



ASX ANNOUNCEMENT  
ASX Code: **BDR**

13 December 2011

**TUCANO GOLD PROJECT**  
**CONSTRUCTION AND MINING UPDATE**

Beadell Resources Limited (ASX: BDR) (“Beadell”) is pleased to provide an update on the construction of the Carbon in Leach (CIL) plant, gold ore mining and other activities at the Company’s 100% owned Tucano Gold Project in Brazil.

Beadell’s Managing Director Peter Bowler commented **“We are pleased with the significant progress achieved to date. We are on track to commission a 3.5 Mt per annum CIL gold plant for less than US\$100M by mid next year. We have an exceptional management team on hand committed to transform Beadell into a significant low cost, long life gold producer. Gold production of up to 180,000 ounces per annum in the early years of the operation is anticipated”**.

**Key Highlights:**

Plant Construction

- Civil engineering work well advanced with the CIL tank rings completed (See photo 1) and the main foundation concrete for the SAG mill and Crusher now poured (See photos 2 and 3);
- Structural, mechanical and pipework contractor mobilised and work has commenced on the CIL tank steel; and
- Modification of conveyors from the former heap leach operation commenced.

Project Budget

- 80% of the value of the project is committed and 98% of the procurement undertaken; and
- Project is currently expected to be completed within the budget of US\$99.4M.

## Completion Schedule

- The process plant is due to commence commissioning in second quarter 2012 (April – June 2012) with first ore to the mill scheduled by 30 June 2012.

## Mining

- Mining Operations at Tucano commenced in June 2011 and have progressed very well to date. The existing mobile mining fleet obtained a material movement of 1.25 million tonnes for the month of November (15 Mt/annum);
- The current mining fleet capacity will be expanded in mid 2012 with the addition of two Komatsu PC 2000 excavators and five Cat 777 haul trucks;
- The Tap D 2 & 3 pits are on schedule to be completed prior to the first ore production from the new CIL process plant, as these pits are within the valley that will occupy the first tailings disposal site at Tucano (See photo 4);
- Access has been gained to the top of the Tap AB 2 eastern wall, where clearing and stripping has been undertaken. Mining progress in this area has been particularly encouraging with good productivity being obtained from Beadell's Liebherr 994 and Cat 777 fleet (See photos 5 and 6);
- Extensive RC grade control drilling has now been completed at Tucano and this will allow the mining of ore to commence in the Tap C pit this month and within the Tap AB 1 & 2 pits in January 2012;
- Ore will be stockpiled in readiness for the commissioning of the CIL plant with the highest grade material being used to maximise gold production in 2012; and
- Significant works have been undertaken with respect to sediment control for the upcoming wet season, with sediment dams completed at the Tap AB and Tap C waste dump sites.

## Tailings Dam Construction

- The first site for tailings disposal at Tucano is the Tap D valley where the construction of the primary dam wall and secondary wall is well advanced (See photo 7).

## Grade Control Drilling and Reconciliation

- A total of 953 grade control RC holes for 23,209 m have been completed across all the pit's representing 32% of the next 12 months production;
- Positive reconciliation continues for the first pits to be mined at Tucano. The Tap D pits represent a small portion of the total Tucano Reserves, however can be viewed as a positive early indicator of the robustness of the resource models in general. Grade control drilling of the Tap D orebodies in these pits has been extremely positive with 6% more tonnes and 8% higher grade yielding 15% more ounces to date, when reconciled against resource models.
- Additionally, significantly higher specific gravity (SG) has been recorded in the upper benches from test pits compared with resource model data from drill samples, which is anticipated to further add to positive reconciliation of tonnes mined and ounces produced once incorporated into the grade control models.



**Photo 1 – CIL and cyanide detox tank rings being prepared for tank steel (tank steel being unloaded in the foreground)**



**Photo 2 - SAG mill foundation poured – plinth rebar being prepared.**



**Photo 3 – Crusher Foundations**



**Photo 4 – Tap D2 pit in background with ore mark-up on a Tap D3 bench in the foreground**



**Photo 5 – Tap AB2 eastern wall in the background showing clearing and cutback in progress**



**Photo 6 – Liebherr 994 loading a Cat 777 at the Tap AB Eastern wall cutback.**



**Photo 7 – Tap D tailings dam under construction with the new ROM in the background**

**For further information please contact:**

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