

Quarterly Report for Shareholders

Period Ending 31 March 2013



HIGHLIGHTS

OPERATIONS

- **Production** – Gold recovered of **30,451** ounces with gold poured of 28,894 ounces for the quarter.
- **Mining** – Total material movement was above budget as was gold ore mined. Mined grade was on budget.
- **Costs** – Total mining costs for the period were 6% below budget and process plant costs were 12% below budget. Tucano has been in commercial production from 1 April 2013.
- **Grade Control** – **37,577 metres** of RC grade control drilling completed during the quarter allowing for a significant ramp up in ore production from all open pits.
- **Magnetic Separation Plant** – Construction is drawing to a close. Commissioning and first product is planned for May 2013.
- **April throughput and forecast production** – Excellent throughput and ore grade as at 20 April is indicating gold production will exceed the monthly forecast of **14,000** ounces.

EXPLORATION

- **Duckhead** – Expanded Duckhead starter pit, including the Hangingwall Lode, resulted in an increased reserve of the Main Lode to 70,000 t @ 30.2 g/t gold for 68,000 oz and a maiden Hangingwall Lode Probable Reserve of 584,000 t @ 3.2 g/t for 28,000 oz giving a **total Duckhead Probable Reserve of 342,000 t @ 8.7 g/t gold for 96,000 oz.**
- **Duckhead** – Maiden Hangingwall Lode JORC Indicated and Inferred Resource of 584,000 t @ 3.8 g/t for 71,000 oz resulting in an expanded Duckhead total resource of 678,000 t @ 7.5 g/t gold for 164,000 oz.
- **Duckhead** – Drill results from Main Lode resource extension drilling include FVD037, with 6 m @ 23.2 g/t and including 3 m @ 44.6 g/t gold. Infill grade control results of up to **5 m @ 128.0 g/t, including 1 m @ 614.0 g/t gold, and 24 m @ 16.3 g/t gold, including 9 m @ 40.7 g/t gold** has confirmed the continuity of the high grade Main Lode. Hangingwall Lode results of up to **13 m @ 5.9 g/t**, remaining completely open at depth and with follow up drilling ongoing.
- **Tartaruga** – 10,000 m RC resource drilling program has commenced. Numerous targets defined by auger drilling with results up to 10.7 g/t and 5.9 g/t gold being intersected at the Juscelino prospect.

CORPORATE

- **Cash and Bullion** – Cash and Bullion as at 31st March totalled ~US\$13,400,000 (@ US\$1,550 per ounce).
- **Placement of shares** – In addition to the cash and bullion, on 28 March, the Company successfully completed a A\$25 million institutional placement. The placement price was set by way of an institutional bookbuild which cleared at A\$0.91 per share with net proceeds of US\$24.9 million received on 4 April.

Peter Bowler
Managing Director
23 April 2013

OPERATIONS

TUCANO GOLD MINE (100%)

Production

Production Summary	Total Material Moved (t)	Gold Ore Mined (t)	Ore Milled (t)	Head Grade (g/t)	Plant Recovery (%)	Total Production (oz)
January	1,258,227	212,284	194,806	1.73	92.0	8,264
February	957,896	165,423	205,398	1.40	93.8	9,662
March	955,306	181,778	251,294	1.58	92.1	10,968
Total	3,171,429	559,485	651,498	1.57	92.6	28,894

Plant throughput continued to ramp up towards the budget of 3.5 million dry tonnes per annum (Mtpa). At the end of March this rate had been achieved. A total of 651,498 tonnes of predominantly oxide ore had been processed at the end of the period. The percentage of ore at this early stage of production has less fresh rock in it than designed and this has led to some initial throughput constraints. These are now overcome and plant throughput is now exceeding the 3.5 Mtpa nameplate capacity of the plant. Process plant recovery for the period was 93% and this was above budget. Process plant total operational costs were 12% below budget for the quarter.

Gold production guidance for full year 2013 is dependent on the timing of mining the Duckhead deposit, which is expected to commence once all Government approvals are received over the coming weeks.

Beadell is working closely with Anglo Ferrous to also ensure that mining of the Duckhead open pit commences as soon as government regulatory approvals have been received.

Based on this timetable, gold production for the calendar year to December 2013 is

estimated to be approximately 200,000 ounces gold. The additional inclusion of the new Hanging wall deposit, see ASX release 15 January 2013, has the potential to increase this planned gold production for CY2013 as it will be mined concurrently with Duckhead. Guidance on production and costs will be released once approvals for the Duckhead deposit are finalised.

Forecast April Throughput and Production

Excellent throughput and ore grade as at 21 April is indicating gold production above the monthly forecast of 14,000 ounces, which includes an already completed planned maintenance 28 hour Mill shutdown. Several days in April have produced throughputs equivalent to 4 - 4.5 Mtpa with no equipment limitations or constraints.

Production will now target 4 Mtpa and then 4.5 Mtpa utilising the 8 Mt of stockpiled ore available on site to make up the required incremental ore tonnes. Average ore grade in April has been slightly over budget at 1.57gpt gold with recovery rates on budget at over 92%. See diagram 1 on the next page.

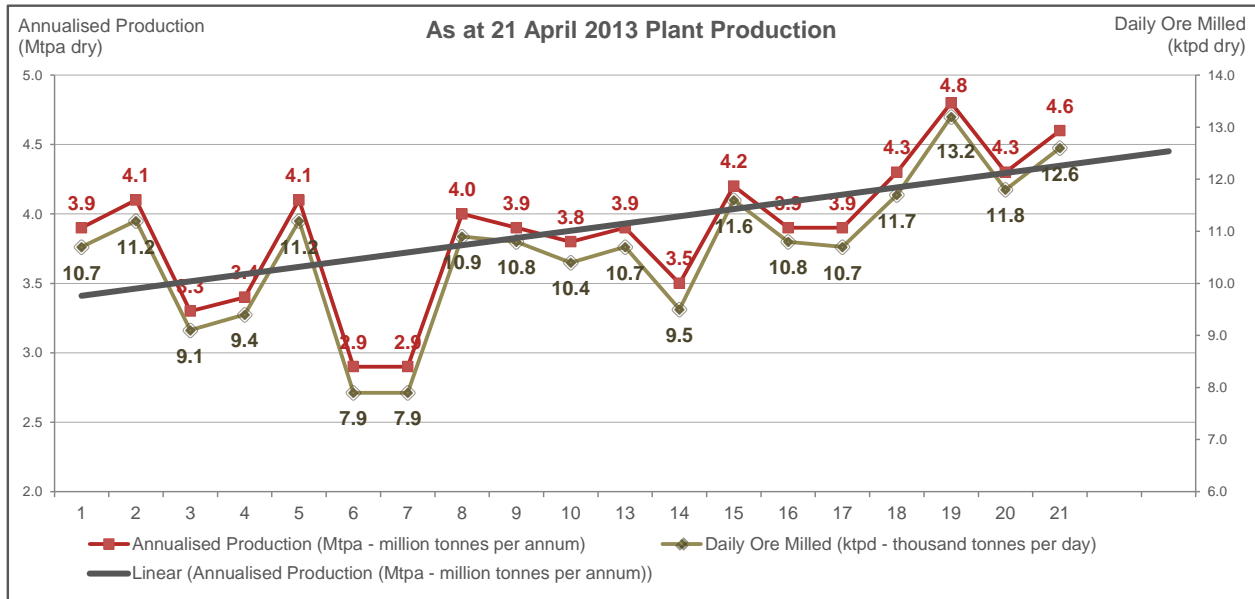


Diagram 1. Gold Ore Milled (dry tonnes per day)

Notes:

- 1) Tonnes from 1 to 14 April are reconciled
- 2) Days of Planned Maintenance of the Mill was not considered (11 and 12 April)

Magnetic Separation Plant

The project is close to completion with predominantly the electrical and instrumentation aspects of the project yet to be completed.

The first production of concentrate is forecast for May 2013.

To date \$10.4 million has been spent and committed on equipment, materials and the contractors, with \$1.3M yet to be spent. The project is forecast to be within budget expenditure.

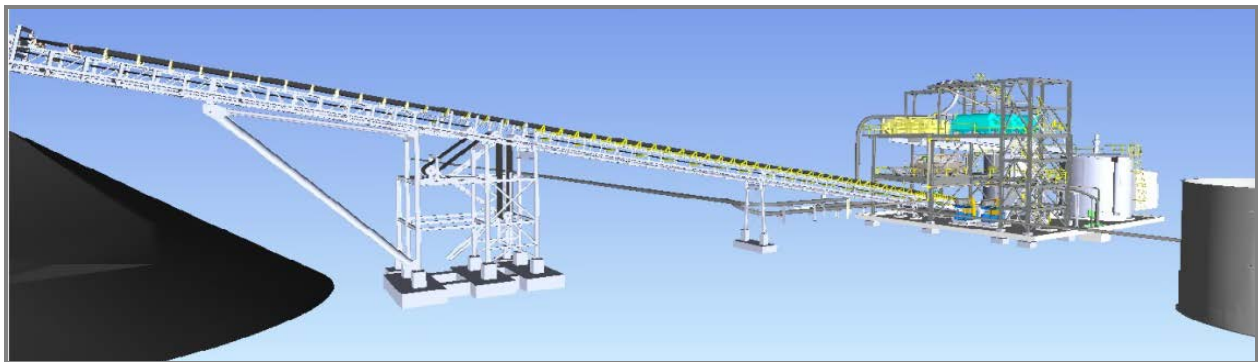


Diagram 2. Iron Ore Concentrate Plant 3D Image



Photo 1. Iron Ore Concentrate Plant nearing completion

Iron Ore Update

On 28 March, the Anglo Ferrous ship loading facility, located at Santana on the Amazon River, experienced a significant incident resulting in iron ore concentrate exports being temporarily halted until an interim loading facility can be installed, which is likely to be several months.

Beadell and Anglo Ferrous and have agreed to continue stockpiling high grade iron ore

from the open pits under the terms of the Joint Operating Agreement and stockpile iron ore concentrate once the Magnetic Separation plant is commissioned next month. Anglo Ferrous has agreed to resume purchasing these commodities under the existing agreements as soon as the ship loading facility has been restored.



Photo 2. Cat 6018 excavator loading trucks at newly established Urucum Pit

Mining

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

Total movement was above budget (+8%) as was gold ore mined (+7%). Mined gold ore grade was in line with budget.

During the next quarter, the mining operation will benefit from the inclusion of three new CAT 777G trucks, two fully refurbished CAT 777D trucks, a new Leibherr 964 excavator, four new Volvo 40t all terrain trucks, five Scania ore haulage trucks and a new grader. This new equipment will increase production and reduce maintenance costs.

Mining at the 2.8 million ounce Urucum deposit commenced at the end of December 2012 and this has progressed well to the end of March.

Gold stockpiles as at the end of March total 8.57Mt @ 0.84g/t gold for 231,000 oz.

EXPLORATION

Resource and Reserve Development

During the March quarter, RC drilling focussed predominantly on grade control drilling of the Tap AB, Tap C and Urucum open pits with a record 37,577 m of drilling completed. Excellent drill coverage of all active open pits is now in place allowing for a significant ramp up in ore production. The June quarter will focus on exploration and resource extension drilling.

Duckhead

A maiden Hangingwall Lode JORC Indicated and Inferred Resource of **584,000 t @ 3.8 g/t for 71,000 oz** was announced on 26 February. Combined with the adjacent Duckhead Main Lode resource of **94,000 t @ 30.9 g/t gold for 93,000 oz**, the expanded Duckhead total resource totals **678,000 t @ 7.5 g/t gold for 164,000 oz**. The resource remains completely open at depth below the shallow drilling.

The Main Lode starter pit has been redesigned and expanded to incorporate the new Hangingwall Lode forming a single first stage starter open pit. The new Hangingwall Lode has a JORC Probable Reserve of **272,000 t @ 3.2 g/t gold for 28,000 oz**. The starter pit reserve for the high grade Main Lode has increased to **70,000 t @ 30.2 g/t gold for 68,000 oz**. The combined Main Lode and Hangingwall Lode starter pit has a total JORC Probable Reserve of **342,000 t @ 8.7 g/t gold for 96,000 oz**.

Grade control RC drilling of the Main Lode has been completed down to approximately 50 m below surface on 10 m x 5 m spacing. Approximately 50% of results have been received and show excellent continuity of the main high grade lode. Significant results are summarised below and in Appendix 1.

Main Lode Infill Grade Control Results

FVM150 18 m @ 5.0 g/t from 0 m

FVM155 18 m @ 36.2 g/t from 10 m inc 5 m @ 128.0 g/t from 20 m inc 1 m @ 614.0 g/t from 21 m

FVM248 24 m @ 16.3 g/t from 22 m inc 9 m @ 40.7 g/t from 28 m inc 3 m @ 91.4 g/t from 28 m and 1 m @ 58.2 g/t from 36 m

FVM261 2 m @ 17.2 g/t from 34 m

FVM262 2 m @ 10.2 g/t from 23 m

FVM218 7 m @ 9.1 g/t from 0 m

FVM255 2 m @ 22.7 g/t from 28 m inc 1 m @ 44.2 g/t from 28 m

FVM217 17 m @ 3.8 g/t from 0 m inc 6 m @ 8.0 g/t from 6 m

FVM225 23 m @ 6.9 g/t from 0 m inc 6 m @ 21.8 g/t from 8 m

FVM226 12 m @ 6.1 g/t from 1 m inc 6 m @ 10.5 g/t from 6 m

FVM285 15 m @ 5.6 g/t from 76 m

FVM169 9 m @ 15.3 g/t from 47 m

Diamond drilling of the Main Lode and Hangingwall Lode continues to extend the

Duckhead resource at depth. During the quarter a significant result of 6 m @ 23.2 g/t gold including 3 m @ 44.6 g/t gold was intersected in FVD037 on the Main Lode and a new lode was intersected in FVD038 recording 14 m @ 3.2 g/t gold in FVD038. On the Hangingwall Lode a result of 13 m @ 5.9 g/t gold from 73 m remains completely open at depth. A summary of significant results received is listed below and in Appendix 1.

Duckhead Resource Extension Results

FVD037 6 m @ 23.2 g/t from 148 m
inc 3 m @ 44.6 g/t from 149 m

FVD038 14 m @ 3.2 g/t from 87 m

FVD042 4 m @ 1.3 g/t from 8 m
2 m @ 0.9 g/t from 44 m
5 m @ 0.9 g/t from 133 m
3 m @ 1.0 g/t from 142 m
4 m @ 5.4 g/t from 149 m
inc 1 m @ 20.3 g/t from 152 m

HW232 13 m @ 5.9 g/t from 73 m

HW330 10 m @ 0.9 g/t from 0 m
8 m @ 1.1 g/t from 28 m
4 m @ 1.6 g/t from 40 m

HW372 12 m @ 2.0 g/t from 35 m

Government regulatory approvals are progressing steadily, with the Final Exploration Report (FER) having been approved by the State DNPM and now waiting for Federal DNPM sign off and gazetting. An amended Plano de Aproveitamento Economico (PAE) has been prepared and will be submitted immediately following the FER gazetting. Beadell is in close discussions with Anglo Ferrrous regarding the logistics and timeframe to be able to start mining Duckhead as soon as final government approvals have been received.

Tartaruga

Ongoing regional auger drilling continues to delineate extensive gold anomalism throughout the project area. At the Juscelino prospect, located approximately 2 km south of the main resource area, auger results of up to

1 m @ 10.7 g/t gold were recorded including a result of 1 m @ 5.9 g/t gold from 9 m to bottom of hole in TG0438. Additional highly anomalous results were received from the recently discovered Havaianas prospect.

A 10,000 m RC drilling program is underway at Tartaruga aiming to significantly expand the existing resource base of 5.5 Mt @ 1.6 g/t gold for 279,000 oz. The drilling commenced at the undrilled Rio de Ouro prospect where a total of 32 holes have been drilled for 2,185 m. First results from the drilling are expected shortly.

Western Australia

Exploration continues to focus on the highly prospective Albany Fraser belt, which contains the 7.9 Moz Tropicana gold deposit, currently under development by AngloGold Ashanti. Beadell is involved in several research and development projects run by CSIRO and the Geological Survey of Western Australia. New tenement applications have been applied for in the Balladonia area.

Tropicana East Project (100%)

No field work was completed in the March quarter; however ground electromagnetic surveys will be completed over the following weeks to delineate the source of the strong conductive anomalies generated by an airborne SPECTREM survey flown in late 2012. Follow up drilling of these anomalies and extensions of the gold mineralisation discovered at the Atlantis and Hercules prospects is planned for middle calendar 2013.

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.

CORPORATE & FINANCE

Cash, Bullion & Investments

Cash and Bullion as at 31 March totalled ~US\$13,400,000 (@ US\$1,550 per ounce).

Placement of shares

On 28 March, the Company successfully completed an A\$25 million institutional placement at A\$0.91 per new share issued.

The Placement price represented a 3.2% discount to the last closing price of Beadell shares of A\$0.94 on 27 March 2013 and is equal to the five-day volume weighted average price of A\$0.91 (up to and including 27 March 2013).

Settlement of the Placement was made on 4 April 2013, with allotment on 5 April 2013.

The equity raising was a requirement to satisfy the conditions of the primary debt provider in granting the restructure of repayments of the debt facility. Approximately US\$8 million of the

raising has been used to pay down all outstanding capital expenditure invoices on the CIL gold plant which was completed in December 2012. The remainder of the funds will be used to bolster the Company's balance sheet and cash reserves.

Gold Sales

Gold sales totalled 22,600 ounces in the March quarter. The average cash price received was US\$1,622/oz. Gold sales were less than gold produced in the quarter due to excessively high gold in circuit resulting from the high grade gold ore being processed and issues in the gold elution process which has now been addressed.

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.

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Corporate Details:

Issued capital:
742,204,752 ordinary shares (as at 31 March 2013)

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APPENDIX 1.
Duckhead RC Grade Control Drill Results.

Duckhead Lode	Hole	From (m)	To (m)	Width (m)	Gold (g/t)
Colluvium	FVM271	1	4	3	0.7
Colluvium	FVM208	2	6	4	0.6
Colluvium	FVM120	19	21	2	0.9
Main Lode	FVM121	9	17	8	0.9
Colluvium	FVM259	2	5	3	0.7
Main Lode	FVM207	20	24	4	0.6
Colluvium	FVM139	1	9	8	1.3
Main Lode	FVM112	14	18	4	0.7
Colluvium and Main Lode	FVM150	0	18	18	5.0
Main Lode	FVM155	10	28	18	36.2
		Inc 20	25	5	128.0
		Inc 21	22	1	614.0
Main Lode	FVM248	22	46	24	16.3
		Inc 28	37	9	40.7
		Inc 28	31	3	91.4
		Inc 36	37	1	58.2
Main Lode	FVM141	32	35	3	1.0
		38	41	3	1.7
Colluvium	FVM152	2	6	4	0.6
Colluvium	FVM162	0	6	6	0.7
Colluvium	FVM167	1	4	3	0.5
Main Lode	FVM200	14	16	2	0.5
Colluvium	FVM251	1	9	8	1.0
Colluvium	FVM252	2	5	3	1.0
Colluvium and Main Lode	FVM209	0	19	19	0.9
Main Lode	FVM261	34	36	2	17.2
Main Lode	FVM262	23	25	2	10.2
Main Lode	FVM128	2	5	3	0.6
		16	18	2	0.6
Main Lode	FVM133	28	32	4	0.7
Colluvium and Main Lode	FVM203	1	14	13	0.6
Colluvium	FVM204	1	6	5	0.6
Colluvium	FVM212	0	6	6	1.6
Colluvium	FVM210	0	14	14	1.1
Colluvium	FVM211	0	5	5	1.6
Colluvium	FVM218	0	7	7	9.1
Colluvium	FVM257	0	14	14	0.8
Main Lode	FVM255	28	30	2	22.7
		Inc 28	29	1	44.2
Main Lode	FVM217	0	17	17	3.8
		Inc 6	12	6	8.0
Main Lode	FVM225	0	23	23	6.9
		Inc 8	14	6	21.8
Main Lode	FVM226	1	13	12	6.1
		Inc 6	12	6	10.5
Main Lode	FVM263	7	14	7	1.1
Colluvium	FVM286	0	5	5	0.6
Main Lode	FVM285	76	91	15	5.6
Main Lode	FVM158	42	47	5	1.4
		51	54	3	1.9
		57	60	3	1.3

Main Lode	FVM169	47 Inc 47	56 49	9 2	15.3 64.6
Main Lode	FVM202	4	17	13	0.9

All results are reported as downhole intervals at >0.5g/t with no greater than 2 m internal dilution with no upper cut.

Duckhead Resource Diamond Drill Results.

Duckhead Lode	Hole	From (m)	To (m)	Width (m)	Gold (g/t)
Main Lode	FVD037	148	154	6	23.2
		Inc 149	152	3	44.6
Hangingwall Lode	FVD038	87	101	14	3.2
Hangingwall Lode	FVD040	74	77	3	0.9
Hangingwall Lode	FVD041	62	64	2	1.0
Main Lode		169	171	2	0.6
Main Lode		181	186	5	1.2
Hangingwall Lode	FVD042	8	12	4	1.3
		44	46	2	0.9
		133	138	5	0.9
		142	145	3	1.0
		149	154	4	5.4
		Inc 152	153	1	20.3

All results are reported as downhole intervals at >0.5g/t with no greater than 2 m internal dilution with no upper cut.

Duckhead Resource Extension RC Drill Results.

Duckhead Lode	Hole	From (m)	To (m)	Width (m)	Gold (g/t)
Colluvium	HW399	1	4	3	0.6
Hangingwall Lode	HW373	6	11	5	0.6
Hangingwall Lode	HW392	16	18	2	1.3
Hangingwall Lode	HW356	26	29	3	0.7
Colluvium	HW391	3	8	5	0.7
Colluvium	HW396	1	15	14	0.5
Colluvium	HW397	1	4	3	0.6
Hangingwall Lode	HW347	48	53	5	1.2
Colluvium	HW380	2	5	3	0.5
Hangingwall Lode	HW314	6	12	6	0.7
Hangingwall Lode	HW372	4	10	6	0.6
		35	47	12	2.0
Colluvium	HW352	0	3	3	0.8
Colluvium	HW330	0	10	10	0.9
Hangingwall Lode		28	36	8	1.1
Hangingwall Lode		40	44	4	1.6
Colluvium	HW124	2	5	3	0.8
Hangingwall Lode	HW355	8	20	12	0.9
		26	32	6	0.5
Colluvium	HW162	0	4	4	1.0
Colluvium	HW358	6	8	2	1.2
Colluvium	HW354	5	9	4	1.2
Hangingwall Lode	HW232	73	86	13	5.9

All results are reported as downhole intervals at >0.5g/t with no greater than 2 m internal dilution with no upper cut.