

GREAT PANTHER SILVER ADVANCES TERM LOAN TO BEADELL RESOURCES

Beadell Resources Limited (Beadell or Company) announces that further to ASX release 24 September 2018 announcing the friendly acquisition of the Company by Great Panther Silver Limited (TSX: GPR; NYSE American: GPL) (Great Panther) Great Panther and Beadell have entered into a loan agreement (the “Loan Agreement”) pursuant to which Great Panther has agreed to advance Beadell and its subsidiary, Beadell Brasil Ltda. (“Beadell Brasil”), as joint and several borrowers, a non-revolving term loan in the principal amount of US\$5,000,000 (the “Loan”). The proceeds of the Loan are expected to be used by Beadell Brasil for its general working capital requirements.

Pursuant to the Loan Agreement, the Loan will bear interest at the rate of 14% per year in arrears and has a term to January 15, 2019 (which maturity date may be extended by mutual agreement for an additional 30-day period as required). In accordance with the Loan Agreement, Beadell and Beadell Brasil have agreed to immediately prepay any outstanding principal balance of the Loan with any proceeds of PIS (Programas de Integração Social e de Formação do Patrimônio do Servidor Público) and COFINS (Contribuição para Financiamento da Seguridade Social) tax refunds, immediately upon receipt of such proceeds.

Dr Nicole Adshead-Bell, CEO & Managing Director of Beadell, commented: “The Board and I would like to thank Great Panther for their financial support. This loan demonstrates Great Panther’s commitment to Tucano and to Beadell shareholders as we advance towards completing the scheme of arrangement in early 2019 resulting in a transaction that will benefit both companies’ shareholders. Our cash flow was negatively impacted by the sparger issues in November, which restricted our ability to process higher grade sulphide ore as planned. The Tucano site team, led by General Manager Fabio Marques with Plant Maintenance Specialist Ed Swarts, has focused on troubleshooting the oxygen plant sparger issues. A positive step change in plant performance was achieved in early December”.

NOVEMBER PRODUCTION & TUCANO PLANT UPGRADE UPDATE

November production was 12,471 ounces gold, 17% less than October production of 15,046 ounces (ASX Release 22 November 2018), resulting in 107,448 ounces of gold for the first 11 months of 2018. November production was lower than internal forecasts due to issues relating to the spargers that inject oxygen into the leach tanks, deferring processing of elevated volumes of higher grade sulphide ore. In addition, multiple partial unplanned shutdowns related to the sparger issues further limited plant processing capacity for November. The Tucano site team has worked tirelessly to redress the sparger issues, including replacement of sparger nozzles and changing position of oxygen injection sites. This work is ongoing. On 4 December 2018 the Tucano plant processed 87% of predominantly pyrrhotite sulphide ore, with 92.91% gold recovery, demonstrating that feasibility study parameters are achievable. The Tucano team continues to work on the oxygen injection issues and is also focused on optimising the plant to achieve planned recoveries for a variety of sulphide ore types and sulphide/oxide blends. Tucano’s sulphide ore comprises predominantly pyrite from the southern part of the 7 km long Tucano trend (e.g., Tap AB) and predominantly pyrrhotite from the northern part (e.g., Urucum). Forecast CY2018 production will be at the low end of guidance of 125,000 to 135,000 ounces and AISC will be at the higher end of guidance of US\$1,000 to US\$1,100 per ounce (June Quarterly Report) due to the sparger issues and related plant performance. Beadell will provide further information in due course.

ABOUT BEADELL

Beadell operates the Tucano Gold Mine in mining-friendly Amapá State, northern Brazil. Tucano occurs within 2,500 km² of 100%-owned, highly prospective and under-explored ‘Birimian age’ greenstone terrane. The recently upgraded Tucano plant can process approximately 3.5 million tonnes per year of oxide-sulphide ore feed in a wide range of blends. There is a pregnant pipeline of high potential in-mine and near-mine prospects, anchored by several high-grade gold drill intervals over several metres, that are the near-term opportunity to improve the head grade and prolong the mine life.

ABOUT THE SCHEME OF ARRANGEMENT

On 24 September 2018, Great Panther and Beadell announced they had entered into a Scheme Implementation Deed whereby Great Panther will acquire all of the issued ordinary shares of Beadell by means of a Beadell scheme of arrangement (Scheme) under the Australian Corporations Act 2001. Under the terms of the Scheme Beadell shareholders will receive 0.0619 common shares of Great Panther, representing a 69% premium to Beadell's volume-weighted average share price for the 20 trading days preceding the announcement. Upon completion of the transaction Beadell shareholders are expected to own approximately 38% of the combined company.

Key highlights of the transaction include:

- The creation of a new emerging and growth-oriented precious metals producer with numerous high-value, low risk organic growth opportunities with potential to drive further production increases;
- Strong balance sheet;
- Robust growth profile;
- Geographic diversity;
- Diverse asset portfolio including three producing mines, an advanced stage project, and significant exploration potential;
- Reduction in corporate G&A per gold-equivalent ounces; and
- Attractive re-rating potential.

The directors of Beadell unanimously recommend that shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the independent expert opining that the Scheme is in the best interests of shareholders and have provided support agreements confirming that they will vote the shares they own or control in favour of the Scheme, subject to the same conditions. Shareholders holding in aggregate 18.06% of Beadell agreed to vote in favour of the Scheme, in the absence of a superior proposal and not to dispose of their Beadell shares, except in respect of a superior proposal. Those shareholders include funds associated with Equinox Partners holding 9.84%, Donald Smith & Co. holding 7.15%, other smaller shareholders, directors and management.

FOR FURTHER INFORMATION PLEASE CONTACT:

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