



Quarterly Report for Shareholders Period Ending 30 June 2009

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 30 June 2009: \$5.33 M

Issued capital:
96,600,003 ordinary shares

ABN
50 125 222 291

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Peter Bowler
Managing Director

HIGHLIGHTS

CORPORATE

- **Available Funds** – The Company has available funds totalling over **\$6,330,000** with no bank debt.

EXPLORATION

- **Western Australia, Tropicana East** – A new gold anomaly was discovered called **Hercules**. Results up to **0.7 g/t** gold have been intersected over 3 aircore drill traverses, with further results pending. First pass RC drilling is scheduled for next month.
- **Western Australia, Tropicana East** – Infill aircore drilling at the **Neale** anomaly has defined two coherent north east trending gold corridors. The western anomaly shows a contiguous > 0.1 g/t gold anomaly delineated over a 600 m strike length. Further infill aircore drilling results are pending.
- **Western Australia, West Musgrave** – An option and Joint Venture agreement was entered into with Anglo American for the **Skirmish Hill** project. Anglo American can earn 75 % in the project by expenditure of \$3 million on exploration.
- **Western Australia, West Musgrave** – A government grant to co-fund RC drilling of the Handpump anomaly was received. A 2000 m RC program will be completed in the next quarter. Further encouraging results were received from rock chip sampling of the Handpump breccia with grades up to 1.2 g/t gold.
- **Western Australia, Lake Mackay** – A government grant to co-fund aircore drilling was received. First pass field work on the project identified strongly-altered and brecciated rocks with abundant iron oxides and anomalous copper up to 423 ppm on 1 x 1 km spaced soils.
- **Brazil, Tartaruga** – Development opportunities continue to be assessed for the Tartaruga project with current gold prices supporting the potential for a highly profitable open pit operation to be established.

EXPLORATION

The calibre of Beadell's exploration projects was highlighted during the quarter by a grant from the Western Australian government as part of the royalty for regions initiative. A total of \$143 750 is available for co-funding RC drilling of the Handpump gold prospect in the West Musgrave and first pass aircore drilling at Lake Mackay.

Exploration during the June quarter focussed on the Western Australian projects, particularly the highly prospective Tropicana East project where a significant new gold anomaly was discovered at the **Hercules** anomaly with results up to 0.7 g/t gold in aircore drilling.

WESTERN AUSTRALIA

Tropicana East Project

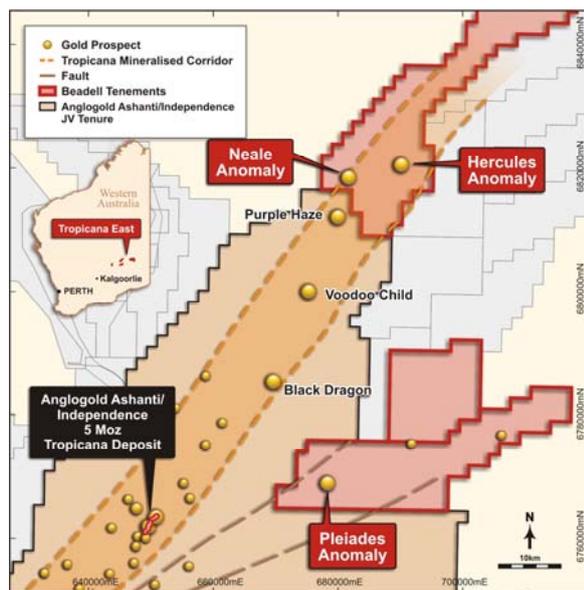


Figure 1 Tropicana East Project showing location of Hercules, Neale and Pleiades Anomalies

During the quarter reconnaissance and infill aircore drilling continued to delineate shallow regolith-hosted gold anomalies at the Neale anomaly and the discovery of a new gold anomaly at Hercules. A total of 52 holes

(NL02363-NL02515) were drilled during the quarter for 6475 m with results pending from approximately two thirds of the drilling.

A maiden RC drilling program will commence at the Tropicana East Project in early August. The 2500 m RC drilling program will target primary bedrock mineralisation beneath the shallow anomalies intersected at the base of aircore drilling at the Neale and Hercules Anomalies.

Hercules Anomaly

A significant new gold anomaly was discovered during wide spaced targeted reconnaissance aircore drilling. The mineralised trend has now been intersected on three wide-spaced drill traverses defining a strike length of at least 1 km with two thirds of the drill results from the recently completed aircore program pending. The anomaly remains open in all directions for several kilometres (Figure 3). Significant new results received include 1 m @ 0.7 g/t gold from 55 m, 1 m @ 0.2 g/t gold from 41 m and 3 m @ 0.1 g/t gold from 42 m.

The Hercules gold anomaly occurs beneath 30 to 40 m of barren transported cover with basement rocks generally stripped of any significant saprolite development (Figure 2). Aircore drill penetration into the prospective basement is generally restricted to only a few metres at most, resulting in only limited geochemical dispersion being detected by the aircore drilling.

The anomaly is located in an area of complex elongate magnetic highs interpreted to be associated with mafic rocks within a major dislocated fold hinge zone (see ASX release 15 May 2009).

The Hercules anomaly is located along a contact between a mafic unit and an undifferentiated gneiss consisting of paragneiss and granite gneiss. Significant

Silica-sericite alteration, disseminated pyrite and quartz-sulphide veining has been observed in several holes.

Independence's 5 Moz Tropicana deposit shown in Figure 2, highlights the subtle nature of the mineralisation encountered during the aircore drilling stage.

A comparison with an early stage discovery drill section at AngloGold Ashanti/

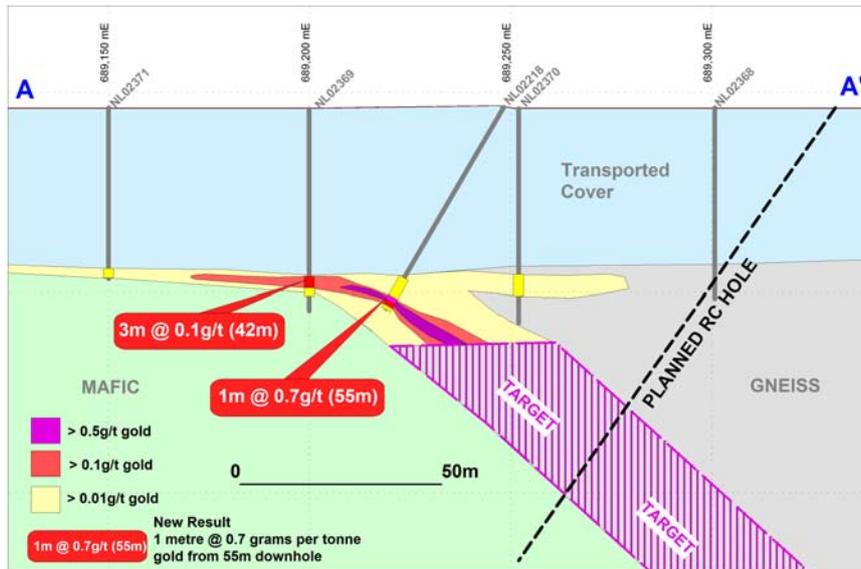


Figure 2 Conceptual cross section of the Hercules gold anomaly.

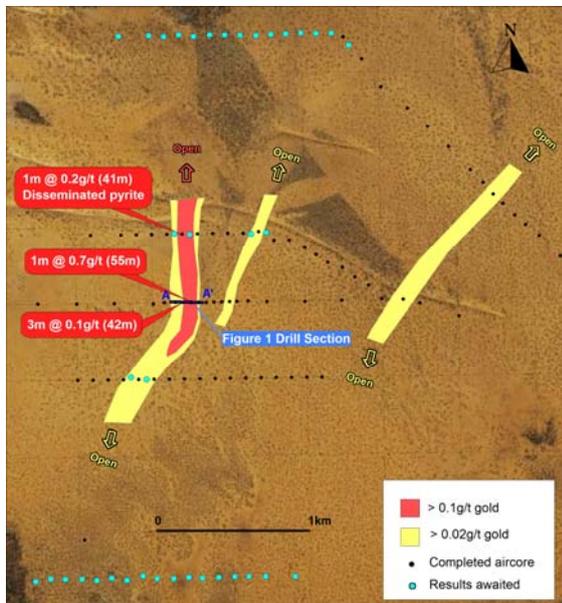


Figure 3 Plan showing location of aircore drill results from the Hercules gold anomaly.

Neale Anomaly

Infill aircore drilling at the Neale Prospect on a nominal 200 x 100 m spacing has defined two coherent north-east trending gold anomalies each over several kilometres long and up to 500 m wide. The Neale Prospect is overlain by shallow transported cover averaging 10 m thick above a moderately weathered basement with some saprolite development.

The western zone is within variably altered and strongly deformed felsic schist with minor iron oxide after disseminated sulphide observed in the weathered bedrock. Results greater than 0.1 g/t gold were intersected on three consecutive drill sections over a strike length of 600 m. The western zone contains a previously reported result of 1 m @ 0.3 g/t gold from 27 m in NL01940, with new results including 1 m @ 0.2 g/t gold from 53 m in NL02313.

The eastern zone is hosted within mafic and felsic gneiss and forms a coherent linear north-east trending anomaly over a 3 km strike

length. Previous aircore drilling along this trend intersected supergene-type gold with results up to 1 m @ 0.7 g/t gold from 23 m.

Results from the latest infill aircore drilling are waited.

Pleiades Prospect

Wide spaced aircore drilling on approximately 1 km by 250 m hole spacing at Pleiades Lakes has intersected a large low tenor gold anomaly 20 km east of the Tropicana deposit (Figure 4). The coherent north-east trending anomaly at greater than 0.01 g/t gold has been intersected on 4 drill traverses over a strike length in excess of 7 km. The anomaly is partly transported and hosted within basal gravels, but is also hosted within bedrock saprolite in a north-east orientation, mimicking the underlying orientation of the basement geology. A maximum result of 0.09 g/t gold was recorded in transported cover within the anomaly. The Pleiades area is interpreted to represent a major north-east faulted offset of the Tropicana structural domain.

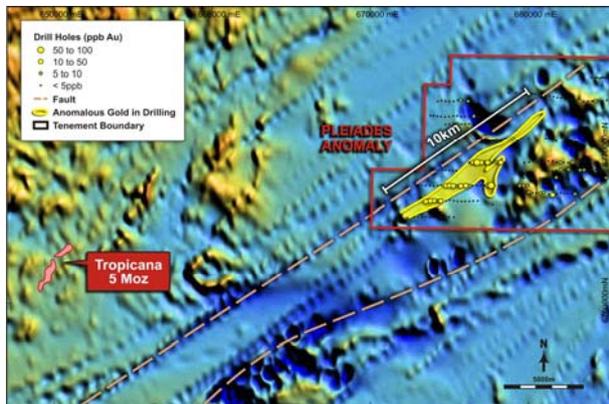


Figure 4 Pleiades Prospect Plan showing thematic gold in aircore drilling and aeromagnetic image.

West Musgrave Project

Handpump Prospect

A campaign of field mapping, rock and soil sampling commenced on the 20 May. Two costean sample intervals of 11 m @ 0.5 g/t and 13 m @ 0.6 g/t were resampled on 2 m and 1 m intervals respectively. The results

show consistently highly elevated gold values as high as 1.2 g/t gold indicating widespread gold mineralisation within the area of hydrothermal brecciation (Table 1).

Definitive testing of this zone will now be facilitated by a 2000 m RC drilling programme which will be co-funded by the West Australian government as part of the Exploration Initiative Scheme (EIS) program.

Sample	NAT_North	NAT_East	Interval	Au_ppm
WM00231	7,105,827	332,321	2m	1.17
WM00235	7,105,827	332,314	2m	1.1
WM00255	7,105,752	332,440	point sample	1.08
WM00229	7,105,830	332,320	2m	0.827
WM00237	7,105,824	332,322	2m	0.812
WM00234	7,105,826	332,317	2m	0.742
WM00230	7,105,829	332,321	2m	0.653
WM00244	7,105,752	332,418	1m	0.602
WM00250	7,105,746	332,419	1m	0.536
WM00238	7,105,823	332,319	2m	0.511
WM00232	7,105,826	332,320	2m	0.476
WM00236	7,105,827	332,312	2m	0.449
WM00256	7,105,752	332,441	point sample	0.446
WM00242	7,105,754	332,417	1m	0.406

Table 1 Significant Au Results – Handpump Au Anomaly Infill Rock Chip Sampling (Note: Coordinates Denote midpoint of sample).

Primer Anomaly

A large Molybdenum soil anomaly several km in diameter is located 3 km south east of the Handpump prospect. Infill soil sampling, rock chip sampling and mapping was undertaken with a total of 45, -10mm / +2mm fraction soil samples taken from an average depth of about 30 cm. A total of 17 rock chip samples of altered felsic volcanic, breccia and quartz veins were also collected over areas of outcrop. Analyses of sieved soils include a maximum result of 0.14 g/t gold while the highest rock chip result was 0.09 g/t gold.

Quartz matrix breccia within rhyolite of similar appearance to the Handpump Breccia anomaly was discovered in the northern part of the Primer Anomaly. Field mapping has confirmed a NW orientation to the Handpump

Breccia which aligns with the newly discovered breccia at the Mo Anomaly, potentially giving the zone a strike extent of over several km.

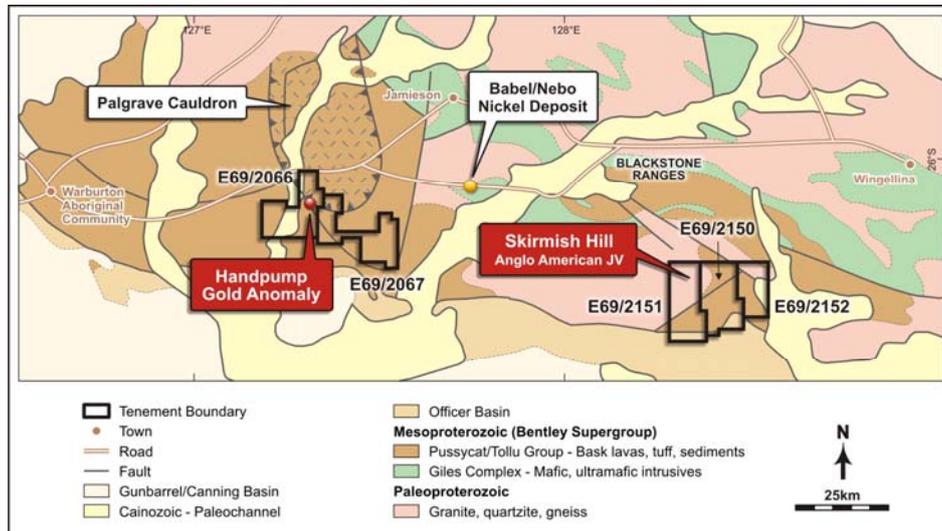


Figure 5 Location plan of Skirmish Hill and Handpump prospects in the West Musgrave, Western Australia.

Skirmish Hill Prospect

An Option and Joint Venture Agreement has been entered into with Anglo American Exploration (Australia) Pty Ltd (“Anglo American”) on the 100% owned Skirmish Hill Project in the West Musgrave region of Western Australia. Anglo American can elect to exercise the Option and earn an initial 51% equity in the project by the expenditure of \$1 million within 3 years and earn an additional 24% by the additional expenditure of \$2 million in an additional 4 year period

The Skirmish Hill project covers an area of 560 km² in three contiguous granted tenements 80 km south-east of BHPB’s Nebo-Babel nickel deposit (Figure 5). The project is considered highly prospective for nickel sulphide, PGE and copper-gold mineralisation.

In the coming quarter Anglo American are planning an extensive geophysical survey in the form of a regional airborne electromagnetic (“EM”) survey using their highly successful proprietary “Spectrem” EM system. This will be the first time the Spectrem EM system has been flown in Australia. The

survey is planned to cover a majority of the Skirmish Hill tenure in search of geophysical anomalies that may represent metal sulphide bodies.

Lake Mackay Project

During the quarter Beadell was awarded a Western Australian government grant to co fund first pass aircore drilling at Lake Mackay targeting Iron Oxide Copper Gold (IOCG) mineralisation in this previously unexplored but highly prospective belt.

Dwarf Well Prospect

First pass field work was completed at Dwarf Well in May with wide spaced, 1 x 1 km spaced magnetic lag sampling targeting two coincident magnetic and gravity highs representing IOCG targets (Figure 6). It is believed that this is the first ever field reconnaissance work by anyone in this region.

The western geophysical anomaly named Radiator is completely covered by Aeolian sand, however a single small outcrop immediately northwest of the geophysical

anomaly contained brecciated fine grained felsic rock with abundant iron oxides and elevated copper of 313 ppm (Figure 6).

Limited work was completed on the eastern geophysical anomaly, however a single traverse across the northern part identified widespread brecciated and altered felsic rocks with disseminated iron oxides. While no outcrop was observed directly over the geophysical anomalies a highly anomalous soil result of 423 ppm copper with coincident elevated gold of 5 ppb is situated immediately east of the geophysical anomaly.

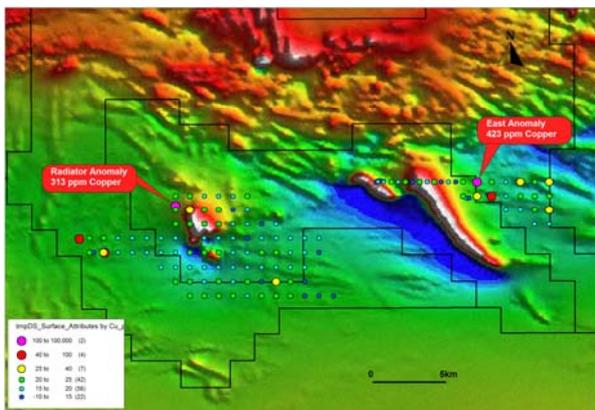


Figure 6 Dwarf Well Prospect Aeromagnetic Image showing location of 1 x 1 km soil sampling, thematically coloured by copper results.

Mt Webb Prospect

First pass soil sampling, rock chip sampling and geological / regolith mapping was undertaken at the Mt Webb Prospect in May. Magnetic lag and sieved soil samples were collected on a 1 x 1 km grid with highest gold results of 6 ppb gold. The area is characterised by shallow Aeolian sand cover with sporadic outcrop. Widespread deformation and alkali alteration was observed in the volcanic and granitic rocks associated with the Mt Webb granite and coeval Pollock Hills volcanic indicating a good source and host rock setting for IOCG mineralisation.

BRAZIL

Tartaruga Project

Total JORC inferred resources at the project currently stand at 5.5 Mt @ 1.6 g/t for 279 000 ozs gold at a 0.5 g/t lower cut off. A higher grade core of mineralisation at a 1.5 g/t lower cut off is estimated at 2.1 Mt @ 2.7 g/t for 185 000oz.

Options to develop the Tartaruga project are currently being considered with scoping engineering and optimisation studies indicating a robust open pit project at current gold prices.

Optimal pit shells at the adjoining Mineiro and Mandiocal deposits are modelled to produce 2.1 Mt @ 1.9 g/t gold for 122 000 oz. Both open pits models bottom in high grade mineralisation which remain open at depth. Potential to develop a complimentary underground operation at the base of the optimised pits is now being investigated.

The Tartaruga project has significant exploration upside both regionally and from direct down dip resource extensions of the known deposits. Future drilling will aim to increase the resource base to over 500 000 oz prior to a decision to develop the project.

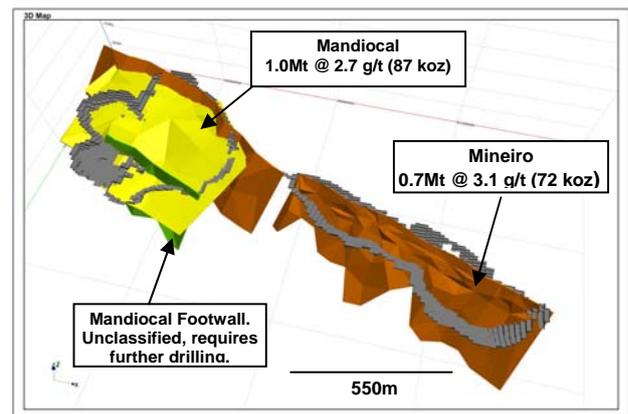


Figure 7 Plan showing optimal pit shells and Inferred JORC Resource outlines for Mandiocal and Mineiro deposits.

CORPORATE & FINANCE

The Company had cash of \$5,330,000 at 30 June 2009 plus \$1,000,000 of 'drilling for shares' under the Challenge Drilling Alliance. As Beadell has no debt, available funds total over \$6,330,000.

During the quarter Beadell signed several confidentiality agreements and is currently reviewing several major opportunities. Beadell is vigorously pursuing a defined number of opportunities which fit within the growth ambitions of the Company.

To leverage the Company's strong cash position, management continue to review merger and acquisition opportunities with the aim of elevating 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.