



ASX ANNOUNCEMENT
ASX Code: BDR

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IRON ORE STRATEGIC REVIEW

Beadell Resources Limited (ASX: BDR) (“Beadell”) is pleased to update shareholders on a strategic review undertaken on the extensive iron ore resource, the details of which were announced by the Company on 29 August 2011, and which is contained on the Company’s Tucano Mining Concession in Brazil.

The key findings of the strategic review are:

- Beadell will remain a pure gold focused company;
- Beadell will therefore seek an iron ore strategic partner to unlock the value of the iron ore resource;
- It is envisaged that the strategic partner will undertake a scoping study whereby both parties will monetise significant value from the extensive iron ore resource; and
- Beadell will not use its own balance sheet to “go it alone” but rather will look to negotiate an agreed \$/t for the iron ore processed by the strategic partner that is mined as “waste” in the gold operation and a lesser \$/t for any iron ore mined by the strategic partner independent of the gold operation but within Beadell’s Mining Concession.

By way of background to this strategy and as set out in our ASX release dated 29 August 2011, it should be noted that under the terms of an Exploration Agreement entered into in 2005 between Beadell Brasil Ltda and Anglo Ferrous Amapa Mineracao Ltda if Anglo Ferrous wishes to mine iron ore on Beadell’s existing Mining Concession, then it must first reach agreement with Beadell on the terms of a Joint Operating Agreement. No such agreement has been reached between the parties. Accordingly, the Company will now seek a strategic partner for the development of this iron ore resource rather than “going it alone”.

Beadell's Managing Director Peter Bowler commented "This strategy will add significant and tangible value for our gold project without the financing or execution risk of "going it alone" on the iron ore. I look forward to updating shareholders on this strategy as it progresses over the coming months."

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