



Adelaide Resources Limited
ABN: 75 061 503 375

Corporate details:

ASX Code: ADN

Cash: \$1.24 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

27 July 2015

Drummond epithermal gold project (100% owned), Queensland

High grade epithermal gold targeted at South West Limey Dam as drilling programme gets underway.

Summary

- A 1,200 metre diamond drilling programme commenced on 25 July at the South West Limey Dam gold prospect in Queensland's Drummond Basin.
- The South West Limey Dam prospect is a confirmed epithermal mineral system that extends for over 2 kilometres of strike. It displays geological similarities to the multi-million ounce, high grade Pajingo deposit located 75km to the west.
- Rock chip samples collected from outcropping quartz veins in the northern part of the prospect have recorded high grades, with results up to 55.4g/t gold.
- A large arsenic (epithermal gold pathfinder metal) anomaly defines the southern part of the prospect, and potentially sits above a fully preserved gold zone.
- Drilling will target both the outcropping gold-bearing vein systems in the north, and gold targets below the arsenic anomaly in the south.
- Up to 15 holes will be drilled during the programme presenting multiple opportunities for exploration success.
- The drill programme will be partly funded through a grant of up to \$100,000 from the Queensland Government made under its Collaborative Drilling Initiative.

Chris Drown
Managing Director

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

Adelaide Resources' is pleased to announce that diamond drilling is underway at the South West Limey Dam gold prospect on the Company's 100% owned Drummond project in northern Queensland (Figure 1).

The prospect is situated in the Drummond Basin, a geological province that hosts epithermal mineral deposits such as the multi-million ounce producing Pajingo field.

The Company's surface exploration at South West Limey Dam has defined a large prospective area of approximately 2,000 metres by 700 metres (Figure 2).

High grade gold has been recorded in rock chip samples collected from outcropping quartz veins in the northern part of the prospect. Individual rock chip assay results include 55.4g/t gold, 51.5g/t gold, 34.2g/t gold, 31.0g/t gold, 26.9g/t gold, and 21.7g/t gold.

The high grade samples display colloform banding, a texture typically seen in the gold zone of epithermal deposits. Similar colloform banded veins host high grade gold at the Pajingo mine.

A large and high magnitude arsenic soil geochemical anomaly defines the southern part of the prospect. Arsenic is a common

pathfinder metal in epithermal mineral systems and it is often deposited at higher levels than gold, so its presence can point to preserved gold targets at depth.

The current programme will comprise 1,200 metres of diamond drilling, with holes designed to target both the northern gold-bearing vein systems, and potential gold targets below the arsenic anomaly in the south.

It is anticipated that up to 15 holes will be drilled during the programme, presenting multiple opportunities to achieve exploration success.

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

Drilling operations may take up to two months to complete, with results from early holes possibly available in around five weeks.

The Drummond programme is the fourth drilling programme undertaken by the Company in calendar 2015.

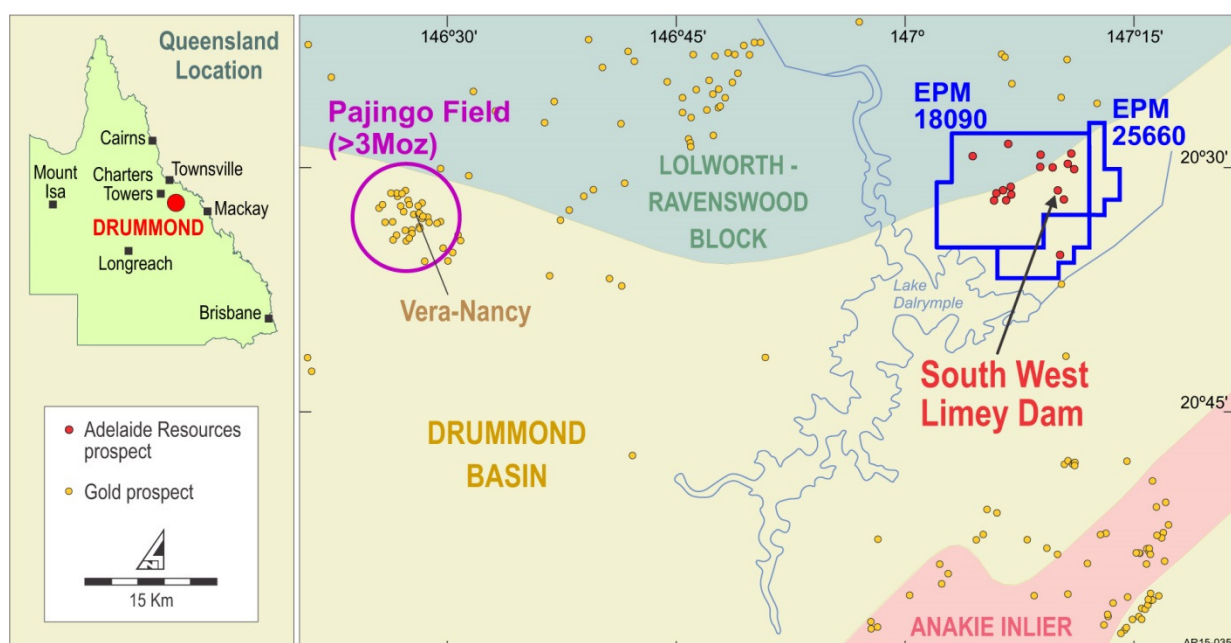


Figure 1: Drummond Epithermal Gold Project location plan.

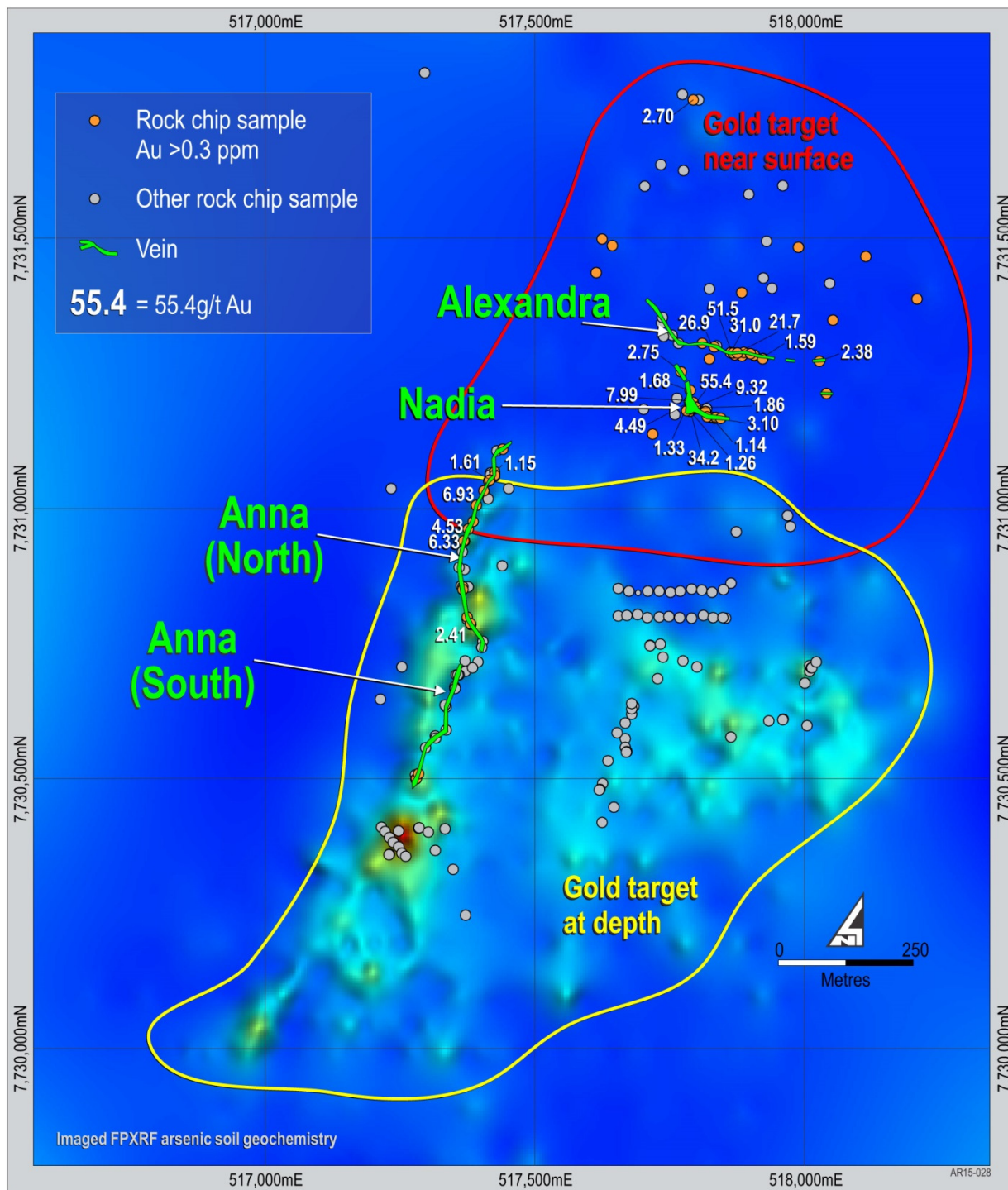


Figure 2: South West Limey Dam Prospect summary plan.

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. Exploration results discussed in this report have previously been released in compliance with JORC2012 requirements - See ADN's ASX releases dated 15/11/2013, 14/8/2014, 29/10/2014, 19/5/2015 and 16/6/2015.