



ASX ANNOUNCEMENT
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OUTSTANDING DRILL RESULTS - TUCANO

- **10.3 m @ 23.0 g/t gold**
(Including 7.0 m @ 32.1 g/t gold)
- **60.9 m @ 2.2 g/t gold**
(Including 4.5 m @ 9.7 g/t gold & 8.4 m @ 6.1 g/t gold)

Beadell Resources Limited (“**Beadell**”) is pleased to announce that results from the first 6 diamond holes drilled at the Tucano gold project in Brazil have returned highly significant results of up to **10.3 m @ 23.0 g/t gold, including 7.0 m @ 32.1 g/t** from the Tapereba AB deposit. Importantly all 6 holes recorded significant grades and widths in excess of expectations from previous resource models. Results from a further 11 completed diamond holes are eagerly awaited.

An additional diamond and RC rig are mobilising to site bringing the total number of rigs operating at Tucano to 6. The drilling aims to rapidly drill out and extend the inferred resources at the base of the current optimised open pits in line with Feasibility study timelines to recommence mining at the Tucano gold project as soon as possible.

To date a total of 17 diamond holes have been drilled for approximately 2,500 m of an initial 25,000 m first stage program. The commencement of RC drilling over the next week is expected to rapidly expedite the drilling program.

The Tapereba AB deposit is the southern most of the 3 main deposits which comprise the current 3 Moz resource hosted along a 7 km long north-south striking fault zone (Figure 1). Gold mineralisation within the Tapereba AB deposit is hosted by a series of steeply dipping mineralised zones, which splay and flatten out to the southwest.

At the south-eastern end of the deposit, the main steeply east dipping structure remains completely open at depth and along strike. Initial attempts to drill the southern extension failed due to start up issues at the commencement of the drilling and therefore a previous result of **9.9 m @ 8.2 g/t** gold and **4.0m @ 27 g/t** gold in FD1056 remains completely untested down plunge. Two drill holes tested the northern part of this zone with FD1264 intersecting significant near surface mineralisation with a result of **60 m @ 2.2 g/t** gold from surface, including **4.5 m @ 9.7g/t** gold from 10 m, **8.4 m @ 6.1 g/t** gold from 20.8 m, **8.0 m @ 2.0 g/t** gold from 32 m and

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

ABN 50 125 222 291
www.beadellresources.com.au

2.9 m @ 4.1g/t gold from 58 m. A significant drill out of this zone will take place over the coming months with excellent potential to extend and add to the current resource base.

Exceptional drill results were also received from the central Tapereba AB area called Tapereba AB2. A genuine high grade, steeply plunging zone exists at this location with outstanding results from FD1256 recording **10.3 m @ 23.0 g/t** gold from 128.8 m including **7.0 m at 32.1 g/t** from 130 m (Refer to Figures 2 & 3). Two other results were received from Tapereba AB2 which included FD1255, **13.3 m @ 3.1 g/t** from 142.8 m including **6.3 m @ 5.3 g/t** from 142.8 m and FD1260, **18.0 m @ 2.2 g/t** from 12 m including **8.8 m @ 3.9 g/t** from 15 m. Several drill results from this high grade zone are awaited.

The initial phase of resource drilling is primarily designed to prove up the resources at Tucano leading to remodelling and optimisation for the Definitive Feasibility Study. Preliminary modelling of the Tapereba AB deposit has defined distinct high grade zones within the orebody, showing consistently higher grades than the previous model. It is anticipated that this will be reflected in the updated resource mainly due to previous resource estimation techniques having significantly understated the grade of the deposit by using a very broad mineralised envelope to model the mineralisation.

Itabirite Iron Ore upside within the Tapereba AB optimised pit

Aside from the excellent upside for ongoing drilling to extend and increase the gold resources beneath the existing optimised open pit at Tapereba AB, the occurrence of significant quantities of friable itabirite iron ore within and adjacent to the current optimised open pit has the potential to materially affect the economics of the entire project.

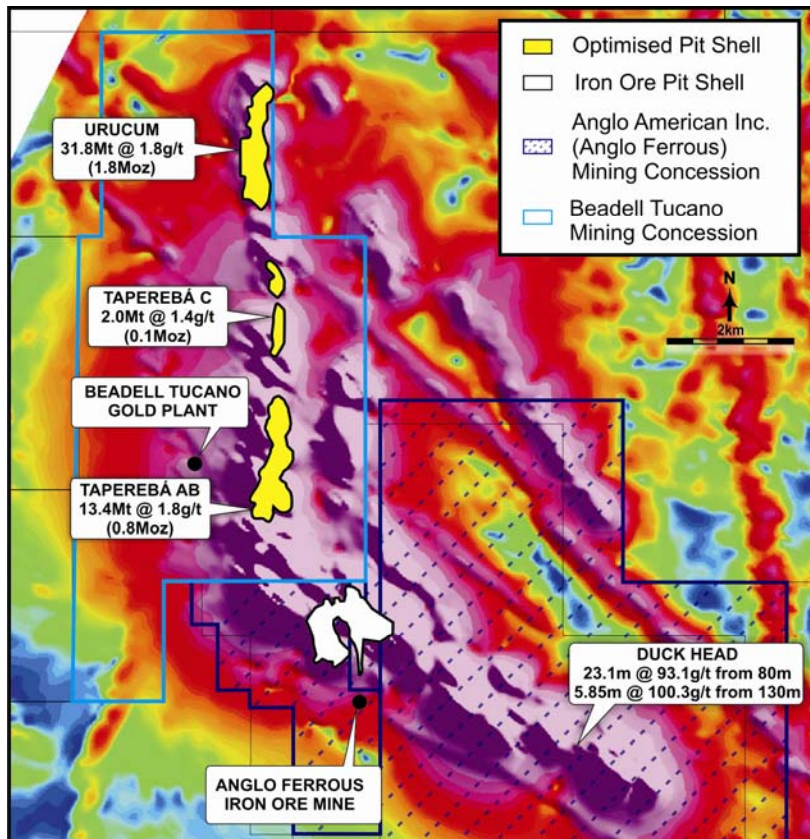


Figure 1 Tucano Gold & Iron Ore Project on aeromagnetics.

An iron ore resource is currently being estimated by both Anglo American and Beadell with discussions having commenced on a joint mining agreement as is obligated under the existing exploration agreement between Anglo American and Beadell.

A joint optimisation of gold and iron ore has the potential to drive the pits significantly deeper and also significantly reduce operating costs by offsetting ore and waste mining costs.

Anglo American are currently completing a major resampling and logging exercise and plan to complete a substantial resource drilling program for iron ore within Beadell’s tenure over the next few months.

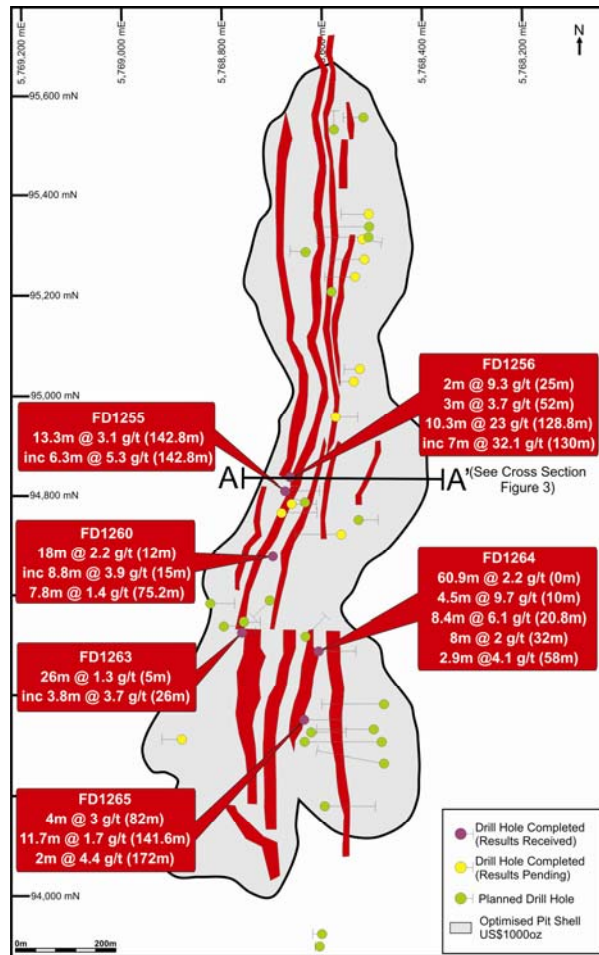


Figure 2. Tapereba AB Plan showing location of new drill results.

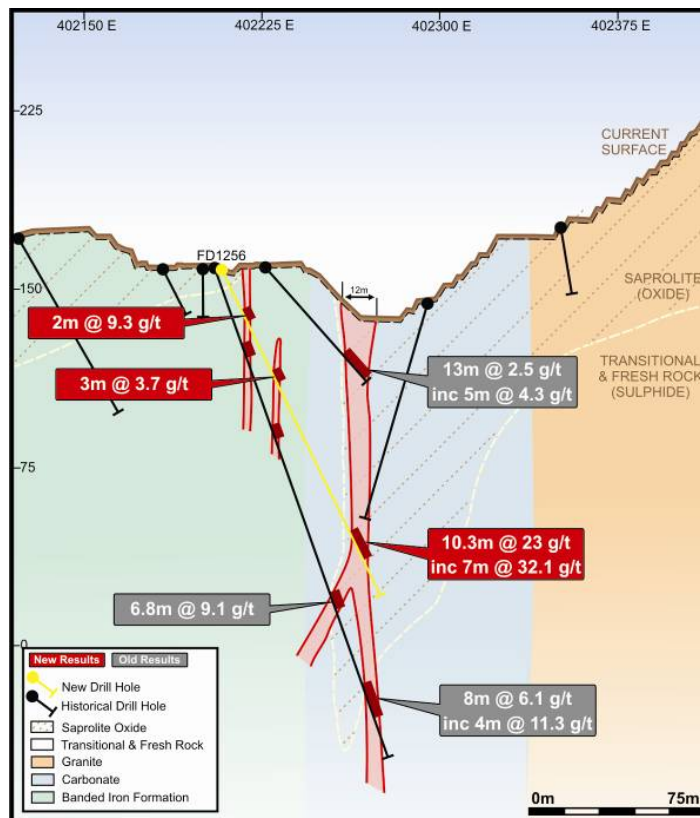


Figure 3. Tapereba AB drill section 94250N.

| Hole | Easting | Northing | From (m) | To (m) | Length (m) | Gold (g/t) |
|--------|---------|----------|--------------------|--------------|-------------|-------------|
| FD1255 | 402212E | 94281N | 142.8 | 156.1 | 13.3 | 3.1 |
| | | | Incl. 142.8 | 149.1 | 6.3 | 5.3 |
| FD1256 | 402202E | 94256N | 25.0 | 27.0 | 2.0 | 9.3 |
| | | | 52.0 | 55.0 | 3.0 | 3.7 |
| | | | 128.8 | 139.1 | 10.3 | 23.0 |
| | | | Incl. 130.0 | 137.0 | 7.0 | 32.1 |
| FD1260 | 402177E | 94125N | 12.0 | 30.0 | 18 | 2.2 |
| | | | Incl. 15.0 | 23.8 | 8.8 | 3.9 |
| | | | 75.2 | 83.0 | 7.8 | 1.4 |
| FD1263 | 402115E | 93975N | 5.0 | 31.0 | 26 | 1.3 |
| | | | Incl. 26.0 | 28.8 | 3.8 | 3.7 |
| FD1264 | 402269E | 93937N | 0.0 | 60.9 | 60.9 | 2.2* |
| | | | 10.0 | 14.5 | 4.5 | 9.7 |
| | | | 20.8 | 29.2 | 8.4 | 6.1 |
| | | | 32.0 | 40.0 | 8.0 | 2.0 |
| | | | 46.6 | 52.8 | 6.2 | 0.9 |
| | | | 58.0 | 60.9 | 2.9 | 4.1 |
| FD1265 | 402253E | 93775N | 82.0 | 60.9 | 4.0 | 3.0 |
| | | | 99.0 | 14.5 | 3.0 | 0.6 |
| | | | 110.0 | 29.2 | 3.0 | 0.6 |
| | | | 116.0 | 40.0 | 2.0 | 1.0 |
| | | | 141.6 | 52.8 | 11.7 | 1.7 |
| | | | 172.0 | 60.9 | 2.0 | 4.4 |

*Mineralised envelope calculated at 0.1 g/t gold cut off. All other results reported as down hole intervals above a 0.5 g/t lower cut off with a maximum of 2 m internal dilution.

Table 1. Significant Diamond Drill Results from Tapereba AB.

For further information please contact:

Peter Bowler | **Managing Director**
T: +61 8 9429 0801
peter.bowler@beadellresources.com.au

Robert Watkins | **Executive Director – Exploration**
T: +61 8 9429 0802
rob.watkins@beadellresources.com.au

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 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 '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.