



ASX ANNOUNCEMENT  
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26 March 2014

## 2013 FINANCIAL YEAR RESULTS - COMMENTARY

Beadell Resources Limited (“**Beadell**” or “the **Company**”) is pleased to report its results for the financial year ended 31 December 2013.

Financial year ended 31 December 2013	
<b>Operating results</b>	
Gold ore mined (t)	2,086,997
Gold ore milled (t)	3,557,405
Head grade (g/t)	1.73
Recovery (%)	92.2%
Gold produced (oz)	182,547
Gold sold (oz)	172,316
Average gold price achieved <sup>1</sup>	A\$1,468/oz
C1 cash costs <sup>2</sup>	A\$573/oz
<b>Financial results</b>	
	<b>A\$ millions</b>
Gold sales revenue	253.0
Costs of production	-104.6
Underlying EBITDA	148.4
Depreciation and amortisation	-20.7
Profit before tax	93.1
<b>Reported profit after tax<sup>3</sup></b>	<b>113.5</b>
<b>Other financial information</b>	
	<b>A\$ millions</b>
Net Cash flow from operating activities	86.9
Cash and cash equivalents	9.8
Net assets	237.8
<b>Basic earnings per share</b>	<b>A\$0.15/share</b>

Commenting on the financial results, Beadell’s Managing Director, Peter Bowler said “Considering that this result includes a three month commissioning period, our team have delivered an outstanding set of numbers for our maiden year of production at our 100% owned gold mine in Brazil. Beadell repaid ~\$55 million in debt, completed important plant and equipment upgrades and maintained a strong cash & bullion balance in an environment of low gold prices. The Company’s balance sheet has improved markedly this year, largely through repayment of debt and strengthening hedge book.”

## Cash Flow

Beadell sold 165,821 ounces generating net cash flows from operating activities of \$86.9 million. An additional \$9 million was booked for the 6,495 ounces that was awaiting settlement at 31 December 2013.

Cash payments for investing activities were \$45.7 million. Investing cash flows were largely represented by payments for completing construction of the Tucano CIL plant, magnetic separation plant and earthmoving fleet expansion.

Cash flows from financing activities were negative \$36.8 million and include net proceeds of \$23.8 million from an equity raising undertaken in March 2013. Financing payments were principally represented by loan and lease repayments of \$55 million and interest payments of \$7.5 million. Beadell received hedge settlement proceeds of \$1.3 million during the year.

## Balance Sheet

Beadell's balance sheet has significantly strengthened in Tucano's first year of operation with net assets increasing to \$237.8M (2012: \$32.6 million). Cash and cash equivalents were \$9.8 million (2012: \$5.4 million).

At balance date, Beadell had borrowings of \$95.8 million (2012: \$132.8 million). The mark-to-market net derivative asset position was +\$35.5 million (2012 liability: -\$32.4 million).

During 2013, Beadell repaid US\$48 million of the finance facility principal. Beadell received hedge settlement proceeds of \$1.1 million during the year, with an additional settlement of US\$2.5 million for the December quarter paid on 2 January 2014. The outstanding finance facility of US\$62 million is scheduled for quarterly repayments throughout 2014.

## Exploration

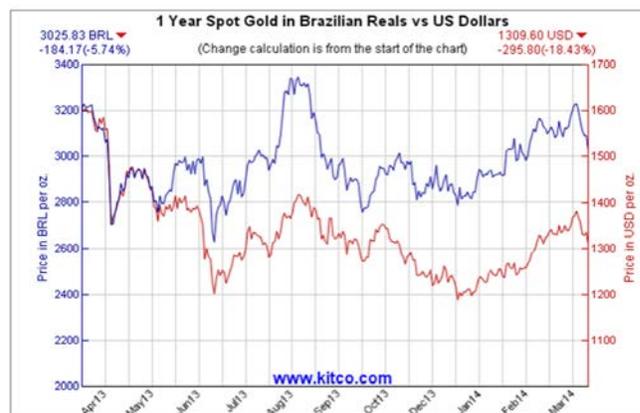
Exploration activities during the year were focussed on Duckhead, Tartaruga and at the Tropicana East project in Western Australia.

Beadell's exploration expenses for the year were \$11.9 million.

## Project Finance Facility and Hedge Restructure

Subsequent to year end, Beadell has restructured its Finance Facility to better align cash flows in the second half of 2014 to a revised mine plan. The facility remains scheduled for repayment in full in 2014. 55,000 ounces of gold at a price of US\$1,313 per ounce have been forward sold to satisfy a condition of the restructure, adding to the Company's existing gold forward sales of 131,600 ounces at US\$1,600 per ounce.

## Brazilian Gold Price Movements



As ~90% of Beadell's operating costs are incurred in Brazilian Real, it is relevant to monitor the Brazilian gold price movements over time;

- 6 months to 24 March 2014. BRL gold price increased 4% while USD gold decreased 1%.
- One year to 24 March 2014. BRL gold price decreased 6% while USD gold decreased 18%.

## Outlook

Gold production guidance for the CY2014 year is **200,000 – 220,000 ounces**. Costs are expected to be slightly lower than previous guidance (cash costs of US\$535 - \$585 per ounce including royalty and by-product credits).

Iron ore credits are expected to increase as the permanent port used to ship iron ore concentrate at Santana is operational again in the third quarter.



**Peter Bowler**  
**Managing Director**

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<sup>1</sup> Average gold price achieved is determined after the effects of hedge settlements during the year.

<sup>2</sup> Cash cost per ounce represents mining, processing and administrative costs, including accounting for movements in stockpiles and gold-in-circuit, on a cost per ounce produced basis. It does not include corporate, exploration, capital costs and royalties.

<sup>3</sup> Profit after tax includes income tax expense of \$3.0 million and deferred tax benefit of \$23.4 million. Deferred tax benefit recognised relates to the recognition of deferred tax assets and tax effect carry forward losses.