



ASX ANNOUNCEMENT
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TUCANO DEFINITIVE FEASIBILITY STUDY COMMENCES

Beadell Resources Limited (**Beadell**) is pleased to announce that the Definitive Feasibility Study (**DFS**) for the **Tucano** Gold and Iron Ore project in Brazil has been awarded to Ausenco (ASX Code: AAX) with specialist technical input from SRK Consulting.

The **Tucano** gold project, formerly known as **Amapari**, has been renamed to reflect the transition from the former Heap Leach Operation to a new Carbon in Leach (**CIL**) phase for this large gold project in the State of Amapa, Northern Brazil.

The DFS was strongly tendered for by multiple major construction and mining consultancy firms with the Ausenco and SRK Consulting combination considered superior because of their strong gold processing background and comprehensive presence in Brazil.

Scope of Works

- DFS to be completed by 27 November 2010.
- DFS will focus on converting the existing Heap Leach operation, currently on Care and Maintenance, into a conventional CIL plant based on a mine production rate of around 2.5 million tonnes per annum of gold ore for an anticipated 110,000 - 130,000 ounces of gold poured per annum.
- Ausenco is responsible for authoring the document, plant design, and metallurgy.
- SRK Consulting is responsible for resource modelling, mining optimisation, hydrogeology; tailings dam design, geotechnical and environmental studies.
- A study of the potential benefits and logistics of co-mining the extensive iron ore mineralisation within **Tucano's** gold pits in conjunction with Anglo American plc will be assessed.
- 20,000m of resource, grade control, geotechnical and sterilisation drilling has already commenced.

Beadell's Managing Director Peter Bowler commented "We are very pleased to have engaged such high calibre and experienced groups to complete the DFS on our **Tucano** gold and iron ore project. Their extensive in country experience when coupled with the world class existing infrastructure and four years of operating data, will lead to a very thorough and expedited study. Our onsite drilling and Government permitting processes continues apace."

Drilling Update

Three diamond drill rigs are currently operating on site with a fourth reverse circulation drill rig in mobilisation. The 20,000m drilling program will be completed within a 4 month period in line with the DFS requirements.

The drilling commenced on 19 May 2010, initially targeting the base of the Tapereba AB optimised open pit to convert inferred resources to indicated status and test high grade plunge extensions of gold mineralisation at depth (Figure 1).



Figure 1. Photo of drill rig commencing first Beadell drill hole at Tapereba AB pit.

"**Tucano**" is the Brazilian spelling for the **Toucan** parrot.

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