



Quarterly Report for Shareholders Period Ending 30 June 2010

ASX Code: BDR

Directors:

Craig Readhead	Non-Exec. Chairman
Mike Donaldson	Non-Exec. Director
Jim Jewell	Non-Exec. Director
Peter Bowler	Managing Director
Robert Watkins	Exec. Director Geology
Greg Barrett	CFO / Company Sec.

Corporate Details:

Cash at Bank 30 June 2010: \$23.9 M

Issued capital:
621,937,828 ordinary shares

ABN
50 125 222 291

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Peter Bowler
Managing Director

HIGHLIGHTS

CORPORATE

- **Available Funds** – The Company has available funds of over \$23,950,000 cash with an additional \$2,200,000 of unsold gold on carbon totalling ~\$26,150,000 with no bank debt.
- **Board Appointments** – Two additional non-executive Directors appointed, Craig Readhead (Chairman) and Jim Jewell.
- **Iron Ore Royalty** – The Anglo American 1% gross revenue iron ore royalty stream continues to provide significant monthly cash inflows.

BRAZIL

- **Tucano Feasibility Study** – The Tucano definitive feasibility study (DFS) commenced on 1 June 2010. The study group leader is Ausenco, who is responsible for the plant design and metallurgy testwork. Ausenco will be supported by specialist consulting firm SRK, who is responsible for the Geological Resource modelling, Mining optimisation, Geotechnical, Hydrogeology, Tailings disposal and Environmental studies. The DFS remains on track to be completed towards the end of calendar year 2010.
- **Tucano Resource Delineation** – A 25,000 m drilling program commenced on 19 May. Four drill rigs are currently in operation, which will increase to **eight rigs** within the next two weeks.
- **Tucano Outstanding Drill Results** – Results from the first 6 diamond holes (see ASX release 26 July 2010) all intersected significant widths and grade of gold mineralisation including outstanding results of **10.3 m @ 23.0 g/t gold** and **7.0 m @ 32.1 g/t gold**
- **Tucano Iron Ore** – An **iron ore resource** is currently being estimated for the Tapereba AB area by both Anglo American and Beadell with discussions having commenced on a joint mining agreement.

AUSTRALIA

- **Exploration Initiative Scheme Award** – A **\$300,000** award was received under the EIS to co-fund drilling at the Handpump gold discovery and the Tropicana East, Hercules gold anomaly.

BRAZIL

Tucano Gold Project (100%)

Tucano Feasibility Study

As previously reported, the Tucano definitive feasibility study (DFS) commenced on 1 June 2010.

The focus of the study is to convert the existing heap leach processing facility into a conventional CIL plant, based on a mine production rate of 2.5 million tonnes per annum of ore for an anticipated 110,000 – 130,000 ounces of gold production.

The study group leader is Ausenco, who will undertake the plant design and metallurgy. They will be supported by SRK who is responsible for the Geological Resource modelling, Mining optimisation, Geotechnical, Hydrogeology, Tailings disposal and Environmental studies. SRK will “sign off” on the geological resources and reserves in compliance with JORC.

At the end of the Quarter, good progress had been made, with the majority of consultants having visited the Tucano site for data collection, physical observations and training of site personnel for specific tasks related to test work and sample collection. In addition, options have been progressed with respect to the process plant location and tailings disposal. Likewise, diamond core and other samples have been prepared for air freight to Perth where AMMTEC have been commissioned to undertake Metallurgical test work to assist in Process plant design and tailings disposal.

As at the end of June, the DFS remained on schedule for completion towards the end of calendar year 2010.

Geological resource modelling for both gold and the Iron ore has progressed well, with the Tapereba AB resource model expected to be completed early in the September quarter.

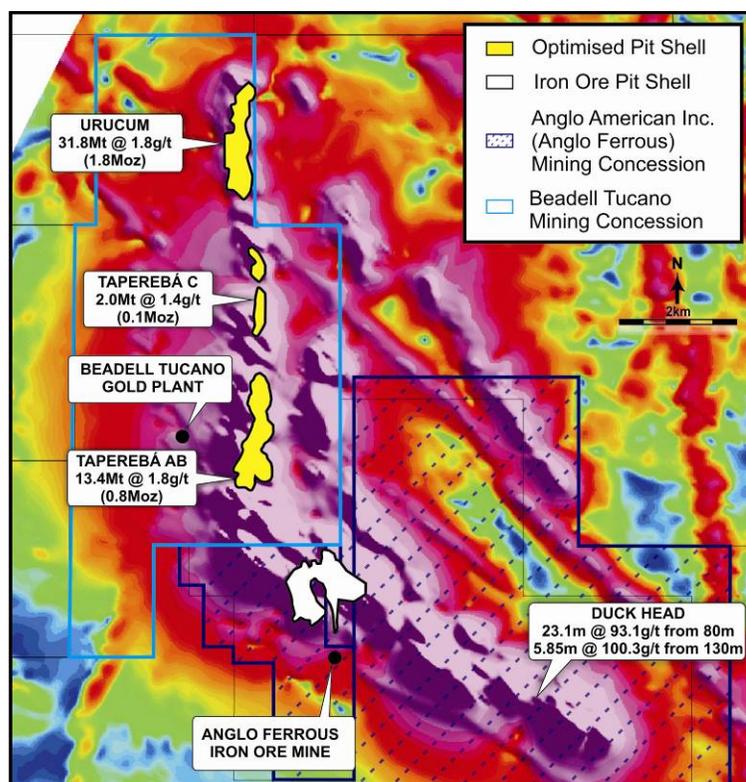


Figure 1. Tucano Gold Project on aeromagnetics

Tucano Resource Delineation Drilling

Diamond drilling commenced at Tucano on 19 May and, since that time, approximately 2500 m of drilling in 17 drill holes has been completed. The drilling contract was awarded to Geologica Sondagem Ltda as part of a 25,000 m first stage program to drill out extensions of the inferred resources at the base of the optimised open pits.

Results from the first 6 diamond holes drilled at the Tapereba AB deposit all intersected significant widths and grade of gold mineralisation including an outstanding result of **10.3 m @ 23.0 g/t gold**, including **7.0 m @ 32.1 g/t gold** in FD1256 (Figure 2).

Additional diamond and RC rigs are mobilising to site and will shortly bring the total number of rigs operating at Tucano to 8.

All the drilling to date has been targeted at the Tapereba AB deposit which is the southern most of the 3 main deposits that comprise the current 3 Moz JORC resource.

The central Tapereba AB area, called Tapereba AB2 hosts a genuine high grade, steeply plunging zone where outstanding results in FD1256 were recorded of **10.3 m @ 23.0 g/t gold** from 128.8 m including **7.0 m @ 32.1 g/t** from 130 m.

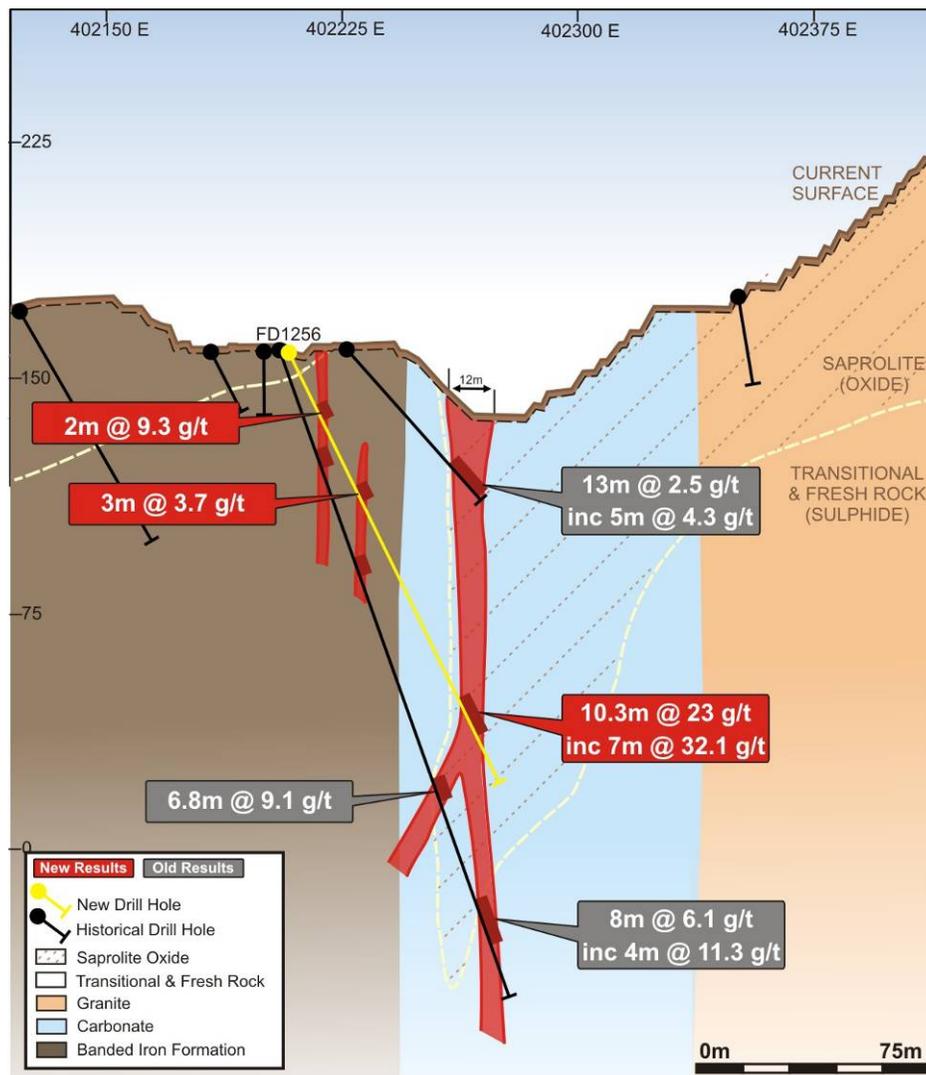


Figure 2. Tapereba AB drill section 94250N

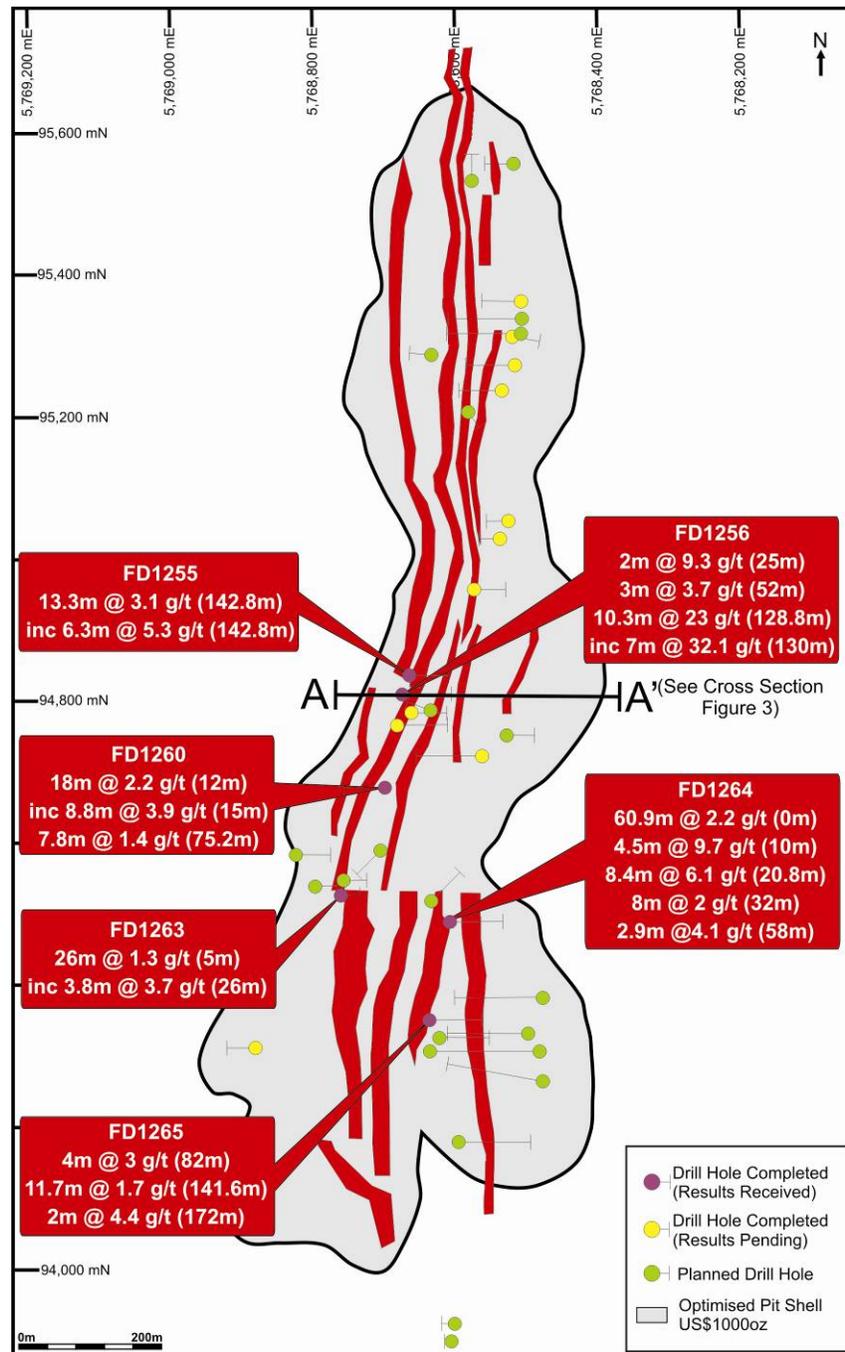


Figure 3. Tapereba AB Plan showing location of new drill results

Two other results were received from Tapereba AB2 which included FD1255, **13.3 m @ 3.1 g/t gold** 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 gold** from 12 m including **8.8 m @ 3.9 g/t** from 15 m (Figure 3). Several drill results from this high grade zone are awaited.

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 **4.0 m @ 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 @ 9.7 g/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 **2.9 m @ 4.1 g/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.

At completion of the stage 1 drilling at Tapereba AB, the drilling will move to the northern deposit of Urucum to continue the

resource definition and extension drilling. Urucum is the largest of the 3 deposits at Tucano, currently hosting a JORC resource totalling **31.8 Mt @ 1.8 g/t gold for 1,842,000 oz.**

A large zone of high grade gold mineralisation drilled down to a maximum of 500 m below surface is located at the northern end of the Urucum deposit, beneath the current optimised pit shell (Figure 4). Remodeling of this zone using a constrained model is expected to delineate a high grade resource which will be the subject of an underground study in the medium term.

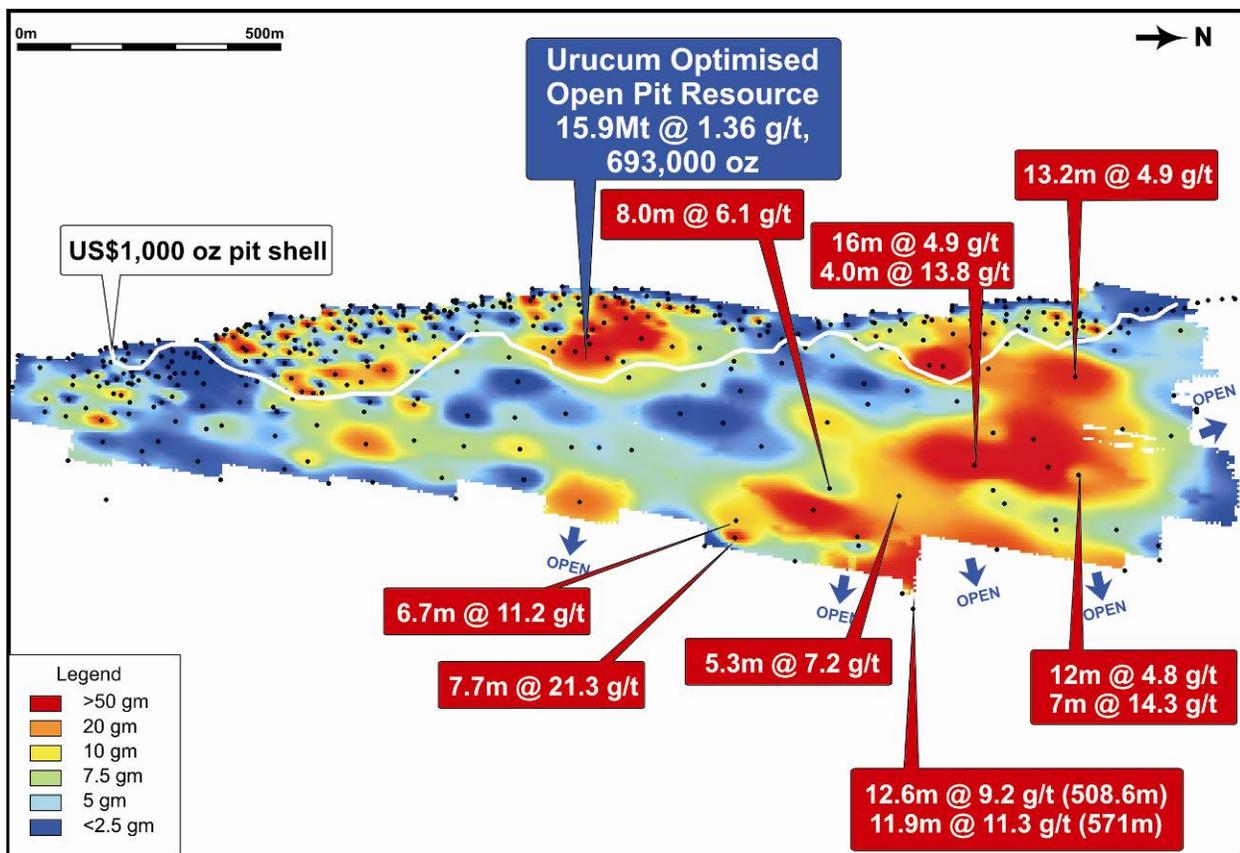


Figure 4. Urucum longsection showing location of new drill results

The initial phase of resource delineation drilling is primarily designed to prove up the open pit resources at Tucano leading to remodelling and optimisation for the DFS.

Preliminary modelling of the gold mineralisation 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.

Tucano Iron Ore

Significant quantities of friable itabirite iron ore are located within and adjacent to the current optimised open pits at Tapereba AB and Tapereba C having the potential to materially affect the economics of the entire gold project if co-mining of the commodities is agreed.

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.

Tartaruga Project (100%)

The Tartaruga project is located only 120 km north east of the Tucano project and contains existing resources of 5.5 Mt @ 1.6 g/t gold for 279,000 oz (Figure 5).

The high grade Rio de Ouro discovery remains completely undrilled and will be targeted with first pass drilling utilising an RC rig once it becomes available from the initial drilling campaign at Tucano.

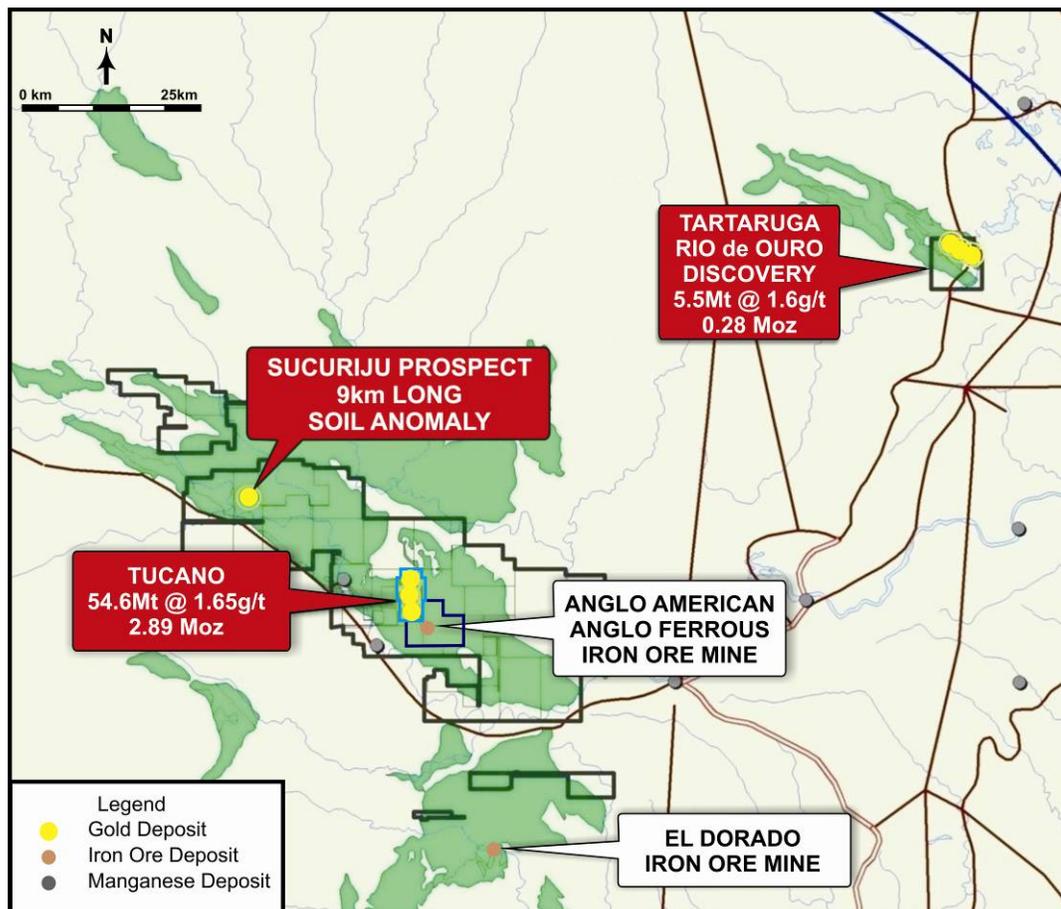


Figure 5. Tartaruga and Tucano location plan

WESTERN AUSTRALIA

West Musgrave Project (100%)

Handpump

The Handpump gold project (Figure 6) has again been recognised for its potential to host a major new frontier style gold deposit with a maximum award of a \$150,000 grant by the Western Australia State Government under the Exploration Initiative Scheme (EIS) to co-fund drilling.

Beadell will complete approximately 5000 m of RC and diamond drilling to test for extensions and repetitions of the recently discovered gold mineralisation.

All heritage and clearing permits are in place and a flora and fauna survey has just been completed.

Skirmish Hill Joint Venture

A Land Access Agreement has been signed allowing joint venture partners Anglo American to commence onground field work in the next quarter. Initial exploration activities will include reconnaissance inspection and verification of airborne Spectrem anomalies.

Tropicana East Project (100%)

Hercules Shear Zone

The Tropicana East project (Figure 6) was also awarded the maximum funding under the EIS of \$150,000 to co-fund drilling. Approximately 10,000 m of aircore drilling is planned to test a **10 km long** zone of gold anomalism known as the Hercules Shear Zone (HSZ) where up to **1.5 g/t gold** has been intersected in extremely wide spaced drilling.

Beadell is also co-funding a major joint research initiative throughout the Albany Fraser Orogen sponsored by CSIRO in search of new mineral fields within the sparsely explored Tropicana belt.

Lake Mackay Joint Venture

Joint venture partners Meteoric Resources Ltd completed detailed aeromagnetics over the Dwarf Well area which highlighted several strong aeromagnetic anomalies considered to be excellent IOCG targets.

A single diamond drill hole was drilled down to 604 m targeting the Radiator (T1) geophysical anomaly. The drill hole intersected quartz-biotite schists and amphibolite with occasional silica-hematite alteration and disseminated magnetite, however no massive hematite alteration, breccia zones or significant base metal sulphides were encountered.

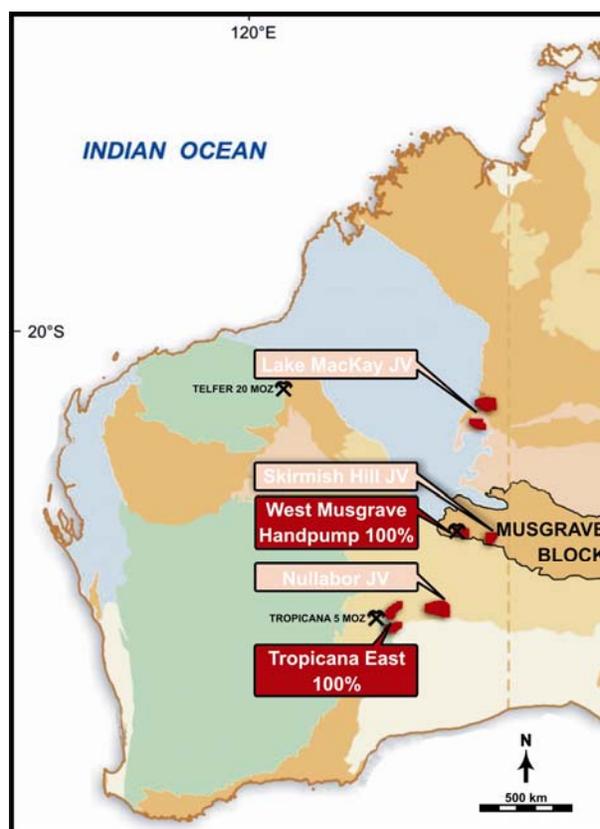


Figure 6. WA project location plan

VICTORIA

Reedy Creek Project (100%)

No work completed.

CORPORATE & FINANCE

The Company had cash of \$23,950,000 at 30 June 2010 and no debt. Additionally, a total of approximately 1,700 ounces of gold on carbon (ie ~\$2.2 million using current spot price of \$1,328/oz) is on hand and will be processed and sold during July and August. This totals ~\$26 million of cash and gold at the end of the quarter. During the quarter a total of 528,337,825 new shares were issued for the acquisition of the Tucano Gold Project and Iron Ore Royalty from New Gold Inc and for the \$5 million Share Purchase Plan.

The integration of the people and systems obtained with the acquisition of the business has been very smooth and is now complete. The first investor / analyst roadshow took place at the Tucano Gold Project in late June and was well attended by seven investor / broker representatives.

During the quarter, the expanded Board of Directors formed an Audit Committee and a Remuneration and Nomination Committee, both comprising the three non-executive Directors; Craig Readhead (Chairman), Jim Jewell and Mike Donaldson.

The name of the Company's Brazilian subsidiary was changed from Mineração Pedra Branca do Amapari Ltda (MPBA) to Beadell Brasil Ltda enabling a distinction to be made from previous owners and a positive rebranding of the company to commence.

Beadell has benefitted from a successful outcome from previous ongoing litigation resulting in the revocation of an injunction that was restricting the Company's Brazilian subsidiary from recommencing gold mining at the Tucano Gold Project. The result means that the Company is formally allowed to develop all kinds of mining activities (subject to normal approval processes) and that the environmental audit requested by the Public Prosecutors Office will no longer take place. It should be noted that the decision can be challenged by the Public Prosecutor's Office. The Company was also informed that two civil indemnification actions amounting to BRL 3.5 million (~\$2.3 million) were considered

groundless by the Lower Court of Serra do Navio, State of Amapá. Although, such decisions may be subject to further review by the Court of Appeal of the State of Amapá, they may be perceived as a disincentive to new action of the same sort.

The Anglo American 1% gross revenue iron ore royalty stream continues to provide significant monthly cash inflows. Recent substantial increases in iron prices will positively affect the royalty receipts from Anglo American.

The Company's very strong cash position enables the fast tracking of the DFS on the Tucano Gold Project. Completion of the DFS remains on track to be completed towards the end of calendar year 2010 with the forecast cost, including all drilling costs, anticipated to be around \$9 million.

Competent Persons 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 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Watkins is a full time employee of Beadell Resources Limited. 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.