



Quarterly Report for Shareholders Period Ending 30 June 2008

ASX Code: BDR

Directors:

Mike Donaldson	Non-Exec. Chairman
Peter Bowler	Managing Director
Robert Watkins	Exec. Director Exploration
Greg Barrett	Company Secretary

Corporate Details:

Cash at Bank 30 June 2008:
\$8.5M

Issued capital:
96,600,003 ordinary shares

Major Shareholder:
OZ Minerals Ltd 13.7% of issued capital

ABN
50 125 222 291

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Peter Bowler
Managing Director

HIGHLIGHTS

CORPORATE

- **Available Funds** – The Company has available cash and funding totalling **\$10.2 million**.
- **Budget** – The board has approved Exploration expenditure of **\$3.76 million** for the full year 08/09.
- **Cracow Acquisition** – On 4 July 2008 Beadell and Newcrest conceded that the condition precedent regarding financing in their agreement to acquire the Cracow Gold Mine was not met. Prevailing market conditions at the time prevented the completion of the equity raising required to fund the acquisition. Subsequent feedback indicates strong interest in this transaction and the Company is continuing informal discussions with Newcrest.

EXPLORATION

- **Western Australia – Tropicana East** - First pass calcrete auger soil sampling was completed at the Pleiades Prospect with numerous plus 10ppb anomalies identified up to a maximum result of **24.1ppb**. Initial aircore drilling at the Neale Prospect has identified a 15km long trend of elevated gold values. A 15,000m aircore drilling program is currently underway at the project.
- **Western Australia – West Musgrave** - A work program has been submitted to the Central Desert Native Title Services and Ministerial approval is expected within the next two weeks. It is anticipated that first pass drilling of the Handpump gold anomaly will occur during the September quarter.
- **Victoria – Reedy Creek** - Significant results received during the quarter include **9m @ 5.3g/t** from 76m including **4m @ 10.8g/t** from 80m. A further extensional RC drill program is planned to enhance the maiden JORC resource calculation for the project.
- **Brazil – Tartaruga** - First pass diamond drilling at the Tartaruga Project has been completed with a total of 4,009m drilled in 38 holes. Significant high grade results were received during the quarter of up to **68.7g/t** gold. Approximately 40% of the results from the drilling program are yet to be received accounting for the final 15 holes drilled in the program.

EXPLORATION

WESTERN AUSTRALIA

Tropicana East Project

The Tropicana East Project is located adjacent to the Anglogold / Independence 4Moz Tropicana gold discovery located 350km northeast of Kalgoorlie in Western Australia. The Pleiades and Neale tenements cover 883 sq km of highly prospective unexplored terrain making Beadell one of the key junior explorers in the Tropicana Belt (Figure 1).

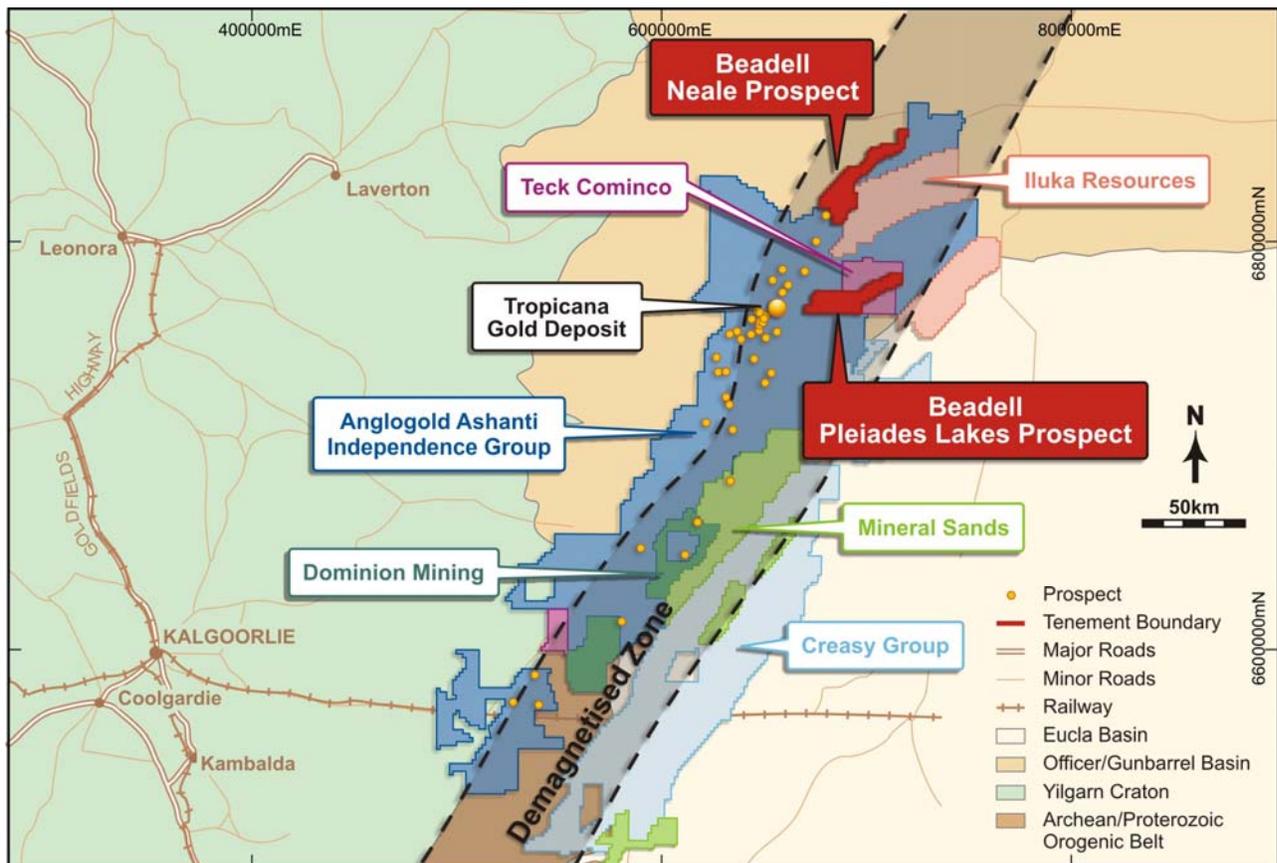


Figure 1. Tropicana East Project Location Map

Pleiades Prospect

Systematic first pass auger calcrete soil sampling was completed across the entire tenement on a 500m by 500m spacing comprising 1,669 holes. Numerous plus 10ppb gold anomalies were recorded with two anomalies recording peak results of 24.1ppb and 21.8ppb gold (Figure 2). The magnitude of the anomalies on the wide spaced grid is considered to be highly encouraging. The Pleiades tenement is interpreted from aeromagnetics to represent a major fault offset segment of the Tropicana stratigraphy. Reconnaissance mapping during the quarter identified several areas of outcropping basement rocks, however the tenement is dominated by

shallow aeolian sand and salt lake cover. A Challenge Drilling drill rig has mobilised to site to complete a 15,000m aircore drill program which is the maiden drill program on the tenement.

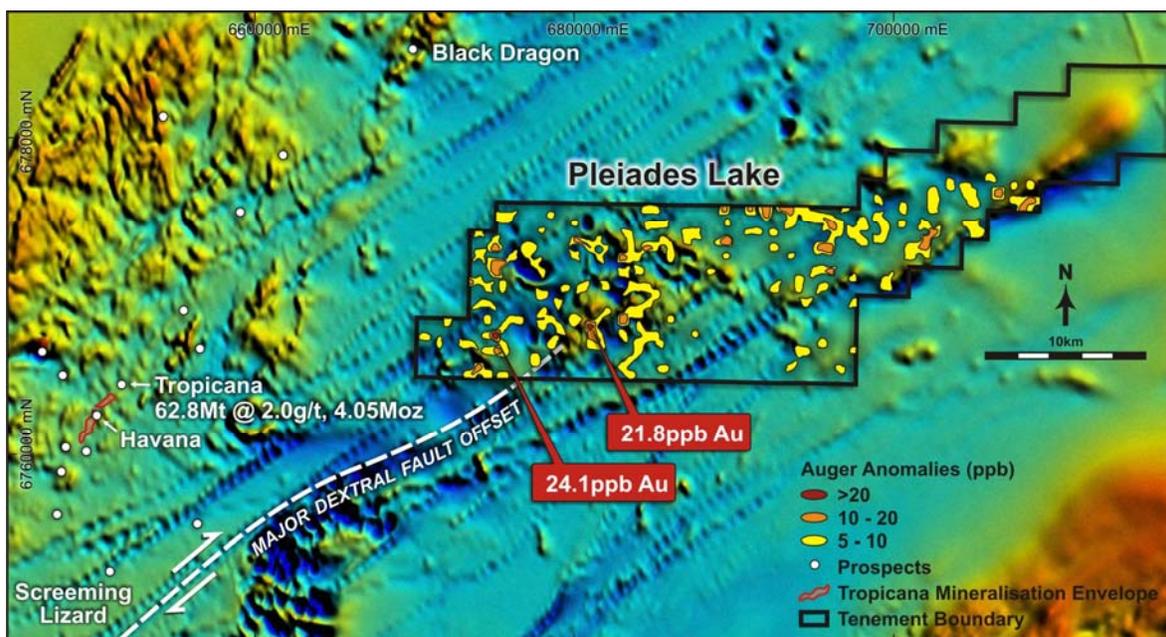


Figure 2. Pleiades Prospect Calcrete Auger Anomalies and Aeromagnetics

Neale Prospect

Initial wide spaced aircore drilling at Neale has identified a gold anomalous trend with up to 58ppb gold stretching for in excess of 15km long located in the southwest part of the Neale tenement (Figure 3). This area also coincides with a basement high where depth of cover varies from 0 to 30m deep. The recent drilling indicates that the depth of cover generally increases to the north of the tenement. Limited drilling to test the northern calcrete anomalies has not yet located the source of the surficial gold anomalism.

The south-western anomalous corridor appears to trend in a northeast orientation with the AngloGold / Independence anomalies of Purple Haze and Voodoo Child located southwest of the trend (Figure 3). The geology of this area is dominated by a stripped weathering profile causing only shallow penetration into the basement beneath the cover sequence. Petrological analysis has shown that rock units are similar to the Tropicana stratigraphy and include

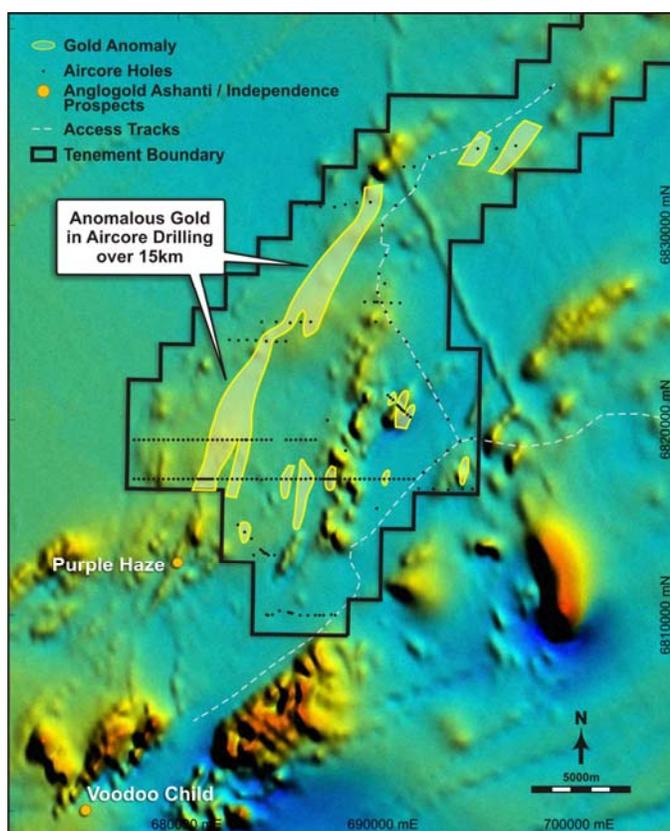


Figure 3 Neale Prospect Drill Hole Location Map and Aeromagnetics showing anomalous gold trend.

quartzofeldspathic gneiss, garnetiferous gneiss and amphibolites with varying degrees of sericite, biotite and sulphide alteration.

The anomaly in the southwest part of the tenement will form a major focus of ongoing exploration at Neale with reconnaissance drill testing of this trend on 1km spaced traverses to be completed in the next quarter.

West Musgrave

Handpump Prospect

The Handpump gold in soil anomaly is one of the largest undrilled gold anomalies in Western Australia with results up to 250ppb gold (Figure 4). A work program has been submitted to the Central Desert Native Title Services and Ministerial approvals are expected in the next two weeks. It is anticipated that first pass drilling of the Handpump gold anomaly will occur within the next quarter.

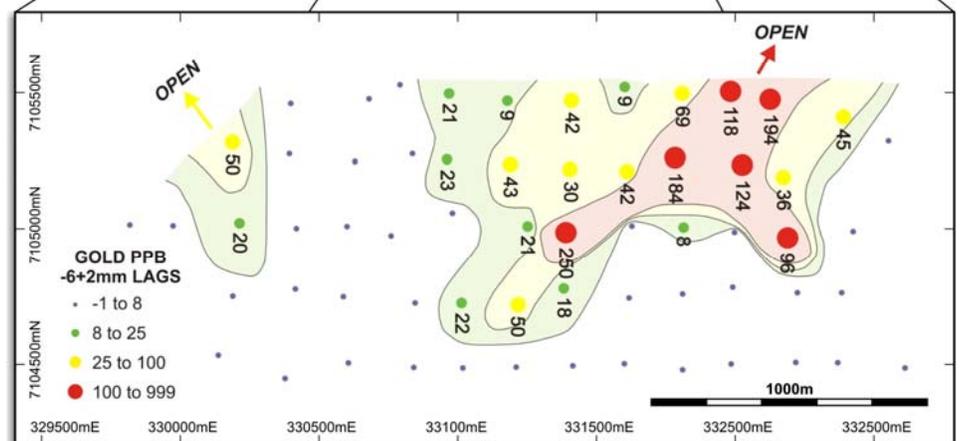
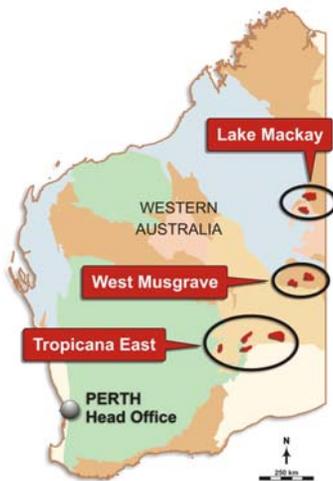
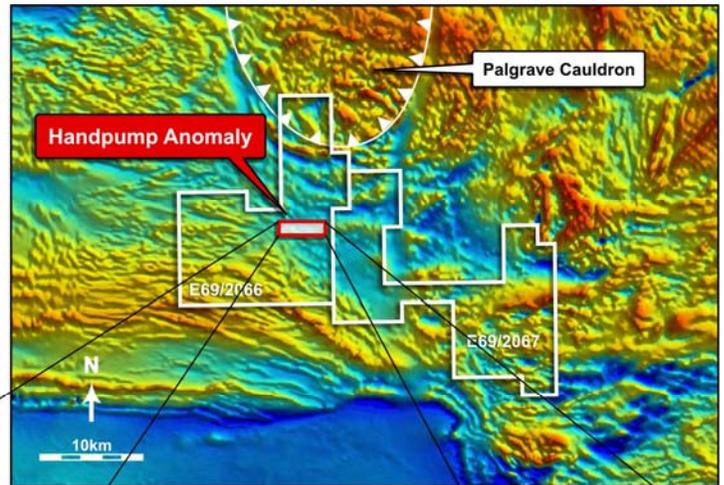


Figure 4. Handpump Gold Soil Anomaly

Lake Mackay

A work plan has been submitted to the Ngaanyatjarra Land Council and it is anticipated that on-ground exploration will commence in the next quarter targeting the Dwarf Well and Mt Webb Prospects.

VICTORIA

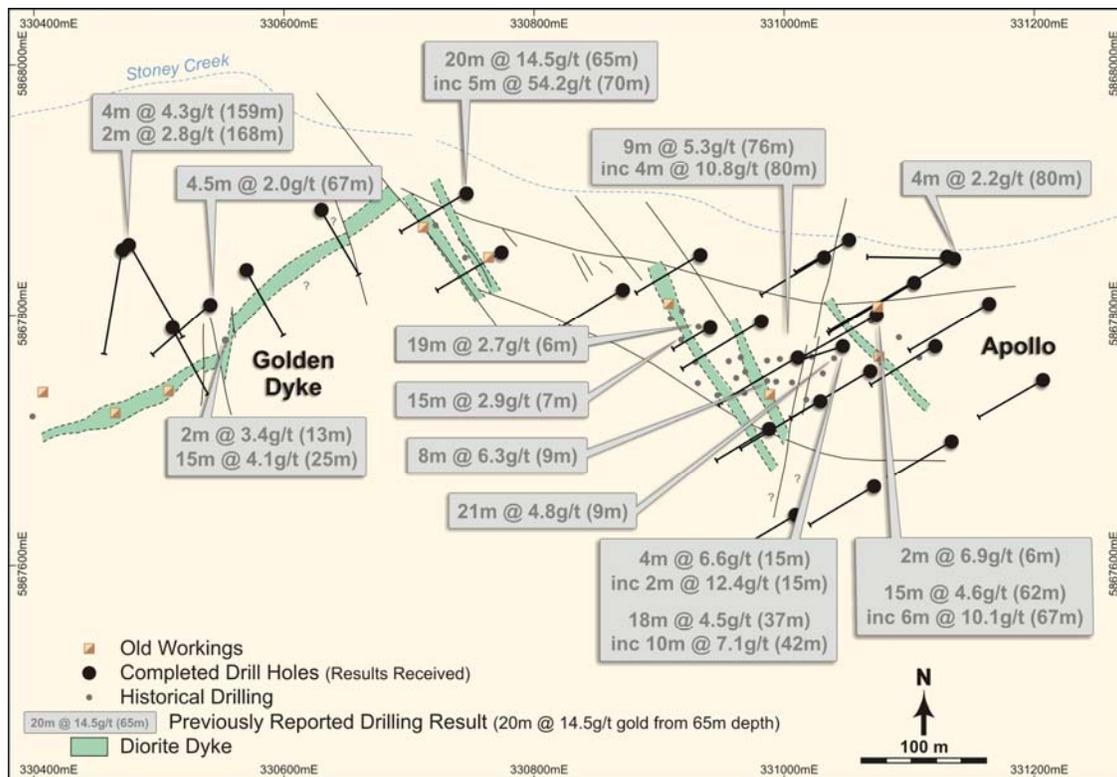
Reedy Creek

Apollo and Golden Dyke Prospects

All results have been received from the first pass RC and diamond drilling program with significant results received during the quarter including **9m @ 5.3g/t** from 76m including **4m @ 10.8g/t** from 80m (Figure 5). All significant results received during the quarter are listed in Table 1 below. A further extensional RC drill program is planned to enhance the maiden JORC resource calculation for the project. The drilling will target extensions of the Apollo mineralisation and the western portion of the Golden Dyke prospects which require a heritage survey in the area adjacent to the nearby Sunday Creek prior to drilling.

Prospect	Hole No.	From (m)	To (m)	Width (m)	Gold (g/t)
Apollo	VCRD003	28	31	3	0.6
		42	44	2	1.1
		50	56	6	0.6
		60	62	2	1.2
		76	85	9	5.3
	Incl.	80	84	4	10.8
Apollo	VCRD002	127	133	6	1.9
		141	143	2	0.9
Apollo	VCRD025	215	220	5	1.2
Golden Dyke	VCRD001	67	71.5	4.5	2.0
Golden Dyke	VCRD004	159	163	4	4.3
		168	170	2	2.8

Table 1. Significant diamond drill results from the Reedy Creek Project.
**Results are reported as down hole intervals. Intercepts are calculated using a 0.5g/t lower cut off with no top cut applied and maximum of 2m internal dilution.*



BRAZIL

Tartaruga

First pass diamond drilling at the Tartaruga Project has been completed with a total of 4,009m drilled in 38 holes. Significant high grade results were received during the quarter of up to **68.7g/t** gold (Table 2). Approximately 40% of the results from the drilling program are yet to be received accounting for the final 15 holes drilled in the program. Of the remaining holes **visible gold** has been identified in at least two holes.

The results to date confirm the presence of a continuous narrow high grade shear hosted deposit associated with a gently southwest dipping quartzite unit. Gold mineralisation has been intersected over a strike length in excess 1.5km and is open along strike and at depth.

A resource calculation for the Tartaruga project will be completed in the next quarter upon receipt of all the outstanding results from drilling. Preliminary scoping study analysis will then be performed as an initial evaluation of the economic viability of the project.

The Tartaruga Project also has considerable potential outside of the known mineralised areas and ongoing exploration will continue to develop these targets in the next quarter with reconnaissance mapping, soil and rock chip sampling.

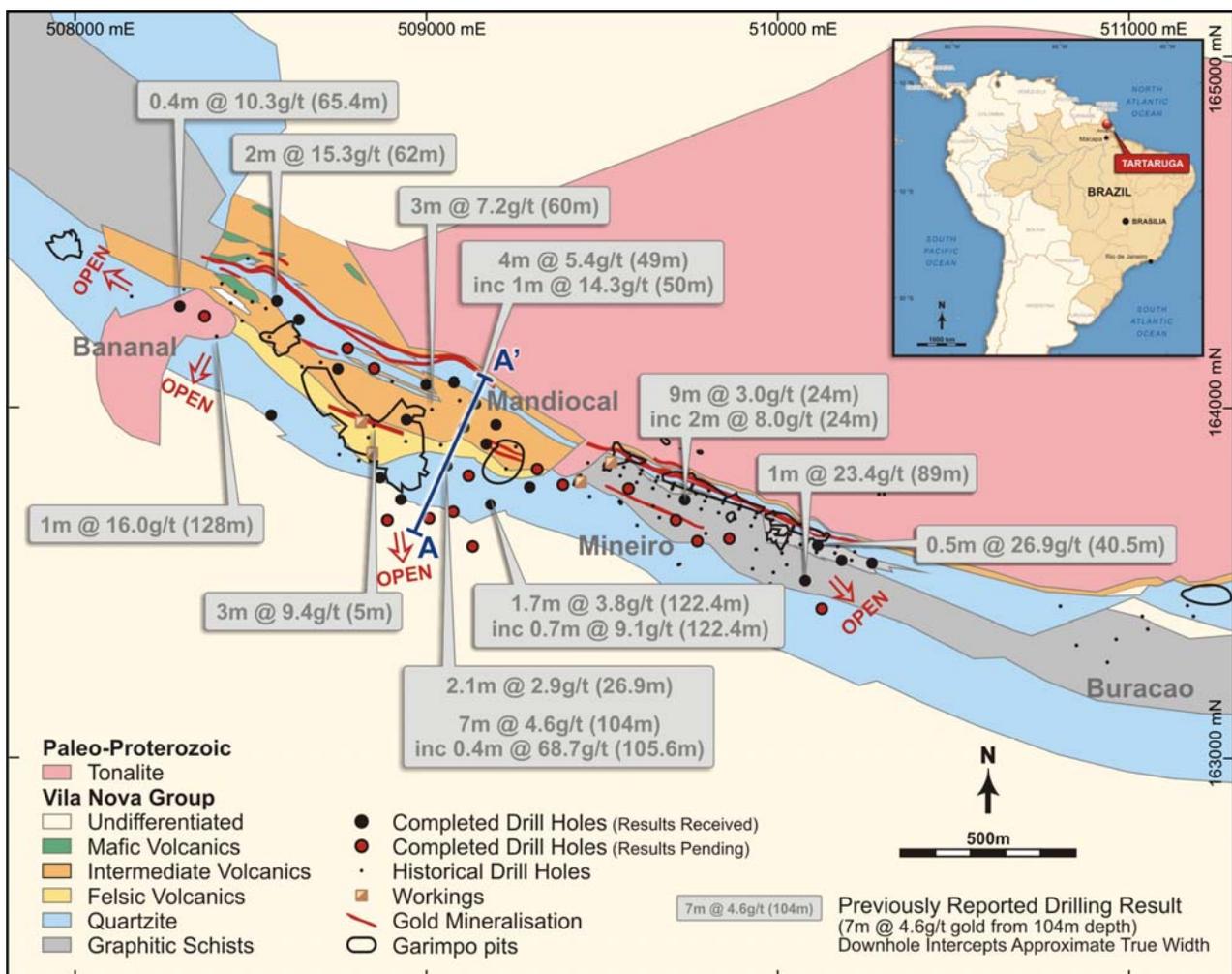


Figure 6. Tartaruga Drill Plan

Mineiro Prospect

New results have confirmed the presence of a high grade shoot at Mineiro plunging shallowly to the southeast with results of **0.5m @ 26.9g/t** from 40.5m intersected 75m up dip of **1.0m @ 23.4g/t** from 89m (Figure 6). These results represent down hole intervals drilled orthogonal to the mineralisation and therefore approximate true width intersections. This high grade shoot remains completely open to the south east with results from an additional drill hole targeting the down plunge extent expected in the next few weeks.

Mandiocal Prospect

A majority of the diamond drilling at Tartaruga has focussed on the Mandiocal Prospect where limited wide spaced historical drilling indicated the potential for a high grade shoot. Drilling during the quarter has delineated a high grade plunge to the southeast with true width results of **4m @ 5.4g/t** from 49m including **1m @ 14.3g/t** from 50m and **7m @ 4.6g/t** from 104m including **0.4m @ 68.7g/t** from 105.6m. This high grade plunge remains completely open at depth (Figure 7). A second mineralised zone in the hanging wall to the main mineralisation has been intersected in several holes with results outstanding.

The drilling at Mandiocal has also encountered an extensive mineralised laterite layer which has been variably reworked by garimpeiros (artisanal miners) and is up to 11m thick. New results in the laterite include **11.3m @ 1.3g/t** from surface and **11m @ 1.0g/t** from surface.

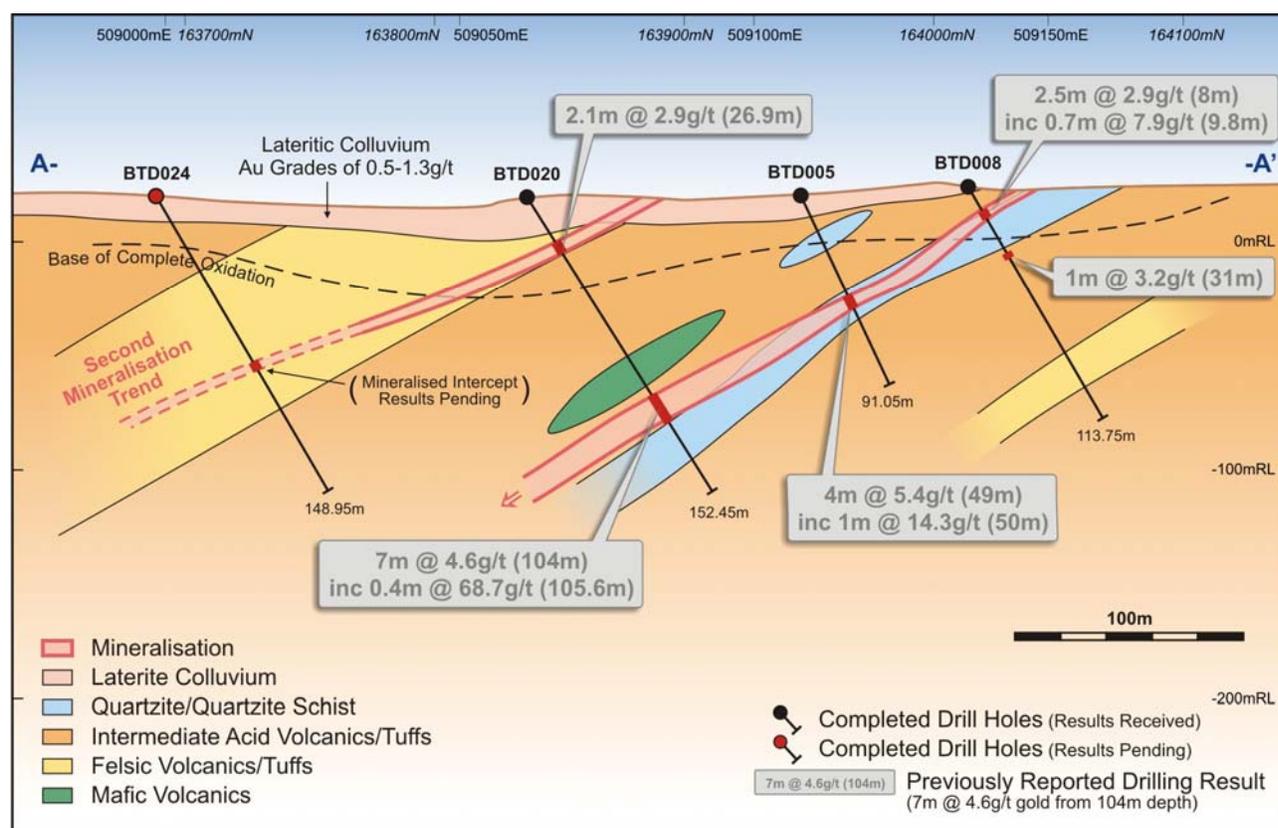


Figure 7. Mandiocal Drill Section

Bananal Prospect

The Bananal Prospect is located approximately 500m west and along strike of the Mandiocal Prospect. Very limited historical drilling has intersected similar styles of mineralisation to Mineiro and Mandiocal however with a steeper dip of approximately 65 degrees to the southwest. High grade mineralisation has been confirmed in a recent hole with a result of **0.4m @ 10.3g/t** gold from 65.4m (Figure 6). The mineralisation remains open down dip and along strike to the northwest.

Prospect	Hole No.	From (m)	To (m)	Width (m)	Gold (g/t)
Mandiocal	BTD005 Incl.	49	53	4	5.4
		50	51	1	14.3
Mandiocal	BTD009	0	11	11	1.0
Mandiocal	BTD014	59.4	61.8	2.4	1.2
		68.5	77	8.5	0.8
		73	74	1	2.6
		122.4	124.1	1.7	3.8
	Incl.	122.4	123.1	0.7	9.1
Mandiocal	BTD018	4	11	7	0.6
		22.1	23.3	1.2	3.6
		26.5	27.3	0.8	3.6
		31.8	35	3.2	1.6
Mandiocal	BTD020	0	3	3	0.6
		26.9	29	2.1	2.9
		104	111	7	4.6
		Incl.	105.6	106	0.4
		113.7	114.5	0.8	4.1
Mandiocal	BTD021	23	23.5	0.5	2.5
Mandiocal	BTD022	0	11.3	11.3	1.3
Mineiro	BTD011	35	39	4	1.6
	Incl.	35	36	1	5.4
Mineiro	BTD13A	89	90	1	23.4
Mineiro	BTD017	40.5	41.0	0.5	26.9
Mineiro	BTD019	24.0	33.0	9.0	3.0
	Incl.	24.0	26.0	2.0	8.0
Bananal	BTD010	65.4	65.8	0.4	10.3

Table 2. Significant diamond drill results from the Tartaruga Project.

**Results are reported as down hole intervals which approximate true width. Intercepts are calculated using a 0.5g/t lower cut off with no top cut applied and maximum of 2m internal dilution*

CORPORATE & FINANCE

The Company had cash of \$8,551,000 at 30 June 2008 plus a further \$650,000 of prepaid drilling and \$1 million to be raised at \$0.48 per share under the Drilling Alliance with Challenge Drilling. This includes the refunded deposit from Newcrest Mining Limited (Newcrest) relating to the Cracow Sale and Purchase Agreement. The Company has access to funds totalling \$10.2 million to expend over the coming years. The board has approved an Exploration budget of \$3.76 million for the full year 08/09.

On 4 July 2008 Beadell and Newcrest conceded that the condition precedent regarding financing in their agreement to acquire the Cracow Gold Mine was not met. Prevailing market conditions at that time prevented the completion of the equity raising required to fund the acquisition. Subsequent feedback indicates strong interest in the transaction and the Company is continuing informal discussions with Newcrest.

Beadell continues to evaluate these opportunities and other sensible acquisitions to elevate the company as a high ranking participant within the Australian gold industry.

Competent Persons 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 Limited. 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.