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# New Mineralisation Model for the Alford West Prospect – SA.

## The New Mineralisation Model

- Adelaide Resources Limited has developed a new model for copper mineralisation at the Alford West Prospect, and its satellite target zones including Blue Tongue, to a depth of 130 metres below surface (-100m RL).
- The model has been constructed using all available information from drilling, and incorporates the exploration team's understanding of the behavior of metal in the weathered zone and the relationship of copper and gold mineralisation to other metals.

## Key Features of the Mineralisation Model

- The Alford West, Blue Tongue and Blue Tongue West Targets are now interpreted to be part of **a single, large Iron Oxide Copper-Gold style mineralised system** that **extends over three kilometres** in an east-west direction.
- There are **four internal zones within the broader system that show potential to contribute to a mineral resource**. These are named Larwood, Bruce, Six Ways and Blue Tongue. **All four zones remain open at depth**.
- The dimensions of the currently modelled lodes confirm that **potential for a substantial mineral resource exists**, if deeper exploratory drilling successfully demonstrates the mineralised zones persist to depth.
- Very limited historical diamond and RC drilling at Alford West has intersected deeper mineralisation and returned primary zone intersections in excess of 1% copper, highlighting the **potential for attractive grades of mineralisation to persist to depth.**
- Confidence in the depth potential at Alford West is further enhanced by the large lateral extent of the system, the presence of significant mineralisation at depth at the nearby Wombat Prospect, and the typically deep extent of other deposits in the district.

## How will the Mineralisation Model be used?

- A preliminary version of **the model was used to design recently completed aircore drilling** at the Larwood and Bruce Zones to target additional shallow mineralisation. Assaying of these holes is in progress however FPXRF scans of drill samples suggest **mineralised intervals are present confirming the model's predictive ability**.
- The new **model now enables the confident design of deeper drilling** to test for depth extensions and establish a mineral resource at Alford West.
- The model will be revised to incorporate new and deeper drill information when it comes to hand, and will form the basis for ore resource estimation for Alford West.

## Introduction

The Alford West Prospect is located in the northern part of the Moonta Cooper Gold Project tenement which is situated on the Northern Yorke Peninsula of South Australia (Figure 1). The Moonta Project falls towards the southern end of the world class Olympic Copper-Gold Province, and captures the historical copper mining and processing centres at Moonta, Kadina and Wallaroo which together form the famous "Copper Triangle" mining district. The Alford West Prospect includes the Alford West, Blue Tongue and Blue Tongue West targets.

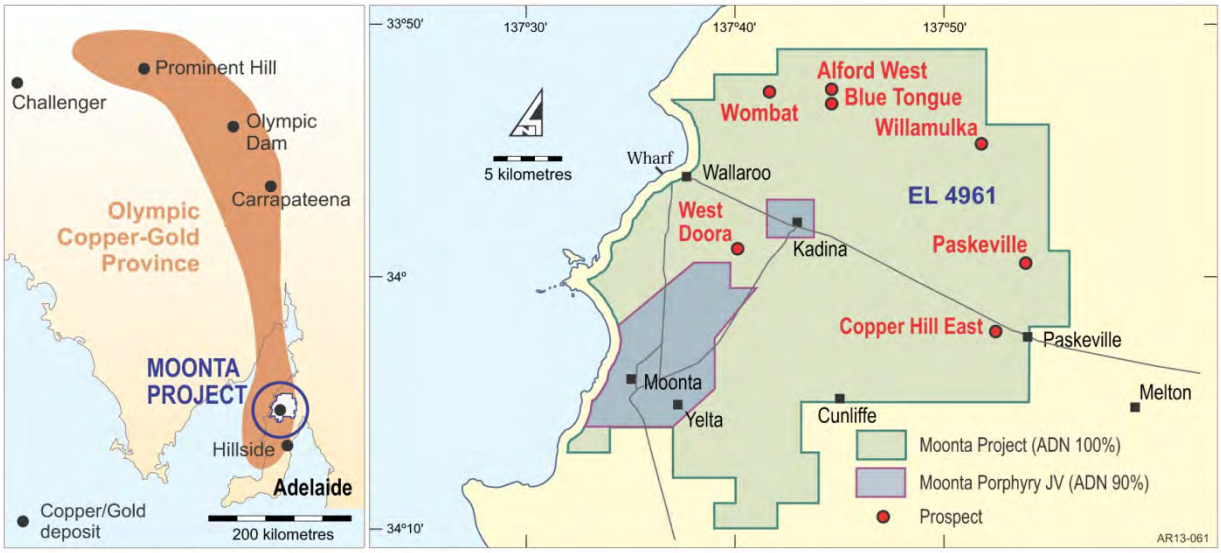



**Figure 1: Moonta Copper-Gold Project location.**

The Alford West target[1] is defined by a 3500 metre long copper anomaly evident in shallow auger drilling completed by past explorers in the 1970's, with the average depth of the auger holes being about 10 metres.

The Blue Tongue[2] and Blue Tongue West[3] targets are copper anomalies discovered by Field Portable X-Ray Fluorescence (FPXRF) soil geochemistry completed by Adelaide Resources in late 2013 and early 2014. Neither of the FPXRF targets had any historic deeper drill tests.

## Summary of information used to construct the mineralisation model

Historical deeper drilling at Alford West includes 12 diamond holes, 32 reverse circulation holes and 26 aircore holes, completed by four past explorers. Some of these old holes were poorly sited, however many of the diamond and reverse circulation holes intersected copper mineralisation, with a number returning high grade intersections. Gold assays were not routinely completed but are available for some historic holes.

In 2013, Adelaide Resources completed aircore drilling over an 1100 metre interval in the eastern part of the Alford West target zone. A total of 122 holes were drilled on eleven traverses with numerous intersections of high grade mineralisation returned.

In 2014, the company drilled an additional 161 aircore holes to test the western part of the Alford West Prospect, and the Blue Tongue and Blue Tongue West geochemical targets. The 2014 program was split into an initial stage of broad spaced drilling in the western part of Alford West, followed by a second stage of more targeted drilling.

In total, Adelaide Resources has drilled 283 aircore holes into the area for a total of 18,265 metres. Figure 2 shows the combined auger and soil FPXRF geochemical anomalies together with the locations of all drill collars.

Drill samples from all of Adelaide Resources' holes have been scanned with an FPXRF instrument, with the results of these scans used to select samples for definitive commercial laboratory assay. Laboratory assays have been reported for all of Adelaide Resources' holes

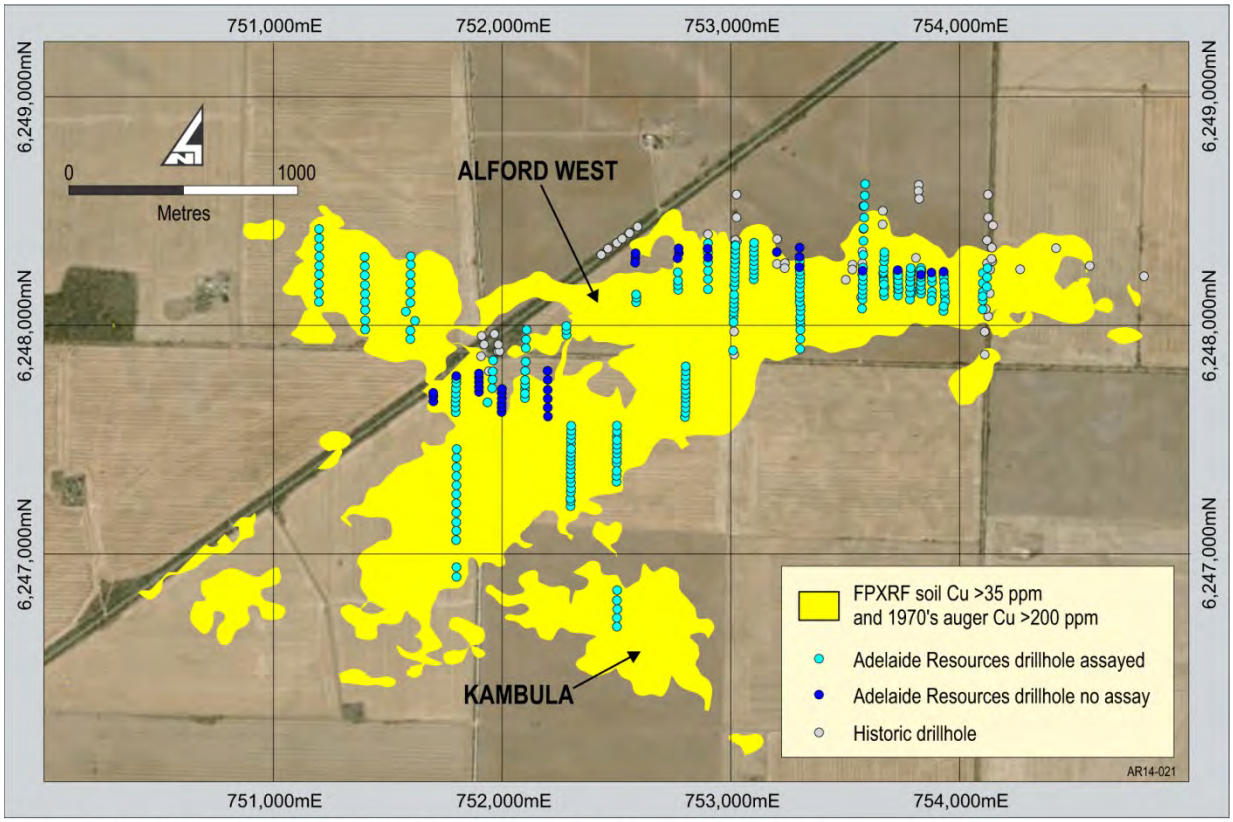



**Figure 2: Alford West Prospect drillhole locations and copper geochemistry.**

up to and including hole ALWAC250 (the 2014 stage one holes), while assaying of drill samples from the stage two holes drilled in 2014 is currently in progress. The company has also digitally captured all assay data available for the historic holes.

The mineralisation model for the prospect area has been constructed using all available geological, FPXRF and laboratory assay data for Adelaide Resources' drilling as well as assays from all historical holes. Interpretations of regional geochemical and geophysical data. The exploration team's understanding of the behavior of metal in the weathered zone and of the relationships between copper and gold to other elements present at Alford West have also been incorporated during construction of the model.

A comprehensive listing of laboratory assayed drill intersections achieved in both Adelaide Resources' holes and the historic holes appears in Table 1 later in this release. Appendix 1 includes a summary of the deposit geology for technically minded readers.

**Mineralisation Model**

The background levels of copper and other metals in non-mineralised bedrock on the Moonta Project are very low. For example, the background concentration of copper in non-mineralised rock is estimated to be around 30ppm and gold is less than 1ppb. Therefore any metal present above these background levels is evidence of mineralisation.

Figure 3 presents the new 3-D mineralisation model of the Alford West Prospect. The blue outer mineralised halo shown on Figure 3 is the interpretation of the volumes of rock that contain greater than 500ppm copper using the FPXRF scans completed on the drill samples.

The red bodies within the outer blue zones shown on Figure 3 are interpreted using only definitive laboratory assay data and represent volumes of rock where copper grades are in excess of 0.20% copper. The drill intersections listed in Table 1 have been compiled using the same 0.20% copper cutoff, and give an indication of the grades that occur within the red volumes.

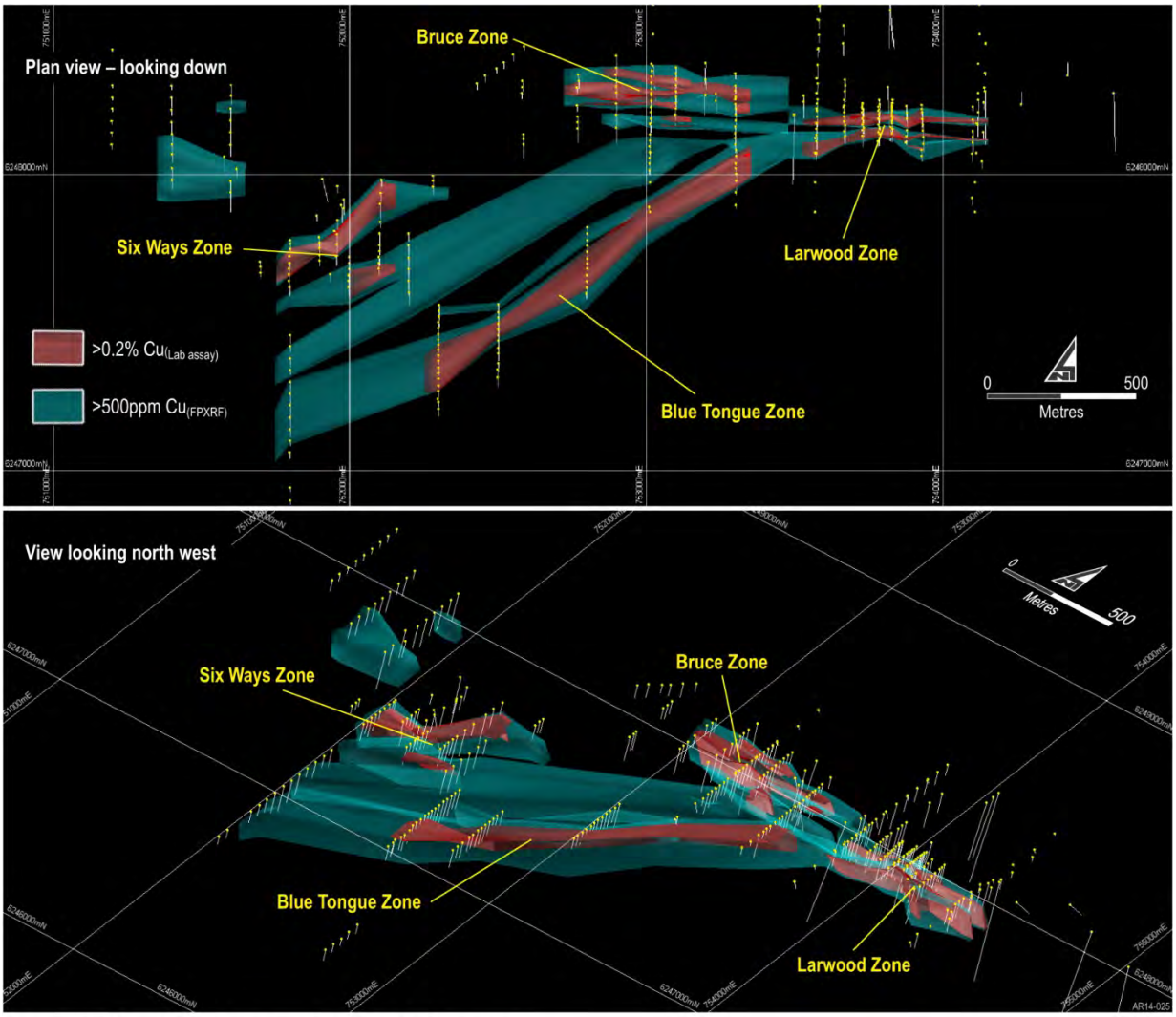



**Figure 3: Alford West Prospect current 3-D models.**

The current model has been interpreted to a depth of 100 metres below sea level (-100m RL), which is approximately 130 metres below ground surface.

Four main zones of copper mineralisation (the red volumes in Figure 3) are currently recognised. These are the Larwood, Bruce, Six Ways[4] and Blue Tongue Zones.

The Larwood Zone strikes east-west and extends for 600 metres. It includes the North and South Lodes which are both sub-vertically dipping. The North Lode ranges in width from about 10 to 20 metres, and the width of the South Lode varies from about 5 to 20 metres. Significant gold mineralisation accompanies copper, particularly in the South Lode. Associated other metals include iron, molybdenum and cobalt.

The Bruce Zone also strikes east-west and has a sub vertical dip. It has a currently confirmed strike length of 600 metres but remains open for some distance to both the east and west. It comprises multiple copper and gold lodes associated with a coherent zone of molybdenum mineralisation. Molybdenum grades in excess of 0.1% occur over broad downhole intervals in some holes. The widths of the two main copper lodes at Bruce vary from about 15 to 30 metres, and from about 3 to 15 metres.

The Six Ways Zone was discovered during the 2014 drill program. Drill coverage at Six Ways is still relatively coarse, however it has returned a number of promising copper intersections and shows clear potential to develop into a zone of significance with further exploration. It is currently interpreted to comprise two lodes which strike northeast-southwest and have sub vertical dips. The widths of the two lodes at Six Ways vary from about 10 to 15 metres, and 10 to 25 metres. To date Six Ways appears to be copper dominant, with no significant gold

intersections returned. It contains strongly anomalous lead with individual 1-metre samples occasionally assaying in excess of 1% lead.

The Blue Tongue Zone is now interpreted to be a continuous zone extending from Blue Tongue West, through Blue Tongue, and into the Larwood Zone area. It strikes northeast-southwest, has a strike length of about 1400 metres, and varies in width from 10 to 70 metres. To date Blue Tongue has delivered only low grade copper intersections, however its large strike extent does not preclude the presence of internal zones of better grade.

The large scale of the overall mineralising system at Alford West is clearly evident in the model. A mineralised system with such extensive horizontal dimension can be expected to have significant vertical dimension. Deeper historical drilling at the nearby Wombat prospect confirms that mineralisation extends to depth below shallower zones intersected in aircore, supporting the depth potential below the currently drilled and modelled upper part of the Alford West system (Figure 4). Many of the historical mines in the Moonta district, and the advanced Hillside Prospect on eastern Yorke Peninsula, also extend to depths of 500 metres or more further supporting the deeper potential at Alford West.

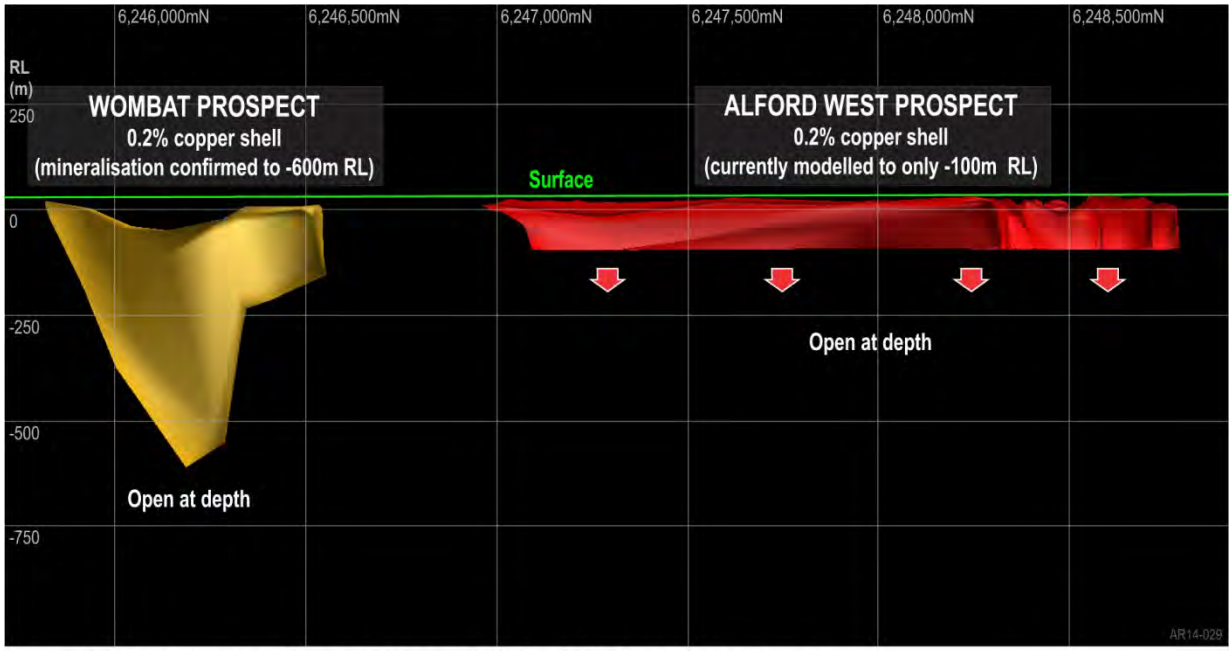



**Figure 4: Alford West and Wombat Prospects 3-D models looking northwest.**

Confidence in the mineralisation model at the Larwood and Bruce Zones is adequate to now allow the accurate design of deeper reverse circulation or diamond drill holes to test for deeper mineralisation in both areas, while the lode dimensions confirm that potential to define a substantial mineral resource exists, if deeper exploratory drilling continues to be successful.

A preliminary version of the model was used to design recently completed stage 2 aircore drilling at the Larwood and Bruce zones to target additional shallow mineralisation. Assaying of these holes is in progress however FPXRF scans of drill samples suggest mineralised intervals are present confirming the model's predictive ability. The company anticipates releasing laboratory assays for these holes in the near future.

In respect the Six Ways and Blue Tongue Zones, current drill density does not allow such confident modelling and hence planning of deeper tests, however both zones show clear potential to include mineralisation that can contribute to a mineral resource.

Ultimately, the mineralisation model will also form the basis for the estimation of mineral resources at Alford West.

***Table 1:*** *Alford West drill intersections summary.*

| Zone | Hole Name | Hole Type | Easting (mga94) | Northing (mga94) | RL (msl) | Dip | Azimuth (mga94) | Depth (m) | From (m) | To (m) | Interval (m) | Cu % | Au g/t | Com-ments |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Larwood Zone (North Lode) | ALWAC003 | Aircore | 753668 | 6248195 | 35.2 | -60 | 180 | 80 | **51** | **58** | **7** | **1.86** | **0.45** | **Sulphide** |
| | | | | | | | | *incl.* | 52 | 58 | 6 | 2.14 | 0.40 | Sulphide |
| | ALWAC006 | Aircore | 753727 | 6248227 | 35.7 | -60 | 180 | 78 | 45 | 50 | 5 | 0.92 | 0.15 | Sulphide |
| | | | | | | | | | **56** | **71** | **15** | **2.89** | **0.15** | **Sulphide** |
| | | | | | | | | *incl.* | 57 | 67 | 10 | 4.23 | 0.20 | Sulphide |
| | ALWAC007 | Aircore | 753729 | 6248188 | 34.8 | -60 | 180 | 80 | **32** | **52** | **20** | **4.20** | **0.27** | **Sulphide** |
| | | | | | | | | *incl.* | 32 | 43 | 11 | 6.81 | 0.40 | Sulphide |
| | ALWAC019 | Aircore | 753878 | 6248207 | 36.1 | -60 | 180 | 72 | **34** | **42** | **8** | **0.42** | **1.62** | **Sulphide** |
| | | | | | | | | *incl.* | 38 | 42 | 4 | 0.14 | 2.28 | Sulphide |
| | | | | | | | | | 65 | 72 | 7 | 1.02 | 0.06 | Sulphide |
| | ALWAC023 | Aircore | 753930 | 6248208 | 36.5 | -60 | 180 | 55 | 50 | 56 | 6 | 0.87 | 0.21 | Sulphide |
| | | | | | | | | *incl.* | 52 | 55 | 3 | 1.48 | 0.10 | Sulphide |
| | ALWAC038 | Aircore | 753784 | 6248212 | 35.5 | -60 | 180 | 90 | **36** | **56** | **20** | **1.76** | **0.33** | **Sulphide** |
| | | | | | | | | *incl.* | 37 | 47 | 10 | 3.02 | 0.28 | Sulphide |
| | ALWAC039 | Aircore | 753785 | 6248228 | 35.9 | -60 | 180 | 99 | **69** | **93** | **24** | **0.41** | **0.16** | **Sulphide** |
| | ALWAC043 | Aircore | 753732 | 6248195 | 34.7 | -60 | 180 | 90 | **40** | **51** | **11** | **2.33** | **0.68** | **Sulphide** |
| | | | | | | | | *incl.* | 40 | 43 | 3 | 1.35 | 1.35 | Sulphide |
| | | | | | | | | *and* | 42 | 47 | 5 | 4.64 | 0.76 | Sulphide |
| | ALWAC044 | Aircore | 753731 | 6248218 | 35.1 | -60 | 180 | 90 | **46** | **64** | **18** | **2.22** | **0.17** | **Sulphide** |
| | | | | | | | | *incl.* | 47 | 59 | 12 | 3.21 | 0.19 | Sulphide |
| | | | | | | | | *incl.* | 52 | 56 | 4 | 5.06 | 0.18 | Sulphide |
| | | | | | | | | | 75 | 78 | 3 | 1.22 | 0.08 | Sulphide |
| | ALWAC047 | Aircore | 753667 | 6248209 | 34.5 | -60 | 180 | 93 | **69** | **83** | **14** | **0.98** | **0.15** | **Sulphide** |
| | | | | | | | | *incl.* | 70 | 79 | 9 | 1.21 | 0.17 | Sulphide |
| | ALWAC048 | Aircore | 753667 | 6248231 | 35.1 | -60 | 180 | 83 | **60** | **76** | **16** | **2.38** | **0.18** | **Sulphide** |
| | | | | | | | | *incl.* | 66 | 75 | 9 | 3.97 | 0.14 | Sulphide |
| | | | | | | | | *incl.* | 67 | 71 | 4 | 7.03 | 0.19 | Sulphide |
| | ALWAC055 | Aircore | 753576 | 6248194 | 33.7 | -60 | 182 | 91 | 37 | 39 | 2 | 0.03 | 1.96 | Oxide |
| | | | | | | | | | 42 | 53 | 11 | 0.08 | 0.30 | Sulphide |
| | ALWAC056 | Aircore | 753576 | 6248213 | 34.3 | -60 | 182 | 123 | **70** | **103** | **33** | **0.44** | **0.14** | **Sulphide** |
| | | | | | | | | *incl.* | 70 | 76 | 6 | 0.79 | 0.12 | Sulphide |
| | ALWAC102 | Aircore | 754119 | 6248208 | 40.0 | -60 | 180 | 79 | 53 | 65 | 12 | 0.30 | 0.06 | Sulphide |
| | ALWAC106 | Aircore | 753830 | 6248209 | 36.8 | -60 | 180 | 75 | 42 | 48 | 6 | 0.66 | 0.10 | Sulphide |
| | | | | | | | | *incl.* | 42 | 45 | 3 | 1.18 | 0.18 | Sulphide |
| | ALWAC107 | Aircore | 753830 | 6248231 | 35.4 | -60 | 180 | 94 | 63 | 77 | 14 | 0.49 | 0.13 | Sulphide |
| | *DDH115* | *Diamond* | *753808* | *6248293* | *36.5* | *-52* | *180* | *295.1* | *199.6* | *203* | *3.4* | *1.41* | *ND* | *Sulphide* |
| | *MALD2* | *Diamond* | *753830* | *6248226* | *36.0* | *-60* | *180* | *217.7* | ***62.3*** | ***85.7*** | ***16.6*** | ***0.60*** | ***0.13*** | ***Sulphide*** |
| | *MALRC1* | *RC* | *753786* | *6248218* | *35.6* | *-60* | *180* | *72* | ***42*** | ***61*** | ***19*** | ***1.19*** | ***0.16*** | ***Sulphide*** |
| | | | | | | | | *incl.* | *45* | *57* | *12* | *1.71* | *0.12* | *Sulphide* |
| | *MALRC2* | *RC* | *753787* | *6248236* | *36.1* | *-60* | *150* | *108* | *64* | *86* | *22* | *0.29* | *0.07* | *Sulphide* |
| | | | | | | | | | *89* | *108* | *19* | *0.36* | *0.19* | *Sulphide* |
| | *MALRC4* | *RC* | *753730* | *6248236* | *35.9* | *-60* | *180* | *78* | *72* | *76* | *4* | *0.88* | *0.11* | *Sulphide* |
| | *AL4* | *RC* | *753832* | *6248239* | *37.0* | *-60* | *180* | *118* | *68* | *74* | *6* | *0.71* | *ND* | *Sulphide* |
| | | | | | | | | | ***91*** | ***106*** | ***15*** | ***0.86*** | ***ND*** | ***Sulphide*** |
| | | | | | | | | *incl.* | *98* | *102* | *4* | *1.94* | *ND* | *Sulphide* |
| | *AL7* | *RC* | *753830* | *6248218* | *36.6* | *-60* | *180* | *146* | ***43*** | ***74*** | ***31*** | ***0.98*** | ***ND*** | ***Sulphide*** |
| | | | | | | | | *incl.* | *57* | *66* | *9* | *2.00* | *ND* | *Sulphide* |
| | | | | | | | | | *83* | *100* | *17* | *0.45* | *ND* | *Sulphide* |
| | *AL11* | *RC* | *753730* | *6248221* | *35.5* | *-60* | *180* | *165* | ***59*** | ***72*** | ***13*** | ***1.81*** | ***ND*** | ***Sulphide*** |
| | | | | | | | | *incl.* | *59* | *69* | *10* | *2.30* | *ND* | *Sulphide* |
| | | | | | | | | | *102* | *110* | *8* | *0.40* | *ND* | *Sulphide* |
| | *AL12* | *RC* | *753930* | *6248220* | *36.9* | *-60* | *180* | *145* | *48* | *53* | *5* | *0.74* | *ND* | *Sulphide* |
| | | | | | | | | | *63* | *76* | *13* | *0.49* | *ND* | *Sulphide* |
| | | | | | | | | | *79* | *83* | *4* | *0.98* | *ND* | *Sulphide* |
| | | | | | | | | | *96* | *105* | *9* | *0.28* | *ND* | *Sulphide* |

| Zone | Hole Name | Hole Type | Easting (mga94) | Northing (mga94) | RL (msl) | Dip | Azimuth (mga94) | Depth (m) | From (m) | To (m) | Interval (m) | Cu % | Au g/t | Com-ments |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Larwood Zone (South Lode) | ALWAC008 | Aircore | 753788 | 6248155 | 34.2 | -60 | 180 | 60 | **13** | **58** | **45** | **1.56** | **1.83** | **Mixed** |
| | | | | | | | | *incl.* | 18 | 25 | 7 | 3.61 | 4.66 | Mixed |
| | | | | | | | | *and* | 28 | 37 | 9 | 1.79 | 3.19 | Oxide |
| | | | | | | | | *and* | 43 | 52 | 9 | 2.11 | 1.00 | Sulphide |
| | | | | | | | | *and* | 19 | 25 | 6 | 3.79 | 5.33 | Mixed |
| | | | | | | | | *and* | 33 | 38 | 5 | 1.37 | 5.55 | Oxide |
| | ALWAC012 | Aircore | 753730 | 6248168 | 34.7 | -60 | 180 | 69 | 65 | 69 | 4 | 1.38 | 0.44 | Sulphide |
| | ALWAC013 | Aircore | 753830 | 6248137 | 34.2 | -60 | 180 | 50 | 5 | 17 | 12 | 0.64 | 0.15 | Oxide |
| | | | | | | | | *incl.* | 5 | 9 | 4 | 1.42 | 0.13 | Oxide |
| | | | | | | | | | 20 | 27 | 7 | 0.74 | 0.17 | Oxide |
| | | | | | | | | *incl.* | 23 | 26 | 3 | 1.22 | 0.18 | Oxide |
| | ALWAC014 | Aircore | 753831 | 6248153 | 34.7 | -60 | 180 | 52 | 40 | 52 | 12 | 0.31 | 0.17 | Mixed |
| | ALWAC016 | Aircore | 753878 | 6248129 | 34.4 | -60 | 180 | 60 | **6** | **33** | **27** | **0.68** | **0.28** | **Oxide** |
| | | | | | | | | *incl.* | 6 | 21 | 15 | 1.04 | 0.33 | Oxide |
| | ALWAC017 | Aircore | 753876 | 6248107 | 33.9 | -60 | 360 | 44 | **13** | **36** | **23** | **0.86** | **0.64** | **Oxide** |
| | | | | | | | | *incl.* | 30 | 35 | 5 | 2.88 | 2.17 | Oxide |
| | ALWAC022 | Aircore | 753936 | 6248104 | 35.1 | -60 | 180 | 59 | 31 | 49 | 18 | 0.32 | 0.01 | Oxide |
| | ALWAC031 | Aircore | 754100 | 6248125 | 36.2 | -60 | 180 | 60 | 19 | 26 | 7 | 0.56 | 0.40 | Oxide |
| | ALWAC035 | Aircore | 753783 | 6248143 | 34.1 | -60 | 180 | 49 | 17 | 36 | 19 | 0.29 | 0.05 | Oxide |
| | ALWAC036 | Aircore | 753783 | 6248167 | 34.7 | -60 | 180 | 79 | **10** | **24** | **14** | **2.60** | **0.70** | **Mixed** |
| | | | | | | | | *incl.* | 10 | 14 | 4 | 0.88 | 1.69 | Oxide |
| | | | | | | | | *and* | 18 | 21 | 3 | 10.49 | 0.35 | Sulphide |
| | | | | | | | | | **39** | **69** | **30** | **0.41** | **0.30** | **Mixed** |
| | | | | | | | | *incl.* | 55 | 58 | 3 | 1.63 | 0.44 | Sulphide |
| | ALWAC042 | Aircore | 753732 | 6248175 | 34.3 | -60 | 180 | 90 | 48 | 54 | 6 | 0.86 | 0.06 | Sulphide |
| | | | | | | | | *incl.* | 51 | 53 | 2 | 1.70 | 0.10 | Sulphide |
| | | | | | | | | | 72 | 82 | 10 | 0.28 | 0.10 | Mixed |
| | *MALD3* | *Diamond* | *753785* | *6248202* | *35.2* | *-60* | *180* | *214.7* | *37* | *53* | *16* | *0.35* | *0.25* | *Mixed* |
| | | | | | | | | *incl.* | *37* | *41* | *4* | *0.02* | *1.12* | *Oxide* |
| | | | | | | | | | *70* | *84* | *14* | *0.67* | *0.08* | *Sulphide* |
| | | | | | | | | *incl.* | *78* | *84* | *6* | *0.99* | *0.11* | *Sulphide* |
| | | | | | | | | | *97* | *103* | *6* | *0.42* | *0.06* | *Oxide* |
| | *MALRC3* | *RC* | *753786* | *6248183* | *34.9* | *-60* | *180* | *69* | ***48*** | ***65*** | ***17*** | ***0.65*** | ***0.10*** | ***Sulphide*** |
| | | | | | | | | *incl.* | *58* | *62* | *4* | *0.98* | *0.03* | *Sulphide* |
| | *AL7* | *RC* | *753830* | *6248218* | *36.6* | *-60* | *180* | *146* | ***125*** | ***146*** | ***21*** | ***0.67*** | ***ND*** | ***Sulphide*** |
| | *AL9* | *RC* | *753830* | *6248180* | *36.0* | *-60* | *180* | *146* | *76* | *78* | *2* | *1.47* | *ND* | *Sulphide* |
| | | | | | | | | | ***90*** | ***104*** | ***14*** | ***1.27*** | ***ND*** | ***Sulphide*** |
| | | | | | | | | *incl.* | *97* | *102* | *5* | *2.78* | *3.17* | *Sulphide* |
| | *AL10* | *RC* | *753826* | *6248159* | *35.2* | *-60* | *180* | *97* | ***56*** | ***76*** | ***20*** | ***1.41*** | ***ND*** | ***Sulphide*** |
| | | | | | | | | *incl.* | *64* | *73* | *9* | *2.78* | *0.55* | *Sulphide* |
| | *AL11* | *RC* | *753730* | *6248221* | *35.5* | *-60* | *180* | *165* | ***135*** | ***165*** | ***30*** | ***0.38*** | ***ND*** | ***Sulphide*** |
| | | | | | | | | *incl.* | *160* | *165* | *5* | *0.84* | *ND* | *Sulphide* |
| Bruce Zone | ALWAC073 | Aircore | 753301 | 6248236 | 33.9 | -60 | 180 | 60 | 44 | 53 | 9 | 0.34 | 0.05 | Oxide |
| | ALWAC074 | Aircore | 753301 | 6248261 | 33.3 | -60 | 180 | 101 | 27 | 34 | 7 | 0.42 | <0.01 | Oxide |
| | | | | | | | | | 53 | 65 | 12 | 0.65 | 0.01 | Oxide |
| | | | | | | | | *incl.* | 56 | 63 | 7 | 0.92 | 0.01 | Oxide |
| | ALWAC075 | Aircore | 753301 | 6248281 | 33.4 | -60 | 180 | 108 | 18 | 32 | 14 | 0.24 | 0.12 | Oxide |
| | ALWAC087 | Aircore | 753017 | 6248248 | 32.0 | -60 | 182 | 72 | **15** | **27** | **12** | **0.41** | **1.44** | **Oxide** |
| | | | | | | | | *incl.* | 18 | 20 | 2 | 1.33 | 8.23 | Oxide |
| | ALWAC088 | Aircore | 753018 | 6248268 | 32.4 | -60 | 182 | 83 | 15 | 23 | 8 | 0.81 | 0.03 | Oxide |
| | | | | | | | | *incl.* | 15 | 17 | 2 | 1.77 | 0.02 | Oxide |
| | | | | | | | | | 37 | 39 | 2 | 1.30 | 0.08 | Oxide |
| | | | | | | | | | 47 | 54 | 7 | 0.24 | 0.29 | Mixed |
| | ALWAC089 | Aircore | 753018 | 6248287 | 32.5 | -60 | 182 | 72 | **22** | **72** | **50** | **0.44** | **0.05** | **Mixed** |
| | ALWAC090 | Aircore | 753019 | 6248308 | 31.8 | -60 | 182 | 72 | **41** | **64** | **23** | **0.68** | **0.10** | **Sulphide** |
| | | | | | | | | *incl.* | 42 | 53 | 11 | 1.11 | 0.03 | Sulphide |
| | ALWAC091 | Aircore | 753019 | 6248330 | 29.8 | -60 | 182 | 75 | 30 | 39 | 9 | 0.58 | 0.08 | Oxide |
| | | | | | | | | *incl.* | 31 | 33 | 2 | 1.78 | 0.01 | Oxide |

| Zone | Hole Name | Hole Type | Easting (mga94) | Northing (mga94) | RL (msl) | Dip | Azimuth (mga94) | Depth (m) | From (m) | To (m) | Interval (m) | Cu % | Au g/t | Com-ments |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Bruce Zone | ALWAC094 | Aircore | 753020 | 6248349 | 33.8 | -60 | 180 | 93 | 46 | 57 | 11 | 0.57 | 0.10 | Sulphide |
| | | | | | | | | *incl.* | 48 | 52 | 4 | 0.82 | 0.06 | Sulphide |
| | | | | | | | | | 69 | 76 | 7 | 0.38 | 0.03 | Sulphide |
| | ALWAC113 | Aircore | 753100 | 6248200 | 31.7 | -60 | 180 | 80 | 73 | 80 | 7 | 0.41 | 0.02 | Sulphide |
| | ALWAC114 | Aircore | 753100 | 6248220 | 31.8 | -60 | 180 | 84 | 42 | 60 | 18 | 0.39 | 0.02 | Sulphide |
| | | | | | | | | | 63 | 74 | 11 | 0.27 | 0.05 | Sulphide |
| | ALWAC115 | Aircore | 753100 | 6248240 | 32.1 | -60 | 180 | 76 | 20 | 27 | 7 | 0.36 | 0.94 | Oxide |
| | | | | | | | | | 32 | 39 | 7 | 0.86 | 0.04 | Oxide |
| | | | | | | | | *incl.* | 33 | 36 | 3 | 1.29 | 0.08 | Oxide |
| | ALWAC116 | Aircore | 753101 | 6248260 | 33.0 | -60 | 180 | 70 | 47 | 69 | 22 | 0.32 | 0.05 | Sulphide |
| | ALWAC119 | Aircore | 753100 | 6248320 | 34.5 | -60 | 180 | 60 | 17 | 28 | 11 | 0.44 | 0.01 | Oxide |
| | | | | | | | | *incl.* | 17 | 20 | 3 | 0.83 | 0.01 | Oxide |
| | ALWAC185 | Aircore | 752900 | 6248239 | 31.9 | -60 | 180 | 102 | 29 | 35 | 6 | 0.44 | 0.01 | Oxide |
| | ALWAC186 | Aircore | 752899 | 6248276 | 32.6 | -60 | 180 | 82 | 7 | 9 | 2 | 1.36 | 0.03 | Oxide |
| | | | | | | | | | 46 | 53 | 7 | 0.46 | 0.08 | Sulphide |
| | | | | | | | | | **71** | **82** | **11** | **0.94** | **0.17** | **Sulphide** |
| | | | | | | | | *incl.* | 76 | 82 | 6 | 1.24 | 0.22 | Sulphide |
| | *DDH129* | *Diamond* | *752890* | *6248397* | *36.0* | *-65* | *180* | *341.6* | *228.4* | *240.1* | *11.7* | *0.25* | *ND* | *Sulphide* |
| | *DDH224* | *Diamond* | *753025* | *6248367* | *35.3* | *-60* | *175* | *250* | *86* | *93.6* | *7.6* | *0.43* | *ND* | *Sulphide* |
| | | | | | | | | | *104* | *115* | *11* | *0.81* | *ND* | *Sulphide* |
| | *DDH132* | *Diamond* | *753201* | *6248375* | *36.0* | *-55* | *180* | *303.7* | *129.2* | *137.7* | *8.5* | *0.50* | *ND* | *Sulphide* |
| | | | | | | | | | ***146.9*** | ***158.1*** | ***11.2*** | ***1.02*** | ***ND*** | ***Sulphide*** |
| | | | | | | | | | *164.9* | *175.3* | *10.4* | *0.70* | *ND* | *Sulphide* |
| | *DDH136* | *Diamond* | *753201* | *6248269* | *33.5* | *-90* | *~* | *235.3* | *107.1* | *125.4* | *18.3* | *0.39* | *ND* | *Sulphide* |
| | *MPDAC-565* | *Aircore* | *753019* | *6248272* | *32.4* | *-90* | *~* | *27* | *12* | *24* | *12* | *0.53* | *<0.01* | *Oxide* |
| Six Ways Zone | ALWAC171 | Aircore | 752100 | 6247720 | 26.3 | -60 | 180 | 108 | **7** | **30** | **23** | **1.47** | **<0.01** | **Oxide** |
| | | | | | | | | *incl.* | 10 | 21 | 11 | 2.24 | <0.01 | Oxide |
| | | | | | | | | *incl.* | 10 | 15 | 5 | 3.36 | <0.01 | Oxide |
| | ALWAC172 | Aircore | 752100 | 6247739 | 26.3 | -60 | 180 | 60 | 6 | 9 | 3 | 0.86 | <0.01 | Oxide |
| | ALWAC175 | Aircore | 752102 | 6247840 | 25.0 | -60 | 180 | 44 | 15 | 25 | 10 | 0.31 | <0.01 | Oxide |
| | ALWAC176 | Aircore | 752100 | 6247681 | 26.3 | -60 | 180 | 63 | 35 | 46 | 11 | 0.46 | 0.02 | Mixed |
| | | | | | | | | *incl.* | 36 | 40 | 4 | 0.80 | 0.06 | Oxide |
| | ALWAC191 | Aircore | 752107 | 6247979 | 27.2 | -60 | 180 | 102 | 46 | 64 | 18 | 0.43 | 0.02 | Sulphide |
| | | | | | | | | *incl.* | 46 | 51 | 5 | 0.64 | 0.02 | Sulphide |
| | | | | | | | | | 77 | 93 | 16 | 0.27 | 0.02 | Sulphide |
| | ALWAC238 | Aircore | 751798 | 6247723 | 25.7 | -60 | 180 | 68 | **6** | **31** | **25** | **0.63** | **<0.01** | **Oxide** |
| | | | | | | | | *incl.* | 8 | 12 | 4 | 1.06 | 0.01 | Oxide |
| | | | | | | | | *and* | 22 | 25 | 3 | 1.13 | <0.01 | Oxide |
| | | | | | | | | | 49 | 56 | 7 | 0.29 | <0.01 | Sulphide |
| | ALWAC239 | Aircore | 751799 | 6247747 | 25.9 | -60 | 180 | 60 | 13 | 20 | 7 | 0.58 | <0.01 | Oxide |
| | | | | | | | | *incl.* | 17 | 19 | 2 | 1.04 | <0.01 | Oxide |
| | ALWAC240 | Aircore | 751799 | 6247766 | 25.6 | -60 | 180 | 60 | 57 | 60 | 3 | 1.29 | <0.01 | Sulphide |
| Blue Tongue Zone | ALWAC061 | Aircore | 753303 | 6248020 | 34.8 | -60 | 180 | 43 | 20 | 31 | 11 | 0.29 | 0.09 | Oxide |
| | ALWAC064 | Aircore | 753304 | 6248062 | 34.2 | -60 | 180 | 38 | 9 | 22 | 13 | 0.24 | <0.01 | Oxide |
| | ALWAC080 | Aircore | 753013 | 6248094 | 30.4 | -60 | 182 | 64 | 40 | 47 | 7 | 0.36 | <0.01 | Oxide |
| | ALWAC128 | Aircore | 752802 | 6247698 | 36.4 | -60 | 180 | 59 | 29 | 54 | 25 | 0.26 | <0.01 | Oxide |
| | ALWAC129 | Aircore | 752802 | 6247715 | 35.9 | -60 | 180 | 64 | 46 | 58 | 12 | 0.29 | 0.01 | Oxide |
| | ALWAC131 | Aircore | 752801 | 6247758 | 33.9 | -60 | 180 | 90 | 59 | 73 | 14 | 0.31 | 0.01 | Oxide |
| | ALWAC143 | Aircore | 752501 | 6247497 | 32.5 | -60 | 180 | 63 | 55 | 63 | 8 | 0.34 | 0.01 | Oxide |
| | ALWAC154 | Aircore | 752300 | 6247348 | 31.2 | -60 | 180 | 52 | 27 | 36 | 9 | 0.30 | <0.01 | Oxide |
| | ALWAC156 | Aircore | 752300 | 6247390 | 32.1 | -60 | 180 | 58 | 21 | 29 | 8 | 0.48 | <0.01 | Oxide |
| | ALWAC158 | Aircore | 752300 | 6247424 | 31.3 | -60 | 180 | 52 | 38 | 52 | 14 | 0.30 | <0.01 | Oxide |

**ALWAC series holes (drilled by Adelaide Resources Limited)**
Intersections calculated by averaging 1-metre chip grab samples. Copper determined by four acid digest followed by ICP-AES finish. Overrange copper (>1%) determined by AA finish. Gold determined by fire assay fusion followed by ICP-AES finish. Cut-off grade of 0.2% Cu or 0.2g/t gold applied with up to 2m internal dilution. List restricted to intersections >2.5m% Cu or 2.5gm Au. Introduced QA/QC samples indicate acceptable analytical quality. Intersections are downhole lengths - true widths are not known.

***Blue italicised series holes*** **(drilled by previous explorers)**
Drillhole collar locations estimated from historical data - accuracy +/- 25m. Copper analytical methods are not recorded but include AA for some samples. Gold analytical methods are unknown. ND = not determined. Results of any QA/QC completed unknown. Cut-off grade of 0.2% Cu or 0.2g/t gold applied with up to 2m internal dilution. List restricted to intersections >2.5m% Cu or 2.5gm Au. Diamond drillholes commonly suffered signifcant core loss in mineralised zones, with possible low-biasing of assayed grade. 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) The information relating to Adelaide Resources' past exploration results and its assessment of exploration completed by past explorers was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.*

*(2) See ADN's ASX releases dated 18 December 2013 titled "New Drill Target Defined Near Alford West Prospect – SA", and dated 6 March 2014 titled "Maiden Drilling Intersects Copper at Blue Tongue – SA."*

*(3) See ADNs ASX release dated 12 February 2014 titled "Additional Drill Target Defined Near Alford West- SA"*

*(4) See ADN's ASX release dated 1 March 2014 titled "Alford West Delivers Second High Grade Copper Target Zone – SA."*

## APPENDIX 1 - Deposit Geology

There is no basement outcrop in the prospect area due to ubiquitous cover sediments, so all sub surface geological information is from drillholes. The cover sediments average about six metres thick, but range up to over 30 metres thick in one area (Figure 5).

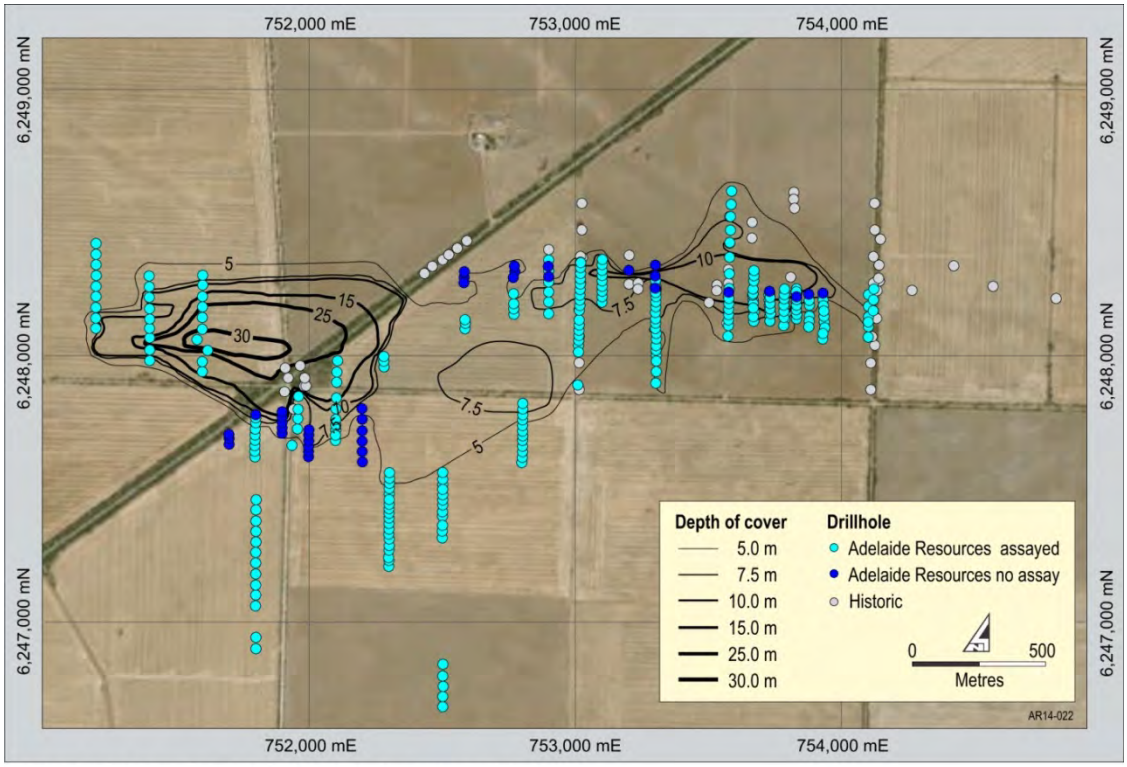



**Figure 5: Alford West Prospect depth of cover contours.**

The cover sequence includes a thin blanket of calcrete underlain by red-brown clay. This clay either rests directly on weathered basement, or in areas of deeper total cover, upon a second cover sequence comprising clay and a lower fossiliferous marine limestone. A third cover unit, which is very restricted in its distribution, occurs under the marine limestone and comprises a pebble bed interpreted to be either an old creek channel or possibly a shingle beach deposit.

Basement comprises a relatively uniform metasedimentary sequence of schist to fine-grained feldspathic sandstone, which is intruded by the regionally extensive Tickera Granite, a Hiltaba Suite granite, that occurs to the north of the prospect.

The basement metasediments have been extensively altered, almost certainly during the mineralising event, with observed alteration minerals including chlorite, sericite, calc-silicates, magnetite, hematite and sulphides. Veins comprising quartz, feldspar, tourmaline and sulphides are relatively common and are also likely to be synchronous with mineralisation.

Deep clay zones are present, with a number of the company's aircore holes still in clay at the end of hole. The clay zones may be the product of very deep weathering, or alternatively may represent a late stage argillic style of alteration associated with the final stages of the mineralising event.

All mineralisation discovered to date at Alford West occurs in altered metasediments or in the deep clay zones which are interpreted to have once also been metasediments.

In addition to copper and gold, the deposit contains molybdenum, lead, cobalt, silver, rare earth elements and other metals commonly found in Iron Oxide Copper-Gold style deposits.

Molybdenum is present in two main areas of the prospect, being the Larwood North Lode and Bruce Zone, where it is effectively coincident with copper. It reaches grades in excess of 0.1% molybdenum in some samples and represents a secondary target metal.

Lead is present in the Six Ways Zone, but the highest grades at about 1.5% lead are not likely to be significant economically.

Weathering in the host rocks is of lateric style, with well developed upper (oxidised) and lower (reduced) saprolite horizons present. The behavior of copper mineralisation in the weathered zone varies across the prospect. In some areas (Six Ways, Blue Tongue. Larwood South Lode) copper persists in the upper saprolite and is present as copper carbonates and rarely as other secondary non-sulphide phases. In other areas (Larwood North Lode and possibly parts of the Bruce and Six Ways Zones) copper is strongly geochemically depleted from the upper saprolite but may then form a high grade supergene blanket of chalcocite in the lower saprolite, leading downwards into primary copper sulphides.

Gold appears to behave like copper in the secondary zone, and persists into the upper saprolite in some areas (Larwood South Lode), but appears to be geochemically depleted in the upper saprolite in others (Larwood North Lode). Grains of native gold have been panned from the upper saprolite from the Larwood South Lode, however the nature of its occurrence in the deeper mineralisation is currently unknown.

Molybdenum persists in the upper saprolite wherever present, and its coincidence with copper at depth makes it very useful in targeting copper below geochemically depleted upper saprolite.

The mineralisation is interpreted to be of Iron Oxide Copper Gold style, with support for this interpretation including the style of alteration and metasomatism and the suite of associated metals which match the signature geochemistry of Iron Oxide Copper Gold deposits.

# 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.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *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.* | ALWAC series holes (drilled by Adelaide Resources Limited)<br>• 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).<br>• A second nominal 200g grab sample was collected for FPXRF scan using an Innov-X FPXRF (Olympus) analyser.<br>• No sample preparation of the FPXRF scan samples was completed.<br>• FPXRF Instrument calibration completed on on-going basis during survey using standardisation discs.<br>• Only laboratory assay results were used to compile the table of intersections that appears as Table 1 in the report<br>Historical Holes (drilled by past explorers)<br>• Sampling protocols for historical holes is not recorded in the historical reports, however any assays reported from diamond holes in Table 1 in the report were from ½ core samples.<br>• Historical records show some QA/QC measures were undertaken however the results of this QA/QC work is unknown. |
| *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).* | ALWAC series holes (drilled by Adelaide Resources Limited)<br>• Drill method includes aircore blade in unconsolidated regolith, and aircore hammer (slimline RC) in hard rock.<br>• Hole diameters are 90mm. |

| | | |
|---|---|---|
| | | Historical Holes (drilled by past explorers)<br>• Past explores completed diamond core, reverse circulation and aircore holes.<br>• Recorded diamond core diameters include HQ, HQ triple tube, NQ, BQ and AQ sizes.<br>• Diamond core was not oriented.<br>• Hole diameters for RC and aircore holes are not recorded in the historical reports.<br>• Whether RC holes were drilled using face sampling bits is not recorded in historical reports |
| *Drill Sample Recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the sample.*<br>• *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.* | ALWAC series holes (drilled by Adelaide Resources Limited)<br>• Qualitative assessment of sample recovery and moisture content of all drill samples is recorded.<br>• Sample system cyclone cleaned at end of each hole and as required to minimise down-hole and cross-hole contamination.<br>• No relationship is known to exist between sample recovery and grade.<br>Historical Holes (drilled by past explorers)<br>• Core recoveries were recorded for diamond holes.<br>• No sample recovery information is recorded in the historic reports for RC or aircore holes.<br>• Any measures taken to maximise sample recovery in RC and aircore holes are not recorded in the historical records.<br>• Efforts to improve sample recovery by using triple tube drilling methods are reported for three diamond holes.<br>• Diamond core recoveries are often poor in the mineralised zones, and there is evidence of low-biasing of assay results due to the loss of unconsolidated sulphides |
| *Logging* | • *Whether core and chip samples have been* | ALWAC series holes (drilled |

| | | |
|---|---|---|
| | *geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | by Adelaide Resources Limited)<br>• 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.<br>• Geological logging is qualitative.<br>• Chip trays containing 1m geological sub-samples are photographed at the completion of the drilling program.<br>• 100% of any reported intersections (and of all metres drilled) have been geologically logged.<br>Historical Holes (drilled by past explorers)<br>• Geological logs exist in the historic records for all aircore and diamond holes, and the majority of RC holes.<br>• Geological logging is qualitative.<br>• There are no records of geotechnical logging of historical holes in the reports.<br>• Diamond and aircore holes where samples remain have been photographed. There is no RC sample material known to remain and no photography of RC samples known to exist. |
| *Sub-sampling techniques and sample preparation* | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.*<br>• *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.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | ALWAC series holes (drilled by Adelaide Resources Limited)<br>• Samples averaging 1.2kg were collected for laboratory assay using a trowel.<br>• Dry samples were homogenised by mixing prior to sampling.<br>• Laboratory sample preparation includes drying and pulverising of submitted sample to target of P80 at 75um.<br>• No samples checked for size after pulverising failed to meet sizing target in the sample batches relevant to |

| | | |
|---|---|---|
| | | the report.<br>• Duplicate samples were introduced into sample stream by the Company, while the laboratory completed double assays on many samples.<br>• Both Company and laboratory introduced duplicate samples indicate acceptable analytical accuracy.<br>• Laboratory analytical charge sizes are standard sizes and considered adequate for the material being assayed.<br>• 200g FPXRF samples collected in the same way laboratory samples were collected.<br>• No sample preparation employed for FPXRF samples.<br>• No duplicates included in FPXRF stream<br>• Comparison of FPXRF scans with laboratory assay of sample twins shows FPXRF scans underestimate copper content by an average factor of about 40%.<br>Historical Holes (drilled by past explorers)<br>• Sub-sampling methods and sample preparation methods for historical holes is unknown<br>• Diamond hole samples are recorded as ½ core. Three holes are known to have been sawn, while the sampling method for other diamond holes in unknown. |
| *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.*<br>• *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.*<br>• *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.* | ALWAC series holes (drilled by Adelaide Resources Limited)<br>• Standard laboratory analyses completed for gold (fire assay) and copper (4 acid digest with ICP-AES) and over range (>1%) copper (4 acid digest with AA finish).<br>• The laboratory analytical methods are considered to be total.<br>• FPXRF is a total analytical technique appropriate for Cu at the concentrations encountered in the natural geological environment.<br>• FPXRF instrument is an |

| | | |
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| | | Olympus Innov-X 4000 with reading times set at 60 seconds.<br>• 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.<br>• Both the Company introduced and laboratory introduced QA/QC samples indicate acceptable levels of accuracy and precision have been established.<br>• Comparison of FPXRF scans with laboratory assay of sample twins shows FPXRF scans underestimate copper content by an average factor of about 40%.<br>• Standards and blanks were introduced into the FPXRF sample stream at the start of each hole.<br>• No calibration factors have been applied to any FPXRF results reported.<br>Historical Holes (drilled by past explorers)<br>• The nature, quality and appropriateness of the assaying and laboratory procedures for historical holes is unknown, however the past explorers are all considered to be competent groups.<br>• Other than the introduction of standards by one past explorer, any QA/QC measures adopted are unknown.<br>• The results of any QA/QC work, including the standards mentioned above is unknown. |
| *Verification of sampling and assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical or electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | ALWAC series holes (drilled by Adelaide Resources Limited)<br>• A Company geologist has checked the calculation of the quoted intersections in addition to the Competent |

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| | | Person.<br>• No twinned holes were drilled in the program the subject of the report.<br>• 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.<br>• No adjustments have been made to either laboratory or FPXRF assay data.<br>Historical Holes (drilled by past explorers)<br>• Historical assay data has been digitised by one company employee and verified by another.<br>• There are no historical twinned holes.<br>• Historical data was hand or type written, but is now resident as digital data in the company's database.<br>• No adjustments have been made to any historical assays |
| *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.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | ALWAC series holes (drilled by Adelaide Resources Limited)<br>• Drill hole collars were surveyed using DGPS with a horizontal accuracy of +/- 0.5 metres and a vertical accuracy of +/- 1.5 metres.<br>• GDA94 (Zone 53)<br>Historical Holes (drilled by past explorers)<br>• Drill hole collar locations are estimated from historical plans and are considered to be accurate to +/- 25 metres. Collar RLs for historic holes are estimated by reference to nearby ALWAC series |

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|---|---|---|
| | | holes.<br>• GDA94 (Zone 53). |
| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results*<br>• *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.*<br>• *Whether sample compositing has been applied.* | • Spacing of drilling, both ADN and historic holes, is considered adequate to allow confident interpretation of lithological and grade continuity.<br>• 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.*<br>• *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.* | • All drill holes oriented north-south across E-W and NE-SW trending geochemical targets. The angle of incidence is not considered to result in biased sampling. |
| *Sample security* | • *The measures taken to ensure sample security.* | ALWAC series holes (drilled by Adelaide Resources Limited)<br>• Company staff collected all laboratory and FPXRF samples.<br>• Samples submitted to the laboratory samples were transported and delivered by Company staff.<br>Historical Holes (drilled by past explorers)<br>• No sample security measures are recorded in the historical reports. |
| *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.*<br>• *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.<br>• There are no non govt royalties, historical sites or environmental issues. Underlying land title is Freehold land which extinguishes native title.<br>• Compensation agreements are in place with the relevant agricultural landowners. |

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| | | • 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, Amalg, 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:*<br>o *Easting and northing of the drill collar*<br>o *Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill collar.*<br>o *Dip and azimuth of the hole.*<br>o *Down hole length and interception depth.*<br>o *Hole length.*<br>• *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 2.5m% Cu or 2.5gm Au using a 0.2% Cu lower cut off and including not more than 2m of internal dilution.<br>• The collar locations of all drill holes the subject of the report are shown on Figure 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.*<br>• *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.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • Intersections are calculated by length weighting of individual assay intervals.<br>• Where sub-intervals of higher grade are contained in an intersection, the higher grade portion is also disclosed in the report.<br>• No metal equivalents are reported. |
| *Relationship between mineralisation widths and intercept lengths* | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this* | • The envelopes to mineralised zones are interpreted to be sub-vertically dipping and E-W or NE-SW striking. The geometry of internal zones of mineralisation is unknown.<br>• The footnote to Table 1 of the |

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| | *effect (eg 'down hole length, true width not known').* | report states that intersections are downhole lengths and that true widths are unknown. |
| *Diagrams* | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | • Appropriate plans with scales appear as Figures 1 to 4 in 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.* | • Observations on cover and basement geology, weathering, alteration, geochemistry, and mineralisation 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).*<br>• *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 assay results for 38 holes are not yet available, and that advice on the nature of the future program will be released upon receipt and reporting of these results. |