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ASX ANNOUNCEMENT
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BEADELL INSTITUTIONAL AND PRIVATE PLACEMENT TO RAISE \$57.0 MILLION

Beadell Resources Limited (**Beadell**) is pleased to announce that commitments have been received from Institutional and Sophisticated Investors to subscribe for shares in connection with the placement to raise gross proceeds of \$57,000,000 at an issue price of \$0.15 per share (**Placement**). The Placement was sole lead managed by Macquarie Capital Advisers Limited (**MCAL**).

The net proceeds of the Placement will be used to complete the acquisition of 100% of the issued capital of New Gold Inc's (NYSE AMEX: NGD; TSX NGD:CA) (**New Gold**) Brazilian subsidiary Mineração Pedra Branca do Amapari Ltda (**MPBA**) incorporating the Amapari Gold Project and the Amapá Iron Ore Royalty (**Iron Ore Royalty**). The consideration for the acquisition is US\$53 million of which US\$38 million is attributed to Amapari and US\$15 million is attributed to the Iron Ore Royalty. The consideration will be satisfied by the issue of US\$16 million of fully paid ordinary shares in Beadell (escrowed for 12 months), while the balance of US\$37 million will be paid in cash following settlement of the Placement and upon closing the Acquisition (subject to a potential adjustment to the cash/scrip mix due to US\$/A\$ exchange rate fluctuations so that New Gold does not acquire more than a 20% interest in Beadell).

Peter Bowler, Managing Director of Beadell said "We are delighted to introduce new institutional and sophisticated private investors to our share register. The acquisition of Amapari in Brazil is a defining moment for all Beadell Shareholders as we embark on a feasibility study which is anticipated to rapidly transform the Company from gold explorer to producer. I look forward to being part of an experienced management team and elevating Beadell's reputation as a respected ASX listed gold producer. I believe that the significant support that we have secured pursuant to the Placement underpins the inherent value of this large, high quality gold asset in a great mining jurisdiction."

Amapari is a significant gold development opportunity consisting of a 2.9 million ounce resource including a 1.2 million ounce open pit gold resource (pit optimisation at US\$1,000/oz gold price) and approximately 2,500 km² of highly prospective surrounding tenements. The Acquisition

includes a modern fleet of earthmoving equipment capable of mining 3 million tonnes of ore and 12 million tonnes of waste per annum with associated spares and inventory.

The Iron Ore Royalty provides immediate and ongoing cashflow for Beadell linked to production at the Amapá Iron Ore Project, majority owned and operated by Anglo American plc (70%) and Cliffs Natural Resources Inc (30%). The operation comprises an open pit iron ore mine beneficiation plant and railroad to the Santana Port on the Amazon River.

Key highlights of the Acquisition include:

- high quality, near term, long life gold project with attractive economics;
- existing processing plant, infrastructure and mining fleet, significantly reducing capital expenditure requirements;
- production forecast of 110,000 – 130,000 ounces per annum with a forecast mine life of 7 – 10 years, following construction and commissioning of the CIL plant;
- significant exploration potential with an aggressive drilling program planned;
- complementary fit with Beadell's existing Tartaruga Gold Project also located in Amapá, Brazil;
- sustainable and regular cashflow via the Iron Ore Royalty;
- management team on site and in Rio de Janeiro; and
- a platform for future growth which repositions Beadell as a diversified gold company.

The allotment of shares pursuant to the Placement is expected to occur on or about Tuesday 13 April upon (and subject to) receipt of proceeds of the Placement with closing of the acquisition expected to occur on the same day or shortly thereafter.

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Competency 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 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.

Important Notice

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