



Australian Securities Exchange Announcement

21 January 2015

COMPANY UPDATE

2015 shapes as an eventful year for Adelaide Resources Limited (ASX: ADN) as we build on the strong foundations established over previous years. We will continue with our core copper-gold strategy, concentrating on our four key Australian assets, with particular focus on our flagship Moonta Copper Gold Project which sits in the Olympic Copper-Gold Province in South Australia.

A new presentation which largely represents new materials, and which forms part of the Company's current shareholder, investor and media relations communication effort, is attached.

Adelaide Resources highlights:

- A quality suite of copper and gold projects in recognised mining regions within Australia
- Ongoing drill success at the Moonta Copper Gold Project presenting realistic opportunities to quantify JORC resources
- Classic epithermal gold target defined on the Drummond Epithermal Gold Project
- A share of the Rover 1 copper-gold deposit near Tennant Creek – Metals X (ASX: MLX) announced “stunning” drilling results from its part of the Rover 1 deposit on 9 January 2015
- New JV partner, Investigator Resources (ASX: IVR) is managing and funding exploration of the Thurlga JV, part of the Eyre Peninsula Project
- Industry leader in the innovative application of highly cost-effective FPXRF geochemistry for target generation
- Highly valuable historical database at Moonta also contributing target generation effort
- Highly technical, experienced and established Board and senior management team
- Clean capital and operating structure which differentiates Adelaide Resources from peers
- Track record of sensible cash management

Managing Director, Chris Drown says: “The attached presentation outlines a compelling investment case and updated plans for growing shareholder value. Adelaide Resources has strong copper and gold assets, all within Australia, and proven leverage to improvements in copper, gold and wider sector sentiment.”

Chris Drown
Managing Director

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

2015



Adelaide Resources Limited

Company Update

21 January 2015

Company snapshot and investment case

Clean capital structure with solid support from shareholders, well positioned for future growth

- Highly technical, experienced and established Board and senior management
- Quality suite of projects in recognised mining regions
- Highly valuable historical databases and ongoing drill success at flagship Moonta Copper Gold Project
- Classic epithermal gold target defined on Drummond Epithermal Gold Project
- Recent “stunning” drilling results at Metals X’s Rover 1 deposit, which crosses into Adelaide Resources’ Rover 1 tenement
- Innovative FPXRF geochemistry presents cost-effective target generation method
- Clean capital and operating structure differentiates Adelaide Resources from peers
- Track record of sensible cash management

ASX ticker	ADN
First listed on ASX	September 1996
Ordinary shares on issue	270.1m
Listed options	20.4m
Share price (as at 20-Jan-15)	A\$0.028
12 month trading band	A\$0.023 to A\$0.073
Market capitalisation	A\$7.6m
Cash on hand (as at 31-Dec-14)	A\$1.7m
Enterprise value	A\$5.9m
Shareholders (as at 10-Nov-14)	2,467



Board and management

Deep technical expertise across key disciplines provides outstanding platform for discovery success

The Board



Chris Drown Managing Director
Geologist

- Geologist with over 25 years of experience
- Has had a major role in operations since being appointed Exploration Manager just after listing
- Managing Director since 2007
- Invaluable experience with mineralisation, deposit types and geographies similar to current prospects



Mike Hatcher Non-Executive Chairman
Geologist

- Geologist with over 40 years experience
- Extensive experience in greenfield and brownfield mineral exploration, mine development and production in Australia and internationally
- Previously Chief Geologist for Normandy Mining / Newmont's Australian mines



Jonathan Buckley Non-Executive Director
Corporate Finance

- Over 25 years of corporate finance experience
- Previously held positions in several financial firms in the UK before establishing PhillipCapital Australia's corporate advisory business
- Founding director of several fund management businesses

Senior management



Nick Harding CFO & Company Secretary

Corporate Finance and Accounting

- Over 25 years experience in corporate finance and accounting roles in the resources industry
- Specific experience includes senior finance roles for WMC Resources (where he was the head of finance at Olympic Dam for 5 years), Normandy Mining and Newmont



Mark Manly Exploration Manager
Geologist

- Geologist with 25 years of exploration experience
- Previously Chief Geologist at Phoenix Copper and Regional Exploration Manager for Perilya
- Integral in the discovery of the Black Cat, Panther and Pinnacles gold deposits in Western Australia

Asset suite

Quality suite of Australian copper and gold prospects

- Strict copper and gold and Australian focus
- Recognised discovery track record
 - Greenfield finds and the identification of opportunities left by past explorers
- Highly prospective Moonta Copper Gold Project is the main focus of current operations
- Classic epithermal gold target defined on Drummond Project
- Recent outstanding drilling results at Metals X's Rover tenement that neighbours Adelaide Resources' Rover 1 tenement
- Recommencement of exploration effort at Eyre Peninsula through Thurlga JV with Investigator Resources

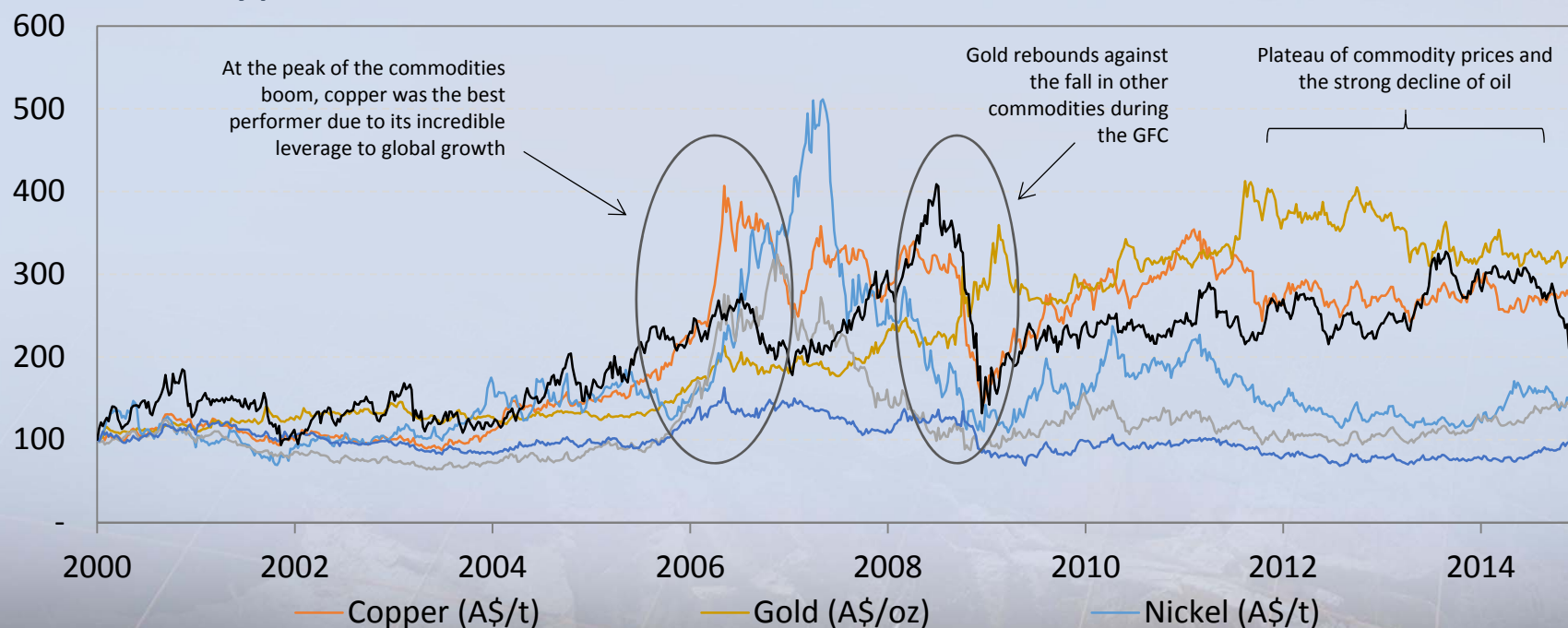


Relative performance of gold and base metal prices

Since 2000, copper (+146%) and gold (+260%) stand out as the best performing commodities relative to other exchange traded commodities in A\$ terms

- Other exchange traded base metals have not performed as strongly; nickel (+39%), zinc (+37%) and aluminium (-13%)
 - Crude oil correction in 2H14 has reduced the 15 year return on the commodity to 60%

A\$ commodity prices¹



Source: IRESS

Note:

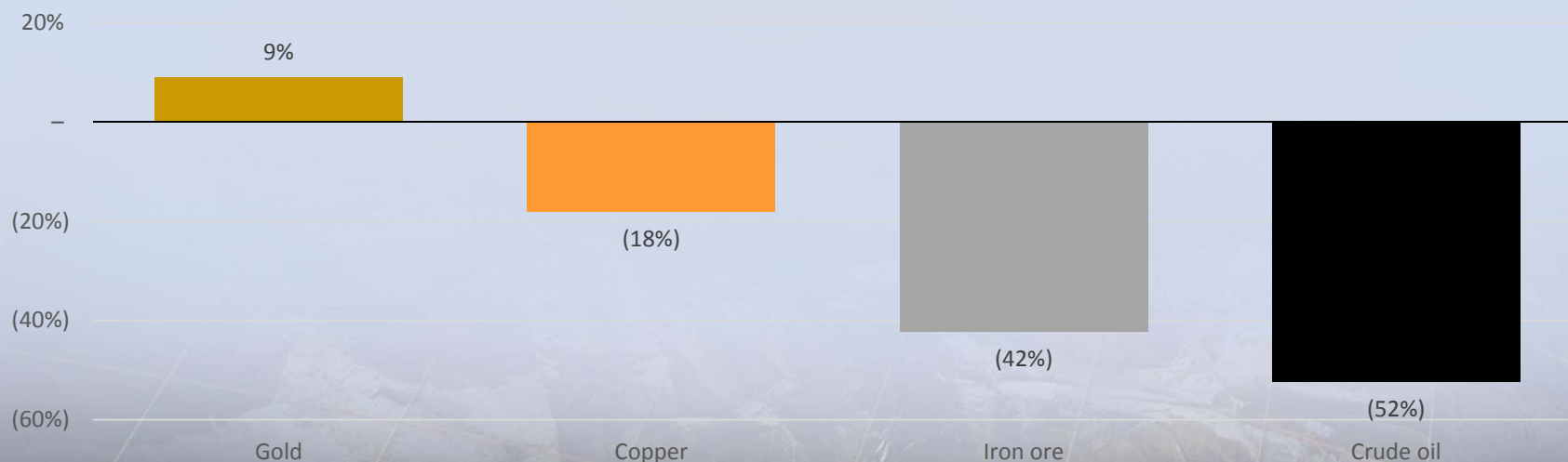
1 Rebased to 100 as at 7 January 2000

Copper and gold continue to outperform other commodities

Copper and gold have outperformed the other key ASX commodities over the last 12 months – in an exceedingly difficult period for resources companies worldwide

- Copper and gold are well-established as the most robust and attractive commodities for ASX metals & mining investors
 - Price shocks to iron ore and oil in 2H14 and the depressed conditions for coal emphasise the relative attractiveness of copper and gold, even despite copper's recent weakness
 - The disconnect between copper and gold underlying commodity price performance and depressed company valuations continues

A\$ commodity price performance – last 12 months



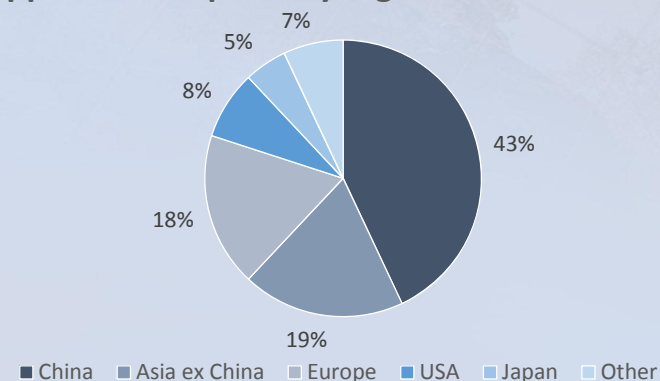
Source: LME, Platts, WorldBank

Long term copper fundamentals remain strong

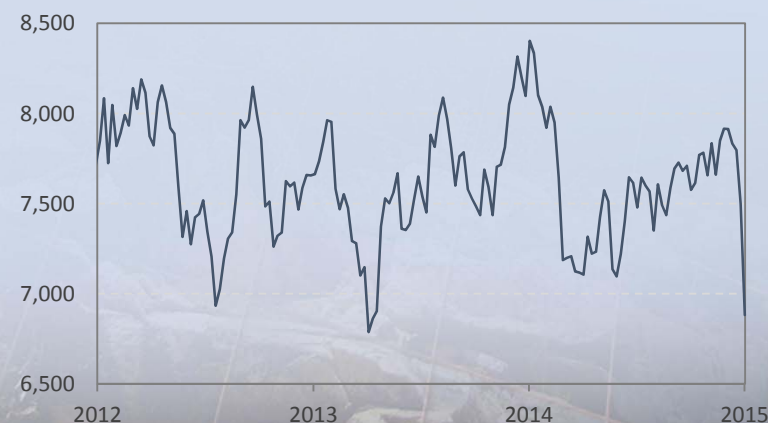
The resurgence of OECD growth, China's transition to a consumption-led economy and the decline in global production remain the long term fundamentals for copper

- Increase in copper demand as developing economies transition to consumption-led growth
 - Global copper demand is expected to grow at a CAGR of 2.3% to 2030
- Compelling long term fundamentals
 - Recovery of OECD countries and China's continued growth
 - Ore grade decay and resource depletion to subdue supply
- Weakening A\$ outlook a further positive for Australian copper companies

Copper consumption by region



A\$ spot copper



Source: IRESS, BHP Billiton, Southern Copper

Significant share price appreciation from drilling success

Moonta is an exemplary exploration project as evidenced by strong drilling results and drastic share price appreciation on the back of previous results

- The Moonta Copper Gold Project lies at the southern end of the Olympic IOCG Province – a world class mineral belt
- In 2013, the Company drilled 25 aircore drill holes yielding some of the highest grade copper-gold drill results in the 150-year history of the Moonta-Wallaroo mining region
 - The Adelaide Resources share price more than quadrupled on these results
- We are excited to be about to undertake a further drill program at Alford West following recent promising intersections confirming good primary grades at depth

Key investment incentive: Adelaide Resources share price can increase markedly on successful drilling results



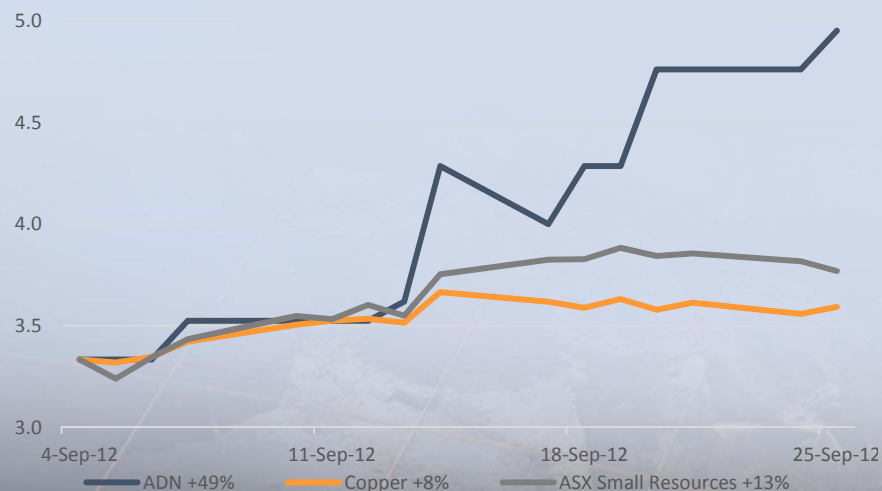
Source: IRESS, company filings

Proven leverage to upward trends in sector and commodity

Historically, Adelaide Resources has proven to be an operationally leveraged investment in spot copper

- In September 2012, spot copper rose +8%, partly driven by China's announcement of its rail and road construction stimulus package
 - The ASX Small Resources index rose by +13% and Adelaide Resources rose +49% - outstripping the ASX Small Resources index by +36%
 - No operational results were released by Adelaide Resources in the time period
- From 12 June to the end of July 2014, Adelaide Resources rose +18%, with no operational results, on the back of spot copper gaining +6% and the ASX Small Resources index gaining +8%

ADN share price (Acps)



Source: IRESS

Note:

1 Copper and ASX Small Resources rebased to Adelaide Resources as at 4 September 2012 on the LHS chart, and 12 June 2014 on the RHS chart

ADN share price (Acps)

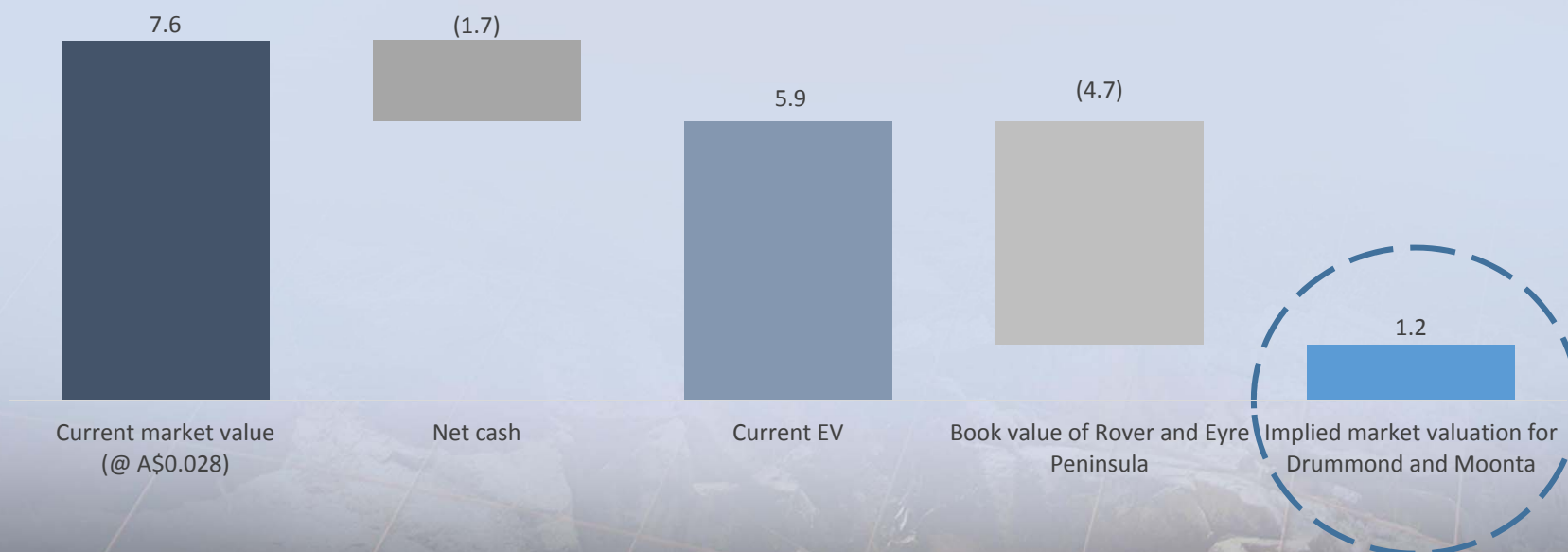


Asymmetric payoff profile

Given the clear leverage of Moonta and Drummond to the favourable outlook for copper and gold, the projects appear significantly undervalued at current prices

- Taking into account current share prices, cash levels and the conservative book values for the highly prospective Rover and Eyre Peninsula Projects, the implied market valuation for Moonta and Drummond is very low at A\$1.2m
- Result is that there is limited downside and substantial potential upside in an investment in Adelaide Resources

Implied market valuation for Adelaide Resources' key assets (A\$m)

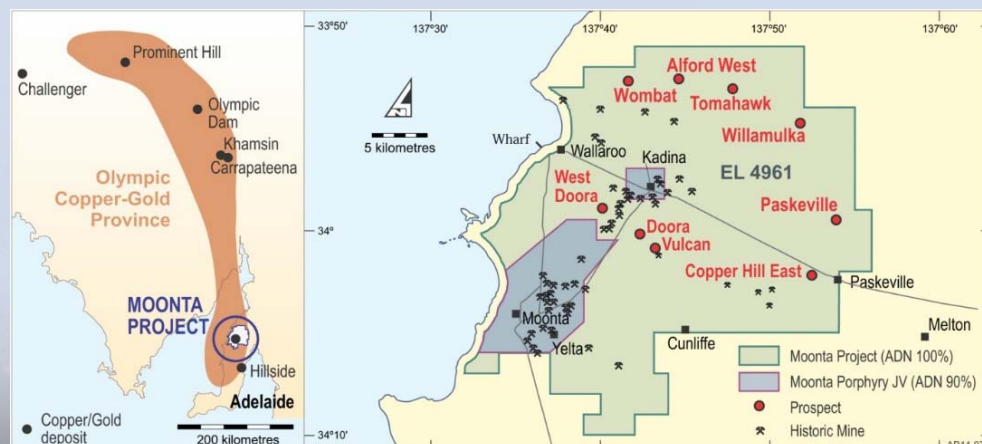


Source: Company filings

Moonta Copper Gold Project

819km² 100% owned tenement¹ within highly mineralised Moonta-Wallaroo district on South Australia's Yorke Peninsula

- In the Olympic Copper-Gold Province, a world class copper belt
 - Historic production grade from Moonta-Wallaroo district estimated to be c. 3% Cu
 - Numerous prospects
 - Alford West the main focus of current efforts
 - Multiple outstanding drill intersections including:
 - 11m at 1.52% Cu and 0.04g/t Au (2014)
 - 9m at 2.75% Cu and 0.15g/t Au (2014)
 - 15m at 2.89% Cu and 0.15g/t Au (2013)
 - 20m at 4.20% Cu and 0.27g/t Au (2013)
 - 14m at 2.60% Cu and 0.70g/t Au (2013)
 - Lodes remain open at depth and some are open along strike
 - Realistic goal of establishing a JORC Resource position
- ✓ A major historical copper-gold production district with multiple deposits
 - ✓ Excellent potential exists to build a significant JORC Resource position
 - ✓ Geochemically defined target area at Alford West doubled in size in 2014
 - ✓ Highly valuable historical drilling databases



Note:

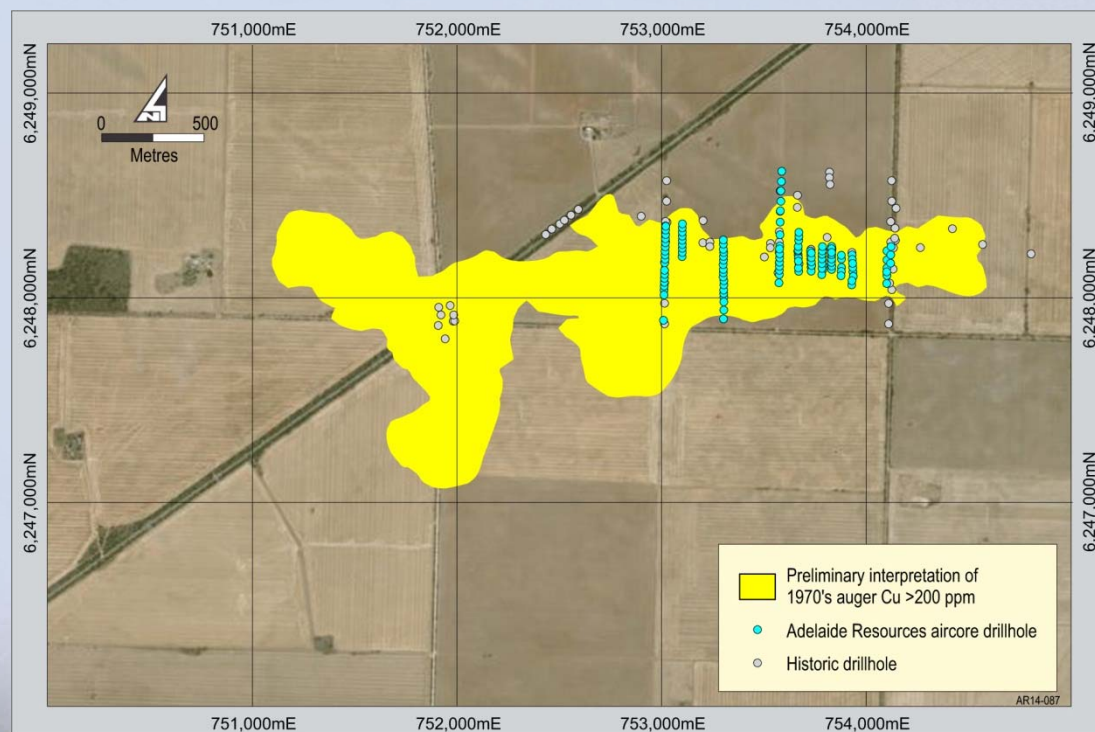
1. Except for Moonta Porphyry JV area – Adelaide Resources 90% / Minotaur Exploration (ASX: MEP) 10%. Adelaide Resources has right to acquire Minotaur Exploration's 10%

Alford West – end of 2013 status

At the end of 2013 Adelaide Resources had a geochemically defined target extending over c. 3.3km and had drilled 11 traverses over 1.1km of strike

- 2013 drilling results included:
 - 15m at 2.89% Cu and 0.15g/t Au
 - 20m at 4.20% Cu and 0.27g/t Au
 - 20m at 1.76% Cu and 0.33g/t Au
 - 11m at 2.33% Cu and 0.68g/t Au
 - 18m at 2.22% Cu and 0.17g/t Au
 - 16m at 2.38% Cu and 0.18g/t Au
 - 45m at 1.56% Cu and 1.83g/t Au
 - 15m at 1.04% Cu and 0.33g/t Au
 - 14m at 2.60% Cu and 0.70g/t Au
 - 12m at 0.41% Cu and 1.44g/t Au
 - 11m at 1.11% Cu and 0.03g/t Au

Alford West summary plan – end of 2013 Adelaide Resources EV as at 31 December 2013 – A\$10.8m



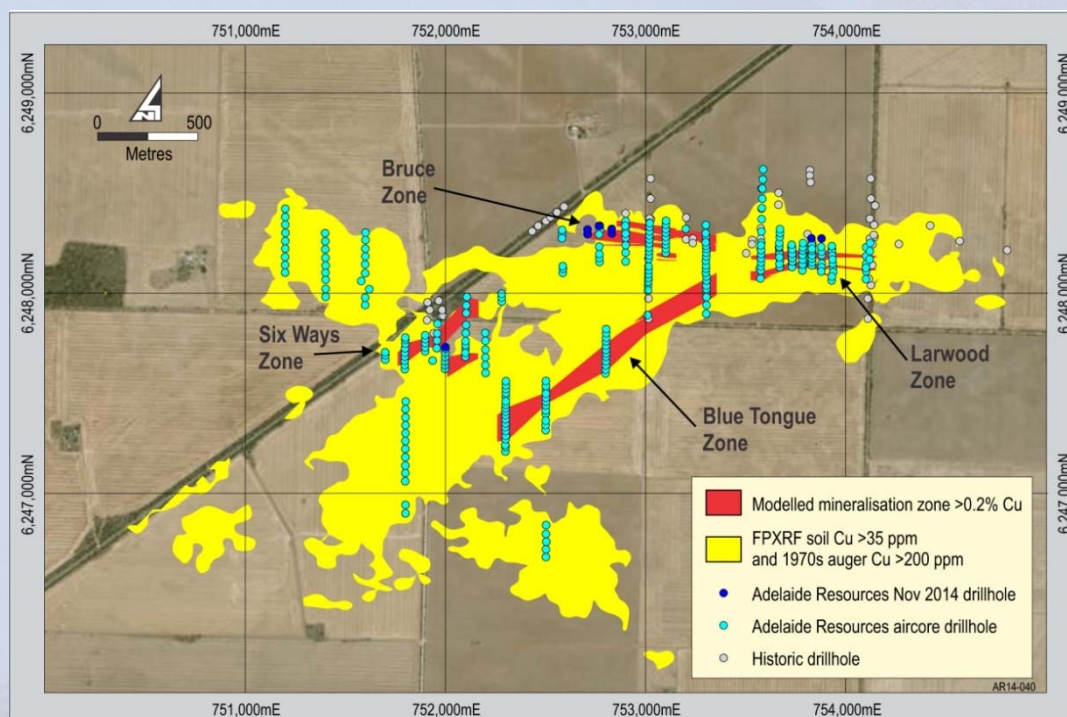
Alford West – current status

Huge progress at Alford West during 2014, with more drilling to follow in January 2015; despite this progress the Adelaide Resources EV has fallen in this period

- In 2014:
 - The geochemically defined target area doubled in size
 - 19 new drill traverses extended coverage across target area
 - Recognition of 4 zones that can deliver JORC Resources
 - Confirmation that good grades persist at depth
- 2014 drilling results included:
 - 11m at 0.94% Cu and 0.17g/t Au
 - 23m at 1.47% Cu
 - 43m at 0.53% Cu and 0.14g/t Au
 - 21m at 1.19% Cu and 0.42g/t Au
 - 11m at 1.52% Cu and 0.04g/t Au
 - 9m at 2.75% Cu and 0.15g/t Au
 - 22m at 1.33% Cu and 0.03g/t Au
 - 18m at 1.14% Cu and 0.04g/t Au
 - 22m at 1.00% Cu and 0.05g/t Au

Alford West summary plan – end of 2014

Adelaide Resources EV as at 20 January 2013 – A\$5.9m

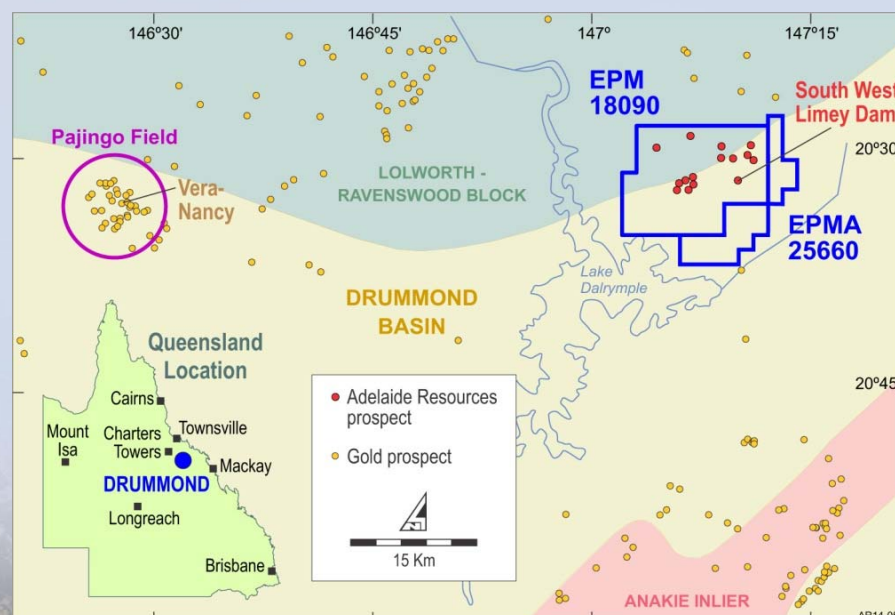


Drummond Epithermal Gold Project

Classic epithermal gold target defined

- 100% owned, 270 km² project
- Maximum rock chip of 55.4g/t gold from South West Limey Dam Prospect
- Signature epithermal pathfinder elements and vein textures present
- Successful program of FPXRF soil geochemistry defines gold pathfinder (arsenic) anomalies
 - Large gold target preserved at depth below arsenic anomaly, and closer to surface in area just north of arsenic anomaly
- A\$100,000 co-funding to test the target awarded by Queensland Government
- Recent Evolution Mining (ASX: EVN) drilling success at their nearby Camembert prospect¹

- ✓ Rock chip sampling confirms widespread anomalous gold in vein material
- ✓ Large target at South West Limey Dam Prospect displaying classic epithermal features
- ✓ Queensland Government co-funding



Note:

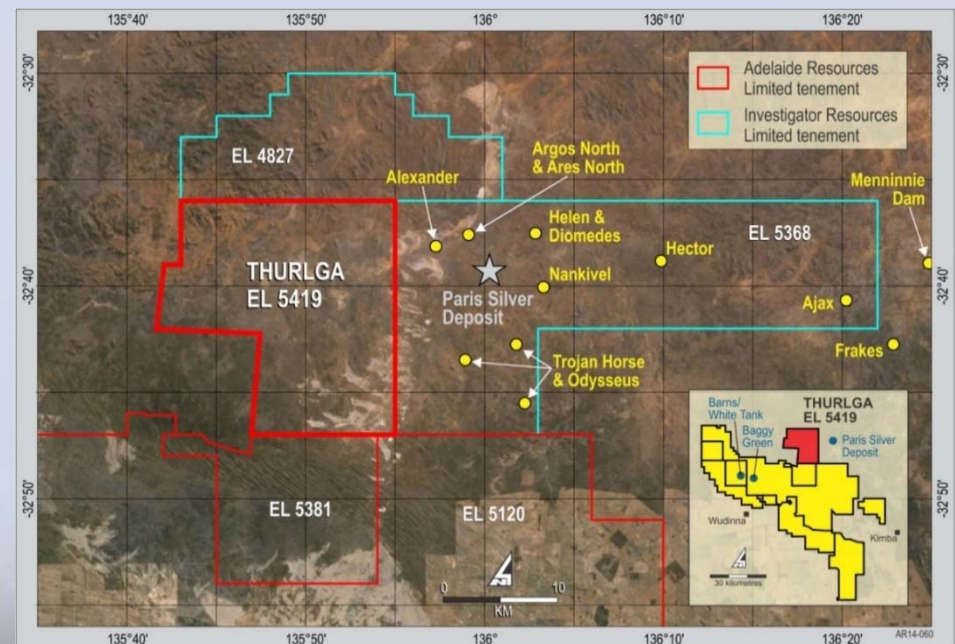
1. Refer to Evolution Mining's ASX release 29 October 2014 "September 2014 Quarterly Report"

Eyre Peninsula Project

Exploration recommenced following JV agreement with Investigator Resources

- Recently announced Thurlga JV with Investigator Resources (ASX:IVR) to explore one of the Eyre Peninsula tenements for mineral deposits
 - 333km² tenement in emerging Uno Province
 - Investigator Resources can earn 75% by spending A\$750,000 by 30 June 2017
- Investigator Resources' adjacent Paris Silver Deposit has Inferred Mineral Resource of 5.9Mt @ 110g/t Ag, 0.6% Pb¹
- Adelaide Resources retains 100% of the Barns, Baggy Green and White Tank gold deposits

- ✓ New JV partner to manage and fund exploration
- ✓ Wider Eyre Peninsula region has been delivering positive exploration results



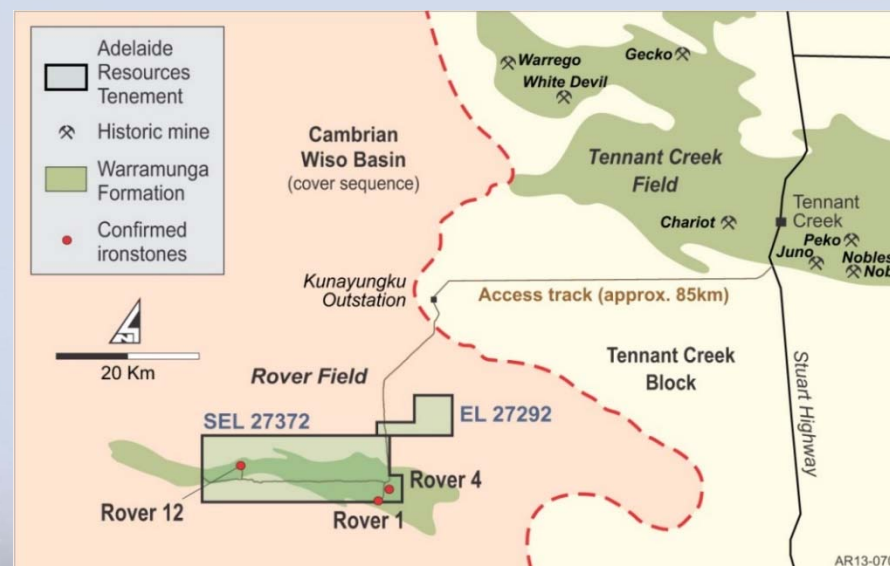
Note:

1. Refer to Investigator Resources' ASX release 15 October 2013 "Maiden Resource Estimate for Paris Silver Project, South Australia"

Rover Gold Copper Project

Outstanding intercepts of high-grade copper, gold, bismuth and cobalt reported 9 January 2015 by Metals X from its part of the Rover 1 Prospect

- 100% owned
 - Prospects include Rover 4, Rover 12 and Adelaide Resources' part of Rover 1
 - Metals X (ASX: MLX) hold the rest of Rover 1
 - Metals X recently completed a highly successful drilling program at Rover 1¹
 - Diamond drill hole intersected 21m @ 14.5g/t Au, 6% Cu, 0.22% Bi, 0.08% Co from 836.3m
 - Looking at development options for its portion of Rover 1 (1.22Moz gold equivalent Resource)
 - Leaves open possibility of asset consolidation transaction
 - Adelaide Resources' drill results at Rover 1 include:
 - 55m at 3.36% Cu, 0.16g/t Au
 - 34m at 2.05% Cu, 2.14g/t Au
 - 26m at 3.87% Cu, 0.22g/t Au
- ✓ A strategic, highly prospective land position in the Tennant Creek district
 - ✓ Metals X's recent drill results at Rover 1 may catalyse renewed effort in region



Note:

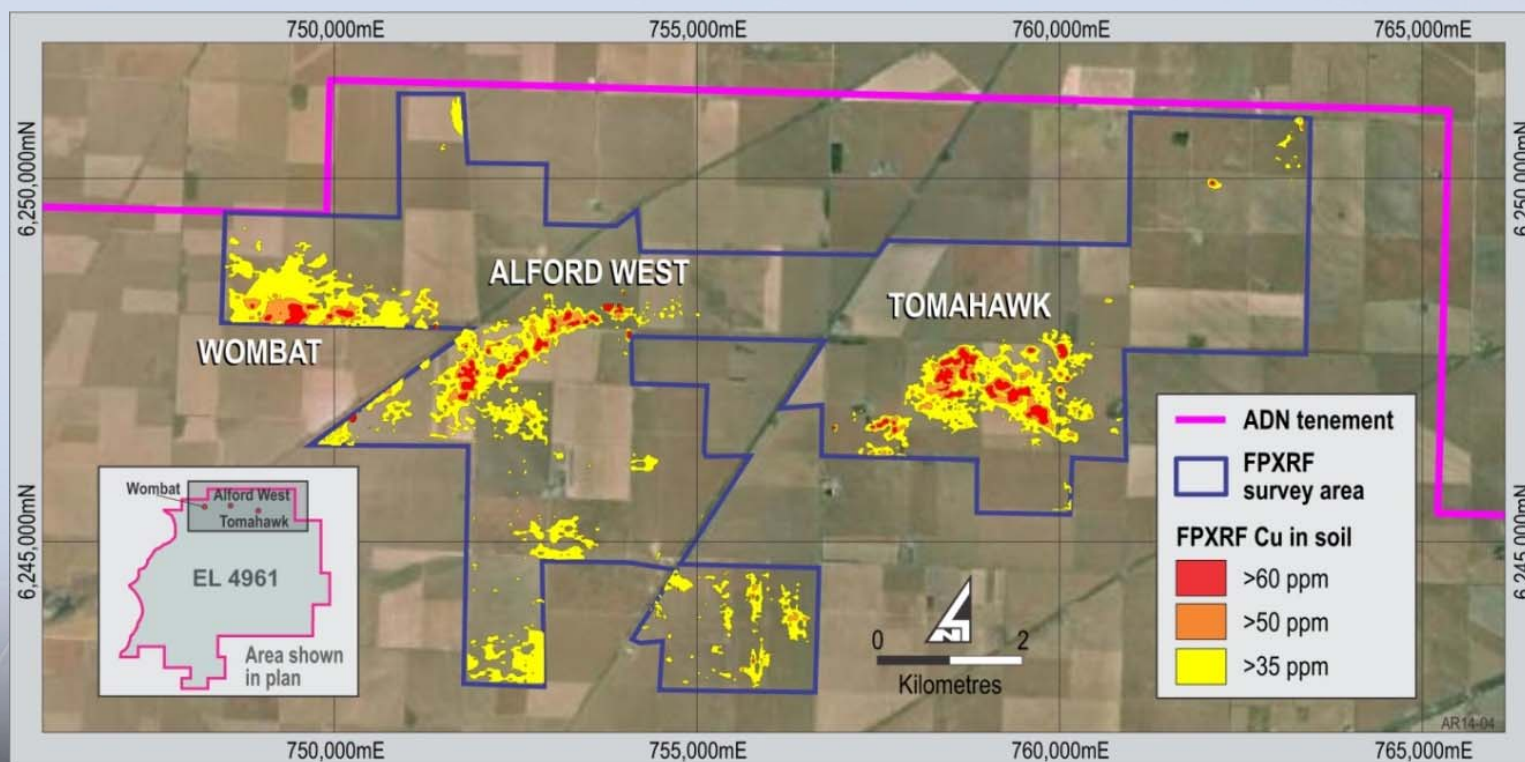
1. Refer to Metals X's ASX release 9 January 2015 "Stunning drill results from Rover 1"

Generative exploration – innovative FPXRF geochemistry

FPXRF soil geochemistry presents cost-effective target generation method

- FPXRF is exceptionally cost effective and time efficient
- FPXRF is defining exceptional new targets
 - Tomahawk anomaly (Moonta) – same size and magnitude as Alford West FPXRF anomaly
 - South West Limey Dam anomaly (Drummond) – large epithermal pathfinder metal anomaly

FPXRF soil copper geochemistry at Alford West, Tomahawk and Wombat



Future focus and program

Alford West and surrounding prospects to remain the major focus, but there are multiple exciting avenues for operational and corporate activity

- Recent results at Drummond confirm it as a high quality new project
- Metal X's recent drilling results at their Rover prospect confirm outstanding potential of region

Proposed work program

	Commenced / commencing
Moonta Copper Gold Project – 75% of current focus and capital	
Deep drilling (RC / diamond) at Larwood and Bruce Zones at Alford West	1H 2015
Aircore drilling at Tomahawk and Alford West	Jan 2015
FPXRF soil geochemistry across project tenement to define new targets	Ongoing
Digital capture/assessment of historical exploration data to define new targets	Ongoing
Drummond Epithermal Gold Project – 25% of current focus and capital (with other projects)	
Systematic FPXRF soil geochemistry and rock chip sampling	Ongoing
RC / diamond drilling at South West Limey Dam prospect	2Q/3Q 2015
Other Projects – 25% of current focus and capital (with Drummond)	
Eyre Peninsula Gold Project – airborne geophysics and soil geochemistry on Thurlga JV	Underway
Eyre Peninsula Gold Project – biogeochemical orientation program	Nearing Completion
Eyre Peninsula Gold Project – RC drilling at Baggy Green/Barns gold prospects	3Q 2015
Rover Gold Copper Project – internal review of Rover 1 and Rover 4 deposits	Underway



Adelaide Resources Limited

adelaideresources.com.au