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Australian Securities Exchange Announcement

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Company Announcements Office
Australian Securities Exchange Limited
PO Box H224
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Maiden Drilling Intersects Copper At Blue Tongue – SA.

Maiden aircore drilling of the Blue Tongue target on the Moonta Copper-Gold Project has encountered a wide zone of low grade copper mineralisation on each of three drill traverses completed. Laboratory assayed intersections include:

- 25 metres at 0.26% copper from 29 metres downhole in ALWAC128
- 12 metres at 0.29% copper from 46 metres downhole in ALWAC129
- 14 metres at 0.31% copper from 59 metres downhole in ALWAC131
- 8 metres at 0.34% copper from 55 metres downhole in ALWAC143
- 9 metres at 0.30% copper from 27 metres downhole in ALWAC154
- 8 metres at 0.48% copper from 21 metres downhole in ALWAC156
- 14 metres at 0.30% copper from 38 metres downhole in ALWAC158
- 9 metres at 0.24% copper from 73 metres downhole in ALWAC159

A follow-up Induced Polarization (IP) survey is under consideration as this geophysical method has potential to assist in targeting any future deeper drill tests at Blue Tongue.

The surface FPXRF soil geochemical anomaly that defines the Blue Tongue target is clearly sourced by the mineralisation discovered in the drilling, validating the FPXRF method.

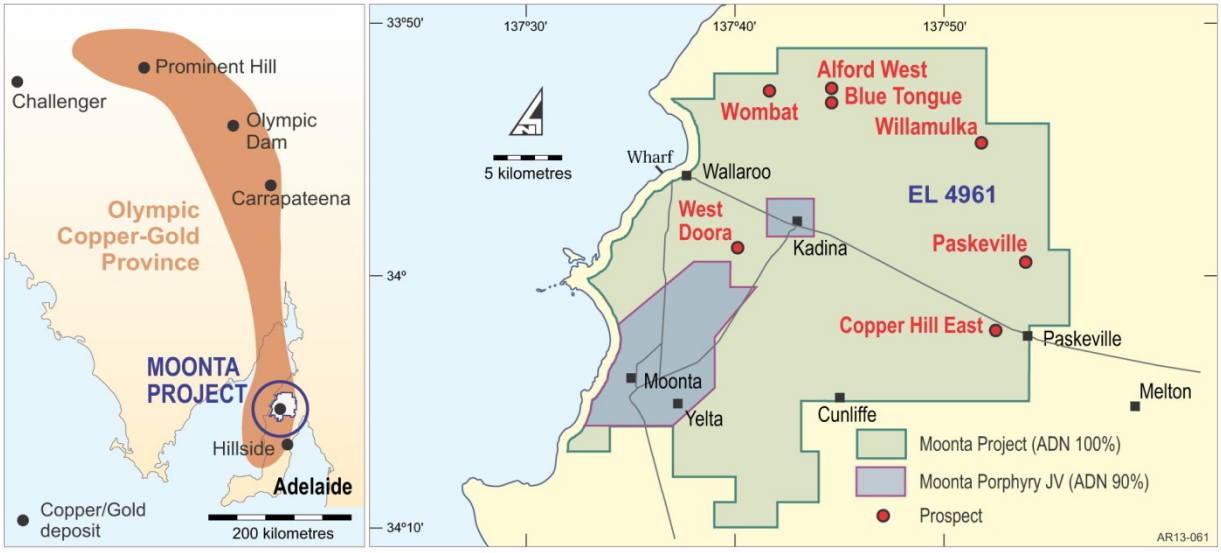

Figure 1: Moonta Copper-Gold Project location.

Introduction

The Blue Tongue target is located in a wholly owned part of the Moonta Copper-Gold Project which is situated on the Yorke Peninsula of South Australia (Figure 1). Geologically the Moonta Project falls towards the southern end of the world class Olympic Copper-Gold Province which hosts producing mines at Olympic Dam and Prominent Hill, and the historical "Copper Triangle" mines at Moonta and Kadina which fall within the Company's tenement.

The Blue Tongue target was defined in December 2013[(1)] when a Field Portable X-Ray Fluorescence (FPXRF) soil geochemical survey identified a strong copper anomaly south of the Alford West Prospect.

The linear Blue Tongue FPXRF geochemical anomaly has a strike length of about 1000 metres and trends northeast-southwest (Figure 2). The magnitude of the copper anomalism in soils at Blue Tongue is comparable to the levels seen in soils above drill confirmed mineralisation at Alford West.

Prior to Adelaide Resources' FPXRF survey in December last year, Blue Tongue had not been identified in previous surface or auger geochemical surveys, and consequently had not previously been targeted by any historical drilling.

Drill Program

Adelaide Resources' maiden drilling program Blue Tongue comprised 43 inclined aircore holes which reached an average depth of 60 metres. The holes were drilled on three north-south oriented drill traverses that covered the FPXRF anomaly (Figure 2).

Unconsolidated cover sediments averaging about 5 metres thick, blanket fine grained metasedimentary bedrock which is weathered to varying depths. The metasediment bedrock displays evidence of metasomatic alteration and veining in places.

Malachite, a copper carbonate mineral, was observed in drill samples collected from holes on each of the three drill traverses that tested the Blue Tongue anomaly.

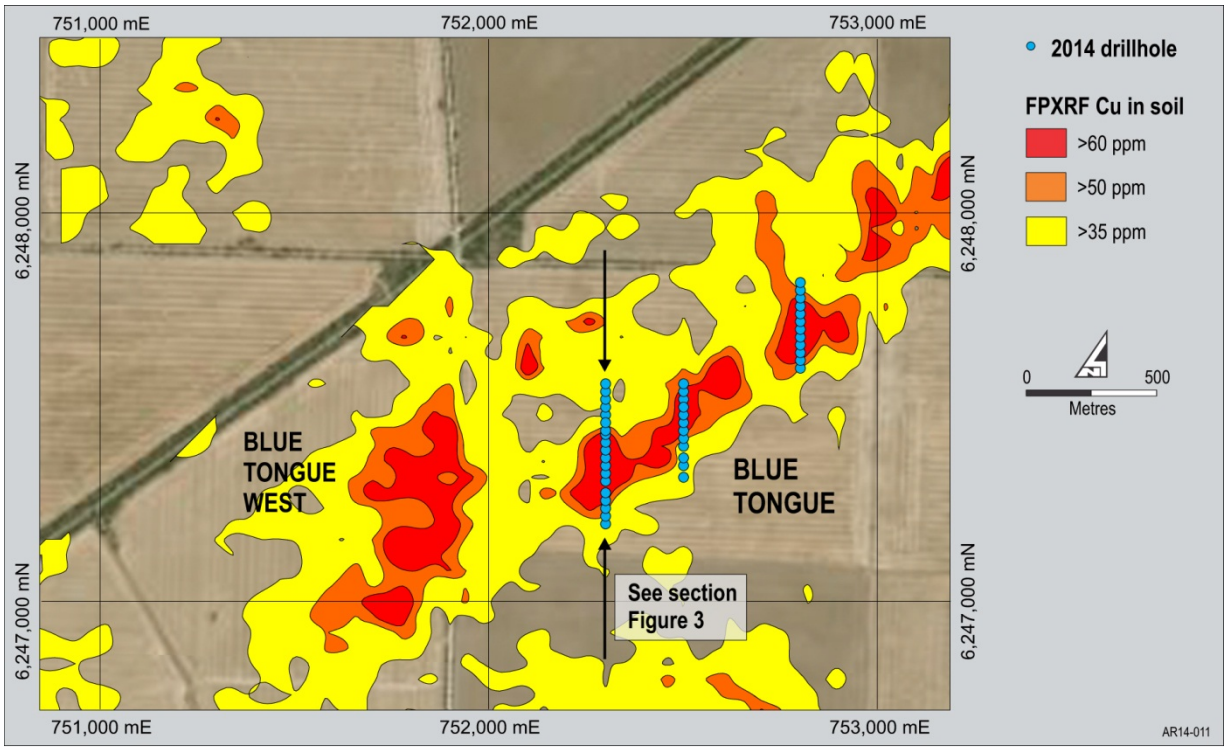

Figure 2: Blue Tongue target showing drillhole locations.

FPXRF scans of drill samples, while not as quantitatively precise as laboratory assays, indicate that holes on each of the three Blue Tongue drill traverses completed in this maiden program intersected strongly anomalous to low grade copper.

Definitive commercial laboratory assays have also been completed. Material copper intersections are listed in Table 1 of this report, and selected intersections shown on Figure 3. The laboratory copper assay results are, on average, higher than the FPXRF copper scans. Other metals including gold, silver, cobalt, lead and zinc are also present at anomalous levels in the copper mineralised zone. Better laboratory assayed copper intersections include:

- 25 metres at 0.26% copper from 29 metres downhole in ALWAC128
- 12 metres at 0.29% copper from 46 metres downhole in ALWAC129
- 14 metres at 0.31% copper from 59 metres downhole in ALWAC131
- 8 metres at 0.34% copper from 55 metres downhole in ALWAC143
- 9 metres at 0.30% copper from 27 metres downhole in ALWAC154
- 8 metres at 0.48% copper from 21 metres downhole in ALWAC156
- 14 metres at 0.30% copper from 38 metres downhole in ALWAC158
- 9 metres at 0.24% copper from 73 metres downhole in ALWAC159

Interpretation

The FPXRF drill sample scans indicate that a broad zone of low grade copper mineralisation has been discovered at Blue Tongue. Contouring of the FPXRF results at a grade of 0.1% copper reveals a mineralised body up to 100 wide on drill section, an estimated horizontal true width of about 70 metres (Figure 3).

Primary mineralisation at Blue Tongue will almost certainly be present as copper sulphide, however no sulphide minerals were observed during geological logging of the drill hole samples, and laboratory assays confirm the lack of sulphur. The absence of sulphides suggests that the primary copper mineralisation is oxidised to depths below that reached by the aircore drilling, and a deeper supergene enriched sulphidic target zone may be present. There are also likely to be sub-zones at Blue Tongue where variations in primary grade result in areas of higher grade mineralisation, presenting targets for deeper drill testing.

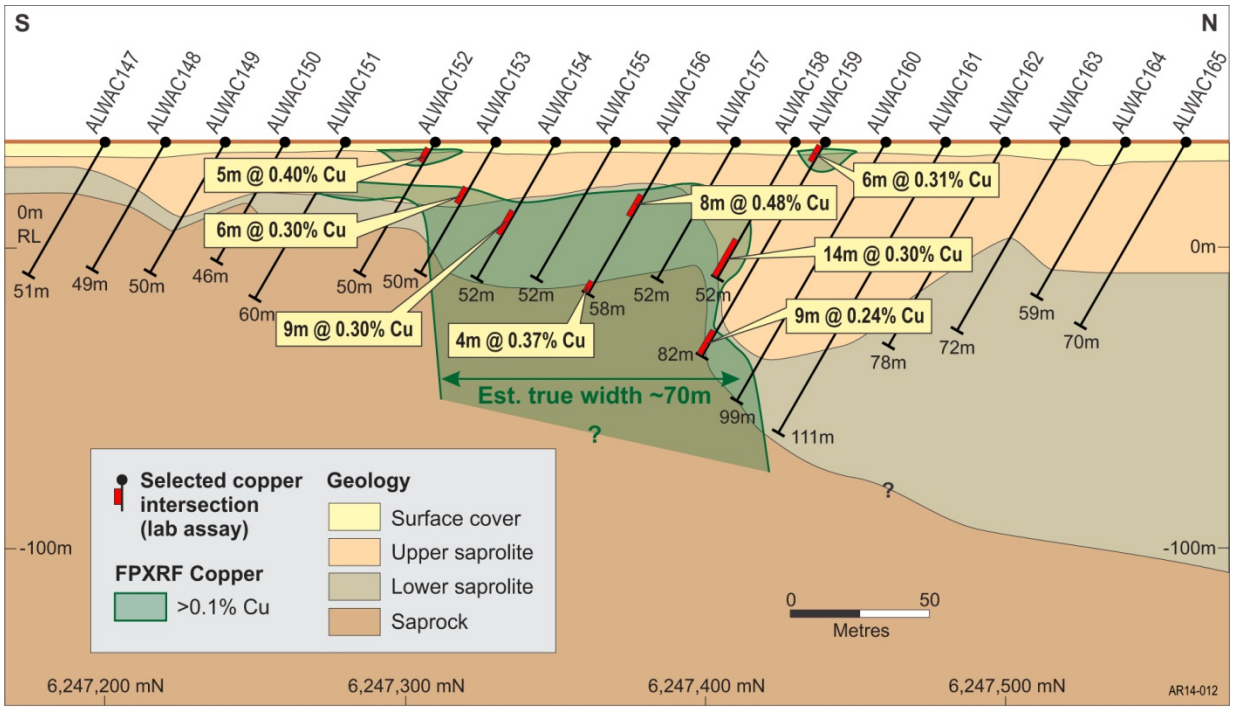

Figure 3: Blue Tongue Section 752,300 mE looking west.

Induced Polarisation (IP) is a geophysical technique that can potentially identify zones of sulphide mineralisation at depth, and may be able to delineate zones of supergene sulphide enrichment or areas of higher primary grade sulphide. The Company is giving consideration to conducting an IP survey over Blue Tongue, preparatory to any deeper reverse circulation or diamond drill testing of the prospect.

The Blue Tongue drilling program has significantly extended the dimensions of the known mineralised system in the broader Alford West area, adding close to another kilometre of mineralised strike length additional to the main Alford West Prospect. The Blue Tongue mineralisation remains open to both the southwest and northeast and at depth, and the Company believes there is a good chance that it will extend still further.

The broader Alford West area is clearly emerging as a major copper mineralised system within the Alford Copper Belt, which also includes the large Wombat system to the west and potentially other mineralised systems to the east.

The recent drilling at Blue Tongue confirms that the FPXRF copper soil anomaly which defines the target is sourced by the underlying copper mineralisation, presenting a strong validation of the technique's application. Figure 4 shows the FPXRF soil copper geochemical profile above the drill section presented in Figure 3, with the peak of the surface geochemical soil anomaly accurately defining the core of the buried mineralisation discovered in this drilling program.

The surface soil anomaly confirms that copper is "leaking" upward through at least five metres of transported cover, and the FPXRF geochemical method presents a rapid, sensitive and highly cost effective technique to detect and evaluate this leakage. This has huge implications not only for ongoing exploration of the Alford Copper Belt, but also for exploration of other areas on the Moonta Project tenement.

Drilling of other targets, including the western extensions of the Alford West Prospect, has been recently conducted, with further results forthcoming in the near future.

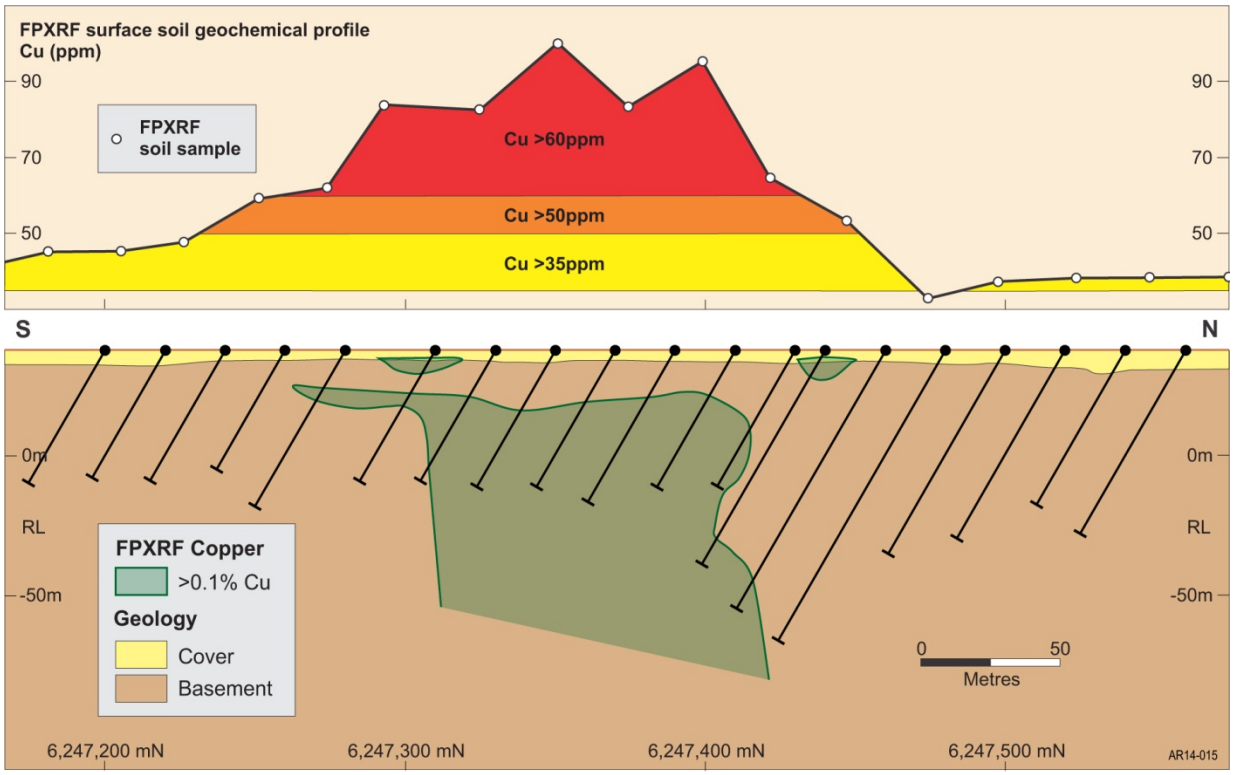

Figure 4: FPXRF copper soil geochemical profile on Section 752,300 mE.

Table 1: *Blue Tongue 2014 Drill Intersections – laboratory assays.*

Hole Name	Easting (mga94)	Northing (mga94)	RL	Dip	Azimuth	Final Depth	From (m)	To (m)	Interval (m)	Cu %	Au g/t
ALWAC128	752800	6247700	35	-60	180	59	29	54	25	0.26	<0.01
						incl.	35	37	2	0.64	<0.01
ALWAC129	752800	6247720	35	-60	180	64	46	58	12	0.29	0.01
ALWAC131	752800	6247760	35	-60	180	90	59	73	14	0.31	0.01
						incl.	65	67	2	0.66	0.01
ALWAC143	752500	6247500	35	-60	180	63	55	63	8	0.34	0.01
						incl.	61	63	2	0.57	<0.01
ALWAC144	752500	6247520	35	-60	180	58	27	33	6	0.21	<0.01
ALWAC152	752300	6247310	35	-60	180	50	3	8	5	0.40	<0.01
						incl.	3	5	2	0.70	<0.01
ALWAC153	752300	6247330	35	-60	180	50	18	24	6	0.30	<0.01
							28	33	5	0.23	0.01
ALWAC154	752300	6247350	35	-60	180	52	27	36	9	0.30	<0.01
ALWAC156	752300	6247390	35	-60	180	58	21	29	8	0.48	<0.01
							41	45	4	0.28	<0.01
							54	58	4	0.37	0.12
ALWAC158	752300	6247430	35	-60	180	52	38	52	14	0.30	<0.01
						incl.	46	48	2	0.51	<0.01
ALWAC159	752300	6247440	35	-60	180	82	2	8	6	0.31	0.05
							73	82	9	0.24	<0.01

Intersections calculated by averaging 1m chip samples. Only intersections of 1 m% copper or greater reported. Copper determined by four acid digest followed by ICP-AES finish. Gold determined by fire assay fusion followed by ICP-AES finish. Cut-off grade of 0.2% Cu applied with up to 2m internal dilution. Introduced QA/QC samples indicate acceptable analytical quality. Intersections are downhole lengths – true widths are not known.



Chris Drown
Managing Director

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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)]See ADN's ASX release dated 18 December 2013 titled "New Drill Target Defined Near Alford West Prospect – SA".

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.*	• Aircore drilling was used to obtain 1m grab samples of an average weight of 1.2kg 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 aircore blade in unconsolidated regolith, and aircore hammer (slimline RC) in hard rock. • Hole diameters are 90mm.
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.*	• Qualitative assessment of sample recovery and moisture content of all drill samples is recorded. • Sample system cyclone cleaned at end of each hole and as required to minimise up-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 1.2kg were collected for laboratory assay using a trowel. • Dry samples were homogenised by mixing prior to sampling. • 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 samples were introduced into sample stream by the Company, while the laboratory completed double assays on many samples. • Both Company and laboratory introduced duplicate 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 41%.
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*	• 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

	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.*	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 4 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 41%. • 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 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.*	• A Company geologist has checked the calculation of the 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 holes are located using handheld Garmin GPS instruments with an autonomous accuracy of +/- 5 meters. DGPS surveying of drill collars is completed following drilling, but is yet to be completed for the holes the subject of this report. • In the absence of DGPS surveys, RL's for the drill collars have been set at a nominal 35m asl. The land is relatively flat with RL variation on the scale of the drill traverses considered to be less than 5m • GDA94 (Zone 53)
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.*	• Along line drill hole spacing is nominally 20 metres, 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 NE-SW trending geochemical target. The angle of incidence 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, 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 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:* 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 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.*	• The required information on drill holes which returned material intersections is incorporated into Table 1 of the report. Material intersections are taken as being intersections of greater than 1m% Cu using a 0.2% Cu lower cut off and including not more than 2m of internal dilution. • The collar locations of all program drill holes the subject of the report are shown on Figure 2 of the report.
Data aggregation	• *In reporting Exploration Results, weighting averaging techniques, maximum and/ or minimum*	• Intersections are calculated by simple averaging of 1m assays.

methods	*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.*	• The aggregated intercepts presented in the report do not include short lengths of high grade mineralisation. • 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 estimated *horizontal* true width of the mineralised zone discussed in the report is disclosed in the report text and on Figure 3. Drill coverage is not considered sufficient to establish true widths due to some uncertainty regarding mineralisation dip. • The footnote to Table 1 of the report states that intersections are downhole lengths and that true width is 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 a section with scales appear as Figures 1, 2 and 3 of the report. A tabulation of material intersects 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 establish if a drill intersection is considered material is included in the footnotes to table 1.
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.*	• Geological observations are included in the report. The report also includes a section under the sub-heading "Interpretation" that details the Competent Person's view of the significance of the results being reported.
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 considering conducting a geophysical survey as the next stage of work.