



15 May 2008

Dear Shareholder

On 28 April 2008 the Company convened a General Meeting of Shareholders to be held on Wednesday 28 May 2008, to consider two resolutions in connection with the Company's proposed acquisition from Newcrest Mining Limited of its' 70% interest in the Cracow gold mine in Queensland for \$200million cash.

Since the notice of meeting was despatched to all shareholders, the Company has been successful in negotiating the purchase of the remaining 30% interest in Cracow from Newcrest's joint venture partners, subsidiaries of Lion Selection Limited. If both transactions proceed subject to satisfaction of various conditions, the Company will acquire 100% ownership of the Cracow gold mine for a total purchase price of \$280million. A cash payment of \$200million will be paid to Newcrest on 30 June 2008, and cash of \$65million and Beadell shares to the value of \$15million will be paid to the Lion Selection Limited subsidiaries on or before 31 August 2008.

The Company intends to raise the funds for the acquisitions and associated transaction costs by a placement to institutional investors worldwide of \$235million, the placement to Lion Selection Limited of \$15million in shares and raising debt finance of \$50million.

The enclosed Supplementary Notice of Meeting and Explanatory Statement alters the resolutions to include the larger number of shares to be issued with Shareholder approval as a result of the acquisition of the additional 30% interest in Cracow, and provides the additional information necessary for Shareholders to make an informed decision as to how to vote on the two resolutions. The meeting date has not changed.

Any Shareholders who have lodged proxy forms with the Company are requested to either contact the Company Secretary as directed in the Supplementary Notice of Meeting to confirm that the proxy form remains valid notwithstanding this additional information, or lodge a replacement proxy form enclosed.

Yours sincerely

**PETER BOWLER**  
**Managing Director**  
**Beadell Resources Ltd**



# Supplementary Notice of General Meeting and Explanatory Statement incorporating additional information

General Meeting to be held at  
Level 2, 16 Ord Street West Perth on Wednesday, 28 May 2008 commencing at 10am

**Beadell Resources Limited**  
**ABN 50 125 222 291**

This Supplementary Notice of General Meeting and Explanatory Statement should be read in its entirety.  
It supplements and amends a previous Notice of General Meeting dated 28 April 2008.  
If shareholders are in doubt as to how they should vote, they should seek advice from their accountant,  
solicitor or other professional adviser without delay.

This document is not for release or distribution in the United States.

# Notice of General Meeting

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Notice is given that a General Meeting of Beadell Resources Limited will be held at Level 2, 16 Ord Street West Perth on Wednesday, 28 May 2008 commencing at 10am WST.

## 1. Approval of Issue of Shares

To consider and, if thought fit, pass the following resolution as an ordinary resolution, conditional on resolution 2 being approved:

Subject to the joint venture participants ("Participants") in the Cracow Mining Joint Venture and the Cracow Exploration Joint Venture ("Cracow") waiving or failing to exercise their pre-emptive rights over the sale of the other Participants' interests in Cracow within the prescribed period, that, in accordance with ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of such number of Shares at such an issue price to be determined, to raise capital of up to \$250 million for the purposes and on the terms set out in the Explanatory Statement.

## 2. Approval of Change in Scale of Activities

To consider and, if thought fit, pass the following resolution as an ordinary resolution, conditional on resolution 1 being approved:

Subject to the Participants waiving or failing to exercise their pre-emptive rights over the sale of the other Participants' interests in Cracow within the prescribed period, that, in accordance with ASX Listing Rule 11.1.2 and for all other purposes, Shareholders approve of the Company undertaking a change in the scale of its activities as a result of the acquisition of up to a 100% interest in Cracow on the terms set out in the Explanatory Statement.

## Voting Exclusions

For the purposes of:

- (a) (**resolution 1**): Listing Rule 7.3, the Company will disregard any votes cast on resolution 1 by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed, and any of their associates; and
- (b) (**resolution 2**): Listing Rule 14.11.1, the Company will disregard any votes cast on resolution 2 by any person who might obtain a benefit, except a benefit solely in the capacity as a security holder, if the resolution is passed, and any of their associates,

unless it is cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form) or the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides). For the purposes of paragraph (a) and (b) above, the Company will not disregard votes cast on resolutions 1 or 2 by a nominee at the direction of a beneficiary for whom it holds securities where the beneficiary confirms in writing to the nominee that it is entitled to vote on the resolution.

## Explanatory Statement

The Explanatory Statement accompanying this Supplementary Notice of General Meeting is incorporated in and comprises part of this Supplementary Notice of General Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Supplementary Notice of General Meeting and Explanatory Statement.

## Proxies

Please note that:

- (a) a member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

## Confirmation or alteration of Proxy Forms already lodged with the Company

Any member of the Company who has already appointed a proxy by lodging a proxy form provided with the Original Notice of Meeting with the Company is requested to contact the Company Secretary Greg Barrett by email at [Greg.Barrett@beadellresources.com.au](mailto:Greg.Barrett@beadellresources.com.au), or by telephone on +61 8 9429 0800 or by facsimile on +61 8 9481 3176 to confirm that the lodged proxy form continues to represent the wishes of the member as to how the member's votes are to be cast at the Meeting taking into account the additional information provided in this document. Alternatively members can lodge the enclosed proxy form to confirm or alter the appointment of a proxy and how the member's votes are to be cast at the Meeting. The Company will ensure that the proxy form last received from each member is the only proxy form taken into account in relation to the votes cast at the Meeting. Alternatively, a member may attend the Meeting in person, in which case the lodged proxy forms will be disregarded.

## "Snap-shot" Time

The Company may specify a time, not more than 48 hours before the meeting, at which a "snap-shot" of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the meeting. The Company's directors have determined that all shares of the Company that are quoted on ASX at 5.00pm WST on Monday, 26 May 2008 shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the shares at that time.

## Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the meeting or handed in at the meeting when registering as a corporate representative. An appointment of Corporate Representative form is available upon request from the Company Secretary.

## By Order of the Board of Directors



**Greg Barrett**  
Company Secretary  
Beadell Resources Limited

15 May 2008

## Explanatory Statement

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This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's General Meeting. **It supplements the information previously provided to Shareholders in the Original Notice of General Meeting. For the convenience of Shareholders, the material additional information is shown in bold and underlined.**

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Supplementary Notice of General Meeting.

This Explanatory Statement should be read in conjunction with the Supplementary Notice of General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

### General Background to the Resolutions

On 4 April 2008, the Company announced its conditional agreement to acquire Newcrest's 70% interest in Cracow for \$200 million, intending to raise the capital to acquire the interest and meet the associated expenses by a placement of new Shares of up to \$220 million. The equity capital raising and the Newcrest Acquisition was subject to a number of conditions, including a pre-emptive right over Cracow held by Lion Selection.

**On 15 May 2008, all the parties comprising Lion Selection formally waived their rights of pre-emption and consented to the Newcrest Acquisition. Furthermore, Lion Selection have agreed to sell their 30% interest in Cracow to Beadell for a total consideration of \$80 million. This will allow Beadell to consolidate ownership of Cracow for the first time since gold production recommenced at Cracow in late 2004.**

**In total, the Company will undertake a combined equity and debt raising of A\$300 million to fund the Acquisitions, and meet related fees and expenses (including any fees payable to advisers, lead managers, Newcrest, brokers or cornerstone investors). Merrill Lynch and Morgan Stanley have been engaged to act as joint lead managers to the proposed equity capital raising to fund the Acquisitions. Subject to market conditions, the capital raising is proposed to be extended only to Institutional Investors. However, the Company reserves the discretion to revise its offer strategy in light of market conditions and other relevant factors.**

**The Newcrest Acquisition of 70% of Cracow is not conditional on Beadell completing the Lion Acquisition.**

The addition of Cracow to Beadell's existing portfolio of assets will form a strong platform for the Company to become a significant participant within the Australian gold industry. Beadell's conditional agreements with Newcrest and Lion Selection to purchase Cracow represents a unique investment opportunity for the Company to take control of a high quality, low risk, producing gold asset that is fully leveraged to the gold price. Cracow will also be highly complementary to Beadell's existing portfolio of exploration and development assets located in Australia and Brazil.

The Newcrest Acquisition is also conditional upon Shareholder approval and the successful financing of the Newcrest Acquisition. Under the sale terms, \$2 million of the purchase price was

paid by Beadell as a deposit on the date of signing the Agreement for the Newcrest Acquisition. If Shareholder approval is not forthcoming the deposit of \$2 million paid is not refundable to Beadell. If financing is not secured, Beadell is entitled to a refund of \$1 million with interest, and if Newcrest considers that the failure to secure the finance was due to the prevailing market conditions and not through any act or omission of Beadell or its advisers, then Beadell is entitled to a refund of the balance of \$1 million of the deposit, with interest.

The completion date for the Newcrest Acquisition is scheduled for 30 June 2008 and is subject to all the conditions of the Newcrest Acquisition being satisfied or waived (including Beadell Shareholder approval).

Newcrest has committed to underwrite a shortfall in the proposed capital raising up to the lesser of A\$50 million or 19.9% of Beadell's post-raising fully diluted issued capital.

**On 15 May 2008, after the Original Notice of Meeting had been despatched to Shareholders, the Company announced its' conditional agreement to acquire the 30% interest in Cracow held by Lion Selection ("Lion Acquisition"). The Lion Acquisition is subject to similar conditions to those outlined above in respect of the Newcrest Acquisition. In addition, the Lion Acquisition is conditional on:**

- **the Company raising bank finance of \$50million with a banking institution and**
- **the Company raising \$15million equity finance (in addition to the \$220 million originally being sought for the purposes of the Newcrest Acquisition).**

**Further, the Lion Acquisition is conditional upon certain matters related to the takeover offer by Indophil Resources NL ("Indophil") for Lion Selection Limited the subject of the bidder's statement dated 28 April 2008. The Lion Acquisition will not proceed unless:**

- **the shareholders of Lion Selection Limited pass a resolution approving the Lion Acquisition by the Company;**
- **the Takeovers Panel does not determine that the Lion Acquisition is prohibited;**
- **Indophil waives the conditions in its takeover offer relating to a disposal by Lion Selection of its interests in Cracow; or**
- **The Indophil takeover offer lapses.**

**The purchase price for the Lion Acquisition is \$80million, comprising a cash payment of \$65million and the issue of such number of Shares that equates to \$15million, based on the same issue price as the Placement Shares to be issued to Institutional Investors, to be determined after the Meeting by the Company and the joint lead managers following a comprehensive Institutional Investor marketing process worldwide.**

**Completion of the Newcrest Acquisition and the Lion Acquisition will deliver to the Company a 100% interest in Cracow. The total cost to the Company as a result of the Newcrest Acquisition and Lion Acquisition, if successful, will be:**

- |   |                             |
|---|-----------------------------|
| • <b><u>Newcrest Acquisition Purchase Price</u></b>             | <b><u>\$200 million</u></b> |
| • <b><u>Lion Acquisition Purchase Price</u></b>                 | <b><u>\$80 million</u></b>  |
| • <b><u>Transaction costs (including price adjustments)</u></b> | <b><u>\$20 million.</u></b> |

**It is proposed to finance the total \$300 million transaction costs with a combination of equity and debt financing, as follows:**

- **Up to \$250 million under the proposed Equity Raising (of which \$15 million of Shares will be issued to Lion Selection Limited as part of the Lion Acquisition Purchase Price); and**
- **\$50 million debt finance.**

**If the Company successfully raises at least \$220 million under the proposed equity raising, the Company will complete the Newcrest Acquisition (subject to satisfaction of any outstanding conditions).**

**If the Company does not successfully raise \$235 million from Institutional Investors under the proposed equity raising, fails to raise the proposed debt finance, or other conditions of the Lion Acquisition are not satisfied, the Company will not proceed with the Lion Acquisition, in which case the Company will acquire only a 70% interest in Cracow, and the debt finance will not be sought. The Company would remain in joint venture with Lion Selection holding a 30% interest (as anticipated before the Company was successful in negotiating the Lion Acquisition).**

**Assuming all conditions are satisfied for the Newcrest Acquisition and the Lion Acquisition, completion of the Newcrest Acquisition will occur on 30 June 2008 and completion of the Lion Acquisition will complete either on 31 July 2008 or by 31 August 2008 (in order to allow the Company additional time if necessary to put the bank finance arrangements in place).**

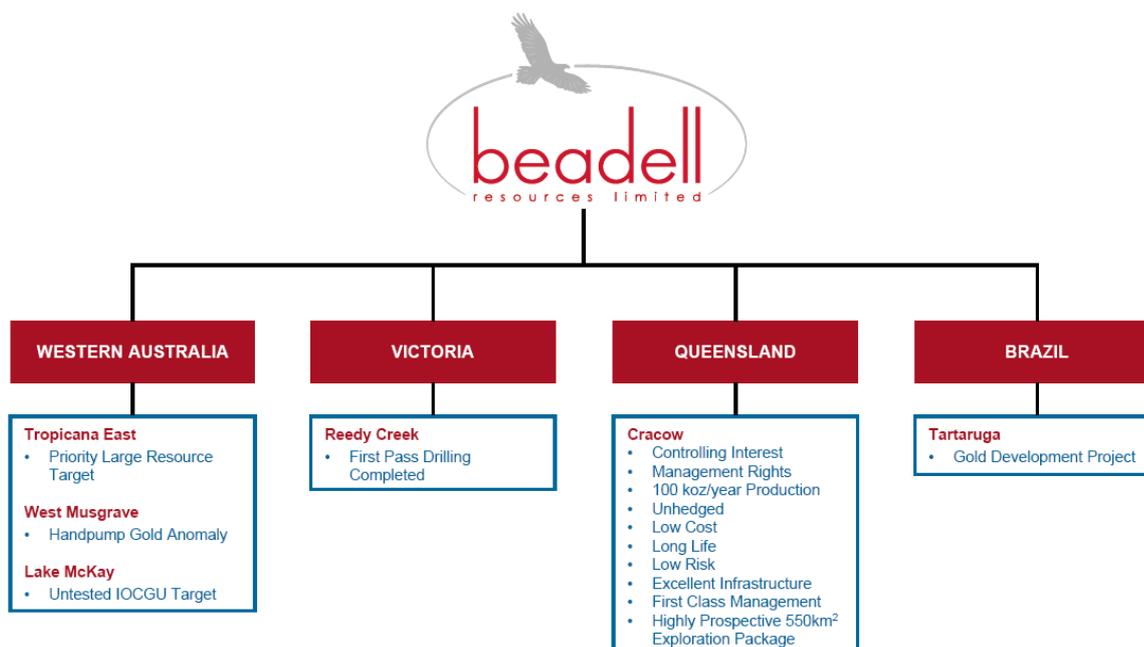
***NB.** All numbers relating to Cracow in this Notice of General Meeting refer to 100% of Cracow's resources, reserves and production, unless otherwise stated. Unless specifically attributed to a third party, all statements of fact, opinions, forecasts and forward-looking statements reflect the views of Beadell which has completed comprehensive due diligence on Cracow.*

Other background to the proposed Newcrest Acquisition and the Lion Acquisition has recently been released to ASX by the Company, in particular the Press Releases dated 4 April 2008 **and 15 May 2008**, and the Investor Presentation dated 8 April 2008. These materials are available from the ASX website and from Beadell's website at [www.beadellresources.com.au](http://www.beadellresources.com.au).

Indicative Timetable for the Newcrest Acquisition **and the Lion Acquisition:**

4 April 2008	Announcement of the Newcrest Acquisition
4 April 2008	Pre-emption Notice provided by Newcrest to Lion Selection
28 April 2008	Original notice of Meeting is sent to Shareholders
15 May 2008	Announcement of the Lion Acquisition
16 May 2008	Supplementary notice of Meeting incorporating additional information is sent to Shareholders
28 May 2008	General Meeting of Shareholders
Mid June 2008	Placement is marketed to Institutional Investors
Late June 2008	Placement closes and the subscription funds are accepted by the Company
30 June 2008	Company completes Newcrest Acquisition and acquires Newcrest's 70% interest in the Cracow mine
31 July 2008	Company completes Lion Acquisition and acquires Lion Selection's 30% interest in the Cracow mine, delivering 100% ownership in the Cracow mine to the Company (unless BDR requires deferral for debt finance)
By 31 August 2008	Deferred completion of the Lion Acquisition if required

The assets of the Company post completion of the Newcrest Acquisition and the Lion Acquisition will be as follows:



## 1 Resolution 1: Approval of Issue of Placement Shares

The purpose of the issue of Placement Shares is to fund the acquisition of Newcrest's 70% interest in Cracow, **and to partially fund the acquisition of Lion Selection's 30% interest in Cracow**, in central Queensland, which has been the subject of recent ASX announcements by the Company.

Resolution 1 is conditional upon any of the Participants waiving or failing to exercise their pre-emptive rights within the prescribed period. If all of the Participants waive or fail to exercise their pre-emptive rights within the prescribed period, the Company proposes to issue such total number of Placement Shares as is required to raise equity funding of up to \$250 million (including an allocation of \$15 million to Lion Selection):

- **in order to raise the provisional purchase price of \$200 million to be paid to Newcrest as consideration for the Newcrest Acquisition,**
- **in order to raise \$20 million to fund transaction costs (including price adjustments) under the Newcrest Acquisition, and the Lion Acquisition (as the case may be),**
- **in order to raise \$15 million of the provisional purchase price of \$65 million to be paid to Lion Selection as part consideration for the Lion Acquisition (the remaining \$50 million to be funded by the Company out of bank finance); and**
- **to allot to Lion Selection Limited, Shares to the value of \$15 million at the issue price paid by Institutional Investors.**

**As a result of the Company negotiating the Lion Acquisition, on 15 May 2008, Newcrest and Lion Selection each formally waived their respective rights of pre-**

**emption in respect of the Newcrest Acquisition and Lion Acquisition respectively, and otherwise consented to the Acquisitions.**

Merrill Lynch and Morgan Stanley have been engaged to act as joint lead managers to the proposed capital raising. The Placement Shares will be allotted at an issue price to be determined after the Meeting by the Company and the joint lead managers, following a comprehensive Institutional Investor marketing process in Australia and elsewhere. It is therefore not possible at the date of this Notice or the date of the Meeting to determine the exact number of Placement Shares that will be issued, or their subscription price. It is also not possible to provide Shareholders now with the approximate percentage of total share capital that the Placement Shares will bear in relation to the Company's fully-diluted Share capital (assuming no further issues of securities by the Company).

This information will be the subject of ASX announcements once the Placement has been completed.

Set out below is a range of scenarios that could apply in relation to the issue of the Placement Shares, by way of illustration:

<b>Placement Share price</b>	<b><u>Placement Shares issued to Institutional Investors to raise \$235million</u></b>	<b><u>Placement Shares issued to Lion Selection</u></b>	<b><u>Expanded issued capital (including \$15million issued to Lion Selection)</u></b>
\$0.25	<b><u>940.0 million</u></b>	<b><u>60.0 million</u></b>	<b><u>1093.0 million</u></b>
\$0.40	<b><u>587.5 million</u></b>	<b><u>37.5 million</u></b>	<b><u>718.0 million</u></b>
\$0.75	<b><u>313.33 million</u></b>	<b><u>20.0 million</u></b>	<b><u>426.33 million</u></b>
\$1.00	<b><u>235.0 million</u></b>	<b><u>15.0 million</u></b>	<b><u>343.0 million</u></b>

Obviously the higher the Placement Share price, the fewer number of Placement Shares will be issued in order to raise the required funds, and the less dilution will occur to existing Shareholders' holdings in the Company.

The Placement Share price will be no lower than 25 cents per share.

Newcrest has committed to underwrite a shortfall in Beadell's capital raising. Newcrest's commitment to underwrite is on commercial arm's length terms. The material terms of Newcrest's underwriting commitment are as follows:

- the commitment is capped at the lesser of A\$50 million and such number of shares as would result in Newcrest becoming the holder of 19.9% of the issued ordinary shares in Beadell (on a post Newcrest Acquisition and Lion Acquisition fully diluted basis);
- Beadell may first call on Newcrest if the shortfall in Beadell's capital raising, as against the amount of A\$220 million, is A\$50 million or less; and
- **If Beadell requires additional underwriting in order to complete the Lion Acquisition, Beadell may next call on Newcrest for up to a total amount of \$15 million in addition to the amount first underwritten by Newcrest, (subject to the overall cap mentioned above)**
- if called upon under this arrangement, Newcrest will be entitled to a small fee.

Any allocation to Newcrest is subject to the terms of Newcrest's underwriting commitment and shall be at the further discretion of the Company and the joint lead managers.

Beadell, with the assistance of the joint lead managers, may seek cornerstone investors to agree to subscribe for Shares in the capital raising in advance of (and conditional upon) shareholder approval of Resolution 1 at the Company's General Meeting.

Any arrangements with a cornerstone investor will be on terms and conditions agreed between the cornerstone investor and Beadell. This may include an obligation for Beadell to pay fees to the cornerstone investor.

Listing Rule 7.1 provides generally that a company may not issue shares or options to subscribe for shares equal to more than 15% of the company's issued share capital in any 12 months without obtaining shareholder approval. Resolution 1 seeks this approval.

The Placement Shares will be allotted and issued no later than 3 months after the date of Shareholder approval or such later date as approved by ASX. **It is anticipated that there will be two dates of allotment:**

- **The first allotment, to Institutional Investors (and to Newcrest, pursuant to its underwriting commitment, if required), will occur immediately prior to 30 June 2008, and**
- **the second allotment, an allotment of \$15 million Placement Shares to Lion Selection Limited (and an allotment of Placement Shares to Newcrest pursuant to its underwriting commitment, if required), if the Lion Acquisition proceeds to completion, will occur on the completion date of the Lion Acquisition, being either 31 July 2008 or no later than 31 August 2008. The issue price will be the same for both allotments.**

The Placement Shares will be allotted to Institutional Investors. It is also expected that a proportion of the funds will originate from Beadell's existing Shareholders. **If the Lion Acquisition proceeds, \$15 million of the Placement Shares will be allotted to Lion Selection Limited or its' related bodies corporate.**

The Placement Shares (including any Placement Shares issued to Newcrest under its underwriting commitment) will be fully paid upon issue, and will rank equally with other Shares on issue. The Company will apply to ASX for official quotation of the Placement Shares **with the exception of the \$15 million Placement Shares to be allotted to Lion Selection Limited as part of the Lion Acquisition, which will be deemed fully paid on issue, rank equally with other Shares on issue, but under the terms of the Lion Acquisition will remain subject to voluntary escrow for 12 months from the date of issue.**

The Board believes that the proposed issue of the Placement Shares is beneficial for the Company and recommends that Shareholders vote in favour of the resolution. It will allow the Company to proceed with the Newcrest Acquisition **and the Lion Acquisition**, and also retain the flexibility to issue further securities representing up to 15% of the Company's share capital (calculated on a post-Placement basis) during the next 12 months.

## **2. Resolution 2: Approval of Change in Scale of Activities**

Listing Rule 11.1.2 provides that if a company proposes to make a significant change to the scale of its activities it must notify ASX as soon as practicable and ASX may require

the company to obtain Shareholder approval. ASX has indicated that in view of the size and effect of the proposed Newcrest Acquisition and Lion Acquisition, Beadell is required to seek the approval of Shareholders for the change in scale of Beadell's activities resulting from an acquisition of Newcrest's 70% interest in Cracow **and the Lion Acquisition by the Company of Lion Selection's 30% interest in Cracow, delivering to Beadell a 100% interest in Cracow if both the Newcrest Acquisition and the Lion Acquisition proceed.**

The proposed Newcrest Acquisition will transform Beadell from an exploration focused company to one whose principal focus is production with exploration potential. **This transformation will be greater if the Lion Acquisition proceeds.**

The proposed change in scale of activities is consistent with the business strategy disclosed to the market and as understood by the Company's Shareholders. Beadell's IPO prospectus issued last year highlights as one of its objectives the prompt discovery and development of deposits and opportunistic acquisitions of developed deposits, emphasising and referring to the proven track record of its personnel in achieving rapid growth and success in exploration and seeking out and securing opportunistic acquisitions. As suggested at the IPO stage, Beadell has followed this specific objective and desire to change its scale of activities in a short timeframe from its admission to ASX. The Acquisitions are the result of the efforts of Beadell's personnel whose objectives and experience in making opportunistic acquisitions was emphasised at the IPO stage. Beadell's clear objective of acquiring other projects to elevate Beadell within its ranking in the Australian gold industry was endorsed by the IPO shareholders' investment in Beadell.

The Acquisitions includes the underground gold mining and processing operations and 550km<sup>2</sup> of highly prospective tenements. If Beadell successfully acquires either a 70% or a 100% interest in Cracow it will represent a unique investment opportunity for the Company to take control of an un-hedged, high quality, low risk, producing gold asset that is highly complementary to Beadell's existing portfolio of exploration and development assets located in Brazil and Australia.

Cracow is one of the lowest cost gold mines operating in Australia. Cracow has consistently delivered exceptional operational and financial performance since its first gold pour in November 2004. The Company expects to generate continuing strong cash flows from Cracow over the ensuing years from the existing reserves and resources.

Beadell will enjoy significant benefits from the fact that the vertical and a majority of the horizontal underground capital development for the next three years have been completed. Additionally, reliable coal fired grid power, which provides power for all of the plant requirements and the electrically driven underground earthmoving equipment, will effectively insulate the operation from any anticipated rise in oil prices.

It is the Company's intention to purchase gold put options at a price well above the cost of production to lock in the early free cash flows. The Company will not cap the upside of gold price increases.

The net cash flow from the mines will be used to fund an exploration program that will fully test the potential of the proven mineralised system at Cracow.

It is anticipated that Beadell's forecast 5 year mine life comprising approximately 500 koz in total gold poured will be greatly enhanced as a result of focused and systematic exploration on the existing tenements. Beadell's estimate of the gold resource is 1.0Moz (as at 30 June 2007), and Beadell is very focused on conversion of outstanding resources to reserves. In addition, Cracow is a proven epithermal gold system which has consistently delivered new exploration discoveries following the initial discovery of the

Royal Shoot in 1998. Beadell is confident that with ongoing exploration drilling, the Company will continue to delineate new ore shoots in the area.

The main known lode producing fault structures at Klondyke has only been systematically drilled down to an average depth of 350m. Numerous other highly prospective faults within the mine corridor are yet to be systematically explored, such as the Kilkenny and Fordee structure which have only minimal drill coverage. The Klondyke and Kilkenny structures are interpreted to have strike lengths in excess of 7km, of which only 3km has had any systematic drilling.

Outside of the main mineralised district, approximately 30km strike of prospective stratigraphy has had little or no previous drilling, demonstrating the longer term potential of the Cracow project to yield new epithermal gold deposits.

Cracow's strong projected cash flows will complement Beadell's portfolio of exploration and development assets in Brazil and Australia. By leveraging the cash generated from the Cracow Gold Mine, the Company's existing exploration and development projects can be significantly accelerated.

Beadell's current management, with extensive operational experience of underground mining in Australia, will complement the existing highly competent management team and work force based at the Cracow site where staff turnover is historically very low. Beadell will encourage the Cracow employees to continue in their current roles. The site has a reputation for consistently meeting or exceeding its production targets whilst maintaining a safety record which is the envy of the Australian gold industry.

The Directors recommend that Shareholders vote in favour of Resolution 2.

**Competency Statement:** *The information in this document relating to Exploration Results, Mineral Resources or Ore Reserves 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 the company and he consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

**Important Statement:** *This notice of meeting has been prepared by Beadell based on information available to it. It contains references to certain intentions, expectations, future plans, strategy and prospects of Beadell, which are based on certain assumptions which may or may not be met or on which views may differ and which may be affected by known and unknown risk, and which may or not be achieved. No representation, warranty or guarantee, express or implied, is made as to the fairness, accuracy, completeness, reliability or correctness of the information, opinions and conclusions contained in this announcement. Since anticipated events may not occur as expected and variations may be material, actual results may be different from those forecast. To the maximum extent permitted by law, none of Beadell, Merrill Lynch International (Australia) Ltd, Morgan Stanley Australia Limited, their affiliates and their respective directors, employees or agents, nor any other person, accepts any liability, including without limitation any liability arising from fault or negligence on the part of any of them or any other person, for any loss (including without limitation consequential loss, direct, indirect or consequential loss or damage or loss or damage arising by negligence) arising from the use of or reliance on this notice of meeting or its contents or otherwise arising in connection with it. The forecasts used in this notice of meeting are still subject to change.*

*The distribution of this document in jurisdictions outside Australia may be restricted by law and persons coming into possession of this document should inform themselves as to and observe any such restrictions. No shares of Beadell have been or will be registered under the US Securities Act of 1933 as amended, and may not be offered or sold in the US or to US persons including any US resident; any partnership or corporation or other entity organised or incorporated under the laws of the US or any state thereof; any trust of which any trustee is a US person; or any agency or branch of a foreign entity located in the US. This document is not an offer, invitation, solicitation or recommendation with respect to the subscription for, purchase or sale of any security, and neither this document nor anything in it shall form the basis of any contract or commitment.*

## Glossary

In this Explanatory Statement, the following terms have the following unless the context otherwise requires:

<b>Acquisitions</b>	The Newcrest Acquisition and the Lion Acquisition.
<b>ASX</b>	ASX Limited.
<b>Board</b>	board of Directors.
<b>Company</b>	Beadell Resources Limited ABN 50 125 222 291.
<b>Constitution</b>	constitution of the Company.
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Cracow</b>	the businesses comprising the Cracow Mining Joint Venture and the Cracow Exploration Joint Venture
<b>Director</b>	director of the Company.
<b>Institutional Investors</b>	institutional, professional and sophisticated investors
<b>Lion Acquisition</b>	The proposed acquisition by the Company of Lion Selection's 30% interest in Cracow.
<b>Lion Selection</b>	Sedimentary Holdings Ltd, Fernyside Pty Ltd and Sedgold Pty Ltd, each a subsidiary of Lion Selection Limited.
<b>Meeting</b>	The Shareholder's General Meeting the subject of this Supplementary Notice of Meeting and the Original Notice of Meeting.
<b>Newcrest</b>	Newcrest Mining Limited ABN 20 005 683 625, and each of its subsidiaries and affiliates.
<b>Newcrest Acquisition</b>	The proposed acquisition by the Company of Newcrest's 70% interest in Cracow.
<b>Original Notice of Meeting</b>	The Company's Notice of Meeting dated 28 April 2008.
<b>Participant</b>	The participants in the Cracow Mining Joint Venture and the Cracow Exploration Joint Venture, comprising Newcrest and Lion Selection.
<b>Placement Share</b>	a Share issued by the Company pursuant to the capital raising which is the subject of Resolution 1 including Shares to the value of \$15 million to be allotted to Lion Selection Limited as part of the purchase price for the Lion Acquisition.
<b>Placement</b>	the issue of the Placement Shares.
<b>Share</b>	fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	shareholder of the Company.



# Proxy Form

## Shareholder Details

Name: .....

Address: .....

Contact Telephone No: .....

Contact Name (if different from above): .....

## Appointment of Proxy

I/We being a shareholder/s of Beadell Resources Limited and entitled to attend and vote hereby appoint

The Chairman of the meeting

OR

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

(mark with an 'X')

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Beadell Resources Limited to be held at Level 2, 16 Ord Street West Perth on Wednesday, 28 May 2008 commencing at 10am WST and at any adjournment of that meeting.

## Voting directions to your proxy – please mark to indicate your directions

Resolution 1. Approval of Issue of Shares

FOR

AGAINST

ABSTAIN

Resolution 2. Approval of Change in Scale of Activities

\*If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Appointment of a second proxy (see instructions overleaf).

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

**PLEASE SIGN HERE** This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented

Individual or Shareholder 1

Sole Director and  
Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

# How to complete this Proxy Form

## Your Name and Address

Please print your name and address as it appears on your holding statement and the company's share register. If shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

## Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company.

## Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

## Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Greg Barrett on +61 8 9429 0800 or you may photocopy this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

## Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the shareholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate is either included in the Notice of Extraordinary General Meeting or may be obtained from the company's share registry.

## Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting. ie. no later than 10.00am WST on Monday, 26 May 2008. Any Proxy Form received after that time will not be valid for the scheduled meeting.

This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the company's registered office at 2nd Floor, 16 Ord Street, West Perth 6005 Western Australia or sent by facsimile to the registered office on +61 8 9481 3176.