



Adelaide Resources Limited
ABN: 75 061 503 375

Corporate details:

ASX Code: ADN

Cash: \$1.40 million

Issued Capital:

304,545,685 ordinary shares

37,222,104 listed options (ADNO)

750,000 performance rights

Directors:

Colin G Jackson

Non-executive Chairman

Chris Drown

Managing Director

Nick Harding

Executive Director and
Company Secretary

Jonathan Buckley

Non-executive Director

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Fact:

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

16 June 2015

Drummond epithermal gold project (100% owned), Queensland

Rock chips to 51.5g/t gold as excellent results continue from South West Limey Dam.

Summary

- Continued excellent new gold results from each of the Alexandra, Nadia and Anna veins are building confidence in the potential of the South West Limey Dam prospect, located on the Drummond project.
- New Alexandra vein rock chips recorded gold assays of 51.5g/t, 26.9g/t and 21.7g/t gold additional to a recent sample assaying 31.0g/t gold. The high grade samples occur over a 50 metre long section of the vein.
- New samples from the Nadia vein recorded results of 7.99g/t, 4.49g/t and 3.10g/t gold additional to past results of 55.4g/t, 34.2g/t and 9.32g/t gold. The high grade samples occur over a 30 metre long section of the vein.
- New Anna vein samples recorded results of 6.93g/t and 4.53g/t gold additional to past results of 6.33g/t, 2.41g/t and 1.61g/t gold. The good grade samples extend over a 170 metre long section of the vein.
- New tenement EPM 25660 granted - 100% owned and secures 74 square kilometres of ground to the south and east of South West Limey Dam.
- Drilling at South West Limey Dam is scheduled to commence in mid July, with 1,200 metres of diamond drilling planned.

Chris Drown
Managing Director

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

Introduction

Adelaide Resources' holds two tenements that cover 270 square kilometres of ground in the Drummond Basin in Queensland (Figure 1). The Drummond Basin is prospective for high grade epithermal gold deposits exemplified by the Pajingo Field which to date has produced over 3 million ounces of gold.

The Company has previously reported promising exploration results from the large South West Limey Dam prospect. Results include high grade gold in rock chips, the delineation of a large arsenic soil anomaly (epithermal gold pathfinder metal), and geological and petrological studies which confirm the presence of a gold-bearing epithermal system ⁽¹⁾.

A number of discrete epithermal quartz vein systems have been mapped within the South West Limey Dam prospect, including the gold bearing Alexandra, Nadia and Anna veins.

Further rock chip sampling has been recently completed with analytical results now available.

Excellent new rock chip results

Thirty five rock chip samples of quartz vein material were recently collected from the Alexandra, Nadia and Anna veins at South West Limey Dam. Two samples from the recently reported Max's Sinter were also submitted for assay.

Assays are now complete and confirm the presence of moderate and high grade gold from each of the veins. The new rock chip assay results are listed in Table 1, while Figure 2 shows the locations of all rock chip samples including the new batch reported herein.

The Alexandra vein samples recorded a number of very high grade gold assays together with numerous other strongly anomalous gold results. Highlights include samples assaying 51.5g/t gold, 26.9g/t gold and 21.7g/t gold, and add to a previously recorded sample that returned 31.0g/t gold.

The east-west trending Alexandra vein has been traced along strike for 260 metres, with the high grade samples present over a 50 metre long section of the vein.

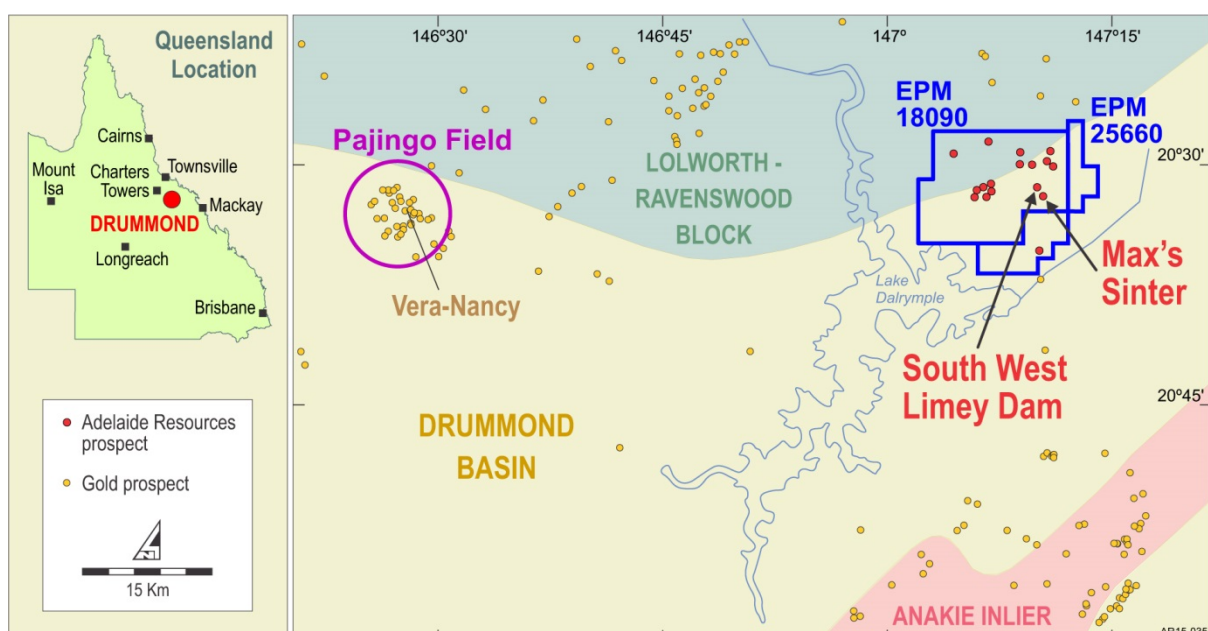


Figure 1: Drummond Epithermal Gold Project location plan.

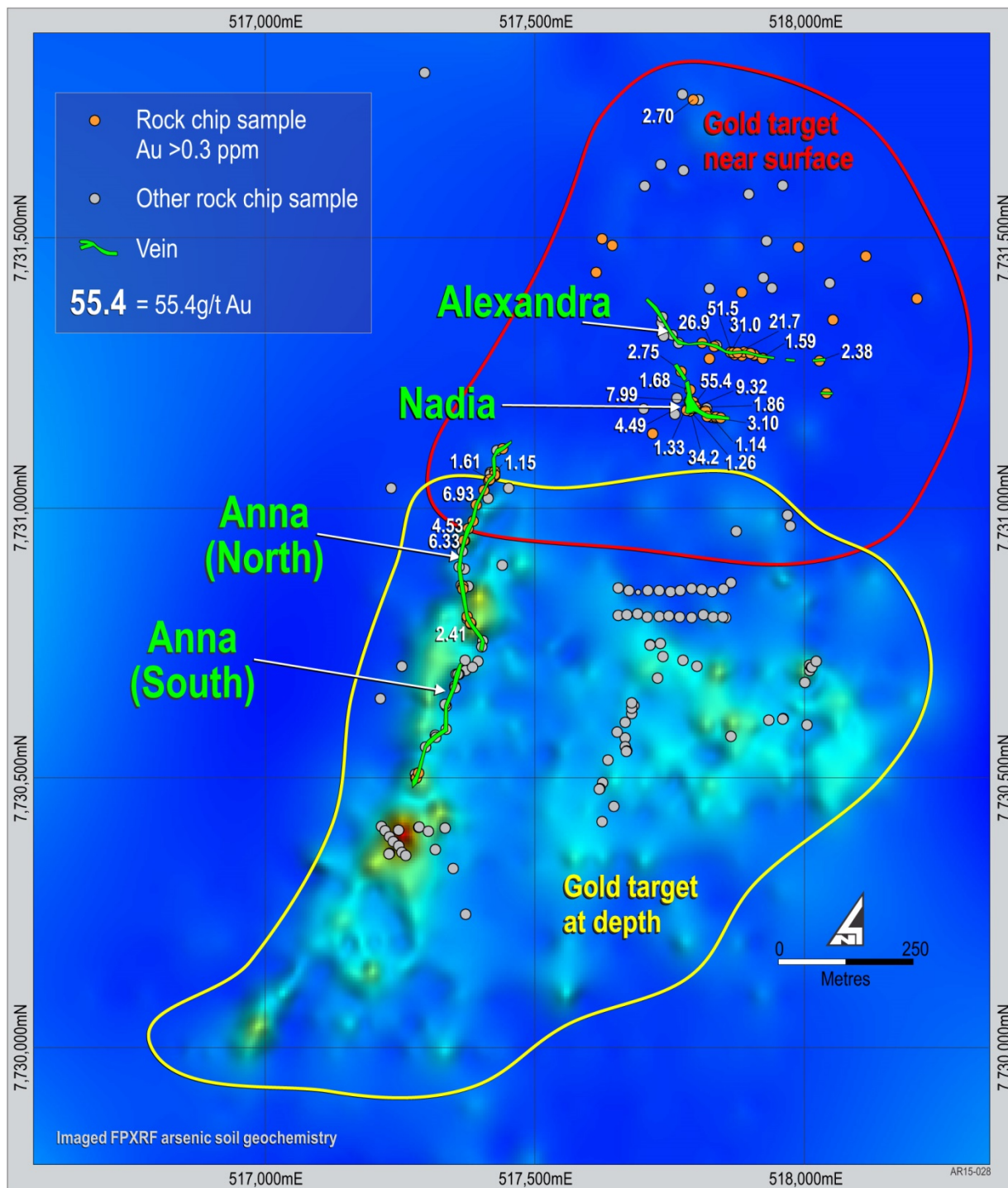


Figure 2: South West Limey Dam Prospect summary plan.

New gold assays from the nearby Nadia vein include results of 7.99g/t, 4.49g/t, 3.10g/t and 1.68g/t gold which are additional to past results of 55.4g/t, 34.2g/t and 9.32g/t gold. The east-west Nadia vein has been mapped over 95 metres with the high grade samples located on a 30 metre long section of the vein.

The north-south striking Anna vein has been traced for over 750 metres along the western edge of the South West Limey Dam prospect. Based upon its topographic position, its geochemical character, and its vein textures, the Anna vein can be divided into a northern part which extends for about 170 metres, and a southern part

that extends for at least 580 metres.

The change from the northern to southern parts corresponds to a rise in topography.

New rock chip results from 170 metre long northern part of the Anna vein include 6.93g/t gold and 4.53g/t gold, which add to past results of 6.33g/t, 1.61g/t and 1.15g/t gold.

Samples from the topographically higher southern part of the Anna vein returned low gold values but high arsenic. The samples from Max's Sinter also have low gold. This geochemical pattern is consistent with a standard epithermal metal zoning model whereby any gold bearing level in both areas is likely to remain preserved at depth.

Drill programme

The Company is planning to commence its maiden drill programme at the South West Limey Dam prospect in mid July, with 1,200 metres of diamond drilling planned. Holes will target the Alexandra, Nadia and Anna veins while additional holes will also target the southern part of the Anna vein to test for a preserved gold zone at depth.

The drill programme will in part be funded through a grant of up to \$100,000 from the Queensland Government through its Collaborative Drilling Initiative scheme.

New tenement granted

EPM 25660 (Figure 1) was granted to Adelaide Resources' wholly owned subsidiary Adelaide Exploration Pty Ltd on 26 May 2015. The new tenement secures 74 square kilometres of ground to the east and south of EPM 18090.

Historical rock chip sampling of outcropping quartz veins located within EPM 25660 returned anomalous gold (to 5.16g/t) and arsenic (to 271ppm). Whether these veins are of epithermal style remains to be determined.

Table 1: Recent rock chip assay results.

Vein	Easting (mga94)	Northing (mga94)	Au g/t	Ag g/t	Pathfinders	
					As (ppm)	Sb (ppm)
Alexandra	517736	7731345	0.18	<0.5	<5	5
	517737	7731355	0.05	<0.5	<5	11
	517739	7731321	0.02	<0.5	7	9
	517755	7731322	0.29	0.7	<5	<5
	517767	7731307	0.04	<0.5	<5	7
	517811	7731308	0.64	0.6	6	5
	517864	7731291	51.50	7.8	<5	<5
	517872	7731286	0.74	0.9	<5	<5
	517833	7731301	26.90	23.9	<5	6
	517876	7731289	21.70	5.0	<5	9
	517885	7731284	0.36	<0.5	55	25
	517868	7731290	0.51	<0.5	7	6
	517837	7731303	0.25	<0.5	<5	7
	517908	7731284	0.16	<0.5	14	5
	517900	7731288	1.59	<0.5	46	24
517923	7731279	0.12	<0.5	12	13	
517928	7731280	0.76	<0.5	23	10	
Nadia	517772	7731254	0.41	<0.5	10	6
	517789	7731221	1.68	<0.5	7	9
	517787	7731200	7.99	0.7	32	6
	517798	7731186	0.36	<0.5	8	9
	517817	7731182	0.42	<0.5	<5	11
	517827	7731171	0.08	<0.5	<5	5
	517794	7731198	4.49	0.7	30	7
	517830	7731170	0.45	<0.5	8	10
	517837	7731170	0.33	<0.5	<5	5
517845	7731169	3.10	0.7	10	<5	
Anna (North)	517414	7731019	0.01	<0.5	11	<5
	517392	7731007	6.93	0.5	<5	11
	517377	7730963	4.53	0.5	<5	10
Anna (South)	517366	7730921	0.04	<0.5	20	<5
	517360	7730892	0.02	<0.5	50	<5
	517355	7730693	0.08	<0.5	20	<5
	517358	7730693	0.01	<0.5	11	<5
	517360	7730693	0.04	<0.5	138	8
Max's Sinter	518221	7729816	<0.01	<0.5	29	7
	518221	7729806	0.04	<0.5	6	<5

Gold determined by fire assay with AAS finish on 30gm sample weight. Other metals determined using four-acid digest with ICP-AES finish. Laboratory introduced QA/QC samples indicate acceptable analytical quality.

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 releases dated 15 November 2013 titled "Rock chips to 55.4g/t gold confirm epithermal potential – Drummond Basin, QLD"; dated 3 April 2014 titled "Petrology study highlights Drummond Project potential – QLD."; dated 4 August 2014 titled "Drummond Gold Project wins Collaborative Drilling Initiative funding."; dated 14 October 2014 titled "FPXRF survey grows Drummond epithermal gold target."; dated 29 October 2014 titled "Rock chips to 9.32g/t gold corroborate emerging South West Limey Dam target model, Drummond Project – QLD."; dated 19 May 2015 titled "Ounce per tonne gold grades in rock chip samples from South West Limey Dam".

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
<i>Sampling techniques</i>	<ul style="list-style-type: none">• 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.	<ul style="list-style-type: none">• Rock chip samples were collected on an opportunistic basis from outcropping veins displaying epithermal textures and from the vein host rocks.• By their nature rock chip samples are not considered to be samples of high representivity.
<i>Drilling Techniques</i>	<ul style="list-style-type: none">• 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,	<ul style="list-style-type: none">• No drilling results are included in the report.

	<i>depth of diamond tails, face sampling bit or other type, whether core is orientated and if so, by what method, etc).</i>	
<i>Drill Sample Recovery</i>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the sample.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • <i>No drilling results are included in the report.</i>
<i>Logging</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • <i>No drilling results are included in the report.</i>
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • <i>No sample preparation was completed on the rock chips other than crushing and pulverising by the analytical laboratory, which is the standard preparation used for rock chip samples.</i> • <i>A portion of each sample has been retained as a geological record and for photographic purposes.</i> • <i>The sample sizes are considered appropriate for epithermal gold which is present as very fine (micron sized) grains.</i>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • <i>Rock chips were assayed in a commercial lab using standard methods.</i> • <i>Gold was determined by fire assay with AAS finish utilising a 30gm charge weight.</i> • <i>Other metals were determined using four-acid digest with ICP-AES finish.</i> • <i>Laboratory QA/QC samples were introduced into the rock chip assay stream.</i>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical or electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • <i>No drilling results are included in the report.</i> • <i>No assay results have been adjusted.</i>
<i>Location of data points</i>	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches,</i> 	<ul style="list-style-type: none"> • <i>Rock chip sample location points were collected using a</i>

	<p><i>mine workings and other locations used in Mineral Resource estimation.</i></p> <ul style="list-style-type: none"> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<p>GPS with autonomous accuracy of +/- 5 meters.</p> <ul style="list-style-type: none"> • MGA94 (Zone 55)
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • The samples were collected on an opportunistic basis. The data is not appropriate for use in estimating a Mineral Resource and is not intended for such use.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • The samples were collected on an opportunistic basis and it is unknown if this results in biased or unbiased sampling.
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • The samples were collected, packaged and delivered to the laboratory by a consultant geologist engaged by the company.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data</i> 	<ul style="list-style-type: none"> • No audits or reviews have been completed.

1.2 Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • 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 heritage survey has been completed and did not locate any areas that are required to be excluded from exploration. Part of the tenement falls within

		<p>Restricted Area 206 – Burdekin Falls Dam Catchment.</p> <ul style="list-style-type: none"> • EPM 18090 is in good standing.
Exploration done by other parties	<ul style="list-style-type: none"> • Acknowledgement and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> • The general area the subject of this report has been explored in the past by various companies including ACM Minerals, Cormepar Minerals, Otter Exploration, Hunter Resources, Poseidon Gold, Dalrymple Resources and MIM Exploration. The Company has reviewed past exploration data generated by these companies.
Geology	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> • Deposits in the general region are considered to be of low sulphidation epithermal vein style.
Drill hole Information	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ Easting and northing of the drill collar ○ Elevation or RL (Reduced Level – elevation above sea level in meters) of the drill collar. ○ Dip and azimuth of the hole. ○ Down hole length and interception depth. ○ 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. 	<ul style="list-style-type: none"> • The report does not include drilling results.
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/ or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in some detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • The report does not include drilling results.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • 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’). 	<ul style="list-style-type: none"> • The report does not include drilling results.
Diagrams	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Appropriate maps are included as Figures 1 and 2 in the report.
Balanced Reporting	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Results of all geochemical data are presented in Table 1 of the report.

	<i>reporting of Exploration Results.</i>	
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • <i>Historic rock chip sample results are discussed and shown on Figure 2.</i>
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests of lateral extensions or depth extensions or large scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • <i>The report advises that the company is planning to drill test the South West Limey Dam prospect in 2015.</i>