

BEADELL RECEIVES ~US\$10.3 MILLION TAX CREDIT

Beadell Resources Limited (Beadell or Company) is pleased to announce receipt of BRL\$37.9 million (~US\$10.3 million) of tax refunds from COFINS (Contribuição para Financiamento da Seguridade Social). In addition, the Company has begun proceedings for the remaining ~BRL\$40 million (~US\$10.9 million) of COFINS currently owed.

Dr Nicole Adshead-Bell, CEO & Managing Director of Beadell, stated: “The receipt of 50% of our outstanding COFINS tax credit is due to the extraordinary efforts of our Brazilian financial team since August 2018. We believe we are one of the few companies that have taken this approach and now have a proven strategy. We are very confident of receipt of 50% of our PIS (Programas de Integração Social e de Formação do Patrimônio do Servidor Público) tax credit in the September 2019 quarter. We expect this tax refund will be ~BRL\$11 million (~US\$3M).”

As part of the loan agreement with Great Panther Silver Limited (Great Panther) (ASX Announcement 7 December 2018) Great Panther has a right to prepayment of any outstanding principal balance of the non-revolving term loan of US\$5 million from the proceeds of PIS and COFINS tax refunds.

Beadell’s January 2019 debt and interest payment schedule also includes:

- US\$5 million Santander-Itaú Facility principal debt repayment in January 2019 (with the final US\$5 million repayment scheduled for April 2019) and
- AUD\$0.9 million quarterly interest payment to MACA Ltd in January 2019.

Beadell and Great Panther Silver Ltd (Great Panther) are advancing to complete Great Panther’s friendly acquisition of Beadell (see further details below), forecast to close shortly following the shareholder meetings of the respective companies on 11 February 2019 for Great Panther and 12 February 2019 for Beadell, given shareholders’ approval. Great Panther’s strong balance sheet will be an important source of funding for the Company post completion for the purposes of debt servicing and working capital.

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 twenty trading days preceding the announcement. Upon completion of the transaction Beadell shareholders are expected to own approximately 38% of the combined company.

Beadell released the Scheme Booklet on 21 December 2018 and the Scheme Meeting will be held at 10:00am (Perth time) on 12 February 2019 with the second court date to approve the scheme on 15 February 2019. Great Panther filed its Management Information Circular in respect of the acquisition of Beadell on its website at www.greatpanther.com, on its SEDAR profile at www.sedar.com, and on its EDGAR profile at www.sec.gov on 7 January 2019. A Special Meeting of shareholders of Great Panther to vote on the acquisition of Beadell is scheduled for 9:00 a.m. (Vancouver time) on 11 February 2019.

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 ounce; 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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