



23 February 2016

Ben Tippett
ASX Compliance Pty Ltd
Level 40, Central Park
152-158 St Georges Tce
Perth WA 6000

By email to: Ben.Tippett@asx.com.au

Dear Ben

RE: AWARE QUERY

I refer to your price query letter of 22 February 2016 regarding securities of Beadell Resources Limited (the "Company").

I refer to the questions raised in your letter and respond:

1. Yes.
2. Not applicable.
3. Except as set out below, the Company first became aware of the information in the announcement of 22 February 2016 (including the information identified in bullet points 1 and 3 of paragraph 4 of your letter) (**Announcement**) during the period following the Company's request for a Trading Halt pre-market open on 19 February 2016 and the Announcement. In this regard, the Company only made a decision to proceed with and commence a capital raising following discussion between the Directors after the close of ASX trading on 18 February 2016 and before the open of ASX trading on 19 February 2016. Based on that decision a Trading Halt request was submitted to ASX pre-market open on 19 February 2016.

In terms of Hartley's involvement in the capital raising as set out in the Announcement, the Company had been in confidential discussions with Hartleys for a short period of time prior to the Company deciding to proceed with and commence the capital raising (and the Company confidentially engaged Hartleys to assist with a potential capital raising on 15 February 2016). As set out above, however, no decision was made by the Company to proceed with and commence a capital raising until after ASX trading on 18 February 2016.

4. Other than as set out above, the Company did not become aware of any of the information in the Announcement until after submitting a Trading Halt request to ASX pursuant to ASX Listing Rule 17.1 pending an announcement to the market in relation to a capital raising. The Company requested that the Trading Halt remain in place until the release of an announcement by the Company about the results of the capital raising. Until the final results of the capital raising were known on 22 February 2016, the Company was not in a position to make the Announcement containing the results of the capital raising. Once these results were known, the Company immediately lodged an announcement with ASX.

A potential explanation for the increase in the Company's share price and increased share trading volumes in the period 17-18 February 2016 is the Company's positive announcement on 15 February 2016 (as set out again in an Investor Presentation lodged on 17 February 2016) of its production and cost forecast for its 100% owned Tucano gold mine for CY2016 compared to CY 2015, including a forecast increase in production of 19-31% and a decrease in all-in sustaining costs of 19-29%.



5. The Company confirms it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Yours sincerely

GREG BARRETT
Company Secretary
Beadell Resources Ltd