



ASX ANNOUNCEMENT
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20 October 2011

TROPICANA EAST - DRILLING UPDATE

- **19 m @ 1.3 g/t gold incl 1 m @ 19.9 g/t gold**
- **11 m @ 0.8 g/t gold incl 3.3 m @ 2.2 g/t gold**
- **6 m @ 1.2 g/t gold incl 2 m @ 1.9 g/t gold**

Beadell Resources Limited (**Beadell**) is pleased to announce further drill results have been received at the Company's 100% owned Tropicana East Project in Western Australia. Diamond drilling at the Hercules prospect intersected a quartz-sulphide lode in NLD210 grading **3.3 m @ 2.2 g/t gold** from 165.5 m including **1.8 m @ 3.7 g/t gold** from 167 m within a mineralised envelope of **11 m @ 0.8 g/t gold** from 164 m (Figure 1, 2 & 3).

Re-split results from RC drilling at Hercules also recorded significant results in NLC094 of **19 m @ 1.3 g/t gold** from 46 m including **1 m @ 19.9 g/t gold** from 52 m drilled just above NLD210 (Figure 2). The Hercules prospect remains undrilled for at least 1 km south of these new results with the closest drilling located 500 m to the north (Figure 3).

Encouraging results were also received from the Atlantis prospect where re-split results from NLC107 recorded **6 m @ 1.2 g/t gold** from 54 m including **1 m @ 2.9 g/t gold** from 54 m and **2 m @ 1.9 g/t gold** from 58 m. The Atlantis prospect remains completely open to the south where the southern-most RC hole NLC108 returned a bottom of hole result grading **0.5 g/t gold** (Figure 3).

A 20,000 m aircore and slim-line RC program utilising 2 drill rigs will commence this week targeting the Hercules and Pleiades targets. The drilling is partly funded by the West Australian government EIS drilling initiative.

Hercules Prospect – Diamond drilling intersects 3.3 m @ 2.2 g/t gold, RC result 19m @ 1.3 g/t gold

The Hercules prospect is located along the northern part of the 15 km long Hercules Shear Zone (HSZ) anomaly. A single RC drill hole NLC094 intersected significant gold mineralisation with resplit results returning up to **1 m @ 19.9 g/t gold** from 52 m within a mineralised envelope

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of **19 m @ 1.3 g/t gold** from 46 m. A single diamond hole, drilled below this intercept intersected a quartz-sulphide lode in NLD210 grading **3.3 m @ 2.2 g/t gold** from 165.5 m within a broader mineralised envelope of **11 m @ 0.8 g/t gold** from 164 m (Figure 1, 2 & 3).

The gold mineralisation intersected in NLC094 and NLD210 remains completely open to the south for at least 1 km. The closest previous drilling, located 500 m to the north, is interpreted to have missed the mineralised structure.

The intersection of gold mineralisation within diamond core has greatly advanced the understanding of the style of gold mineralisation at Hercules. Encouragingly, a 1.8 m long quartz-sulphide lode assaying **3.7 g/t gold** is hosted within and bounded by a steeply dipping shear zone. Significant gold mineralisation is also associated with disseminated pyrite in the footwall and hangingwall to the main quartz lode. While the style of gold mineralisation intersected to date appears to be different from the 5.3 Moz Tropicana deposit located 60 km along strike to the southwest (Figure 1), it is highly likely that it is derived from the same hydrothermal source / fluid. Age dating of the gold mineralisation will be performed by the Geological Survey of Western Australia with the aim of determining if the gold mineralisation is Achaean or Proterozoic age.

The gold mineralisation intersected at Hercules remains highly prospective and sparsely drilled. A major extensional drilling program will commence this week.

Atlantis Prospect – RC resplit results up to 6 m @ 1.2 g/t gold

The **Atlantis prospect** is located 5 km along strike to the southwest of Hercules, on the Hercules Shear Zone (HSZ). Reverse circulation drilling earlier this year has defined a > 2km long zone of gold mineralisation associated with a narrow, northwest dipping shear zone.

New re-split results from the sparsely drilled southern end of the prospect include NLC107 which intersected **1 m @ 2.9 g/t gold** from 54 m and **2 m @ 1.9 g/t gold** from 58 m within a mineralised envelope of **6 m @ 1.2 g/t gold** from 54 m. This result is 160 m along strike to the northeast from the nearest drill section where NLD070 intersected **2 m @ 3.3 g/t gold** from 35 m. A further 160 m to the southwest of NLD070, RC re-splits from NLC108 intersected **1 m @ 1.1 g/t gold** from 101 m and **1 m @ 0.5 g/t gold** from 129 m to bottom of hole. The Atlantis prospect remains completely open to the south of NLC108, where only a single, 200 m hole spaced, aircore traverse has crossed the interpreted southern strike extent, 900 m to the south.

Extensional drilling to test the southern extent of the Atlantis prospect will commence this week.

Numerous, highly prospective targets will also be tested by the drilling including anomalous parallel structures identified in aeromagnetics (Figure 3).

Hercules Shear Zone (HSZ) – 15 km long gold anomaly, 60 km along strike from Tropicana

A large aircore drilling program will also target the wider Hercules Shear Zone (HSZ) targeting new mineralised pathways along strike and sub parallel to the Hercules and Atlantis prospects.

Recently completed diamond drilling suggests that the Atlantis and Hercules prospects broadly occur on a similar or same geological contact to the Tropicana deposit with voluminous quartzo-feldspathic gneiss to the west separating a more mafic and garnet bearing paragneiss to the east. A major through going, regional shear zone has acted as a conduit for the hydrothermal fluids and associated gold mineralisation focussed along this major lithological / structural contact.

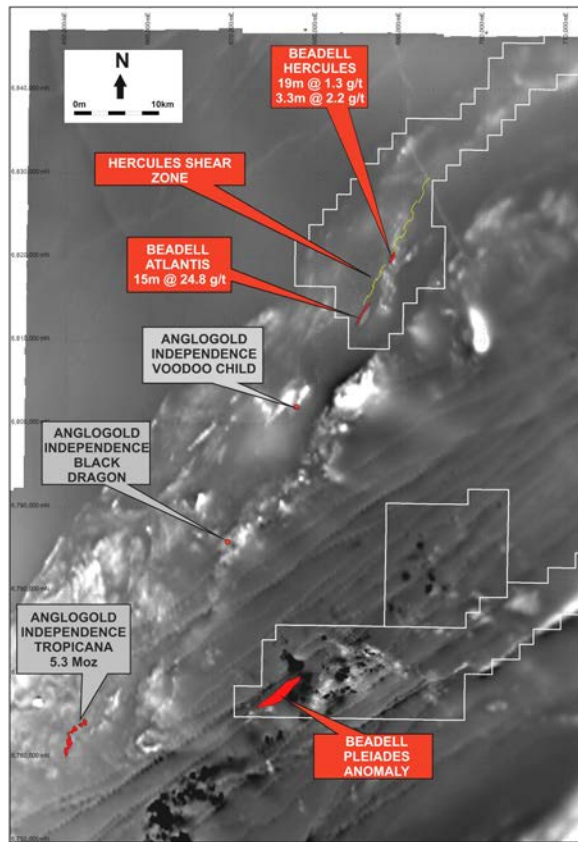


Figure 1. Tropicana East Location Plan on Aeromagnetics

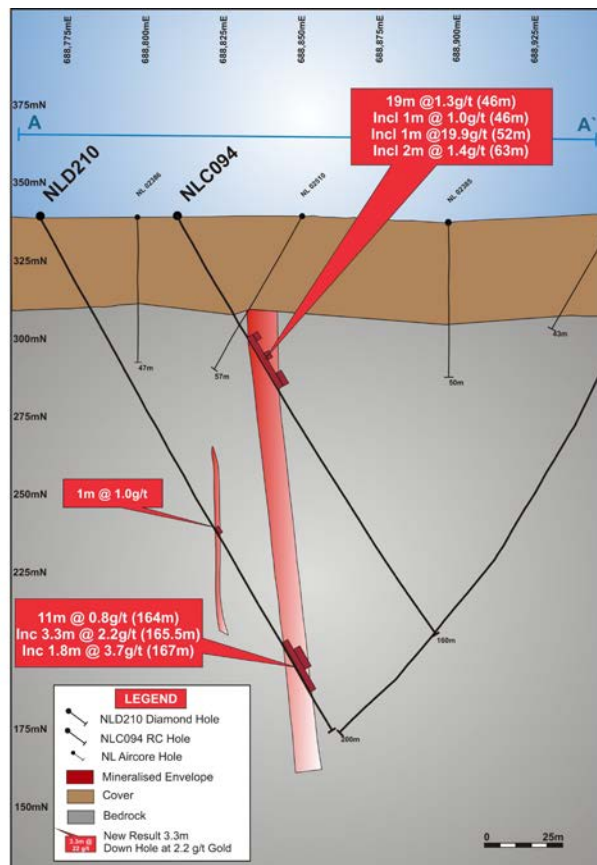


Figure 2. Hercules 6819500N drill section looking north (see Figure 3 for location)

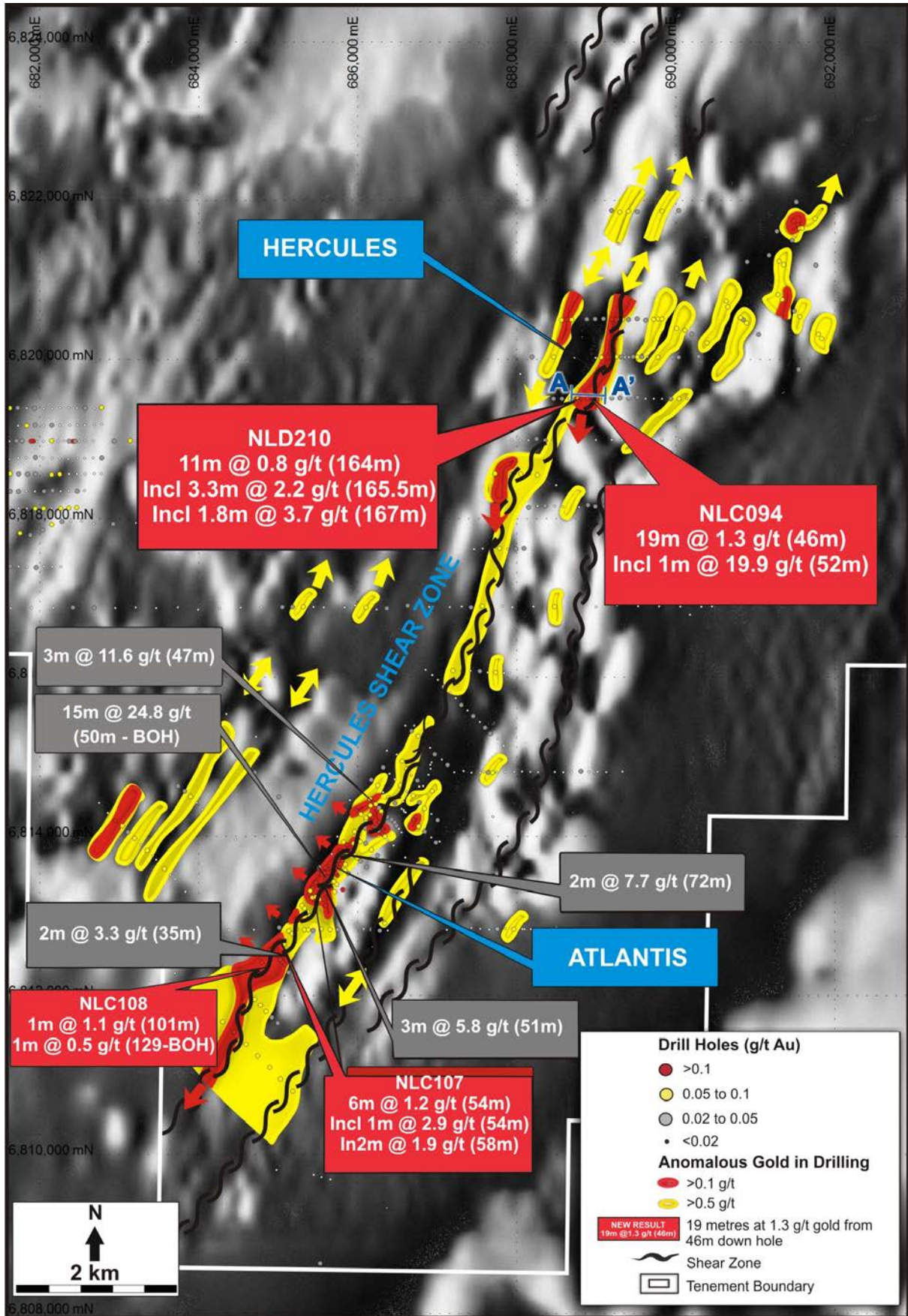


Figure 3. Hercules Shear Zone RC / Diamond drill results on Aeromagnetics.

Hole	North	East	Azimuth	Dip	From (m)	To (m)	Width (m)	Gold (g/t)
NLC088	6813547	685766	135	-60	41	43	2	0.9
NLC094	6819500	688809	090	-60	46	65	19*	1.3
					46	47	1	1.0
					52	53	1	19.9
					63	65	2	1.4
NLC107	6812963	685214	135	-60	54	60	6*	1.2
					54	55	1	2.9
					58	60	2	1.9
NLC108	6812674	685055	135	-60	101	102	1	1.1
					129	130 BOH	1	0.5
NLD046	6813844	685754	135	-60	59	60	1	0.6
					130	131	1	0.5
NLD070	6812793	685160	135	-60	125	126	1	0.6
NLD097	6820449	688568	090	-60	90	91	1	0.6
NLD210	6819500	688765	090	-60	115	116	1	1.0
					164	175	11*	0.8
					165.5	168.8	3.3	2.2
					167	168.8	2.2	3.7

* 0.1 g/t gold mineralised envelope. All other results are reported as >0.5g/t with no greater than 2 m internal dilution.
BOH (Bottom of hole result)

Table 1. Tropicana East New RC and Diamond drill results.

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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.