



ASX ANNOUNCEMENT
ASX Code: **BDR**

8 June 2010

WA GOVT GRANT AWARDED (\$300,000), WEST MUSGRAVE AND TROPICANA EAST

Beadell Resources Limited (“**Beadell**”) is pleased to announce that its two major greenfields projects in Western Australia have again been recognised for their potential to host a major new frontier style of gold deposit with an award of a **\$300,000** grant by the Western Australia State Government under the **Exploration Initiative Scheme (EIS)**. Beadell was awarded the maximum amount under the scheme which will co-fund \$600,000 of drilling to progress the new Handpump gold discovery and the 10 km long gold trend defined along strike from the 5 Moz Tropicana deposit.

Last year Beadell received a similar award which led to the discovery at Handpump in the West Musgrave, intersecting **60 m @ 0.9 g/t** from 13 m including **5 m @ 4.7 g/t** from 34 m. This drill hole at Handpump represents the first known occurrence of significant gold mineralisation in the entire remote central eastern part of Western Australia geologically known as the West Musgrave province.

Beadell will fast track drilling programs at the Handpump prospect in the West Musgrave where approximately 5000m of Reverse Circulation (**RC**) drilling and at Tropicana East where approximately 10,000 m of infill aircore drilling will be completed.

WEST MUSGRAVE PROJECT

Handpump Prospect

The Handpump gold anomaly was originally identified as a 1200 m by 400 m soil anomaly with a peak value of 0.250 g/t gold by WMC Resources in the 1990s during regional soil sampling.

Complex land access issues resulted in little or no follow up of the anomaly until Beadell Resources successfully negotiated a Land Access Agreement with the Yarnangu Ngaanyatjarraku Parna in 2008.

In December 2009, Beadell announced the discovery of significant gold mineralisation in the first RC drill hole at Handpump which intersected 60m @ 0.9 g/t gold from 13m including 5 m @ 4.7 g/t gold from 34m in HPC001. Further drilling and costean sampling defined an open ended WNW trending breccia zone with results of 5m @ 2.0 g/t from 25m and 12m @ 1.2 g/t respectively.

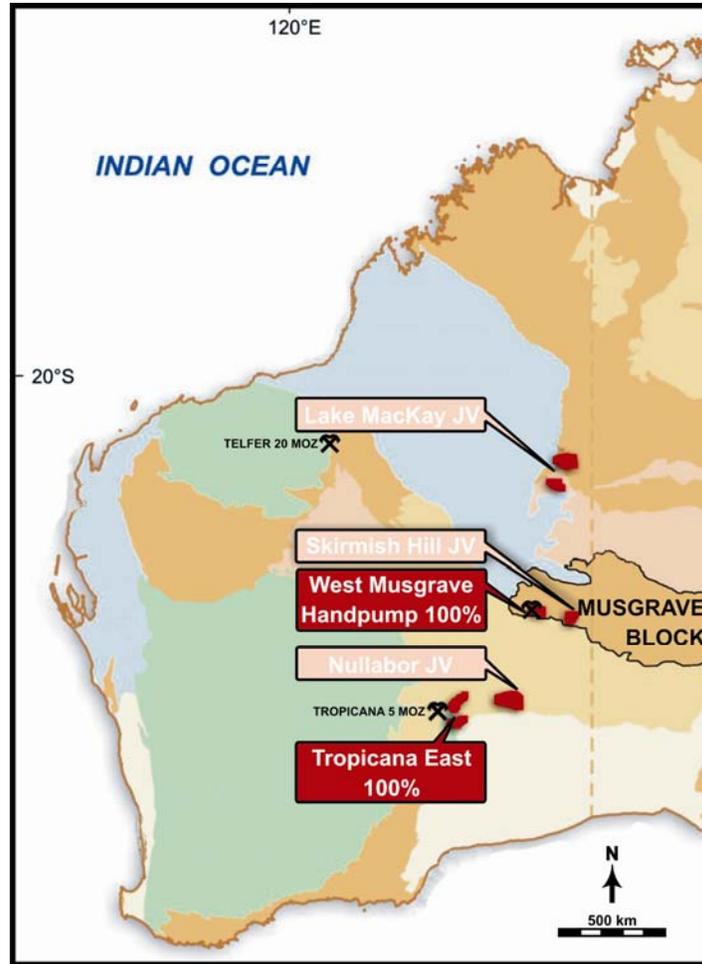


Figure 1. Location plan of Beadell's Handpump and Tropicana East Projects.

The Handpump Prospect is located in the south eastern part of the Palgrave Cauldron and is dominated by rhyolite flows, tuffs, ignimbrites and comagmatic granites, granophyres and porphyritic micro granites.

Gold mineralisation is hosted in breccia associated with a flat lying rhyolite dome structure with a ground magnetic survey defining a large circular anomaly interpreted to represent the outline of a mineralised rhyolite dome. The larger southern part of the anomaly referred to as Handpump South remains completely undrilled. Additionally, an exciting new untested circular dome like magnetic anomaly (Impeller Prospect) has also been discovered 1.6 km northwest of Handpump (Figures 1 & 2). In the immediate area of the Handpump breccia there is a complex primary volcanic/subvolcanic setting of polymictic agglomerate and coherent rhyolite. The rhyolite appears auto-brecciated at several localities. Complex deformation of the rocks is characterised by folding, faulting and silica-rich fluidised brecciation of the rhyolite presumably related to the gold mineralising event.

Heritage surveys and clearing permits are in place subject to a flora and fauna clearance study to be completed in the next two weeks.

A 5,000m RC and diamond drilling program will aim to scope out the extents of the mineralised breccia as well as complete first pass testing of newly defined target such as Impeller.

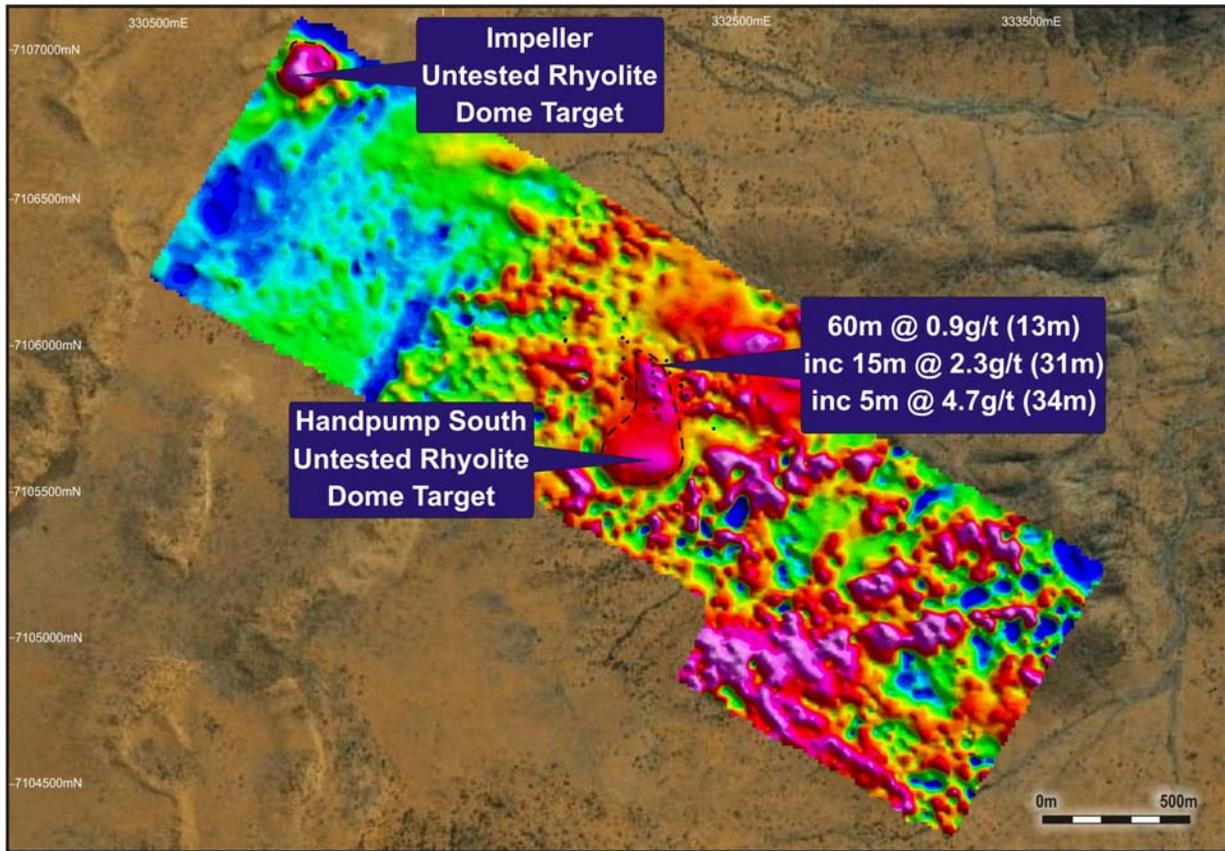


Figure 2. Handpump Prospect plan showing location RC drilling, Handpump South and Impeller targets on ground magnetics.

TROPICANA EAST PROJECT

Hercules Prospect

The Tropicana East project is located 60km along strike of the 5 Moz Tropicana gold discovery by AngloGold Ashanti and Independence Group.

A 10 km long trend of anomalous gold results, termed the **Hercules Shear Zone (HSZ)** has been defined by wide spaced drilling with results up to 1.5 g/t gold in oxidised bedrock beneath shallow cover (Figure 3).

The most recent aircore drilling along the southern part of the HSZ intersected **4m @ 0.8 g/t** from 39m including **1m @ 1.5 g/t** from 40m. This result was from a single aircore traverse targeting a boundinaged shear evident in aeromagnetics and remains untested for 3 km to the north east and 1.5 km to the southwest.

Highly anomalous results also occur in the northeast part of the HSZ where recent aircore drilling intersected a bottom of hole results of **0.3 g/t gold** and **0.05% copper** in NL02591 targeting a splay / fold type structure.

The HSZ remains highly prospective and underexplored for Tropicana style mineralisation with a generally stripped profile below transported sands causing ineffective surafec geochemical expression and extremely limited geochemical dispersion or penetration with conventional aircore drilling.

Approximately 10,000m of infill aircore drilling will be completed along the HSZ under the EIS drilling grant targeting a new Tropicana style deposit.

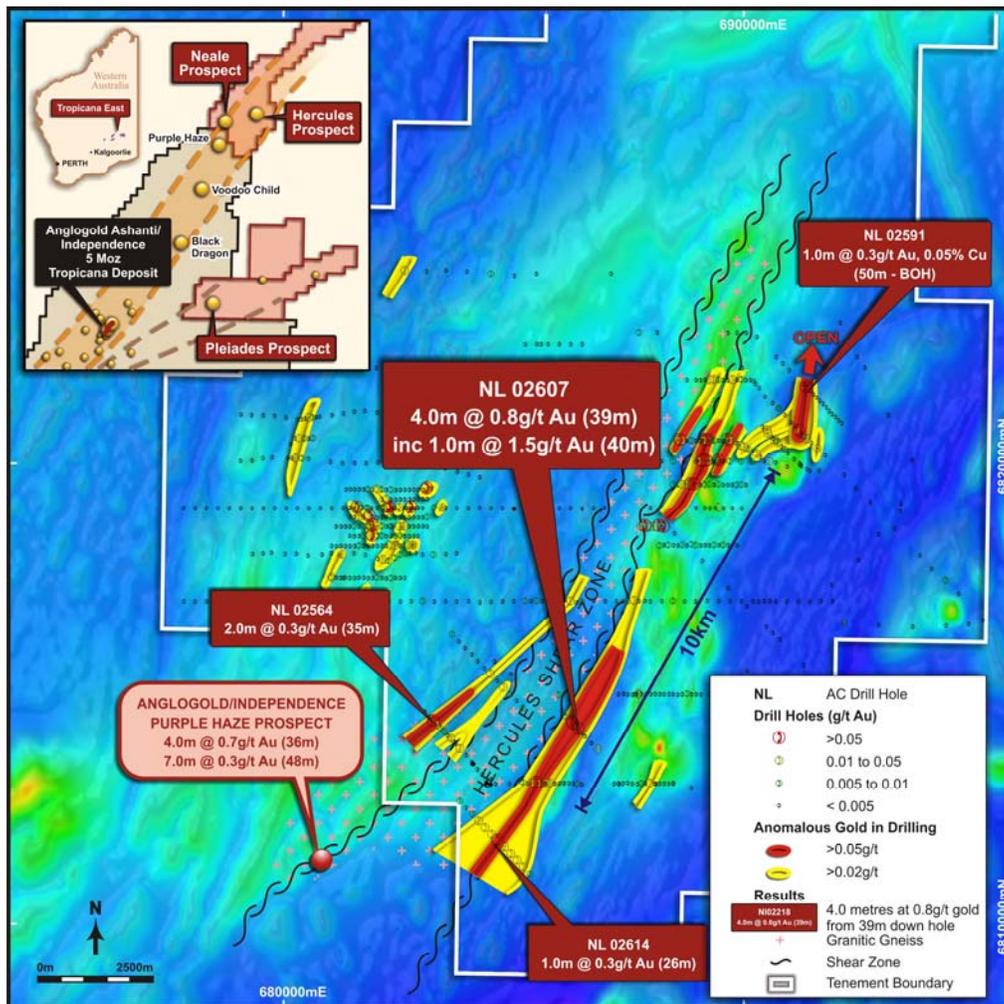


Figure 3. Tropicana East Prospect showing location of Hercules Shear Zone (HSZ) anomaly on aeromagnetics.

The co-funded government-industry drilling program is designed to boost new resource discoveries and help to significantly increase the knowledge of the State's geology and resources. Proposals from applicants were assessed by a panel on the basis of geoscientific and exploration targeting merit.

Further information regarding the co-funded drilling grant can be obtained from the official state government website.

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Competency Statement

The information in this report relating to Exploration Results and Mineral Resources is based on information compiled by Mr Robert Watkins who is a member of the Australian Institute of Mining and Metallurgy and has sufficient exploration experience which is relevant to the various styles of mineralisation under consideration to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Watkins is a full time employee of Beadell Resources Ltd. Mr Watkins consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.