Appendix 4D
Half Year Ended 30 June 2018

Results for Announcement to the Market

Current Reporting Period: 6 Months ended 30 June 2018
Previous Corresponding Reporting Period: 6 Months ended 30 June 2017

	30 Jun 2018 $'000	Restated 30 Jun 2017 $'000	Percentage Increase/(Decrease)
Sales Revenue	95,731	86,984	10%
(Loss)/Profit from continuing operations after tax attributable to members of the parent entity	(27,189)	(32,823)	17%
Net (loss)/profit attributable to members of the parent entity	(27,189)	(32,823)	17%

Dividends	30 Jun 2018	30 Jun 2017
Interim dividend per share	Nil	Nil
Franked amount per share	Nil	Nil
Record date for determining entitlement to dividend	N/A	N/A
Date dividend payable	N/A	N/A

The Directors have determined that there will be no interim dividend for the half-year ended 30 June 2018.

	30 Jun 2018 $	Restated 30 Jun 2017 $
Net tangible assets per share*	0.07	0.10

** Exploration and evaluation assets and deferred tax assets are treated as intangible assets.*

Review of Results

Please refer to the Directors' Report. This interim financial report should be read in conjunction with the most recent annual financial report.

BEADELL

ABN 50 125 222 291

Condensed Consolidated Interim Financial Report
For the half year ended 30 June 2018

Contents

Corporate directory

Directors

Brant Hinze	Independent Non-Executive Director, Chairman
Craig Readhead	Independent Non-Executive Director
Timo Jauristo	Independent Non-Executive Director
Nicole Adshead-Bell	Chief Executive Officer & Managing Director

Company Secretary

Greg Barrett

Corporate Details

Beadell Resources Ltd (ABN 50 125 222 291)

Issued capital 1,673,584,196 ordinary shares

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Tucano Minesite

Estrada do Taperebá, SN, Pedra Branca

do Amapari Amapa

Telephone: + 55 21 2122 2400

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Share Registry

Computershare Investor Services Pty Ltd

Level 5, 115 Grenfell Street

Adelaide, SA 5000

Telephone: 1300 137 515

Telephone: +61 3 9415 4667

Stock Exchange Listing

ASX Ltd

ASX code: BDR

Auditor

KPMG

Directors' report

For the six months ended 30 June 2018

The directors present their report together with the financial report of the Beadell Resources Limited ("the Company" or "Beadell") Group, being the Company and its subsidiaries, for the six months ended 30 June 2018 (the period) and the auditor's review report thereon.

Directors

The directors of the Company at any time during or since the end of the period are as set out below. Directors were in office for the entire period unless otherwise stated.

Mr Brant E. Hinze	Independent Non-Executive Chairman (appointed Chairman on 15 July 2018)
Mr Craig Readhead	Independent Non-Executive (resigned Chairman on 15 July 2018)
Mr Timo Jauristo	Independent Non-Executive
Dr Nicole Adshead-Bell	Chief Executive Officer & Managing Director (appointed CEO & MD on 15 July 2018)
Mr Simon Jackson	Chief Executive Officer & Managing Director (resigned on 15 July 2018)

Management and Board Changes

On 16 July 2018, the Board of Directors of Beadell announced that Simon Jackson, CEO and Managing Director, and a director of the Company, and Peter Holmes, Chief Operating Officer, had agreed to step down from their positions.

Dr Nicole Adshead-Bell (Ph.D., Geology), a non-executive director of Beadell since September 2016, was appointed CEO and Managing Director of the Company.

Luis Pablo Diaz (B.Sc., Engineering), General Manager of the Tucano Gold Mine (Tucano) assumed the role of Country Manager and remained a director of the Company's subsidiary, Beadell Brasil Ltda.

Fábio Marques (B.Sc., Geology; MBA), Tailings Dam Manager of Tucano, assumed the role of General Manager, replacing Luis Pablo Diaz.

Aoife McGrath (M.Sc. Mineral Exploration) joined the Management Team as the new Head of Exploration & Geology.

As part of the Company's commitment to becoming a North American-based gold producer, Brant Hinze, who was a director of Beadell and resides in the United States, assumed the role of Chairman.

Operating results

The loss after income tax for the six months ended 30 June 2018 was $27,189,000 (30 June 2017 loss restated: $32,823,000).

	Jun 2018	Jun 2017
Operating results		
Total Waste Moved (t)	10,095,970	6,226,544
Gold Ore Mined (t)	1,049,677	1,236,811
Total Material Moved (t)	11,145,647	7,463,355
Gold Ore Milled (t)	1,767,537	1,758,486
Head Grade (g/t)	1.00	1.04
Plant Recovery (%)	87.5%	88.7%
Total Gold Recovered (oz)	49,989	52,261
Total Gold Sold (oz)	56,413	54,693

Directors' report

Financial results	Jun 2018 ($ millions)	Restated* Jun 2017 ($ millions)
Revenue and costs of production		
Sales revenue	95.7	86.9
Costs of production	(77.3)	(90.1)
Write down of ore stockpiles to net realisable value	(2.2)	(6.9)
Depreciation and amortisation	(17.4)	(13.9)
	(1.2)	(24.0)
Other significant items		
Administrative expense	(9.7)	(9.5)
Impairment losses	(5.7)	(0.8)
Net finance expense	(12.2)	(2.5)
Income tax benefit	3.9	6.8
Other items	(2.3)	(2.8)
Reported loss after tax	**(27.2)**	**(32.8)**
Other financial information	**($ millions)**	**($ millions)**
Cash flow from/(used in) operating activities	4.3	(18.6)
Cash and cash equivalents	20.0	31.1
Net assets	129.4	230.1
Basic loss per share	(A$0.02)/share	(A$0.03)/share

* See Note 3

Review of operations

Tucano Gold Mine

Tucano is 100% owned by the Group and is located in Amapá State, northern Brazil.

Gold Production

Gold production for the first six months of 2018 totalled 49,989 ounces, a reduction of 4% over the same period in 2017.

Mining

During the first six months of 2018, 1,049,677 tonnes of gold ore were mined, a decrease of 15% over the same period in 2017. Total material movement was 11,145,647 tonnes, an increase of 49% compared to the same period last year due to the addition of a second mining contractor in 2H17.

The decrease in gold ore mined resulted from the deferral of 2017 budgeted waste tonnes into 2018, resulting in a "catch up" in waste mining being required in the first half of 2018. Mining productivity was impacted by the wet season and delayed mobilisation of U&M Mineração e Construção S/A (U&M) following the termination of the MACA Agreement in the third week of June.

Processing

During the first half, 1,767,537 tonnes of gold ore were milled, 1% above same period last year. The process plant recovery was 87.5%, representing a reduction of 1% over the first half of 2017. The mill feed grade was 1.00 g/t gold, a decrease of 4% compared to the first half of 2017, due to lower than forecast production in Tap AB resulting from delayed mobilisation of the U&M mining fleet in 2017.

The Tucano plant continues to perform well with tonnes processed in line with the plan for the period.

Mining Services Contract

On 22 June 2018, the Company announced that it had reached a mutual agreement with MACA Limited (MACA) to terminate the Open Pit Mining Contract (MACA Termination Agreement) for the Tucano Gold Mine. MACA ceased mining services immediately.

All amounts owing to MACA by Beadell were consolidated into one $61 million loan (MACA Loan). An initial payment of $3 million was made in July 2018 and a further $3.4 million was paid in August 2018 in accordance with the terms of the MACA Termination Agreement. A further payment of $3 million is due 31 March 2019 and thereon monthly payments of

$1.5 million commencing 1 July 2019 are required until the loan is repaid or 30 June 2022, whichever is the earlier. Additionally, if Beadell undertakes a new share capital raising or debt issue, a repayment equal to 30% of the proceeds (after costs) received is due. The outstanding loan amount is presently $54.7 million and has interest payable quarterly at a rate based on the Reserve Bank of Australia (RBA) cash rate plus 5% per annum.

Beadell agreed to work with MACA to seek to put in place subordinated security arrangements for the loan, subject to, among other things, receipt of appropriate consents from existing financiers.

On 16 July 2018, Beadell announced that it had executed a LOM mining contract with U&M. U&M is Brazil's largest mining contractor, with more than 40 years of experience in earthworks, mining and material hauling. U&M's 600 vehicle fleet, comprising production and support equipment, has the capacity to move more than 30 million tonnes per month. U&M's existing clients include Vale, Alcoa, Mosaic, Yamana, Leagold Mining and Equinox Gold.

Under the agreement, U&M will be paid on a 100% volume basis contract that will give mining unitary cost predictability, simplifying the contract, mine management and administration. This agreement is expected to result in a significant reduction in the LOM mining costs for Tucano.

Tucano Plant Upgrade

Construction work continued on the Tucano Plant Upgrade during the period.

Completion of the ball mill is the key driver to process sulphide ore and is forecast for mid-September 2018. Following the commissioning of the ball mill, the Tucano plant will then be able to process up to 80% sulphide ore (versus the current limit of ~30% sulphide ore) with recoveries of ~88%. Staged completion of the rest of the project is forecast for early to mid-November and will increase overall recoveries to ~93%. Total costs at completion of the upgrade are expected to be an additional ~US$2 to US$4 million from the original budget of US$28 million.

Exploration

Brazil

In the first half of 2018, 51,075 m of drilling was completed. This comprised 31,403 m of grade control reverse circulation (RC) drilling, 1,584 m of Rotary Air Blast (RAB) grade control drilling, 12,582 m of exploration/resource delineation RC drilling, 586 m of exploration diamond drilling and 4,920 m of RAB exploration drilling.

Mine Lease Exploration

Tap AB1 Trough Lode

Infill drill results from the Tap AB1 Trough Lode confirmed the high-grade tenor and width of the shoots with the following intercepts:

- GCRC20877: 15 m @ 27.23 g/t gold from 29 m (including 1 m @ 344.24 g/t),
- F02576: 5 m @ 5.18 g/t gold from 15 m,
  30 m @ 5.08 g/t gold from 27 m,
  7 m @ 4.84 g/t gold from 59 m and
  38 m @ 3.20 g/t gold from 112 (to BOH)
- F02497: 11 m @ 12.67 g/t gold from 38 m,
  17 m @ 5.52 g/t gold from 50 m and
  18 m @ 3.25 g/t gold from 98 m

These shoots are currently being mined, although most of the material moved to date has been from the upper sections of the lodes, which are relatively lower grade compared to the central and lower parts. The higher-grade sections are forecast to be mined from August 2018.

Torres

Resource delineation drilling at Torres, in the south of the mine lease, continued to demonstrate open pit oxide potential with results of:

- GCRC2161: 14 m @ 4.32 g/t gold from 65 m
- GCRC21609: 13 m @ 2.28 g/t gold from 46 m
- GCRC21609: 11 m @ 4.55 g/t gold from 31 m

Along with all near-mine exploration targets, Torres is undergoing a complete review at the moment and further exploration plans will be designed and implemented according to priority.

Urucum

The near-term upgrade of the Tucano plant and increased flexibility to process sulphide ore have refocused exploration efforts at the predominantly sulphide Urucum deposit due to the sizable open pit reserve, low strip ratio and relatively higher grades. Drill testing the concept that gold mineralisation extends, through the saddle between the Urucum North and Urucum Central reserve pits resulted in immediate success with multiple high-grade gold intercepts up to 10 times the Urucum open pit reserve grade intersected. F02509 intersected 12 m @ 22.5 g/t gold from 102 m to bottom of hole (BOH), including 1 m @ 122.97 g/t gold from 109 m, demonstrating potential to link the two pits and ultimately increase the reserves at Urucum. An additional hole (F02510) drilled immediately to the south intersected 4 m @ 6.14 g/t gold from 128 m to BOH. These results are from an area where gently dipping unmineralised pegmatite sills cross-cut the steeply dipping ore shoots. These results demonstrate potential for high grade gold mineralisation above and below the pegmatite, which is significant for exploration planning.

The results also indicate that gold mineralisation may extend between the two deposits. If mineralisation is continuous through the saddle between the pits, it could have a significant impact on pit shape, strip ratio and potential depth of ore that can be accessed. These results therefore provide an immediate area of exploration focus.

Neo North Discovery

The Neo North discovery, located 80 m east of the TAP AB1 Trough lode and within the reserve pit outline, has near surface gold mineralisation with multi-metre intersects at or above the Tucano reserve grade. These include:

- GCRC21210: 10 m @ 4.08 g/t gold from 7 m,
- F02501: 8 m @ 4.90 g/t gold from 64 m and
- GCRC21649: 13 m @ 1.61 g/t gold from 11 m

Neo North was a blind discovery but is likely the northern extension of the Neo Lode 300 m to the south. Exploration at Neo North is in the very early stages and it remains open along strike and at depth. Additional infill and step out drilling are planned for the remainder of 2018 and through 2019.

A recent large step out hole (FD01463) was drilled from the lower western slopes at the base of the Tap AB open pit to test the down-dip/plunge continuity of the Tap AB and Neo Lodes. This hole intersected gold mineralisation on the Carbonate Lode (2 m @ 4.76 g/t gold from 121 m), the TAP AB1 Trough Lode (2 m @ 1.42 g/t gold from 448 m) and the Neo Lode (6 m @ 2.23 g/t gold from 661 m). The nearest up-dip intersection in the Neo Lode is approximately 500 m up-dip and clearly demonstrates its untested potential. The discovery of the Neo North and Neo lodes are considered key as:

- Neo North is located to the north of the Mata Fome Fault, which was previously interpreted to displace mineralisation and therefore limited exploration has been conducted to the north of the fault.
- The Neo and Neo North lodes are hosted in schist and not in banded iron formation (BIF), which was previously thought to be the host for all gold. This is evolving into an important new mineralisation style at Tucano given the volume of schist on the mine lease. It will be the subject of considerable review and analysis, with further drilling planned as appropriate.
- The Neo North Lode discovery demonstrates the potential at Tucano to find additional gold mineralisation, even within the reserve open pit limits.

Mining of the Tap AB1 Trough Lode cutback has reached Neo North Lode and will provide additional incremental, non-reserve oxide ore to the mill through the remainder of 2018.

Tucano Regional

Saraminda

During the Quarter, regional exploration efforts continued to focus on a 20 km radius around the Tucano plant. The Company's stream sediment sampling program identified a large geochemical anomaly covering an 80 km^2 drainage catchment area 10 km northeast of the Tucano plant. The new Saraminda anomaly forms part of the Serra da Canga plateau with peak stream sediment results of up to 576 ppb (0.576g/t) gold. Fifteen stream sediment locations had values greater than 100 ppb (0.1 g/t) gold versus a background of <10 ppb.

Reconnaissance geological mapping identified Tucano-like stratigraphy at Saraminda, including intercalated BIF, carbonates, calc-silicates, meta-clastics and mafic meta-volcanics. The source of the Saraminda anomaly is yet to be identified, but initial results are encouraging. As part of the full review currently underway, this target will be ranked, and follow-up exploration planned over the next six months.

Corporate

Gold Sales

Gold sales for the half year 2018 totalled 56,413 ounces at an average cash price received of US$1,320 per ounce.

Cash and Bullion

Cash and bullion as at 30 June 2018 was $25.6 million (bullion valued at AUD/USD = 0.74 and US$1,254 per ounce).

Directors' report

Capital Raising

During the period the Company completed a capital raising through the placement of equity (shares and warrants) and convertible debentures to sophisticated and professional investors (Placement). The Placement was completed in two tranches:

- Tranche 1 – Placement of 73,840,220 fully paid ordinary shares (Shares) and 55,380,165 attaching warrants (Warrants) at an issue price of $0.083 per Share, and US$3.7 million in convertible debentures (Debentures) which were issued on 18 May 2018, raising approximately $11 million. Tranche 1 was not subject to shareholder approval as it fell within the Company's placement capacity under ASX Listing Rule 7.1; and
- Tranche 2 – Placement of 136,170,060 Shares and 102,127,545 Warrants at an issue price of $0.083 per Share, and US$6.3 million in Debentures, which were issued on 28 June 2018, raising approximately $19 million. Tranche 2 was issued following shareholder approval at a general meeting of shareholders held on 25 June 2018.

In addition to the Placement, the Company offered eligible shareholders the opportunity to participate in a Share Purchase Plan (SPP) to raise up to a further $7 million at an issue price of $0.07 per share. The SPP shares were issued on 11 July 2018, raising approximately $0.8 million.

Subsequent events

On 14 August 2018, the Company raised $11.8 million before costs, through a placement of 218,293,000 fully paid ordinary shares at an issue of $0.054, to international institutional and sophisticated investors for the following purposes:

- Completion of the Tucano Plant Upgrade,
- Working capital,
- General corporate purposes, and;
- Application of 30% of net proceeds to the MACA Loan in accordance with the terms of the MACA Termination Agreement.

There have been no other events subsequent to balance date which would have a material effect on the Group's condensed consolidated interim financial statements.

Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 29 and forms part of the directors' report for the six months ended 30 June 2018.

Rounding off

The Company is of a kind referred to in ASIC Instrument 2016/191 and in accordance with that Instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made with a resolution of the directors:

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NICOLE ADSHEAD-BELL

CEO & Managing Director

Dated at Perth, this 30th day of August 2018

Directors' report

Competent Persons Statement

The information is extracted from the reports entitled "Interim Ore Reserve and Mineral Resource Update as at 30 June 2017" created on 19 December 2017, "Tap AB Continues to Demonstrate High Grade Shoots" created on 21 May 2018 and "Two New Gold Discoveries at Tucano" created on 23 May 2018 and are available to view on www.beadellresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Condensed Consolidated Interim Financial Statements

Condensed consolidated interim statement of financial position

As at 30 June 2018

	Note	Jun 2018 $'000	Restated* 31-Dec 2017 $'000	Restated* 31-Dec 2016 $'000
Assets				
Cash and cash equivalents		20,012	10,136	28,298
Restricted cash		161	171	283
Prepayments		4,396	2,365	1,351
Trade and other receivables		29,053	24,907	29,267
Inventories	*6*	30,577	37,190	59,674
Total current assets		**84,199**	**74,769**	**118,873**
Trade and other receivables		16,257	18,062	153
Inventories	*6*	-	-	53,049
Exploration and evaluation assets		406	451	498
Mineral properties		25,898	31,429	28,428
Property, plant and equipment	*7*	150,026	137,270	134,942
Deferred tax assets		31,176	30,820	18,553
Total non-current assets		**223,763**	**218,032**	**235,623**
Total assets		**307,962**	**292,801**	**354,496**
Liabilities				
Trade and other payables	*8*	36,734	58,670	44,230
Employee benefits		5,476	4,311	5,129
Borrowings	*10*	51,935	55,801	54,637
Provisions		4,613	5,333	4,527
Total current liabilities		**98,758**	**124,115**	**108,523**
Employee benefits		17	13	204
Other financial liabilities	*9*	9,782	-	-
Borrowings	*10*	62,553	-	6,949
Provisions		7,417	8,209	7,845
Total non-current liabilities		**79,769**	**8,222**	**14,998**
Total liabilities		**178,527**	**132,337**	**123,521**
Net assets		**129,435**	**160,464**	**230,975**
Equity				
Share capital	*11*	313,107	303,512	254,435
Reserves		(35,921)	(22,486)	(5,080)
Accumulated losses		(147,751)	(120,562)	(18,380)
Total equity		**129,435**	**160,464**	**230,975**

* See Note 3

The notes on pages 16 to 25 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Financial Statements

Condensed consolidated interim statement of profit or loss and other comprehensive income

For the six months ended 30 June 2018

	Note	Jun 2018 $'000	Restated* Jun 2017 $'000
Revenue		95,731	86,984
Cost of sales		(99,351)	(112,627)
Gross margin		**(3,620)**	**(25,643)**
Other income		732	170
Administrative expenses		(9,694)	(9,524)
Project exploration and evaluation expenses		(366)	(652)
Impairment losses		(5,671)	(817)
Other expenses		(217)	(708)
Results from operating activities		**(18,836)**	**(37,174)**
Finance income		907	247
Finance expense		(13,135)	(2,717)
Net finance (expense)/income	*5*	**(12,228)**	**(2,470)**
(Loss)/Profit for the period before income tax		**(31,064)**	**(39,644)**
Income tax benefit/(expense)		3,875	6,821
(Loss)/Profit for the period after income tax		**(27,189)**	**(32,823)**
Other comprehensive profit/(loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations		(15,383)	(17,457)
Other comprehensive (loss)/profit for the period net of tax		**(15,383)**	**(17,457)**
Total comprehensive (loss)/profit for the year		**(42,572)**	**(50,279)**
Earning per share:			
Basic (loss)/earnings per share ($)		(0.02)	(0.03)
Diluted (loss)/earnings per share ($)		(0.02)	(0.03)

* See Note 3

The notes on pages 16 to 25 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Financial Statements

Condensed consolidated interim statement of changes in equity

For the six months ended 30 June 2018

	Note	Share capital $'000	Translation reserve $'000	Share based payments reserve $'000	Option premium reserve $'000	Tax reserve $'000	Accumulated profits/(losses) $'000	Total equity $'000
Restated Balance at 1 January 2018		303,512	(54,859)	17,153	3	15,217	(120,562)	160,464
Total comprehensive income for the period								
Loss for the period		-	-	-	-	-	(27,189)	(27,189)
Other comprehensive income								
Foreign currency translation differences		-	(15,383)	-	-	-	-	(15,383)
Total other comprehensive income		**-**	**(15,383)**	**-**	**-**	**-**	**-**	**(15,383)**
Total comprehensive income for the period		**-**	**(15,383)**	**-**	**-**	**-**	**(27,189)**	**(42,572)**
Transactions with owners recorded directly in equity								
Contributions by and distributions to owners								
Issue of ordinary shares	*11*	11,859	-	-	-	-	-	11,859
Equity transaction costs	*11, 12*	(2,264)	-	1,747	-	-	-	(517)
Share based payments	*12*	-	-	201	-	-	-	201
Total contributions by and distributions to owners		**9,595**	**-**	**1,948**	**-**	**-**	**-**	**11,543**
Balance as at 30 June 2018		**313,107**	**(70,242)**	**19,101**	**3**	**15,217**	**(147,751)**	**129,435**

The notes on pages 16 to 25 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Financial Statements

Condensed consolidated interim statement of changes in equity

For the six months ended 30 June 2017

	Note	Share capital $'000	Translation reserve $'000	Share based payments reserve $'000	Option premium reserve $'000	Tax reserve $'000	Accumulated profits/ (losses) $'000	Total equity $'000
Balance at 1 January 2017, as previously reported		254,435	(36,136)	15,953	3	15,217	(17,347)	232,125
Impact of change in accounting policy	*3*	-	(117)	-	-	-	(1,033)	(1,150)
Restated balance at 31 December 2016		**254,435**	**(36,253)**	**15,953**	**3**	**15,217**	**(18,380)**	**230,975**
Total comprehensive income for the period								
Restated loss for the period	*3*	-	-	-	-	-	(32,823)	(32,823)
Restated other comprehensive income								
Foreign currency translation differences		-	(17,457)	-	-	-	-	(17,457)
Restated total other comprehensive income		**-**	**(17,457)**	**-**	**-**	**-**	**-**	**(17,457)**
Restated total comprehensive income for the period		**-**	**(17,457)**	**-**	**-**	**-**	**(32,823)**	**(50,280)**
Transactions with owners recorded directly in equity								
Contributions by and distributions to owners								
Issue of ordinary shares		50,903	-	-	-	-	-	50,903
Equity transaction costs		(1,826)	-	-	-	-	-	(1,826)
Share based payments		-	-	301	-	-	-	301
Total contributions by and distributions to owners		**49,077**	**-**	**301**	**-**	**-**	**-**	**49,378**
Balance as at 30 June 2017		**303,512**	**(53,710)**	**16,254**	**3**	**15,217**	**(51,203)**	**230,073**

The notes on pages 16 to 25 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Financial Statements

Condensed consolidated interim statement of cash flows

For the six months ended 30 June 2018

	Jun 2018 $'000	Restated* Jun 2017 $'000
Cash flow from operating activities		
Loss for the year	(27,189)	(32,823)
Adjustments for:		
Depreciation	17,438	13,911
Net Impairment losses	5,671	817
Ore inventory NRV write-down	2,164	6,931
Net finance costs	12,229	2,470
Equity-settled share-based payment transactions	201	301
Income tax benefit	(3,875)	(6,821)
	6,639	**(15,214)**
Changes in:		
Inventories	4,450	7,608
Trade and other receivables	(2,342)	(8,130)
Prepayments	(2,029)	(715)
Trade and other payables	(2,089)	1,183
Provisions and employee benefits	(346)	(3,283)
Net cash from/(used in) operating activities	**4,283**	**(18,551)**
Cashflow from investing activities		
Interest received	69	1,056
Payments for property, plant and equipment and mineral properties	(18,947)	(15,208)
Net cash used in investing activities	**(18,878)**	**(14,152)**
Cashflow from financing activities		
Transfers from restricted cash held for security	9	66
Proceeds from issue of share capital, net of transaction costs	11,342	48,739
Proceeds from exercise of options	-	338
Repayment of loans and borrowings	(3,522)	(24,190)
Proceeds from loans and borrowings	17,688	12,358
Interest paid on loans	(517)	(806)
Net cash from financing activities	**25,000**	**36,505**
Net increase in cash and cash equivalents	10,405	3,802
Cash and cash equivalents 1 January	10,136	28,298
Effect of exchange rate fluctuations on cash held	(529)	(1,039)
Cash and cash equivalents 30 June	**20,012**	**31,061**

* See Note 3

The notes on pages 16 to 25 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

1. Reporting entity

Beadell Resources Limited (the Company) is a for profit company limited by shares and incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange.

The condensed consolidated interim financial statements of the Company as at and for the period from 1 January 2018 to 30 June 2018 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”). The nature of the operations and principal activities of the Group are as described in the Directors’ Report.

2. Statement of compliance

The condensed consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The condensed consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual report of the Group as at and for the year ended 31 December 2017.

The condensed consolidated interim financial statements were approved by the Board of Directors on 30 August 2018.

3. Significant accounting policies

a) Changes in significant accounting policies

Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial report as at and for the year ended 31 December 2017.

The changes in accounting policies or additional accounting policies now relevant will be reflected in the Company’s consolidated annual financial report for the year ending 31 December 2018.

Financial Instruments

Embedded derivatives

Derivatives embedded in other financial instruments or non-financial contracts (the host contract) are accounted for separately at fair value as derivatives when the risks and characteristics of the embedded derivatives are not closely related to those of their host contract, and the host contract is not designated as fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the consolidated statement of profit or loss and other comprehensive income.

IFRS 15 – Revenue from contracts with customers

The Group has adopted *IFRS 15 Revenue from Contracts with Customers* effective 1 January 2018 retrospectively using the practical expedient in paragraph C5(c) of IFRS 15, under which the Group does not disclose the amount of consideration allocated to the remaining performance obligations or an explanation of when the Group expects to recognise the amount as revenue for all reporting periods presented before the date of initial application – i.e. 1 January 2018. The details and quantitative impact of the changes in accounting policies are discussed below.

(i) Gold sales

Previously, the Group recognised revenue from gold sales when all risks and rewards transferred; no further processing was required by the Group; the quality and quantity of the gold had been determined; and the sale was probable. Under IFRS 15, the Group recognises revenue when control has passed to the buyer; the Company has no significant continuing involvement; and the amount of revenue and costs incurred or costs to be incurred in respect of the transaction can be measured reliably. The Group’s assessment is that this occurs when the refined gold has been physically delivered, which is also the date when title has passed to the buyer and the Company has issued an invoice pursuant to a transaction confirmation that fixes the quantity and price of the gold for each delivery.

The impact of the change in accounting policy is that gold bullion awaiting settlement (which represented gold that has not been turned out by the Group’s refiner prior to period end) is no longer recognised as revenue. Revenue recognition will now be delayed until the refined gold has been physically delivered and title has passed to the buyer.

Notes to the condensed consolidated interim financial statements

(ii) Impacts on financial statements

Consolidated statement of financial position

	Impact of changes in accounting policies		
31 December 2016	**As previously reported $'000**	**Adjustments $'000**	**As restated $'000**
Assets			
Cash and cash equivalents	28,298		28,298
Restricted cash	283		283
Prepayments	1,351		1,351
Gold bullion awaiting settlement	5,360	(5,360)	-
Trade and other receivables	29,267		29,267
Inventories	55,464	4,210	59,674
Trade and other receivables	153		153
Inventories	53,049		53,049
Exploration and evaluation assets	498		498
Mineral properties	28,428		28,428
Property, plant and equipment	134,942		134,942
Deferred tax assets	18,553		18,553
Total assets	**355,646**	**(1,150)**	**354,496**
Liabilities			
Trade and other payables	44,230		44,230
Employee benefits	5,129		5,129
Borrowings	54,637		54,637
Provisions	4,527		4,527
Employee benefits	204		204
Borrowings	6,949		6,949
Provisions	7,845		7,845
Total liabilities	**123,521**	**-**	**123,521**
Equity			
Share capital	254,435		254,435
Reserves	(4,963)	(117)	(5,080)
Accumulated losses	(17,347)	(1,033)	(18,380)
Total equity	**232,125**	**(1,150)**	**230,975**

Notes to the condensed consolidated interim financial statements

31 December 2017	Impact of changes in accounting policies As previously reported $'000	Adjustments $'000	As restated $'000
Assets			
Cash and cash equivalents	10,136		10,136
Restricted cash	171		171
Prepayments	2,365		2,365
Gold bullion awaiting settlement	9,496	(9,496)	-
Trade and other receivables	24,907		24,907
Inventories	29,696	7,494	37,190
Trade and other receivables	18,062		18,062
Exploration and evaluation assets	451		451
Mineral properties	31,429		31,429
Property, plant and equipment	137,270		137,270
Deferred tax assets	30,820		30,820
Total assets	**294,803**	**(2,002)**	**292,801**
Liabilities			
Trade and other payables	58,670		58,670
Employee benefits	4,311		4,311
Borrowings	55,801		55,801
Provisions	5,333		5,333
Employee benefits	13		13
Provisions	8,209		8,209
Total liabilities	**132,337**	**-**	**132,337**
Equity			
Share capital	303,512		303,512
Reserves	(22,530)	44	(22,486)
Accumulated losses	(118,516)	(2,046)	(120,562)
Total equity	**162,466**	**(2,002)**	**160,464**

Consolidated statement of profit or loss and OCI

For the 6 months ended 30 June 2017

For the six months ended 30 June 2017	Impact of changes in accounting policies As previously reported $'000	Adjustments $'000	Restated $'000
Revenue	89,083	(2,099)	86,984
Cost of sales	(114,726)	2,099	(112,627)
Other income	170		170
Administrative expenses	(9,524)		(9,524)
Project exploration and evaluation expenses	(652)		(652)
Impairment losses/(reversals)	(817)		(817)
Other expenses	(708)		(708)
Finance income	247		247
Finance expense	(2,717)		(2,717)
Income tax benefit/(expense)	6,821		6,821
Loss for the period after income tax	**(32,823)**	**-**	**(32,823)**
Other comprehensive profit/(loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	(17,546)	89	(17,457)
Other comprehensive profit for the period net of tax	**(17,546)**	**89**	**(17,457)**
Total comprehensive profit for the year	**(50,369)**	**89**	**(50,279)**

There is no material impact on the Group's basic or diluted earnings per share for the 6 months ended 30 June 2017.

Notes to the condensed consolidated interim financial statements

Consolidated statement of cash flows

For the 6 months ended 30 June 2017

	Impact of changes in accounting policies		
For the six months ended 30 June 2017	As previously reported $'000	Adjustments $'000	Restated $'000
Cash flow from operating activities			
Loss for the year	(32,823)		(32,823)
Adjustments for:			
Depreciation	13,911		13,911
Net Impairment losses	817		817
Ore inventory NRV write-down	6,931		6,931
Net finance costs	2,470		2,470
Equity-settled share-based payment transactions	301		301
Income tax benefit	(6,821)		(6,821)
Changes in:			
Inventories	9,174	(1,566)	7,608
Gold bullion awaiting settlement	(1,566)	1,566	-
Trade and other receivables	(8,130)		(8,130)
Prepayments	(715)		(715)
Trade and other payables	1,183		1,183
Provisions and employee benefits	(3,283)		(3,283)
Net cash used in operating activities	**(18,551)**	**(0)**	**(18,552)**
Interest received	1,056		1,056
Payments for property, plant and equipment and mineral properties	(15,208)		(15,208)
Net cash used in investing activities	**(14,152)**	**-**	**(14,153)**
Transfers from restricted cash held for security	66		66
Proceeds from issue of share capital, net of transaction costs	48,739		48,739
Proceeds from exercise of options	338		338
Repayment of loans and borrowings	(24,190)		(24,190)
Proceeds from loans and borrowings	12,358		12,358
Interest paid on loans	(806)		(806)
Net cash from financing activities	**36,505**	**-**	**36,505**
Net increase in cash and cash equivalents	3,802	-	3,802
Cash and cash equivalents 1 January	28,298		28,298
Effect of exchange rate fluctuations on cash held	(1,039)		(1,039)
Cash and cash equivalents 30 June	**31,061**	**-**	**31,061**

b) Going concern

The consolidated financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group held cash on hand and on deposit as at 30 June 2018 of $20 million and has a net working capital deficit, inclusive of provisions, of $14.6 million. For the period ended 30 June 2018 the Group incurred a loss after income tax of $27.2 million including impairments of $5.7 million and inventory net realisable value adjustments of $2.2 million. Cash inflows from operating activities were $4.3 million and cash outflows from investing activities were $18.9 million.

During the period, the Company raised further funding consisting of: equity of $16 million (before costs), through the placement of 193,317,800 fully paid ordinary shares and attaching warrants (which are classified on the balance sheet as debt of $4.2 million); and an additional US$10 million ($13.4 million) of convertible debentures due 30 June 2023 (refer note 10).

Subsequent to the end of the period, the Company raised approximately $0.8 million from a share purchase plan and a further $11.8 million before costs, through a placement of fully paid ordinary shares.

On 22 June 2018, the Company announced the MACA Termination Agreement. All amounts owing to MACA were consolidated into one $61 million loan. The outstanding loan amount is presently $54.7 million, with one scheduled loan repayment to 30 June 2019 of $3 million. If the Company undertakes a new share capital raising or debt issue, a repayment equal to 30% of the proceeds (after costs) received is due to MACA. Interest is payable quarterly at a rate based on the RBA cash rate plus 5% per annum.

Notes to the condensed consolidated interim financial statements

As at 30 June 2018 the Group remained in breach of a prior year covenant in relation to its Santander – Itaú Facility. Subsequent to the end of the period, the Group has received an irrevocable waiver in respect this covenant breach. The Santander – Itaú Facility is scheduled to be repaid in full by April 2019, with scheduled repayments in October (US$2.5 million), January 2019 (US$5 million) and April 2019 (US$5 million).

The directors consider the going concern basis of preparation to be appropriate based on forecast cash flows. The cash flow forecast depends on successful ramp up of sulphide and oxide mining operations through the wet and dry season, processing activities and the completion of capital projects in accordance with management's schedule and cost assumptions, and achieving forecast gold price and foreign exchange assumptions. The forecasts include the timely and successful commissioning of the plant upgrade during the second half of 2018 to allow for the processing of increased sulphide ore as planned. Critical to achieving forecast cash flows is the Group's ability to achieve forecast ore material movement and gold production. The Group has a reasonable expectation that such production forecasts will be achieved through a combination of improved material movement and recoveries following the plant upgrade and accessing higher grade oxide and sulphide ore reserves.

The cash flow forecast also depends on the successful rolling of unsecured bank facilities of US$18 million ($24.3 million) and the expected refund of Brazilian Federal VAT credits (PIS/COFINS) of $26.9 million in the next 12 months. The unsecured bank facilities have a successful history of being rolled and the directors expect this to continue. The Directors have received advice that supports the timing of the refund of PIS/COFINS.

Should operations not successfully achieve operating and capital forecasts, including the continued support from the unsecured lenders and the refund of PIS/COFINS within the expected timeframe, the Group will require additional funding in the form of debt or equity or a combination of the two. Negotiation for additional equity and debt funding will be progressed as required and the directors have a reasonable expectation that such additional funding can be secured.

Notes to the condensed consolidated interim financial statements

4. Operating segments

The Group has one reportable segment; 'Brazilian operations and exploration' which is the Group's strategic business unit.

Information about reportable segment profit/(loss)	Brazil $'000
6 months ended 30 June 2018	
External revenues	95,731
Project finance interest expenses	(5,354)
Unrealised foreign exhange loss	(7,728)
(Impairment of) segment assets	(5,671)
Depreciation and amortisation	(17,438)
Reportable segment (loss)/profit before income tax	(22,303)
6 months ended 30 June 2017 Restated*	
External revenues	86,984
Project finance interest expenses	(1,689)
Unrealised foreign exhange gain	(630)
(Impairment of) segment assets	(817)
Depreciation and amortisation	(13,911)
Reportable segment (loss)/profit before income tax	(30,024)

Reconciliation of reportable segment profit/(loss)	Jun 2018 $'000	Restated* Jun 2017 $'000
Total (loss)/profit for reportable segments	(22,303)	(30,024)
Unallocated amounts		
- Corporate income	937	80
- Corporate expenses	(9,698)	(9,700)
Consolidated (loss)/profit before tax	(31,064)	(39,644)

Information about reportable segment assets, liabilities and capital expenditure	Brazil $'000
June 2018	
Reportable segment assets	286,888
Reportable segment liabilities	148,613
Reportable segment capital expenditure	39,640
December 2017 Restated*	
Reportable segment assets	282,357
Reportable segment liabilities	121,141
Reportable segment capital expenditure	42,952

* See Note 3

Reconciliation of reportable segment assets and liabilities	Jun 2018 $'000	Restated* Dec 2017 $'000
Total assets for reportable segments	286,888	282,357
Unallocated amounts		
- Corporate assets	21,074	10,444
Consolidated assets	307,962	292,801
Total liabilities for reportable segments	148,613	121,141
Unallocated amounts		
- Corporate liabilities	29,914	11,196
Consolidated liabilities	178,527	132,337

* See Note 3

Notes to the condensed consolidated interim financial statements

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of production. Segment assets are based on the geographical location of assets.

	Revenues Jun 2018 $'000	Non-current assets Jun 2018 $'000	Restated* Revenues Jun 2017 $'000	Restated* Non-current assets Dec 2017 $'000
Australia	-	42	-	48
Brazil	95,731	192,540	86,984	187,159
Unallocated amounts	-	31,181	-	30,825
Balance at the end of the period	95,731	223,763	86,984	218,032

* See Note 3

5. Finance income and expense

	Jun 2018 $'000	Jun 2017 $'000
Recognised in profit and loss		
Interest income	907	247
Interest expense	(5,354)	(1,689)
Net foreign exchange loss	(7,728)	(630)
Transaction costs	(53)	(398)
Net finance expense	(12,228)	(2,470)
Recognised directly in equity		
Foreign currency translation differences for foreign operations	(15,383)	(17,457)
Finance loss recognised directly in equity, net of tax	(15,383)	(17,457)

6. Inventories

	Jun 2018 $'000	Restated* Dec 2017 $'000
Spare parts, raw materials and consumables	14,818	13,121
Ore stockpiles	9,421	9,451
Gold in circuit	2,340	7,382
Gold bullion	3,998	7,236
Balance at the end of the period	30,577	37,190
Current	30,577	37,190
Non current	-	-
Balance at the end of the period	30,577	37,190

* See Note 3

Net realisable value

Ore stockpiles have been valued at net realisable value (NRV). As a result, the Group has recognised a write-down of $2.2 million (2017: $6.9 million write-down) in respect of low grade ore mined during the period. The NRV write-down has been recognised in cost of goods sold during the period.

NRV is estimated by modelling using assumptions with respect to planned usage, future processing costs and forecast gold prices. Accordingly, periodic adjustments to the carrying value of ore stockpiles will occur over time depending upon the assumptions used at each reporting date. These adjustments may result in a write-down or write-back depending upon assumptions used.

All other inventories are held at cost at reporting date.

Notes to the condensed consolidated interim financial statements

7. Property, plant and equipment

	Jun 2018 $'000	Dec 2017 $'000
Cost		
Opening balance	247,333	229,959
Additions	36,524	32,624
Transfers from ore stockpiles	-	11,822
Disposals	(7)	(3,119)
Effect of movements in exchange rates	(27,338)	(23,953)
Balance at the end of the period	256,512	247,333
Depreciation		
Opening balance	(110,063)	(95,017)
Depreciation	(10,940)	(30,171)
Disposals	3	2,794
Effect of movements in exchange rates	14,514	12,331
Balance at the end of the period	(106,486)	(110,063)
Carrying amount		
Opening balance	137,270	134,942
Balance at the end of the period	150,026	137,270

8. Trade and other payables

	Jun 2018 $'000	Dec 2017 $'000
Trade payables	27,600	39,362
Accruals	5,056	16,972
Other payables	4,078	2,336
Balance at the end of the period	36,734	58,670
Current	36,734	58,670
Non current	-	-
Balance at the end of the period	36,734	58,670

In accordance with the MACA Termination Agreement, amounts owing to MACA were transferred from trade and other payables to borrowings. Refer note 10 for further information.

9. Other financial liabilities

Convertible debentures

An embedded derivative liability has been recognised upon initial recognition of the convertible debentures as the debenture holders have the option to convert at a fixed price of US$0.0815 per share which is different from the Company's Australian dollar functional currency. The fair value of the embedded derivatives on issue of the convertible debentures was estimated to be $5.6 million. The embedded derivative liability was revalued at 30 June 2018 with the change in fair value recognised in the statement of profit or loss. Refer note 10 for further information.

Warrants

On 7 May 2018 and 28 June 2018, the Company issued 50,859,225 and 94,129,125 attaching warrants to fully paid ordinary shares respectively to investors in conjunction with the completion of Tranches 1 and 2 of the share capital raising (refer note 11). The warrants have an exercise price of US$0.0815 and expire three years from the date of issuance. As the warrants are exercisable in United States dollars and the Group's functional currency is Australian dollars, an embedded derivative liability of $4.2 million has been recognised at 30 June 2018. All the warrants remain outstanding at 30 June 2018.

Notes to the condensed consolidated interim financial statements

10. Borrowings

	Jun 2018 $'000	Dec 2017 $'000
MACA Loan	60,729	9,675
Santander – Itaú Facility	20,390	22,677
Convertible Debentures	7,857	-
Other bank facilities	25,512	23,449
Balance at the end of the period	114,488	55,801
Current	51,935	55,801
Non current	62,553	-
Balance at the end of the period	114,488	55,801

On 22 June 2018, the Company announced the MACA Termination Agreement. All amounts owing to MACA were consolidated into one $61 million loan. Interest is payable quarterly at a rate based on the RBA cash rate plus 5% per annum. An initial payment of $3 million was made in July 2018 and a further payment of $3 million is due 31 March 2019 and thereon monthly payments of $1.5 million commencing 1 July 2019 are required until the loan is repaid or 30 June 2022, whichever is earlier. Additionally, if Beadell undertakes a new share capital raising or debt issue, a repayment equal to 30% of the proceeds (after costs) received is due.

On 7 May 2018 and 28 June 2018, the Company issued two tranches of senior secured convertible debentures totalling US$10 million ($13.4 million) due 30 June 2023. Interest is payable semi-annually on 30 June and 31 December of each year at an interest rate of 6% per annum, commencing on 31 December 2018. An embedded derivative liability of $5.6 million has been recognised at 30 June 2018 in relation to the debenture holders option to convert (refer note 9).

The balance of the Santander – Itaú Facility as at 30 June 2018 is US$15 million ($20.4 million). Subsequent to the end of the period, the Group has received a waiver in respect of a prior year facility covenant breach. For further details regarding this breach, please refer to the Company's 2017 Annual Report. The Santander – Itaú Facility is scheduled to be repaid in full by April 2019.

The Group's other facilities comprise US$18 million ($24.3 million) in unsecured interest bearing bank facilities, which are fully drawn at 30 June 2018.

11. Share capital

Movement in share capital for the half year ended 30 June 2018

Ordinary share capital	Number of Shares '000 shares	Share Capital $'000
On issue at the beginning of the period	1,233,430	303,512
Issued for cash	193,319	11,859
Issued in respect of share capital raising fees	16,692	-
Equity transaction costs		(2,264)
On issue at the end of the period	1,443,441	313,107

Capital raising

In May 2018 and June 2018, the Company raised $5.6 million and $10.4 million before costs, through the placement of 67,812,300 and 125,505,500 fully paid ordinary shares and 50,859,225 million and 94,129,125 attaching warrants, respectively, to sophisticated and professional investors. The fair value of the warrant embedded derivative of $4.2 million has been recognised as a liability in accordance with the accounting standards.

12. Share-based payments

Share Options

The Group has an established Employee Share Option Plan ("ESOP") under which Share Options can be offered to Key Management Personnel, employees and other parties. All Share Options issued under the ESOP are subject to the ESOP terms and conditions as disclosed in the Company's 2017 Annual Report.

Share Options granted during the period

No Share Options were granted during the period.

Forfeiture of unissued shares

During the period, 3,500,000 Share Options exercisable at $0.20 and 3,500,000 Share Options exercisable at $0.25 were forfeited as a result of failure to meet vesting conditions.

Performance Rights

The Group has an established Performance Rights Plan (“PRP”) under which Performance Rights may be offered to Key Management Personnel and employees. All Performance Rights issued under the PRP are subject to the PRP terms and conditions as disclosed in the Company’s 2017 Annual Report.

Performance Rights granted during the period

No Performance Rights were granted during the period.

Performance Rights forfeited during the period

2,472,551 Performance Rights, vesting 31 December 2018 were forfeited as a result of failure to meet vesting conditions.

Warrants

Warrants granted during the period

On 7 May 2018 and 28 June 2018, the Company issued 4,520,940 and 7,998,420 attaching warrants to fully paid ordinary shares respectively to CIBC and Cormack as compensation for services provided in the completion of Tranches 1 and 2 of the share capital raising (refer note 11). The warrants have an exercise price of US$0.0815 and expire three years from the date of issuance. All the warrants remain outstanding at 30 June 2018.

Share Capital Raising Fees

On 7 May 2018 and 28 June 2018, the Company issued 6,027,920 and 10,664,560 fully paid ordinary shares respectively at an issue price of $0.083 per Share to CIBC and Cormack as compensation for services provided in completion of Tranches 1 and 2 of the share capital raising (refer note 11). The total value of the share based payments for the equity raising, including the warrants above, is $1.7 million.

13. Subsequent events

Share capital raising

On 14 August 2018, the Company raised $11.8 million before costs, through a placement of 218,293,000 fully paid ordinary shares at an issue price of $0.054 per share, to international institutional and sophisticated investors for the following purposes:

- Completion of the Tucano Plant Upgrade,
- Working capital,
- General corporate purposes, and;
- Application of 30% of net proceeds to the MACA Loan in accordance with the terms of the MACA Termination Agreement.

Appointment of Chief Executive Officer & Managing Director

On 15 July 2018, Dr Nicole Adshead-Bell, a non-executive director of the Company since September 2016, was appointed as CEO and Managing Director of the Company.

There have been no other events subsequent to balance date which would have a material effect on the Group’s condensed consolidated interim financial statements.

Directors' declaration

1. In the opinion of the directors of Beadell Resources Limited ("the Company"):

   (a) the condensed consolidated interim financial statements and notes 1 to 13 that are contained within are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the half year ended on that date; and

      (ii) complying with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

____

Nicole Adshead-Bell
Managing Director

Dated at Perth, this 30th day of August 2018

KPMG

Independent Auditor's Review Report

To the shareholders of Beadell Resources Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of Beadell Resources Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Beadell Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 30 June 2018 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises:

- Condensed consolidated interim statement of financial position as at 30 June 2018
- Condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the half-year ended on that date
- Notes comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The ***Group*** comprises Beadell Resources Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- for such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that is free from material misstatement, whether due to fraud or error.

Independent auditor's review report

Auditor's responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2018 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Beadell Resources Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

KPMG

Graham Hogg
Partner
Perth
30 August 2018

Auditor’s independence declaration

Lead Auditor’s Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Beadell Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Beadell Resources Limited for the half-year ended 30 June 2018 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Graham Hogg
Partner
Perth
30 August 2018