

## US\$23 MILLION CAPITAL RAISING

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Beadell Resources Limited (Beadell or Company) is pleased to advise that it has received commitments to raise approximately US\$23 million through a placement of equity (shares and warrants) and convertible debentures. The placement has been undertaken to international institutional and sophisticated investors, with strong support from its major shareholders. Certain members of Beadell's management team and Board will be participating in the equity portion of the financing, subject to appropriate approvals.

The fund raising allows Beadell to retain its current long-term debt structure, while fully funding the ongoing mill expansion, expected to be completed on budget in July 2018. The Company does not intend to close the Senior Secured Credit facility from Sprott Private Resource Lending (Collector), L.P. (Sprott), previously announced on 26 February 2018, due to the strong support from existing shareholders and new investors participating in this capital raising. The Board of Beadell appreciates Sprott's commitment to the Company and thanks them for their support.

The Company will also offer eligible shareholders the opportunity to participate in the offering via a Share Purchase Plan (SPP) to raise up to an additional A\$7 million at a price equivalent to the issue price for the shares under the placement (see explanation below).

Simon Jackson, Beadell's CEO & Managing Director, said "We are delighted to have received the support of a number of international institutional investors, including our major shareholders. We believe that this financing package is the most competitive available in the current market place and provides the Company with maximum flexibility moving forward."

A portion of the placement will be subject to shareholder approval and a Notice of General Meeting will be released shortly. The combination of securities to be issued is as follows:

#### **TRANCHE 1 – WITHIN BEADELL'S 15% PLACEMENT CAPACITY UNDER ASX LISTING RULE 7.1**

Approximately 76 million ordinary shares with attached unlisted warrants (on the basis that each share carries three-quarters of one warrant) at an issue price of A\$0.083 per share. Each full warrant entitles the holder to subscribe for one ordinary share at an exercise price of US\$0.0815 (implying a premium of approximately 30% over the issue price<sup>1</sup>). The warrants have a 48 month life from date of issue.

US\$4.1 million worth of 6% senior secured convertible debentures due 30 June 2023 (**Debentures**) on the following key terms (which apply to the Debentures issued under both Tranche 1 and Tranche 2):

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<sup>1</sup> Assuming a AUD:USD exchange rate of \$0.76.

<b>FACE VALUE</b>	US\$1,000
<b>MATURITY DATE</b>	30 June 2023
<b>COUPON</b>	6.0% per annum, payable semi-annually
<b>CONVERSION</b>	Convertible into Beadell shares at fixed price of US\$0.0815, subject to standard adjustments
<b>REDEMPTION</b>	Not redeemable before 30 June 2021 except in limited circumstances
<b>SECURITY</b>	Secured by share pledges over Beadell's Australian subsidiaries which hold the shares in Beadell Brasil Ltda, the operating entity for Tucano
<b>SCHEME WITH GOLDEN HARP RESOURCES INC</b>	To be assumed by Golden Harp as part of implementation of scheme of arrangement

The Debentures will not be listed on the ASX.

### **TRANCHE 2 – SUBJECT TO SHAREHOLDER APPROVAL**

Approximately 124 million ordinary shares (each with an attaching three quarter warrant on the same terms as set out above) and US\$6.4 million worth of Debentures.

Tranche 2 is subject to shareholder approval and also subject to ongoing satisfactory progress on the turnaround of operations at the Tucano mine.

Closing of both tranches is subject to finalisation of customary documentation with investors.

### **SHARE PURCHASE PLAN DETAILS**

Beadell intends to undertake a SPP to enable participation by Eligible Shareholders for an amount up to A\$15,000 per shareholder, at a price of \$0.07 per share, representing a 16% discount to the volume weighted average price of Beadell shares over the 5 days before it requested a trading halt on 26 April 2018. The offer price is approximately the same as for the offer price under the equity placement, adjusted for the estimated value of the three quarter warrant<sup>2</sup>. The SPP will be for up to A\$7 million. An Eligible Shareholder is any shareholder recorded on the Company's Register at 7:00pm AEST on 4 May 2018 who has a registered address in Australia and New Zealand. Beadell reserves the right to close the SPP early and scale back applications in its absolute and sole discretion should the total demand exceed A\$7 million. When determining the amount (if any) by which to scale back an SPP application, the Company may take into account a number of factors, including the size of an applicant's shareholding in the Company, the extent to which an applicant has sold or bought additional shares in the Company after the SPP record date and the date on which an application was made.

Placement shares will not be eligible to participate in the SPP. Shareholder approval is not required for the SPP. Further details of the SPP will be released on the ASX, including in relation to the eligibility requirements, and distributed to eligible Beadell shareholders in due course.

<sup>2</sup> Estimated using a Black-Scholes methodology (volatility set at 35%)

Funds raised pursuant to the Placement will be used for the following purposes:

- Completion of the Tucano plant upgrade
- Working Capital
- General corporate purposes.

CIBC Capital Markets and Cormark Securities Inc. acted as Co-Lead Managers to the issue.

Settlement of Tranche 1 is currently scheduled to take place on or about 15 May 2018. Settlement of Tranche 2 is currently scheduled to take place in the second half of June 2018, conditional upon receipt of shareholder approval.

Beadell confirms that this is the announcement referred to in its request for voluntary suspension dated 30 April 2018 and Beadell now formally requests that its shares be reinstated to quotation.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities to, or for the account or benefit of, persons in the United States or “U.S. persons” (“U.S. Persons”), as such term is defined in Regulation S under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”). The securities have not been and will not be registered under the U.S. Securities Act or any state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States or U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

## ABOUT BEADELL

Beadell owns and operates the Tucano gold mine in Amapá State, in the north of Brazil. Tucano sits within an extensive land package of 2,500km<sup>2</sup> of highly prospective, under explored greenstone belt.

## FOR FURTHER INFORMATION PLEASE CONTACT:

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