



Quarterly Report to Shareholders Period Ending 31 March 2008

ASX Code: BDR

Directors:

Mike Donaldson	Non-Exec Chairman
Peter Bowler	Managing Director
Robert Watkins	Exec Director Exploration
Greg Barrett	Company Secretary

Corporate Details:

Cash at Bank 31 March 2008:
\$11.6M

Issued Capital:
93,600,003 ordinary shares

Major Shareholder:
Oxiana 13.7% of issued capital

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Peter Bowler
Managing Director

HIGHLIGHTS

- **Queensland – Conditional Acquisition Cracow Gold Mine**

On 4 April 2008 the Company signed a conditional agreement with Newcrest Mining Limited ("Newcrest") to acquire its 70% controlling interest in the 100,000 oz pa Cracow Gold Mine ("Cracow") for A\$200 million.

Cracow represents a unique investment opportunity for the Company to take control of a low cost, high quality, low risk, producing gold asset.

It is expected that a life of mine plan of more than 5 years will be implemented which will generate significant net cash flows improved by the fact that the vertical and a majority of the horizontal underground capital development for the next three years has already been completed.

Merrill Lynch and Morgan Stanley have been engaged to act as joint lead managers to the proposed capital raising to fund the acquisition. Newcrest has agreed to underwrite a portion of Beadell's equity raising up to A\$50 million.

- **Western Australia – Numerous calcrete gold anomalies were identified on the Neale Prospect at the Tropicana East Project by auger drilling. Gold anomalies up to 18.8ppb over a 5km strike length have been identified.**

- **Victoria – Spectacular results from RC drilling at the Reedy Creek Project confirmed the presence of a significant discovery at the Apollo Prospect. Results include 20m @ 14.5g/t gold from 65m (including 5m @ 54.2g/t) and 6m @ 10.1g/t from 67m.**

- **Brazil – Diamond drilling commenced at the Tartaruga Project with 2 rigs double shifting and at the end the quarter 10 holes for a total of 1,095m had been completed. Approximate true width results have included 3m @ 4g/t from 11m.**

- **Western Australia – A land access agreement has been drafted with the Traditional Owners paving the way for exploration activities to commence on the Handpump gold anomaly at the West Musgrave Project.**

CRACOW

On 4 April 2008 the Company announced that a conditional agreement was signed with Newcrest Mining Limited ("Newcrest") to acquire its 70% controlling interest in the 100,000 oz pa Cracow Gold Mine ("Cracow") for A\$200 million. The mine is located in Queensland, Australia and includes the underground gold mining and processing operations and 550km² of highly prospective surrounding tenements. The acquisition is conditional on Newcrest's Joint Venture Partner, Lion Selection Limited ("Lion"), either waiving or not exercising a pre-emptive right to acquire the 70% interest on the same terms and conditions as those offered by Beadell.

The Board believes that the addition of Cracow to Beadell's existing portfolio of assets will form a strong platform for the Company to become a significant participant within the Australian gold industry. Beadell's 70% ownership of Cracow represents a unique investment opportunity for the Company to take control of a high quality, low risk, producing gold asset that is fully leveraged to the gold price. Cracow will also be highly complementary to Beadell's existing portfolio of exploration and development assets located in Australia and Brazil.

It is expected that a life of mine plan of more than five years will be implemented which will generate significant net cash flows improved by the fact that the vertical and a majority of the horizontal underground capital development for the next three years has already been completed. Additionally, reliable coal fired grid power, which provides power for all of the plant requirements and the electrically driven underground earthmoving equipment, will effectively insulate the operation from any anticipated rise in oil prices. The secure cash flow from the mine will be used to fund an exploration program that will fully test the potential of the proven mineralised system at Cracow and rapidly progress the Company's existing exploration and development assets.

Whilst Cracow's reserves, resources and production were not material to Newcrest, Cracow will be "showcased" within Beadell where it will constitute the majority of the Company's portfolio.

Merrill Lynch and Morgan Stanley have been engaged to act as joint lead managers to the proposed capital raising to fund the acquisition. Newcrest has agreed to underwrite a portion of Beadell's equity raising up to the lesser of A\$50 million or 19.9% of Beadell's post-acquisition fully diluted issued capital.

Importantly for existing shareholders the deposit of A\$2 million paid to Newcrest will be refunded if Lion exercises its pre-emptive right. If capital raising is unsuccessful and Newcrest considers that the failure to secure the finance was due to the prevailing market conditions then Beadell is entitled to a full refund of the deposit, with interest. If Shareholder approval is not forthcoming, then the deposit is not refundable.

A comprehensive PowerPoint presentation titled "Investor Presentation – Cracow" is located on the Beadell Resources Website under the "News" section.



Photo: Cracow Processing Plant – Queensland

EXPLORATION

WESTERN AUSTRALIA

Tropicana East Project

During the quarter, exploration activities focussed on the Neale Prospect located 60km northeast of the Anglogold / Independence Tropicana gold deposit. A total of 2,034 auger holes were completed over the entire tenement on a reconnaissance 1km x 250m hole spacing. Numerous calcrete gold anomalies were identified by the drilling, some with >10ppb anomalism over a 5km strike length and gold assays up to 18.8ppb (Figure 1). These anomalies are considered to be highly significant considering the 4Moz Tropicana gold deposit was discovered beneath a calcrete soil anomaly with a maximum result of 32ppb. The auger rig has now mobilised to the Pleiades Prospect 20km east of Tropicana to complete systematic calcrete sampling across the entire tenement on a 500m by 500m spacing. Good progress is being made due to the abundance of near surface calcrete and the programme is expected to be completed by the end of April 2008.

A 25km access track has been cleared to create access into the northern part of the tenement for use by both auger and aircore drill crews. A semi permanent fly camp including accommodation, generator and reverse osmosis water treatment plant has been constructed on site and is now fully functional.

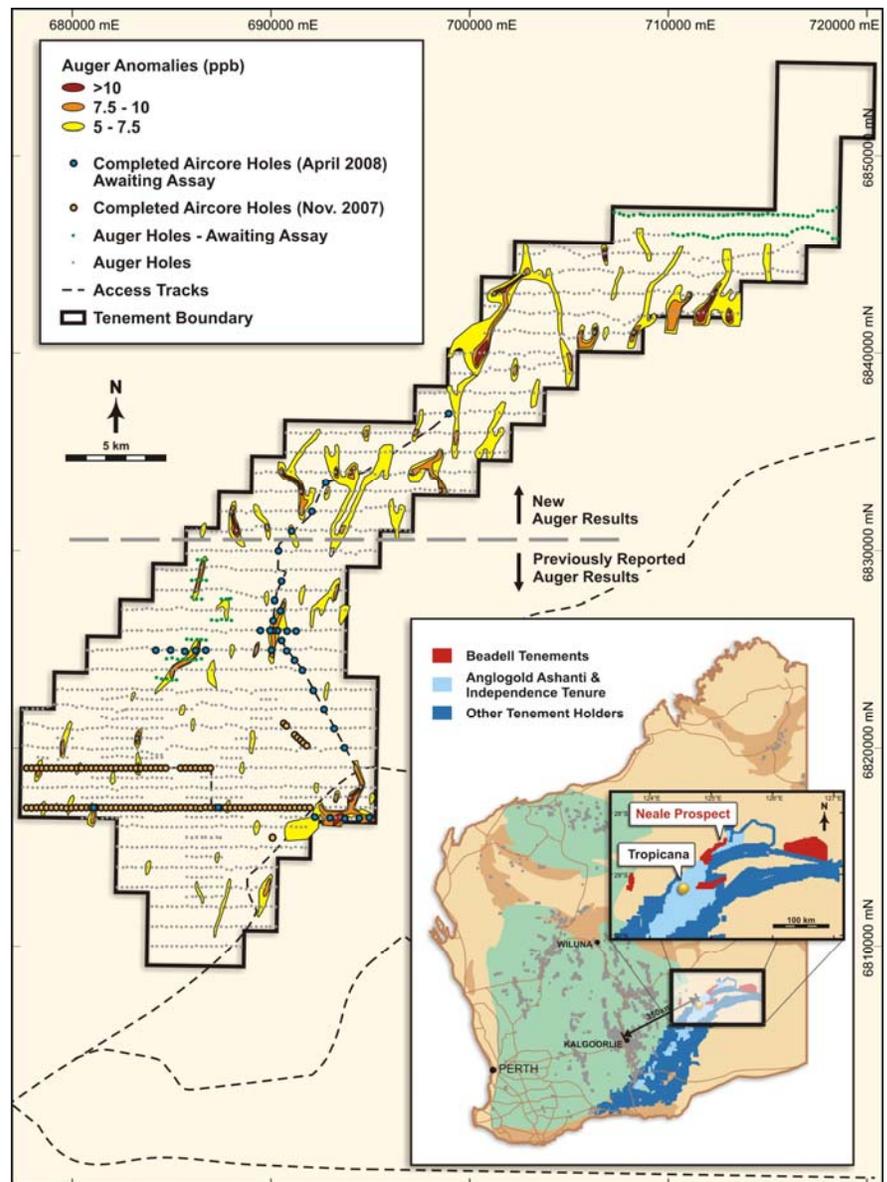


Figure 1 Tropicana East - Neale Prospect Soil Anomalies and Location Plan

Challenge Drilling mobilised an aircore rig to the Neale Prospect on 28 March to complete a drilling programme of 60 holes. The aim of the programme is to test key calcrete soil anomalies across the tenement as well as infill between earlier anomalous aircore holes drilled in November 2007. The drilling will also test cover depth and basement lithologies at wide spacing along the access tracks to look for regional geochemical indicators and major structural and alteration vectors to mineralisation in the basement.

No results from the current drilling program have been received to date, however the drilling has confirmed the presence of a basement high of relatively shallow cover (<35m) that extends from the southern two drill

traverses completed in November 2007 up through the western half of the tenement to the position of the new auger anomalies that are currently being drilled. This area appears to be a major structural and alteration pathway with favourable lithological host rocks and will form the key exploration target for a major aircore drilling program on approximately 2km spaced drill traverses.

A detailed aeromagnetic survey will be flown over both the Neale and Pleaides tenements in June / July 2008 infilling the 400m government flown survey down to 200m spacing. This detailed survey will be used to target structural and alteration pathways beneath the prospective covered areas of the tenements.

West Musgrave

Land access has been agreed with the Traditional Owners paving the way for on ground exploration activities to commence in the next quarter. A major undrilled gold soil anomaly called the Handpump Prospect is a walk up drill target.

Lake Mackay

A work plan has been prepared for preliminary reconnaissance mapping and soil sampling of the Dwarf Well and Mt Webb group of tenements. Commencement of this work is expected next quarter.

VICTORIA

Reedy Creek

The first phase of RC drilling has been completed at the Golden Dyke and Apollo prospects with 27 RC holes (3,486m) and 3 diamond holes (270m) drilled as at the end of March 2008. Results from the RC drilling confirm the presence of a significant discovery at the Apollo Prospect where drill hole VCRC022 intersected an uncut composite result of **20m @ 14.5g/t** gold from 65m including **5m @ 54.2g/t** (Figure 2). This hole lies at the northern end of one of a series of mineralised diorite dykes in excess of 200m length and remains completely open to the north and at depth. Drill holes VCRC011 and VCRC007 displayed strong down dip continuity of high grade gold mineralisation at Apollo with respective results of **18m @ 4.5g/t** from 37m and **15m @ 4.6g/t** from 62m including **6m @ 10.1g/t** from 67m (Figure 2 & 3).

Spectacular zones of dyke breccia with quartz stibnite veining were intersected in diamond hole VCRD002 and VCRD003 showing wide zones of relict sulphide textures in weathered diorite dyke. Results are pending on all diamond drilled holes and are anticipated to be available in the next 2-3 weeks.

The initial results from drilling at Apollo are extremely encouraging. Apollo and Golden Dyke are the first of a series of dyke targets that exist over a 30km strike that is remarkably unexplored. Plans are being made to fast track the next phase of drilling leading to a maiden JORC resource calculation, engineering and metallurgical studies.

Hole Number	From (m)	To (m)	Width (m)	Gold (g/t)
VCRC022*	65	85	20	14.5
Incl.	70	75	5	54.2
VCRD002*	80	85	5	8.4
VCRC007	6	8	2	6.9
Incl.	62	77	15	4.6
	67	73	6	10.1
	87	90	3	2
	94	100	6	0.6
	112	124	12	0.6
	137	141	4	0.7
	149	156	7	1.8
VCRC026	0	2	2	0.7
Incl.	13	27	14	1.6
	21	24	3	3.7
VCRC011	15	19	4	6.6
Incl.	15	17	2	12.4
Incl.	37	55	18	4.5
	42	52	10	7.1
	92	111	19	1.4
VCRC008	30	34	4	0.6
	38	42	4	1
	49	55	6	0.8
	80	82	2	3.8
VCRC010	99	103	4	0.6
VCRC013	29	30	1	2.2

Table 1 Reedy Creek Significant Gold Results
(* = 5m composite)

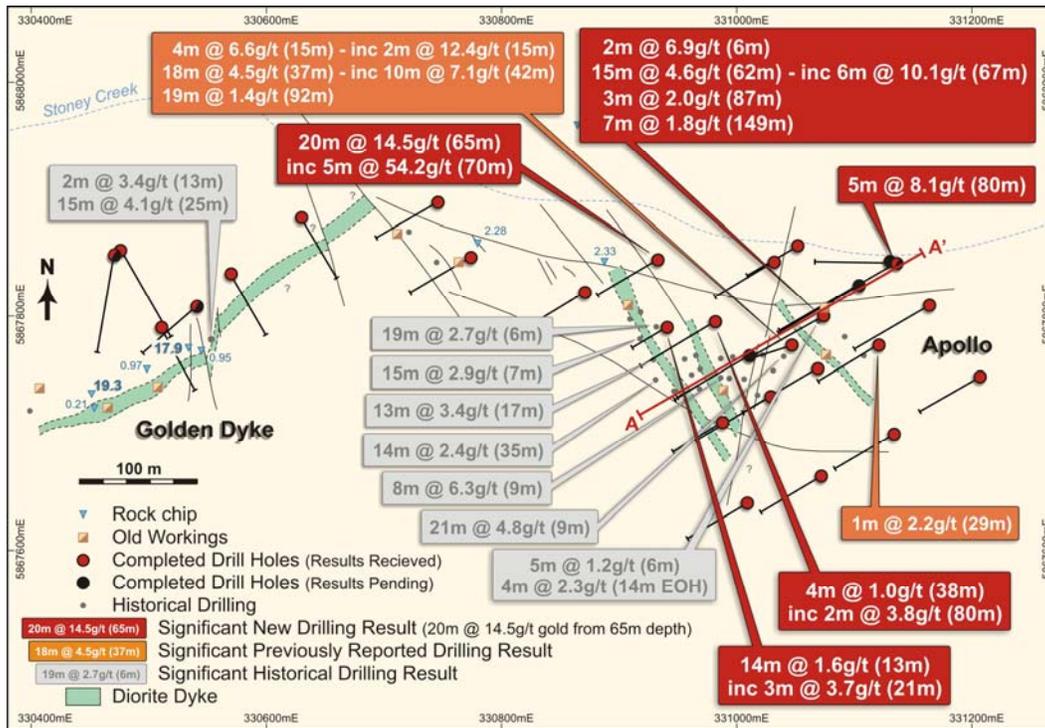


Figure 2 Reedy Creek Prospect Location Plan

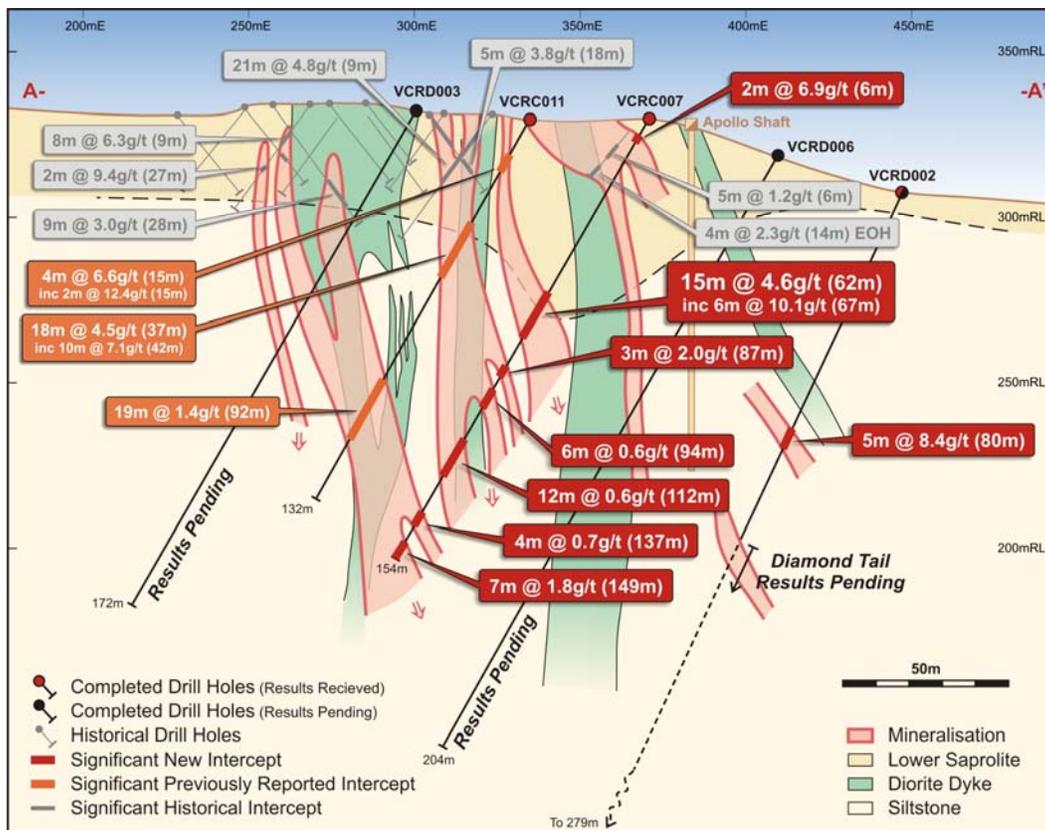


Figure 3 Reedy Creek Drill Section (See A-A' on Figure 2)

BRAZIL

Tartaruga

In February Rede Drilling commenced diamond drilling at Tartaruga with 2 rigs double shifting and at the end of March had completed 10 holes for a total of 1,095m (BTD001-10). Sample turnaround has caused delays in receiving assays, however significant results have been received, including **3m @ 4g/t from 11m**.

The initial drilling has focussed primarily on the Mandiocal target where previous wide spaced historical drilling had identified at least two zones of gold mineralisation dipping shallowly to the southwest. The northern most zone is hosted within the main quartzite unit with historical results of 3m @ 7.2g/t from 60m and 2.4m @ 3.9g/t from 32.8m approximating true width intersections in shear controlled vein mineralisation. Drilling has been targeted on an 80m by 80m spacing with a best result received to date of 2.5m @ 2.9g/t from 8m (Figure 4). Further results are pending.

The southern zone at Mandiocal has only been tested with a single hole thus far which recorded an intercept of 7m @ 1.6g/t from surface within in an extensive mullock dump derived from the Mandiocal pit. Sampling of a previously unsampled section of an historical drill hole produced a very encouraging result of 12m @ 1.5g/t from 2m including 3m @ 4g/t from 11m interpreted to represent the subsurface expression of the mineralised structure.

Drilling has recently commenced at the Bananal Prospect where previous wide spaced drilling intersected results of 2m @ 15.3g/t from 62m and 3m @ 6.6g/t from 126m approximating true width intersections. Only two holes have been completed to date with results pending from both holes.

At the main Mineiro Zeta deposit which hosts a majority of the known gold mineralisation a large infill and extensional diamond drilling program is planned to confirm and extend the mineralisation along strike and at depth. A total of 22 holes have been planned in this area and will be drilled in the June quarter.

Hole Number	From (m)	To (m)	Width (m)	Gold (g/t)
TTD-006-05	2	14	12	1.5
Incl.	11	14	3	4.0
BTD003	0	7	7	1.6
BTD005	2	9	7	0.8
Incl.	6	9	3	1.3
	37	40	3	0.8
BTD008	8	10.5	2.5	2.9

Table 2. Significant diamond drilling results from Mandiocal Prospect

A maiden JORC resource for the Tartaruga project will be delivered in the September Quarter leading into Scoping and Prefeasibility studies.

Outside of the main Mineiro to Bananal mineralised trend reconnaissance soil sampling was progressed during the quarter with a total of 166 samples taken on a wide spaced grid. The soil sampling has identified numerous regional gold anomalies to follow up including new anomalies at the Jucelino Prospect 1.5km south of Mineiro where several greater than 50ppb gold results indicate a subparallel northwest trend which is also highlighted in aeromagnetics as a linear target over several kilometres long. Two diamond holes were drilled at Jucelino targeting quartz tourmaline pyrite vein mineralisation that was mined in the Jucelino pit. No previous drilling has been completed in this area. The drilling intersected a series of deformed mafic and felsic units with results up to 0.54g/t from incomplete results. The Jucelino prospect is one example of a new unexplored trend at the Tartaruga project. Follow up soil sampling and mapping will be completed in the next quarter.

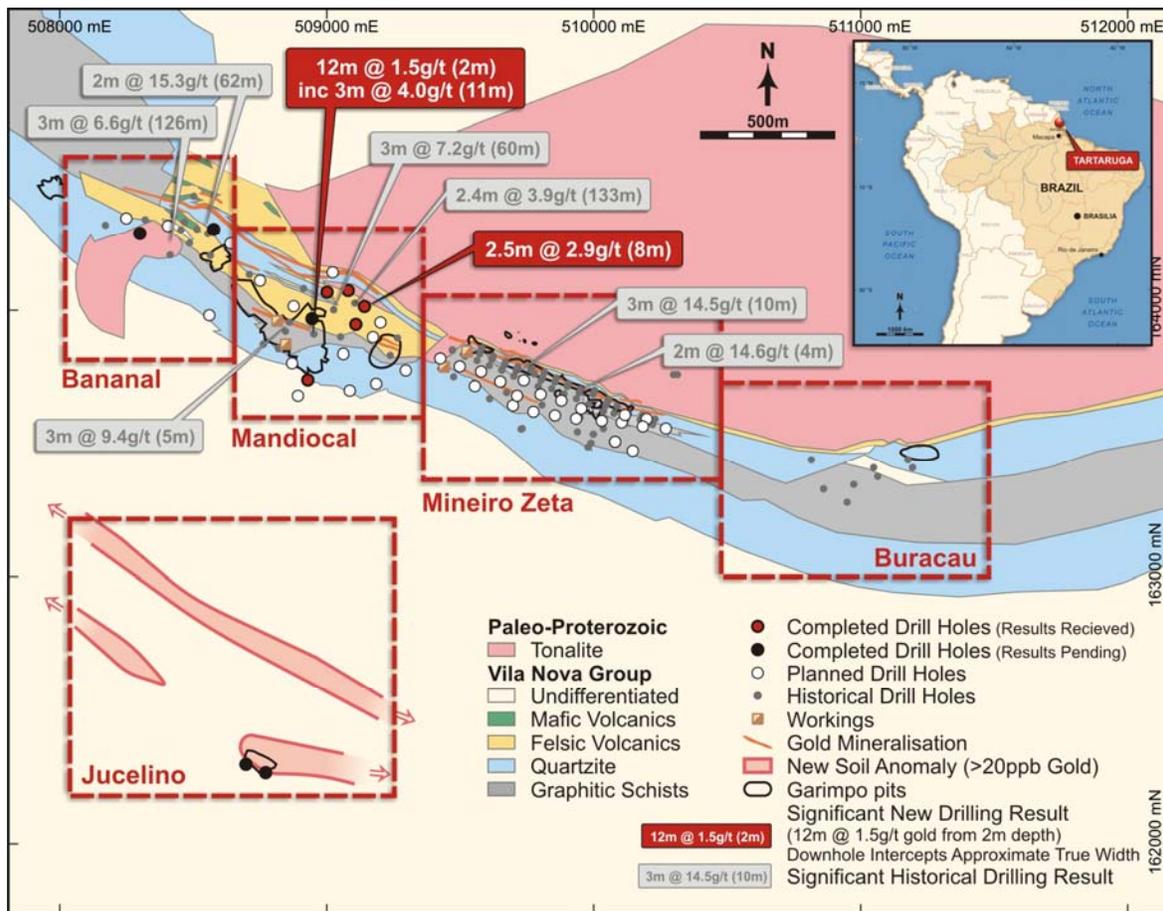


Figure 4 Tartaruga Drill Hole Location Plan

CORPORATE & FINANCE

The Company had cash at bank of \$11,598,000 at 31 March 2008 plus a further \$1 million to be raised at \$0.48 per share under the Drilling Alliance with Challenge Drilling.

A Notice of General Meeting will be circulated to shareholders next week to approve the proposed acquisition of Newcrest's 70% interest in Cracow and the issue of shares. Merrill Lynch and Morgan Stanley have been engaged to act as Joint Lead Managers to the proposed capital raising.

As previously stated, Beadell continues to evaluate sensible acquisitions to elevate the company as a high ranking participant within the Australian gold industry.

Competent Persons Statement

The information in this report relating to Exploration Results and Mineral Resources is based on information compiled by Mr Robert Watkins who is a member of the Australian Institute of Mining and Metallurgy and has sufficient exploration experience which is relevant to the various styles of mineralisation under consideration to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Watkins is a full time employee of Beadell Resources Limited. Mr Watkins consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.