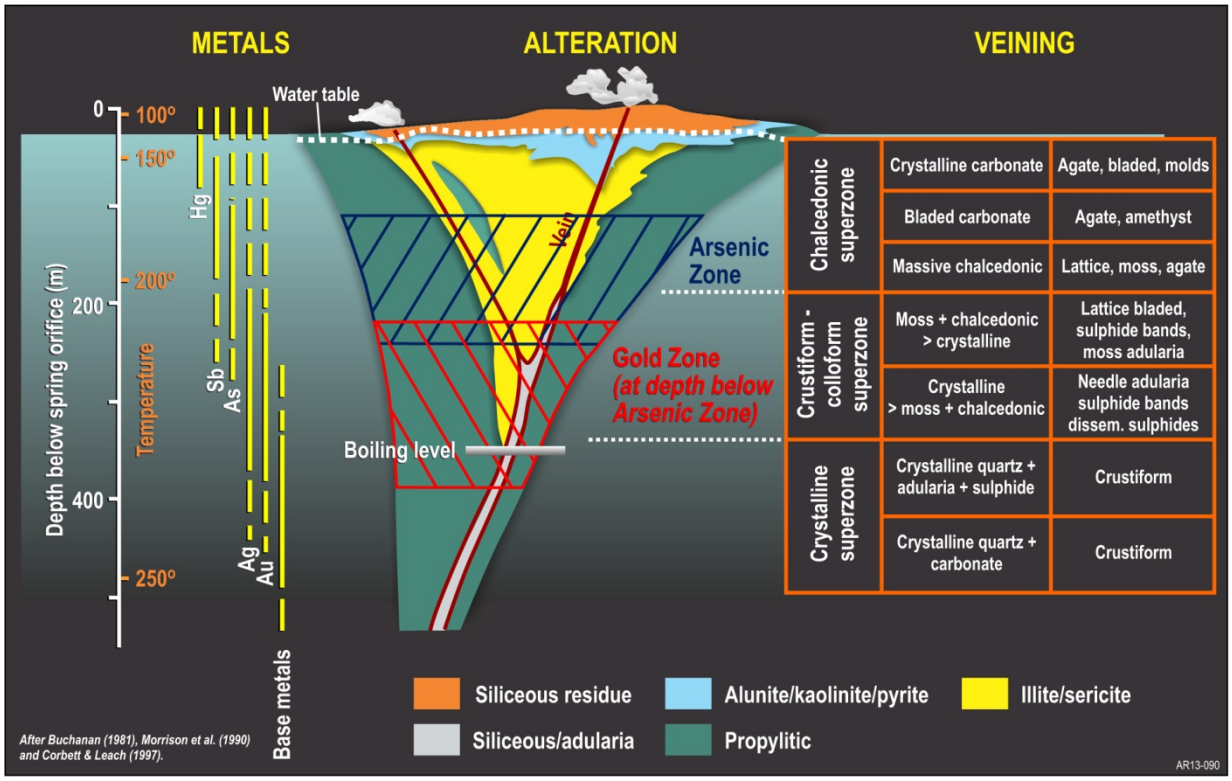

Figure 2: Geological model of an epithermal gold system. *(After Buchanan (1981), Morrison et al. (1990) and Corbett & Leach (1997)).*

On 14 October 2014 the company announced the results from a recently completed Field Portable X-Ray Fluorescence (FPXRF) pathfinder soil geochemical survey at the South West Limey Dam prospect(2).

Further results including rock chip assays and additional FPXRF soil geochemistry from other prospects in the vicinity of South West Limey Dam are now available and corroborate the exploration model. Significant recent rock chip results are summarised in Table 1.

South West Limey Dam

Figure 3 presents an image of the FPXRF arsenic soil geochemistry overlain by the locations of all rock chip samples at South West Limey Dam, including those collected in 2014. The rock chips have been colour coded with those assaying over 0.3g/t gold shown as red dots, and those samples assaying below 0.3g/t as yellow dots.

New surface rock chip assays from the northern end of the South West Limey Dam prospect where the “Gold Zone” is considered to be close to surface include 6.33g/t gold, 2.75g/t gold, 1.86g/t gold and 1.33g/t gold. Samples collected from the southern end of the prospect, where the “Gold Zone” is likely to be preserved at depth, contain significantly lower gold but substantially elevated arsenic, with individual samples returning results to 345 ppm arsenic.

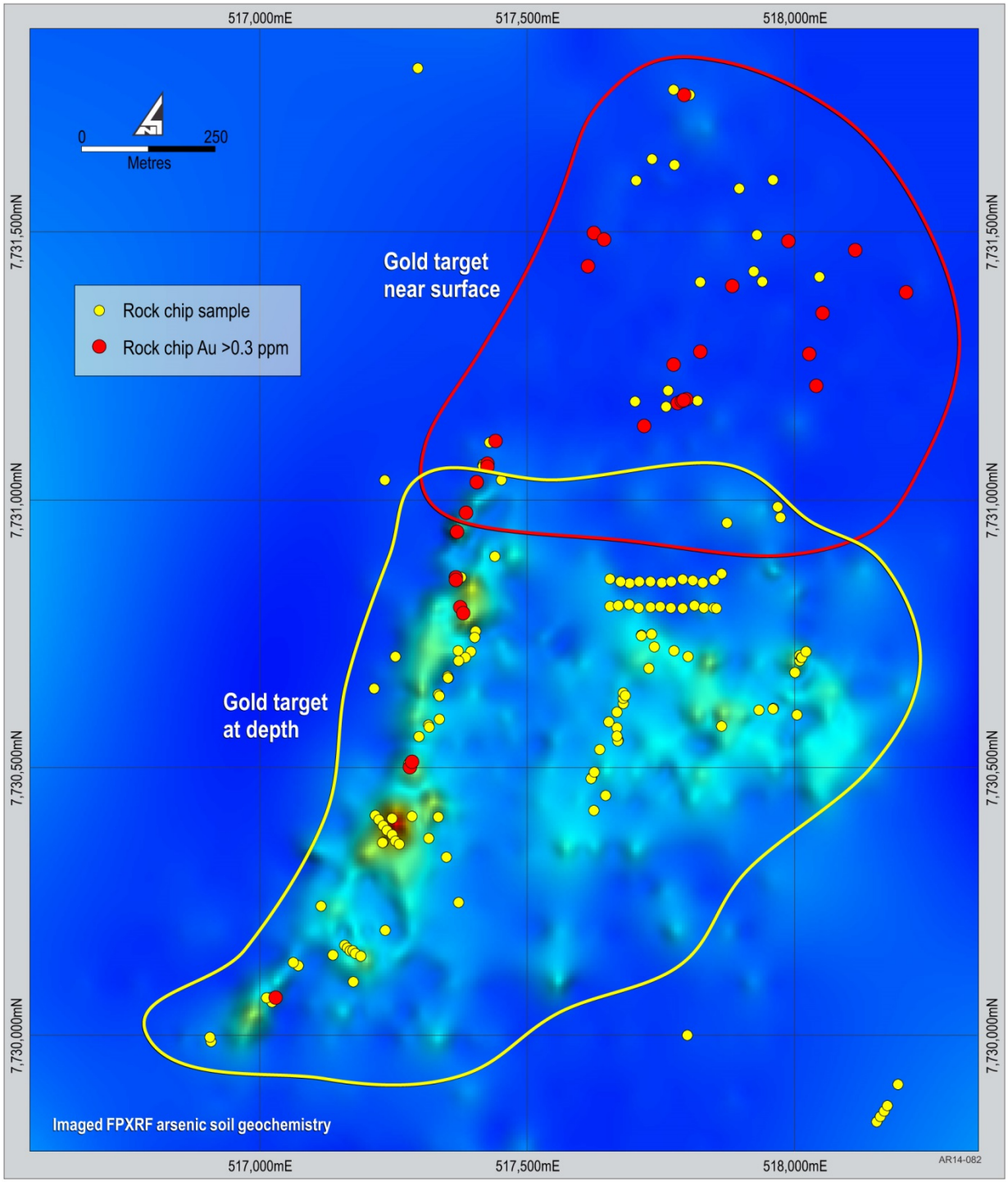

Figure 3: South West Limey Dam Prospect rock chip samples on imaged arsenic soil geochemistry.

The new rock chip results are consistent with the epithermal gold system model where a large gold target is preserved at depth below a pathfinder metal (arsenic) soil anomaly present in the south, but is nearer to the surface on lower ground to the north (Figure 3).

Central Limey Dam and North Limey Dam Prospects

FPXRF soil geochemistry has also been completed at other prospects in the Limey Dam group. Figure 4 presents contoured arsenic soil geochemistry from Central Limey and North Limey Dam prospects, together with previously released results from South West Limey Dam to allow a comparison.

At Central Limey Dam the FPXRF soil geochemistry has defined a significant arsenic anomaly of a magnitude approaching that seen at South West Limey Dam, while limited soil geochemistry at North Limey Dam has also revealed arsenic anomalism.

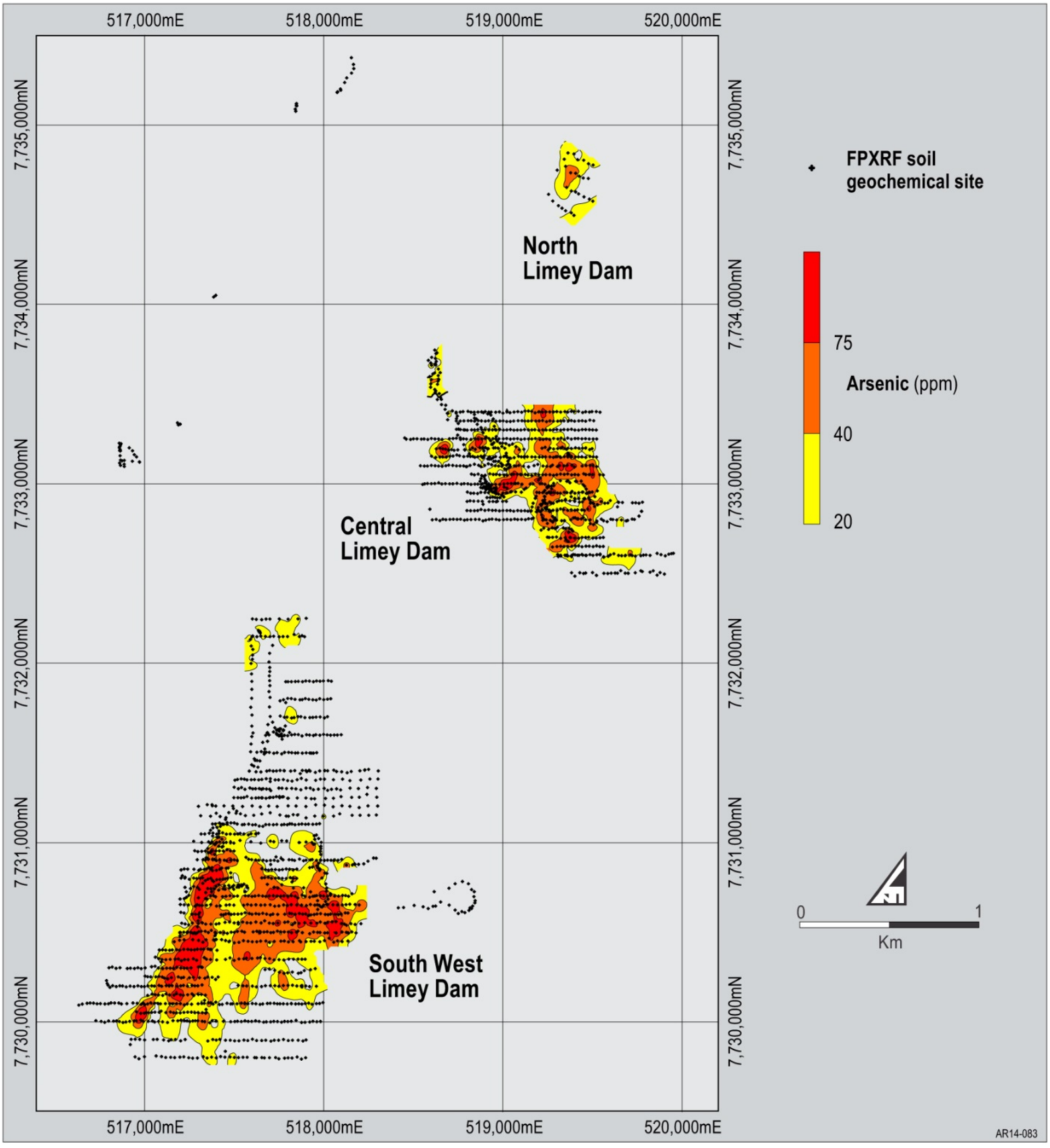

Figure 4: FPXRF arsenic soil geochemistry South West Limey, Central Limey and North Limey Dam prospects.

The FPXRF soil arsenic anomalies at both Central Limey and North Limey Dam prospects remain open and further sampling will be required to fully define these features.

Rock chip samples collected recently at Central Limey and North Limey Dam returned anomalous gold and pathfinder metals. At North Limey Dam one rock chip sample assayed 1.09g/t gold while anomalous pathfinder metals include arsenic, bismuth, antimony and tellurium. Anomalous gold results from Central Limey Dam include values to 0.19g/t, while pathfinder metals are again at anomalous levels.

Comment

Commenting on the recent results, Adelaide Resources Managing Director Chris Drown said "Our field work has confirmed that the Drummond Project mineral systems are of the targeted epithermal style and that they are gold-bearing. The exploration team has defined an impressive gold target at South West Limey Dam, and has completed preliminary work showing Central Limey and North Limey represent additional opportunities.

"We now look forward to our first Drummond Project drilling program utilising co-funding awarded by the Queensland Government through its Collaborative Drilling Initiative."

Table 1: *Drummond Project 2014 significant rock chip sample assays.*

Prospect Name	Easting (mga94)	Northing (mga94)	Au (g/t)	Ag (g/t)	Epithermal Pathfinder Elements (ppm)			
					As	Bi	Sb	Te
South West Limey Dam	517285	7730510	**0.52**	**0.50**	81	0.06	5.5	<0.05
	517248	7730404	0.04	0.05	**249**	0.18	7.2	0.07
	517381	7730788	**2.41**	**0.85**	27	0.05	6.4	0.07
	517793	7731186	**9.32**	**1.65**	57	0.16	8.0	0.35
	517793	7731186	**0.66**	0.08	5	0.05	8.8	0.27
	517235	7730196	<0.01	0.04	**154**	0.13	**10.8**	<0.05
	518014	7730706	0.10	0.10	**345**	0.18	8.3	<0.05
	517367	7730856	**0.38**	0.20	16	0.04	5.4	<0.05
	517369	7730941	**6.33**	**1.20**	51	0.03	**11.1**	**1.76**
	517774	7731254	**2.75**	**0.59**	23	0.05	**12.5**	0.40
	517760	7731175	0.22	**0.87**	4	0.01	5.9	0.94
	517719	7731139	**0.65**	**1.18**	2	0.01	6.7	**1.31**
	517798	7731189	**1.86**	**0.52**	27	0.07	9.1	0.13
	517782	7731182	**1.33**	0.26	29	0.08	9.4	0.27
	517884	7731401	**0.80**	0.20	74	0.18	**17.3**	0.14
	517367	7730851	**0.32**	0.16	12	0.06	5.8	<0.05
	517377	7730856	0.14	**0.90**	40	0.73	5.8	0.10
	517375	7730800	**0.65**	0.36	68	0.16	6.7	0.09
	517375	7730796	0.25	0.26	28	0.15	6.7	0.05
	517382	7730786	0.13	0.12	74	0.20	6.3	<0.05
	517655	7730802	0.06	0.11	**120**	0.11	3.7	<0.05
	517710	7730848	0.05	**0.80**	**103**	0.09	3.6	<0.05
Central Limey Dam	519360	7733173	0.15	0.03	14	0.03	**13.0**	<0.05
	518925	7732997	0.19	0.10	35	**13.65**	2.2	**7.88**
	518993	7732974	<0.01	0.04	**152**	**11.95**	2.3	0.97
North Limey Dam	519404	7734627	0.01	0.06	**121**	0.74	2.1	0.12
	519395	7734496	<0.01	0.11	**146**	0.57	**12.5**	**3.20**
	519308	7734550	0.02	0.08	28	**7.98**	3.4	0.46
	519424	7734714	**1.08**	0.11	52	1.61	**12.8**	0.21
	519476	7734784	**0.34**	0.11	**175**	1.38	3.4	0.58

Assayed sample weights range from 0.15kg to 2.89kg, average 0.81kg. Gold determined by fire assay with ICP-AES finish on 30g nominal sample weight. Other metals determined by HF-HNO_3-$HClO_4$ acid digestion, HCl leach followed by ICP-AES and ICP-MS analysis. compaLaboratory introduced standards indicate acceptable analytical quality.

Chris Drown
Managing Director

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

(1) See ADN's ASX release dated 4 August 2014 titled "Drummond Gold Project wins Collaborative Drilling Initiative funding."

(2) See ADN's ASX release dated 14 October 2014 titled "FPXRF Survey Grows Drummond Epithermal Gold Target."

1 JORC CODE, 2012 EDITION – TABLE 1

1.1 Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or hand held XRF instruments, etc) These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg*	• Innov-X FPXRF (Olympus) analyser used to obtain surficial *in situ* soil analysis. • No sample preparation of the soils was completed for *in situ* analysis. • Instrument calibration completed on on-going basis during survey using standardisation discs. • Soil samples for later analysis were removed with a trowel from pre-determined sample points using a GPS with an accuracy of +/- 15 metres. • Rock chip samples were collected from outcropping veins and rocks.

	submarine nodules) may warrant disclosure of detailed information.	
Drilling Techniques	• *Drill type (air core, reverse circulation, open-hole hammer, rotary air blast , auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face sampling bit or other type, whether core is orientated and if so, by what method, etc).*	• No drilling results are included in the report.
Drill Sample Recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the sample.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of coarse/fine material.*	• No drilling results are included in the report.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• No drilling results are included in the report.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No sample preparation was completed on either soils or rock chips • FPXRF analyses were conducted on *in-situ* soil material. • Duplicate analyses indicate acceptable analytical accuracy for FPXRF samples. • Soil samples taken for later analysis were >150gm and contained in sealed plastic bags. Sample points were pre-determined and located using a GPS with an accuracy of +/- 15 metres.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and mode, reading times, calibration factors applied and their derivation, etc.* • *Nature and quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• XRF is a total analytical technique appropriate for arsenic as natural soil concentrations are above the lower detection limit of the instrument. • Olympus Innov-X 4000 with reading times set at 45 seconds. • QAQC data includes standards, blanks and duplicates introduced at a ratio of 1 QAQC sample for every 40 survey samples. • No calibration factors have

		been applied to results reported. • Rock chips were assayed in a commercial lab using methods appropriate for the sample media and anticipated metal concentrations. • Both company and laboratory QA/QC samples were introduced into the rock chip assay stream.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical or electronic) protocols.* • *Discuss any adjustment to assay data.*	• No drilling results are included in the report.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• FPXRF and rock chip sample location points are collected using a Trimble Juno 3D GPS with autonomous accuracy of +/- 5 meters. • GDA94 (Zone 55)
Data spacing and distribution	• *Data spacing for reporting of Exploration Results* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classification applied.* • *Whether sample compositing has been applied.*	• FPXRF analyses taken at 20m intervals on lines nominally spaced at 50 metres. • Soil and rock chip samples also taken at 20m intervals on lines nominally spaced at 50 metres. • The high density of sample points is sufficient to establish continuity of anomalies.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Sample lines oriented east-west. Line and sample spacing are adequate to define sizable geochemical anomalies of any orientation with confidence.
Sample security	• *The measures taken to ensure sample security.*	• Soil and rock chip samples were packaged and processed by senior company staff. Sealed plastic sample bags were used to prohibit cross contamination between soil samples.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data*	• Trails completed in 2013 at the South West Limey Dam prospect confirmed the FPXRF method capable of defining arsenic anomalies with a high degree of confidence.

1.2 Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section may apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements of material issues with third parties such as joint ventures, overriding royalties, native titles interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The area the subject of this report falls within EPM 18090, which is 100% owned by Adelaide Exploration Pty Ltd, a wholly owned subsidiary of Adelaide Resources Limited. • There are no third party agreements, non govt royalties, or historical sites known. Underlying land title is Pastoral leasehold. The tenement area is covered by a Native Title claim. Part of the tenement falls within Restricted Area 206 – Burdekin Falls Dam Catchment. • EPM 18090 is in good standing.
Exploration done by other parties	• *Acknowledgement and appraisal of exploration by other parties.*	• The general area the subject of this report has been explored in the past by various companies including Cormepar Minerals, Otter Exploration, Hunter Resources, Poseidon Gold, Dalrymple Resources and MIM Exploration. The Company has reviewed past exploration data generated by these companies.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Deposits in the general region are considered to be of low sulphidation epithermal vein style.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *Easting and northing of the drill collar* o *Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill collar.* o *Dip and azimuth of the hole.* o *Down hole length and interception depth.* o *Hole length.* • *If the exclusion of this information is justified on the axis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• The report does not include drilling results.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/ or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	• The report does not include drilling results.

	• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in some detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The report does not include drilling results.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate maps including scales are included as Figures 1, 3 and 4 in the report.
Balanced Reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Results of all geochemical data are presented in contour form on Figure 4 of the report.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, ground water, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• 2014 rock chip sample results are discussed and shown on Figure 2 and tabulated in table1 of the report.
Further work	• *The nature and scale of planned further work (eg tests of lateral extensions or depth extensions or large scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	The report advises that the company is planning to drill test the South West Limey Dam prospect in 2015.