Adelaide Resources Limited
ABN: 75 061 503 375

Corporate details:

ASX Code: ADN

Cash: $1.24 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:
Adelaide Resources was the first company to discover gold on the Eyre Peninsula project. Prior to the commencement of its exploration effort there were no recorded gold occurrences in the area.

ASX announcement

24 July 2015

Eyre Peninsula gold project
(100% owned), South Australia

Intersections to 16 metres at 3g/t gold achieved in successful Barns and Baggy Green drilling programme.

Summary

- All seven holes drilled at the Barns and Baggy Green prospects intersect gold mineralisation, including 16.1 metres at 3.06g/t gold, supporting the previously released Exploration Target tonnage and grade ranges.
- Confirmation of predicted mineralisation zone boundaries lowers the risk for future drill programmes.
- Results from Barns include intersections of 16.1 metres at 3.06g/t gold, 15 metres at 1.25g/t gold, 15 metres at 0.75g/t gold and 7 metres at 1.1g/t gold.
- At Baggy Green results include 11 metres at 1.87g/t gold contained within a broader zone assaying 30 metres at 0.86g/t gold, and 8 metres at 1.22g/t gold.
- Individual assay samples returned results of 16.7g/t gold and 13.2g/t gold indicating the presence of a high grade component in the mineralised zones.
- Detailed assessment of the programme results and design of follow-up exploration is now underway.
- Exploration personnel are on site for commencement of the Company's first drilling programme at the South West Limey Dam prospect in Queensland's Drummond Basin.

Chris Drown
Managing Director

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

Introduction

Adelaide Resources holds nine Exploration Licences on the Eyre Peninsula which secure a total area of 3,643 square kilometres.

The Barns, White Tank and Baggy Green gold prospects are located within 5km of each other and fall on two adjoining tenements (Figure 1). The two tenements are wholly owned by the Company and are subject to a 1.5% NSR royalty held by Newcrest Mining Limited.

On 14 May 2015 the Company released a combined Exploration Target for the Barns and Baggy Green prospects and announced it had commenced a drilling programme targeting both deposits[(1)].

The Exploration Target was estimated using historical drill results and interpreted 3-D models of the broad mineralised envelopes which enclose multiple stacked zones of gold mineralisation at Barns and Baggy Green.

To a depth of 200 metres below surface the Company estimated a combined Exploration

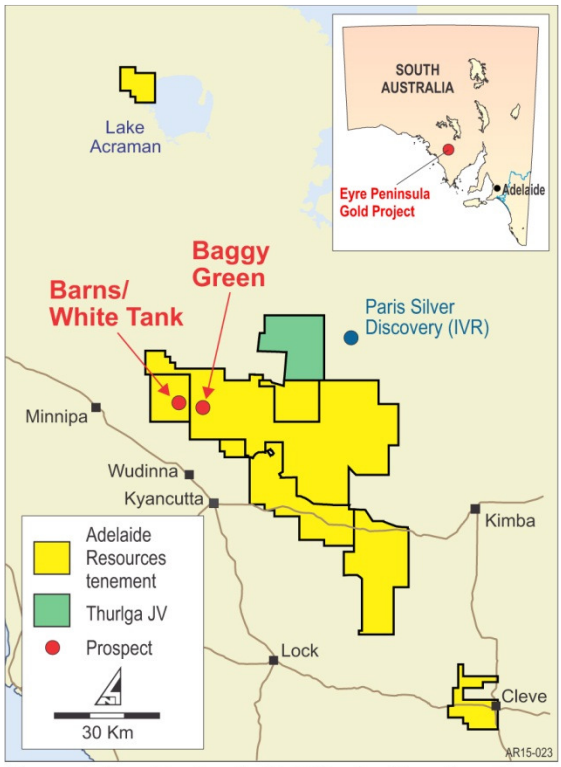

Figure 1: Eyre Peninsula Gold Project location plan.

Target ranging from 20 to 40 million tonnes at a grade ranging from 0.4g/t gold to 0.6g/t gold within the broad mineralised envelopes at Barns and Baggy Green.

The potential tonnage and grade of the Exploration Target is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource, and it remains uncertain if further exploration will result in the estimation of a Mineral Resource.

The 14 May release also highlighted the potential to define smaller tonnage but higher grade resources at Barns and Baggy Green, by focussing on discreet mineralised zones within the broader mineralisation envelopes.

Drill programme results

Seven diamond holes were drilled for a total of 1,287 metres in the recent programme. Four holes were drilled at Barns and three at Baggy Green. The locations of the holes are shown on Figure 2 (Barns) and Figure 3 (Baggy Green).

Six of the holes targeted previously undrilled regions within the modelled mineralised envelopes at the two prospects. One hole was drilled as a twin between two close spaced historical reverse circulation holes at Baggy Green to check for close range continuity of gold mineralisation.

The drill core was oriented where possible to allow the collection of structural data.

Assaying of drill core is now complete and confirms that all seven holes intersected gold mineralisation. Table 1 presents a list of the gold intercepts recorded in the holes.

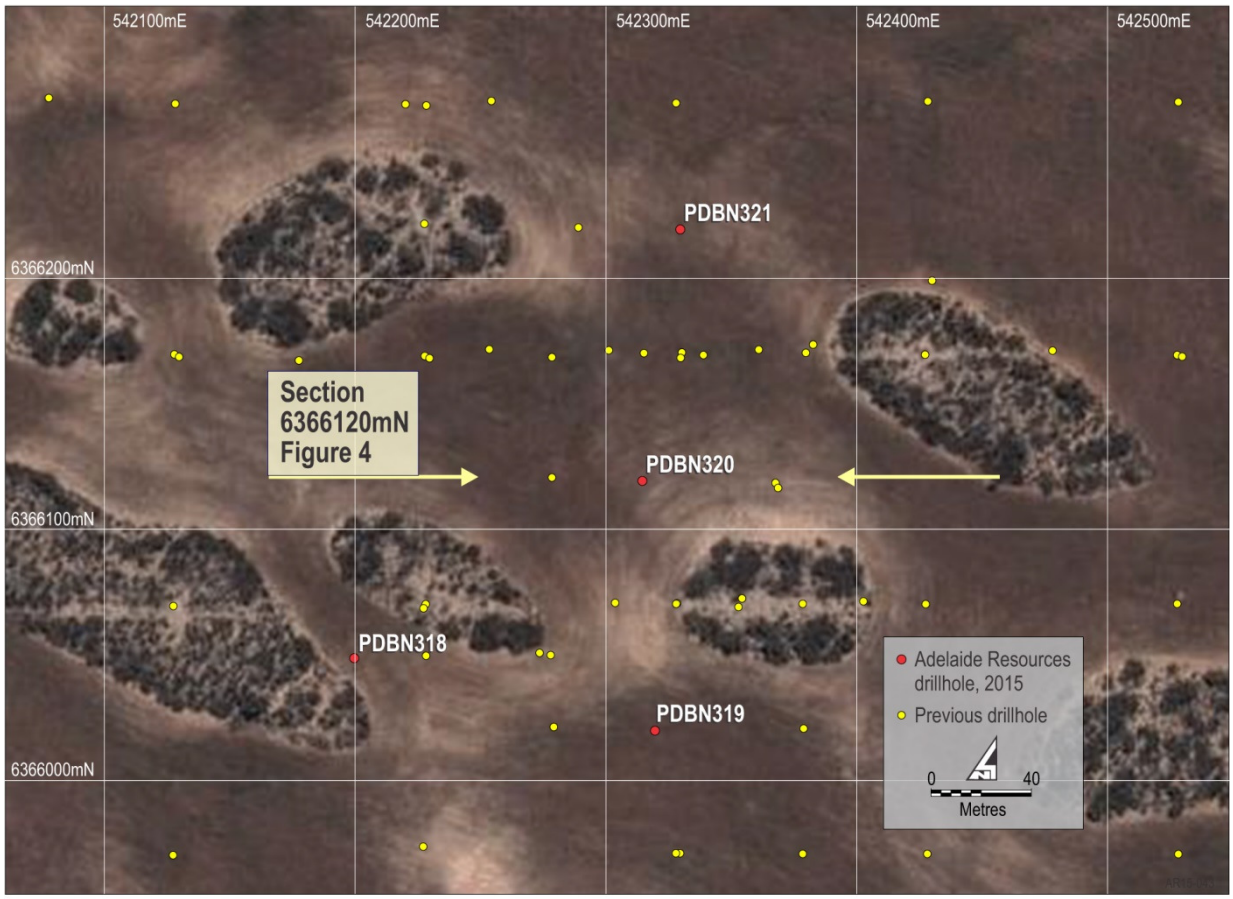

Figure 2: Barns prospect drillhole location plan.

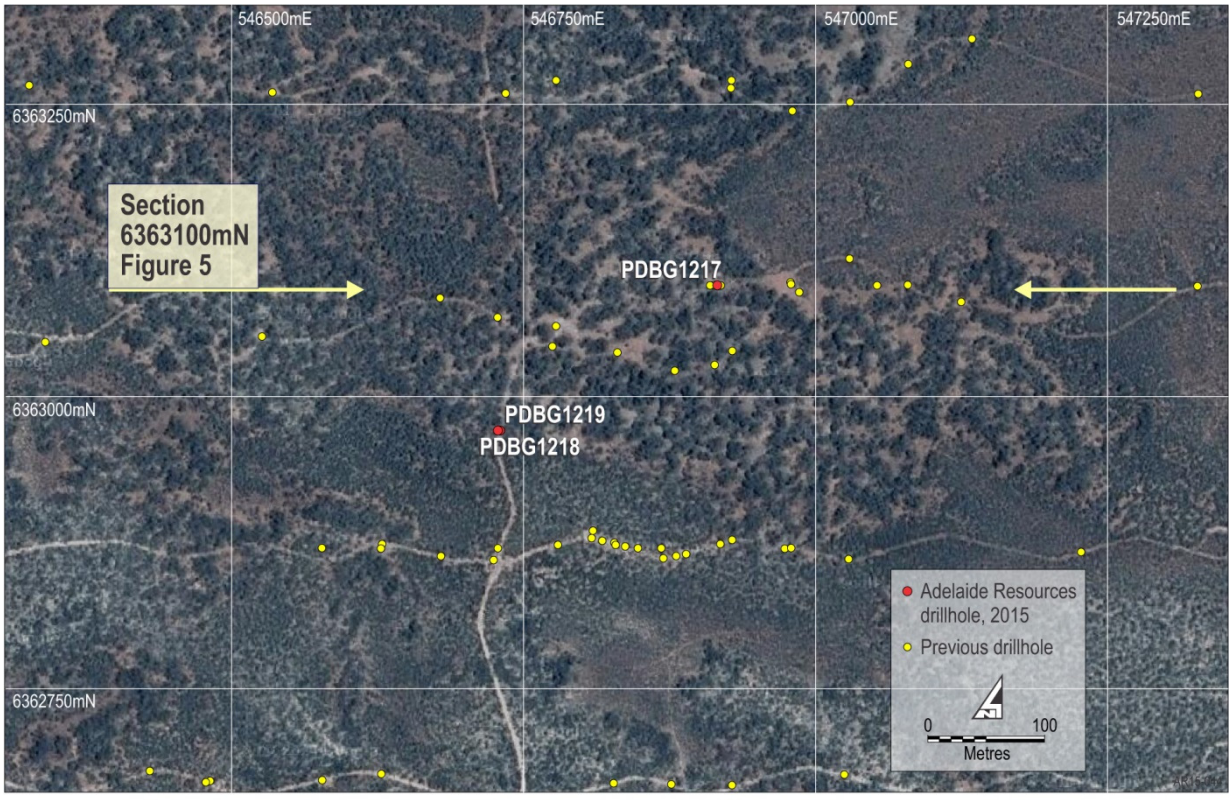

Figure 3: Baggy Green prospect drillhole location plan.

At Barns, hole PDBN-320 intersected 16.1 metres at 3.06g/t gold (Figure 4). The intersection is contained within a broader zone of 23.5 metres at 2.16g/t gold commencing from 29.5 metres downhole, a vertical depth of approximately 26 metres below surface.

This gold zone is interpreted to be part of a relatively flat lying body of supergene mineralisation and is interpreted to have a true thickness of approximately 20 metres.

PDBN-320 encountered additional deeper mineralised zones including 3 metres at 3.48g/t gold from 99 metres, and 17 metres at 0.62g/t gold from 135 metres.

Other intersections of note at Barns include 15 metres at 1.25g/t gold from 134 metres downhole in PDBN-319, and 15 metres at 0.75g/t gold from 37 metres downhole in PDBN-321.

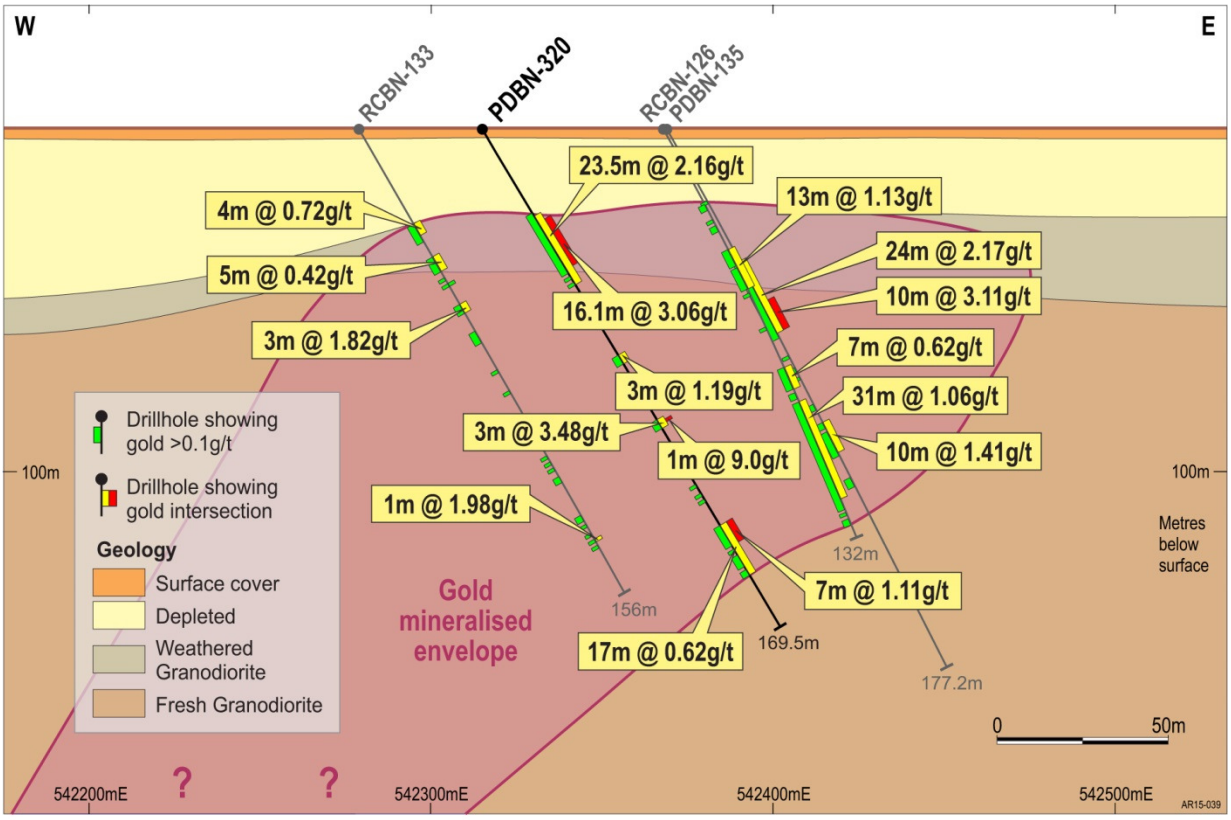

Figure 4: Barns prospect – Section 6366120mN looking north.

Baggy Green hole PDBG-1217 (Figure 5) was drilled as a twin hole between historical reverse circulation holes RCBG-0865 (24 metres at 2.33g/t gold) and BGRC-0856 (36 metres at 0.76g/t gold).

PDBN-1217 intersected 30 metres at 0.86g/t gold from 59 metres, including 11 metres at 1.87g/t gold from 68 metres. PDBN-1217 supports the historical lower grade intersection while the nearby higher grade historical hole demonstrates that grade can improve rapidly over short distances.

Holes PDBG-1218 and PDBG-1219 were drilled on a new section 100 metres south of PDBN-1217. Both holes intersected gold mineralisation in the location predicted by the recently constructed 3-D model, with PDBN-1218 recording 8 metres at 1.22g/t gold from 99 metres.

The drill core from all holes was oriented allowing the collection of structural data which is currently being assessed.

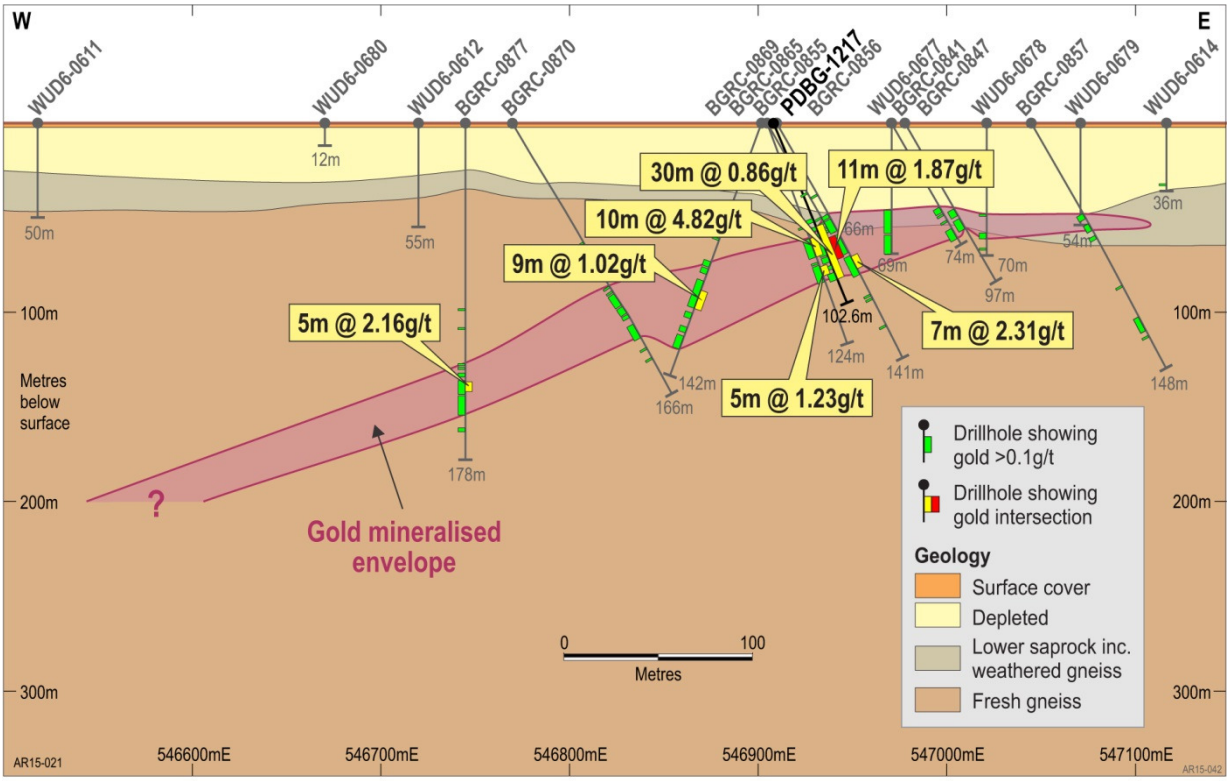

Figure 5: Baggy Green prospect – Section 6363100mN looking north.

Discussion

The intersection of gold mineralisation in precisely the location predicted by the 3-D models is pleasing, suggesting that follow-up exploration drilling can be sited with a high degree of confidence. This is particularly the case at Baggy Green where the existing drill pattern is very coarse.

The programme results additionally provide confidence that further exploration should deliver resources within the tonnage and grade ranges estimated in the Exploration Target.

At Barns, the new results add confidence in the continuity of the individual mineralised zones that are contained within the broader mineralised envelope. This suggests it will be possible to estimate resources which focus on these smaller but higher grade portions of the deposit.

The relatively shallow, flat lying zone of supergene gold that lies directly below the depleted zone at Barns is interpreted to be present in many prospect holes, and the recent results confirm it can reach significant widths at good grade. Likewise, a second coherent zone of mineralisation appears to be commonly present at the base of the mineralised envelope.

Full assessment of the programme results, including analysis of the large amount of structural data collected from the oriented drill core, modelling of the discreet higher grade gold zones at Barns, and design of the follow-up exploration programme is now underway.

The exploration team is now in the field in Queensland in advance of the commencement of the Company's first drilling targeting the South West Limey Dam prospect on the Drummond Epithermal Gold Project. The Drummond programme will be the Company's fourth drilling programme of calendar 2015.

Table 1: *Barns and Baggy Green prospects – significant intersections, 2015.*

Prospect Name	Hole ID	From (m)	Interval (m)	Au (g/t)	Easting (MGA94)	Northing (MGA94)	RL	Hole Dip	Azimuth (MGA94)	Final Depth
BARNS	PDBN-318	98.0	3.0	0.48	542200	6366049	129	-68	90	234.4
		105.0	1.0	6.07						
		170.0	4.0	0.43						
		197.0	2.0	3.72						
		204.0	2.0	1.35						
	PDBN-319	45.5	4.5	0.40	542320	6366020	129	-60	90	165.9
		54.5	3.8	2.05						
	incl.	57.5	0.8	5.36						
		83.0	1.0	1.22						
		134.0	15.0	1.25						
	incl.	137.0	1.0	13.20						
	PDBN-320	29.5	23.5	2.16	542315	6366120	126	-60	90	169.5
	incl.	31.5	16.1	3.06						
	incl.	31.5	2.5	8.58						
	and	32.5	0.8	16.70						
	and	39.3	2.2	9.32						
		77.0	3.0	1.19						
		99.0	3.0	3.48						
	incl.	100.0	1.0	9.00						
		135.0	17.0	0.62						
	incl.	135.0	7.0	1.11						
	PDBN-321	37.0	15.0	0.75	542330	6366220	124	-60	90	175.4
	incl.	37.0	2.0	2.76						
		56.0	1.0	3.83						
		77.0	1.0	2.12						
BAGGY GREEN	PDBG-1217	59.0	30.0	0.86	546917	6363096	135	-66	90	102.6
	incl.	68.0	11.0	1.87						
	incl.	69.0	1.0	6.72						
	and	77.0	2.0	3.63						
	PDBG-1218	99.0	8.0	1.22	546731	6362972	136	-60	90	174.5
	incl.	105.0	1.0	6.67						
	PDBG-1219	138.0	1.0	1.10	546728	6362972	136	-66	270	264.4

Intersections calculated by length weighted grade averaging of individual predominantly 1-metre samples collected as sawn 1/2 HQ or 1/2 NQ core. Gold determined by fire assay fusion using nominal 30gm charge weight. Cut-off grade of 0.2g/t gold applied with up to 3m internal dilution. Listed intersections are >1gm Au. Company and laboratory introduced QAQC samples (standards, 1/4 core duplicates, and blanks) indicate acceptable analytical quality. Intersections quoted are downhole lengths.

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) Information relating to the Exploration Target and past exploration required to ensure compliance with JORC2012 was disclosed in ADN's 14 May 2015 ASX release titled "Diamond drilling commences at Barns and Baggy Green gold prospects."

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.*	• Drill samples collected by sawing HQ or NQ2 sized diamond core in half, with half core submitted for assay, and half retained for geological record. • Core was sawn 5mm around from orientation line (if orientations successful) with half with orientation line retained in trays. • Duplicate samples collected by quarter sawing ½ core with both samples submitted for assay.
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).*	• Core was HQ or NQ2. Short precollars were drilled using rotary mud method.
Drill Sample Recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Core recoveries calculated by dividing length of core

	• *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.*	recovered by depth hole advanced. HQ core recoveries averaged 74.7% for all holes. .NQ2 sample recoveries averaged 99.3% for all holes. • Good drilling practices were employed to maximise core recovery • There is no known relationship between sample recovery and grade at the Barns and Baggy Green deposits and it is considered unlikely that sample bias has occurred in diamond drilling samples.
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 drill core was logged with geological (lithology, mineralogy, alteration, mineralisation and structure), geophysical (magnetic susceptibility) and geotechnical (RQD) information collected. • Geological logging is qualitative. Geophysical and geotechnical logging is quantitative. All core has been photographed wet and dry. • 100% or the intersections were 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.*	• Core was sawn in half, with duplicate samples collected by ¼ sawing. • Samples were first crushed to 70% passing 6mm, then 3kg of sample was pulverised with the goal of achieving 85% passing 75um. No sample checked for sizing failed to meet the target grind size. • 22 of 895 samples submitted were >3kg in weight and were riffle split following crushing to deliver a <3kg sample for pulverising.. • 18 ¼ core duplicate pairs (1 in every 50 samples) were submitted for assay. • 1-metre ½ HQ and NQ2 core are common sample sizes for gold exploration.
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*	• Drill samples were assayed in a commercial lab using standard methods. • Gold was determined by fire assay with AAS finish utilising a 30gm charge weight. • Other metals were determined using four-acid digest with ICP-AES finish.

	standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• Company QA/QC samples (standards and duplicates at a ratio or 1 in every 25 samples) and Laboratory QA/QC samples (standards, blanks, duplicates) were introduced into the assay stream. • Magnetic susceptibility readings were made using a GMS-2 magnetic susceptibility meter set in scan mode and regularly zeroed to avoid machine drift and local background mag field variations.
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.*	• The intersections reported were calculated by the Competent Person and double checked by a second Company geologist. • One hole reported is effectively a twin hole to two close spaced historical RC holes. • All non-assay data was digitally captured in the field and then imported into the Company database. Assay data was imported into the Company database upon receipt of lab data files. • No assay results have been adjusted.
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.*	• Hole collar locations were pegged using a GPS with autonomous accuracy of +/- 5 meters. • Downhole surveys were completed using Reflex EZ-shot digital downhole camera survey tools. Suspicious DH azimuths were replaced with estimates from adjacent surveys. • MGA94 (Zone 55) • Collar RLs estimated using published government acquired 10m topographic contour data.
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 were drilled on traverses nominally spaced 50 metres apart (Barns) or 100m apart (Baggy Green). • The spacing of the holes, together with historical data, is considered sufficient to establish geological and grade continuity. • No sample compositing has been applied.
Orientation	• *Whether the orientation of sampling achieves*	• Six drill holes were ideally

of data in relation to geological structure	*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.*	designed to intersect interpreted mineralised zones at a high angle. To minimise environmental damage, one hole at Baggy Green tested the interpreted lode at an angle of incidence of approximately 47 degrees. • It is doubtful that drilling orientation has resulted in sampling bias, however full assessment of structural information, including the orientation of mineralised veins, remains to be completed to confirm this.
Sample security	• *The measures taken to ensure sample security.*	• Core samples remained under the supervision of company personnel prior to packing, strapping and dispatch to the commercial lab in Adelaide. The Competent Person was present when the lab unpacked some of the drill core prior to cutting and assay.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data*	• No audits or reviews have been completed.

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 Barns prospect falls in EL 5092 and the Baggy Green prospect falls in EL 5120. Both tenements are owned 100% by Peninsula Resources limited, a wholly owned subsidiary of Adelaide Resources Limited. • Newcrest Mining Limited retains a 1.5%NSR royalty over future mineral production from both licences. • The Barns prospect falls on Perpetual leasehold land used for cereal cropping • The Baggy Green prospect is located within Pinkawillinnie Conservation Park, a dual proclamation park where exploration and mining activities are allowed subject to meeting environmental conditions imposed by the SA Govt. • Native Title is extinguished on

		Perpetual Leasehold land (Barns) but may exist in Pinkawillinnie Conservation Park (Baggy Green). A Native Title Agreement has been negotiated with the NT Claimant and has been registered with the SA Govt. • Aboriginal heritage surveys have been completed over both prospects with no sites located in the immediate vicinity of the prospects. • A Compensation Agreements is in place with the relevant agricultural landowner. • ELs 5092 and 5120 are in good standing.
Exploration done by other parties	• *Acknowledgement and appraisal of exploration by other parties.*	• On-ground exploration completed prior to Adelaide Resources' work was limited to 400 metre spaced soil geochemistry completed by Newcrest Mining Limited over the Barns prospect. This sampling located a gold anomaly.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Barns and Baggy Green prospects are considered to be either lode gold or intrusion related gold deposits related to the 1590Ma Hiltaba/GRV tectonothermal event. Gold mineralisation is structurally controlled and associated with significant 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:* 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 information listed to the left is included 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*	• Intersections are calculated by length weighted averaging of individual (normally 1-metre) assays. • No cutting of assays has been employed. • Sub-intervals of higher grade

	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.*	are contained in Table 1 of 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').*	• Figures 4 and 5 of the report illustrate the orientation of drilling with respect to interpreted mineralisation orientation, while the interpreted orientation of the mineralisation is also discussed in the report.
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 5 in the report. A tabulation of intersections appears as Table 1.
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 footnote to Table 1 discloses the rules chosen for an intersection to be included in 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 exploration data considered material to the report in question which has not been disclosed.
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 assess the resource potential of internal higher grade mineralised zones at Barns and plan more detailed drilling at Baggy Green.