



ASX ANNOUNCEMENT
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DUCKHEAD HIGH GRADE RESOURCE

94,000 tonnes @ 30.9 g/t for 93,000 oz gold

Additional Drill Results

- **New Hangingwall Lode** **FVM59 33 m @ 2.9 g/t gold**
- **New Hangingwall Lode** **FVM61 43 m @ 1.7 g/t gold**
- **Main Lode Extension** **FVM10 14 m @ 7.4 g/t gold**

Beadell Resources Limited (Beadell) is pleased to announce an exceptional preliminary open pit resource for the Duckhead deposit at Tucano in Brazil. A JORC Indicated and Inferred resource of **94,000 tonnes @ 30.9 g/t gold for 93,000 oz of gold** defines one of the highest grade and lowest cost open pitable gold deposits in the world.

Beadell's Managing Director, Peter Bowler commented "This is an extraordinary oxide open pit resource which is still expanding. We are liaising closely with Anglo Ferrous personnel to facilitate a timely commencement date for this extremely low cost gold resource. The reserve statement will be released shortly and with the inclusion of the significant amount of friable iron ore contained within the proposed open pit, which is compensated on a cost recovery basis by Anglo Ferrous under the Duckhead Agreement, will result in one of the lowest cost gold mining operations globally. Additionally, the new drilling results released today are highly significant and indicate that the Duckhead deposit will continue to grow with ongoing drilling."

New drilling results from the recently discovered hangingwall lode are FVM59, **33 m @ 2.9 g/t from 16 m including 14 m @ 5.0 g/t gold** from 17 m and FVM61, **43 m @ 1.7 g/t gold from surface including 7 m @ 3.1 g/t gold** from 21 m. These new hangingwall intersections are located immediately southeast of the main high grade lode and are not yet included in the resource model (Figure 1). RC drilling is currently extending the hangingwall lode to the southeast.

New drill results were also received from a direct down dip extension of the main high grade lode. The result in FVM10 of **14 m @ 7.4 g/t gold** from 152 m to bottom of the hole, including **4 m @ 23.0 g/t gold** from 152 m represents the deepest intersection of the main high grade lode to date which remains in completely oxidised ore. Diamond drilling has commenced to further extend the main high grade lode and resource at depth.

Beadell Resources Limited

Second Floor, 16 Ord Street, West Perth 6005, Western Australia
PO Box 542, West Perth 6872, Western Australia
Telephone: +61 8 9429 0800 | Facsimile: +61 8 9481 3176

Duckhead JORC Resource – 94,000 t @ 30.9 g/t gold for 93,000 oz

A new Duckhead JORC resource totalling **94,000 tonnes @ 30.9 g/t gold for 93,000 oz** comprises a JORC Indicated resource of **83,000 t @ 31.07 g/t for 83,000 oz of gold** and JORC Inferred resources of **11,000 t @ 29.9 g/t gold for 10,000 oz of gold** at a 1.5 g/t lower cut off. The inferred resource represents only the deepest extension of the block model where further drilling is required.

The Duckhead high grade lode is overlain by a small colluvium resource which forms a thin veneer of ore totalling 31,000 t @ 1.7 g/t for 2,000 oz at a 1.5 g/t lower cut off.

Parameters for the resource are tabled in Appendix 1.

The Duckhead high grade lode resource consists of a single continuous high grade shoot plunging moderately to steeply to the westsouthwest (Figures 1 & 2). The strike length of the lode increases toward the surface where it is approximately 90 m long and approximately 4 m true width.

Gold mineralisation is located at the contact between a Banded Iron Formation (BIF) in the hangingwall and a clastic schist unit in the footwall. This major geological boundary is the same contact which hosts the 5 Moz Tucano gold deposit to the northwest (Figure 1 & 3).

Significant friable itabirite iron ore occurs in the hangingwall to the high grade gold resource. Under the Duckhead Agreement with Anglo Ferrous, this iron ore removal is compensated for by Anglo Ferrous on a cost recovery basis, thereby, in effect, massively reducing the strip ratio. Anglo Ferrous iron ore pit designs significantly overlap the Duckhead high grade lode (Figure 4).

An extremely deep weathering zone within and around the ore shoot has strong similarities with the high grade trough zone in Tap AB2 at Tucano. The high grade gold mineralisation is hosted within a completely oxidised shear zone, interpreted as containing disseminated sulphide mineralisation that has subsequently been completely oxidised to clay and iron oxide minerals. The gold mineralisation forms a highly continuous oxidised ore shoot with no evidence of any vein material.

The current drill spacing through the resource is 20 m x 20 m and is being infilled to 10 m x 10 m as part of an initial grade control process. The resource remains completely open at depth and is the current focus of a diamond drilling program which commenced this week.

Duckhead	Indicated Resource			Inferred Resource			Total			Cut-off g/t Au
	Tonnes ('000)	Grade g/t Au	Ounces ('000)	Tonnes ('000)	Grade g/t Au	Ounces ('000)	Tonnes ('000)	Grade g/t Au	Ounces ('000)	
Main Lode	83	31.1	83	11	29.9	10	94	30.9	93	1.5

Table 1. Duckhead JORC Resource

New Duckhead Hangingwall Lode – 33 m @ 2.9 g/t from 16 m, 43 m @ 1.7 g/t from 0 m

A significant new hangingwall lode has been discovered only a short distance from the main high grade shoot and is outside of the high grade resource announced today (Figure 1).

RC drilling southeast of the main high grade lode has intersected wide zones of oxide gold mineralisation with results in FVM59 of **33 m @ 2.9 g/t gold** from 16 m including **14 m @ 5.0 g/t gold** from 17 m and FVM61, **43 m @ 1.7 g/t gold** from surface including **7 m @ 3.1 g/t gold** from 21 m. Further RC drilling is underway to define the extent of this new lode. A recent iron ore drill hole located 80 m to the southeast of these results has a previously recorded a result of 6 m @ 3.6 g/t from 9 m and possibly represents the south east continuation of this mineralisation.

These results are highly significant and indicate that the Duckhead deposit will continue to grow with ongoing drilling.

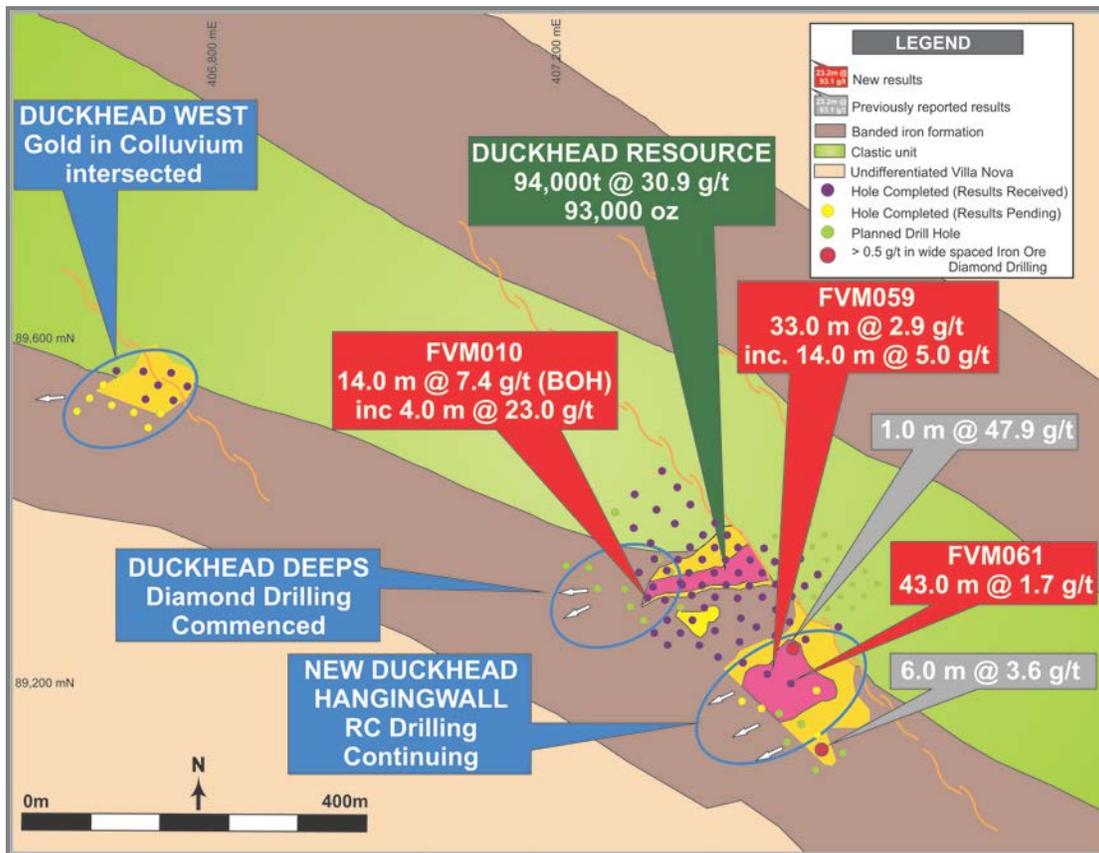


Figure 1. Duckhead Plan showing location of new RC drill results

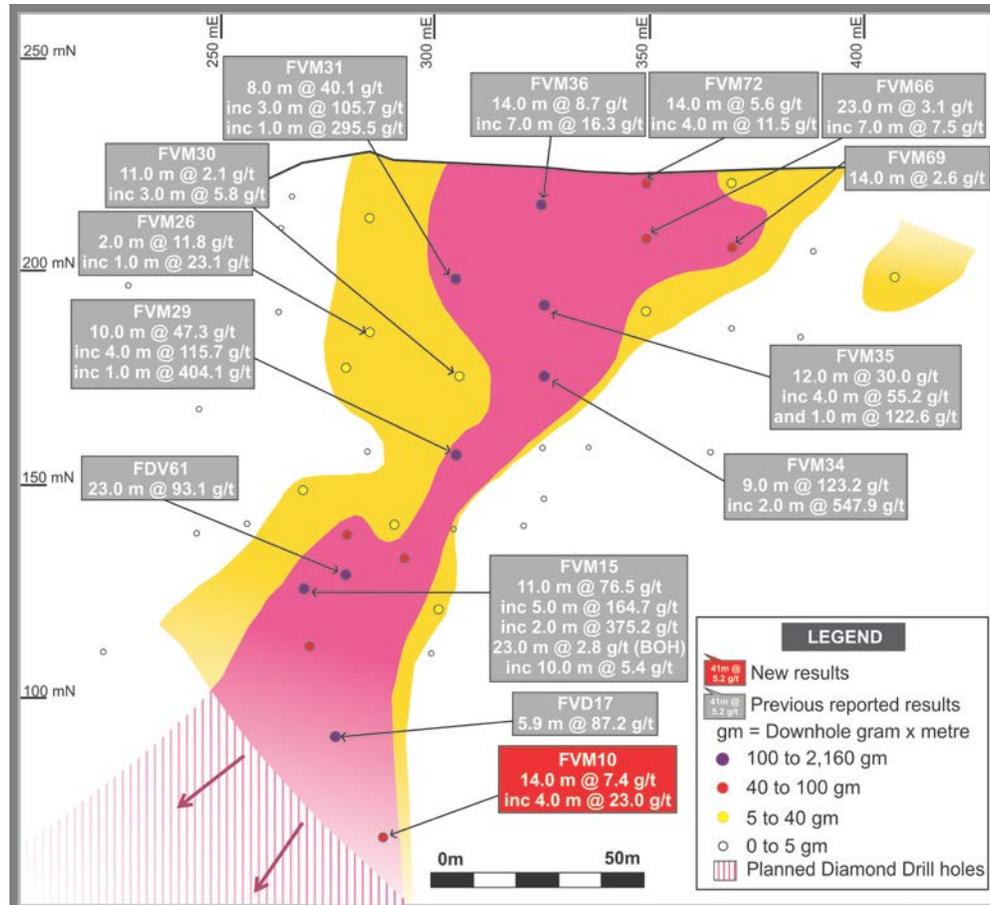


Figure 2. Duckhead High Grade Shoot Longsection with new result

New Main lode extension – 14 m @ 7.4 g/t gold from 152 m, including 4 m @ 23.0 g/t

A new result was also received from the main high grade lode in FVM10 of **14 m @ 7.4 g/t gold from 152 m to bottom of the hole including 4 m @ 23.0 g/t gold** from 152 m. This result is the deepest hole to pierce the high grade shoot which remains open at depth (Figures 1 & 2).

The deep weathering trough down the high grade lode has continued in this hole with the new result hosted in completely oxidised material.

Diamond drilling targeting the downplunge extents of the lode has just commenced and, once completed, will be incorporated into an updated resource.

Duckhead West – Colluvium mineralisation intersected – 6 m @ 1.1 g/t gold from surface

A first pass, 14 RC hole program has been completed at Duckhead West located approximately 800 m northwest of the main Duckhead Resource.

Results from the first 7 holes have been received and intersected a mineralised colluvium blanket of gold with up to 6 m @ 1.1 g/t gold from surface (Figure 1). These results are consistent with the surficial halo of an underlying and plunging gold lode to the westsouthwest of the colluvium gold. Similar colluvium intersections are adjacent to the main Duckhead deposit. Further results are awaited.

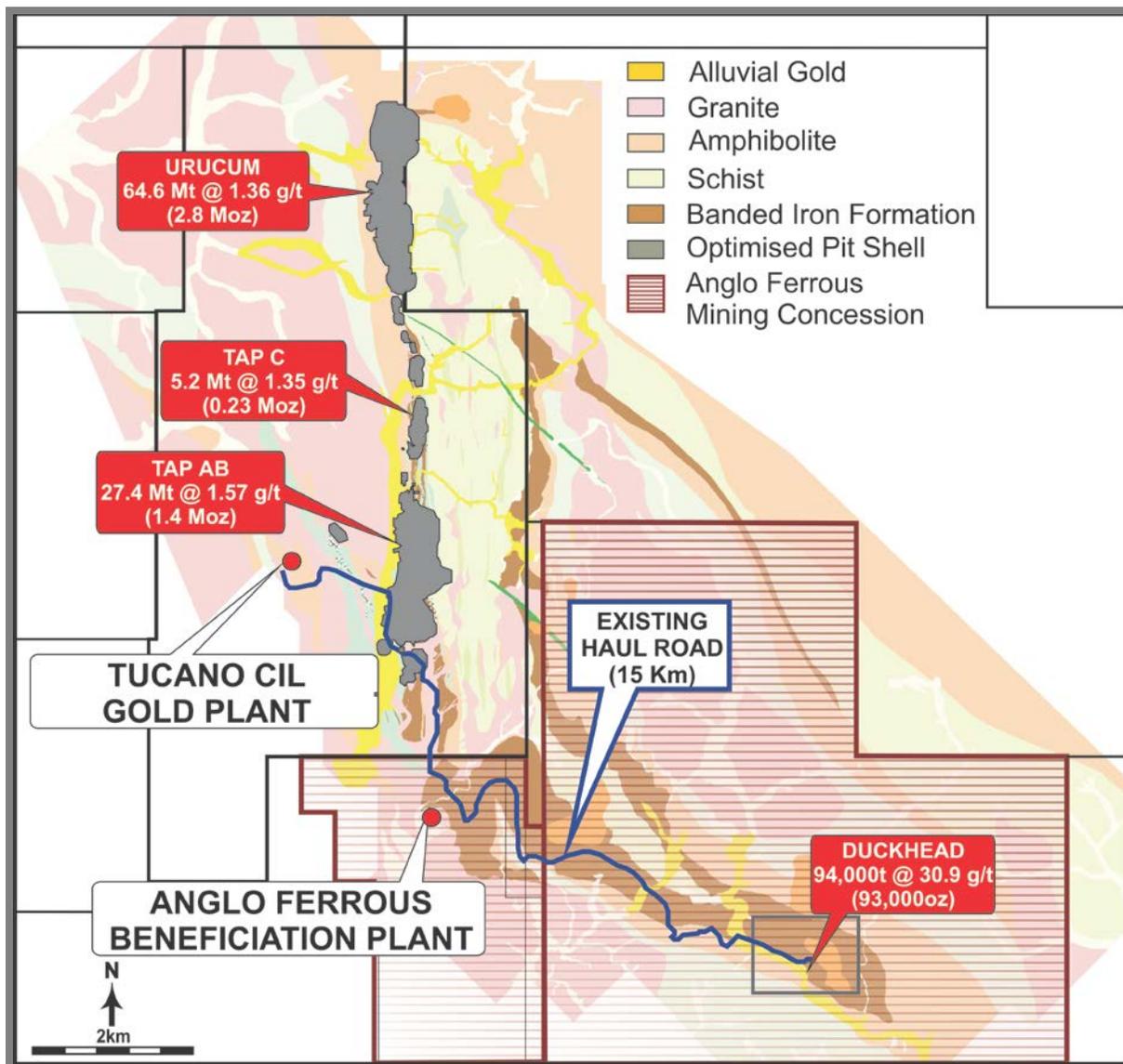


Figure 3. Mining Concession Plan showing Location of Duckhead

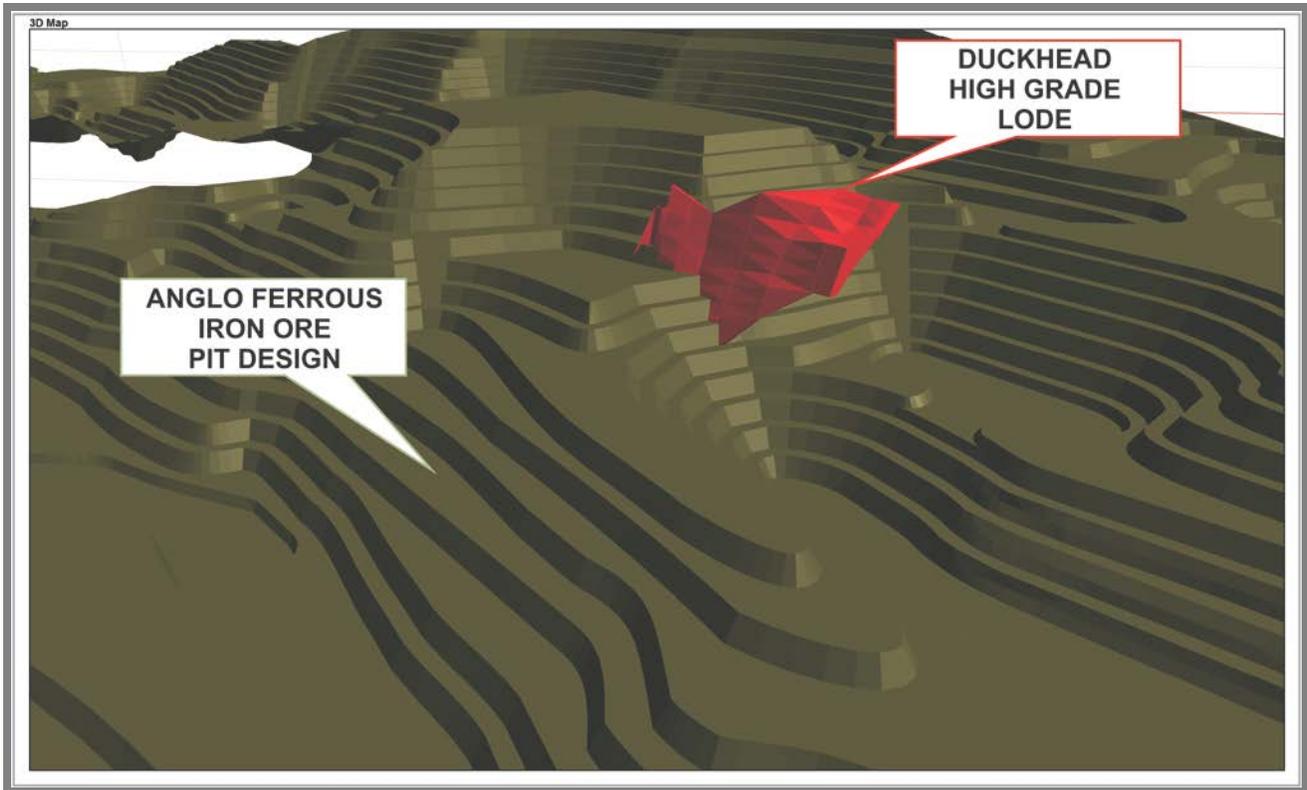


Figure 4. Duckhead 3D image showing the exposure of the Duckhead high grade shoot (red) within the Anglo Ferrous Iron Ore Pit design (green). For scale bench height is 8 m.

Prospect	Hole	From (m)	To (m)	Width (m)	Gold (g/t)
Duckhead Main Lode	FVM010	152 Incl. 152	166 (BOH) 156	14 4	7.4 23.0
Duckhead Hangingwall Lode	FVM059	0 16 Incl. 17	6 49 31	6 33 14	1.3 2.9 5.0
Duckhead Hangingwall Lode	FVM056	2	22	20	0.5
Duckhead Hangingwall Lode	FVM061	0 Incl. 21	43 28	43 7	1.7 3.1
Colluvium	FVM074	1	4	3	1.1
Colluvium	FVM076	1	6	5	0.7
Colluvium	FVM077	2	12	10	0.6
Duckhead West Colluvium	FVM78	0	6	6	1.1
Duckhead West Colluvium	FVM80	0	2	2	1.8
Duckhead West Colluvium	FVM81	5	9	4	1.4

*5 m composite result. All other results are reported as >0.5g/t with no greater than 2 m internal dilution.

Table 2. Duckhead new RC drill results.

For further information please contact:

Peter Bowler | Managing Director

T: +61 8 9429 0801

peter.bowler@beadellresources.com.au

Rob Watkins | Executive Director Geology

T: +61 8 9429 0802

rob.watkins@beadellresources.com.au

Competency Statement

The information in this report relating to Exploration Results is based on information compiled by Mr Robert Watkins who is a member of the Australasian 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 'Australasian 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.

The information in this report relating to Mineral Resources is based on information compiled by Mr Ted Coupland who is a member of the Australasian 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 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Coupland is a full time employee of Cube Consulting Pty Ltd. Mr Coupland consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 1.

Resource Parameters for Tucano Deposits.

- Gold mineralisation at Duckhead occurs on a sheared contact between a BIF (Banded Iron Formation) unit which also host significant quantities of friable iron ore. Higher grades are associated with the more intensely sheared and hydrothermally altered rocks. Extremely deep oxidation along the lode has produced abundant near-surface saprolitic mineral deposits. Additional oxide gold occurs in an overlying colluvium layer up to 10 metres thick. No primary mineralization has been intersected to date, however the high grade lode maintains a primary lode orientation of steeply south west dipping and steep plunge to the Westsouthwest. The mineralisation's shows widespread similarities to the Tap AB2 high grade shoot at Tucano located on the same geological contact to the northwest.
- A summary of the drill holes at Duckhead is tabulated below.

Deposit	Diamond Holes	Diamond Metres	RC Holes	RC Metres	Total Hole	Total Metres
Duckhead	13	1,894	57	4,651	70	6,545

- Duckhead resource is reported above a 1.5 g/t gold lower cut off grade.
- RC Holes of 5 and quarter inch diameter were angled to the northeast at generally minus 60°. Entire samples are taken every metre, dried and split on site to 600g. 300g split of this sample is then pulverised to -100 um and a 100g pulp shipped for offsite analysis.
- The diamond drill holes commence with HQ size in the colluvium/saprolite, reducing to NQ size in hard rock. Core is half cut to a maximum length of 1m, crushed (-2mm) and split to 600 g. 300 g of this sample is then pulverised to -100 um and a 100 g pulp shipped for offsite analysis.
- All gold determinations were carried out by standard 50g fire assay at SGS laboratories in Belo Horizonte. Pulp are retained on the mine site for storage.
- Diamond holes have been surveyed by techniques unaffected by magnetism such as Maxibore and more recently Deviflex methods.
- Drillhole collar locations and elevation are surveyed by total station.
- The resources have been drilled up to 140 vertical metres below surface on a 20 m x 20 m drill pattern.
- Densities were based on lithological modelling and derived from an extensive database of specific gravity in situ pit measurements.
- For both RC and Diamond, a lab duplicate, field duplicate and certified standard are inserted every 20th sample. A blank is inserted at the start of every batch. Standard results are routinely checked to ensure values are within tolerance and the whole batch submitted for reanalysis if this is exceeded.
- The Duckhead resource was modelled and estimated using conventional 3D wireframing and block modelling within Surpac software.
- The high grade Duckhead zone was defined using a 2 g/t Au mineralisation boundary.
- Ordinary Kriging was used to estimate block grades into parent cells of 5m x 10m x 2m (xyz) within individual lode wireframes. Sub-blocks of 0.625m x 2.5m x 1m (x,y,z) were defined for volume resolution.
- A top cut was applied to two individual intervals, cutting the grade to 250 g/t gold.
- Oxidation, colluvium and resistance surfaces were modelled. Geological domains were wireframed.
- Drill hole samples have been composited to 1 m intervals for the resource estimation.