ASX Announcement

3 June 2015

Adelaide Resources Limited
ABN: 75 061 503 375

Corporate Details:

ASX Code: ADN

Cash: $1.65 million

Issued Capital:
304,545,685 ordinary shares
37,222,104 listed options (ADNO)
750,000 performance rights

Directors:

Colin G Jackson
Non-executive Chairman

Chris Drown
Managing Director

Nick Harding
Executive Director and Company Secretary

Jonathan Buckley
Non-executive Director

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Fact:

Profits from the Moonta Mines helped to establish the University of Adelaide.

Moonta copper project
(100% owned), South Australia

First deeper drilling at Alford West delivers broad intersections of moderate grade copper

Summary

- Reverse circulation drilling (eight holes for 1,618 metres) at the Alford West prospect has returned broad intersections of moderate grade copper mineralisation at both Larwood and Bruce zones confirming depth continuity.

  Bruce zone
  - 20 metres at 0.56% copper and 0.11g/t gold from 131metres, including 6 metres at 1.12% copper and 0.17g/t gold from 135 metres in AWRC006.
  - 11 metres at 0.87% copper and 0.10g/t gold from 169 metres, including 9 metres at 1.01% copper and 0.08g/t gold from 170 metres in AWRC008.

  Larwood zone
  - 17 metres at 0.41% copper and 0.19g/t gold from 93 metres in AWRC002.
  - 11 metres at 0.54% copper and 0.12g/t gold from 166 metres in AWRC004.

- The new results will be incorporated with previous drill data and the 3D model of the Alford West deposit updated with a view to releasing a resource calculated under JORC guidelines.
- Alford West deserves further substantial drilling and the Company is assessing the various options available to fund this work.
- The Company is currently undertaking a 1,000 metre diamond drilling program at the 100% owned Barns and Baggy Green gold projects on the Eyre Peninsula (SA) with results anticipated to be released around the end of June.

Chris Drown
Managing Director

Direct enquiries to Chris Drown. Ph (08) 8271 0600 or 0427 770 653.

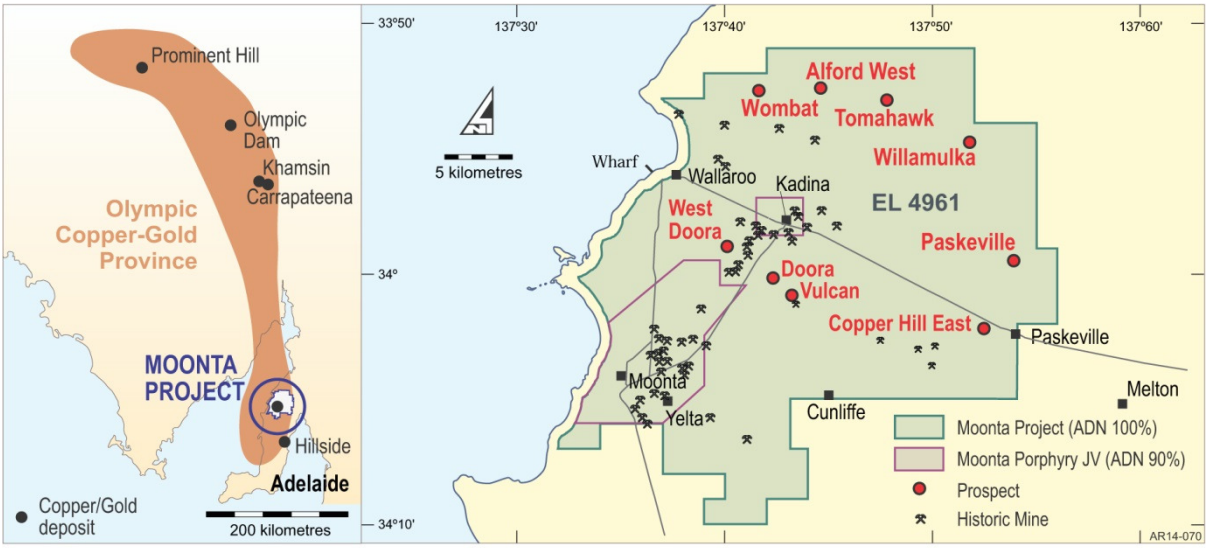

Figure 1: Moonta Copper Project location.

Introduction

Alford West is a 100% owned prospect located in the northern part of the Moonta copper project tenement, situated 150 kilometres north of Adelaide on the Northern Yorke Peninsula of South Australia (*Figure 1*).

The Moonta project falls towards the southern end of the world class Olympic Copper-Gold Province, and captures the historical "Copper Triangle" mining district.

The region has established infrastructure including roads, rail, power and port facilities likely to reduce the capital costs of establishing a mining operation.

The Company's first deeper reverse circulation (RC) drilling was completed at Alford West in April, and followed a number of programmes of shallower aircore drilling conducted between 2013 and early 2015 (Figure 2).

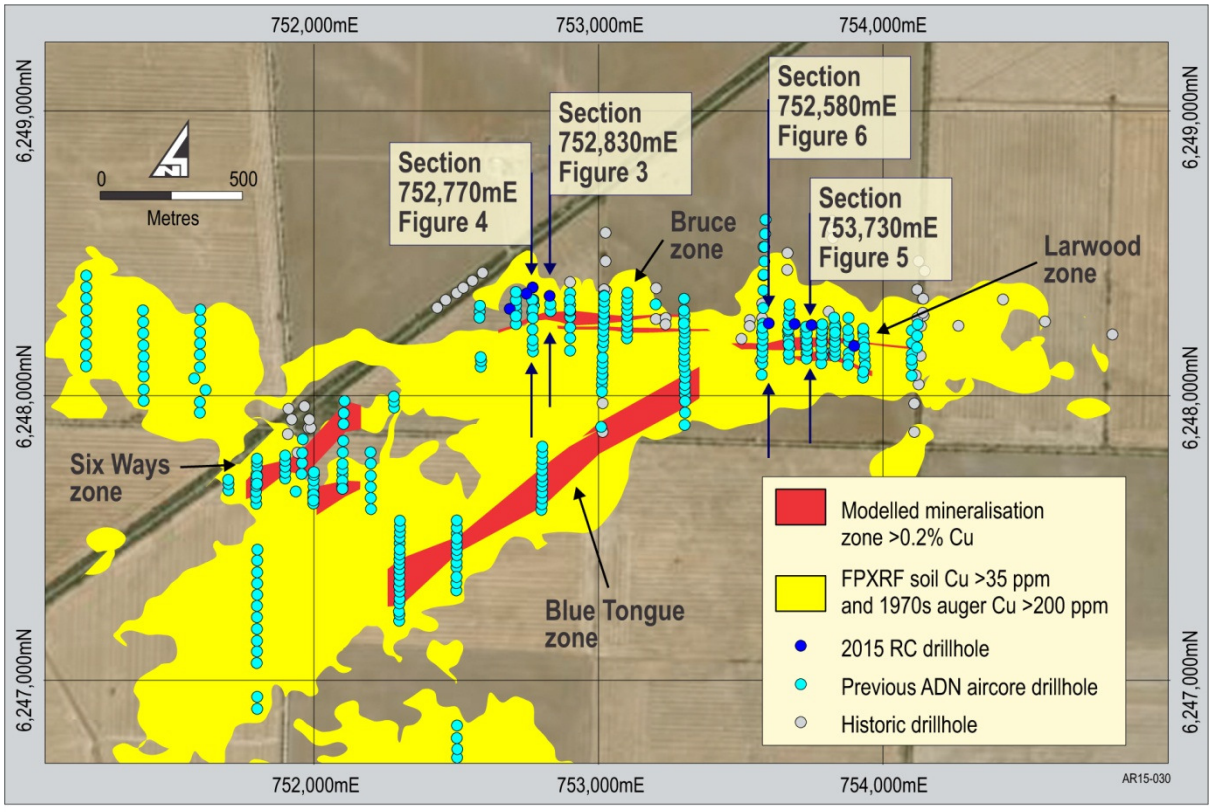

Figure 2: Alford West Prospect summary plan.

The RC programme comprised eight holes totaling 1,618 metres at the Bruce and Larwood zones

Alford West Results

Four holes were drilled at each of the Larwood and Bruce zones. All four Larwood holes were successfully completed to their planned depths. One hole at Bruce was abandoned prior to reaching its main copper target due to drilling problems, however the target zone was successfully tested on a second attempt. Assays for the RC drilling have now been received with significant results listed in Table 1.

Bruce zone

Previous aircore drilling demonstrated that the Bruce zone shows good mineralisation continuity and includes zones of high grade copper making it a worthy target for deeper testing and resource evaluation. The Bruce zone has been defined over a strike length of 750 metres and remains open to the west.

The RC programme holes at Bruce were designed to target down dip (depth) extensions to shallower aircore defined copper mineralisation. The RC hole results confirm that sulphide mineralisation continues at depth with broad moderate grade copper zones encountered in deep, variably weathered zones. The main copper bearing mineral observed in the RC drill samples is chalcocite, with rare chalcopyrite and native copper also seen.

Molybdenum, which is present at grades of potential economic interest at Bruce, was also encountered in the RC holes, and is present as the sulphide mineral molybdenite.

Notable intersections recorded at Bruce zone include 20 metres at 0.56% copper and 0.11g/t gold from 131 metres downhole in AWRC006, including 6 metres at 1.12% copper and 0.17g/t gold from 135 metres (Figure 3). The AWRC006 intersections fall within an almost continuously mineralised interval totalling 134 metres at 0.31% copper and 0.07g/t gold.

Hole AWRC008 intersected 11 metres at 0.87% copper and 0.10g/t gold from 169 metres downhole, including 9 metres at 1.01% copper and 0.08g/t gold from 170 metres (Figure 4).

Hole AWRC005, which was abandoned prior to reaching its main copper target depth, intersected 21 metres at 725ppm molybdenum from 123 metres downhole.

Reverse Circulation drilling operations at Alford West

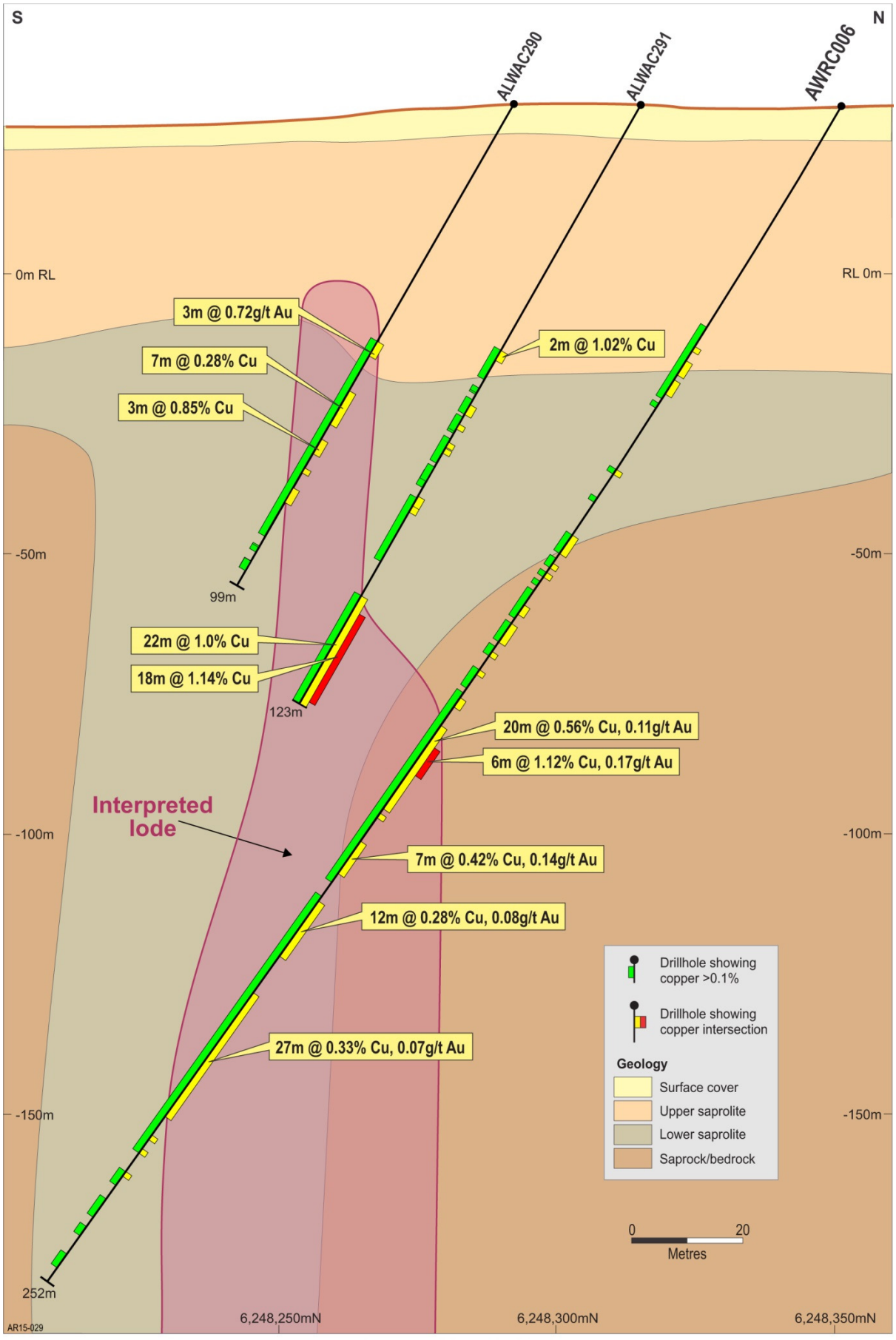

Figure 3: Alford West Prospect – Bruce Zone – Section 752,830mE looking west.

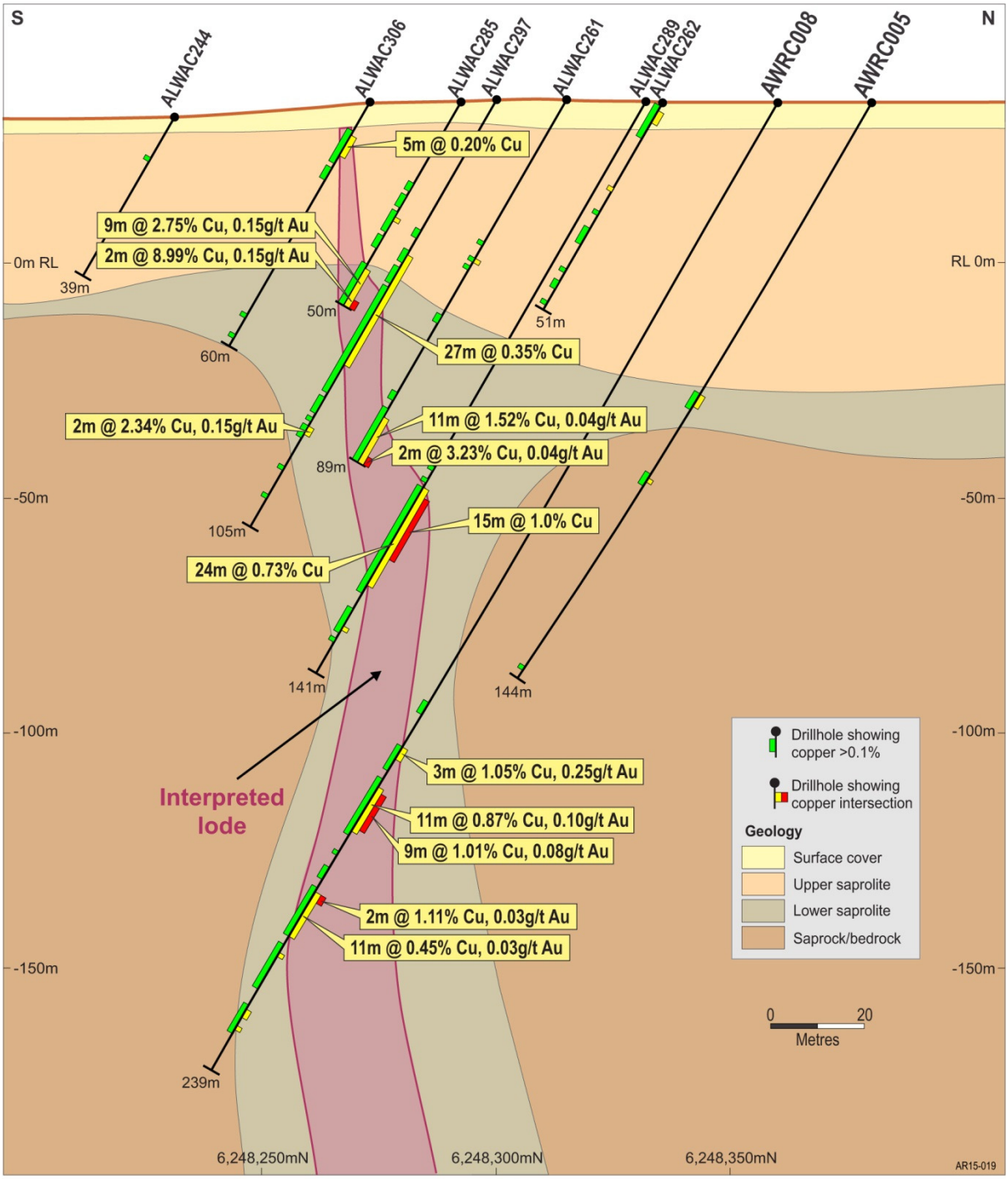

Figure 4: Alford West Prospect – Bruce Zone – Section 752,770mE looking west.

Larwood zone

Previous aircore drilling has identified that the Larwood zone is made up of two distinct lodes (North lode and South lode). The strike extent of the Larwood zone currently stands at 600m.

The South lode includes both oxide and sulphide copper mineralisation, with oxide copper (malachite) persisting to the base of a blanket of thin cover sediments.

Copper in the North lode is essentially always as sulphide mineralisation and comprises moderate to high-grade chalcocite hosted by lower saprolite and bedrock. Copper mineralisation in the North lode commences from about 25 metres below surface.

AWRC001 targeted the South lode while AWRC002, AWRC003 and AWRC004 were primarily aimed at the North lode.

Notable intersections from Larwood include 17 metres at 0.41% copper and 0.19g/t gold from 93 metres downhole in AWRC002 (Figure 5), and 11 metres at 0.54% copper and 0.12g/t gold from 166 metres downhole in AWRC004 (Figure 6).

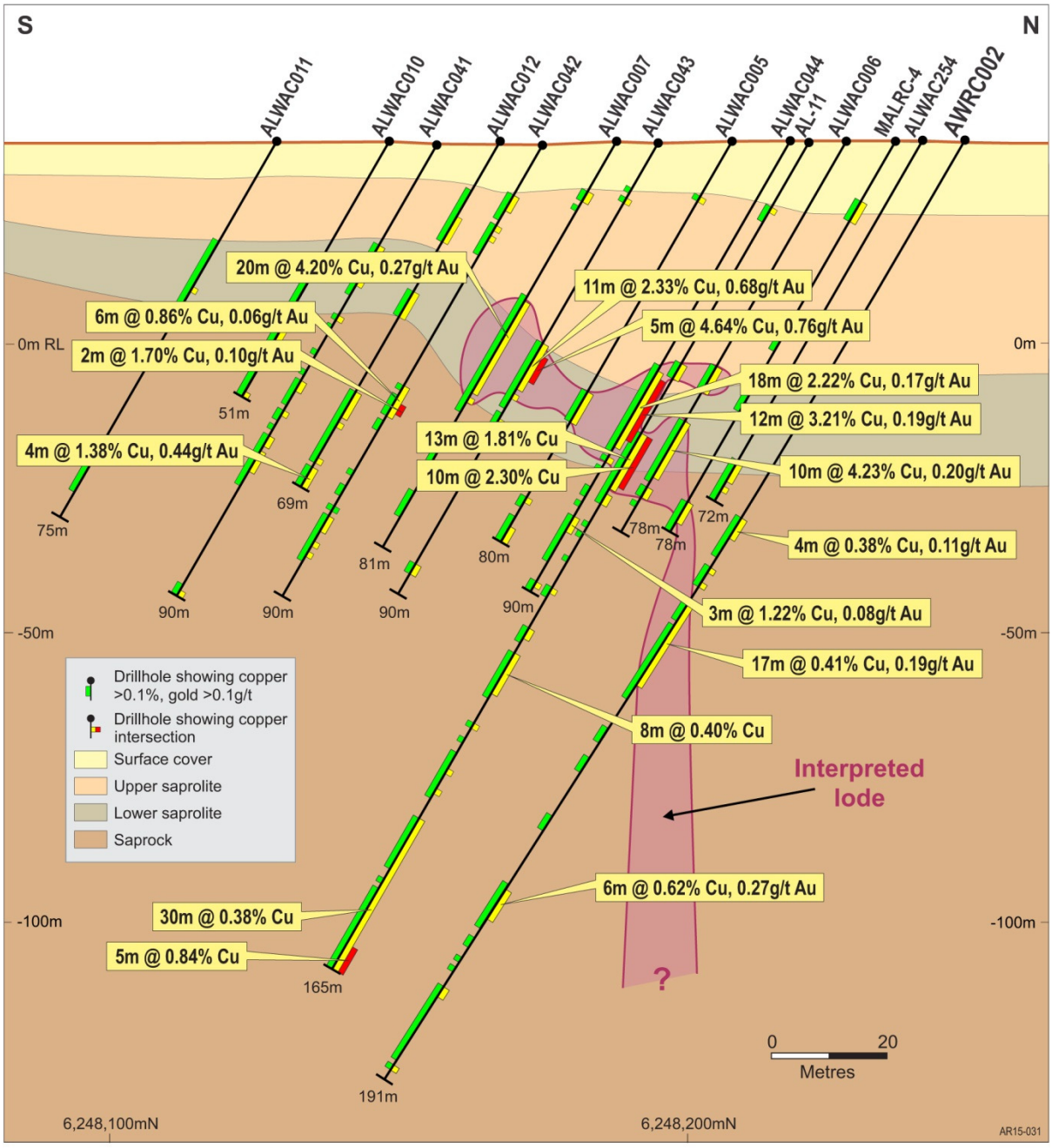

Figure 5: Alford West Prospect – Larwood Zone – Section 753,730mE looking west.

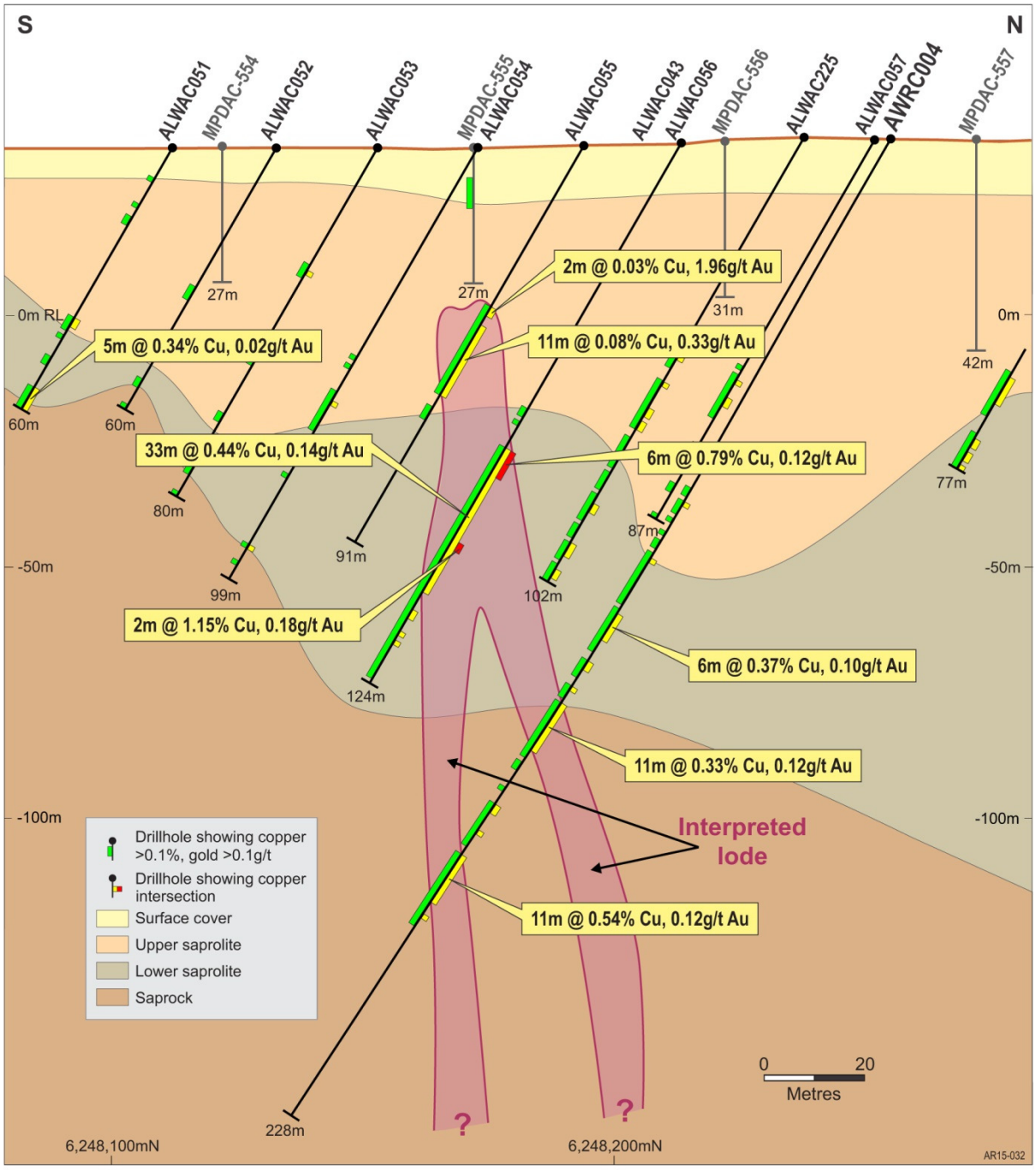

Figure 6: Alford West Prospect – Larwood Zone – Section 753,580mE looking west.

Next steps for Alford West

Since Adelaide Resources began drilling at Alford West in 2013, a total of 308 aircore drillholes and eight reverse circulation drillholes for a combined 22,885 metres of drilling has been undertaken.

Coherent bodies of copper, gold and molybdenum mineralisation are present at the Bruce and Larwood zones with are confrimed to extend for a combined strike length of over 1.3 kilometres. The results achieved from the recent RC drilling program conducted at the Bruce and Larwood zones confirm the continuation of the mineralisation to depth and that the mineralisation at both zones remains open at depth.

Mineralisation grades in the many drill intersections achieved to date at Larwood and Bruce vary from around 0.3% copper to over 2.0% copper, while gold and potentially also molybdenum are present at concentrations that could make a positive contribution to project economics.

As the paddocks are now sown with crops, the Company will focus its efforts on updating the Alford West 3D model with the new RC results as a step towards determining a resource calculated under JORC guidelines for that part of the deposit drilled to date.

As the deposit remains open at depth, further deeper drilling is warrented as it would in all likelyhood discover additional mineralisation.

The Company may also explore potential opportunities to co-fund future exploration activities at Moonta with the view to both de-risking the project financially and accelerating its development progress.

Table 1: *Moonta Copper Gold Project – April 2015 RC drillhole intersections.*

Mineralised Zone	Hole ID	From	Interval	Cu %	Au g/t	Easting (MGA94)	Northing (MGA94)	RL	Dip	Azimuth	Hole Depth
Larwood	AWRC001	9	7	0.29	<0.01	753900	6248175	35.0	-60	180	150
		60	8	0.52	0.04						
	AWRC002	76	4	0.27	0.03	753750	6248248	36.1	-60	180	191
		86	4	0.38	0.11						
		93	17	0.41	0.19						
		152	6	0.62	0.27						
	AWRC003	97	13	0.29	0.07	753690	6248253	35.9	-60	180	198
		114	14	0.36	0.21						
		150	8	0.25	0.18						
		161	4	0.49	0.20						
	AWRC004	109	6	0.37	0.10	753600	6248255	35.1	-60	180	228
		130	11	0.33	0.12						
		166	11	0.54	0.12						
Bruce	AWRC005	72	3	0.52	0.14	752770	6248380	34.1	-60	180	144
	AWRC006	50	10	0.39	0.20	752830	6248350	34.5	-60	180	252
		90	9	0.53	0.04						
		105	11	0.19	0.10						
		131	20	0.56	0.11						
	incl.	**135**	**6**	**1.12**	**0.17**						
		156	7	0.42	0.14						
		169	12	0.28	0.08						
		189	27	0.33	0.07						
	AWRC007	189	5	0.34	0.01	752690	6248305	35.0	-60	180	216
	AWRC008	159	3	1.05	0.25	752750	6248360	34.1	-60	180	239
		169	11	0.87	0.10						
	incl.	**170**	**9**	**1.01**	**0.08**						
		195	11	0.45	0.03						
	incl.	**195**	**2**	**1.11**	**0.03**						
		224	5	0.30	0.02						

Intersections calculated by averaging 1-metre chip grab samples. Copper determined by four acid digest followed by ICP-AES finish. Over-range copper (>1%) determined by AA finish. Gold determined by 30g fire assay followed by AAS finish. Cut-off grade of 0.2% Cu or 0.2g/t Au applied with up to 2m internal dilution. Listed intersections are >1m% Cu or >1gm Au. Introduced QA/QC samples indicate acceptable analytical quality. Intersections are downhole lengths - true widths are not known.

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.

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 submarine nodules) may warrant disclosure of detailed information.*	• Reverse circulation blade and hammer drilling was used to obtain 1m grab samples of an average weight of 1.5kg which were pulverised to produce sub samples for lab assay (30g charge for gold fire assay, and 0.25g charge for a suite of 22 metals including copper for ICP-AES). • A second nominal 200g grab sample was collected for FPXRF scan using an Innov-X FPXRF (Olympus) analyser. • No sample preparation of the FPXRF scan samples was completed. • FPXRF Instrument calibration completed on on-going basis during survey using standardisation discs. • Only laboratory assay results were used to compile the table of intersections that appears in the report
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).*	• Drill method includes reverse circulation blade in unconsolidated regolith, and hammer in hard rock. • Hole diameters are 140mm.
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.*	• Qualitative assessment of sample recovery and moisture content of all drill samples is recorded.

	• *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.*	• Sample system cyclone cleaned at end of each hole and as required to minimise down-hole and cross-hole contamination. • No relationship is known to exist between sample recovery and grade.
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.*	• All samples were geologically logged by on-site geologist, with lithological, mineralogical, weathering, alteration, mineralisation and veining information recorded. The holes have not been geotechnically logged. • Geological logging is qualitative. • Chip trays containing 1m geological sub-samples are photographed at the completion of the drilling program. • 100% of any reported intersections (and of all metres drilled) have been geologically logged.
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.*	• Samples averaging 1.5kg were collected for laboratory assay using a trowel. • The majority of drill samples were wet. • Laboratory sample preparation includes drying and pulverising of submitted sample to target of P80 at 75um. • No samples checked for size after pulverising failed to meet sizing target in the sample batches relevant to the report. • Duplicate and standard samples were introduced into sample stream by the Company, while the laboratory completed double assays on many samples. • Both Company and laboratory introduced QAQC samples indicate acceptable analytical accuracy. • Laboratory analytical charge sizes are standard sizes and considered adequate for the material being assayed. • 200g FPXRF samples collected in the same way laboratory samples were collected.

		• No sample preparation employed for FPXRF samples. • No duplicates included in FPXRF stream • Comparison of FPXRF scans with laboratory assay of sample twins shows FPXRF scans underestimate copper content by an average factor of approximately 40%.
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.*	• Standard laboratory analyses completed for gold (fire assay) and copper (4 acid digest with ICP-AES) and over range (>1%) copper (4 acid digest with AA finish). • The laboratory analytical methods are considered to be total. • FPXRF is a total analytical technique appropriate for Cu at the concentrations encountered in the natural geological environment. • FPXRF instrument is an Olympus Innov-X 4000 with reading times set at 45 seconds. • For laboratory samples the Company introduced QA/QC samples at a ratio of one QA/QC sample for every 24 drill samples. The laboratory additionally introduced QA/QC samples (blanks, standards, checks) at a ratio of greater than 1 QA/QC sample for every 5 drill samples. • Both the Company introduced and laboratory introduced QA/QC samples indicate acceptable levels of accuracy and precision have been established. • Comparison of FPXRF scans with laboratory assay of sample twins shows FPXRF scans underestimate copper content by an average factor of approximately 40%. • Standards and blanks were introduced into the FPXRF sample stream at the start of each hole. • No calibration factors have been applied to any FPXRF results.
Verification of sampling	• *The verification of significant intersections by either independent or alternative company personnel.*	• A Company geologist has checked the calculation of the

and assaying	• *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.*	quoted intersections in addition to the Competent Person. • No twinned holes were drilled in the program the subject of the report. • FPXRF sample scans and drill hole collar, geological logs, and selected laboratory sampling intervals are digitally captured on site prior to verification and incorporation into the Company database. Laboratory assay data is merged into the database upon receipt. The database files are backed-up five times per week. Chip tray samples of drilled geological material are collected for each drill hole and stored long term at the Company's premises. • No adjustments have been made to either laboratory or FPXRF assay data.
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.*	• Drill hole collars were pegged using DGPS with an accuracy of +/- 0.5 metres. • Downhole surveys were completed on all holes using a compass based instrument. • GDA94 (Zone 53) • Collar RLs are estimates based upon a high resolution DTM acquired as part of an historical airborne geophysical survey..
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.*	• Holes targeted down-dip extensions of previously defined mineralisation, and tested about 50 metres on average below the previous hits, which is considered adequate coverage to allow confident interpretation of lithological and grade continuity. • No sample compositing has been applied.
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.*	Drill lines oriented north-south across E-W trending lodes. The angle of incidence at the Bruce and Larwood Zones is not considered to result in biased sampling..

Sample security	• *The measures taken to ensure sample security.*	• Company staff collected all laboratory and FPXRF samples. • Samples submitted to the laboratory samples were transported and delivered by Company staff.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data*	• FPXRF analytical performance is reviewed by comparison against laboratory assays on an on-going basis.

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 EL 4961, which is 100% owned by Peninsula Resources limited, a wholly owned subsidiary of Adelaide Resources Limited. • There are no non govt royalties, historical sites or environmental issues. Underlying land title is Freehold land which extinguishes native title. • Compensation agreements are in place with the relevant agricultural landowners. • EL 4961 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 Western Mining Corporation, North Broken Hill, Amalg Resources, MIM Exploration, BHP Minerals, and Phelps Dodge Corporation. 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 Iron Oxide Copper Gold affinity, related to the 1590Ma Hiltaba/GRV tectonothermal event. Cu-Au-Mo-Pb mineralisation is structurally controlled and associated with significant metasomatic alteration of host rocks.
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:* ○ *Easting and northing of the drill collar*	• The required information on drill holes which returned material intersections is incorporated into Table 1 of the report. Tabulated intersections

	○ *Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill collar.* ○ *Dip and azimuth of the hole.* ○ *Down hole length and interception depth.* ○ *Hole length.* • *If the exclusion of this information is justified on the basis 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.*	calculated using a 0.2% Cu or 0.1g/t Au lower cutoff grade, and containing up to 2m of internal dilution. • The collar locations of program drill holes the subject of the report are shown on Figure 2 of the report, with MGA94 co-ords listed in Table 1 of the report.
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.* • *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.*	• Intersections are calculated by simple averaging of 1m assays. • Where sub-intervals of higher grade are contained in an intersection, the higher grade portion is also disclosed in the report. • No metal equivalents are reported.
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 footnote to Table 1 of the report states that intersections are downhole lengths and that true widths are unknown.
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 plans and sections with scales appear as Figures 1 to 6 in the report. A tabulation of intersections appears as Table 1 of 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.*	• The criteria used to determine if an intersection is listed in Table 1 is disclosed in the footnote to the table.
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.*	• There is no other meaningful or material exploration data that has been omitted from 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.*	• Further work will include reviewing of data outlined in this report which will lead to re-interpretation and 3D modelling.