



08 August 2012

Fiona Murphy
ASX Compliance Pty Ltd
Level 8 Exchange Plaza
2 The Esplanade
Perth WA 6000

By email to: Fiona.Murphy@asx.com.au

Dear Fiona

RE: PRICE QUERY

I refer to your price query letter of 8 August 2012 regarding securities of Beadell Resources Limited (the "Company").

I refer to the questions raised in your letter and respond:

1. No.

The Company notes that, as previously announced by the Company (see the Company's presentation delivered to the Diggers and Dealers Conference on 6 August 2012 as replaced on 8 August 2012 (**D&D Presentation**)), the Company is in advanced negotiations relating to the sale of iron ore and iron ore concentrate from its Tucano Gold Project. As set out in the D&D Presentation, whilst these negotiations are advanced, formal agreements have not yet been signed and there is no guarantee that final agreements will be signed.

In connection with these advanced negotiations, the Company is also negotiating amendments to some of its other current arrangements. These negotiations, which remain incomplete, relate to operational matters and, in the Company's view, are not materially price sensitive and, as above, there is no guarantee that agreements will be signed.

2. Not applicable. The Company notes that is not in a position to announce the terms of the arrangements referred to in paragraph 1 above as the negotiations remain incomplete and there is no guarantee that agreements will be signed. If agreements are signed, an announcement will be able to be made in respect of the arrangements referred to in paragraph 1.
3. The Company refers to the D&D Presentation. This may be an explanation for the price change.



4. The Company believes that there are no other matters requiring disclosure and that it has complied with the Listing Rules, particularly Listing Rule 3.1.

Yours sincerely

A handwritten signature in black ink that reads "Greg Barrett". The signature is written in a cursive style with a large, looped initial "G".

GREG BARRETT
Company Secretary
Beadell Resources Ltd