

2016



**Adelaide**  
RESOURCES

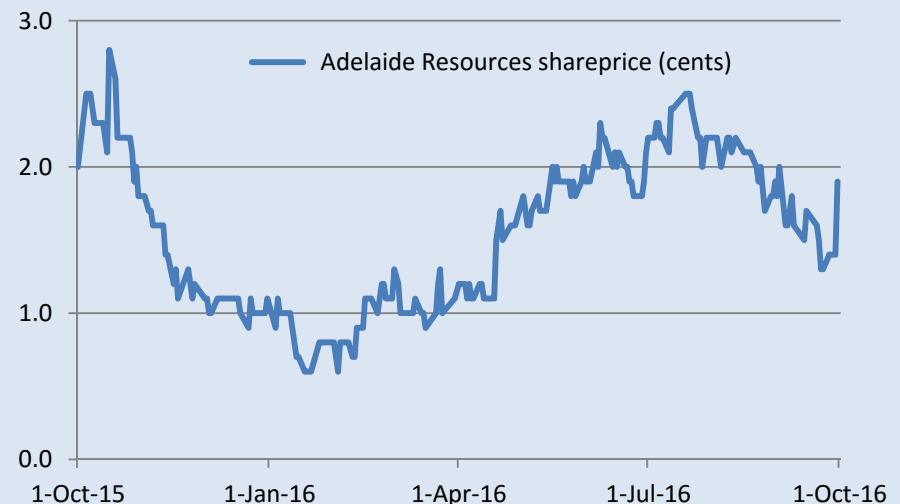
## Investor Presentation

*October 2016*

## Company snapshot

- Principal commodity focus is gold with two significant projects
- Complementary advanced copper and early stage lithium tenements
- Recognised discovery track record
- Experienced board and management with technical and financial skills
  - Colin G Jackson (Non-Executive Chairman)
  - Chris Drown (Managing Director)
  - Nick Harding (Executive Director)
  - Jonathan Buckley (Non-Executive Director)
  - Mark Manly (Exploration Manager)

<b>ASX ticker</b>	<b>ADN</b>
<b>Ordinary shares on issue</b>	<b>405.7m</b>
<b>Share price (at 30-Sept-16)</b>	<b>A\$0.019</b>
12 month trading band	A\$0.006 to A\$0.028
1 month vwap	A\$0.016
<b>Market capitalisation</b>	<b>A\$7.7m</b>
<b>Cash (at 30-Sept-16)</b>	<b>A\$0.68m</b>
<b>Enterprise value</b>	<b>A\$7.0m</b>
<b>Shareholders</b>	<b>2,400</b>



# Asset portfolio

## Focused suite of Australian prospects

### Gold

- Eyre Peninsula (SA) – large land position, maiden Mineral Resource and multiple prospects
- Drummond (QLD) – drill ready epithermal gold targets in high grade district

### Copper

- Moonta (SA) – highly prospective historical IOCG mining district
- Rover (NT) – strategic position in high grade copper-gold camp

### Lithium

- Coolgardie (WA) and Davenport Ranges (NT) - conceptual hard rock targets
- Salt Lakes (SA) – investigating lithium brine potential



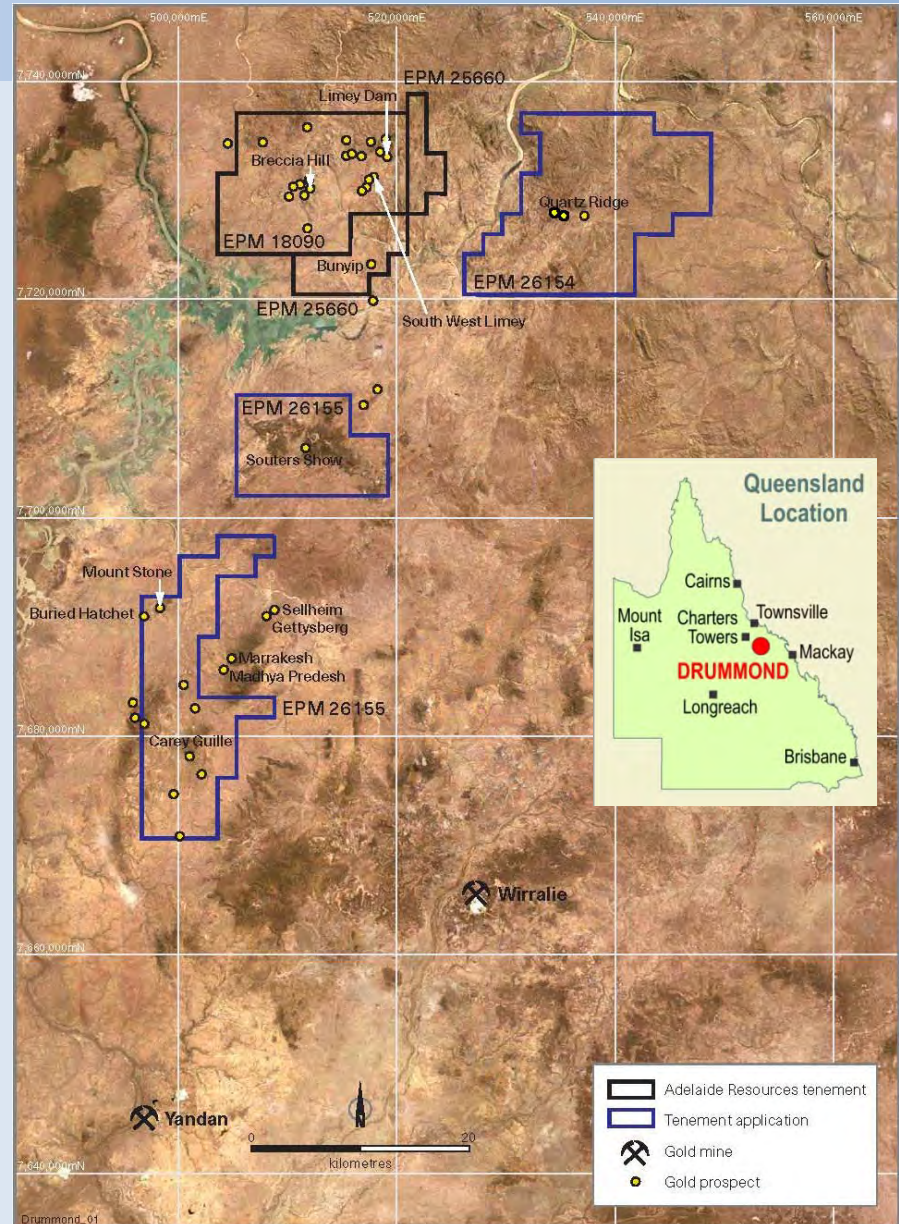
## Value Proposition

- ***Clear gold focus*** - commodity with strong investor interest
- ***Advanced gold project in SA*** - recent 107,000 ounce maiden Mineral Resource estimate at Barns deposit with resource growth achievable
- ***Drilling imminent*** – commencing early Oct16 at nearby Baggy Green target can materially build on Barns resource and deliver near term news flow
- ***High grade epithermal gold project in QLD*** - Four drill-ready targets in high grade Drummond Basin where success likely to trigger significant re-rating
- ***Peer group comparison*** - suggests ADN is significantly undervalued and presents a low cost entry to sound gold plays

# Drummond epithermal gold

## Classic epithermal gold targets

- 100% owned, 833 km<sup>2</sup> project
- Targeting high grade gold hosted by epithermal quartz veins (eg Pajingo, Yandan and Wirralie)
- Granted tenements (black borders) secure the emerging “Glenroy Field”, similar to the >3Moz Pajingo Field located to the west
- 2016 applications (blue borders) secure gold prospective Drummond Basin and Anakie Inlier geology – (*northern tenement has just been granted*).
- **Historical epithermal style gold prospects confirm presence of mineralisation in all areas**



# What is an epithermal gold system?

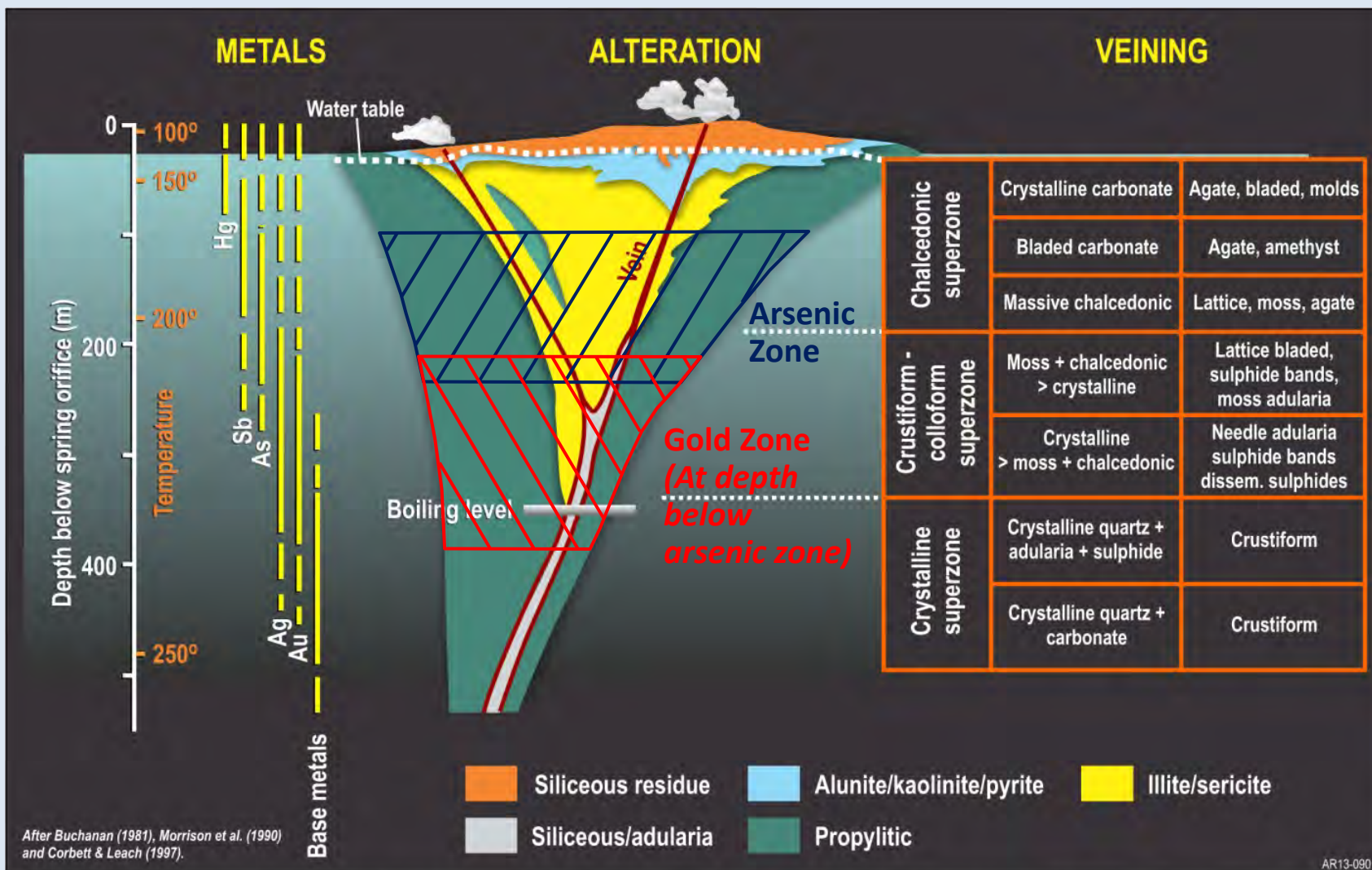
- Form during periods of active volcanism associated with subduction of tectonic plates
- Gold deposited in quartz veins at relatively shallow depths below the surface
- Fluids vent on surface as hot springs and geysers, depositing sinter terraces
- Bonanza gold grades (Pajingo resource in 2000 was ~4MT at 15g/t gold)
- Epithermals can be very large deposits
  - Pajingo >3Moz gold
  - Fruta del Norte (Ecuador) >13Moz gold

**Epithermal geological processes were occurring in the Drummond Basin in the early Carboniferous (350 million years ago)**

*Active epithermal system Rotorua, NZ*



# General model of an epithermal gold system

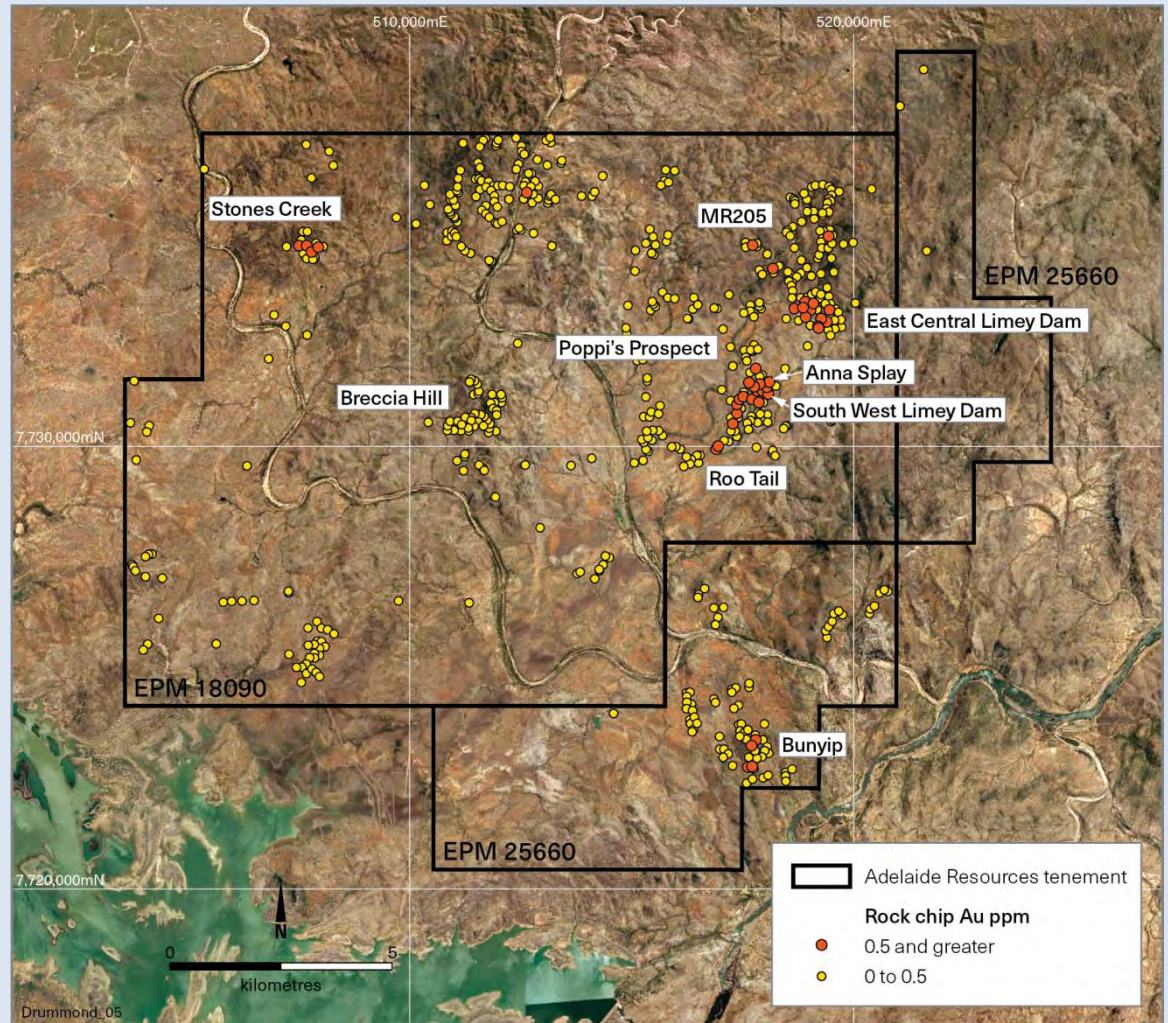


AR13-090

(After Buchanan (1981), Morrison et al. (1990) and Corbett & Leach (1997)).

# Glenroy Field

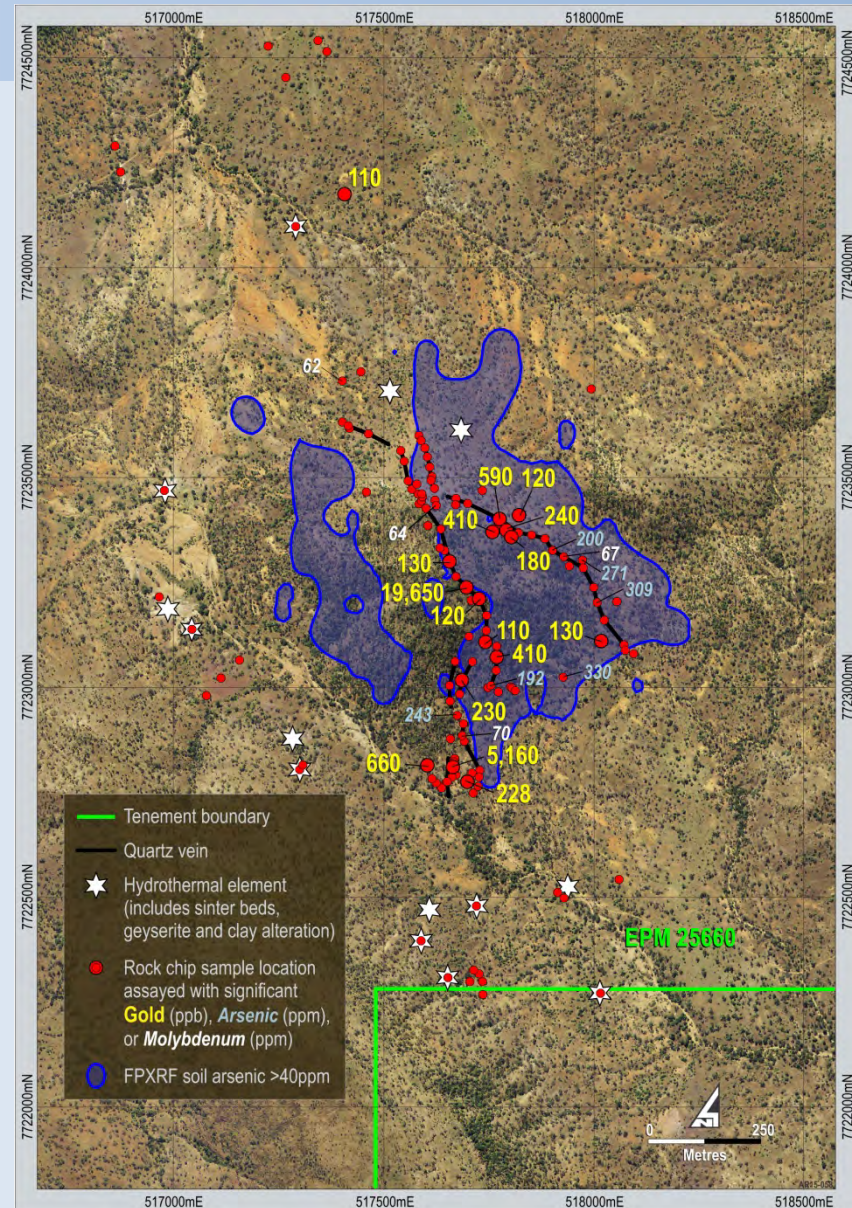
- Drummond Basin Cycle 1 geology – main epithermal gold host in region
- Numerous sizable gold-bearing epithermal systems outcrop at surface in the Glenroy Field
- Level of systems exposed at today's land surface range from palaeosurface (sinters), through upper chalcedonic (arsenic) zone and occasionally into crustiform-colloform (gold) zone
- **High grade surface rock chips to maximum of 55.4g/t gold confirm bonanza grades are present**
- Extensive pathfinder metal anomalism





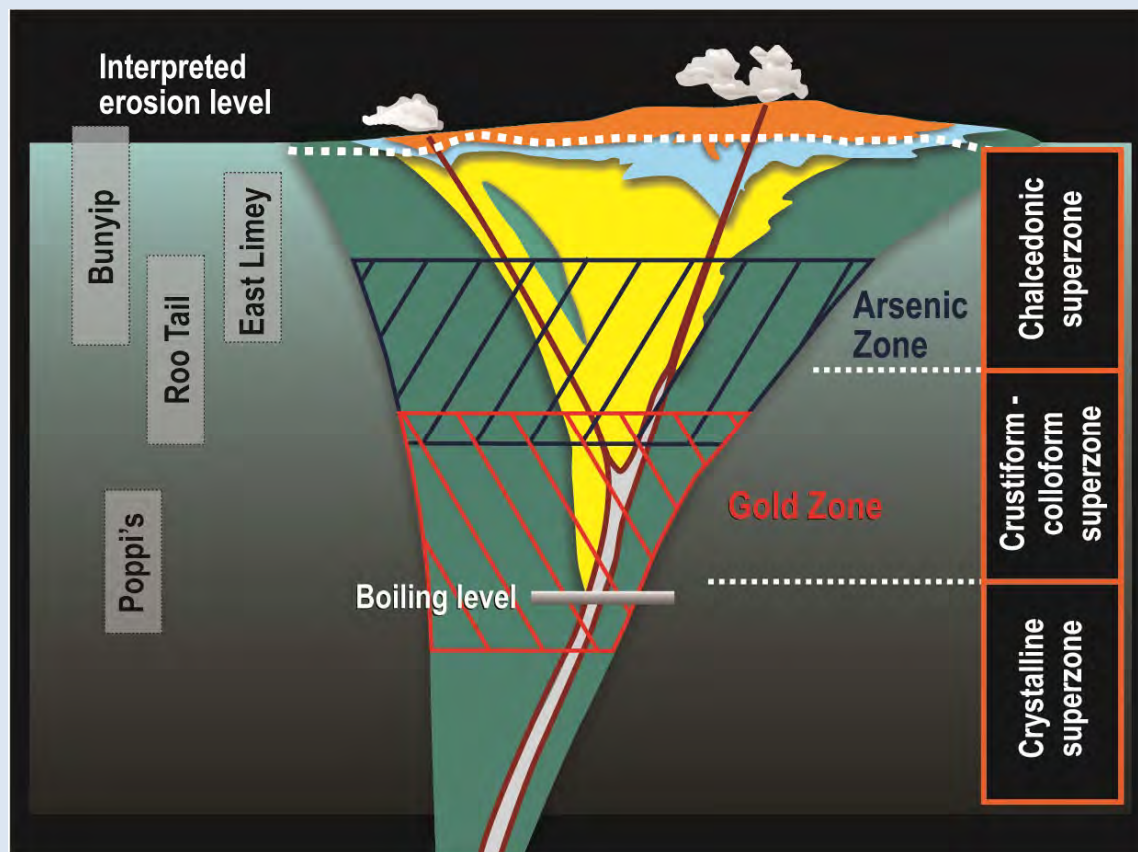
# Bunyip drill target

- Prospect discovered in late 2015
- **Surface rock chips to 19.65g/t gold**
- Over 2,000 metres of quartz veins exposed at surface
- Strong associated arsenic and molybdenum pathfinder metal anomalism
- Nearby outcrop of palaeo-surface sinters confirm upper levels of epithermal system exposed at current land surface (*Arsenic zone exposed at surface – gold zone preserved at depth*)
- **This target has never been drilled - all required approvals are in place to drill test**



## Additional drill targets delineated in early 2016

- Poppi's Prospect – surface rock chips include 6.04g/t, 4.06g/t, 3.54g/t and 2.70g/t gold. Silver to 22.7g/t present. (*Gold zone exposed at surface*)
- Roo Tail – rock chips include 2.19g/t and 1.09g/t gold. Arsenic to 120ppm (*Transitional arsenic to gold zone erosional level – gold zone preserved at depth*)
- East Central Limey Dam - numerous anomalous rock chips to 1.27g/t gold. Arsenic to 721ppm. Chalcedonic veins predominate. (*Arsenic zone exposed at surface – gold zone preserved at depth*)
- **Poppi's, Roo Tail and East Central Limey Dam can be drilled during Bunyip testing**



## Drummond summary

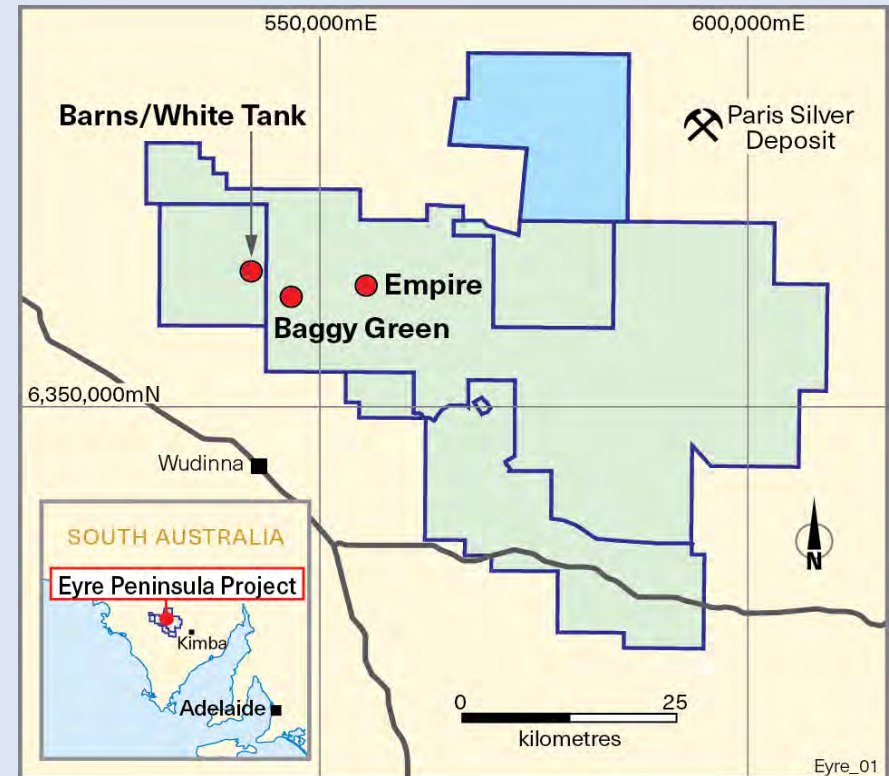
- Land holding 100% owned and significantly expanded in 2016
- Granted tenements secure the Glenroy epithermal field – multiple epithermal systems identified
- The Glenroy systems are generally not deeply eroded - target gold zones likely to be preserved at depth
- Discovery of a deposit like Pajingo, Yandan and Wirralie would be transformative
- **We now want to drill test Bunyip, Poppi's, Roo Tail and East Central Limey Dam – all required heritage clearances, approvals etc are in place**
- **Low cost surface work planned on new ground to feed target pipeline**





# Eyre Peninsula gold

## Large project in Central Gawler Gold Province

- Substantial 2,807km<sup>2</sup> project
- Barns Camp gold deposits (Barns, Baggy Green, White Tank) all 100% owned
- Deposits found in early 2000's when gold was ~A\$550/ounce. Increase to price of around A\$1,700/ounce has changed the economics very favourably
- **Maiden 107,000 ounce Mineral Resource recently announced for Barns.**
- **RC drilling imminent at nearby Baggy Green (\$200,000 PACE grant)**
- Thurlga JV with Investigator Resources
  - 333km<sup>2</sup> tenement adjacent to Paris silver deposit
  - **\$90,000 PACE drilling grant to test six targets**

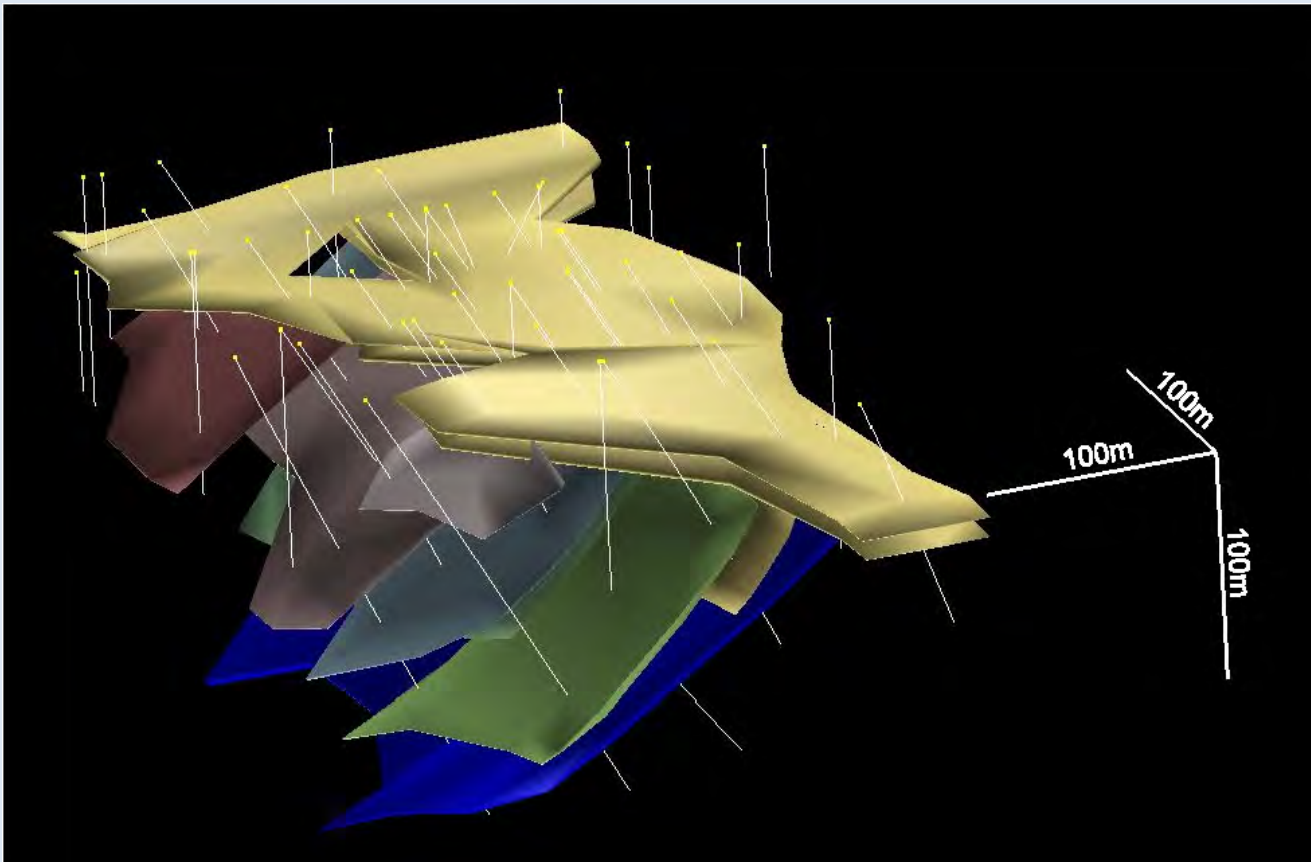


-  Adelaide Resources Exploration Licence
-  Thurlga Joint Venture (with Investigator Resources Ltd)

## Barns – interpreted deposit model

### Detailed deposit modelling completed in Q1 2016

- The model confirms the presence of two flat lying supergene gold zones, below which lie up to ten stacked west dipping primary lodes

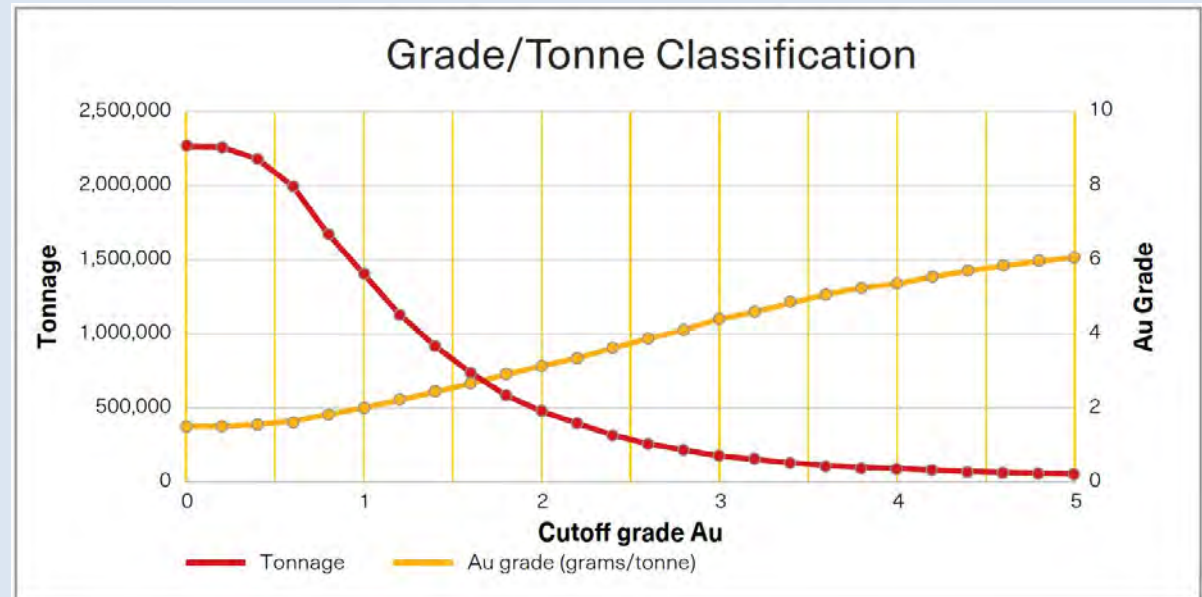


*Barns mineralisation model looking NE. Intersecting drill holes shown as pins.*

# Barns gold deposit – maiden Mineral Resource estimate

## 107,000 ounce maiden Mineral Resource announced July 2016

- Mining Plus Pty Ltd and Adelaide Resources Ltd jointly responsible for resource estimate



Mineralisation	Cut-Off	Indicated			Inferred			Total		
		Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Primary	0.5	-	-	-	1,500,000	1.7	80,000	1,500,000	1.7	80,000
Supergene	0.5	380,000	1.4	17,000	230,000	1.3	10,000	610,000	1.4	27,000
<b>Total</b>	<b>0.5</b>	<b>380,000</b>	<b>1.4</b>	<b>17,000</b>	<b>1,730,000</b>	<b>1.6</b>	<b>90,000</b>	<b>2,110,000</b>	<b>1.6</b>	<b>107,000</b>

The preceding statements of Mineral Resources conforms to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition. All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.

<sup>(1)</sup> Full JORC 2012 compliance information was disclosed upon release of the Mineral Resource estimate. See ADN's ASX release dated 19 July 2016.

## Barns – comparison with other SA gold projects

	Portia <sup>(1)</sup>	Tarcoola <sup>(2)</sup>	Barns <sup>(3)</sup>
Company	Havilah Resources ( <b>HAV</b> )	WPG Resources ( <b>WPG</b> )	Adelaide Resources ( <b>ADN</b> )
Resource	720Kt @ 2.9g/t Au	973Kt @ 3.12g/t Au	2,100Kt @ 1.60g/t Au
Resource Ounces	<b>67,000</b>	<b>97,500</b>	<b>107,000</b>
Reserve	360Kt @ 4.7g/t Au	710Kt @ 3.1g/t Au	?
Reserve Ounces	53,600	71,000	?
Depth of barren cover	75 metres	17 metres?	27 metres
Nature of cover	Unconsolidated seds?	saprolitic clay	saprolitic clay
Nature of gold	very coarse (nuggets)	fine grained (native)?	fine grained (native)
Recovery method	high efficiency gravity	CIP (Challenger Mill)	?
Est. gold recovery	95%	95%	?
Economics	✓	✓	?
Market Capitalisation <sup>(4)</sup>	<b>\$124.7M</b>	<b>\$59.0M<sup>(5)</sup></b>	<b>\$7.7M</b>

### Information sources and notes

<sup>(1)</sup> see Havilah Resources Limited (ASX:HAV) release dated 20 November 2015 titled "A new mining force in South Australia."

<sup>(2)</sup> see WPG Resources Ltd (ASX:WPG) release dated 1 September 2016 titled "Tarcoola gold project – Updated Feasibility Study and Revised Ore Reserve Estimate."

<sup>(3)</sup> see Adelaide Resources Limited release dated 19 July 2016 titled "Maiden 107,000 ounce gold resource estimated for Barns deposit.."

<sup>(4)</sup> Calculated as at 30 September 2016 – ignores listed and unlisted options

<sup>(5)</sup> Note that WPG's market capitalisation also incorporates value for the Challenger Operation

## Barns gold deposit summary

### Current status

- Discovery and early delineation when gold around A\$550/oz
- Increase in gold price to >A\$1,700/oz dramatically improves economics
- 107,000 ounce maiden Mineral Resource recently estimated
- Comparable gold ounce resource position to much higher valued SA peers

### Future work

- Metallurgical testwork to establish recoveries and inform flow sheet design
- Iterative economic scoping/feasibility studies
- Infill drilling to convert Inferred Resources to Indicated Resources
- Exploration to extend deposit down-dip and to south



# Barns – part of a larger gold camp

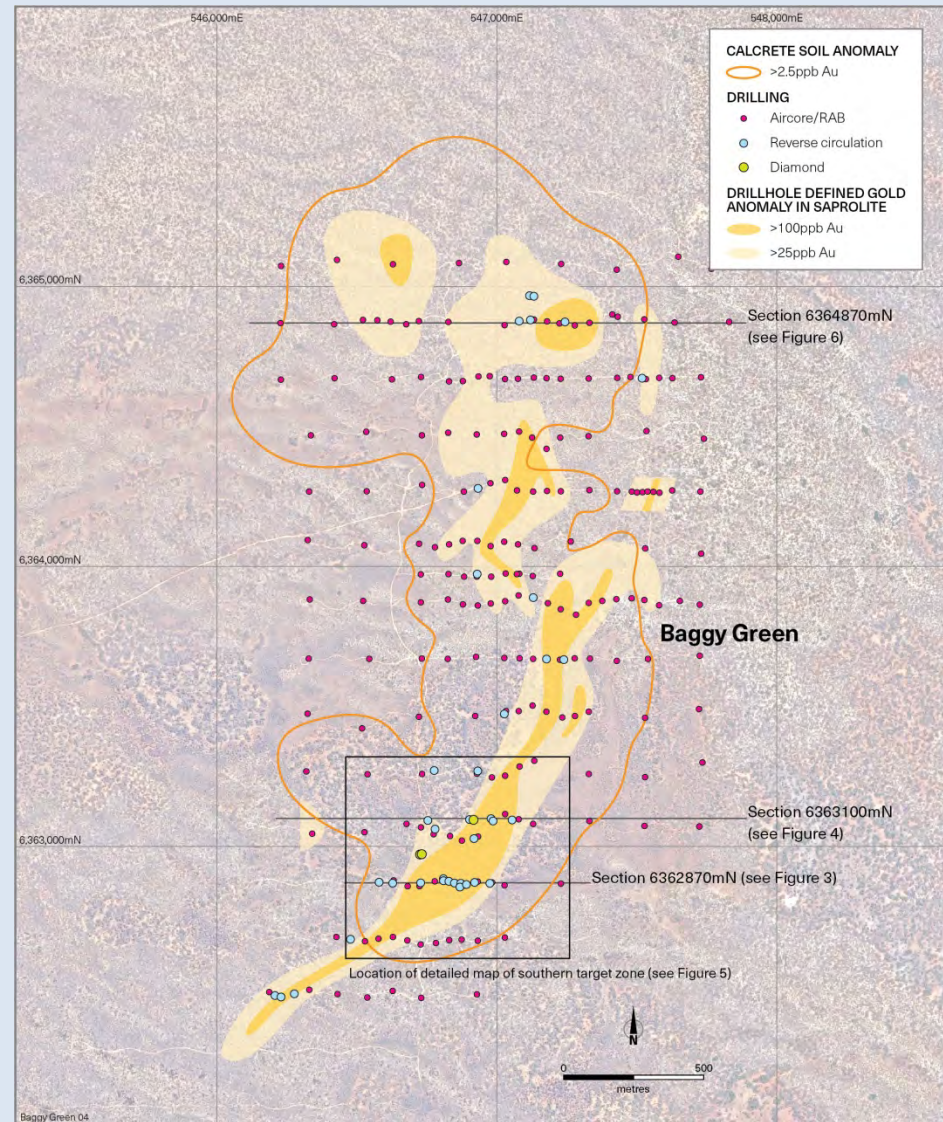
## Additional gold resources near Barns would improve project robustness

- Past drilling has discovered other prospects that can build local resource base
- RC drilling at Baggy Green commencing early Oct16 (\$200,000 PACE grant awarded)



# Baggy Green prospect history

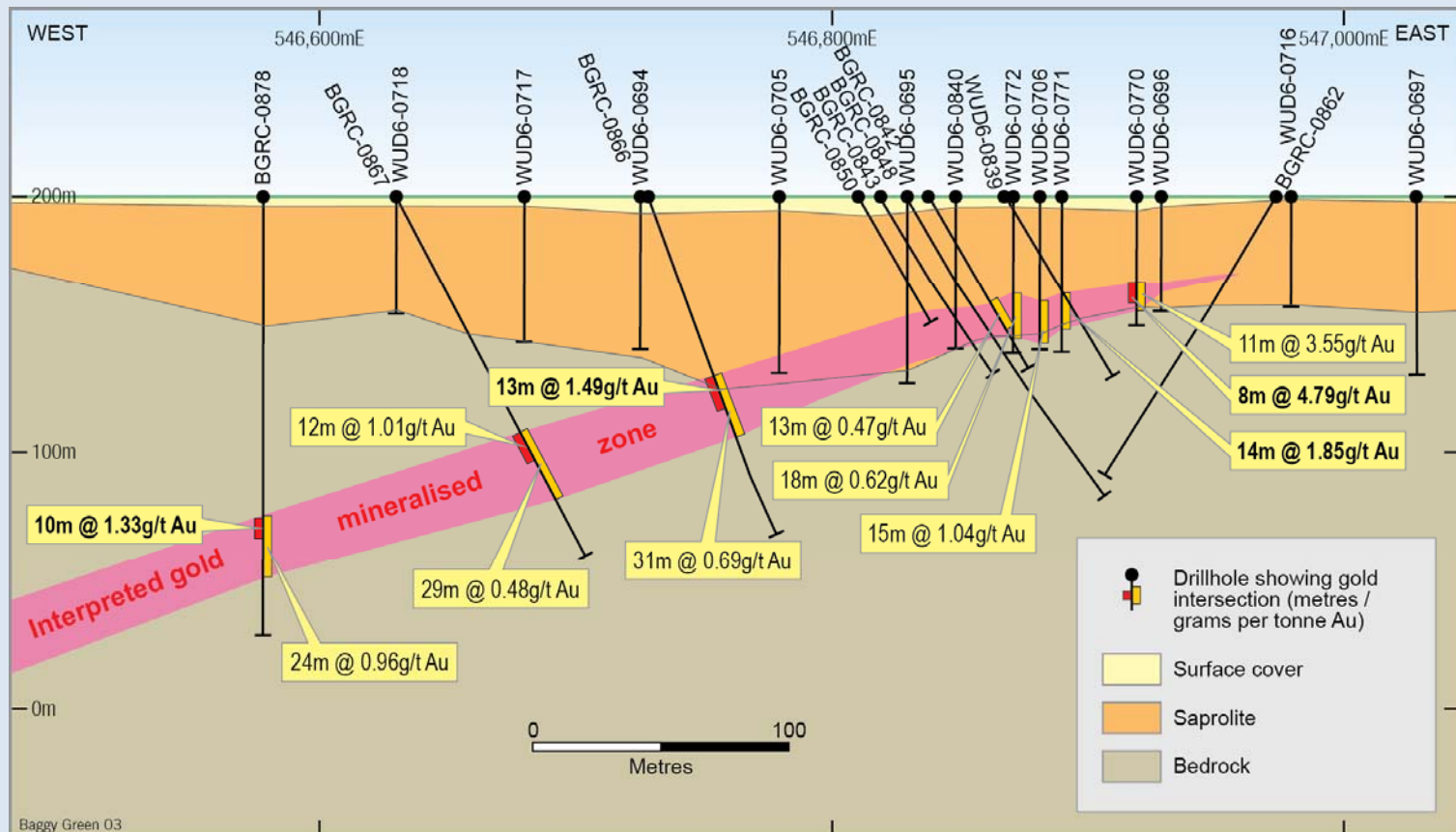
- Originally indicated as 3km long gold anomaly in regional calcrete geochemical survey
- Systematic aircore drilling defined coherent zones of gold mineralisation in saprolite beneath shallow cover sediments
- Potentially economic grade and width intersections recorded in 2004 RC drill holes when project in JV with Newmont
- Newmont's withdrawal in early 2005, coupled with lacklustre gold price saw 10-year hiatus in activity



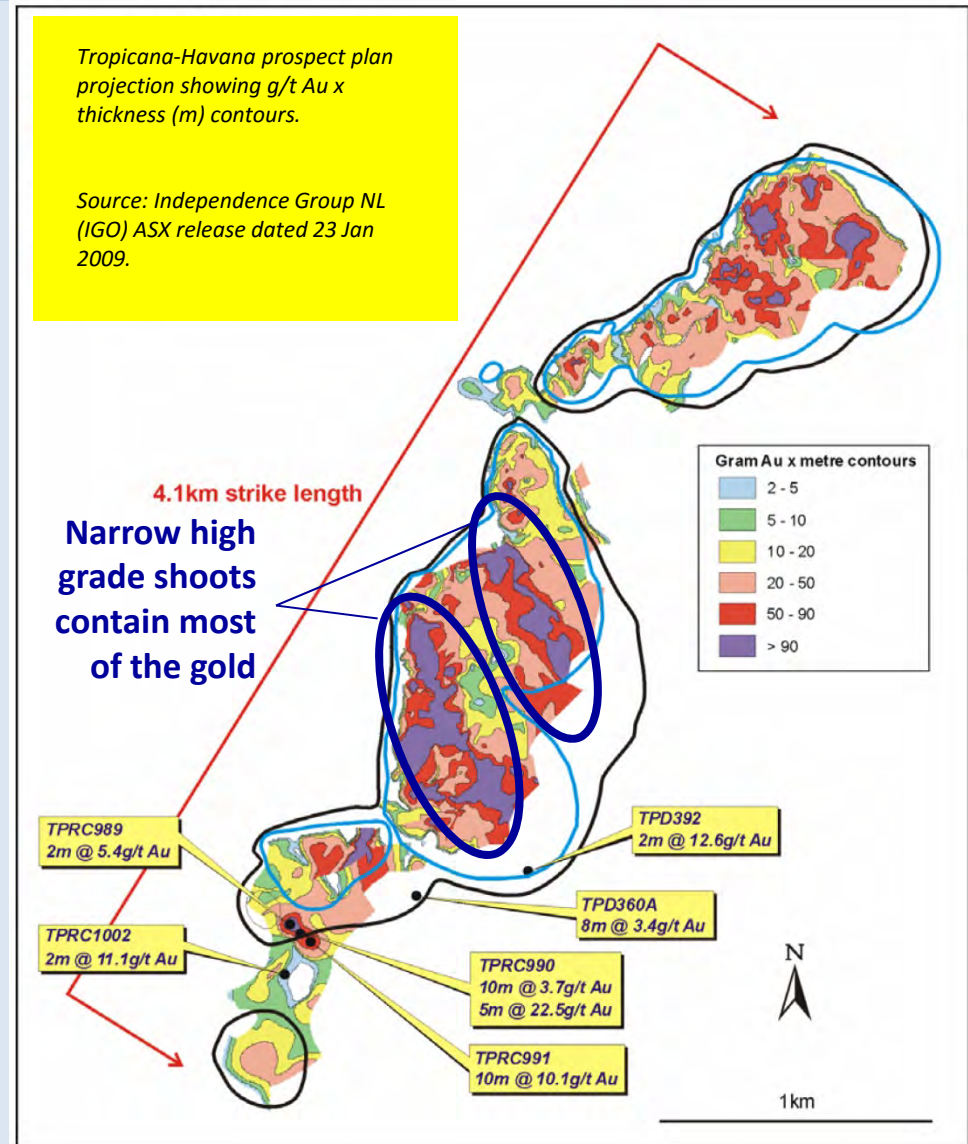
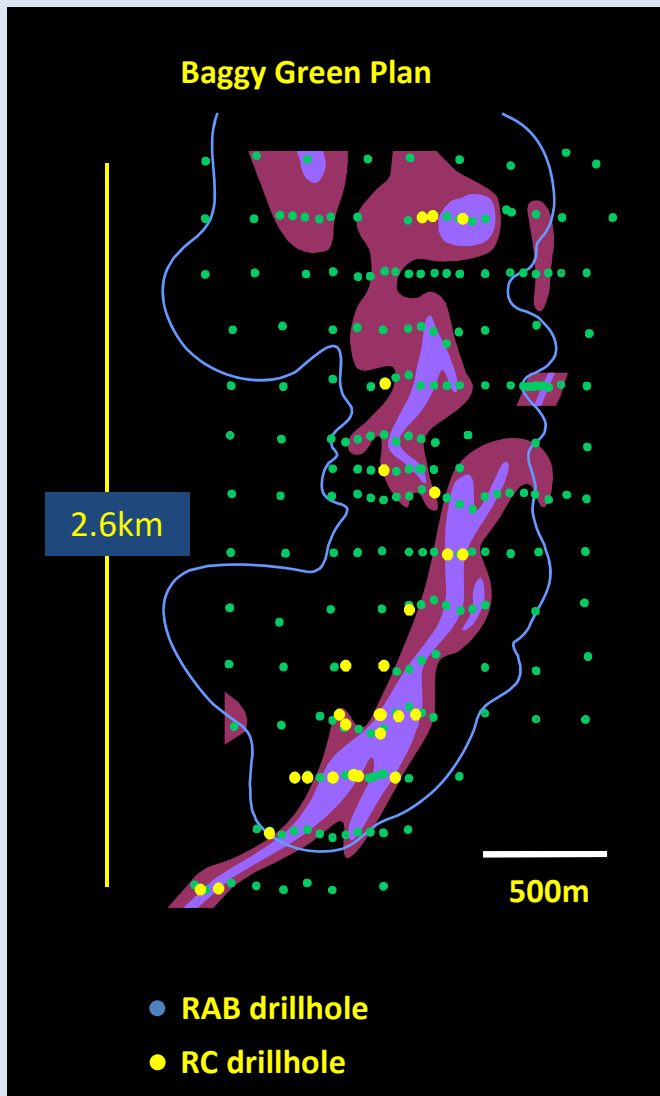
# Baggy Green – cross section through southern target zone

## Principal mineralised shear structure is well defined

- Average true width of primary zone is 27 metres
- Gentle dip – 450m west of eastern limit, the mineralised zone is still <200m below surface
- Indications that higher grade gold shoots are present within plane of structure



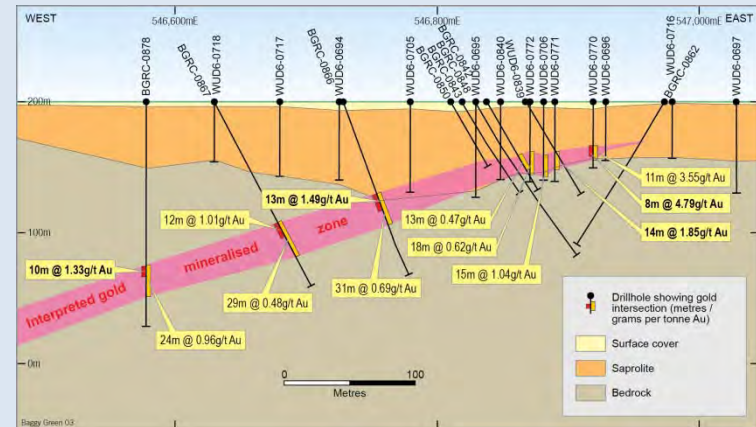
# Baggy Green and Tropicana (>6Moz resource) at same scale - plan



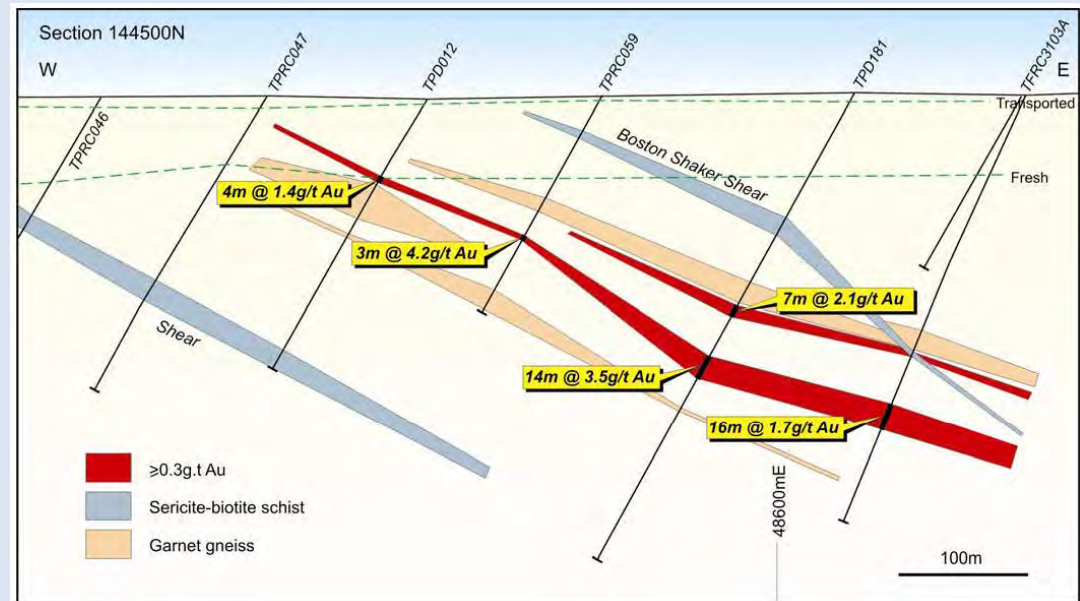
# Baggy Green and Tropicana at same scale – cross section

## Discovery section of Boston Shaker zone at Tropicana very similar to Baggy Green South

- Both have gold in shear zones with gentle dips (~25°)
- Similar depths of weathering
- Gold with pyrite and minor chalcopyrite
- Gneiss host with sericite-biotite alteration
- Comparable gold grades in early drilling



Boston Shaker	Baggy Green
4m @ 1.4g/t Au	10m @ 1.3g/t Au
3m @ 4.2g/t Au	15m @ 1.0g/t Au
14m @ 3.5g/t Au	11m @ 3.6g/t Au
7m @ 2.1g/t Au	13m @ 1.5g/t Au
16m @ 1.7g/t Au	14m @ 1.9g/t Au

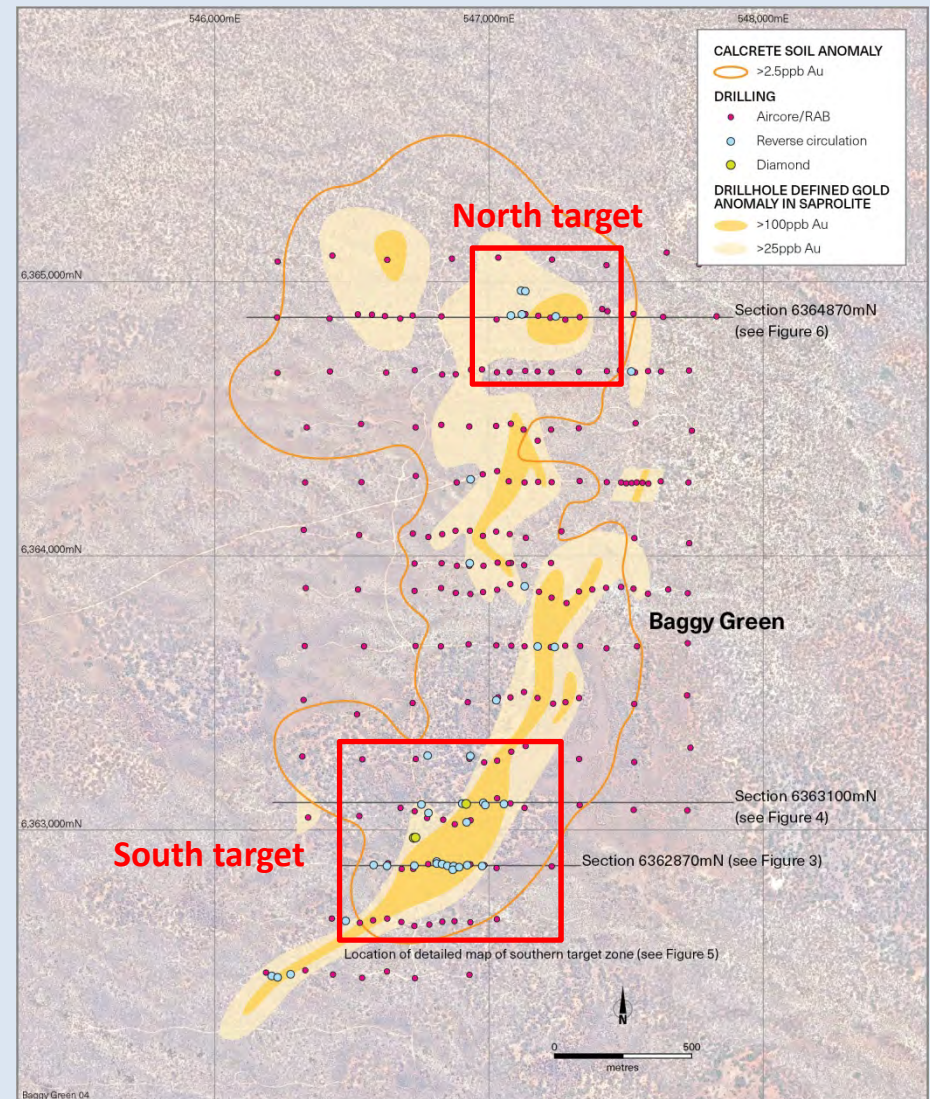


Source: Independence Group NL (IGO) ASX release dated 17 March 2010, titled "Tropicana JV - New Gold Discovery - Boston Shaker Prospect".

# Baggy Green current RC drill programme

## RC drilling commencing early Oct16

- Goal is to test local targets that can materially build on established 107,000 ounce Barns Mineral Resource
- Drilling to be completed at both southern and northern targets at Baggy Green
- These targets have already recorded good gold intersections in past RC holes and are so are highly rated opportunities

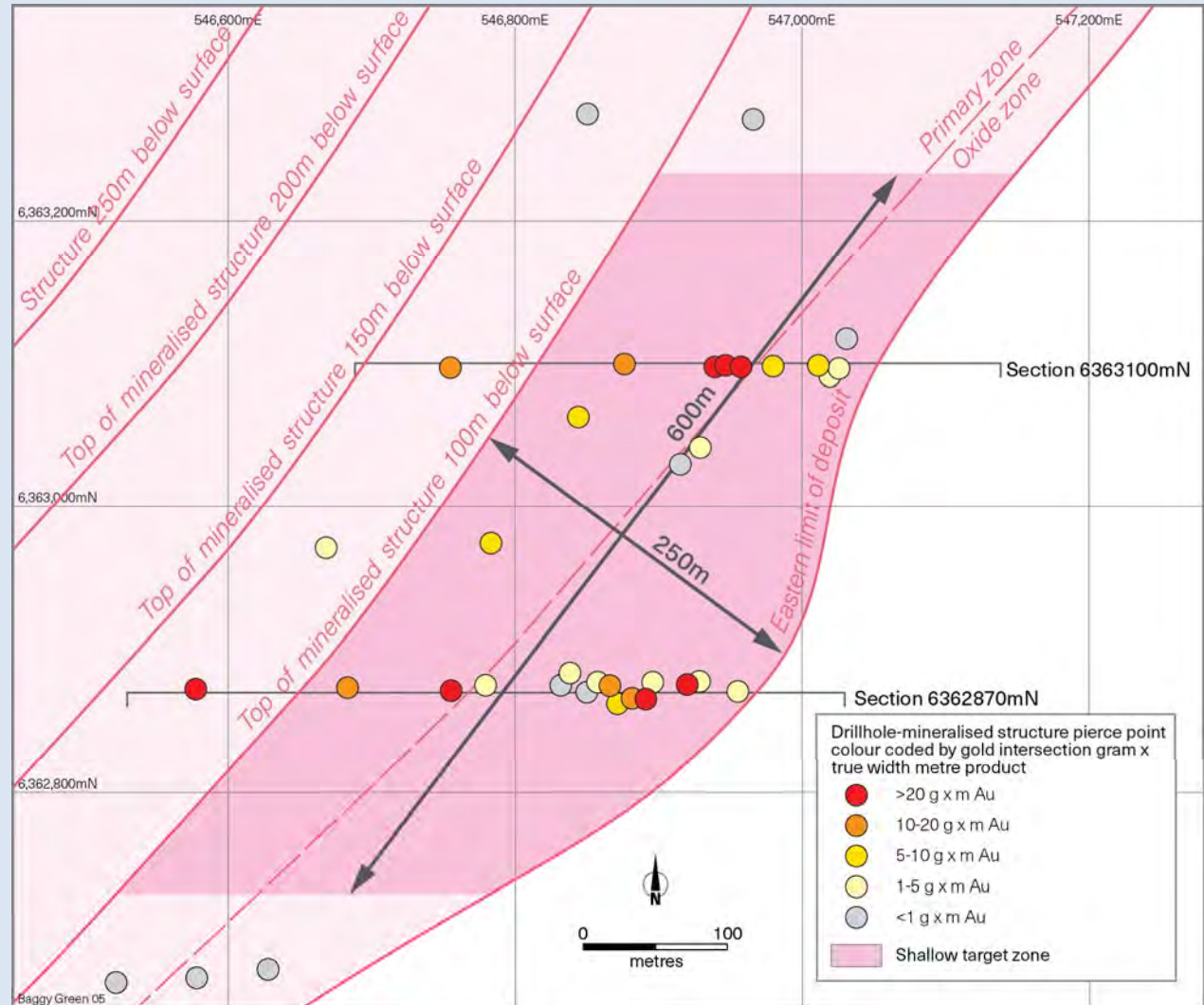


# Baggy Green South – plan projection of initial target

**Sizable 600m x 250m initial target zone defined where mineralised structure will be within 100m of the surface**

- This is a ~7 million tonne volume where gold potential is high
- If 1/3 of this volume is mineralised at Barns resource grade it could double the local resource base

**This target alone could materially build the local resource position**

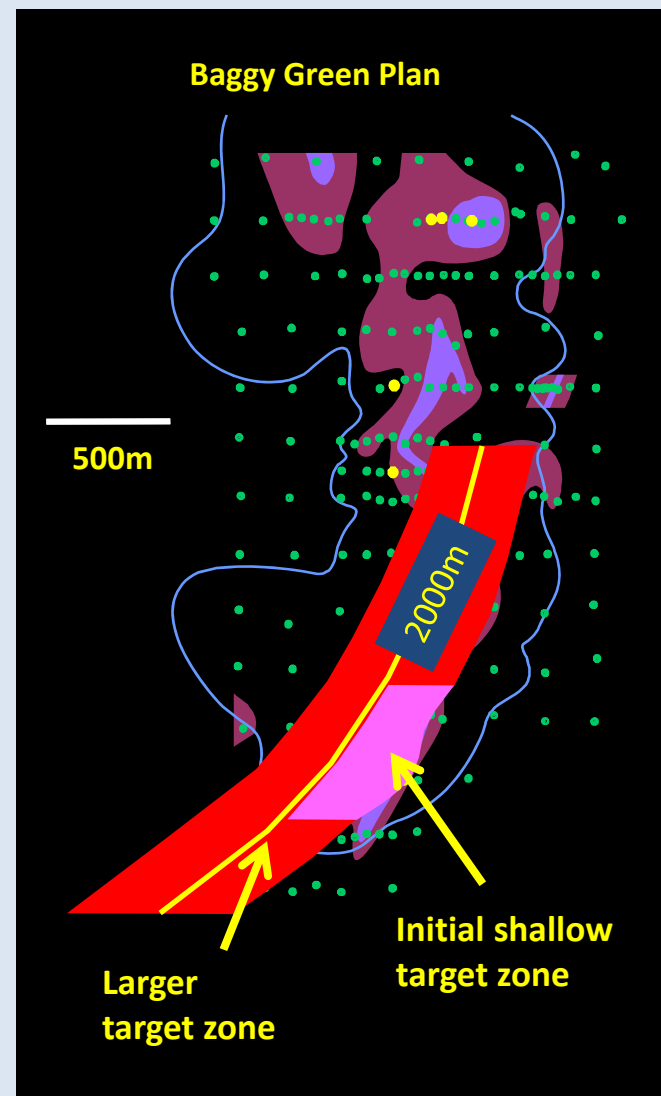


# Baggy Green South – potential for much bigger target

**Initial shallow target zone is part of larger potential target.**

- The southern zone is interpreted to have a strike of 2000 metres and remains open to the SW
- Assuming consistent dip and width, to 200 metres below surface the volume where gold potential is high is ~50 million tonnes

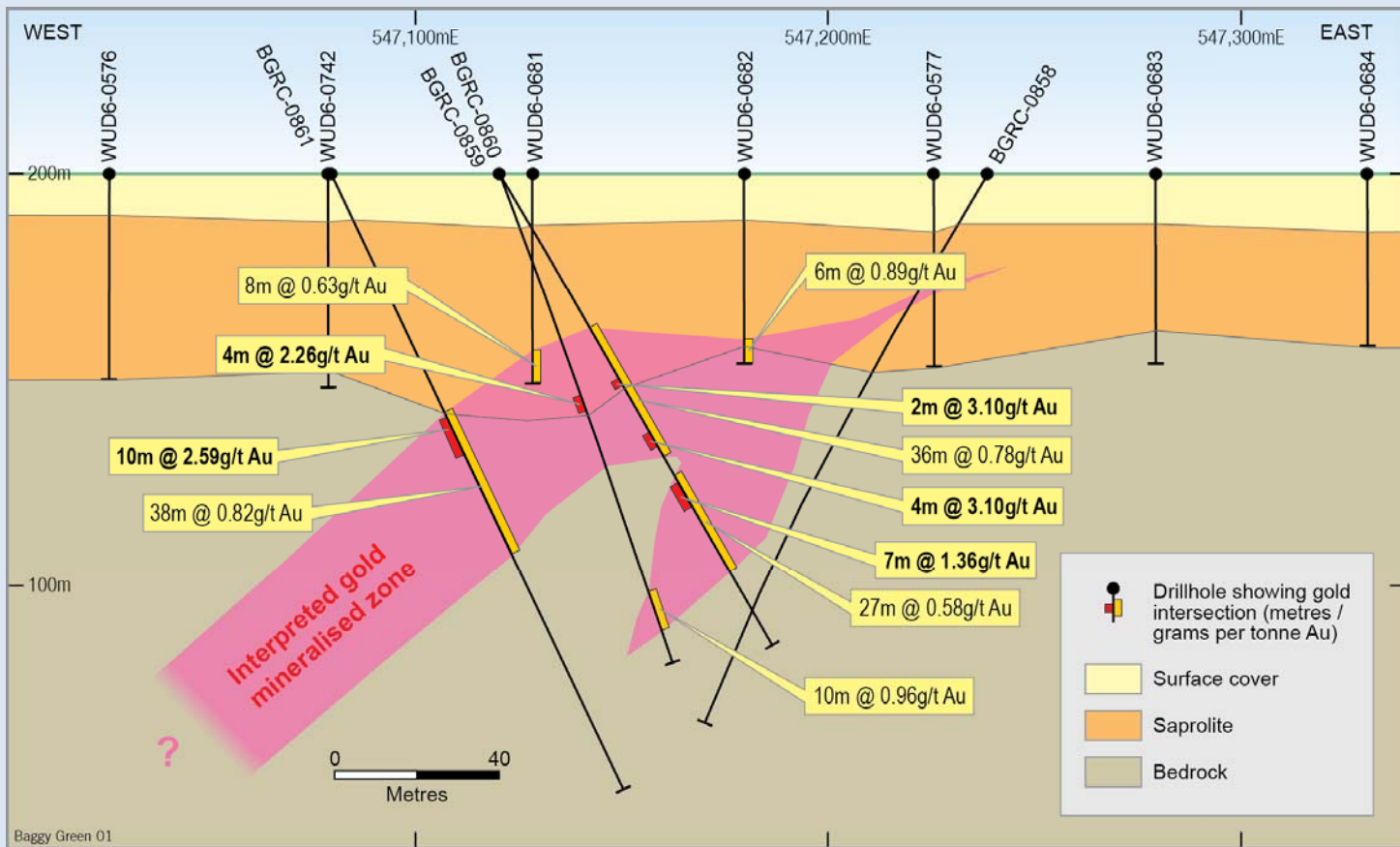
**If even a modest portion of this prospective volume is mineralised at economic grade, the deposit could be of significant size.**





# Baggy Green North – 2nd opportunity 1.9km north of south zone

- Currently defined by only a single traverse of RC holes
- Broad widths of mineralisation indicated, including some good grade sub-intervals
- Drilling in current programme designed to confirm strike and dip of mineralisation



## Eyre Peninsula Gold summary

- JORC Code 2012 compliant maiden Mineral Resource for Barns totals 2.11 million tonnes at 1.6g/t gold for 107,000 ounces at a 0.5g/t cut-off
- Next steps at Barns include metallurgical testing to establish gold recovery and economic scoping studies
- Barns and neighbouring gold prospects can grow local resource base
- Baggy Green targets have delivered good grade historical drill hits and are interpreted to have good size potential
- Current drill programme leveraging \$200K PACE grant and delivering news flow
- **Valuation comparison with peers suggests significant upside possible as we progress this project**



# Forward programme\* and share price catalysts

## Eyre Peninsula Gold

- **RC drilling at Baggy Green (current programme)**
- RC drilling at Barns West, Barns South, White Tank and Empire targets
- RC drilling at Barns to extend resource and infill drill to allow resource re-classification
- Maiden Baggy Green resource estimation and revision of Barns resource
- Diamond coring at Barns/Baggy Green to deliver metallurgical testwork samples
- **Metallurgical testwork for Barns/Baggy Green**

## Drummond Epithermal Gold

- RC drilling at Bunyip, Poppies, Roo Tail and East Limey targets
- Follow-up diamond drilling (contingent on success of RC)
- **Target generative surface exploration on newly granted Drummond tenements**

## Copper and Lithium Projects

- Resource estimation for Alford West deposit – Moonta copper project
- **Reconnaissance surface work to confirm prospectivity of lithium ground**

*\* Components in bold are committed with other elements subject to funding*

## Competent Person statements

### Competent Person statements

**General Exploration:** *The information in this presentation 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, acting as the Company's Managing Director. 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.*

**Barns Exploration:** *The information in this release that relates to sampling techniques and data, exploration results, geological interpretation and Exploration Targets has been compiled by Mr. David Adams BSc (Hons), MAusIMM, an employee of the Company. Mr. Adams is a Member of the Australian Institute of Mining and Metallurgy and he has sufficient experience with the style of mineralisation and types of deposits under consideration, and to the activities undertaken, to qualify as a competent person as defined in the 2012 Edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) for reporting the exploration results. Mr. Adams consents to the inclusion in this report of the contained technical information in the form and context in which it appears.*

**Barns Resource Estimation:** *The information in this release that relates to the Estimation and Reporting of Mineral Resources has been compiled by Mr. Richard Buerger BSc. Mr. Buerger is a full-time employee of Mining Plus Pty Ltd and has acted as an independent consultant on the Barns Deposit Mineral Resource estimation. Mr. Buerger is a Member of the Australian Institute of Geoscientists and has sufficient experience with the style of mineralisation, deposit type under consideration and to the activities 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 (The JORC Code). Mr. Buerger consents to the inclusion in this report of the contained technical information relating the Mineral Resource Estimation in the form and context in which it appears.*

### Barns Resource Cautionary statement

*Readers should use caution when reviewing the exploration and historical production results presented and ensure that the Modifying Factors described in the 2012 edition of the JORC Code are considered before making an investment decision.*

## JORC 2012 and Cautionary statement

### JORC Code 2012 statements

*The information relating to Adelaide Resources' exploration to 30 November 2013 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.*

*The information relating to Adelaide Resources' exploration since 1 December 2013 has been reported in compliance with the JORC Code 2012. See ADN's ASX releases dated 14 May 2015 titled "Diamond drilling commences at Barns and Baggy Green gold prospects"; dated 24 July 2015 titled "16 metres at 3g/t gold in Eyre Peninsula drilling results"; dated 13 October 2015 titled "High grade gold improves Bunyip target credentials"; dated 16 October 2015 titled "Higher grade gold zones highlight Eyre Peninsula potential"; dated 23 October 2015 titled "Broad intervals of gold and silver mineralisation in the latest South West Limey Dam results"; dated 23 February 2016 titled "Drummond epithermal gold holdings triple with new tenement applications"; dated 9 May 2016 titled "Positive gold surface sampling results deliver further drill targets at Drummond"; dated 10 June 2016 titled "Studies demonstrate work to advance the Barns gold prospect is warranted"; dated 10 June 2016 titled "Studies demonstrate work to advance the Barns gold prospect is warranted"; dated 19 July 2016 titled "Maiden 107,000 ounce gold resource estimated for Barns deposit."; and dated 21 September 2016 titled "Drilling at Baggy Green gold prospect to build on Barns Mineral Resource inventory."*

### Caution Regarding Forward Looking Information

*This document contains forward looking statements concerning Adelaide Resources Limited. Forward- looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward- looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on Adelaide Resources beliefs, opinions and estimates of Adelaide Resources as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future development.*



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