



Quarterly Report for Shareholders Period Ending 30 September 2012

ASX Code:BDR

Directors:

Craig Readhead	Non-Exec. Chairman
Mike Donaldson	Non-Exec. Director
Ross Kestel	Non-Exec. Director
Peter Bowler	Managing Director
Robert Watkins	Exec. Director Geology
Greg Barrett	CFO/ Company Sec.

Corporate Details:

Issued capital:
740,204,752 ordinary shares

ABN
50 125 222 291

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Peter Bowler
Managing Director

HIGHLIGHTS

CORPORATE

- **Available Funds** – Cash at bank of \$22.4M as at 30 September 2012 + \$2.9M (options exercised in October) + \$2.5M (RC Rig sale in October) = \$27.8M available.
- **Iron Ore Agreements** – On 24 August, five agreements with Anglo Ferrous Amapá Mineração Ltda were executed. These agreements cover both companies' access rights to iron ore and gold on tenements controlled by Anglo American and Beadell and represent a key milestone achievement to unlock the combined values of both commodities.

TUCANO GOLD MINE - BRAZIL

- **Tucano CIL Plant Construction** – Commissioning commenced late September and first ore to the mill now scheduled for mid November 2012 from late October due to a slight delay to High Voltage (HV) power delivery by the contractor. Hydrostatic testing completed and HV power is now on line.
- **Magnetic Separation Plant** – Phase 1 Civils 95% complete. Commissioning scheduled for early April 2013.
- **Mining** – Mining focussed on Tap AB and Tap C pits and construction of the Tap D tailings facility. Commissioning of two CAT 6018 excavators and four CAT 777G trucks now complete and equipment is in operation.
- **Updated Resource / Reserve Statement** – An updated Resource and Reserve Statement finalised and released.
- **Tucano Reserves** – 45% increase in reserves to 40.7 Mt @ 1.38 g/t gold for 1.80 Moz of gold, including Open pit Ore Reserves of 32.6 Mt @ 1.50 g/t gold for 1.58 Moz.
- **Tucano Resources** – Increased by 531,000 oz to 114.1 Mt @ 1.40 g/t gold for 5.14 Moz contained gold.
- **Duckhead** – Exceptional drill results including 11 m @ 76.5 g/t gold, 10 m @ 47.3 g/t gold, 9 m @ 123.2 g/t gold and 8 m @ 40.0 g/t gold. An updated resource and maiden open pit reserve to be announced shortly.

TUCANO GOLD PROJECT (100%)

CIL Process Plant Construction

Plant Engineering and Construction (EPCM)

As of the date of this report, construction completion status is as follows:

Concrete Works

- Civil works complete

SMP (Structural/Mechanical/Piping)

- CIL, Detox and raw water tanks complete and water tested (see photo 1 & 2)
- SAG Mill 100% complete and fully lined (see photo 3)
- Elution and lime plants water commissioned (see photo 1)

E&I (Electrical & Instrumentation)

- Power to MCC rooms established
- HV substations alive



Photo 1. Completed CIL plant including gold elution circuit



Photo 2. Completed CIL Tanks



Photo 3. Completed SAG mill ready for ore

Completion Schedule

Commissioning commenced as planned during September and is now accelerating with the availability of HV power. First ore to the mill is now scheduled for mid November from late October due to the slight delay of HV power delivered by the E & I contractor.

Magnetic Separation Plant

Phase 1 civils construction is 95% complete and only the smaller component of phase 2 civils remains to be completed (raw water tank base and MCC room).

The commissioning of this plant has been delayed by a few months as a result of labour requirements focussing on the timely completion of the CIL gold plant. The plant is now scheduled to produce iron ore concentrate in early April 2013.

To date \$5.2M has been spent and committed on equipment, materials and the civils. The majority of the equipment for this project has been procured and is now on site.

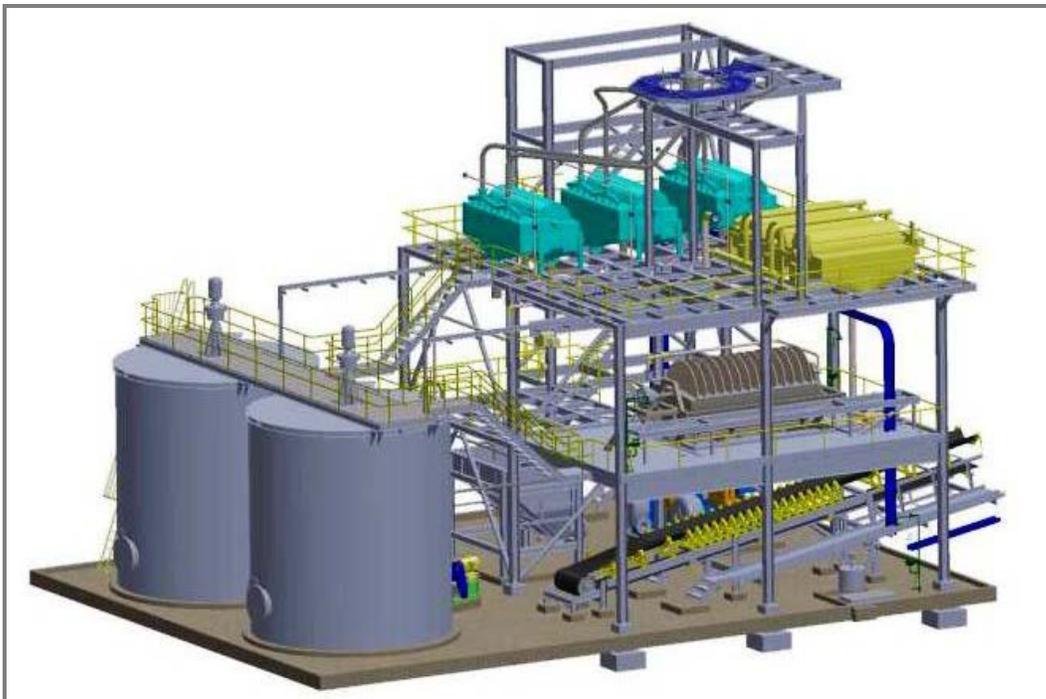


Diagram 1. Iron Ore Concentrate Plant 3D Image

Mining

Mining during the quarter has focussed on the extraction of higher grade oxide as feed for the CIL plant. This material has been sourced from the Tap AB and Tap C pits.

In addition, the mining fleet has been utilised in the construction of the initial Tap D tailings facility which is progressing as expected.

The signing of a Joint Operating Agreement with Anglo Ferrous saw the establishment of a live stockpile area for the delivery of high grade iron ore to Anglo's neighbouring beneficiation plant.

The mobile equipment fleet was enhanced through the commissioning of four CAT 777G trucks, two CAT 6018 excavators, a Liebherr 964 excavator and a CAT 834 dozer. A further three CAT 777G trucks are due to be commissioned in November (see photo 4 & 5). Mining productivity will now increase with the injection of this new equipment and a corresponding reduction in maintenance costs will also be realised.



Photo 4. CAT 6018 excavator loading CAT 777G



Photo 5. CAT 777G truck

Resource and Reserve Development

An updated resource and reserve estimate as at 30 June 2012 was announced during the quarter (see ASX announcement 4 September 2012).

The Tucano Ore Reserve increased by **45% to 40.7 Mt @ 1.38 g/t gold for 1.80 Moz** of contained gold including an Open pit Ore Reserve of **32.6 Mt @ 1.50 g/t gold for 1.58 Moz** sourced from three open pits, Urucum, Tap AB and Tap C along the 7 km long Tucano trend. Stockpiled Ore Reserve comprises **8.1 Mt @ 0.87 g/t gold for 0.23 Moz**.

Total Mineral Resources produced in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves, December 2004 (the JORC Code) increased by **531,000 oz to 114.1 Mt @ 1.40 g/t gold for 5.14 Moz** contained gold.

Duckhead

Exceptionally high grade RC drill results were received from the Duckhead prospect. Results included:

FVM15 11 m @ 76.5 g/t gold from 103 m including 5 m @ 164.7 g/t from 103 m

FVM29 10 m @ 47.3 g/t gold from 67 m including 4 m @ 115.7 g/t from 68 m

FVM31 8 m @ 40.0 g/t from 30 m including 3 m @ 105.7 g/t from 30 m

FVM34 9 m @ 123.2 g/t gold from 50 m including 2 m @ 547.9 g/t from 53 m

FVM35 12 m @ 30.0 g/t gold from 34 m including 4 m @ 55.2 g/t and 1 m @ 122.6 g/t

The results are highly significant as they have extended the original Duckhead high grade zone to the surface. Previous interpretations suggested that the high grade lode did not have a plunge component. However, a steep west plunge to the high grade shoot has now been identified. The downplunge extent of the high grade shoot remains completely open at depth. A diamond rig is mobilising to site to continue drilling the depth extensions of the high grade shoot.

A total of 57 RC holes for 5,066 m have been drilled at Duckhead with numerous results awaited. Highly prospective targets are currently being drilled including a hangingwall zone to the main high grade lode. The new result in **FVM3 of 4 m @ 5.9 g/t gold** from 18 m indicates that the main high grade lode remains open to the east and down plunge. First pass RC drilling has just been completed at Duckhead West with results expected shortly.

An updated resource and a maiden open pit reserve is currently being finalised and will be released shortly.

An aggressive timetable for development of the Duckhead resource is underway and, subject to regulatory and Anglo Ferrous approvals, the target for commencement of open pit mining is the June 2013 quarter. Inclusion of Duckhead into the near term mine plan will result in a significant upwards forecast for gold production in CY2013-14.

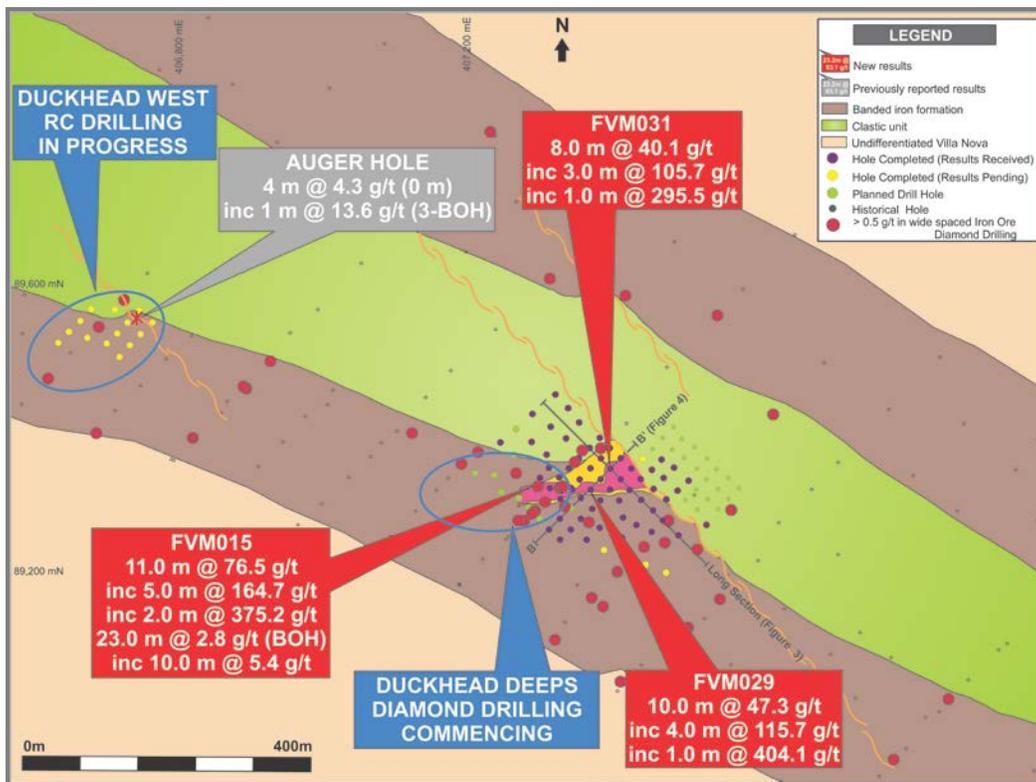


Diagram 2. Duckhead plan showing location of drill holes

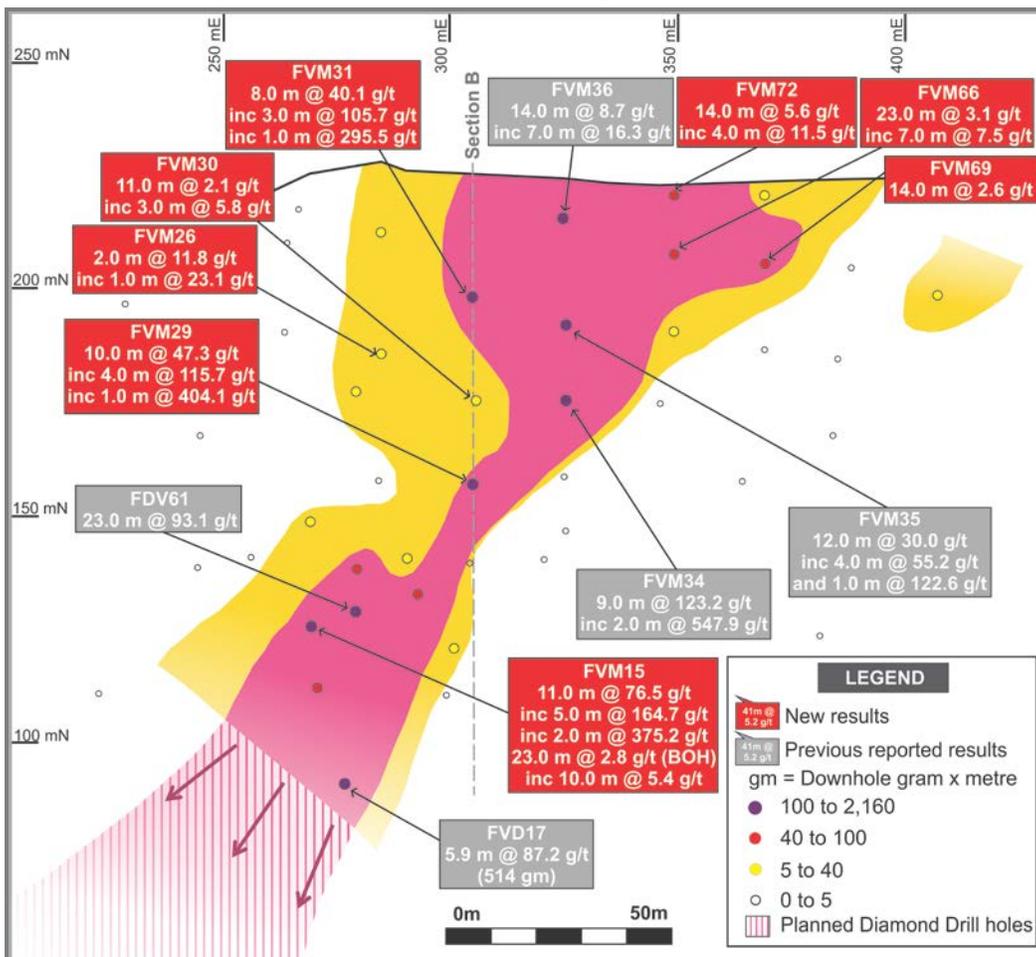


Diagram 3. Duckhead longsection showing location of drill results

Tucano Iron Ore

On 24 August 2012, Beadell announced the signing of a Joint Operating Agreement (JOA) and Iron Concentrate Off-take Agreements with Anglo Ferrous. Under the JOA, iron ore mined from Beadell's gold pits will be sold to Anglo Ferrous on a cost recovery basis. This re-classification of iron ore, which was previously classified as waste, has had a significant positive effect on strip ratio.

TARTARUGA

Auger drilling continued to delineate new drill targets within the Tartaruga area with 457 auger holes completed. A large colluvium gold anomaly has been delineated 1 km north of the main resource area on an interpreted parallel structure along a granite contact. Widespread gold anomalism over a plus 1 km strike length has been defined with results up to 1 g/t gold occurring within colluvium and saprolite. A large RC resource delineation and extension drilling program will be completed in the near term.

WESTERN AUSTRALIA

Tropicana East Project (100%)

New data from the compilation of Spectrem survey and ongoing generative work by CSIRO and Geological Survey of Western Australia continue to develop new targets within the Tropicana East Project. A large drilling campaign is being planned to commence in Q2 of 2013 with the aim of defining a maiden resource along the Hercules Shear Zone.

Nullarbor (100%)

Additional tenure was applied for near Balladonia during the quarter, which will form part of a regional exploration program of first pass auger geochemical sampling in 2013.

West Musgrave Project (100%)

Handpump

No field work was completed during the quarter.

Matika Well

First pass, wide spaced soil sampling and mapping has commenced at the Matika Well project. Low level gold anomalies have been generated requiring field checking and infill soil sampling.

Skirmish Hill Joint Venture

Beadell's Joint Venture partners, Anglo American, completed four RC holes during the quarter targeting a northwest trending coincident geochemical, gravity and magnetic target. No results have been received yet, but there are trace amounts of sulphides noted in most holes.

CORPORATE & FINANCE

The Company had cash at bank of \$22,401,000 as at 30 September 2012 plus unlisted options were exercised in October raising a further \$2,872,500. Additionally the sale of the Company's site based RC rig for \$2.5M cash was executed in late in October. This provided the Company with total available funds of ~\$27.8M.

The Machinery Lease facility has been drawn to ~US\$15M out of the US\$20M limit.

During September, \$10 million was raised by selling to Macquarie Bank call options over 48,485 ounces of gold at a strike price of US\$1,700 per ounce and an expiry date of 31 December 2014.

On 24 August, the Company announced that five agreements with Anglo Ferrous Amapá Mineração Ltda were executed. These agreements cover both companies' access rights to iron ore and gold on tenements controlled by Anglo American and Beadell in the State of Amapá and represent a key milestone achievement to unlock the combined values of both commodities.

During the September quarter, 5,500,000 unlisted options were exercised and 5,500,000 ordinary fully paid shares issued for total proceeds of \$1,031,250.

In October, 15,500,000 unlisted options were exercised and 15,500,000 ordinary fully paid shares issued for total proceeds of \$2,872,500.

The sale of the Company's RC Drill Rig for \$2.5M cash has been executed. The sale to a very experienced drilling company will result in improved efficiency and productivity for this vital piece of equipment as a long term contract has been entered into with that drilling company to cover over 50,000 metres annually.

Competent Persons Statement

The information in this report relating to Exploration Results and Mineral Resources and Ore Reserves 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 Limited. 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.

⁽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.*