



## Quarterly Report for Shareholders Period Ending 30 September 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 September 2009:** \$4.4 M

**Issued capital:**  
96,600,003 ordinary shares

**ABN**  
50 125 222 291

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**Peter Bowler**  
Managing Director

## HIGHLIGHTS

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### CORPORATE

- **Available Funds** – The Company has available funds totalling over **\$5,414,000** with no bank debt.

### EXPLORATION

- **Western Australia, Tropicana East** – A 10 km long gold anomaly has been identified in targeted wide spaced reconnaissance drilling along the Hercules trend with results up to 0.7 g/t gold.
- **Western Australia, Tropicana East** – First pass RC drilling intersected widespread primary gold anomalism of up to 0.3 g/t gold in a single RC hole drilled 2 km east of Hercules which remains open in all directions.
- **Western Australia, West Musgrave** – At the Skirmish Hill JV, Anglo American have commenced a large airborne SPECTREM electromagnetic survey targeting nickel, copper and platinum group metal sulphide bodies.
- **Western Australia, West Musgrave** – First pass RC drilling of the Handpump gold anomaly is scheduled to commence in November.
- **Western Australia, Lake Mackay** – The project was farmed out to Meteoric Resources Ltd who can earn a 70% equity interest by completing 7000 m of RAB/AC drilling by June 2010, and spend \$800 000 on exploration over a 5 year period.
- **Brazil, Tartaruga** – Development options are currently being reviewed with optimal pit shells using current gold prices estimated to contain 2.8 Mt @ 1.8 g/t gold for 151 000 ounces from adjoining Mineiro and Mandioccal deposits.

## EXPLORATION

Beadell continues to advance its key greenfield exploration projects at the highly-prospective Tropicana East and West Musgrave projects in Western Australia, as well as progress development options for the Tartaruga project in Brazil.

### WESTERN AUSTRALIA

#### Tropicana East Project (100%)

At Tropicana East a new 10 km long gold trend named Hercules Shear Zone has been broadly defined 60 km along strike and north east of the 5 M oz Tropicana gold deposit. The emerging Tropicana district is one of the most prospective sparsely explored regions in Australia and with AngloGold Ashanti progressing the Tropicana deposit into feasibility is likely to become the next major new gold mining province in Australia.

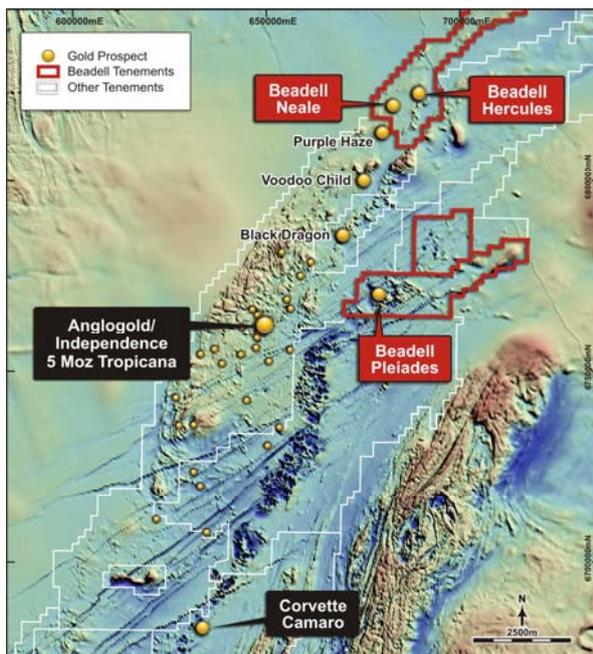


Figure 1 Tropicana East - Location of Hercules, Neale and Pleiades Anomalies on aeromagnetics

#### Hercules Anomaly

A significant new anomalous gold trend was discovered during wide-spaced targeted reconnaissance aircore drilling, indicating a potential mineralized zone in excess of 10 km

long located along a major granite gneiss/paragneiss contact potentially linking up with AngloGold Ashanti / Independence Group's Purple Haze anomaly further to the southwest (Figures 1 & 2). This linear feature is interpreted as a major shear zone and fluid pathway that has the potential to host Tropicana-style mineralisation.

A first pass RC drilling program completed during the quarter intersected widespread primary gold anomalism associated with silica-sericite-pyrite alteration. Importantly, this drilling identified an analogous lithological contact to that hosting the 5 M oz Tropicana gold deposit 60 km to the southwest. The generalised geology of the Hercules trend consists of garnet gneiss to the east, with a thick unit of metachert intersected close to the contact with granite gneiss to the west.

Anomalous gold was also intersected two kilometres east of Hercules where a single RC drill hole, NLC016, targeting a 0.045 g/t gold bottom of hole aircore anomaly associated with a northeast-trending magnetic unit, intersected gold anomalism throughout the hole with results up to 0.3 g/t gold (Figures 2 & 3). This result remains open to the northeast and southwest and forms part of the broader Hercules Shear Zone anomaly.

The Hercules Shear Zone has been traversed by only six drill lines over the 10 km strike with five of the six lines intersecting >0.05 g/t gold.

The Hercules gold anomaly occurs beneath 30 to 40 m of barren transported cover, with basement rocks generally stripped of any significant saprolite development. Aircore drill penetration into the prospective basement is generally restricted to only a few metres, resulting in limited geochemical dispersion.

The Hercules Trend remains highly prospective and sparsely explored for Tropicana-style mineralisation and the next stage of exploration will focus on systematic infill drilling of the 10 km anomalous corridor between the southern tenement boundary near Purple Haze and the northeast extension of the Hercules trend.

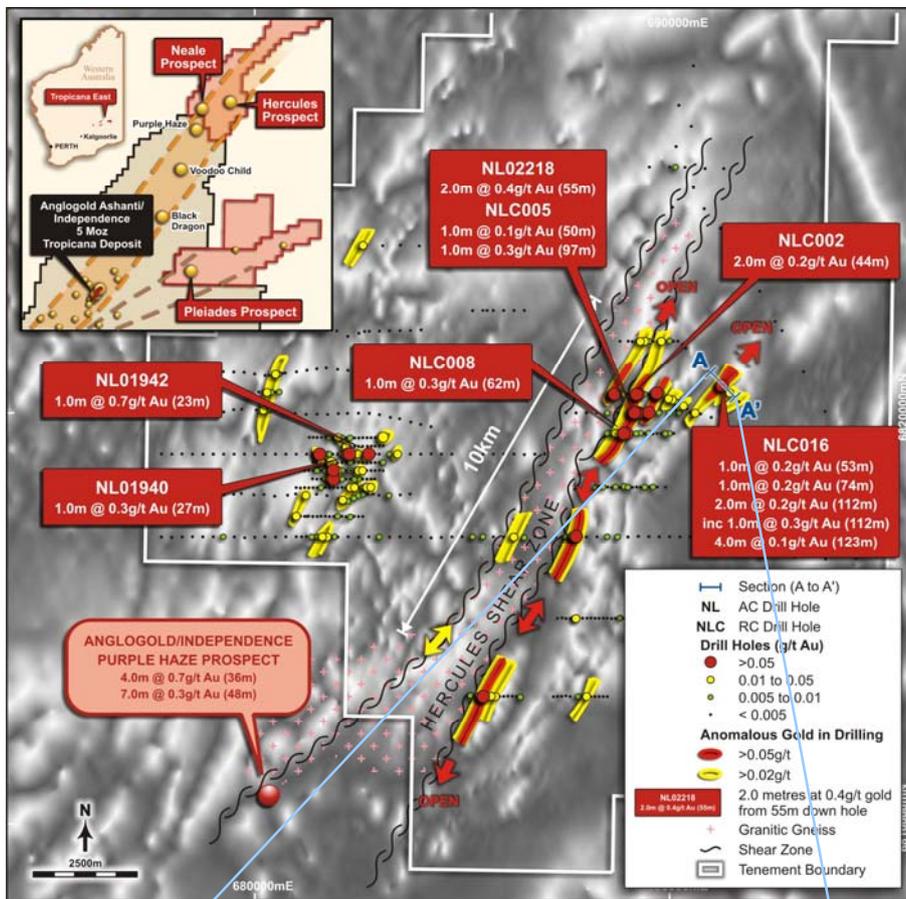


Figure 2 Tropicana East – Neale & Hercules Prospects Location Map and Aeromagnetic Map.

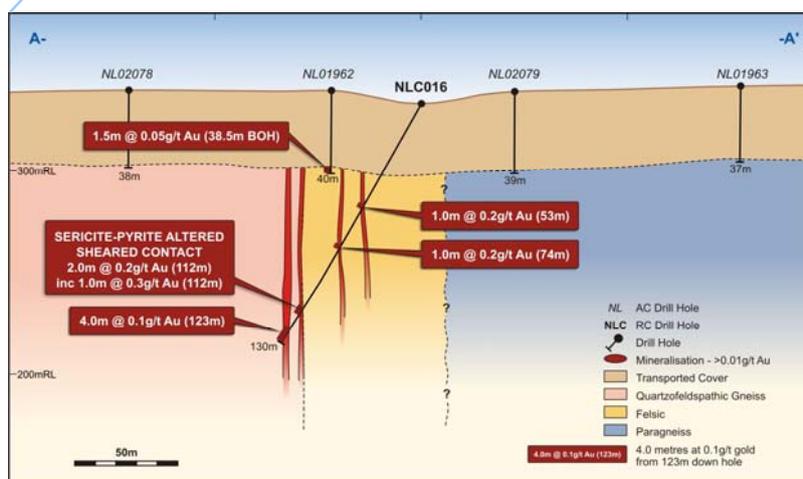


Figure 3 Tropicana East – Hercules Drill Section

## Pleiades Prospect

The Pleiades gold anomaly is located 20 km east of the Tropicana deposit (Figures 1 & 4). Previous wide spaced drilling on approximately 250 to 500 m hole spacing has defined a coherent northeast trending zone at greater than 0.01 g/t gold 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 as a major north-east faulted offset of the Tropicana structural domain and is also located along strike of a major linear intrusive complex that trends into Corveta Resources Ltd gold discovery to the southwest (Figure 1).

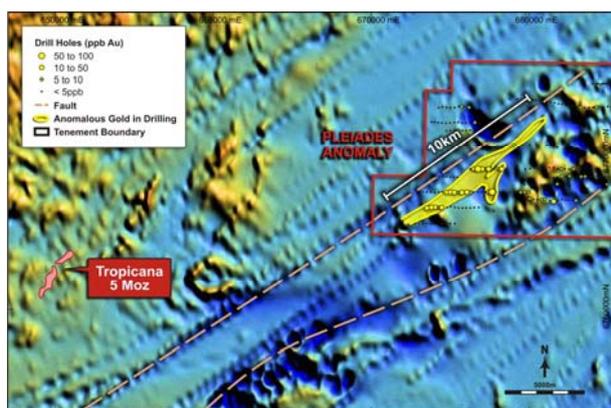


Figure 3 Pleiades Prospect Plan showing thematic gold in aircore drilling and aeromagnetic image.

## West Musgrave Project

### Handpump Prospect

The Handpump project is located 90 km east of Warburton in the remote central eastern part of Western Australia, close to the borders with South Australia and Northern Territory. In the last 12 months detailed mapping and sampling has identified the outcropping source of an historic WMC Resources soil anomaly with numerous composite rock chip samples assaying greater than 0.5 g/t gold up to a maximum of 1.2 g/t gold associated with a brecciated and silica–K feldspar–pyrite altered rhyolite (Figure 5).

A heritage survey has recently been completed over the prospect area, paving the way for definitive testing of the outcropping breccia zone with RC drilling in November. The drilling will be co-funded by the Western Australian government as part of the successful application to the Exploration Initiative Scheme.

### Skirmish Hill Joint Venture

The Skirmish Hill prospect covers an area of 560 km<sup>2</sup> in three contiguous granted tenements 80 km south-east of BHPB's Nebo-Babel nickel deposit. The project is considered highly prospective for nickel sulphide, PGE and copper-gold mineralisation.

Joint Venture partners Anglo American have commenced an extensive geophysical survey in the form of a regional airborne electromagnetic (“EM”) survey using the highly successful proprietary “Spectrem” EM system. This is the first time Spectrem has been flown in Australia. The survey covers most of Beadell’s Skirmish Hill tenure.

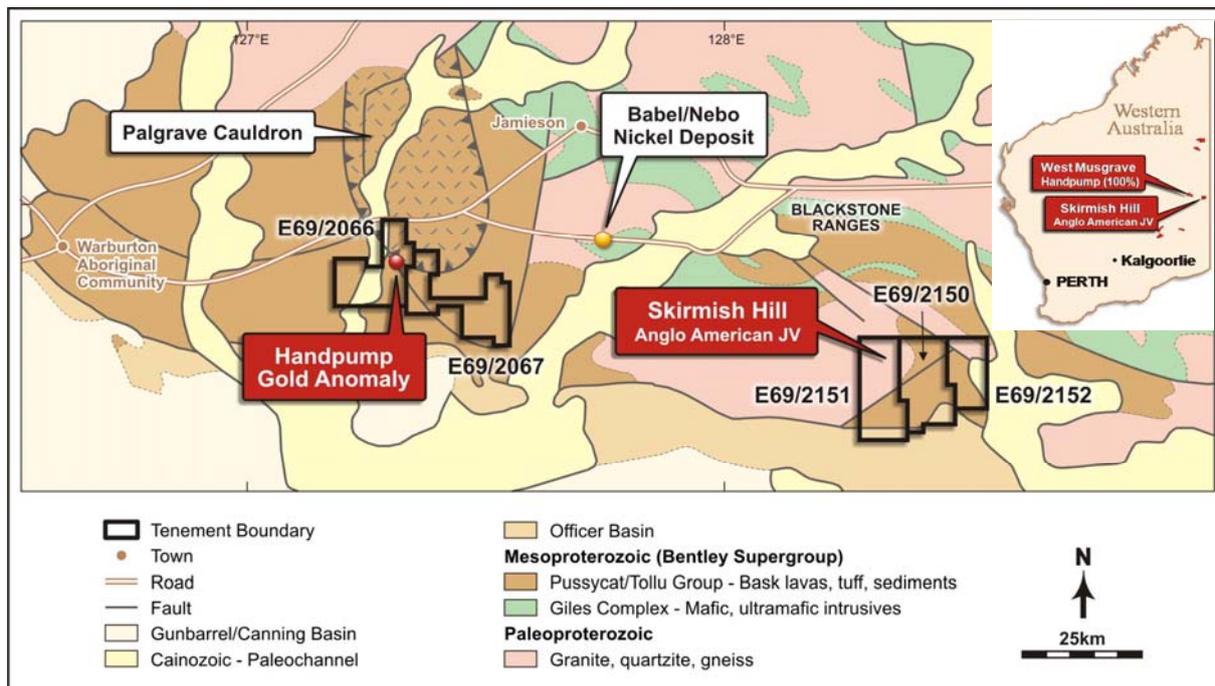


Figure 4 West Musgrave – Handpump and Skirmish Hill projects location plan.

## Lake Mackay Joint Venture

The Lake Mackay project was farmed out in August 2009 to Meteoric Resources Ltd (MEI). Meteoric can earn an initial 51% equity in the project by completing 7000 m of RAB/AC drilling by June 2010, and spend \$400 000 on exploration over a 3 year period. Under the agreement MEI can earn an additional 19% by expending a further \$400 000 on exploration within a further 2 years.

MEI is in the process of completing necessary heritage surveys prior to carrying out initial exploration including ground geophysical surveys and scout drilling of geophysical targets.

## VICTORIA

### Reedy Creek Project

The Reedy Creek Project is located 70 km north of Melbourne in Victoria and is accessible via the Hume Highway adjacent to Kilmore. The project is located within the Melbourne geological zone consisting of Siluro-Devonian turbidites intruded by Late Devonian granite and diorite dykes.

No work was completed in the quarter however a work program is in the final stages of approval to complete a major resource drill out which would entail 32 shallow RC holes totalling 4000 m of drilling.

A Cultural Heritage Management Plan has been approved for this work including a heritage survey of the area.

## BRAZIL

### Tartaruga Project

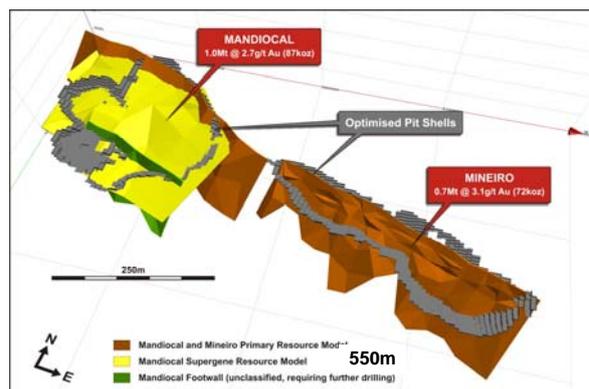
The Tartaruga project is located in the State of Amapa in northern Brazil, 160 km north of Macapa along the main sealed highway leading to French Guyana. The project comprises a Mining Concession application DNPM 851.439/1980 covering 20 000 ha and JORC inferred resources totalling 5.5 Mt @ 1.6 g/t gold for 279,000 oz.

Options to develop the Tartaruga project are 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 Mandiocall deposits are modelled to produce 2.8 Mt @ 1.8 g/t gold for 151 000 oz (Figure 6). Both open pit models bottom in high-grade mineralisation which remains open at depth. Potential to develop a complimentary underground operation at the base of the optimised pits is currently being investigated.

Outside of the known resource areas the Tartaruga project has significant exploration

upside with almost no drilling completed away from the main Mineiro trend even though extensive alluvial and hardrock *garimpeiro* workings exist throughout the project area.

Ongoing exploration at the project will aim to increase the resource base to over 500 000 oz of gold prior to a decision to develop.



**Figure 6 Plan showing optimal pit shells and Inferred JORC Resource outlines for Mandiocall and Mineiro deposits.**

## CORPORATE & FINANCE

The Company had cash of \$4,414,000 at 30 September 2009 plus \$1,000,000 of 'drilling for shares' under the Challenge Drilling Alliance. As Beadell has no debt, available funds total over \$5,414,000.

The AGM has been set for Wednesday, 25 November 2009 at 10am at the Company's office Level 2, 16 Ord Street, West Perth.

During the quarter the Company granted 800,000 unlisted options under the Company's Employee Option Scheme and has included resolutions in the Notice of AGM to approve the granting of 500,000 options each to the three directors.

At the end of the quarter Beadell continues to review several major acquisition opportunities. The executive management team is very much focused on an acquisition which will place Beadell on a sound footing for years to come, and we are continuously reviewing opportunities as they arise. Any major acquisition will be done with a clear focus of growing Beadell into a respected Australian listed gold company.

### 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.