



ASX ANNOUNCEMENT
ASX Code: BDR

30 May 2011

DECISION TO MINE AND EPCM CONTRACT AWARDED - TUCANO

Beadell Resources Limited (**Beadell**) is pleased to announce that it has signed the Engineering, Procurement, Construction and Management (**EPCM**) contract with Ausenco Limited (ASX Code: AAX, **Ausenco**) for the CIL plant at its Tucano gold project in Brazil. The EPCM contract award follows the Boards formal Decision to Mine subject to finalising the required funding to complete construction. Funding discussions are well advanced with both a Brazilian development bank and the short listed international banks offering a project finance facility.

Beadell's Managing Director, Peter Bowler commented "Our experienced and committed owner's team looks forward to working with Ausenco's professional team during construction as the Tucano project moves rapidly towards production. This represents another important step in the Company's transition into a significant gold producer with first gold production forecast in the March 2012 quarter. Our team is singularly focused on growing the Company for the benefit of all Stakeholders."

Ausenco has recent and extensive experience in building very similar CIL plants. They have an operating team in Brazil which will combine with the Company's Australian associates to deliver Beadell a high quality service. The capital value of project works to be managed under the EPCM contract by Ausenco is approximately A\$75 Million.

Subsequent to the completion of the Tucano Definitive Feasibility Study, Ausenco was commissioned by Beadell to undertake the early works detailed engineering and procurement of long-lead items. This approach will ensure that Ausenco can seamlessly continue with completion of engineering and mobilisation for the start of construction and enable Beadell to produce gold from the Tucano operation in the March 2012 quarter.

To date the following has been completed:

Detailed Engineering (50% complete):

- Crusher and ROM bin
- SAG Mill and foundations
- CIL tanks

Procurement orders placed for:

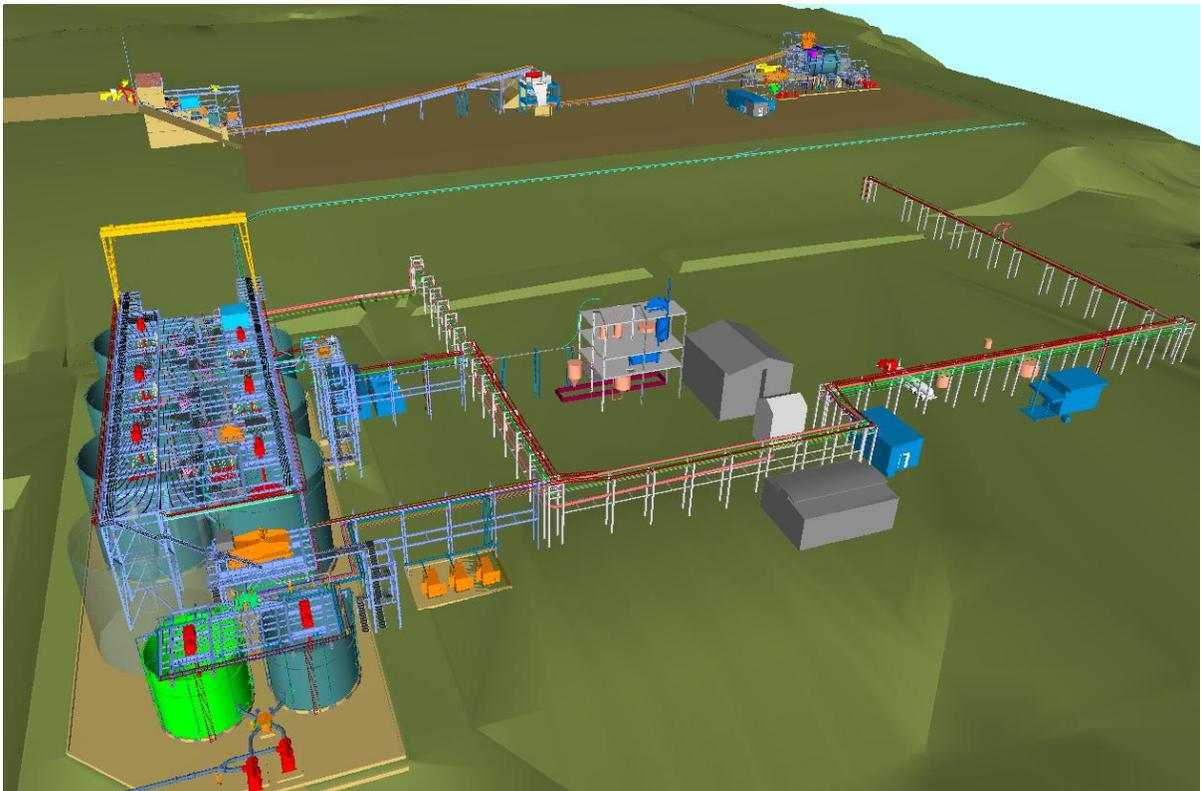
- SAG mill
- Crusher and apron feeder
- CIL tank plate and fabrication
- CIL tank agitators
- Inter-tank screens
- HV and LV switchgear
- Main transformers
- Process pumps

Construction:

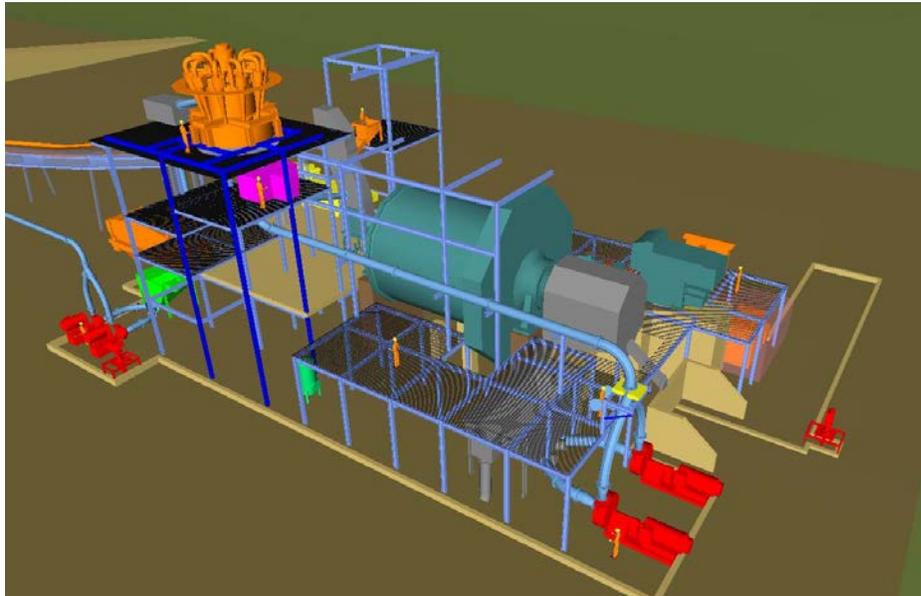
- Tender of civil construction contract
- Tender and award of the logistics contract

Management:

- Assignment of personnel to the construction management team



3D view of crusher, bin, SAG Mill and CIL tanks



3D view of SAG Mill



Pregnant liquor pond backfilled and ready for CIL tanks

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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.