



ASX ANNOUNCEMENT
ASX Code: BDR

2 November 2010

7 MEGAWATT SAG MILL ORDERED – TUCANO

Beadell Resources Limited (**Beadell**) is pleased to announce that the Company has signed a contract with Outotec, a leading grinding mill manufacturer, to supply a 7.3m x 7.95m SAG Mill. The 7 Megawatt SAG Mill (see figure 1) has been designed to treat in excess of 3 million tonnes per annum with an approximate ore feed blend of 80% oxide ore and 20% sulphide ore during the initial 3 years of operations. This configuration with a grind size of P80 75 micron will yield gold recoveries of ~94%. From year 4 onwards, it is planned to maintain these throughput rates by increasing the grinding capacity of the circuit as the percentage of sulphides increase, with similar gold recoveries expected.

Whilst the “decision to mine” is still dependant on the outcome of the Definitive Feasibility Study, the Board of Directors concluded that it was strategically advantageous to place an order for the longest lead item to overcome potential delays as the global demand for primary mills gathers considerable pace.

Managing Director Peter Bowler said “We are particularly pleased to execute this contract now as it confirms the robustness and scale of our Tucano gold project and sets out a definitive timeline through to production with the longest lead time item and most important component now locked in. Outotec is a leading Mill supplier worldwide and the short lead time until delivery is very beneficial. The 3 million tonne plus per annum processing capacity of this project will put Beadell on a very sound footing with the potential for substantial long term gold production at industry competitive costs.

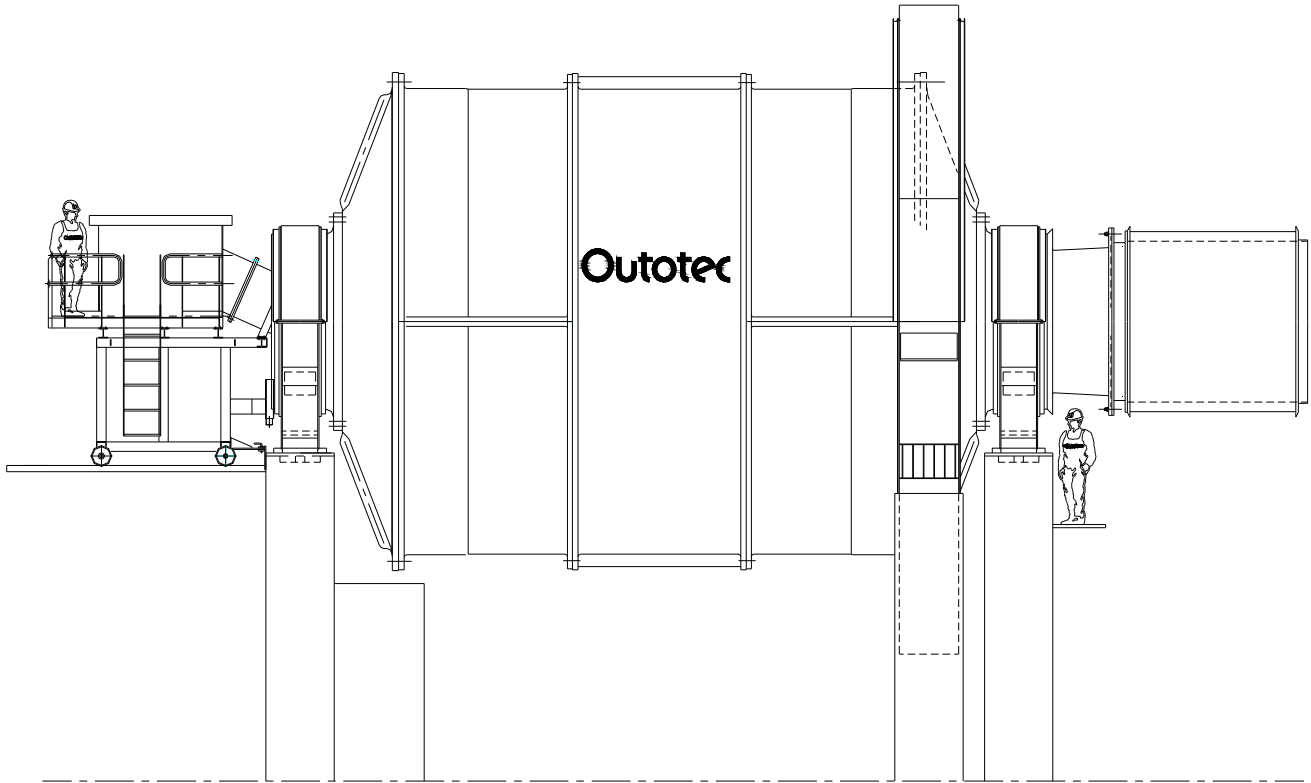


Figure 1: Side view of 7MW SAG Mill.

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