Adelaide Resources Limited

Quarterly Report

Period ending 30 September 2014

Adelaide Resources Limited
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Corporate Details

ASX Code: ADN

Cash at 30 September 2014:
$0.954 million.

Issued Capital at 30 September 2014:
229,079,813 ordinary shares
3,800,000 performance rights

Directors:

Non-executive Chairman:
Mike Hatcher
Managing Director:
Chris Drown
Non-executive Directors:
John den Dryver
Jonathan Buckley
Company Secretary:
Nick Harding

Highlights

Moonta Copper Gold Project – SA

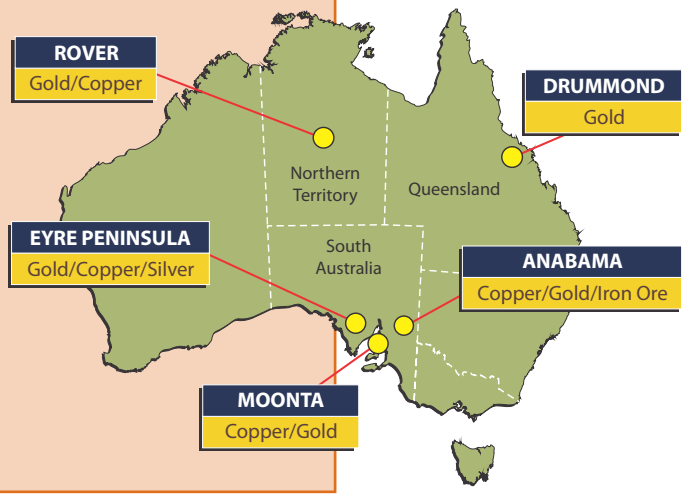
- Assessment of historical exploration data highlights the 100% owned **West Doora, Doora and Vulcan prospects** as additional worthy exploration targets. Historical drilling returned **attractive copper-gold intersections** at all three targets.
- **Drilling at Alford West planned** to follow completion of annual harvest.

Drummond Epithermal Gold Project – QLD

- **Soil geochemistry** defines **large, high magnitude arsenic anomalies** at South West Limey and Central Limey Dam.
- **Rock chip sampling** returns significant gold including **9.32g/t, 6.33g/t, 2.75g/t and 2.41g/t gold** from South West Limey Dam.
- The exploration results from South West Limey Dam suggest a **large gold target is present**.
- **$100,000 funding awarded** through the QLD Government's Collaborative Drilling Initiative program to assist with the company's first drilling at South West Limey Dam.

Eyre Peninsula Gold Project – SA

- **Thurlga Joint Venture** formed with Investigator Resources Limited to explore one of the company's 12 project tenements. **Exploration underway** with a high resolution airborne geophysical survey flown.



Adelaide Resources Limited
2014
Annual General Meeting

To be held at the
Stamford Plaza Adelaide,
Boulevard Room,
150 North Terrace, Adelaide, SA
on Tuesday 25 November
at 11.00 am.
Arrival from 10.30 am.

Moonta Copper Gold Project, SA

Adelaide Resources 100% (except Moonta Porphyry JV area: Adelaide Resources 90%; Minotaur Exploration Limited 10%).

Introduction

The Moonta Copper Gold Project is located on the Yorke Peninsula of South Australia *(Figure 1)*. The project tenement covers the historical mining centres at Moonta, Kadina and Wallaroo which define the famous "Copper Triangle".

Geologically, the project falls at the southern end of the world-class Olympic Copper-Gold Province, an arcuate belt of Proterozoic rocks that are highly prospective for Iron-Oxide Copper Gold style deposits.

During the quarter the company continued its program of Field Portable X-Ray Fluorescence (FPXRF) soil geochemistry and its digital capture and assessment of historical exploration data. It has also designed drilling programs at Alford West and Tomahawk for execution in early 2015 once the annual cereal harvest has been completed.

FPXRF Soil Geochemistry

The total number of FPXRF soil geochemistry sites analysed on the Moonta Project to date now exceeds 40,000, covering a total area 80 km^2 at a detailed spacing. This program has discovered the surface copper anomaly sourced by the Blue Tongue Zone at Alford West, and delineated a substantial copper anomaly called Tomahawk located 5 kilometres east of Alford West.

During the quarter further soil copper anomalies were outlined in areas to the east of Kadina, and northeast of Wallaroo. The main new feature of interest remains incompletely defined as it crosses fences into paddocks that are yet to be sampled. FPXRF soil geochemistry is planned to recommence in late 2014/early 2015 once the harvest is completed.

Historical Data Capture

In early 2013, a review of often hand written old exploration records led to recognition that the Alford West prospect represented a significant exploration opportunity, with Alford West now a principal focus of the company's work on the Moonta Project. Adelaide Resources is continuing the capture and assessment of old data with the goal of identifying further opportunities.

The West Doora, Doora and Vulcan prospects *(Figures 1 and 2)* have emerged from this on-going effort as targets displaying significant further potential. West Doora, Doora and Vulcan are located south of the town of Kadina and are each 100% owned by Adelaide Resources. Significant historical copper intersections from West Doora, Doora and Vulcan are listed in *Table 1 on page 6*.

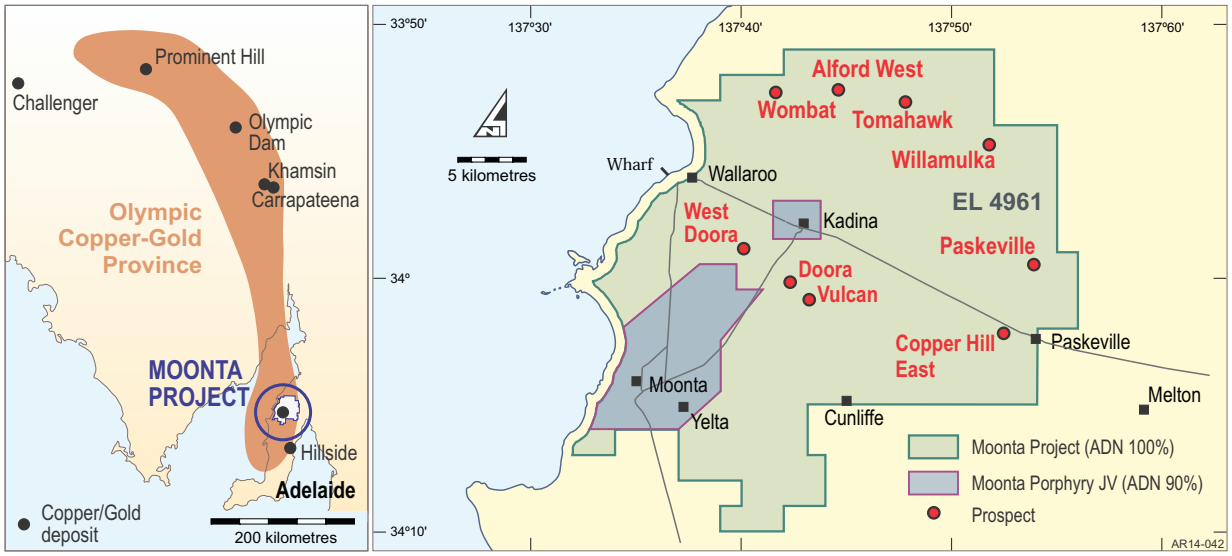


Figure 1: *Moonta Copper Gold Project location plan.*

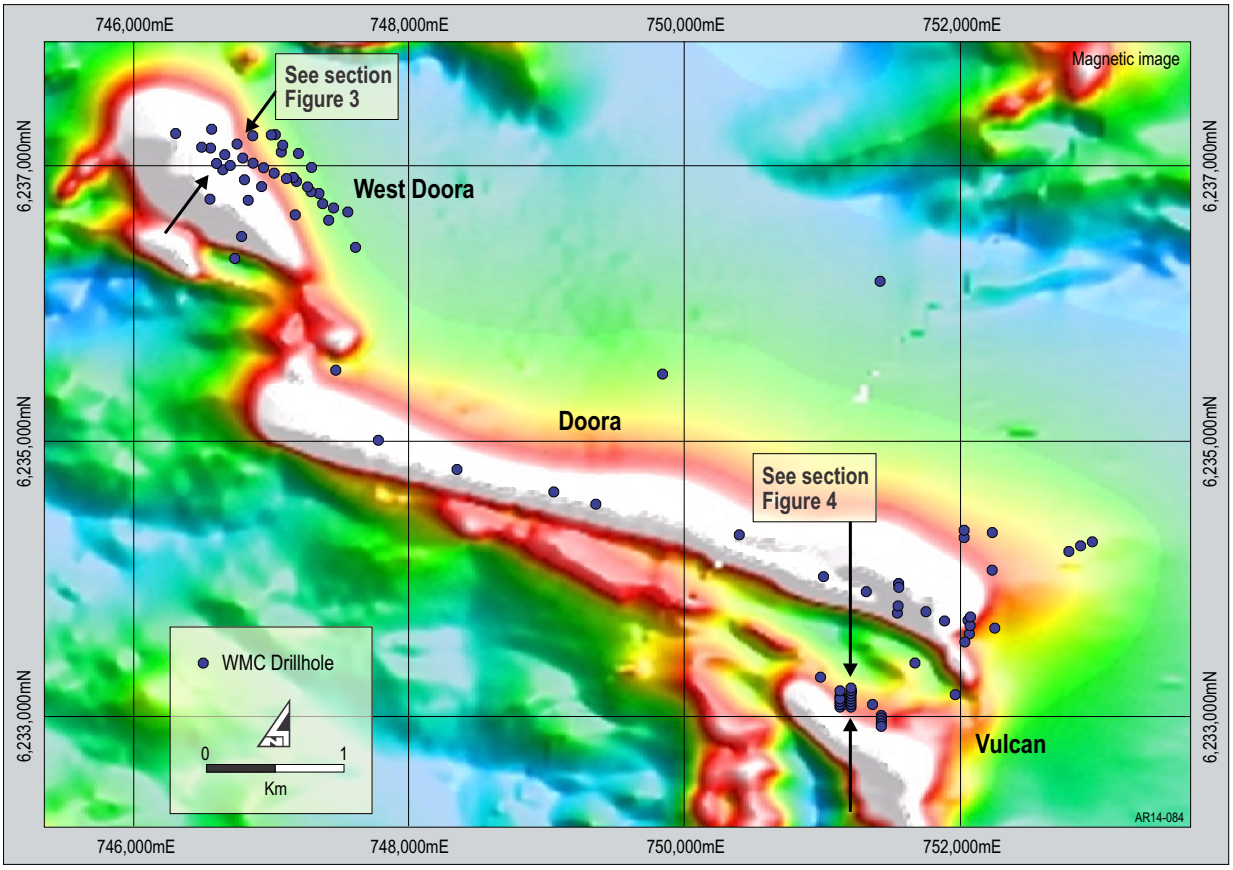


Figure 2: *West Doora, Doora and Vulcan prospects WMC era drillhole locations.*

West Doora Prospect

The WMC/NBH joint venture drilled 41 holes at West Doora, intersecting copper from depths as shallow as 20 metres below surface.

Chalcopyrite, pyrite and pyrrhotite mineralisation occurs in steeply dipping quartz vein lodes and disseminations in strongly foliated magnetite metasomatised metasediments. The abundance of magnetite in the altered host rocks is responsible for the high magnitude magnetic anomaly at West Doora, and consistent with the deposit belonging to the IOCG class.

Mineralisation occurs in two main zones. The Eastern Zone is a series of steeply dipping, generally narrow, sub parallel lodes that extend for approximately 650 metres along strike and to depths of 250 metres below surface.

Notable drill intersections from the Eastern Zone include 12.80 metres at 2.07% copper from 83.21 metres downhole in DDH 65, and 12.80 metres at 1.48% copper from 85.65 metres downhole in DDH 81.

The Western Zone appears to comprise an "envelope" containing numerous closely spaced lodes separated by intervals of un-mineralised rock *(Figure 3)*. The width of the mineralised envelope can be extensive. For example DDH 114 intersected approximately 189 metres at ~0.5% copper within the envelope.

Notable intersections from the Western Zone include 83.52 metres at 0.73% copper from 48.46 metres downhole, including 11.27 metres at 1.99% copper from 111.56 metres downhole in DDH 107, and 71.02 metres at 0.82% copper from 276.15 metres downhole in DDH 114.

Gold was rarely assayed by WMC so four holes were resampled during the quarter. Assays confirm that low grade gold is present in the West Doora mineralisation and that gold correlates strongly with copper.

3-D modelling of the prospect suggests that the Western Zone may plunge to the west. Limited drilling in this area of the deposit does not appear to have tested the possible down-plunge

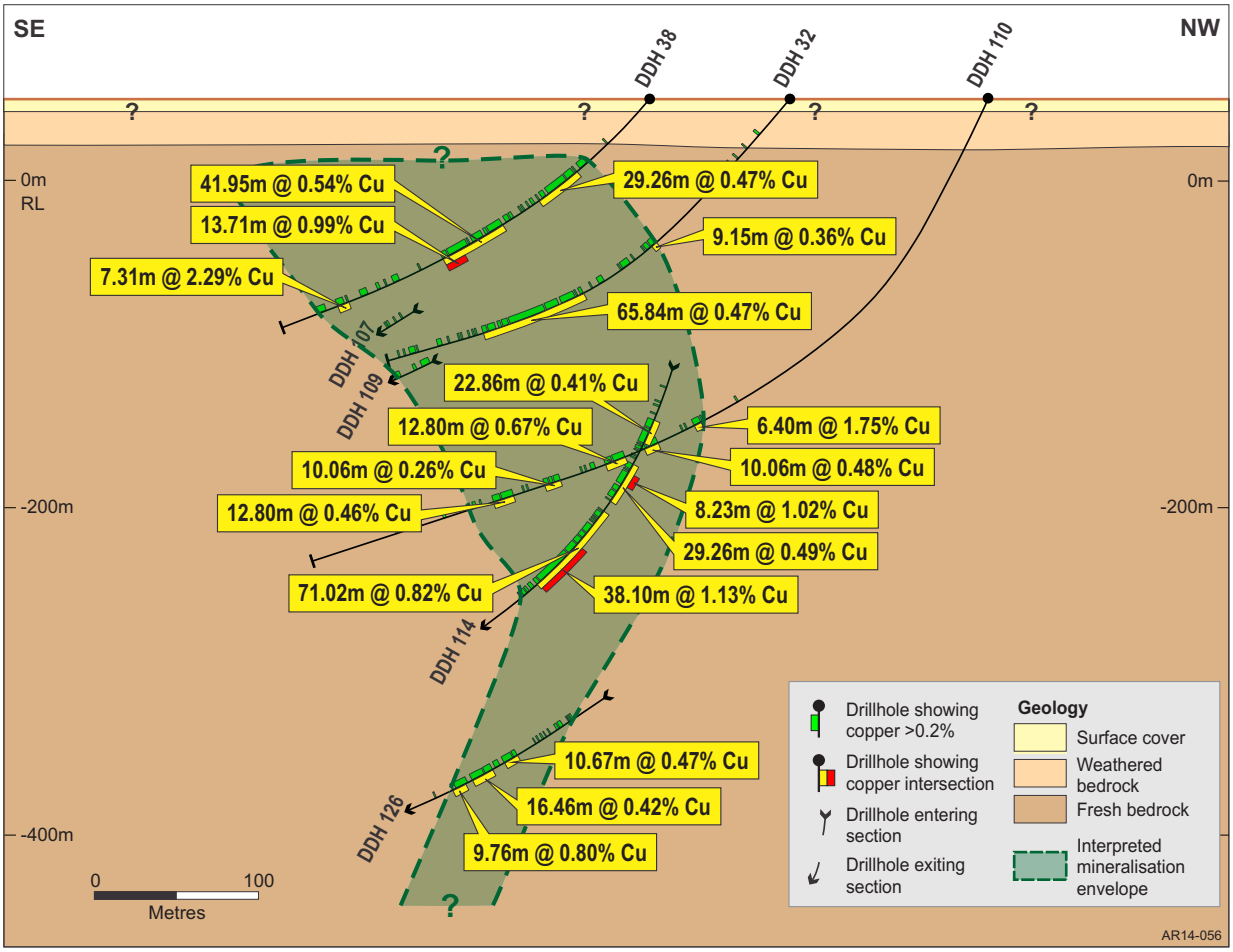


Figure 3: *West Doora Western Zone section looking northwest.*

extension of the modelled body presenting an attractive future exploration target.

The West Doora deposit is confirmed to extend vertically to at least 430 metres below the surface. The bulk of the historical intersections achieved at West Doora are of primary zone mineralisation and unaffected by secondary supergene processes that can both deplete or enrich metal grades.

Doora Prospect

The Doora prospect is defined by a 5 kilometre long, east-southeast trending linear magnetic anomaly, with associated semi-coincident induced polarisation and auger copper geochemistry anomalies. The Doora prospect was targeted by 25 diamond holes and 5 reverse circulation holes *(Figure 2)*.

Historical drill records indicate the Doora host rocks are a series of variably sheared and altered, fine to medium grained metasediments including mica schist and subordinate fine grained quartzite.

Significant copper intersections at Doora include 8.38 metres at 1.20% copper from 380.24 metres in DDH 7, and 7.92 metres at 1.79% copper from 379.48 metres in DDH 7A. Gold was rarely assayed, however the 7.92 metre copper zone in DDH 7A was partially assayed returning 6.4 metres at 0.88g/t gold from 379.48 metres.

Narrow high grade intersections of note at Doora include 3.66 metres at 5.40% copper from 190.73 metres in DDH 35, and 2.44 metres at 7.64% copper from 182.42 metres downhole in DDH 52.

The historical drilling at Doora is sufficient to confirm the common presence of mineralisation at the prospect, however the wide spacing of the old holes does not allow confident interpretations to be made as to how the various mineralised zones may connect.

Vulcan Prospect

The Vulcan prospect *(Figures 1 and 2)* is also associated with a magnetic anomaly with associated induced polarisation and auger copper geochemistry anomalies, and the Vulcan host rocks are described as mica schist and fine grained quartzite.

WMC era drilling at Vulcan includes five diamond holes and 19 shallow reverse circulation holes. Only copper assays exist for the five diamond holes, however samples from the reverse circulation holes were assayed for both copper and gold.

Shallow mineralisation was encountered, with reverse circulation hole MP 674 hitting 20 metres at 0.75% copper and 0.33g/t gold from 10 metres. The hole ended at a depth of 42 metres in rock where the sulphides pyrite and chalcopyrite were noted, with the final 4 metres of the hole assaying 0.65% copper and 0.26g/t gold from 38 metres downhole *(Figure 4)*.

Reverse circulation holes adjacent to MP 674 also intersected mineralisation, while inclined diamond hole DDH 26 intersected 7.32 metres at 0.67% copper from 39.32 metres. No core was recovered above 39.32 metres in DDH 29 and the mineralisation is likely to have commenced at a shallower depth.

Assessment of results from other Vulcan holes suggests mineralisation is improving to the east, presenting a vector into a poorly tested target area east of MP 674.

Drill Program Design

Drilling programs have been designed for Alford West and Tomahawk, with the programs planned for execution in early 2015 once the annual cereal harvest has been completed.

The proposed program includes deeper reverse circulation or diamond holes to test below the existing aircore holes at the Bruce and Larwood Zones at Alford West, and will be the company's first deeper drilling at the prospect.■

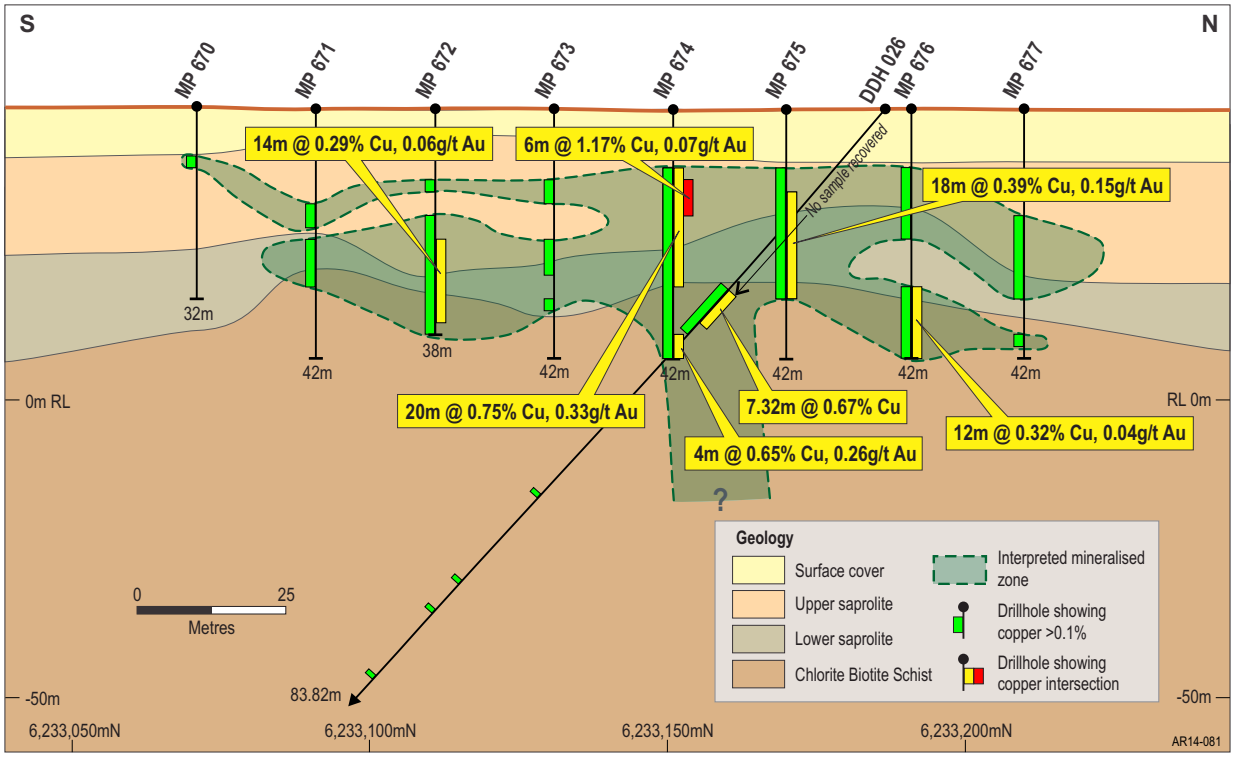


Figure 4: *Vulcan Prospect Section 751,200mE looking west.*

Table 1: *West Doora, Doora and Vulcan prospects – historic WMC/NBH drill intersections.*

Prospect	Hole Name	Easting (mga94)	Northing (mga94)	RL (msl)	Dip	Azimuth (mga94)	Depth (m)	From (m)	To (m)	Interval (m)	Cu %
West Doora	DDH 32	746669	6237074	41.1	-50	225	300.74	174.29	240.13	65.84	0.47
	DDH 38	746609	6237013	41.4	-50	225	267.44	63.20	92.46	29.26	0.47
								118.98	160.93	41.95	0.54
							incl.	147.22	160.93	13.71	0.99
								224.03	231.34	7.31	2.29
							incl.	228.30	230.73	2.43	6.26
	DDH 62	747189	6236881	40.1	-50	225	166.57	94.18	106.98	12.80	1.27
							incl.	100.58	101.50	0.92	9.95
	DDH 65	747029	6236943	40.4	-50	225	275.40	83.21	96.01	12.80	2.07
							incl.	85.95	87.78	1.83	7.10
							and	91.44	95.10	3.66	3.06
	DDH 71	746949	6236986	40.2	-50	225	200.13	44.50	46.33	1.83	4.63
								86.26	89.92	3.66	3.96
							incl.	87.17	89.00	1.83	7.30
	DDH 72	747266	6236841	39.7	-50	225	199.03	120.09	131.06	10.97	1.06
							incl.	121.01	124.66	3.65	2.52
	DDH 81	747424	6236601	40.2	-50	270	189.13	85.65	98.45	12.80	1.48
	DDH 84	747297	6236988	39.4	-70	202	460.98	375.51	381.91	6.40	1.52
	DDH 85	747162	6236914	40.1	-50	225	301.52	61.26	69.19	7.93	0.32
	DDH 107	746649	6236966	41.5	-50	240	219.84	48.46	131.98	83.52	0.73
							incl.	111.56	122.83	11.27	1.99
							incl.	117.04	117.55	0.51	23.50
	DDH 108	746812	6236896	41.0	-50	240	211.91	166.12	199.95	33.83	0.62
	DDH 109	746707	6237003	41.1	-50	240	287.81	130.45	195.07	64.62	0.44
								238.96	242.62	3.66	3.11
							incl.	238.96	239.88	0.92	9.25
	DDH 110	746756	6237158	40.5	-50	230	525.02	270.05	276.45	6.40	1.75
							incl.	275.54	276.45	0.91	10.60
								323.09	335.89	12.80	0.67
	DDH 114	746564	6237126	40.8	-75	184	747.64	206.65	229.51	22.86	0.41
								238.66	267.92	29.26	0.49
							incl.	245.97	254.20	8.23	1.02
								276.15	347.17	71.02	0.82
							incl.	308.15	346.25	38.10	1.13
							and	326.44	332.84	6.40	3.04
	DDH 128	746571	6237264	40.5	-80	207	631.24	483.41	525.17	41.76	0.43
Doora	DDH 007	751554	6233967	46.3	-45	180	502.67	380.24	388.62	8.38	1.20
	DDH 007A	751554	6233967	46.3	-45	180	397.15	379.48	387.40	7.92	1.79
	DDH 035	752057	6233702	48.5	-50	230	243.38	190.73	194.39	3.66	5.40
	DDH 052	752068	6233602	48.7	-50	271	187.91	129.46	140.44	10.97	0.70
								182.42	184.86	2.44	7.64
	DDH 053	752073	6233664	48.5	-50	271	251.97	128.63	168.86	40.23	0.39
								221.59	232.56	10.97	0.70
	DDH 055	752034	6233544	49.4	-50	271	237.74	218.54	231.34	12.80	0.70
Vulcan	DDH 029	751365	6233090	49.0	-50	181	371.96	270.94	275.82	4.88	1.27
	MP 674	751209	6233151	49.0	-90	~	42.00	10.00	30.00	20.00	0.75
							incl.	12.00	18.00	6.00	1.17
	MP 675	751209	6233170	49.0	-90	~	42.00	14.00	32.00	18.00	0.39

Drillhole collar locations are as reported in the South Australian Government geological database and are estimated to have an accuracy of +/-25m. Collar RLs have been estimated using a digital elevation model derived from airborne geophysical surveys and have an estimated accuracy +/-5m. Full copper analytical methods are not recorded but include Atomic Absorption. QA/QC samples were introduced however results are unknown. Cut-off grade of 0.2% Cu applied with up to 2m internal dilution. Intersection grades calculated by length weighted averaging of individual samples. Conversion of Imperial to Metric depths results in minor rounding errors. Intersections are downhole lengths – true widths are not known.

Drummond Epithermal Gold Project – QLD

Adelaide Resources 100%

Introduction

Adelaide Resources Limited holds 100% equity in two adjacent tenements in the Drummond Basin in Queensland *(Figure 5)*. The project is located approximately 90 kilometres southeast of Charters Towers in Queensland, and about 60 kilometres east of the Pajingo Field.

During the quarter the company was granted an application for the second tenement (EPMA 25660) which covers ground immediately adjacent to existing Drummond Project tenement EPM 18090 *(Figure 5)*. EPMA 25660 covers an area of 74 km^2 and increases the total size of the Drummond Project to 270 km^2.

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.

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 6)*. 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.

Field work in 2013 confirmed that FPXRF geochemistry could cost-efficiently map out epithermal pathfinder (arsenic) anomalies, while rock chip sampling returned anomalous gold including a very high grade sample that returned 55.4g/t gold from South West Limey Dam. Petrological studies undertaken on vein and host rock samples collected in 2013 confirmed the presence of characteristic epithermal vein textures and alteration assemblages.

Successful Collaborative Drilling Initiative funding application

In 2013, the Queensland Government announced collaborative drilling funding as part of its "Future Resources Program". The Collaborative Drilling Initiative 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.

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 *(Figure 5)*.

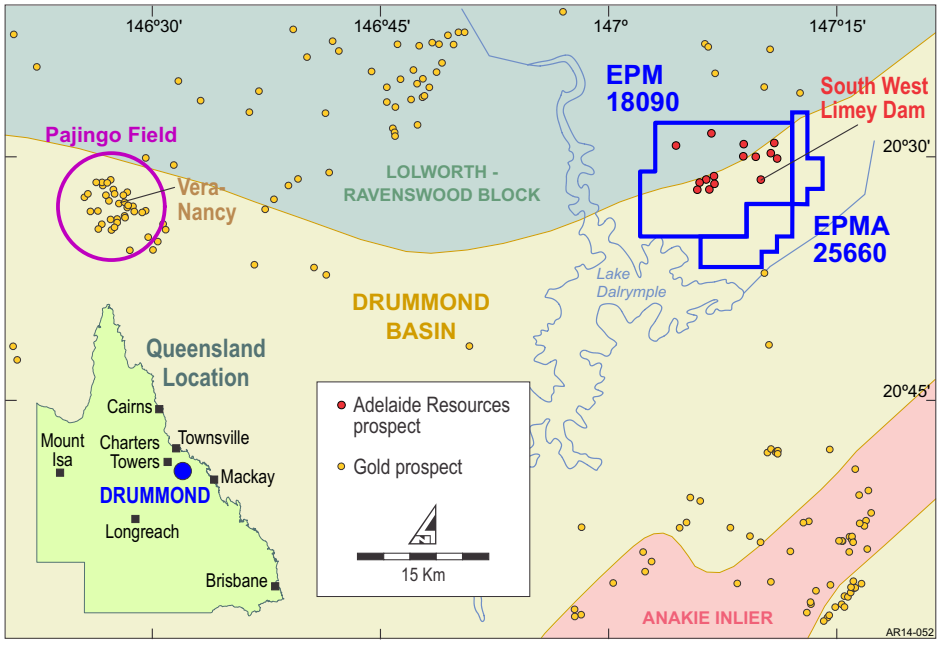


Figure 5: *Drummond Epithermal Gold Project location plan.*

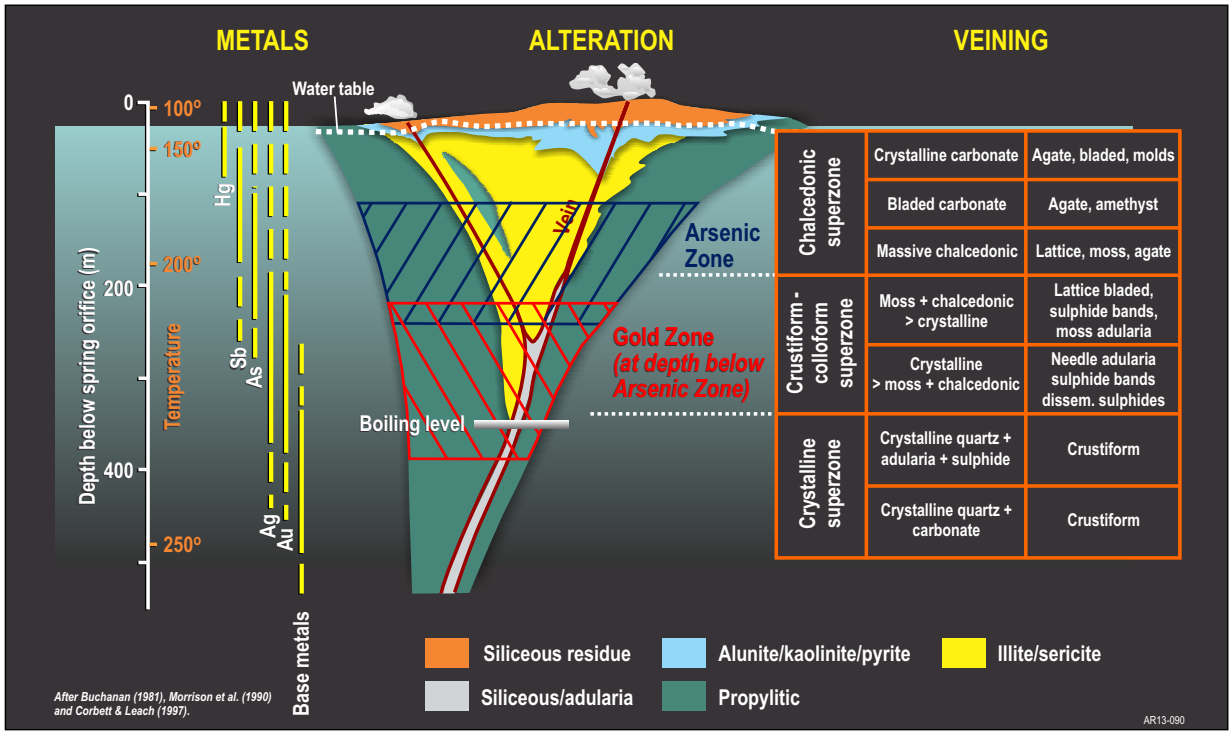


Figure 6: *Geological model of an epithermal gold system.*

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.

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 the Collaborative Drilling Initiative co-funding.

South West Limey Dam

At South West Limey Dam FPXRF soil geochemistry was extended and has now systematically sampled the prospect, revealing a large coherent feature above

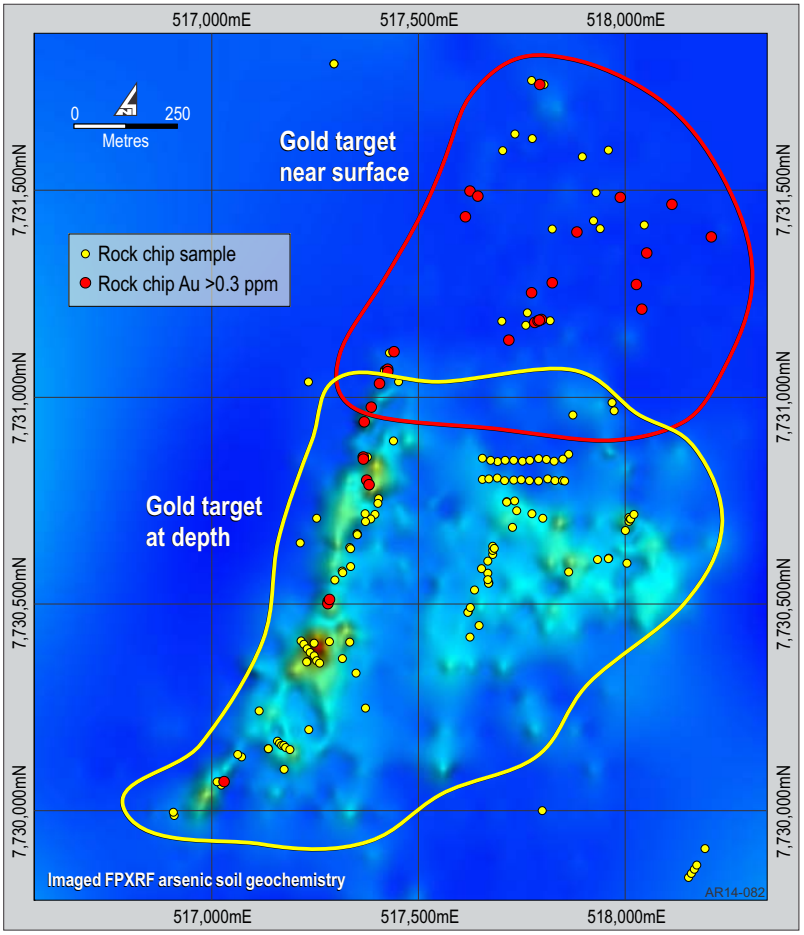


Figure 7: *South West Limey Dam Prospect rock chip samples on imaged arsenic soil geochemistry.*

20 ppm arsenic *(Figures 7 and 8)*. The broader anomaly includes two internal zones of stronger arsenic anomalism, a western zone and an eastern zone.

The western zone is a north-northeast trending linear feature with a strike length now confirmed to be approximately 1200 metres. FPXRF soil geochemistry includes analyses over 300 ppm arsenic which is significantly above the regional background concentration of approximately 5-10 ppm arsenic. The western anomaly is associated with outcropping quartz veins developed in strongly hydrothermally altered host rock.

The eastern zone has dimensions of approximately 650 metres by 350 metres. Within the eastern target is a north-northwest trending internal zone of stronger arsenic anomalism where individual FPXRF samples reach a maximum of over 150 ppm arsenic.

Figure 7 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 the recent program. 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 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.

Samples collected from the southern end of the prospect contain significantly lower gold but substantial arsenic, with individual samples returning results to 345 ppm arsenic.

The large FPXRF soil arsenic anomaly and 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 7)*.

Central Limey Dam and North Limey Dam Prospects

FPXRF soil geochemistry has also been completed at the Central Limey and North Limey Dam prospects *(Figure 8)*.

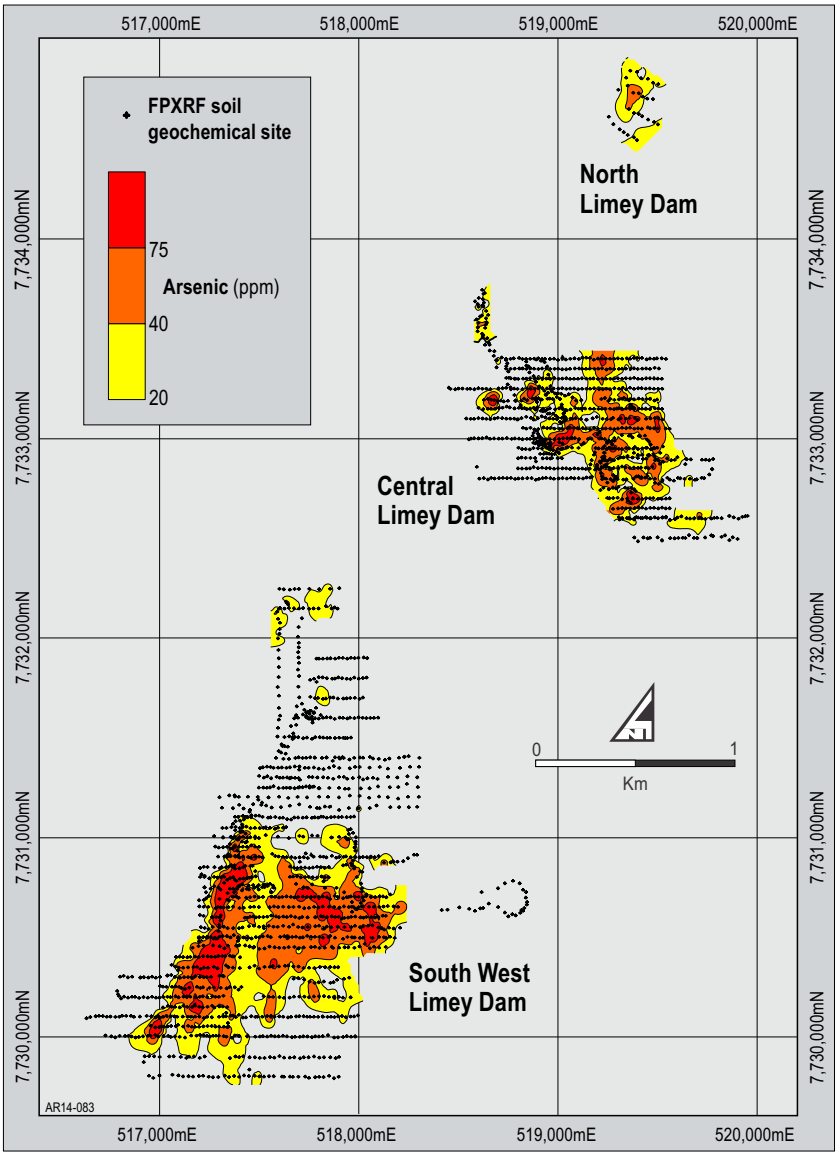


Figure 8: *FPXRF arsenic soil geochemistry South West Limey, Central Limey and North Limey Dam prospects.*

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.

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.

Table 2 presents a listing of significant 2014 rock chip assay results.■

Table 2: *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. Company and laboratory introduced standards indicate acceptable analytical quality.

Eyre Peninsula Gold Project

Adelaide Resources 100% (except Kimba Verran JV area: Adelaide Resources 90%; Olliver Geological Services Pty Ltd 10%).

The company has a large tenement position on the Eyre Peninsula of South Australia, holding 12 tenements which together secure an area of approximately 4415 km^2. All but two of these tenements are 100% owned by Adelaide Resources.

Biogeochemical Research

In 2013, CSIRO scientist Dr Mel Lintern published ground breaking results of research he had completed into the biogeochemical behaviour or 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 located on the Eyre Peninsula Project, and the recognition that the biogeochemical gold transport process is occurring locally presents a possible new technique that can be applied to exploring the project.

The company is undertaking field biogeochemical trials aimed at developing a cost efficient sampling and analytical protocol to extend Dr Lintern’s research into a commercial exploration method that can be applied to the large areas of the Eyre Peninsula Project where traditional geochemistry is likely to have been ineffective.

Thurlga Joint Venture

On 18 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 (Investigator) to explore one of the Eyre Peninsula Project tenements. The tenement the subject of the Thurlga Joint Venture, EL 5419, secures 333 km^2 of ground in the emerging Uno Province on the northern Eyre Peninsula *(Figures 9 and 10)*.

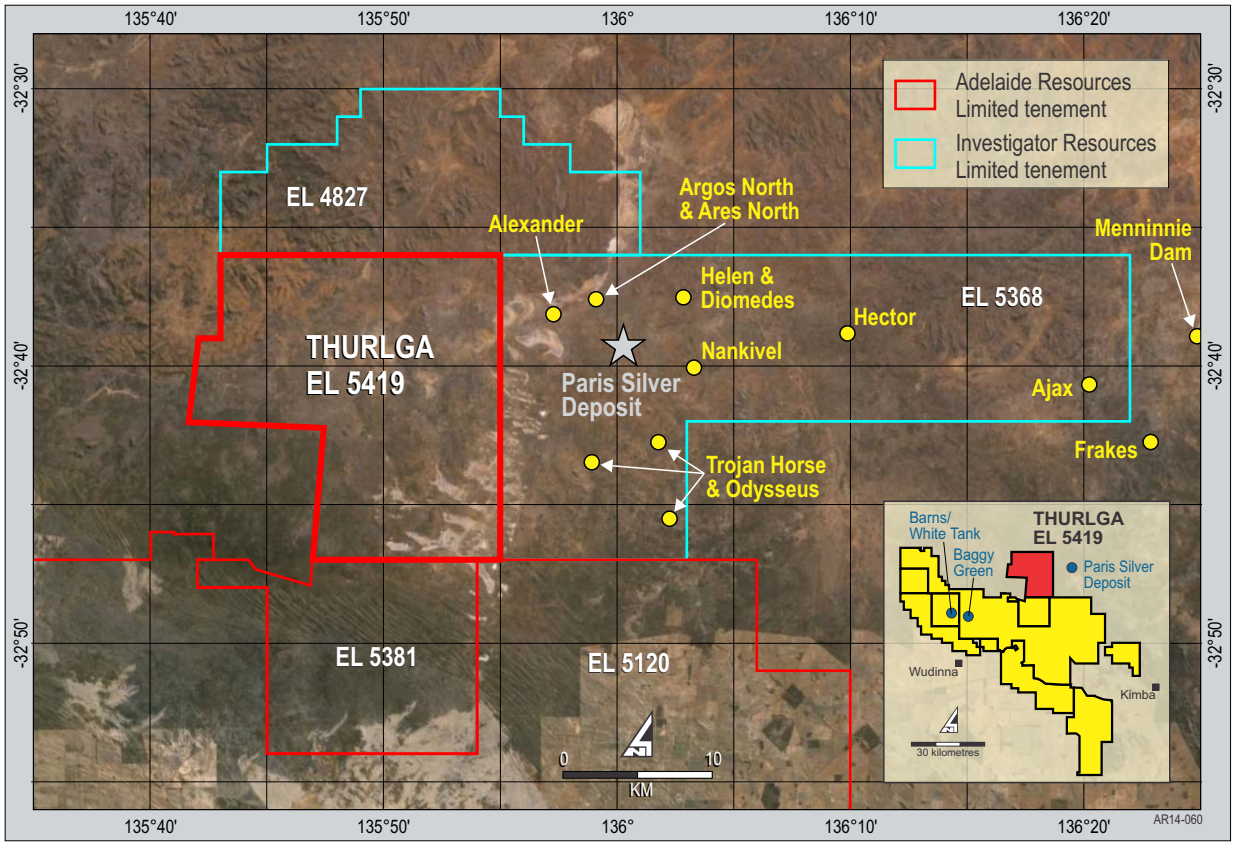


Figure 9: *EL 5419 Thurlga tenement summary plan.*

Investigator Resources' Paris Silver Deposit is located on the tenement immediately east of EL 5419. Investigator has announced a Maiden Inferred Mineral Resource[1] at Paris of 5.9 million tonnes at 110g/t silver and 0.6% lead for 20 million ounces of contained silver and 38,000 tonnes of contained lead (at a 30g/t silver cut-off).

The principal terms of the Thurlga Joint Venture include:

- Investigator must spend $200,000 prior to 16 August 2015 before it can withdraw from the Joint Venture.
- Investigator can earn a 75% equity interest in the Joint Venture through the total expenditure of $750,000 by 30 June 2017.
- Once Investigator has earned a 75% equity interest, further Joint Venture expenditure contributions will be pro-rata, or else a non-contributing party's equity will be diluted using the standard industry dilution formula.
- Should a party's equity in the Joint Venture fall to 5%, its share will be automatically acquired by the other party in exchange for a 1% NSR Royalty.
- Investigator will manage the Joint Venture during the earn-in stage, and while ever it holds majority equity.

The Uno Province is an east-west trending belt of Archaean and Early Proterozoic rocks intruded by Middle Proterozoic aged Gawler Range Volcanics and related deeper Hiltaba Suite granitiods situated immediately south of the Gawler Ranges on the Northern Eyre Peninsula *(Figure 10)*. The northern boundary of the Uno Province is marked by the Uno Fault, beyond which lies extensive and thick deposits of sub-aerial Gawler Range Volcanics.

Geologists believe the present day land surface of the Uno Province exposes rocks that were at, or close to, the land surface 1590 million years ago when the volcanoes which erupted the rocks that form the Gawler Ranges were active.

The Thurlga Joint Venture has commenced exploration with a helicopter-borne magnetic/ radiometric survey flown in October. The survey was flown on 100 metre spaced east-west flight lines over the entire tenement and represents the highest resolution airborne geophysical survey ever collected over the licence.

Joint Venture manager Investigator plans to commence a soil geochemical survey in November with samples to be collected on a 500 x 500 metre grid, matching the specifications of previous successful geochemical surveys it has undertaken in the region. Follow-up field mapping is also envisaged.■

[1] See IVR's ASX release dated 15 October 2013 titled "Maiden Resource Estimate for Paris Silver Project, South Australia".

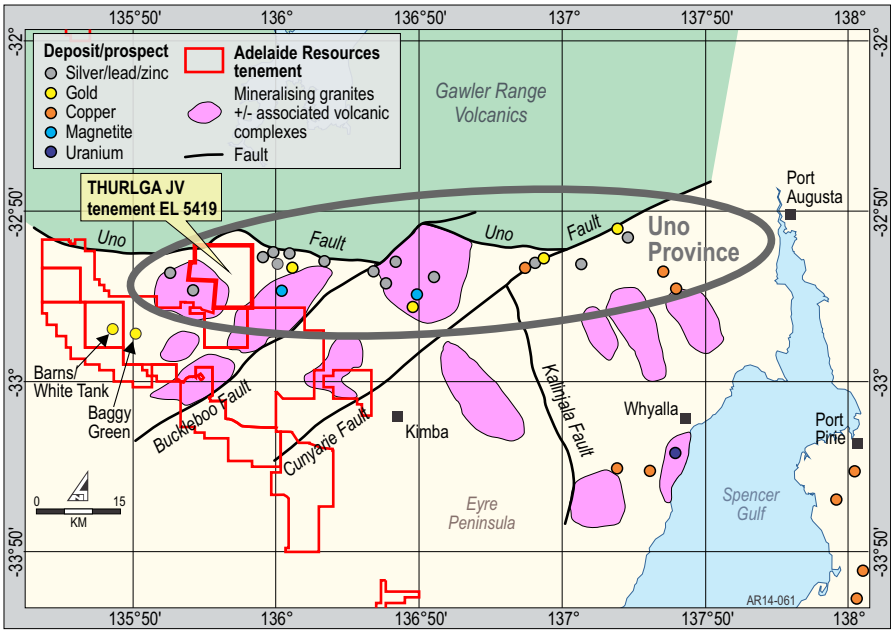


Figure 10: *Uno Province summary plan (modified from Investigator Resources Ltd).*

finance and corporate

The company had $0.954 million in cash and term deposits at 30 September 2014.

Exploration and evaluation expenditure by the company during the September quarter was $322,000. Exploration and evaluation expenditure incurred during the September quarter by joint venture parties on tenements in which the company has an interest was $4829.

On 29 September 2014 the Company announced a non-renounceable pro rata rights issue of up to 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 to raise up to $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 expiring on 30 September 2016. The Offer closed on 30 October 2014 with the results of the capital raising anticipated to be announced to the market on 5 November 2014.■

issued capital

The company had 229,079,813 ordinary shares and 3,800,000 performance rights on issue at 30 September 2014.■

Chris Drown – Managing Director
Signed on behalf of the
Board of Adelaide Resources Limited
Dated: 31 October 2014

Competent Person Statement and JORC 2012 notes

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

The information relating to Adelaide Resources' exploration has been reported in compliance with the JORC Code 2012. See ADN's ASX releases dated 3 April 2014 titled "Petrology Study Highlights Drummond Project Potential – QLD."; 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.", dated 14 October 2014 titled "FPXRF survey grows Drummond Epithermal Gold Target – QLD."; dated 27 October 2014 titled "Doora and Vulcan Prospects Emerge from Historical Database Review – Moonta Project."; and dated 29 October titled "Rock Chips to 9.32g/t Gold Corroborate Emerging South West Limey Dam Target Model, Drummond Project – QLD."

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