



**ASX ANNOUNCEMENT**

**19 May 2014**

**ASX Code: BDR**

## **CHAIRMAN'S ADDRESS TO 2014 ANNUAL GENERAL MEETING**

Beadell Resources Limited (“**Beadell**” or “the **Company**”) is pleased to provide the following extract from the Chairman’s Address to the 2014 Annual General Meeting held this morning.

In 2013, we became a fully operational and profitable gold mining company and by doing so propelled our gold mine, Tucano, to be Brazil’s third largest gold mine. Our mine performed above expectations during a very volatile time for all gold companies around the globe and, subsequently, we received solid support from you, our Shareholders. Even though the gold price hit its lowest level since August 2010, your Company prospered in this environment as we were able to contain our costs to within the lowest quartile globally.

At the beginning of 2013, we were focused on the commissioning and ramp-up of the CIL gold plant. We had excellent results with the plant quickly demonstrating the capacity to treat well over 4 million tonnes per annum, exceeding the nameplate of 3.5 million tonnes per annum with no additional capital expenditure or modifications required. This was an outstanding effort from our newly assembled operational team. We also made improvements to the gold elution circuit which enabled larger gold shipments and a reduction of the gold in circuit to an acceptable level. At the end of the year, our CIL plant was performing very well with solid throughput at a rate of 4.2 million tonnes per annum, approximately 20% over nameplate capacity. Gold produced at Tucano’s CIL plant totalled a credible 182.5 thousand ounces in its first year of operation.

Our \$11.7 million iron ore concentrate plant to extract high grade iron ore from our gold tailings was completed ahead of schedule and within budget - a great accomplishment for our in-house project team! The iron ore concentrate produced will reduce Tucano’s gold operation cash costs significantly via an off-take agreement signed with a third-party.

The commencement of mining of the high-grade Duckhead gold deposit, 10 km south of our project on our next door neighbours Anglo American Plc's mining concession, was a very important achievement for our team. This ore body, albeit small, is enabling us to repay our project debt within a very short timeframe. Our team of geologists are working hard searching for extensions or repetitions to this highly profitable ore body.

We expanded our mining fleet in 2013 to increase production, reduce maintenance costs and improve overall fleet availability. To this end, our Tucano gold mine received four new 40 tonne all terrain Volvo trucks, three new Scania ore haulage trucks, a large motor grader, four new 100 tonne CAT 777G haul trucks and a new Liebherr 9250 (250 tonnes class) excavator.

Alongside all of the aforementioned accomplishments, we were able to operate the Tucano gold mine with high safety standards with only one minor lost time injury registered during the period. Furthermore, we have maintained our commitment to ensure the health and safety for our employees, environmental protection and socio-economic development of Tucano's surrounding communities through contributions made to the social community fund. We enjoy an excellent relationship with all stakeholders within the state of Amapa.

Finally, upon behalf of the Board, I would like to thank all our dedicated staff and management team for their outstanding effort throughout the year as we continuously strive to remain the best gold mine in Brazil. In 2014, we look forward to repaying our project debt, exploration success and further productivity and efficiency gains to insulate our gold business from any downturn in the gold price. Conversely, when gold price moves upward, we look forward to rewarding you, our shareholders, with the payment of a dividend as part of a sustainable dividend policy.

I also would like to thank our Shareholders for your support.

A handwritten signature in black ink, appearing to read "Craig Readhead". The signature is fluid and cursive, with the first name "Craig" being more prominent than the last name "Readhead".

**CRAIG READHEAD**

**Chairman**

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