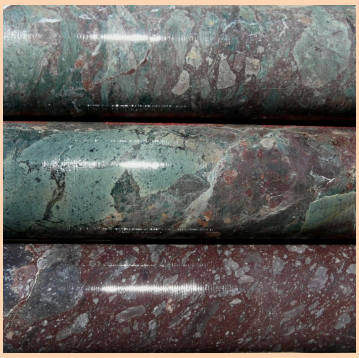

Adelaide Resources Limited
ABN: 75 061 503 375

Corporate details:

ASX Code: ADN

Cash: $0.60 million*

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

*(*Pre SPP settlement on 27/10/15)*

Directors:

Colin G Jackson
Non-executive Chairman

Chris Drown
Managing Director

Nick Harding
Executive Director and Company Secretary

Jonathan Buckley
Non-executive Director

Contact details:

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Unley, South Australia 5061

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Fact: Current exploration at Pajingo is targeting the Camembert and Moonlight prospects which are high grade veins located below hotspring sinters and hydrothermal eruption breccias in the same stratigraphic units as South West Limey Dam.

ASX announcement

23 October 2015

Drummond epithermal gold project

(100% owned), Queensland

Broad intervals of gold and silver mineralisation in the latest South West Limey Dam results.

Summary

- The South West Limey Dam prospect is one of several gold-bearing epithermal prospects in the emerging 100% owned Glenroy Field, a mineral field in the Drummond Basin of similar dimension to the 3 million ounce plus Pajingo Field to the west.
- Latest drill results from South West Limey Dam include broad intervals of gold and silver mineralisation in six holes testing a large surface arsenic anomaly in the south of the prospect.
- Gold results include 16.8 metres at 0.18g/t, 17.7 metres at 0.17g/t, 19.0 metres at 0.19g/t Au, and 5.2 metres at 0.34g/t.
- Silver results include 96.5 metres at 1.01g/t, 19.4 metres at 0.92g/t, 36.2 metres at 0.91g/t, and 6.3 metres at 1.61g/t.
- A field review completed by consultant Dr Gregg Morrison, an epithermal specialist, interprets the South West Limey Dam prospect to be a classic hotspring geothermal-epithermal system.
- Dr Morrison interprets the long intervals of low grade gold and silver in the latest holes as good indicators of the system being active and mineralised, but from the upper part of the system above the target high grade gold feeder vein zone.
- The Morrison review finds there are good analogues for the South West Limey Dam system with significant deposits both in the region and internationally that encourage persistence.

Chris Drown
Managing Director

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

Introduction

Adelaide Resources Limited owns 100% of two tenements that cover 270 square kilometres of ground in the Drummond Basin in Queensland (Figure 1).

The Company's tenements capture the emerging Glenroy Field, an epithermal mineral field of similar dimension to the +3Moz Pajingo Field to the west.

The Company is undertaking a diamond drilling programme at the South West Limey Dam prospect. The programme is partly funded through a grant from the Queensland Government made through its Collaborative Drilling Initiative. This grant will reimburse 50% of the direct drilling costs to a maximum of $100,000.

On 21 September 2015 the Company announced results from the first fourteen programme drill holes which included gold mineralisation in quartz veins intersected in the northern part of the prospect.

Intersections recorded in the early holes included 0.71 metres at 9.11g/t gold and 11.0g/t silver, and 0.70 metres at 1.43g/t gold and 4.2g/t silver.

Assays for a further six holes are now finalised.

New Results

The South West Limey Dam prospect can be divided into a topographically lower northern area, and a topographically higher southern area (Figure 2).

The northern area is characterised by outcropping banded textured quartz veins, like Alexandra, which rock chip samples show contain high grade gold in places. Areas of silica alteration and brecciated host rocks are restricted and arsenic concentrations in the soils are low.

By contrast the higher southern area of the prospect is characterised by an extensive arsenic soil anomaly, widespread silica alteration and host rock brecciation. Quartz veins at surface are massive or chalcedonic and contain low grade gold. Recently sinters and geyserite have also been recognised.

The characteristics seen in the southern area of the prospect are typical of the higher levels of an epithermal system, above any gold zone that may be present.

Diamond drill holes GLD022 to GLD027 where therefore drilled to test for deeper gold targets in the southern area of the prospect. The locations of these drill holes are shown on Figure 2.

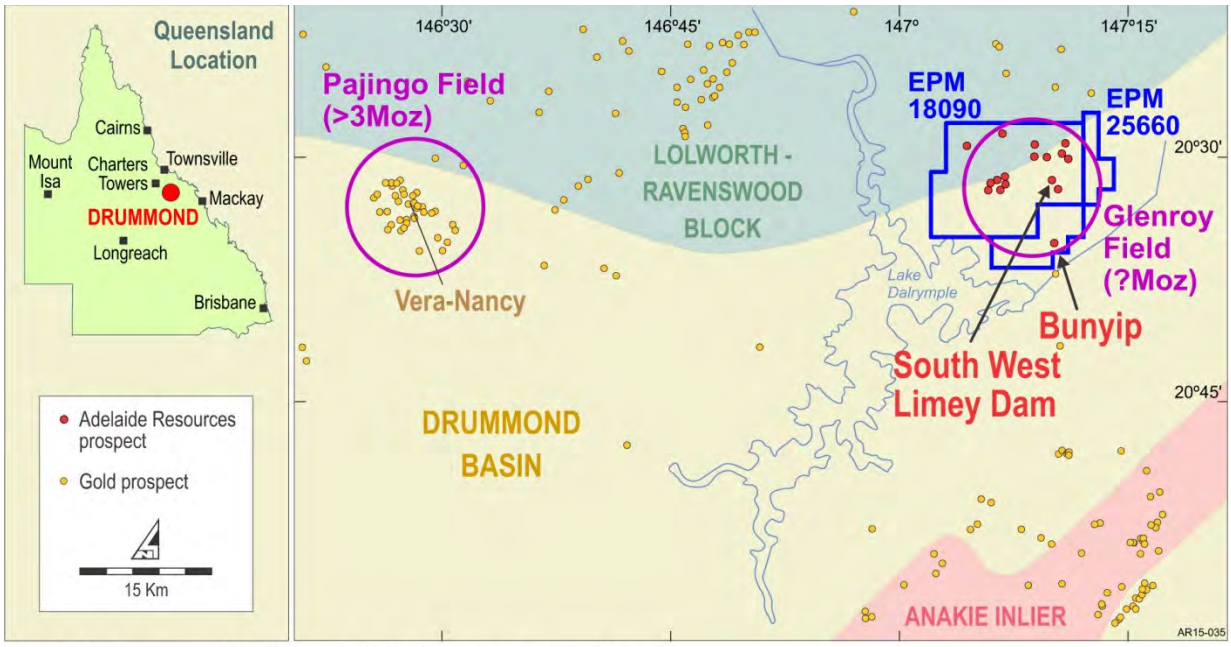

Figure 1: Drummond Epithermal Gold Project location plan.

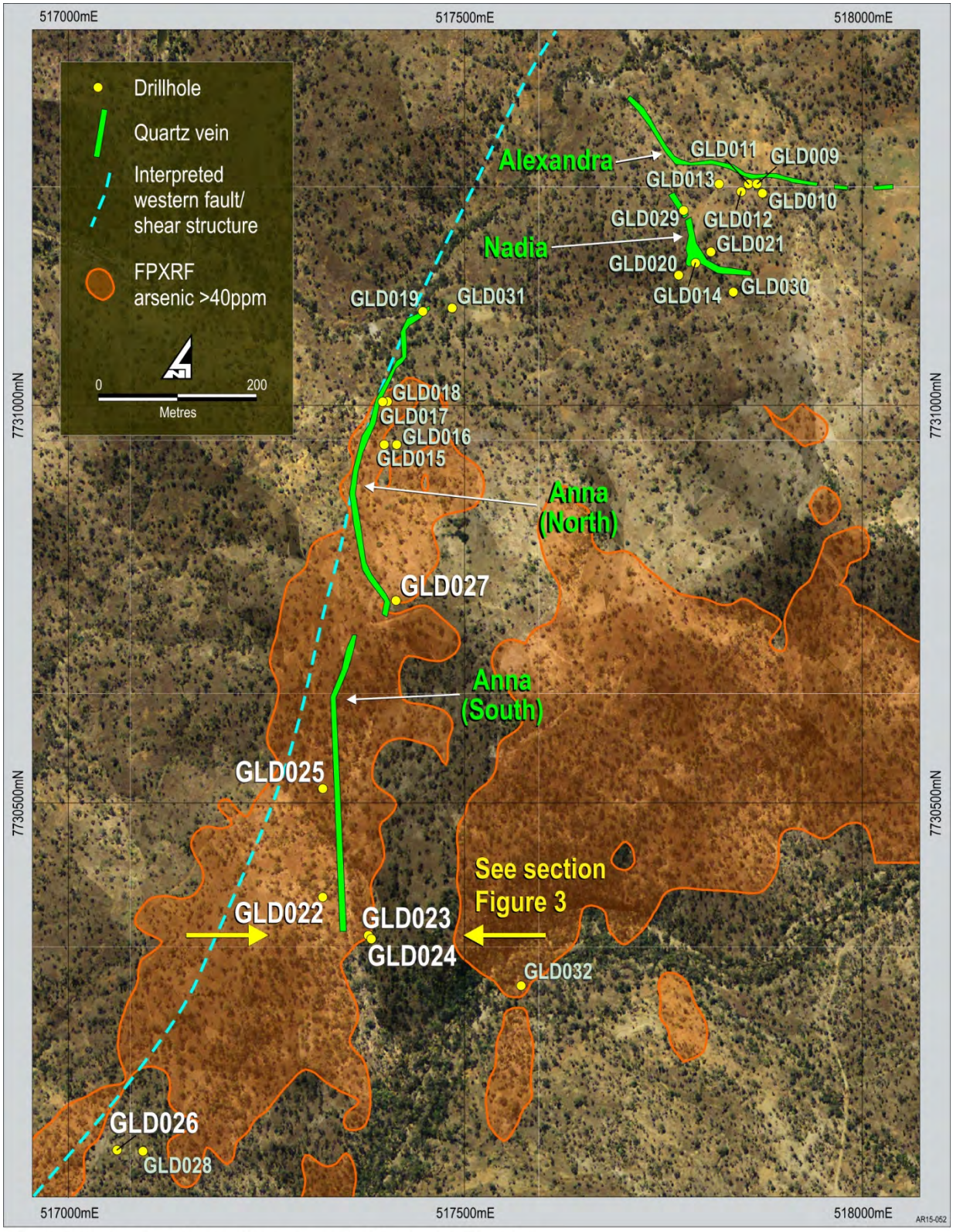

Figure 2: South West Limey Dam prospect drillhole location plan.

The southern drill holes intersected an extensive blanket of silica altered, brecciated, sulphidic rock before deeper holes passed into unsilicified units of the volcanic host stratigraphy (Figure 3).

Broad intervals of low grade gold and silver are present, with all holes reported herein encountering at least some mineralisation. Intersections from the six holes are included in Tables 1 and 2.

Table 1: *South West Limey Dam holes GLD022 to GLD027. Gold Intersections.*

Hole Name	From (m)	Interval (m)	Au (g/t)	Easting (mga94)	Northing (mga94)	RL (m)	Dip	Azimuth (mga94)	Depth (m)
GLD022	13.20	1.80	0.22	517320	7730380	192	-50	239.7	133.4
	25.30	0.84	0.10						
	28.53	0.97	0.10						
	31.40	1.00	0.10						
	38.20	16.80	0.18						
	60.00	3.00	0.29						
incl.	60.00	0.70	0.68						
	66.64	6.24	0.15						
	83.00	2.80	0.14						
	86.99	0.30	0.18						
	89.30	3.06	0.15						
	104.30	2.70	0.20						
GLD023	19.62	7.88	0.13	517380	7730330	172	-50	259.7	143.3
	38.21	0.79	0.11						
	51.06	1.01	0.12						
	55.31	17.69	0.17						
incl.	65.00	1.00	0.56						
	85.00	1.00	0.12						
	89.97	1.53	0.65						
	95.22	3.28	0.23						
	127.00	0.09	0.33						
GLD024	36.86	19.02	0.19	517380	7730330	172	-80	259.7	171.5
	71.40	0.78	0.12						
GLD025	19.38	2.42	0.13	517321	7730519	181	-60	259.7	78.6
	35.20	1.00	0.60						
GLD026	38.16	5.24	0.34	517062	7730063	163	-55	267.7	120.0
incl.	38.16	1.99	0.72						
GLD027	55.00	1.01	0.11	517412	7730756	233	-60	256.2	84.3

Intersections calculated by length weighted grade averaging of individual 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 0.1g/t gold applied. Maximum of 2 metres internal dilution. Company and laboratory introduced QAQC samples (standards, 1/4 core duplicates, and blanks) indicate acceptable analytical quality. Intersections quoted are downhole lengths – true widths are unknown.

Table 2: *South West Limey Dam holes GLD022 to GLD027. Silver Intersections.*

Hole Name	From (m)	Interval (m)	Ag (g/t)	Easting (mga94)	Northing (mga94)	RL (m)	Dip	Azimuth (mga94)	Depth (m)
GLD022	6.52	96.48	1.01	517320	7730380	192	-50	239.7	133.4
incl.	38.20	34.16	1.49						
GLD023	19.62	19.38	0.92	517380	7730330	172	-50	259.7	143.3
incl.	19.62	11.83	1.12						
	55.31	36.19	0.91						
incl.	56.30	16.40	1.21						
GLD024	36.86	22.14	0.77	517380	7730330	172	-80	259.7	171.5
incl.	38.64	11.56	1.01						
GLD025	17.40	4.40	0.60	517321	7730519	181	-60	259.7	78.6
GLD026	37.11	6.29	1.61	517062	7730063	163	-55	267.7	120.0
	47.95	4.84	0.82						
GLD027	9.50	1.00	1.40	517412	7730756	233	-60	256.2	84.3

Intersections calculated by length weighted grade averaging of individual samples collected as sawn 1/2 HQ or 1/2 NQ core. Silver determined by HF-HNO3-HClO4 acid digestion, HCl leach and ICP-AES using nominal 0.25gm charge weight. Cut-off grade of 0.5g/t silver applied. Maximum of 2 metres internal dilution. Company and laboratory introduced QAQC samples (standards, 1/4 core duplicates, and blanks) indicate acceptable analytical quality. Intersections quoted are downhole lengths – true widths are unknown.

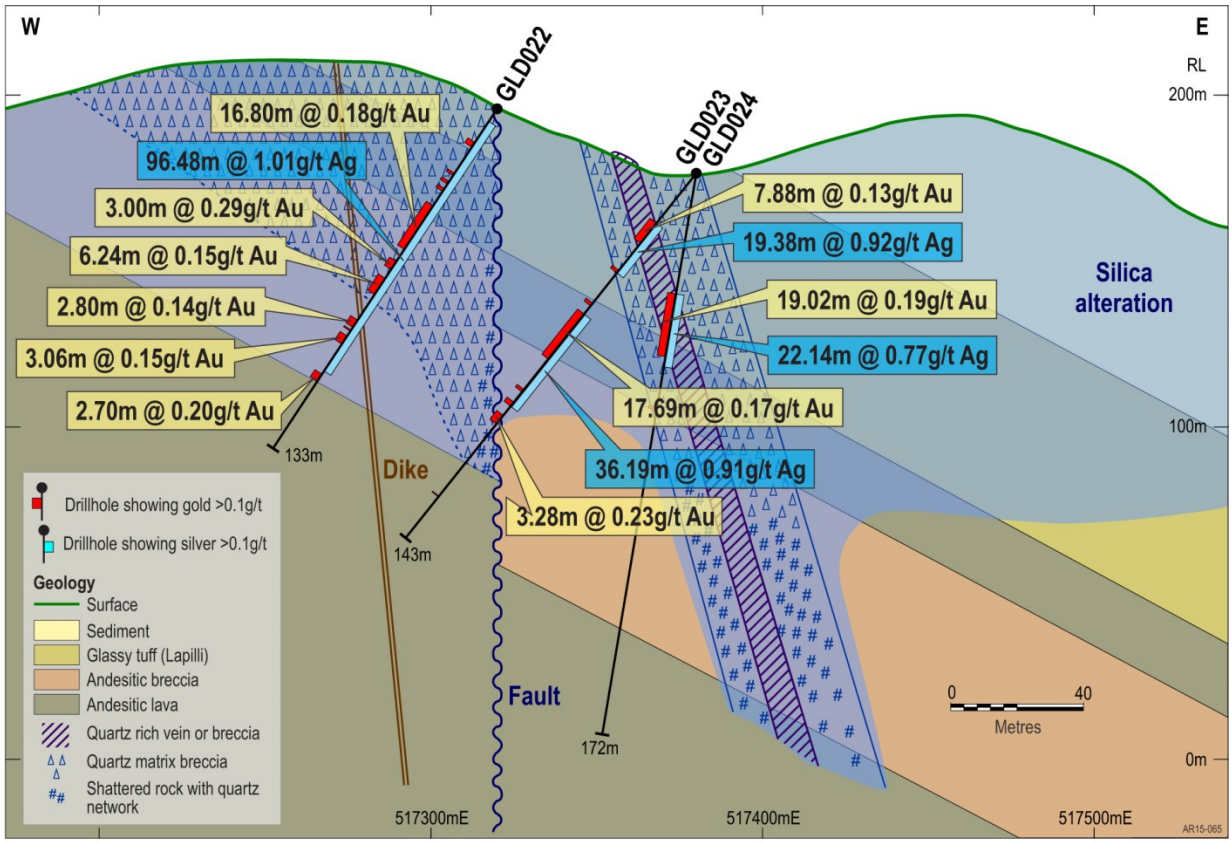

Figure 3: South West Limey Dam section 7730350mN.

Figure 3 presents a cross section that includes a number of the recent holes.

GLD022 encountered numerous zones of gold including 16.8 metres at 0.18g/t gold. The hole also intersected 96.5 metres at 1.01g/t silver from near surface.

GLD023 hit a number of low grade intervals including 17.7 metres at 0.17g/t gold and 36.2 metres at 0.91g/t silver, while steeper GLD024 intersected 19.0 metres at 0.19g/t gold.

Discussion and interpretation

The Company engaged consulting geologist Dr Gregg Morrison, a respected epithermal deposit expert, to conduct a field review of the South West Limey Dam prospect to assist with understanding the geological system.

Dr Morrison interprets South West Limey Dam to be “a large hotspring geothermal-epithermal system exposed near the contemporary land surface”, and suggests the model[(1)] shown in Figure 4 to be an appropriate working model for understanding the prospect’s geology.

In this model, the high grade target gold zone is the deep quartz-adularia “feeder” vein shown in red. The target vein sits beneath a zone of weakly mineralised silica altered and brecciated rock of much greater lateral extent.

The broad zones of low grade gold and silver seen in holes like GLD022 are hosted in silicified rock and breccia overlain by silica sinter corresponding with the upper part of the hotspring model.

Each of the holes on the Figure 3 cross section passed out of silicified and brecciated rocks into deeper zones of essentially unsilicified rocks. This is the level in the epithermal system where the targeted high grade gold feeder veins are anticipated to occur, although they have proved elusive to date.

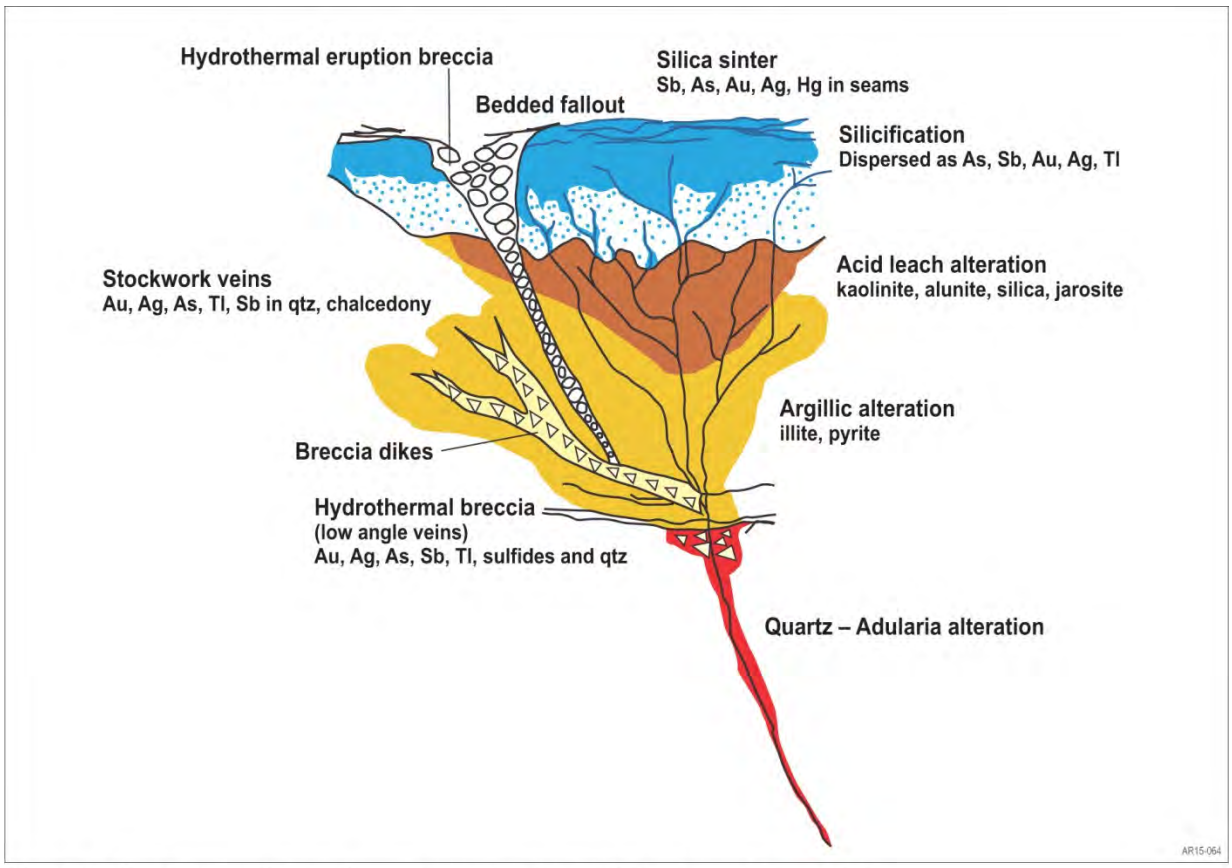

Figure 4: Classic hotspring geothermal/epithermal model *(after Berger & Eimon, 1983)*.

Dr Morrison suggests there are good analogues for the South West Limey Dam model with significant deposits both in the region and internationally.

In the Pajingo Field, the Camembert and Moonlight prospects, which are currently being explored by Evolution Mining, are hotspring systems with underlying veins hosted in the same stratigraphic units seen in the South West Limey Dam area.

Elsewhere in the Drummond Basin, Wirralie (1.02Moz), Yandan (365koz), and Glen Eva (60koz) are gold deposits of the same style and hosted in the same stratigraphic package as South West Limey Dam.

Internationally, Dr Morrison cites the 1 million ounce Golden Promise mine in Washington State, USA, and the 13 million ounce Fruta del Norte deposit in Ecuador as deposits of similar character to South West Limey Dam.

The Company remains confident that feeder veins must be present somewhere beneath the laterally extensive silica zone in the southern parts of the South West Limey Dam prospect.

The prospect geology is seen to be closely analogous to many well mineralised gold deposits, including some which are multi-million ounce deposits, and this also encourages drilling persistence.

The South West Limey Dam drilling programme was completed on 18 October 2015. Assaying of the remaining holes is now underway.

[(1)] *Berger, B. R., and Eimon, P. I., 1983, Conceptual models of epithermal precious metal deposits, in Shanks, W. C., ed., Cameron volume on unconventional mineral deposits: New York, Society of Mining Engineers of AIME, p. 191-205.*

Competent Person Statement

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.

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.*	• Diamond core drilling was used to obtain HQ or NQ sized core samples whish were cut in half to provide assay samples of 1.7kg average weight. Samples were crushed and pulverised. Gold determined by 30gm fire assay with AA finish. Silver determined by four acid digest with ICP-AES finish on 0.25gm charge.
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).*	• Diamond drilling delivering HQ or NQ triple tube sized core samples. HQ core orientated where competency allows
Drill Sample Recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the sample.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of coarse/fine material.*	• Core recoveries are calculated by measuring actual core length and comparing with drilled depth. • HQ and NQ triple tube core was used to maximise recoveries. • Core recovery in all reported holes was excellent. • No known relationship exists

		between recovery and grade for the South West Limey Dam prospect.
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 core has been geologically, geophysically and geotechnically logged, and photographed. • Geological logging is qualitative. Geophysical and geotechnical logging is quantitative.
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 cut in half with a core saw. Half core samples sent for assay and half retained for geological record. • Assay samples were crushed and pulverised as per standard industry practice. • Company and Laboratory introduced standards, blanks and duplicates were used. • In general, epithermal gold is expected to be very fine grained, and gold observed petrologically from South West Limey Dam was fine grained (<15um).
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.*	• Core 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. • Company and laboratory QAQC samples were introduced into the rock chip assay stream. • No calibration factors have been applied to results reported.
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 tables of intersections included in the report have been cross checked by two company personnel. • No twinned holes have been drilled. • Data is digitally captured on-site prior to import into the company database. • 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.*	• Drill collar locations surveyed using a GPS with an accuracy of +/- 5 metres. • Collar RLs estimated from

	• *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	published 10m contour data. • Downhole surveys completed using digital compass tools. • GDA94 (Zone 55)
Data spacing and distribution	• *Data spacing for reporting of Exploration Results* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classification applied.* • *Whether sample compositing has been applied.*	• Holes in this initial program are not at any set spacing, but are designed to test specific targets. • 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 holes designed to intersect target at high angle, constrained in some situations by topographic limitations to establishing safe drill pads. • It is unknown if drilling orientation has introduced any sample bias.
Sample security	• *The measures taken to ensure sample security.*	• The core samples were prepared and packaged for delivery by company staff or contractors, with samples then delivered to the lab by company personnel if possible.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data*	• There have been no audits or reviews of sampling techniques or data at this time.

1.2 Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements of material issues with third parties such as joint ventures, overriding royalties, native titles interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The area the subject of this report falls within EPM 18090, which is 100% owned by Adelaide Exploration Pty Ltd, a wholly owned subsidiary of Adelaide Resources Limited. • There are no third party agreements, non govt royalties, or historical sites known. Underlying land title is Pastoral leasehold. The tenement area is covered by a Native Title claim and an Exploration Agreement has been executed with the Native Title Claimants. An aboriginal work area clearance has been completed over the prospect the subject of the report. • EPM 18090 is in good standing.
Exploration	• *Acknowledgement and appraisal of exploration by*	• The general area the subject

done by other parties	*other parties.*	of this report has been explored in the past most notably by Hunter Resources and MIM Exploration. The Company has reviewed past exploration data generated by these companies.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Deposits in the general region are considered to be of low sulphidation epithermal vein style.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *Easting and northing of the drill collar* o *Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill collar.* o *Dip and azimuth of the hole.* o *Down hole length and interception depth.* o *Hole length.* • *If the exclusion of this information is justified on the axis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• The suggested information is included in Tables 1 and 2 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 were calculated by length weighting of individual samples. • 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 footnotes to Tables 1 and 2 state that the intersections are downhole lengths.
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 are included as Figures 1 to 4 in the report.
Balanced Reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All material results are reported.
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*	• Additional information, including the results of a consultant study are included in the report.

	density, ground water, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
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 awaiting further analytical results from its drilling programme at South West Limey Dam prospect.