



**ASX ANNOUNCEMENT**

**7 November 2007  
ASX CODE: BDR**

## **MAJOR DRILLING ALLIANCE SIGNED**

### **Drilling to commence at Tropicana East**



Beadell Resources Limited is pleased to announce that a major Drilling Alliance has been signed with Challenge Drilling, a leading provider of quality drilling services, guaranteeing priority access to both aircore and reverse circulation drill rigs over a 2 to 3 year period to complete approximately 50,000m of drilling.

The \$2 million Alliance comprises a \$1 million cash payment to Challenge Drilling and the issue of \$1 million worth of Beadell shares at \$0.48, representing a 20% premium to the five day VWAP of Beadell shares and a 92% premium to the IPO price six weeks ago. "The willingness of the two companies to form an Alliance at this premium highlights the prospectively of our Western Australian Tenements and greatly enhances our ability to rapidly develop any potential discoveries. Challenge Drilling has a well earned reputation as being a leader in providing a quality service to their clients" Beadell Managing Director Peter Bowler said.

The Alliance provides Beadell with certainty of drill rig availability to its remote projects in Western Australia including the highly prospective Tropicana East, West Musgrave and Lake McKay Projects (Figure 1).

Key features of the Alliance involve Challenge being paid a \$1 million cash advance on 1 March 2008 which will be recouped by Beadell for rendered drilling services. At the completion of this initial drilling program Challenge will then be issued Beadell shares at an implied value of \$0.48 per share bimonthly to a maximum cumulative value of \$1 million for subsequent invoiced drill costs.



## **Drilling to commence at Tropicana East**

The first phase of drilling will commence at the highly prospective Tropicana East Project's Neale Prospect (Figures 2&3.) within the next few days. Approximately 5,000m of reconnaissance aircore drilling at 1000m spaced drill traverses will be completed targeting the interpreted northeast extension of the Tropicana stratigraphy. Recent regional geochemical anomalies identified by the Anglogold / Independence JV indicate that gold mineralisation within the entire belt is much more widespread than originally thought and the potential for a cluster of gold deposits to be discovered remains high.

The drilling at Neale is planned as an initial first pass program to locate major geochemical pathways for gold mineralisation and to establish basement lithology's and cover thicknesses. Resampling and relogging of mineral sands drilling in the area highlighted widespread sericite alteration associated with strongly sheared granite gneiss indicative of a large hydrothermal system. Assay results from the resampling program are yet to be received (Figure 3). Auger drilling of the entire Tropicana East Project remains on track to commence in December (Figure 3.).

An additional 2,000m of drilling will be completed at the Minigwal prospect (Figure 2.). This drilling aims to locate any major mineralised pathways along the interpreted southern extension of the Yamarna greenstone belt. No previous drilling has ever been completed in the area and the geological information will be used to also assess the prospectivity of the basement geology and determine the depth of cover.

The Minigwal Prospect is also highly prospective for paleochannel uranium mineralisation similar to the Mulga Rocks deposit located 70km to the south hosted within paleodrainage associated with the Gunbarrel / Officer Basins.

### **For further information please contact:**



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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 consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

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Figure 1. Location of Western Australian Tenements included in the Drilling Alliance

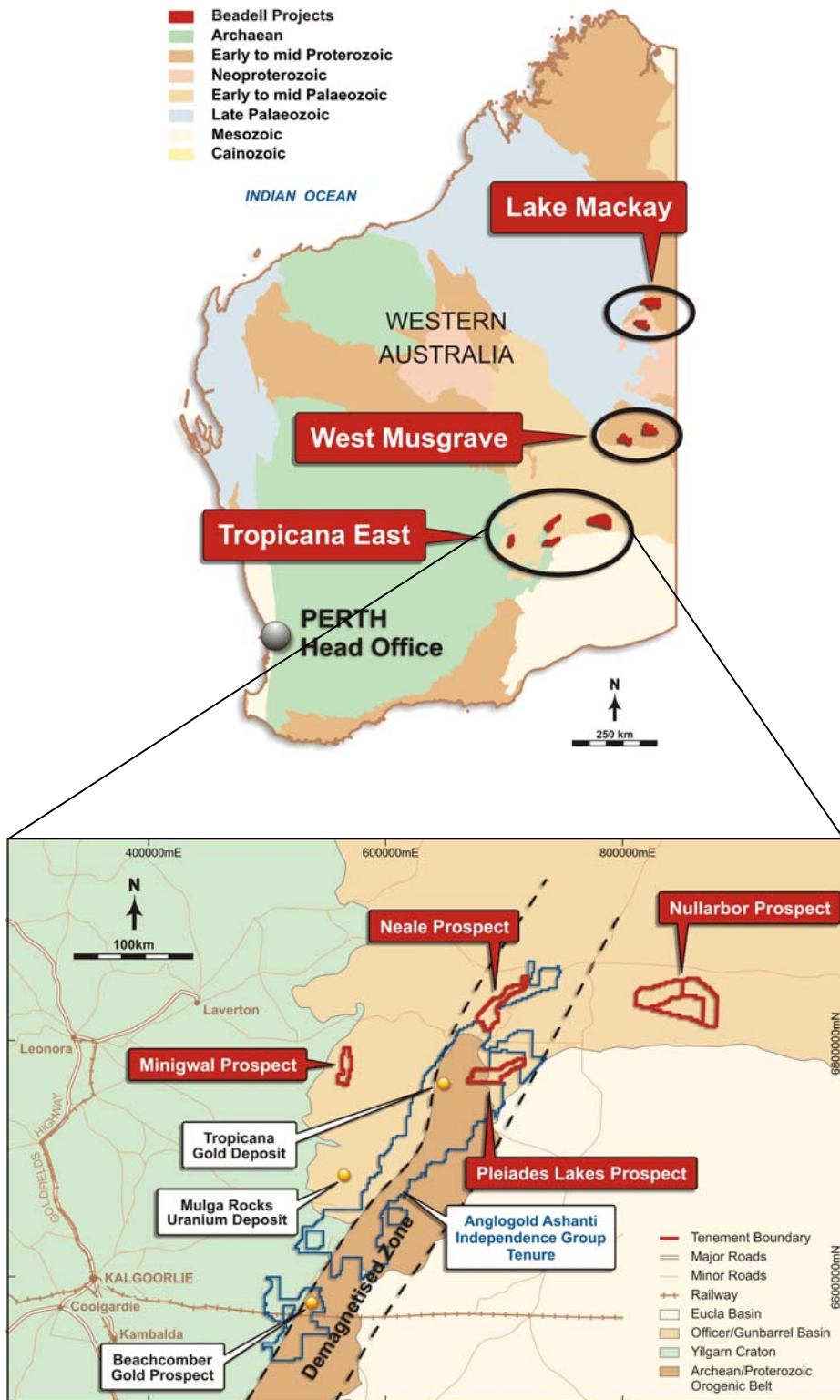


Figure 2. Tropicana East Project Location Plan

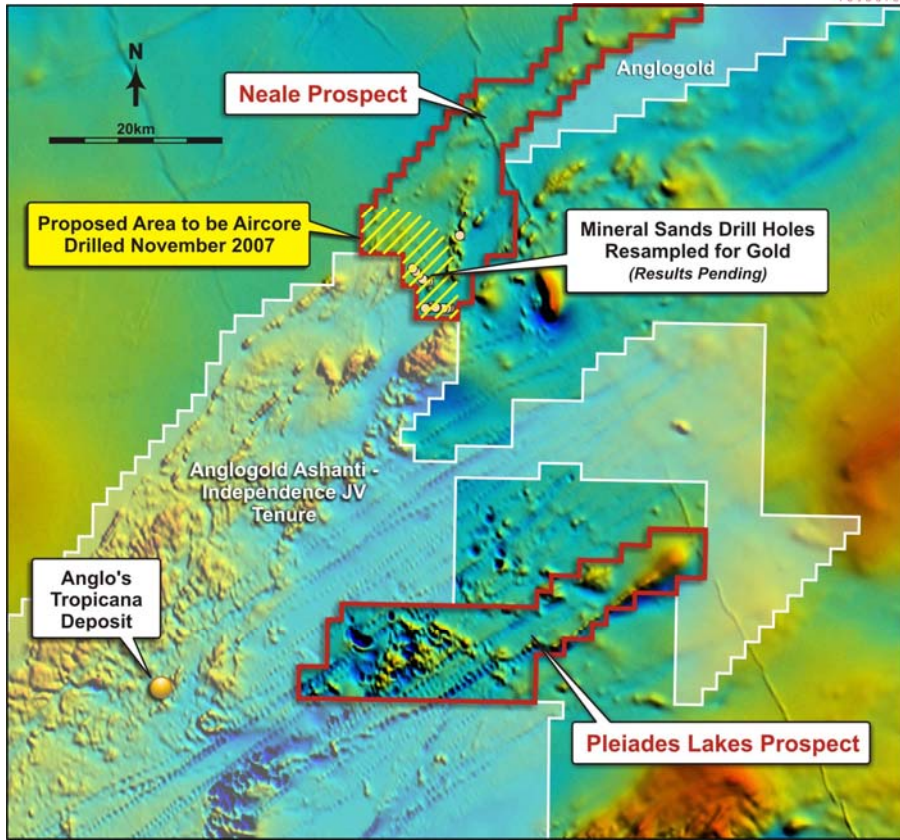


Figure 3. Tropicana East, Neale and Pleiades Lakes Prospects and Aeromagnetics



Challenge Drilling RC Drill Rig in action November 2007