



ASX ANNOUNCEMENT
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DRILLING COMMENCES AT HANDPUMP GOLD ANOMALY IN THE WEST MUSGRAVES

Beadell Resources Limited is pleased to announce that on ground exploration has commenced at the West Musgrave, Handpump gold anomaly in Western Australia with first ever drilling of the anomaly due to commence next week. The Handpump gold anomaly is one of the largest undrilled gold anomalies in Western Australia with results up to 250ppb gold over a 1.2km by 400m wide area.

The West Musgrave Handpump Prospect is located 90km east of Warburton in the central eastern part of Western Australia (Figure 1). The host Musgrave Complex forms a large belt of Mesoproterozoic rocks stretching in an east west direction from the northern part of South Australia across into Western Australia comprising similar aged rocks to the giant Telfer Gold deposit.

A large circular feature in aeromagnetics known as the Palgrave Cauldron represents a target for copper and gold mineralisation. At the southern tip of the cauldron the large gold in soil anomaly (Handpump) was discovered by WMC Resources Limited and to date has not been tested with any form of drilling even though extensive hydrothermal volcanic brecciation and alteration has been identified northeast and along strike of the anomaly. To the southwest the anomaly breaks up into two parts where it trends into a large alluvial and sand dune covered terrain potentially masking the surface expression of any underlying gold mineralisation.

An 8,000 metre aircore drilling program (Figure 1) is to commence next week to test this gold anomaly which will be the focus of Beadell's exploration activities until the field season concludes towards the end of the year.

The Handpump Prospect is located on Aboriginal Lands of the Yarnangu Ngaanyatjarraku Parna. An agreement to explore the Lands has been successfully negotiated and was signed in May 2008. All other approvals have been completed including Ministerial entry permits and a large scale Heritage survey, which has cleared the majority of the project for first pass mapping, soil sampling and drilling. The difficult and protracted regulatory approval process has been one of the main contributing factors why the Handpump gold anomaly has never been drilled even though the anomaly was discovered over 10 years ago.

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.

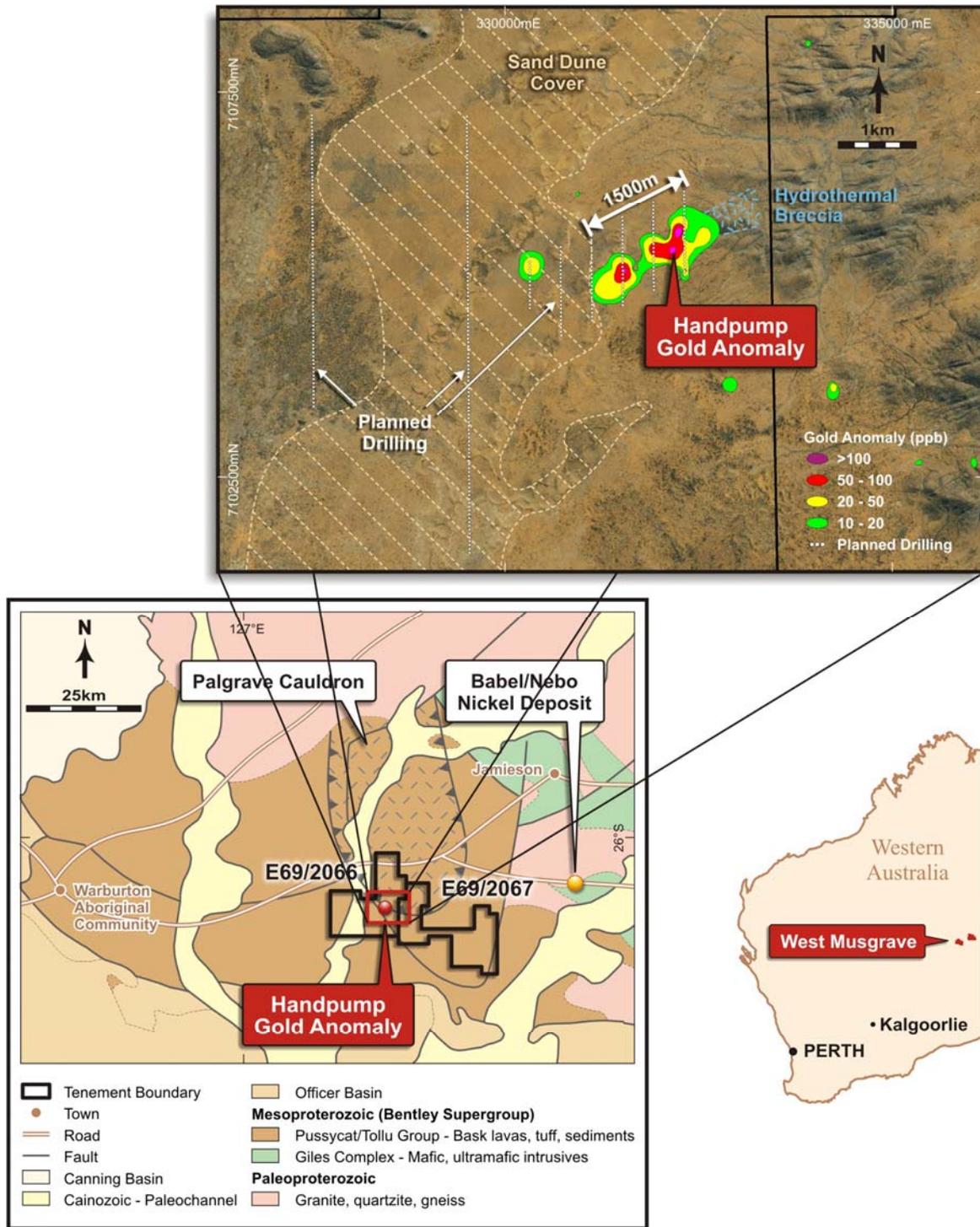


Figure 1 Location plan of West Musgrave Project.

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