



ASX ANNOUNCEMENT
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TUCANO RESOURCE DRILLING TARGET

Beadell Resources Limited (**Beadell**) is pleased to announce that as a result of a geological assessment and strategic review of the Tucano project in Brazil, a major program of resource extension and exploration drilling has commenced. This drilling program is designed to target a **3 Moz** addition to the current **4.3 Moz** JORC resource base and will be aggressively pursued over the next 2 years. The conceptual target is based on tonnage and grade ranges estimates summarised in Table 1 below. A majority of the target ounces are anticipated to come directly from extensions of the main Urucum and Tapereba AB orebodies which remain open along the 7 km long Tucano trend (Figure 1, 2 & 3).

The Tucano gold lodes are structurally controlled Orogenic gold deposits hosted within and adjacent to Paleoproterozoic Banded Iron Formation rocks. The main Tucano trend has been variably drilled over the known 7 km strike length of the 3 main orebodies Urucum, Tapereba AB and Tapereba C. The depth of drill coverage ranges from less than 100 m at Tapereba C to a maximum depth of 500 m at the northern end of Urucum. All orebodies remain completely open down plunge.

Regional exploration of the highly prospective **2,500 km²** greenstone surrounding Tucano will also be ramped up over the coming months initially targeting the Duckhead and Sucuriju prospects (Figure 4).

Table 1 Summary of Tucano Exploration Targets

Urucum Deeps target	1.5 Moz	7 to 9 Mt at a grade of 5 to 7 g/t gold ⁽¹⁾
Tapereba AB target	0.5 Moz	2 to 3 Mt at a grade of 5 to 7 g/t gold ⁽¹⁾
Tucano regional target	1.0 Moz	10 to 20 Mt at a grade of 1.5 to 2.5 g/t gold ⁽¹⁾
Total Tucano Resource target	3.0 Moz	

⁽¹⁾ *The potential quantity and grade related to Exploration Targets in this report is conceptual in nature as there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.*

In line with realising the resource potential of the Tucano system in the shortest and most cost effective manner, Beadell has secured a T685 track mounted Schramm RC rig capable of drilling a 500 m reverse circulation drill hole, which will be imported into Brazil in the last quarter of 2011. The rig will be operated by an Australian drilling company and used to complete both resource extension and delineation programmes as well as complete open pit grade control requirements.

A budget of \$5M has been approved for the remainder of calendar year 2011 in which 23,000 m of drilling will be completed.

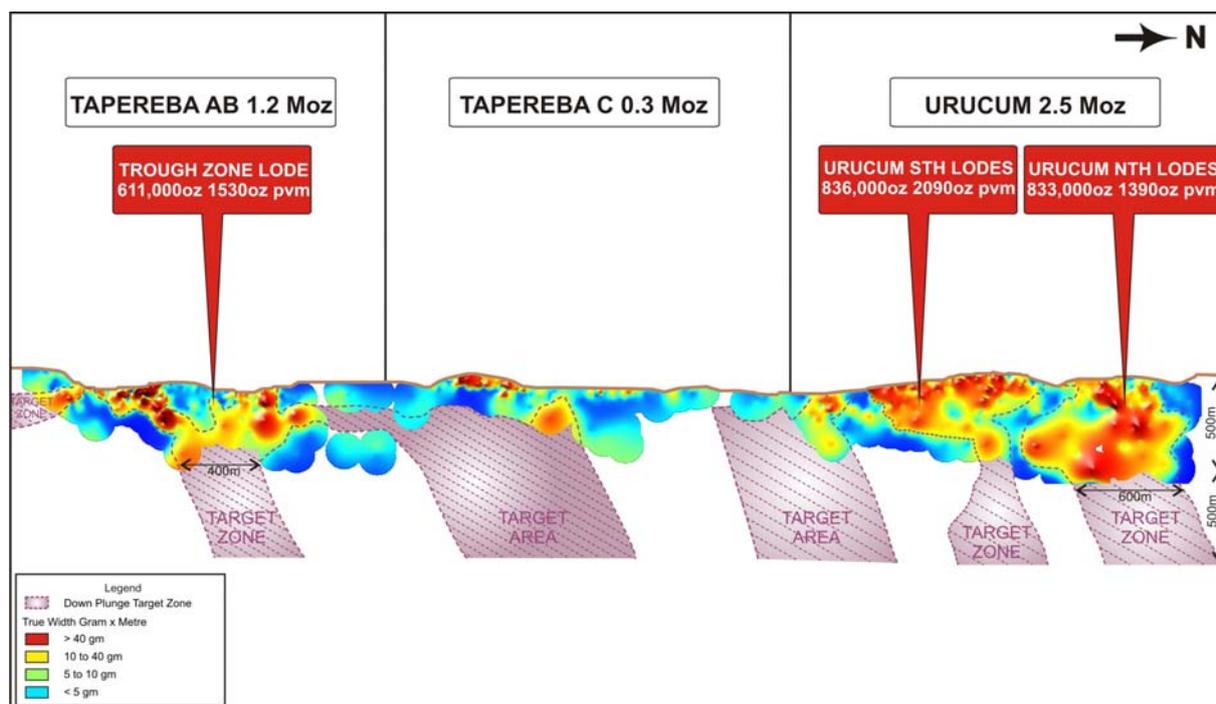


Figure 1. Tucano Longsection showing target areas and gram x meter contours

Urucum Deeps – Target 1.5 Moz

The Urucum deposit forms a steeply dipping mineralised zone over a 2.5 km strike length with current JORC resources of **2.5 Moz** of gold. The deposit can be split into southern and northern lodes which are separated by a cross cutting intrusive body.

The main northern lode has been drilled down to a depth of between 300 and 500 m below surface and remains completely open at depth with one of the highest grade results located at the base of the drilling intersecting **12.6 m @ 9.2 g/t gold** and **11.9 m @ 11.3 g/t gold**. The high grade northern lodes occur over a strike length of approximately 600 m and is considered to be an excellent target for underground resource extensions below the current level of drilling with drill intercepts including **6.7 m @ 11.2 g/t gold**, **7.7 m @ 21.3 g/t gold**, **16 m @ 4.9 g/t gold**, **5.3 m @ 7.2 g/t gold** and **7 m @ 14.3 g/t gold** (Figure 2).

The main defined Urucum North lodes contain a current resource of **833,000 oz** which equates to **1,390 ounces per vertical meter (oz pvm)**. The main southern lodes have been drilled down to approximately 400 m below surface and contain current resources of **836,000 oz** which equates to **2,090 oz pvm**.

An extensive and aggressive drilling program has commenced at Urucum Deeps targeting direct extensions below the current resource (Figure 2). An exploration target of **1.5 Moz** of gold is based on a tonnage range between **7 and 9 Mt** of ore grading between **5 to 7 g/t of gold⁽¹⁾**.

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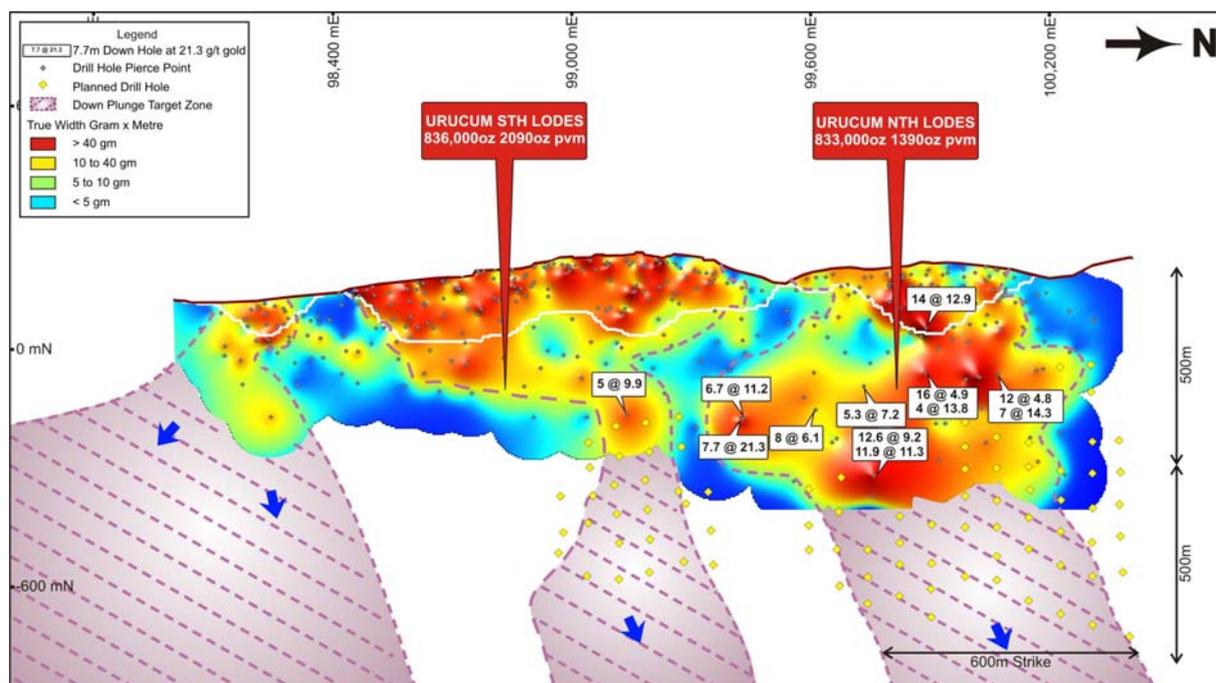


Figure 2. Urucum Longsection showing target areas and gram x meter contours

Tapereba AB – Target 0.5 Moz

The Tapereba AB deposit is the southern most deposit along the 7 km long Tucano trend and has a current JORC resource of **1.2 Moz** of gold.

The resource has been drilled down to a depth of between 200 and 400m below surface. Excellent potential exists to extend the resource which remains open in all directions.

The central part of Tapereba AB contains the high grade Trough Zone where results including, **16.4 m @ 11.2 g/t gold, 10.4 m @ 25.6 g/t gold, 10.3 m @ 23 g/t gold and 8.8 m @ 12.7 g/t gold** have been recorded over the last 12 months. The Trough Zone plunges steeply to the north with the most recent down plunge results including **15 m @ 7.6 g/t gold and 14 m @ 19.9 g/t gold** not currently included in any resource models or pit optimisations.

The Trough Zone lode currently contains **611,000oz of gold** equating to **1,530 oz pvm**.

Lateral extensions to the south also remain open with intercepts of **67.3 m @ 2.3 g/t gold** and **9.9 m @ 8.2 g/t gold** in deeply weathered oxide zones.

The northern extension of Tapereba AB3 also remains open with a drill result of **15.9 m @ 6.2 g/t gold** as well as the depth extensions beneath the optimised pit where a recently recorded result of **17.6 m @ 11.6 g/t gold** has not yet been included in the resource model or pit optimisations.

An extensive and aggressive drilling program has commenced at Tapereba AB targeting direct extensions of the high grade mineralisation.

A exploration target of **0.5 Moz** of gold is based on a tonnage range between **2 and 3 Mt** of ore grading between **5 to 7 g/t of gold⁽¹⁾**.

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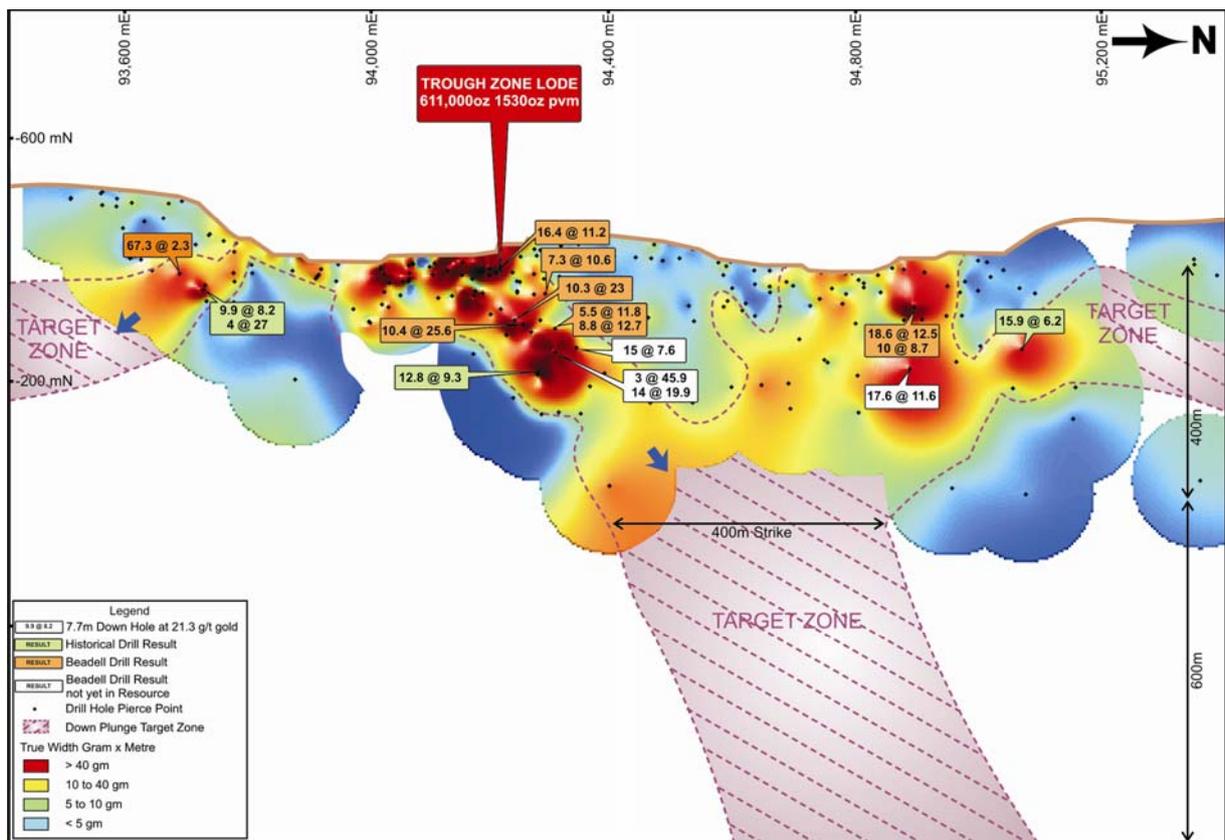


Figure 3. Tapereba AB Longsection showing target areas and gram x meter contours

Tucano Regional – Target 1 Moz

The Tucano project covers approximately 2,500 km² of highly prospective contiguous tenure surrounding the **4.3 Moz** Tucano deposit (Figure 4).

To the immediate southeast of Tucano, the main BIF unit that hosts the gold and iron ore swings to a southeast orientation. High grade satellite gold mineralisation has been identified at the Duckhead prospect where further drilling is required to prove up and extend an inferred resource of **115kt @ 17.1 g/t gold for 63koz**.

The wider greenstone belt is characterised by a deeply weathered terrain associated with a tropical lateritic weathering profile. Outcrop is extremely limited due to plateaus being covered by extensive laterite such as the **30 km long** Serra da Kanga geochemical anomaly to the north of Tucano (Figure 4). Extensive gold anomalism occurs throughout the entire greenstone belt, as is evidenced by the widespread and extremely anomalous gold results from stream sediment sampling. These results show a **70 km long** central corridor of highly anomalous gold with numerous results greater than **0.5 g/t gold** (Figure 4).

The **Sucuriju prospect**, located ~30 km to the northwest of Tucano, is characterised by a **9 km long** north-south trending soil anomaly with an associated resistivity geophysical anomaly. Extensive historical Garimpeiro workings occur throughout all the drainage creeks flowing away from the soil anomaly including reports of dozens of dredges that worked the large Amapari river immediately to the south in the 1970's. The source of this and other extensive surface geochemical anomalies are yet to be discovered.

An identified exploration target of **1 Moz** of gold is based on a tonnage range between **10 and 20 Mt** of ore grading between **1.5 to 2.5 g/t of gold**⁽¹⁾.

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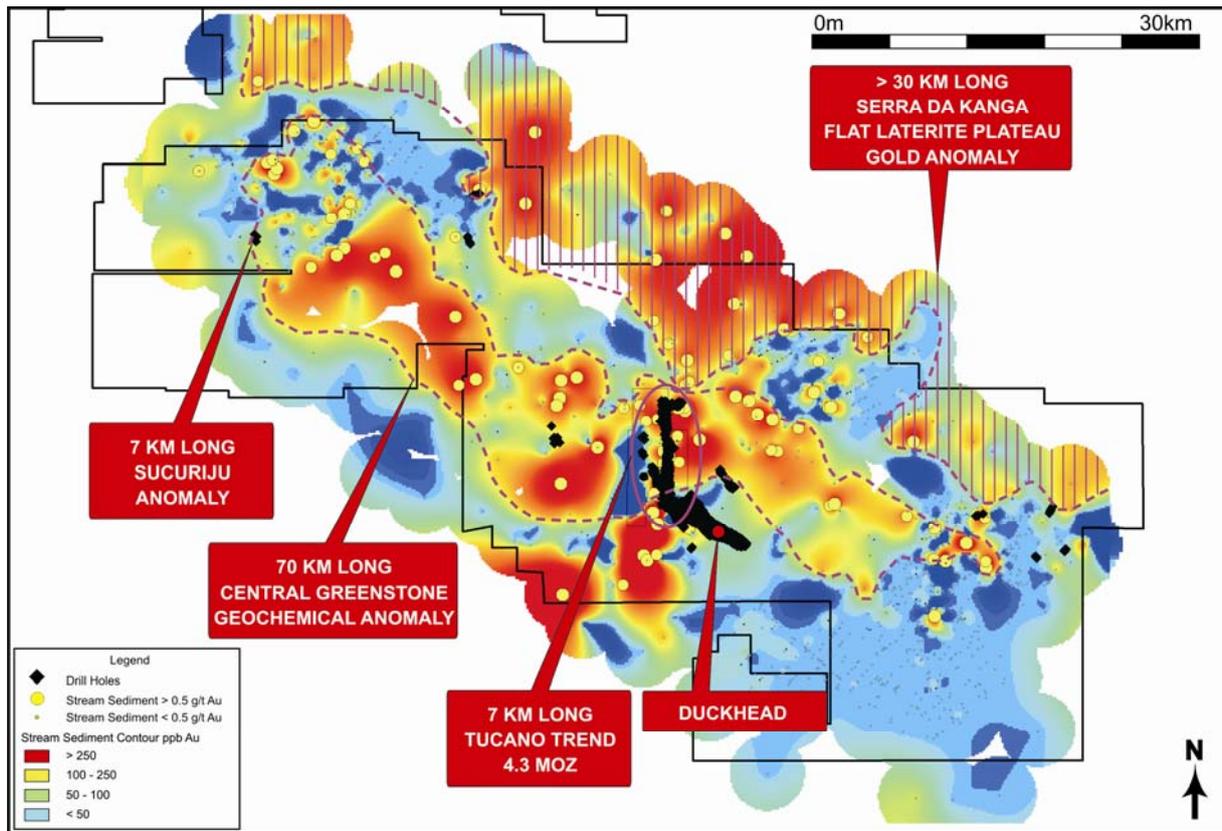


Figure 4. Tucano project plan showing regional targets and steam sediment anomalies.

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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 Australasian 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 'Australasian 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.

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