



**ASX ANNOUNCEMENT**  
**ASX Code: BDR**

**30 June 2009**

**TWO DRILLING GRANTS AWARDED UNDER WESTERN AUSTRALIAN STATE  
GOVERNMENT EXPLORATION INCENTIVE SCHEME**

Beadell Resources Limited (“**Beadell**”) is pleased to announce it has been awarded two of only 35 co-funded Drilling Grants under the Government of Western Australia Exploration Incentive Scheme, out of a total of 168 applications.

The co-funded government-industry drilling program is designed to boost new resource discoveries and help to significantly increase the knowledge of the State’s geology and resources. Proposals from applicants were assessed by a panel on the basis of geoscientific and exploration targeting merit.

Further information regarding the co-funded drilling grant can be obtained from the official state government website <http://www.dmp.wa.gov.au>

Beadell’s two successful Drilling Grants are for the 100% owned West Musgrave and Lake Mackay projects. Under the program a total of \$143 750 is available to co-fund drilling programs at both projects. The successful applications support Beadell’s belief that these highly prospective greenfields projects have excellent technical merit and the potential to become significant new gold discoveries in Western Australia.

Beadell will fast track RC drilling of the Handpump prospect in the West Musgrave with a drilling program to commence next month.

Supporting the prospectivity of the West Musgrave Project, another gold anomaly (Primer Anomaly) has been identified 3 km to the southeast of Handpump with soil results up to 0.143 g/t gold.

## WEST MUSGRAVE PROJECT

### Handpump Prospect

The Handpump gold anomaly was originally identified as a 1200 m by 400 m soil anomaly with a peak value of 0.250 g/t gold by WMC Resources in the 1990s during regional soil sampling.

Complex land access issues resulted in little or no follow up of the anomaly until Beadell Resources successfully negotiated a Land Access Agreement with the Yarnangu Ngaanyatjaraku Parna in 2008.

In September 2008, rock chip sampling was carried out on two separate lines across an outcropping magmatic hydrothermal breccia. The sampling delineated a >0.1 g/t gold mineralised zone up to 58 m in width with highest values of 11 m @ 0.516 g/t gold and 13 m @ 0.643 g/t gold (Figure 2). The anomaly occurs within a >0.05 g/t, open-ended and north west trending mineralised corridor over 300 m in width.

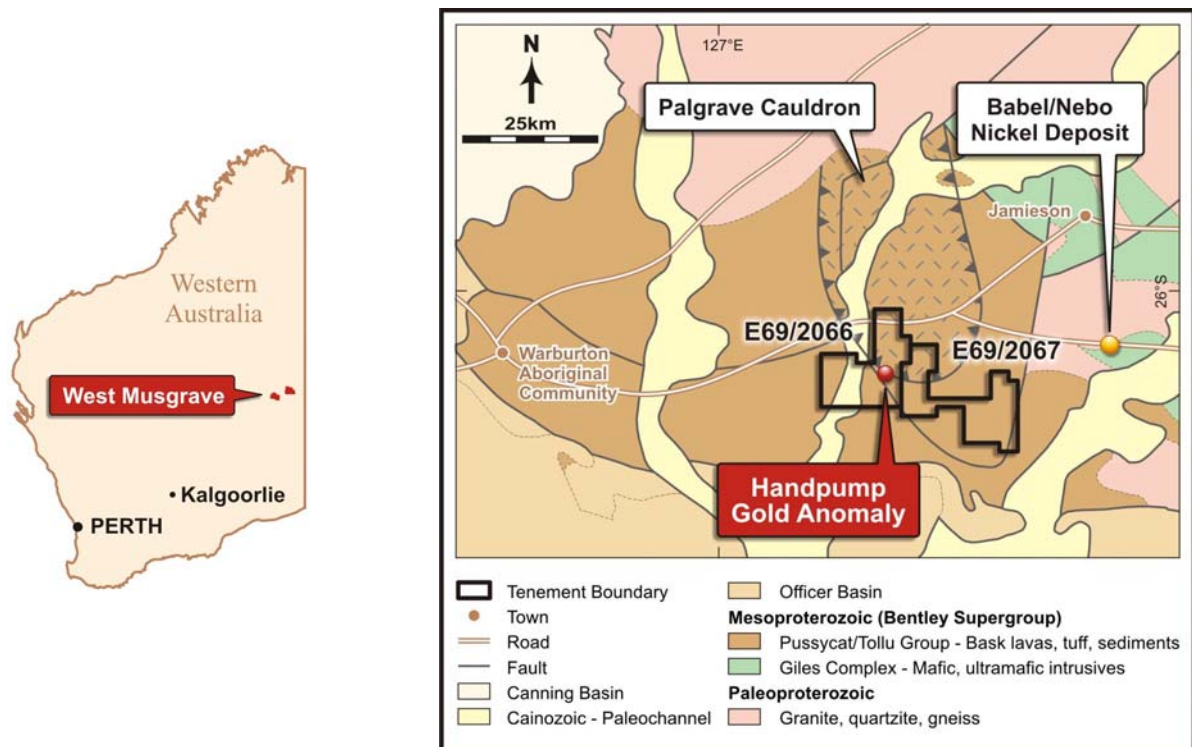
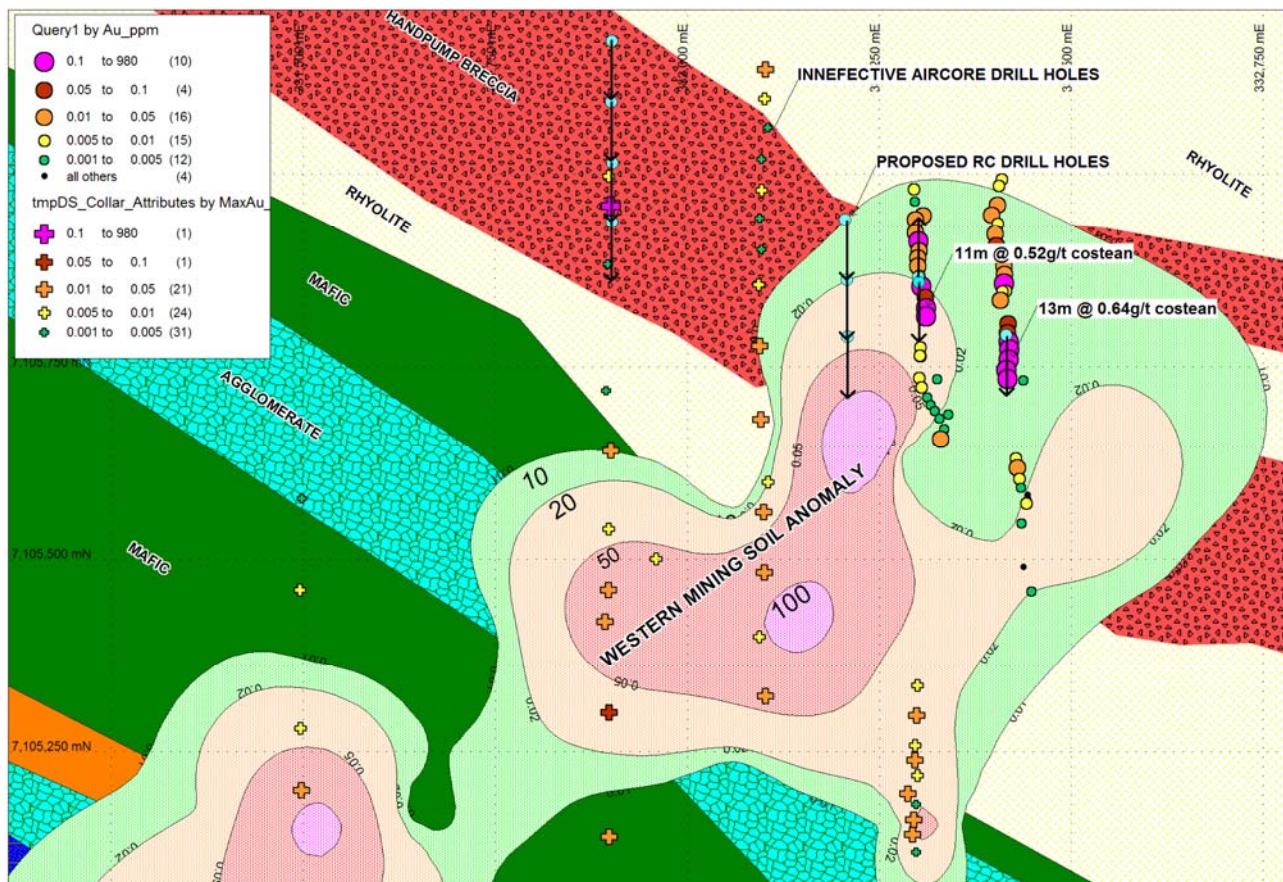


Figure 1 Location plan of Beadell's Handpump Project.



**Figure 2 Handpump Prospect plan showing location of anomalous rock chip results, planned RC drilling, WMC Resources original anomaly and interpreted geology.**

The Handpump Prospect is located in the south eastern part of the Palgrave Cauldron and is dominated by rhyolite flows, tuffs, ignimbrites and comagmatic granites, granophyres and porphyritic micro granites.

In the immediate area of the Handpump breccia there is a complex primary volcanic/subvolcanic setting of polymictic agglomerate and coherent rhyolite. The rhyolite appears auto-brecciated at several localities. Complex deformation of the rocks is characterised by folding, faulting and silica-rich fluidised brecciation of the rhyolite presumably related to the gold mineralising event.

A 10 hole RC program has been planned and is currently being permitted. The drilling will target directly beneath the outcropping mineralisation as well as testing the north-west extension of the mineralised corridor (Figure 2).

### **Primer Prospect**

A further gold anomaly has been identified 3 km southeast of Handpump with results from a 500 m x 100 m soil program intersecting up to 0.143 g/t gold. First pass mapping has identified several nearby outcropping ridges of brecciated rhyolite of similar appearance to the Handpump mineralisation. The Primer gold anomaly is located within a larger circular Molybdenum soil anomaly thought to represent the centre of a large hydrothermal alteration system and / or underlying intrusive source.

Follow up exploration of this area is underway with first pass RC drilling currently being planned.

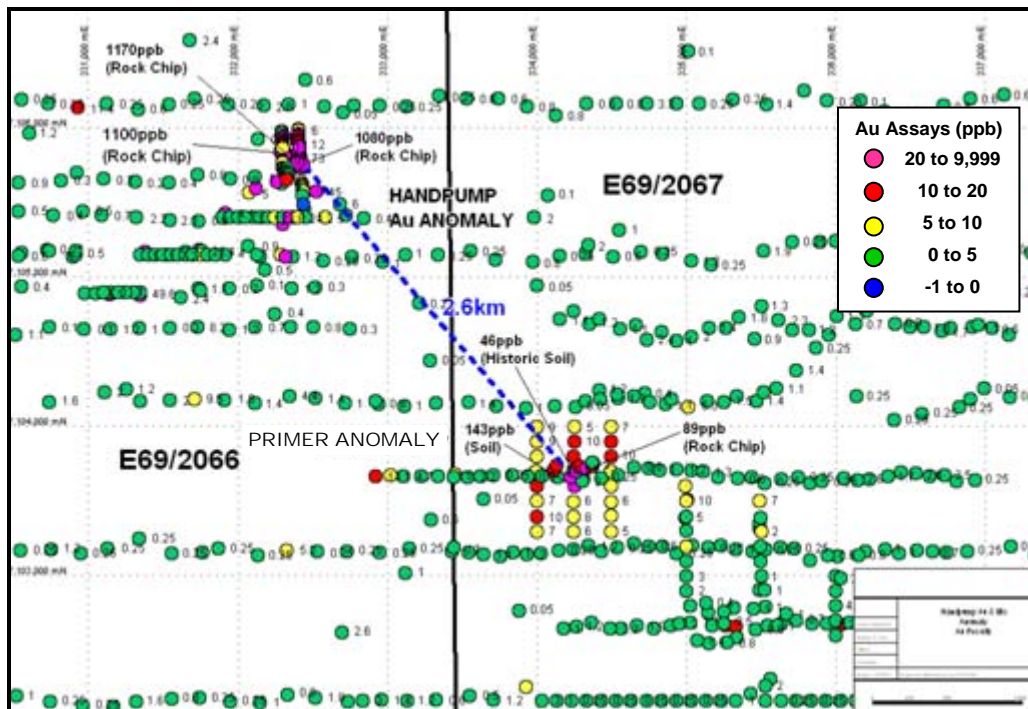


Figure 3 Recent results showing significant rock chip and soil gold assays.

## LAKE MACKAY PROJECT

### Dwarf Well Prospect

Two coincident gravity and aeromagnetic anomalies have been identified as IOCG targets at Dwarf Well (Figure 4). No previous exploration has been recorded in this remote part of Western Australia even though analogous rocks in the Northern Territory and South Australia have produced several major gold and copper gold deposits associated with similar geophysical anomalies. Initial reconnaissance field work has identified encouraging altered and brecciated host rock lithologies. Follow up soil sampling and mapping will be completed prior to committing to first pass drilling of the targets.

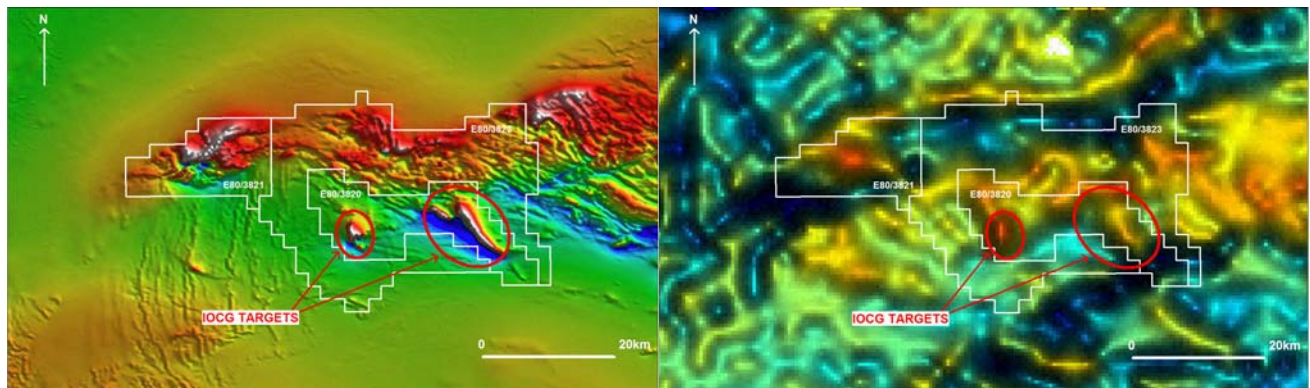


Figure 4 Dwarf Well Prospect showing location of coincident gravity and aeromagnetic IOCG targets. Diagram on left is TMI aeromagnetics and diagram on right is first Vertical derivative Bouguer Gravity

## **Mt Webb Prospect**

The comagmatic Mt Webb granite and Pollock Hills volcanic have similar geochemical characteristics to the host granite and volcanic sequence at the giant Olympic Dam deposit. Extremely limited previous exploration has been completed at the project. First pass reconnaissance field work has identified encouraging alteration systems. Follow up soil sampling and mapping will be completed prior to committing to first pass drilling.

Beadell remains well placed to rapidly advance any significant gold discovery at its core projects with available funds totalling over \$6.4 million and welcomes the State Government support from the Exploration Incentive Scheme.

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### **Competency 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 Ltd. 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.*