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Australian Securities Exchange Announcement

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Company Announcements Office
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Drilling Program Underway At Alford West Prospect – SA.

Adelaide Resources Limited is pleased to announce that an aircore drilling program has commenced today at the Alford West Prospect, located on the Moonta Copper-Gold Project on the Yorke Peninsula of South Australia (Figure 1). Widespread copper and gold mineralisation was intersected at Alford West in 2013 and the current program will test for strike extensions to the deposit.

The program will also see the first ever drill testing of the nearby Blue Tongue target which was defined by a program of Field Portable X-Ray Fluorescence (FPXRF) soil geochemistry in December 2013.

The prospects to be drilled are wholly owned by Adelaide Resources, and are located in the northern part of the Moonta Project tenement.

The program will comprise up to 12,000 metres of drilling and is likely to take between two and three months to complete. Further FPXRF soil geochemical surveying is also in progress.

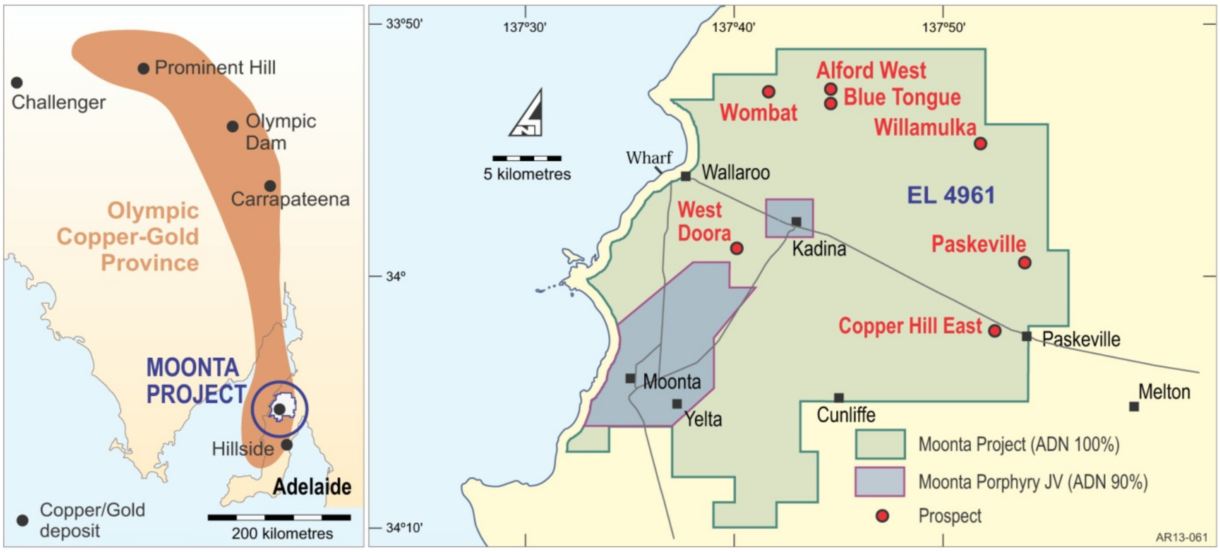

Figure 1: Moonta Copper-Gold Project location.

Alford West Prospect

The Alford West Prospect[1] is defined by a 3500 metre long copper anomaly evident in shallow auger drilling completed in the 1970s by past explorers (Figure 2). Limited historical deeper diamond and reverse circulation drilling intersected copper and gold mineralisation beneath the auger geochemical anomaly, with a number of high grade zones of copper found.

In 2013, Adelaide Resources completed aircore drilling over an 1100 metre interval of the target zone. A total of 122 holes were drilled for 8140 metres with widespread copper and gold mineralisation intersected. Standout intersections from the 2013 drilling include:

- 7 metres at 1.86% copper and 0.45g/t gold from 51 metres in ALWAC003
- 15 metres at 2.89% copper and 0.15g/t gold from 56 metres in ALWAC006
- 20 metres at 4.20% copper and 0.27g/t gold from 32 metres in ALWAC007
- 45 metres at 1.56% copper and 1.83g/t gold from 13 metres in ALWAC008
- 15 metres at 1.04% copper and 0.33g/t gold from 21 metres in ALWAC016
- 10 metres at 1.69% copper and 1.24g/t gold from 25 metres in ALWAC017
- 15 metres at 1.04% copper and 0.33g/t gold from 21 metres in ALWAC016
- 14 metres at 2.60% copper and 0.70g/t gold from 10 metres in ALWAC036
- 20 metres at 1.76% copper and 0.33g/t gold from 36 metres in ALWAC038
- 11 metres at 2.33% copper and 0.68g/t gold from 40 metres in ALWAC043
- 18 metres at 2.22% copper and 0.17g/t gold from 46 metres in ALWAC044
- 16 metres at 2.38% copper and 0.18g/t gold from 60 metres in ALWAC048
- 12 metres at 0.41% copper and 1.44g/t gold from 15 metres in ALWAC087
- 11 metres at 1.11% copper and 0.03g/t gold from 42 metres in ALWAC090

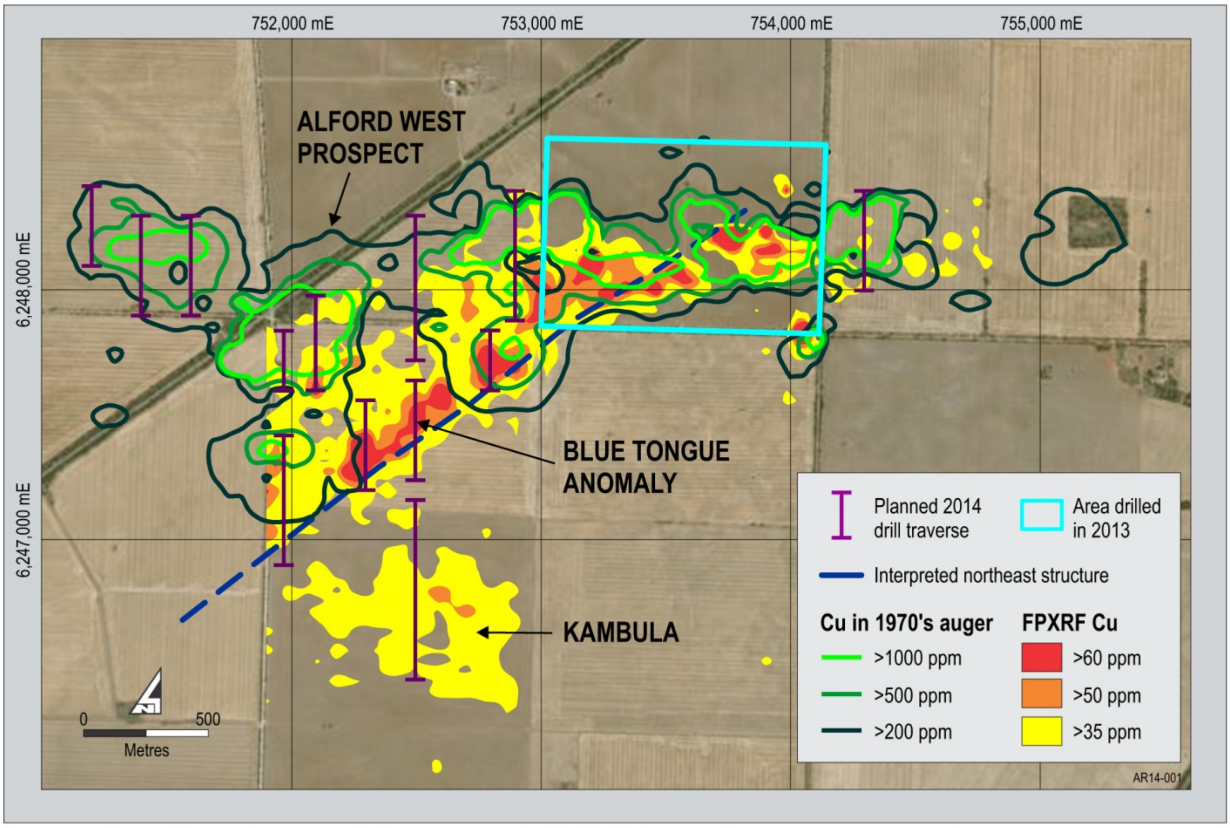

Figure 2: Alford West Prospect: 1970's auger and 2013 FPXRF geochemistry with planned drill traverses.

(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.*

Interpretation of the 2013 drill results from Alford West suggests that mineralisation is continuous over the 1100 metre zone tested to date, with the mineralisation remaining open to the east, west and at depth. The company considers the potential to extend the mineralised zone along strike from the 1100 metre interval drilled in 2013 to be high.

In 2013, an FPXRF soil geochemical survey was also completed over the Alford West Prospect, with anomalies coincident with the 1970's auger geochemistry delineated in areas where the cover sequences are conducive to the formation of FPXRF features.

Blue Tongue Target

On 18 December 2013, the company announced to the ASX[2] that an FPXRF soil sampling program had defined a new drill target, called Blue Tongue, located immediately south of the Alford West Prospect (Figure 2). The northeast trending Blue Tongue soil geochemical anomaly extends for approximately 1000 metres and occurs as a coherent zone of anomalous copper that is equivalent in magnitude to FPXRF soil copper anomalies associated with the Alford West mineralisation.

No historical aircore, reverse circulation or diamond drill holes are known to have tested the Blue Tongue anomaly. A single traverse of shallow 1970's auger holes crosses the northeastern limit of the Blue Tongue feature, with the bottom 3.66 metres of one of these holes assaying 0.14% copper from 8.53 metres downhole, suggesting that the surficial geochemical feature may be sourced by underlying mineralisation.

Study of airborne magnetic images from the Alford West Prospect environs reveals the presence of a break in the magnetic pattern which is interpreted to be due to a northeast striking fault or shear structure. This structure is coincident with the southern margin of the Blue Tongue anomaly (Figure 2). Northeast striking structures are important in the Moonta district as they can be sites of mineralisation, with the historically mined Moonta Lodes and the Willamulka deposit associated with structures having this orientation.

The presence of a coherent geochemical anomaly of comparable magnitude to the soil anomalies sourced by significant mineralisation at Alford West; the supporting historical auger result; and the possible association with an interpreted northeast trending structure are all positive attributes, making Blue Tongue an attractive drill target.

A second, lower magnitude, copper anomaly was also defined by the December 2013 FPXRF survey. This feature, called Kambula, is located directly south of Blue Tongue (Figure 2). No historical auger, aircore, reverse circulation or diamond drill holes are known to have tested Kambula. Drilling of the Blue Tongue and Kambula targets will be completed in conjunction with further drill testing of the Alford West Prospect.

Drill Program

Initially, approximately 120 aircore holes are planned on 13 new traverses shown on Figure 2. Eight of these traverses will extend coverage of the Alford West Prospect along strike from the area drilled in 2013, with these lines designed to test either 1970's auger or 2013 FPXRF geochemical anomalies. Four traverses are planned to test the Blue Tongue FPXRF anomaly, while a single traverse is planned across the Kambula FPXRF feature.

Additional drill lines will be planned once results from the initial 13 traverses are received and assessed. The current program is likely to total about 12,000 metres, adding significantly to the 8140 metres of aircore drilling completed at Alford West in 2013.

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

The new holes will be inclined at 60 degrees and drilled to the south. Drill samples will be geologically logged and scanned on-site using FPXRF instruments. Samples from anomalous intervals identified by the FPXRF scanning will then be then assayed at a commercial laboratory using standard analytical methods.

It is anticipated that the drilling activities will take between two to three months to complete. Assaying of each batch of samples submitted to the commercial laboratory will likely take up to three weeks from the laboratory's receipt of samples.

Following the success of the FPXRF geochemical method in defining the Blue Tongue target, an ongoing program of FPXRF soil geochemistry remains underway to evaluate other areas around Alford West and Blue Tongue, and in the broader Alford Copper Belt.

Chris Drown
Managing Director

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, 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.

Enquiries should be directed to Chris Drown. Ph (08) 8271 0600 or 0427 770 653.