



ASX ANNOUNCEMENT
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7 December 2010

TUCANO GOLD PROJECT - URUCUM & TAPEREBÁ AB DRILLING UPDATE

- **FD1301 67.3 m @ 2.3 g/t**
- **FD1114 9 m @ 10.4 g/t**
- **FD1298 12.2 m @ 4.1 g/t, 9 m @ 3.3 g/t and 4 m @ 13.8 g/t**

Beadell Resources Limited (“**Beadell**”) is pleased to announce exceptional new drill results at the Company’s Tucano Gold Project in Brazil from the Urucum and Taperebá AB deposits. Results from ongoing drilling continue to improve the gold resources and reveal the upside and robustness of the project (Table 1).

- Southern extension of Taperebá AB1 deposit confirmed with an intersection of **67.3 m @ 2.3 g/t gold** from 152 m to bottom of hole in FD1301 and **9 m @ 10.4 g/t gold** from 130 m in FD 1114.
- Urucum deposit intersection of **12.2 m @ 4.1 g/t gold, 9 m @ 3.3 g/t gold and 4 m @ 13.8 g/t gold** in FD1298.
- Both gold and iron ore (Anglo American plc) drilling at Tucano continues to be expedited in the lead up to an updated gold resource estimate and maiden reserve to be released early next year with the Definitive Feasibility Study. The proposed negotiation of a Joint Mining Agreement with Anglo American plc for the iron ore in and around the current optimised pits provides the potential to significantly increase the size of the optimised pits thus delivering a longer mine life and lower operating costs for the project.

Taperebá AB1 – Southern extension confirmed with 67.3 m @ 2.3 g/t gold from 152 m to BOH

Further significant results were received from the southern extension of Taperebá AB1 from FD1301 of **67.3 m @ 2.3 g/t gold** from 152 m to bottom of hole, including **17 m @ 2.7 g/t gold** from 152 m, **10 m @ 5.0 g/t gold** from 174 m and **23.6 m @ 2.3 g/t gold** from 194.7 m. This drill hole is located 40 m south of a previous result in FD1056 of 9.9 m @ 8.2 g/t, 4 m @ 27 g/t

and 14 m @ 2g/t gold. Another exceptional result in FD1114 of **9 m @ 10.4 g/t gold** from 130 m was from up dip of FD1056.

The south eastern extension of Taperebá AB remains sparsely drilled and open to the south. The extremely deep weathering to over 200 m is a continuation of the main Trough zone in Taperebá AB 2. Recent engineering work indicates that the optimised pit is likely to incorporate this area, providing an important additional source of high grade oxide mineralisation. Further infill drilling will be required to improve the drill spacing through this area.

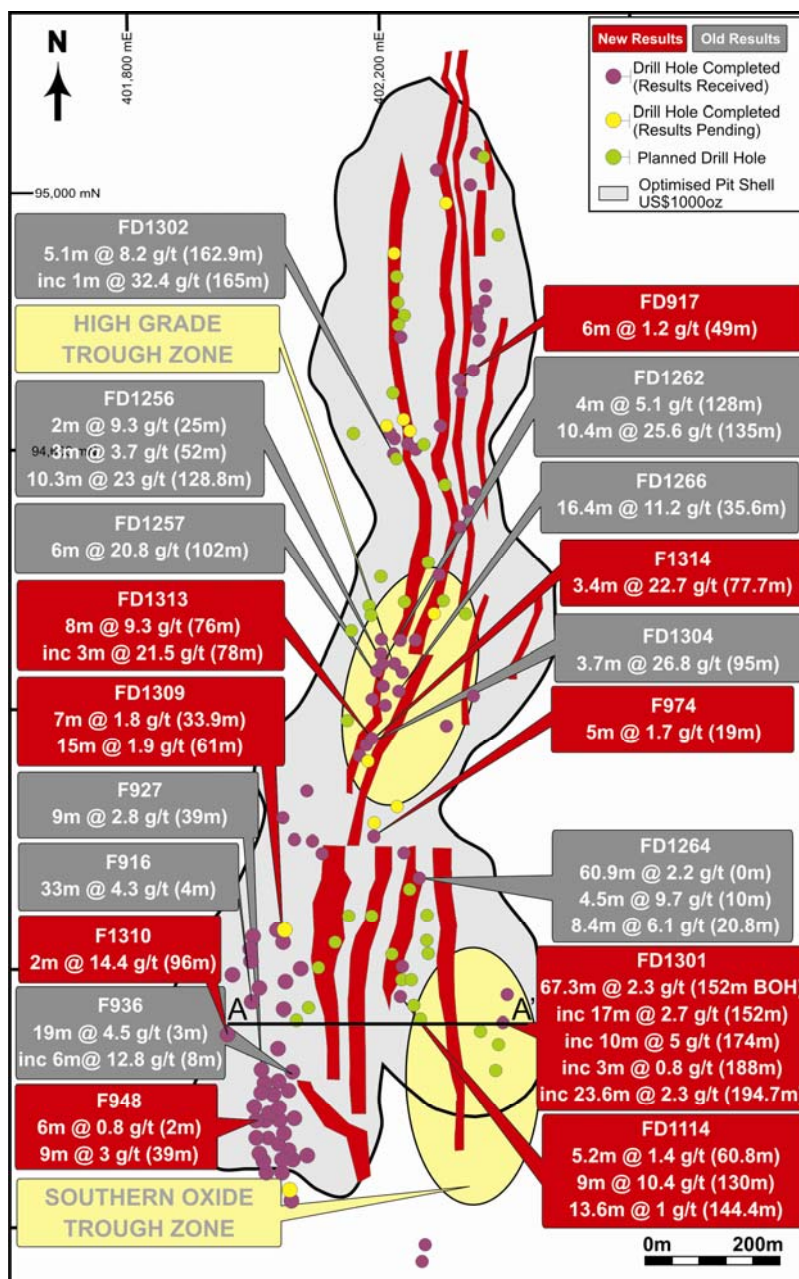


Figure 1. Taperebá AB plan showing location of new results

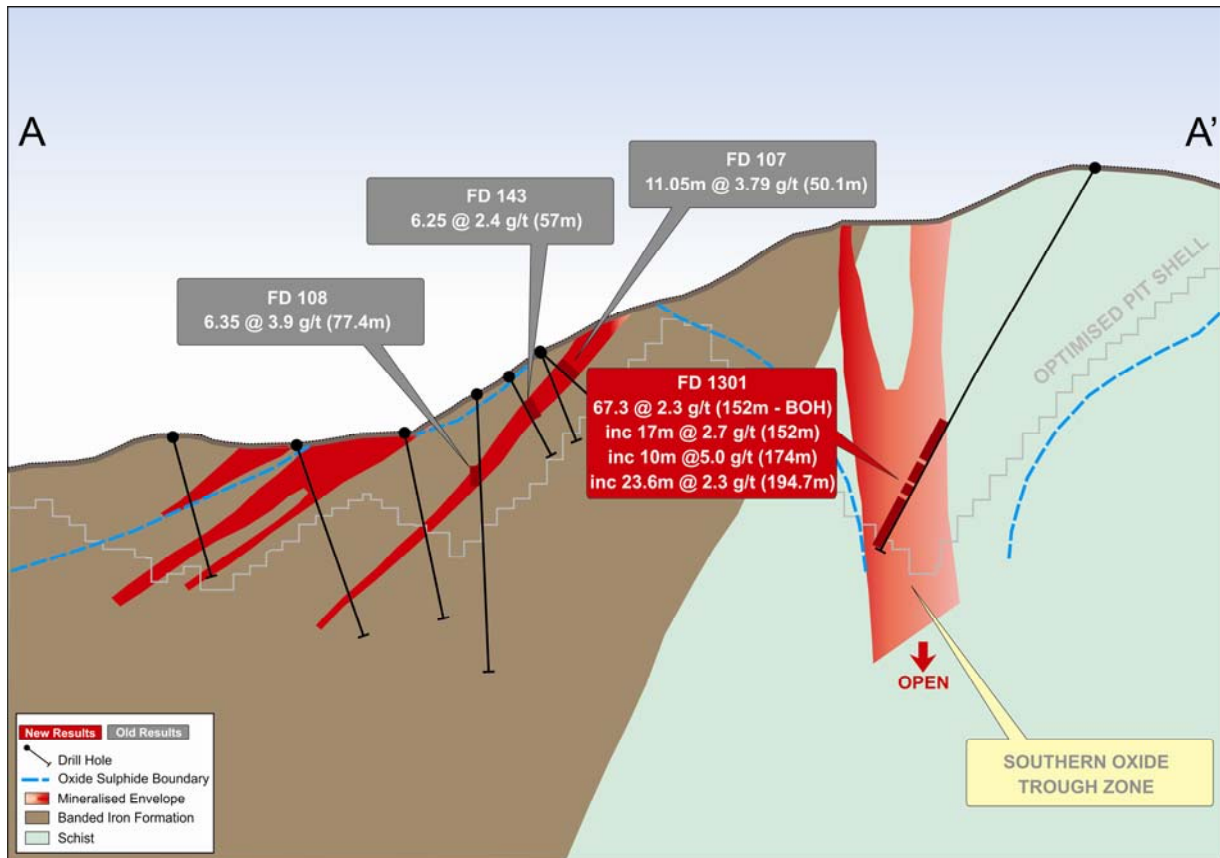


Figure 2. Taperebá Drill Section 93715N Showing Results from FD1301

Taperebá AB2 – Infill drilling of the high grade Trough Zone 8 m @ 9.3 g/t and 3.4m @ 22.7 g/t gold

Further significant results were received from infill drilling of the high grade Trough Zone at Taperebá AB2 including FD1313, **8 m @ 9.3 g/t gold** from 76 m including **3 m @ 21.5 g/t gold** from 78 m and FD1314, **3.4 m @ 22.7 g/t gold** from 77.7 m.

The Trough Zone at Taperebá AB2 shows excellent continuity of the high grade zone plunging moderately to steeply to the north. The northern plunge of the high grade zone remains open at depth with recent optimisation work indicating that the ultimate optimised pits are likely to 'pull down' to the base of the high grade mineralisation providing further possible upside.

Urucum – Drill Hole FD1298 12.2 m @ 4.1g/t, 9.3 m @ 3.3 g/t and 4 m @ 13.8 g/t gold

Results were received from FD1298 drilled immediately south and along strike of a previously announced result of **73.9 m @ 3.9 g/t gold** (See ASX release 5 November 2010). The new result in FD1298 of **12.2 m @ 4.1 g/t gold** from 102.7 m, **9 m @ 3.3 g/t gold** from 119 m and **4 m @ 13.8 g/t gold** from 164 m confirms continuity of the broad zones of high grade gold mineralisation. These results were received post finalisation of the recent Tucano resource statement and are currently being incorporated into a new resource model which will form the basis of a reserve estimate at the start of next year.

Numerous results are pending from the Urucum deposit with infill RC targeting areas of inferred mineralisation within the current optimised open pits and diamond drilling targeting northern extensions of the broad zones of high grade gold mineralisation.

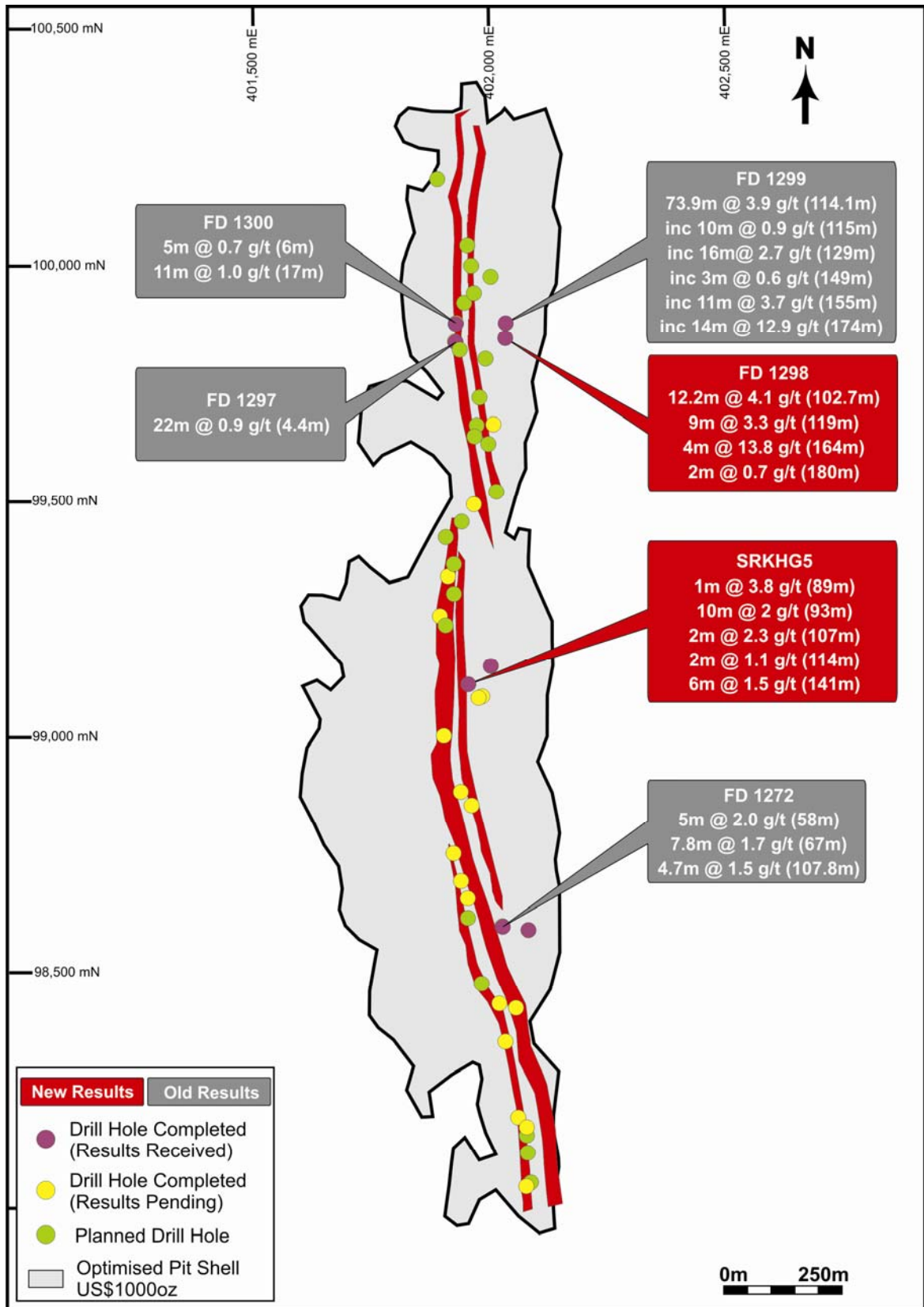


Figure 3. Urucum plan showing location of new Drill Results.

Target	Hole	From (m)	To (m)	Length (m)	Gold (g/t)
Tapereba AB1	F925	0	13	13	1.5
		38	41	3	1.0
Tapereba AB1	F929	26	31	5	2.7
		40	43	3	1.7
Tapereba AB1	F948	2	8	6	0.8
		39	48	9	3.0
Tapereba AB1	FD1301	152	219.3	67.3*	2.3
		inc 152	169	17	2.7
		inc 174	184	10	5.0
		inc 188	191	3	0.8
		inc 194.7	218.3	23.6	2.3
Tapereba AB1	FD1308	0	7	7	0.9
		49	54	5	0.7
Tapereba AB1	FD1309	33.9	40.9	7	1.8
		61	76	15	1.9
Tapereba AB1	FD1310	96	98	2	14.4
Tapereba AB1	FD1114	60.8	66	5.2	1.4
		130	139	9	10.4
Tapereba AB2	F959	38	40	2	1.3
		53 BOH	54	1	1.2
Tapereba AB2	F973	17	19	2	0.7
Tapereba AB2	F974	19	24	5	1.7
Tapereba AB2	FD1284	91	95	4	1.8
Tapereba AB2	FD1313	76	84	8	9.3
		inc 78	81	3	21.5
Tapereba AB2	FD1314	77.7	81.1	3.4	22.7
Tapereba AB3	F917	49	55	6	1.2
Tapereba AB3	F921	48	52	4	1.2
		94	95	1	11.6
Tapereba AB3	F923	54	63	9	0.9
		68 BOH	69	1	0.9
Urucum	FD1298	102.7	114.9	12.2	4.1
		119	128	9	3.3
		164	168	4	13.8
		180	182	2	0.7
Urucum	SRKHG5	89	90	1	3.8
		93	103	10	2.0
		107	109	2	2.3
		114	116	2	1.1
		141	147	6	1.5

* Intercept reported as a mineralised envelope. All other results are reported at greater than 0.5 g/t gold with no more than 2 m internal dilution.

Table 1. New Tucano Drill Results

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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 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 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.