



**ASX ANNOUNCEMENT**  
**ASX Code: BDR**

**28 August 2015**

## **2015 HALF YEAR RESULTS - COMMENTARY**

Beadell Resources Limited (“**Beadell**” or “the **Company**”) is pleased to report its results for the six months ended 30 June 2015.

<b>Key Financial Data</b>	<b>30-Jun-15 (6 months)</b>	<b>30-Jun-14 (6 months)</b>
<b>Financial results</b>	<b>A\$ millions</b>	<b>A\$ millions</b>
Net sales revenue	83.3	110.6
Costs of production	(68.4)	(64.0)
<b>Underlying EBITDA</b>	<b>14.9</b>	<b>46.6</b>
<b>Other significant items</b>		
Depreciation and amortisation	(9.8)	(11.9)
Administrative expenses	(9.3)	(6.0)
Impairment losses	(16.0)	(1.1)
Net finance expense	(11.2)	(5.0)
Income tax benefit/(expense)	3.1	(3.5)
<b>Reported profit after tax</b>	<b>(30.3)</b>	<b>15.1</b>
<b>Other financial information</b>	<b>A\$ millions</b>	<b>A\$ millions</b>
Cash flow from operating activities	9.2	12.2
Cash and cash equivalents	11.0	22.9
Net assets	164.1	240.3
Basic earnings per share	(\$0.04)/share	\$0.02/share

Commenting on the financial results, Beadell’s Managing Director, Peter Bowler said “Whilst material movement of ore and waste for the first half and consequential gold production were below expectations, our second half outlook remains strong. The commencement of the dry season and arrival of new earthmoving equipment with the revised mine plan will ensure substantial gains to gold production throughout the second half. We expect our cash reserves to increase significantly as a result of this anticipated strong second half.”

Key Operational Data	30-Jun-15 (6 months)	30-Jun-14 (6 months)
<b>Operating results</b>		
Waste moved (t)	6,951,563	4,196,436
Marginal ore stockpiled (t)	147,235	114,540
Gold ore mined (t)	999,246	593,452
Gold ore milled (t)	1,788,353	1,977,618
Head grade (g/t)	1.02	1.07
Plant recovery (%)	89%	89%
Gold recovered (oz)	52,396	60,718
Gold sold (oz)	53,986	69,240
<b>Cash Costs and All-In Sustaining Costs</b>		
	<b>US\$ millions</b>	<b>US\$ millions</b>
On-site production costs	45.8	53.2
On-site general and administrative costs	3.5	4.4
By-product credits	-	(1.2)
Cash Costs	49.3	56.4
<i>Cash Costs US\$/oz sold</i>	<i>US\$913/oz</i>	<i>US\$815/oz</i>
Royalties	1.5	1.4
On-site corporate costs	1.1	1.5
Exploration costs (sustaining)	0.3	2.5
Capitalised stripping costs (sustaining)	5.3	6.8
Capital expenditure (sustaining)	0.1	1.3
All-In Sustaining Costs	57.5	69.9
<i>All-in Sustaining Costs US\$/oz sold*</i>	<i>US\$1,065/oz</i>	<i>US\$1,010/oz</i>

\* All-In Sustaining Cost has been calculated in accordance with the World Gold Council's Guidance Note on Non-GAAP metrics released 27 June 2013.

## Half Year Result

Revenue of \$83.3 million has been recorded from the sale of 53,986 ounces at an average price of \$1,543/oz, (June 2014: 69,240 ounces at \$1,597/oz).

AISC per ounce for the half year was negatively affected by lower gold sales, resulting from reduced fleet utilisation and low material mined due to heavier than average rains in the period. Consequently, higher volumes of lower grade stockpiles were used to supplement the mill feed, resulting in a reduced feed grade for the half.

Additionally, the first SAG Mill re-line at Tucano occurred during the March 2015 quarter, taking eight days, twice as long as planned, equating to ~2,000 ounces of unbudgeted lost gold production.

Reported profit after tax has been negatively impacted by impairment losses of \$16.0 million (June 2014: \$1.1 million loss). Impairment losses include \$12.3 million in relation to the

Company's Magnetic Separation Plant and iron ore receivables.

## Cash Flow

Beadell received cash payment for 65,373 ounces during the half year, generating net cash flows from operating activities of \$9.2 million (June 2014: \$12.2 million).

Cash payments for investing activities were \$18.7 million (June 2014: \$20.7 million) and were largely associated with construction of the long term West Pond and North Mill Pond tailings dams.

Cash flows from financing activities were positive \$7.9 million (June 2014 \$21.4 million). Restricted cash released to operating accounts of \$31.2 million was reduced by repayment of loans and borrowings of \$13.9 million, dividend payment of \$8.0 million and interest payments of \$1.4 million.

## Balance Sheet

Beadell's balance sheet has weakened during the half year with net assets decreasing to \$164.1 million (December 2014: \$221.8 million).

The Company restructured its US\$60 million Bridge Loan with Santander into an unhedged 3-year Facility with Banco Santander and Banco Itaú ("Santander-Itaú Facility") in January 2015.

Overall gearing has decreased by \$31.0 million following the assignment of the Macquarie Lease Facility to MACA Limited and the payment of the first Santander-Itaú Facility instalment and repayment of other additional credit facilities totalling US\$7 million during the half year.

Beadell has reported cash and bullion of ~\$22 million at the end of the half year (December 2014: ~\$73 million).

## Impairment

The Company has recognised pre-tax impairment charges of \$16.0 million, inclusive of \$12.3 million in losses in relation to its Magnetic Separation Plant and iron ore receivables. The impairment charge has been recognised as a result of continued financial difficulties of the Company's iron ore by-product off-take partner, Zamin Amapá Mineração Ltda ("Zamin"), following the destruction of the port facility at Santana and the suspension of production activities by Zamin at their Amapá Iron Ore Mine.

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## Exploration

Exploration activities during the period were focussed on Duckhead Mine Corridor, Urucum Underground and Tucano Regional. Beadell's exploration costs for the half year were \$4.5 million (June 2014: \$4.3 million). Exploration includes amounts expensed and capitalised to mineral properties during the half year in accordance with Beadell's accounting policies.

A handwritten signature in black ink, appearing to read "Peter R. Bowler".

**Peter Bowler**  
**Managing Director**

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## Forward Looking Statements

These materials include forward looking statements. Forward looking statements inherently involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and may be unknown to, the company.

Actual results and developments may vary materially from that expressed in these materials. The types of uncertainties which are relevant to the company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on forward looking statements.

Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, the company undertakes any obligation to publicly update or revise any of the forward looking statements, changes in events, conditions or circumstances on which any such statement is based.