



Australian Securities Exchange Announcement

27 January 2015

TOMAHAWK AND ALFORD WEST TARGETTED IN NEW DRILLING PROGRAM ON MOONTA COPPER GOLD PROJECT - SA.

The company is pleased to report that an aircore drilling program will commence today on the Moonta Copper Gold Project (Figure 1). The goals of the current program are to:

- Complete the company's **first drill tests of the Tomahawk FPXRF copper soil anomaly**, located five kilometres east of Alford West. The Tomahawk soil anomaly is comparable in both size and magnitude to the soil anomaly sourced by the underlying mineralisation at Alford West, and Tomahawk represents a high priority target.
- Complete **further holes at the Bruce Zone** at Alford West where a lode of good grade, width and continuity appears to be emerging in the western part of the zone.
- **Test the new mineralisation dip model developed for the Six Ways Zone** at Alford West following the short drill program completed in late 2014.

The drilling program is anticipated to take up to three weeks to complete, with final assays available shortly thereafter.

The Alford West holes are one component of a larger delineation drilling exercise that will also include deeper reverse circulation drilling later in 2015.

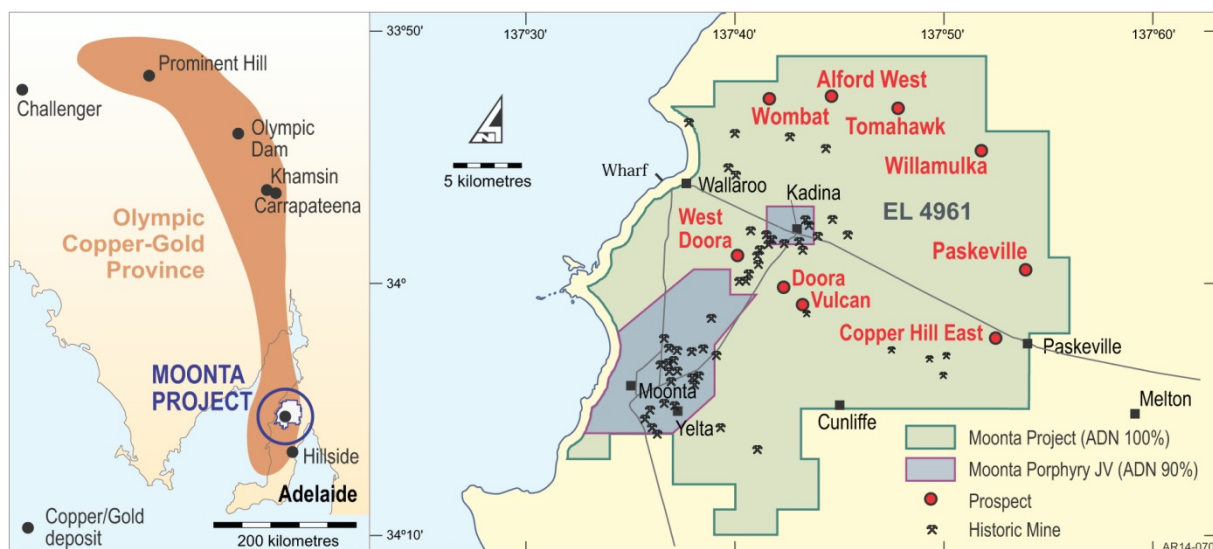


Figure 1: Moonta Copper Gold Project location.

Tomahawk Program

The Tomahawk target is a large, high magnitude copper anomaly that was delineated using FPXRF soil geochemistry in 2014. It is located about five kilometres east of the Alford West prospect (Figures 1 and 2).

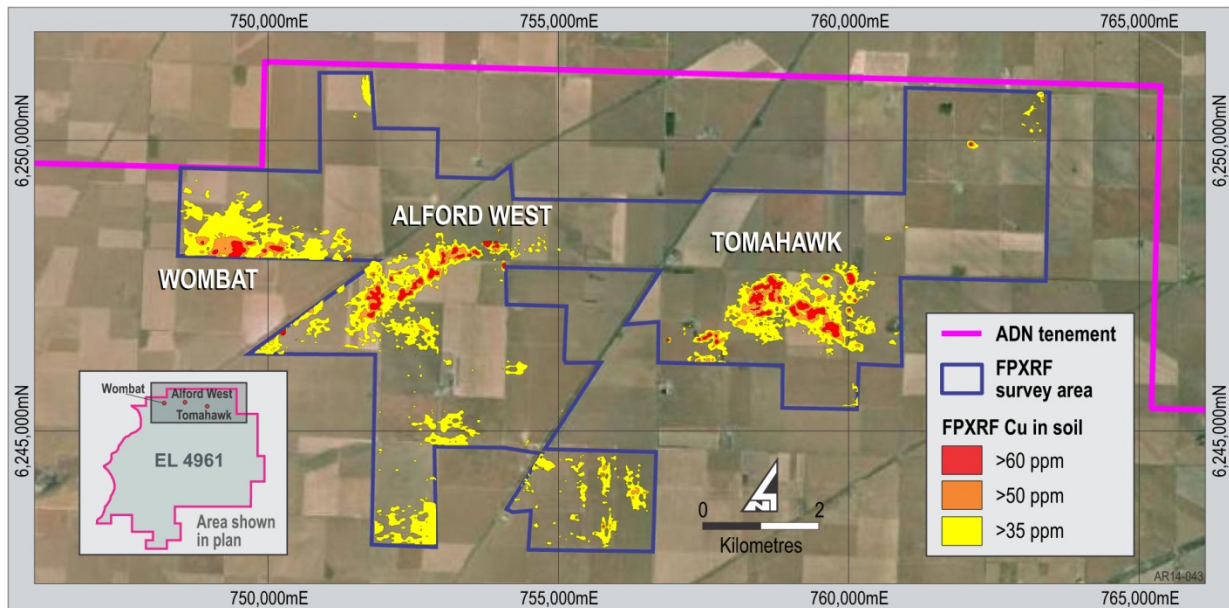


Figure 2: FPXRF survey area showing copper in soil contours.

Both Alford West and Tomahawk are located in the Alford Copper Belt, a belt of metasedimentary host rock that appears to be a particularly prospective part of the district.

The Tomahawk soil copper anomaly is comparable in size to the FPXRF soil copper anomaly associated with the Alford West Prospect, and the concentration of copper in soils at Tomahawk matches or exceeds the highest levels seen at Alford West (Figure 2).

At the 35ppm copper level, the Tomahawk anomaly has dimensions of approximately 2400 metres by 800 metres. It includes a core comprising two robust, distinct high magnitude zones where soils contain over 50ppm copper. The eastern of these zones is a 1000 metre long, northwest striking, 250 metre wide feature. The western zone extends for 800 metres, is up to 400 metres wide, and strikes northeast.

There are two dominant deposit orientations in the Moonta district. The Moonta Lodes, the Blue Tongue and Six Ways Zones at Alford West, and the Willamulka Prospect all strike northeast; while the Wallaroo Lodes and the Paskeville Prospect strike northwest. These orientations reflect the presence of the sets of fault or shear zones that were active during the mineralising event. The orientations of the core zones at Tomahawk match the regional deposit strikes, suggesting the presence of similar mineralised structures at depth.

Imaging of gravity data from the Moonta Project reveals that the western zone of the Tomahawk anomaly is associated with a distinctive northeast trending feature of very similar character to the gravity response associated with the Alford West Prospect. The coincidence of significant copper and gold mineralisation with the gravity feature at Alford West suggests an association, and the presence of a similar gravity feature at Tomahawk is considered a positive indicator.

Phelps Dodge drilled 45 aircore holes around Tomahawk in 2005. Hole depths ranged from 3 metres to 51 metres, averaging 27.5 metres. Assays reach a maximum of 4 metres at 0.12% copper in one hole, while the deepest sample in another hole returned 60ppb gold. These anomalous results confirm the presence of mineralisation in bedrock at Tomahawk.

Samples from the Phelps Dodge drilling are held by Adelaide Resources. Observation of the drill chips suggest the majority of the old holes stopped in oxidised upper saprolite, a regolith horizon which often displays partial to complete geochemical depletion at prospects like Alford West, and an important aspect of Adelaide Resources' program will be to penetrate deeper into non-depleted lower saprolite.

Taking into account all the available geochemical, geological, and geophysical data, Tomahawk is assessed to be a very high quality target. The company's planned drill traverses at Tomahawk are shown on Figure 3.

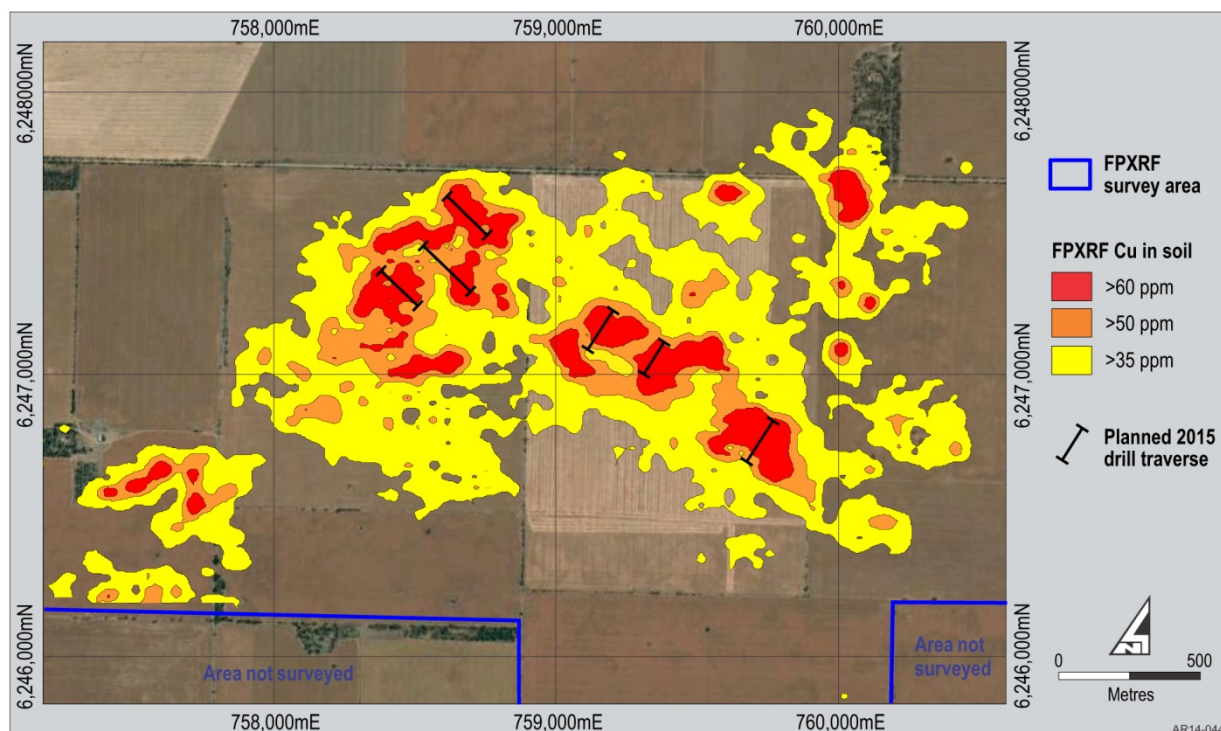


Figure 3: Tomahawk Prospect showing copper in soil contours and planned 2015 drill traverses.

Alford West (Bruce and Six Ways Zones) Program

Drilling in 2014 delivered the best intersections achieved to date at the Bruce Zone at Alford West, with notable intersections including:

- 11 metres at 0.94% copper from 71 metres to end of hole (EOH) in ALWAC186, including 6 metres at 1.24% copper from 76 metres to EOH;
- 11 metres at 1.52% copper from 78 metres to EOH in ALWAC261, including 2 metres at 3.23% copper from 87 metres to EOH;
- 9 metres at 2.75% copper from 41 metres to EOH in ALWAC285, including 2 metres at 8.99% copper from 48 metres to EOH;
- 24 metres at 0.73% copper from 95 metres in ALWAC289, including 15 metres at 1.00% copper from 97 metres; and
- 22 metres at 1.00% copper from 101 metres to EOH in ALWAC291, including 18 metres at 1.14% copper from 101 metres.

These intersections are currently interpreted to be from the same mineralised lode. Four of the five holes listed above remained in mineralisation at end of hole, however ALWAC289 drilled through the lode confirming a true width of approximately 17 metres (Figure 4). The lode may remain open to the west, and several holes are planned to test for its western continuation

and to further test its continuity, preparatory to a deeper drilling program using reverse circulation methods planned for later in 2015.

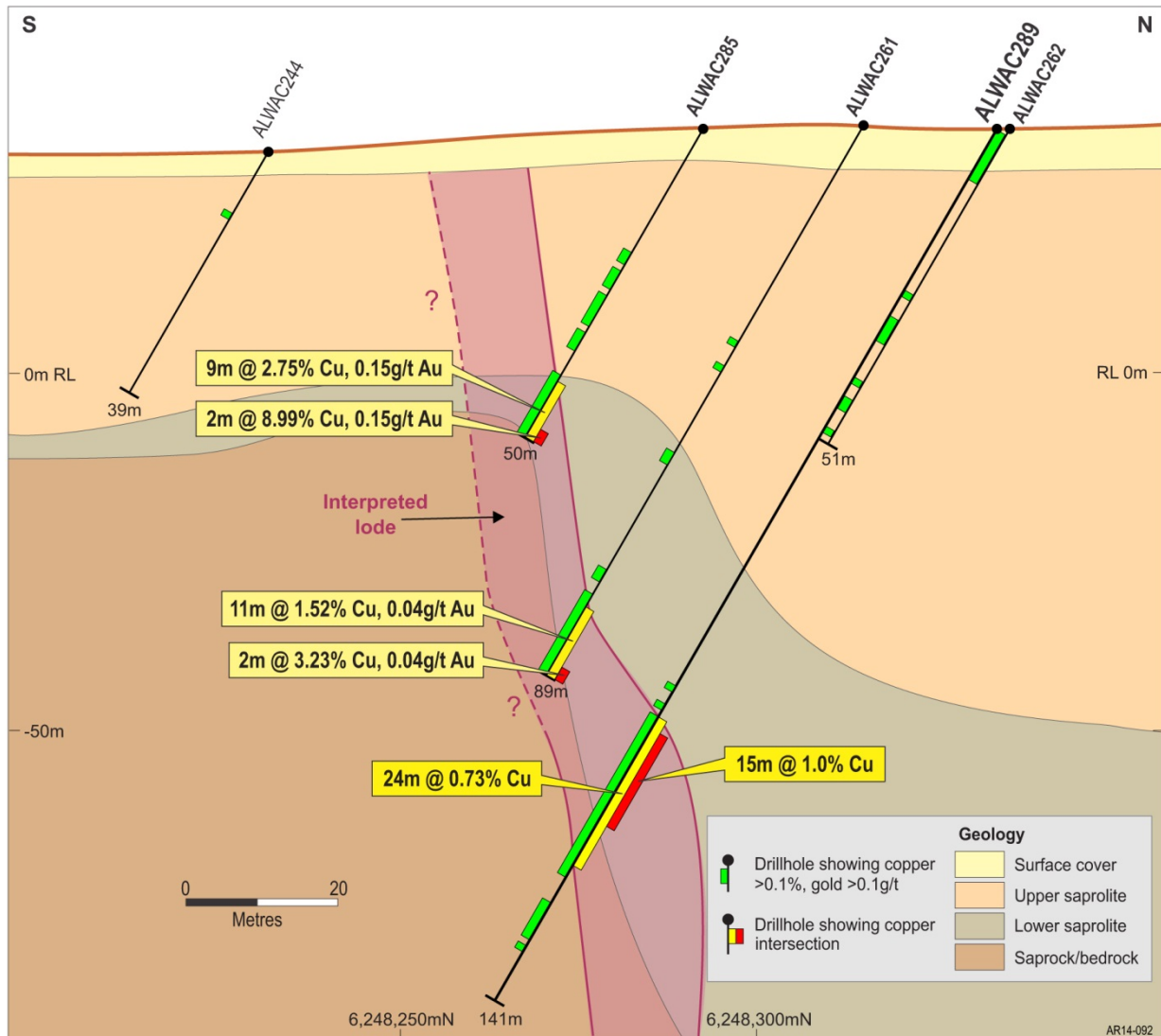


Figure 4: Alford West Prospect – Bruce Zone – Section 752,770mE looking west.

The Six Ways Zone at Alford West was discovered by the company in 2014, and to date has delivered a number of good copper intersections including:

- 23 metres at 1.47% copper from 7 metres downhole in ALWAC171, including 11 metres at 2.23% copper from 10 metres;
- 23 metres at 0.69% copper from 25 metres downhole in ALWAC269, including 11 metres at 1.06% copper from 34 metres; and
- 22 metres at 1.33% copper from 34 metres to end of hole in ALWAC273, including 6 metres at 3.25% copper from 50 metres to end of hole.

A hole drilled in late 2014 produced results consistent with the lodes at Six Ways having a southerly dip on section (Figure 5), an unusual orientation for mineralisation in the broader district. A number of holes in the current program will test this new dip model which, if shown to be correct, will allow confident planning of the future delineation of the Six Ways Zone.

The drilling program is anticipated to take up to three weeks to complete, with final assays available shortly thereafter.

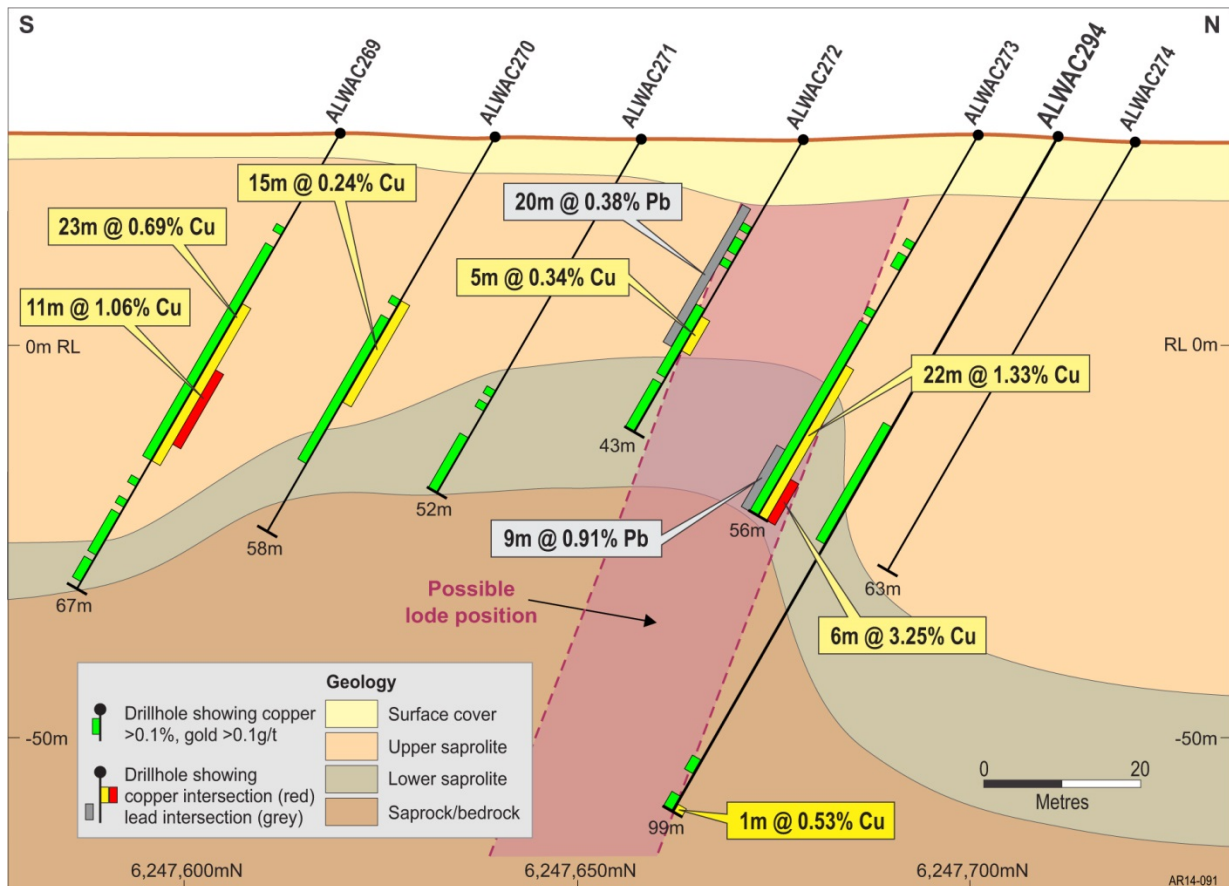


Figure 5: Alford West Prospect – Six Ways Zone – Section 752,000mE looking west.

Chris Drown
Managing Director

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Competent Person Statement and 2012 JORC 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.

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 9 April 2014 titled "Further Encouraging Alford West Results - 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."; and dated 18 December 2014 titled "Deeper intersections of 18 metres at 1.14% copper and 15 metres at 1.00% copper confirm depth potential at Alford West - SA.".