



## Quarterly Report for Shareholders

### Period Ending 31 March 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	Company Secretary

**Corporate Details:**

**Cash at Bank 31 March 2010:** \$3.1 M

**Issued capital:**

93,600,003 ordinary shares (at 31/03/10)  
588,604,495 ordinary shares (at 30/04/10)

**ABN**

50 125 222 291

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**Peter Bowler**  
Managing Director

## HIGHLIGHTS

### CORPORATE

- On 13 April 2010 a placement for \$57 million was completed simultaneously with the acquisition of the Amapári Gold Mine and Iron Ore Royalty in Brazil from New Gold Inc for US\$37 million in cash and US\$16 million in Beadell shares.
- Subsequent to the placement, Beadell has a strong cash balance to complete the Definitive Feasibility Study within an aggressive time frame.

### AMAPÁRI

- A smooth transitioning, retention of key employees and a highly motivated workforce is providing a strong backbone to rapidly bring the Amapári mine back into production
- The Company's team for the Definitive Feasibility Study has been established with work commencing immediately on all technical fronts.
- An initial 20,000 m drilling program utilising four drill rigs operating on double shift is scheduled to start within two weeks.
- Significant tonnes of iron ore within the Tapereba AB open pit area have been identified with the potential to greatly increase the economics of the project. Preliminary discussions with Anglo Ferrous have been initiated and as a result the Anglo Ferrous exploration division are currently relogging and resampling drill holes throughout 7 km long Banded Iron Formation that hosts the main Amapári Gold deposits
- A royalty of 1% gross iron ore revenue** (net of 2% federal tax) over the neighbouring Anglo American plc (Anglo Ferrous) majority owned and operated Amapá Iron Ore Project is ongoing, providing immediate cash flow.

### AUSTRALIA

- Western Australia, West Musgrave** – Further encouraging RC drilling results of up to **12m @ 1.3g/t gold** from 25m including **5 m @ 2.0g/t gold** were received from the Handpump gold discovery.

## CORPORATE

### Amapári Acquisition

On 13 April 2010 Beadell completed the placement to raise gross proceeds of \$57,000,000 at an issue price of \$0.15 per share (Placement) and closed the acquisition of 100% of the issued capital of New Gold Incorporated's (NYSE AMEX: NGD; TSX: NGD:CA) (New Gold) Brazilian subsidiary Mineração Pedra Branca do Amapári Ltda (**MPBA**). MPBA was acquired for US\$37 million in cash and US\$16 million in Beadell shares. The assets include the Amapári Gold Project (Amapári) and the Amapá Iron Ore Royalty (Iron Ore Royalty) (Refer ASX Release 13 April 2010).

Amapári is a significant gold development opportunity consisting of a 2.9 million ounce resource including a 1.2 million ounce open pit gold resource (pit optimisation at US\$1,000/oz gold price) and approximately 2500km<sup>2</sup> of highly prospective surrounding tenements. MPBA also owns a modern fleet of earthmoving equipment capable of mining 3 million tonnes of ore and 12 million tonnes of waste per annum with associated spares and inventory.

The Iron Ore Royalty provides immediate and ongoing cashflow for Beadell linked to production at the Amapá Iron Ore Project, majority owned and operated by Anglo American plc (70%) and Cliffs Natural Resources Inc (30%). The operation comprises an open pit iron ore mine, beneficiation plant and railroad to the Santana Port on the Amazon River (Figure 1).

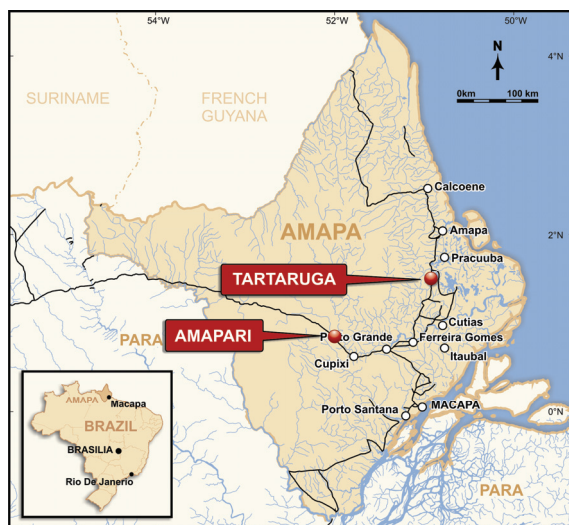


Figure 1. Amapári and Tartaruga Location Plan

## EXPLORATION & DEVELOPMENT BRAZIL

### Amapári Gold Project (100%)

#### Amapári Feasibility

Since acquiring the Amapári project, significant progress has been made with respect to finalising the Company's Definitive Feasibility Study (DFS) taskforce and implementing plans to fast track necessary permitting in order to recommence mining activities as early as possible. The DFS will be completed over the next few months.

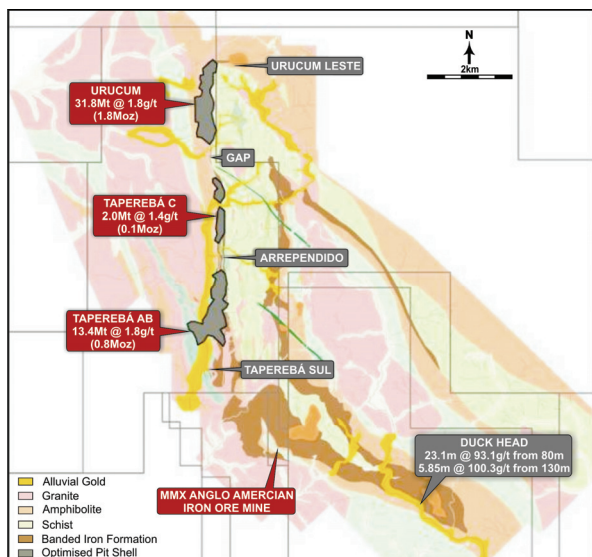
Total JORC resources for the project currently stand at **54.6 Mt @ 1.65g/t gold for 2.9 Moz**. This includes open pit resources totalling **26.3 Mt @ 1.45g/t gold for 1.2 Moz** based on optimised pit shells using a US\$1000 gold price from the three main deposits of Urucum, Tapereba AB and Tapereba C.

An aggressive drilling program is scheduled to commence over the coming weeks. Approximately 20,000m of diamond and RC drilling to be completed in the initial program with four drill rigs operating on double shift. The drilling will target the main open pit areas of Tapereba AB and Urucum in order to convert current inferred resources at the base of the optimised pits into measured and indicated status.

Significant exploration upside exists to both increase the optimised open pit depths and assess an underground mining component to the proposed production profile.

The Amapári project has excellent exposure to increasing gold prices with gold mineralisation between the two main pits of Urucum and Tapereba AB continuing and strengthening beneath the current optimised open pits.

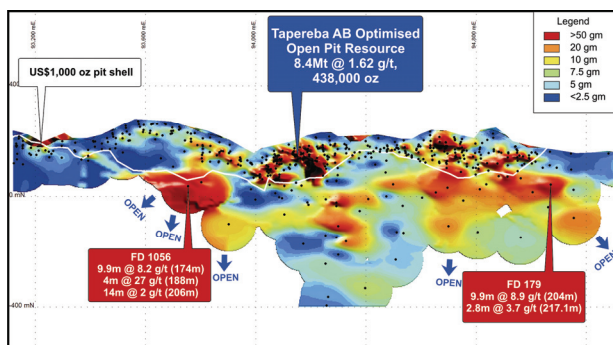
The Amapári open pits also have considerable upside potential for dual commodity mining with gold mineralisation hosted within the same Banded Iron Formation that hosts the Anglo Ferrous Iron Ore mine located only 2 km along strike to the south east.



**Figure 2. Plan showing location of Amapá gold deposits and interpreted geology**

### Tapereba AB

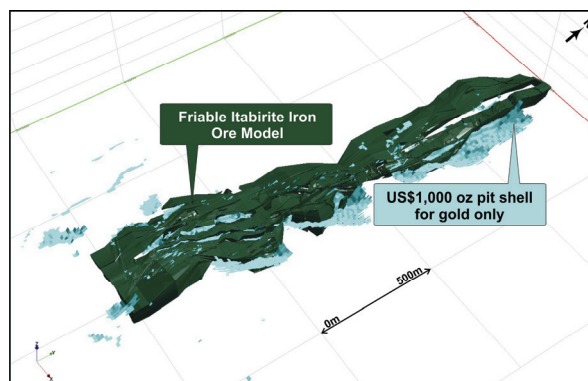
The Tapereba AB deposit is the southern most of the three open pits along the seven kilometre long, north-south shear zone. Current resources at Tapereba AB total **13.4 Mt @ 1.8g/t gold for 774,000 oz** including an optimised open pit resource of **8.4 Mt @ 1.6g/t for 438,000 oz**.



**Figure 3. Tapereba AB Long section with optimised pit shell and drill hole pierce points.**

Significant potential exists to increase the resource with the most recent results from the southern end of the deposit returning an intersection of **9.9m @ 8.2g/t** from 174m, **4 m @ 27 g/t** from 188m and **14m @ 2.0g/t** from 206m in FD1056. These results have not been incorporated into the existing resource or optimisation and is completely open at depth (Figure 3). A significant drill program is planned to test both extensions of the mineralisation intersected in FD1056 and other mineralised zones along and within the deposit.

Tapereba AB also hosts significant quantities of friable itabirite iron ore within the Tapereba AB pit area (Figure 4).



**Figure 4. Tapereba AB 3D image showing current optimized gold pit with friable itabirite iron ore resource model.**

An assessment of the potential to mine the iron ore in conjunction with gold is currently being evaluated. Inclusion of iron ore mining within the open pit will have significant cost benefits both in terms of offsetting cash costs for mining and potentially increasing open pit depths to extract more gold from reduced waste extraction costs. During the original mining of gold from Tapereba AB, stock piles of iron ore were separated and remain on site.

Preliminary discussions with Anglo Ferrous are being conducted and the Anglo Ferrous exploration division are currently relogging and resampling drill holes throughout 7km long Banded Iron Formation that hosts the main Amapá Gold deposits.

### Urucum

The Urucum deposit is the northern most of the three optimised open pits. Continuous gold mineralisation occurs along a steeply east dipping shear zone over a 2km long strike length. Current resources at Urucum total **31.8Mt @ 1.8g/t gold for 1,842,000 oz** including an optimised open pit resource of **15.9Mt @ 1.4g/t for 693,000 oz**.

The gold mineralisation is interpreted to plunge gently to the north where the largest endowment of gold has been located to date. Excellent potential exists to increase the resource with the deepest hole yet drilled at Urucum intersecting **12.55m @ 9.22g/t** from 508.55m and **11.85m @ 11.31g/t** gold from 570.95m in FD092 (Figure 5).



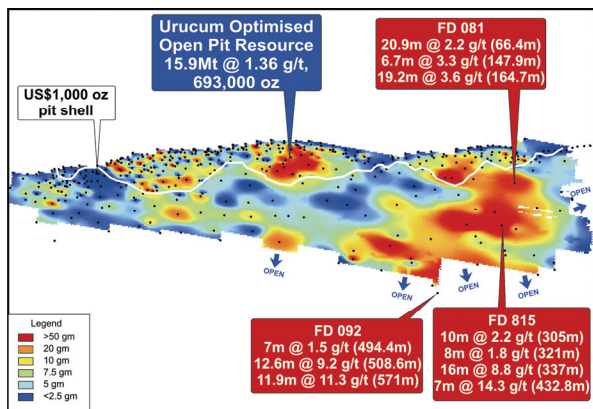


Figure 5. Urucum Long section with optimised pit shell and drill hole pierce points.

Planned drilling at the deposit will target the base of the current optimised pit where inferred resources will be converted to measured and indicated status. Results such as **20.85m @ 2.16g/t** from 66.4m and **6.7m @ 3.28g/t** gold from 147.9m, and **19.2m @ 3.58g/t** gold from 164.7m in FD081 indicate the tenor of the mineralisation that continues beneath the optimised pits.

### Tapereba C

The Tapereba C deposit is located half way between the Tapereba AB and Urucum deposits along the same sheared Banded Iron Formation. Tapereba C is the smallest of the deposits with total resources of **2.0Mt @ 1.43g/t gold for 93,000 oz**. This central area of the Amapári deposits remains under-explored and lightly-drilled with additional exploration targets defined.

### Tartaruga Project (100%)

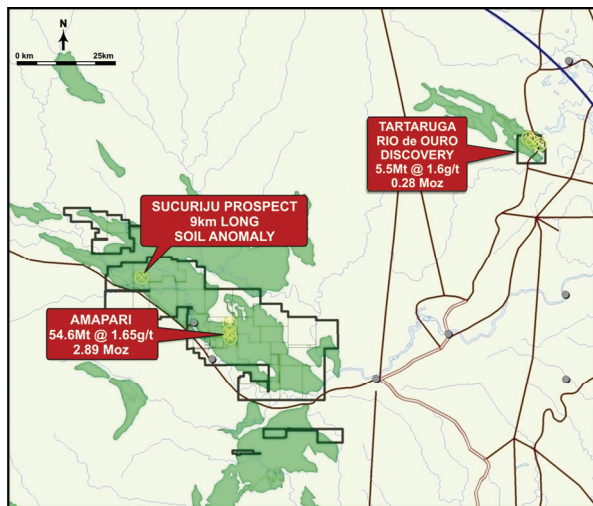


Figure 6. Amapári and Tartaruga project location map

### Rio de Ouro

The Tartaruga project is located 120 km north east of Amapári and contains existing resources of **5.5Mt @ 1.6g/t gold for 279,000 oz** (Figure 6). The new and as yet undrilled high grade discovery at Rio de Ouro has the potential to significantly add to the resource base. First pass drilling of the discovery is currently being planned.

## WESTERN AUSTRALIA

### West Musgrave Project (100%)

#### Handpump

Further encouraging RC drilling results of up to **12m @ 1.3g/t gold** from 25m including **5m @ 2g/t** gold were received from the Handpump gold discovery in the West Musgrave. These results and the initial discovery hole of **60m @ 0.9g/t** from 13m represent the first significant gold mineralisation discovered in the entire Musgrave Block of central Australia.

Gold mineralisation is hosted within a flat lying rhyolite dome structure associated with a breccia zone capped by overlying unmineralised agglomerate.

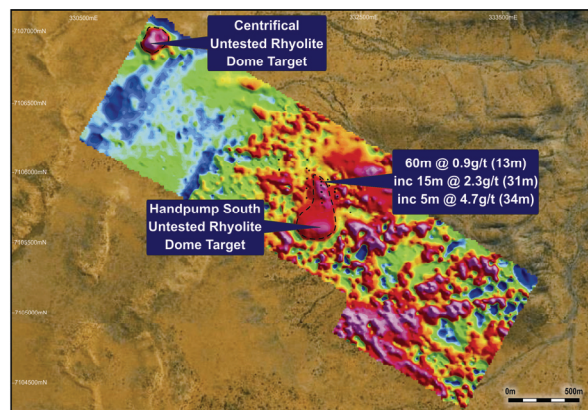
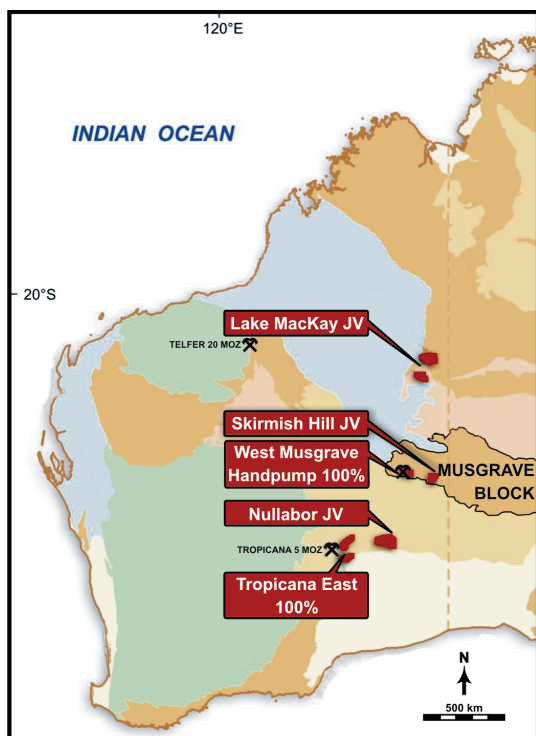


Figure 7. Handpump, Handpump South and Impeller Location Plan on ground magnetics.

Ground magnetics has highlighted a large circular anomaly interpreted to represent the outline of a mineralised rhyolite dome which remains completely undrilled to the south (Figure 7). A new magnetic dome target named Impeller was also identified 1.6km to the north-west located under shallow Aeolian sand.

During the quarter an additional 1000 km<sup>2</sup> of exploration tenure was applied for 50 km north west of Handpump at the Mitika Well project.



**Figure 8. Map showing location of Western Australian exploration projects**

### Skirmish Hill Joint Venture

Results from an extensive airborne Spectrem survey by Anglo American have highlighted several electromagnetic targets within the Skirmish Hill project. An access agreement has been signed with the traditional owners and field work is expected to commence shortly.

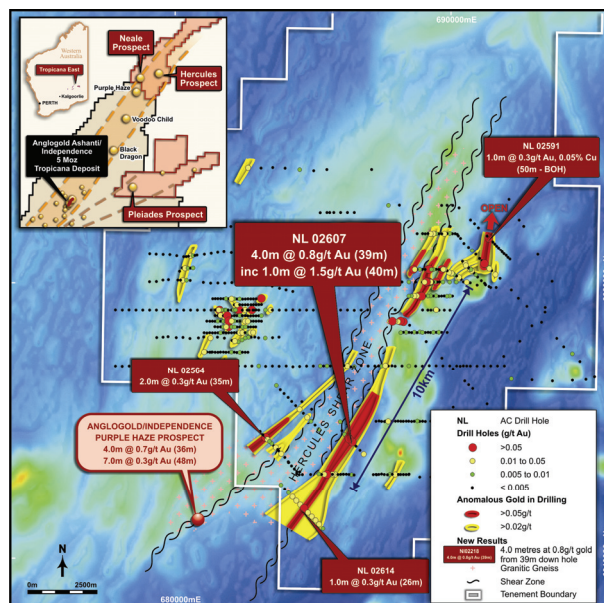
## Tropicana East Project (100%)

### Hercules Shear Zone

The Tropicana East project is located 60 km along strike of the 5 Moz Tropicana gold discovery by AngloGold Ashanti and Independence Group.

A 10 km long zone of gold anomaly, termed the Hercules Shear Zone has been defined by wide spaced drilling with results up to **1.5 g/t** gold in oxidised bedrock beneath shallow cover, with no drilling for 3 km north east of this result (Figure 9).

Follow up aircore drilling is planned to test this anomaly and other targets that have been generated.



**Figure 9. Map showing location of Tropicana East, Hercules Shear Zone aircore drill results and aeromagnetics**

## Lake Mackay Joint Venture

Joint Venture partner Meteoric Resources Ltd is currently completing a detailed aeromagnetic survey over the main Iron Oxide Copper Gold (IOCG) targets. Three deep diamond holes are planned to test the main T1 anomaly commencing in May.

## VICTORIA

## Reedy Creek Project (100%)

Rehabilitation of tracks and drill pads from previous drilling programs was completed during the quarter.

## CORPORATE & FINANCE

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The Company had cash of \$3,130,000 at 31 March 2010 and no debt. On 13 April 2010, 380,000,000 shares were issued to Institutional and Sophisticated Investors at \$0.15 to raise \$57,000,000. An additional 115,004,492 shares (escrowed for 12 months) were issued to New Gold, in accordance with the acquisition agreement, giving them a 19.5% holding in the Company bringing the total issued capital to 588,604,495 shares.

The funds raised have placed the Company in a strong position to rapidly progress the Definitive Feasibility Study on the Amapári Gold Project.

A Share Purchase Plan (SPP) has been implemented to raise up to \$5.0 million, has a record date of 9 April 2010, opened on 19 April 2010 and is due to close on 4 May 2010. The SPP entitles each eligible shareholder to subscribe for up to \$15,000 of new Beadell shares at a price of \$0.15 per share, being the Placement price.

Two new Board appointments have been made following the Amapári acquisition. Craig Readhead joins the Board as non-executive Chairman and brings over thirty years of legal and corporate advisory experience with specialisation in the resources sector. He is also joined by Jim Jewell, a Mining Engineer with over thirty years experience in the extraction of gold, nickel, tin and uranium.

### 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 Australian 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 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.