



ASX ANNOUNCEMENT

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MAIDEN DIVIDEND AND 2014 FINANCIAL YEAR RESULTS

Beadell Resources Limited (“**Beadell**” or “the **Company**”) is pleased to announce that it will pay a maiden dividend to its shareholders and to report its results for the financial year ended 31 December 2014.

Operating and financial summary	Dec-14	Dec-13
Operating results		
Total Waste Moved (t)	10,559,034	7,146,551
Marginal Ore Moved (t)	318,820	606,734
Iron Ore Moved (t)	2,007,439	1,838,234
Gold Ore Mined (t)	2,355,755	2,086,997
Gold Ore Milled (t)	4,288,264	3,557,405
Head Grade (g/t)	1.24	1.73
Plant Recovery (%)	90.0%	92.2%
Total Gold Recovered (oz)	153,691	182,547
Total Gold Sold (oz)	165,789	172,316
Financial results		
	\$ millions	\$ millions
Sales revenue	260.2	253.0
Costs of production	(145.2)	(104.6)
Underlying EBITDA	115.0	148.4
Depreciation and amortisation	(36.6)	(20.7)
Profit before tax and net finance expense	49.5	99.8
Net finance expense	(27.6)	(6.7)
Income tax (expense)/benefit	(8.4)	20.5
Reported profit after tax	13.5	113.5
Other financial information		
	\$ millions	\$ millions
Cash flow from operating activities	13.0	86.9
Cash and cash equivalents (including restricted cash and gold bullion awaiting settlement)	71.7	19.3
Net assets	221.8	237.8
Basic earnings per share	A\$0.02/share	A\$0.15/share

Note: Information contained in the operating and financial summary data presented above contains non-IFRS measures which have not been subject to review by the Company's auditors.

Dividend Payment

The Beadell Board has agreed to pay a dividend of **1 cent per share** payable in Australian dollars. The dividend will not be franked for Australian taxation purposes. **The record date for receiving the dividend is 31 March 2015 and the dividend payment will be made on 16 April 2015.**

Sales revenue

Revenue of \$260.2 million (2013: \$253 million) has been recorded from the sale of 165,789 ounces at an average price, net of smelting and refining costs, of \$1,569.46 per ounce.

Costs of production

During 2014, costs of production have increased due to higher mining costs as a result of increased maintenance material costs, contract costs and use of rental equipment. Additionally, variable processing costs increased due to increased plant throughput.

Costs of production were also adversely affected during the year as a result of a severe wet season (rain fall was 29% above historical mine site average). Additionally, mining was temporarily suspended at the Duckhead pit whilst Zamin, the local Government Mining Department and Beadell analysed and agreed on a legal structure to allow Beadell to continue mining.

Depreciation and Amortisation

Depreciation and amortisation has increased as a result of an expansion of the Tucano mining fleet and increased amortisation of deferred stripping costs related to the Duckhead pit. The amortisation increase is a function of an increased stripping deferral at Duckhead during the period and the depletion of the Duckhead reserve in the same period. Additionally, the effect of a full year of depreciation and amortisation of significant prior year capital expenditures are being incurred this year.

Reported profit after tax

Profit before tax has been negatively impacted by the net finance expense, in particular, a \$6.9 million mark-to-market loss on the Company's derivatives that was recognised before being closed out in June 2014. Borrowings are primarily denominated in US Dollars, leading to the Group incurring a net foreign exchange loss of \$13.4 million resulting

from a significant depreciation of the Brazilian Real against the US Dollar in 2014.

Tax expense was \$8.4 million, compared to a December 2013 tax benefit of \$20.5 million arising from the first time recognition of deferred tax assets. While current year tax expense is calculated at the Brazilian corporate tax rate of 34%, the actual tax liability is determined after the application of a tax incentive program ("SUDAM"), reducing the Group's effective tax rate to approximately 15%.

Cash Flow

Beadell sold 165,789 ounces generating net cash flows from operating activities of \$13.0 million (2013: \$86.9 million). An additional \$19.7 million (2013: \$9 million) was booked for 13,249 ounces that was awaiting settlement at 31 December 2014.

Cash payments for investing activities were \$18.7 million (2013: \$45.7 million) and were largely represented by payments for the construction of the West Pond tailings dam, CIL process plant upgrades and other cost reduction initiatives which were offset in part by the proceeds on sale of equipment to MACA Limited.

Cash flows from financing activities were positive \$9.7 million (2013: outflow \$36.8 million). Cash inflows were principally from hedge settlements of \$28.0 million. Financing payments were represented by net proceeds from borrowings of \$24.8 million offset by secured cash of \$38.1 million and interest payments of \$6.4 million.

Cash

Beadell has strengthened cash and cash equivalents, including restricted cash and gold bullion awaiting settlement, to \$71.7 million at 31 December 2014 (2013: \$19.3 million). Restricted cash of \$38.5 million, of which \$18.7 million became unrestricted in January 2015 and the remainder is becoming unrestricted over 2015 and 2016.

Finance Update

In January 2015, the Group's US\$60 million Santander Facility was syndicated with Itaú BBA International PLC and restructured into a three year secured finance facility, repayable in 12 equal quarterly instalments, commencing on 15 April 2015. The Interest rate applicable under the new facility is USD LIBOR plus a 3% per annum margin.

CY2015 Guidance

Gold sales guidance for the CY2015 is **170,000 – 190,000 ounces**. **AISC** is expected to be of **US\$810 – US\$890 per ounce**. Non-sustaining capital expenditure of **US\$12 million** and exploration expenditure of **US\$10 – US\$12 million** are budgeted.

CY2015 Quarter	CY2015 Gold Sales Guidance
March 2015	36,000 – 40,000 ounces
June 2015	40,000 – 46,000 ounces
September 2015	46,000 – 50,000 ounces
December 2015	48,000 – 54,000 ounces

Note: This guidance excludes any high grade ore which may come into production in the second half of 2015 from the Duckhead deposit.

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