

Appendix 4D

Half Year Ended 30 June 2016

Results for Announcement to the Market

Current Reporting Period: 6 Months ended 30 June 2016
 Previous Corresponding Reporting Period: 6 Months ended 30 June 2015

	30 Jun 2016 \$'000	30 Jun 2015 \$'000	Percentage Increase/(Decrease)
Sales Revenue	100,457	83,294	21%
Profit/(Loss) from continuing operations after tax attributable to members of the parent entity	6,941	(30,335)	123%
Net profit/(loss) attributable to members of the parent entity	6,941	(30,335)	123%

Dividends	30 Jun 2016	30 Jun 2015
Interim dividend per share	Nil	Nil
Franked amount per share	Nil	Nil
Record date for determining entitlement to dividend	N/A	N/A
Date dividend payable	N/A	N/A

The Directors have determined that there will be no interim dividend for the half-year ended 30 June 2016.

	30 Jun 2016 \$	30 Jun 2015 \$
Net tangible assets per share*	0.18	0.18

* Exploration and evaluation assets and deferred tax assets are treated as intangible assets.

Review of Results

Please refer to the Directors' Report. This interim financial report should be read in conjunction with the most recent annual financial report.



ABN 50 125 222 291

ASX Appendix 4D and
Condensed Consolidated Interim Financial Report
For the half year ended 30 June 2016

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Corporate directory

Directors

Craig Readhead	Independent Non – Executive Director, Chairman
Brant Hinze	Independent Non – Executive Director
Timo Jauristo	Independent Non – Executive Director
Glen Masterman	Non – Executive Director
Simon Jackson	Chief Executive Officer & Managing Director

Company Secretary

Greg Barrett

Corporate Details

Beadell Resources Ltd (ABN 50 125 222 291)

Issued capital 1,055,067,540 ordinary shares

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Share Registry

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Adelaide SA 5000

Telephone: 1300 137 515

Telephone: +61 3 9415 4667

Stock Exchange Listing

ASX Ltd

ASX code: BDR

Auditor

KPMG

Directors' report

For the six months ended 30 June 2016

The directors present their report together with the financial report of the Beadell Resources Limited ("the Company" or "Beadell") Group, being the Company and its subsidiaries, for the six months ended 30 June 2016 ("the period") and the auditor's review report thereon.

Directors

The directors of the Company at any time during or since the end of the period are as set out below. Directors were in office for the entire period unless otherwise stated.

Mr Craig Readhead	Independent Non-Executive Chairman
Mr Brant E. Hinze	Independent Non-Executive
Mr Timo Jauristo	Independent Non-Executive
Dr Glen Masterman	Non-Executive (from 14 July 2016, previously Executive Director – Geology & Corporate Development)
Mr Simon Jackson	Chief Executive Officer & Managing Director

Operating results

The profit after income tax for the six months ended 30 June 2016 was \$6,941,000 (30 June 2015: \$30,335,000 (loss)).

	Jun 2016	Jun 2015
Operating results		
Total Waste Moved (t)	9,372,382	6,951,563
Marginal Ore Moved (t)	2,626	147,235
Gold Ore Mined (t)	1,201,040	999,246
Gold Ore Milled (t)	1,858,646	1,788,353
Head Grade (g/t)	1.07	1.02
Plant Recovery (%)	88%	89%
Total Gold Recovered (oz)	56,642	52,396
Total Gold Sold (oz)	60,302	53,986

Financial results	(\$ millions)	(\$ millions)
Revenue and costs of production		
Sales revenue	100.5	83.3
Costs of production	(72.2)	(68.4)
	28.3	14.9
Other significant items		
Depreciation and amortisation	(11.0)	(9.8)
Administrative expense	(9.9)	(9.3)
Impairment losses	(1.4)	(16.0)
Net finance income/(expense)	7.9	(11.2)
Income tax (expense)/benefit	(4.4)	3.1
Other items	(2.6)	(2.0)
Reported profit/(loss) after tax	6.9	(30.3)

Other financial information	(\$ millions)	(\$ millions)
Cash flow from operating activities	0.1	9.2
Cash and cash equivalents	26.7	11.0
Net assets	208.9	164.1
Basic earnings/(loss) per share	A\$0.01/share	(A\$0.04)/share

Directors' report

Review of operations

Tucano Gold Mine

Tucano is 100% owned by the Group and is located in Amapá State, northern Brazil.

Gold Production

Gold production for the six months ended 30 June 2016 at Tucano was 56,642 ounces, an increase of 8% over the half year 2015. During the period, 1,858,646 tonnes of predominantly oxide ore were processed at an average recovery of 88%.

Mining

Mining activities over the first half, which is the wet season, improved significantly compared to the first half of 2015 due to the use of fresh rock for construction, maintenance and sheeting of haul roads, pit access and waste dumps.

Total material mined was 9.4 million tonnes, an increase of 35% over first half 2015, including 1.2 million tonnes of gold ore at a grade of 1.16 g/t gold.

Mining during the period was predominantly from Urucum Central North, Urucum South, Tap AB1, Tap AB2 and Tap AB3. The Duckhead cutback continued during the first half of 2016 with high grade ore to be accessed in the September quarter.

Processing

The mill feed during the period was 1.9 million tonnes at an average feed grade of 1.07 g/t gold.

Operational improvements led to the physical side of the process plant operating well however, the anticipated low feed grade in the first half of the year resulted in lower gold production and higher costs per ounce.

During the period, process improvements were made in the crusher and apron feeder area, conveyors, carbon regeneration kiln and continued in consumable management and reagent usage.

Total high grade and low grade gold ore stockpiles at the end of June 2016 totalled 4.16 million tonnes @ 0.70 g/t for 93,000 ounces, a decrease of 13% compared to 31 December 2015. Marginal stockpiles remained static at 1.5 million tonnes @ 0.45 g/t for 21,000 ounces. This stockpile variation is in line with using the higher grade stockpiles to feed the mill during rain events and to limit the use of lower grade stockpiled ore.

Resource and Reserve Development

An annual Mineral Resource and Ore Reserve statement updated as at 31 December 2015 and produced in accordance with the 2012 Edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code") was released on 14 April 2016.

Tucano's Proved and Probable Ore Reserves as at 31 December 2015 was 28.9 million tonnes @ 1.59 g/t gold for 1.5 million ounces, including underground reserves of 3.0 million tonnes @ 3.61 g/t gold for 345,000 ounces. Ore Reserves were estimated using a gold price of US\$1,100 per ounce for open pit and US\$1,120 per ounce for underground.

The open pit reserves support a minimum remaining mine life at Tucano of seven years.

A total of 311,000 reserve ounces (+24%) were added before depletion of 136,000 ounces delivered to the plant in 2015. The new Tucano open pit reserve benefits from a 10% improvement to the Strip Ratio (6.7:1 from 7.5:1).

Notable reserve additions resulted from completion of the Urucum Underground Prefeasibility Study (345,000 ounces) and by conversion to reserves of a portion of the Tap AB1 Trough and Neo Lode discoveries.

The total Measured, Indicated and Inferred Mineral Resources as at 31 December 2015 were 67.1 million tonnes @ 1.64 g/t gold for 3.5 million ounces. This represents a 34% decrease in mineral resources from 2014, primarily due to the transition from an open pit to underground resource model for Urucum Underground and the resultant application of higher cut-off grades than were previously applied to resources reported below a US\$1,500 resource shell.

Urucum Underground Reserve and Pre-Feasibility Study ("PFS") Results

A positive PFS was announced in the March quarter of 2016 based on results of the deep diamond drilling program completed at Urucum North in 2015. AMC Consultants Pty Ltd completed the study which yielded a pre-tax NPV and IRR of US\$49 million and 30%, respectively at US\$1,120 per ounce. Probable underground ore reserves were 3.0 million tonnes grading 3.61 g/t gold for 345,000 ounces. Measured, indicated and inferred resources totalled 4.8 million tonnes grading 3.76 g/t gold for 575,000 ounces at a 1.6 g/t lower cut off.

The stated results of the PFS are based on the measured and indicated mineral resources re-estimated to take into account a re-optimisation and re-design of the Urucum North open pit. Future deep drilling will be aimed at upgrading the inferred mineral resources (1.93 million tonnes @ 3.01 g/t gold for 186,000 ounces at a 1.6 g/t lower cut off) to measured and indicated mineral resources and ultimately conversion to ore reserves, as well as continuing to explore the mineralisation at depth.

Directors' report

The Company believes there is good potential to further expand the Urucum Underground Mineral Resource proximal to areas of capital development contemplated by the PFS.

Exploration

Brazil

During the period, a total of 55,370 m of drilling, comprising 35,293 m of grade control reverse circulation (RC) drilling and 18,175 m of exploration and/or resource delineation RC drilling, was completed. A total of 1,902 m of diamond drilling was also completed.

The significant increase in exploration and resource definition drilling was primarily focussed on the drillout of the Tap AB1 and AB2 Trough Lode where highly encouraging results continued to be received.

Tap AB1 Trough Lode

During the first half of 2016, a drilling campaign continued at the high grade Tap AB1 Trough Lode. Results announced in three separate ASX announcements on 9 May 2016, 20 June 2016 and 6 July 2016 all show the emergence of a significant new high grade lode discovery at Tap AB1 that will become a major source of oxide mill feed within the next 12 months. Results included F01886 7 m @ 15.59 g/t from 34 m and 24 m @ 58.71 g/t from 78 m; F01889 47 m @ 3.54 g/t from 54 m including 13 m @ 9.53 g/t from 60 m; F01890 44 m @ 3.19 g/t from 65 m and 28 m @ 1.08 g/t from 123 m and 22 m @ 6.89 g/t from 174 m to BOH; and F01930 50 m @ 7.65 g/t from 137 m including 21 m @ 17.16 g/t from 165 m.

Tap AB2 Trough Lode

The Tap AB2 Trough Lode forms a strongly continuous high grade shoot with approximate dimensions of 150 m strike by 10 m true width plunging at about 45 degrees to the north. During the June quarter, a resource definition and extension drilling of the Tap AB2 Trough Lode produced highly positive results from within and immediately below the current reserve open pit, including: F02014 24 m @ 7.99 g/t from 102 m including 3 m @ 52.34 g/t from 115 m; F02019 13 m @ 164 g/t from 126 m including 6 m @ 351.3 g/t from 126 m; F02020 4 m @ 35.58 g/t from 126 m to BOH; and F02021 22 m @ 34.91 g/t from 99 m to BOH including 12 m @ 62.58 g/t from 108 m.

Tap D Sul

Significant results were received from RC drilling at the Tap D Sul target just to the south west of the Tap AB1 open pit in the June quarter. The mineralisation has been delineated over a strike length in excess of 100 m and remains open down dip. Approximate true width oxide results of up to 27 m @ 12.94 g/t from 33 m to BOH including 3 m @ 82.80 g/t from 43 m were intersected in the drilling and are located right next to existing infrastructure suggesting that Tap D Sul has the potential to form part of the mine plan in 2016.

Gold Nose

The Gold Nose target is located 1 km southeast of the Duckhead pit and is hosted in a similar geologic setting. Results from a 9-hole, 450 m RC drilling program, completed in the March quarter had extended mineralisation further down plunge from previous drilling to reveal an oxide gold lode dipping shallowly west. Best results from the program include: FVM552 9 m @ 5.79 g/t from 46 m including 4 m @ 12.05 g/t from 49 m; FVM553 4 m @ 4.78 g/t from 17 m; and FVM557 8 m @ 14.43 g/t from 41 m including 2 m @ 53.79 g/t from 41 m. Further extension and delineation drilling is planned for the September quarter.

Brazil Greenfields Exploration

Tucano Regional

Significant regional exploration programs including soils sampling, mapping, auger, RAB and RC drilling will be completed in the second half of 2016 centred on the Mutum discovery 20 km east of Tucano.

Mutum (100%)

Reconnaissance drilling at the 100% owned Mutum target, 20 km east of the Tucano plant, has confirmed the in situ origin of a 4 km long gold-in-soil geochemical anomaly. Mutum is the first targeted drilling program completed by Beadell on an early-stage target outside of the Tucano mining licenses. The new results are highly encouraging and reinforce the potential for the Tucano greenstone belt to deliver new gold discoveries in the future. Significant vertical drilling results included: PFMT100 2 m @ 4.71 g/t from 8 m to bottom of hole; PFMT122 7 m @ 5.13 g/t from 6 m including 3 m @ 9.95 g/t from 6 m; PFMT170 2 m @ 1.13 g/t from 16 m to bottom of hole; and PFMT173 3 m @ 0.64 g/t from surface.

Directors' report

Corporate

Gold Sales

Gold sales for the half year totalled 60,302 ounces at an average cash price received of US\$1,227 per ounce.

Cash and bullion

Cash and bullion as at 30 June 2016 totalled \$30.9 million (bullion valued at AUD/USD = 0.75 and US\$ 1,322 per ounce).

Bank Finance

During the 6 months ended 30 June 2016, the Company paid two quarterly instalments of US\$5 million in accordance with the terms of the Company's Santander – Itaú Facility. At 30 June 2016, the total outstanding facility was US\$35 million with seven quarterly payments of US\$5 million remaining.

In addition to the Santander - Itaú Facility repayments, the Company made additional net debt repayments of A\$2.6 million.

Capital Raising

On 22 February 2016, the Company announced it had received commitments to raise \$50 million through the placement of 256.4 million fully paid ordinary shares in two tranches to domestic and international institutional and sophisticated investors.

The Company has completed both tranches of the placement, receiving \$23.4 million in March 2016 and the remaining \$26.6 million in April 2016.

Subsequent events

There has not arisen in the interval between the end of the period and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future periods.

Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 23 and forms part of the directors' report for the six months ended 30 June 2016.

Rounding off

The Company is of a kind referred to in ASIC Instrument 2016/191 and in accordance with that Instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made with a resolution of the directors:



SIMON JACKSON

Managing Director

Dated at Perth, this 25th day of August 2016

Directors' report

Competent Persons Statement

The information in this report relating to Open Pit Ore Reserves is based on information compiled by Mr Nigel Arthur Spicer who is a member of the Australasian Institute of Mining and Metallurgy and who has sufficient experience which is relevant to the styles of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Spicer is a consultant who is employed by Minesure Pty Ltd and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report relating to Underground Ore Reserves is based on information compiled by Mr Frank Greblo who is a member of the Australasian Institute of Mining and Metallurgy and who has sufficient experience which is relevant to the styles of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Greblo is a consultant and a full time employee of AMC Consultants Pty Ltd and consents to the inclusion in this announcement of the matters based on his information, in the form and context in which they appear.

The information in this report relating to Mineral Resources has been approved by Mr Paul Tan who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the various styles of mineralisation under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Tan is a full time employee of the Beadell Resources Ltd and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report relating to Urucum Underground, Tap AB Underground, Tap C open pit and Duckhead Open pit Mineral Resources is based on information compiled by Mr Marcelo Batelochi 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Batelochi is a consultant and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report relating to Urucum open pit and Tap AB open pit Mineral Resources is based on information compiled by Mr Brian Wolfe who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the various styles of mineralisation under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Wolfe is a consultant and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information is extracted from the reports entitled "Positive Urucum Underground Pre-Feasibility Study" created on 31 March 2016, "Ore Reserve and Mineral Resource Update" created on 14 April 2016, "Exploration Update" created on 5 May 2016, "Tap AB1 High Grade Trough Lode Results" created on 9 May 2016, "High Grade Tap AB1 Trough Lode Continues To Grow" created on 20 June 2016, "High Grade Results from AB1, AB2 and D Sul" created on 6 July 2016 and are available to view on www.beadellresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Condensed Consolidated Interim Financial Statements

Condensed consolidated interim statement of financial position

As at 30 June 2016

	<i>Note</i>	Jun 2016 \$'000	Dec 2015 \$'000
Assets			
Cash and cash equivalents		26,741	9,721
Restricted cash		264	5,059
Prepayments		1,392	947
Gold bullion awaiting settlement		4,116	5,058
Trade and other receivables		23,867	16,791
Inventories	6	86,023	57,534
Total current assets		142,403	95,110
Trade and other receivables		141	66
Exploration and evaluation assets		755	673
Mineral properties		25,249	17,734
Property, plant and equipment	7	153,175	122,573
Deferred tax assets		20,914	20,108
Total non-current assets		200,234	161,154
Total assets		342,637	256,264
Liabilities			
Trade and other payables		53,622	38,189
Employee benefits		3,941	2,774
Borrowings	8	45,114	49,497
Provisions		3,007	2,751
Current tax liability		346	-
Total current liabilities		106,030	93,211
Employee benefits		190	180
Borrowings	8	20,090	34,061
Provisions		7,387	6,130
Total non-current liabilities		27,667	40,371
Total liabilities		133,697	133,582
Net assets		208,940	122,682
Equity			
Share capital	9	253,935	206,585
Reserves		(17,098)	(49,065)
Accumulated losses		(27,897)	(34,838)
Total equity		208,940	122,682

The notes on pages 15 to 19 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Financial Statements

Condensed consolidated interim statement of profit or loss and other comprehensive income

For the six months ended 30 June 2016

	Note	Jun 2016 \$'000	Jun 2015 \$'000
Revenue		100,457	83,294
Cost of sales		(85,067)	(80,091)
Gross profit		15,390	3,203
Other income		70	292
Administrative expenses		(9,901)	(9,256)
Project exploration and evaluation expenses		(536)	(397)
Impairment losses	5	(1,405)	(15,972)
Other expenses		(125)	(55)
Results from operating activities		3,493	(22,185)
Finance income		10,174	909
Finance expense		(2,277)	(12,146)
Net finance income/(expense)		7,897	(11,237)
Profit/(Loss) for the period before income tax		11,390	(33,422)
Income tax (expense)/benefit		(4,449)	3,087
Profit/(Loss) for the period after income tax		6,941	(30,335)
Other comprehensive profit/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences for foreign operations		30,957	(17,958)
Other comprehensive profit/(loss) for the period net of tax		30,957	(17,958)
Total comprehensive profit/(loss) for the year		37,898	(48,293)
Earning per share:			
Basic earnings/(loss) per share (\$)		0.01	(0.04)
Diluted earnings/(loss) per share (\$)		0.01	(0.04)

The notes on pages 15 to 19 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Financial Statements

Condensed consolidated interim statement of changes in equity

For the six months ended 30 June 2016

	Note	Share capital \$'000	Translation reserve \$'000	Share based payments reserve \$'000	Option premium reserve \$'000	Tax reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2016		206,585	(73,446)	14,024	3	10,354	(34,838)	122,682
Total comprehensive income for the period								
Profit for the period		-	-	-	-	-	6,941	6,941
Other comprehensive income								
Foreign currency translation differences		-	30,957	-	-	-	-	30,957
Total other comprehensive income		-	30,957	-	-	-	-	30,957
Total comprehensive income for the period		-	30,957	-	-	-	6,941	37,898
Transactions with owners recorded directly in equity								
Contributions by and distributions to owners								
Issue of ordinary shares	9	50,000	-	-	-	-	-	50,000
Equity transaction costs	9	(2,650)	-	-	-	-	-	(2,650)
Share based payments	10	-	-	1,010	-	-	-	1,010
Total contributions by and distributions to owners		47,350	-	1,010	-	-	-	48,360
Balance as at 30 June 2016		253,935	(42,489)	15,034	3	10,354	(27,897)	208,940

The notes on pages 15 to 19 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Financial Statements

Condensed consolidated interim statement of changes in equity

For the six months ended 30 June 2015

	<i>Note</i>	Share capital \$'000	Translation reserve \$'000	Share based payments reserve \$'000	Option premium reserve \$'000	Tax reserve \$'000	Accumulated profits/ (losses) \$'000	Total equity \$'000
Balance at 1 January 2015		206,585	(26,888)	12,937	3	11,708	17,494	221,839
Total comprehensive loss for the period								
Loss for the period		-	-	-	-	-	(30,335)	(30,335)
Other comprehensive loss								
Foreign currency translation differences		-	(17,958)	-	-	-	-	(17,958)
Total other comprehensive loss		-	(17,958)	-	-	-	-	(17,958)
Total comprehensive loss for the period		-	(17,958)	-	-	-	(30,335)	(48,293)
Transactions with owners recorded directly in equity								
Contributions by and distributions to owners								
Dividends		-	-	-	-	-	(7,987)	(7,987)
Share based payments	10	-	-	(24)	-	-	-	(24)
Transfer from tax reserve		-	-	-	-	(1,456)	-	(1,456)
Total contributions by and distributions to owners		-	-	(24)	-	(1,456)	(7,987)	(9,467)
Balance as at 30 June 2015		206,585	(44,846)	12,913	3	10,252	(20,828)	164,079

The notes on pages 15 to 19 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Financial Statements

Condensed consolidated interim statement of cash flows

For the six months ended 30 June 2016

	Jun 2016 \$'000	Jun 2015 \$'000
Cash flow from operating activities		
Profit for the period	6,941	(30,335)
Adjustments for:		
Depreciation	11,039	9,775
Net Impairment losses	1,405	15,972
Net loss on sale of plant and equipment	125	-
Net finance (income)/expense	(7,897)	11,237
Equity-settled share-based payment transactions	1,010	(24)
Income tax expense/(benefit)	4,449	(3,087)
	17,072	3,538
Changes in:		
Inventories	(28,489)	(8,200)
Gold bullion awaiting settlement	942	16,859
Trade and other receivables	(7,151)	(1,554)
Prepayments	(445)	3,269
Trade and other payables	15,433	(3,438)
Provisions and employee benefits	2,690	(1,249)
Net cash from operating activities	52	9,225
Cashflow from investing activities		
Interest received	1,089	406
Payments for property, plant and equipment	(21,763)	(19,083)
Net cash used in investing activities	(20,674)	(18,677)
Cashflow from financing activities		
Restricted cash held for security	4,795	31,196
Proceeds from issue of share capital, net of transaction costs	47,350	-
Repayment of loans and borrowings	(15,452)	(13,862)
Interest paid on loans	(1,004)	(1,415)
Dividends paid	-	(7,987)
Net cash from financing activities	35,689	7,932
Net increase/(decrease) in cash and cash equivalents	15,067	(1,520)
Cash and cash equivalents 1 January	9,721	13,398
Effect of exchange rate fluctuations on cash held	1,953	(896)
Cash and cash equivalents 30 June	26,741	10,982

The notes on pages 15 to 19 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

1. Reporting entity

Beadell Resources Limited (the “Company”) is a for profit company limited by shares and incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange.

The condensed consolidated interim financial statements of the Company as at and for the period from 1 January 2016 to 30 June 2016 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”). The nature of the operations and principal activities of the Group are as described in the Directors’ Report.

2. Statement of compliance

The condensed consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The condensed consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual report of the Group as at and for the year ended 31 December 2015.

The condensed consolidated interim financial statements were approved by the Board of Directors on 25 August 2016.

3. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial report as at and for the year ended 31 December 2015.

Notes to the condensed consolidated interim financial statements

4. Operating segments

The Group has two reportable segments; 'Brazilian operations and exploration' and 'Australian exploration', which are the Group's strategic business units.

The strategic business units are managed separately because they are governed by different regulatory regimes. For each of the strategic business units, the Board reviews internal management reports on a monthly basis.

Information about reportable segment profit/(loss)	Brazil \$'000	Australia \$'000	Total \$'000
6 months ended 30 June 2016			
External revenues	100,457	-	100,457
Project finance interest expenses	(2,029)	-	(2,029)
Unrealised foreign exchange gain	9,781	-	9,781
Impairment of segment assets	(1,405)	-	(1,405)
Depreciation and amortisation	(11,039)	-	(11,039)
Reportable segment profit/(loss) before income tax	21,263	(133)	21,130
6 months ended 30 June 2015			
External revenues	83,294	-	83,294
Project finance interest expenses	(1,661)	-	(1,661)
Unrealised foreign exchange loss	(8,849)	-	(8,849)
Impairment of segment assets	(15,932)	-	(15,932)
Depreciation and amortisation	(9,776)	-	(9,776)
Reportable segment loss before income tax	(23,423)	(29)	(23,452)

Reconciliation of reportable segment profit/(loss)	Jun 2016 \$'000	Jun 2015 \$'000
Total profit/(loss) for reportable segments	21,130	(23,452)
Unallocated amounts		
- Corporate income	161	53
- Corporate expenses	(9,901)	(10,023)
Consolidated profit/(loss) before tax	11,390	(33,422)

Information about reportable segment assets, liabilities and capital expenditure	Brazil \$'000	Australia \$'000	Total \$'000
June 2016			
Reportable segment assets	315,416	369	315,785
Reportable segment liabilities	115,360	1	115,361
Reportable segment capital expenditure	24,930	-	24,930
December 2015			
Reportable segment assets	245,815	384	246,199
Reportable segment liabilities	118,571	12	118,583
Reportable segment capital expenditure	42,135	-	42,135

Reconciliation of reportable segment assets and liabilities	Jun 2016 \$'000	Dec 2015 \$'000
Total assets for reportable segments	315,785	246,199
Unallocated amounts		
- Corporate assets	26,852	10,065
Consolidated assets	342,637	256,264
Total liabilities for reportable segments	115,361	118,583
Unallocated amounts		
- Corporate liabilities	18,336	14,999
Consolidated liabilities	133,697	133,582

Notes to the condensed consolidated interim financial statements

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of production. Segment assets are based on the geographical location of assets.

	Revenues Jun 2016 \$'000	Non-current assets Jun 2016 \$'000	Revenues Jun 2015 \$'000	Non-current assets Dec 2015 \$'000
Australia	-	369	-	384
Brazil	100,457	178,951	83,294	140,662
Unallocated amounts	-	20,914	-	20,108
Balance at the end of the period	100,457	200,234	83,294	161,154

5. Impairment

During the period the Group incurred impairment losses in respect of Brazilian State VAT ("ICMS") levied on the Group's purchases that, at balance date, are not considered recoverable.

In 2015, impairment losses of \$12.3 million were recognised in relation to its Magnetic Separation Plant and iron ore receivables in addition to ICMS related impairment losses.

6. Inventories

	Jun 2016 \$'000	Dec 2015 \$'000
Spare parts, raw materials and consumables - at cost	25,136	22,209
Ore stockpiles - at cost	57,898	30,160
Gold in circuit - at cost	2,350	3,091
Gold bullion - at cost	639	2,074
Balance at the end of the period	86,023	57,534

7. Property, plant and equipment

	Jun 2016 \$'000	Dec 2015 \$'000
Cost		
Opening balance	165,097	187,114
Additions	20,477	34,676
Disposals	-	(4,478)
Effect of movements in exchange rates	39,179	(52,215)
Balance at the end of the period	224,753	165,097
Depreciation		
Opening balance	(42,524)	(23,712)
Depreciation expensed	(12,451)	(33,389)
Impairment loss	-	(5,587)
Disposals	-	3,897
Effect of movements in exchange rates	(16,603)	16,267
Balance at the end of the period	(71,578)	(42,524)
Carrying amount		
Opening balance	122,573	163,402
Balance at the end of the period	153,175	122,573

Notes to the condensed consolidated interim financial statements

8. Borrowings

	Jun 2016	Dec 2015
	\$'000	\$'000
Unsecured loans	19,762	17,918
Secured loans	45,442	65,640
Balance at the end of the period	65,204	83,558
Current	45,114	49,497
Non current	20,090	34,061
Balance at the end of the period	65,204	83,558

Santander – Itaú Facility

The Group's secured Santander – Itaú Facility balance as at 30 June 2016 is US\$35 million.

MACA Facility

The Group's MACA Limited Facility balance as at 30 June 2016 is \$17.5 million.

Set-Off

The Group has established a Deed of Set-Off (the "Deed") with MACA Limited ("MACA") and its subsidiaries.

Through operation of the Deed, the Group has a right to set-off an amount receivable of \$9.7 million from MACA with an amount payable to MACA under the terms of the MACA Facility. Accordingly, a net balance payable to MACA in relation to the MACA Facility of \$7.9 million has been disclosed as at 30 June 2016.

Unsecured facilities

The Group's unsecured facilities comprise a US\$5.5 million facility with Banco do Brasil and US\$2 million facility with Bradesco.

9. Share capital

Movement in share capital for the half year ended 30 June 2016

	Number of Shares	Share Capital
Ordinary shares	'000 shares	\$'000
Opening balance	798,657	206,585
Capital raising	256,410	50,000
Issued capital closing balance	1,055,067	256,585
Equity transaction costs		(2,650)
Share capital closing balance	1,055,067	253,935

Capital raising

On 22 February 2016, the Company announced it had received commitments to raise \$50 million through the placement of 256.4 million fully paid ordinary shares in two tranches to domestic and international institutional and sophisticated investors.

The Company has completed both tranches of the placement, receiving \$23.4 million in March 2016 and the remaining \$26.6 million in April 2016.

Notes to the condensed consolidated interim financial statements

10. Share-based payments

Share Options

The Group has an established Employee Share Option Plan ("ESOP") under which Share Options can be offered to Key Management Personnel, employees and other parties. All Share Options issued under the ESOP are subject to the ESOP terms and conditions as disclosed in the Group's 31 December 2015 annual financial report.

Share Options granted during the period

Under the ESOP the following options were granted during the period:

Number of options	Grant date	Vesting	Expiring
1,375,000	18-Jan-16	Vested	31-Dec-18
1,375,000	18-Jan-16	31-Dec-16	31-Dec-19
8,125,000	21-Jan-16 *	Vested	31-Dec-18
8,125,000	21-Jan-16 *	21-Jan-17	31-Dec-19
1,625,000	22-Feb-16	Vested	31-Dec-18
1,625,000	22-Feb-16	21-Jan-17	31-Dec-19
375,000	13-Jun-16	Vested	31-Dec-18
375,000	13-Jun-16	31-Dec-16	31-Dec-19

The grant date fair value of ESOP options was measured using the Black-Scholes formula. The inputs used to determine the fair value of options granted during the period were:

Period ended 30 June 2016	Employee grant 18-Jan-16	Employee grant 18-Jan-16	KMP grant 21-Jan-16 *	KMP grant 21-Jan-16 *	Employee grant 22-Feb-16	Employee grant 22-Feb-16	Employee grant 13-Jun-16	Employee grant 13-Jun-16
Fair value at grant date	\$0.07	\$0.07	\$0.06	\$0.06	\$0.11	\$0.11	\$0.15	\$0.16
Expected dividends	0%	0%	0%	0%	0%	0%	0%	0%
Contractual life (years)	2.95	3.95	2.95	3.95	2.86	3.86	2.55	3.55
Market value of underlying shares	\$0.16	\$0.16	\$0.15	\$0.15	\$0.22	\$0.22	\$0.33	\$0.33
Option exercise price	\$0.20	\$0.25	\$0.20	\$0.25	\$0.20	\$0.25	\$0.37	\$0.43
Expected volatility of the underlying shares	76.12%	71.64%	76.12%	71.61%	77.60%	73.77%	80.62%	77.26%
Risk free rate applied	1.90%	1.97%	1.91%	1.97%	1.80%	1.84%	1.59%	1.55%

* Options for Key Management Personnel were provisionally expensed in 2015 in accordance with accounting standards from the date of issue (18 November 2015). These options were granted at the General Meeting on 21 January 2016.

No other features of options granted were incorporated into the measurement of fair value.

Forfeiture of unissued shares

During the period, 100,000 options exercisable at \$0.20 and 100,000 options exercisable at \$0.25 were forfeited as a result of failure to meet vesting conditions.

Performance Rights

The Group has an established Performance Rights Plan ("PRP") under which Performance Rights may be offered to Key Management Personnel and employees. All Performance Rights issued under the PRP are subject to the PRP terms and conditions as disclosed in the Group's 31 December 2015 annual financial report.

Performance Rights granted during the period

No Performance Rights were granted during the period.

11. Subsequent events

There have been no other events subsequent to balance date which would have a material effect on the Group's condensed consolidated interim financial statements.

Directors' declaration

1. In the opinion of the directors of Beadell Resources Limited ("the Company"):
 - (a) the condensed consolidated interim financial statements and notes 1 to 11 that are contained within are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



SIMON JACKSON
Managing Director

Dated at Perth, this 25th day of August 2016

Independent auditor's report



Independent auditor's review report to the members of Beadell Resources Limited

Report on the financial report

We have reviewed the accompanying interim financial report of Beadell Resources Limited, which comprises the condensed consolidated interim statement of financial position as at 30 June 2016, and condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2016 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Beadell Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Independent auditor's report



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Beadell Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

Brent Steedman

Brent Steedman

Partner

Perth

25 August 2016

Auditor's independence declaration



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Beadell Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half year ended 30 June 2016 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Brent Steedman

Brent Steedman

Partner

Perth

25 August 2016