



ASX ANNOUNCEMENT
ASX Code: **BDR**

1 March 2010

WEST MUSGRAVE GOLD DISCOVERY UPDATE

RESULTS 12 m @ 1.3 g/t gold including 5 m @ 2.0 g/t gold

NEW RHYOLITE DOME TARGETS AT HANDPUMP SOUTH and IMPELLER

Beadell Resources Limited (“**Beadell**”) is pleased to announce further significant results from the second phase of RC drilling at the Handpump gold discovery in West Musgrave with results up to **12 m @ 1.3 g/t** gold from 25 m including **5 m @ 2.0 g/t** gold from 25 m with assay results from several key RC holes pending.

Gold mineralisation is hosted in breccia associated with a flat lying **rhyolite dome** structure with a new ground magnetic survey defining a large circular anomaly interpreted to represent the outline of a mineralised rhyolite dome. The larger southern part of the anomaly referred to as **Handpump South** remains completely undrilled. Additionally, an exciting new untested circular dome like magnetic anomaly (**Impeller Prospect**) has also been discovered 1.6 km northwest of Handpump (Figure 1&2).

Previous access restrictions due to native title and land clearing permitting have until now delayed and tightly constrained the specific positioning of drilling. A heritage survey completed on 19 February has cleared the way for an extensive drillout of 3 km of potential strike of the mineralised system. Additionally, approval to clear the required number of drill locations is expected over the coming weeks.

Managing Director Peter Bowler commented: “Having now secured unconstrained access over this area, we can commence rapid testing of the southern part of the newly defined rhyolite dome at Handpump South and the new anomaly at Impeller. The results to date are very encouraging and the new geological interpretation has opened up the whole belt to this new style of gold mineralisation in the Musgrave Block of Western Australia. I am confident that our geological team’s enthusiasm and experience will continue to uncover further exciting gold mineralisation in this highly prospective area.”

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

Handpump Prospect

Gold mineralisation at Handpump is interpreted to be associated with a flat lying rhyolite dome carapace with mineralisation hosted within an approximately 50 m wide zone of brecciated rhyolite separating unmineralised agglomerate. Broad zones of gold mineralisation including **12 m @ 1.3 g/t** from 25 m including **5 m @ 2.0 g/t** from 25 m and **10 m @ 0.7 g/t** from 5 m indicate a new style of gold mineralisation in an emerging and new gold district within the Musgrave Block.

Further mapping and gridded rock chip sampling has additionally defined extensive outcropping gold mineralisation with costean results up to **12 m @ 1.2 g/t** gold (Figure 2).

Individual lodes appear to be controlled by broadly east-west striking and north dipping shoots, however the broader mineralised envelope is controlled by the rhyolite dome geometry forming a 50 m wide zone of brecciated rhyolite at the contact with unmineralised agglomerate, suggestive of a magmatic association to the gold mineralisation.

Handpump South Prospect

Recently completed ground magnetics has highlighted a large circular magnetic anomaly which is interpreted to be a rhyolite dome that hosts the Handpump gold mineralisation. No drilling has tested the larger southern part of the rhyolite dome referred to here as Handpump South. A single lag soil sample taken over the peak of the anomaly is highly anomalous recording a result of 0.2 g/t gold (Figure 1&2). A heritage survey was recently completed over this area clearing the way for drill testing with final clearing permits awaited. Nearby shallow aircore holes drilled to only a few meters depth failed to penetrate the agglomerate unit overlying the mineralised rhyolite dome.

Impeller Prospect

A reconnaissance ground magnetic survey covering a 3 x 1 km area has defined a large new circular magnetic anomaly named "Impeller" located 1.6 km northwest of Handpump (Figure 1). The anomaly is buried under shallow sand cover and therefore has no surface expression of the underlying rocks. Impeller is interpreted to be a new rhyolite dome type target and will be tested with RC drilling once clearing permits are received. A heritage survey recently completed over this area gives full heritage clearance. Modelling of the magnetic anomaly indicates that depth of sand cover is extremely shallow.

Mitika Well Project

On 25 February 2010, Beadell applied for two exploration licences covering 1000 km² centred 50 km northwest of the Handpump project (Figure 4). The new project known as Mitika Well is underlain by the same volcanic rocks, known broadly as the Palgrave Volcanics, that host the Handpump gold discovery. The Mitika Well project forms a strategic landholding in the new emerging and unexplored gold district in the West Musgrave Block. Key targeting of the new land position is the presence of large areas of de-magnetised rocks in the southern apical portion of the Palgrave volcanic assemblages interpreted to represent extensive magmatic hydrothermal alteration systems potentially associated with gold mineralisation.

The results from the limited first pass RC drilling completed to date indicate the presence of a new style of potentially magmatic rhyolite dome hosted gold mineralisation. Potential for this to be part of a larger mineralised system with additional rhyolite dome occurrences and strike extensions to the known mineralisation is considered to be high and will form the basis of ongoing exploration at the project.

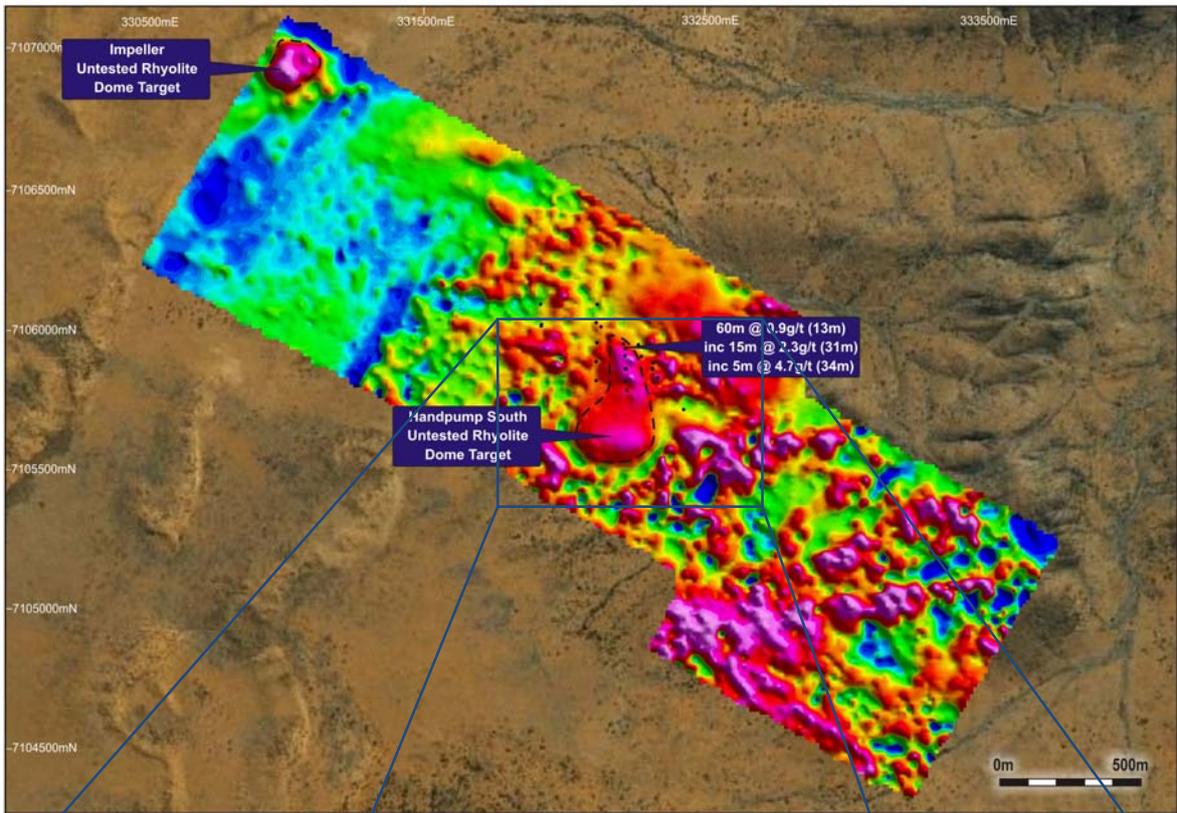


Figure 1 Handpump, Handpump South and Impeller Location Plan on ground magnetics.

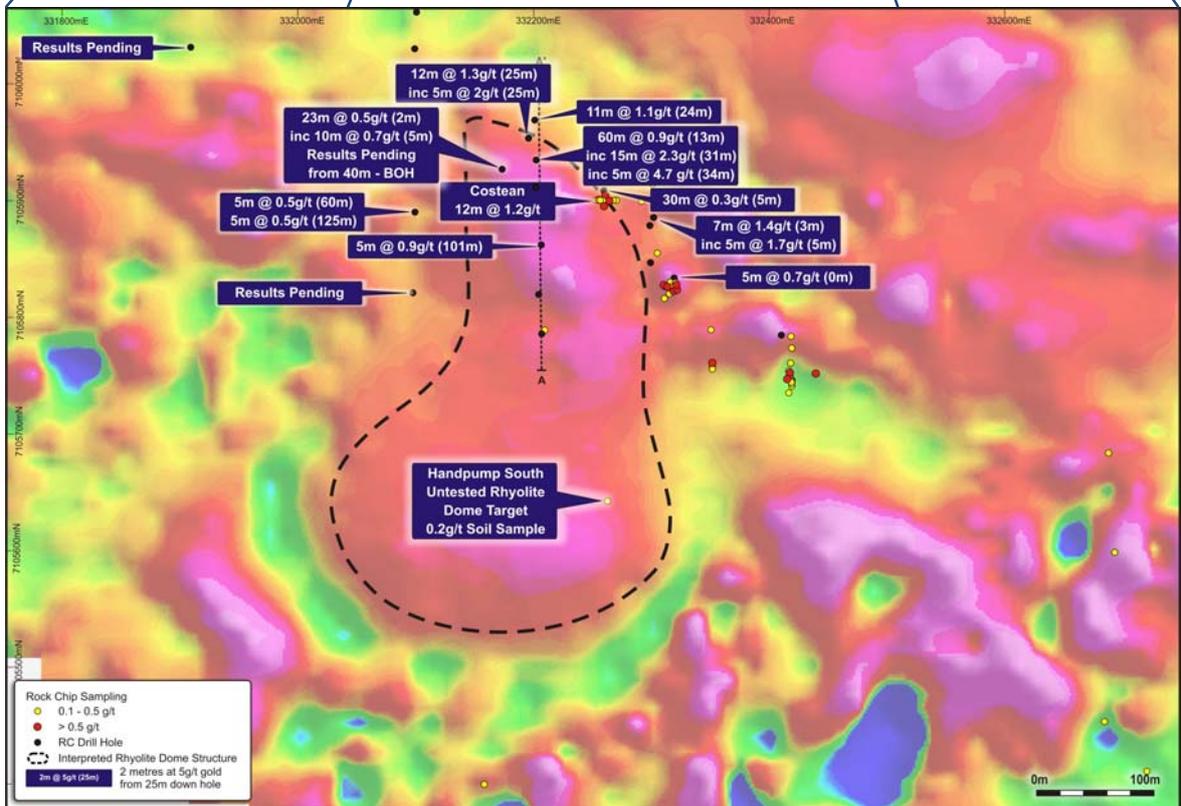


Figure 2 Handpump and Handpump South Prospect Location Plan.

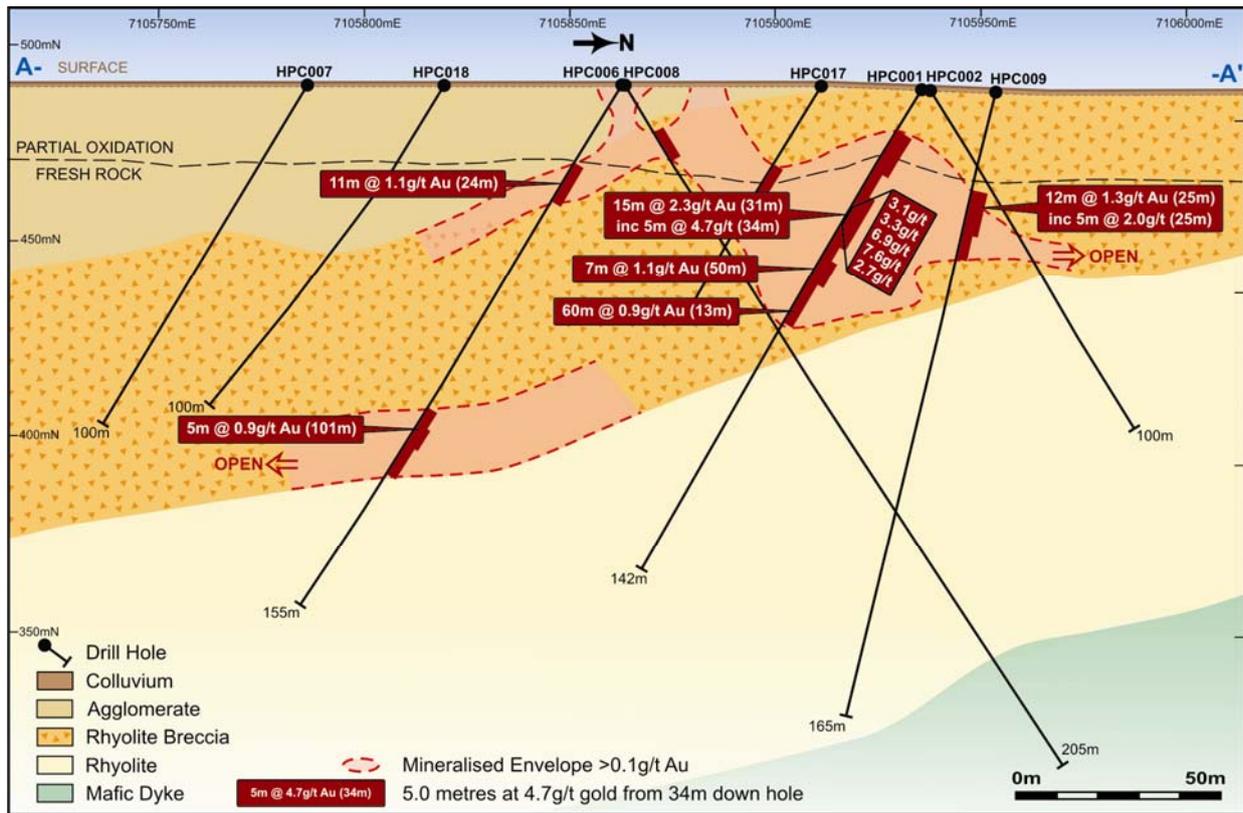


Figure 3 Handpump RC Drill Section 332200E.

Hole	Easting	Northing	From (m)	To (m)	Length (m)	Gold (g/t)
HPC008	332203E	7105864N	0	5	5	0.5
			25	37	12	1.3
HPC009	332196E	7105954N	Incl. 25	30	5	2.0
HPC015	332302E	7105887N	40	45	5	0.7
HPC016	332319E	7105832N	0	5	5	0.7
HPC019	332099E	7105891N	60	65	5	0.5
			125	130	5	0.5
HPC024	332259E	7105909N	5	35	30	0.3*
			2	25	23	0.5*
HPC025	332175E	7105928N	Incl. 5	15	10	0.7

*Mineralised envelope calculated at 0.1 g/t cut off

Table 1. Significant RC Drill Results from Handpump Discovery.

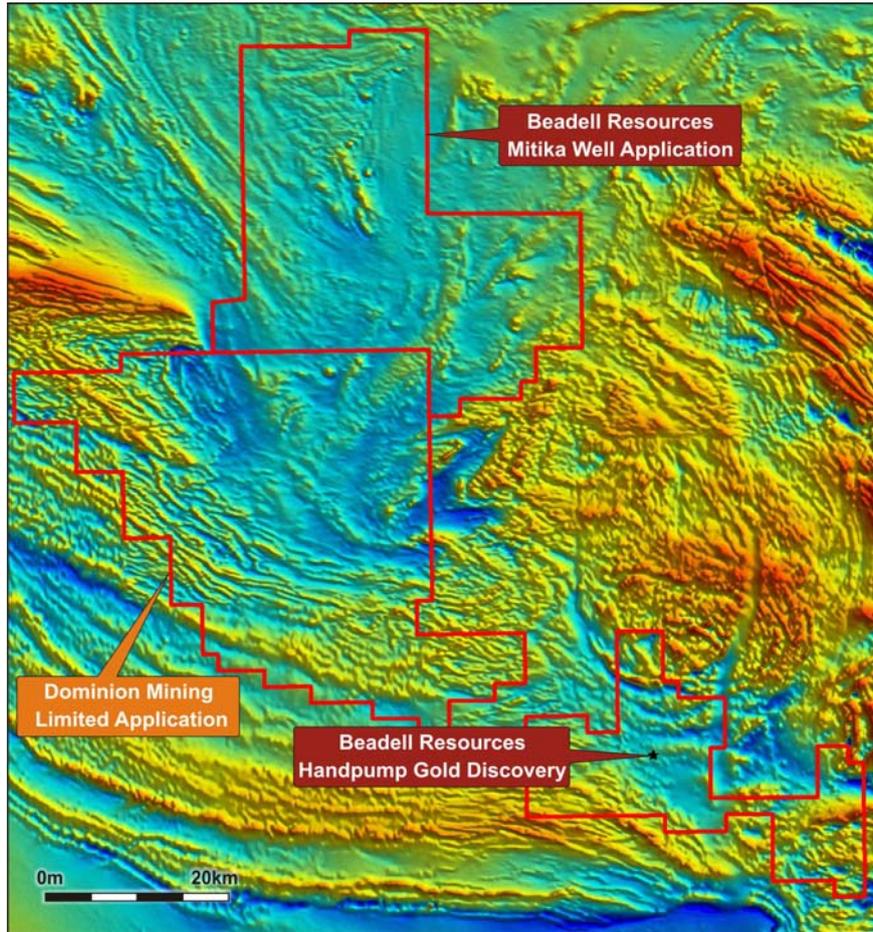


Figure 4 Mitika Well Exploration Licence Application.

Corporate

Shareholders will have now received their Notice of Meeting and Explanatory Statement in relation to the General Meeting to be held on 12 March 2010. The purpose of this Meeting is to consider and approve the acquisition of the Amapari Gold Project in Brazil and the associated Anglo American Iron Ore Royalty from TSX listed New Gold Inc. This is to be funded via an equity raising and by issuing escrowed scrip to New Gold Inc, announced to the market on 28 January 2010. Specific details of the equity raising are in the process of being finalised and Beadell will provide an update to the market at the appropriate time. It is expected that the equity raising bookbuild will be conducted prior to the meeting.

Upon the successful completion of the equity raising and subsequent acquisition of Amapari, the company will have a strong cash balance well in excess of \$30 million with no debt.

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 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 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.