Adelaide Resources Limited
ABN: 75 061 503 375

Corporate details:

ASX Code: ADN

Cash: $1.09 million

Issued Capital:
350,922,352 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: The first recorded discovery of epithermal style gold in the Drummond Basin was at Mt Coolan in 1913. The Scott Lode at Pajingo was discovered in 1984.

ASX announcement

12 November 2015

Drummond epithermal gold project

(100% owned), Queensland

Final South West Limey Dam drill results

Summary

- Assaying of the last five holes of the 2015 diamond drilling programme at the South West Limey Dam prospect is complete.
- In the south of the prospect hole GLD032, drilled east of three earlier holes which encountered broad zones of low grade gold and silver, intersected several narrow intervals of mineralisation (best 1.19 metres at 0.31g/t gold).
- At the Alexandra vein GLD030, testing 100 metres below, and GLD029 testing 90 metres along strike from an intersection of 0.71 metres at 9.11g/t gold in earlier hole GLD009, intersected minor quartz-carbonate veining in the target zone.
- At Anna North GLD031, drilled below earlier hole GLD019 which encountered a 5 metre interval of quartz veining, intersected a quartz veined breccia with anomalous gold.
- Overall, the 2015 diamond programme has delivered results consistent with the epithermal geological model, maintaining a belief that the Drummond tenements remain prospective for high grade gold mineralisation.
- Preparation of documents to secure reimbursement of $100,000 from the Queensland Government through its Collaborative Drilling Initiative funding grant is nearing completion.
- An Aboriginal heritage survey completed at the recently identified Bunyip gold prospect has cleared the target for future drill testing.

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 gold mineral field of similar dimension to the +3Moz Pajingo Field to the west.

The Company recently completed a 25 hole (1,855 metre) diamond drilling programme at the South West Limey Dam prospect, with the programme partly funded through a grant from the Queensland Government.

Progressive results from the drilling programme were announced on 21 September and 23 October 2015.

Intersections from epithermal quartz veins in the north of the prospect included 0.71 metres at 9.11g/t gold, and 0.70 metres at 1.43g/t gold. Holes in the south of the prospect intersected broad zones of low grade mineralisation including 19.0 metres at 0.19g/t gold, and 96.5 metres at 1.01g/t silver.

Assays for the final five programme holes are now finalised.

New Results

The locations of the final five holes, numbered GLD028 to GLD032 inclusive, are shown on Figure 2. Assay results appear in Table 1.

Holes GLD028 and GLD032 were drilled in the south of the prospect, while GLD029, GLD030 and GLD031 tested down dip of epithermal quartz veins intersected in earlier programme holes in the northern part of the prospect.

GLD032 intersected a number of narrow low grade gold mineralised intervals, including 1.19 metres at 0.31g/t gold (Figure 3). GLD028 intersected a zone of strongly anomalous arsenic but no gold.

Holes GLD029 and GLD030 tested along strike and down-dip of an earlier reported intersection of 0.71 metres at 9.11g/t gold at the Alexandra vein. The recent holes encountered minor quartz-carbonate veining at the target position.

GLD031 drilled below a shallow 5.05 metre intersection of epithermal vein quartz in earlier hole GLD019. Numerous narrow carbonate and quartz veins were observed at the target position in GLD031 core with anomalous gold present.

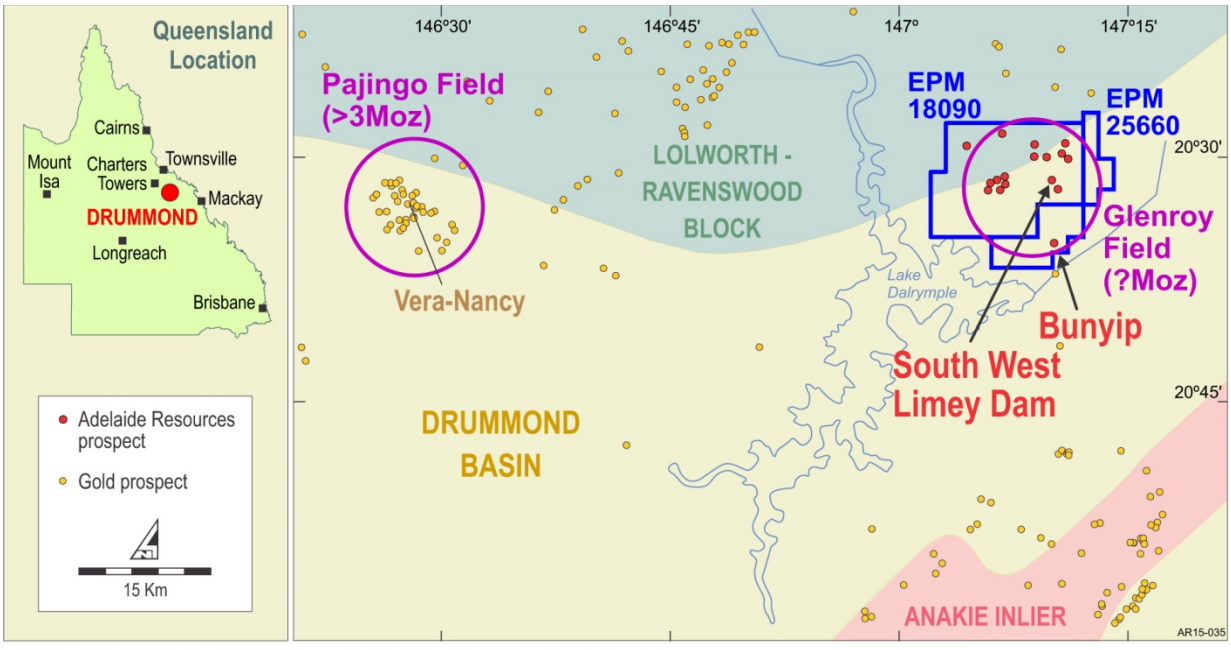

Figure 1: Drummond Epithermal Gold Project location plan.

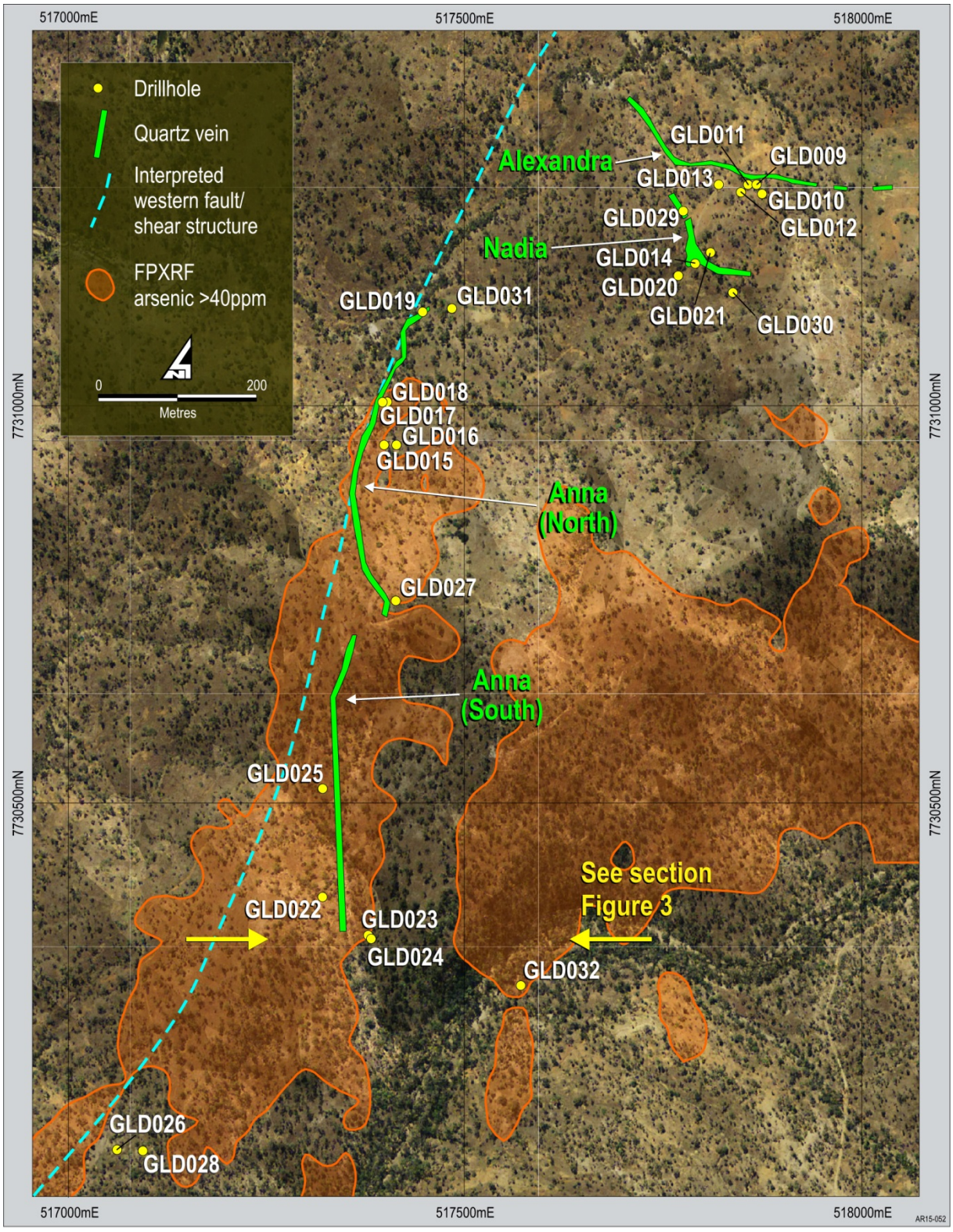

Figure 2: South West Limey Dam prospect drillhole location plan.

Discussion

The 3-dimensional geology and geochemistry of the South West Limey Dam prospect is of a large hotspring geothermal-epithermal system exposed near the contemporary land surface.

The system is auriferous, with numerous rock chip samples recording high grades of gold and drilling returning modest, but encouraging, gold intersections.

The level of the epithermal system exposed at the modern day surface

and in drill holes ranges from the uppermost sinter and geyserite deposits which formed on the palaeo land surface, down through an extensive zone of arsenic anomalous silicification, and into the deeper levels of the system typified by colloform textured quartz feeder veins which form the primary target for epithermal gold mineralisation.

The near total preservation of the South West Limey Dam epithermal system allows the presence of a high grade gold deposit at depth, while the prospect geology is seen to be closely analogous to a number of multi-million ounce gold deposits located in Australia and elsewhere.

The future exploration challenge at South West Limey Dam remains the identification of quartz veins that have better lateral and vertical continuity than those tested to date, and to target these veins at the depth where high to bonanza grades of gold are anticipated to occur.

Collaborative Drilling Initiative grant

The Company successfully applied to the Queensland Government for $100,000 through its Collaborative Drilling Initiative to assist in meeting the programme costs.

The documents required to be lodged with the Queensland Government as a prerequisite to receiving the CDI grant funds are now being finalised.

Bunyip heritage survey

The Bunyip target, located 8km south of South West Limey Dam (Figure 1), comprises 2,000 metres of outcropping epithermal textured quartz veins.

Surface rock chip sampling at Bunyip has returned up to 19.65g/t gold and Bunyip represents a future drill target.

An aboriginal heritage survey has been completed over the target and did not find any sites where future exploration activities are restricted, clearing the way for future drill testing.

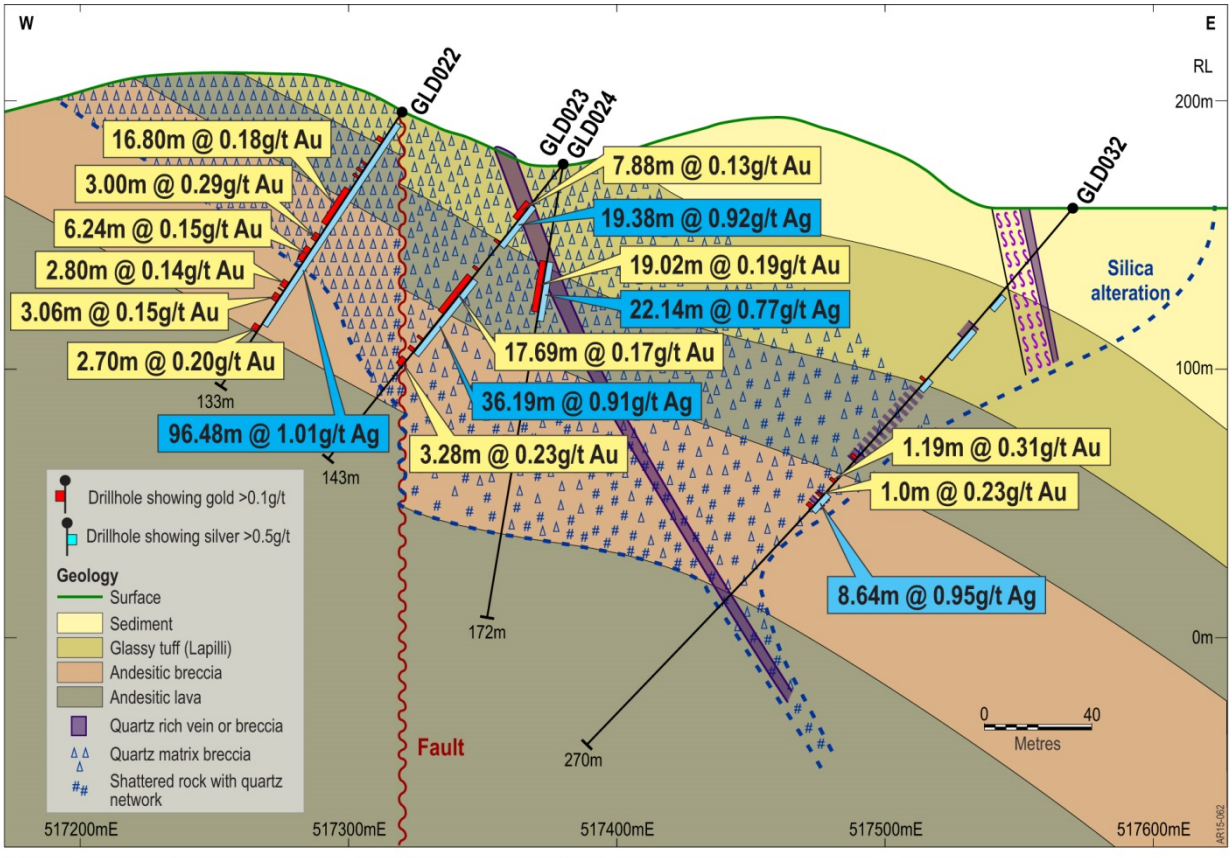

Figure 3: South West Limey Dam section 7730350mN.

Table 1: *South West Limey Dam holes GLD028 to GLD032 – gold and silver intersections.*

Hole Name	From (m)	Interval (m)	Au (g/t)	Ag (g/t)	Easting (mga94)	Northing (mga94)	RL (m)	Dip	Azimuth (mga94)	Depth (m)
GLD030	28.29	0.41	0.15	<0.5	517837	7731143	185	-60	10.7	121.86
	29.76	0.25	0.19	<0.5						
	31.16	0.24	0.17	<0.5						
	49.05	0.61	0.17	0.50						
GLD032	84.50	1.15	0.10	1.60	517095	7730062	164	-75	269.2	270.25
	123.10	1.32	0.12	<0.5						
	135.00	1.19	0.31	<0.5						
	142.50	1.00	0.23	1.00						
	147.50	1.64	0.14	1.00						

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 with AA finish using nominal 30gm charge weight. Silver determined by four acid digestion and ICP-AES using nominal 0.25gm 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. Holes GLD028, GLD029 and GLD031 contain no significant intersections. Intersections quoted are downhole lengths – true widths are unknown.

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*	• 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.

	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.	
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, averaging 99.5% over the five holes reported.. • 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 is 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*	• 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.

	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.*	• 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 table of intersections included in the report has 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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill collar locations surveyed using a GPS with an accuracy of +/- 5 metres. • Collar RLs estimated from 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 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 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 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*	• Intersections were calculated by length weighting of individual samples. • No metal equivalents are reported.

	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.*	
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 states 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 3 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 density, ground water, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Additional information, including the results of a consultant study are included in 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.*	• The report advises that the Bunyip prospect will be the focus of future exploration .