

CHAIRMAN'S ADDRESS TO THE 2018 ANNUAL GENERAL MEETING

Beadell Resources Limited (Beadell or Company) is pleased to provide the following extract from the Chairman's Address to the 2018 Annual General Meeting to be held this morning.

"Good morning Ladies and Gentlemen, welcome to the 2018 Annual General Meeting of Shareholders of Beadell Resources.

The calendar year 2017 was an extremely challenging year. In April, the Company completed a \$51 million capital raising via a placement of shares and a share purchase plan (SPP). The funds raised through the SPP and the Placement allowed us to commit to long lead time items for the processing plant upgrade and to continue exploration on the underexplored Tucano land package.

We also finalised the acquisition of the former joint venture partners' 30% interest in 576 km² of tenure surrounding the Tucano Gold Mine, with Beadell now controlling 100% of approximately 2,500 km² of highly prospective and under explored greenstone. This transaction was a major step forward and consolidation of such a dominant land position in a very under-explored greenstone belt is very exciting. We will expand exploration activity onto the former JV ground with a view to not only adding near mine ounces but also to search for the next Tucano.

In May, the Company announced the commencement of the processing plant upgrade, following the positive results of the Feasibility Study and subsequent approval from the Board of Directors. The completion of the plant upgrade is expected to deliver a number of benefits to Beadell including: an ability to process any mix of sulphide/oxide mill feed allowing the mine to be fully optimised; an ability to process head grades in line with the reserve grade consistently; an increase in forecast recoveries to 93% from the current budgeted recoveries of 88%; and, a more steady gold production profile and increased free cashflow.

During the year, our exploration team continued to prioritise the multiple targets we have on the Tucano land package. The high grade hit in the very first regional diamond hole east of Tucano was extremely encouraging and we are excited about the future for Mutum. We believe this extensive 12 km soil anomaly at Mutum/Arara is a tier one target as we search for the next Tucano. Extensions to Tucano mine mineralisation continued to be found in the underdrilled mine corridor, with ongoing success to the south at Torres, in the schist unit to the east at Neo and to the north at the new Urso discovery. We are spoilt for choice with our exploration efforts and were delighted to have so many high grade drill results.

Recently, we have announced that a definitive agreement has been reached with Golden Harp Resources Inc. of Canada to merge the companies via an Australian scheme of arrangement transaction. The new merged entity, to be named Americano Mining Inc., will apply to be listed on the Australian Securities Exchange as well as retain its listing on the TSX Venture exchange.

A Canadian listing is important for the company as the TMX (including the Toronto Stock Exchange and the TSXV) is considered a global leader for mining companies. The listing will improve exposure to North American capital markets with increased liquidity and analyst coverage. It is a natural progression for Beadell as there is an extensive peer group of Latin American focused gold exploration, development and production companies. The proposed merger is subject to, among other things, approval by Beadell and Golden Harp shareholders, court approval and regulatory (including FIRB) approvals.

Last week, we completed the first tranche of the capital raising announced on 7 May 2018, through the issue of 73.8 million units of the Company, being 73.8 million fully paid ordinary shares and 55.4 million attaching warrants (on the basis that each unit carries three-quarters of one warrant and one whole warrant is exercisable for an Ordinary Share pursuant to certain terms) to sophisticated and professional investors and US\$3.7 million worth of 6% senior secured convertible debentures due 30 June 2023, to raise approximately \$11 million (before costs). Tranche 1 Placement Equity and Tranche 1 Convertible Debentures were issued and allotted without security holder approval under ASX Listing Rule 7.1, and did not exceed the Company's 15% capacity under ASX Listing Rule 7.1.

In addition to Tranche 1, the Company has received commitments from investors to subscribe for approximately 138 million Ordinary Shares and approximately 104 million attaching warrants and US\$6.3 million worth of 6% senior secured convertible debentures due 30 June 2023, raising up to approximately \$19 million (before costs). Tranche 2 is subject to shareholder approval at a general meeting of the Company expected to be held on 25 June 2018, and is also subject to ongoing satisfactory progress on the turnaround of operations at the Tucano mine.

The Company is also offering eligible shareholders the opportunity to participate in an offering via a Share Purchase Plan to raise up to an additional A\$7 million at a price equivalent to the issue price for the shares constituting the Tranche 1 Placement Equity (\$0.07 per share). The SPP Booklet and application form were sent to eligible shareholders on 21 May 2018.

Funds raised pursuant to the Placement will be used for the completion of the Tucano plant upgrade, working capital and general corporate purposes.

We look forward to the completion of the plant upgrade in 2018 and increased ability to deliver higher volumes of fresh ore to the plant. This should lead to more consistent quarterly production and cashflow. As we continue to add mine life through our successful exploration programs, the mill upgrades are the foundation of the future for Beadell.

We would like to publicly thank our employees and contractors for their dedication as we continue the turnaround of the Tucano Gold Mine.”

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 2,500 km² of highly prospective, under explored greenstone belt.

FOR FURTHER INFORMATION PLEASE CONTACT:

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